AGENDA
Wednesday, February 22, 2017
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 25, 2017 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.
   B. Informational Correspondence.
      2. CALAFCO 2017 Events Calendar.
      3. AB1234 Flyer from County Counsel dated February 1, 2017.
4. 40th Annual Stanislaus County Planning Commissioners Workshop Flyer.

C. “In the News.”

5. DECLARATION OF CONFLICTS AND DISQUALIFICATIONS

6. CONSENT ITEMS

The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time without discussion, unless a request has been received prior to the discussion of the matter.

*A. MUNICIPAL SERVICE REVIEW NO. 17-01 AND SPHERE OF INFLUENCE UPDATE NO. 17-01 FOR THE MODESTO IRRIGATION DISTRICT. The Commission will consider the adoption of a Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Modesto Irrigation District. This item is exempt from the California Environmental Quality Act (CEQA) review pursuant to Regulation §15061(b)(3). (Staff Recommendation: Approve Resolution No. 2017-02.)

7. OTHER BUSINESS

A. UNINCORPORATED ISLAND INVENTORY AND UPDATE. Staff will provide information regarding unincorporated islands and an update regarding the impact of recent legislation.

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 22, 2017.

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.
STANISLAUS LOCAL AGENCY FORMATION COMMISSION

MINUTES
January 25, 2017

1. CALL TO ORDER

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

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

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

Commissioners Present: Brad Hawn, Chair, Public Member
Amy Bublak, Vice-Chair, City Member
Tom Dunlop, City Member
Jim DeMartini, County Member
Terry Withrow, County Member
Michael Van Winkle, Alternate City Member
Annabel Gammon, Alternate Public Member

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

Commissioners Absent: Kristin Olsen, Alternate County Member

2. PUBLIC COMMENT

None.

3. APPROVAL OF MINUTES

A. Minutes of the December 7, 2016 Meeting.

Motion by Commissioner Bublak, seconded by Commissioner Van Winkle and carried with a 5-0 vote to approve the Minutes of the December 7, 2016 meeting by the following vote:

Ayes: Commissioners: Bublak, DeMartini, Hawn, Van Winkle and Withrow
Noes: Commissioners: None
Ineligible: Commissioners: Gammon
Absent: Commissioners: Olsen
Abstention: Commissioners: Dunlop
4. **CORRESPONDENCE**
   A. Specific Correspondence.
   B. Informational Correspondence.
   C. “In the News”

5. **DECLARATION OF CONFLICTS AND DISQUALIFICATIONS**
   None.

6. **CONSENT ITEMS**
   **A. SCHEDULE OF FEES AND DEPOSITS UPDATE.** (Staff Recommendation: Adopt Update.)

   Motion by Commissioner Bublak, seconded by Commissioner Dunlop, and carried with a 5-0 vote to adopt the Schedule of Fees and Deposits Update, by the following vote:

   - **Ayes:** Commissioners: Bublak, DeMartini, Dunlop, Hawn and Withrow
   - **Noes:** Commissioners: None
   - **Ineligible:** Commissioners: Gammon and Van Winkle
   - **Absent:** Commissioners: Olsen
   - **Abstention:** Commissioners: None

7. **OTHER BUSINESS**
   **A. MID-YEAR BUDGET REPORT FOR FISCAL YEAR 2016-2017.** (Staff Recommendation: Receive and File Report.)

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

   Motion by Commissioner Dunlop, seconded by Commissioner Withrow, and carried with a 5-0 vote to receive and file the Mid-Year Budget Report by the following vote:

   - **Ayes:** Commissioners: Bublak, DeMartini, Dunlop, Hawn and Withrow
   - **Noes:** Commissioners: None
   - **Ineligible:** Commissioners: Gammon and Van Winkle
   - **Absent:** Commissioners: Olsen
   - **Abstention:** Commissioners: None

   **B. ANNUAL ELECTION OF OFFICERS.** (Staff Recommendation: Appoint a chairperson and vice-chairperson and adopt Resolution No. 2017-01.)

   Chair Hawn asked for nominations for Chairperson and Vice-Chairperson and requested one vote.
Motion by Commissioner DeMartini, seconded by Commissioner Dunlop, and carried with a 5-0 vote to approve Resolution No. 2017-01 to elect Commissioner Bublak as Chairperson and Commissioner Withrow as Vice-Chairperson, by the following vote:

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

C. NOTICE OF 2017 EXPIRING TERMS FOR PUBLIC MEMBERS AND APPOINTMENT OF A SUBCOMMITTEE. (Staff Recommendation: Direct staff to initiate the Public Member recruitment process and appoint a subcommittee.)

Chair Hawn asked for nominations for a sub-committee for the Public Member Recruitment process.

Motion by Commissioner DeMartini, seconded by Commissioner Dunlop, and carried with a 5-0 vote to appoint the Chair and Vice-Chair as the sub-committee, by the following vote:

Ayes: Commissioners: Bublak, DeMartini, Dunlop, Hawn and Withrow
Noes: Commissioners: None
Ineligible: Commissioners: Gammon and Van Winkle
Absent: Commissioners: Olsen
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:

- Save the Date for the Annual Planning Directors Workshop taking place on March 18, 2017.
- Staff is looking to host a LAFCO 101 workshop possibly in place of the June LAFCO meeting.
- Upcoming items include the biennial audit, Municipal Service Review Updates for TID and MID, a detachment from a water district and some policies and procedures updates.

11. ADJOURNMENT

A. Chair Hawn announced that the next meeting date and time will be February 22,
2017 at 6:00 p.m.

B. The meeting was adjourned at 6:12 p.m.

NOT YET APPROVED

Sara Lytle-Pinhey, Executive Officer
Committee which will be a resource to the Legislative alternate per region. There will also now be an Advisory and two (2) voting members from each region with one (1) total alternate Board members (one less than current), the Legislative Committee will be comprised of five (5) total voting and five (5) total alternate Board members, effective immediately, and a change in the membership structure of the Legislative Committee (now called the Election Committee), effective 2018. The Legislative Committee will be comprised of five (5) total voting and five (5) total alternate Board members (one less than current), and two (2) voting members from each region with one (1) alternate per region. There will also now be an Advisory Committee which will be a resource to the Legislative Committee to work on specific bills or legislative projects.

A great deal of time was spent considering how CALAFCO can expend its limited resources in the area of member development.

All of the work done during the retreat will be presented back to the Board in the form of a 2-year strategic plan for consideration and adoption at their May 5 meeting.

Additional CALAFCO Board Actions
Following their strategic planning retreat, the Board met in a regular Board meeting on January 12. During the meeting the Board addressed several administrative issues including:

- The quarterly financial reports were reviewed. The budget is on track for the year with no changes anticipated.
- The Board considered the 2017-18 dues. CALAFCO Bylaws call for the dues to automatically increase annually by the state CPI, unless the Board takes action otherwise. Given the decision two years ago to raise LAFCo member dues by seven (7) percent each year for two years, the Board took action to not increase the dues by the CPI and reaffirmed the 7% increase. This is the second and final year of that approved increase. All Executive Officers received the approved dues for FY 2017-18.
- The Legislative Policies for 2017 were adopted.
- The 2017-2018 Primary Strategic Areas were adopted as follows:
  - Educational resource for internal and external stakeholders
  - Member development and communication
  - Act as a resource

The Board narrowed the scope of the Strategic Plan to be better equipped at using existing resources in a way that brings greater value to the Association, its members and stakeholders. The Board will adopt a full two-year Strategic Plan at their May 5 meeting. That Plan will detail objectives for the three strategy areas.

Conferences and Workshops Update

2017 STAFF WORKSHOP
The 2017 Staff Workshop is set for April 5-7 at the Doubletree by Hilton in downtown Fresno. Our host for this workshop is Fresno LAFCo. The Program Planning Committee is busy planning a great program. There is a long list of interesting topics being considered by the program team and a draft program will be made available by mid-February. Look for registration to open at that time as well. Registration rates for the Workshop will remain at the 2016 rates.

2017 ANNUAL CONFERENCE
Mark your calendars for the 2017 Annual Conference on October 25-27. We will be in Mission Bay, San Diego at the Bahia Hotel. Watch for preliminary program announcements in the spring. This is the first year for a CALAFCO hosted Conference and we are looking at lots of new and interesting ideas, so you will not want to miss out on this exciting and valuable educational and networking event!

CALAFCO White Papers and Other Publications
We are pleased to start the year with the release of the White Paper on the Sustainable Groundwater Management Act (SGMA) and LAFCos. The purpose of this paper is to summarize how SGMA will impact LAFCos across the state. You can find this paper on the CALAFCO website.

In partnership with the American Farmland Trust (AFT), we are currently working on a White Paper on Ag Policies. Work on this project is anticipated to be completed this July.
CALAFCO is undertaking a White Paper and mapping project on Disadvantaged Unincorporated Communities throughout the state. This is one of our main projects for 2017 and work will begin very shortly on this project.

**CALAFCO Website**

We are pleased to report the migration to the new and improved website was conducted seamlessly the last week of December. If you have not already checked it out, take a visit at [www.calafco.org](http://www.calafco.org) and see for yourself. Remember that in order to access the Members Only section you must request a new user name and password, unless you were previously using your own unique user name and password. To make that request, from the homepage select the orange Login button at the top right. Select Create New Account, enter your desired user name and your email address, and then click on the Create New Account button. CALAFCO staff will be notified of your request and upon verification of your affiliation with a LAFCo or Associate Member, your request will be approved. No requests will be approved unless the person is directly associated as staff or commissioner of a LAFCo or directly affiliated with the Associate Member’s business (an employee).

**CALAFCO Administration Update**

**2016 CKH Guide Update Now Available**

The 2016 CKH Guide Update is now available. You can download the new Guide from the CALAFCO website, or place your order with CALAFCO for printed versions. The order form is also located on the CALAFCO website.

**2017 Calendar of Events Published**

The 2017 Calendar of Events is available online at the CALAFCO website and has also been distributed to the membership via the list serves.

**2017-2018 Membership Directories**

Watch for the new printed directories coming this spring. They will be distributed at the Staff Workshop and will also be available online.

**CALAFCO Legislative Update**

This is the first year of the new two-year legislative cycle. Not surprisingly, it’s a slow start for bill introductions with only 396 bills introduced so far in both houses. The deadline to submit bill language to Leg Counsel was January 20, and the last day for bill introductions is February 17. It is expected that over the next several weeks the blitz of bill introductions will occur. This year, the Assembly has the authority to introduce ten additional bills per Legislator per year than before, bringing the total to 50 for each Assembly Member. This could mean as many as 800 more bills introduced this year than in previous years.

The Senate has made their Committee appointments and the Senate Governance & Finance Committee (SGFC) has a new Chair – Senator Mike McGuire. Former Chair Senator Hertzberg is now a member of the Committee. Other than Senator McGuire, there are no new members on this committee. The long-time staff consultant to the committee (Brian Weinberger) was replaced with Jimmy MacDonald, former legislative advocate for CSDA.

The Assembly has made their Committee Chair appointments, and just recently made their membership appointments. The Assembly Local Government Committee (ALGC) has a new Chair - Assm. Cecilia Aguiar-Curry. She is a former Mayor and Yolo LAFCo Commissioner. In total, 8 of the 9 committee members are new to the committee.

CALAFCO is working to secure an author for our sponsored bill amending GCS 56653, as previously approved by the Board. In addition, we are working with CSDA as they take the lead to secure an author for our co-sponsored bill to streamline the addition of special districts on LAFCo.

**CALAFCO Associate Members’ Corner**

This section highlights our Associate Members. The information below is provided to CALAFCO by the Associate member upon joining the Association. All Associate member information can be found in the CALAFCO Member Directory.

**E Mulberg & Associates**

A Silver Associate Member since March 2011. Services offered include Municipal Service Reviews, Sphere of Influence updates, assistance with applications to LAFCo. For more information, contact Elliot Mulberg at [elliott@emulberg.com](mailto:elliott@emulberg.com) or visit their website at [www.emulberg.com](http://www.emulberg.com).

**Goleta West Sanitary District**

A Silver Associate Member since August 2011. Goleta West Sanitary District provides wastewater collection and treatment as well as street sweeping services. Formed in 1954, the district serves over 35,000 people. For more information, visit their website at [www.gwstreatment.com](http://www.gwstreatment.com).
www.goletawest.com, or email their General Manager Mark Nation at info@goletawest.com.

LACO Associates
LACO Associates has been a Silver Associate Member since February 2012. LACO provides integrated solutions for development, infrastructure and geo-environmental projects. Their services include planning, design, engineering and geo-environmental as well as CEQA compliance, GIS, MSRs and economic studies. For more information visit their website at www.lacoassociates.com, or email their President Mike Nelson at nelsonm@lacoassociates.com.

Griffith & Masuda
Griffith & Masuda has been a Silver Associate Member since March 2012. Founded in 1920, they specialize in water, energy, environmental and public law matters. They focus on serving public agencies and serve as general counsel or special water counsel to various agencies in the Central Valley. For more information, visit their website at www.calwaterlaw.com or email David Hobbs at dhobbs@calwaterlaw.com.

HdL Coren & Cone
HdL Coren & Cone has been a Silver Associate Member since July 2013. They provide property tax services to cities, counties and special districts. They are very familiar with county property allocation systems and redevelopment (and its dissolution). They have property tax data in 40 California counties going back as far as 25 years. For more information, visit them at www.hdlcompanies.com, or email Paula Cone at pcone@hdlccpropertytax.com.

