



**STANISLAUS LAFCO
LOCAL AGENCY FORMATION COMMISSION**

Sara Lytle-Pinhey, Executive Officer
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Modesto, California 95354
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Chair Michael Van Winkle, City Member
Vice Chair, Jim DeMartini, County Member
Terry Withrow, County Member
Bill Berryhill, Public Member
Amy Bublak, City Member
Richard O'Brien, Alternate City Member
Brad Hawn, Alternate Public Member
Vito Chiesa, Alternate County Member

**AGENDA
Wednesday, March 27, 2019
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 23, 2019 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.

- 1. Letter from CALAFCO regarding Membership Dues for 2019-2020, dated March 6, 2019.
- 2. Memo regarding Availability of Support Documentation for Upcoming Application: Whitmore Ranch Reorganization to the City of Ceres.

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. **LAFCO APPLICATION NO. 2019-05 & SOI AMENDMENT 2019-04 - FAIRWAY 7 ESTATES CHANGE OF ORGANIZATION TO COUNTY SERVICE AREA 18 (ATLAS PARK)** - The Commission will consider a request to modify the sphere of influence and annex approximately 8.44 acres to County Service Area 18 (Atlas Park). The annexation will serve a proposed residential subdivision with extended county services, including CSA administration, storm drainage, and maintenance of streetscape, sidewalks, chain-link fencing and a masonry wall. Pursuant to the California Environmental Quality Act (CEQA), the Commission, as a Responsible Agency, will also review and consider the Negative Declaration prepared by Stanislaus County, as Lead Agency APN: 064-016-004. (Staff Recommendation: Approve the proposal and adopt Resolution No. 2019-06.)

B. **LAFCO APPLICATION NO. 2019-01 - LINDE CHANGE OF ORGANIZATION TO THE KEYES COMMUNITY SERVICES DISTRICT** - The Commission will consider a Request to annex a 5.2-acre parcel to the Keyes Community Services District (CSD) for water service for a liquid carbon dioxide (CO2) purification and liquefaction plant. Pursuant to the California Environmental Quality Act (CEQA), the Commission, as a Responsible Agency, will also review and consider the Mitigated Negative Declaration prepared by Stanislaus County, as Lead Agency. APN: 045-026-043. (Staff Recommendation: Approve the proposal and adopt Resolution No. 2019-04.)

C. **BIENNIAL AUDIT FOR FISCAL YEARS 2016-2017 AND 2017-2018** - (Staff Recommendation: Accept and File Audit Report.)

7. PUBLIC HEARING

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

A. **PROPOSED AMENDMENT TO COMMISSION POLICY 22- AGRICULTURAL PRESERVATION POLICY** - The Commission will consider an amendment to its existing Agricultural Preservation Policy (Policy 22 of the Commission's Policies and Procedures) regarding the timing of in-lieu fee collection if being used as an agricultural preservation strategy. This item is exempt from the California Environmental Quality Act (CEQA) review pursuant to Regulation §15061(b)(3) of the State Guidelines. (Staff Recommendation: Adopt Resolution No. 2019-05, approving the amendment.)

8. OTHER BUSINESS

- | |
|--|
| A. <u>TERMINATION OF DISSOLUTION PROCEEDINGS FOR RECLAMATION DISTRICT NUMBERS 1602, 2031, AND 2101</u> – (Staff Recommendation: Adopt Resolution No. 2019-07, terminating dissolution proceedings.) |
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9. COMMISSIONER COMMENTS

Commission Members may provide comments regarding LAFCO matters.

10. ADDITIONAL MATTERS AT THE DISCRETION OF THE CHAIRPERSON

The Commission Chair may announce additional matters regarding LAFCO matters.

11. EXECUTIVE OFFICER'S REPORT

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

- A. On the Horizon.

12. ADJOURNMENT

- A. Set the next meeting date of the Commission for April 24, 2019.
- B. Adjournment.

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 23, 2019

1. CALL TO ORDER

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

- A. Pledge of Allegiance to Flag. Vice-Chair Van Winkle led in the pledge of allegiance to the flag.
- B. Introduction of Commissioners and Staff. Vice-Chair Van Winkle led in the introduction of the Commissioners and Staff.

Commissioners Present: Michael Van Winkle, Vice Chair, City Member
Jim DeMartini, County Member
Brad Hawn, Alternate Public Member
Vito Chiesa, Alternate County Member
Richard O'Brien, Alternate City Member

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

Commissioners Absent: Terry Withrow, Chair, County Member
Amy Bublak, City Member
Bill Berryhill, Public Member

2. PUBLIC COMMENT

None.

3. APPROVAL OF MINUTES

- A. Minutes of the December 4, 2018 Meeting.

Motion by Commissioner Hawn, seconded by Commissioner O'Brien and carried with a 5-0 vote to approve the Minutes of the December 4, 2018 meeting by the following vote:

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

4. CORRESPONDENCE

A. Specific Correspondence.

None.

B. Informational Correspondence.

1. CALAFCO Quarterly – December 2018.

2. Letter dated January 22, 2019 to the City of Patterson Planner from LAFCO regarding the Notice of Preparation of an Environmental Impact Report for the Zacharias Master Plan.

C. “In the News”

5. DECLARATION OF CONFLICTS AND DISQUALIFICATIONS

None.

6. CONSENT ITEMS

A. **MID-YEAR BUDGET REPORT FOR FISCAL YEAR 2018-2019.** (Staff Recommendation: Receive and File Report.)

Motion by Commissioner Chiesa, seconded by Commissioner Hawn, and carried with a 5-0 vote to receive and file the report, by the following vote:

| | |
|-------------|--|
| Ayes: | Commissioners: Chiesa, DeMartini, Hawn, O'Brien and Van Winkle |
| Noes: | Commissioners: None |
| Ineligible: | Commissioners: None |
| Absent: | Commissioners: Berryhill, Bublak and Withrow |
| Abstention: | Commissioners: None |

7. PUBLIC HEARING

A. **LAFCO APPLICATION NO. 2018-08 AND SOI NO. 18-08 – KEYES 19 NORTH & SOUTH REORGANIZATION TO THE KEYES COMMUNITY SERVICES DISTRICT (CSD) AND COUNTY SERVICE AREA (CSA) 26.** The Commission will consider a request annex two residential subdivisions totaling 19 acres to the Keyes CSD for water and sewer services and CSA 26 for storm drainage, park facilities, a block wall and landscaping. The CSA 26 annexation will include a sphere of influence amendment. APNs: 045-021-003, 023, 024, 045-071-005 and a portion of 045-021-008 for the CSD and the entire parcel for the CSA 26. The Commission will consider the mitigated negative declaration prepared by the County pursuant to CEQA (Staff Recommendation: Adopt Resolution No. 2019-03, approving the proposal.)

Javier Camarena, Assistant Executive Officer, presented the item with a recommendation of approval.

Vice-Chair Van Winkle opened the Public Hearing at 6:13 p.m.

No one spoke.

Vice-Chair Van Winkle closed the Public Hearing at 6:13 p.m.

Motion by Commissioner O'Brien, seconded by Commissioner Chiesa, and carried with a 5-0 vote to approve the proposal and adopt Resolution No. 2019-03, by the following vote:

| | |
|-------------|--|
| Ayes: | Commissioners: Chiesa, DeMartini, Hawn, O'Brien and Van Winkle |
| Noes: | Commissioners: None |
| Ineligible: | Commissioners: None |
| Absent: | Commissioners: Berryhill, Bublak and Withrow |
| Abstention: | Commissioners: None |

8. OTHER BUSINESS

- A. **INITIATION OF DISSOLUTION PROCEEDINGS FOR INACTIVE RECLAMATION DISTRICTS NUMBERS 1602, 2031, AND 2101.** (Staff Recommendation: Adopt Resolution No. 2019-02 initiating dissolution proceedings for the inactive Reclamation Districts.)

Motion by Commissioner Chiesa, seconded by Commissioner Hawn, and carried with a 5-0 vote to adopt Resolution No. 2019-02, by the following vote:

| | |
|-------------|--|
| Ayes: | Commissioners: Chiesa, DeMartini, Hawn, O'Brien and Van Winkle |
| Noes: | Commissioners: None |
| Ineligible: | Commissioners: None |
| Absent: | Commissioners: Berryhill, Bublak and Withrow |
| Abstention: | Commissioners: None |

- B. **ANNUAL ELECTION OF OFFICERS.** (Staff Recommendation: Appoint a Chairperson and Vice-Chairperson and adopt Resolution No. 2019-01a and 2019-01b.)

Vice-Chair Van Winkle asked for nominations for Chairperson and Vice-Chairperson.

Motion by Commissioner Chiesa, seconded by Commissioner O'Brien and carried with a 5-0 vote to approve Resolution No. 2019-01a to elect Commissioner Van Winkle as Chairperson by the following vote:

| | |
|-------------|--|
| Ayes: | Commissioners: Chiesa, DeMartini, Hawn, O'Brien and Van Winkle |
| Noes: | Commissioners: None |
| Ineligible: | Commissioners: None |
| Absent: | Commissioners: Berryhill, Bublak and Withrow |
| Abstention: | Commissioners: None |

Motion by Commissioner Chiesa, seconded by Commissioner O'Brien and carried with a 5-0 vote to approve Resolution No. 2019-01b to elect Commissioner DeMartini as Vice-Chairperson by the following vote:

| | |
|-------|--|
| Ayes: | Commissioners: Chiesa, DeMartini, Hawn, O'Brien and Van Winkle |
| Noes: | Commissioners: None |

Ineligible: Commissioners: None
Absent: Commissioners: Berryhill, Bublak and Withrow
Abstention: Commissioners: None

9. COMMISSIONER COMMENTS

Commissioner DeMartini commented that he would like to hear an update on the Modesto Mobile Home Park Annexation. Commissioner Chiesa commented on the Monterey Park Tract and City of Ceres water extension.

10. ADDITIONAL MATTERS AT THE DISCRETION OF THE CHAIRPERSON

None.

11. EXECUTIVE OFFICER'S REPORT

A. On the Horizon. The Executive Officer informed the Commission of the following:

- Following up from the December meeting, the Commission had approved an extension of sewer service to a Modesto Mobile Home Park conditioned upon the owner submitting an application for annexation to the City of Modesto. That application has been submitted, along with fees to the City.
- Staff conducted preliminary outreach to the California Farmland Trust regarding the request for a technical amendment to LAFCO's Agricultural Preservation Policy regarding in lieu fee timing. Staff will be sending out a formal referral and notice of public hearing soon.
- Staff is currently coordinating with the California Special Districts Association and the County to bring some free governance training for the special districts. Its is tentatively scheduled for June.
- Upcoming items include an annexation application from the Eastside Water District and Keyes Community Services District. Staff is also expecting to receive an application for the Whitmore Rach annexation to the City of Ceres this week.
- Staff is recommending cancellation of the February meeting. Staff is working on items for March.

12. ADJOURNMENT

A. Vice-Chair Van Winkle adjourned the meeting at 6:23 p.m.

March 6, 2019

TO: Member LAFCos

Dear Member LAFCos:

Over the last several years the CALAFCO Board of Directors has continued to develop member services to meet the changing needs of LAFCo commissioners, staff and stakeholders. Over its 48-year existence, CALAFCO has matured from a volunteer organization to a professional educational organization.

At the CALAFCO Annual Meeting in Yosemite last fall, the Board explained that additional revenues must be raised to close the ongoing structural deficit, which the association has operated with since its inception. As many of you heard, CALAFCO has had an unhealthy reliance on Conference revenue to balance the budget which is not a sound fiscal practice. Approximately \$69,000 in additional revenue is needed next fiscal year just to close the structural deficit. Failing to close this deficit jeopardizes CALAFCO's ability to maintain the existing level of services provided.

During the regional roundtables at the 2018 Conference, members provided the Board valuable feedback about the structural deficit and the dues structure. At the Board's recent strategic planning workshop and meeting, they deliberated at length about these two matters. It is clear the current dues structure no longer reflects the diversity of our membership and our structural deficit continues to grow as core revenue does not meet operational expenses.

During the recent Board strategic planning workshop, the Board-appointed ad hoc financial committee (who have been meeting for more than a year) presented the Board several options to close the deficit and offered a recommendation. After long (almost half-day) discussion, followed by another round of discussions at the Board meeting the next day, the Board made two critical decisions.

The first decision is a short-term action strategy to close the structural deficit. The Board unanimously approved a one-time cost sharing option to close the structural deficit. This option will take effect FY 2019-20. The cost sharing option includes a 16.25% dues increase to all member LAFCos, which will generate an additional \$33,452. The other \$35,591 necessary to close the structural deficit will be covered by using a substantial portion of the net profit received from the 2018 Annual Conference.

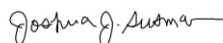
Just as important, the Board is committed to a long-term strategy of revising the current dues structure into a more sustainable and equitable model. As a result, the Board directed the ad hoc finance committee to bring a proposal to the Board at their May 10 meeting for a new dues structure to move the organization forward. This new dues structure will use the current FY 2018-19 dues as the baseline (rather than the increased dues for next FY).

A new dues structure requires the approval of the membership as it is a change in the Bylaws. It is the intention of the Board to place this item on the agenda for membership approval at the October 31, 2019 Annual Membership Business Meeting. Once the draft proposal is approved at its May 10 meeting, the Board will distribute the draft dues structure to the membership with ample time for review and discussion before the Annual Membership Business Meeting.

We understand raising dues at any time is a difficult proposition. Our work at CALAFCO strives to support the success and meet the needs of all member LAFCos, large and small. We are committed to continually enhancing the services of CALAFCO and fulfilling our mandate "to assist member LAFCos with educational and technical resources that otherwise would not be available." We hope you will agree when we discuss this at our annual membership meeting at this year's Conference.

We and the rest of the Board are available to answer any questions you may have. You are encouraged to seek out the feedback of your regional Board members.

On behalf of the CALAFCO Board of Directors,

A handwritten signature in black ink, appearing to read "Joshua J. Susman".

Josh Susman
Chair of the Board

A handwritten signature in blue ink, appearing to read "Pamela Miller".

Pamela Miller
Executive Director

Cc: CALAFCO Board of Directors
enclosures

CALAFCO BULLETIN

Membership Dues Increase Questions & Answers



Question: *What's the issue?*

Answer: The issue is that CALAFCO has operated for many years with a structural deficit. The structural deficit is defined as the member LAFCo dues do not cover the operational costs of the organization. The organization continues an unhealthy and unstable fiscal reliance on net profits from the Annual Conference and a year-end net balance carryover to balance the budget.

Question: *How did the structural deficit happen?*

Answer: For many, many years CALAFCO's member LAFCo dues have not covered the operational costs of the organization. Overall, the cost of doing business is increasing and we are not accounting for the additional inflow of sustainable revenue to keep up with rising costs and expansion of services. As a result, the deficit grows.

Question: *How has CALAFCO been able to sustain itself if the structural deficit has been ongoing?*

Answer: In previous years, the organization relied on Fund Reserves and Conference net profit. Recently we have been using Conference net profits and end-of-year savings (net balance) to avoid having to use reserves. However, for FY 2018-19, the Board adopted an unbalanced budget, relying on Fund Reserves for the first time in a long time.

As recently as FY 2004-05 the organization ended the year with a deficit. The dues restructuring beginning FY 2005-06 helped close a portion of the structural deficit. The Board has been successful over the past 12 years in building a healthy Fund Reserve. Today the Fund Reserve balance is \$162,754, which represents approximately 60% of the operating costs of the organization. Some years CALAFCO has a strong net profit on the Conference, which sustains the budget for a few years. Further, CALAFCO has been budgeting a Conference net profit much higher than policy calls for in order to balance the budget. Last year we did not meet that target and this year our Annual Conference was at one time in jeopardy of happening due to the fires in the area.

Question: *How was the cost sharing solution and dues increase developed?*

Answer: In October 2016 the Board formed an ad hoc finance committee (with equitable regional representation as well as urban-suburban-rural representatives). After 15 months of work the committee made recommendations to the Board at the recent strategic planning workshop. To close the structural deficit short-term, the committee provided the Board four (4) options. In addition, CALAFCO has been reducing costs with minimal to no impact to the level of service being provided wherever possible. After lengthy consideration, the Board unanimously approved a hybrid of one of the options. The approved option calls for a 16.25% increase from member LAFCOs and the other portion of the deficit to be filled using net profits from the 2018 Annual Conference. These profits would have otherwise been budgeted for transfer to the Reserve Fund and/or used for special projects for the association.

As the cost-sharing strategy is a one-year only solution, the Board instructed the ad hoc committee to work on a long-term solution that calls for a revision of the current dues structure.

Question: *What is the current dues structure based on and will that change?*

Answer: The current dues structure is codified in the CALAFCO Bylaws and was approved by the membership in 2006. It is based on the county population categories by the California State Association of Counties (CSAC) as urban, suburban and rural. As stated above, the ad hoc committee is working on a new dues structure that goes beyond the current three (3) categories. It is anticipated the new structure will have more categories and will create greater equity in terms of the categories and their associated populations. The financial situation was discussed at the 2018 Annual Conference and in response to information gathered from the membership at the regional roundtables, the Board is intent on presenting all member LAFCOs with a sustainable and equitable solution.

At its May 10 meeting the Board plans to review and discuss this new draft structure, then distribute the draft recommended dues structure to the membership with ample time for review and discussion before the Annual Membership Business Meeting on October 31, 2019. If approved at this Annual Business Meeting, the new dues structure would take effect FY 2020-21 and serve to finally close the structural deficit.

As directed by the Board, the baseline for the new dues structure will be the current FY 2018-19 dues amount. What this means for you is the lower amount of what your LAFCo is paying now (versus what you will pay in FY 2019-20) will be the minimum baseline for calculating the new dues.

Question: *How do we know there will not be more dues increases in the future?*

Answer: Of course no one can predict the future economy. The goal of the Board is to permanently close the structural deficit and it believes this two-part strategy will accomplish that. Further, setting sights into the future, the hope is eventually there is enough sustainable revenue to again increase member services.

Question: *Who can I talk to if I have questions?*

Answer: If you have questions you are encouraged to contact Pamela Miller, CALAFCO's Executive Director at pmiller@calafco.org or 916-442-6536. You can also contact the CALAFCO Board Chair Josh Susman at jsusman@calafco.org. You are highly encouraged to reach out to any of your regional Board members. All of their names and contact information can be found on the CALAFCO website at www.calafco.org.

CALAFCO LAFCo Dues FY 2019-2020

As adopted by the Board March 1, 2019

| County | DOF Population Jan 2018 | Category | 2016-2017 Dues | 7.0% Increase | 2017-2018 Dues | 2.9% Increase | 2018-2019 Dues | 16.25% Increase | 2019-2020 Dues |
|-----------------|-------------------------------|----------|-------------------|------------------|-------------------|------------------|-------------------|--------------------|-------------------|
| ALAMEDA | 1,660,202 | Urban | 8,107 | 567 | 8,674 | 252 | 8,926 | 1,450 | 10,376 |
| ALPINE | 1,154 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| AMADOR | 38,094 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| BUTTE | 227,621 | Suburban | 2,548 | 178 | 2,726 | 79 | 2,805 | 456 | 3,261 |
| CALAVERAS | 45,157 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| COLUSA | 22,098 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| CONTRA COSTA | 1,149,363 | Urban | 8,107 | 567 | 8,674 | 252 | 8,926 | 1,450 | 10,376 |
| DEL NORTE | 27,221 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| EL DORADO | 188,399 | Suburban | 2,548 | 178 | 2,726 | 79 | 2,805 | 456 | 3,261 |
| FRESNO | 1,007,229 | Urban | 7,163 | 501 | 7,664 | 222 | 7,887 | 1,282 | 9,169 |
| GLENN | 28,796 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| HUMBOLDT | 136,002 | Suburban | 2,548 | 178 | 2,726 | 79 | 2,805 | 456 | 3,261 |
| IMPERIAL | 190,624 | Suburban | 2,548 | 178 | 2,726 | 79 | 2,805 | 456 | 3,261 |
| INYO | 18,577 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| KERN | 905,801 | Urban | 6,105 | 427 | 6,532 | 189 | 6,722 | 1,092 | 7,814 |
| KINGS | 151,662 | Suburban | 2,548 | 178 | 2,726 | 79 | 2,805 | 456 | 3,261 |
| LAKE | 65,081 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| LASSEN | 30,911 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| LOS ANGELES | 10,283,729 | Urban | 8,107 | 567 | 8,674 | 252 | 8,926 | 1,450 | 10,376 |
| MADERA | 158,894 | Suburban | 2,548 | 178 | 2,726 | 79 | 2,805 | 456 | 3,261 |
| MARIN | 263,886 | Suburban | 2,548 | 178 | 2,726 | 79 | 2,805 | 456 | 3,261 |
| MARIPOSA | 18,129 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| MENDOCINO | 89,299 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| MERCED | 279,977 | Suburban | 2,548 | 178 | 2,726 | 79 | 2,805 | 456 | 3,261 |
| MODOC | 9,612 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| MONO | 13,822 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| MONTEREY | 443,281 | Suburban | 3,446 | 241 | 3,687 | 107 | 3,794 | 617 | 4,411 |
| NAPA | 141,294 | Suburban | 2,548 | 178 | 2,726 | 79 | 2,805 | 456 | 3,261 |
| NEVADA | 99,155 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| ORANGE | 3,221,103 | Urban | 8,107 | 567 | 8,674 | 252 | 8,926 | 1,450 | 10,376 |
| PLACER | 389,532 | Suburban | 2,548 | 178 | 2,726 | 79 | 2,805 | 456 | 3,261 |
| PLUMAS | 19,773 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| RIVERSIDE | 2,415,955 | Urban | 8,107 | 567 | 8,674 | 252 | 8,926 | 1,450 | 10,376 |
| SACRAMENTO | 1,529,501 | Urban | 8,107 | 567 | 8,674 | 252 | 8,926 | 1,450 | 10,376 |
| SAN BENITO | 57,088 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| SAN BERNARDINO | 2,174,938 | Urban | 8,107 | 567 | 8,674 | 252 | 8,926 | 1,450 | 10,376 |
| SAN DIEGO | 3,337,456 | Urban | 8,107 | 567 | 8,674 | 252 | 8,926 | 1,450 | 10,376 |
| SAN FRANCISCO | 883,963 | Urban | 6,481 | 454 | 6,935 | 201 | 7,136 | 1,160 | 8,296 |
| SAN JOAQUIN | 758,744 | Suburban | 5,297 | 371 | 5,668 | 164 | 5,832 | 948 | 6,780 |
| SAN LUIS OBISPO | 280,101 | Suburban | 2,548 | 178 | 2,726 | 79 | 2,805 | 456 | 3,261 |
| SAN MATEO | 774,155 | Urban | 5,864 | 410 | 6,274 | 182 | 6,456 | 1,049 | 7,505 |
| SANTA BARBARA | 453,457 | Suburban | 3,399 | 238 | 3,637 | 105 | 3,742 | 608 | 4,350 |
| SANTA CLARA | 1,956,598 | Urban | 8,107 | 567 | 8,674 | 252 | 8,926 | 1,450 | 10,376 |
| SANTA CRUZ | 276,864 | Suburban | 2,548 | 178 | 2,726 | 79 | 2,805 | 456 | 3,261 |
| SHASTA | 178,271 | Suburban | 2,548 | 178 | 2,726 | 79 | 2,805 | 456 | 3,261 |
| SIERRA | 3,207 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| SISKIYOU | 44,612 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| SOLANO | 439,793 | Suburban | 3,419 | 239 | 3,658 | 106 | 3,764 | 612 | 4,376 |
| SONOMA | 503,332 | Suburban | 3,879 | 272 | 4,151 | 120 | 4,271 | 694 | 4,965 |
| STANISLAUS | 555,624 | Suburban | 4,090 | 286 | 4,376 | 127 | 4,503 | 732 | 5,235 |
| SUTTER | 97,238 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| TEHAMA | 64,039 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| TRINITY | 13,635 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| TULARE | 475,834 | Suburban | 3,323 | 233 | 3,556 | 103 | 3,659 | 595 | 4,254 |
| TUOLUMNE | 54,740 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| VENTURA | 859,073 | Urban | 6,591 | 461 | 7,052 | 205 | 7,257 | 1,179 | 8,436 |
| YOLO | 221,270 | Suburban | 2,548 | 178 | 2,726 | 79 | 2,805 | 456 | 3,261 |
| YUBA | 74,727 | Rural | 840 | 59 | 899 | 26 | 925 | 150 | 1,075 |
| TOTAL | 39,809,693 | | \$187,012 | \$13,091 | \$200,103 | \$5,803 | \$205,906 | \$33,452 | \$239,358 |

DATE: March 20, 2019

TO: LAFCO Commissioners

FROM: Sara Lytle-Pinhey, Executive Officer

SUBJECT: **Availability of Support Documentation for Upcoming Application:
Whitmore Ranch Reorganization to the City of Ceres**

This memo is intended to inform the Commission of the availability of support documentation for an upcoming application known as the Whitmore Ranch Reorganization to the City of Ceres. A public hearing for this item will be held at the Commission's April 24, 2019 meeting.

Project Description

The City of Ceres has submitted an application to annex approximately 94 acres at the southeast corner of Whitmore Avenue and Moore Road within the City's Sphere of Influence. The reorganization is part of the Whitmore Ranch Specific Plan which proposes a mix of residential and open space uses adjacent to existing school sites. As part of the request, the project area will detach from the Ceres Fire Protection District.

Review Documents

In order to allow ample time for review, the following documents are available on the Public Notice section of our website (<http://www.stanislauslafco.org/info/PublicNotices.htm>):

- [Annexation Application and Attachments:](#)
 - Map and Legal Description
 - Plan for Services
 - Plan for Agricultural Preservation
 - City Resolution
- [Whitmore Ranch Specific Plan](#)
- [Whitmore Ranch Financing Plan](#)
- [Draft Environmental Impact Report](#)
- [Final Environmental Impact Report](#)

Please review the documents as they will be referenced in the April 24th staff report. Should you have any questions regarding this information, please contact the office at 525-7660.

CORRESPONDENCE – IN THE NEWS

Newspaper Articles

- The Oakdale Leader, January 16, 2019, "Consolidated Fire taps Whorton as new chief"
- The Ceres Courier, January 23, 2019, "City buys more land for new interchange."
- The Oakdale Leader, January 30, 2019, "City Council approves six-month fire extensions."
- Patterson Irrigator, January 31, 2019, "Retail center project approved on Sperry at Baldwin Road."
- West Side Index, January 31, 2019, "Ambulance future: All option on table."
- The Ceres Courier, January 31, 2019, "Building Permit issued for Walmart Supercenter - Finally."
- The Modesto Bee, February 1, 2019, "Stanislaus Consolidated reels from money, staffing problems. Oakdale wants changes."
- The Modesto Bee, February 5, 2019, "Lawsuits from Central Valley, Bay Area keep state 'water grab' tied up in courts."
- The Modesto Bee, February 7, 2019, "Stanislaus County shakes up emergency response system to get to patients faster."
- The Modesto Bee, February 7, 2019, "More sidewalks and bike paths are coming to one of Modesto's low-income neighborhoods."
- West Side Index, February 7, 2019, "City expedites well project."
- West Side Index, February 7, 2019, "Ambulance board okays short-term AMR contract."
- Patterson Irrigator, February 7, 2019, "Farm bureau sues to block flows plan for lower San Joaquin River."
- The Modesto Bee, February 11, 2019, "Like Riverbank's Crossroads? A companion development with stores, housing is planned."
- The Modesto Bee, February 17, 2019, "Federal commission accepts MID, TID plan for river flows. Will state water board agree?"
- The Modesto Bee, February 18, 2019, "Riverbank's Crossroads West plans move forward, developers promise modern amenities."
- The Oakdale Leader, March 6, 2019, "Riverbank native takes Fire Chief position."

- The Modesto Bee, March 6, 2019, "Wood Colony residents tell Modesto: Don't include us in your future plans."
- The Ceres Courier, March 6, 2019, "Council likes strategic plan, only updated."
- The Ceres Courier, March 6, 2019, "TID busy fighting water grab, re-licensing."
- The Patterson Irrigator, March 7, 2019, "Development to spill over to South side of Sperry at Rogers Road."
- West Side Index, March 14, 2019, "West Side ag faces ongoing challenges."

Consolidated Fire Taps Whorton As New Chief

The Stanislaus Consolidated Fire Protection District has a new chief.

Word began circulating on social media over the weekend that a Riverbank firefighter had been chosen for the position.

"Your Stanislaus Consolidated Firefighters would like to congratulate our member, Mike Whorton, who has been promoted to Fire Chief of Stanislaus Consolidated. We wish you great things on this advancement and look forward to working with you to move our Department forward," was the message posted on the Firefighters Union Local #3399 Facebook page.

The appointment of Whorton was confirmed by the District's Public Information Officer, Captain Buck Condit, on Monday afternoon, Jan. 14. Condit said there would be a formal swearing in ceremony at a later date, either at the next regular meeting of the fire board or possibly at a special meeting.

Whorton was named to the post at the board's Thursday, Jan. 10 session.

He started his career in 1990 at the Riverbank Fire Department and stayed with the department following the consolidation process in 1995.

"I've worked with Mike since 1995," Condit said, adding that not only is he a firefighter but he is also involved with the community and active in supporting local youth sports.

He previously worked as an EMT on the Oak Valley Ambulance, served as the county's fire investigator from 2004 to 2006 and also has a military background, having been in the U.S. Marine Corps from 1987 to 1993.

"He has a broad-based knowledge of the fire service here in Stanislaus County," said Condit.

Whorton will be based out of the District headquarters, next to the Riverbank Fire Station No. 26 on Topeka Street. The Consolidated Fire Protection District now includes nine stations, two in Oakdale, one in Riverbank, Knights Ferry, Valley Home, the Airport District in Modesto, Empire, The Fruityard, Waterford and also has a unmanned station in La Grange.

Major industries within the Consolidated District's jurisdiction include E & J Gallo Winery, the Beard Industrial District, Oak Valley Hospital and the Riverbank Army Ammunition Plant.

The District provides both fire and emergency medical services for 523 square miles.

Among other interests in the Riverbank area, Whorton is also the owner of the Pizza Plus restaurant on Santa Fe Street in downtown Riverbank, just a block over from the firehouse.

IN THE NEWS – The Ceres Courier, January 23, 2019

CITY BUYS MORE LAND FOR NEW INTERCHANGE

• INTERCHANGE IS ABOUT TWO YEARS FROM CONSTRUCTION

By Jeff Benziger

Another piece of property needed for the right-of-way for a new interchange at Service/Mitchell Road was approved for purchase last week by the Ceres City Council.

The city is paying \$308,000 for the less than half-acre at 3824 El Camino Avenue. The property is located north of Service and west of Evalee Lane.

Since 1997 the city has been planning to build a new interchange that improves circulation between Highway 99 and Service and Mitchell roads. Currently there is no connection with the freeway at Service Road.

City officials are hopeful that the new Service/Mitchell/Highway 99 interchange is started the summer of 2021 and completed by 2023 or 2024. The project will include one of California's first "diverging diamond" designs.

The project, which is listed on Caltrans website as costing \$133.5 million, will impact El Camino Avenue between Don Pedro and Service roads, said Ceres City Manager Toby Wells. Measure L will kick in \$31.1 million while public facility fees another \$96.7 million. Redevelopment bond proceeds will chip in another \$5.7 million.

"El Camino will be eliminated between those two stretches," said Wells. "Those properties that front El Camino will all be directly impacted. North of Don Pedro it's more of a sliver, meaning the roadway, for the most part, will be within the right-of-way."

The city has been slowly buying properties on El Camino for project right-of-way. One of the biggest purchases was for the Holy Apostolic Catholic Assyrian Church of the East, 3900 Brickit Court, for \$1.2 million in 2017. Wells said the city is leasing the church to the congregation for \$1 until it needs to be razed for interchange construction.

About six more parcels are needed to be snatched up.

Wells said that the bulb of Brickit Court will stay intact but access will come off of Don Pedro instead El Camino. The plan is to build a road south to Brickit Court from Don Pedro along the western boundary of the proposed Mitchell Ranch Shopping Center.

Also to be impacted on Brickit Court is Nelson & Sons Electric.

