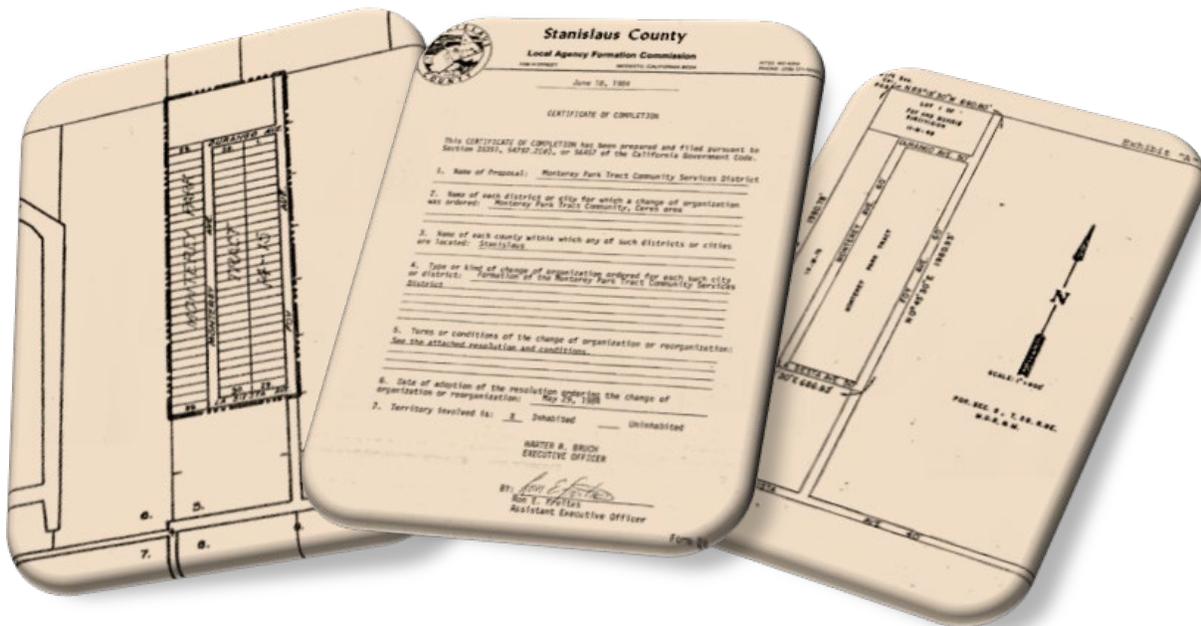


## **MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE:**



## **MONTEREY PARK TRACT COMMUNITY SERVICES DISTRICT**

*Prepared By:*

**Stanislaus Local Agency Formation Commission  
1010 Tenth Street, Third Floor  
Modesto, CA 95354  
Phone: (209) 525-7660**

**Adopted: May 25, 2022**

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# **STANISLAUS**

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# **Municipal Service Review and Sphere of Influence Update for the Monterey Park Tract Community Services District**

## **Introduction**

The Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 Act (CKH Act) requires the Local Agency Formation Commission (LAFCO) to update the Spheres of Influence (SOI) for all applicable jurisdictions in the County. A Sphere of Influence is defined by Government Code §56076 as "...a plan for the probable physical boundary and service area of a local agency, as determined by the Commission." The Act further requires that a Municipal Service Review (MSR) be conducted prior to or, in conjunction with, the update of a Sphere of Influence (SOI).

The legislative authority for conducting Service Reviews is provided in Government Code Section 56430 of the CKH Act. The Act states, that "in order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area..." A Service Review must have written determinations that address the following factors:

## **Service Review Factors to be Addressed**

1. Growth and population projections for the affected area
2. The location and characteristics of any disadvantaged, unincorporated communities within or contiguous to the sphere of influence
3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services
5. Status of, and opportunities for, shared facilities
6. Accountability for community service needs, including governmental structure and operational efficiencies
7. Any other matter related to effective or efficient service delivery, as required by commission policy

State Guidelines and Commission policies encourage cooperation among a variety of stakeholders involved in the preparation of a Service Review. This Service Review will analyze the existing and future services for the Monterey Park Tract Community Services District. The Service Review will also provide a basis for the District and LAFCO to evaluate, and, if appropriate, make changes to the Sphere of Influence.