Planwest Partners, Inc.
Planwest Partners Inc. has been a Silver Associate Member since August 2014. They provide contract LAFCo staffing services to multiple LAFCos. This includes preparing and conducting MSRs and SOI updates, public noticing, environmental documents, GIS, fiscal and economic studies, website management, application processing, facilitation and training. For more information, visit them at www.planwestpartners.com, or email George Williamson at georgew@planwestpartners.com.
## 2017 Events Calendar

### JANUARY

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>CALAFCO Board of Directors Strategic Planning Retreat (San Jose)</td>
</tr>
<tr>
<td>12</td>
<td>CALAFCO Board of Directors Meeting (San Jose)</td>
</tr>
<tr>
<td>18-20</td>
<td>CA Assn. of Sanitation Agencies Conference (Palm Springs)</td>
</tr>
<tr>
<td>18-20</td>
<td>League New Mayor &amp; Council Academy (Sacramento)</td>
</tr>
<tr>
<td>27</td>
<td>CALAFCO Legislative Committee (Sacramento)</td>
</tr>
</tbody>
</table>

### FEBRUARY

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>24</td>
<td>CALAFCO Legislative Committee (Irvine)</td>
</tr>
</tbody>
</table>

### MARCH

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Assn. of CA Water Agencies Legislative Symposium (Sacramento)</td>
</tr>
<tr>
<td>16-19</td>
<td>Local Government Commission Ahwahnee Conference (Yosemite)</td>
</tr>
<tr>
<td>24</td>
<td>CALAFCO Legislative Committee (Sacramento)</td>
</tr>
</tbody>
</table>

### APRIL

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-7</td>
<td>CALAFCO Staff Workshop (Fresno)</td>
</tr>
<tr>
<td>5-7</td>
<td>Fire District Assn. Annual Meeting (Monterey)</td>
</tr>
<tr>
<td>19</td>
<td>League of Cities Legislative Day (Sacramento)</td>
</tr>
</tbody>
</table>

### MAY

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>CALAFCO Board of Directors Meeting (Sacramento)</td>
</tr>
<tr>
<td>12</td>
<td>CALAFCO Legislative Committee (Sacramento)</td>
</tr>
<tr>
<td>9-12</td>
<td>Assn. of CA Water Agencies Conference (Monterey)</td>
</tr>
<tr>
<td>16-17</td>
<td>CA Special Districts Assn. Legislative Days (Sacramento)</td>
</tr>
<tr>
<td>17-18</td>
<td>CA State Assn. of Counties Legislative Days (Sacramento)</td>
</tr>
</tbody>
</table>

### JUNE

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>CALAFCO Legislative Committee (Conference call)</td>
</tr>
<tr>
<td>28-29</td>
<td>League Mayor &amp; Council Executive Forum (Monterey)</td>
</tr>
</tbody>
</table>

### JULY


### AUGUST

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>CALAFCO Legislative Committee (Conference call)</td>
</tr>
<tr>
<td>18</td>
<td>CALAFCO Board of Directors Meeting (Irvine)</td>
</tr>
<tr>
<td>22-24</td>
<td>CA Assn. of Sanitation Agencies Annual Conference (San Diego)</td>
</tr>
</tbody>
</table>

### SEPTEMBER

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>13-15</td>
<td>League Annual Conference (Sacramento)</td>
</tr>
<tr>
<td>25-28</td>
<td>CA Special Districts Assn. Annual Conference (Monterey)</td>
</tr>
<tr>
<td>27-29</td>
<td>Regional Council of Rural Counties Annual Conference (South Lake Tahoe)</td>
</tr>
</tbody>
</table>

### OCTOBER

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-27</td>
<td>CALAFCO Annual Conference (San Diego)</td>
</tr>
<tr>
<td>26</td>
<td>CALAFCO Annual Business Meeting (San Diego)</td>
</tr>
<tr>
<td>27</td>
<td>CALAFCO Board of Directors Meeting (San Diego)</td>
</tr>
</tbody>
</table>

### NOVEMBER

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>CALAFCO Legislative Committee (2018) (Conference call)</td>
</tr>
<tr>
<td>27-30</td>
<td>CA State Assn. of Counties Annual Conference (Sacramento)</td>
</tr>
<tr>
<td>28-30</td>
<td>Assn. of CA Water Agencies Conference (Anaheim)</td>
</tr>
</tbody>
</table>

### DECEMBER

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CA State Assn. of Counties Annual Conference (Sacramento)</td>
</tr>
<tr>
<td>1</td>
<td>Assn. of CA Water Agencies Conference (Anaheim)</td>
</tr>
<tr>
<td>8</td>
<td>CALAFCO Board of Directors Meeting (Sacramento)</td>
</tr>
<tr>
<td>15</td>
<td>CALAFCO Legislative Committee (2018) (Sacramento)</td>
</tr>
</tbody>
</table>
February 1, 2017

TO: Department Heads, Boards and Commissions, Special Districts and Municipal Advisory Councils

FROM: John P. Doering
County Counsel

RE: AB 1234 - LOCAL AGENCIES: MANDATORY ETHICS TRAINING

The Office of County Counsel will present AB 1234 Ethics Training at no cost to agencies within Stanislaus County. This training must be completed every two years.

Topics: Ethics Training
Rules on Compensation Policies
Expense Reimbursements
Brown Act
Conflict of Interest

Date: Wednesday, March 1, 2017
Time: 6:30 p.m. to 8:30 p.m.
Location: Basement Chambers
1010 Tenth Street
Modesto, CA 95354

Please submit a list of names of attendees to Jennifer West, Executive Secretary, by either phone (209) 525-6376 or e-mail westji@stancounty.com. Seating is limited to the first 235 in the Chambers. You will receive a Certificate of Completion for your agency's records as proof of attendance.

RESOURCE INFORMATION WILL BE PROVIDED
40th Annual
Stanislaus County
Planning Commissioners
Workshop

Saturday March 18, 2017
Check-In: 8:00am-8:30am • Workshop: 8:30am-12:00pm
West Side Theatre • 1331 Main Street • Newman, California

40 Years of Partnerships
Meeting for Success

Workshop Topics:
- Brown Act Training
- Robert’s Rules of Order
- Mini Ethics Course
- Legislative Update

Presented by Churchwell White, LLP

- How to Handle a Tough Crowd

Presented by Flint Strategies

Cost: Local Agency $30
Other $50
Includes Continental Breakfast

Make Checks Payable To: SCPDA
Checks Can Be Mailed To:
SCPDA
Attn: Ann Montgomery
2220 Magnolia Street
Ceres, CA 95307

Space is Limited,
Door Registrations will not be Accepted!

RSVP By March 8, 2017
Ann Montgomery
(209) 538-5774
ann.montgomery@ci.ceres.ca.us

Sponsored By The Stanislaus County Planning Directors’ Association

40th Annual
Stanislaus County
Planning Commissioners
Workshop

Saturday March 18, 2017 8:00am to 12:00pm
West Side Theatre—Newman, California

40 Years of Partnerships
Meeting for Success

Workshop Topics:
- Brown Act Training
- Robert’s Rules of Order:
  A Summary of Parliamentary Procedure
- Mini Ethics Course
  Emphasis on Conflicts of Interest & Disqualifications

Presented by Churchwell White, LLP

- Chairperson 101
  How to Handle a Tough Crowd

Presented by Flint Strategies

Cost:
Local Agency $30
Other $50
Includes Continental Breakfast

Make Checks Payable To: SCPDA
Checks Can Be Mailed To:
SCPDA
Attn: Ann Montgomery
2220 Magnolia Street
Ceres, CA 95307

Space is Limited,
Door Registrations will not be Accepted!

RSVP By March 8, 2017
Ann Montgomery
(209) 538-5774
ann.montgomery@ci.ceres.ca.us

Sponsored By The Stanislaus County Planning Directors

Join Us For The

40th Annual
Stanislaus County
Planning Commissioners
Workshop

RSVP By March 8, 2017
Ann Montgomery
(209) 538-5774
ann.montgomery@ci.ceres.ca.us

Cost:
Local Agency $30
Other $50
Includes Continental Breakfast

Make Checks Payable To: SCPDA
Checks Can Be Mailed To:
SCPDA
Attn: Ann Montgomery
2220 Magnolia Street
Ceres, CA 95307

Space is Limited,
Door Registrations will not be Accepted!
CORRESPONDENCE – IN THE NEWS

Newspaper Articles


➢ The Modesto Bee, January 30, 2017, “Wood Colony going for MAC attack to gain leverage against city expansion.”

➢ The Modesto Bee, January 30, 2017, “Well in Village I will serve northeast Modesto, support Tivoli development.”

➢ West Side Index, February 2, 2017, “Storms brighten ag water outlook.”


➢ The Modesto Bee, February 9, 2017, “Riverbank mayor: City of Action gearing up for more.”

➢ The Modesto Bee, February 14, 2017, “Area mounts massive protest against state water proposal.”

➢ The Modesto Bee, February 14, 2017, “Modesto, irrigation districts, county, other cities form agency to manage groundwater.”
Plan for Highway 132 bypass in west Modesto revving up

By Garth Stapley

Dirt hills contaminated with barium would be capped with pavement in a future freeway west of downtown Modesto, says a key study for which hundreds of anxious neighbors have waited several years.

The draft environmental impact report for a $214 million Highway 132 bypass paralleling Kansas Avenue contains answers to other important questions, such as how many homes might be sacrificed – 32, plus 11 businesses. Information identifying those at risk is buried deep in the 840-page document, although some appears in print so tiny it isn’t legible.

Construction could start late next year, and the freeway might open to traffic in 2020, the study says.

Government leaders say they’re happy to finally share with the public an official document with mounds of information. It’s available online and at a local transportation office, and people are invited to learn more and comment at a drop-in open house meeting from 6 to 8 p.m. Feb. 22 at the Red Event Center, 921 Eighth St., Modesto.

“This is a huge milestone for the region,” said Rosa Park, the Stanislaus Council of Governments’ executive director. Leaders in her agency and others have planned for six decades for a smoother flow toward the Bay Area, saving driving time and boosting Modesto’s profile.

Previous public meetings in 2012 and 2014 drew scores of neighbors, many concerned about health risks, property values, and freeway lights and noise. Some have monitored StanCOG meetings for years, waiting for the recently released environmental document.

**WHILE THERE MAY BE POTENTIAL IMPACTS FROM THE PRESENCE OF BARIUM CONTAMINANTS IN THREE SOIL STOCKPILES, ONGOING MONITORING HAS INDICATED THAT NO SIGNIFICANT IMPACTS HAVE OR WOULD OCCUR FROM AIRBORNE DISPERSION OR MIGRATION TO GROUNDWATER. CONTAINMENT AS CONSTRUCTION FILL MATERIAL WOULD MITIGATE THESE IMPACTS.**

Draft EIR

State officials for years have said no one is getting sick or dying from dirt laced with heavy metals, including barium, strontium and lead, in the fenced-off hills. An error 2 1/2 years ago prematurely revealed the government’s preference for eliminating the threat: capping with pavement and putting it in new bridge footings, instead of trucking it away.

Removing the dirt could cost an extra $20 million, the new report estimates.

Others have worried about losing their homes or businesses. All who might be affected were individually contacted, “so they’ve known for quite some time,” said public relations consultant Kendall Flint.
It's nearly impossible, however, to pinpoint dozens of those properties in the new report. Customers of Jack in the Box, Starbucks or Chevron on Kansas, for example, can't tell whether they might be in the new road's path.

Maps with such information are found in engineer drawings on Pages 561, 562 and 563 of the 840-page document, but the last page — reflecting businesses on the freeway's east end, near Highway 99 — can't be read, even when magnified on a computer screen. The others are barely legible and contain assessment parcel numbers, not addresses or names of businesses.

It appears that several Kansas companies, including Quality Inn, Guayabitos Restaurant, the Sandwich Shop and Gonzalez Furniture, would be relocated and their buildings razed, as would other businesses, 25 houses and two duplexes. Five mobile homes would have to go, too.

11 businesses
32 homes
590 trees
50 farm acres to be removed

Thirty more homeowners and at least two dozen additional business owners would lose part of their land to the freeway, although their buildings would be spared.

Officials intend to add a legible map, Flint said Friday.

The new freeway would cross over Highway 99, connecting with Needham Street on the east, and would dip under Carpenter Road and Rosemore Avenue. How the freeway might connect with Highway 99 has yet to be decided, although options are detailed in the study; that decision will determine the fate of some Kansas businesses.

$82 million Cost for phase 1, with construction to begin in 2018 and finish in 2020
$132 million Cost for phase 2, which could begin in 2026 and finish in 2028
$214 million Total price

Also unknown is whether the bypass at first would feature just two lanes at a cost of $82 million, with another pair following a decade or so after. Buoyed by approval in November of a transportation tax — with an anticipated influx of new road money — leaders might opt to build all four lanes at once for about $214 million, said Modesto Councilman Bill Zoslocki.

Jokes about government forever planning a road are common, but this effort is serious, leaders say.

"Some of our board members were children when this started," said Park, whose agency is composed of elected leaders from Stanislaus County and its nine cities. This year’s StanCOG chairman is Zoslocki, who said, "This has been 50 years in the making. If we're going to do it, we probably should do it."
Actually, the California Department of Transportation 60 years ago adopted a vision for replacing this stretch of Highway 132, now doubling as Maze Boulevard, with a new roadway free of stops running just south of Kansas until dipping south to join Maze at Dakota Avenue.