Maps and project information are available at the Ceres Library, 2250 Magnolia, or online at <http://www.dot.ca.gov/d10/x-project-sr99mitchell.html>

The city had only two design concepts deemed feasible, however the other one did not significantly change the current conflict with traffic moving on the southbound freeway off-ramp at Mitchell Road with cross traffic coming onto the southbound 99 on-ramp. It also did nothing to improve circulation to west of the freeway, said Wells.

The diverging diamond concept is unique but not new in the country. Its popularity is growing because of its safety factor. In a traditional interchange there are 26 points of conflict with only 14 with the diverging diamond. The design significantly reduces both the number and severity of accidents because of slower speeds and reduced chance for broadside crashes.

IN THE NEWS – The Ceres Courier, January 23, 2019 (continued)

The nearest diverging diamond is operational near the Reno Airport south of I-80 and off of 580. One is being evaluating for Union Road in Manteca, which Wells called simpler than the more complex one for Ceres because of the railroad configuration. Wells said the design makes sense because of the constraints of land and land uses.

Ceres officials prefer the diverging diamond design as the best to handle traffic volumes into 2040. That's why triple left-hand turn lanes are being designed for the intersection of Service and Mitchell roads. That equates to five or six times to movement potential than exists today. The design also takes into consideration the limitations caused by the railroad tracks that run parallel just to the west of 99.

Wells said the diverging diamond design will allow full freeway access at Service Road.

"One of the key things that it does is provide us that direct access to west of 99," he said.

Motorists will be able to get on and off the freeway in all directions at Service Road. That's important because of the regional commercial uses that are being designed into Ceres' new General Plan.

The new interchange will also eliminate the current route motorists exit southbound 99 at Mitchell Road. The current southbound off-ramp and southbound on-ramps cross each other, forcing drivers coming off the southbound freeway to stop and wait for a clearance in southbound Mitchell Road traffic streaming onto the on-ramp. Under the new design, the only freeway access at Mitchell Road to remain would be the southbound on-ramp and the northbound freeway on-ramp.

The diamond design concept is well explained in several Youtube.com videos. Normally a vehicle traveling over a freeway overpass would be on the right side of the structure. The diverging diamond flips that pattern, mostly because it allows for less traffic conflicts, better and increased traffic flows and better access to the freeway. Proper signage is a "critical component" in keeping motorists from becoming confused about movement, said Wells.

Diverging diamond interchanges have worked successfully in more than 50 locations in Colorado, Missouri, Florida, Minnesota, Wyoming, Nevada, Idaho, Texas, Utah, Kansas, Pennsylvania, Mississippi, Tennessee, Ohio, New York, Georgia and other states. Europe has used the design for about 40 years, said Wells.

The interchange design is key for the development of the area along Mitchell Road near Highway 99. The Mitchell Road Shopping Center with the Walmart Supercenter has been approved north of Service Road and development is expected soon for the triangle Gateway piece to the south.

The city has been planning a new Service/Mitchell/99 interchange since 1997. The original design called for couplets – where Mitchell Road was southbound and Moore Road was the northbound movement – but it was scrapped for an expensive 2002 design plan which Caltrans ultimately rejected in 2009. The city dusted off the interchange project in 2011 and consulted Caltrans about better designs.

City Council Approves Six-Month Fire Extension

Frustrated by what they felt were troubling examples of disrespect on the part of Stanislaus Consolidated Fire Protection District (SCFPD), Oakdale City Council members discussed the decision to either cut ties or renegotiate the terms of their fire service agreement at the Tuesday, Jan. 22 meeting.

While the vision for the merger of Oakdale City Fire and SCFPD may have been rooted in good intentions, the actual picture has been less than rosy, according to concerns brought to the table by Oakdale City Manager Bryan Whitemyer.

The most alarming — said Whitemyer — were financial in nature but were not limited to:

- Fire administration staff
- Budget oversight and financial management
- Lack of transparency during fire chief employment and approval process
- Late financial audit and issues with financial controls
- Concerns with Employee Memorandums of Understanding (MOU)
- Weed Abatement Services — firefighter internship program — administrative overhead charges

“A draft SCFPD 2016-17 Annual Audit Management Letter indicates that the auditor found 12 findings where additional financial controls were needed. The auditor also made 17 other recommendations, which should be cause for concern,” Whitemyer said in his presentation, adding that within his own audit process, usually discovering one finding was cause for disappointment but 12 to 17 was unthinkable.

“The City of Oakdale is concerned because it appears that these normal best management reviews are not a priority for SCFPD,” Whitemyer said. He also added, it does not appear that SCFPD has begun their FY 2017-2018 audit.

Further lending to the discontent between agencies, when Oakdale City staff members have expressed their concerns to SCFPD regarding certain employee issues pertaining to sick leave accruals, vacation cards and overtime hours, these concerns have been summarily ignored but Oakdale has been forced to watch the SCFPD budget bloat as a result.

As an example, Whitemyer provided the council with the following, “The SCFPD December 2018 Budget Report shows that overtime expenditures are over budget by \$631,061.34 or 1,012 percent, even though we are only 50 percent through the year.”

Currently, SCFPD is on track to spend \$2 million more than budgeted for FY 2018-19.

SCFPD agreed to take on weed abatement for the City of Oakdale but citing lack of staff, they backed out, forcing Oakdale to take on those duties when essentially, Oakdale paid SCFPD for the job.

SCFPD was also supposed to be providing firefighter interns to the City of Oakdale, which they have not.

The turmoil within SCFPD’s administrative branch hasn’t done them any favors either.

With fire chiefs coming and going — either resigning or getting the boot within very short time frames — maintaining any semblance of consistency has been a challenge.

IN THE NEWS – Oakdale Leader, January 30, 2019 (Continued Page 2)

Prior to the recent hire of SCFPD Fire Chief Michael Whorton, the district was without a fire chief for the last 14 months, which created troubling questions for Oakdale, Whitemyer said.

But even the selection process of the fire chief created more bad blood between the two agencies as Oakdale felt they weren't given a seat at the table.

"City staff was forced to hurriedly review the agreement and discovered language that caused concern," Whitemyer said. "This concern was shared with the SCFPD Board and a request was made to continue the item to future meetings so that these concerns could be discussed and addressed. The Board didn't respect the request of its partner agency and approved the agreement despite their concerns. This was an extremely important decision that appears to have been rushed by the SCFPD board. This lack of transparency is very concerning and not appreciated."

While the emotional response to being disrespected was easy — pull up stakes and leave — Whitemyer cautioned that it was important to proceed with a level head so that the best decision possible for the firefighters and the city could be made. A sentiment Mayor J.R. McCarty echoed when he said, "We want to keep those jobs ... the City of Oakdale is happy with the service that we have, we just need to rearrange the administration part and management part..."

Basically, after much discussion it boiled down to two options:

- Extend the current Fire Services Agreement for a defined period with certain amendments; or
- Cut ties with SCFPD and resurrect the Oakdale City Fire Department until such time that a regional fire department could be entertained.

Either decision would be a big one for the City of Oakdale with lasting ramifications but council members, particularly Rich Murdoch, seemed sure that this was the right decision.

"This was the right idea in 2014 but the details that went with it were the wrong details," Murdoch said. "We don't have any voting rights, we don't have any part of decision-making. I think there's been a lack of transparency, a lack of respect in the way some of their dealings with the City of Oakdale and I think we're talking about a No Confidence vote with management. One thing I'm not in favor of ... is keeping things the way that it is ... if we didn't make a change it would just burn itself out."

Councilmember Christopher Smith agreed with Murdoch, citing historical financial and administrative problems on behalf of SCFPD, saying, "I see this burning out like a campfire."

While Murdoch was in favor of pulling up stakes completely, Whitemyer and Councilwoman Cherilyn Bairos wanted to give SCFPD and newly hired fire chief Whorton the chance to right the sinking ship.

"We don't want to dissociate, we just can't continue to operate how things are being operated," Whitemyer said.

Murdoch disagreed. "This is not going to work. I'm not in favor of any fixes ... we're prolonging the agony. This is ripping the Band-Aid off the slow way."

However, using the city of Los Angeles as an example, Mayor McCarty said, "A regional fire department is the best thing for Oakdale" and Murdoch didn't disagree but pointed out that a regional fire department was more of a long-term goal rather than a short-term solution at this point.

Council passed a motion 4-1, with Bairos being the lone dissenting vote, to extend an amended six-month agreement with SCFPD with an answer deadline of Feb. 15. In the event SCFPD declines Oakdale's offer, the city is prepared to go full-throttle with the plan to resurrect the currently defunct Oakdale City Fire Department, which will require the hiring of multiple fire personnel.

The next City Council meeting is slated for Feb. 4 at Council Chambers.

Retail center project approved on Sperry at Baldwin Road

The Planning Commission approved the paperwork necessary for a retail project to be located on the southwest corner of the Sperry Avenue-Baldwin Road intersection during its regular meeting last Thursday night. (The Patterson Gardens subdivision is located on the southeast corner.)

The project is the latest in a number of proposed developments on the west side of town. The city is also currently working on an approximately 1,200-acre annexation on the north side of Sperry Avenue, stretching out to Zacharias Road. Land uses for that area are expected to be a mix of residential and others, such as light industrial or commercial.

The latest project, Palms Plaza, covers approximately 12 acres, and will include 57,000 square feet of retail, and could include offices, as well. The plans call for eight retail buildings, and include at least one sit-down restaurant and a drive-through. A proposed hotel and event center to be located on the southern part was mentioned during the discussion, but is not part of the current project.

Retail spaces will ring the perimeter, and the project will include five driveways from Baldwin Road, Sperry Avenue and Calvinson Parkway; the latter to be located at Park Center Drive. The plans include 617 parking spaces, 12 of which will be ADA-compliant; three of those will be van-accessible. Bike racks will also be included.

Palm trees will be required on the northern and eastern side of the project, which will visually tie the project to the area. Shade trees will also be required on the perimeter and throughout the site. The project will also include pedestrian walkways.

As the project is located in a zone that requires building sizes of at least 15,000 square feet, part of the package the Planning Commission approved allows smaller building sizes to accommodate the anticipated suite sizes of 1,500 to 3,000 square feet. The minimum lot sizes will also be smaller than what the zoning requires, Rodriguez said.

Project engineer Max Garcia explained to the commission that because the project is still in the first stage; "some uses are still up in the air. The drive-through could be anything – it could be bank. Right now, the plan is conceptual. We will be working with city staff on the final design, but that's conceptually what you'll be seeing." Garcia was careful to point out that the project is subject to revision, as no tenants have yet been identified.

Urban Forest Master Plan

City of Patterson Management Analyst Maria Encinas and Urban Forestry Supervisor Jimmy Perez presented an updated Urban Forest Master Plan. The plan was funded by CalFire's greenhouse reduction fund, and covers "anything tree-related," Encinas said.

Perez said his department has four-and-a-half employees, who are responsible for 13,000 trees. "We handle pruning, take-down, chipping and planting," he said. There are two crews responsible for the maintenance route. The other two workers are responsible for emergency work. However, Perez said, "If we get a work order and deem the tree is safe, we will get to it with normal maintenance."

Though there are 160 unique species planted in town, many of them are Chinese pistache, which are easy to take care of. Perez said the goal is to "do everything on a five-to-seven-year cycle." What the maintenance crews have been doing has been well received, Perez said, "the guys came in today from the street they were working on, and people had been coming out and saying thank you, because they've been waiting," to have their trees trimmed.

IN THE NEWS – Patterson Irrigator, January 31, 2019 (Continued)

Encinas said that “every single time that we go to a tree, that tree gets inspected.” She added that the city had completed a full inventory of all of the trees in town in 2014.

Perez explained that his crews are now using a program called “Treekeeper,” which allows them to keep track of the work done; “the guys do it right from their phones.”

There are 800 Modesto ash trees in town, Perez said. “A lot in 2014 were mostly in fair condition; the ones that were in poor condition have been removed. A lot have declined significantly since the drought,” he said, and more are dying every year. “We’re going in with other big-leaf, deciduous trees; we won’t do entire neighborhood in same tree,” he said, in order to avoid the possibility of having all of the trees in a neighborhood wiped out by a disease.

One of the commissioners asked about cork oaks, such as those in the lot across from Mil’s Bar & Grill. There are oaks on the approved list, Perez said. However, they can be problematic because they get very large and can outgrow the space they’re planted in. “I like them a lot; I would love to see them go in a new park,” Perez said.

Perez also mentioned the wilt disease that has infected many trees on Sperry Avenue. “We’re trying to implement a small palm tree farm on the Waste Water Treatment Plant, so that we can transplant as needed,” he said, pointing out that palms have a life span of 80 to 100 years. “They’re getting old, but there’s not anything to say ‘this tree needs to come out right now.’ Wilt is soil-borne, so we may have to plant a different species. Date palm doesn’t get the wilt. We’re looking into a plan to replace the trees on East Las Palmas Avenue. A hundred yards past Hartley is County; we have to defer to them,” he said, adding that they’re looking into whether the county has a replacement plan.

Tree trimming

While city officials would prefer that citizens wait for tree trimming in their area, it is possible for homeowners to trim their own trees. An encroachment permit is required, and a licensed contractor must do the work.

Ambulance future: All options on table

The ambulance board sub-committee delving into options for the future of West Side Community Ambulance is drawing on a wealth of experience and expertise, according to board President Dennis Brazil.

Brazil, who with fellow board member David Varnell sits on the committee, told Mattos Newspapers last week that all options remain on the table for consideration.....a number of alternatives that has since grown to four.

In addition to weighing the prospects for contracting with an outside firm for management or returning to an in-house management structure, Brazil said, the committee is also looking into the possibility of having an outside agency take over the operation altogether. That would be along the lines of a proposal put forth by American Medical Response, the company which now manages West Side, last fall.

The committee, which in coming weeks will make a recommendation to the full ambulance board, is also considering whether the best course of action is to simply cease operations.

"In these (weekly) meetings, we are going over every possible scenario we can come up with. There are really four options," Brazil stated. "The concept of closing the doors should be a last resort."

The options will begin to sort themselves out as the committee does its work, he told Mattos Newspapers.

The ambulance service has not fared well with outside management firms.

Twice in recent years West Side Community Healthcare District, which operates the taxpayer-supported ambulance, has turned to outside agencies for management only to see those companies - most recently AMR - declare the management contracts infeasible a short time later.

The option put forth by AMR was to absorb most of the West Side operation, other than collection of operating and tax revenues. While an AMR official has told Mattos Newspapers that the firm's proposal remains on the table, Brazil said that from his perspective "it doesn't appear that AMR is really interested in taking the district over."

For many years, West Side Community Ambulance was managed in-house, while utilizing outside firms for services such as billing and accounting.

While struggles with that management structure led West Side to look to outside firms for management, Brazil said the information gathered by the committee to date suggests that may be the most viable option.

"A key factor in the dynamics is the day-to-day operations manager," he commented. "Being able to choose the right person is critical."

Having another provider assume the operation is on the table, Brazil said. But, he added, "I don't see that as an option right now unless something would drastically change."

Brazil said he is encouraged by the number of surrounding providers and those with expertise in the emergency medical services field who have stepped forward to help the ad hoc committee come up with a viable solution for the future of West Side.

"They have all come to help save West Side and put it back on its feet," he reflected. "Our communities and partners in this have reached out and offered to help from every avenue you can imagine."

IN THE NEWS – West Side Index, January 31, 2019 (Continued Page 2)

“This board, this district and the employees are turning 180 degrees to make this right. We want to get back to a (sound) business model and do what is right for this district,” Brazil stated. “Our job is to get this right.”

AMR has previously served notice that it was terminating its management contract with West Side at the end of January.

The firm has expressed a willingness to extend its services for three to six months, ambulance board members were advised last week, giving the committee time to complete its work and go through a transition period to whatever the future holds for West Side.

The board was scheduled to hold a special meeting earlier this week to consider approval of a contract extension with AMR.

IN THE NEWS – The Ceres Courier, January 31, 2019

BUILDING PERMIT ISSUED FOR WALMART SUPERCENTER – FINALLY

By Jeff Benziger

After 12 years of exhaustive environmental reviews and numerous legal roadblocks, Walmart representatives strolled into Ceres City Hall Thursday to pick up building permits for the Walmart Supercenter.

“They haven’t given us any dates on when they potentially want to start,” said Tom Westbrook, director of the city of Ceres’ Community Development Department. “They’re going to probably have a groundbreaking ceremony, I mean, gosh after 12 years of processing and lawsuits I’m sure they’re going to want to celebrate that fact.” Generally a big construction project will first require a permit for construction water to wet down the site before dirt is moved.

In March 2018 the company submitted building plans and filed an application for a building permit for construction of a new Walmart Supercenter – nearly 11 years after the project was originally proposed in 2007. The delays were caused by an opposition group which ultimately ran out the clock in their legal challenges.

Westbrook said Caltrans is expected to this week approve encroachment permits for two new temporary signal lights at the Mitchell/Highway 99 interchange necessary for the project.

“That’s the last thing they’re waiting for,” said Westbrook. “I think they’re supposed to have it this week.”

The temporary signals – to be installed at Walmart’s expense – will be placed where the southbound Highway 99 off-ramp meets the Mitchell Road on-ramp and on the northbound off-ramp at Mitchell Road. The temporary signals will be removed once the city builds a new interchange at Service Road and modifies the Mitchell Road interchange configuration.

Westbrook said the temporary signals will likely be in place for four or five years until the new interchange is finished in 2021 to 2023.

The Mitchell Ranch Shopping Center and anchor tenant of the Walmart Supercenter was delayed for over a decade because of legal challenges lodged by a group named “Citizens for Ceres.” The City Council approved the center in 2011 but the opposition group, led by Sherri Jacobson and attorney Bret Jolley, dragged a protracted fight through the environmental process and the Stanislaus County Superior Court.

Only the Supercenter itself is currently proposed for construction. Once construction starts, the 185,682-square-foot Supercenter could be open within nine months to a year, Westbrook estimated.

Besides the Walmart Supercenter, plans call for 10 other retail shops totaling 114,162 square feet, including three other major tenants and four smaller shops as well as a stand-alone retail building and two to three new restaurants.

The city expects the remainder of the center to develop as companies express interest in leases. Westbrook said he is unaware of any new interest in the center but in the past Applebee’s has expressed interest in locating in the center.

IN THE NEWS – The Ceres Courier, January 31, 2019 (continued)

Infrastructure for the shopping center will include transition lanes to turn in and out of the project along the eastern and southern boundaries. A new traffic signal light will be installed midblock on Mitchell Road between Don Pedro and Service roads, to allow safer entry into the center.

Once the Supercenter is constructed the current Walmart at Hatch and Mitchell will be closed and marketed for another use. City officials expect the building to be offered for non-competing businesses, possibly split into two or more spaces.

Owners of adjacent empty parcels have been anxiously awaiting the development of Mitchell Ranch since it will serve as a magnet for development of their properties. Westbrook said there is renewed interest to develop the Gateway Center, which is the triangle piece of ground sandwiched between Service and Mitchell roads and Highway 99. The commercial center, as proposed by Ralph Ogden & Associates, was approved in 2008. At that time it included a three-story Hampton Inn & Suites and a tentative parcel map to split 16 acres into nine parcels for six buildings totaling 25,955 square feet. Uses were to include a restaurant, retail space and gas mart. However, the project was halted upon the heels of the recession. With the change of the market, Westbrook is uncertain if hotels are a part of the concept.

Sam Khacho, owner of 10 acres on the east side of Mitchell Road near Rhode Road, has been watching for Walmart to become a reality "before they really start moving forward," said Westbrook.

Stanislaus Consolidated reels from money, staffing problems. Oakdale wants changes

By Ken Carlson

The city of Oakdale, and the rural fire district for the surrounding area, are seeking major changes in their agreements with Stanislaus Consolidated Fire Protection District, after citing the district's financial situation and the cost ramifications of a labor contract with Consolidated firefighters.

Oakdale and Oakdale Fire Protection District each are asking for a six-month extension on their respective fire service agreements with Stanislaus Consolidated, which expire June 30. The extensions would mainly allow time for exploring a joint powers authority.

Under one option, a JPA composed of the city, Oakdale fire and Stanislaus Consolidated could be created, giving the Oakdale agencies seats on the board and authority to vote on administrative decisions, budget approvals and labor contracts.

Right now, Oakdale leaders complain they have no say in budget decisions, labor and management issues that affect the city.

Faced with their own budget challenges more than five years ago, the city and Oakdale fire district sought a service agreement with Stanislaus Consolidated to provide fire protection in the city, Valley Home, Knights Ferry and other rural areas in eastern Stanislaus County.

This past week, the city and Oakdale district told Stanislaus Consolidated they would like an extension on their agreements subject to eight conditions, including:

- hiring an outside firm to assess the fiscal health of Stanislaus Consolidated;

- getting the city and Oakdale fire district involved with ratifying any new contract with unionized employees;

- supporting more interns to increase personnel at fire stations;

- ensuring that administrative staff are available for serving the two agencies.

The city and Oakdale fire district asked Consolidated either to accept or reject the conditions by Feb. 15. Consolidated board members hashed over the conditions at a special meeting Thursday evening, discussing each item with Oakdale officials in the audience.

Board Chairwoman Susan Zanker said the recent requests from Oakdale had prompted board members to start researching fire service JPAs like those in San Mateo County and Los Angeles. Zanker was not sure if Consolidated could commit to the JPA concept by mid-February.

Exploratory work on JPAs can take years, costing hundreds of thousands of dollars, Zanker noted.

In the event Stanislaus Consolidated is not able to live with terms of the six-month extensions, Oakdale could start a process of hiring back Oakdale firefighters who joined Consolidated in 2014. Nine fire personnel from the city and nine from the Oakdale rural district switched over to Consolidated five years ago and three were added to bolster the force in the Oakdale area.

The stakes are high for the three entities. Oakdale expects to spend \$2.4 million for the fire service this year, while its agreement with Consolidated requires Oakdale fire district to shell out \$2 million annually.

Oakdale City Manager Bryan Whitemyer outlined the city's concerns at the City Council meeting Jan. 22. He said Consolidated is projected to run a \$500,000 deficit in the fiscal year beginning July 1 and could overspend this year's budget by \$2 million.

Whitemyer put a line graph on the screen, showing a steady decline in the district's fund balance from \$9.47 million in 2014-15 to \$5 million in 2017-18 and a projected \$4 million this year.

The city again cited a lack of administrative leadership at Consolidated, with the district parting ways with four chiefs in 5 1/2 years, leaving the top administrative post vacant for 34 months. City leaders complained they weren't able to review the employment contract with the newest chief, Michael Whorton, who was promoted in January.

Turnover in other administrative positions has raised questions about human resources, fiscal oversight and risk management responsibilities. Other concerns are a labor contract, which awarded cost-of-living increases of 3 percent annually, and a benefit that allows Consolidated employees to accrue sick leave at twice the rate of other fire agencies in the county, the city said.

The unlimited sick leave accumulated by firefighters is a big liability in the event that multiple employees cash out at the same time, Whitemyer warned. He also cited a midyear report showing overtime costs at \$630,000 above budget this year. Tighter rules on employees taking vacation at the same time could reduce those overtime costs, the city manager suggested.

Oakdale leaders still think it's better for the city and Consolidated to work together on fire service, but "if we don't have a seat at the table it is not going to work," Councilman Richard Murdoch said at the June 22 meeting.

Vincent Victorine, a board member for Oakdale fire district, said the agency is beginning a study on the feasibility of a joint powers authority. Various proposals offered by Whitemyer, in a December letter to Consolidated, suggested a simple JPA including the city, Oakdale rural fire and Consolidated.

That arrangement could evolve with an agreement in which Modesto Fire Department handles administrative and management services for the JPA. Another possibility is Modesto, the Oakdale agencies and Consolidated combining in a JPA, with each partner provided seats on the board.

So far, officials from Oakdale and Consolidated have been involved with discussions. Stanislaus County, which appoints three members of the Stanislaus Consolidated board, has been stand-offish about getting deeper into fire service. The other two Consolidated board members are appointed by Riverbank and Waterford.

Consolidated officials said Thursday a JPA was considered before the 2014 agreement with Oakdale was approved and that structure was deemed not in the city's best interest.

Derek Nichols, president of the union representing Consolidated firefighters, said the labor contract with firefighters seems to become a target when the district comes under scrutiny.

Consolidated Board Member Dave Woods asked if the Oakdale fire district and the city were willing to take on part of a growing unfunded liability for employee pensions.

Lawsuits from Central Valley, Bay Area keep state 'water grab' tied up in courts

By Ken Carlson

An assortment of groups, from a leading farming organization to a water supplier for Silicon Valley, joined the legal fray in courts over the State Water Board decision in December to reduce water diversions for farms and cities from the Tuolumne, Stanislaus and Merced rivers.

Monday, the California Farm Bureau Federation said it filed a lawsuit in Sacramento Superior Court, charging the water board's plan misrepresents and underestimates the impacts on Central Valley agriculture, which is the lifeblood of local communities. The plan would require irrigation districts to leave 30 to 50 percent of watershed runoff in the rivers from February through June to push young salmon downstream to the San Joaquin-Sacramento delta and the ocean.

Lawsuits opposing the Dec. 12 decision were filed in early January on behalf of Modesto, Turlock, Oakdale, Merced and South San Joaquin irrigation districts. The Farm Bureau, with 36,000 members in California, filed its own suit because many of its members outside those water districts are affected by the state board decision, a spokesman said.

The suit charges that the Bay-Delta water quality plan for the lower San Joaquin River and its tributaries violates the California Environmental Quality Act because the economic losses and community impacts are "insufficiently analyzed, insufficiently avoided and insufficiently mitigated."

Jim Houston, the Farm Bureau's manager of government and legal affairs, said the state's environmental review also failed to consider impacts related to California's Sustainable Groundwater Management Act. After irrigation deliveries are cut, farmers will desperately turn to groundwater pumping to keep their trees alive, but are certain to run into SGMA restrictions.

According to the Farm Bureau, the state board brushed off the warnings of damage to the ag industry and approved a salmon restoration plan that simply entails letting more water flow in rivers. A different approach, including well-timed water releases and lower water temperatures during spawning, food supply and habitat projects, and efforts to control predation of juvenile salmon, is a better solution for fish and people, the Farm Bureau contended.

The emotions leading up to the Dec. 12 decision — and the legal action that's followed — have touched off debate on what exactly could restore a severely impaired delta estuary and depleted salmon populations and what it will cost for Central Valley communities, Bay Area water customers and Southern California interests that rely on the delta.

In updating the Bay-Delta water quality plan, the State Water Board is expected to balance the needs of cities, industry, recreation, agriculture and wildlife. A 2010 state report, often cited by environmentalists, said 60 percent of unimpaired flow from the San Joaquin and its branches were desirable for creating natural conditions for native fish species in the estuary, which mainly consists of man-made channels and diked farmland.

As a regulatory agency, the state water board is obligated to harmonize the competing interests that receive Northern California water that's transported through the delta by the state and federal water projects. Near the end of the Dec. 12 meeting in Sacramento, the board members agreed to delay the next step in the process until March, which allowed more time for voluntary settlement talks between state Department of Natural Resources staff and local irrigation districts.

Those talks have focused on a \$1.7 billion plan, unveiled at the Dec. 12 hearing, for supporting salmon and refreshing the delta with 700,000 acre feet of water from the Sacramento and San Joaquin river systems.

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The State Water Board decision also is opposed by the San Francisco Public Utilities Commission, which is supporting litigation to protect its Tuolumne River supplies in Hetch Hetchy Reservoir, the source of deliveries for 2.7 million Bay Area water customers.

Also challenging the plan is the Santa Clara Valley Water District. Its lawsuit in mid-January attacks the state's environmental review for not accounting for depletion of groundwater in Santa Clara County. About 15 percent of water from Silicon Valley cities like San Jose, Palo Alto and Mountain View comes from the San Francisco PUC.

The Santa Clara water agency agreed with San Francisco and the Central Valley plaintiffs that there are more effective solutions for increasing the salmon population.

"We respect the state's efforts in the last few years to address the issue of fish decline," said board chair Linda LeZotte of the Santa Clara district, in a news release announcing the suit. "We hope the courts can help us all arrive at a balanced decision that benefits the delta and doesn't leave the Silicon Valley high and dry."

The delta plan also drew a Jan. 25 lawsuit from a coalition that wants to save the historic migrations of chinook salmon in the rivers.

The Pacific Coast Federation of Fishermen's Associations charged the plan has insufficient flows for protecting imperiled salmon and other species in the delta. The coalition, including the North Coast Rivers Alliance and Winnemem Wintu Tribe, claims that numerous public trust resources, including fish, wildlife and recreation, will be adversely affected because the river flows were set below the 60 percent in the state's 2010 flow criteria report.

Berkeley attorney Stephan Volker, representing the coalition, said in an email Tuesday the proposed voluntary settlements don't come close to restoring the unimpaired flows recommended by the State Water Board's scientists.

A water board led by Chairwoman Felicia Marcus, a former lead attorney for the Natural Resources Defense Council, hasn't given Central Valley leaders much confidence of finding an acceptable middle ground.

MID and TID officials have assured that lawsuits can delay implementation of the Bay-Delta plan for years. The suit on behalf of TID claims the water board approved a different Bay-Delta plan than was analyzed in the environmental review. A plan that originally specified 40 percent unimpaired flows February through June later evolved to include "flow shaping" and "flow shifting" at different times of year, reservoir refill restrictions in dry years and minimum storage requirements.

Those additional elements are expected to wreak the most damage on the local economy and communities and were not adequately studied, according to Arthur Godwin, special counsel for TID. The district's suit also alleges the Bay-Delta plan violates state and federal due process laws; that is, water rights are property and property can't be taken away without due process.

In addition, TID also claims the board's environmental review was "unlawfully segmented" when the Bay-Delta plan was broken into two phases looking separately at the San Joaquin and Sacramento watersheds. Godwin cites scientific opinion affirming that the delta issues can't be resolved without contributions from both river systems.

Stanislaus County shakes up emergency response system to get to patients faster

By Ken Carlson

Stanislaus County will seek competitive proposals from ambulance providers for the county's exclusive response zones, and that could change the landscape of emergency medical response for years.

The ambulance company with the winning bid will be expected to partner with city and rural fire departments, which often arrive at the scenes of medical emergencies and start treatment for patients before an ambulance arrives.

Shorter response times and better patient outcomes are the goals of what officials are calling a high-performance, integrated response system, which places more emphasis on fire-service contributions and is similar to systems in San Mateo, Santa Barbara and other counties. The selected ambulance company will be expected to provide no-cost clinical training to fire agency personnel.

And the fire agencies will receive some dollars for first responder service.

County leaders decided three years ago to develop a more effective and sustainable EMS system. Last year, a one-year extension of five-year agreements with ground ambulance providers was approved to prepare for seeking proposals and the existing contracts were extended again to Oct. 31.

The Mountain-Valley Emergency Medical Services Agency, which regulates ambulance service in the county, expects to release a request for proposals this month and new agreements with ambulance providers will begin Jan. 1, 2020.

The competition could shake up the ambulance business, as American Medical Response for years has been the ambulance provider in the exclusive zones of Modesto-Salida-Empire, Ceres-Keyes and Turlock-Denair. Last year, talks with AMR reached an impasse over what the company said were unfair penalties for not meeting response time standards in the 2013 agreement.

AMR said it wasn't told until the final year of the five-year agreement the exclusive zones would be opened for competitive proposals from other companies.

AMR Spokesman Jason Sorrick said Wednesday the company will review the county's formal "RFP" when it's released and decide whether to compete for the new contract. The company had some concerns after seeing a draft of the county's request for contractors.

"There was no requirement that the selected bidder honor their current labor agreement" with employees, Sorrick said. The Sacramento-based spokesman suggested a competitor could low-ball the contract and then pay below-standard salaries and benefits to employees hired to serve the zones. If that were to happen, experienced paramedics and emergency medical technicians would leave the county for better pay, Sorrick said, noting there are 200 AMR employees in Stanislaus County.

If AMR is not awarded the contract, the new contractor will need employees to serve the areas, and displaced AMR staff would consider going to work for the new contractor, which may not match the pay and benefits of AMR. With paramedics in short supply nationwide, there are job opportunities elsewhere.

