AGENDA
Wednesday, February 24, 2016
6:00 P.M.
Joint Chambers—Basement Level
1010 10th Street, Modesto, California 95354

The Stanislaus Local Agency Formation Commission welcomes you to its meetings. As a courtesy, please silence your cell phones during the meeting. If you want to submit documents at this meeting, please bring 15 copies for distribution. Agendas and staff reports are available on our website at least 72 hours before each meeting. Materials related to an item on this Agenda, submitted to the Commission or prepared after distribution of the agenda packet, will be available for public inspection in the LAFCO Office at 1010 10th Street, 3rd Floor, Modesto, during normal business hours.

1. CALL TO ORDER
   A. Pledge of Allegiance to the Flag.
   B. Introduction of Commissioners and Staff.

2. PUBLIC COMMENT PERIOD
   This is the period in which persons may speak on items that are not listed on the regular agenda. All persons wishing to speak during this public comment portion of the meeting are asked to fill out a “Speaker’s Card” and provide it to the Commission Clerk. Each speaker will be limited to a three-minute presentation. No action will be taken by the Commission as a result of any item presented during the public comment period.

3. APPROVAL OF MINUTES
   A. Minutes of the January 27, 2016 Meeting.

4. CORRESPONDENCE
   No correspondence addressed to the Commission, individual Commissioners or staff will be accepted and/or considered unless it has been signed by the author, or sufficiently identifies the person or persons responsible for its creation and submittal.
   A. Specific Correspondence.
      None.
   B. Informational Correspondence.
      None.
   C. “In the News.”
5. DECLARATION OF CONFLICTS AND DISQUALIFICATIONS

6. PUBLIC HEARING

Any member of the public may address the Commission with respect to a scheduled public hearing item. Comments should be limited to no more than three (3) minutes, unless additional time is permitted by the Chair. All persons wishing to speak during this public hearing portion of the meeting are asked to fill out a “Speaker’s Card” and provide it to the Commission Clerk prior to speaking.

A. MSR No. 15-02 & SOI No. 15-02: MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE COUNTY SERVICE AREAS IN STANISLAUS COUNTY. The Commission will consider the adoption of a Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the County Service Areas (CSAs) in Stanislaus County. Although no changes to the spheres of influence are proposed, the document recommends dissolution of CSA No. 2 (Airport District Park) and CSA No. 3 (Riverdale Park Tract) due to inactivity. This item is exempt from the California Environmental Quality Act (CEQA) pursuant to Regulation §15061(b)(3). (Staff Recommendation: Approve Resolution No. 2016-05.)

7. OTHER BUSINESS

None.

8. COMMISSIONER COMMENTS

Commission Members may provide comments regarding LAFCO matters.

9. ADDITIONAL MATTERS AT THE DISCRETION OF THE CHAIRPERSON

The Commission Chair may announce additional matters regarding LAFCO matters.

10. EXECUTIVE OFFICER’S REPORT

The Commission will receive a verbal report from the Executive Officer regarding current staff activities.

A. On the Horizon.

11. ADJOURNMENT

A. Set the next meeting date of the Commission for March 23, 2016.

B. Adjourn.
LAFCO Disclosure Requirements

Disclosure of Campaign Contributions: If you wish to participate in a LAFCO proceeding, you are prohibited from making a campaign contribution of more than $250 to any commissioner or alternate. This prohibition begins on the date you begin to actively support or oppose an application before LAFCO and continues until three months after a final decision is rendered by LAFCO. No commissioner or alternate may solicit or accept a campaign contribution of more than $250 from you or your agent during this period if the commissioner or alternate knows, or has reason to know, that you will participate in the proceedings. If you or your agent have made a contribution of more than $250 to any commissioner or alternate during the twelve (12) months preceding the decision, that commissioner or alternate must disqualify himself or herself from the decision. However, disqualification is not required if the commissioner or alternate returns the campaign contribution within thirty (30) days of learning both about the contribution and the fact that you are a participant in the proceedings.

Lobbying Disclosure: Any person or group lobbying the Commission or the Executive Officer in regard to an application before LAFCO must file a declaration prior to the hearing on the LAFCO application or at the time of the hearing if that is the initial contact. Any lobbyist speaking at the LAFCO hearing must so identify themselves as lobbyists and identify on the record the name of the person or entity making payment to them.

Disclosure of Political Expenditures and Contributions Regarding LAFCO Proceedings: If the proponents or opponents of a LAFCO proposal spend $1,000 with respect to that proposal, they must report their contributions of $100 or more and all of their expenditures under the rules of the Political Reform Act for local initiative measures to the LAFCO Office.

LAFCO Action in Court: All persons are invited to testify and submit written comments to the Commission. If you challenge a LAFCO action in court, you may be limited to issues raised at the public hearing or submitted as written comments prior to the close of the public hearing. All written materials received by staff 24 hours before the hearing will be distributed to the Commission.

Reasonable Accommodations: In compliance with the Americans with Disabilities Act, hearing devices are available for public use. If hearing devices are needed, please contact the LAFCO Clerk at 525-7660. Notification 24 hours prior to the meeting will enable the Clerk to make arrangements.

Alternative Formats: If requested, the agenda will be made available in alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 USC 12132) and the Federal rules and regulations adopted in implementation thereof.

Notice Regarding Non-English Speakers: Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedure Section 185 which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the Local Agency Formation Commission shall be in English and anyone wishing to address the Commission is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.
1. **CALL TO ORDER**

Chair DeMartini called the meeting to order at 6:00 p.m.

A. **Pledge of Allegiance to Flag.** Chair DeMartini led in the pledge of allegiance to the flag.

B. **Introduction of Commissioners and Staff.** Chair DeMartini led in the introduction of the Commissioners and Staff.

Commissioners Present: Jim DeMartini, Chair, County Member
Bradley Hawn, Vice-Chair, Public Member
Amy Bublak, City Member
Terry Withrow, County Member
William O’Brien, Alternate County Member
Annabel Gammon, Alternate Public Member

Commissioners Absent: Michael Van Winkle, Alternate City Member
Tom Dunlop, City Member

Staff Present: Sara Lytle-Pinhey, Executive Officer
Javier Camarena, Assistant Executive Officer
Jennifer Goss, Commission Clerk
Robert J. Taro, LAFCO Counsel

2. **PUBLIC COMMENT**

None.

3. **APPROVAL OF MINUTES**

A. Minutes of the December 2, 2015 Meeting.

Motion by Commissioner Hawn, seconded by Commissioner Bublak and carried with a 5-0 vote to approve the Minutes of the December 2, 2015 meeting by the following vote:

Ayes: Commissioners: Bublak, DeMartini, Hawn and O’Brien
Noes: Commissioners: None
Ineligible: Commissioners: Gammon
Absent: Commissioners: Dunlop and Van Winkle
Abstention: Commissioners: Withrow
4. **CORRESPONDENCE**

A. Specific Correspondence.

None.

B. Informational Correspondence.

1. 39th Annual Planning Commissioners Workshop Flier.

2. CALAFCO Bulletin - The Implementation of SB 239.

3. CSDA 2016 Professional Development Catalog (Handout).

4. “In the News” - Modesto Bee article regarding Monterey Park Tract dated January 20, 2016 (Handout).

C. “In the News”

5. **DECLARATION OF CONFLICTS AND DISQUALIFICATIONS**

None.

6. **CONSENT ITEMS**

A. **MSR No. 15-03 & SOI No. 2015-03: MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE MONTEREY PARK TRACT COMMUNITY SERVICES DISTRICT.** The Commission will consider the adoption of a Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Monterey Park Tract Community Services District. This item is exempt from the California Environmental Quality Act (CEQA) review pursuant to Regulations §15306 and §15061(b)(3). (Staff Recommendation: Approve Resolution No. 2016-02.)

Motion by Commissioner Bublak, seconded by Commissioner Hawn and carried with a 4-0 vote to adopt Resolution No. 2016-02 approving the proposal as recommended by Staff by the following vote:

Ayes: Commissioners: Bublak, DeMartini, Hawn and Withrow

Noes: Commissioners: None

Ineligible: Commissioners: Gammon and O’Brien

Absent: Commissioners: Dunlop and Van Winkle

Abstention: Commissioners: None

B. **MSR No. 15-04 & SOI No. 2015-04: MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE WESTERN HILLS WATER DISTRICT.** The Commission will consider the adoption of a Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Western Hills Water District. This item is exempt from the California Environmental Quality Act (CEQA) review pursuant to Regulations §15306 and §15061(b)(3). (Staff Recommendation: Approve Resolution No. 2016-03.)

Motion by Commissioner Bublak, seconded by Commissioner Hawn and carried with
a 4-0 vote to adopt Resolution No. 2016-03 approving the proposal as recommended by Staff by the following vote:

Ayes: Commissioners: Bublak, DeMartini, Hawn and Withrow  
Noes: Commissioners: None  
Ineligible: Commissioners: Gammon and O’Bien  
Absent: Commissioners: Dunlop and Van Winkle  
Abstention: Commissioners: None

C. **OUT-OF-BOUNDARY SERVICE EXTENSION: 4346 JESSUP ROAD.**

The Commission will consider a request by A.L Gilbert to receive water and sewer services from the Keyes Community Services District for a proposed warehouse and office at 4346 Jessup Road, located outside the District’s boundaries. Stanislaus County, as Lead Agency, adopted a mitigated negative declaration pursuant to the California Environmental Quality Act (CEQA). LAFCO, as a Responsible Agency, will consider this environmental determination as part of its action. (Staff Recommendation: Approve Resolution No. 2016-04.)

Motion by Commissioner Bublak, seconded by Commissioner Hawn and carried with a 4-0 vote to adopt Resolution No. 2016-04 approving the proposal as recommended by Staff by the following vote:

Ayes: Commissioners: Bublak, DeMartini, Hawn and Withrow  
Noes: Commissioners: None  
Ineligible: Commissioners: Gammon and O’Brien  
Absent: Commissioners: Dunlop and Van Winkle  
Abstention: Commissioners: None

7. **OTHER BUSINESS**

A. **MID-YEAR BUDGET REPORT FOR FISCAL YEAR 2015-2016.**

Sara Lytle-Pinhey, Executive Officer, presented the report to the Commission.

Motion by Commissioner Withrow, seconded by Commissioner Hawn and carried with a 4-0 vote to receive and file the Mid-Year Budget Report by the following vote:

Ayes: Commissioners: Bublak, DeMartini, Hawn and Withrow  
Noes: Commissioners: None  
Ineligible: Commissioners: Gammon and O’Brien  
Absent: Commissioners: Dunlop and Van Winkle  
Abstention: Commissioners: None

B. **ANNUAL ELECTION OF OFFICERS.**

Chair DeMartini asked for nominations for Chairperson and Vice-Chairperson and requested a separate vote for each.