(HIGHWAYS 99 AND 132) ARE OF PARTICULAR IMPORTANCE TO REGIONAL AND INTERREGIONAL CIRCULATION BECAUSE OF THE EXTENSIVE FARM-TO-MARKET, RECREATIONAL AND OTHER COMMERCE-RELATED TRAVEL THAT USES THE HIGHWAY DAILY.

Draft EIR

The state started buying property along Kansas in 1958 and dumped there 160,000 cubic yards of dirt scooped from nearby ponds at the former FMC chemical plant, which processed barium. The dirt, now covering a combined 12 1/2 acres of Caltrans’ 79 linear acres, could be used for a raised freeway, engineers said, and the plan remains in place today.

$1.57 millionCost to cap contaminated dirt piles with new freeway

$21.5 millionCost to remove contaminated dirt and replace with clean soil

But tests in 2004 and 2006 showed the soil was contaminated with heavy metals, raising fear among neighbors and prompting protective fencing to keep people away. Hundreds more samples showed concentrations too low for people to worry about organ damage or cancer, and scientists said the metals won’t seep into groundwater, which also has been regularly tested in eight monitoring wells.

The new study includes a detailed plan for containing the tainted dirt.

Other points of interest in the report:

• Although Highway 132 colloquially has been called “blood alley” for its history of crashes, no traffic deaths occurred during a three-year study period, from 2012 through 2014.

• In that period, most crashes on the existing highway – or Maze – were broadside (34 percent) or rear-end (32 percent) collisions, both associated with relatively high traffic volumes and speeds, and lots of driveways to homes, businesses, schools and churches. That stretch has more than 60 private driveways, and 12 intersections with no signals.

• Skimming strips of land from dozens of parcels, the expressway would consume a combined 65 acres of farmland and another 127 linear acres from homes and businesses.

• Minorities and low-income people are more concentrated in neighborhoods affected by the bypass than elsewhere. But they will enjoy the same benefits of smoother driving as everyone else, the study says.

• People forced to move from homes and businesses will negotiate with government buyers who must pay fair market value. The government sometimes seizes land using eminent domain powers, with disputes resolved in court.

• By 2048, motorists will save a combined 640 hours of driving time each day by taking the bypass.
Officials initially expected to reveal the draft environmental study in fall 2013, but a series of delays kept it under wraps until now.

The Feb. 22 open house will have a drop-in-and-chat format, where people can view information posters and maps. They can ask questions of representatives from various agencies, including Modesto, the county, StanCOG and Caltrans, as well as state environmental units.

Before and after, people can see the environmental impact report and associated studies at StanCOG’s third-floor office, 1111 I St., or in the public library at 1500 I St., both in downtown Modesto, or online at www.stancog.org/pdf/SR_132_Draft_EIR_EA_20161228.pdf.

Comments can be offered at the open-house meeting, emailed to philip.vallejo@dot.ca.gov, or sent to Caltrans at 855 M St., Suite 200, Fresno, 93721.

"Do you believe the project’s potential impacts have been adequately addressed by the draft environmental document?" reads a public notice, asking for feedback by March 3.

"We’re making sure it’s totally vetted," Flint said.

"If people know what’s going on, they tend to get engaged and there is a better chance of getting what everyone wants," Zoslocki said. "Transparency is always good."

Some people at StanCOG’s Thursday meeting asked for more time to review and comment, Zoslocki said, but 45 days meets Caltrans' standard.

The state will produce a final version of the report after reviewing all comments.

CONSTRUCTION IMPACTS

A few dozen buildings, including 32 homes, would be sacrificed for the Highway 132 bypass.

<table>
<thead>
<tr>
<th>To be razed</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner-occupied houses</td>
<td>14</td>
</tr>
<tr>
<td>Rental homes</td>
<td>11</td>
</tr>
<tr>
<td>Duplexes</td>
<td>2</td>
</tr>
<tr>
<td>Mobile homes</td>
<td>5</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1</td>
</tr>
<tr>
<td>Commercial-industrial</td>
<td>3</td>
</tr>
</tbody>
</table>
NEIGHBORHOOD IMPACTS

Neighborhoods affected by the Highway 132 bypass are poorer and have more minorities than the average elsewhere in Modesto and Stanislaus County.

<table>
<thead>
<tr>
<th>Category</th>
<th>Bypass area</th>
<th>Modesto</th>
<th>Stanislaus County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty level</td>
<td>23.6%</td>
<td>19.5%</td>
<td>19.2%</td>
</tr>
<tr>
<td>Racial minorities</td>
<td>44.6%</td>
<td>35.0%</td>
<td>34.5%</td>
</tr>
<tr>
<td>Median income</td>
<td>$41,179</td>
<td>$49,205</td>
<td>$49,866</td>
</tr>
</tbody>
</table>
Wood Colony going for MAC attack to gain leverage against city expansion

By Jeff Jardine

One very long night three years ago, more than 300 people came to a Modesto City Council meeting to oppose the city’s plan to develop part of the Wood Colony farming community northwest of the city.

That contentious, heated meeting resulted in 1) a lingering distrust by the Wood Colonists because 2) the city refuses to remove them from its plans entirely which 3) compelled Wood Colony residents to band together to create a municipal advisory council (MAC).

On Tuesday, the Stanislaus County Board of Supervisors likely will approve a consent item to create a Wood Colony MAC. Unless derailed, the motion will trigger a 30-day public comment period, with the board expected to vote at the Feb. 27 meeting on whether to approve the county’s ninth MAC.

Development has long been a point of contention with Wood Colony residents on one side and the city and the Modesto Chamber of Commerce on the other.

Last week, Modesto land-use attorney George Petrulakis, an adviser to Mayor Ted Brandvold, sent a letter that he clearly listed as an “Attorney Advertisement” to landowners in Wood Colony. He alerted them that the supervisors could be “taking action that could negatively affect your hopes and plans for your land. ... I fear that long-range plans for this land will be adversely affected if that land is included in the boundaries of the new MAC.”

Wood Colony was established in 1869. Many of the farmers were German Baptists who came west from Pennsylvania and other points east in the 1870s. Over time, the colony expanded to include an area bordered by Gates Road to the west, Bacon Road to the north, Maze Boulevard to the south, and Morse and North roads to the east. That is the area included in the new Wood Colony MAC map.

Brandvold said the size of the MAC — covering 15,560 acres where 2,500 people live — encroaches onto where the city wants to extend to be within its sphere of influence.

After the 2014 meeting, Supervisor Terry Withrow began working with Wood Colony residents to establish the MAC. A MAC merely advises the supervisors of what they want for their communities. They have no power or authority.

“It gives the community a voice,” said Salida MAC chairwoman Katherine Borges. “We (Salida) get updates on zoning adjustment and other issues. Wood Colony is not notified.”

MACs don’t dictate the terms of land use, said Lisa Braden, who is involved in forming the Wood Colony MAC. “There are people who want to sell their land who are for the MAC,” she said. “We can’t stop them from selling it. We won’t have that authority.”

The Chamber of Commerce, which backs development of Wood Colony, invited Withrow to address its members late last year. He said it was only the second time he’s ever spoken to the group, and the first time was during the campaign for anti-sprawl Measure I in 2015. That also involved Wood Colony.

“I asked them, ‘When is it not a good thing for people together in a common place to have their voices heard?’ ” Withrow said. “‘Why not come out in support of the MAC? You’d get a regular place on their agenda to do a presentation. Maybe, God forbid, you could work out a deal. Why approach it as a fight to the end?’ ”
Brandvold also attended that meeting. He inherited the distrust created by predecessor Garrad Marsh, who ignored the Wood Colony folks' desires to be left alone. Brandvold said he is disappointed the Wood Colony folks formed their MAC without telling the city of their plans.

"They never reached out to us," he said. "I'm on the record as promoting outreach, and they did this without approaching us. It would have been nice to get some outreach from them. Terry could easily have been their spokesperson. I never said I was against it - just their approach."

Yet, the reason they began forming the MAC was because they felt the city didn't listen to them.

"This is probably a repercussion," Brandvold said.

"We just don't want to be blindsided," Wood Colony's Braden said.
Well in Village I will serve northeast Modesto, support Tivoli development

By Kevin Valine

Construction is underway for a well in Village I that will provide drinking water to northeast Modesto, including Tivoli, a proposed, roughly 454-acre development of homes, stores, offices, an elementary school and parkland.

The well is being constructed next to Mary Grogan Community Park on Sylvan Avenue. City officials say it is expected to cost about $2 million and should be in service in December.

The city has hired Hydro Resources West for the underground improvements of the well, which is expected to have a maximum depth of 410 feet. The city hired West Yost Associates for hydrogeology and design services. The city will hire a contractor for the well-site improvements. Modesto also will add a wall and/or landscaping to shield the well from nearby homes.

A water capacity fee study the City Council adopted in December estimates that 75 percent of the well’s capacity will serve existing water customers, with 25 percent serving new development. Utilities Director Larry Parlin said Modesto is paying for the well, and Tivoli will reimburse the city for its share of the costs once development starts.

He said it is not unusual for a city to pay for a well and then be reimbursed by a developer, especially if it wants to encourage development.

Tivoli is proposed for land north of Sylvan Avenue and east of Oakdale. Modesto approved the specific plan for the development in 2008, but no development has occurred because of the real estate meltdown and its aftermath.

Work continues on Tivoli’s infrastructure. PMZ Real Estate CEO Mike Zagaris, who along with PMZ real estate broker Duke Leffier represents some of the property owners, said he expects developers could submit plans to the city within 12 to 18 months. He added that development could start without the well, which he said would be needed at the project’s buildout.
Storms brighten ag water outlook

A series of January storms has brightened the 2017 outlook for regional ag water users.

The rain has allowed farmers to delay early-season irrigation, and has raised hopes of a more substantial supply of irrigation water in a federal water district serving the West Side which has received little to no water allocation in the past three years.

Pumping stations which draw water from the Sacramento-San Joaquin Delta for delivery into San Luis Reservoir are "running gang-busters," Central California Irrigation District General Manager Chris White recently told Mattos Newspapers.

The reservoir, a shared state and federal facility stores water for urban and ag use, could fill for the first time in six years.

White anticipates that CCID, which holds strong water rights, will receive a 100 percent allocation of water through the Central Valley Project this year.

The bountiful rains have also renewed at least a cautious optimism in the federal Del Puerto Water District which serves growers along the Interstate 5 corridor from Vernalis to Santa Nella.

"It has certainly changed the situation for the better. We went from likely predicting no allocation for 2017 to a place where we are hopeful that we will get something," General Manager Anthea Hansen told Mattos Newspapers.

The district received a 5 percent allocation last year; and a zero allocation each of the previous two.

Hansen is making no firm predictions about what 2017 may bring.

"It is a little too early to tell," she said of her expectations. "I would hesitate to venture a guess because there are so many variables."

By contract, Hansen said, the Bureau of Reclamation is to make an official announcement on water allocations on or about Feb. 20. But she expressed doubts that the agency would have enough information at that time to make the call. Much depends on development of a Sacramento River temperature management plan, she explained, and that typically does not come into focus until later in the spring.

The uncertainty is one more challenge the district's growers face, Hansen added.

"It makes good planning nearly impossible," she commented. Lending agencies, Hansen said by way of example, require information about the source of a farmer's water, the quantity available and the cost.

"None of those things are known (until the allocation is finalized)," she pointed out. "This is what we have been dealing with for a number of years."

Hansen said the best scenario for the district is to see the reservoir fill, and be able to continue to move water into the system through the spring and summer.

That comes with a concern, she acknowledged, as growers who have water stored do - under some circumstances - risk losing a portion of that supply.

Del Puerto growers have a total of 38,000 acre-feet stored in the reservoir, Hansen said. That water is considered to be "float" atop the reservoir, she explained. If pumping must be reduced because there is
no capacity, the amount of pumping which was foregone is subtracted from the stored water owned by growers.

Collectively, Hansen said, customers of various water contractors have about 450,000 acre-feet of stored water. Losses would be shared among all those with water stored.

That scenario is one the district is striving to avert.

“We are looking at every option for protecting water. We are closely monitoring the situation,” Hansen emphasized.

If irrigation demand meets or exceeds the daily pumping capacity, no foregone pumping is required and no stored water is lost.

“Because the refill (of the reservoir) is not projected to happen until mid-March, the hope is by that time there will be enough demand along the Delta-Mendota to utilize all the water that is being pumped, and not have a situation where pumping is restricted because there is no place to put the water,” she said.

Even when a district such as CCID, which runs from Crows Landing to Mendota, receives a full allocation of water problems can be encountered with restrictions on the timing of delivery.

Some restrictions were in place last year, White noted, but having more water in storage early and the opportunity to pump through the spring and early summer may provide relief from issues relating to timing.

Both general managers said the January storms have delayed demand for water deliveries, as Mother Nature is soaking the soil and early irrigation has not been necessary.

The aquifers stand to benefit as well.

“We are seeing a nice fill on the reservoirs. We are seeing a lot of water flowing down the rivers to the delta,” White said. “The net result of that is that we are getting a lot of local recharge into the groundwater aquifers.”

While the winter storms may bring some unintended consequences and a new set of challenges, Hansen concluded, the rain has been “truly a blessing.”
Water-rich OID debates method for selling surplus

By Garth Stapley

OAKDALE

Selling extra river water clearly will continue as an important income source for the Oakdale Irrigation District. How it’s sold, however, remains a subject for debate.