"It happened in Alameda County," Sorrick said. "What we read in the draft is that the provider pay reasonable wages and maintain the seniority of employees. AMR is one of the higher-paid workforces in that area and one of the few unionized employers there. We operate on a more expensive level than the non-union providers that may bid on these contracts."

The county's proposal for a more integrated system recognizes and seeks to strengthen the role of 16 fire agencies in the county. Most all of those agencies have firefighters trained as emergency medical technicians, whose scope of abilities has expanded.

Today, EMTs are trained in initial life-saving measures for people in cardiac arrest. They can administer Narcan to save a person from a drug overdose, provide other medication or insert an airway tube to maintain breathing.

Modesto Fire Department, which has more than 17,000 EMS calls a year, only hires EMT-certified firefighters and has paramedics on three engine companies, Chief Alan Ernst said this week.

"It seems to recognize the value of EMS response that fire departments have provided for years," Ernst said of the county's new system. "We deal mostly with AMR and have a good relationship. At the end of the day, we will be working with the provider that comes out of the process."

According to a county report, a system more integrated with fire service also recognizes that ambulance crews delivering patients are delayed at crowded hospitals and companies may have a difficult time staffing all units with paramedics.

Mountain-Valley, which regulates service in five exclusive zones and three non-exclusive areas, has agreements with ambulance providers including AMR, Oak Valley Hospital District, ProTransport-1, Patterson District Ambulance and Westside District Ambulance in Newman.

The city of Hughson, now in a nonexclusive zone, could be placed in a new exclusive operation area following a hearing Feb. 26.

Exclusive zones, in which one ambulance company serves the area, are meant to avoid confusion and crass competition for patients. Because of their association with special health care districts, the Oak Valley, Patterson and Westside ambulance services won't be part of the competitive process.

County supervisors gave the green light Tuesday for seeking proposals for exclusive zones.

Supervisor Jim DeMartini said his only concern is that smaller rural fire districts not spend time and resources responding to calls for minor injuries. Some rural districts operate on a shoestring and too many EMS calls would wear out their equipment.

Mike Passalacqua, chief of Woodland Avenue Fire Department, said 70 percent of the rural agency's responses are medical-related calls. With the county's new system, Woodland will spend more time at the scene and take on another role of deciding if Code 3 ambulance responses (lights and sirens) are changed to a less urgent response, possibly with the help of a dispatch center triage nurse.

The volunteer department has a nurse and staff trained as paramedics and EMTs, the chief said.

The new program will place an emphasis on training for firefighters using a manikin that's able to shed tears and register a blood pressure. The ambulance company chosen for exclusive zones will participate with the Mountain-Valley agency in a mobile training unit.

Fire departments entering a partnership agreement with an ambulance provider in an exclusive area will agree to: respond to life-threatening emergencies such as heart attacks or critical injuries; assess patients and begin treatment in the field; file electronic reports and commit to quality improvement.

For Code 3 calls, fire crews involved in private-public partnerships will be expected to arrive at the scene in 7 minutes. The plan sets a standard of 12 minutes for an advanced life-support ambulance in a partnership and 8 minutes for an ambulance without a private-public accord.

Fire agencies won't rake in big bucks from the arrangements. As compensation for fire departments, the county has proposed minimums of \$24 for life-threatening emergencies and \$13 to \$17 for lower-level EMS calls. An estimated total of \$700,000 could be paid to fire departments in the county annually. The source of the funds will be insurance or patient reimbursements to the ambulance provider; it won't come from local taxpayers.

A recent assessment of ambulance providers, by Mountain Valley and the county, revealed the financial challenges faced by ambulance providers. In 2016, Medicare, at 38 percent, and Medi-Cal, at 35 percent, were the most common source of payments for AMR, while private insurance represented 20 percent. Medi-Cal was almost 40 percent of the payor mix for Patterson District Ambulance.

Since approval of the Affordable Care Act, a large increase in people with Medicaid, called Medi-Cal in California, has created financial stress for ambulance providers because the payments of around \$130 per transport cover 25 percent of costs or less. Medicare payments are also below costs for ambulance service, the industry says, and patients with high-deductible health plans struggle to pay out of pocket when responsible for an ambulance service bill.

"You can expand Medi-Cal (eligibility), but the program doesn't pay the providers for services," Sorrick said. "The actual costs of a transport are paid by only 20 percent of patients charged for services."

In bidding to serve an exclusive zone, ambulance providers like Paramedics Plus, Falck USA and AMR identify transport costs, how much they bill for services, unit hours, how dispatch is managed, communications software, use of heart monitors and other things the companies promise to bring to the EMS system.

The county reviews the proposals and then decides which contractor will deliver the best services at a reasonable cost.

More sidewalks and bike paths are coming to one of Modesto's low-income neighborhoods

By John Holland

Modesto's airport neighborhood will get \$6.1 million worth of sidewalks and bicycle paths, welcome news to resident Norma Padilla.

She walks her children and others to and from Orville Wright School on a three-block route that lacks sidewalks in some places. Cars can get dangerously close to students. Rain puts mud puddles in their way.

"I'm really happy that there's finally a project for sidewalks, because the reality is I have to walk a lot through these streets," Padilla said Thursday in Spanish through a translator. "Especially during the rainy weather, I can't walk with the children."

The Stanislaus County Public Works Department will carry out the work between now and May 2022. The funding, announced this week, includes \$4.9 million from the state's new gas tax and \$1.2 million from a sales tax enacted by county voters in 2016.

Both pots of money will mainly pay for improvements for motor vehicles around the county and state. Smaller slices will go to rail and buses and to projects that encourage walking and biking.

The airport neighborhood is one of Modesto's poorest. It dates to the 1930s, when Dust Bowl migrants from the Great Plains built small homes out of mostly scavenged materials. They didn't bother with sidewalks and such amid the Depression.

Today, the place is home mostly to low-income Latino people. The southern half, within the Modesto city limit, got sidewalks over the years. The northern part, which the county government serves, has them in only some places.

The project will take care of about half of the remaining sidewalk need, Public Works Director David Leamon said by phone Thursday.

"We're doing the high-traffic streets that the kids use to get to school," he said.

The two miles of new sidewalks will be built on parts of six streets: Tenaya, Kerr, Mono, Tioga, Santa Cruz and Empire.

The main bike path will run about 4,500 feet in a rough diagonal from Mono Park in the northwest part of the district to the edge of Modesto Airport in the southeast. There, it will connect with existing trails in Tuolumne River Regional Park.

Most of the new bike path will be entirely free of motor vehicles. The rest will have low barriers glued to the pavement to separate these vehicles from cyclists and walkers.

Empire and part of Santa Cruz will be designated as bike routes where riders share the streets with cars and trucks. The project includes education, in English and Spanish, on how to ride safely here and in other parts of the district.

The county has worked on the project with the city of Modesto and nonprofits such as the Tuolumne River Trust and the Airport Neighborhood Collaborative.

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The application for the state money noted that 23 percent of airport district households don't have access to a car. About a third of Orville Wright students walk to school now. The new sidewalks could boost that to close to half.

Padilla talked about the project at the community center next to Orville Wright. She has five children at the elementary school, and she walks with as many as five others each day.

"Whichever side of the street we walk on, the children are forced to walk a bit through the puddles of water," she said. "And they arrive at school wet, and their shoes get wet."

Lourdes Ramirez, a neighbor of Padilla on Empire Avenue, also was at the community center to talk about the project.

"It's a good thing, because there are times when we walk a lot," she said in Spanish. "There's a lot of danger."

Ramirez said street puddles can get so large that they flood her home.

The area will not get storm drains as part of the project, Leamon said, because the funding sources are for transportation. The new sidewalks nonetheless will be built in a way that reduces some of the puddling, he said.

The county expects to complete detailed plans by August and acquire right of way by September 2020. Construction would start in late 2020 and take about a year and a half.

The California Transportation Commission voted last week to award the \$4.9 million. It's vice chairman is Modesto-area fruit and nut grower Paul Van Konynenburg. He said in a news release that he "is honored to partner with Stanislaus County to make the airport district a safe place to walk and bike to school."

City expedites well project

NEWMAN - With time of the essence, the city is foregoing standard bidding processes on a new well which officials want up and running before summer months bring peak water demand.

The City Council recently adopted an emergency declaration which authorized staff to enter into contracts with an oversight company and well drilling firm without going through competitive bidding processes.

The new well will be located adjacent to an existing well at Yolo and T which was taken out of service after it began to pump sand.

Director of Public Works Kathryn Reyes told the council that the well is needed to provide adequate backup capacity during the peak water demand months.

If one of the city's other wells should fail before the Yolo/T well is replaced, she said, the city would most likely have to implement stricter water conservation measures.

"During the winter months we have some spare wells. It is not critical at this time," Reyes stated. "As soon as a few sunny days hit, everybody will start watering and the demand will increase. If (another) well shuts down, we will not have enough water to serve everybody. It is critical that we get this done, which is why we are asking you to declare an emergency."

The city had rehabilitated the existing well in 2017, only to have it start pumping sand again after just a few months back on line.

Given the timing, she said, the city has the luxury of keeping the well off line.

"We are lucky that it is winter," Reyes told the council, "or we may be explaining to people why we have fine sand in the system."

The new, 500-foot well will be drilled just a few feet away from the existing facility, and will reuse as much of the above-ground equipment as possible.

A test well at the site produced good water samples, Reyes added.

The total project cost is not to exceed \$794,372 - which includes a contingency of \$132,397 which the city hopes not to spend but has made available should unknown conditions or unexpected problems be encountered.

City Manager Michael Holland echoed the importance of completing the new well in timely fashion.

"Well 6 (at Yolo/T) has always been a big producer for us that we rely on heavily during our warmer months," he told Mattos Newspapers. "We did not have time to go through the competitive bid process. We don't want to get into the warm weather without that well being available to us."

Holland said his hope is to have the replacement well on line by the end of May.

Ambulance board okays short-term AMR contract

The board which oversees West Side Community Ambulance last Tuesday approved a short-term contract under which American Medical Response (AMR) will continue providing management services while the local provider is in transition.

Board president Dennis Brazil reported Monday that AMR had not yet finalized the new contract, pending its legal review. He said AMR has advised West Side that it will extend the existing contract until that review is complete, and expressed confidence that AMR will approve the new pact.

Bruce Lee, an executive with AMR, had signaled the company's willingness to do so. He advised Mattos Newspapers in mid-January that negotiations were under way for a three- to six-month contract.

Nicolas Cardella, West Side's legal counsel, had previously told the board that the two parties had agreed in principle on a contract for AMR to continue providing operations oversight.

AMR had served notice to West Side that it was terminating its short-lived contract to manage West Side at the end of January, less than a year after the emergency medical services industry giant had entered into that agreement.

AMR advised West Side last fall that it had determined that the structure of the management contract was not sustainable, and proposed essentially absorbing the operation while keeping the ambulance board intact for the purpose of receiving patient transport and tax revenues. West Side would pay AMR a flat fee for services under that scenario.

When West Side did not act on that proposal, AMR initiated the process of terminating its management contract.

But West Side is still in the process of attempting to chart a course for its future and was not yet prepared to take over operations had AMR exited on schedule.

A new contract will give West Side much-needed time to complete its planning process.

"AMR will perform the operational functions for an additional six months or until (the ambulance board) is ready to make a decision on how it is going to proceed," Cardella told the ambulance board at its Jan. 22 meeting.

In reaching out to AMR officials to discuss a contract extension, Cardella said, the district sought to "find a solution where the district has sufficient time to make an informed decision on how it will move forward. We wanted to have enough time that we don't feel pressured to make that decision before we are ready to do so."

At the same time, Cardella noted, "AMR does not want to be stuck in this position indefinitely."

The new contract is similar to the existing arrangement, Cardella added, although West Side will assume a contract with an accounting firm AMR had brought in after it encountered difficulties in picking up the financial duties as outlined in the initial agreement.

The new, short-term contract calls for AMR to be paid \$7,064 monthly, with a 10 percent increase after three months, with a maximum contract length of up to six months.

"I think three months is realistic. We wanted to make sure that in the event that there was something unforeseen, we didn't (limit) ourselves to three months and had more time if needed," said Brazil. "We

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cannot turn in another direction, no matter which direction, without putting steps in place. There was no way to do that (by the end of January)."

Continuing ambulance operations through the transition planning process without the management support of AMR would have been "very difficult," Brazil acknowledged.

An ad hoc sub-committee of the ambulance board is exploring options for the ambulance service and will make a recommendation to the board in coming weeks.

Brazil has identified the options as resuming in-house management of the ambulance service, turning to another outside company to manage West Side, allowing the local operation to be absorbed by another provider or simply dissolving the community-based ambulance.

The ambulance board held a brief special meeting Jan. 29 to approve the new short-term contract.

Farm bureau sues to block flows plan for lower San Joaquin River

A plan for lower San Joaquin River flows misrepresents and underestimates the harm it would cause to agricultural resources in the Central Valley, according to the California Farm Bureau Federation, which filed suit today to block the plan.

Adopted last December by the State Water Resources Control Board, the plan would redirect 30 to 50 percent of “unimpaired flows” in three San Joaquin River tributaries—the Stanislaus, Tuolumne and Merced rivers—in the name of increasing fish populations in the rivers. The flows plan would sharply reduce the amount of water available to irrigate crops in regions served by the rivers.

In its lawsuit, filed in Sacramento County Superior Court, Farm Bureau said the flows plan would have “far-reaching environmental impacts to the agricultural landscape in the Central Valley,” and that those impacts had been “insufficiently analyzed, insufficiently avoided and insufficiently mitigated” in the board’s final plan.

“The water board brushed off warnings about the significant damage its plan would cause to agricultural resources in the Central Valley, labeling it ‘unavoidable,’” CFBF President Jamie Johansson said. “But that damage can be avoided, by following a different approach that would be better for fish and people alike.”

The Farm Bureau lawsuit says the water board failed to consider reasonable alternatives to its flows-dominated approach, including non-flow measures such as predator control, food supply and habitat projects for protected fish, and said it ignored “overwhelming evidence” that ocean conditions, predation and lack of habitat—rather than river flows—have been chief contributors to reducing fish populations.

The water board’s analysis of impacts on agricultural resources “is inadequate in several respects,” Farm Bureau said. The lawsuit says the board plan fails to appropriately analyze its impact on surface water supplies and, in turn, how cutting surface water would affect attempts to improve groundwater under the Sustainable Groundwater Management Act—all of which would cause direct, indirect and cumulative effects on agricultural resources.

“California farmland is a significant environmental resource, providing food, farm products and jobs for people throughout the state, nation and world,” Johansson said. “Before cutting water to thousands of acres of farmland for dubious benefit, the state must do more to analyze alternatives that would avoid this environmental harm.”

The California Farm Bureau Federation works to protect family farms and ranches on behalf of nearly 36,000 members statewide and as part of a nationwide network of nearly 5.6 million Farm Bureau members.

Like Riverbank's Crossroads? A companion development with stores, housing is planned

By Marijke Rowland

Riverbank is taking a big step forward in an ambitious plan to extend the city's limits and build a companion development across from the busy Crossroads shopping center.

On Wednesday, the city will hold a special Planning Commission hearing to allow the public to voice their opinions on the proposed annexation of 380 acres directly to the west of the existing center along Oakdale Road. The proposed area extends north from Claribel Road up to the current city boundary just south of Patterson Road.

The project, called Crossroads West, would include a mix of retail, housing, schools and community parks. If approved, Planning and Building Manager Donna M. Kenney said, work could begin before the end of the year on the commercial part of the project in line for a possible 2020 opening.

Kenney said the developers have already started talks with the nine families and groups who own the properties in the annexation area, which is now primarily farmland. She did not foresee the developers having any problems acquiring the land.

The annexation area encompasses Dutch Hollow Farms, at the corner of Claribel and Oakdale roads, as well as a large dairy farm off of Crawford Road. Both would have to be closed or moved to accommodate the planned developments.

Dutch Hollow Farms owner John Bos leases the land and said he is already looking at alternate sites for his business to continue. The farm sells tulips and other flowers and hosts a popular pumpkin patch in the fall. While Bos does not plan to attend the hearing, he hopes the city will take the increased traffic and congestion into consideration.

"I am not against progress," said Bos, who has run Dutch Hollow Farms on the site since 2006. "They're going to gobble up some more farm ground, which is almost unstoppable at this point. But one of the biggest things that concerns me is the traffic issues. They cannot build this thing without making measures for all the traffic."

The majority of the Crossroads West development would be comprised of 1,872 new low-density housing units (traditional single-family housing developments), plus plus another 192 medium-density housing units (duplexes and triplexes) and 388 high-density units (apartments).

The project's first phase would be to build the biggest proposed mixed-use commercial development, in the area largely occupied by Dutch Hollow Farms. The space could have up to 555,000 square feet of retail space on the high-profile corner.

The commercial developer for the project is Western Pacific Holdings, the same company behind the Crossroads shopping center. While no retailers have been confirmed or contracted for the development, Bos said, Costco has been bandied about as one of the businesses being targeted for the site. The region has three Costco stores currently, one in Modesto on Pelandale Avenue, one in Turlock on Tegner Road and one in Manteca on Daniels Street.

The project would also create more public parkland, including plans to double the size of the existing 11-acre Riverbank Sports Complex to about 22 acres. The annexation area also includes land to construct a new elementary and middle school as well as a new Riverbank fire station.

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The meeting Wednesday is to allow the public to voice their concerns or support for the project. After the hearing, the Planning Commission could vote on a series of recommendations, which would then go to the Riverbank City Council for approval.

Kenney said she expects the council to take up the issue in about three to four weeks, first to introduce the plan and then a second reading about two weeks later where it could receive final approval. The public will have opportunities at both meetings to address the planned development.

After that, the annexation plan would go to the Stanislaus Local Agency Formation Commission, which approves boundary changes for cities. Kenney said they would expect approval from the annexation commission to come sometime this summer.

The Planning Commission special public hearing will be at 6 p.m. Wednesday, Feb. 13, at the Riverbank City Council Chambers, 6707 Third Street.

Federal commission accepts MID, TID plan for river flows. Will state water board agree?

By Ken Carlson

A federal environmental analysis recommends relicensing the Don Pedro hydroelectric project and accepts a Modesto and Turlock irrigation district plan for well-timed flows to boost salmon in the Tuolumne River.

The flows, combined with other measures to assist spawning and outmigrating young salmon, would commit less water to the environment than a State Water Resources Control Board plan that's unpopular in the Northern San Joaquin Valley.

But the Federal Energy Regulatory Commission, which is considering a new license for Don Pedro, balanced the environmental measures with projected economic impacts to the region, district officials said. FERC's environmental review released last week is considered a major milestone in efforts to relicense a facility, 40 miles east of Modesto, that supplies electricity for homes and businesses in most of Stanislaus County.

Most of the measures to benefit salmon were first proposed in a management plan for the Tuolumne, and the complete package was incorporated in a 15-year voluntary agreement that was negotiated last fall with the California Department of Fish and Wildlife and Department of Water Resources.

FERC's environmental review is not final. The State Water Resources Control Board needs to approve the voluntary agreement before the terms are folded into the FERC relicensing of Don Pedro.

"Approval of our voluntary settlement agreement will be the last regulatory hurdle to complete the FERC license," TID Board Member Michael Franz said Friday. "We remain hopeful the state water board will accept the agreement."

The MID, TID and San Francisco Public Utilities Commission are opposing a Dec. 12 state water board decision, which requires 40 percent unimpaired flow in the Tuolumne, Stanislaus and Merced rivers. They charge the water board requirements would result in drastic irrigation cuts, severe damage to the region's farm-based economy and water rationing in Bay Area cities.

Local officials were relieved last week when Gov. Gavin Newsom appointed a more moderate water board chairman, Joaquin Esquivel, and pledged support for voluntary agreements with water districts to increase depleted salmon populations and improve the San Joaquin-Sacramento delta.

The irrigation districts could present a more detailed voluntary agreement to the state water board in the coming months, though a decision could be a year away.

Terms of agreement

MID and TID say their agreement to increase salmon is not an attempt to avoid the environmental issues but is supported by scientific studies and the districts' historic knowledge of the river. The districts would join with water agencies in the San Joaquin and Sacramento river watersheds in a \$1.7 billion program for restoring salmon and reviving the delta with an additional 700,000 acre feet of water.

The flows, including dry year relief, would start immediately after approval and would be pegged to annual precipitation in the Tuolumne watershed. To help salmon smolts moving downstream, pulse flows of 2,750 cubic feet per second would last for 20 days in March in normal to wet years. The plan calls for 18-day pulse flows in below-normal water years, two-week flows in dry years and nine-day pulses in critically dry years.

To visualize the river running at 2,750 cubic feet per second, water ran at 3,000 cubic feet per second between the Tuolumne's banks over the weekend to allow for storm runoff.

During a multiyear drought, the districts would maintain the environmental flows in a below-normal water year. The two districts, San Francisco and state officials would confer on what water is available for fisheries in an extended drought.

The state expects the MID, TID and San Francisco to work on identifying an additional source of drought relief for fisheries. One possible solution is banking excess water underground after wet winters and extraction to support additional flows in a dry spell.

In other proposed measures recognized in the federal environmental analysis, Don Pedro reservoir's minimum level could be lowered by 50 feet, freeing up 150,000 acre-feet for water needs in the longer droughts predicted with climate change. In addition, minimum streamflows would be maintained for aquatic species in the lower Tuolumne.

In October, water releases of 1,000 cfs would clean gravel in the streambed for spawning. The MID and TID would still meet obligations to agriculture and Modesto water customers under the new flow regime, except in critical water years, "when only 88 percent of irrigation demand would be met compared to 92 percent under current conditions," the federal analysis says.

Efforts to control nonnative bass that feast on the young salmon would include a permanent barrier in the river, fishing derbies and netting.

The districts also propose a \$38 million fund for habitat improvements.

Predation control

The permanent barrier and fish-counting weir are not recommended in the federal staff analysis, which doubted that efforts to suppress predatory species would be effective. "Similar predator removal efforts by the California Department of Water Resources did not noticeably reduce salmon mortality," the document says.

The staff analysis predicts that flow and habitat measures will improve conditions for salmon and decrease habitat for predatory fish.

Terms of the voluntary agreement with the state do not include a salmon hatchery on the Tuolumne. The MID will present details of the voluntary agreement at landowner meetings set for 5:30 p.m. Feb. 27 at the Waterford Community Center and 5:30 p.m. Feb. 28 in the district board room in downtown Modesto.

FERC plans to hold public meetings in Modesto on the environmental document in late March.

Oakdale and South San Joaquin irrigation districts, serving water users on the Stanislaus River, were not able to complete agreements with the state agencies before the water board decision Dec. 12 approving the 40 percent unimpaired flows for the three rivers. Those two districts, along with MID, TID and Merced Irrigation District, are opposing the Dec. 12 decision in lawsuits.

"We were fairly close to getting to an agreement," SSJID General Manager Peter Rietkerk said. "After (the Dec. 12 water board decision), we were under the impression we were going to keep negotiating with the state. For whatever reason, we have not been invited back to the table."

Some prime areas for salmon habitat improvements on the Stanislaus have been identified and a study on predation was funded last year.

"The second phase would be starting some predation suppression on specific reaches of the Stanislaus and checking to see how it (affects) mortality of salmon moving out of the system," Rietkerk said.

Riverbank's Crossroads West plans move forward, developers promise modern amenities

By Marijke Rowland

Plans for a massive new companion development to the Crossroads shopping center in Riverbank are moving forward.

On Wednesday, the Riverbank Planning Commission unanimously approved several recommendations involving the annexation of 380 acres west of Oakdale Road for the new development called Crossroads West. The special hearing attracted a large crowd of around 80 community members who filled the council chambers and overflowed into a room next door.

The Crossroads West development will include new retail, housing, schools and parks. The plan, which has been in the works for five years, now goes to the Riverbank City Council for approval. The council is expected to take up the issue sometime in March, then if approved the project will go to the Stanislaus Local Agency Formation Commission. Final approval of the city's boundary changes could come sometime this summer.

The annexation area starts at Claribel Road and stretches north past Crawford and Morrill roads up to the city's existing border just south of Patterson Road. Dutch Hollow Farms, at the corner of Claribel and Oakdale roads, as well as a large dairy farm off of Crawford Road would both have to be closed or moved to accommodate the planned developments.

Real estate consultant David Romano, representing the families who own the majority of the land in question, praised the city's work on the project during the meeting.

About half a dozen residents asked questions during public comments, most concerning traffic flow and road congestion. Others worried at that the public wasn't given time to review the voluminous more than 200-pages each specific plan and environmental impact report.

John Anderson, who presented the plan overview to the commission, said most of the information had been available for month, if not years, for the public to view online.

If all of the approvals proceed as planned, work could begin by the end of the year on the project's first phase, a mixed-use commercial development on the land now largely occupied by Dutch Hollow Farms. The space could bring up to 555,000 square feet of new commercial space on the high-profile corner and be on track for a 2020 opening.

But Darryl Browman, president of the Browman Development Company which built and operates the original Crossroads, said said not to expect a mirror image of the existing complex.

"We are very proud of what we accomplished in Crossroads I. When we did Crossroads I it was really state of the art, sort of best in class," he said. "One of the things that was a very important criteria in moving forward with Crossroads II is that in today's environment I think some of the development criteria we would use in the past has changed. We believe it's super important to bring other elements to the projects today."

Browman said that includes possibly including residential space to the development, either vertically or horizontally, and building open gathering spaces into the designs.

Anderson said the entire development is expected to have a 20-year build-out to build and finish all of the lots. The majority of the Crossroads West project would be comprised of 1,872 new low-density housing units (traditional single-family housing developments), plus plus another 192 medium-density housing units (duplexes and triplexes) and 388 high-density units (apartments).

IN THE NEWS – The Modesto Bee, February 18, 2019 (Continued Page 2)

The project would also create more public parkland, including plans to double the size of the existing 11-acre Riverbank Sports Complex to about 22 acres. The annexation area also includes land to construct a new elementary and middle school as well as a new Riverbank fire station.

Riverbank Native Takes Fire Chief Position

Stanislaus Consolidated Fire Protection District (SCFPD) has had a few new fire chiefs over the past few years and newly appointed Fire Chief Mike Whorton plans on making his position permanent with a solid plan to make the department healthy again.

The Riverbank native and longtime resident graduated from Riverbank High School in 1986 and started in the fire department as a volunteer in 1987. He has remained in the community and also manages a business in downtown.

"I planned on going to school to be a chiropractor," said Whorton. "A buddy of mine was a volunteer here and his dad was a paid fireman. I grew up with them. They needed volunteers at the station so he called me and asked me if I wanted to be a volunteer firefighter while I was going to school."

During that time there were two fire stations in Riverbank, a volunteer station on Topeka Street and paid staff station on Claribel Road. An opening for the paid staff became available so he applied for it and got the position. This forced a decision that he had to make whether to continue his schooling to become a chiropractor or to pursue firefighting. Clearly the decision was to remain in the fire service, leading him to the opportunity of becoming the Fire Chief of SCFPD.

Whorton explained that in 1995 the Claribel Road station was sold so the Topeka station became the paid station.

"What kept me here was knowing that I was helping the community," stated Whorton. "I enjoyed the different types of calls that we had here. I didn't like some of the calls I had to go on that were friends and family. I had to deal with that. That was probably the hardest part. I grew up in Riverbank and it was small at that time. So I pretty much knew everybody. My family was from here and stuff so responding to calls of people that I knew and knowing that we did everything we could for that person but it just didn't work out."

Although those types of calls made it challenging at times for him to continue being a firefighter, he pushed through it and has served the community for over 30 years.

"Starting out at the bottom you look up and all the older guys were always getting all the holidays off and you are the young guy having to work all the holidays," said Whorton. "And you are like, I will never get there but time went by fast and I was at that position. And look now there are young guys having to work the holidays when I have them off and I tell them you will be here one day and it will go by fast."

With positive feedback and encouragement from Dan Reeves who was the fire chief that hired him to pursue the fire chief position and continue his education that gave him hope that one day he may be a fire chief. That dream came true when he was sworn in at the station on Topeka on Feb. 14 at the regular SCFPD meeting.

Daughters Kendra and Kailee pinned the badge on their father during the ceremony and there was a brief "welcome reception." His wife Korie was in the audience and District Board President Susan Zanker swore him in.

"I still think it is not real," expressed Whorton. "I have seen a lot of chiefs up there and I respected a lot of them and now I am here. I still don't know what to think. There is so much work that needs to be done. A lot of relationships that need to be rebuilt that were tore up. The communication was terrible. That is one of my goals is communication between the other departments that we have contracts with, our neighboring agencies and especially with our employees. Communication needs to be built back between all of us. We need to work together and become a team again."

The nine stations within the SCFPD provide fire and emergency medical services to over 500 square miles in the Eastern part of Stanislaus County. SCFPD was formed in 1995 after four small districts

IN THE NEWS – Oakdale Leader, March 6, 2019 (Continued Page 2)

united. The SCFPD service area includes unincorporated sections of East Modesto, the communities of Riverbank, Waterford, Empire, La Grange, and Hickman and in September 2014 they provided fire protection services to the City of Oakdale and the Oakdale Fire Protection District became contracted agencies which include the communities of Valley Home and Knights Ferry.

Wood Colony residents tell Modesto: Don't include us in your future plans

By Kevin Valine

Modesto expects it will start work this year on its first comprehensive update to its general plan — which serves as a bible for a city's growth and development — in about a quarter century.

But there is one thing city officials already know: Many residents of Wood Colony — the close-knit unincorporated farming community west of Highway 99 — don't want to be part of the city's growth plans.

That resistance was evident Tuesday night when the City Council approved a long-awaited and long-delayed amendment to the general plan and about a half dozen colony residents took that as an opportunity to once again ask the council to remove their community from the plan.

"We are still fighting for our home to be taken out of your general plan," colony resident Lisa Braden said. "... I don't know what it will take for you guys to listen to us. We don't want to be part of the city."

Wood Colony farmer Todd Heinrich said he understands Modesto faces a lengthy process if it tried to annex his community but wondered why the city is keeping the colony in its general plan. "If you are not planning to do anything with it, why not take it out? I guess that's what makes us suspicious. Maybe we shouldn't be."

Colony residents and their supporters packed City Council meetings about five years ago as council members grappled with the general plan amendment, including adjusting the plan's boundaries, in the most contentious issue city officials had faced in about a decade.

City staff was expected to bring the amendment back to the council in about a year or so for approval, but it took five years, in part because the council in August 2017 reset the general plan boundaries to the plan's 1995 boundaries in what city officials called a reset in an attempt to calm the controversy.

The plan's 1995 boundaries include about 1,000 acres in Wood Colony in what is called the Beckwith Triangle, which is bounded by Highway 99, Beckwith Road and Dakota Avenue.

The city has designated the land that fronts Highway 99 for stores and other commercial development and the rest for a business park. The owners of these roughly 1,000 acres have not spoken at council meetings. Some have declined to comment when contacted by The Bee in previous years.

Council members Kristi Ah You and Tony Madrigal reiterated their support Tuesday to have Wood Colony and Salida — the unincorporated town of about 14,000 residents north of the colony — removed from the general plan. They raised that in August 2017 when the council reset the plan's boundaries.

Removing Wood Colony and Salida would require an additional review and work before the council could vote on the amendment, and other council members said the amendment already was long overdue. And only Ah You supported Madrigal's motion to approve the amendment with the stipulation that staff as part of the general plan update include an option to remove Wood Colony and Salida.

Mayor Ted Brandvold said that would defeat the purpose of Modesto doing outreach to surrounding communities to get input as part of the update, though Ah You noted Salida and Wood Colony residents have been consistent in wanting out of the plan.

Other council members said the time to adjust the general plan boundaries should occur as part of the update and it was important the city follow an orderly process to avoid the problems it had with the amendment. The update could start in summer or fall, take two to three years, and cost \$2 million to \$2.5 million, according to the city.

IN THE NEWS – The Modesto Bee, March 6, 2019 (Continued Page 2)

The council voted 4-2 to approve the amendment and certify an associated environmental review, with Ah You and Madrigal voting "no." Councilman Mani Grewal was not at the meeting because of a family obligation.

Council members were thanked by the public for deciding to include extensive outreach as part of the update, including the council meeting with the municipal advisory councils in Wood Colony and Salida.

