

**CUPERTINO SANITARY DISTRICT
SANITARY BOARD MEETING
WENDESDAY, APRIL 20, 2022**

AGENDA

The meeting will be held at 7:00 p.m. via teleconference [call 1 (866) 899 - 4679 Conference Access Code: 251566821] and anyone interested may also call in. The District Office at 20863 Stevens Creek Blvd, Suite 100, Cupertino is closed.

1. ROLL CALL

2. AB 361

The Board of Directors makes the following findings required by AB 361 in order to continue holding meetings by teleconferencing electronically: (1) the March 4, 2020 Governor's Proclamation of a State of Emergency is still in effect, (2) over 1 million US residents have died from COVID and health officials continue to encourage social distancing, and (3) due to room capacity limitations, meeting in person would present imminent risks to the health or safety of attendees.

3. PUBLIC COMMENTS

This portion of the meeting is reserved for persons desiring to address the board on any matter not on the agenda. Speakers are limited to three (3) minutes.

All statements requiring a response will be referred to staff for further action. In most cases, state law will prohibit the board from making any decisions with respect to a matter not listed on the agenda.

4. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

In accordance with government code section Paragraph (1) of Subdivision (d) of Section 54956.9, existing litigation. Name of Case: County Sanitation District 2-3, West Valley Sanitation District, Cupertino Sanitary District, Burbank Sanitary District and the City of Milpitas v. The City of San Jose, The City of Santa Clara and Does 1 through 50 inclusive.

5. MINUTES & BILLS

- A. APPROVAL OF THE MINUTES OF APRIL 6, 2022**
- B. APPROVED MINUTES OF MARCH 16, 2022**
- C. PAYMENT OF BILLS AND APPROVAL OF FINANCIAL STATEMENT**
- D. DIRECTOR'S MONTHLY TIMESHEETS**

**CUPERTINO SANITARY DISTRICT
SANITARY BOARD MEETING
WENDESDAY, APRIL 20, 2022**

6. CORRESPONDENCE

- A. SANTA CLARA LAFCO – ADOPTION OF PROPOSED BUDGET FOR FY2023 & NOTICE OF PUBLIC HEARING

7. MEETINGS

- A. TELECONFERENCE MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT TECHNICAL ADVISORY COMMITTEE (TAC) TO BE HELD ON MONDAY, MAY 16, 2022
- B. TELECONFERENCE MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE (TPAC) TO BE HELD ON THURSDAY, MAY 19, 2022

8. REPORTS

- A. CWEA ANNUAL CONFERENCE HELD ON APRIL 11-14, 2022

9. UNFINISHED BUSINESS

- A. RATE STUDY FOLLOW-UP
- B. LIHWAP
- C. COVID-19 UPDATES

10. NEW BUSINESS

- A. AMENDMENT TO AGREEMENT - I-280/WOLFE ROAD SEWER RELOCATION BENNETT TRENCHLESS ENGINEERS (BTE) AGREEMENT FOR TRENCHLESS ENGINEERING SERVICES

11. STAFF REPORT

- A. FUTURE DEVELOPMENT PROJECTS
- B. NEW WASTE DISCHARGE REQUIREMENTS UPDATE
- C. MONTHLY MAINTENANCE REPORT

12. CALENDAR ITEMS

- A. NEXT REGULAR DISTRICT BOARD MEETING IS SCHEDULED TO BE HELD ON WEDNESDAY, MAY 4, 2022

13. ADJOURNMENT

CUPERTINO SANITARY DISTRICT BOARD MEETING
WEDNESDAY, APRIL 6, 2022

The Sanitary Board of the Cupertino Sanitary District convened this date at 7:00 p.m. This meeting was conducted via teleconferencing in accordance with AB 361. The District office at 20863 Stevens Creek Blvd, Suite 100, Cupertino was closed.

1. ROLL CALL:

President Bosworth called the meeting to order, and the following proceedings were had to wit: Roll call was taken, with the following members in attendance:

Directors present: Angela S. Chen, Taghi S. Saadati, William A. Bosworth, Patrick S. Kwok, and David A. Doyle.

Staff present: District Manager Benjamin Porter, Deputy District Manager Robert Woodhouse, Operations Manager Frank Quach, and Counsel Marc Hynes.

District Consultant: Richard K. Tanaka

Public: Leagong Chen

2. AB 361:

The Board of Directors makes the following findings required by AB 361 in order to continue holding meetings by teleconferencing electronically: (1) the March 4, 2020 Governor's Proclamation of a State of Emergency is still in effect, (2) over 1 million US residents have died from COVID and health officials continue to encourage social distancing, and (3) due to room capacity limitations, meeting in person would present imminent risks to the health or safety of attendees.

On a motion by President Bosworth, seconded by Director Chen, by a vote of 5-0-0 the Board approved.

3. PUBLIC COMMENTS:

There were none.

4. CLOSED SESSION:

President Bosworth adjourned the regular meeting session and opened the closed session at 7:04 p.m. Manager Porter and Deputy Manager Woodhouse were excused from the closed session.

A. Conference with legal counsel – Existing Litigation in accordance with government code section Paragraph (1) of Subdivision (d) of Section 54956.9, existing litigation. Name of Case: County Sanitation District 2-3, West Valley Sanitation District, Cupertino Sanitary District, Burbank Sanitary District, and the City of Milpitas v. The City of San Jose, The City of Santa Clara, and Does 1 through 50 inclusive.

Board action: There was no reportable action.

The closed session was adjourned at 7:23 p.m. and the regular meeting was called to order. Manager Porter, and Deputy Manager Woodhouse, rejoined the regular meeting at 7:24 p.m.

CUPERTINO SANITARY DISTRICT BOARD MEETING
WEDNESDAY, APRIL 6, 2022

Motion to move Agenda Item 10. New Business, Item A. forward in the agenda to allow Mr. Leagong Chen and Frank Quach to participate in the discussion.

On a motion by Director Saadati, seconded by Director Kwok, by a vote of 5-0-0, Item 10.A. was moved up.

10. NEW BUSINESS

A. Clean Out Installation - APN: 326-08-030

After discussion, on a motion by Director Saadati, seconded by Director Kwok, by a vote of 4-0-1, the Board denied the request for a waiver and required the homeowner to follow District standards. Director Chen abstained.

Board requested a review of the District ordinance for approval of a lateral connection to require the homeowner to provide a TV inspection of the existing lateral at their cost.

5. MINUTES:

A. On a motion by Director Saadati, seconded by Director Kwok, by a vote of 5-0-0, the minutes of Wednesday, March 16, 2022, were approved.

B. By consensus, the Minutes of Wednesday, March 2, 2022, are to be Noted & Filed.

6. CORRESPONDENCE:

A. The Board reviewed an email request to participate in the California Department of Community Services & Development – Low Income Household Water Assistance Program. The Board requested staff to check with other sewer system agencies through CASA BACWA and CASSE. Director Kwok will check with other sewer agencies at the annual CWEA conference in Sacramento.

7. MEETINGS:

A. The teleconference meeting of The San Jose/Santa Clara Treatment Plant Technical Advisory Committee (TAC) to be held on April 11, 2022 was canceled.

B. The teleconference meeting of The San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) to be held on April 14, 2022 was canceled.

C. Director Kwok will attend the California Water Environment Association (CWEA) 2022 Annual Conference (AC22) in Sacramento held from April 11 – 14.

8. REPORTS:

There were none.

CUPERTINO SANITARY DISTRICT BOARD MEETING
WEDNESDAY, APRIL 6, 2022

9. UNFINISHED BUSINESS:

- A. Manager Porter reported on COVID-19 updates. Mark Thomas has returned to the Cupertino office in a hybrid arrangement.
- B. The Board discussed the Rate Study – Consideration To Set Time And Place For Public Hearing. Manager Porter presented various cash flow scenarios with different amounts of rate increase for the next 5 years. On a motion by Director Saadati, seconded by Director Bosworth, by a vote of 5-0-0, the Board set the rate increase to a maximum of 5% and set the public hearing for June 1, 2022, via teleconference.

Director Kwok left the meeting at 9:05 p.m. and returned at 9:15 p.m.

10. NEW BUSINESS:

Moved up on the agenda, after Item 4.A.

11. STAFF REPORTS:

- A. The report on Waste Discharge Requirements was deferred to the next regular Board meeting.
- B. Manager Porter provided a summary of Current Development Projects.

12. CALENDAR ITEMS:

- A. The next regular District Board meeting is scheduled to be held on Wednesday, April 20, 2022.

13. ADJOURNMENT

On a motion properly made and seconded, at 9:25 p.m. the meeting was adjourned.

Secretary of the Sanitary Board

President of the Sanitary Board

CUPERTINO SANITARY DISTRICT BOARD MEETING
WEDNESDAY, MARCH 16, 2022

The Sanitary Board of the Cupertino Sanitary District convened this date at 7:00 p.m. This meeting was conducted via teleconferencing in accordance with AB 361. The District office at 20863 Stevens Creek Blvd, Suite 100, Cupertino was closed.

1. ROLL CALL:

President Bosworth called the meeting to order, and the following proceedings were had to wit: Roll call was taken, with the following members in attendance:

Directors present: Angela S. Chen, Taghi S. Saadati, William A. Bosworth, Patrick S. Kwok, and David A. Doyle.

Staff present: District Manager Benjamin Porter, Deputy District Manager Robert Woodhouse, and Counsel Marc Hynes.

District Consultant: Richard K. Tanaka

Public: None

2. AB 361:

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On a motion by President Bosworth, seconded by Director Saadati, by a vote of 5-0-0, the Board approved.

3. PUBLIC COMMENTS:

There were none.

4. CLOSED SESSION:

President Bosworth adjourned the regular meeting session and opened the closed session at 7:01 p.m. Manager Porter, and Deputy Manager Woodhouse were excused from the closed session.

A. Conference with legal counsel – Existing Litigation in accordance with government code section Paragraph (1) of Subdivision (d) of Section 54956.9, existing litigation. Name of Case: County Sanitation District 2-3, West Valley Sanitation District, Cupertino Sanitary District, Burbank Sanitary District, and the City of Milpitas v. The City of San Jose, The City of Santa Clara, and Does 1 through 50 inclusive.

Board action: There was no reportable action.

The closed session was adjourned at 8:47 p.m. and the regular meeting was called to order. District Manager Porter, and Deputy District Manager Woodhouse rejoined the regular meeting.

CUPERTINO SANITARY DISTRICT BOARD MEETING
WEDNESDAY, MARCH 16, 2022

5. MINUTES & BILLS:

- A. On a motion by Director Chen, seconded by Director Saadati, by a vote of 4-0-1, the minutes of Wednesday, March 2, 2022, were approved as written. Director Doyle abstained.
- B. By consensus, the Amended Minutes of Monday, February 16, 2022, are to be Noted & Filed.
- C. The Board reviewed February payable warrants and financial statements. On a motion by Director Kwok, seconded by Director Chen, by a vote of 5-0-0, the financial statements and payment of bills were approved as written.
- D. Board members will submit their March timesheets to Manager Porter.

6. CORRESPONDENCE:

- A. The Board reviewed the City of San Jose – Draft Proposed 2022-23 Regional Wastewater Facility (RWF) Capital Budget, Draft Proposed 2023-27 RWF Capital Improvement Program, Draft Proposed 23-27 South Bay Water Recycling (SBWR) Capital Budget and Capital Improvement Program, and Draft Proposed 2022-23 RWF and SBWR Operating and Maintenance (O&M) Budget. It is to be Noted & Filed.

7. MEETINGS:

- A. There are none.

8. REPORTS:

- A. Director Bosworth reported on the Santa Clara County Special Districts Association regular meeting held on March 7, 2022.
- B. Manager Porter reported on the teleconference meeting of The San Jose/Santa Clara Treatment Plant Technical Advisory Committee (TAC) held on March 7, 2022.
- C. Director Kwok reported on the teleconference meeting of The San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) held on March 10, 2022.

9. UNFINISHED BUSINESS:

- A. Manager Porter reported on COVID-19 updates.

10. NEW BUSINESS:

- A. The Board discussed Form 470 Filing for 2022. Manager Porter is to send a pdf copy of Form 470 to all Board members.
- B. The Board reviewed memo on Annual Infocare Renewal for XPSWMM. On a motion by Director Saadati, seconded by Director Doyle, by a vote of 5-0-0, the Board approved reimbursement in the amount of \$3,580.00 (50%) to Mark Thomas.

CUPERTINO SANITARY DISTRICT BOARD MEETING
WEDNESDAY, MARCH 16, 2022

- C. The Board discussed the Preliminary Budget Review. Staff is to finalize the budget and bring it back to the Board for approval.
- D. The Board reviewed the Riverwatch Settlement Agreement. On a motion by Director Saadati, seconded by President Bosworth, by a vote of 5-0-0, the agreement was approved.

11. STAFF REPORTS:

- A. Manager Porter reported on Future Development Projects.
- B. Manager Porter reported on the Monthly Maintenance Report.

12. CALENDAR ITEMS:

- A. The next regular District Board meeting is scheduled to be held on Wednesday, April 6, 2022.

13. ADJOURNMENT:

On a motion properly made and seconded, at 10:02 p.m. the meeting was adjourned.

Secretary of the Sanitary Board

President of the Sanitary Board

Item 5.C.

CUPERTINO SANITARY DISTRICT WARRANTS PAYABLE - April 20, 2022

<u>WARRANT NUMBER</u>	<u>FUND</u>	<u>AMOUNT</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	
N/A	M&O	\$ 2,637.06	ADP	Directors' Salary	
19360	M&O	\$ 849.36	Dooley Insurance Services	Insurance - Group Life & Dental	
19361	M&O	\$ 192.00	CWEA	Memberships	
N/A	M&O	\$ 491.39	CalBank Credit Card Processing Fees	Operating Exp. - Credit Card Processing Fees	
19362	M&O	\$ 476,843.78	Mark Thomas	Office Rent	400.00
				Operating Expenses	297.40
				Management Services	55,279.42
				SSMP Certification and Implementation	889.00
				Engineering Services	125,152.83
				Peak Flow Reduction	22,656.29
				Plan Checking & Inspection	25,005.73
				Repairs	11,396.91
				Maintenance	213,599.33
				Utilities	1,052.70
				Emergency Funds	2,011.79
				District Sewer Capital & Support	19,102.38
19363	M&O	\$ 3,204,505.00	City of San Jose	Treatment Plant Operations & Maintenance	1,668,844.00
				Treatment Plant Capital	1,535,661.00
19364	M&O	\$ 27,750.00	V&A Consulting Engineers	Inflow/Infiltration Reduction (PeakFlow)	
19365	M&O	\$ 5,500.00	Richard K. Tanaka	Legal - Consultant Services	
19366	M&O	\$ 2,916.00	Armento & Hynes LLP	Legal - District Counsel	
19367	M&O	\$ 20,832.99	CD & Power	Repairs	
19368	M&O	\$ 3,864.83	Shape Inc.	Repairs	
19369	M&O	\$ 10,095.76	St. Francis Electric	Repairs	
19370	M&O	\$ 1,200.00	Always CPR	Maintenance	
19371	M&O	\$ 62.42	Cupertino Supply, Inc.	Maintenance	
19372	M&O	\$ 538.75	Grainger	Maintenance	
19373	M&O	\$ 361.14	Home Depot	Maintenance	
19374	M&O	\$ 334.00	Mission Communications, LLC	Maintenance	
19375	M&O	\$ 1,497.86	Underground Service Alert	Maintenance	
19376	M&O	\$ 23,783.76	RotoRooter	Maintenance	
19377	M&O	\$ 83,022.50	AB/JDD Plumbing Heating & AC	Maintenance	
19378	M&O	\$ 69,054.98	Able Underground Construction	Maintenance	59,194.58
				Repairs	1,445.40
				District Sewer Capital & Support	8,415.00
19379	M&O	\$ 1,362.33	Patrick Kwok	Travel and Meetings - BOD	
19380	M&O	\$ 62.55	City of Santa Clara Utilities	Utilities	
19381	M&O	\$ 4,218.57	PG&E	Utilities	
19382	M&O	\$ 60,000.00	California River Watch	Refunds & Reimbursements-Miscellaneous	
TOTAL WARRANTS		\$ 4,001,977.03			