Board member Linda Santos on Tuesday questioned the wisdom of abandoning water at New Melones Dam for buyers to pick up downstream, a tactic used in recent years by OID and its partner on the Stanislaus River, the South San Joaquin Irrigation District. Abandoning water may enable the agencies to skirt environmental review, Santos said, but weakens the districts’ moral argument for retaining water rights coveted by others.

“Abandoning is jeopardizing our long-term water rights,” Santos said. “When we abandon, there is no record to protect us. Why take a chance with abandonment rather than a transfer?”

WHY NOT USE THE RECOGNIZED SAFEGUARD? I’M NOT SAYING DON’T DO THE TRANSFER, BUT DO SO IN A WAY THAT WE’RE PROTECTED.

Linda Santos, OID board

OID General Manager Steve Knell said transfers – a method more acceptable to state water officials – requires another party willing to buy water and to go through a lengthy regulatory process, and such buyers have been harder to find.

An environmental impact report accompanying a common transfer can cost as much as $250,000 and take up to 18 months, Knell said, while a “negative declaration” – or simply declaring that shipping water elsewhere will have no negative impact – might take only a few weeks and cost as little as $2,500.

OID would not have enough time this year for the more costly but less risky option, Knell suggested.

Also, several potential local buyers aren’t interested this year, including the Modesto and Turlock irrigation districts and the cities of Modesto and Riverbank. Oakdale City Hall has reserved the right to buy 10,000 acre-feet of water but is not yet prepared to take it, a report says.

WE ALWAYS REVIEW LOCAL DEMANDS FIRST BEFORE SELLING (WATER) OUTSIDE THE DISTRICT.

Steve Knell, OID general manager

Thirstier water agencies such as the Del Puerto Irrigation District and the Eastside Water District might buy water but can’t take it without cooperation from the Modesto Irrigation District, whose canals – between OID and such buyers – are required to move the water. Frosty relations between OID and MID have nixed such deals.

OID growers have fared better than most elsewhere in recent drought years, getting all the water they could use last year with the same expectation this season. They probably will need about 235,000 acre-feet this year, says the district, which has rights to 300,000 acre-feet, leaving about 65,000 acre-feet – 22 percent of OID’s allotment – available to sell.

Percentage of OID water available to shop to outsiders this year
Last year, OID offered 5,000 acre-feet of water to growers just outside its boundary, but they bought only 400 acre-feet. The same amount will be offered this year, a report says.

OID has reaped $48 million by selling water to outsiders in the past decade. The money has helped improve pipelines and canals and boosted reserves; in other action Tuesday, the board unanimously agreed to move $19 million in surplus money from OID’s general fund to an account designated for boring a tunnel, for paying down debt and for stabilizing water rates.

“We sell our surplus supplies to generate revenues to do the things we do,” Knell said. “Without it, we don’t move forward.”

Knell said the abandonment method could weaken OID’s water rights if done in five consecutive years, but that hasn’t happened.

Disputes over past sales have led to two ongoing lawsuits and a recall drive that could cost Santos her seat if a majority of voters in District 4, southeast of Oakdale, turn her out of office in an April 25 special election. The period for people to declare themselves candidates, to succeed Santos in case she is recalled, closes at 5 p.m. Thursday.

WE’VE PRETTY MUCH OUTGROWN THIS FACILITY.

Steve Knell, OID general manager

In other action, the OID board unanimously agreed to pay a firm $2,800 to start the design process on a new headquarters. Then-board members in 2012 bought 10 acres at the southwest corner of Kaufman Road and Greger Street, but nothing has been accomplished since. Selling OID’s office on prime F Street frontage coveted by commercial developers, and selling about a third of the new property to a storage rental company next door, could cover the cost of a new headquarters with a more efficient layout, Knell said.
Riverbank mayor: City of Action gearing up for more

By Garth Stapley

RIVERBANK

The zero-emission police motorcycle proudly parked just behind Mayor Richard O'Brien for all to see as he delivered the annual state of the city address Wednesday sent a subliminal message.

“They are stealthy,” O'Brien said of the motorcycles, recently acquired with a $62,000 air district grant. "They don't have the VRRROOM that many officers enjoy. They come right on top of you, because you don't hear them."

THEY ARE ENVIRONMENTALLY FRIENDLY, THEY ARE STEALTHY, AND THEY HAVE VERY LOW MAINTENANCE COSTS COMPARED TO TRADITIONAL COMBUSTION ENGINE MOTORCYCLES.

Richard O'Brion, Riverbank mayor

The city likewise is quietly revving up, positioning for another growth spurt that could take many by surprise. No fewer than 300 new homes are expected to pop up in coming months, plus dozens more units for low-income renters. And City Hall is preparing to take an ambitious "annexation strategy" to a regional growth panel, the mayor said.

The plan is expected to show how Riverbank might double its population to about 50,000 people in the next 20 years.

40 Years that Riverbank has hosted a cheese and wine festival

Also, "two companies want to build large plants that will employ many of our residents" in the Riverbank Industrial Complex, O'Brien said. It's imperative, he said, that the former Army ammunition manufacturer quickly complete its transition to a peaceful business hub.

The city has waited in vain seven years for various federal agencies to do their part for the change to go through, but they don't seem capable of communicating with one another, the mayor said. Riverbank has heard things such as, "We're almost there. Maybe. Soon!" But we're still no closer to a memorandum of understanding than we were seven years ago, with thousands of man hours uselessly wasted on our end," he said. "It is disappointing."

U.S. Rep. Jeff Denham, R-Turlock, attended Wednesday and briefly spoke after O'Brien, saying he's scheduled to meet next week with federal decision-makers and hopes "to get this thing moving."

THE TRUE INTENT IS NOT TO SAVE THE FISH; IT IS TO KEEP SOUTHERN CALIFORNIA GREEN.

Riverbank Mayor Richard O'Brien, on a state proposal to increase unimpaired river flows

Like any city, Riverbank has its share of challenges, said O'Brien, who has been mayor four years. A large screen on the wall behind him showed photos of homeless people as the mayor talked about illegal camping and "aggressive panhandling," and he said care homes need to do more to keep their clients from bothering people. He also predicted that responding to problems caused by the legalization of marijuana will cost more than revenue from taxing it.
The City Council by October can expect a proposal on how to fully fund police services from newly hired City Manager Sean Scully, O'Brien said.

The mayor envisions someday treating sewer water enough for landscape watering or other uses. "Our goal," he said, "is to reuse all our water."
Area mounts massive protest against state water proposal

By Garth Stapley

Worth Your Fight, a campaign of the Modesto and Turlock irrigation districts to rally opposition to a state water proposal, is an effort rich in numbers:

- 5,700 Online petitions, so far, protesting more river flow at the expense of farms and cities
- 5,700 people so far have signed online petitions protesting the state proposal, which would benefit fish with more river flows at the expense of farms and cities.
- 16,500 people have viewed the Worth Your Fight website, which is stacked with information on the state proposal, released in September and known as the Substitute Environmental Document.

The State Water Resources Control Board is considering roughly doubling local river volumes from February through June each year to help salmon and other fish and reduce salinity in the Sacramento-San Joaquin Delta. But that water normally is captured in reservoirs for thirsty summer crops, and Modesto also relies on river water, treating it and mixing it with groundwater before sending it to thousands of taps.

Fishing and environmental groups seek even higher flows to repair damage from a century-plus of river diversion, while water agencies, local officeholders, farmers and people from all walks of life have protested the change.

"We're real proud of how the community and our customers have embraced this campaign," spokeswoman Melissa Williams told the MID board Tuesday.

A few more relevant numbers:

- The Worth Your Fight website has generated more than 50,500 page views.
- The campaign's Facebook page has more than 4,400 followers, and more content has appeared on Twitter and Instagram, too.
- Worth Your Fight has sponsored traffic reports for seven radio stations.
- People have taken 750 campaign signs in MID's area.
- 10,000 Worth Your Fight window decals distributed
- Advocates have distributed 10,000 window decals and 2,000 campaign stickers.
- MID employees have given nearly 30 presentations to community groups, and they've staffed booths at various events.

"Some of our best ambassadors" are MID workers, Williams said, because they've been briefed at staff meetings and are happy to discuss the issue. When people pose questions, "armed with information, they're comfortable speaking about this," she said.

In addition, Worth Your Fight talking points have appeared numerous times in Modesto Bee news articles, editorials, columns and letters to the editor, and other items have appeared in the Central Valley Business
Journal and the Modesto Chamber of Commerce’s Progress magazine. A Worth Your Fight billboard went up in Ceres. MID and Modesto City Hall put informational inserts in utility bills.

“We ran the gamut,” said Gary Soliseth, an MID regulatory adviser. He also is mayor of Turlock.

All of that led to:

- 38% Percent loss in river water in critically dry years, under the state proposal

- Five public hearings in various cities, including Modesto and Merced.

- Somewhere from 900 to 1,200 people attended one on Dec. 20 in Modesto.

- 10 hours of public testimony from people who oppose losing control over so much water.

“Our economies simply cannot afford to endure such a risk,” MID board member Paul Campbell said. He alluded to a scientific debate over whether swelling rivers would do much to produce more salmon.

Mayor Richard O’Brien, in last week’s Riverbank state of the city address, mentioned another possible political motive:

“The true intent is not to save the fish — it is to keep Southern California green,” O’Brien said, noting that the amount of water eyed from the Stanislaus, Tuolumne and Merced rivers is about equal to the amount the state wants to ship south through tunnels under the Delta.

Campbell urged an ongoing "firm and consistent message" opposing the state proposal. A deadline for comments has been extended to March 17; they can be emailed to commentletters@waterboards.ca.gov or faxed to 916-341-5620.
Modesto, irrigation districts, county, other cities form agency to manage groundwater

By Ken Carlson

Stanislaus County leaders on Tuesday approved a groundwater management agency for the Modesto and Oakdale area in a territory that’s been ground zero for debates over pumping and dry residential wells.

The big water players, the Modesto and Oakdale irrigation districts, are joining with Modesto, Riverbank, Oakdale, Waterford and the county in forming a “groundwater sustainability agency” to comply with state law. The new agency has quite a long name: The Stanislaus and Tuolumne Rivers Groundwater Basin Association Groundwater Sustainability Agency.

Those same entities are in a groundwater planning association formed in 1994 that has worked on management of what’s called the Modesto groundwater basin. That basin is a source of water for Modesto’s 212,000 residents, as well as businesses, farmers, residents of the smaller cities and rural homeowners.

An outcry was heard when the county issued hundreds of permits for agricultural wells in the area during the intense drought; the rush on permits finally stopped when the county adopted tougher requirements for applications in November 2014.

Following the state’s groundwater management law of 2014, the cities and irrigation districts decided to join in a groundwater sustainability agency, which must be formed by June 30 to comply with the state. The boundaries are the Stanislaus River on the north, the Tuolumne River on the south, the San Joaquin River on the west and the Sierra foothills on the east.

The groundwater basin is not in what regulators call “critical overdraft” most likely for two reasons: The irrigation districts deliver river water to irrigate farmland, serving to replenish groundwater; and Modesto relieves pressure on its wells by piping treated river water to customers.

That could change with time, however.

Local officials fear that a state plan to double reservoir releases in the spring, to restore salmon and reduce salinity in the Sacramento-San Joaquin Delta, would take surface water away from agriculture, fallowing an estimated 210,000 acres across two counties. That would result in massive groundwater pumping for irrigation, officials fear.

The new GSA has five years to prepare a plan for sustainable management of the Modesto groundwater basin. According to an agreement approved Tuesday, the Stanislaus and Tuolumne agency will evaluate the area’s groundwater supply; promote groundwater planning; and assess the need for improved water extraction, storage, delivery, conservation and efforts to replenish aquifers.

The group will also share information and guidance for “management, preservation, protection and enhancement of groundwater quality and quantity” in the basin.
The cities and irrigation districts each will appoint a staff member to a committee for governing the agency. The GSA will have an annual budget when projects are necessary. Members will be expected to pay their share of costs or lose their vote on the committee.

John Davids, chairman of the groundwater management association, said the state wants to see groundwater planning to prevent “undesirable results” such as saltwater intrusion and subsidence.

Davids, the assistant general manager of water operations for MID, said the Stanislaus and Tuolumne planning association, since its inception in 1994, has completed projects with the U.S. Geological Survey and created a groundwater model.

What's been most effective in keeping the basin out of trouble, he said, is surface water irrigation and a water treatment plant at Modesto Reservoir, which has supplied 700,000 acre feet of water to Modesto since 1994. Without the treatment plant, that amount would have been pumped from the ground under Modesto. "We have seen water levels rebound below Modesto," Davids said.

He expects the state-required groundwater plan for the basin will include some recharge efforts. The plan will need to win approval from the state Department of Water Resources.

**Other basins**

On Tuesday, county supervisors also approved a partnership pieced together for the Eastern San Joaquin Subbasin in what’s known as the “Northern Triangle” of the county, north of the Stanislaus River, and including a piece of Calaveras County. For this groundwater sustainability agency, the county will team with remote partners including the Calaveras County Water District and Rock Creek Water District.

The area dominated by grazing land is critically overdrafted, requiring a groundwater plan by Jan. 31, 2020.

Also approved was the Northwestern Delta-Mendota GSA, for which Stanislaus and Merced counties will develop a groundwater plan. West Side areas tied into the agency include the former Crows Landing Navy airfield and some wildlife refuges. A plan for the overdrafted area is due by January 2020.