## **Sphere of Influence Update Process**

A special district is a government agency that is required to have an adopted and updated Sphere of Influence. Section 56425(g) of the CKH Act calls for Spheres of Influence to be reviewed and updated every five years, as necessary. Stanislaus LAFCO processes the Service Review and Sphere of Influence Updates concurrently to ensure efficient use of resources. For rural special districts, which do not have the typical municipal level services to review, this Service Review will be used to determine what type of services the district is expected to provide and the extent to which it is actually able to do so. The Sphere of Influence will delineate the service capability and expansion capacity of the agency, if applicable.

# **Service Review – Monterey Park Tract Community Services District**

## **Authority**

The Monterey Park Tract Community Services District was organized under Section 61000 et. seq. of the Government Code. In addition, the District is considered a “registered voter district”, as the board members are elected by the registered voters residing within the district’s boundaries.

## **Background**

Special districts are local governments that are separate from cities and counties, yet provide public services such as fire protection, sewer, water, and street lighting. California has over 3,300 special districts, which provide over 30 different types of services. There are 50 major types of special districts ranging from airports to fire protection to mosquito abatement to water conservation. To date, there are approximately 325 Community Services Districts (CSDs) in California.

## **Purpose**

Community Services Districts may be formed to provide water, sewer, garbage services, fire protection, public recreation, street lighting, mosquito abatement, police services, library services, street improvements, conversion of overhead electric and communication facilities to underground locations, ambulance services, airport facilities, flood control and transportation services.

## **Governance**

Five Board members, elected by the registered voters within the District boundaries, govern the District. Meetings are held on the fourth Monday of each month at 6:00 p.m., in the Monterey Park Tract Community Center.

## **Formation**

The Monterey Park Tract Community Services District (MPTCSD) was formed on June 18, 1984.

## **Location and Size**

The District serves a small, rural residential subdivision known as the Monterey Park Tract located in the unincorporated area of Stanislaus County, 4.5 miles southwest of the City of Ceres. The District encompasses an area of 31 acres and serves a population of an estimated 186 people.

The District is mostly comprised of 10,000 square foot residential parcels. The area within the District has a designation of Agriculture in the Stanislaus County General Plan and is surrounded by agricultural operations.

## **Sphere of Influence**

The District's Sphere of Influence is coterminous with its current boundaries. No amendments to the District's boundaries or sphere of influence are being proposed with this Municipal Service Review and Sphere of Influence Update.

## **Personnel**

The District currently does not have employees.

## **Services**

The District owns and operates the community's water system which currently serves approximately 50 households, a church, and a community center for a total of 55 active water service connections.

In January of 2015, the Stanislaus County Board of Supervisors approved a Water Service Agreement (WSA) between Stanislaus County, the City of Ceres and the MPTCSD. As part of the agreement, the City of Ceres provides water to the MPTCSD. The MPTCSD is responsible for improvements, maintenance and operation.

The City of Ceres supplies up to 60,000 gallons of water per day at a rate no greater than 41 gallons per minute through a water delivery system consisting of underground pipes, valves, pumps and metering equipment. The water delivery system connects to City water at a water main on Crows Landing Road approximately one-half (1/2) mile south of Service Road and extend approximately 4.5 miles to the District's delivery system.

As part of the connection, the District's Well 1 was abandoned and sealed off. Well 2 received minor modifications to existing controls and valves and included a water line that connects to a new steel water storage tank. The new storage tank is located on two parcels on Monterey Avenue within the District and receives water from both the City of Ceres and Well 2.

The MPTCSD is currently in the planning stages of constructing a new sewer system for the District. The project will replace the existing individual septic systems within the community and serve approximately 50 dwelling units. The project is planned to be funded by CSD funds, Clean Water State Revolving Fund (CWRSF) funds administered through the California State Water Resources Control Board (Water Board).

The system will convey wastewater to a centralized location and a new waste water treatment plant (WWTP) for treatment and disposal of the wastewater. The system will require approximately 3,800 feet of gravity collection mains and 10 manholes. According to the project's environmental documentation. The maximum wastewater generation for the system is approximately 20,000 gallons per day requiring construction of a 4,000-square foot leach field. The treatment facility will consist of one (1) 10,000-gallon septic tank, two (2) 20,000-gallon septic tanks, and two (2) treatment units.