<u>Pk Flow Red. Total:</u>	\$ 50,406.29	Mark Thomas, V&A Consulting
<u>Maintenance Total:</u>	\$ 383,594.34	Mark Thomas, CPR, Cup. Supply, Grainger, Home Depot, Mission, USA, Roto Rooter, ABLE, AB/JDD
<u>Utilities Total:</u>	\$ 5,333.82	Mark Thomas, Santa Clara Utilities, PG&E
<u>Emergency Total:</u>	\$ 2,011.79	Mark Thomas

EMERGENCY DETAILS:

Roto-Rooter - No emergencies this month
Able - NO emergencies this month
AB/JDD Plumbing - NO emergencies this month

CUPERTINO SANITARY DISTRICT
MONTHLY FINANCIAL REPORT THROUGH JUNE 2022
(9th Month of Operations - 75% into FY Operations)
FISCAL YEAR: July 1, 2021 to June 30, 2022

EXPENSE SUMMARY REPORT

Account Name	Account Number	BUDGET	Prior Expenses	Amount Payable	Total To Date Expenses	Remaining Balance	(#H{shqghg# Gdwh	Comments
MAR SERVICES								
OPERATING EXPENSES								
Loan Payments	41000	\$1,200,542	\$598,062.50	\$0.00	\$598,062.50	\$602,479.17	49.8%	None this month
Directors Fees	41030	\$38,000	\$19,053.22	\$2,637.06	\$21,690.28	\$16,309.72	57.1%	On Target
Gasoline, Oil & Fuel	41060	\$3,000	\$0.00	\$0.00	\$0.00	\$3,000.00	0.0%	None to date
Insurance	41060	\$170,000	\$149,968.54	\$849.36	\$150,817.90	\$19,182.10	88.7%	Dooley Insurance (Group Life and Dental - May Coverage)
Memberships	41080	\$57,000	\$35,508.03	\$192.00	\$35,700.03	\$21,299.97	62.6%	CWEA Membership for Inspector
Office Rent	41090	\$4,800	\$3,200.00	\$400.00	\$3,600.00	\$1,200.00	75.0%	On Target
Operating Expenses	41100	\$3,000	\$1,222.24	\$297.40	\$1,519.64	\$1,480.36	50.7%	District Annual Website Hosting Fee; Postage for office use
Operating Expenses - Credit Card Transaction Fees	41100-1	\$6,000	\$3,024.51	\$491.39	\$3,515.90	\$2,484.10	58.6%	Credit Card Processing Fees - March
Contractual Services:								
Outfall Maintenance	41113	\$71,000	\$46,535.89	\$0.00	\$46,535.89	\$24,464.11	65.5%	None this month
T.P. Oper. & Maint.	41114	\$6,675,375	\$5,006,532.00	\$1,668,844.00	\$6,675,376.00	-\$1.00	100.0%	City of San Jose - FY21-22 Q4; Paid in full for this Fiscal Year
Professional Services:								
Management Services	41121	\$550,000	\$348,458.16	\$55,279.42	\$403,737.58	\$146,262.42	73.4%	On Target
SSMP Certification and Implementation	41121	\$100,000	\$1,390.60	\$889.00	\$2,279.60	\$97,720.40	2.3%	On Target
Engineering Services	41122	\$1,300,000	\$798,184.89	\$125,152.83	\$923,337.72	\$376,662.28	71.0%	On Target
Inflow/Infiltration Reduction	41122	\$500,000	\$363,981.41	\$50,406.29	\$414,387.70	\$85,612.30	82.9%	Peak flow reduction program - Mark Thomas and V&A Consulting
Plan Ckg. & Insp.	41123	\$300,000	\$129,869.73	\$25,005.73	\$154,875.46	\$145,124.54	51.6%	On Target
Legal - Consultant Services	41124	\$36,000	\$20,400.00	\$5,500.00	\$25,900.00	\$10,100.00	71.9%	Richard Tanaka - Consulting Services for March 2022
Legal - District Counsel	41124	\$60,000	\$25,659.00	\$2,916.00	\$28,575.00	\$31,425.00	47.6%	District Legal Services for March 2022
Legal - Common Interest Group (CuSD Advance Pay)	41124	\$1,014,000	\$619,921.61	\$0.00	\$619,921.61	\$394,078.39	61.1%	None this month
Legal - Common Interest Group (CuSD Share)	41124	\$286,000	\$174,849.69	\$0.00	\$174,849.69	\$111,150.31	61.1%	None this month
Audit	41125	\$12,000	\$11,950.00	\$0.00	\$11,950.00	\$50.00	99.6%	Paid in full - Financial Audit for FY2020-2021
Printing & Publications	41130	\$28,000	\$9,160.36	\$0.00	\$9,160.36	\$18,839.64	32.7%	None this month
Repair and Maintenance								
Repairs	41150	\$450,000	\$87,685.90	\$47,635.89	\$135,321.79	\$314,678.21	30.1%	On target
Maintenance	41151	\$3,450,000	\$2,302,023.39	\$383,594.34	\$2,685,617.73	\$764,382.27	77.8%	On target
Travel & Meetings Staff	41170	\$15,000	\$992.50	\$0.00	\$992.50	\$14,007.50	6.6%	None this month
Travel & Meetings BOD	41170	\$18,000	\$5,579.78	\$1,362.33	\$6,942.11	\$11,057.89	38.6%	CWEA Annual Conference: Director Kwok
Utilities	41190	\$70,000	\$42,269.31	\$5,333.82	\$47,603.13	\$22,396.87	68.0%	On target
Refunds & Reimbursements:								
Miscellaneous	41201	\$50,000	\$713.86	\$60,000.00	\$60,713.86	-\$10,713.86	121.4%	Settlement between CuSD and River Watch (legal and expert fees)
Connection Fees	41202	\$2,000	\$0.00	\$0.00	\$0.00	\$2,000.00	0.0%	None to date
Checking & Inspection	41203	\$3,000	\$400.00	\$0.00	\$400.00	\$2,600.00	13.3%	None this month
Emergency Funds	48000	\$250,000	\$71,736.28	\$2,011.79	\$73,748.07	\$176,251.93	29.5%	Mark Thomas Stoppage Response for the month
Consolidated Election	48001	\$0	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	None this Fiscal Year
TOTAL OPERATING EXPENSES		\$16,722,717	\$10,878,333.40	\$2,438,798.65	\$13,317,132.05	\$3,405,584.62	79.6%	
CAPITAL EXPENSES								
District Sewer Capital & Support	46041	\$1,000,000	\$199,680.53	\$27,517.38	\$227,197.91	\$772,802.09	22.7%	I-280/Wolfe Road Sewer Relocation - Mark Thomas; Able - Sewer Lateral Repair
Treatment Plant Capital	46042	\$8,430,221	\$6,893,984.00	\$1,535,661.00	\$8,429,645.00	\$576.00	100.0%	City of San Jose - FY21-22 Q4; Paid in full for this Fiscal Year
Outfall Capital	46042	\$1,095,045	\$101,058.05	\$0.00	\$101,058.05	\$993,986.95	9.2%	None this month
District Equipment	46043	\$150,000	\$115,291.12	\$0.00	\$115,291.12	\$34,708.88	76.9%	None this month
Replacement Fund	46044	\$300,000	\$0.00	\$0.00	\$0.00	\$300,000.00	0.0%	
TOTAL CAPITAL EXPENSES		\$10,975,266	\$7,310,013.70	\$1,563,178.38	\$8,873,192.08	\$2,102,073.92	80.8%	
TOTAL EXPENSES		\$27,697,983	\$18,188,347.10	\$4,001,977.03	\$22,190,324.13	\$5,507,658.54	80.1%	

CUPERTINO SANITARY DISTRICT
MONTHLY FINANCIAL REPORT THROUGH JUNE 2022
(9th Month of Operations - 75% into FY Operations)
 FISCAL YEAR: July 1, 2021 to June 30, 2022

REVENUE SUMMARY REPORT

Account Name	Account Number	BUDGET	Prior Receipts	Current Month Receipts March Receipts	Total Amount Received	Remaining Balance to Collect	% Earned To Date	Comments
OPERATING REVENUES								
Service Charges								
Handbilling	31010	\$574,901.00	\$339,995.30	\$0.00	\$339,995.30	\$234,905.70	59.1%	None this month
Tax Roll	31010	\$18,647,000.00	\$11,068,202.67	\$0.00	\$11,068,202.67	\$7,578,797.33	59.4%	None this month
Permit Fees	31020	\$75,000.00	\$63,031.33	\$8,150.00	\$71,181.33	\$3,818.67	94.9%	Twenty-three payments received this month; Two hundred six payments received to date
Connection Fees	31031	\$300,000.00	\$407,586.00	\$11,034.00	\$418,620.00	(\$118,620.00)	139.5%	One payment received this month; Four payments received to date
Capacity Fees	31032	\$450,000.00	\$1,391,960.40	\$5,212.00	\$1,397,172.40	(\$947,172.40)	310.5%	One payment received this month; Six payments received to date including \$1.2M Westport IA
Pump Zone Fees	31033	\$20,000.00	\$0.00	\$0.00	\$0.00	\$20,000.00	0.0%	None to date
Checking & Inspection Fees	31040	\$300,000.00	\$155,000.00	\$13,300.00	\$168,300.00	\$131,700.00	56.1%	Thirty-three payments received this month; Two hundred twenty-eight payments received to date
Annexation	32010	\$2,500.00	\$0.00	\$0.00	\$0.00	\$2,500.00	0.0%	None to date
Interest	32050	\$200,000.00	\$70,849.96	\$0.00	\$70,849.96	\$129,150.04	35.4%	None this month
City of San Jose Credit(s)	32091	\$500,000.00	\$0.00	\$1,395,139.00	\$1,395,139.00	(\$895,139.00)	279.0%	FY20-21 Credits - \$843K for O&M and \$552K for Capital
Legal - Common Interest Group (Tributaries)	32902.1	\$1,014,000.00	\$814,433.33	\$73,052.89	\$887,486.22	\$126,513.78	87.5%	Received from BSD, CSD2-3, and WVSD for CIG/Tribs Cost Sharing (Nov-Dec. Billings)
Legal - Common Interest Group (2% Admin Fees)	32902.2	\$14,000.00	\$9,285.67	\$1,490.88	\$10,776.54	\$3,223.46	77.0%	Received from BSD, CSD2-3, and WVSD for CIG/Tribs Cost Sharing (Nov-Dec. Billings)
Refunds/Reimbursements - Misc.	32091	\$10,000.00	\$16,294.73	\$0.00	\$16,294.73	(\$6,294.73)	162.9%	none this month
Lateral Construction	32093	\$15,000.00	\$0.00	\$0.00	\$0.00	\$15,000.00	0.0%	None to date
TOTAL OPERATING REVENUE		\$22,122,401.00	\$14,336,639.39	\$1,507,378.77	\$15,844,018.16	\$6,278,382.84	71.62%	
		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	Reserve Account
TOTAL OPERATING REVENUE		\$22,122,401.00	\$14,336,639.39	\$1,507,378.77	\$15,844,018.16	\$6,278,382.84	71.62%	

FDVK#DFFRXQW#VXPPDI

Date	Operating Fund	Replacement Fund	Comingled Fund	Cal Bank Trust Acct	Loan Balance with interest *	Net Cash
FY 2020-21 Balance	\$18,598,059.22	\$3,000,000.00	\$15,598,059.22	\$1,258,050.65	\$1,107,662.04	\$20,963,771.91
July 31, 2021	\$16,183,910.31	\$3,000,000.00	\$13,183,910.31	\$1,279,650.78	\$1,107,680.25	\$18,571,241.34
August 31, 2021	\$14,986,161.40	\$3,000,000.00	\$11,986,161.40	\$1,290,446.39	\$1,107,699.67	\$17,384,307.46
September 30, 2021	\$14,443,648.98	\$3,000,000.00	\$11,443,648.98	\$1,304,802.28	\$1,107,717.88	\$16,856,169.14
October 31, 2021	\$7,230,651.61	\$3,000,000.00	\$4,230,651.61	\$634,797.93	\$1,058,707.83	\$8,924,157.37
November 30, 2021	\$6,675,264.04	\$3,000,000.00	\$3,675,264.04	\$647,886.30	\$1,058,726.40	\$8,381,876.74
December 31, 2021	\$6,071,632.82	\$3,000,000.00	\$3,071,632.82	\$665,535.28	\$1,058,744.38	\$7,795,912.48
January 31, 2022	\$14,357,691.19	\$3,000,000.00	\$11,357,691.19	\$675,278.53	\$1,058,762.37	\$16,091,732.09
February 28, 2022	\$15,432,676.39	\$3,000,000.00	\$12,432,676.39	\$695,561.62	\$1,058,778.61	\$17,187,016.62
March 31, 2022	\$16,038,646.37	\$3,000,000.00	\$13,038,646.37	\$715,953.17	\$1,058,796.60	\$17,813,396.14

FOR CAL BANK SUMMARY, SEE ATTACHED DETAIL.