Motion by Commissioner Bublak, seconded by Commissioner Withrow and carried with a 4-0 vote to approve Resolution No. 2016-01a to elect Commissioner Hawn as Chairperson by the following vote:

Ayes: Commissioners: Bublak, DeMartini, Hawn and Withrow  
Noes: Commissioners: None
Ineligible: Commissioners: Gammon and O'Brien
Absent: Commissioners: Dunlop and Van Winkle
Abstention: Commissioners: None

Motion by Commissioner Withrow, seconded by Commissioner Hawn and carried with a 4-0 vote to approve Resolution No. 2016-01b to elect Commissioner Bublak as Vice-Chairperson by the following vote:

Ayes: Commissioners: Bublak, DeMartini, Hawn and WIthrow
Noes: Commissioners: None
Ineligible: Commissioners: Gammon and O'Brien
Absent: Commissioners: Dunlop and Van Winkle
Abstention: Commissioners: None

8. COMMISSIONER COMMENTS
None.

9. ADDITIONAL MATTERS AT THE DISCRETION OF THE CHAIRPERSON
None.

10. EXECUTIVE OFFICER'S REPORT
A. On the Horizon. The Executive Officer informed the Commission of the following:

- For February’s meeting, Staff will be bringing an updated MSR/SOI for the County Service Areas with recommendations for the Commission’s review.

- Staff anticipates receiving an annexation application from the City of Modesto for an area off of Paradise Road.

11. ADJOURNMENT
A. Chair DeMartini announced that the next meeting date and time will be February 24, 2016 at 6:00 p.m.

B. The meeting was adjourned 6:11 p.m.

Sara Lytle-Pinhey, Executive Officer
CORRESPONDENCE – IN THE NEWS

Newspaper Articles

➤ The Ceres Courier, January 27, 2016, “City to host first workshop on General Plan.”

➤ The Modesto Bee, February 2, 2016, “Outside sales keep local water rates from skyrocketing, OID says.”

➤ Westside Index, February 4, 2016, “Ambulance board accepts new contract terms.”

➤ The Modesto Bee, February 9, 2016, “Modesto farmers could face water rate hike.”

Other News

➤ Gilroy Dispatch, January 21, 2016, “4,000 Home development off the table.”

➤ Imperial Beach Eagle & Times, January 30, 2016, “Imperial Beach & LAFCO sued over jurisdiction of sewer service for proposed Navy campus.”

City to host first workshop on General Plan

By Jeff Benziger

The public will get a chance to weigh in on how they want Ceres to grow for decades to come at the first workshop on the Ceres General Plan Update, set for 6 p.m. on Thursday, Jan. 28. The event will be held at the Ceres Community Center, 2701 Fourth Street.

By state law a city must have a General Plan and it's time to revamp the one Ceres adopted in 1997. Updating one is costly. Last year the Ceres City Council awarded a $938,912 contract to Dyett & Bhatia, the firm that produced a General Plan for the city of Turlock.

Sophie Martin will be the project manager for the update, which is expected to take two years to complete.

Once produced and adopted, the Ceres General Plan will set policies and directions of how Ceres will grow into the year 2035.

The expense includes the preparation of an Environmental Impact Report (EIR).

"It's a pretty big deal, this item," said Tom Westbrook, the city's Director of Community Development, "and as a planner it's a fairly exciting endeavor to be undertaken."

He said the update will "reflect new trends and evaluate the effectiveness of the existing general to kind of set what policy direction we want for aesthetics, where we want to grow, utility infrastructure, etcetera."

Once the General Plan is completed, it will be the foundation for an update of the Zoning Code and the nexus study for Public Facility Fees.

Westbrook said the city has been thinking about an update for years.

Sewer and water funds are contributing $675,000 toward the work while $475,000 is coming from the proceeds of a bond issued by the now-defunct Redevelopment Agency.

Earlier this year the council awarded a $100,000 consulting contract for project management to Marjorie Blom.

Those who would like more information should call Director of Community Development Tom Westbrook at 538-5778 or email him at tom.westbrook@ci.ceres.ca.us.
Outside sales keep local water rates from skyrocketing, OID says

By Garth Stapley

Only one farmer showed up Tuesday to share thoughts on the irrigation district’s controversial habit of selling river water to outside buyers, although benefits from doing so became the focus of a subsequent budget discussion.

The Oakdale Irrigation District had mailed customers a notice asking whether growers might be interested in fallowing some ground this year in exchange for payment of maybe $1,140 per acre, and reserved time at Tuesday’s board meeting for public comment. It’s the same deal negotiated last year, getting the attention of 114 farmers before OID canceled the sale, citing drought and the threat of a lawsuit because the district had not commissioned an environmental study.

A study is underway for this year’s effort. OID calls it the On-Farm Water Conservation Funding Program because 75 percent of the proceeds would help upgrade equipment for sellers volunteering to fallow fields, freeing up water to be transferred. Sellers would get 20 percent in cash and the district would take 5 percent.

I don’t see how you can say there’s not environmental impact. When you fallow 3,000 acres, that’s going to have an effect on our groundwater. - Robert Frobose, OID customer

“‘On-Farm Water Conservation’ is not an accurate description. It’s on-farm fallowing with a water sale out of the area,” said Robert Frobose, a grower and frequent critic of what he sees as moves leaving less water available for long-time customers. “The public should know what it is,” he said.

Although two of five board members – recently elected Linda Santos and Gail Altieri – previously voted against the environmental study, saying they wanted more information, they mostly reserved comment as General Manager Steve Knell made a case for outside transfers based on a financial plan developed a decade ago.

The plan said OID should spend $168 million by 2030 to keep the district from falling apart. That includes about $6.7 million each year for replacing and upgrading canals, tunnels and pipelines, and up to $20 million for drilling a one-mile tunnel near Knights Ferry to relieve the risk of a landslide plugging a key canal serving 60 percent of OID’s land.

When everything was in pasture, (pipeline and canal) leaks didn’t bother anybody. Now that everyone’s in trees, leaks bother everybody. - Steve Knell, general manager, Oakdale Irrigation District

An unsteady slope there and falling rock have troubled the district for more than a decade. OID will have invested six years obtaining permits for the tunnel when they’re issued and expects to drill it in 2020, although so far the district has set aside only $8 million.
IN THE NEWS – The Modesto Bee, February 2, 2016 (Continued Page 2)

How will OID get the rest, plus money needed for other costs? And how can farmers hope to pay for modernizing required by state officials?

By selling some Stanislaus River water each year to thirsty buyers elsewhere, Knell said. The only other option is charging existing customers a lot more, he said, although OID and its Tri-Dam partner, the South San Joaquin Irrigation District, recently inked a new deal selling power to Santa Clara, fetching OID $11.4 million a year. By comparison, OID got only $4.4 million last year, with little water turning reservoir turbines.

Does OID have extra water to sell?

Yes. Even last year, in the fourth year of drought, OID freed up enough to ship to the Fresno area, reaping $5.75 million at a price of $400 an acre-foot. Such sales have been assumed in OID budgets since 2006, and the district expects to continue collecting an average of $10 million a year in years to come.

This year’s sale would go there too, and maybe to the Los Angeles area, at about the same price.

“If we don’t do transfers, we don’t have money for capital improvement projects,” Knell told the board.

It’s a tug-of-war. If you want to transfer water, you don’t have to charge (local customers) very much. If not, water rates have to go up. - Steve Knell, general manager, Oakdale Irrigation District

Santos suggested OID got taken when agreeing to annex Trinitas Farming’s 7,234 acres three years ago, because it costs more to deliver water to the almond company than it pays. Knell noted that newcomers pay $57 per acre-foot while established customers pay less than $4 in average water years.

On another topic, Santos questioned why eight management employees, some of whom rarely if ever respond to after-hour emergencies, take home company vehicles, when rank-and-file workers are required to drive personal vehicles to work. Knell noted that the supervisors, through taxes, essentially pay 54 cents per mile when using vehicles for personal use.

Board Chairman Steve Webb tabled the item to provide time for more review. “Linda has some good points,” he said.

Altieri questioned OID’s tab to rent earth excavators – nearly $90,000 for work since October, although the board ultimately agreed to pay the bill on a 4-0 vote; board member Gary Osmundson was absent.
Ambulance board accepts new contract terms

Cost of management services to more than double

A new, far more costly contract proposal for an outside firm to continue managing West Side Community Ambulance - along with a take-it-or-leave it ultimatum - was presented to the ambulance board last Tuesday.

The board took the offer, reluctantly. The new accord is subject to legal review and acceptance of the finalized document by both parties.

The new terms will more than double the monthly amount paid by the West Side Community Healthcare District (which operates the ambulance) to the Sierra Medical Services Alliance (SEMSA) for management of the community ambulance and related services such as billing, accounting and purchasing.

SEMSA Vice President and Chief Operating Officer Mike Williams told the board that the organization could no longer provide those services at the amount of the existing contract. Williams told the ambulance board that the non-profit agency would invoke its 120-day termination clause within the existing contract if the directors did not accept the new terms.

The board voted 3-2, with Chuck Coelho and Valerie Watts dissenting, to enter into the new agreement - pending legal review and acceptance of the final contract language.

Under the new terms presented by SEMSA, West Side will pay approximately $22,400 a month to the organization for billing, a full-time operations manager and management services such as accounting and purchasing.

The district was paying $9,900 a month under the existing contract.

Watts and fellow board member Barbara Hutchins, who was elected 2016 board president earlier in the meeting, said they were taken by surprise by the SEMSA position. They said the district had little choice but to accept the terms rather than attempting to put a new management structure in place in 120 days.

"I think we were all caught off guard," Watts told Mattos Newspapers. "We weren't really prepared for what was brought to the table. Our options were pretty limited at that point."

The new accord will supersede a previous five-year contract which had four years remaining. The one-year term of the new contract will provide both parties an opportunity to evaluate their positions and options moving forward, Williams and board member Hutchins indicated.

"A year is a lot better than 120 days to evaluate the direction we are going to head in," said Hutchins.

The ambulance board will hold a workshop today (Thursday) at 9:30 a.m. at the healthcare district office at 990 Tulare St., Newman. The new contract and the future of West Side Community Ambulance are among the workshop topics.

District turned to outside management

SEMSA was brought in nearly two years ago when the taxpayer-supported ambulance service faced dire financial straits and the organization was in turmoil.
After working on a short-term management contract, SEMSA and the district reached the five-year contract a year ago.

Coelho and Watts pointed out that SEMSA had promised to deliver the full range of management services under the agreed-upon price structure spelled out in that agreement.

"We agreed on what you proposed to us," Watts stated, noting that the SEMSA proposal was for a five-year, all-inclusive contract without the option of selecting ala carte services.