As required by Government Code §56021 and §56654, The MPTCSD will be required to initiate a change of organization application and obtain LAFCO approval prior to providing services. Approval will allow the District to provide wastewater services to its customers. Although the District is currently planning on utilizing a community sewer system, it may utilize other alternatives to provide the service, such as contracting with another agency.

## **Support Agencies**

The District maintains positive and collaborative relationships with other agencies, such as Stanislaus County and the City of Ceres.

## **Funding Sources**

The District's source of revenue is derived from connection fees and monthly water service fees.

In 2012, MPTCSD secured a \$2.2 million Prop 84 grant to address water quality issues. The grant helped construct the water line from the City of Ceres to MPTCSD and pay for connection fees.

To support the City of Ceres rate structure, MPTCSD conducted a Prop 218 ballot procedure to increase water rates. The vote passed in May of 2012 and new rates were implemented in July that year. The new rate structure is aligned with anticipated rate increases as projected by the City of Ceres.

As part of the Water Sharing Agreement (WSA), mentioned previously, between Stanislaus County, the City of Ceres, and MPTCSD, the District deposited a sum of \$75,000 into a reserve account when the connection was completed. The purpose of the reserve account is to ensure that the City has sufficient funds to cover MPTCSD water service billings on a monthly basis. The \$75,000 provides approximately 2.5 years of reserve utility billing.

The WSA also states that if for any reason MPTCSD is unable to meet the obligations described in the WSA, the County agrees to take formal action to assume all obligations of MPTCSD in order to provide continued water service to the residents of Monterey Park Tract. After a 15-year term, if the MPTCSD shows fiscal solvency, the obligation of the County may be reduced.

According to the MPTCSD Septic to Sewer System Feasibility Study completed in September of 2021, construction of the sewer system is expected to be funded through the Clean Water State Revolving Fund (CWSRF) administered through the California State Water Resources Control Board (Water Board). Construction will include the system itself, infrastructure, land acquisition, system connections and removal of old septic systems. Operation and Management (O & M) costs will be funded by monthly service fees.

## **Service Review Determinations:**

The following provides an analysis of the six categories or components required by Section 56430 for a Service Review for the Monterey Park Tract Community Services District:

### **1. Growth and Population Projections for the Affected Area**

The District serves a small, rural residential subdivision known as the Monterey Park Tract. The area is designated as “Agricultural” in the Stanislaus County General Plan and does not expect any significant population growth in the near future. The District currently serves approximately 55 service connections. The subdivision is mostly built out with single family homes and accessory buildings and only a few parcels are currently vacant.

According to the MPTCSD Septic to Sewer System Feasibility Study, the area has a population of approximately 186. The area is expected to grow to but not exceed 200 based on the size of the area and lots.

### **2. The location and characteristics of any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.**

Based on annual median household income, the area within Monterey Park Tract Community Services District is identified as a Disadvantaged Unincorporated Community (DUC) as defined in Section 56033.5 of the Cortese-Knox-Hertzberg Act of 2000. No additional DUCs have been identified within or contiguous to the District’s sphere of influence.

### **3. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies Including Needs or Deficiencies Related to Sewers, Municipal and Industrial Water, and Structural Fire Protection in Any Disadvantaged, Unincorporated Communities Within or Contiguous to the Sphere of Influence.**

In 2015, the Stanislaus County Board of Supervisors approved a Water Service Agreement between Stanislaus County, the City of Ceres and MPTCSD. As part of the agreement, the City of Ceres would provide water to the District and MPTCSD would be responsible for operations and maintenance.

The City of Ceres currently provides up to 60,000 gallons of water per day through a water delivery system that begins at a water main on Crows Landing Road, about half of a mile south of Service Road and extends approximately 4.5 miles south to the MPTCSD water delivery system.

There are no current issues with water quality, delivery of service, or financial issues associated with the delivery of water.