CALIFORNIA BANK AND TRUST ACCOUNT SUMMARY AS OF 3/31/2022

Cal Bank Activities				Total Interest Earned or Refund Received from CSJ	Interest or Refund Prorated to Loan Balance	Loan Balance w/Interest	Interest or Refund Prorated to \$600K District Savings	District Portion of Savings Balance	Total Savings balance	Checking Acct Balance (Credit Card Payments Received)	TOTAL AT CAL BANK
No.	Payee	Date	Check Amount			\$10,000,000.00			\$10,000,000.00		\$10,000,000.00
1001	San Jose	10/16/19	\$2,180,309.00			\$7,819,691.00			\$7,819,691.00		\$7,819,691.00
1002	San Jose	10/16/19	\$29,515.44			\$7,790,175.56			\$7,790,175.56		\$7,790,175.56
1003	Tesco	11/20/19	\$17,707.00			\$7,772,468.56			\$7,772,468.56		\$7,772,468.56
1004	Shape	11/20/19	\$108,814.78			\$7,663,653.78			\$7,663,653.78		\$7,663,653.78
1005	Tesco	12/18/19	\$169,018.00			\$7,494,635.78			\$7,494,635.78		\$7,494,635.78
1006	Con Quest	12/18/19	\$385,242.58	\$30,683.35	\$30,683.35	\$7,140,076.55			\$7,140,076.55		\$7,140,076.55
1007	San Jose	01/15/20	\$6,966,355.00			\$173,721.55			\$173,721.55		\$173,721.55
Interest through 3/31/20				\$6,823.36	\$6,823.36	\$180,544.91			\$180,544.91		\$180,544.91
Deposit						\$180,544.91		\$600,000.00	\$780,544.91	\$2,996.28	\$783,541.19
Balance as of 5/30/2020				\$179.37	\$41.50	\$180,586.41	\$137.87	\$600,137.87	\$780,724.28	\$5,744.81	\$786,469.09
Balance as of 6/30/2020				\$197.96	\$45.80	\$180,632.21	\$152.18	\$600,290.05	\$780,922.26	\$31,953.57	\$812,875.83
Balance as of 7/31/2020				\$191.84	\$44.37	\$180,676.58	\$147.47	\$600,437.52	\$781,114.10	\$37,732.75	\$818,846.85
Balance as of 8/31/2020				\$154.53	\$35.74	\$180,712.33	\$118.79	\$600,556.30	\$781,268.63	\$48,220.05	\$829,488.68
Balance as of 9/30/2020				\$25.62	\$5.93	\$180,718.25	\$19.69	\$600,576.00	\$781,294.25	\$56,059.22	\$837,353.47
Balance as of 10/31/2020				\$25.62	\$5.93	\$180,724.18	\$19.69	\$600,595.69	\$781,319.87	\$67,713.45	\$849,033.32
Balance as of 11/30/2020				\$26.47	\$6.12	\$180,730.30	\$20.35	\$600,616.04	\$781,346.34	\$80,097.89	\$861,444.23
Balance as of 12/31/2020				\$26.47	\$6.12	\$180,736.42	\$20.35	\$600,636.39	\$781,372.81	\$89,436.48	\$870,809.29
Balance as of 1/31/2021				\$24.83	\$5.74	\$180,742.17	\$19.09	\$600,655.47	\$781,397.64	\$99,672.14	\$881,069.78
Balance as of 2/28/2021				\$23.96	\$5.55	\$180,747.71	\$18.43	\$600,673.91	\$781,421.62	\$108,211.86	\$889,633.48
Balance as of 3/31/2021				\$28.26	\$6.54	\$180,754.25	\$21.72	\$600,695.63	\$781,449.88	\$121,953.35	\$903,403.23
Balance as of 4/30/2021				\$22.27	\$5.15	\$180,759.40	\$17.12	\$600,712.75	\$781,472.15	\$135,672.77	\$917,144.92
Balance as of 5/31/2021				\$11.99	\$2.77	\$180,762.18	\$9.22	\$600,721.96	\$781,484.14	\$153,926.10	\$935,410.24
Deposit - CSJ Refund				\$1,415,647.00	\$926,889.61	\$1,107,651.79	\$488,757.39	\$1,089,479.35	\$2,197,131.14		
Balance as of 6/30/2021				\$20.34	\$10.25	\$1,107,662.04	\$10.09	\$1,089,489.44	\$2,197,151.48	\$168,561.21	\$2,365,712.69
1008 Voided - CSJ											
Balance as of 7/31/2021				\$36.12	\$18.21	\$1,107,680.25	\$17.91	\$1,089,507.35	\$2,197,187.60	\$190,143.43	\$2,387,331.03
Balance as of 8/31/2021				\$38.53	\$19.42	\$1,107,699.67	\$19.11	\$1,089,526.46	\$2,197,226.13	\$200,919.93	\$2,398,146.06
Balance as of 9/30/2021				\$36.12	\$18.21	\$1,107,717.88	\$17.91	\$1,089,544.37	\$2,197,262.25	\$215,257.91	\$2,412,520.16
1009	Co-Mingled Fund	10/20/21	\$690,453.00				(\$480,000.00)	(\$480,000.00)		(\$210,453.00)	
1010	C2R Engineering	10/20/21	\$49,030.00			(\$49,030.00)					
Balance as of 10/20/2021						\$1,058,687.88		\$609,544.37	\$1,668,232.25	\$4,804.91	\$1,673,037.16
Balance as of 10/31/2021				\$31.44	\$19.95	\$1,058,707.83	\$11.49	\$609,555.86	\$1,668,263.69	\$25,242.07	\$1,693,505.76
Balance as of 11/30/2021				\$29.25	\$18.56	\$1,058,726.40	\$10.69	\$609,566.54	\$1,668,292.94	\$38,319.76	\$1,706,612.70
Balance as of 12/31/2021				\$28.34	\$17.99	\$1,058,744.38	\$10.35	\$609,576.90	\$1,668,321.28	\$55,958.38	\$1,724,279.66
Balance as of 1/31/2022				\$28.34	\$17.99	\$1,058,762.37	\$10.35	\$609,587.25	\$1,668,349.62	\$65,691.28	\$1,734,040.90
Balance as of 2/28/2022				\$25.60	\$16.25	\$1,058,778.61	\$9.35	\$609,596.61	\$1,668,375.22	\$85,965.01	\$1,754,340.23
Balance as of 3/31/2022				\$28.34	\$17.99	\$1,058,796.60	\$10.35	\$609,606.96	\$1,668,403.56	\$106,346.21	\$1,774,749.77
TOTAL OR BALANCE AMOUNT			\$10,596,444.80	\$1,454,395.36	\$964,788.40	\$1,058,796.60	\$9,606.96	\$609,606.96	\$1,668,403.56	\$106,346.21	\$1,774,749.77



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

777 North First Street
Suite 410
San Jose, CA 95112

SantaClaraLAFCO.org

Commissioners

Rich Constantine
Susan Ellenberg
Sergio Jimenez
Yoriko Kishimoto
Linda J. LeZotte
Mike Wasserman
Susan Vicklund Wilson

Alternate Commissioners

Helen Chapman
Cindy Chavez
Matt Mahan
Russ Melton
Terry Trumbull

Executive Officer

Neelima Palacherla

April 7, 2022

TO: County Executive, Santa Clara County
City Managers, Cities in Santa Clara County
District Managers, Special Districts in Santa Clara County

FROM: Neelima Palacherla, Executive Officer

**SUBJECT: ADOPTION OF PROPOSED BUDGET FOR FISCAL YEAR 2023 &
NOTICE OF JUNE 1, 2022 LAFCO PUBLIC HEARING**

At its public hearing on April 6, 2022, the Local Agency Formation Commission of Santa Clara County (LAFCO) adopted a Proposed Budget for Fiscal Year 2023, as recommended in the attached staff report. The attached report reviews the status of LAFCO's current year work plan and budget; and sets forth the proposed work plan and budget for Fiscal Year 2023.

LAFCO is scheduled to consider adoption of its Final Budget at a public hearing on Wednesday, June 1, 2022 at 1:15 PM. The County Auditor will apportion LAFCO costs and invoice the cities, independent special districts and the County based on the Final Budget adopted by LAFCO.

The meeting agenda, staff reports and related meeting material will be available on the LAFCO website by May 27, 2022. All interested persons may attend the meeting as provided for on the agenda. Written public comments may be submitted by email to LAFCO@ceo.sccgov.org prior to the date of the hearing.

Attachment:

Staff Report on the Proposed Work Plan and Budget for FY 2023 (April 6, 2022)

cc: Board of Supervisors, Santa Clara County
City Council Members, Cities in Santa Clara County
Board of Directors, Special Districts in Santa Clara County
Santa Clara County Cities Association
Santa Clara County Special Districts Association



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

777 North First Street
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San Jose, CA 95112

SantaClaraLAFCO.org

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Russ Melton
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Executive Officer

Neelima Palacherla

LAFCO MEETING: April 6, 2022

TO: LAFCO

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

SUBJECT: PROPOSED WORK PLAN AND BUDGET FOR FY 2023

FINANCE COMMITTEE / STAFF RECOMMENDATIONS

1. Adopt the Proposed Work Plan for Fiscal Year 2022-2023.
2. Adopt the Proposed Budget for Fiscal Year 2022-2023.
3. Find that the Proposed Budget for Fiscal Year 2023 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
4. Authorize staff to transmit the Proposed Budget adopted by the Commission including the estimated agency costs as well as the LAFCO public hearing notice for the adoption of the Fiscal Year 2023 Final Budget to the cities, the special districts, the County, the Cities Association of Santa Clara County and the Santa Clara County Special Districts Association.

ANNUAL BUDGET PROCESS REQUIREMENTS

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

FISCAL YEAR 2022-2023 BUDGET DEVELOPMENT TIMELINE

Dates	Staff Tasks / LAFCO Action
March 14 - April 6	Notice of this public hearing was advertised in a local newspaper, posted on the LAFCO website and distributed to local agencies. The agenda and a link to the posted agenda packet are also distributed to local agencies, interested persons and organizations. The proposed Workplan and Budget are posted on the LAFCO website and available for public review and comment.
April 6	LAFCO public hearing on adoption of Proposed Workplan and Budget
April 7	Proposed Work Plan and Budget, preliminary apportionments and LAFCO public hearing notice for Final Budget Hearing transmitted to agencies
June 1	LAFCO public hearing and adoption of Final Budget
June 1 - July 1	Final Budget transmitted to agencies; Auditor requests payment from agencies

LAFCO FINANCE COMMITTEE

At its February 2, 2022 LAFCO meeting, the Commission reappointed Commissioner Jimenez, Commissioner Kremen and Alternate Commissioner Melton to serve on the Finance Committee for FY 2023.

At its special meeting held on March 14, 2022, the Finance Committee discussed the progress on the current year work plan and the status of the current year budget; and recommended the proposed FY 2023 work plan and budget for consideration and adoption by the full commission.

CURRENT YEAR IN REVIEW

PROGRESS REPORT ON FY 2021-2022 WORK PLAN

LAFCO's current fiscal year workplan was adopted at a noticed public hearing held on April 7, 2021. **Attachment A** depicts the current status (through the third quarter of the year) of the 2021-2022 Work Program.

A major work focus during the past year has centered on the Countywide Fire Service Review including project kick-off and management, and stakeholder and public outreach. Staff prepared outreach material and coordinated with the Technical Advisory Committee and partner agencies to conduct three community meetings and a community survey to gather feedback on fire issues. The project has been on hold since January 2022 when LAFCO's consultant contract was terminated.

Staff is working on a process to retain a new consultant and proceed with the service review.

LAFCO has seen a relatively higher application workload during this period – staff is currently processing three major applications and an inactive district dissolution; and has held several other pre-application meetings with local agencies and entities. Staff has also received and responded to many requests for assistance and expertise from local and regional agencies on a variety of matters in support of local or shared goals such as island annexations, environmental review activities, regional plans, housing needs allocations, city general plan updates and other topics that affect local agency boundaries and services. Similarly, responding to public inquiries is another significant and growing area of the workplan and staff has seen an increase in the volume and complexity of such inquiries particularly requests for information under the Public Records Act.

In accordance with the Commission’s directive, as opportunities arise and time permits, staff has conducted targeted outreach to various local entities (special districts, County, cities and other community organizations/individuals) on LAFCO’s role in promoting sustainable growth and good governance.

Other notable administrative activities and projects that have been completed or are underway include among others, the annual financial audit, the annual report, new commissioners onboarding, required staff training, bylaws revision, and office space lease negotiation and extension.

Notwithstanding the preceding progress on various work plan items, some important, high priority projects such as the comprehensive review and update of LAFCO policies and scanning of LAFCO records have fallen behind and will not be completed by the end of the fiscal year. The delays are partly due to the application workload, increased demand for LAFCO services and staff’s efforts to prioritize and meet the needs of the local agencies and the public; and staffing issues including a vacant analyst position since January 2021. The projects in the current workplan that will not be completed by the end of the fiscal year have been added to the proposed FY 2023 workplan.

The Finance Committee discussed this situation and its impact on the accomplishment of the work plan items and recommended that staff consider the option of recruiting temporary staff or an intern to assist with certain work plan items such as the scanning of LAFCO records.

The LAFCO Annual Report for FY 2022 will be published at the end of the current fiscal year and will document all the applications reviewed and processed by LAFCO in Fiscal Year 2022; and will summarize the various accomplishments, activities/projects that LAFCO has engaged in or completed during the period.

STATUS OF FY 2021-2022 ADOPTED BUDGET

Attachment D includes the FY 2022 final budget adopted by the Commission at a noticed public hearing on June 2, 2021, the status of LAFCO’s expenditures and revenues as of February 28, 2022 and expenditure and revenue projections for FY

2022 year end. The adopted LAFCO budget for FY 2022 is \$886,330 and reflects a 10% reduction compared to the previous fiscal year's (FY 2021) budgeted operating expenses. It is estimated that the total year-end projected expenditures for FY 2022 would be approximately 22% lower than the adopted budget primarily due to salary savings from the vacant analyst position and unspent Business Travel (due to the pandemic) and Consultant Services line items (due to the fire service review consultant termination, although it is expected that a portion of the Consultant Services line item amount will be encumbered for the new consultant). Staff anticipates that year end revenue for FY 2022 will tally with the amount budgeted. LAFCO has received the respective FY 2022 cost shares from the County, the cities and the independent special districts. The actual fund balance rolled over at the end of FY 2021 was higher at \$312,351, compared to the amount estimated (\$288,660) in the FY 2022 budget. The excess fund balance and the unspent FY 2022 expenditure amounts will carry over into FY 2023 and will be used to reduce net operating expenses that would in turn translate to reduced FY 2023 costs for contributing agencies.

PROPOSED WORK PLAN FOR FISCAL YEAR 2023

Attachment C includes the proposed work plan for FY 2023, as recommended by the Finance Committee, for consideration and adoption by the full commission.

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

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

Reduced staffing levels due to a vacant analyst position since January 2021 will continue to affect work plan priorities and the accomplishment of the work plan.

Recruitment for the vacant position is pending completion of the County's classification study for LAFCO which is expected to be completed in the next few months at which time LAFCO can begin recruitment. However, actual professional staffing capabilities will be below 4.0 FTE for at least half of the upcoming fiscal year, and possibly longer considering the onboarding and training period for the new staff person.

According to the Comprehensive Organizational Assessment report prepared by LAFCO's consultant, even the 4.0 FTE staffing level is lower than other LAFCOs with comparable operations. However, in August 2020, the Commission voted to maintain the current 4.0 FTE staffing level given uncertain economic conditions related to the COVID-19 pandemic but kept open the option to consider the potential addition of 1.0 FTE in the future.

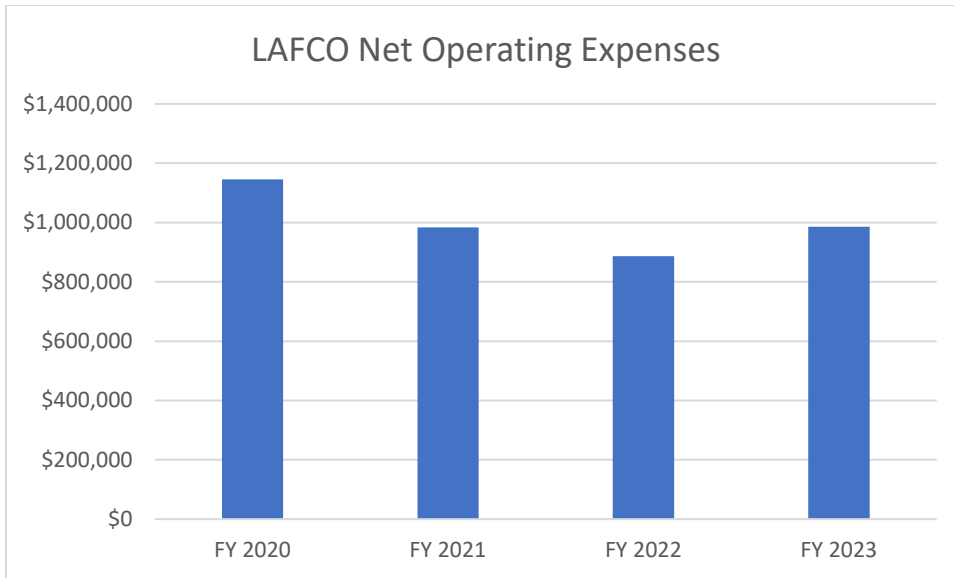
To address this reduced staffing situation, staff must actively manage the workload in order to focus on accomplishing essential activities such as processing applications, completing projects currently underway such as the Countywide Fire Service Review, maintaining core administrative functions, tracking on-going projects and studies, supporting the commission and responding to local agency and public requests for assistance. Non-essential activities and other proactive initiatives will need to be deferred until staffing levels/expertise are restored. This is consistent with past practice where LAFCO's statutorily mandated activities take priority over administrative projects that are not statutorily required, and over proactive commission-initiated projects which are discretionary but support LAFCO's mission and statutory requirements.