"We believed we could, but we have since discovered that we can't," Williams said of SEMSA's ability to continue under the terms of the existing contract. "This organization requires far more resources than we ever anticipated."

SEMSA has made good on its commitment to turn the organization around, he added, though at a cost higher than initially envisioned.

"At the time, we thought an all-encompassing contract was the best way to do it. We under-priced it," Williams told the board. "We have turned the company around. We have taken almost all the issues and problems off the table for you. Now the people who sit on our board are saying 'Good job guys... (but) we can't afford to do this anymore.' They are telling us to price it so we can survive as a non-profit, or we walk away from the contract."

Williams told Mattos Newspapers that the true scope of the cost of providing those services came into focus when SEMSA, at the request of ambulance board members, started itemizing the costs of individual services.

"As we started quantifying all of this, we realized the number of things we were not charging West Side for," he commented.

Williams emphasized that, even under the new cost structure, West Side will remain in the black and SEMSA will still be subsidizing the operation — but to a more palatable $8,000 to $10,000 a month.

Hutchins said she had been pleased with the services provided by SEMSA, but was disappointed by the position taken by the organization in regard to the contract.

"That is not the relationship I have had with them," she remarked.

The two agencies had also been at odds over more than $51,000 billed to West Side over legal, real estate-related and negotiation fees which SEMSA said fell outside the scope of the single-fee management agreement.

A SEMSA official reiterated last Tuesday that the organization considered the charges valid and payable.

Hutchins said, though, that legal counsel hired to research the matter had not yet rendered an opinion on the district’s liability for those charges.
Modesto farmers could face water rate hike

By Garth Stapley

Modesto-area farmers would pay more for water this year under a proposal allowing customers a say in the process.

The Modesto Irrigation District board will consider what's called protest votes on April 19 before deciding whether to raise water rates. The board also then could opt to levy a drought surcharge this year, a significant added cost borne by growers each of the past two seasons.

If approved, higher water rates could bring about 20 percent more revenue to MID. But individual farmers could pay much more, depending on how much water they use.

The proposal would increase the fixed charge by 10 percent, from $40 per acre to $44. But extra fees based on consumption would double on the low end, representing what’s delivered in dry years, and could increase as much as 300 percent when lots of water is available in wet years.

10 percent - Proposed increase in fixed component of water rate
300 percent - Proposed increase in high-use volumetric component

The district will notify customers by mail in a few days, giving them a chance to weigh in before April 19. The proposal would be scrapped if more than half protest, but such votes held to comply with Proposition 218 rarely see much participation.

The law prevents an agency from going higher than its published proposal, but would allow the MID board to charge something less. Part of that decision – as well as whether to impose a $16-per-acre drought surcharge – could hinge on how much water appears to be collecting in Don Pedro Reservoir.

A wetter-than-average winter has boosted Don Pedro’s water level to 707 feet above sea level – nearly equal to last year’s April 1 level, with lots of yet-to-melt snow still in the mountains. Already, MID has access to 150,000 acre-feet in Don Pedro and Modesto reservoirs, up from only 127,382 acre-feet as of this point last year.

That’s good news. However, the four-year drought has dried the hills so much that no one’s sure how much will soak into the ground, as opposed to flowing into reservoirs, irrigation operations manager John Davids told the board Tuesday. He hopes to have a better indication before MID’s preseason grower meetings, scheduled for March 8 and 9.

$21.2 million - What MID expects to spend this year delivering water to farmers
$3.82 million - What MID will charge farmers, if board approves rate increase

If the board approves the rate hike in its current form, the price increase would boost the district's water revenue from $3.18 million last year to $3.82 million, a 20 percent bump. That's a pittance compared with what it costs MID to deliver water: $21.2 million.

In other words, even at the higher price, the district would recover only 18 percent of its cost of service. The district long has subsidized water prices by overcharging electricity customers tens of millions of dollars each year; the goal of the board, dominated by growers, is to erase that imbalance eventually, and they've boosted water rates in recent years while holding power rates steady.
"I would like to see a faster increase toward cost of service, but I think we're moving in the right direction," said board member John Mensinger, whose district is mostly urban.

I WOULD LIKE TO SEE A FASTER INCREASE TOWARD COST OF SERVICE, BUT I THINK WE'RE MOVING IN THE RIGHT DIRECTION.

John Mensinger, MID board member

Ripon attorney Stacy Henderson, who represents some farmers, urged the district to factor some unknowns into formulas determining cost of service, for which MID's agricultural side gets no credit. For example, the formula doesn't consider the value to electricity customers of power poles along canals, or of canals carrying rainwater away from the city, or of irrigation seeping down to replenish aquifers.

Davids said MID's proposed water price comes to about $16.75 per acre-foot — more than double the $7.95 charged to Oakdale Irrigation District customers, and higher than the South San Joaquin Irrigation District's $9.86 charge, but still a bargain compared to $19.57 paid by Turlock-area farmers.

Also Tuesday, the board hired a firm to invest the district's extra money, about $185 million, in hopes of making an extra $190,000 a year after paying the firm about $140,000. Previously, the district managed its own reserve investments.
4,000 Home development off the table

By Brad Kava

Overwhelmed by public criticism and two lawsuits, the developers of the biggest housing project in Gilroy’s history have pulled their application to take more time to sell it to the public.

Landowners proposed 4,000 homes including 1,500 units for “active seniors,” two schools and parks for the 721-acre tract of farmlandbordered by Monterey, Santa Teresa, Fitzgerald and Day roads.

The land would have to be annexed by the city and would need approval from the county’s Local Agency Formation Commission (LAFCO). The city voted Dec. 7 to move forward.

However, the developers on Wednesday temporarily shelved the project, saying they were advised by Mayor Perry Woodward to do so.

“I asked the applicant to please rescind their application to allow for time for the city and greater community to better understand the proposal, the benefits to our community, how it gains local control and fits within the collective long-term vision of Gilroy’s future,” said Woodward, a supporter of the project, in a press release.

Added developer Skip Spiering: “By heeding the mayor’s request to pull our application for consideration at this time, we have chosen to temporarily take a step back. We will continue to work with the city of Gilroy and the local community to help them understand the long-term vision of Rancho Los Olivos and will engage community leaders, stakeholders and neighbors as we complete the 2040 General Plan.”

The developers of what could be a $3 billion project involving 27 landowners, including Jeff Martin, who owns 400 of the 721 acres. In a big public relations push, they have changed the name from Rancho 101 to Rancho Los Olivos (Ranch of the Olives) and launched a website (rancho-olivos.com) and Facebook page (Rancho Los Olivos Community), looking to improve their image. They have also hired a public relations firm, Farmhouse Communications, spearheaded by Kristina Chavez Wyatt, who as communications director, led the unsuccessful oil company-funded opposition to San Benito County’s 2014 anti-fracking referendum.

The City Council is divided 3-3 on the proposal, with a seventh member due to be selected Jan. 25. The Planning Commission voted unanimously against it. Mayor Perry Woodward, Councilman Peter Leroe-Muñoz and Terri Aulman voted for it, while Dion Bracco, Cat Tucker and Roland Velasco opposed.

Spiering put a positive spin on the hold and the project, which was opposed by 2,000 people who signed an online petition.

“We are experiencing a groundswell of support from community members now that they are taking time to understand the details of the proposal and how it fits within the city’s long-term planning. The Rancho Los Olivos plan will address existing needs such as major roadway improvements, new schools and a much-anticipated active adult community.”

Meanwhile, other opponents of the project weighed in last week.
LAFCO and a group of developers filed separate suits asking the courts to stop the project, claiming that it is illegal, that a big environmental problem would cause too much demand for fire and police, and that its reviews were badly managed by the city.

The LAFCO suit contends that the approval of the project by the council was “improper” and that “Gilroy violated CEQA (the California Environmental Quality Act) in numerous ways.” The city voted in December to send the proposal to LAFCO for review, but the agency filed suit to stop the plan, even before it had a chance to vote on it.

The suit says the “site consists of largely prime agricultural land and that the city wants to include these lands in its [Urban Service Area] even as the city has substantial amounts of land within its current boundaries that are vacant or underutilized.”

The agency asks the court “to set aside certification of the EIR,” and to rescind all actions related to its approval.

Woodward said he’s not surprised by the suit and thinks the city and LAFCO can negotiate a compromise.

“We will work with LAFCO to make sure their concerns are addressed,” he said. “When you have two public agencies, they will work together to find common ground.”

Woodward said such suits are common in big developments and factor into why it takes so long to build in California.

“We’ve been saying all along that this will take 10 to 15 years. This isn’t a short-range project. We will have a discussion with LAFCO and if we can find a middle ground, then we will move forward.”

According to the LAFCO suit, the city failed to conduct a sufficient environmental review for the project, given that it has the potential to cause a number of foreseeable and significant direct and indirect impacts. These include impacts on aesthetics, agriculture, air quality, biological resources, geology and soils, hydrology and water quality, water resources, cultural resources, greenhouse gases, hazards, health risks, land use and planning, minerals, noise, population and housing, public services, recreation, transportation, utilities, cumulative impacts to the above, growth-inducing impacts, and other types of environmental impacts, including construction-related and operational impacts.

LAFCO has also asked that the city pick up its legal fees, which could be considerable.

The second lawsuit, filed by developers Ken Kerley and Daniel Fiorio, argues that they were told not to pursue their plans to build housing in south Gilroy and then found the city approved the Rancho Los Olivos plan.

Their suit challenges the City Council’s Dec. 7 decision to approve the 721-acre project and certify the environmental impact report, without first analyzing and mitigating potential environmental impacts.

The landowners’ lawsuit also contends that the City Council’s approval of the project causes the city’s general plan to be “internally inconsistent,” in violation of state planning and zoning laws.

Both suits also name the project’s investors and landowners, including Martin Limited Partnership, Wren Investors LLC, and Mark Hewell.
Kerley and Fiorio are no strangers to City Hall. In July 2013 they were part of a consortium of landowners that submitted an application to amend the city’s Urban Service Area to encompass approximately 150 acres in the unincorporated south Gilroy neighborhood district (called South Gilroy USA proposal in the lawsuit), where the two own property.

The petitioners allege that in January 2014, city staff provided them with an evaluation of the South Gilroy USA proposal and advised them to withdraw their application and not to resubmit until after the city adopted its 2040 general plan, which was then underway. The petitioners followed the recommendation and withdrew their application five days later.

In July 2014, the city accepted Martin Limited Partnership’s application to add 721 acres into the city’s USA boundary even as the city was still developing its 2040 general plan, contrary to the advice allegedly given to the South Gilroy USA landowners.

Approval of the 721-acre project is “premature and should await adoption of the 2040 general Plan,” the lawsuit states.

