



LOCAL AGENCY FORMATION COMMISSION

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE:



EASTSIDE WATER DISTRICT

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STANISLAUS

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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 Section 56430 of the CKH Act. The Act states, that "in order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area..." A Service Review must have written determinations that address the following factors in order to update a Sphere of Influence. These factors were recently amended to include identification of disadvantaged unincorporated communities within or contiguous to the sphere of influence of an agency.

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

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

Sphere of Influence Update Process

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

The previous Sphere of Influence update was completed for the District in 2017, as part of an approximately 9,000-acre expansion. The current update is in response to a proposed 2,400-acre modification (expansion) of the District's Sphere of Influence.

Background

No resource is more vital to California than water. From the agricultural areas, urban centers, 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 in the case of the water district reviewed in this report, while other districts provide a wide range of public services.

Authority

This review will cover the Eastside Water District, a "single purpose" district, which is generally located east of the City of Turlock, within both Stanislaus and Merced Counties. The 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.

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 by the water code to protect groundwater from contamination.

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. Due to recent changes in the Cortese-Knox-Hertzberg Act, the Districts would have to seek LAFCO approval to exercise other latent powers not currently provided.

Service Review – Eastside Water District

Formation

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

Location and Size

The District's boundary currently encompasses approximately 70,700 acres, and is located 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. The District is currently proposing an approximately the 2,400-acre expansion to its Sphere of Influence in order to accommodate the 2019 Change of Organization proposal. The expansion areas include additional island territories within the outer boundaries of the District, areas around Turlock Lake and a parcel located east of the current boundary. (See "Map" on page 10). 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.

Governance

Seven 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.

Personnel

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

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 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 groundwater management planning with the newly formed East Turlock Sub-basin Groundwater Sustainability Agency 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..... In partnership with the Turlock Irrigation District (TID), constructed and continues to operate 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.
- 2017..... Joined the Counties of Merced and Stanislaus, the Ballico-Cortez Water District, and Merced Irrigation District in forming the East Turlock Subbasin GSA
- 2018 ETS GSA JPA and the West Turlock Subbasin GSA began assembling a Groundwater Sustainability Plan (GSP) in compliance with the Sustainable Groundwater Management Act (SGMA) of 2014. This GSP must be submitted by January 31, 2022.

In addition, the District maintains a website (www.eastsidewaterdistrict.com) that provides current information on District programs and activities.

Support 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), Agricultural Water Management Council (AWMC), Association of California Water Agencies (ACWA), State Department of Water Resources, and United States Geological 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 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.

Written Determinations – Eastside Water District

The following provides an analysis of the seven categories or components required by Section 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 County, generally east of Turlock. 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

There are no disadvantaged unincorporated communities, as defined by Government Code Section 56033.5 within or contiguous to the District's 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 to Any Disadvantaged, Unincorporated Communities Within or Contiguous to the Sphere of Influence

The District has begun work on the following projects.

- Engineering, technical assistance, and construction of diversion facilities from TID's main and highline canals to provide periodic surface water deliveries to landowners.
- Formation of the ETS GSA JPA by January 2022. EWD is leading the five (5) members of this JPA. Many of the EWD projects will be incorporated into this GSP
- Owning and operating the Mustang Creek flood control project.
- Implementing the East Turlock Area Upland Pipeline Project to serve EWD landowners and recharge the groundwater basin.
- Constructed a pilot project to use Parjana EGRP technology on a ½ acre pond site along the TID Highline canal. The goal is to show that this technology can achieve 0.25 acre-feet per day of groundwater recharge at this site that contain soil that prior to the project allowed no percolation to the groundwater basin.
- Planned construction of a pilot project on the Mustang Creek reservoir site using Torrent Technology drywells. The goal is to confirm that these drywells are capable of recharging 6-acre-feet per day of groundwater recharge.

Currently, the District has both the ability and the capacity to serve its service area and has no unmet infrastructure needs or deficiencies. Additionally, 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

Other than being responsible for the Mustang Creek Flood Control Project owned by Merced County, 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.

To more fully represent landowners within the District, the Board of Directors were expanded from five to a seven-member board of directors in 2017. The 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 (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. They do however employ 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

None.

Sphere of Influence Update

In determining a 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 that they are relevant to the agency.
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's Sphere of Influence update are made in conformance with Government Code Section 56425 and local Commission policy.

Determinations:

1. Present and Planned Land Uses in the Area, Including Agricultural and Open-Space Lands

The Eastside Water District's proposed Sphere of Influence (SOI), including expansion areas and lands currently within the District's boundaries, totals approximately 74,200 acres. Upon approval, lands outside the District's boundary but within its Sphere of Influence would account for approximately 900 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. 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. 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.

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

There are no 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

As the District does not provide services related to sewers, municipal and industrial water or structural fire protection, this factor is not applicable.