PROPOSED BUDGET FOR FISCAL YEAR 2023

Attachment D includes the proposed Budget for FY 2022-2023 as recommended by the Finance Committee, for consideration and adoption by the full commission. The Finance Committee conducted a thorough review of the work plan and budget and recognized the public benefit of LAFCO's work and the high demand for LAFCO's services from local agencies and the public. The Committee maintained its commitment to ensure adequate resources that allow the Commission to fulfill its statutory responsibilities and accomplish its work plan while also limiting costs for LAFCO's funding agencies. As a result, the proposed budget maintains the overall expenditure for FY 2023 (\$1,222,980) at a substantially similar level to the current year budget (\$1,210,990).

In addition to managing expenses to limit net operating expenses, projected current year cost savings (from salary savings, unspent travel, and other reduced operational costs), and a larger than estimated fund balance from FY 2021 are expected to result in a \$312,351 fund balance at the end of the current year – and will be used to further reduce net operating expenses in FY 2023.

LAFCO's proposed net operating expense for FY 2023 is 11% higher than the current year budgeted amount which was 10% lower than FY 2021 which in turn was 14% lower than the FY 2020 operating expenses. Thus, the proposed 11% increase follows two years of reduced local agencies' apportionments and is needed to meet state mandates and LAFCO work plan objectives.



DESCRIPTION OF FY 2022-2023 BUDGET LINE ITEMS

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

The following is a detailed itemization of the proposed budget.

EXPENDITURES

Expenditures are divided into two main sections: Staff Salary and Benefits (Object 1) which comprise 66% of the total expenditures, and Services and Supplies (Object 2).

OBJECT 1. SALARIES AND BENEFITS \$810,419

This line item supports the salary and benefits for the 4.0 FTE positions including the Executive Officer position, the two Analyst positions and the Clerk position. One Analyst position is currently vacant. Recruitment for the position is on hold until the County’s classification study for LAFCO staff positions is completed. LAFCO contracts with the County of Santa Clara for staffing and services and in accordance with the MOU between the County and LAFCO, all four positions are staffed through the County Executive’s Office. The proposed amount is based on the best available projections from the County at this time for salary and benefits for the 4 positions. Changes to the projections for the four positions that occur within the next couple of months will be reflected in the Final LAFCO budget.

OBJECT 2. SERVICES AND SUPPLIES

5255100 Intra-County Professional \$10,000

This includes the costs for services from various County agencies such as the County Surveyor's Office, the County Assessors' Office, and the Registrar of Voters. The County Surveyor assists with map review and approval for boundary change proposals. In addition, the Surveyor's Office also assists with research to resolve boundary discrepancies. The County Assessor's Office prepares reports for LAFCO and the Registrar of Voters provides data necessary for processing LAFCO applications. This item also allows LAFCO to seek GIS mapping services including maintenance and technical assistance from the County Planning Office, as necessary. This budgeted amount has been maintained at the same level as the current year.

5255800 Legal Counsel \$78,326

This item covers the cost for general legal services.

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

The monthly retainer for FY 2023 increases to \$6,278, based on a 3.2% increase in the Consumer Price Index for the prior calendar year (2021). This item covers the annual retainer fees and includes additional monies to cover approximately 10 hours of work outside the retainer at the current hourly rate of \$299.

5255500 Consultant Services \$150,000

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

5285700 Meal Claims \$750

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

5220200 Insurance \$9,237

This item is for the purpose of purchasing general liability insurance and workers' compensation coverage for LAFCO. In 2010, LAFCO switched from the County's coverage to the Special District Risk Management Authority (SDRMA), for the provision of general liability insurance. Additionally, LAFCO also obtains workers'

compensation coverage for its commissioners from SDRMA. Workers' compensation for LAFCO staff is currently covered by the County and is part of the payroll charge. SDRMA has recently provided estimated FY 2023 contribution amounts for use in the budgeting process: Property Liability (\$8,137) and Workers' Compensation (\$1,100). SDRMA is in the process of negotiating rates on behalf of its program membership and expects to confirm rates in mid-May. The Final budget will reflect any major revisions to these estimates.

5270100 Rent & Lease \$53,132

This item includes monthly rent for LAFCO office space during the FY 2023. The current lease term expires on May 5, 2022. At its February 2, 2022 Meeting, the Commission authorized the extension of the lease for a five year period through April 30, 2027.

5250100 Office Expenses \$5,000

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

5255650 Data Processing Services \$28,038

This item includes estimated costs associated with County Technology Solutions & Services Department (TSS) providing IT services to the LAFCO program. According to TSS, the projected costs cover Telecom services for 5 phones- VOIP/Landline (\$3,300), Wireless Carrier Service (\$550), MS Adobe special order, Acrobat Pro and MS Visio monthly subscription (\$2,535), and other services (\$21,653) comprising Enterprise Content Management services and solutions, Kronos support, Architecture and Innovation Services, Claranet services, Data Analytics and Visualizations, digital print and sccLearn. Any further revised cost estimates received from the County will be reflected in the Final LAFCO budget.

5225500 Commissioner's Fees \$10,000

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

5260100 Publications and Legal Notices \$1,000

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

5245100 Membership Dues \$12,887

This item includes CALAFCO – the California Association of LAFCOs membership dues. As approved at the CALAFCO Annual Membership Business meeting on October 31, 2019, the FY 2023 membership dues for Santa Clara LAFCO is \$11,287.

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

5250750 Printing and Reproduction \$1,500

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

5285800 Business Travel \$10,000

This item includes funding for staff and commissioners to attend conferences and workshops. It would cover costs of air travel, accommodation, conference registration and other expenses at the conferences. CALAFCO annually holds a Staff Workshop (April 2023) and an Annual Conference (October 2022) that is attended by commissioners as well as staff.

5285300 Private Automobile Mileage \$1,000

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

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

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

5281600 Overhead \$30,041

This overhead charge is established by the County Controller's Office, for service rendered by various County departments that do not directly bill LAFCO. The overhead includes LAFCO's share of the County's FY 2023 Cost Allocation Plan which is based on actual overhead costs from FY 2021 – the most recent year for which actual costs are available.

The overhead amount includes the following charges from:

County Executive's Office:	\$11,036
Controller-Treasurer:	\$10,131
Employee Services Agency:	\$6,550
OBA:	\$330
BHS-MH - Employee:	\$211
TSS Intragovernmental Service:	\$912
Technology Services & Solutions:	\$3,496
Procurement:	\$137

Further, a "roll forward" is applied which is calculated by comparing FY 2021 Cost Plan estimates with FY 2021 actuals. The FY 2021 cost estimates were lower than the actuals by \$2,736; this amount is added to the FY 2023 Cost Plan. This is a state requirement.

5275200 Computer Hardware \$3,000

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

5250800 Computer Software \$5,000

This amount is designated for computer software purchases, and annual licenses for GIS software and records management (LaserFische) hardware/software annual maintenance agreement.

5250250 Postage \$1,000

This amount covers postage costs for mailing notices, agendas, agenda packets and general correspondence. This budgeted amount has been maintained at the same level as the current year.

5252100 Training Programs \$2,000

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

REVENUES

4103400 Application Fees \$30,000

It is anticipated that LAFCO will receive approximately \$30,000 in fees from processing applications. The actual amount earned from fees depends entirely on the level of application activity.

4301100 Interest \$6,000

It is estimated that LAFCO will receive an amount of approximately \$6,000 from interest earned on LAFCO funds.

3400150 Fund Balance from Previous Fiscal Year (FY 2022) \$201,006

It is projected that there will be a savings or fund balance of approximately \$201,006 at the end of the current year, which will be carried over to reduce the proposed Fiscal Year 2023 costs for LAFCO's funding agencies (cities, independent special districts and the County).

Projected Year-End [FY 2022] Fund Balance = (Projected Year-End [FY 22] Revenue + Actual Fund Balance from Previous Fiscal Year [FY 21] + Funds Received from Local Agencies in FY 22) - (Projected Year-End [FY 22] Expenses)

$$= (\$36,000 + \$312,352 + \$886,330) - \$1,033,675$$

$$= \$201,006$$

The fund balance excludes the reserves.

RESERVES

3400800 Reserves Available \$200,000

This item includes reserves for two purposes: litigation reserve – for use if LAFCO is involved with any litigation; and contingency reserve – to be used for unexpected expenses. If used during the year, this account will be replenished in the following year. Since 2012, the reserves have been retained in a separate Reserves account, thus eliminating the need for LAFCO to budget each year for this purpose.

The Reserves amount was held at \$250,000 since FY 2020 to timely implement potential recommendations from the Comprehensive Organizational Assessment, and as a tentative measure in recognition that LAFCO operates in an increasingly complex and controversial environment. The implementation of the Comprehensive Organizational Assessment Study is currently pending the completion of the Classification Study by the County, which is expected soon.

In FY 2022, LAFCO reduced the Reserves to \$200,000, in order to further reduce costs to local agencies given the COVID -19 related economic hardships. The Finance Committee recommends maintaining the current level of reserves for FY 2023. This places the proposed Reserve amount at approximately 16% of the total FY 2023 expenditures. LAFCO has not adopted a Reserves policy, however as an independent agency, LAFCO should maintain sufficient reserves for flexibility and stability in the event of unanticipated needs.

FY 2023 NET OPERATING EXPENSES

FY 2023 Net Operating Expenses = (Proposed FY 2023 Expenditures) - (Proposed FY 2023 Fee & Interest Revenues + Projected Fund Balance from FY 2022)
= (\$1,222,980) - (\$36,000 + \$201,006)
= \$985,974

The projected operating expense for FY 2023 is based on projected expenditures and revenues as well as on estimated fund balance for the current year. Further revisions may be needed as we get a better indication of current year expenses/revenues towards the end of this fiscal year. Additionally, a more accurate projection of costs/revenues for the upcoming fiscal year could become available, particularly for employee salary and benefits. This could result in changes to the proposed net operating expenses for FY 2023 which could in turn impact the costs for each of LAFCO's funding agencies.

COST APPORTIONMENT TO CITIES, INDEPENDENT SPECIAL DISTRICTS AND COUNTY

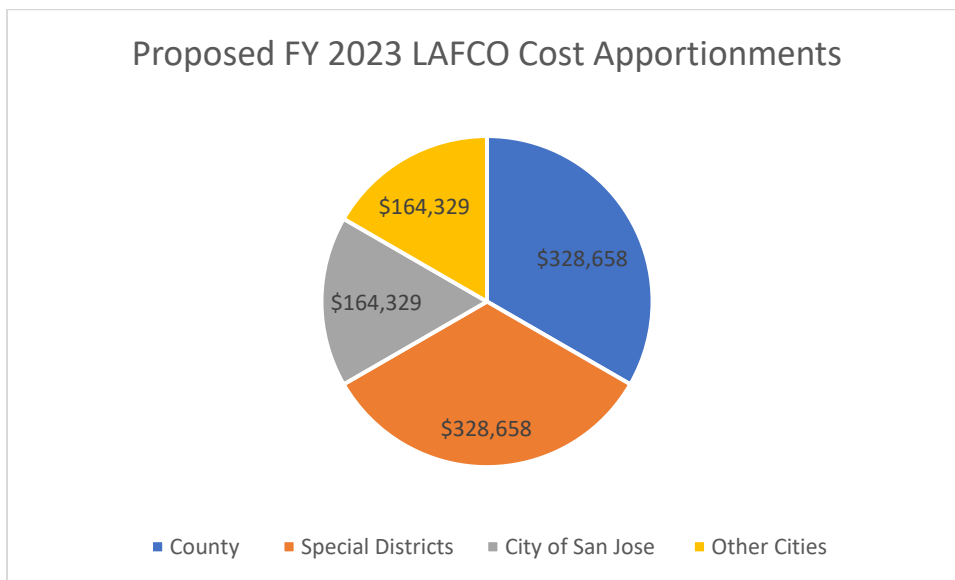
In January 2013, independent special districts were seated on LAFCO. Government Code §56381(b)(1)(A) provides that when independent special districts are represented on LAFCO, the county, cities and independent special districts must each provide a one-third share of LAFCO's operational budget.

The City of San Jose has permanent membership on LAFCO pursuant to Government Code Section 56327. As required by Government Code §56381.6(b), the City of San Jose's share of LAFCO costs must be in the same proportion as its member bears to the total membership on the commission, excluding the public member. The remaining cities' share must be apportioned in proportion to each city's total revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county.

Government Code Section 56381 provides that the independent special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. The Santa Clara County Special Districts Association (SDA), at its August 13, 2012 meeting, adopted an alternative formula for distributing the independent special districts' share to individual districts. The SDA's agreement requires each district's cost to be based on a fixed percentage of the total independent special districts' share.

Therefore, in Santa Clara County, the County pays a third of LAFCO's operational costs, the independent special districts pay a third, the City of San Jose pays one sixth and the remaining cities pay one sixth. Government Code §56381(c) requires the County Auditor to request payment from the cities, independent special districts and the County no later than July 1 of each year for the amount each agency owes based on the net operating expenses of the Commission and the actual administrative costs incurred by the Auditor in apportioning costs and requesting payment.

The following is a draft apportionment to the agencies based on the proposed net operating expenses for FY 2023.



Apportionment of the costs among the 14 cities and among the 17 independent special districts will be calculated by the County Controller's Office after LAFCO adopts the final budget in June. In order to provide each of the cities and districts with a general indication of their costs in advance, **Attachment E** includes draft estimated apportionments, based on the proposed FY 2023 net operating expenses and the 2018/2019 Cities Annual Report. The final apportionments will be prepared by the County Controller's Office based on the latest available Cities Annual Report.

ATTACHMENTS

- Attachment A: Status of FY 2022 Work Plan
- Attachment B: LAFCO Financials 2008-2021
- Attachment C: Proposed Work Plan for Fiscal Year 2023
- Attachment D: Proposed LAFCO Budget for Fiscal Year 2023
- Attachment E: Estimated FY 2023 Costs to Agencies Based on the Proposed Budget

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2022)

PRIORITY* H - High Priority (essential activities: state mandate, Commission directive, requirements)
M - Medium Priority (important, provided resources allow or time permits)
L - Low Priority (desirable provided resources allow or time permits, not urgent)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
LAFCO APPLICATIONS	Process applicant initiated LAFCO proposals	Encourage pre-application meetings prior to application submittal Conduct pre-agenda meetings with County Depts to obtain Assessor & Surveyor reports, as needed Process applications per CKH Act requirements: issue Notice of Application, Certificate of Filing / Sufficiency, Public Hearing Notice, staff report, conduct protest proceedings, as needed	Staff	H	Several pre-application meetings held (San Jose / Cupertino, San Jose / Milpitas, NASA Moffett Field / Mountain View, etc.) 3 applications in progress
	Comment on potential LAFCO applications, relevant projects & development proposals, city General Plan updates and/ or related environmental documents	Ongoing, as needed	Staff	H	Ongoing (RHNA, Coyote Valley)
	Review and update LAFCO policies for context, clarity and consistency with State law	In progress	Staff / Consultant	H	In progress
	Dissolution of inactive special districts	Work with State Controller's Office to identify County Library Services Area as inactive	Staff	M	Identification completed. Processing dissolution.
	Prepare flowcharts for LAFCO processes and update application packets for current requirements and ease of public use	Upon completion of policies update	Staff	L	Internal application processing checklists' updates completed.