The general plan was approved by the City Council on Jan. 4, clearing the way for an environmental review and final reading sometime this summer.

Interim City Administrator Ed Tewes said he expects that the lawsuits would be moot if the city agrees Monday to withdraw its request to annex the land for the project. He said council will also consider decertifying the environmental impact report it agreed to in December.
Imperial Beach & LAFCO sued over jurisdiction of sewer service for proposed Navy campus

By Alessandra Selgi-Harrigan

The City of Coronado has sued the City of Imperial Beach and the Local Agency Formation Commission (LAFCO) over jurisdiction to provide sewer service to the future Navy Coastal Campus, a $1 billion project with construction scheduled to start in the fall. The complex will be comprised of a number of buildings for a total of 1.5 million square feet and will be the home of the Naval Special Warfare Command. Imperial Beach has a standing agreement to provide sewer service to the Navy since its incorporation in 1956. Prior to the incorporation of the city of Imperial Beach, the sewer district in the area (that is now IB) provided sewer service to the Navy.

Once the city was incorporated it inherited that agreement. "Our records go back to 1967 and state this is another five year extension to the agreement," said Imperial Beach City Manager Andy Hall.

About 10 years ago the Navy started studying the Naval Radio Facility location on the Strand to serve as a Navy campus. When the Environmental Reports were disclosed the City of Coronado responded with a 21 page document that requested that if IB was going to provide sewer service it needed the approval of LAFCO. LAFCO responded that since there was a standing agreement between Imperial Beach and the Navy predating 2001 the agreement was exempted from LAFCO’s jurisdiction. LAFCO’s executive director Michael Ott made a determination that the agreement predated 2001 and that decision upheld by LAFCO’s board was approved 7 to 1 votes.

LAFCO is an agency set up under state law that in simple terms puts together and makes sure boundaries are logical within cities and decides who provides services. "One of their duties is to decide service areas," confirmed Hall. The lawsuit points to LAFCO for allowing Imperial Beach to provide sewer service.

“We have always provided sewer service. If we did not have this agreement we wouldn't provide it. IB doesn't care. If [the Navy] says 'we have worked out an agreement with Coronado'...fine, but we have a contractual obligation and we'll not renege on our contract and we plan to honor it," said Hall.

It is to be noted that Imperial Beach would not benefit financially because the revenue is rolled back into the sewer enterprise fund and cannot be used for any other project. The same goes for the City of Coronado. "The Navy has made it clear they expect us to continue this agreement." said Hall.

The lawsuit states that the Navy Campus is within the Coronado’s city boundaries and therefore "Imperial Beach has no authority to provide sewer service to the Coastal Campus Project....Sewer service many [sic] only be provided in another city’s boundaries upon the consent of the affected city."

"IB agrees with the premise of Coronado that their city should provide sewer service within its municipalities but we have an agreement with the Navy before the formation of LAFCO. We are not going to go after providing water or police; we agree they should provide their own municipal services," said Hall. "We agree with the premises [of Coronado’s position] but have an agreement we believe we have to honor."
"The city hopes to resolve the matter through negotiation. We feel that we have put forward a proposal that allows us to retain local control, does not affect the project's schedule and allows Imperial Beach to upgrade its infrastructure," read a statement via email from Coronado City Manager Blair King to the Eagle & Journal. The email also read, "That the proposed wastewater extension be allowed to exist for fifty years as long as the project remain the project described in the Environmental Impact Statement: (this will allow for the recovery of any costs for the investment in public infrastructure); we have asked to be held harmless and indemnified from any sewer spills that occur in Coronado originating from the City of Imperial Beach's Wastewater operations; we have asked that if Imperial Beach makes a profit from Coronado be returned to Coronado; and we have requested that stalled talks with regard to a Recycled Water Project be resumed."

The City of Coronado has asked the Navy to provide a recycled water system and provide water to its parks and golf courses.

Mayor Serge Dedina was surprised about the lawsuit. "I'm shocked the City of Coronado is doing this...we have a commitment with the Navy...we are stuck in the middle. Coronado has a $45 to 46 million dollar budget we have a third of that," he said adding that the city has already spent $10,000 to $15,000 that could otherwise be used for other projects within the city.

A press release by the City of Imperial Beach states: "Legal action by Coronado could result in termination of the very important Special Warfare Campus that is vital for U.S. national security. That is because environmental studies to analyze the new sewer alignment will take many months, significantly increase the cost of the facility, and jeopardize the funding for a project deemed critical in the War on Terror."
Lathrop plans to cut back city expansion

By Jason Campbell

When a city revises its “sphere of influence” map to designate areas in which it plans on expanding into, more often than not it grows. Lathrop is taking a different approach – at least when it comes to one portion of the community.

On Monday the Lathrop City Council accepted a report from staff that will shrink the sphere of influence that was last expanded in 2007 to exclude the northernmost portion of the map that because of its location and is not feasible for further development.

Because of the “Delta Plan” that was adopted by the State of California, a large swath of land north of De Lima Road falls into a unique category of land that is traditionally protected for its agricultural contribution. Because that land was not designated for residential, commercial or industrial uses when the plan was adopted, they can’t be used for that in the future either.

To further complicate things, having such a large swath of land within the sphere of influence – which would permit exploration into development – while the City of Lathrop is preparing to get the State of California to sign off on their advancements towards overhauling the 20-mile stretch of levee that protects all of Lathrop from a surging San Joaquin River and a 200-year-flood could, according to staff, complicate that request and put all of the city’s future development goals into jeopardy. If that designation is not granted by the State of California before the cutoff date in July, then no new construction can take place anywhere within the city limits because all of Lathrop technically falls within that 200-year flood plain.

To solidify the move through a general plan amendment would take more than year and require the approval of the Delta Stewardship Council, so designating the roughly 2,000 acres of land previously included in the SOI as agricultural land – which the city itself uses to spray water once it has undergone the sewage treatment process (Lathrop, unlike other nearby communities, is not able to discharge their treated water into the San Joaquin River) – is an easier way of achieving roughly the same result.

No other portion of the city’s sphere of influence is being expanded or retracted as a result of the approval.

It will be up to the Local Agency Formation Commission (LAFCO) to approve the changes to the sphere of influence as well as the municipal service review that Lathrop is also currently updating.

But if approved by LAFCO, that portion of the community – the land east of the San Joaquin River, west of I-5 and north of De Lima Road until the border with San Joaquin County’s sphere of influence – will not be completely abandoned by the city.

The official title of the completely rural and ag-based area will be an “area of interest” but will still be considered outside of the City of Lathrop’s future borders. The area south of Lathrop’s city limits will remain part of its sphere of influence.

According to the language of SB5 – the 200-year flood protection bill that was passed legislatively in 2005 – only land within the community that is urban or urbanizing and will be afflicted by at least three feet of floodwater if the event were to ever take place are affected by the restrictions. This means that Dell ‘Osso Farms is not included as it does not even currently have 100-year flood protection like the land behind the 20-mile levee that comprises reclamation district 17 – which affects Manteca, Lathrop, Stockton and San Joaquin County.
EXECUTIVE OFFICER’S AGENDA REPORT  
FEBRUARY 24, 2016  

TO: LAFCO Commissioners  
FROM: Javier Camarena, Assistant Executive Officer  
SUBJECT: MSR No. 15-02 & SOI No. 15-02: MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATES FOR THE COUNTY SERVICE AREAS  

INTRODUCTION  

This proposal was initiated by the Local Agency Formation Commission in response to State mandates, which require the Commission to conduct Municipal Service Reviews and Sphere of Influence Updates for all cities and special districts at least once every five years. The current review covers the County Service Areas (CSAs) which are located in various areas throughout Stanislaus County. The previous update for the CSAs was adopted on May 26, 2010.

County Service Areas (CSAs) are dependent special districts, and were organized under §25210 et seq. of the Government Code. There are currently 24 CSAs in Stanislaus County. The CSAs are legally authorized to provide any one or more of a variety of extended services within a particular area, and as special districts, they are required to have an adopted and updated SOI. The extended services provided by a CSA are only for the benefit of the facilities and property within the CSA. Typical services include storm drainage control, maintenance of parks and landscaping, and extended sheriff protection.

Annual assessments are levied upon taxable properties within a CSA’s boundaries, and are based on estimated costs to provide the extended services. To maintain a steady level of services, annual assessments may increase from year to year, depending on the amount of funds needed for maintenance and/or operational costs. The CSAs are governed by the County Board of Supervisors, with the exception of CSA No. 15 (Patterson Gateway) which was annexed to the City of Patterson on February 8, 2005, and is governed by the Patterson City Council.

DISCUSSION  

LAFCO Staff sent the draft Municipal Service Review and Sphere of Influence Update document to the Stanislaus County Public Works and Parks/Recreation Departments, as well as the City of Patterson for their review and comments. During this process, staff also updated CSA map boundaries on the County’s Geographical Information Systems (GIS).

The proposed Municipal Service Review and Sphere of Influence document is attached to this report as Exhibit 1. The relevant factors and determinations as put forth by the Cortese-Knox-Hertzberg Act (CKH Act) are discussed within the subject document. No changes are being proposed for the CSAs’ Spheres of Influence; however, the Municipal Service Review includes determinations related to dissolution of inactive CSAs, as discussed below.

Inactive County Service Areas  

Presently, there are three (3) CSAs that are not receiving revenues and are not providing services. These CSAs are considered inactive and include the following:

- CSA No. 2 (Airport District): This CSA was approved in 1974 for local park / recreation services. The County is not currently collecting assessments for this CSA and it is unknown if assessments have ever been collected.
• CSA No. 3 (Riverdale Park Tract): The Riverdale Park Tract Community Services District (CSD) was formed in 1984 to replace CSA No. 3, identified by the same name. The CSA has been inactive since its inception in 1982. The County intended to dissolve the CSA upon successful formation of the CSD under Board of Supervisor’s Resolution No. 84-1893, dated December 18, 1984. However, the dissolution has not occurred.

• CSA No. 14 (United Pallet): The CSA was approved in 1993 to provide storm drainage service. The CSA has remained inactive since its formation with a $0 assessment for all parcels within the CSA. The reason for its inactivity is that the storm drain system has been privately operated and maintained. The County anticipates collecting assessments in the future if and when the storm drain system becomes County maintained.

Staff researched the existence of each of these inactive CSAs, and met with the County departments providing administrative services for each. Based on the unlikelihood of a future need for CSA No. 2 (Airport District) and CSA No. 3 (Riverdale Park Tract), Staff recommends the Commission initiate the dissolution process for these Districts. (CSA No. 14 is not currently recommended for dissolution as the County anticipates collecting assessments in the future if and when the storm drain system becomes County maintained.) Dissolution would eliminate future need for the Commission to review and adopt spheres of influence for these Districts. The Commission has the authority to initiate the dissolution of districts per §56375 of the CKH Act following adoption of a Municipal Service Review. As such, these recommendations are incorporated in the proposed Municipal Service Review. It should be noted that the dissolution process will require a public hearing and noticing, costs of which would be borne by the Commission.