In western Stanislaus County, Patterson, Del Puerto Water District, West Stanislaus Irrigation District, the Central California Irrigation District and other entities decided to form their own groundwater agencies under the state law, said Walter Ward, water resources manager for Stanislaus County.

In January, county leaders approved groundwater sustainability agencies for the east and west Turlock subbasins.
TO: LAFCO Commissioners
FROM: Javier Camarena, Assistant Executive Officer
SUBJECT: MSR NO. 17-01, SOI UPDATE 17-01: MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE MODESTO IRRIGATION DISTRICT

INTRODUCTION

This proposal was initiated by the Local Agency Formation Commission in response to State mandates that require the Commission to conduct municipal service reviews and sphere of influence updates for all cities and special districts every five years, as needed. The current review covers the Modesto Irrigation District, which provides irrigation water, domestic water, and electrical power services. The District operates under Irrigation District Law, Division 11 of the Water Code, §20500 et. seq. The District’s boundaries are located in Stanislaus County, generally between the Tuolumne and Stanislaus Rivers. The District also has an electrical service area which extends beyond its boundary and into San Joaquin County. The electrical service boundary is not regulated by LAFCO.

DISCUSSION

The Municipal Service Review and Sphere of Influence (MSR-SOI) Update process provides an opportunity for districts to share accurate and current data, accomplishments and information regarding the services they provide. LAFCO Staff sent MID requests for information, researched District reports and reviewed MID’s most recent audits and financial statements. Once this data was collected, a revised Municipal Service Review and Sphere of Influence Update document was drafted.

Since the previous MSR-SOI Update, MID has developed and completed a number of projects. Projects related to irrigation water include the following: the MID Upper Main Canal Tunnel Gate Rehabilitation Project, Waterford Upper Main Canal Headworks Rehabilitation Project, Ditch Tender Remote SCADA Access Project, Modesto Reservoir Outlet Automation Project, Lateral 5 Pump Automation Project, Waterford Lower Main Lateral Lining Project, MID Lower Main Canal Pump Automation Project, and the Langdon-Merle Rehabilitation Project.

Projects related to domestic water include Phase 2 of the Modesto Regional Water Treatment Plant, which was completed in June of 2016. The plant is capable of producing 60 million gallons per day of treated water to the City's drinking water supply.

In 2011 the District completed the Woodland 3 Reciprocating Engine Project, consisting of six small natural gas reciprocating engines to back up existing wind and planned solar resources. In 2016, the Project produced 60.5 gigawatt-hours of energy.

Current state legislation requires the District to obtain 33% of its electricity from renewable sources by 2020 and 50% by 2030. MID’s current portfolio contains approximately 24% renewable energy.

Minor changes have been made to the document since the previous update to reflect recent additions to State law, including the requirement that LAFCOs identify “disadvantaged unincorporated communities” within or contiguous to city and district spheres of influence. Pursuant to Government Code §56033.5, a “disadvantaged unincorporated community” is defined as inhabited territory (12 or more registered voters), or as determined by commission policy, that
constitutes all or a portion of a community with an annual median household income that is less than 80% of the statewide annual median household income (AMI). Staff utilizes available information from the Census, including American Community Survey data, as well as a mapping tool developed by the Department of Water Resources that identifies known Census Designated Places that meet the income criteria for disadvantaged communities. In this case, there are several areas identified as Disadvantaged Unincorporated Communities (DUCs) as defined in Section 56033.5 of the Cortese-Knox-Hertzberg Act of 2000. These communities include the town of Empire and the Airport, West Modesto, and Rouse Neighborhoods. No additional DUCs have been identified within the District’s sphere of influence. There are several DUCs adjacent to the District’s boundaries. However, those areas are located within the Turlock Irrigation District’s boundaries.

The early 2010’s have been severe and record breaking dry years for California. Due to such dry conditions, MID is operating in an extremely conservative matter during the irrigation season. Fortunately, the 2016/2017 winter season has seen wetter weather. However, MID has implemented special drought operation rules and programs to help utilize irrigation water as efficiently as possible.

The proposed Municipal Service Review and Sphere of Influence document is attached to this report as Exhibit 1. The relevant factors as set forth by the Cortese-Knox-Hertzberg Act are discussed for the District. No changes are being proposed for the District’s Spheres of Influence at this time. The document serves to affirm the District’s current Sphere of Influence.

ENVIRONMENTAL REVIEW RECOMMENDATIONS

Pursuant to the California Environmental Quality Act (CEQA), the adoption of a municipal service review is considered to be categorically exempt from the preparation of environmental documentation under a classification related to information gathering (Class 6 - Regulation §15306). Further, LAFCO’s concurrent reaffirmation of an existing sphere of influence qualifies for a General Exemption as outlined in CEQA Regulation §15061(b)(3), which states:

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.

As there are no land use changes, boundary changes, or environmental impacts associated with the Municipal Service Review and Sphere of Influence Update, an exemption from further environmental review is appropriate.
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 Update for the Modesto Irrigation District.

**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 Municipal Service Review and Sphere of Influence Update for the Modesto Irrigation District. Therefore, Staff recommends that the Commission adopt Resolution No. 2017-02, which:

1. Determines that the Municipal Service Review and Sphere of Influence Update qualifies for a General Exemption from further California Environmental Quality Act (CEQA) review based on CEQA Regulations Sections 15306 and 15061(b)(3).

2. Makes determinations related to the Municipal Service Review and Sphere of Influence Update as required by Government Code Sections 56425 and 56430.

3. Determines that the Sphere of Influence for Modesto Irrigation District should be affirmed as it currently exists.

4. Directs Staff to circulate the subject resolution depicting the District’s adopted Sphere of Influence to all affected agencies.

Attachments:

*Exhibit 1* - Draft Municipal Service Review and Sphere of Influence Update for the Modesto Irrigation District

*Exhibit 2* - Draft Resolution No. 2017-02 (Modesto Irrigation District)
MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE:

MODESTO IRRIGATION DISTRICT

Prepared By:
Stanislaus Local Agency Formation Commission
1010 Tenth Street, Third Floor
Modesto, CA 95354
Phone: (209) 525-7660
STANISLAUS
LOCAL AGENCY FORMATION COMMISSION

COMMISSIONERS
Brad Hawn, Public Member
Amy Bublak City Member
Tom Dunlop, City Member
Jim DeMartini, County Member
Terry Withrow, County Member
Michael Van Winkle, Alternate City Member
Annabel Gammon, Alternate Public Member
Kristin Olsen, Alternate County Member

STAFF
Sara Lytle-Pinhey, Executive Officer
Javier Camarena, Assistant Executive Officer
Rob Taro, Commission Counsel
Jennifer Goss, Commission Clerk
# TABLE OF CONTENTS

**Introduction** .................................................................................................................................................. 1  
  Service Review Factors and Sphere of Influence Update Process ................................................................. 1  
  Sphere of Influence Update Process ................................................................................................................. 1  

**Service Review – Modesto Irrigation District** ............................................................................................. 3  
  Authority .......................................................................................................................................................... 3  
  Background .................................................................................................................................................... 3  
  Purpose .......................................................................................................................................................... 3  
  Governance ................................................................................................................................................... 3  
  Formation ...................................................................................................................................................... 4  
  Location and Size ............................................................................................................................................. 4  
  Sphere of Influence ......................................................................................................................................... 4  
  Personnel ...................................................................................................................................................... 4  
  Classification of Services ................................................................................................................................. 4  
  Mission Statement .......................................................................................................................................... 6  
  Partnership Agencies ...................................................................................................................................... 6  
  Funding Sources ........................................................................................................................................... 6  

**Service Review Determinations** ................................................................................................................. 7  
  Growth and Population Projections .................................................................................................................. 7  
  Location and Characteristics of Disadvantaged, Unincorporated Communities ......................................... 7  
  Present and Planned Capacity of Public Facilities, Adequacy of Public Services ........................................... 7  
  Financial Ability of Agencies to Provide Services .......................................................................................... 8  
  Status of, and Opportunities for, Shared Facilities ......................................................................................... 9  
  Accountability for Community Service Needs ................................................................................................. 9  
  Any Other Matter Related to Effective or Efficient Service Delivery ............................................................. 10  

**Sphere of Influence Update – Modesto Irrigation District** ....................................................................... 11  
  Sphere Determinations ................................................................................................................................... 11  
  Present and Planned Land Uses ....................................................................................................................... 11  
  Present and Probable Need for Public Facilities and Services ..................................................................... 12  
  Present Capacity of Public Facilities and Adequacy of Public Services ....................................................... 12  
  Communities of Interest in the Area ................................................................................................................ 12  
  Need for Facilities and Services in Disadvantaged Unincorporated Communities ..................................... 12  

Appendix A: Modesto Irrigation District Summary Profile .................................................................................. 13  
   **Map 1:** Modesto Irrigation District Boundary & SOI ................................................................................ 14  
   **Map 2:** Modesto Irrigation District Electrical Service Area ........................................................................ 15  

Appendix B: References ....................................................................................................................................... 16
This page left blank intentionally.
Municipal Service Review and Sphere of Influence Update
For the Modesto Irrigation District

Introduction

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

The legislative authority for conducting Service Reviews is provided in Government Code §56430 of the CKH Act. The Act states, that “in order to prepare and to update spheres of influence in accordance with §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, adequacy of public services, and 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

This Service Review will analyze the Modesto Irrigation District. The most recent Sphere of Influence (SOI) update for the Modesto Irrigation District was adopted in 2011 and proposed no changes to the District’s SOI. The current update serves to comply with Government Code Section 56425 and will reaffirm the SOI for the District.
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 – Modesto Irrigation District

Authority

The Modesto Irrigation District was organized under the provisions of the California Irrigation District Law (Division 11 of the Water Code, §20500 et. seq). In addition, the District is a “registered voter district”, as registered voters elect the board of directors from five geographical divisions within the District’s boundaries.

Background

Throughout the years, water and California have been linked. No resource is more vital to California than water, from the agricultural areas, urban centers, and industrial plants, to open space and recreational areas, the distribution of water has been critical to all land uses.

In California, there are hundreds of special water districts with a great diversity of purposes, governance structures, and financing mechanisms. Some districts are responsible for one type of specific duty, while other districts provide multiple public services, as is the case for the Modesto Irrigation District.

Purpose

The specific powers that an irrigation district may exercise include: supply water for beneficial purposes; provide for any and all drainage made necessary by the irrigation provided for by the district; purchase or lease electric power and provide for the acquisition, operation, and control of plants for the generation, transmission, and provision of electric power; provide, maintain and operate flood control works in districts having 200,000 acres or more; reclaim waste for beneficial use; sewage disposal if provided by majority at election; construct, maintain, and operate recreational facilities in connection with dams, reservoirs, or other work owned and constructed by the district.

Water Code §22120 allows a district to sell, dispose of, and distribute electric power for use outside its boundaries. However, MID’s authority to sell power outside its political boundaries is outlined by Public Utilities Code §9610. That section allows MID to provide electric service within an area of approximately 400 square miles to the north of its political boundaries, as well as to the Mountain House Community Services District, and up to 8 megawatts of power to the Contra Costa Water District.

Governance

A five-member Board of Directors governs the District. Registered voters within a geographical area or “Division”, elect the board members. Regularly scheduled Board meetings are held at 9:00 a.m. on the second Tuesday of each month at the MID main office located at 1231 11th Street, Modesto. Additional meetings are generally scheduled on other Tuesdays, and may be scheduled at other times, as necessary.

The District has established a website (www.mid.org), which is user-friendly and provides information such as: district news, services, education, board agendas, rates and fees, and annual reports.
Formation

The Modesto Irrigation District (MID) was formed on July 18, 1887.

Location and Size

The majority of the District is located in northern Stanislaus County. The District's water service area boundaries comprise of approximately 101,700 acres. The District provides irrigation water to approximately 3,100 agricultural customers who irrigate close to 60,000 acres of permanent and annual crops alike. The District maintains over 200 miles of canals and pipelines, which are operated on a gravity flow system. The canals were completed in 1903 and the first official MID irrigation season opened in 1904. The District also owns and operates irrigation groundwater wells and drainage wells.

Sphere of Influence

The District’s Sphere of Influence (SOI) is slightly larger than its District boundaries, and reflects expansion areas for irrigation service (see “Map 1”, attached). The city limits of Modesto (north of the Tuolumne River), Riverbank (south of the MID Main Canal), Waterford, and the unincorporated communities of Empire and Salida are located within the District’s Sphere of Influence boundary.

When the Sphere of Influence was first adopted by LAFCO for the Modesto Irrigation District in 1984, two separate spheres were considered—one for irrigation and one for electricity. However, since the District does not need LAFCO approval for changes to its electrical service area, only a sphere for irrigation services was adopted.

The Modesto Irrigation District’s electric service area is depicted on “Map 2”, attached. The laws governing an irrigation district allow a district to provide electric power outside its boundaries. Therefore, it is recommended that the current SOI be affirmed.

Personnel

The District currently has 458 employees.

Classification of Services

The District is authorized to provide the functions or classes of services (e.g. electricity, irrigation and domestic water) as identified in this report. Due to recent changes in the Cortese-Knox-Hertzberg Act, the District would have to seek LAFCO approval to exercise other latent powers (i.e. services) not currently provided.

The District currently distributes water for irrigation purposes, delivers treated drinking water to the City of Modesto on a wholesale basis, and generates and distributes retail electrical power. Stormwater and agricultural drainage services are also provided.