Modesto was roundly criticized five years ago when the previous council was considering the amendment for not doing enough outreach and for not listening to residents in surrounding communities.

"When I look at you I have hope," said Salida resident and advocate Katherine Borges. "I have hope with you that I didn't have with the last council."

But Borges also said when city officials visit Wood Colony and Salida it would be a nice peace offering if they could announce: "We're taking you out of the general plan, and we would like to hear what you have to say about your community. That would be a good olive branch for Salida."

IN THE NEWS – The Ceres Courier, March 6, 2019

COUNCIL LIKES STRATEGIC PLAN, ONLY UPDATED

By Jeff Benziger

The Strategic Plan of the Ceres City Council has been in place since 2007, tweaked in 2008 and 2016 and re-tweaked and approved last week.

The plan has been the guiding document for the council actions for over a decade and during a recent goal setting workshop, the council stuck with the plan with some minor adjustments. The goal is to update it again in 2021.

The plan includes a vision statement that reads: “In collaboration with the community, together we achieve a Ceres that is an attractive, livable, safe community with beautiful neighborhoods, landscaped streets, parks, trails, facilities and vibrant commercial and entertainment amenities.”

The City Council's guiding principles are:

- Be an approachable Council, with members who are involved in the community;
- Treat people fairly;
- Be proactive, not reactive;
- Make long-lasting decisions;
- Foster strong communications with the community;
- Expect quality development as part of being a quality community;
- Foster openness and public engagement;
- Be friendly in all encounters;
- Be proud of our small town atmosphere;
- Respect the roles of the mayor, council members, city manager and staff.

The council outlined a broad range of goals and projects members wish to accomplish. The goals fall into the following areas:

- Infrastructure: Ensure that the community has adequate, well maintained infrastructure (including water, sewer, streets, traffic signals, parks, sidewalks, facilities) that fosters a quality community and supports a strong economy.
- Livable community: Create a vibrant, safe, attractive and walkable community that maintains a small-town feel, with parks, trails, shopping, entertainment and other desirable amenities.
- Economic development: Proactively recruit and attract businesses to Ceres in order to add to the quality of life and enhance the fiscal base of the community.

IN THE NEWS – The Ceres Courier, March 6, 2019 (continued)

- **Planning for the Future:** Ensure the City has plans and policies in place to attract and create desirable development, maintain and improve neighborhoods and annex land to achieve a livable community and support a strong economy.
- **Government operations:** Provide quality services to meet community needs, assuring that the City has helpful, well trained, properly equipped and sufficient staff who partners with other public agencies to provide efficient services.
- **Community engagement:** Establish strong relationships with all sectors of the community, recognizing its cultural diversity and increase their involvement in creating the future of the city.

Infrastructure goals include creating a plan to accommodate all infrastructure needs for the next 50 years, (including sewer, water, parks, streets, traffic signals, storm drains, sidewalks and public facilities). The council also wants to complete the plans and pursue funding for the Service/Mitchell/ SR 99 interchange. Another goal is to complete the design and construction for Eastgate Park, Lions Park, and Lower River Bluff Park and complete construction in Fiscal Year 2020 or earlier. The council also is shooting for an aggressive pursuit of the design, and implementation of the surface water treatment and pipeline with the city of Turlock. Another goal is to leverage Measure L and SB-1 revenues to maintain Ceres streets and roads.

Under the category of “Livable Community” the council set for a desire to establish policies which ensure that impacts of development are paid for by developers and pursue programs that ensure adequate police and fire protection. Another goal is to actively pursue improving the appearance of the community by expanding the Ceres Neighborhood Enhancement Team (CNET) efforts. The council also wants to promote future development to include amenities such as landscaped medians and see development of housing for all economic levels of the community, including affordable, senior and executive housing.

Under Economic Development vision, the council wants to continue proactively attracting new businesses, with a focus on retail enterprises to capture more sales tax and desirable restaurants and proactively implement the Downtown Specific Plan to create a “destination location” downtown. The council wants the city to examine commercial corridors to identify possible locations for new retail and attract entertainment venues for youth and adults.

IN THE NEWS – The Ceres Courier, March 6, 2019

TID BUSY FIGHTING WATER GRAB, RE-LICENSING

• DON PEDRO POWERHOUSE NEEDS TO BE REAPPROVED AS TID BATTLE LOSS OF 40 PERCENT OF STORED WATER

By Jeff Benziger

Lawsuits, re-licensing and settlements surrounding the local water supply are moving along at a swift pace, and on Feb. 26, the Turlock Irrigation District board invited the community to its meeting for an update on the topics.

TID Director of Water Resources and Regulatory Affairs Steve Boyd provided farmers and other water stakeholders in attendance with a report that brought them up to speed on the final license application for Don Pedro, which first began eight years ago, and the ongoing legal battle surrounding the State Water Resources Control Board's decision to implement 40 percent unimpaired flows along the San Joaquin River and its tributaries for the betterment of fish. He also explained how the two processes are intertwined and now beginning to come together.

"Arguably, this is the most important thing to all of us for the next 30, 50 years, and the fact that we were able to hold this tonight and so many of you are here shows your interest, and I appreciate that," said Boyd.

In December, the State Water Board approved its Substitute Environmental Document for Phase 1 of its Bay-Delta Water Quality Control Plan, the result of a nine-year process which was met with vehement opposition from a broad coalition of Valley farmers, governments and organizations, TID included, due to its predicted impact on the community.

Almost simultaneously, TID has been working since 2010 with state agencies to develop new license conditions for Don Pedro, as the agency's previous license expired in 2016. TID, along with Modesto Irrigation District, conducted studies along the Tuolumne River in order to create and establish the conditions for their final license application, which was filed with the Federal Energy Regulatory Commission in October 2017.

Included in the final application is the Tuolumne River Management Plan, which utilizes river flow measures in combination with non-flow measures like predation control and gravel rehabilitation to provide a better environment for salmon.

Recently, Boyd disclosed, a federal environmental analysis from FERC accepted the Tuolumne River Management Plan and recommended Don Pedro for relicensing, and the same plan was included in a voluntary agreement negotiated with state agencies last fall that looks to avoid the state water board's unimpaired flows decision.

FERC's environmental review is not final say, however; the State Water Board has to approve the voluntary agreement before the management plan is included in the relicensing of Don Pedro.

On Friday, TID submitted the voluntary agreement to the state for approval. Despite this window since the board's Dec. 12 decision, TID, along with other water agencies, have still decided to take legal action against the state water board in the meantime, Boyd explained.

"They gave us a window, but we also know we've got to protect our water rights and our ability to serve you," he said.

The lawsuit, filed in Tuolumne County Superior Court, contends the State Water Board adopted a wholly different plan than it analyzed, violated state and federal due process laws and unlawfully segmented the

IN THE NEWS – The Ceres Courier, March 6, 2019 (continued)

environmental review of the plan, among other claims. The lawsuit, along with others, marks the beginning of a prolonged court proceeding surrounding the adequacy and legality of Phase 1.

TID hopes a voluntary agreement will be approved by the board, avoiding litigation, but an audience member at Tuesday's meeting wondered if the agency truly believed the board would listen to the scientific methods TID has used to back up its river management plan.

Boyd expressed optimism, applauding newly-appointed water board Chair Joaquin Esquivel, who has visited the Tuolumne River to see what other measures can be taken to help fish other than increased unimpaired flows. Esquivel was also the board member who called for the window of time for a voluntary agreement to be submitted for approval, Boyd added.

"Can I predict what's going to happen? No," Boyd said. "It has been a frustrating process...but I'm cautiously optimistic. I think there has been a bit of a change in their attitude toward what we're trying to do."

Development to spill over to south side of Sperry at Rogers Road

The Planning Commission last Thursday approved a tentative map splitting up a 60-acre parcel on the south side of Sperry Avenue, across from Rogers Road.

The other item on the agenda, a tentative map that would have split property adjacent to the Flying J into smaller parcels, was pulled.

The 60-acre property, which is bordered by the Delta Mendota Canal on the east and the California Aqueduct on the west and is zoned General Commercial, will be split into 17 smaller parcels ranging in size from 1.72 to 15.36 acres.

The change is consistent with the city's 2010 General Plan, staff said.

Engineer Max Garcia of GDR Engineering said that there is already a tentative parcel map on the site, and the change was necessary in order for the owner to market the site. The current configuration of the parcels "doesn't quite match what prospective buyers are looking for," he said.

Property owner Kenny Buehner told the commission that the lack of an assessor's parcel number (APN) is hindering the sale of the property. (Separate APNs will be created for each of the 17 smaller parcels when the parcel split is recorded with the county.) Prospective buyers need an APN in order to obtain financing, he said. "We need to get lots established."

Rogers Road to extend south of Sperry

Property co-owner Larry Buehner said that Rogers Road should be extended to the south, pointing out that doing so "would be a lot better than making a big driveway for one parcel." Mentioning the need to bring in "at least a quarter of a million yards of dirt," he estimated about \$3-1/2 million in road costs for the property, "which is why we're trying to get these parcels set up."

West Side ag faces ongoing challenges

Annual 'Salute to Agriculture' inside

West Side agriculture, the diverse industry which is the background of the local economy, faces an array of challenges in the year ahead.

While there are some bright spots - such as a solid outlook for almond prices and prospects for improved walnut prices this year - the prices for many commodities remain low even as production costs continue to rise.

Water continues to be an uncertainty for growers served by federal agencies such as the Del Puerto Water District which runs along the I-5 corridor, despite heavy snow packs and filling reservoirs. Those federal districts have received an initial allocation of 35 percent of a full contract supply. The Central California Irrigation District, with its stronger water rights as an exchange contractor, will receive a full allocation of water to deliver to its growers.

Late winter storms have also had an impact on the crucial almond pollination period, and delayed planting for row crop growers.

Almonds appear to be among the bright spots in West Side agriculture, even with concerns that rainy, windy weather hampered the pollination period.

The full impact remains to be seen, said growers Jim Jasper and Mike Crinklaw.

While bee activity was limited by the weather, said Jasper, who is president of Stewart & Jasper, "it doesn't take very many days of bees working to make a crop."

That said, Jasper added, "I don't think that we are going to have a bumper crop. I think that we could have a fair crop. With all the producing acres, if we just have a fair crop we are going to have a lot of almonds to sell."

"It is a wait-and-see situation," said Crinklaw, a manager for Craven Farming Co. "Maybe (the bees) got out enough to do as much as they needed to do."

Jasper said that the outlook for almond prices, which are in the mid-\$2 range back to the grower, remain solid.

"The price is decent, and good almond growers can be profitable," he commented.

The recent rains have delayed planting of broccoli fields in the Cerutti Brothers operation, said Patrick Cerutti.

"We're going to have enough water," he commented. "The rainfall is hurting us now more than helping us. We need to get in and plant and get the ball rolling. I can't do that. Every time we get in to plant, it is for one day. Right now, everything is stopped. That is pretty uncommon in March."

The delays in the field are felt all the way through to the end customer, Cerutti added, and have interrupted the typical planting cycle of broccoli, zucchini and tomatoes.

"It impacts us from the ranch to the processing to my customers," he told Mattos Newspapers. "Somebody may not get what they want."

Cerutti said he sees prices for his commodities remaining flat.

Production costs, however, are climbing, in part due to increasing labor costs.

"It is not just the minimum wage or overtime, it is trying to find labor. That is increasingly difficult," he noted.

The labor situation has influenced cropping choices, Cerutti added. He no longer grows a variety of pepper which required hand-picking, Cerutti said by way of example.

Walnuts may bring a higher price this year than last, said Kirk Jensen, a local grower who owns Patterson Nut Company, but may still be disappointing.

IN THE NEWS – West Side Index, March 14, 2019 (Continued Page 2)

"Last year was fairly tough, but prices are looking up a little bit this year," he commented. "The main thing we need to concentrate on is moving this crop, so we don't have a carryover. Whether this year turns out to be okay is going to depend on your production level."

If lower prices persist, Jensen said, growers could see more older, lower-producing orchards taken out.

The recent rains have also delayed maintenance to orchards and planting of a new orchard at Bloom Farms, said Andrew Bloom.

But, he added, "I'd rather be late a month or two with a full water supply instead of wondering what the trees will drink."

Gustine farmer Tim Gomes agreed that almond prices remain solid, but that other commodity prices continue to lag.

"Our expenses have accelerated and our commodity prices have not caught up," he remarked. "Row crop farming is a challenge because of that, but everything goes in cycles. It will come back."

All things considered, Bloom said, he believes there is reason for optimism in 2019.

"I think it is ticking up slightly," he said of commodity prices, "and the water situation looks good. That is easing my mind a little bit. I am optimistic."

**EXECUTIVE OFFICER'S AGENDA REPORT
MARCH 27, 2019**

TO: LAFCO Commissioners

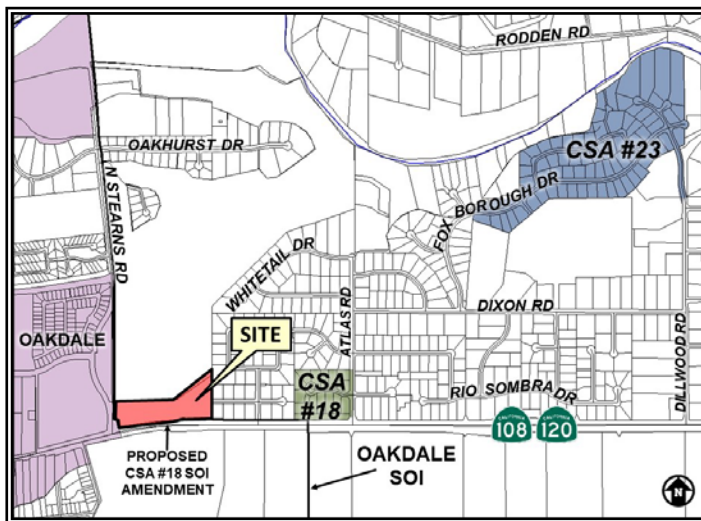
FROM: Javier Camarena, Assistant Executive Officer

**SUBJECT: LAFCO APPLICATION NO. 2019-05 & SOI AMENDMENT 2019-04 –
FAIRWAY 7 ESTATES CHANGE OF ORGANIZATION TO COUNTY SERVICE
AREA 18 (ATLAS PARK)**

PROPOSAL

The project is a request to modify the sphere of influence and annex approximately 8.44 acres to County Service Area 18 (Atlas Park). The annexation will serve a proposed residential subdivision with extended county services, including CSA administration, storm drainage, and maintenance of streetscape, sidewalks, chain-link fencing and a masonry wall.

1. Applicant: Stanislaus County Department of Public Works
2. Location: The proposal is located on the east side of Stearns Road just north of Highway 120/108 northeast of the City of Oakdale. (See Exhibit "A" – Maps and Legal Description).
3. Parcels Involved and Acreage: The project includes Assessor's Parcel Number (APN) 064-016-004 totaling approximately 8.44 acres. (See Exhibit "A" Maps and Legal Description).
4. Reason for Request: The project is requested to fund extended county services including CSA administration, storm drainage, and maintenance of streetscape, sidewalks, chain-link fencing and a masonry wall from County Service Area 18 (Atlas Park).



BACKGROUND

In January of 2016, the Stanislaus County Board of Supervisors approved Vesting Tentative Subdivision Map, PLN2014-0074 – Fairway 7 Estates. The map will create 13 lots ranging in size from 20,000 to 27,466 square feet. Twelve lots will be used as residential parcels with the remaining 13th lot to be used as a utility/drainage parcel. As part of the County's approval, a condition requires that the area annex into County Service Area 18 – Atlas Park (CSA 18) for extended county services including CSA administration, storm drainage, and maintenance of streetscape, sidewalks, chain-link fencing and a masonry wall.

FACTORS

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires several factors to be considered by a LAFCO when evaluating a proposal. The following discussion pertains to the factors, as set forth in Government Code Section 56668 and 56668.3:

- a. ***Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.***

The proposed change of organization will serve the Fairway 7 Estates subdivision. The subdivision was approved in January of 2016 by the Stanislaus County Board of Supervisors. The subdivision will contain 12 residential parcels and one utility parcels (13 total). The extension County services to the subdivision will not induce any further growth and annexation into CSA 18 is a condition of approval required by Stanislaus County.

The project site is zoned R-A (Rural Residential). Annexation to the District will not change or lead to change in the zoning. The subject parcel is located in Tax Code Area: 084-010. The current total assessed value for all of the parcels within the proposed annexation area is \$356,608.00.

- b. ***The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.***

The proposed annexation will provide the funding mechanism for extended county services including CSA administration, storm drainage, parks and landscape maintenance, sidewalk maintenance, chain-link fencing and a masonry wall. The infrastructure improvements will be installed by the Developer of the subdivisions. The project site is surrounded by similar low-density residential development to the east, agricultural land to the south, the City of Oakdale to the west, a golf course to the north, and is considered an "infill" project.

- c. ***The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.***

There are no social or economic communities of interest as defined by the Commission in the area. The proposal is consistent with adopted Commission policies to encourage efficient and effective delivery of governmental services.

- d. ***The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.***

The territory is located within an area that is zoned R-A (Rural Residential) by Stanislaus County, which is considered low-density residential. The proposed change of organization will provide services to an approved subdivision. There are no plans to change the land uses.

e. *The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.*

The proposal will not result in the loss of agricultural land and will not affect the physical and economic integrity of agricultural land. The land has been zoned for low density residential uses since 1964 by Stanislaus County and is considered in-fill development.

f. *The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting proposed boundaries.*

The proposed boundary includes one existing parcel (to be subdivided into 12 residential parcels and one utility parcel). The proposed annexation is defined by the boundaries of the parcel. The proposed change of organization also includes a sphere of influence (SOI) amendment to the CSA 18 SOI. The amendment will result in a coterminous SOI and CSA boundary.

g. *A regional transportation plan adopted pursuant to Section 65080*

The Regional Transportation Plan (RTP) is prepared and adopted by the Stanislaus Association of Governments (StanCOG) and is intended to determine the transportation needs of the region as well as strategies for investing in the region's transportation system. The proposal is infill in nature and does not appear to conflict with the County's Regional Transportation Plan.

h. *The proposal's consistency with city or county general and specific plans*

The proposal is consistent with the Stanislaus County General Plan, which designates the territory as LDR (Low Density Residential).

i. *The sphere of influence of any local agency, which may be applicable to the proposal being reviewed.*

The proposed change of organization also includes a sphere of influence (SOI) amendment to the CSA 18 SOI. The amendment will result in a coterminous SOI and CSA boundary.

j. *The comments of any affected local agency or other public agency.*

All affected agencies and jurisdictions have been notified pursuant to State law requirements and the Commission's adopted policies. A response letter was received from the Stanislaus County Environmental Review Committee and Sherriff's Department, both indicating that they had "no comment" on the proposed annexation. No comments have been received from any other local or public agencies.

- k. *The ability of the receiving entity to provide services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.***

The services provided by the CSA will be funded by existing and future landowners of the parcels within the territory. The CSA is a dependent district, with the Stanislaus County Board of Supervisors serving as the district's governing body. Operations and maintenance of the CSA will be provided by the County Public Works Department.

- l. *Timely availability of water supplies adequate for projected needs as specified in Government Code Section 65352.5.***

Each residential lot will be served with the extension of an existing 10" water line of the Oakdale Irrigation District (OID) for domestic water services. The site is currently within OID's boundary.

- m. *The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.***

The 8± acre parcel is within the R-A (Rural Residential) zoning district in the Stanislaus County zoning ordinance. In total the project will contribute 12 residential parcels towards regional housing needs.

- n. *Any information or comments from the landowner or owners, voters, or residents of the affected territory.***

All of the landowners within the area have consented to the proposed annexation. No information or comments, other than what was provided in the application, have been received as of the drafting of this report.

- o. *Any information relating to existing land use designations.***

All territories within the proposal are zoned R-A (Rural Residential) within the Stanislaus County Zoning Ordinance and are designated as "Low Density Residential" in the General Plan. There are currently no plans to change the land uses.

- q. *Information contained in a local mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.***

According to the CEQA Initial Study, the project site has not been identified as being within a very high fire hazard severity zone. Stanislaus County has placed a condition of approval on the project requiring that development meet all Department of Environmental Resources HazMat Division and Fire District standards, as well as obtain all required permits.

SPHERE OF INFLUENCE MODIFICATION

When a County Service Area is formed, the sphere of influence established for the CSA is typically coterminous with its boundaries. However, where appropriate, expansion of an existing CSA and its sphere of influence is preferred rather than the formation of a new CSA.

Pursuant to LAFCO Policies, a minor amendment to the sphere of influence of an agency may be processed and acted upon by the Commission without triggering a new or revised Municipal Service Review (MSR) where a previous MSR has been conducted. The Commission recently adopted an MSR for all of the CSAs in the County on February 24, 2016. Therefore, consistent with Commission policies, the proposal is being processed as a minor sphere amendment with no new Municipal Service Review required.

Sphere of Influence Determinations

Government Code Section 56425 gives purpose to the determination of a sphere of influence by charging the Commission with the responsibility of "planning and shaping the logical and orderly development of local governmental agencies." In approving a sphere of influence amendment, the Commission is required to make written determinations regarding the following factors:

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

The County retains the responsibility for land use decisions within the CSA boundaries and sphere of influence. The present land use in the area includes residential uses which are consistent with the planned land uses contemplated under the County General Plan and Zoning Ordinance.

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

When the County approves development within an unincorporated area, it may require annexation to or formation of a County Service Area in order to fund extended services necessary to serve the land uses within the development boundaries. The present and probable need for public facilities and services in the area has been considered, as reflected in County-approved Engineer's Report for CSA 18 (included in Exhibit B). The extended services to be provided by CSA 18 are administration, storm drainage, and maintenance of streetscape, sidewalks, chain-link fencing and a masonry wall to support the residential development.

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

The project developers will be required to install the necessary improvements to serve the development. Stanislaus County will maintain and operate these facilities with the funding provided through the CSA.

Only those property owners who benefit from the extended services provided by the CSA pay for them, which are funded through an assessment levied on parcels within the CSA boundaries. Based on the information provided by the County, it can be determined that, CSA 18 will have adequate controls and funding streams to provide the appropriate level of extended County services in order to serve the existing and future properties within the boundaries of the CSA.

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

There are no known social or economic communities of interest within the proposed Sphere of Influence.

5. *The present and probable need for sewer, municipal and industrial water, or structural fire protection of any disadvantaged unincorporated communities within the existing sphere of influence.*

The project site is not located within a disadvantaged unincorporated community. The area is planned to be developed with a residential subdivision that will be served by the Oakdale Rural Fire Protection District for fire protection services, Oakdale Irrigation District for water services, private septic systems for sewer services, and CSA 18 for storm drain, parks and landscaping services.

DISCUSSION

Based on the information provided by the applicant, annexation of project site can be considered a logical extension of the District's boundaries. Staff has determined that the proposed annexation is consistent with Government Code and LAFCO policies.

Waiver of Protest Proceedings

Pursuant to Government Code Section 56662(d), the Commission may waive protest proceedings for the proposal when the following conditions apply:

1. The territory is uninhabited.
2. All of the owners of land within the affected territory have given their written consent to the change of organization.
3. No subject agency has submitted written opposition to a waiver of protest proceedings.

As all of the above conditions have been met, the Commission may waive the protest proceedings in their entirety.

ENVIRONMENTAL REVIEW

Stanislaus County, as "Lead Agency" under the California Environmental Quality Act (CEQA) prepared an initial study for the approved subdivision. In January of 2016, the Stanislaus County Board of Supervisors approved and adopted a Mitigated Negative Declaration for Vesting Tentative Subdivision Map, PLN2014-0074 – Fairway 7 Estates. LAFCO, as a

Responsible Agency, must consider the environmental documentation prepared by the County. The proposed annexation will not result in a change of land use under the current zoning, which is under Stanislaus County jurisdiction. The Notice of Determination and Initial Study prepared by the County are attached to this report as Exhibit C.

ALTERNATIVES FOR COMMISSION ACTION

Following consideration of this report and any testimony or additional materials that are submitted at the public hearing for this proposal, the Commission may take one of the following actions:

- Option 1** APPROVE the proposal, as submitted by the applicant.
- Option 2** DENY the proposal.
- Option 3** CONTINUE this proposal to a future meeting for additional information.

STAFF RECOMMENDATION

Approve Option 1. Based on the information and discussion contained in this staff report, and the evidence presented, it is recommended that the Commission adopt Resolution No. 2019-06 (attached as Exhibit D), which:

- a. Certifies, as a Responsible Agency under CEQA, that the Commission has considered the environmental documentation prepared by Stanislaus County as Lead Agency;
- b. Finds the proposal to be consistent with State law and the Commission's adopted Policies and Procedures;
- c. Waives protest proceedings pursuant to Government Code Section 56662(d); and,
- d. Approves LAFCO Application 2019-05 & SOI Amendment 2019-04 – Fairway 7 Estates Change of Organization to County Service Area 18 (Atlas Park) as outlined in the resolution.

Respectfully submitted,



Javier Camarena
Assistant Executive Officer

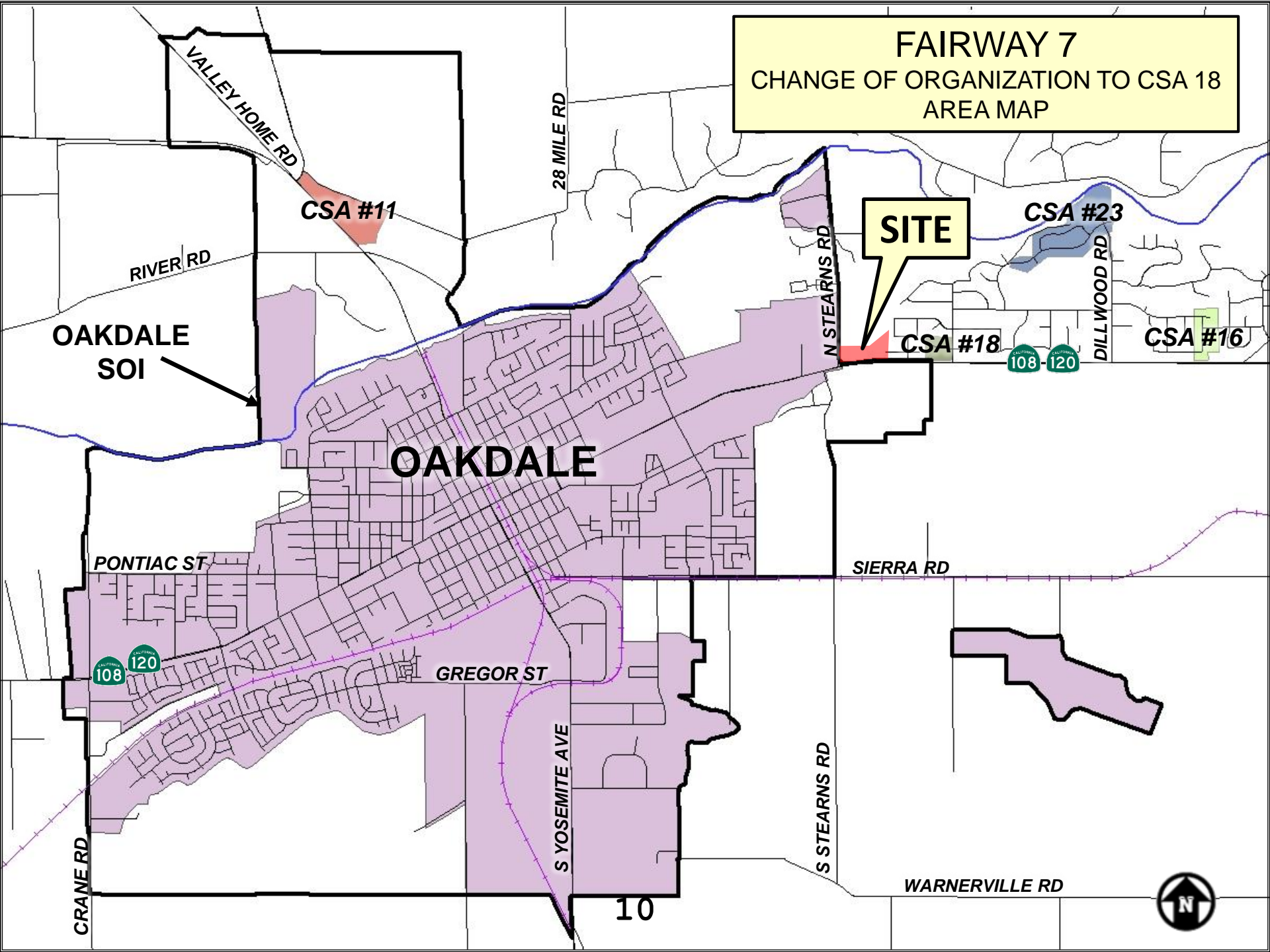
Attachments - Exhibit A: Maps and Legal Descriptions
Exhibit B: Stanislaus County Board of Supervisors Resolution No. 2018-0659 & CSA 18 Engineer's Report
Exhibit C: Stanislaus County Initial Study and Notice of Determination
Exhibit D: LAFCO Resolution No. 2019-06

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EXHIBIT A

Maps and Legal Description

FAIRWAY 7
CHANGE OF ORGANIZATION TO CSA 18
AREA MAP



OAKDALE

SITE

CSA #11

CSA #23

CSA #18

CSA #16

**OAKDALE
SOI**

PONTIAC ST

GREGOR ST

SIERRA RD

S YOSEMITE AVE

S STEARNS RD

WARNERVILLE RD

10



FAIRWAY 7

CHANGE OF ORGANIZATION TO CSA 18
AREA MAP 2

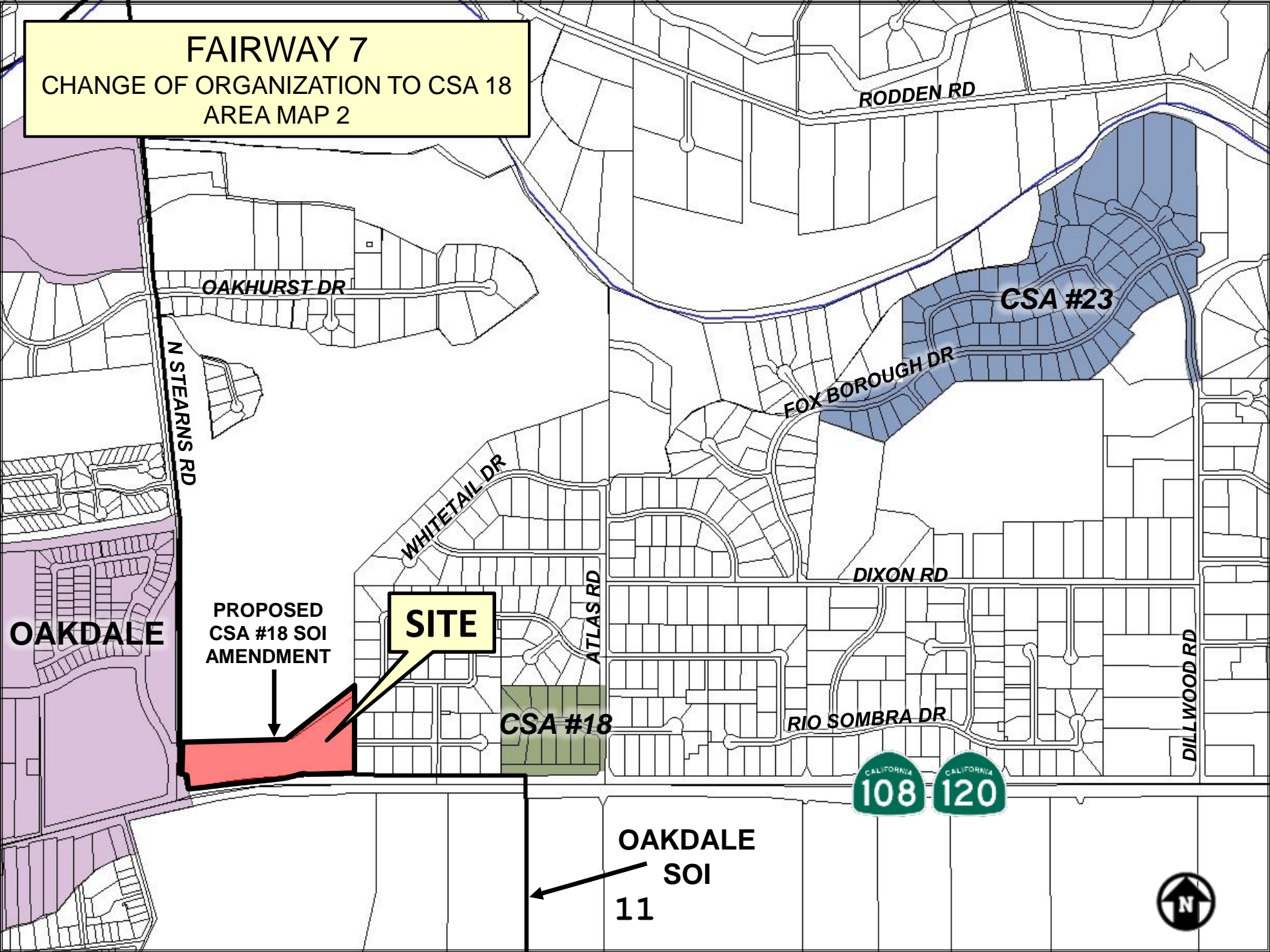


EXHIBIT "A"

LEGAL DESCRIPTION OF FAIRWAY 7 ESTATES

ANNEXATION TO CSA 18 – ATLAS PARK SUBDIVISION

All that real property situates in the east half of Section 12, Township 2 South, Range 10 East, Mount Diablo Meridian, County of Stanislaus, State of California, being more particularly described as follows:

COMMENCING at the east quarter corner of Section 12, Township 2 South, Range 10 East; thence North 0°14'03" East 37.82 feet to a point on the north right-of-way line of State Highway 120/108, said point also being the southeast corner of "Adjusted Parcel 1" as shown on the Certificate of Lot Line Adjustment filed for record on November 7, 2016 as Document No.2016-0087845, Stanislaus County Records and the true POINT OF BEGINNING of this description; thence along said north right-of-way line of State Highway 120/108 the following three courses;

- 1) North 85°54'00" West 78.31 feet;
- 2) thence South 87°09'53" West 260.55 feet to the beginning of a non-tangent curve concave to the south with a radius of 3560.00 feet, a radial line through said beginning of curve bears South 0°12'02" West;
- 3) thence westerly 780.57 feet along the arc of said curve through a central angle of 12°33'46" to a point on the east right-of-way line of Steams Road;
- 4) thence along said east right-of-way line the following four courses, North 11°28'05" West 97.41;
- 5) thence North 89°57'03" West 28.96 feet;
- 6) thence North 0°04'27" East 11.48 to the beginning of a tangent curve concave to the west with a radius of 580.00 feet;
- 7) thence northerly 189.95 feet along the arc of said curve through a central angle of 18°45'50" to a point on the west line of said "Adjusted Parcel 1";
- 8) thence along said west line, North 0°04'27" East 8.63 to a point on the north line of said "Adjusted Parcel 1";
- 9) thence along said north line the following five courses, North 88°45'44" East 451.83;
- 10) thence South 85°01'07" East 90.00 feet;
- 11) thence North 86°43'41" East 80.00 feet;
- 12) thence North 82°27'53" East 154.00 feet;

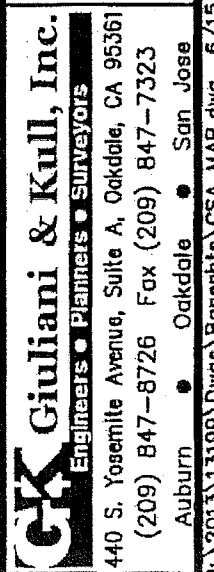
13) thence North 50°47'05" East 543.00 feet to a point on the east line of said "Adjusted Parcel 1";

14) thence along said east line, South 01°4'03" West 568.01 feet to the POINT OF BEGINNING.