ENVIRONMENTAL REVIEW RECOMMENDATIONS

The California Environmental Quality Act requires that an environmental review be undertaken and completed for the Sphere of Influence study. The Municipal Service Review and Sphere of Influence Updates qualify for a General Exemption from further CEQA review based upon CEQA Regulation §15061(b)(3), which states:

\[
\text{The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.}
\]

Since there are no land use changes or environmental impacts, as no suggested boundary changes are associated with this document, a Notice of Exemption is the appropriate environmental document.

ALTERNATIVES FOR COMMISSION ACTION

After consideration of this report and any testimony or additional materials that are submitted, the Commission should consider choosing one of the following options:

Option 1: APPROVE the Municipal Service Review and Sphere of Influence Updates for the County Service Areas.

Option 2: DENY the update.
Option 3: If the Commission needs more information, it should CONTINUE this matter to a future meeting (maximum 70 days).

RECOMMENDED ACTION

Approve Option 1. Based on the information presented, Staff recommends approval of the Municipal Service Review and Sphere of Influence Updates for the County Service Areas. Therefore, Staff recommends that the Commission adopt Resolution No. 2016-05, which:

1. Determines that the Municipal Service Review and Sphere of Influence Updates for the County Service Areas qualify for a General Exemption from further California Environmental Quality Act (CEQA) review based on CEQA Regulation §15061(b)(3);

2. Makes determinations related to the Municipal Service Review as required by Government Code §56430; and,

3. Determines that the Spheres of Influence for the County Service Areas should be affirmed as they currently exist.

4. Direct staff to initiate the dissolution process for CSA No. 2 (Airport District) and CSA No. 3 (Riverdale Park Tract).

Attachments:

Exhibit 1 - Municipal Service Review and Sphere of Influence Updates for the County Service Areas
Exhibit 2 - Resolution No. 2016-05
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MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE:

COUNTY SERVICE AREAS WITHIN STANISLAUS COUNTY

Prepared By:
Stanislaus Local Agency Formation Commission
1010 Tenth Street, Third Floor
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Phone: (209) 525-7660

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Municipal Service Review and Sphere of Influence Updates
For the County Service Areas within Stanislaus County

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 County Service Areas (CSAs). The CSAs are located in various unincorporated areas within Stanislaus County, with the exception of CSA No. 15, which was annexed to the City of Patterson on February 8, 2005. The Service Review will also provide a basis to evaluate, and make changes to the Spheres of Influence, if appropriate.
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 each district is expected to provide and the extent to which they are actually able to do so. The Sphere of Influence will delineate the service capability and expansion capacity of the agency, if applicable.
Service Review – County Service Areas

Authority

County Service Areas (CSAs) are dependent special districts, organized under Section 25210 et seq. of the Government Code, and may be established to provide a variety of extended services within a particular area.

Background

Special districts are local governments that are separate from cities and counties, yet provide public services such as fire protection, sewers, water, and street lighting. California has over 3,300 special districts, which provide over 30 different types of services. There are about 50 major types of special districts ranging from airports to fire protection to mosquito abatement to water conservation. Today, there are over 880 County Service Areas (CSAs) in California, and of that total, 24 CSAs are located within Stanislaus County.

Purpose

CSAs may be formed to provide governmental services and facilities within a specific area that the county is authorized to perform, and which the county does not also perform to the same extent on a countywide basis. These services and facilities may include, but are not limited to any of the following: extended police protection; fire protection; local park, recreation, or parkway facilities and services; water service; the collection, treatment, or disposal of sewage, wastewater, recycled water, and storm water; animal control; street and highway lighting; solid waste collection; ambulance service; funding for land use planning for part of the county; soil conservation and drainage control; services provided by a municipal advisory council; transportation services; geological hazard abatement; and road maintenance and improvement.

Governing Body

The governing body, which is established by law to administer the operation of a County Service Area (CSA), is the County Board of Supervisors. The original intent of the county service area law was to give an alternative method for providing governmental services by counties within unincorporated areas, many of which have had large population growth as well as commercial and industrial development since 1940.

Formation

At the time a County Service Area is established, the Board of Supervisors specifies the type or types of services to be provided within the area. An application for formation of a CSA is then forwarded to LAFCO for consideration. Only those residents who benefit from services provided by the CSA pay for the services received. The funds collected for the CSAs are maintained in the County Treasury. In Stanislaus County, the CSAs typically provide drainage control and park maintenance by providing the following:

a. The control of storm and other drainage waters, including waters which arise outside the district and which flow or drain into or through the district;

b. The protection from damage by storm or drainage waters of private property and of public highways and other public property within the district;
c. The conservation of storm and drainage water;
d. Continual maintenance of parks, park/basin public use areas, landscaping and equipment.

**Location and Size**

Currently, there are 24 CSAs in multiple areas throughout different unincorporated areas of the County, each serving a different community and varying in population.

**Characteristics**

Section 79505.5 of the California State Water Code defines a disadvantaged community as a community with an annual median household income (AMI) that is less than 80 percent of the statewide AMI. Of the 24 CSAs, six (6) are within a disadvantaged unincorporated community. They include: CSA No. 1 (Fairview Park), CSA No. 2 (Airport District Park), CSA No. 3 (Riverdale Park Tract), CSA No. 5 (Starlite Place), CSA No. 8 (Honey Bee Estates), and CSA No. 9 (River Road / Souza).

**Boundaries and Sphere of Influence**

With regards to the boundaries of a county service area, the following territory may be included:

1. Contiguous or noncontiguous territory; and
2. Unincorporated or incorporated territory (incorporated territory may be included only if the city legislative body consents by resolution).

When formed, the Sphere of Influence of a CSA is coterminous with its boundaries, as the boundaries of a CSA reflect the relationship to the planned land uses in the area and the need for the services to be provided.

The previous Service Review and Sphere of Influence Update (MSR/SOI) was adopted on May 26, 2010. Subsequently, SOI Modification No. 2011-06 and LAFCO Application No. 2011-05, Park View Estates Change of Organization to County Service Area (CSA) No. 10 (Salida), were approved. The applications were part of an annexation proposal to CSA No. 10 in order to meet the conditions of approval set by Stanislaus County Tentative Map Application No. 2005-05 – Park View Estates. The County-approved 6-lot (total of 1 acre) residential development benefits from extended County services provided by CSA No. 10, including park and streetscape maintenance, as well as storm water service. Pursuant to LAFCO Policies, the LAFCO Commission determined that the amendment to the Sphere of Influence was minor and approved the application under resolution No. 2011-13.

Stanislaus County is currently conducting preliminary review of expanding CSA No. 27 (Empire Phase 1) to include an additional phase of the storm drain system. Any expansion of the CSA’s sphere of influence will be coterminous with the current boundary and require a LAFCO Commission resolution.

No additional proposals have been initiated involving CSAs requiring a LAFCO Commission resolution.
**Services**

The Stanislaus County Department of Parks and Recreation’s Community Parks Division is responsible for the maintenance and operations of the parks, flood control landscape, and streetscapes within the following County Service Areas: 1 (Fairview Park – Modesto); 10 (Salida); 16 (Olive Ranch – Oakdale); 18 (Atlas Park – Oakdale); 19 (Tuolumne/Gratton – Denair); 21 (Riopel – Denair); 22 (Old School North – Denair); 24 (Hideaway Terrace – Denair); 25 (Suncrest II – Denair); and 26 (Keyes).

The Stanislaus County Public Works Department provides storm drainage services to the following County Service Areas: 4 (Bristol Glen – Salida); 5 (Starlite Place – Keyes); 7 (Modesto Auto Center); 8 (Honey Bee Estates – Empire); 9 (River Road/Souza – Ceres); 10 (Salida); 11 (Gilbert Road – Oakdale); 12 (Peach Blossom Estates – Riverbank); 16 (Olive Ranch – Oakdale); 18 (Atlas Park – Oakdale); 19 (Tuolumne/Gratton – Denair); 20 (Summit Corporate Center – Modesto); 21 (Riopel – Denair); 22 (Old School North – Denair); 23 (Hillsborough/Schultz – Oakdale); 24 (Hideaway Terrace – Denair); 25 (Suncrest II – Denair); 26 (Keyes); and 27 (Empire – Phase 1).

In 2005, County Service Area No. 15 (Patterson Gateway) was annexed to the City of Patterson. Services provided within CSA No. 15 include: storm drainage and traffic signal operations at the Sperry/Rogers Intersection.

**Funding Sources**

County Service Areas receive revenue from property taxes and/or assessments as needed. With the passage of Proposition 13 in 1978, the amount of property taxes received by Special Districts was restricted. If the CSA was levying a tax rate and receiving ad valorem taxes prior to the passage of Proposition 13, they now receive a portion of the 1% levy determined by AB 8 tax allocation factors. For example, CSA No. 1 (Fairview Park) was formed prior to the passage of Proposition 13, and therefore is eligible to receive a portion of ad valorem property taxes. CSAs formed after Proposition 13 do not receive a portion of the 1% levy.

Alternatively CSAs may be funded by direct assessments. Historically, direct assessments were authorized by the Board of Supervisors. However, in November 1996, California voters approved Proposition 218, which specifies that an increase or new assessment can only become effective through a ballot procedure approved by a simple majority.

The annual budget process for CSAs within Stanislaus County begins with the Public Works and Parks and Recreation Departments, which determine the estimated expenditures for a CSA based upon projected maintenance for the District(s).

The Auditor’s-Controller’s Office determines each CSAs estimated revenue based on projected revenue, which includes direct assessments and property taxes.

**Inactive CSAs**

Revenue for CSAs is derived from property taxes and/or assessments as needed. Presently, there are three (3) CSAs that are not receiving revenues and are not providing services. These CSAs are considered inactive and include the following:
- CSA No. 2 (Airport District): Approved in 1974 for local park / recreation services. The County is not currently collecting assessments and it is unknown if assessments have ever been collected.

- CSA No. 3 (Riverdale Park Tract): The Riverdale Park Tract Community Services District (CSD) was formed in 1984 to replace CSA No. 3, identified by the same name. The CSA has been inactive since its inception in 1982. The County intended to dissolve the CSA upon successful formation of the CSD under Board of Supervisor's Resolution No. 84-1893, dated December 18, 1984. However, the dissolution has not occurred.

