



LOCAL AGENCY FORMATION COMMISSION

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



## EASTSIDE WATER DISTRICT

Prepared By:

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# **STANISLAUS**

## **LOCAL AGENCY FORMATION COMMISSION**

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# **Municipal Service Review and Sphere of Influence Update For the Eastside Water 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 Eastside Water District. The most recent Sphere of Influence (SOI) update for the Eastside Water District was adopted in 2012 as part of a modification (expansion) of the District’s SOI. The Service Review will also provide a basis for the District and LAFCO to evaluate, and if appropriate, make changes to the Sphere of Influence. N7

## **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 – Eastside Water District**

## **Authority**

The Eastside Water District was organized under the California Water Code, Division 13, §34000-38501. In addition, the District is considered a “landowner voter district”, as the board members are elected by landowners 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, as is the case with the Eastside Water District.

## **Purpose**

Water Districts are formed for purposes such as: to produce, store and distribute water for irrigation, domestic, industrial and municipal uses; drain and reclaim lands; collect, treat and dispose of sewage, waste and storm water; generate hydroelectric power; allocate water to crops and acreage; and, for districts that adopt a groundwater management plan, the same power given to water replenishment districts and protect groundwater from contamination.

## **Governance**

Five board members, elected by landowners within the District boundaries, govern the District. Meetings are held quarterly at the Turlock Irrigation District Office, located at 333 E. Canal Drive, Turlock.

## **Formation**

The Eastside Water District was formed on October 14, 1985.

## **Location and Size**

The District's boundary encompasses approximately 61,293 acres, and is located equally in the southeastern portion of Stanislaus County and in the northeastern portion of Merced County.

## **Sphere of Influence**

The District's original Sphere of Influence, as adopted in 1988, included approximately 2,700 acres of expansion areas in addition to the District's current boundaries. These areas are generally located west of Hawkins Road and to the south and east of Meikle Road. In 2012, the District received approval to expand its boundary by 7,293 acres. The District is currently proposing the annexation of 8,994± acres to the District, which includes 8,806± acres to be added to the Sphere of Influence. The expansion areas include additional territory mostly north and some east of and contiguous to the District's existing boundary, as well as one non-

contiguous area near Turlock Lake (See "Map 1" on page 11). This Service Review will to cover the District's existing boundary and Sphere of Influence (SOI), as well as the territory proposed for the SOI expansion.

### **Personnel**

There are no paid employees working for the District. However, the District does contract out for engineering, legal, grant management, District Secretary and record keeping services.

### **Classification of Services**

As part of this service review, the Eastside Water District has provided a listing of the services provided within their boundaries. The District is authorized to provide the functions or classes of services (e.g. irrigation water and groundwater protection) as identified in this report. The Cortese-Knox-Hertzberg Act requires that the Districts seek LAFCO approval to exercise other latent powers not currently provided

### **Classification of Services**

When formed, the District's stated purpose was to study the means to obtain surface water to supplement the groundwater, and to eventually develop reliable source(s) of irrigation water.

As a result of past and recent legislation, the District will also be monitoring groundwater levels throughout its boundaries as part of the California Statewide Groundwater Elevation Monitoring (CASGEM) program, and has formed a multi-agency Groundwater Sustainability Agency through active participation in a Joint Powers Authority to achieve compliance under the Sustainable Groundwater Management Act (SGMA). The District is a voting member of the East Turlock Basin Groundwater Sustainability Agency (ETS GSA) JPA.

Over the years, the District has undertaken a series of initiatives/activities in order to stabilize and/or restore groundwater levels:

1990	Irrigation Master Plan
1994	Groundwater Master Plan
1995-present	Pilot Surface Water Incentive Program
1997	Turlock Basin Groundwater Management Plan
1998-2000	Operated the Monte Vista Pilot Recharge Program
2001	Obtained a \$200,000 Grant from the Department of Water Resources to finance an "Eastside Water District Groundwater Multiple Resources Integration Planning Study"
2003	Prepared a "Supplemental Water Supply Plan", as part of the above listed Grant, to identify alternatives for the provision of supplemental water supplies and the means in which to deliver the water to the District.
2006 – 2016	In partnership with the Turlock Irrigation District (TID), constructed and operated the East Avenue Pilot Recharge Project.
2008	As a member of the Turlock Groundwater Basin Association, retained Timothy J. Durbin to prepare an "Assessment of Future Groundwater Impacts Due to Assumed Water Use Changes in the Turlock Groundwater Basin."
2008	Groundwater Master Plan Update