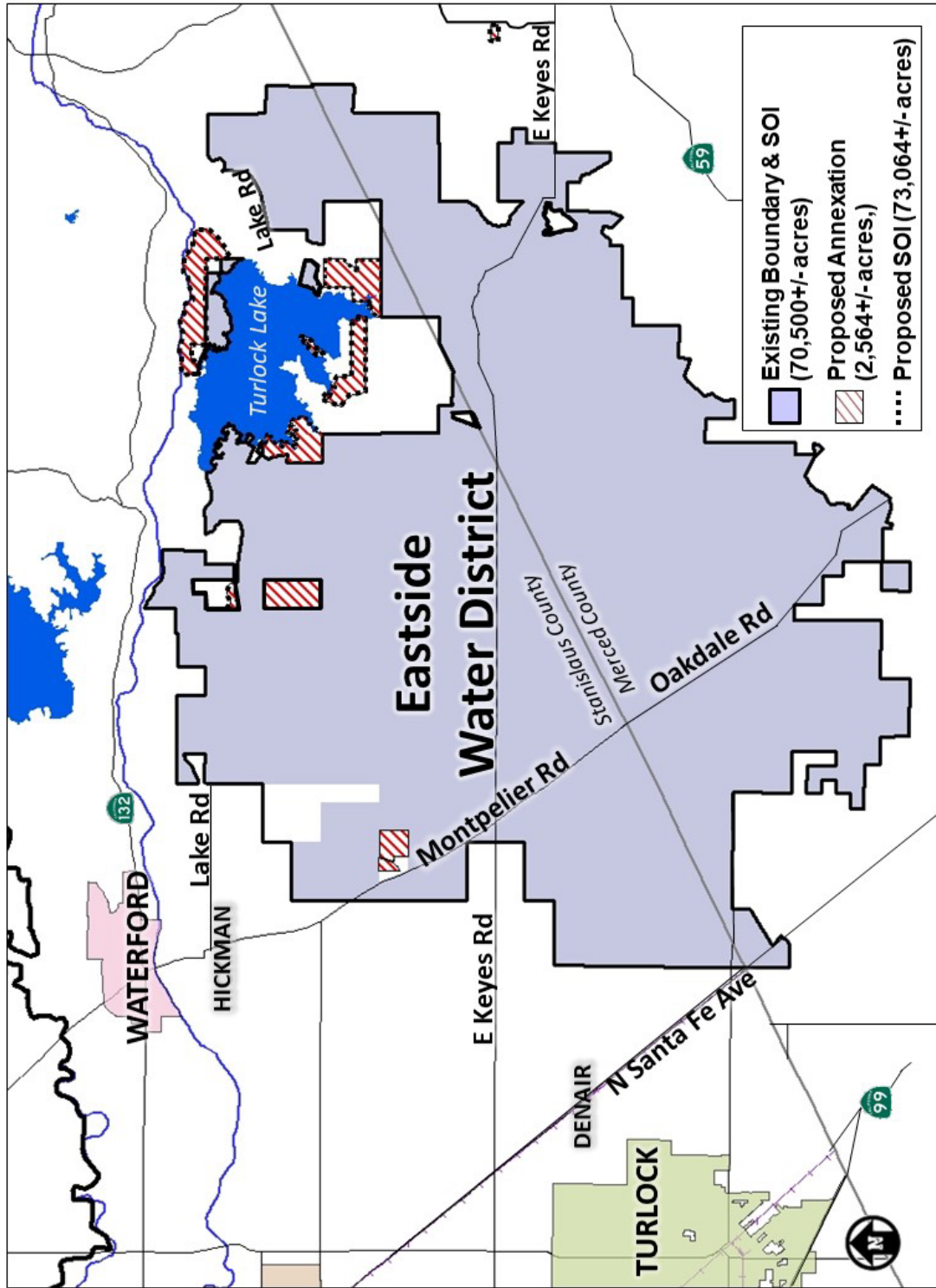
**APPENDIX “A”
DISTRICT SUMMARY PROFILE**

| | |
|--------------------|--|
| District: | EASTSIDE WATER DISTRICT |
| Location: | Southeastern Stanislaus County and Northeastern Merced County |
| Service Area: | Approximately 70,700 acres with 2,600 acres proposed to be annexed totaling 73,300 acres (with approximately 900 acres outside the current District boundaries but within the proposed Sphere of Influence). |
| Population*: | 810 |
| Land Use: | Agricultural |
| Date of Formation: | October 14, 1985 |
| Enabling Act: | California Water Code, Division 13, Section 34000 et. seq. (Water District Act) |
| Governing Body: | 7 Member Board of Directors, elected by landowners within District boundaries |
| Administration: | No paid employees. However, the District does contract out for engineering, legal, grant management services, and secretary services. |
| District Services: | Groundwater monitoring, recharge projects, the pursuit of surface water supplies to supplement groundwater use, and related studies. |
| Budget: | <u>Fiscal Year 2017-2018</u> Revenues: \$423,817.91 Expenses: \$781,047.70 |
| Revenue Sources: | Property Assessments (\$2 per acre) DSWP Capital Improvement Per Acre Charge (up to \$150.00) DSWP Operational Per Acre Charge (up to \$15.00) |



**Source: 2010 population was estimated using 2000 Census data with the addition of the unincorporated population growth rate through 2010.*

**MAP: EASTSIDE WATER DISTRICT
PROPOSED SPHERE OF INFLUENCE**



APPENDIX “B”

REFERENCES

1. Eastside Water District, “Diffused Surface Water Project Progress Report on Expenditures”, July 20, 2019.
2. Eastside Water District website (www.eastsidewaterdistrict.com).
3. California Department of Water Resources website (www.water.ca.gov).
4. Agricultural Water Management Council website (www.agwatercouncil.org).
5. Association of California Water Agencies (ACWA) Website (www.acwanet.com).
6. Stanislaus LAFCO, “Municipal Service Review and Sphere of Influence Update for the Eastside Water District”, September 27, 2017.
7. Turlock Groundwater Basin Association, “Assessment of Future Groundwater Impacts Due to Assumed Water-Use Changes”, September 11, 2008.
8. Turlock Groundwater Basin Association, “Groundwater Master Plan”, March 18, 2008.
9. U.S. Geological Survey (USGS) website (www.usgs.gov).
10. State of California Legislative Analyst’s Office Report – “Water Special Districts: A Look at Governance and Public Participation, March 2002”.

INDIVIDUALS AND AGENCIES CONTACTED

1. Kevin Kauffman, Consultant, Eastside Water District
2. Karen Whipp, Board Secretary, Eastside Water District
3. Merced Local Agency Formation Commission