- CSA No. 14 (United Pallet): The CSA was approved in 1993 to provide storm drainage service. The CSA has remained inactive since its formation with a $0 assessment for all parcels within the CSA. The reason for its inactivity is that the storm drain system has been privately operated and maintained. The County anticipates collecting assessments in the future if and when the storm drain system becomes County maintained.

**Summary of CSAs**

The table on pages 6 and 7 summarizes each of the County Service Areas (CSAs) and includes the following information: CSA name and area, types of services provided, acreage, and date of formation.
## COUNTY SERVICE AREA (CSA) SUMMARY TABLE

<table>
<thead>
<tr>
<th>CSA No.</th>
<th>Name (Area)</th>
<th>Authorized Powers (Services Provided)</th>
<th>Acres</th>
<th>Date Formed</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fairview Park (Modesto)</td>
<td>Local park, recreation or parkway facilities and services</td>
<td>86.5</td>
<td>1970</td>
<td>active</td>
</tr>
<tr>
<td>2</td>
<td>Airport District Park (Modesto)</td>
<td>Local park, recreation or parkway facilities and services</td>
<td>330+/-</td>
<td>1974</td>
<td>inactive</td>
</tr>
<tr>
<td>3</td>
<td>Riverdale Park Tract (Modesto)*</td>
<td>Domestic water</td>
<td>57.84</td>
<td>1982</td>
<td>inactive</td>
</tr>
<tr>
<td>4</td>
<td>Bristol Glen (Salida)</td>
<td>Storm drainage</td>
<td>31.63</td>
<td>10/23/1989</td>
<td>active</td>
</tr>
<tr>
<td>5</td>
<td>Starlite Place (Keyes)</td>
<td>Storm drainage</td>
<td>39.08</td>
<td>3/14/1990</td>
<td>active</td>
</tr>
<tr>
<td>7</td>
<td>Modesto Auto Center (Modesto)</td>
<td>Storm drainage</td>
<td>11.40</td>
<td>7/12/1990</td>
<td>active</td>
</tr>
<tr>
<td>8</td>
<td>Honey Bee Estates (Empire)</td>
<td>Storm drainage</td>
<td>5.08</td>
<td>10/12/1990</td>
<td>active</td>
</tr>
<tr>
<td>9</td>
<td>River Road/Souza (Ceres)</td>
<td>Storm drainage</td>
<td>17.17</td>
<td>12/17/1990</td>
<td>active</td>
</tr>
<tr>
<td>10</td>
<td>Salida (Salida)</td>
<td>Park services; streetscape &amp; landscaping; library services; police (sheriff) protection; and storm drainage.</td>
<td>725.997</td>
<td>11/08/1990</td>
<td>active</td>
</tr>
<tr>
<td>11</td>
<td>Gilbert Road (Oakdale)</td>
<td>Storm drainage</td>
<td>36.86</td>
<td>4/3/1991</td>
<td>active</td>
</tr>
<tr>
<td>12</td>
<td>Peach Blossom Estates (Riverbank)</td>
<td>Storm drainage</td>
<td>40.31</td>
<td>11/8/1991</td>
<td>active</td>
</tr>
<tr>
<td>14</td>
<td>United Pallet (Modesto)</td>
<td>Storm drainage</td>
<td>53.25</td>
<td>1/12/1993</td>
<td>inactive</td>
</tr>
<tr>
<td>15</td>
<td>Patterson Gateway (Patterson)**</td>
<td>Storm drainage, and traffic signal at the Sperry/Rogers Intersection</td>
<td>55.08</td>
<td>9/9/1996</td>
<td>active</td>
</tr>
<tr>
<td>16</td>
<td>Olive Ranch (Oakdale)</td>
<td>Storm drainage</td>
<td>17.07</td>
<td>10/30/2000</td>
<td>active</td>
</tr>
<tr>
<td>18</td>
<td>Atlas Park (Oakdale)</td>
<td>Storm drainage and park maintenance</td>
<td>9.29</td>
<td>12/10/2002</td>
<td>active</td>
</tr>
<tr>
<td>19</td>
<td>Tuolumne-Gratton (Denair)</td>
<td>Storm drainage and park maintenance</td>
<td>89.42</td>
<td>1/6/2003</td>
<td>active</td>
</tr>
<tr>
<td>20</td>
<td>Summit Corporate Center (Modesto)</td>
<td>Storm drainage</td>
<td>44.50</td>
<td>1/29/2003</td>
<td>active</td>
</tr>
<tr>
<td>No.</td>
<td>Community</td>
<td>Description</td>
<td>Amount</td>
<td>Date</td>
<td>Status</td>
</tr>
<tr>
<td>-----</td>
<td>--------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>--------</td>
<td>--------------</td>
<td>--------</td>
</tr>
<tr>
<td>21</td>
<td>Riopel (Denair)</td>
<td>Storm drainage and landscape maintenance</td>
<td>17.21</td>
<td>12/23/2005</td>
<td>active</td>
</tr>
<tr>
<td>22</td>
<td>Old School North (Denair)</td>
<td>Storm drainage and landscape maintenance</td>
<td>3.18</td>
<td>12/1/2004</td>
<td>active</td>
</tr>
<tr>
<td>23</td>
<td>Hillsborough/Schutz (Oakdale)</td>
<td>Storm drain system maintenance, including maintenance of a river outfall facility</td>
<td>52.44</td>
<td>11/30/2006</td>
<td>active</td>
</tr>
<tr>
<td>24</td>
<td>Hideaway Terrace (Denair)</td>
<td>Storm drainage and landscape maintenance</td>
<td>5.122</td>
<td>9/26/2006</td>
<td>active</td>
</tr>
<tr>
<td>25</td>
<td>Suncrest II (Denair)</td>
<td>Storm drainage and landscape maintenance</td>
<td>4.37</td>
<td>11/30/2006</td>
<td>active</td>
</tr>
<tr>
<td>26</td>
<td>Keyes***</td>
<td>Storm drain, park and landscape maintenance for areas w/in the Keyes Storm Drain Project</td>
<td>332.3</td>
<td>10/24/2008</td>
<td>active</td>
</tr>
<tr>
<td>27</td>
<td>Empire (Phase 1)</td>
<td>Storm drain maintenance w/in Phase 1 of the Empire Storm Drain Project</td>
<td>44.52</td>
<td>4/27/2010</td>
<td>active</td>
</tr>
</tbody>
</table>

**NOTES:**

* CSA No. 3 (Riverdale Park) has not been dissolved, although Riverdale Park Tract Community Services District was formed December 1984, to replace County Service Area No. 3. The County has not initiated proceedings to dissolve CSA No. 3.

** The City of Patterson annexed CSA No. 15 into the City boundaries as a result of reorganization proceedings effective February 8, 2005.

*** CSA No. 6 – Raymond Tract, CSA No. 13 – La Jolla, and CSA No. 17 - Sunray Estates were dissolved upon the formation of CSA No. 26 – Keyes.
Service Review Determinations:

The following provides an analysis of the seven categories or components required by Section 56430 for a Service Review for the all County Service Areas (CSAs) reviewed:

1. Growth and Population Projections for the Affected Area

Each CSA was created to support a specific community. There have been amendments made to the sphere of influence for CSA No. 10, increasing its service area. However, population growth and population projections for the areas served by CSAs will likely be small.

2. The Location and Characteristics of Any Disadvantaged, Unincorporated Communities Within or Contiguous to the Sphere of Influence.

Of the 24 CSAs, six (6) are within a disadvantaged unincorporated community based on annual median household income. They include: CSA No. 1 (Fairview Park), CSA No. 2 (Airport District Park), CSA No. 3 (Riverdale Park Tract), all within the City of Modesto Sphere of Influence (SOI); CSA No. 5 (Starlite Place) in the Keyes area; CSA No. 8 (Honey Bee Estates) in the Empire area, and CSA No. 9 (River Road / Souza) within the City of Ceres SOI.

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.

Each active CSA is reviewed annually through an Engineer’s Report conducted by the Stanislaus County Department of Public Works. The most recent report did not identify any unmet infrastructure needs to deficiencies. At the present time, each of the active CSAs has the ability and the capacity to serve the existing service areas.

CSAs do not provide sewer, municipal water, and fire protection services. These services are provided through other special districts throughout the County or by way of private systems.

4. Financial Ability of Agencies to Provide Services

The active CSAs receive funding from special benefit assessments and/or a share of the ad valorem property tax. The rates established are based upon the costs to provide the extended services and maintenance and are reviewed annually through the Engineer’s Report.

5. Status of, and Opportunities for, Shared Facilities

No opportunities for shared facilities have been identified. There is no known overlapping or duplication of services within the Districts’ boundaries.
6. **Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies**

The County Service Areas are governed by the Board of Supervisors, with the exception of the CSA No. 15, which is under the jurisdiction of the City of Patterson.

Adoption of Annual Engineer’s Reports is carried out during a public hearing, allowing opportunity for public input.

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

Currently, there are three (3) CSAs that the County is not collecting assessments for or providing services to. These CSAs are considered inactive and include CSA No. 2 (Airport District), CSA No. 3 (Riverdale Park Tract) and CSA No. 14 (United Pallet). The County anticipates collecting assessments in the future for CSA No. 14 (United Pallet) if and when the storm drain system becomes County maintained. Unless there is a reasonable probability that CSA No. 2 (Airport District) and CSA No. 3 (Riverdale Park Tract) will be used to provide services in the future, they should be dissolved.
Sphere of Influence Update for the County Service Areas

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 CSA’s existing Spheres of Influence; rather, it serves to reaffirm the existing SOI boundaries. As part of this process, Staff researched the history of the establishment of the Districts’ SOIs. The sphere and boundary maps have since been converted to electronic format and are attached to this document. The following determinations for the County Service Areas within Stanislaus County SOI update and 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 CSAs generally serve areas that are unincorporated and residential. A number are located within the SOI of Modesto and in areas in and around Salida, Keyes, Denair, Oakdale and Ceres. CSAs that serve commercial and industrial uses are located north of Modesto.

The County retains the responsibilities for land use decisions within each of the CSA boundaries, with the exception of the Villa del Lago Commercial Center area, which was annexed to the City of Patterson (CSA No. 15).

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

When development is approved in an unincorporated area within the County, the County requires the formation of a CSA to provide extended services necessary to serve the land uses within the development boundaries. Only those residents who benefit from services provided by the CSA pay for them, which are funded through an assessment levied on all parcels within the CSA boundaries. The present and probable need for services within the current County Service Areas is not expected to change.
3. The present capacity of public facilities and adequacy of public services that the agency provides, or is authorized to provide.