- Water Resources and Delivery

  The District’s source of water is the Tuolumne River, which begins with melting snow on the slopes of 13,090-foot Mt. Lyell in Yosemite National Park. Before it joins the San Joaquin River on the valley floor, the Tuolumne River water is stored in reservoirs. The stored water is used to produce electricity and is used for irrigation and drinking water for MID, Turlock
The 158-mile Tuolumne River also provides recreational opportunities. In addition to the Tuolumne River, the District also utilizes groundwater.

The following water facilities are utilized by the District: Don Pedro Reservoir, which provides water storage as well as other benefits such as flood control, hydropower, and recreation; the La Grange Dam, which diverts water for MID and TID; and the Modesto Reservoir, which regulates canal flows and stores water.

**Irrigation Water**

The District has provided irrigation water for agriculture since 1904, and currently delivers irrigation water to approximately 3,100 customers farming approximately 60,000 acres. Irrigated crops include almonds, pasture lands, walnuts, hay, peaches, corn, alfalfa, wine grapes, oats, and vegetable crops.

**Domestic Water**

The District provides wholesale domestic water service to only one customer – the City of Modesto. MID also served the Del Este Water Company when the District began wholesale domestic water service in 1994. The Del Este water distribution system was subsequently acquired by the City of Modesto.

MID’s wholesale domestic water facilities include the Modesto Regional Water Treatment Plant located at Modesto Reservoir, east of the City of Waterford. The plant completed an expansion in 2016 and is now capable to provide up to 60 million gallons per day. A treated water transmission pipeline extends from this plant to a terminal reservoir and pump station located in east Modesto. Several smaller transmission pipelines connect the terminal reservoir and pump station to the City of Modesto’s water distribution system.

The District also provides retail domestic water service to approximately 68 customer connections in the unincorporated community of La Grange. The La Grange water system is co-owned by MID and the Turlock Irrigation District (TID) under a contract dating back to 1921. TID operates and maintains the La Grange domestic water system.

- **Electric Delivery and Transmission Services**

In 1923, the District, together with TID, completed construction of the original Don Pedro Dam and electrical powerhouse. Ownership of the Don Pedro project was based on the land area of the two districts. As a result, both districts operate the dam and share in its irrigation water and power output according to a ratio of 31.54 percent for MID and 68.46 percent for TID. Currently, the Modesto Irrigation District supplies electricity to approximately 121,000 retail customers.

**Electrical Power Facilities**

In 1971, a new larger Don Pedro Dam was completed, which inundated the original dam and enlarged the reservoir’s capacity seven times. The new powerhouse increased hydroelectric generation by nearly the same amount. Lake Don Pedro and the Modesto Reservoir, which are also part of the District’s irrigation system, serve as popular recreation areas for boaters, campers, anglers and water skiers.
Other electrical power facilities operated by the District include: the Woodland Generation Station, which is a clean-burning gas plant, and the McClure 112-megawatt power plant. Additionally, in 2006, the District constructed a new 95-megawatt, natural gas-fueled power plant in Ripon.

**Electric Utility Public Benefit Programs**

In accordance with state law, the District devotes a percentage of its electric revenue to public benefit programs, such as energy efficiency and conservation; low-income assistance; renewable energy resources and technology; and research and development or demonstration projects.

- **Other MID Programs**

  Through the “MPowered” program, MID offers rebates, energy audits, customer education and information to its electrical customers. The “Shave the Energy Peak” or STEP program is a demand-side management program which allows MID operators to reduce electricity demand by cycling air conditioners during peak use periods. (Over 12,600 customers are currently enrolled in the STEP program.)

  MID also sponsors safety education programs, including the use of a mascot named “Splasher” to promote canal safety and “BeAware Bear” for electrical safety.

**Mission Statement**

“MID will provide electric, irrigation and domestic water services for its customers, delivering the highest value at the lowest cost possible through teamwork, technology, innovation and commitment.”

**Partnership Agencies**

The District maintains positive and collaborative relationships with other agencies, such as: the cities of Modesto, Oakdale, Riverbank, and Waterford, Stanislaus County, Turlock Irrigation District (TID), Merced Irrigation District, Oakdale Irrigation District (OID), South San Joaquin Irrigation District (SSJID), San Joaquin Tributaries Authority (SJTA), the City/County of San Francisco (CCSF), Pacific Gas & Electric Company (PG&E), Sacramento Municipal Utility District (SMUD), Calaveras County Water District, Mountain House Community Services District, Don Pedro Recreation Agency, and other local, state, and federal agencies.

**Funding Sources**

The District’s source of revenue is derived from the following sources: power sales (residential, commercial, and industrial), wholesale power, domestic water, irrigation water, interest earnings, and other income (including improvement district fees and customer fees). The District does not collect special assessments, nor does it receive a share of the county property tax revenues.
**Service Review Determinations:**

The following provides an analysis of the seven categories or components required by §56430 for a Service Review for the Modesto Irrigation District:

1. **Growth and population projections for the affected area**

   The District currently serves about 3,100 customers with irrigation water for agricultural purposes, one wholesale domestic water customer (City of Modesto), and 68 retail customers in La Grange that are jointly served by MID and TID with domestic water for residential purposes.

   The District currently provides electric service to approximately 121,000 retail customers, including over 4,500 in the Mountain House community in San Joaquin County. The District notes that retail electric consumption has remained relatively flat as the housing market slowed in the District’s service territory.

   MID’s revenue estimates are influenced by growth projections for Stanislaus County (including the communities of Salida and Empire) and the cities of Modesto, Riverbank, and Waterford. At this time, no significant growth is anticipated.

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

   Based on annual median household income, there are several areas identified as Disadvantaged Unincorporated Communities (DUCs) as defined in Section 56033.5 of the Cortese-Knox-Hertzberg Act of 2000. These communities include the town of Empire and the Airport, West Modesto, and Rouse Neighborhoods. No additional DUCs have been identified within the District’s sphere of influence. There are several DUCs adjacent to the District’s boundaries. However, those areas are located within the Turlock Irrigation District’s boundaries.

3. **Present and planned capacity of public facilities, adequacy of public services, and 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.**

   **Irrigation**

   The District utilizes long-term planning documents in order to assess current capacity and future needs for services. In 2007, with assistance from the Irrigation Training and Research Center (ITRC), the District began work on a Comprehensive Water Resources Management Plan to assess long-term needs and opportunities for water delivery service. As part of the implementation of this plan, the District installed a new irrigation control SCADA (Supervisory Control and Data Acquisition) system and automation upgrades.

   As required by SBx7-7, MID prepared its first Agricultural Water Management Plan in 2012, followed by an update in 2015. The AWMP describes MID’s water supplies and irrigation demands, local conditions, facilities and operations, rules and policies and a variety of water management activities, including a series of efficient water management practices (EWMPs)
designed to improve water use efficiency. The 2015 AWMP provides a list of capital projects from 2012-2014 that are consistent with its goals and EWMPs. The list of projects includes the following: the MID Upper Main Canal Tunnel Gate Rehabilitation Project, Waterford Upper Main Canal Headworks Rehabilitation Project, Ditch Tender Remote SCADA Access Project, Modesto Reservoir Outlet Automation Project, Lateral 5 Pump Automation Project, Waterford Lower Main Lateral Lining Project, MID Lower Main Canal Pump Automation Project, and the Langdon-Merle Rehabilitation Project.

Wholesale Domestic Water

The City of Modesto and the MID have prepared a joint Urban Water Management Plan (UWMP) for 2010. The plan acts as a planning tool for both agencies in developing, managing and delivering municipal water supplies to the joint water service area.

The Modesto Regional Water Treatment Plant, completed in 1994, could be expected to supply the City of Modesto’s growing demand for potable water which has resulted from poor water well quality and the increase in growth anticipated by the City’s Modesto Urban Area General Plan. Phase 2 of the Plant was completed in June of 2016. The plant is capable of producing 60 million gallons per day of treated water to the City’s drinking water supply.

Electric Service

As part of MID’s capital improvement program, the District completed installation of a 16-mile long Westley-Rosemore Transmission Line. The transmission line brings up to 350 megawatts of power to the District from throughout California and the western United States.

In 2011 the District completed the Woodland 3 Reciprocating Engine Project, consisting of six small natural gas reciprocating engines to back up existing wind and planned solar resources. In 2016, the Project produced 60.5 gigawatt-hours of energy.

Current state legislation requires the District to obtain 33% of its electricity from renewable sources by 2020 and 50% by 2030. MID’s current portfolio contains approximately 24% renewable energy.

4. Financial ability of agencies to provide services

The District’s annual budget process is designed to screen out unnecessary costs and is submitted to the Board of Directors for review and approval. Rates and fees for services are adjusted periodically to meet budget needs.

According to the District’s yearly audit report, assets increased by approximately $39 million in 2015. The increased is based on a combination of changes in the District’s portfolio from long-term investments to short-term plus electric sales increasing cash.

The District routinely buys, sells, and exchanges electric power and transmission capacity with other utilities located throughout the Western United States and Canada in order to reduce operating costs, provide improved facility utilization and revenue, and increase operating reliability.
Currently, the District sells treated surface water to the City of Modesto on a wholesale basis, and utilizes the revenue to pay off the existing bonds, which financed the original construction of the domestic water facilities. The process is “revenue neutral” for the District, as the revenues received from the City pay for plant operations and bond retirement, with no profit.

The District participates in a variety of joint agency practices, which maximize cost avoidance opportunities (e.g., Stanislaus and Tuolumne Rivers Groundwater Association, Transmission Agency of Northern California, Modesto-Santa Clara-Redding Public Power Agency, San Joaquin Tributaries Authority). MID also shares staff with unique skills and training, specialized equipment, spare parts and materials with other public agencies and utilities to minimize costs and to improve response to routine and emergency customer needs.

5. Status of, and opportunities for, shared facilities

MID has many jointly owned facilities with other public agencies and also participates in many joint powers agencies (JPAs) that own facilities. Some of MID’s major jointly owned and JPA facilities include:

- Don Pedro Dam and Reservoir (31.54% MID, 68.46% TID).
- Don Pedro Power Plant (31.54% MID, 68.46% TID).
- La Grange Reservoir (50% MID, 50% TID).
- Westley-Parker-Walnut 230kV transmission line (50% MID, 50% TID).
- Westley-Tracy 230kV transmission line and substation original facilities (50% MID, 50% TID).
- New Hogan Power Plant (0% MID, 100% Calaveras County Water District). MID built, operates and maintains the plant and is entitled to the power output for a 50 year term.
- California Oregon Transmission Project 500 kV lines and substations (MID share about 320 MW through the Transmission Agency of Northern California JPA.)
- San Juan (New Mexico) Power Plant Unit No.4 (MID shares about 68 MW through the Modesto-Santa Clara-Redding JPA). MID’s ownership stake in Unit 4 will expire at the end of 2017.
- Shared right-of-way.

MID also has agreements with the City of Modesto, the City of Riverbank, the Oakdale Irrigation District and Stanislaus County that permit limited use of MID canals for the conveyance of storm water drainage.

6. Accountability for community service needs, including governmental structure and operational efficiencies

A five-member Board of Directors governs the District. Registered voters within a geographical area or “Division”, elect the board members. The Board conforms to the provisions of the Brown Act requiring open meetings. The District has also established a website (www.mid.org) which is user-friendly and provides information such as the history and services of the District, water updates, news, education, board agendas, rates and fees, and annual reports.
It is reasonable to conclude that the District has the organizational capability to adequately serve the areas under its jurisdiction. The District has the necessary resources and staffing levels to operate in a cost-efficient and professional manner.

7. Any other matter related to effective or efficient service delivery, as required by commission policy

The early 2010’s have been severe and record breaking dry years for California. Due to such dry conditions, MID is operating in an extremely conservative matter during the irrigation season. Fortunately, 2016 has seen wetter weather. However, MID has implemented special drought operation rules and programs to help utilize irrigation water as efficiently as possible.
Sphere of Influence Update for the Modesto Irrigation District

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

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

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

The following determinations for the Modesto Irrigation District Sphere of Influence update are made in conformance with Government Code §56425 and Commission policy.

**Sphere Determinations:**

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

   The Modesto Irrigation District’s current irrigation water service area is comprised of approximately 101,700 acres. An additional 41,600 acres lie within the District’s Sphere of Influence (SOI). The land uses within the District boundaries and SOI consist of agricultural, rural residential, suburban and urban land use areas. Planned uses for the area are described in the general plans of Stanislaus County (including the Salida Community Plan), and the cities of Modesto, Waterford, and Riverbank. The District does not have the authority to make land use decisions, nor does it have authority over present or planned land uses within its boundaries. The responsibility for land use decisions within the District boundaries are retained by Stanislaus County and the cities of Modesto, Riverbank, and Waterford.
2. The present and probable need for public facilities and services in the area

The District has provided irrigation water for agriculture since 1904, and currently delivers irrigation water to over three thousand customers farming approximately 60,000 acres. The present and future public service needs within the District’s (irrigation water) boundaries are characteristic of agricultural areas. The types of public services needed in these areas are of the type, which enhance the use of the land for agricultural purposes. As discussed in the Service Review section, the District is utilizing a Comprehensive Water Resources Management Plan in order to improve operational efficiency.

Since 1995, the District has provided domestic water and currently supplies 40% of the drinking water for the City of Modesto via the Modesto Regional Water Treatment Plant (MRWTP). As a result of increased water quality regulations and water demands, the plant’s capacity has been expanded to 60 million gallons per day (mgd). This is expected to assist in meeting the demands associated with the City of Modesto’s Urban Area General Plan.