All as shown on attached Exhibit 'B' and made a part hereof and containing 8.44 acres, more or less.

END DESCRIPTION





SCALE: 1" = 150'
DRAWN: TRM
CHECKED: KSC
JOB NO.: 13199
SHEET: 02 OF 02

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EXHIBIT B

**Stanislaus County Board of Supervisors
Resolution No. 2018-0659 & CSA 18 Engineer's
Report**



DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

1010 10th Street, Suite 3400, Modesto, CA 95354
Phone: 209.525.6330 Fax: 209.525.5911

CEQA INITIAL STUDY

Adapted from CEQA Guidelines APPENDIX G Environmental Checklist Form, Final Text, December 30, 2009

1. **Project title:** Vesting Tentative Subdivision Map And Exception Application No. PLN2014-0074 – Fairway 7 Estates
2. **Lead agency name and address:** Stanislaus County
1010 10th Street, Suite 3400
Modesto, CA 95354
3. **Contact person and phone number:** Jeremy Ballard, Assistant Planner
4. **Project location:** At the northeast corner of State Route 108/120 and north Stearns Road, directly east of the City of Oakdale boundary. (APN: 064-016-004)
5. **Project sponsor's name and address:** Rich Deponte
P.O. Box 909
Ripon, CA 95366
6. **General Plan designation:** Low Density Residential (LDR)
7. **Zoning:** Rural Residential (R-A)
8. **Description of project:**

This is a request to subdivide an existing 8± acre parcel into 12, 20,000± square foot minimum residential lots, 1 utility lot that features a fenced stormwater basin including a landscaped public utility easement. The proposed project will extend Plaza Del Oro Drive and terminate into a cul-de-sac, providing a 20' emergency access point extending to North Stearns Road. An exception is being requested for the cul-de-sac length. Each residential lot will be served with the extension of an existing 10" water line of the Oakdale Irrigation District for domestic water services; provide a 10' public utilities easement, and install a Measure X approved septic system. All lots, proposed street and basin will be graded to allow for the proposed development and any future residential expansion on each lot. The proposed project will also feature curb, gutter, sidewalks, a landscaped entry feature, an 8' foot block wall along State Route 108/120 with landscaping, and a 6' foot block wall along Stearns Road. The development will be maintained in perpetuity through the creation of or annexation to a community service district.

9. **Surrounding land uses and setting:** To the west is north Stearns Road and the City of Oakdale, to the south is State Route 108/120 and the City of Oakdale, to the east is residential development of similar nature, and finally to the north is the Oakdale Golf and Country Club.
10. **Other public agencies whose approval is required (e.g., permits, financing approval, or participation agreement.):** City of Oakdale, Oakdale Irrigation District, California Department of Transportation, Stanislaus County Department of Public Works, Department of Environmental Resources.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

- | | | |
|---|---|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agriculture & Forestry Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Geology / Soils |
| <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Hazards & Hazardous Materials | <input type="checkbox"/> Hydrology / Water Quality |
| <input type="checkbox"/> Land Use / Planning | <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Population / Housing | <input type="checkbox"/> Public Services | <input type="checkbox"/> Recreation |
| <input type="checkbox"/> Transportation / Traffic | <input type="checkbox"/> Utilities / Service Systems | <input type="checkbox"/> Mandatory Findings of Significance |

DETERMINATION: (To be completed by the Lead Agency)

On the basis of this initial evaluation:

- ☒ I find that the proposed project **COULD NOT** have a significant effect on the environment, and a **NEGATIVE DECLARATION** will be prepared.
- ☐ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A **MITIGATED NEGATIVE DECLARATION** will be prepared.
- ☐ I find that the proposed project **MAY** have a significant effect on the environment, and an **ENVIRONMENTAL IMPACT REPORT** is required.
- ☐ I find that the proposed project **MAY** have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An **ENVIRONMENTAL IMPACT REPORT** is required, but it must analyze only the effects that remain to be addressed.
- ☐ I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or **NEGATIVE DECLARATION** pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or **NEGATIVE DECLARATION**, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Jeremy Ballard

Signature

September 24, 2015

Date

EVALUATION OF ENVIRONMENTAL IMPACTS:

- 1) A brief explanation is required for all answers except “No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A “No Impact” answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
- 2) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
- 3) Once the lead agency has determined that a particular physical impact may occur, than the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. “Potentially Significant Impact” is appropriate if there is substantial evidence that an effect may be significant. If there are one or more “Potentially Significant Impact” entries when the determination is made, an EIR is required.
- 4) “Negative Declaration: Less Than Significant With Mitigation Incorporated” applies where the incorporation of mitigation measures has reduced an effect from “Potentially Significant Impact” to a “Less Than Significant Impact.” The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from Section XVII, “Earlier Analyses,” may be cross-referenced).
- 5) Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration.

Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:

- a) **Earlier Analysis Used.** Identify and state where they are available for review.
 - b) **Impacts Adequately Addressed.** Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
 - c) **Mitigation Measures.** For effects that are “Less than Significant with Mitigation Measures Incorporated,” describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
- 6) Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). References to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
 - 7) **Supporting Information Sources:** A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
 - 8) This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project’s environmental effects in whatever format is selected.
 - 9) The explanation of each issue should identify:
 - a) the significant criteria or threshold, if any, used to evaluate each question; and
 - b) the mitigation measure identified, if any, to reduce the impact to less than significant.

ISSUES

| I. AESTHETICS -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|---|---------------------------------------|---|-------------------------------------|------------------|
| a) Have a substantial adverse effect on a scenic vista? | | | X | |
| b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway? | | | X | |
| c) Substantially degrade the existing visual character or quality of the site and its surroundings? | | | X | |
| d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area? | | | X | |

Discussion: Per the Stanislaus County General Plan's Conservation Element, the site is not considered to be a scenic resource or a unique scenic vista. Community standards generally do not dictate the need or desire for architectural review of agricultural or residential subdivisions. Currently, the project site is undeveloped and historically owned by the California Department of Transportation (CalTrans). The Vesting Tentative Subdivision Map will feature 12 residential lots of similar size and nature as the surrounding residential development. As part of the overall development plan, the proposed project has includes a tree planting plan as well as a traffic circle upon entry to the subdivision that will be landscaped. These project features will enhance the site's overall visual character as well as blending with the existing surrounding development. All street lights that will be installed will be conditioned as to dampen any intrusive glare at night or during the day.

Mitigation: None

References: Application packet, Stanislaus County General Plan and Support Documentation¹.

| II. AGRICULTURE AND FOREST RESOURCES: In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|--|---------------------------------------|---|-------------------------------------|------------------|
| a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use? | | | X | |
| b) Conflict with existing zoning for agricultural use, or a Williamson Act contract? | | | | X |

| | | | | |
|--|--|--|---|---|
| c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))? | | | | X |
| d) Result in the loss of forest land or conversion of forest land to non-forest use? | | | | X |
| e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use? | | | X | |

Discussion: The project site is designated LDR (Low Density Residential) in the County's General Plan and zoned R-A (Rural Residential). The development of this project site for residential purposes is a permitted use in the County Zoning Ordinance. The project site is also adjacent to residential development as well as the Oakdale Country Club and the City of Oakdale. The project site is considered an in-fill development and will not contribute to the loss of farmland or forest land.

Mitigation: None

References: Stanislaus County General Plan and Support Documentation¹. Stanislaus County Zoning Ordinance.

| III. AIR QUALITY: Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|---|--------------------------------|--|------------------------------|-----------|
| a) Conflict with or obstruct implementation of the applicable air quality plan? | | | X | |
| b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation? | | | X | |
| c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)? | | | X | |
| d) Expose sensitive receptors to substantial pollutant concentrations? | | | X | |
| e) Create objectionable odors affecting a substantial number of people? | | | X | |

Discussion: The project site is within the San Joaquin Valley Air Basin, which has been classified as "severe non-attainment" for ozone and respirable particulate matter (PM-10) as defined by the Federal Clean Air Act. The San Joaquin Valley Air Pollution Control District (SJVAPCD) has been established by the State in an effort to control and minimize air pollution. As such, the District maintains permit authority over stationary sources of pollutants.

The primary source of air pollutants generated by this project would be classified as being generated from "mobile" sources. Mobile sources would generally include dust from roads, farming, and automobile exhausts. Mobile sources are generally regulated by the Air Resources Board of the California EPA which sets emissions for vehicles and acts on issues regarding cleaner burning fuels and alternative fuel technologies. As such, the District has addressed most criteria air pollutants through basin wide programs and policies to prevent cumulative deterioration of air quality within the Basin.

The project will not conflict with, or obstruct implementation of, any applicable air quality plan. Traffic increase will be minimal due to the number of residents added. The construction phase of this project will be required to meet SJVAPCD's standards and to obtain all applicable permits. This District did not respond to the early consultation and later confirmed they did not have any comment on the project. Therefore, no significant impacts to air quality are anticipated.

Mitigation: None

References: Referral response from San Joaquin Valley Air Pollution Control District dated October 28, 2014, Stanislaus County General Plan and Support Documentation¹

| IV. BIOLOGICAL RESOURCES -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|---|---------------------------------------|---|-------------------------------------|------------------|
| a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? | | | X | |
| b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? | | | X | |
| c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means? | | | | X |
| d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites? | | | X | |
| e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance? | | | X | |
| f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan? | | | | X |

Discussion: The undeveloped project site is bound by State Route 108/120, north Stearns Road, the Oakdale Country Club and similar residential development. Staff received a comment letter from the California Department of Fish and Wildlife concerning the project site and its proposed parcelization. The comment letter dated June 2, 2015, identifies three species that may be or are known to occur in the project area. Included in the comment letter are some recommended actions for the applicant to perform as to limit any disturbance of the species identified. Therefore, there will be a condition of approval placed on the project that prior to any ground disturbing activity the applicant shall employ a qualified wildlife biologist to survey the site for nesting birds, Swanson hawks and burrowing owls. If during the survey any of these species are found the applicant shall contact the Department of Fish & Wildlife and perform any practices the department prescribes. The construction of residential units and roadways on the project site could result in removal of several oak trees. The Stanislaus County General Plan Conservation and Open Space Element Goal One, Policy Four requires protection and enhancement of oak woodlands and other native hardwood habitat by requiring a management plan for their protection. Therefore, the project will also be subject to a condition of approval to develop Oak Tree Management for any qualifying oak trees on site.

Mitigation: None

References: Referral response from California State Department of Fish and Wildlife dated June 2, 2015,, Stanislaus County General Plan and Support Documentation¹

| V. CULTURAL RESOURCES -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|---|---------------------------------------|---|-------------------------------------|------------------|
| a) Cause a substantial adverse change in the significance of a historical resource as defined in § 15064.5? | | | X | |
| b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5? | | | X | |
| c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature? | | | | X |
| d) Disturb any human remains, including those interred outside of formal cemeteries? | | | | X |

Discussion: According to the Central California Information Center (CCIC), there are no reports on record for prehistoric or historic archaeological resources on site. The CCIC data suggests that the project area has a low to moderate sensitivity for the possible discovery of historical resources. The CCIC recommends a survey by a qualified resources consultant prior to implementation of the project or issuance of any discretionary permit. As stated previously the site is currently undeveloped, however, could be considered infill as it is surrounded by residential development as well as the Oakdale Golf & Country Club. Therefore, a condition of approval will be placed on the project that if any pre-historic or historic resources are found, construction activities will be halted and the appropriate agencies will be contacted.

Mitigation: None

References: Referral response from Central California Information Center dated March 24, 2014 Stanislaus County General Plan and Support Documentation¹

| VI. GEOLOGY AND SOILS -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|---|---------------------------------------|---|-------------------------------------|------------------|
| a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving: | | | | |
| i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42. | | | | X |
| ii) Strong seismic ground shaking? | | | X | |
| iii) Seismic-related ground failure, including liquefaction? | | | | X |
| iv) Landslides? | | | | X |
| b) Result in substantial soil erosion or the loss of topsoil? | | | X | |
| c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse? | | | | X |
| d) Be located on expansive soil creating substantial risks to life or property? | | | X | |

| | | | | |
|---|--|--|---|--|
| e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water? | | | X | |
|---|--|--|---|--|

Discussion: As contained in Chapter Five of the General Plan Support Documentation, the areas of the County subject to significant geologic hazard are located in the Diablo Range, west of Interstate 5; however, as per the California Building Code, all of Stanislaus County is located within a geologic hazard zone (Seismic Design Category D, E, or F) and a soils test may be required as part of the building permit process. Results from the soils test will determine if unstable or expansive soils are present. If such soils are present, special engineering of the structure will be required to compensate for the soil deficiency. Any structures resulting from this project will be designed and build according to building standards appropriate to withstand shaking for the area in which they are constructed. Any earth moving is subject to Public Works Standards and Specifications which consider the potential for erosion and run-off prior to permit approval. Likewise, any addition of a septic tank or alternative waste water disposal system would require the approval of the Department of Environmental Resources (DER) through the building permit process, which also takes soil type in consideration within the specific design requirements. As detailed in the project description, the proposed project will feature a grading plan as well as engineered septic systems for specific lots. Prior to recording of the final map, the applicant will submit a geotechnical study as well percolation rate data to DER to detail the ability of each lot's septic system capacity as well as submit a grading plan for each lot. All septic systems will need to meet the requirements adopted by the Central Valley Regional Water Quality Control Board (RWQCB) and Stanislaus County DER.

Mitigation: None

References: Referral response from Stanislaus County Department of Environmental Resources dated January 6, 2015, Stanislaus County General Plan and Support Documentation¹

| VII. GREENHOUSE GAS EMISSIONS -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|---|---------------------------------------|---|-------------------------------------|------------------|
| a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment? | | | X | |
| b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases? | | | X | |

Discussion: The proposed project will not generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment or conflict with any plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases. No referral response was received from the San Joaquin Valley Air Pollution Control District (SJVAPCD), however, later confirmed they did not have any comment on the project.

Mitigation: None

References: Referral response from San Joaquin Valley Air Pollution Control District dated October 28, 2014, Stanislaus County General Plan and Support Documentation¹

| VIII. HAZARDS AND HAZARDOUS MATERIALS -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|--|---------------------------------------|---|-------------------------------------|------------------|
| a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? | | | X | |
| b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment? | | | X | |

| | | | | |
|--|--|--|---|---|
| c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? | | | | X |
| d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment? | | | | X |
| e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area? | | | X | |
| f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area? | | | | X |
| g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan? | | | X | |
| h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands? | | | | X |

Discussion: DER's HAZMAT Division is responsible for overseeing hazardous materials and has not indicated any particular concerns in this area. Pesticide exposure is a risk in areas located in the vicinity of agricultural uses. Sources of exposure include contaminated groundwater, which is consumed and drift from spray applications. Application of sprays are strictly controlled by the Agricultural Commissioner and can only be accomplished after first obtaining permits. The groundwater is not known to be contaminated in this area and the project will be served by the Oakdale Irrigation District (OID) for their domestic water. The project is located in an area rated as a Moderate Fire risk. The property is served by the Oakdale Rural Fire Protection District and will pay fire impact fees for all new construction. A project referral was sent to Oakdale Rural Fire, but no comment has been received at the time of document preparation. The project site is also located within the Planning Area of the Oakdale Municipal Airport, specifically zone 4 according to the adopted Stanislaus County Airport Land Use Commission Plan. The Commission Plan has provided prescriptive uses that are compatible for zone 4. The proposed creation of twelve 20,000 square foot lots are a compatible use within zone 4 and will not result in a significant safety hazard for people residing or working in the project area.

Mitigation: None

References: Stanislaus County General Plan and Support Documentation, Airport Land Use Commission Plan¹

| IX. HYDROLOGY AND WATER QUALITY -- Would the project: | | | | |
|---|--------------------------------|--|------------------------------|-----------|
| | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
| a) Violate any water quality standards or waste discharge requirements? | | | X | |
| b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)? | | | | X |
| c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site? | | | X | |

| | | | | |
|---|--|--|---|---|
| d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site? | | | X | |
| e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff? | | | X | |
| f) Otherwise substantially degrade water quality? | | | X | |
| g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map? | | | | X |
| h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows? | | | | X |
| i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam? | | | | X |
| j) Inundation by seiche, tsunami, or mudflow? | | | | X |

Discussion: On-site areas subject to flooding have not been identified in accordance with the Federal Emergency Management Act and/or County designated flood areas. Development of the project site will include paving for the roadway, house pads, and driveways, which will alter the existing drainage pattern of the site. However, the project proposes to convey any altered runoff via French drain to a landscape retention basin at the southwest portion of the project site. Prior to the recording of the final map the applicant will annex or create a County Service Area to maintain the retention basin. Preliminary drainage plans have been reviewed by Department of Public Works.

The proposed project will not have a significant effect on groundwater levels as all proposed development will be served with domestic water from OID. The applicant has received a will serve letter from OID for each lot.

Mitigation: None

References: Application Material, Tentative Map, Oakdale Irrigation District Will Serve Letter dated May 6, 2014, Stanislaus County General Plan and Support Documentation¹

| X. LAND USE AND PLANNING -- Would the project: | | | | |
|---|--------------------------------|--|------------------------------|-----------|
| | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
| a) Physically divide an established community? | | | | X |
| b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect? | | | | X |
| c) Conflict with any applicable habitat conservation plan or natural community conservation plan? | | | | X |

Discussion: The proposed project is consistent with the LDR (Low Density Residential) General Plan Designation, which allows for zero to eight units per net acre. The R-A (Rural Residential) zoning district also provides for lots 20,000 square feet in size when served by either public water and septic system or a private well and public sewer facilities. As described earlier each lot will be served with domestic water from OID and utilize private septic facilities as approved by DER. The proposed project will not conflict with any applicable habitat conservation plan or natural community conservation plan, as there are none in the area, and will not physically divide an established community as the project is bordering the City of Oakdale's eastern boundary line. East of the project site consists of residential development and like zoning, the proposed project could be considered infill. The applicant has applied for an exception to the Stanislaus

County Subdivision Ordinance for the extension of Plaza Del Oro cul-de-sac. The length will extend further than the required length according to the adopted Stanislaus County Standards and Specifications and Subdivision Ordinance. Based on a convening of the Stanislaus County Subdivision Committee, the exception will be recommended for approval due to the secondary emergency access point included in the tentative map.

Mitigation: None

References: Application Material, Referral response from Stanislaus County Subdivision Committee dated October 22, 2014, Stanislaus County General Plan and Support Documentation, County Code.¹

| XI. MINERAL RESOURCES -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|--|---------------------------------------|---|-------------------------------------|------------------|
| a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state? | | | | X |
| b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan? | | | | X |

Discussion: The location of all commercially viable mineral resources in Stanislaus County has been mapped by the State Division of Mines and Geology in Special Report 173. There are no known significant resources on the site.

Mitigation: None

References: Stanislaus County General Plan and Support Documentation¹

| XII. NOISE -- Would the project result in: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|--|---------------------------------------|---|-------------------------------------|------------------|
| a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies? | | | X | |
| b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels? | | | X | |
| c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project? | | | X | |
| d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project? | | | X | |
| e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels? | | | X | |
| f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels? | | | | X |

Discussion: Based on the proximity to State Route 108/120 the proposed project will feature an 8-foot high block wall with landscaping along the State Route and a 6 foot block wall along North Stearns Road. The 8-foot high block wall with landscaping is prescribed by the Stanislaus County Noise Element and Support Document to mitigate any exterior noise exposure. The incorporated block wall and distance from the centerline of State Route 108/120 will dampen the exterior noise ranges to acceptable levels for Low Density Single Family areas. Prior to the recording of the final map, submittal of

a landscaping plan is required for review of the type of material chosen to accompany the 8-foot high block wall. A standard condition of approval will be added to the project to address the temporary increase in noise during the construction phase of the project. As described previously, the project site is located within zone 4 of the Oakdale Municipal Airport, which is a permitted area for single family dwellings.

Mitigation: None

References: Tentative Map; Referral response from Stanislaus County Department of Planning and Community Development dated October 22, 2014; Stanislaus County General Plan and Support Documentation¹

| XIII. POPULATION AND HOUSING -- Would the project: | | | | |
|---|--------------------------------|--|------------------------------|-----------|
| | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
| a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)? | | | X | |
| b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere? | | | | X |
| c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere? | | | | X |

Discussion: The proposed project will not create significant service extensions or new infrastructure which could be considered as growth inducing, as services are available to neighboring properties. The extension of OLD water services and of Plaza Del Oro cul de sac will not induce any further growth as the site will be bordered by north Stearns Road and State Route 108/120. As mentioned previously, the site neighbors similar residential development.

Mitigation: None

References: Stanislaus County General Plan and Support Documentation¹

| XIV. PUBLIC SERVICES -- | | | | |
|---|--------------------------------|--|------------------------------|-----------|
| | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
| a) Would the project result in the substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services: | | | | |
| Fire protection? | | | X | |
| Police protection? | | | X | |
| Schools? | | | X | |
| Parks? | | | X | |
| Other public facilities? | | | X | |

Discussion: The County has adopted Public Facilities Fees, School as well as a Fire Facility Fees on behalf of the appropriate district, to address impacts to public services. In addition the Sheriff's department also uses a standardized fee for new dwellings that will be incorporated into the Conditions of Approval.

Mitigation: None

References: Stanislaus County General Plan and Support Documentation¹

| XV. RECREATION -- | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|--|---------------------------------------|---|-------------------------------------|------------------|
| a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated? | | | X | |
| b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment? | | | X | |

Discussion: The General Plan requires at least three net acres of developed neighborhood parks, or the maximum number allowed by law, to be provided for every 1,000 residents. Based on the number of lots being created, conditions of approval will be added to the project to require in-lieu park fees. These fees will be required at the issuance of building permit for each lot.

Mitigation: None

References: Stanislaus County General Plan and Support Documentation¹

| XVI. TRANSPORTATION/TRAFFIC -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|---|---------------------------------------|---|-------------------------------------|------------------|
| a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit? | | | X | |
| b) Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways? | | | X | |
| c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks? | | | X | |
| d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? | | | X | |
| e) Result in inadequate emergency access? | | | X | |
| f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities? | | | X | |

Discussion: Each parcel will access a county maintained roadway (Plaza Del Oro Drive). Only emergency access will be granted onto North Stearns Road and no access will take place onto State Route 108/120. It is not anticipated that the proposed project will have any significant impacts on transportation or traffic. A comment referral was received from the State of California Department of Transportation, which no comment was proffered.

Mitigation: None

References: Referral response from State of California Department of Transportation October 6, 2014; Stanislaus County General Plan and Support Documentation¹

| XVII. UTILITIES AND SERVICE SYSTEMS -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|---|---------------------------------------|---|-------------------------------------|------------------|
| a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board? | | | X | |
| b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? | | | X | |
| c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? | | | X | |
| d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed? | | | X | |
| e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments? | | | | X |
| f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs? | | | X | |
| g) Comply with federal, state, and local statutes and regulations related to solid waste? | | | X | |

Discussion: Limitations on providing utility services have not been identified. The project will be served by public water and be subject to DER requirements for all septic facilities. The project also features a storm water retention basin that will maintain all runoff on-site.

Mitigation: None

References: Tentative Map; Referral response from Oakdale Irrigation received May 22, 2015, Stanislaus County General Plan and Support Documentation¹

| XVIII. MANDATORY FINDINGS OF SIGNIFICANCE -- | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|--|---------------------------------------|---|-------------------------------------|------------------|
| a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory? | | | X | |
| b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.) | | | X | |

| | | | | |
|---|--|--|---|--|
| c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly? | | | x | |
|---|--|--|---|--|

Discussion: Review of this project has not indicated any features which might significantly impact the environmental quality of the site and/or adjacent areas.

¹Stanislaus County General Plan and Support Documentation adopted in October 1994, as amended. Optional and updated elements of the General Plan and Support Documentation: **Agricultural Element** adopted on December 18, 2007; **Housing Element** adopted on August 28, 2012; **Circulation Element** and **Noise Element** adopted on April 18, 2006.

NEGATIVE DECLARATION

NAME OF PROJECT: Vesting Tentative Subdivision Map Application No. PLN2014-0074 – Fairway 7 Estates

LOCATION OF PROJECT: At the northeast corner of State Route 108/120 and north Stearns Road, directly east of the City of Oakdale boundary. (APN: 064-016-004)

PROJECT DEVELOPERS: Rich Deponte
P.O Box 909
Ripon, CA 95366

DESCRIPTION OF PROJECT: This is a request to subdivide an 8± acre parcel into 13 lots measuring in size from 20,000 square feet to 27,466 square feet, in the R-A (Rural Residential zoning district). The property is generally located at the northeast corner of State HWY 108/120 and North Stearns Road, in the Oakdale area. The Planning Commission will consider adoption of a CEQA Negative Declaration for this project.

Based upon the Initial Study, dated **September 24, 2015**, the Environmental Coordinator finds as follows:

1. This project does not have the potential to degrade the quality of the environment, nor to curtail the diversity of the environment.
2. This project will not have a detrimental effect upon either short-term or long-term environmental goals.
3. This project will not have impacts which are individually limited but cumulatively considerable.
4. This project will not have environmental impacts which will cause substantial adverse effects upon human beings, either directly or indirectly.

The Initial Study and other environmental documents are available for public review at the Department of Planning and Community Development, 1010 10th Street, Suite 3400, Modesto, California.

Initial Study prepared by: Jeremy Ballard, Assistant Planner

Submit comments to: Stanislaus County
Planning and Community Development Department
1010 10th Street, Suite 3400
Modesto, California 95354

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State of California – Natural Resources Agency
DEPARTMENT OF FISH AND WILDLIFE
Central Region
1234 East Shaw Avenue
Fresno, CA 93710
(559) 243-4005
www.wildlife.ca.gov

EDMUND G. BROWN JR., Governor
CHARLTON H. BONHAM, Director



June 2, 2015

Jeremy Ballard, Assistant Planner
Stanislaus County
Department of Planning and Community Development
1010 10th Street, Suite 3400
Modesto, California 95354

Subject: **Early Consultation**
Vesting Tentative Subdivision Map & Exception Application No. PLN2014-0074 – Fairway 7 Estates
SCH#: 2014092064

Dear Mr. Ballard:

The California Department of Fish and Wildlife (CDFW) has reviewed the Vesting Tentative Subdivision Map and Exception Application No. PLN2014-0074 – Fairway 7 Estates (Project) submitted by the Stanislaus County Department of Planning and Community Development. The Project proposes to subdivide an approximate 8 acre parcel into 12 20,000 square foot residential lots, and two additional stormwater basin lots. The proposed subdivision will extend Plaza Del Oro Drive and terminate into a cul-de-sac with emergency access extending from the end of the cul-de-sac to Stearns Road. An exception for the cul-de-sac length is requested. The Project site is located at the northeast corner of Highway 108/120 and Stearns Road, in Oakdale.

Although the comment period has passed, the Department would appreciate if you would consider the following comments.

Department Jurisdiction

Trustee Agency Authority: CDFW is a Trustee Agency with the responsibility under CEQA for commenting on projects that could impact plant and wildlife resources. Pursuant to Fish and Game Code Section 1802, CDFW has jurisdiction over the conservation, protection, and management of fish, wildlife, native plants, and habitat necessary for biologically sustainable populations of those species. As a Trustee Agency for fish and wildlife resources, CDFW is responsible for providing, as available, biological expertise to review and comment on environmental documents and impacts arising from project activities, as those terms are used under CEQA.

Responsible Agency Authority: The Department has regulatory authority over projects that could result in the “take” of any species listed by the State as threatened or endangered, pursuant to Fish and Game Code Section 2081. If the Project could result in

the take of any species listed as threatened or endangered under the California Endangered Species Act (CESA), the Department may need to issue an Incidental Take Permit (ITP) for the Project. CEQA requires a Mandatory Finding of Significance if a project is likely to substantially impact threatened or endangered species (sections 21001{c}, 21083, Guidelines sections 15380, 15064, 15065). Impacts must be avoided or mitigated to less than significant levels unless the CEQA Lead Agency makes and supports Statement of Overriding Consideration (SOC). The CEQA Lead Agency's SOC does not eliminate the Project proponent's obligation to comply with Fish and Game Code Section 2080.

The Department also has regulatory authority with regard to activities occurring in streams and/or lakes along with riparian habitat associated with, and supported by the features, that could adversely affect any fish or wildlife resource, pursuant to Fish and Game Code sections 1600 *et seq.* The Department recommends the Project proponent contact our Stream Alteration Program with regards to obtaining a Streambed Alteration Agreement.