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2022)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
ISLAND ANNEXATIONS	Conduct outreach to cities with islands, follow up on responses including review/research of city limits/ USA boundaries, provide assistance with annexations or necessary USA amendments	Prepare and distribute island maps to cities	Staff	L	Working with cities upon request (Los Gatos, Monte Sereno)3
	Facilitate interagency discussions to support remaining island annexations	Ongoing discussion with San Jose, Los Altos Hills	Staff	H	In progress
	Review and finalize city-conducted island annexations	Ongoing, as needed	Staff	H	3 finalized.
OUTREACH, GOVERNMENT / COMMUNITY RELATIONS & CUSTOMER SERVICE	Conduct outreach to increase awareness of LAFCO's role	Presentations to cities, other agencies on LAFCO, as relevant	Staff	L	Presentations provided upon request (Grand Jury, Leadership Sunnyvale,)
		Distribute LAFCO communications material to elected officials and staff of cities, special districts and the County		M	
		Seek exhibit opportunities at public spaces / events		L	
		Maintain website as the primary information resource on LAFCO		H	
		Increase social media presence (Twitter)		L	Website updated
	Engage and establish relationships with local (cities, districts, county), regional (ABAG/MTC), state (SGC, OPR, DoC, SWRCB) agencies, organizations such as SDA, SCCAPO, CALAFCO, other stakeholder groups	Attend regular meetings of SDA (quarterly), SCCAPO (monthly), County Planning Dept.(quarterly) Small water systems issues / legislation Collaborate with agencies and entities with goals common to LAFCO	Staff	M M M	Ongoing
	Track LAFCO related legislation	EO is voting member of the CALAFCO Legislative Committee and attends regular meetings	Staff	M M	EO served on the Legislative Committee until October 2021.

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2022)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
		Commission takes positions and submit letters on proposed legislation			
	Respond to public enquiries re. LAFCO policies, procedures and application filing requirements	Timely response to public inquiries Update the PRA form for the website Document research on complex inquiries Report to Commission on complex inquiries	Staff	H L L H	Ongoing. High volume of enquiries and PRA requests.
SERVICE REVIEWS, SPECIAL STUDIES & SPHERE OF INFLUENCE UPDATES	Countywide Fire Service Review	Participate in consultant selection, negotiate contract Manage consultant's work and contract Coordinate TAC meetings Prepare and distribute stakeholder/public outreach material Coordinate stakeholder / public engagement process Prepare current maps of service provider agencies Attend stakeholder interviews with consultant Work with consultant on any data collection issues Review and comment on administrative draft reports Distribute Public hearing notices and coordinate community workshops and public hearings	Staff / Consultant	H	Retained consultant. Prepared stakeholder and public outreach material and conducted community meetings. Consultant contract terminated in January 2022. Working on next steps and retaining a new consultant.

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2022)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
		Prepare staff reports with implementation recommendations Follow up with agencies and report back to the commission			
	Continue to monitor implementation of recommendations from previous service reviews and conduct special studies, as necessary	RRRPD study – city took action to delay decision on consolidation	Staff	L	Pending city action Follow up on new issues for other districts, upon request (LGCSO)
	Map Mutual Water companies	Initial maps complete, further work through service review	Staff	L	-
	Engage in or support grant / partnership opportunities on issues related to enhancing viability of agriculture, and climate smart growth	As needed, and as opportunities arise	Staff	L	-
	Compile and post JPA filings on the LAFCO website	Notice provided, gather JPA information through service review process	Staff	L	Ongoing
COMMISSION SUPPORT	Provide ongoing support to the 12 commissioners for regularly-scheduled Commission meetings, special meetings and Committee meetings (Finance Committee, Ad Hoc Committee on Organizational Assessment and the Fire Service Review TAC)	Prepare and distribute public hearing notices and agenda packets, provide staff support during the meetings, record minutes, broadcast meetings Hold pre-agenda review meeting with Chair Hold pre-meeting calls with individual commissioners to address agenda item questions Process commissioner per diems for attendance at LAFCO meetings	Staff	H	Ongoing
	Keep the Commission informed	EO report	Staff	H	Ongoing

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2022)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
		off-agenda emails, as needed			
	Onboarding new Commissioners	Facilitate filing / completion of Form 700, commissioner pledge, ethics training. Update LAFCO letterhead, directory, and website Set up vendor accounts, provide parking permits Conduct new Commissioner orientation Recognize outgoing commissioners for service on LAFCO	Staff	H	New commissioner: Linda LeZotte
	Commissioners Selection Process	Inform appointing bodies of any upcoming vacancies and provide information on appointment criteria Convene ISDSC committee meeting, as necessary Coordinate public member selection process, as necessary	Staff	H	As needed
	Conduct a Strategic Planning Workshop	2018 Workshop re. LAFCO Communications and Outreach Plan	Staff / Consultant	L	On hold
	Commissioner participation in CALAFCO	Support commissioner participation in CALAFCO activities / or election to the CALAFCO Board	Staff	L	On hold
ADMINISTRATIVE PROJECTS	Prepare LAFCO annual work plan	March –June	Staff	H	In progress
	Prepare LAFCO annual budget	March –June	Staff	H	In progress
	Prepare LAFCO Annual Report	August 2021	Staff	H	Completed
	Prepare LAFCO Annual Financial Audit	October 2021 (Contract with Chavan Associates ends after FY 2021 Audit)	Consultant / Staff	H	Completed.

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2022)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCE S	PRIORITY*	STATUS
					Contract extended for FY 2023 and FY 2024
	Office / facility management	Coordinate with Building Manager on facilities issues Coordinate with County re. computers/network, phone, printers, office security, procurement , installation & maintenance Order and manage office supplies Make travel arrangements and process expense reimbursements. Process mileage reimbursements Negotiate office space lease (current lease ends May 5, 2022)	Staff	H	Ongoing Lease extended through April 2027
	Records management	Organize scan of LAFCO records to Electronic Document Management System (LaserFische) Maintain LAFCO's hard copy records Maintain and enhance the LAFCO Website Maintain LAFCO database	Staff/ Consultant Staff	H H H H	On hold Ongoing
	Contracts and payments & receivables	Track consultant contracts and approve invoices Approve vendor invoices / process annual payments for various services/ memberships	Staff	H	Ongoing

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2022)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
ADMINISTRATIVE PROJECTS		Coordinate with County Controller's Office and track annual collection of payments from member agencies			
	Review and update LAFCO bylaws / administrative policies and procedures	Ongoing, as needed	Staff	H	Ongoing
	Staff training and development	CALAFCO workshops, conferences, relevant courses	Staff	M	CALAFCO Workshop cancelled
	Coordinate with County on administrative issues	Attend monthly meetings with the Deputy County Executive	Staff	H	Ongoing
	Staff performance evaluation	April - October 2021	Staff/Commission	H	Completed in 2021. In progress
	Comprehensive Organizational Assessment Study – implementation	As needed	Staff/Commission	H	Pending result of County study in progress
	Recruitment and training of LAFCO staff	One LAFCO Analyst position currently vacant –recruitment pending County Classification study results	Staff	H	Pending result of County study in progress
	Other administrative functions mandated of a public agency (Form 806, maintaining liability/workers comp insurance, etc.)	Ongoing	Staff	H	Ongoing

FY 2008 - FY 2021 LAFCO FINANCIALS
March 2022

ITEM # 9
Attachment B

ITEM NO.	TITLE	ACTUALS FY 2008	ACTUALS FY 2009	ACTUALS FY 2010	ACTUALS FY 2011	ACTUALS FY 2012	ACTUALS FY 2013	ACTUALS FY 2014	ACTUALS FY 2015	ACTUALS FY 2016	ACTUALS FY 2017	ACTUALS FY 2018	ACTUALS FY 2019	ACTUALS FY 2020	ACTUALS FY 2021
EXPENDITURES															
	Salary and Benefits	\$356,009	\$400,259	\$406,650	\$413,966	\$393,194	\$411,929	\$450,751	\$466,755	\$484,216	\$514,381	\$628,534	\$713,900	\$744,439	\$730,716
Object 2: Services and Supplies															
5255100	Intra-County Professional	\$66,085	\$57,347	\$13,572	\$4,532	\$6,118	\$5,260	\$5,663	\$4,379	\$18,523	\$1,292	\$703	\$3,593	\$346	\$201
5255800	Legal Counsel	\$0	\$9,158	\$67,074	\$52,440	\$48,741	\$56,791	\$53,550	\$52,854	\$57,498	\$71,131	\$59,400	\$72,276	\$69,975	\$65,791
5255500	Consultant Services	\$19,372	\$75,000	\$76,101	\$58,060	\$102,349	\$59,563	\$35,602	\$37,250	\$39,625	\$0	\$45,000	\$52,650	\$106,709	\$41,966
5285700	Meal Claims	\$0	\$368	\$277	\$288	\$379	\$91	\$228	\$209	\$367	\$50	\$901	\$257	\$166	\$0
5220100	Insurance	\$491	\$559	\$550	\$4,582	\$4,384	\$4,378	\$4,231	\$4,338	\$4,135	\$4,679	\$4,893	\$5,296	\$5,893	\$10,452
1151	Office Expenses	\$1,056	\$354	\$716	\$639	\$1,212	\$536	\$850	\$783	\$6,266	\$48,632	\$15,412	\$4,702	\$2,544	\$1,151
5270100	Rent and Lease											\$41,120	\$39,360	\$44,478	\$46,254
5255650	Data Processing Services	\$8,361	\$3,692	\$3,505	\$1,633	\$3,384	\$1,663	\$3,311	\$9,024	\$1,519	\$6,869	\$877	\$11,894	\$15,500	\$21,223
5225500	Commissioners' Fee	\$5,700	\$5,400	\$3,500	\$3,400	\$4,000	\$4,900	\$5,800	\$4,900	\$6,700	\$5,300	\$5,400	\$5,000	\$4,600	\$6,100
5260100	Publications and Legal Notices	\$1,151	\$563	\$1,526	\$363	\$916	\$222	\$378	\$2,484	\$487	\$191	\$145	\$192	\$44	\$90
5245100	Membership Dues	\$5,500	\$7,000	\$7,000	\$7,000	\$7,000	\$14,473	\$0	\$7,428	\$7,577	\$8,107	\$8,674	\$9,615	\$11,822	\$12,144
5250750	Printing and Reproduction	\$5	\$0	\$0	\$0	\$0	\$0	\$9	\$177	\$703	\$0	\$0	\$0	\$799	\$0
5285800	Business Travel	\$7,238	\$8,415	\$4,133	\$8,309	\$3,095	\$4,777	\$5,800	\$4,042	\$5,811	\$3,877	\$13,091	\$4,260	\$6,908	\$0
5285300	Private Automobile Mileage	\$1,016	\$704	\$832	\$1,185	\$615	\$424	\$409	\$396	\$1,009	\$1,264	\$590	\$689	\$696	\$61
5285200	Transportation&Travel (County Car Us	\$894	\$948	\$629	\$0	\$384	\$250	\$371	\$293	\$559	\$605	\$0	\$328	\$256	\$0
5281600	Overhead	\$42,492	\$62,391	\$49,077	\$46,626	\$60,647	\$43,133	\$42,192	\$34,756	\$49,452	\$0	\$28,437	\$69,944	\$4,505	\$30,917
5275200	Computer Hardware	\$0	\$451	\$0	\$83	\$2,934	\$1,791	\$2,492	\$0	\$106	\$0	\$0	\$773	\$0	\$0
5250800	Computer Software	\$0	\$0	\$626	\$314	\$579	\$3,124	\$933	\$1,833	\$2,079	\$754	\$4,505	\$3,012	\$1,200	\$4,708
5250250	Postage	\$1,160	\$416	\$219	\$568	\$309	\$589	\$246	\$597	\$411	\$209	\$183	\$117	\$73	\$184
5252100	Staff Training Programs	\$0	\$665	\$491	\$250	\$300	\$0	\$0	\$1,431	\$0	\$0	\$0	\$350	\$525	\$70
5701000	Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES		\$516,530	\$633,691	\$636,478	\$604,238	\$640,540	\$613,895	\$612,816	\$633,929	\$687,043	\$667,342	\$857,865	\$998,208	\$1,021,478	\$972,028
REVENUES															
4103400	Application Fees	\$46,559	\$41,680	\$35,576	\$48,697	\$37,426	\$45,458	\$63,561	\$27,386	\$146,168	\$20,436	\$29,864	\$33,049	\$7,587	\$34,622
4301100	Interest: Deposits and Investments	\$24,456	\$16,230	\$6,688	\$4,721	\$4,248	\$3,416	\$2,674	\$2,844	\$6,073	\$10,830	\$12,620	\$12,141	\$18,176	\$10,488
3400150	Fund Balance from Previous FY	\$271,033	\$368,800	\$334,567	\$275,605	\$209,987	\$208,219	\$160,052	\$226,111	\$187,310	\$293,489	\$331,177	\$314,693	\$352,123	\$312,351
TOTAL REVENUE		\$342,048	\$426,711	\$376,831	\$329,023	\$251,661	\$257,092	\$226,287	\$256,341	\$339,551	\$324,755	\$373,661	\$359,883	\$377,886	\$357,461
NET LAFCO OPERATING EXPENSES		\$174,482	\$206,980	\$259,648	\$275,215	\$388,879	\$356,802	\$386,529	\$377,588	\$347,492	\$342,587	\$484,204	\$638,325	\$643,592	\$983,785
3400800 RESERVES AVAILABLE					\$100,000	\$100,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$250,000
COSTS TO AGENCIES															
5440200	County	\$271,641	\$270,896	\$267,657	\$292,601	\$298,597	\$281,780	\$156,002	\$187,521	\$220,668	\$225,778	\$266,298	\$277,942	\$381,904	\$327,928
4600100	Cities (San Jose 50% +other cities 50%)	\$271,641	\$270,896	\$267,657	\$292,601	\$298,597	\$282,625	\$156,002	\$187,521	\$220,668	\$225,778	\$266,298	\$277,942	\$381,904	\$327,928
4600100	Special Distrctcs							\$296,892	\$187,521	\$220,668	\$225,778	\$266,298	\$277,942	\$381,904	\$327,928

PROPOSED WORK PLAN FOR FISCAL YEAR 2023

ITEM # 9
Attachment C

PRIORITY* H - High Priority (essential activities: state mandate, Commission directive, requirements)
M - Medium Priority (important, provided resources allow or time permits)
L - Low Priority (desirable provided resources allow or time permits, not urgent)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
LAFCO APPLICATIONS	Process applicant initiated LAFCO proposals	Encourage pre-application meetings prior to application submittal Conduct pre-agenda meetings with County Depts to obtain Assessor & Surveyor reports, as needed Process applications per CKH Act requirements: issue Notice of Application, Certificate of Filing / Sufficiency, Public Hearing Notice, staff report, conduct protest proceedings, as needed	Staff	H
	Comment on potential LAFCO applications, relevant projects & development proposals, city General Plan updates and/ or related environmental documents	Ongoing, as needed	Staff	H
	Review and update LAFCO policies for context, clarity and consistency with State law	In progress	Staff / Consultant	H
	Prepare flowcharts for LAFCO processes and update application packets for current requirements and ease of public use	Upon completion of policies update	Staff	L
ISLAND ANNEXATIONS	Conduct outreach to cities with islands, follow up on responses including review/research of city limits/ USA boundaries, provide assistance with annexations or necessary USA amendments	Prepare and distribute island maps to cities	Staff	L
	Facilitate interagency discussions to support remaining island annexations	Monte Sereno	Staff	H
	Review and finalize city-conducted island annexations	Ongoing, as needed	Staff	H