The CSAs were formed to provide a specific level of service within their boundaries. There is also no expected change to the present capacity or adequacy of the public services currently provided by the CSAs. However, CSA No. 2 (Airport District), CSA No. 3 (Riverdale Park Tract) and CSA No. 14 (United Pallet) are not collecting assessments and have been inactive for an extended amount of time. The County anticipates collecting assessments in the future for CSA No. 14 (United Pallet) if and when the storm drain system becomes County maintained. Unless there is a reasonable probability that CSA No. 2 (Airport District) and CSA No. 3 (Riverdale Park Tract) will be used to provide services in the future, they should be dissolved.

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

Nine CSAs are located within a City Sphere of Influence (SOI). CSAs located within the City of Modesto SOI include: CSA No. 1 Fairview Park, CSA No. 2 Airport District Park, CSA No. 3 Riverdale Park Tract, CSA No. 7 Modesto Auto Center, CSA No. 8 Honey Bee Estates, CSA No. 20 Summit Corporate Center, and CSA No. 27 Empire (Phase 1). CSA No. 11 Gilbert Road within the City of Oakdale SOI and CSA No. 9 River Road/Souza is located within the City of Ceres SOI. These CSAs provide storm water drainage services and maintenance for area parks. There is opportunity for these CSAs to eventually be annexed into their respective cities due to their location within the City SOIs.

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.

Of the 24 CSAs, six (6) are within a disadvantaged unincorporated community based on annual median household income. They include: CSA No. 1 (Fairview Park), CSA No. 2 (Airport District Park), CSA No. 3 (Riverdale Park Tract), all within the City of Modesto Sphere of Influence (SOI); CSA No. 5 (Starlite Place) in the Keyes area; CSA No. 8 (Honey Bee Estates) in the Empire area, and CSA No. 9 (River Road / Souza) within the City of Ceres SOI. Although CSA No. 2 (Airport District Park) and CSA No. 3 (Riverdale Park Tract) are both located within a disadvantaged unincorporated community, both are identified as inactive as they are not collecting assessments or providing any services.

CSAs do not provide sewer, municipal water, and fire protection services. These services are provided through other special districts throughout the County or by way of private systems.
County Service Area (CSA) No. 1
“Fairview Park”

Formation: 1970
Services Provided: Local park, recreation, or parkway facilities and services

Source: LAFCO Files, County GIS, January 14, 2016
County Service Area (CSA) No. 2
"Airport District Park"

Formation: 1974 (Currently inactive)
Services Provided: Local park, recreation, or parkway facilities and services

Note: Existing CSA boundaries partially overlap the City Limits of Modesto.

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 3
“Riverdale Park Tract”

Formation: 1982 (Currently inactive—See note below.)
Services Provided: Domestic Water

Note: Riverdale Park Tract Community Services District was formed in December 1984 to replace CSA No. 3. Dissolution of CSA No. 3 has been recommended.

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 4
“Bristol Glen”

CSA No. 4
31.63+/- acres

= CSA No. 4 Boundary (31.63+/-ac)  = Sphere of Influence (coterminal)
Formation: October 23, 1989
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, April 30, 2010

MSR & SOI Update – County Service Areas
County Service Area (CSA) No. 5
“Starlite Place”

Formation: March 14, 1990
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, June 29, 2015
County Service Area (CSA) No. 7
“Modesto Auto Center”

CSA No. 7
11.40 +/- acres

Formation: July 12, 1990
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 8
“Honey Bee Estates”

Formation: October 12, 1990
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 9
“River Road / Souza”

= CSA No. 9 Boundary (17.17+/-ac)  = Sphere of Influence (coterminal)

Formation: December 17, 1990
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 10
“Salida”

Formation: November 8, 1990
Services Provided: Park services, streetscape / landscaping, library services, police (sheriff) protection, and storm drainage

Source: LAFCO Files, County GIS, Jan. 10, 2012
County Service Area (CSA) No. 11
“Gilbert Road”

- CSA No. 11 Boundary (36.86+/-ac)
- Sphere of Influence (coterminal)

Formation: April 3, 1991
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 12
“Peach Blossom Estates”

Formation: November 8, 1991
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 14
“United Pallet”

Formation: January 12, 1993 (Currently inactive)
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 15
“Patterson Gateway”

Formation: September 9, 1996
Services Provided: Storm drainage, and traffic signal at Sperry/Rogers intersection

Note: Portion of Original Territory Detached as Part of the “West Patterson Business Park Reorganization” on February 8, 2005. Existing CSA boundaries are completely within the City Limits of Patterson.

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 16
“Olive Ranch”

= CSA No. 16 Boundary (17.07+/-ac)  = Sphere of influence (coterminous)

Formation: October 30, 2000
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 18
“Atlas Park”

Formation: December 10, 2002
Services Provided: Storm drainage and park maintenance

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 19
“Tuolumne-Gratton”

= CSA No. 19 Boundary (89.42+/-ac)  = Sphere of Influence (coterminal)

Formation: January 6, 2003
Services Provided: Storm drainage and park maintenance

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 20
“Summit Corporate Center”

Formation: January 29, 2003
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 21
“Riopeal”

 forma: December 23, 2005
 Services Provided: Storm drainage and landscape maintenance

Source: LAFCO Files, County GIS, April 30, 2010

MSR & SOI Update – County Service Areas
County Service Area (CSA) No. 23
“Hillsborough / Schutz”

Formation: November 30, 2006
Services Provided: Storm drain system maintenance, including maintenance of river outfall facility

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 24
“Hideaway Terrace”

= CSA No. 24 Boundary (5.12+/-ac)  = Sphere of Influence (coterminous)

Formation: September 26, 2006
Services Provided: Storm drainage and landscape maintenance

Source: LAFCO Files, County GIS, April 30, 2016
County Service Area (CSA) No. 25
“Suncrest II”

Formation: November 30, 2006
Services Provided: Storm drainage and landscape maintenance

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 26
“Keyes”

Formation: October 24, 2008
Services Provided: Storm drainage, park and landscape maintenance for areas within the Keyes Storm Drain Project

Note: The formation of CSA No. 26 in 2008 included the dissolution of CSAs No. 6 (Raymond Tract), CSA No. 13 (La Jolla), and CSA No. 17 (Sunray Estates).

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 27
“Empire”

Formed: April 27, 2010
Services Provided: Storm drainage maintenance, street sweeping

Source: LAFCO Files, County GIS, April 30, 2010
APPENDIX “A”
NOTICE OF EXEMPTION

TO: Lee Lundrigan – County Clerk-Recorder
1021 “I” Street
Modesto, CA 95354

FROM: Stanislaus LAFCO
1010 Tenth Street, 3rd Floor
Modesto, CA 95354
(209) 525-7660

Title: Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the County Service Areas within Stanislaus County

Description: The Stanislaus Local Agency Formation Commission has prepared a Municipal Service Review (MSR) and Sphere of Influence (SOI) Updates for the County Services Areas, all of which are located in various areas throughout Stanislaus County. The Districts are legally authorized to provide storm water drainage services and other extended services and as special districts they are required to have an adopted and updated SOI. The Cortese-Knox-Hertzberg Act of 2000 calls for the Service Review to be completed prior to or concurrent with the SOI Update. The Service Review evaluates the public services provided by the Districts and provides the information base for updating each of the District’s Spheres of Influence. It is recommended that the SOI boundaries for each of the Districts reviewed remain unchanged.

Public Agency Approving Project: The Stanislaus Local Agency Formation Commission (LAFCO). The date of the LAFCO hearing on this proposal is scheduled for February 24, 2016. Contact Person: Javier Camarena, Assistant Executive Officer, (209) 525-7660.

Environmental Determination: The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by LAFCO and to comply with the California Environmental Quality Act (CEQA). In this case it has been determined that this project is exempt from CEQA pursuant to Section 15061 (b)(3) of the State Guidelines. The Stanislaus Local Agency Formation Commission will file this Notice of Exemption upon approval of the MSR and SOI Updates for the Districts.

Reasons for Exemption: It has been determined with certainty that there is no possibility that the project may have a significant effect on the environment and therefore it is found to be exempt from CEQA pursuant to Section 15061(b)(3) of the State Guidelines. The proposed Sphere of Influence Updates and Municipal Services Review do not involve, authorize or permit the siting or construction of any facilities associated with the District. No changes to the Spheres of Influence of the Districts are recommended.

Signature: Javier Camarena
Date: 1/13/16
Name & Title: Javier Camarena
Assistant Executive Officer
APPENDIX “B”

REFERENCES

3. Senate Local Government Committee, Special District Fact Sheet, November 2011.
7. United States Census Bureau website (www.census.gov)

INDIVIDUALS AND AGENCIES CONTACTED

1. Matt Machado, Director, Stanislaus County Public Works Department.
2. Kathy Johnson, Assistant Director, Stanislaus County Public Works Department.
3. Merry Mayhew, Assistant Director, Stanislaus County Department of Environmental Resources.
STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION

RESOLUTION

DATE: February 24, 2016
NO. 2016-05

SUBJECT: MSR No. 15-02 and SOI Update No. 15-02 – Making Written Determinations and Approving the Service Review and Sphere of Influence Updates for the County Service Areas

On the motion of Commissioner ________, seconded by Commissioner ____________, and approved by the following vote:

Ayes: Commissioners:
Noes: Commissioners:
Absent: Commissioners:
Ineligible: Commissioners:

THE FOLLOWING RESOLUTION WAS ADOPTED:

WHEREAS, a Service Review mandated by California Government Code Section 56430 and a Sphere of Influence Updates mandated by California Government Code Section 56425, has been conducted for the County Service Areas, in accordance with the Cortese-Knox-Hertzberg Reorganization Act of 2000;

WHEREAS, at the time and in the form and manner provided by law, the Executive Officer has given notice of the February 24, 2016 public hearing by this Commission on this matter;

WHEREAS, the subject document is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the State CEQA Guidelines;

WHEREAS, Staff has reviewed all existing and available information for the County Service Areas and has prepared a report including recommendations thereon, and related information as presented to and considered by this Commission;

WHEREAS, at the hearing, all persons present were given an opportunity to hear and be heard in respect to any matter in relation to the review, in evidence presented at the hearing;

WHEREAS, the following determinations are made in conformance with Government Code Section 56430 and local Commission policy:

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

   Each CSA was created to support a specific community. There have been amendments made to the sphere of influence for CSA No. 10, increasing its service area. However, population growth and population projections for the areas served by CSAs will likely be small.
2. **The location and characteristics of any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.**

Of the 24 CSAs, six (6) are within a disadvantaged unincorporated community based on annual median household income. They include: CSA No. 1 (Fairview Park), CSA No. 2 (Airport District Park), CSA No. 3 (Riverdale Park Tract), all within the City of Modesto Sphere of Influence (SOI); CSA No. 5 (Starlite Place) in the Keyes area; CSA No. 8 (Honey Bee Estates) in the Empire area, and CSA No. 9 (River Road / Souza) within the City of Ceres SOI.