Bird Protection: CDFW has jurisdiction over actions that may result in the disturbance or destruction of active nest sites or the unauthorized take of birds. Sections of the Fish and Game Code that protect birds, their eggs and nests include sections 3503 (regarding unlawful take, possession, or needless destruction of the nest or eggs of any bird), 3503.5 (regarding the take, possession or destruction of any birds-of-prey or their nests or eggs), and 3513 (regarding unlawful take of any migratory nongame bird).

Project Recommendations

Nesting Birds: The trees, shrubs, and grasses within and in the vicinity of the Project sites likely provide nesting habitat for songbirds and raptors. The Department encourages Project activities to occur during the non-nesting bird season. However, if ground-disturbing activities must occur during the breeding season (February through mid-September), the Project applicant is responsible for ensuring that implementation of the Project does not result in any violation of the Migratory Bird Treaty Act or relevant Fish and Game Codes as referenced above. Prior to work commencing, the Department recommends surveys for active nests be conducted by a qualified wildlife biologist no more than 10 days prior to the start of the of the Project and that the surveys be conducted in a sufficient area around the work site to identify any nests that are present and to determine their status. A sufficient area means any nest within an area that could potentially be affected by the Project. In addition to direct impacts, such as nest destruction, nests might be affected by noise, vibration, odors, and movement of workers or equipment. The Department recommends identified nests are continuously surveyed for the first 24 hours prior to any construction related activities to establish a behavioral baseline. Once work commences, continuously monitoring all nests to detect any behavioral changes is advised. If behavioral changes are observed, the work causing that change may cease and the Department consulted for additional avoidance and minimization measures.

If continuous monitoring of identified nests by a qualified wildlife biologist is not feasible, the Department recommends a minimum no-disturbance buffer of 250 feet around active nests of non-listed bird species and a 500 foot no-disturbance buffer around the nests of unlisted raptors until the breeding season has ended, or until a qualified biologist has determined that the birds have fledged and are no longer reliant upon the nest or parental care for

survival. Variance from these no disturbance buffers may be implemented when there is compelling biological or ecological reason to do so, such as when the Project area would be concealed from a nest site by topography. Any variance from these buffers is advised to be supported by a qualified wildlife biologist and it is recommended the Department be notified in advance of implementation of a no disturbance buffer variance.

Swainson's Hawk (SWHA): The State threatened Swainson's hawk (*Buteo swainsoni*) is known to occur near the Project site. To evaluate potential Project-related impacts, the Department recommends that a qualified wildlife biologist conduct surveys for nesting raptors following the survey methodology developed by the Swainson's Hawk Technical Advisory Committee (SWHA TAC, 2000) prior to any ground disturbance.

If ground-disturbing Project activities are to take place during the normal bird breeding season (February 1 through September 15), the Department recommends that additional pre-construction surveys for active nests be conducted by a qualified biologist no more than 10 days prior to the start of construction. If an active Swainson's hawk nest is detected within 0.5 miles of the Project site, and work will occur during the avian nesting season, consultation with the Department is advised to occur well in advance of ground-disturbing activities to determine if take of SWHA can be avoided. If take cannot be avoided then acquisition of an ITP pursuant to Fish and Game Code Section 2081(b) is warranted to comply with CESA. The Department advises that these recommendations be included as required mitigation measures in the environmental document prepared for this Project.

If Swainson's hawk nests occur in the Project vicinity, the Department recommends compensation for the loss of Swainson's hawk foraging habitat as described in the Department's Staff Report Regarding Mitigation for Impacts to Swainson's Hawks (DFG, 1994) to reduce impacts to foraging habitat to less than significant. The Staff Report recommends that mitigation for habitat loss occur within a minimum distance of 10 miles from known nest sites. The Department has the following recommendations based on the Staff Report:

- For projects within 1 mile of an active nest tree, a minimum of one acre of habitat management (HM) land for each acre of development is advised.
- For projects within 5 miles of an active nest but greater than 1 mile, a minimum of 0.75 acres of HM land for each acre of urban development is advised.
- For projects within 10 miles of an active nest tree but greater than 5 miles from an active nest tree, a minimum of 0.5 acres of HM land for each acre of urban development is advised.

Burrowing Owl: Burrowing owl (*Athene cunicularia*) have the potential to occur within the Project area. To avoid impacts to the species, the Department recommends pre-construction surveys for burrowing owl regardless of when construction will occur to identify any burrowing owl that may occur on the Project site. In the event that burrowing owls are found, we recommend that impacts to occupied burrows be avoided in accordance with the following table unless a qualified biologist approved by the Department verifies through non-invasive methods that either: 1) the birds have not begun egg laying and incubation; or

2) that juveniles from the occupied burrows are foraging independently and are capable of independent survival. The below table can be found from the Burrowing Owl Staff Report (CDFG 2012).

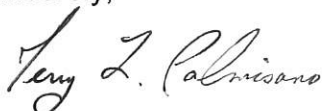
| Location | Time of Year | Level of Disturbance | | |
|---------------|----------------|----------------------|-------|-------|
| | | Low | Med | High |
| Nesting sites | April 1-Aug 15 | 200 m* | 500 m | 500 m |
| Nesting sites | Aug 16-Oct 15 | 200 m | 200 m | 500 m |
| Nesting sites | Oct 16-Mar 31 | 50 m | 100 m | 500 m |

* meters (m)

The Staff Report recommends that foraging habitat be acquired and permanently protected to offset the loss of foraging and burrow habitat. The Department also recommends replacement of occupied burrows with artificial burrows at a ratio of 1 burrow collapsed to 1 artificial burrow constructed (1:1) as mitigation for the potentially significant impact of evicting a burrowing owl if a biologist knowledgeable with the biology and natural history of the species determines that suitable burrows are a potential limiting factor for burrowing owl.

More information on survey and monitoring protocols for sensitive species can be found at CDFW's website (www.dfg.ca.gov/wildlife/nongame/survey_monitor.html). If you have any questions, please contact Jim Vang, Environmental Scientist, at the address provided on this letterhead, by telephone at (559) 243-4014, extension 254, or by electronic mail at Jim.Vang@wildlife.ca.gov.

Sincerely,



Terry L. Palmisano
Acting Regional Manager

cc: Jeremy Ballard, ballardj@stancounty.com

Sarah Paulson, Lake and Streambed Alteration Program

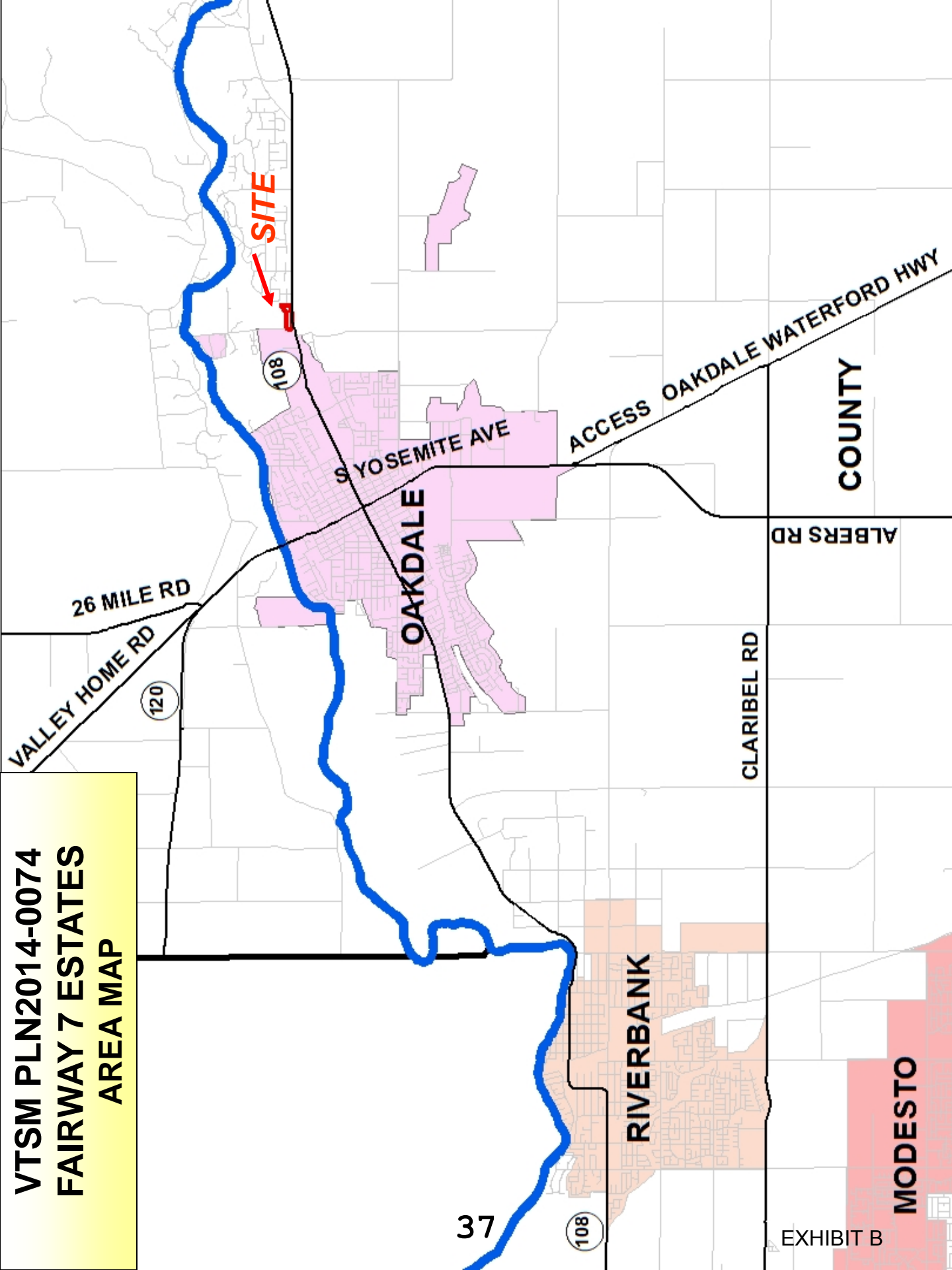
Literature Cited

CDFG, 1994. Staff Report Regarding Mitigation for Impacts to Swainson's Hawks (*Buteo Swainsoni*) in the Central Valley of California. California Department of Fish and Game.

CDFG, 2012. Staff Report on Burrowing Owl Mitigation. California Department of Fish and Game.

SWHA TAC, 2000. Recommended Timing and Methodology for Swainson's Hawk Nesting Surveys in California's Central Valley. Swainson's Hawk Technical Advisory Committee, May 31, 2000.

**VTSM PLN2014-0074
FAIRWAY 7 ESTATES
AREA MAP**



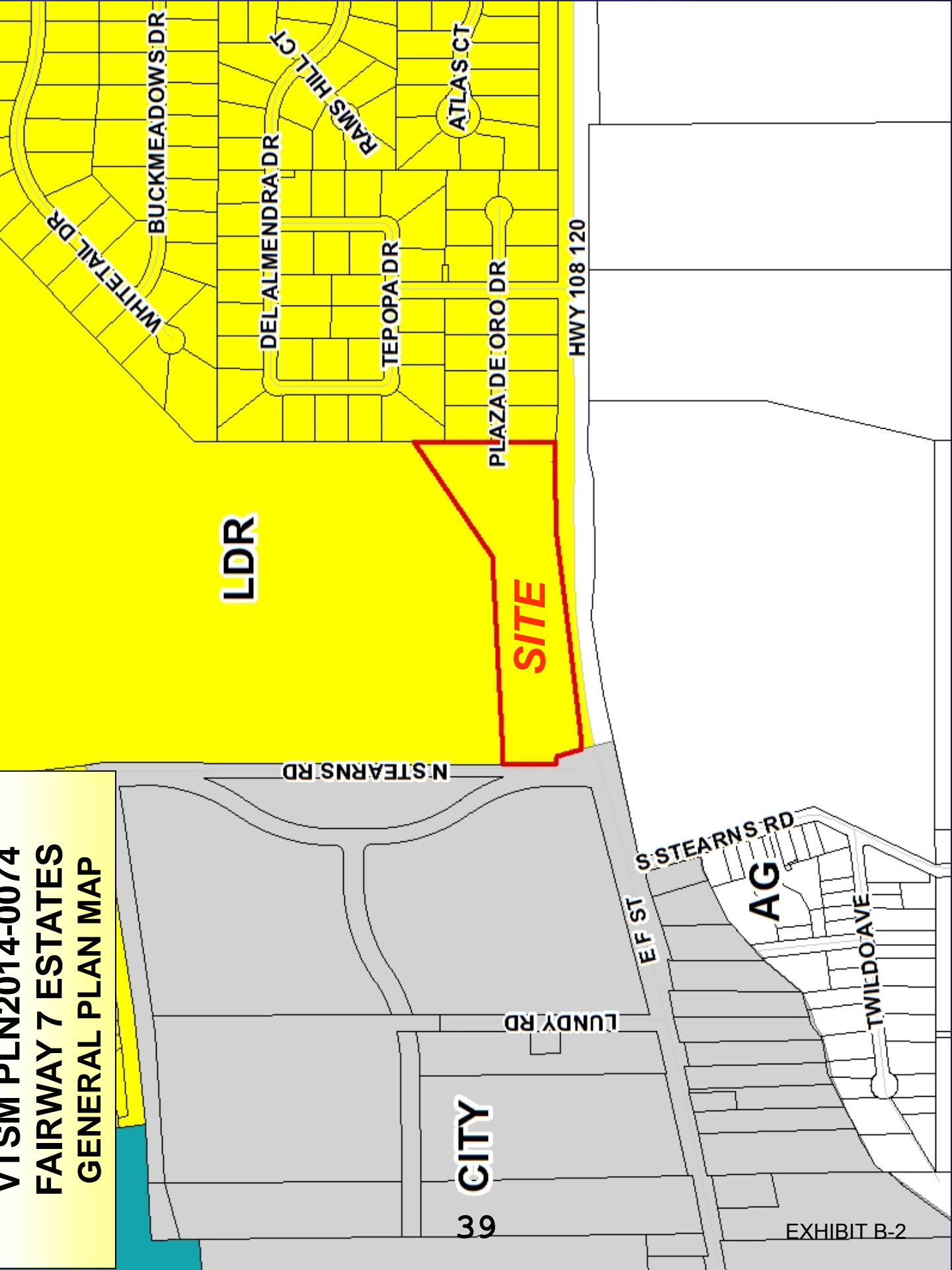
VTSM PLN2014-0074
FAIRWAY 7 ESTATES
ACREAGE

EXHIBIT B-1

VTSM PLN2014-0074
FAIRWAY 7 ESTATES
ACREAGE

EXHIBIT B-1

VISM PLN2014-0074
FAIRWAY 7 ESTATES
GENERAL PLAN MAP



CITY

39

LDR

SITE

AG

N STEARNS RD

LUNDY RD

EF ST

S STEARNS RD

TWILDO AVE

PLAZA DE ORO DR

TEPOPA DR

DEL ALMENDRA DR

RAMS HILL CT

ATLAS CT

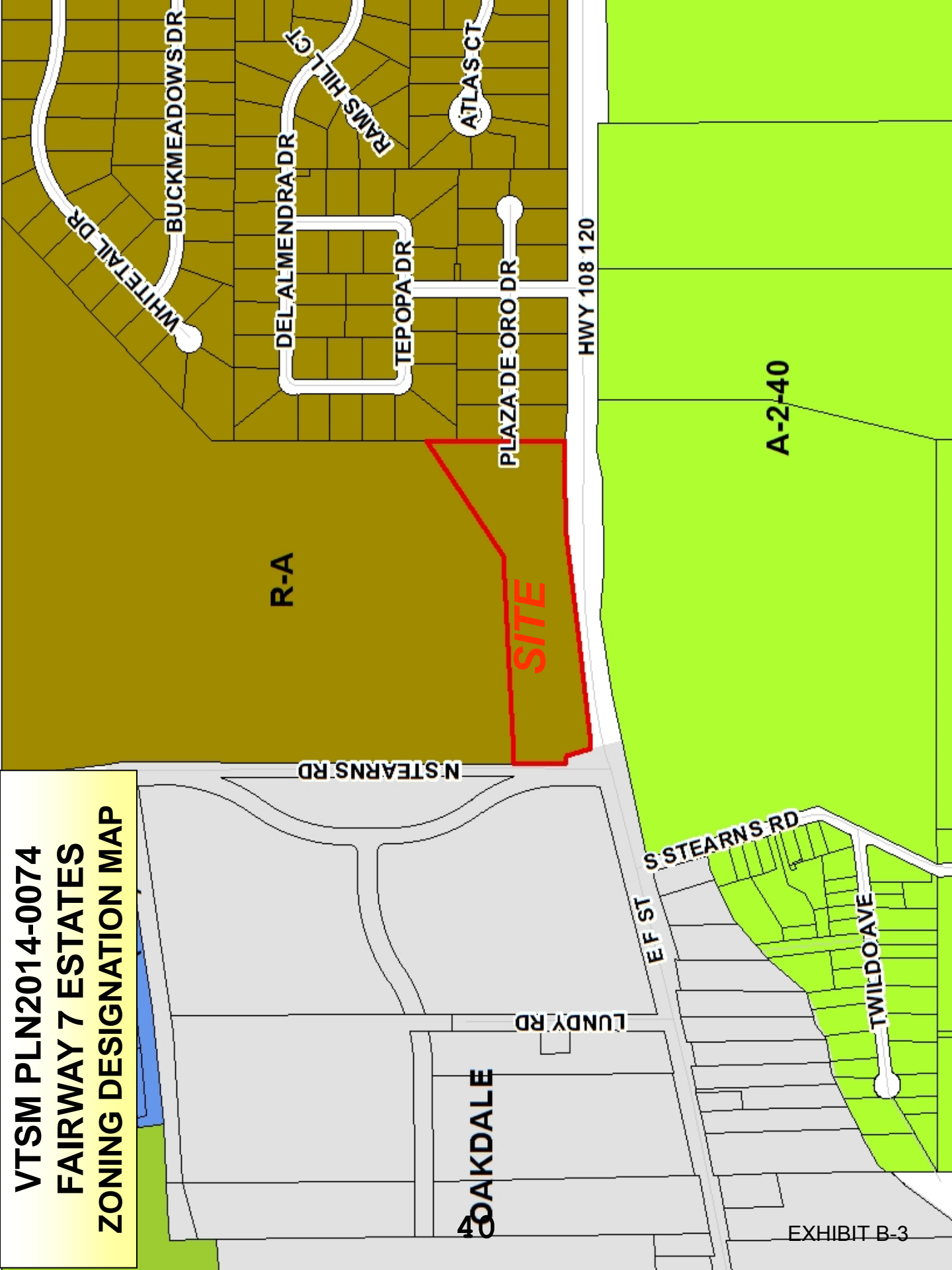
BUCKMEADOWS DR

WHITE TAIL DR

HWY 108 120

EXHIBIT B-2

**VTSM PLN2014-0074
FAIRWAY 7 ESTATES
ZONING DESIGNATION MAP**





**VTSM PLN2014-0074
FAIRWAY 7 ESTATES
2013 AERIAL MAP**

SITE

HWY 108/120

N STEARNS RD 4

VTSM PLN2014-0074 FAIRWAY 7 ESTATES VESTING TENTATIVE SUBDIVISION MAP

UBDIVISION MAP NO. 2014-0074 7 ESTATES COUNTY, CALIFORNIA

STORMWATER CONTAINMENT

| DRAINAGE AREA | STORMWATER VOLUME (C-RFC FEET) |
|--------------------------|--------------------------------|
| LOT 1 | 3,200 |
| LOT 2 | 1,301 |
| LOT 3 | 1,538 |
| LOT 4 | 1,343 |
| LOT 5 | 1,338 |
| LOT 6 | 1,335 |
| LOT 7 | 1,342 |
| LOT 8 | 1,461 |
| LOT 9 | 1,613 |
| LOT 10 | 1,385 |
| LOT 11 | 1,263 |
| LOT 12 | 3,444 |
| ROAD/STRAILS | 13,714 |
| BASEIN | 4,554 |
| TOTAL STORMWATER STORAGE | 36,190 |
| TOTAL BASIN STORAGE | 39,900 |

- NOTES:
- STORMWATER INFILTRATION SYSTEM SHALL BE A 4" WPC AGGREGATE BASE. THE STRUCTURAL SECTION SHALL BE AS SHOWN. THE INFILTRATION SYSTEM SHALL BE DESIGNED TO ACCOMMODATE THE STORMWATER VOLUME AND RATE OF INFILTRATION. THE SYSTEM SHALL BE BASED ON DATA COLLECTED DURING DESIGN PHASES.
 - INFILTRATION SYSTEMS SHOWN ARE CONCEPTUAL AND ARE BASED ON ASSUMED GEOTECHNICAL DATA AND REPRESENT A "Worst Case" Scenario. THE SYSTEM SHALL BE BASED ON FIELD DATA COLLECTED DURING DESIGN PHASES.
 - BUILDING ENVELOPES ARE CONCEPTUAL AND ARE INTENDED TO GIVE A GENERAL VISION OF POTENTIAL LOT DEVELOPMENT.

OKADALE GOLF AND COUNTRY CLUB
APN 064-016-017

OKADALE GOLF AND COUNTRY CLUB
APN 064-013-008

VICINITY MAP
NO SCALE

PROJECT INFORMATION:

OWNER/APPLICANT: DEBRIE FAMILY INVESTMENTS
2004 COFFEY ROAD SUITE 12A
(209) 481-4530
MCKINLEY, CA 95355

PREPARED BY: GILLIAN & KULL, INC.
2004 COFFEY ROAD SUITE 12A
MCKINLEY, CA 95355

TOTAL AREA: 8.14 AC. ±

LOT SUMMARY: * 12 CUSTOM RESIDENTIAL UNITS

* 1 STORM DRAINAGE BASIN

ZONING: R-A

DOMESTIC WATER: OKADALE REGIONAL DISTRICT PUBLIC

SEWER: PRIVATE SEPTIC

STORM: STANISLAUS COUNTY

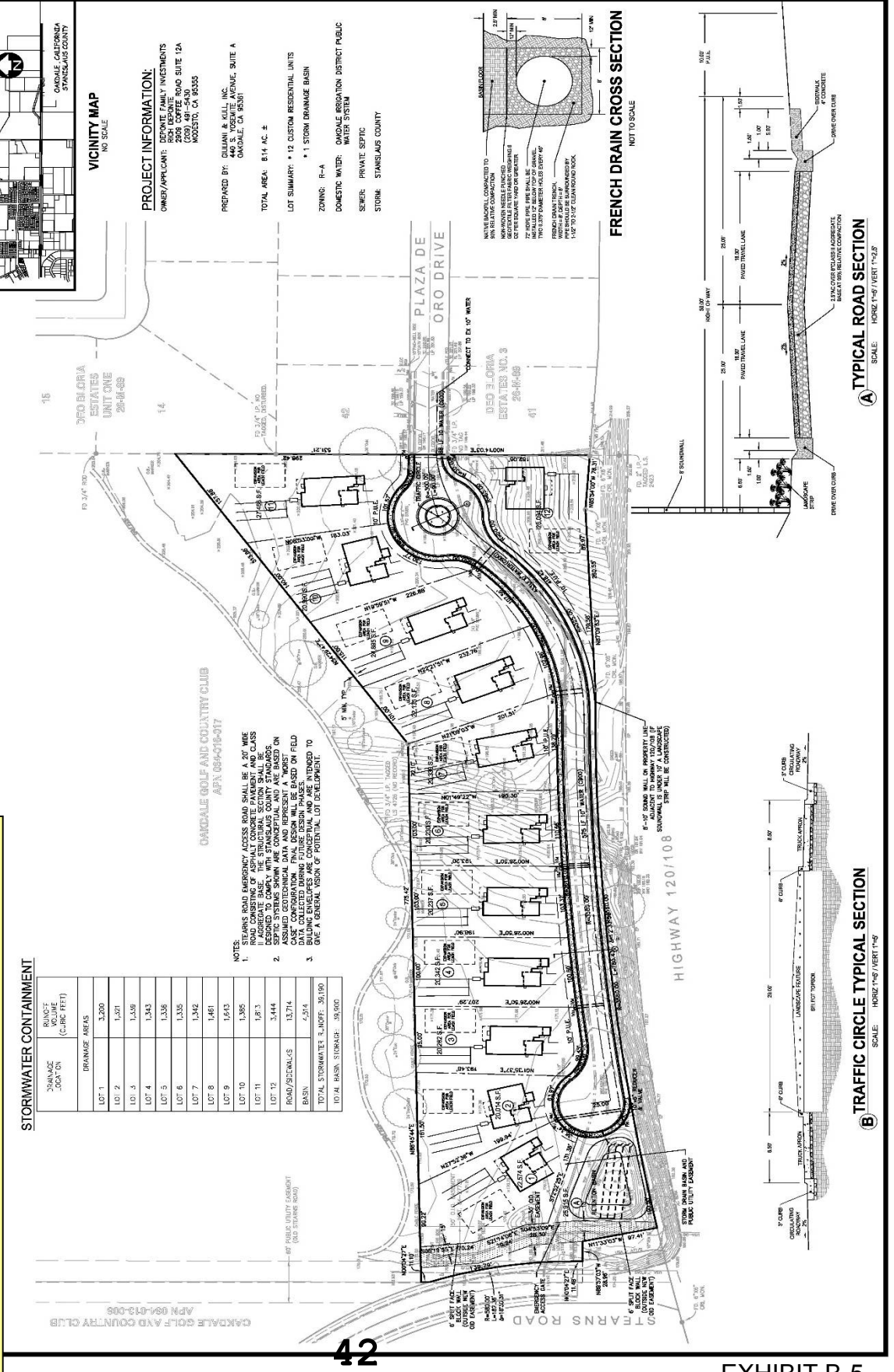
G&K Gillian & Kull, Inc.
Engineers • Planners • Surveyors
440 S. Yosemite Avenue, Suite A, Oakdale, CA 95361
(209) 847-2726 Fax (209) 847-2733
Oakdale • San Jose • Modesto

DIGALERT
1-800-227-2600

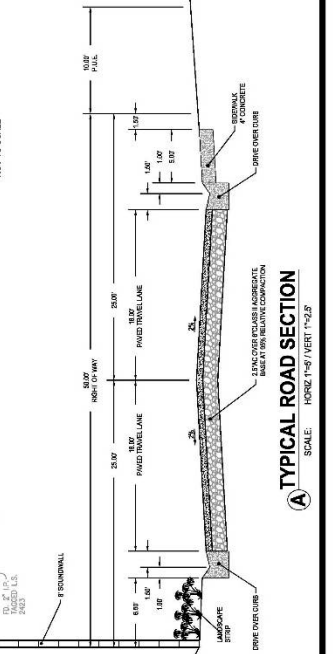
VESTING TENTATIVE
SUBDIVISION MAP
FAIRWAY 7 ESTATES
PLAZA DE ORO DRIVE
STANISLAUS COUNTY, CALIFORNIA

1
1
13199

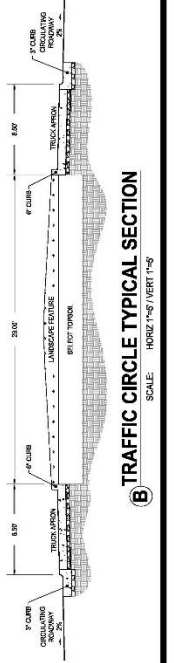
SCALE: 1" = 40'
DATE: 3/20/15
DRAWN BY: WPK
CHECKED BY: WPK
APPROVED BY: WPK



FRENCH DRAIN CROSS SECTION
NOT TO SCALE



TYPICAL ROAD SECTION
SCALE: HORIZ 1"=40' VERT 1"=2.0'



TRAFFIC CIRCLE TYPICAL SECTION
SCALE: HORIZ 1"=40' VERT 1"=2.0'

VTSM PLN2014-0074 FAIRWAY 7 ESTATES CONCEPTUAL TREE PLANTING PLAN

TREE PLANTING PLAN SUBDIVISION MAP NO. 2014-0074 FAIRWAY 7 ESTATES COUNTY, CALIFORNIA



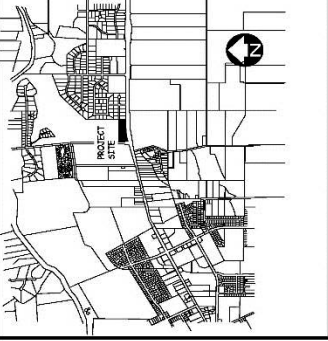
| SYMBOL | BOTANICAL NAME | COMMON NAME |
|--------|----------------|-----------------|
| | FRAXO DROGUS | CHEESE PISTACHE |

NOTES: 1. ALL TREES SHOWN IN THIS PLAN ARE PRELIMINARY. THE FINAL TREE PLANTING PLAN SHALL BE SUBMITTED TO THE APPLICABLE AGENCIES FOR REVIEW AND APPROVAL. 2. THE APPLICABLE AGENCIES SHALL BE THE APPLICABLE AGENCIES FOR THE APPLICABLE JURISDICTION.

GENERAL PLANTING NOTES

- The contractor shall examine the conditions of the site prior to commencement of work. Any conditions that differ from what is shown on the plans shall be noted and the installation process shall be adjusted accordingly. The contractor shall be responsible for the maintenance of the site during the construction of the site.
- Each tree (all) shall require at least one 15-gallon tree from the front yard. Corner lots (if applicable) shall be installed with two 15-gallon trees in the front and one on the side yard not being the back yard. Tree species shall be provided as the owner and/or architect shall be providing for the installation. The tree shall be installed with the construction of each house.
- Installation for the trees are to be provided as part of the front yard landscape (see Production from the Landscape Plan).
- The contractor shall verify all plant quantities prior to installation. Plant quantities are listed for the convenience of the contractor, neither of which shall have priority over quantity given.
- The contractor shall be responsible for the purchasing of all material to meet the specifications for the protection of these materials until the project has been completely turned over to the owner.
- All plant material shall be subject to approval or rejection by the Owner's Representative prior to installation. The contractor shall be responsible for the maintenance of the site during the construction of the site.
- The contractor shall include in the bid for a continued maintenance period of ninety (90) days after completion and acceptance of the project by the Owner or Owner's Rep. Trees shall be protected and maintained until the project has been completely turned over to the owner.
- Trees to be planted a minimum of 3'-0" from edge of paving or walls, unless otherwise noted on plan. All trees in a formal group or in a row shall be matching in size and shape. Contractor shall be responsible for the maintenance of the site during the construction of the site.
- All trees shall be installed with the construction of the site. The contractor shall be responsible for the maintenance of the site during the construction of the site.
- The planting pits for trees shall be excavated per the detail on the Landscape Details sheet. The planting pits for use in all trees and shrubs shall be installed as follows:
 1. Size of pits (24"-12" commercial fertilizer)
 2. Size of pits (24"-12" commercial fertilizer)
 3. Size of pits (24"-12" commercial fertilizer)
 4. Size of pits (24"-12" commercial fertilizer)
- Fertilizer labels shall be 25% 21 gram fertilizer labels (20-10-5) placed in all planting pits in quantities as follows:
 1. 24"-12" pits: 4 tablets
 2. 24"-12" pits: 4 tablets
- All plant material to be nursery grown in similar climate. All plant material shall be vigorous and of normal habit of growth and shall be free of growing roots and soil diseases, diseases, insects, and other pests. The contractor shall be responsible for the maintenance of the site during the construction of the site.