PROPOSED WORK PLAN FOR FISCAL YEAR 2023

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
OUTREACH, GOVERNMENT / COMMUNITY RELATIONS & CUSTOMER SERVICE	Conduct outreach to increase awareness of LAFCO's role	Presentations to cities, other agencies on LAFCO, as relevant	Staff	L
		Distribute LAFCO communications material to elected officials and staff of cities, special districts and the County		M
		Seek exhibit opportunities at public spaces / events		L
		Maintain website as the primary information resource on LAFCO		H
		Increase social media presence (Twitter)		L
	Engage and establish relationships with local (cities, districts, county), regional (ABAG/MTC), state (SGC, OPR, DoC, SWRCB) agencies, organizations such as SDA, SCCAPO, CALAFCO, other stakeholder groups	Attend regular meetings of SDA (quarterly), SCCAPO (monthly), County Planning Dept.(quarterly)	Staff	M
		Small water systems issues / legislation		M
		Collaborate with agencies and entities with goals common to LAFCO		M
	Track LAFCO related legislation	EO attends CALAFCO Legislative Committee meetings	Staff	L
		Commission takes positions and submits letters on proposed legislation		M
	Respond to public enquiries re. LAFCO policies, procedures and application filing requirements	Timely response to public inquiries	Staff	H
		Update the PRA form for the website		L
		Document research on complex inquiries		L
Report to Commission on complex inquiries		H		

PROPOSED WORK PLAN FOR FISCAL YEAR 2023

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
SERVICE REVIEWS, SPECIAL STUDIES & SPHERE OF INFLUENCE UPDATES	Countywide Fire Service Review	Manage new consultant's work and contract Coordinate TAC meetings Attend stakeholder interviews with consultant Work with consultant on any data collection issues Review and comment on administrative draft reports Distribute Public hearing notices and coordinate community workshops and public hearings Prepare and distribute stakeholder/public outreach material Coordinate stakeholder / public engagement process Prepare staff reports with implementation recommendations Follow up with agencies and report back to the commission	Staff / Consultant	H
	Continue to monitor implementation of recommendations from previous service reviews and conduct special studies, as necessary	RRRPD study – city took action to delay decision on consolidation	Staff	L
	Map Mutual Water companies	Initial maps complete, further through service review	Staff	L
	Engage in or support grant / partnership opportunities on issues related to enhancing viability of agriculture, and climate smart growth	As needed, and as opportunities arise	Staff	L
	Compile and post JPA filings on the LAFCO website	Notice provided, gather JPA information through service review process	Staff	L

PROPOSED WORK PLAN FOR FISCAL YEAR 2023

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
COMMISSION SUPPORT	Provide ongoing support to the 12 commissioners for regularly-scheduled Commission meetings, special meetings and Committee meetings (Finance Committee, Ad Hoc Committee on Organizational Assessment and the Fire Service Review TAC)	Prepare and distribute public hearing notices and agenda packets, provide staff support during the meetings, record minutes, broadcast meetings Hold pre-agenda review meeting with Chair Hold pre-meeting calls with individual commissioners to address agenda item questions Process commissioner per diems for attendance at LAFCO meetings	Staff	H
	Keep the Commission informed	EO report off-agenda emails, as needed	Staff	H
	Onboarding new Commissioners	Facilitate filing / completion of Form 700, commissioner pledge, ethics training. Update LAFCO letterhead, directory, and website Set up vendor accounts, provide parking permits Conduct new Commissioner orientation Recognize outgoing commissioners for service on LAFCO	Staff	H
	Commissioners Selection Process	Inform appointing bodies of any upcoming vacancies and provide information on appointment criteria Convene ISDSC committee meeting, as necessary Coordinate public member selection process, as necessary	Staff	H
	Conduct a Strategic Planning Workshop	2018 Workshop re. LAFCO Communications and Outreach Plan	Staff / Consultant	L
	Commissioner participation in CALAFCO	Support commissioner participation in CALAFCO activities / or election to the CALAFCO Board	Staff	L

PROPOSED WORK PLAN FOR FISCAL YEAR 2023

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
ADMINISTRATIVE PROJECTS	Prepare LAFCO annual work plan	March -June	Staff	H
	Prepare LAFCO annual budget	March -June	Staff	H
	Prepare LAFCO Annual Report	August 2022	Staff	H
	Prepare LAFCO Annual Financial Audit	October 2022 (Contract with Chavan Associates extended for FY 2023 and FY 2024)	Consultant / Staff	H
	Office / facility management	Coordinate with Building Manager on facilities issues Coordinate with County re. computers/network, phone, printers, office security, procurement, installation & maintenance Order and manage office supplies Make travel arrangements and process expense reimbursements. Process mileage reimbursements Office space lease extended (lease extended through April 30, 2027)	Staff	H
	Records management	Organize scan of LAFCO records to Electronic Document Management System (LaserFische) Maintain LAFCO's hard copy records Maintain and enhance the LAFCO Website Maintain LAFCO database	Staff/ Consultant	H
			Staff	H
				H
			H	
Contracts and payments & receivables	Track consultant contracts and approve invoices Approve vendor invoices / process annual payments for various services/ memberships Coordinate with County Controller's Office and track annual collection of payments from member agencies	Staff	H	
Review and update LAFCO bylaws / administrative policies and procedures	Ongoing, as needed	Staff	H	

PROPOSED WORK PLAN FOR FISCAL YEAR 2023

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
ADMINISTRATIVE PROJECTS	Staff training and development	CALAFCO workshops, conferences, relevant courses	Staff	M
	Coordinate with County on administrative issues	Attend monthly meetings with the Deputy County Executive	Staff	H
	Staff performance evaluation	April - October 2022	Staff/Commission	H
	Comprehensive Organizational Assessment Study – implementation	As needed	Staff/Commission	H
	Recruitment and training of LAFCO staff	One LAFCO Analyst position currently vacant – recruitment pending County Classification study results	Staff	H
	Other administrative functions mandated of a public agency (Form 806, maintaining liability/workers comp insurance, etc.)	Ongoing	Staff	H

**PROPOSED LAFCO BUDGET
FISCAL YEAR 2022- 2023**

**ITEM # 9
Attachment D**

ITEM # TITLE	APPROVED BUDGET FY 2022	ACTUALS Year to Date 2/28/2022	PROJECTIONS Year End FY 2022	PROPOSED BUDGET FY 2023
EXPENDITURES				
Object 1: Salary and Benefits	\$844,239	\$412,232	\$691,414	\$810,419
Object 2: Services and Supplies				
5255100 Intra-County Professional	\$10,000	\$0	\$10,000	\$10,000
5255800 Legal Counsel	\$75,896	\$48,562	\$75,000	\$78,326
5255500 Consultant Services	\$150,000	\$25,239	\$100,000	\$150,000
5285700 Meal Claims	\$750	\$56	\$100	\$750
5220100 Insurance	\$8,500	\$8,590	\$8,590	\$9,237
5250100 Office Expenses	\$5,000	\$1,098	\$2,000	\$5,000
5270100 Rent & Lease	\$47,784	\$35,838	\$47,784	\$53,182
5255650 Data Processing Services	\$22,048	\$10,665	\$22,048	\$28,038
5225500 Commissioners' Fee	\$10,000	\$1,300	\$7,000	\$10,000
5260100 Publications and Legal Notices	\$1,000	\$551	\$1,000	\$1,000
5245100 Membership Dues	\$12,500	\$12,316	\$12,316	\$12,887
5250750 Printing and Reproduction	\$1,500	\$0	\$500	\$1,500
5285800 Business Travel	\$10,000	\$0	\$0	\$10,000
5285300 Private Automobile Mileage	\$1,000	\$7	\$150	\$1,000
5285200 Transportation&Travel (County Car Usage)	\$600	\$0	\$100	\$600
5281600 Overhead	\$49,173	\$24,587	\$49,173	\$30,041
5275200 Computer Hardware	\$3,000	\$0	\$1,000	\$3,000
5250800 Computer Software	\$5,000	\$853	\$4,000	\$5,000
5250250 Postage	\$1,000	\$3	\$500	\$1,000
5252100 Staff/Commissioner Training Programs	\$2,000	\$0	\$1,000	\$2,000
5701000 Reserves	-\$50,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$1,210,990	\$581,897	\$1,033,675	\$1,222,980
REVENUES				
4103400 Application Fees	\$30,000	\$24,077	\$30,000	\$30,000
4301100 Interest: Deposits and Investments	\$6,000	\$4,283	\$6,000	\$6,000
TOTAL REVENUE	\$36,000	\$28,360	\$36,000	\$36,000
3400150 FUND BALANCE FROM PREVIOUS FY	\$288,660	\$312,351	\$312,351	\$201,006
NET LAFCO OPERATING EXPENSES	\$886,330	\$241,186	\$685,324	\$985,974
3400800 RESERVES Available	\$200,000	\$200,000	\$200,000	\$200,000
COSTS TO AGENCIES				
5440200 County	\$295,443	\$295,443	\$295,443	\$328,658
4600100 Cities (San Jose 50% + Other Cities 50%)	\$295,443	\$295,443	\$295,443	\$328,658
4600100 Special Districts	\$295,443	\$295,443	\$295,443	\$328,658

March 14, 2022

LAFCO COST APPORTIONMENT: COUNTY, CITIES, SPECIAL DISTRICTS
Estimated Costs to Agencies Based on the Preliminary FY 2023 LAFCO Budget

Preliminary Net Operating Expenses for FY 2023				\$985,974
JURISDICTION	REVENUE PER 2018/2019 REPORT	PERCENTAGE OF TOTAL REVENUE	ALLOCATION PERCENTAGES	ALLOCATED COSTS
County	N/A	N/A	33.33333333%	\$328,658.00
Cities Total Share			33.33333333%	\$328,658.00
San Jose	N/A	N/A	50.00000000%	\$164,329.00
Other cities share			50.00000000%	\$164,329.00
Campbell	\$64,536,222	1.7980522%		\$2,954.72
Cupertino	\$108,060,680	3.0106928%		\$4,947.44
Gilroy	\$125,345,516	3.4922679%		\$5,738.81
Los Altos	\$57,463,937	1.6010103%		\$2,630.92
Los Altos Hills	\$16,800,340	0.4680765%		\$769.19
Los Gatos	\$51,214,203	1.4268856%		\$2,344.79
Milpitas	\$216,026,300	6.0187372%		\$9,890.53
Monte Sereno	\$3,758,600	0.1047188%		\$172.08
Morgan Hill	\$110,550,245	3.0800549%		\$5,061.42
Mountain View	\$407,506,157	11.3535827%		\$18,657.23
Palo Alto	\$701,560,301	19.5462638%		\$32,120.18
Santa Clara	\$1,078,173,133	30.0391235%		\$49,362.98
Saratoga	\$34,095,585	0.9499416%		\$1,561.03
Sunnyvale	\$614,138,449	17.1105921%		\$28,117.66
Total Cities (excluding San Jose)	\$3,589,229,668	100.0000000%		\$164,328.98
Total Cities (including San Jose)				\$328,657.98
Special Districts Total Share		(Fixed %)	33.33333333%	\$328,658.00
Aldercroft Heights County Water District		0.06233%		\$204.85
Burbank Sanitary District		0.15593%		\$512.48
Cupertino Sanitary District		2.64110%		\$8,680.19
El Camino Healthcare District		4.90738%		\$16,128.50
Guadalupe Coyote Resource Conservation District		0.04860%		\$159.73
Lake Canyon Community Services District		0.02206%		\$72.50
Lion's Gate Community Services District		0.22053%		\$724.79
Loma Prieta Resource Conservation District		0.02020%		\$66.39
Midpeninsula Regional Open Space District		5.76378%		\$18,943.12
Purissima Hills Water District		1.35427%		\$4,450.92
Rancho Rinconada Recreation and Park District		0.15988%		\$525.46
San Martin County Water District		0.04431%		\$145.63
Santa Clara Valley Open Space Authority		1.27051%		\$4,175.63
Santa Clara Valley Water District		81.44126%		\$267,663.24
Saratoga Cemetery District		0.32078%		\$1,054.27
Saratoga Fire Protection District		1.52956%		\$5,027.02
South Santa Clara Valley Memorial District		0.03752%		\$123.31
Total Special Districts		100.00000%		\$328,658.03
Total Allocated Costs				\$985,974.01

Low Income Household Water Assistance Program (LIHWAP)

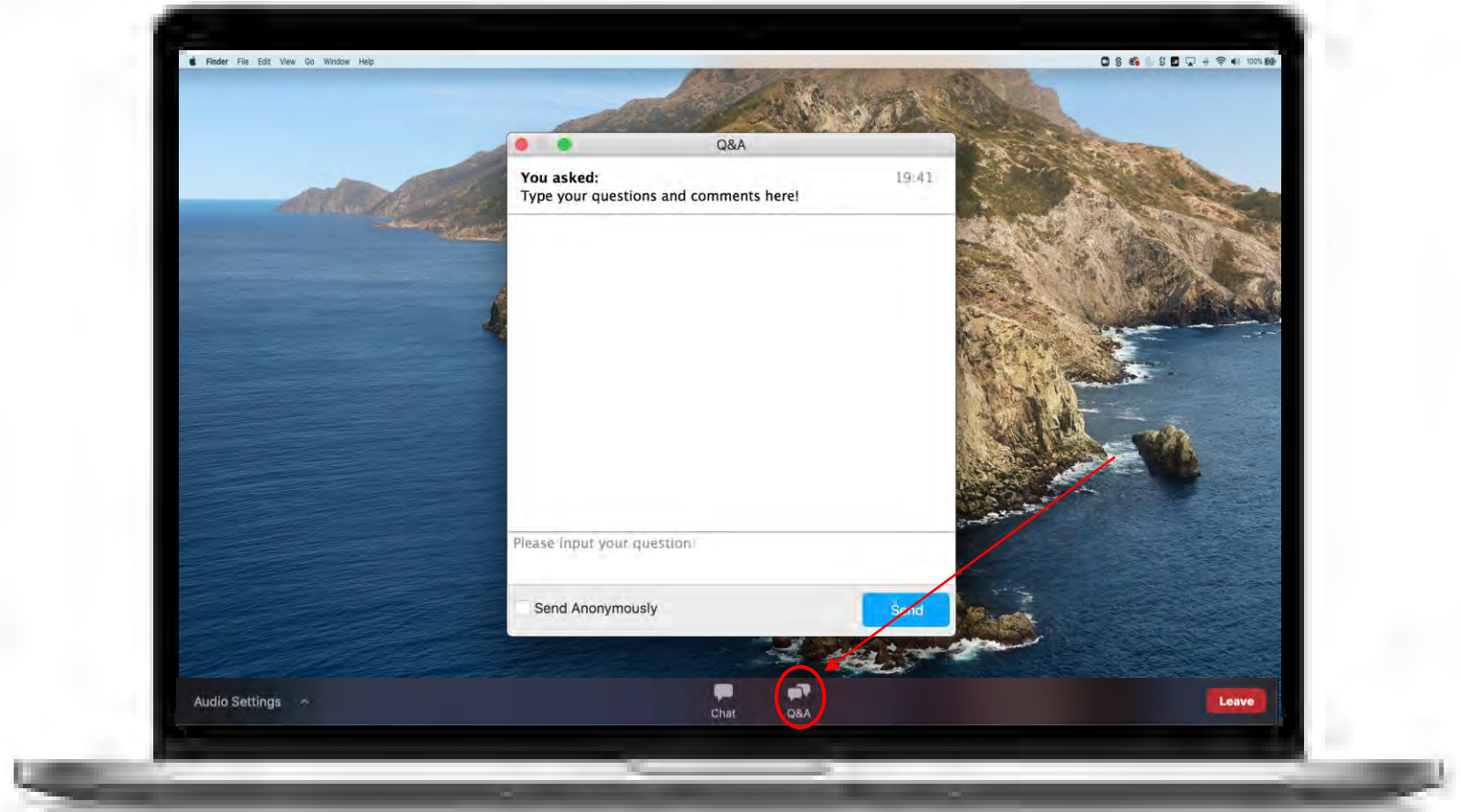
Water/Wastewater System Introduction

February 16, 2022



California Department of
Community Services & Development

Q&A



California Department of
Community Services & Development

AGENDA

1. Introduction to CSD
2. LIHWAP Overview
3. The landscape of Local Service Providers
4. Overview of draft program guidelines
 - Eligibility, payment process, and reporting requirements
5. Introduction to HORNE (Funds Disbursement Partner)
6. Enrollment Process Overview
7. Enrollment System Demo



About CSD

Who We Are

- CA Department of Community Services and Development (CSD)
- Under CA Department of Health and Human Services

Mission:

- Reduce poverty for Californians by helping low-income families achieve and maintain economic security, meet their home energy and water needs, and reduce their utility costs through energy efficiency upgrades and access to clean renewable energy.