As discussed in the Service Review section, the District is actively increasing its renewable energy profile in order to meet state mandates for 33 percent renewable energy sources by 2020 and 50% by 2030.

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

The District presently has adequate capacity and/or plans to provide the necessary public facilities and services within its existing sphere of influence. For example, the District and City of Modesto recently completed the Modesto Regional Water Treatment Plant Phase Two expansion. This phase will double the capacity of MID’s water treatment plant thus providing needed water supply to the community.

4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

The following jurisdictions can be categorized as Communities of Interest in the area: the cities of Modesto, Oakdale, Riverbank, and Waterford, and the unincorporated communities of Empire, Salida, and La Grange, in Stanislaus County. The District also provides electricity to the cities of Escalon and Ripon, and the unincorporated community of Mountain House in San Joaquin County.

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

There are several areas identified as disadvantaged unincorporated communities (DUCs) within the existing MID Sphere of Influence. These communities include the town of Empire and the Airport, West Modesto, and Rouse Neighborhoods. The District provides part of the City of Modesto’s water supply for residential and commercial purposes. The City of Modesto serves all of the mentioned DUCs. The District does not provide services related to sewers or structural fire protection.
APPENDIX “A”
DISTRICT SUMMARY PROFILE

District: MODESTO IRRIGATION DISTRICT (MID)

Formation: July 18, 1887

Location: The District’s boundary includes certain acreage between the Stanislaus, San Joaquin, and Tuolumne Rivers, adjacent to the Oakdale Irrigation District in Stanislaus County. MID also has an electrical service area that extends beyond this boundary to the north, into San Joaquin County, a small portion of Tuolumne County, as well as the Mountain House area.

Service Area: Irrigation - 101,700+/- acres (159 square miles)
Electrical - 362,880+/- acres (567 square miles)

Customers: 3,104 irrigation accounts
117,859 electrical accounts

Land Use: Agricultural, rural residential, suburban and urban

District Services: Distribution of water for irrigation and domestic purposes and provision of electricity

Enabling Act: California Water Code, Division 11: Irrigation Districts, §20500-29978

Governing Body: Five-member Board of Directors, elected by the registered voters within five geographic divisions of the District’s boundaries

Administration: 458 employees

Budget: Calendar Year 2017
Revenues: $456,900,000
Expenditures: $457,000,000

Revenue Sources: Power sales (residential, commercial and industrial), wholesale power, domestic water, irrigation water, and interest earnings
For illustration purposes only. For more information about the electrical service areas, contact the Modesto Irrigation District.
APPENDIX “B”

REFERENCES

10. Modesto Irrigation District website (www.mid.org).
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 Modesto Irrigation District

Description: The Stanislaus Local Agency Formation Commission has prepared a Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Modesto Irrigation District. The District is legally authorized to provide irrigation, domestic water, and electricity/power services and, as a special district, it is 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 District and provides the information base for updating the District’s Sphere of Influence. It is recommended that the SOI boundary for the District remain unchanged.


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 §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 Update for the District.

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 §15061(b)(3) of the State Guidelines. The proposed Sphere of Influence Update and Municipal Services Review does not involve, authorize or permit the siting or construction of any facilities associated with the District. No changes to the Sphere of Influence of the District are recommended.

Signature: Javier Camarena  
Date: January 9, 2017

Name & Title: Javier Camarena  
Assistant Executive Officer
STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION

RESOLUTION

DATE: February 22, 2017

NO. 2017-02

SUBJECT: MSR No. 17-01, SOI Update No. 17-01: Making Written Determinations and Approving Municipal Service Review and Sphere of Influence Update for the Modesto Irrigation District.

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 Update mandated by California Government Code Section 56425, has been conducted for the Modesto Irrigation District, 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 22, 2017 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 from the District and has prepared a report including recommendations thereon, and related information as presented to and considered by this Commission;

WHEREAS, the Commission has duly considered the draft Municipal Service Review and Sphere of Influence Update on the Modesto Irrigation District and the determinations contained therein;

WHEREAS, the Modesto Irrigation District provides irrigation and domestic water, and electrical power services;

WHEREAS, pursuant to Government Code Section 56425(h), the range of services provided by the Modesto Irrigation District are limited to those as identified above, and such range of services shall not be changed unless approved by this Commission; and

WHEREAS, no changes to the District’s Sphere 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 Modesto Irrigation District Sphere of Influence, and written determinations prepared by the Staff and contained therein.

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 Modesto Irrigation District 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 Sphere of Influence Update to all affected agencies, including the Modesto Irrigation District.

ATTEST: ________________________________
Sara Lytle-Pinhey, Executive Officer
EXECUTIVE OFFICER’S AGENDA REPORT  
FEBRUARY 22, 2017

TO: LAFCO Commissioners  
FROM: Sara Lytle-Pinhey, Executive Officer

SUBJECT: UNINCORPORATED ISLANDS INVENTORY & UPDATE

This report is being provided for the Commission’s information and is intended to:

1. Provide an overview and inventory of unincorporated islands within Stanislaus County
2. Review State law and local LAFCO policies regarding islands and annexation
3. Update the Commission regarding legislation that may impact future annexations of unincorporated islands

BACKGROUND

Among the goals of LAFCOs are discouraging urban sprawl and encouraging logical and orderly agency boundaries to promote efficient provision of municipal services. Since the enactment of State laws governing LAFCOs in 1963, unincorporated islands have been a concern due to their illogical boundaries and service areas. Annexation of islands to cities is usually preferred, as cities provide a wide range of urban services. However, there is little financial incentive for cities to annex these areas and often residents and/or property owners are opposed to annexation. Over the past few decades, legislation has been enacted with the intent to streamline or expedite the ability of cities to annex island areas.

INVENTORY

Stanislaus County has a number of unincorporated islands and pockets that can result in service confusion and inefficiencies. LAFCO Staff has compiled an inventory of unincorporated areas (attached as Exhibit 1), sorted by the following categories:

**Islands:** These are unincorporated areas that are completely surrounded (100%) by city limits. State law describes islands as being surrounded or “substantially surrounded” by a city or neighboring city. The Commission has adopted a policy stating that it will determine whether an area is considered “substantially surrounded” on a project-by-project basis.

**Potential Islands (90%+):** Areas that are at least 90% surrounded and have the potential for being considered islands are provided in this report for the Commission’s information.

**Pockets:** State law and Commission policy do not currently have a specific definition for pocket areas. As used in this report, they are considered developed areas within a peninsula of unincorporated territory that are at least 80% surrounded by city limits or are remainder areas of other islands that could reach this percentage through contiguous annexations.

There are currently 23 unincorporated islands in Stanislaus County that are surrounded entirely by a city’s boundaries. These account for approximately 1,452 acres and are located in the
Spheres of Influence of Ceres, Modesto, and Turlock. Six areas are surrounded by 90% or more of a city’s boundaries. These account for approximately 715 acres total of areas that could potentially be considered by the Commission as “substantially surrounded” islands.

There are eight areas that can be described as “pockets” of unincorporated territory. These include areas with existing urban development that may benefit from city services. Most are over 80% surrounded by a city’s limits. Two areas were identified that are currently less than 80% surrounded but, given their proximity to other islands or pockets, have the potential to eventually become fully surrounded by a city’s limits.

**STATE LAW**

Several sections of State law (Cortese-Knox-Hertzberg Act) are applicable to unincorporated islands. Generally, State law discourages creation of new island areas and has attempted to streamline their annexation. Applicable sections are summarized below.

*Creation of New Islands Prohibited (§56744)*

Government Code section 56744 prohibits creation of islands of unincorporated territory surrounded by a city. An exception can only be made if the Commission finds that it would be detrimental to the orderly development of the community and that the area is located such that it could not reasonably be annexed to another city or incorporated as a new city.

*Streamlined Annexation of Existing Islands (§56375.3)*

The California Legislature enacted special legislation, originally adopted in 1977 and subsequently expanded, that made it possible for certain unincorporated islands to be annexed without a protest hearing or election. In approving this legislation, the Legislature recognized that:

- Urban unincorporated islands continue to represent a serious and unnecessary statewide governmental inefficiency and that this inefficiency would be resolved if these islands were annexed into the appropriate surrounding city.

- Property owners’ ability to vote on boundary changes is a statutory privilege and not a constitutional right, and

- Urban unincorporated islands are inherently inefficient and that these inefficiencies affect not just pocket residents, but also those residing in the city and the entire county.

In order to qualify for the streamlined annexation process, the proposal must meet all of the following criteria:

(a) The annexation is proposed by resolution of the city.

(b) The island does not exceed 150 acres and the annexation constitutes the entire island.

(c) The territory constitutes an entire unincorporated island or constitutes a reorganization containing a number of individual unincorporated islands.
(d) The island is surrounded or substantially surrounded by the annexing city or by the annexing city and adjacent cities.

(e) The island is not a gated community where services are currently provided by a community services district.

(f) The island is substantially developed or developing based on the availability of public utilities, presence of public improvements or the presence of physical improvements on the parcels within the area.

(g) The island is not prime agricultural land as defined in the Cortese-Knox-Hertzberg Act.

(h) The island is receiving benefits from the annexing city or will benefit from the city.

State law also provides that if the above criteria are met, the Commission shall approve the proposal. This gives the city further certainty that the annexation will occur.

Disapproval Limitation (§56375(a)(4))

In addition to those islands meeting the criteria described previously, the Commission is restricted from disapproving any island annexation initiated by resolution of the city for areas that are surrounded or substantially surrounded, substantially developed or developing, not prime farmland, and designated for urban growth on the general plan of the annexing city.

Ability to Require Entire Island (§56375(a)(5))

As a condition to the annexation of an area that is surrounded or substantially surrounded, by the city to which the annexation is proposed, the Commission may require that the annexation include the entire island of surrounded or substantially surrounded territory.

LOCAL POLICIES

Stanislaus LAFCO’s current policies regarding islands are consistent with State law, mirroring the sections described previously and also expanding upon the following topics:

Policy 17 - Island Annexations

Policy 17 reiterates the island annexation streamlining provisions. The Policy also states that the Commission will define the term “substantially surrounded” on a case-by-case basis, through review of land uses, infrastructure, and patterns of service delivery with the island area and surrounding lands. No specific percentage of boundary contiguity will be applied across the board for all proposals purporting to be “substantially surrounded.” Government Code section 56375(f) empowers a LAFCO to determine the boundaries of any proposals before it. It is up to each LAFCO to use its own discretion to determine whether a proposed annexation is “substantially surrounded”

Policy 20 - Logical Boundaries:

This policy describes factors that the Commission considers favorable when considering a proposal. The Commission encourages the creation of logical boundaries and proposals which would not create islands and would eliminate existing islands, corridors, or other distortion of
existing boundaries. Policy 20 also states that proposals which are orderly and will either improve or maintain the agency’s logical boundary are encouraged by the Commission.

Policy 21 - Development of Vacant or Underutilized Land Prior to Annexation of Additional Territory

This policy reinforces the Commission’s preference for infill development and also states that, “proposals resulting in leap-frog, non-contiguous urban development patterns shall not be approved.”

Sphere of Influence Policies

Discouragement of islands or other irregular boundaries is also included in the Commission’s Sphere of Influence policies, which are intended to be the guideline for future growth of an agency. The Commission’s policies state that, “sphere of influence boundaries shall not create islands or corridors unless it can be demonstrated that the irregular boundaries represent the most logical and orderly service area of an agency.”

RECENT LEGISLATION AFFECTING ISLAND ANNEXATIONS

Senate Bill (SB) 244

SB-244 became effective in 2012 and requires counties, cities, and LAFCOs to identify disadvantaged communities and their service needs as they relate to sewer, water, and fire protection. A disadvantaged community is defined as a community with an annual median income that is less than 80 percent of the statewide annual median household income. The legislation requires cities and counties to further identify and analyze islands, fringe and legacy communities as part of their general plans and encourages the annexation and extension of services to those disadvantaged communities. The majority of unincorporated islands in Stanislaus County also qualify as disadvantaged communities.

For LAFCOs, SB-244 also restricts annexations of greater than 10 acres that are adjacent to a disadvantaged unincorporated community unless it is accompanied by an application to also annex the community. The only exception to this requirement is where a prior application for annexation of the disadvantaged community has already been made within the last five years or if the Commission finds, based on written evidence, that a majority of registered voters within the affected territory are opposed to the annexation.

Since SB-244, legislation has also been proposed that would require cities to serve entire disadvantaged communities if one property adjacent to the area is served. This legislation failed to pass last year but may reappear in upcoming legislative cycles.

SCENARIOS & TRENDS

The following describes some scenarios and trends that Staff has observed locally.

Annexing Portions of Islands for Infill Development

The Commission has historically favored proposals to reduce or eliminate unincorporated islands. While the Commission’s policies encourage elimination of an entire island, “chipping away” at islands is fairly common. Over the past decade, there have been ten annexations that
have reduced the size (and in one case—eliminated) unincorporated islands, as shown in the following table.