VICINITY MAP NO SCALE



CONCEPTUAL TREE PLANTING PLAN
FAIRWAY 7 ESTATES
PLAZA DE ORO DRIVE
STANISLAUS COUNTY, CALIFORNIA

| | |
|------------|----------|
| SCALE | 1" = 40' |
| DRAWN BY | EDT |
| CHECKED BY | WFL |
| DATE | 3/20/15 |
| SHEET | 1 |
| OF | 1 |
| DATE | 13/99 |

SUMMARY OF RESPONSES FOR ENVIRONMENTAL REVIEW REFERRALS

PROJECT: VESTING TENTATIVE SUBDIVISION MAP & EXCEPTION PLN2014-0074 - FAIRWAY 7 ESTATES

| REFERRED TO: | | | | RESPONDED | | RESPONSE | | | MITIGATION MEASURES | | CONDITIONS | |
|--|------|--------|-----------------------|-----------|----|----------------------------------|-----------------------------|---------------------|---------------------|----|------------|----|
| | 2 WK | 30 DAY | PUBLIC HEARING NOTICE | YES | NO | WILL NOT HAVE SIGNIFICANT IMPACT | MAY HAVE SIGNIFICANT IMPACT | NO COMMENT NON CEQA | YES | NO | YES | NO |
| CA DEPT OF FISH & WILDLIFE | X | X | X | | X | | | | | | | |
| CA DEPT OF FORESTRY (CAL FIRE) | X | X | X | | X | | | | | | | |
| CA DEPT OF TRANSPORTATION DIST 10 | X | X | X | X | | | | X | | X | | X |
| CA DEPT OF WATER RESOURCES | X | | X | | X | | | | | | | |
| CA OPR STATE CLEARINGHOUSE | X | X | X | X | | | | X | | X | | X |
| CA RWQCB CENTRAL VALLEY REGION | X | X | X | X | | | | X | | X | X | |
| CA STATE LANDS COMMISSION | X | X | X | | X | | | | | | | |
| CITY OF: OAKDALE | X | X | X | X | | | | X | | X | X | |
| COOPERATIVE EXTENSION | X | X | X | | X | | | | | | | |
| FIRE PROTECTION DIST: STAN CONSOLIDATED | X | X | X | X | | X | | | | X | X | |
| HOSPITAL DISTRICT: OAK VALLEY | X | X | X | | X | | | | | | | |
| IRRIGATION DISTRICT: OID | X | | | X | | | | X | | X | X | |
| MOSQUITO DISTRICT: EASTSIDE | X | X | X | | X | | | X | | X | X | |
| MT VALLEY EMERGENCY MEDICAL | X | X | X | | X | | | | | | | |
| PACIFIC GAS & ELECTRIC | X | X | X | | X | | | | | | | |
| RAILROAD: SIERRA NORTHERN | X | X | X | | X | | | | | | | |
| SAN JOAQUIN VALLEY APCD | X | X | X | X | | | | X | | X | | X |
| SCHOOL DISTRICT 1: OAKDALE JOINT UNIFIED | X | X | X | | X | | | | | | | |
| STAN CO AG COMMISSIONER | X | X | | | X | | | | | | | |
| STAN CO BUILDING PERMITS DIVISION | X | X | X | | X | | | | | | | |
| STAN CO CEO | X | X | | | X | | | | | | | |
| STAN CO DER | X | X | | X | | | | X | | X | X | |
| STAN CO ERC | X | X | | X | | | | X | | X | X | |
| STAN CO HAZARDOUS MATERIALS | X | X | | X | | | | X | | X | X | |
| STAN CO PARKS & RECREATION | X | X | X | X | | | | X | | X | X | |
| STAN CO PUBLIC WORKS | X | X | | X | | | | X | | X | X | |
| STAN CO SHERIFF | X | X | | | | | | | | | | |
| STAN CO SUPERVISOR DIST 1: O'BRIEN | X | X | X | | X | | | | | | | |
| STAN COUNTY COUNSEL | X | X | | | | | | | | | | |
| STANISLAUS FIRE PREVENTION BUREAU | X | X | X | | X | | | | | | | |
| STANISLAUS LAFCO | X | X | | | X | | | | | | | |
| SURROUNDING LAND OWNERS | | | X | | | | | | | | | |
| TELEPHONE COMPANY: ATT | X | X | X | | X | | | | | | | |
| US FISH & WILDLIFE | X | X | X | | X | | | | | | | |
| WATER DISTRICT: OID | | X | | X | | | | X | | X | X | |

FILED

2016 JAN 28 PM 3:50

STANISLAUS COUNTY
DEPARTMENT OF PLANNING AND
COMMUNITY DEVELOPMENT
1010 10th Street, Suite 3400
Modesto, California 95354

STANISLAUS CO. CLERK-RECORDER

Kalpana Surti

NOTICE OF DETERMINATION

Filing of Notice of Determination in Compliance with Section 21108 or 21152 of the Public Resources Code

Project Title: Vesting Tentative Subdivision Map & Exception Application No. PLN2014-0074 – Fairway 7 Estates.

Applicant Information: Rich Deponte, P O Box 909, Ripon, CA 95366.

Project Location: At the northeast corner of State Route 108/120 and North Stearns Road, directly east of the City of Oakdale boundary. APN: 064-016-004

Description of Project: Request to subdivide an 8± acre parcel into 13 lots measuring in size from 20,000 square feet to 48,489 square feet in the R-A (Rural Residential zoning district). An exception is being requested for exceeding the maximum cul-de-sac length. The property is generally located at the northeast corner of State HWY 108/120 and North Stearns Road, in the Oakdale area.

Name of Agency Approving Project: Stanislaus County Board of Supervisors

Lead Agency Contact Person: Jeremy Ballard, Assistant Planner

Telephone: (209) 525-6330

This is to advise that the Stanislaus County **Board of Supervisors** on **January 26, 2016** has approved the above described project and has made the following determinations regarding the above described project:

1. The project **will** not have a significant effect on the environment.
2. A **Negative Declaration** was prepared for this project pursuant to the provisions of CEQA.

The **Negative Declaration** and record of project approval may be examined at:
Stanislaus County Department of Planning and Community Development
1010 10th Street, Suite 3400
Modesto, California 95354

3. Mitigation measures **were not** made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan **was not** adopted for this project.
5. A statement of Overriding Considerations **was not** adopted for this project.
6. Findings **were** made pursuant to the provisions of CEQA.

This is to certify that the final EIR with comments and responses and record of project approval, or the Negative Declaration, is available to the General Public @ <http://www.stancounty.com/planning/pl/agenda-min.shtm>

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EXHIBIT C

Stanislaus County Initial Study and Notice of Determination

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY**

DEPT: Public Works

BOARD AGENDA: 6.C.2
AGENDA DATE: December 18, 2018

SUBJECT:

Approval to Initiate the Annexation of Fairway 7 Estates to County Service Area No. 18
– Atlas Park Subdivision, Oakdale and Establish Zones of Benefit

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2018-0659

On motion of Supervisor Chiesa Seconded by Supervisor Olsen
and approved by the following vote,
Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None

- 1) ☒ Approved as recommended
2) ☐ Denied
3) ☐ Approved as amended
4) ☐ Other:

MOTION:

I hereby certify that the foregoing is a full,
true and correct copy of the Original entered
in the Minutes of the Board of Supervisors.

ELIZABETH A. KING

Clerk of the Board of Supervisors of the
County of Stanislaus, State of California

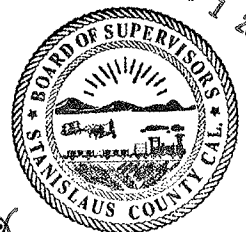
ATTEST:

Elizabeth A. King
ELIZABETH A. KING, Clerk of the Board of Supervisors

By

Kelly Rodman

File No. CSA-18-4



**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Public Works

BOARD AGENDA:6.C.2
AGENDA DATE: December 18, 2018

CONSENT: ☒

CEO CONCURRENCE:

4/5 Vote Required: No

SUBJECT:

Approval to Initiate the Annexation of Fairway 7 Estates to County Service Area No. 18
— Atlas Park Subdivision, Oakdale and Establish Zones of Benefit

STAFF RECOMMENDATION:

1. Find that the area included in the Legal Description of Fairway 7 Estates, further identified as Zone 2, is located in the unincorporated territory of Stanislaus County and is not within the boundary of any other County Service Area.
2. Declare that all services being provided to County Service Area No. 18 – Atlas Park Subdivision (CSA No. 18) will be extended fully to the territory included in the Zone 2 annexation; additional services will be provided in Zone 2 in the form of repair and maintenance of sidewalks, chain-link fence and masonry wall, and that said services shall commence after Local Agency Formation Commission's (LAFCO) issuance of a Certificate of Completion for the annexation and upon the onset of the 2019-2020 Fiscal Year.
3. Find that the annexation will not produce a change in the existing assessment methodology for CSA No. 18 subdivision Atlas Park (Zone 1) and the new Zone 2 shall be subject to the same methodology as Zone 1.
4. Find that the assessment formula for CSA No. 18 is sufficient to adequately assess the annexed parcel in Zone 2 for the cost of services received.
5. Approve the resolution of application to the Stanislaus County Local Agency Formation Commission made pursuant to Government Code sections 56654 and 25217.
6. Order that, subject to LAFCO approval of the annexation, Assessor Parcel Number (APN) 064-016-004 and any subsequent subdivided parcel numbers shall be added to the Fiscal Year 2020-2021 annual assessments.

DISCUSSION:

The area proposed for annexation to County Service Area No.18 includes one future subdivision known as Fairway 7 Estates. Fairway 7 Estates (APN 064-016-004) is 8.44 acres located on the east side of Stearns Road just north of Highway 120/108 in the northeast area of the City of Oakdale. Attachments illustrate the proposed boundary and include its legal description.

The proposal is being made to meet a condition of approval for Vesting Tentative Subdivision Map Application No. PLN2014-0074 for Fairway 7 Estates. The Stanislaus County Board of Supervisors gave their approval to the application on December 3, 2015. The following condition of approval was included in the Board's action:

"Prior to the final map being recorded, the developer shall form or annex into an existing county service area (CSA) to provide funds to ensure future maintenance of the storm drainage system, block walls and landscaped areas. The developer shall provide all necessary documents and pay all fees associated with the formation or annexation of the CSA. As part of the formation, a formula or method for the calculation of the annual assessment shall be approved."

The approved Tentative Map and Development Plan for Fairway 7 Estates sub-divides 1 (one) parcel of approximately 8.34 acres into twelve single-family residential lots and a storm drain basin situated on the corner of Stearns Road and Highway 120/108 (lot A). The proposed name of the road is Plaza De Oro Drive. Lot A is proposed to be the public utility lot and contain emergency access and a landscaped public utility easement. A water catch basin will be located at the end of Plaza De Oro Drive (cul-de-sac) adjacent to lot A. The elevation of the subdivision is designed to direct storm water runoff towards this catch basin, and it in turn, will be tied into the new storm drain basin on lot A of the subdivision located on the corner of Stearns Road and Highway 120/108. Installation of this infrastructure will be at the developer's expense and built to county standards.

If this annexation is approved, the twelve residential lots and one storm water drain basin will become part of CSA No. 18 and further identified as Zone 2, effective immediately. The existing parcels within CSA No. 18 will be further identified as Zone 1.

The parcels within Zone 2 (Fairway 7 Estates subdivision) will be assessed using the existing formulas and methodology approved by the CSA No. 18 property owners in 2002. Parcels within Zone 2 will have a separate budget and assessment rate and will not affect the budget and assessment for the parcels within the existing CSA No. 18 (Zone 1). The existing formula proposes a higher assessment rate of \$1,387.94 per Equivalent Benefit Unit (EBU) when applied to Zone 2, as compared to Zone 1. This CSA has a formula built into it to account for the increases in labor costs for both PW and Parks.

The higher assessment cost to Zone 2 can be attributed to the increase in the cost of maintaining the storm drain system, including increased labor and equipment rental rates as well as providing additional services not provided in Zone 1. The services provided in Zone 2 will include the following: CSA administration; streetscape and roundabout maintenance; storm drain system maintenance; maintenance of masonry walls, chain-link fences, drain basins, and sidewalks, which are those services currently received in Zone 1.

In addition, the Parks' services will cover the area of a landscape strip along the masonry wall on the north side of Highway 120/108 and a landscaped entry on the west side of Stearns Road in Fairway 7 Estates subdivision. This will affect the amount of the assessment of proposed Zone 2 under the existing formula assessments and will commence with Budget Year 2020-2021. The existing formulas for CSA No. 18 use Equivalent Benefit Units (EBUs) and are as follows:

Parcel EBU = Parcel Type EBU x Acres or Units.

Levy Per EBU = Total Balance to Levy / Total EBU's.

Parcel Levy Amount = Levy Per EBU x Parcel EBU.

A detailed explanation of the assessment formula, methodology and services can be found on the attached 2020-2021 Engineer's Report for CSA No. 18. The formula and methodology will be sufficient to cover ongoing operational and maintenance costs for CSA No. 18. Stanislaus County Public Works and Parks and Recreation Departments will perform all maintenance activities. Ongoing annual maintenance and operating costs are funded entirely through the County Service Area's proposed assessments.

POLICY ISSUE:

State of California Government Code, section 25212 authorizes the Board of Supervisors to be the governing body for County Service Areas within their county.

FISCAL IMPACT:

This project includes development standards that stipulate the developer/subdivider shall pay all costs associated with the annexation. The development standards were prescribed on December 3, 2015 for Fairway 7 Estates.

Once the properties are annexed, costs for the first year of operations and maintenance are paid by the developer/subdivider. Beginning Fiscal Year 2020-2021, the properties will be assessed, and ongoing operation and maintenance costs associated with CSA No. 18 will be borne by the CSA. Initial annexation costs are estimated at \$10,870, including the first year's maintenance cost of \$10,370 and State Board of Equalization filing fee of \$500 for Fairway 7 Estates property. These initial costs will be covered by the developer/subdivider. The Public Works Department costs will be reimbursed through the applicant and already covered with a deposit.

BOARD OF SUPERVISORS' PRIORITY:

The recommended actions are consistent with the Board's priority of *Delivering Efficient Public Services and Community Infrastructure* by initiating the process to annex Fairway 7 Estates properties into County Service Area No. 18, thereby allowing the developers to comply with County storm drainage system standards and the conditions of approval for their projects.

STAFFING IMPACT:

Existing staff will coordinate the project with the Local Agency Formation Commission (LAFCO).

CONTACT PERSON:

David A. Leamon, PE, MPA, Public Works Director

Telephone: (209) 525-4151

ATTACHMENT(S):

1. Resolution CSA 18-Atlas Park Subdivision
2. 2020-2021 Engineer's Report CSA 18 - Atlas Park
3. Legal Description for Fairway 7 Estates Annexation
4. Boundary Map for Fairway 7 Estates Annexation
5. Consent form-Fairway 7 Estates Annexation

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
STATE OF CALIFORNIA 2018-0659

Date: December 18, 2018
On motion of Supervisor Chiesa Seconded by Supervisor Olsen
and approved by the following vote,
Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None
Item # 6.C.2

THE FOLLOWING RESOLUTION WAS ADOPTED:

**RESOLUTION OF APPLICATION FOR THE ANNEXATION OF FAIRWAY 7 ESTATES TO
COUNTY SERVICE AREA NO. 18 – ATLAS PARK SUBDIVISION**

BE IT RESOLVED, that the Board of Supervisors, of the County of Stanislaus, State of California, hereby finds and determines as follows:

WHEREAS, the proposal for the annexation of property known as Fairway 7 Estates to County Service Area No. 18 – Atlas Park Subdivision (CSA No. 18) is being made pursuant to Government Code sections 56654 and 25217; and

WHEREAS, the County of Stanislaus desires to initiate proceedings pursuant to Part 3 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code § 56000 et seq.) for the annexation of territory to County Service Area No. 18; and

WHEREAS, the purpose of the proposal is to allow the subject territories to receive the extended county services offered by CSA No. 18, including streetscape maintenance, roundabout maintenance, and storm drainage services; and

WHEREAS, the proposed annexation consists of 8.44 acres in Oakdale, as shown on the attached legal description and map; and

WHEREAS, upon annexation, the territory will be identified as a newly established zone of benefit within CSA No. 18, known as Zone 2; and

WHEREAS, there is a need to provide ongoing funding through the assessments, to support the provision of the special benefit of a storm drain system, streetscape, and roundabout maintenance in the proposed Zone 2 and doing so will promote health, safety and welfare of the residential area; and welfare of the residential area; and

WHEREAS, the proposed annexation of territory to CSA No. 18 has the consent of a property owner within the annexation as shown in Consent attachment; and

WHEREAS, improvement plans for all facilities to be operated and maintained for the County Service Area are being prepared; and

WHEREAS, the proposed annexation will include a simultaneous expansion of the CSA No. 18 sphere of influence in order to maintain consistency; and

WHEREAS, this proposal includes an Engineer's Report, satisfying the plan for service requirement pursuant to Section 56653; and

WHEREAS, the Board has reviewed the Engineer's Report and approves the method and the amount of the assessment.

NOW, THEREFORE, BE IT RESOLVED that the Local Agency Formation Commission of Stanislaus County shall hereby be requested to commence proceedings for the annexation of territory as described in attached legal description and map into County Service Area No. 18 - Atlas Park Subdivision as authorized in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

ATTEST: ELIZABETH A. KING, Clerk
Stanislaus County Board of Supervisors,
State of California

Elizabeth A. King

I hereby certify that the foregoing is a full,
true and correct copy of the Original entered
in the Minutes of the Board of Supervisors.

ELIZABETH A. KING

Clerk of the Board of Supervisors of the
County of Stanislaus, State of California

By

Kelly Rodman



File No. CSA-18-4

**COUNTY SERVICE AREA NO. 18
ANNUAL ENGINEER'S REPORT**

ATLAS PARK SUBDIVISION, OAKDALE

FISCAL YEAR 2020-2021

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ENGINEER'S REPORT AFFIDAVIT

County of Stanislaus, State of California

CSA NO. 18 – ATLAS PARK SUBDIVISION

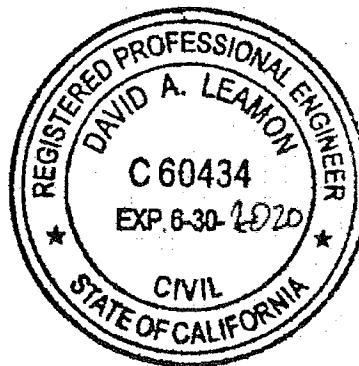
This report describes the CSA and all relevant zones therein including the budget(s), parcels and assessments to be levied for the Fiscal Year 2020-2021. Reference is hereby made to the Stanislaus County Assessor's maps for a detailed description of the lines and dimensions of parcels within the County Service Area (CSA).

The undersigned respectfully submits the enclosed report as directed by the Board of Supervisors.

Dated this 26th day of November, 2018



David A. Leamon, PE, MPA
Stanislaus County Public Works Director



**COUNTY SERVICE AREA NO. 18
ANNUAL ENGINEER'S REPORT
FISCAL YEAR 2020-2021**

INTRODUCTION:

County Service Area No. 18 (CSA 18) was established in December 2002, to provide extended maintenance services for the storm drain system and landscaping at the park and storm drain basin within the Atlas Park Subdivision.

Government Code Section 25210.77(A) requires that a written report containing a description of each parcel of real property receiving the particular extended service and the amount of the assessment for each parcel be prepared once a year and filed with the Clerk of the Board of Supervisors.

PART I – PLANS AND SPECIFICATIONS

A. Description of the service area

There is a total of 17 parcels within CSA 18 consisting of: Atlas Park subdivision (Zone 1 with 14 residential lots, a landscaped park in the middle of the cul-de-sac and a storm drainage basin with some landscaping along the frontages of Atlas Road and State Highway 108/120) and Fairway 7 Estates subdivision (Zone 2 with 1 planned residential development lot). After the final subdivision map is recorded, there will be 13 parcels within CSA 18, Zone 2 consisting of 12 residential lots, a storm drainage basin lot, a landscaped roundabout in the west of Plaza De Oro Drive and a landscaped area along the frontages of Stearns Road and State Highway 108/120. The Assessor map is attached hereto as exhibits "B" and "B1". This residential development encompasses an area of land totaling approximately 17.63 acres. The boundary of CSA 18 is shown on Exhibit "A" that is attached hereto and made a part of this Engineer's Report. The Development is generally located:

Zone 1

- North of State Route 120/108
- East of Deo Gloria Drive
- South of Del Almendra Drive
- West of Atlas Road

Zone 2

- North of State Route 120/108
- East of Stearns Road
- South of Oakdale Golf and Country Club
- West of Deo Gloria Drive

B. Description of Improvements and Services

The purpose of this CSA is to insure the ongoing maintenance, operation, and servicing of the storm drain basin, storm drain system, and landscape/roundabout park. The special benefit assessments to be levied for this CSA are intended to provide a revenue source for all the maintenance and servicing of the service area's improvements including, but not limited to materials, equipment, labor, and administrative expenses. However, the assessments are not intended to fund reconstruction or major renovations of the improvements and facilities.

The maintenance, operation, and servicing of the storm drain system are funded entirely or partially through the service area assessments and generally described as:

Zone 1

- Periodic cleaning and maintenance (as needed) on 420 linear feet of 18-inch pipe and 33 linear feet of 21-inch pipe;
- Periodic cleaning and maintenance of 4 catch basins and 2 manholes;
- Repair curb and gutter as needed to maintain the storm drain system (2,047 linear feet of curb and gutter);
- Periodic streets sweeping to prevent buildup of silt and other damaging materials to the storm drain system. All debris is contained and hauled offsite with containment bins;
- Annual repairs and general maintenance to storm drain basin (erosion control, weed spraying, grading/excavation as needed)
- Remove silt build up next to the wall of the separator with the use of the suction truck.
- The Parks and Recreation Department provides continual maintenance of all parks and/or public use areas within the service area (i.e. irrigation, mowing, fertilizing, and pest control as needed);

Zone 2

- Periodic cleaning and maintenance (as needed) on 18 linear feet of 24-inch HDPE storm drain pipe, one 24-inch basin inlet with rip rap, perforated storm pipe, 480 linear feet of 72 inch CMP perforated French drain, and 2,167 linear feet of curbs and gutters;
- Periodic cleaning and maintenance of 1 catch basin and 5 CMP French drain inlets;
- Repair curb and gutter as needed to maintain the storm drain system (2,167 linear feet of curb and gutter);
- Periodic street sweeping to prevent buildup of silt and other damaging materials to the storm drain system. All debris is contained and hauled off site with containment bins;
- Annual repairs and general maintenance to storm drain basin (erosion control, weed spraying, grading/excavation as needed, repair of 445 linear feet of the chain-link fence as needed, Public Work);
- Remove silt build up next to the wall of the separator with the use of the suction truck;
- Repair concrete sidewalks as needed (5,570 square feet of sidewalks);
- Repair 6/8- ft masonry wall as needed (337.5 linear feet of masonry wall, Public

Works);

- The Parks and Recreation Department provides continual maintenance of all parks, park/basin public use areas, open lots, roundabout and streetscapes within the Service Area (i.e. irrigation, mowing, weed abatement, tree care, and playground equipment maintenance, repair of 50 linear feet of chain-link fence, 409.5 linear feet of masonry wall maintenance and repair).

PART II - METHOD OF APPORTIONMENT

A. Benefit Analysis

The method of apportionment described in this report for allocation of special benefit assessments utilizes commonly accepted engineering practices. The formula used for calculating assessments for the CSA reflects the composition of the parcels and improvements provided to fairly apportion the costs based on special benefits to each parcel. Furthermore, pursuant to the Constitution Article XIID Section 4, a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel and a parcel may only be assessed for special benefits received.

All the improvements and services associated with the CSA have been identified as necessary, required and/or desired for the orderly development of the properties within the CSA to their full potential and consistent with the proposed development plans. As such, these improvements would be necessary and required of individual property owners for the development of such properties and the ongoing operation, servicing and maintenance of the improvements and facilities would be the financial obligation of those properties. Therefore, the storm drain facilities and the infrastructure, and the annual costs of ensuring the maintenance and operation of these improvements provide special benefits to the properties within the CSA.

The park and storm drain basins are public properties and treated as the individual parcels. Each of the 14 existing residential parcels and a planned residential development lot receive equal benefit from the extended maintenance of the landscaping and the storm drain system. The extended maintenance of landscaping and storm drainage only provides special benefits to the parcels within CSA 18; therefore, no general benefit has been assigned.

B. Assessment Methodology

The method of apportionment for the CSA calculates the receipt of special benefits from the respective improvements based on the actual or the proposed land use of the parcels within the CSA. The special benefit received by each lot or parcel is equated to the overall land use of the parcels within the CSA based on the parcel's actual land use or proposed development.

Upon review of the proposed improvements it has been determined that each of the residential parcels within the CSA receives special benefits from all the improvements to be funded by annual assessments and based on the planned property development a single zone of benefits appropriate for the allocation of the assessments and proportional benefit. The parcels within the CSA may be identified by one of the following land use classifications and is assigned a weighting factor known as Equivalent Benefit Unit (EBU). The EBU calculated for a specific parcel defines the parcel's proportional special benefits from the

CSA's improvements, facilities and services

Equivalent Benefit units (EBU):

To assess benefits equitably it is necessary to relate each property's proportional special benefits to the special benefits of all other property in the CSA. The EBU method of apportioning assessments uses the single-family home site as the basic unit of assessment. A single-family home site equals one EBU. All other land uses are converted to EBU's based on an assessment formula that equates the property's specific development status, type of development (land use) and size of property, as compared to a single-family home site.

The EBU method of apportioning special benefits is typically seen as the most appropriate and equitable assessment methodology, as the benefits to each parcel from the improvements are apportioned as a function of land use type, size and development. Not all land use types described in the following are necessarily applicable to the development of properties within the CSA but are presented for comparison purposes to support the proportional special benefit applied to those land use types within the CSA.

EBU Application by Land Use:

Single Family Residential- This land use is defined as a fully subdivided residential home site with or without structure. This land use is assessed 1.00 EBU per parcel or lot. This is the base value that all other properties are compared and weighted against.

Multi-family Residential- This land use is defined as a fully subdivided residential parcel that has more than one residential unit developed on the property typically includes apartments, duplexes, triplex etc. (It does not typically include condominiums, town-homes, or mobile home parks). Based on average population densities and the size of the structure as compared to a typical single-family residential unit, multi-family residential parcels shall be proportionally assessed for the parcel's total number of residential units utilizing a sliding benefit scale. Although multi-family properties typically receive similar benefits to that of a single family residential, it would not be reasonable to conclude that on a per unit basis, the benefits are equal. Studies have consistently shown that the average multi-family unit impacts infrastructure approximately 75% as much as a single-family residence (sample sources: Institute of Transportation Engineers Informational Report Trip Generation, Fifth Edition; Metcalf and Eddy, Wastewater Engineering Treatment, Disposal, Reuse, Third Edition). These various studies indicate the most public improvements and infrastructure are utilized and impacted at reduced levels by multi-family residential units and a similar reduction in proportional benefit is appropriate. Furthermore, it is also reasonable to conclude that as the density (number of units) increases; the proportional benefit per unit tends to decline because the unit size and people per unit usually decreases. Based on these considerations and the improvements provided by the CSA, it has been determined that an appropriate allocation of special benefit for multifamily residential properties as compared to a single family residential is best represented by the following special benefit assignment: 0.75 EBU per unit for the first 5 units; 0.50 EBU per unit for units 6 through 50; and 0.25 EBU per unit for all remaining units

Condominium/Town-Home Units- Condominiums and town-homes tend to share attributes of both a single family residential and multi-family residential properties and for this reason are identified as a separate land use classification. Like most single-family residential properties, these properties are not usually considered rental property and generally, the County assigns each unit a separate APN or assessment number. However, condominiums and town homes often have similarities to multi-family residential properties in that they are

generally zoned medium to high density and in some cases may involve multiple units on a single APN. In consideration of these factors it has been determined that an appropriate allocation of special benefit for condominiums, town-homes and similar residential properties is best represented by an assignment of 0.75 EBU per unit regardless of whether each unit is assigned an individual APN or there are multiple units assigned to the APN. There is not an adjustment factor for parcels with more than five units.

Planned-Residential Development- This land use is defined as any property for which a tentative or final tract map has been filed and approved (a specific number of residential lots and units has been identified) and the property is expected to be subdivided within the fiscal year or is part of the overall improvement and development plan for the CSA. This land use classification often involves more than a single parcel (e.g. the approved tract map encompasses more than a single APN). Each parcel that is part of the approved tract map shall be assessed proportionally for the proposed or estimated residential type and units to be developed on that parcel as part of the approved tract map. Accordingly, each parcel is assigned an appropriate number of benefit units that reflects the development of that property at build-out (the EBU assigned to each parcel shall represent the combination of single family, condominium, multifamily units to be developed).

Exempt Parcels- This land use identifies properties that are not assessed and are assigned 0.00 EBU. This land use classification may include but is not limited to:

- Lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County);
- Dedicated public easements including open space areas, utility rights-of-way, greenbelts or other publicly owned properties that are part of the CSA improvements or that have little or no improvement value;
- Private properties that cannot be developed independently for an adjacent property, such as common areas, sliver parcels or bifurcated lots or properties with very restrictive development use.

These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment.

Special Cases- in many CSA's where multiple land use classifications are involved there are usually one or more properties that the standard land use classifications or usual calculation of benefit will not accurately identify the special benefits received from the improvements. For example, a parcel may be identified as a vacant residential property, however only a small percentage of the parcel's total acreage can actually be developed. In this case, an appropriate calculation would be based on the net acreage that can be utilized rather than the gross acreage of the parcel. The following table provides a summary of land use types, the EBU factors used to calculate each parcel's individual EBU as outlined above:

Land use and Equivalent benefit units

| Property type | EBU | Multiplier |
|---------------------------------|------|--------------------------------|
| Single Family Residential | 1.00 | Per unit/lot (parcel) |
| Multi-Family Residential | 0.75 | Per unit for the first 5 units |
| | 0.50 | Per unit for units 6 thru 50 |
| | 0.25 | Per units > 50 |
| Condominium/Town- Home Units | 0.75 | Per Unit |
| Planned Residential Development | 1.00 | Per planned Residential lot |
| | 0.75 | Per planned Condominium |
| | 0.75 | Per unit for the first 5 units |
| | 0.50 | Per unit for units 6-50 |
| | 0.25 | Per unit >50 |
| Vacant Residential Land | 1.00 | Per Acre |
| Public park | 0.40 | Per Acre |
| Public Storm Drain Basin) | 0.40 | Per Acre |
| Public School | 0.40 | Per Acre |
| Industrial Parcel | 3.50 | Per Acre |
| Exempt Parcels | 0.00 | Per parcel |

The following formula is used to calculate each parcel's EBU (proportional benefit):

$$\text{Parcel Type EBU} \times \text{Acres or Units} = \text{Parcel EBU}$$

The total number of EBU's is the sum of all individual EBU's applied to parcels that receive special benefit from the improvements. An assessment amount per EBU (assessment rate) for the improvements is established by taking the total cost of the improvements and dividing the amount by the total number of EBU's of all benefiting parcels from the improvements. The rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

$$\text{Total Balance to Levy} / \text{Total EBU's} = \text{Levy per EBU}$$

$$\text{Levy per EBU} \times \text{Parcel EBU} = \text{Parcel Levy Amount}$$

PART III – BUDGET ANALYSIS

A. Fund Balance

The estimated fund balance for Zone 1 Atlas Park subdivision as of June 30, 2020 is \$33,493. This includes a capital improvement reserve of \$5,000 for eventual replacement of the irrigation system, turf, and trees. This fiscal approach is aimed at accumulating a sufficient reserve by the time the landscape structures are replaced so that no increase in the annual assessment will be necessary to cover these costs.

The estimated fund balance for Zone 2 Fairway 7 Estates subdivision as of June 30, 2020 is \$0. The improvements of Zone 2 include a chain link fence around a drain basin on the northwest side of the subdivision, which is approximately 475 linear feet long. Public Works and Parks and Recreation departments share the cost of the maintenance and capital repair of the fence as determined: Public Works maintains 425 linear feet and Parks and Recreation department maintains 50 linear feet of the fence. In order to replace the fence at the end of a 30-year life cycle, a capital reserve target of \$12,465 has been determined. This includes the cost of the material and labor required to complete the installation.

North side of the Fairway 7 Estates subdivision has a masonry wall of approximately 747 linear feet long that separates residential area from Highway 120/108 and Stearns Road and protects residential lots from traffic sound. Public Works and Parks and Recreation departments share the cost of the maintenance and capital repair of the wall as determined: Public Works maintains 337.5 linear feet and Parks and Recreation department maintains 409.5 linear feet of the wall. In order to make a capital repair of the wall, a capital reserve target of \$13,055 has been determined. This includes the cost of the material and labor required to complete the work.