Provide services via Network of Local Service Providers (LSPs)

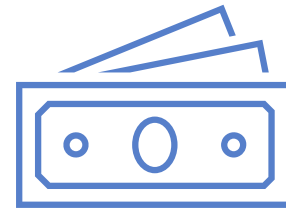


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LIHWAP Overview



CSD designated as the administrator of LIHWAP for California



CA awarded \$116 million (\$87 million for direct household benefits)



Funds are to be used to ensure **low-income households** have access to safe and clean **drinking water and wastewater services**



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LIHWAP Implementation Timeline

- **November 8, 2021** – State Plan approved by HHS. May access here: <https://www.csd.ca.gov/Pages/LIHWAP.aspx>
- **February 15th & 16th** – Intro Webinars for Water/Wastewater Systems (may host additional)
- **TBD Late February 2022** – Public input session on program guidelines
 - *Draft guidelines released week prior*
- **May/June 2022** – Program launch (customers can apply)
- **August 31, 2023** – Program ends



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LIHWAP Overview



ARREARAGE RESPONSE PROGRAM

Arrearage: money owed to a water/wastewater system from nonpayment of residential accounts that **accrued during any time period.**

Benefit Amount

- \$2,000 Maximum, one-time payment (first-come, first-served)
- Applied to drinking water or wastewater service costs (customer will select the bill to apply)
- If water/wastewater is bundled with other services (i.e. garbage):
 - only water or wastewater charges apply
 - *LSP will determine payment amount*
- Benefit amount can cover:
 - customer's past due balance
 - current charges
 - fees (included late fees)
 - and taxes
- Goal to restore services or prevent service disconnections



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LIHWAP Overview

**“FILL THE GAP”
AFTER CA
WATER AND
WASTEWATER
ARREARAGE
PAYMENT
PROGRAM**



Gaps after Water Board Arrearage Program

- LIHWAP can be applied to arrearages outside of COVID-19 pandemic bill relief period (March 4, 2020 through June 15, 2021)
- LIHWAP can cover utilities included in rent

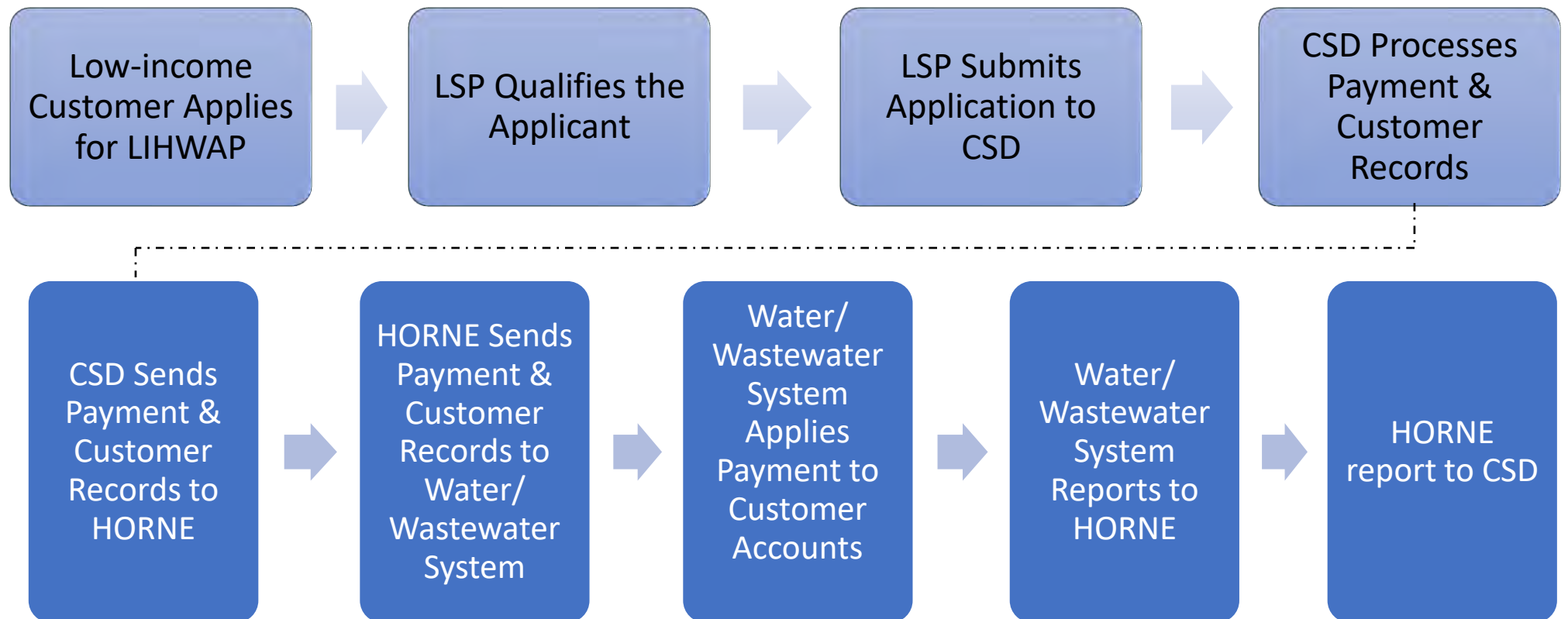
Please Note: participation in LIHWAP is allowable if you also received Water Board Arrearage funding



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Service Delivery Model

Coordination between: CSD/HORNE, Local Service Providers (LSPs), and Water/Wastewater Systems



LIHWAP Overview: Local Service Providers

Who are Local Services Providers (LSPs)?

- LIHWAP modeled after Low Income Home Energy Assistance Program (LIHEAP)
- LIHEAP Local Service Providers (LSPs) administer program at local level
 - Network of 41 agencies
 - Non-profit and local government agencies

LSP Responsibilities:

- Marketing and outreach to low-income customers
- Applicant intake and eligibility verification
- Identification of LIHWAP benefit payment amount
- Request to CSD for payment

Find an LSP: <https://csd.ca.gov/Pages/FindServicesInYourArea.aspx>
“Energy Agency” or “Utility Assistance and Weatherization Provider”



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Customer Application Process

How Do Customers Apply?

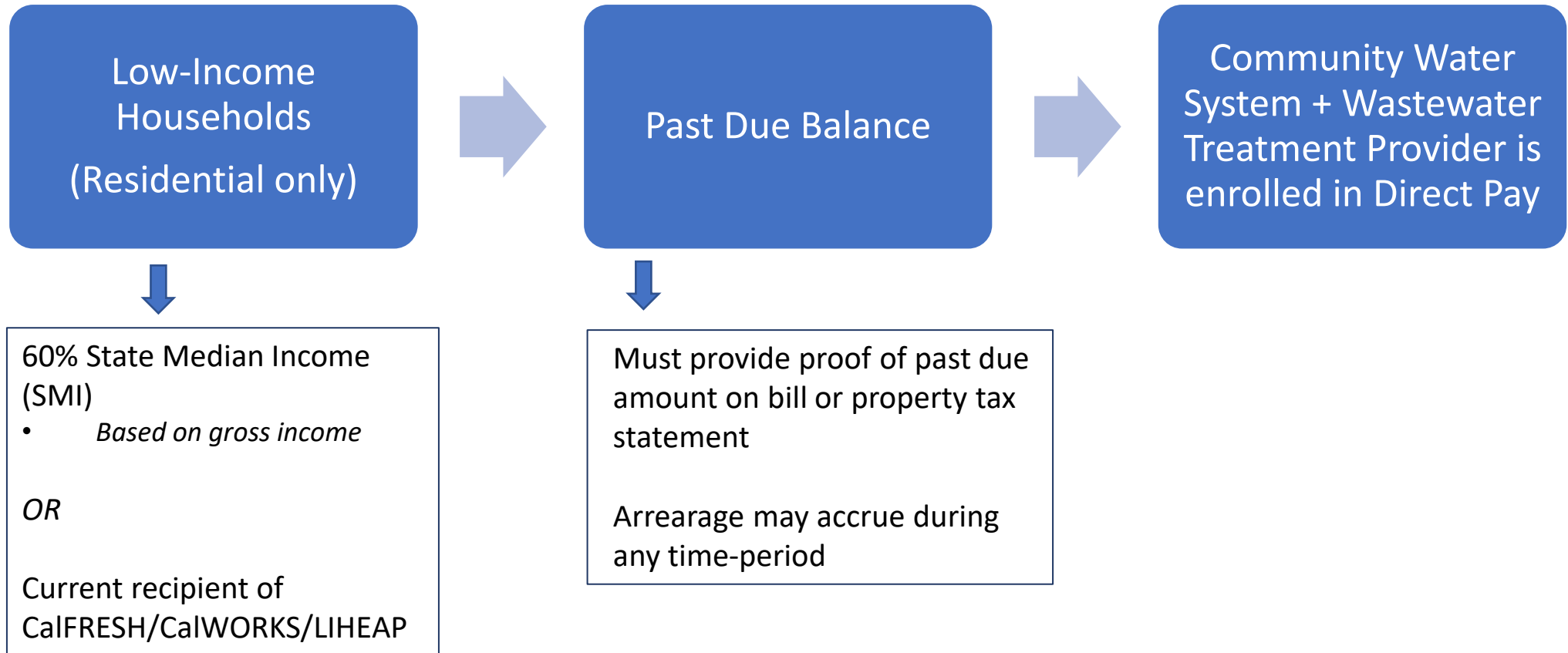
- Customers apply to the Local Service Provider (LSP)
- The LSP
 - Verifies income and eligibility
 - Identifies LIHWAP benefit amount

How Do Customers Find Out About LIHWAP?

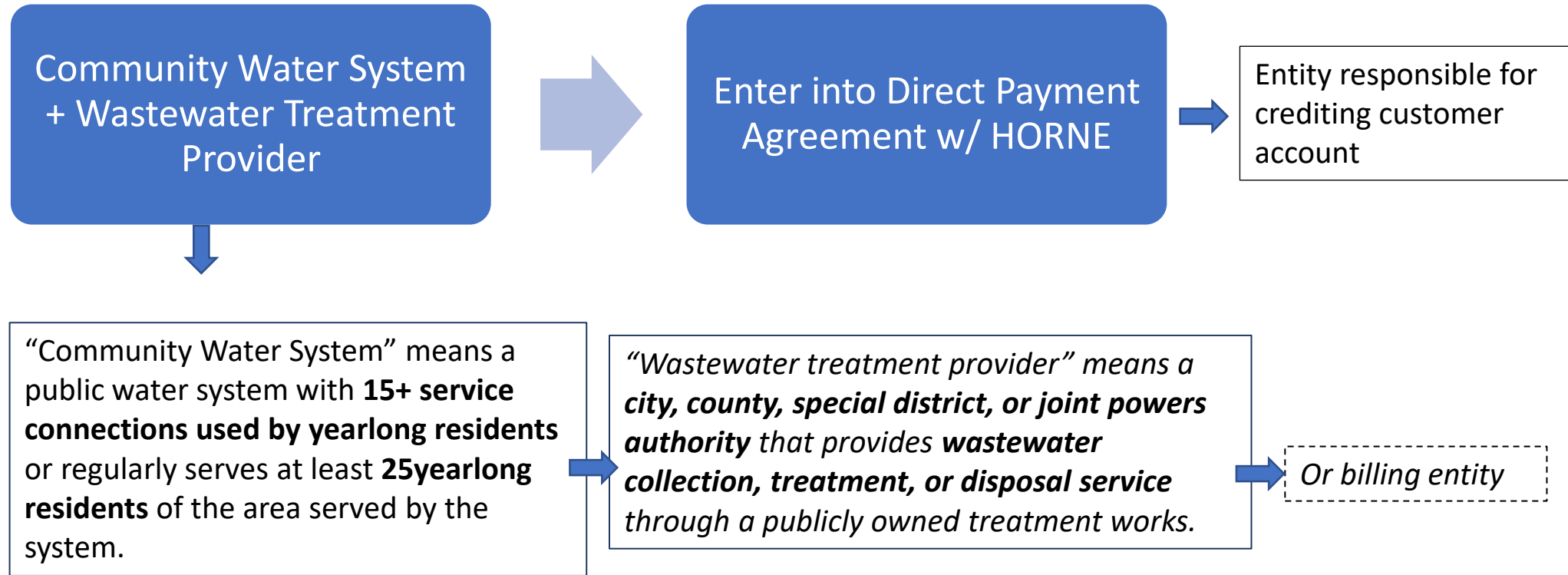
- LSP outreaches to local community
 - Primarily referrals from Low Income Household Energy Assistance Program (LIHEAP)
- CSD encourages water or wastewater systems to share with customers
 - Communications released closer to the May/June 2022 Program Launch
 - Coordination with LSP
 - Customer facing LIHWAP webpage: <https://www.csd.ca.gov/waterbill>
 - CSD can provide language for water board recipients



Customer Eligibility



Water/Wastewater System Eligibility



Water/Wastewater System Reporting Requirements

To comply with federal reporting, water and wastewater systems must submit the following information to HORNE:



- amount of assistance credited to each account
- return payments
- whether assistance restored water services or prevented shutoff, if applicable

CSD and HORNE will host an enrollment orientation to explain payments and reporting



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LIHWAP VS CA Water & Wastewater Arrearage Payment Program

Program Component	 LIHWAP	 CWWAPP
Applicant	Low-income customer applies	Water/wastewater system applies
Arrearage Accrual Period	Any time period	March 4, 2020 – June 15, 2021
Arrearage	Past due on bill, property tax rolls	Past due on bill, property tax rolls, 3 rd party debt collector
Late Fees	Covered by payment	Must waive late fees
Customers	Low-income, residential	Residential & commercial
Customer Enrollment in Payment Plan	Encouraged	Required
Admin Costs	Not Covered	Covered (3% or \$1 million – whichever is less)




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Enrollment Process

Initial Enrollment Period – 2/21/22-4/30/22

Step 1: Water or Wastewater System to Complete Web Form

CA-LIHWAP POC Registration Form

<p>Company Information</p> <p>Name of Water/Wastewater System/Billing System (Company Name) * Please enter your company name.</p> <input type="text"/> <p>Water/Wastewater/Billing System (Company Type) * Select</p> <p>Primary Point of Contact Information</p> <p>Point of Contact - First Name * Please enter the Company Point of Contact's First Name.</p> <input type="text"/> <p>Point of Contact - Last Name * Please enter the Company Point of Contact's Last Name.</p> <input type="text"/>	<p>Point of Contact - Position Title * Please enter the Company Point of Contact's Position Title.</p> <input type="text"/> <p>Point of Contact - Phone Number * Please enter the Primary Point of Contact Direct Phone Number</p> <input type="text"/> <p>Point of Contact - Email * Please enter the email address where the Company Point of Contact can be reached regarding enrollment in the CA-LIHWAP Program.</p> <input type="text"/> <p>Point of Contact - Email Confirmation * Please re-enter the email address where the Company Point of Contact can be reached regarding enrollment in the CA-LIHWAP Program.</p> <input type="text"/>	<p>Third Party Billing Information</p> <p>Are you a Water/Waste System using a third party billing company? * If yes, please complete as much of the Billing Company information as possible.</p> <p>Select</p> <p><input type="checkbox"/> Send me a copy of my responses</p> <p>Submit</p> <p>Powered by  smartsheet Privacy Notice Report Abuse</p>
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Enrollment Process

Step 2: HORNE to Verify Eligibility of Water or Wastewater System

Step 3: HORNE Sends Invitation to Enroll in System via Email

Step 4: Water or Wastewater System Follows Link in Email to Complete Enrollment

Step 5: HORNE's Enrollment Specialist Reviews for Completeness & Accuracy



California Department of
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Payment Reporting Compliance

- W9 Upload Required to Determine 1099 Requirements
 - W9 Used to determine if company is exempt from 1099 requirements
- 1099 Reporting Not required for Governmental or Incorporated Companies

Form W-9
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

Give Form to the requester. Do not send to the IRS.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

Individual/sole proprietor or single-member LLC

C Corporation

S Corporation

Partnership

Trust/estate

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

Other (see instructions) ▶ _____

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.