2011	District and TID established a network of wells to monitor groundwater levels as part of CASGEM, the California statewide monitoring program.
2014	Potential Managed Aquifer and Recovery of Diffused Surface Water Program (DSWP) Report by Wood-Rodgers, Provost & Pritchard, and E-PUR
2015	DSWP Design Plans (30%) by Provost & Pritchard
2015 – 2016	Water Charge Analysis Report and Proposition 218 Election Report & Results.

The District's website (<http://www.eastsidewaterdistrict.com>) provides additional detail on all of these District programs and activities.

### **Partnership Agencies**

The District maintains a positive collaborative relationship with other agencies, as necessary. These agencies include the: City of Turlock, neighboring Irrigation Districts (Merced, Modesto, and Turlock), California Special District's Association, State Department of Water Resources, and United States Geological Service and Natural Resources Conservation Service.

### **Funding Sources**

The District's source of revenue is derived from charging an assessment of \$2.00 per acre, per year, to the landowners within the District boundaries. The money collected is utilized to carry out studies to bring water to the District and for general operational purposes.

In 2016, the District began collecting per-acre charges to fund its Diffused Surface Water Program (DSWP). In five of ten years beginning in 2016, the district will charge up to \$30.00 per acre as a capital improvement charge to build the DSWP; for a total of up to \$150.00 per acre over this period. Also during that period, the Proposition 218 election authorized an operational per acre charge of up to 10% of accumulated capital charges to fund both the operation of DSWP capital improvements and to comply with the SGMA.

## **Service Review Determinations:**

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

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

The District serves a rural agricultural area that is located in both Stanislaus and Merced Counties, generally east of Turlock Irrigation District. The area is designated as Agriculture on both the Merced and Stanislaus County General Plans and does not expect any significant population growth.

### **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 no areas within the Eastside Water District identified as a Disadvantaged Unincorporated Community (DUC) as defined in Section 56033.5 of the Cortese-Knox-Hertzberg Act of 2000. No DUCs have been identified contiguous to the District's sphere of influence.

### **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.**

Currently, the District has both the ability and the capacity to serve its service area and has significant unmet infrastructure needs in order to meet its mission. The DSWP implemented in 2016 is expected to help meet these unmet needs, as well as achieve compliance with the SGMA. As indicated previously, there are no identified disadvantaged unincorporated communities within or contiguous to the Sphere of Influence. The District is not a provider of sewer, municipal and industrial water, or structural fire protection services.

### **4. Financial ability of agencies to provide services**

At present time, the District appears to have the necessary financial resources to fund adequate levels of service within its boundaries. There is no overlapping or duplication of services within the District boundaries.

### **5. Status of, and opportunities for, shared facilities**

At this time, the District does not share any facilities with other agencies or Districts.

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

It is reasonable to conclude that the District can adequately serve the areas under its jurisdiction. A five-member Board of Directors, elected by the landowners, governs the District. The Board conforms to the provisions of the Brown Act requiring open meetings.

The District has its own website (<http://www.eastsidewaterdistrict.com>), which provides up to date information.

The District does not have a traditional management structure, as they do not employ full-time personnel. The District employs consultants for engineering, legal, and secretarial services on a contractual basis to perform the necessary administrative and operational duties for the District.

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

There are no additional matters related to effective of efficient service delivery at this time.

## **Sphere of Influence Update for the Eastside Water 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.

The following determinations for the Eastside Water 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 District is currently proposing the annexation of 8,994± acres to the District, which includes 8,806± acres to be added to the Sphere of Influence. The District's proposed Sphere of Influence (SOI), including expansion areas and lands currently within the District's boundaries, totals approximately 70,300 acres. Territory within the District's proposed Sphere of Influence consists of agricultural and rural land use areas. These uses are not expected to change. In addition, the District does not have the authority to make land use decisions, nor does it have authority over present or planned land uses within its boundaries or sphere of influence area. The responsibility for land use decisions within these areas is retained by the counties of Stanislaus and Merced.