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.**

Each active CSA is reviewed annually through an Engineer’s Report conducted by the Stanislaus County Department of Public Works. The most recent report did not identify any unmet infrastructure needs to deficiencies. At the present time, each of the active CSAs has the ability and the capacity to serve the existing service areas.

CSAs do not provide sewer, municipal water, and fire protection services. These services are provided through other special districts throughout the County or by way of private systems.

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

The active CSAs receive funding from special benefit assessments and/or a share of the ad valorem property tax. The rates established are based upon the costs to provide the extended services and maintenance and are reviewed annually through the Engineer’s Report.

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

No opportunities for shared facilities have been identified. There is no known overlapping or duplication of services within the Districts’ boundaries.

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

The County Service Areas are governed by the Board of Supervisors, with the exception of the CSA No. 15, which is under the jurisdiction of the City of Patterson.

Adoption of Annual Engineer’s Reports is carried out during a public hearing, allowing opportunity for public input.
7. **Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy**

Currently, there are three (3) CSAs that the County is not collecting assessments for or providing services to. These CSAs are considered inactive and include CSA No. 2 (Airport District), CSA No. 3 (Riverdale Park Tract) and CSA No. 14 (United Pallet). The County anticipates collecting assessments in the future for CSA No. 14 (United Pallet) if and when the storm drain system becomes County maintained. Unless there is a reasonable probability that CSA No. 2 (Airport District) and CSA No. 3 (Riverdale Park Tract) will be used to provide services in the future, they should be dissolved.

**WHEREAS,** the following determinations are made in conformance with Government Code Section 56425 and local Commission policy in determining a sphere of influence for the County Service Areas:

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

   The CSAs generally serve areas that are unincorporated and residential. A number are located within the SOI of Modesto and in areas in and around Salida, Keyes, Denair, Oakdale and Ceres. CSAs that serve commercial and industrial uses are located north of Modesto.

   The County retains the responsibilities for land use decisions within each of the CSA boundaries, with the exception of the Villa del Lago Commercial Center area, which was annexed to the City of Patterson (CSA No. 15).

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

   When development is approved in an unincorporated area within the County, the County requires the formation of a CSA to provide extended services necessary to serve the land uses within the development boundaries. Only those residents who benefit from services provided by the CSA pay for them, which are funded through an assessment levied on all parcels within the CSA boundaries. The present and probable need for services within the current County Service Areas is not expected to change.

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

   The CSAs were formed to provide a specific level of service within their boundaries. There is also no expected change to the present capacity or adequacy of the public services currently provided by the CSAs. However, CSA No. 2 (Airport District), CSA No. 3 (Riverdale Park Tract) and CSA No. 14 (United Pallet) are not collecting assessments and have been inactive for an extended amount of time. The County anticipates collecting assessments in the future for CSA No. 14 (United Pallet) if and when the storm drain system becomes County maintained. Unless there is a reasonable probability that CSA No. 2 (Airport District) and CSA No. 3 (Riverdale Park Tract) will be used to provide services in the future, they should be dissolved.
4. **The existence of any social or economic communities of interest in the area if the Commission determines they are relevant.**

Nine CSAs are located within a City Sphere of Influence (SOI). CSAs located within the City of Modesto SOI include: CSA No. 1 Fairview Park, CSA No. 2 Airport District Park, CSA No. 3 Riverdale Park Tract, CSA No. 7 Modesto Auto Center, CSA No. 8 Honey Bee Estates, CSA No. 20 Summit Corporate Center, and CSA No. 27 Empire (Phase 1). CSA No. 11 Gilbert Road within the City of Oakdale SOI and CSA No. 9 River Road/Souza is located within the City of Ceres SOI. These CSAs provide storm water drainage services and maintenance for area parks. There is opportunity for these CSAs to eventually be annexed into their respective cities due to their location within the City SOIs.

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.**

Of the 24 CSAs, six (6) are within a disadvantaged unincorporated community based on annual median household income. They include: CSA No. 1 (Fairview Park), CSA No. 2 (Airport District Park), CSA No. 3 (Riverdale Park Tract), all within the City of Modesto Sphere of Influence (SOI); CSA No. 5 (Starlite Place) in the Keyes area; CSA No. 8 (Honey Bee Estates) in the Empire area, and CSA No. 9 (River Road / Souza) within the City of Ceres SOI. Although CSA No. 2 (Airport District Park) and CSA No. 3 (Riverdale Park Tract) are both located within a disadvantaged unincorporated community, both are identified as inactive as they are not collecting assessments or providing any services.

CSAs do not provide sewer, municipal water, and fire protection services. These services are provided through other special districts throughout the County or by way of private systems.

WHEREAS, the County Service Areas provide extended services such as: storm drainage control, maintenance of parks and landscaping, and sheriff protection;

WHEREAS, pursuant to Government Code Section 56425(h), the range of services provided by the County Service Areas shall not be changed unless approved by this Commission; and

WHEREAS, no changes to the Districts’ Spheres of Influence are proposed or contemplated through this review.

NOW, THEREFORE, BE IT RESOLVED by the Commission:

1. Certifies that the project is statutorily exempt under the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

2. Approves the Service Review prepared in compliance with State law for the review and update of the County Service Areas’ Spheres of Influence, and written determinations prepared by the Staff and contained herein.
3. Determines that except as otherwise stated, no new or different function or class of services shall be provided by the District, unless approved by the Commission.

4. Determines, based on presently existing evidence, facts, and circumstances filed and considered by the Commission, that the Sphere of Influence for the County Service Areas should be affirmed as it currently exists, as more specifically described on the map contained within the Service Review document.

5. Directs the Executive Officer to circulate this resolution depicting the adopted Spheres of Influence Update to Stanislaus County.

6. Directs staff to initiate the dissolution process for CSA No. 2 (Airport District) and CSA No. 3 (Riverdale Park Tract).

ATTEST: ________________________________
Sara Lytle-Pinhey, Executive Officer
County Service Area (CSA) No. 1
“Fairview Park”

City of Modesto

CSA No. 1
86.5 +/- acres

Formation: 1970
Services Provided: Local park, recreation, or parkway facilities and services

Source: LAFCO Files, County GIS, January 14, 2016
County Service Area (CSA) No. 2

“Airport District Park”

Formation: 1974  (Currently Inactive)
Services Provided: Local park, recreation, or parkway facilities and services

Note: Existing CSA boundaries partially overlap the City Limits of Modesto.

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 3
“Riverdale Park Tract”

= CSA No. 3 Boundary (57.84+/-ac)  = Sphere of Influence (coterminal)

Formation: 1982 (Currently inactive—See note below.)
Services Provided: Domestic Water

Note: Riverdale Park Tract Community Services District was formed in December 1984 to replace CSA No. 3. Dissolution of CSA No. 3 has been recommended.

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 4
“Bristol Glen”

- CSA No. 4 Boundary (31.63+/- acres)
- Sphere of Influence (coterminal)

Formation: October 23, 1989
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 5
“Starlite Place”

Formation: March 14, 1990
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, June 29, 2015
County Service Area (CSA) No. 7
“Modesto Auto Center”

CSA No. 7
11.40 +/- acres

AUTO CENTER CT

■ = CSA No. 7 Boundary (11.40 +/- ac)  ➔ = Sphere of Influence (coterminal)

Formation: July 12, 1990
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 8
“Honey Bee Estates”

= CSA No. 8 Boundary (5.08+/-ac)  = Sphere of Influence (coterminous)

Formation: October 12, 1990
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 9
“River Road / Souza”

CSA No. 9
17.17+/-. acres

= CSA No. 9 Boundary (17.17+/-.ac)

Formation: December 17, 1990
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 10
“Salida”

CSA No. 10
727+/- acres

Formation: November 8, 1990
Services Provided: Park services, streetscape / landscaping, library services, police (sheriff) protection, and storm drainage

Source: LAFCO Files, County GIS, Jan. 10, 2012
County Service Area (CSA) No. 11
“Gilbert Road”

Formation: April 3, 1991
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 12
“Peach Blossom Estates”

CSA No. 12
40.31+/- acres

= CSA No. 12 Boundary (40.31+/-ac)  = Sphere of Influence (coterminous)

Formation: November 8, 1991
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 14
“United Pallet”

Formation: January 12, 1993 (Currently inactive)
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 15
“Patterson Gateway”

Formation: September 9, 1996
Services Provided: Storm drainage, and traffic signal at Sperry/Rogers intersection

Note: Portion of Original Territory Detached as Part of the “West Patterson Business Park Reorganization” on February 8, 2005. Existing CSA boundaries are completely within the City Limits of Patterson.

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 16
“Olive Ranch”

Formation: October 30, 2000
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 18
“Atlas Park”

= CSA No. 18 Boundary (9.29+/-ac)  = Sphere of Influence (coterminal)
Formation: December 10, 2002
Services Provided: Storm drainage and park maintenance

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 19
“Tuolumne-Gratton”

Formation: January 6, 2003
Services Provided: Storm drainage and park maintenance

Source: LACFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 20
“Summit Corporate Center”

= CSA No. 20 Boundary (44.50 +/- acres)  = Sphere of Influence (coterminalous)
Formation: January 29, 2003
Services Provided: Storm drainage

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 21
“Riopel”

Formation: December 23, 2005
Services Provided: Storm drainage and landscape maintenance

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 22
“Old School North”

= CSA No. 22 Boundary (3.18+/-ac)  = Sphere of Influence (coterminal)

Formation: January 11, 2005
Services Provided: Storm drainage and park maintenance

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 23
“Hillsborough / Schutz”

Formation: November 30, 2006
Services Provided: Storm drain system maintenance, including maintenance of river outfall facility

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 24
“Hideaway Terrace”

= CSA No. 24 Boundary (5.12+/-ac)  = Sphere of Influence (coterminal)

Formation: September 26, 2006
Services Provided: Storm drainage and landscape maintenance

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 25
“Suncrest II”

Formation: November 30, 2006
Services Provided: Storm drainage and landscape maintenance

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 26
"Keyes"

Formation: October 24, 2008
Services Provided: Storm drainage, park and landscape maintenance for areas within the Keyes Storm Drain Project

Note: The formation of CSA No. 26 in 2008 included the dissolution of CSAs No. 6 (Raymond Tract), CSA No. 13 (La Jolla), and CSA No. 17 (Sunray Estates).

Source: LAFCO Files, County GIS, April 30, 2010
County Service Area (CSA) No. 27
"Empire"

CSA No. 27
44.52+/- acres

= CSA No. 27 Boundary (44.52+/- ac)  
= Sphere of Influence (coterminal)

Formation: April 27, 2010
Services Provided: Storm drainage maintenance, street sweeping

Source: LAFCO Files, County GIS, April 30, 2010