6 City, state, and ZIP code

7 List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

____ - ____ - _____

OR

Employer identification number

____ - _____



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Enrollment System Demo



California Department of
Community Services & Development

Questions/ Comments?

CONTACT

For general questions:

LIHWAP@csd.ca.gov

<https://csd.ca.gov/Pages/LIHWAP.aspx>

Customer facing LIHWAP webpage:

<https://www.csd.ca.gov/waterbill>

For enrollment questions & technical support in enrollment process contact:

- support@ca-lihwap.com

Please whitelist the following accounts to avoid important communication going to spam:

- NoReply-OutSystems@hornellp.com
- @ca-LIHWAP.com



California Department of
Community Services & Development



Memo

Item 10.A.

To: Board of Directors
From: Benjamin T. Porter, District Manager-Engineer
Date: April 20, 2022
**Re: Amendment to Agreement - I-280/Wolfe Road Sewer Relocation
Bennett Trenchless Engineers (BTE) Agreement for Trenchless Engineering
Services**

The Cupertino Sanitary District has been asked by the Valley Transportation Agency (VTA) to relocate an existing 15-inch diameter sewer outside of the footprint of the new Interchange at Wolfe Road and Interstate 280 (I-280). The project will involve using trenchless technologies such as micro-tunneling to install a 30 inch diameter carrier pipe under the freeway thus avoiding disruption to the traffic on I-280 during construction. The current agreement with Bennett Trenchless Engineers is dated November 17, 2021 and has a fee of \$125,200.

The project has taken longer than originally planned due to the complexity and number of alternative alignments that have been developed and evaluated by the design team. The new alignments are also much deeper than the original layout due to the discovery of a deep 6ft by 10 ft concrete box storm drain culvert that the micro-tunneled 36 in steel carrier pipe will need to avoid with a clearance of 4 feet. The length of the project also extended approximately 700 feet north on Wolfe Road to connect with an existing deep 27-inch diameter pipe.

- The original scope of work anticipated evaluation of two alternative alignments whereas four alignments have been evaluated.
- The number of meetings to develop and discuss the alternative alignments also increased
- An additional submittal at the 60 percent level of design will be required to facilitate the design review process by VTA, Caltrans, and the City of Cupertino.

As a result of these added scope of work tasks, the cost to complete the additional services is \$26,340.

Recommendation:

Staff recommends the Board authorize the District Manger to execute the amendment to the agreement with Bennett Trenchless Engineers Engineering and increase the current not-to-exceed amount of \$125,200 in the agreement by \$26,340 to a new not to exceed amount of \$151,540.

Attachment:

1. Bennett Trenchless Engineers - Amendment to Agreement – Revised Budget

**Proposed Scope and Estimated Fee for Bennett Trenchless Engineers Design Services
City of Cupertino - Wolfe Road/I-280 Sewer Relocation Project**

Task #	Task Description and Deliverables	Principal \$275/hr	Senior Scientist \$225/hr	Project Engineer \$195/hr	Original Budget 11/9/2021	Revised Budget 4/14/2022
1	90% Design					
1.1	Geotechnical Coordination and Review and Alignment/Profile Evaluation	4	16		\$4,700	\$4,700
1.2	Settlement Risk Evaluation	4	16		\$4,700	\$4,700
1.3	Preliminary Trenchless Design for two Four Alternative Alignments, Provide Red-Line Edits to Drawings by Others	4	32	24	\$8,480	\$12,980
1.4	Preliminary Trenchless Design TM, Including Discussion of Collaborative Design Development Process with VTA, HMM, City of Cupertino	16	64	48	\$21,200	\$28,160
1.5	60% Trenchless Specifications Tunnel Method, Shafts, Settlement Monitoring, Casing Pipe, Installation of Carrier in Casing, Contact Grouting	16	40	32	--	\$19,640
1.6	60% Trenchless Drawing Edits	4	24	16	--	\$9,620
1.7	90% Trenchless Specifications Tunnel Method, Shafts, Settlement Monitoring, Casing Pipe, Installation of Carrier in Casing, Contact Grouting	8	32	12	\$20,420	\$11,740
1.8	90% Trenchless Design Edits	4	16	12	\$11,180	\$7,040
1.9	90% Cost Estimate and Schedule Edits	8	24	16	\$10,720	\$10,720
1.10	90% Design Workshop (Virtual)	4	4	4	\$2,780	\$2,780
1.11	Permitting Assistance with Caltrans/VTA as needed	16	24	8	\$11,360	\$11,360
	<i>Subtotal Task 1 - 90% Design</i>	88	292	172	\$95,540	\$123,440
2	100% Design					
2.1	Incorporate Review Comments into 100% Trenchless Specifications	12	24	16	\$12,600	\$11,820
2.2	Incorporate Review Comments as Red-Line Edits to 100% Trenchless Drawings	8	16	8	\$8,140	\$7,360
2.3	Respond to RFIs during Bid Period	8	16	16	\$8,920	\$8,920
	<i>Subtotal Task 2 - 100% Design</i>	28	56	40	\$29,660	\$28,100
	TOTAL, ALL TASKS*	116	348	212	\$125,200	\$151,540

*Includes \$20,000 authorized by Bob Woodhouse by email on 10/18/21

Budget Increase	\$26,340
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NEW WASTE DISCHARGE REQUIREMENTS (WDR)



CUSD SSMP COMPLIANCE STRATEGY FOR NEW WDR

SSMP and SSMP Audit Schedule for CUSD

- Final WDR should be issued at the end of 2021 (Nov – Dec) – Adoption Date
- CUSD Needs to Apply for Participation in the New WDR Program (Jan – Feb) 2023
- First CUSD Annual Report will be WDR Effective Date – (90 – 120 Days after Adoption Date) – (Mar – April) 2023
- Complete Bi-Annual Audits in April 2022 and April 2025 (Last SSMP Audit Was April 2020)
- Complete and certify SSMP Update in May 2027 (Last SSMP Update Was May 2021)
- Complete Bi-Annual Audits in April 2028 and April 2031
- Complete and certify SSMP Update in May 2033

Action Items From Now to Next Spring

- Begin capital improvements to highest risk assets (Alignment with River Watch Settlement Agreement)
- Participate in Negotiations with SWRCB through CASA CWG
- Evaluate gaps from new WDR language and May 2021 SSMP
- Begin work on revisions to May 2021 SSMP to meet new WDR



NEW WASTE DISCHARGE REQUIREMENTS – YEAR 1

- Revise Spill Emergency Response Plan and Implement (Training)
 - Update Definition of a Spill – Prohibitions - Consider Waters of State and Waters of U.S. –
 - A discharge from any part of a sewer (SSO, Ops failure, sewer failure)
 - Exfiltration not a spill if it stays in the subsurface and does not reach WOS
 - Private Lateral Sewer Discharge Reporting Revisions
 - >1000 Gal to WOS
 - Any spill to WOTUS
 - Communication with Local Stormwater Utilities
 - Update Notification Requirements – Notify OES within 2 hours
 - All Spills >1000 Gal to WOS
 - Cat 1 and 2 – Draft Report in 3 days, Final Report in 15 days
 - New Requirements for spill spread, etc. – GPS coordinates of Spill Location, Sketch of spill spread
 - Increased Monitoring for Spills to Waters of State
 - > 50,000 Gallons – Prepare Spill Technical Report – Cause, Response, WQ Monitoring, Impacts
 - Receiving Water Field Sampling (All WOS Spills) – pH, Turbidity, Temperature, Dissolved Oxygen (Equipment Maintained and Calibrated)
 - Initiate Receiving Water Sampling within 12 hours for Spills > 50,000 Gal



NEW WASTE DISCHARGE REQUIREMENTS - YEAR 1

- Prepare and Implement a Sewer Blockage Control Plan
 - Implementation Plan and Schedule
 - Plan and Schedule for Disposal of Pipe Blocking Substances
 - Root Control Plan
 - Source Control Plan
- Communications Program and Procedures
 - Stormwater Utilities and Other Utilities for Emergency Response
- Sewer System Mapping and Boundary Delineation
- Use of Current Industry Practices



NEW WASTE DISCHARGE REQUIREMENTS - YEAR 1

- 10-Year SSO Performance Report
- Sewer Program WDR Training on Revised Requirements
- Groundwater Evaluation
- Proactive Sewer System Management Plan (Use Best Practices to Address Causes of Spills)
 - Reduce Blockages
 - Assess System Damage from Environmental and Climate Impacts
 - Infrastructure Deficiencies (Pump Stations, Structural Failures, System Age, O&M Failures)
 - Address Insufficient System Capacity
 - I/I Reduction Programs
- SSMP Availability on the District's Website
- Upload SSMP to California Integrated Water Quality System (CIWQS)
- Annual Reporting



NEW WASTE DISCHARGE REQUIREMENTS - YEAR 3

- Capital Improvement Plan (CIP)
 - Project Schedules with interim milestones – planning, design, construction
 - Completion dates for projects that align with SSMP
 - Internal and external funding sources
- Monitoring, Measurement and Modification for SSMP Implementation
 - Adaptive Management with steps for plan improvement
 - Use audit findings to prioritize steps and close gaps with WDR
 - Measurement of plan effectiveness
 - Assessing effectiveness of O&M activities
 - Evaluation of spill trends
- Internal Program Audits
- Risk Assessment
- Resiliency Planning – Risk Based Prioritization
- Satellite Systems/Enrollee Definition – Enrollee Reporting
- Sewer Rate/Funding/Budget Details Narrative
 - Commitments to Fund CIP and O&M Program
- Condition Assessment – Focus on High-Risk (Significant Environmental Consequence of Failure) Areas



SSOs

Start Date	Location	Cause of SSO	Cat	Main/Lat	Spill Volume (Gal)	Spill Recovered (Gal)	Volume of Wash Water Used (Gal)
None							

PLSDs (Private Lateral Sewage Discharge)

Start Date	Location	Cause of PLSD	Main/Lat	Spill Volume (Gal)	Spill Recovered (Gal)	Volume of Wash Water Used (Gal)
None						

Emergency Calls - Causes

Call Rec'd Business Hours	# of Calls	Call Rec'd After Hours	# of Calls	Call Rec'd Weekend	# of Calls
Root Intrusion	2	Root Intrusion	1	Root Intrusion	0
Onsite	7	Onsite	0	Onsite	0
Grease	0	Grease	0	Offset	0
Offset	0	Offset	0	Grease	0
Others	0	Others	1	Others	0
Pump Station	1	Pump Station	0	Pump Station	1
Total:	10	Total:	2	Total:	1

Repairs

Address	Main/Lat	Description of Work
13382 Old Oak Wy, Sar	Lat	Replaced 4x6 wye
Homestead 1 PS	PS	Repaired generator
Florence Ps	PS	Repaired hour meter for generator
Florence PS	PS	Installed mounting side box to new generator
Forum 1 PS	PS	Rebuilt pump 2
20786 Lowena Ct Sar	Lat	6' open trench spot repair to lower lateral
Cristo Rey PS	PS	Installed side box with emergency connectors to generator

Mainline Maintenance

Size of Pipe	4"	6"	8"	10"	12"	14"	15"	16"	18"	> 20"	Total	FY2021-22 YTD	FY2021-22 Annual Schedule	% Complete (YTD/Annual Schedule)
Mainline Cleaning (ft)	0	77,839	67,388	12,410	395	0	1,484	0	0	0	159,516	1,198,312	987,432	121%
Easement Cleaning (ft)	0	4,934	5,454	510	0	0	0	0	0	0	10,898	148,388	159,062	93%
CCTV (ft)	0	0	0	0	0	0	0	0	0	0	0	64,271	207,880	31%

Lateral Maintenance

Activity	# of Laterals	FY2021-22 YTD	FY2021-22 Annual schedule	% Complete (YTD/Annual schedule)
Cleaning	601	4,339	4,247	102%
CCTV	19	104		
Inspection	33	184		

FOG Inspection - Limited due to Restaurant closures (COVID -19)

	# of Inspections	YTD FY2021-22	FY2021-22 Annual Schedule	% Complete (YTD/Annual schedule)
Performed	21	225		
Completed	15	164	283	58%
Follow up Needed	4			

**CUPERTINO SANITARY DISTRICT
MEETING/EVENT SCHEDULE**

Item 12.A.

<u>APRIL 2022</u>		APRIL 2022						
		Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
04/06: 1 st Regular Meeting						1	2	
04/11: TAC - Canceled	3	4	5	6 1 st Regular Meeting	7	8	9	
04/11-14: CWEA Annual Conference (Kwok attended)	10	11 TAC	12	13	14 TPAC	15	16	
04/14: TPAC - Canceled				CWEA Annual Conference				
04/20: 2 nd Regular Meeting	17	18	19	20 2 nd Regular Meeting	21	22	23	
	24	25	26	27	28	29	30	

<u>MAY 2022</u>		MAY 2022						
		Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
05/04: 1 st Regular Meeting	1	2	3	4 1 st Regular Meeting	5	6	7	
05/16: TAC	8	9	10	11	12	13	14	
05/18: 2 nd Regular Meeting	15	16 TAC	17	18 2 nd Regular Meeting	19 TPAC	20	21	
05/19: TPAC	22	23	24	25	26	27	28	
	29	30	31					

<u>JUNE 2022</u>		JUNE 2022						
		Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
06/01: 1 st Regular Meeting				1 1 st Regular Meeting	2	3	4	
06/06: TAC & SCCSDA	5	6 SCCSDA TAC	7	8	9 TPAC	10	11	
06/09: TPAC	12	13	14	15 2 nd Regular Meeting	16	17	18	
06/15: 2 nd Regular Meeting	19	20	21	22	23	24	25	
	26	27	28	29	30			