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

The District is presently meeting the needs of its customers. The future need to identify and subsequently obtain surface water to supplement the groundwater and to develop reliable source(s) of irrigation water to its customers will not likely diminish.

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

The District currently has the capacity to continue its efforts to stabilize and/or restore groundwater levels within its existing Sphere of Influence in compliance with SGMA.

**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.**

Seven parcels within the proposed Sphere of Influence are located within Merced County. There are no additional known communities of interest within the District's boundaries or proposed Sphere of Influence.

**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 no known Disadvantaged Unincorporated Communities within the proposed Sphere of Influence. The District does not provide services related to sewers, municipal and industrial water or structural fire protection. Therefore, this factor is not applicable.

**APPENDIX "A"**  
**DISTRICT SUMMARY PROFILE**

District: **EASTSIDE WATER DISTRICT**

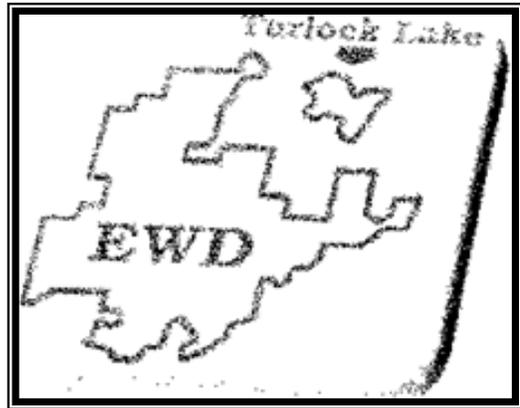
Formation: October 14, 1985

Location: Southeastern Stanislaus County and Northeastern Merced County.

Service Area: The District is currently proposing the addition of 8,994± acres to the District, which includes 8,806± acres to be added to the Sphere of Influence. The total acreage after annexation will be approximately 70,300.

Land Use: Agricultural

District Services: Groundwater monitoring and recharge projects, the pursuit of surface water supplies to supplement groundwater use, and related studies.



Enabling Act: California Water Code,  
Division 13: Section 34000 et. Seq. (Water District Act)