According to the District Septic to Sewer Feasibility Study, the State Water Resources Control Board adopted the Onsite Wastewater Treatment Systems (OWTS) Policy in July 2012. The OWTS Policy established new requirements that affect the regulation and management of septic systems. The requirements of the OWTS policy are expected to increase the long-term costs of operating and maintaining individual septic systems. The District is currently in the planning process for a new sewer system to replace the old

individual septic systems. The facilities will provide a new service for the District and will require LAFCO approval. The proposed project will provide adequate sewer services to its customers, and replace existing septic tanks and leach fields that are currently used throughout the community.

The proposed system will serve approximately 50 dwelling units and require 3,800 feet of gravity collection mains and 10 manholes. The maximum wastewater generation for the system is approximately 20,000 gallons per day requiring construction of a 4,000-square foot leach field. Also included in the facility will be one (1) 10,000-gallon septic tank, two (2) 20,000-gallon septic tanks, and two (2) treatment units.

#### **4. Financial Ability of Agencies to Provide Services**

The District has expanded its financial ability to provide services. In order to support the City of Ceres rate structure, the District conducted a Prop 218 ballot procedure to increase water rates. The ballot item was passed by the voters. In addition, as part of the Water Service Agreement, the District holds a \$75,000 reserve account to ensure that the City has sufficient funds to cover water service billings on a monthly basis.

The proposed sewer project will be funded through a combination of CSD funds, Clean Water State Revolving Fund (CWSRF) funds administered through the California State Water Resources Control Board. The maintenance and operation of the system is expected to be funded through CSD sewer rates paid by each property within the district.

#### **5. Status of, and Opportunities for, Shared Facilities**

The District has a Water Service Agreement (WSA) with Stanislaus County and the City of Ceres for domestic water supply. The City of Ceres provides domestic water to the District. If MPTCSD is unable to meet the obligations as described in the WSA, the County agrees to take formal action to assume all obligations of MPTCSD in order to provide continued water service to the residents of Monterey Park Tract.

The proposed sewer project will be constructed and operated by the MPTCSD. The District investigated several alternatives including wastewater consolidation with the City of Ceres, Keyes Community Services District, and Stanislaus County Public Safety Center and septic system upgrades. Ultimately, the study found that the community sewer collection system with a centralized wastewater treatment facility is the most feasible. No additional agencies or facilities are currently included or proposed.

#### **6. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies**

The District is governed by a five-member Board of Directors, elected by registered voters within the District. The District is subject to the provisions of the Brown Act requiring opening meetings.

#### **7. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy**

None.

## **Sphere of Influence Update for the Monterey Park Tract Community Services District**

In determining the Sphere of Influence (SOI) of each local agency, the Commission shall consider and prepare determinations with respect to each of the following factors pursuant to Government Code Section 56425:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides, or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the Commission determines they are relevant.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

This document proposes no changes to the District's existing Sphere of Influence. Rather, it serves to reaffirm the existing SOI boundary. As part of this process, Staff researched the history of the establishment of the District's SOI. A map of the current District boundary and Sphere of Influence is attached in Appendix "A".

The following determinations for the Monterey Park Tract Community Services District's Sphere of Influence update are made in conformance with Government Code §56425 and Commission policy.

### **Determinations:**

#### **1. The present and planned land uses in the area, including agricultural and open-space lands**

The District's Sphere of Influence (SOI) encompasses a land area of approximately 31 acres (coterminous with the existing District boundaries). Territory within the District boundaries consists of rural-residential land uses. The District has a designation of Agriculture in the Stanislaus County General Plan and is surrounded by agricultural operations. These uses are not expected to change. In addition, the District does not have the authority to make land use decisions, nor does it have authority over present or planned land uses within its boundaries. The responsibility for land use decisions within the District boundaries is retained by the County.

#### **2. The present and probable need for public facilities and services in the area**

Presently, individual septic tanks and leach fields are used for wastewater within the MPTCSD area. The District has stated that there is a growing concern of groundwater contamination caused by the density of septic systems. The State Water Resources Control

Board adopted the Onsite Wastewater Treatment Systems (OWTS) Policy in July 2012 and affect the regulation and management of septic systems. The requirements of OWTS policy are expected to increase the long-term costs of operating and maintaining individual septic systems.

The MPTCSD is proposing construction of a community sewer collection system to convey wastewater to a centralized location and new wastewater treatment plant. The MPTCSD will be required to obtain LAFCO approval to provide the new service.