### Annexations Involving Unincorporated Islands 2006-2016

<table>
<thead>
<tr>
<th>Name</th>
<th>Jurisdiction</th>
<th>Year</th>
<th>Acres Annexed</th>
<th>Estimated Remaining Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Olive-Canal Road Reorg.</td>
<td>Turlock</td>
<td>2006</td>
<td>3.09</td>
<td>18</td>
</tr>
<tr>
<td>Hawkeye Addition No. 2A Reorg.</td>
<td>Turlock</td>
<td>2006</td>
<td>10.8</td>
<td>0 (entire island)</td>
</tr>
<tr>
<td>Berger Reorganization</td>
<td>Turlock</td>
<td>2007</td>
<td>1.66</td>
<td>16</td>
</tr>
<tr>
<td>Temperate Reorganization</td>
<td>Modesto</td>
<td>2008</td>
<td>2.21</td>
<td>75</td>
</tr>
<tr>
<td>Lone Palm No. 2 Reorganization</td>
<td>Modesto</td>
<td>2008</td>
<td>3.55</td>
<td>175</td>
</tr>
<tr>
<td>Carver-9th Street Reorganization</td>
<td>Modesto</td>
<td>2009</td>
<td>32.08</td>
<td>143</td>
</tr>
<tr>
<td>Central-Hatch No. 2 Reorg.</td>
<td>Ceres</td>
<td>2011</td>
<td>10.09</td>
<td>49</td>
</tr>
<tr>
<td>Shackelford Change of Org.</td>
<td>Modesto</td>
<td>2012</td>
<td>138.71</td>
<td>133+</td>
</tr>
<tr>
<td>Gallo Campus Reorganization</td>
<td>Modesto</td>
<td>2014</td>
<td>4.68</td>
<td>383</td>
</tr>
<tr>
<td>Ellen Avenue Reorganization</td>
<td>Modesto</td>
<td>2016</td>
<td>0.97</td>
<td>39</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td></td>
<td><strong>207.84</strong></td>
<td><strong>898</strong></td>
</tr>
</tbody>
</table>

During the public hearings for the majority of the above-listed proposals, neighboring property owners and residents within the island areas expressed opposition to also being included in the annexation area.

As the economy recovers, Staff has seen an increase in requests regarding infill development in unincorporated areas. For example, Staff recently received an inquiry regarding a vacant property located in the middle of an unincorporated island, also considered to be a disadvantaged community. The person wished to subdivide and develop the property, necessitating city sewer and water. For this scenario, LAFCO’s policies generally encourage annexation of the site. However, given the location of the property within the middle of an island, additional acreage would need to be included in any proposed annexation in order to make the boundary logical and avoid creation of a second island. This additional acreage would have the effect of triggering the SB-244 requirement that the entire disadvantaged community (or the entire island, in this case) also be annexed or included in a concurrent application.

In this manner, the requirements of SB-244 may actually discourage efforts to incrementally annex improvement areas that are also considered disadvantaged communities. As an example, had SB-244 been effective at the time of application for the Shackelford neighborhood, the City of Modesto would have also been required to make application for the surrounding territory, not yet included in the coordinated City-County effort. This may have delayed or prevented progress to annex the neighborhood.
Islands That Do Not Qualify for Streamlined Annexation

Given the number of criteria an island must meet in order to qualify for the streamlined provisions, it is not uncommon for an area to be disqualified based on one factor. As an example, Staff recently received an inquiry regarding potential development within an unincorporated island (100% surrounded) where LAFCO’s policies would support annexation of the entire island. During an initial analysis of the island, it was found to meet the majority of the requirements for a streamlined annexation (e.g. less than 150 acres, completely surrounded by the city limits, and substantially developed); however, one parcel within the island was currently identified as prime farmland. The existence of this prime farmland designation, although entirely surrounded by city limits and urban development, disqualified the area from the streamlined annexation provisions. In effect, this discourages annexation of the whole island, as the need for a protest hearing brings uncertainty as well as additional costs and time to the annexation process. There is at least one other island also containing prime farmland that would similarly be disqualified.

In addition to being disqualified for the existence of prime farmland, there are at least three areas that would be disqualified from the streamlining provisions based on their size (in excess of 150 acres).

Increase in Out-of-Boundary Service Requests

Staff has also seen an increase in out-of-boundary service requests, particularly for emergency health and safety reasons (e.g. failed well or septic). These are viewed by the Commission as an alternative to annexation and appropriate in certain cases. These can result in situations where more unincorporated lands are being provided city services while remaining outside the city’s limits. Out-of-boundary service applications are also a more attractive option for those seeking an immediate service connection (e.g. city sewer or water) without expending additional time and money on the annexation process. In these cases, applicants are required to sign agreements consenting to future annexation of the property, although the timeframe for the annexation is uncertain.

LAFCO’S ROLE

In as much as LAFCO’s laws and policies attempt to encourage and streamline island annexations, LAFCO cannot initiate annexations. This must be done by either resolution from the annexing city or petition of residents. Financial and political challenges often prevent island annexations from being initiated. LAFCOs can do the following to help facilitate annexations:

1. Provide Technical Assistance to Citizens, Cities, and the County

LAFCO Staff regularly provides mapping data, acreage counts, and other annexation information to interested agencies and persons.

2. Coordinate with Cities Early in the Process and Assist in Preparation of Annexation FAQs Sheets

Residents tend to be interested in the specific pros and cons of annexation of their area (e.g. What will it actually cost me? What services will I receive?). Having this information available early in the process helps residents fully consider the impacts of annexation.
3. **Ensure Local LAFCO Policies Remain Conducive to Annexations**

Many sections of the Commission’s current Policies and Procedures manual are quoted directly from State law. As there have been minor amendments to the law over the past few years, Staff intends to propose similar amendments to the Commission’s Policies and Procedures to remain fully consistent with State law. These will be brought back at a subsequent Commission hearing for which adequate review time is available for interested parties.

4. **Continue to Support Legislation that Would Reduce Impediments to Annexation and Provide Incentives to Cities/Counties**

Annexation and provision of services to unincorporated areas continues to be a hot topic during each legislative cycle. With the assistance of CALAFCO, Staff continues to monitor legislation that would potentially provide incentives to cities or the County for these efforts and will keep the Commission apprised of proposed legislation.

**Attachments:**
- Inventory of Unincorporated Islands & Pockets
- Maps
## Unincorporated Islands
(100% Surrounded by a City)

<table>
<thead>
<tr>
<th>Map #</th>
<th>Name/Location</th>
<th>Sphere of Influence</th>
<th>Est. Acres</th>
<th>% Surrounded by City</th>
<th>Last Adjacent Annexation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Stonum-Hatch Ceres</td>
<td></td>
<td>4</td>
<td>100%</td>
<td>1993</td>
</tr>
<tr>
<td>2</td>
<td>Central-Hatch Ceres</td>
<td></td>
<td>49</td>
<td>100%</td>
<td>2011</td>
</tr>
<tr>
<td>3</td>
<td>Herndon-Nadine Ceres</td>
<td></td>
<td>79</td>
<td>100%</td>
<td>1988</td>
</tr>
<tr>
<td>4</td>
<td>Rosemore-Blue Gum Modesto</td>
<td></td>
<td>13</td>
<td>100%</td>
<td>2000</td>
</tr>
<tr>
<td>5</td>
<td>MLK-California Modesto</td>
<td></td>
<td>14</td>
<td>100%</td>
<td>1996</td>
</tr>
<tr>
<td>6</td>
<td>Carpenter-Woodland Modesto</td>
<td></td>
<td>38</td>
<td>100%</td>
<td>1981</td>
</tr>
<tr>
<td>7</td>
<td>Emerald-Elm Modesto</td>
<td></td>
<td>42</td>
<td>100%</td>
<td>1988</td>
</tr>
<tr>
<td>8</td>
<td>Spencer-California Modesto</td>
<td></td>
<td>61</td>
<td>100%</td>
<td>1989</td>
</tr>
<tr>
<td>9</td>
<td>Rosemore-Temperate Modesto</td>
<td></td>
<td>75</td>
<td>100%</td>
<td>2008</td>
</tr>
<tr>
<td>10</td>
<td>Gallo-Claus Modesto</td>
<td></td>
<td>82</td>
<td>100%</td>
<td>1986</td>
</tr>
<tr>
<td>11</td>
<td>Keller-Thorsen Modesto</td>
<td></td>
<td>88</td>
<td>100%</td>
<td>2000</td>
</tr>
<tr>
<td>12</td>
<td>Whitmore-Crows Landing Modesto</td>
<td></td>
<td>92</td>
<td>100%</td>
<td>2012</td>
</tr>
<tr>
<td>13</td>
<td>Emerald-Woodland Modesto</td>
<td></td>
<td>143</td>
<td>100%</td>
<td>2009</td>
</tr>
<tr>
<td>14</td>
<td>Rouse-Colorado Modesto</td>
<td></td>
<td>154</td>
<td>100%</td>
<td>1987</td>
</tr>
<tr>
<td>15</td>
<td>Bret Harte Neighborhood Modesto</td>
<td></td>
<td>352</td>
<td>100%</td>
<td>2004</td>
</tr>
<tr>
<td>16</td>
<td>9th Street Area Turlock</td>
<td></td>
<td>2</td>
<td>100%</td>
<td>1980</td>
</tr>
<tr>
<td>17</td>
<td>5th Street Area Turlock</td>
<td></td>
<td>5</td>
<td>100%</td>
<td>1983</td>
</tr>
<tr>
<td>18</td>
<td>Montana-West Ave South Turlock</td>
<td></td>
<td>7</td>
<td>100%</td>
<td>1997</td>
</tr>
<tr>
<td>19</td>
<td>Montana-Linwood Turlock</td>
<td></td>
<td>8</td>
<td>100%</td>
<td>2001</td>
</tr>
<tr>
<td>20</td>
<td>Bothun-Berkeley Turlock</td>
<td></td>
<td>11</td>
<td>100%</td>
<td>2004</td>
</tr>
<tr>
<td>21</td>
<td>Kenwood-Starr Turlock</td>
<td></td>
<td>16</td>
<td>100%</td>
<td>2007</td>
</tr>
<tr>
<td>22</td>
<td>8th &amp; 9th Street Area Turlock</td>
<td></td>
<td>30</td>
<td>100%</td>
<td>1992</td>
</tr>
<tr>
<td>23</td>
<td>Jordan-West Ave South Turlock</td>
<td></td>
<td>87</td>
<td>100%</td>
<td>1997</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1,452</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Unincorporated Areas Surrounded by 90%+

<table>
<thead>
<tr>
<th>Map #</th>
<th>Name/Location</th>
<th>Sphere of Influence</th>
<th>Est. Acres</th>
<th>% Surrounded by City</th>
<th>Last Adjacent Annexation</th>
</tr>
</thead>
<tbody>
<tr>
<td>24</td>
<td>McHenry-Coralwood Modesto</td>
<td></td>
<td>12</td>
<td>90%</td>
<td>1999</td>
</tr>
<tr>
<td>25</td>
<td>California-Briggs Modesto</td>
<td></td>
<td>28</td>
<td>91%</td>
<td>1991</td>
</tr>
<tr>
<td>26</td>
<td>Paradise-Chicago Modesto</td>
<td></td>
<td>39</td>
<td>96%</td>
<td>2016</td>
</tr>
<tr>
<td>27</td>
<td>Hatch-Crows Landing Modesto</td>
<td></td>
<td>133</td>
<td>96%</td>
<td>2012</td>
</tr>
<tr>
<td>28</td>
<td>Airport Neighborhood Modesto</td>
<td></td>
<td>383</td>
<td>93%</td>
<td>2014</td>
</tr>
<tr>
<td>29</td>
<td>Golden State Blvd Turlock</td>
<td></td>
<td>120</td>
<td>93%</td>
<td>1995</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>715</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Unincorporated "Pockets"

<table>
<thead>
<tr>
<th>Map #</th>
<th>Name/Location</th>
<th>Sphere of Influence</th>
<th>Est. Acres</th>
<th>% Surrounded by City</th>
<th>Last Adjacent Annexation</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>Collins-Don Pedro Ceres</td>
<td></td>
<td>54</td>
<td>80%</td>
<td>1987</td>
</tr>
<tr>
<td>31</td>
<td>Northwest Ceres Area Ceres</td>
<td></td>
<td>708</td>
<td>81%</td>
<td>2004</td>
</tr>
<tr>
<td>32</td>
<td>Robertson Rd Modesto</td>
<td></td>
<td>92</td>
<td>88%</td>
<td>1978</td>
</tr>
<tr>
<td>33</td>
<td>Hwy 99-7th St Modesto</td>
<td></td>
<td>112</td>
<td>66%</td>
<td>2012</td>
</tr>
<tr>
<td>34</td>
<td>Parklawn Area Modesto</td>
<td></td>
<td>147</td>
<td>51%</td>
<td>2012</td>
</tr>
<tr>
<td>35</td>
<td>West Modesto Modesto</td>
<td></td>
<td>214</td>
<td>80%</td>
<td>1991</td>
</tr>
<tr>
<td>36</td>
<td>Tioga Ave Oakdale</td>
<td></td>
<td>48</td>
<td>83%</td>
<td>1999</td>
</tr>
<tr>
<td>37</td>
<td>SE Riverbank Riverbank</td>
<td></td>
<td>358</td>
<td>87%</td>
<td>2006</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1,733</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Unincorporated Islands & Pockets
Riverbank & North Modesto Areas

- Unincorporated Islands (100% Surrounded)
- Pocket Areas
- Potential Islands (90%+ Surrounded)

Source: LAFCO Files, Feb. 2017
Unincorporated Islands & Pockets
South Modesto & Ceres Areas

Modesto

Ceres

Unincorporated Islands & Pockets
(100% Surrounded)

Potential Islands City Sphere of Influence
(90%+ Surrounded)

Sphere of Influence

Source: LAFCO Files, Feb. 2017