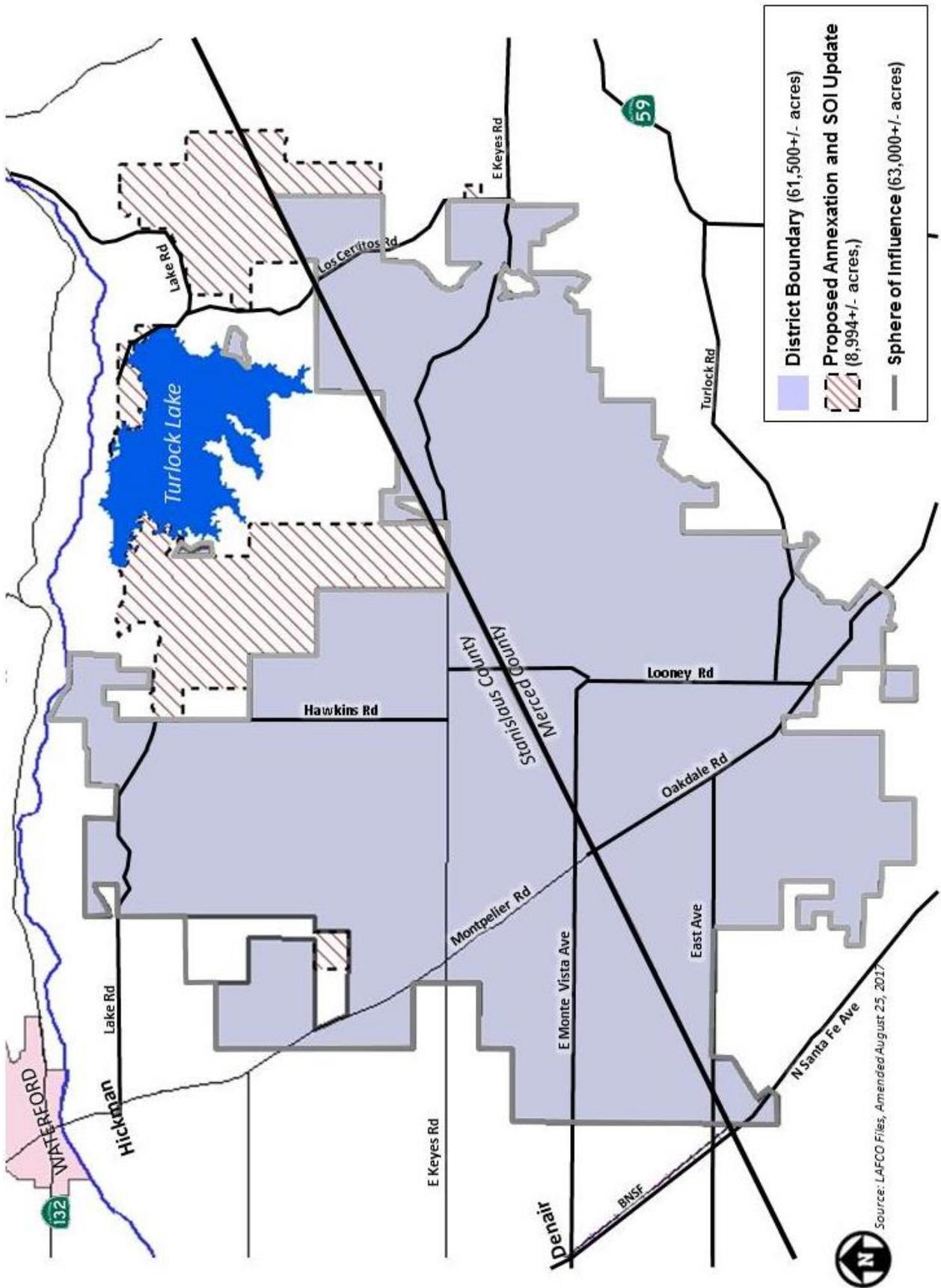
Governing Body: Five-member Board of Directors, elected by landowners within District boundaries

Administration: There are no paid employees working for the District. The District contracts out for engineering, legal, and record keeping services.

Budget: \$126,448 (As reported in most recent audit, FY 2013-2014)

Revenue Sources: Property Assessments, Diffused Surface Water Program (DSWP) capital improvement charges, and DSWP operational charges

**MAP 1:  
EASTSIDE WATER DISTRICT  
BOUNDARY AND SPHERE OF INFLUENCE**



## APPENDIX “B”

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### REFERENCES

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1. California State Controllers Office, “Special Districts Annual Report, Fiscal Year 2011-2012”, November 22, 2013.
2. Eastside Water District, “Statement of Operation and Plan for Services”, January 19, 2017.
3. Eastside Water District website (<http://eastsidewaterdistrict.com/>).
4. California Department of Water Resources website ([www.water.ca.gov](http://www.water.ca.gov)).
5. Agricultural Water Management Council website ([www.agwatercouncil.org](http://www.agwatercouncil.org)).
6. Association of California Water Agencies (ACWA) Website ([www.acwa.com](http://www.acwa.com)).
7. Stanislaus LAFCO, “Municipal Service Review and Sphere of Influence Update for the Eastside Water District”, March 28, 2012.
8. Turlock Groundwater Basin Association, “Assessment of Future Groundwater Impacts Due to Assumed Water-Use Changes”, September 11, 2008.
9. Turlock Groundwater Basin Association, “Groundwater Master Plan”, March 18, 2008.
10. U.S. Geological Survey (USGS) website ([www.usgs.gov](http://www.usgs.gov)).
11. State of California Legislative Analyst’s Office Report – “Water Special Districts: A Look at Governance and Public Participation, March 2002”.
12. Eastside Water District “Financial Statements FY 2013-2014”