**3. The present capacity of public facilities and adequacy of public services that the agency provides, or is authorized to provide.**

The District currently has adequate capacity to provide the necessary water service to customers within its existing service area boundary.

The District is in the planning stages for the construction of a community sewer collection system for the MPTCSD area. The sewer system will provide services to approximately 50 dwelling units. The project will provide a new service with the sewer operation and will require LAFCO approval.

**4. The existence of any social or economic communities of interest in the area if the Commission determines they are relevant.**

The Monterey Park Tract, created by a subdivision map in 1941, is the only community within the boundaries of the District. The District is surrounded by large scale agricultural operations. There are no other communities of interest in the area.

**5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

The Monterey Park Tract is identified as a Disadvantaged Unincorporated Community (DUC) as defined in Section 56033.5 of the Cortese-Knox-Hertzberg Act of 2000.

The current condition of the District's water system has been improved with the District's connection to the City of Ceres Water system. The City provides domestic water to the MPTCS through a water line delivery system.

As mentioned previously, the District is currently in the planning stages for the construction of a community sewer collection system to convey wastewater for territory within the District boundaries.

Additional services, such as structural fire protection, are provided through other special districts.

## DISTRICT SUMMARY PROFILE

District: **MONTEREY PARK TRACT COMMUNITY SERVICES DISTRICT**

Contact Information: P.O. Box 1301 Ceres, CA 95307  
Ph. (209) 204-4353

Location: Approximately 4.5 miles southwest of the City of Ceres, in the unincorporated area of Stanislaus County.

Service Area: 31 acres

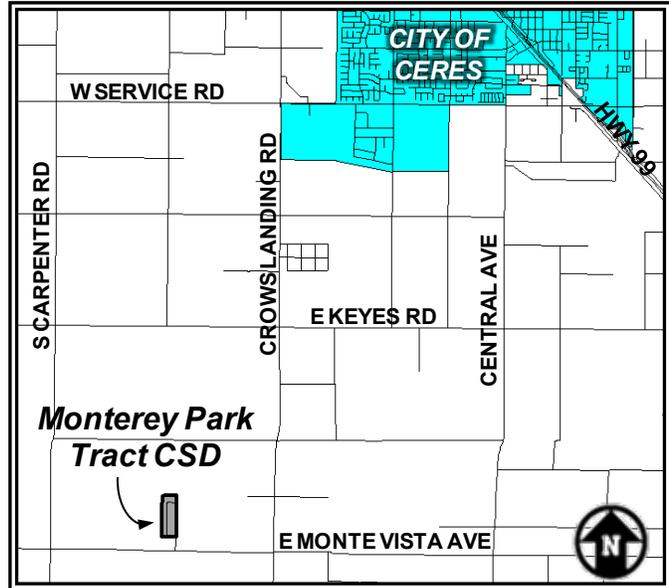
Population\*: 186 persons

Land Use: Rural-residential

Date of Formation: May 29, 1984

Enabling Act: California  
Government Code,  
§61000, et. seq.

Governing Body: Five Member Board  
of Directors, elected  
by the registered  
voters within the  
District



Administration: One Part-time employee – a secretary

District Services: Domestic Water

Projected Income: \$114,000.00 (Fiscal year 2021-2022)

Revenue Sources: Monthly service fees and connection fees

*\*Source: MPTCSD Septic to Sewer System Feasibility Study*

# MONTEREY PARK TRACT COMMUNITY SERVICES DISTRICT BOUNDARIES AND SPHERE OF INFLUENCE



## REFERENCES

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### REFERENCES

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4. Monterey Park Tract CSD. *Septic to Sewer System Feasibility Study*. September 2021.
5. Monterey Park Tract CSD. Projected Operating Budget, Fiscal Year 2021-2022.
6. Stanislaus LAFCO. *Municipal Service Review and Sphere of Influence Update – Monterey Park Tract Community Services District*, Adopted January 27, 2016.
7. U.S. Environmental Protection Agency website ([www.epa.gov/safewater](http://www.epa.gov/safewater)).

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### INDIVIDUALS AND AGENCIES CONTACTED

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1. Francisco Diaz, Board President, Monterey Park Tract Community Services District
2. Alfonso Manrique, AM Consulting Engineers