The amount of \$706 was added to the total budget of CSA 18, Zone 2. The objective is to build a capital reserve amount to the full cost of the fence and wall capital repair/replacement. When the full amount of the capital reserve is reached and becomes an available part of the fund balance, the addition of \$706 will be discontinued.

The threat to stormwater quality comes from the urbanized areas within the County, which the CSA's encompass. The County is mandated by the State Water Resources Control Board, Water Quality Order No. 2013-0001-DWQ to regulate stormwater within these urbanized areas. The CSA's receive additional services above the General Benefit for the following permit areas: Education and Outreach (E.7), Public Involvement and Participation Program (E.8), Illicit Discharge Detection and Elimination Program (E.9), Post-Construction Stormwater Management Program (E.12), Water Quality Monitoring (E.13), Program Effectiveness Assessment and Improvement (E.14), Total Maximum Daily Loads Compliance Requirements (E.15) and the Annual Reporting Program (E.16).

The fee structure to implement the state requirements has not been determined for Fiscal Year 2020-2021. An estimated annual fee of \$5 per parcel is included in this year's budget. Any surplus or shortfall will be adjusted in future calculations.

Fiscal Year's 2020-2021 assessment for Zone 1 is \$713.55 per Equivalent Benefit Unit (EBU), which is the same as the previous year's assessment. An amount of \$1,963 was used from available fund balance to offset operations and maintenance costs, thereby keeping the assessment equal to the previous year.

Fiscal Year's 2020-2021 assessment for Zone 2 is \$1,387.94 per EBU. The amount of \$706 was added to the total CSA 18, Zone 2 budget. The increase is to build the capital reserve amount for fence and wall capital repair and/or replacement. After the final subdivision map is recorded, there will be 13 parcels within CSA 18, Zone 2 consisting of: 12 residential lots and a storm drainage basin lot. The total number of EBUs will increase from 7.49 to 12.24 EBU, which will decrease the assessment rate from \$1,387.94 per EBU to \$849.35 per EBU.

The fiscal year is the 12-month period from July 1st through June 30th of the following year. The annual assessment is received with property taxes collected in December and April. This means the fiscal year starts on July 1st but the first installment of the annual assessment will not be collected until December, creating a 6-month lag in receiving the money necessary to maintain the various services provided. Therefore, a reserve of \$6,148 for Zone 1 and \$4,845 for Zone 2, one half of the annual operating budget, will be carried forward from available fund balance to cover costs from July 1st to December 31st.

B. Budget Formula

Proposition 218, a statewide initiative approved by the voters in November 1996, requires an assessment ballot procedure in order to increase an assessment. An assessment ballot procedure occurred during the formation of CSA 18 in 2002. A majority protest was not filed regarding the formula for calculating the annual assessment and the levy of the annual assessment to pay for the services provided by CSA 18. The property owner cast a majority vote supporting the formula and the levy of an annual assessment to pay for the services provided by CSA 18. Therefore, the formula for calculating the annual assessment is the total cost of maintenance and operations divided by the number of EBUs within CSA 18.

$$\begin{aligned} &\text{Total Cost of Operations \& Maintenance-Use of Fund Balance / Total EBUs =} \\ &\qquad\qquad\qquad = \text{Assessment per EBU} \end{aligned}$$

PART IV - SERVICE AREA BUDGET

| CSA 18 | EXPENSE DESCRIPTION | TOTAL BUDGET Zone 1 | TOTAL BUDGET Zone 2 |
|---------------------------------|---|------------------------|------------------------|
| Atlas Park Zone 1, Zone 2 | | | |
| | ADMINISTRATION | | |
| | County Administration | \$ 515 | \$ 79 |
| | Miscellaneous/Other Admin Fees | \$ - | \$ - |
| | Total | \$ 515 | \$ 79 |
| | PARKS & RECREATION | | |
| | Parks Labor | \$ 3,973 | \$ 3,050 |
| | Parks Vandalism/Graffiti | \$ 103 | \$ 84 |
| | Parks Utilities | \$ - | \$ 2,400 |
| | Parks Other Supplies | \$ 1,648 | \$ 500 |
| | Maintenance - Structures & Grounds | \$ - | \$ - |
| | Total | \$ 5,724 | \$ 6,034 |
| | PUBLIC WORKS | | |
| | SWRCB Permit Requirement | \$ 80 | \$ 5 |
| | Pump Replacement | \$ - | \$ - |
| | Cleaning Drainage System | \$ - | \$ 514 |
| | Street Sweeping | \$ 3,605 | \$ 2,380 |
| | Curb & Gutter Repair | \$ - | \$ - |
| | Weed Spraying | \$ 1,586 | \$ 314 |
| | Erosion Control | \$ - | \$ - |
| | Separator Cleaning | \$ - | \$ - |
| | Sidewalk Repair | \$ - | \$ 730 |
| | Utilities | \$ 1,339 | \$ - |
| | Total | \$ 6,610 | \$ 3,943 |
| | Capital Improvement Reserve | \$ - | \$ - |
| | General benefit | \$ (554) | \$ (366) |
| | Total Administration, Parks & Rec, Public Works Budget | \$ 12,295 | \$ 9,690 |
| | Fund Balance Information | | |
| | Beginning Fund Balance (Estimated for FY2020-2021) | \$ 34,577 | \$ - |
| | Capital Improvement Reserve-Parks (-) | \$ (5,000) | \$ (5,216) |
| | Capital Improvement Reserve-Public Works (-) | \$ - | \$ (490) |
| | Available Fund Balance | \$ 29,577 | \$ (5,706) |
| | Adjustments to Available Fund Balance | | |
| | General Fund (or PW) Loan Repayment/Advance (+) | \$ - | \$ - |
| | Other Revenues/General Fund (Contributions I.e. Grants) (+) | \$ - | \$ - |
| | Capital Improvement Expenditure (pumps etc.) (-) | \$ - | \$ - |
| | 6 Months Operating Reserve (-) | \$ (6,148) | \$ (4,845) |
| | Use of Fund Balance for FY 2020-2021 (-) | \$ (1,963) | \$ 706 |
| | Contingency Reserve (-) | \$ - | \$ - |
| | Total Adjustments | \$ (8,110) | \$ (4,139) |
| | Remaining Available Fund Balance | \$ 21,467 | \$ (9,845) |
| | Total Administration, Parks & Rec, Public Works Budget | \$ 12,295 | \$ 9,690 |
| | Use of Fund Balance (-) | \$ (1,963) | \$ 706 |
| | Balance to Levy | \$ 10,332 | \$ 10,396 |
| | District Statistics | | |
| | Total Parcels | 16 | 1 |
| | Parcels Levied | 16 | 1 |
| | Total EBU | 14.48 | 7.49 |
| | Levy EBU | \$ 713.55 | \$ 1,387.94 |
| | Capital Reserve Target | \$ 5,000 | \$ 25,520 |

PART V - ASSESSMENTS

2020-2021 Assessment Zone 1 = \$10,332.25 / 14.48 EBU = \$713.55 per EBU

2019-2020 Assessment Zone 1 = \$10,332.25 / 14.48 EBU = \$713.55 per EBU

2020-2021 Assessment Zone 2 = \$10,395.67 / 7.49 EBU = \$1,387.94 per EBU

2019-2020 Assessment Zone 2 = \$0

A method for calculating the annual assessment has been approved per Proposition 218, therefore no ballot procedure is necessary to approve any change in assessment. The Fiscal Year 2020-2021 assessment is in compliance with Proposition 218.

The parcels subject to the assessment are listed in Exhibit "D" that is attached hereto and made a part of this Engineer's Report.

EXHIBIT "D"
PARCEL COUNT FOR
COUNTY SERVICE AREA NO. 18
ATLAS PARK SUBDIVISION, OAKDALE
FISCAL YEAR 2020-2021

The Assessor's parcels listed below are subject to the annual assessment:

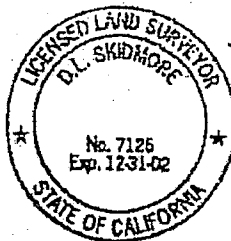
| A.P.N. | ASSESSMENT | EBU | A.P.N. | ASSESSMENT | EBU |
|----------------------------|-------------------|--------|-----------|-------------|--------|
| Atlas Park - Zone 1 | | | | | |
| 010-032-070 | \$713.75 | 1 | | | |
| 010-032-071 | \$713.75 | 1 | | | |
| 010-032-072 | \$713.75 | 1 | | | |
| 010-032-073 | \$713.75 | 1 | | | |
| 010-032-074 | \$713.75 | 1 | | | |
| 010-032-075 | \$713.75 | 1 | | | |
| 010-032-076 | \$713.75 | 1 | | | |
| 010-032-077 | \$713.75 | 1 | | | |
| 010-032-078 | \$713.75 | 1 | | | |
| 010-032-079 | \$713.75 | 1 | | | |
| 010-032-080 | \$713.75 | 1 | | | |
| 010-032-081 | \$713.75 | 1 | | | |
| 010-032-082 | \$713.75 | 1 | | | |
| 010-032-083 | \$713.75 | 1 | | | |
| 010-032-084 (0.13 acres) | \$37.12 | 0.052 | | | |
| 010-032-085 (1.06 acres) | \$302.63 | 0.424 | | | |
| Zone 1 | TOTAL \$10,332.25 | 14.476 | | | |
| Fairway 7 Estates - Zone 2 | | | | | |
| 064-016-004 (8.44 acres) | \$10,395.67 | 7.49 | | | |
| Zone 2 | TOTAL \$10,395.67 | 7.49 | | | |
| | | | | | |
| ZONE 1 | | | 16 | \$10,332.25 | 14.476 |
| ZONE 2 | | | 1 | \$10,395.67 | 7.49 |
| | | | | | |
| | | | CSA TOTAL | \$20,727.92 | 21.97 |

EXHIBIT "A"
COUNTY SERVICE AREA NO. 18
ATLAS PARK

ALL that certain real property situate in the County of Stanislaus, State of California, lying in a portion of the Northwest Quarter of Section 7, Township 2 South, Range 11 East, Mount Diablo Meridian, being more particularly described as follows:

BEGINNING at the centerline intersection point of county roads known as Atlas Road and Rio Sombra Court, said intersection point being a 5/8" Rebar with Tag L.S. 5230 in a monument well, Coordinates = N. 2105699.488, E. 6650270.801; thence (1) South 00°03'00" East along the center line of said Atlas Road, a distance of 249.67 feet; thence leaving last said line and proceeding (2) South 89°57'00" West, a distance of 30.00 feet to a point on the Northerly right-of-way line of State Highway 108/120; thence (3) South 29°45'33" West along last said right-of-way line, a distance of 47.44 feet to an angle point, Coordinates = N. 2105408.647, E. 6650217.477; thence continuing along last said right-of-way line (4) South 89°51'07" West, a distance of 637.65 feet to a point on the East line of Deo Gloria Estates No. 2, filed in Volume 27 of Maps at Page 24, Stanislaus County Records, Coordinates = N. 2105407.000, E. 6649579.879; thence (5) North 00°01'12" West along last said East line and the East line of Deo Gloria Estates, filed in Volume 26 of Maps at Page 89, Stanislaus County Records, a distance of 589.47 to the Southwest corner of Oakdale Country Club Estates No. 3, filed in Volume 34 of Maps at Page 27, Stanislaus County Records, Coordinates = N. 2105996.430, E. 6649579.673; thence (6) South 89°51'37" East along the South line of said Oakdale Country Club Estates No. 3 and the Easterly extension thereof, a distance of 690.93 feet to a point on the center line of Atlas Road; thence (7) South 00°03'00" East along last said center line, a distance of 295.26 feet to the Point of Beginning of this Description.

Containing 9.29 acres more or less.

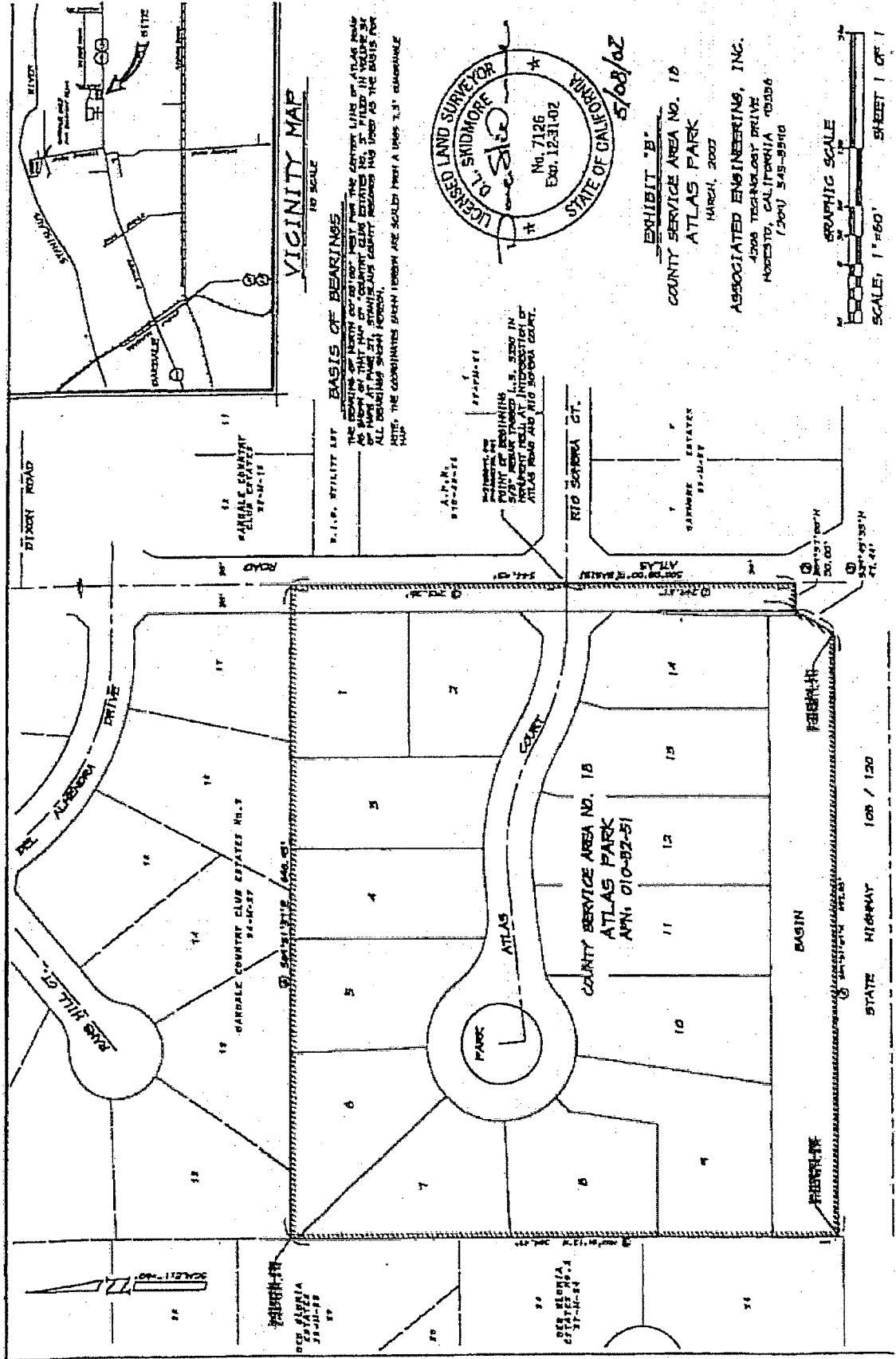




Dave L. Skidmore, L.S. 7126
License Expires 12/31/02

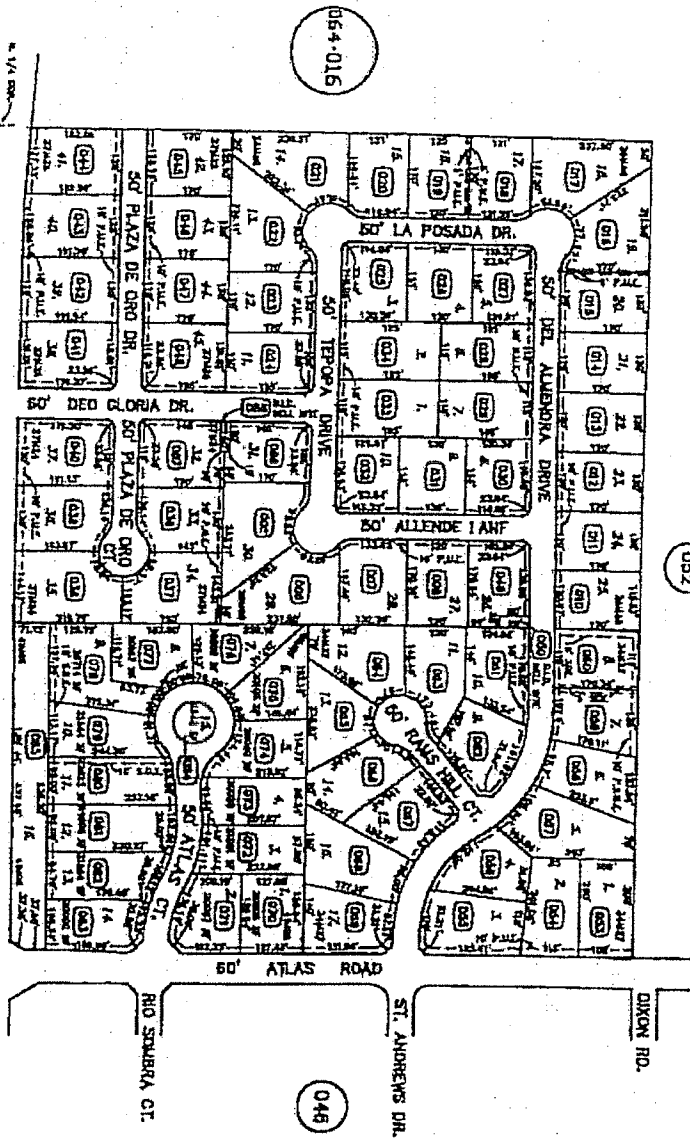
5/08/02

5:113-02/LEGAL-LWPB



POR. NW 1/4 SEC. 7 T.2S. R.11E. M.D.B.& M.
 DEO GLORIA ESTATES (26M89)
 DEO GLORIA ESTATES NO. 2 (27M24)
 DEO GLORIA ESTATES NO. 3 (27M25)
 OAKDALE COUNTRY CLUB ESTATES NO. 3 (34M27)
 ATLAS PARK (41M08)

084 006
 084 028
 084 077
 THIS MAP FOR
 ASSESSMENT PURPOSES ONLY
 010 - 032



FROM 10-07, 10-21
 DRAWN 3-18-82
 REVISED 10-10-03 (M) DRL 08-10-08 CS
 Copyright 2001 Stanislaus County-All rights reserved

Stanislaus
 County
 78,85,90,04,09
 Assessor

010 - 032

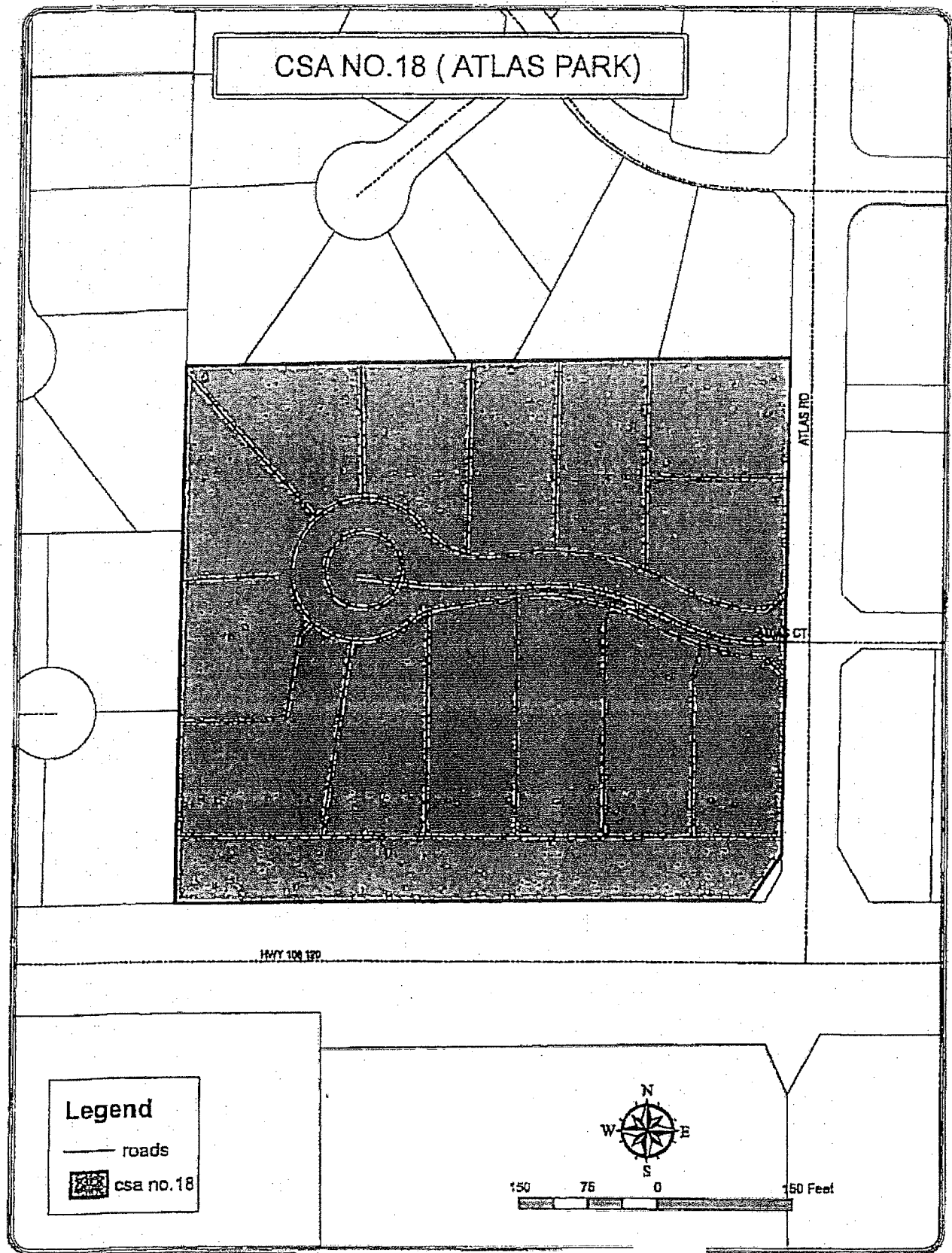


EXHIBIT "C"

EXHIBIT "A"

LEGAL DESCRIPTION OF FAIRWAY 7 ESTATES

ANNEXATION TO CSA 18 – ATLAS PARK SUBDIVISION

All that real property situated in the east half of Section 12, Township 2 South, Range 10 East, Mount Diablo Meridian, County of Stanislaus, State of California, being more particularly described as follows:

COMMENCING at the east quarter corner of Section 12, Township 2 South, Range 10 East; thence North $0^{\circ}14'03''$ East 37.82 feet to a point on the north right-of-way line of State Highway 120/108, said point also being the southeast corner of "Adjusted Parcel 1" as shown on the Certificate of Lot Line Adjustment filed for record on November 7, 2016 as Document No.2016-0087845, Stanislaus County Records and the true POINT OF BEGINNING of this description; thence along said north right-of-way line of State Highway 120/108 the following three courses;

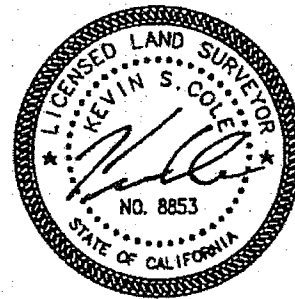
- 1) North $85^{\circ}54'00''$ West 78.31 feet;
- 2) thence South $87^{\circ}09'53''$ West 260.55 feet to the beginning of a non-tangent curve concave to the south with a radius of 3560.00 feet, a radial line through said beginning of curve bears South $0^{\circ}12'02''$ West;
- 3) thence westerly 780.57 feet along the arc of said curve through a central angle of $12^{\circ}33'46''$ to a point on the east right-of-way line of Steams Road;
- 4) thence along said east right-of-way line the following four courses, North $11^{\circ}28'05''$ West 97.41;
- 5) thence North $89^{\circ}57'03''$ West 28.96 feet;
- 6) thence North $00^{\circ}4'27''$ East 11.48 to the beginning of a tangent curve concave to the west with a radius of 580.00 feet;
- 7) thence northerly 189.95 feet along the arc of said curve through a central angle of $18^{\circ}45'50''$ to a point on the west line of said "Adjusted Parcel 1";
- 8) thence along said west line, North $0^{\circ}04'27''$ East 8.63 to a point on the north line of said "Adjusted Parcel 1";
- 9) thence along said north line the following five courses, North $88^{\circ}45'44''$ East 451.83;
- 10) thence South $85^{\circ}01'07''$ East 90.00 feet;
- 11) thence North $86^{\circ}43'41''$ East 80.00 feet;
- 12) thence North $82^{\circ}27'53''$ East 154.00 feet;

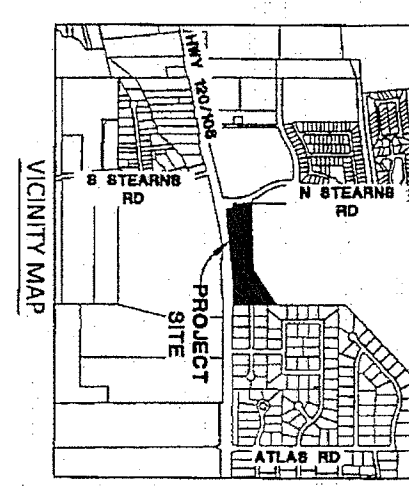
13) thence North 50°47'05" East 543.00 feet to a point on the east line of said "Adjusted Parcel 1";

14) thence along said east line, South 01°4'03" West 568.01 feet to the POINT OF BEGINNING.

All as shown on attached Exhibit 'B' and made a part hereof and containing 8.44 acres, more or less.

END DESCRIPTION





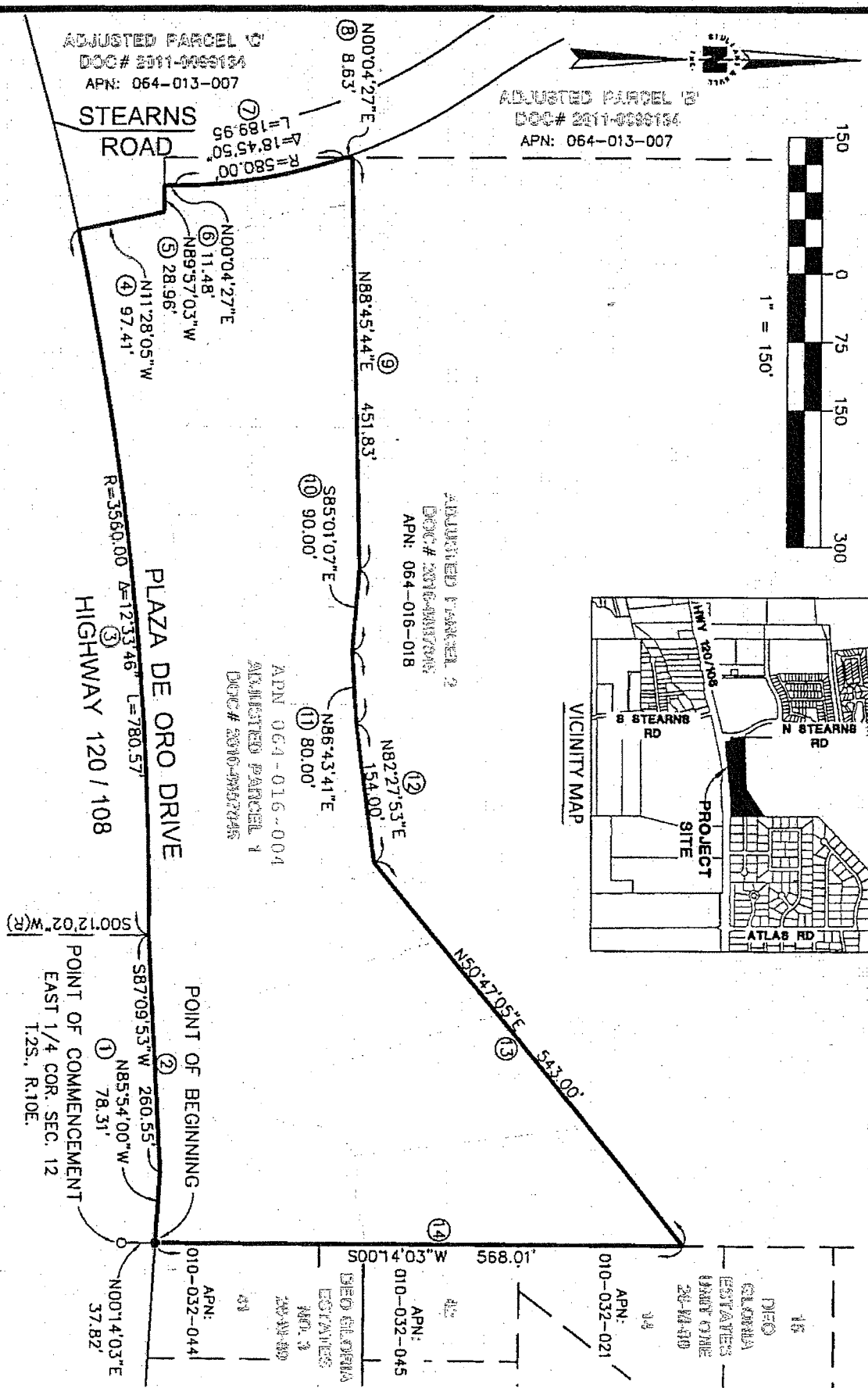
VICINITY MAP

ADJUSTED PARCEL 'B'
DOC# 2011-0000104
APN: 064-013-007

ADJUSTED PARCEL 'C'
DOC# 2016-0000704
APN: 064-016-018

ADJUSTED PARCEL 'D'
APN: 064-016-004
DOC# 2016-0000704

ADJUSTED PARCEL 'E'
DOC# 2011-0000104
APN: 064-013-007



CK Giuliani & Kull, Inc.
Engineers • Planners • Surveyors

440 S. Yosemite Avenue, Suite A, Oakdale, CA 95361
(209) 847-8726 Fax (209) 847-7323

Auburn • Oakdale • San Jose

SCALE: 1" = 150'
DRAWN: TRM
CHECKED: KSC
JOB NO.: 13199
SHEET: 02 OF 02

COUNTY SERVICE AREA No. 18

STANISLAUS COUNTY, CALIFORNIA

EXHIBIT "B1"

EXHIBIT "A"

LEGAL DESCRIPTION OF FAIRWAY 7 ESTATES

ANNEXATION TO CSA 18 – ATLAS PARK SUBDIVISION

All that real property situates in the east half of Section 12, Township 2 South, Range 10 East, Mount Diablo Meridian, County of Stanislaus, State of California, being more particularly described as follows:

COMMENCING at the east quarter corner of Section 12, Township 2 South, Range 10 East; thence North 0°14'03" East 37.82 feet to a point on the north right-of-way line of State Highway 120/108, said point also being the southeast corner of "Adjusted Parcel 1" as shown on the Certificate of Lot Line Adjustment filed for record on November 7, 2016 as Document No.2016-0087845, Stanislaus County Records and the true POINT OF BEGINNING of this description; thence along said north right-of-way line of State Highway 120/108 the following three courses;

- 1) North 85°54'00" West 78.31 feet;
- 2) thence South 87°09'53" West 260.55 feet to the beginning of a non-tangent curve concave to the south with a radius of 3560.00 feet, a radial line through said beginning of curve bears South 0°12'02" West;
- 3) thence westerly 780.57 feet along the arc of said curve through a central angle of 12°33'46" to a point on the east right-of-way line of Steams Road;
- 4) thence along said east right-of-way line the following four courses, North 11°28'05" West 97.41;
- 5) thence North 89°57'03" West 28.96 feet;
- 6) thence North 0°04'27" East 11.48 to the beginning of a tangent curve concave to the west with a radius of 580.00 feet;
- 7) thence northerly 189.95 feet along the arc of said curve through a central angle of 18°45'50" to a point on the west line of said "Adjusted Parcel 1";
- 8) thence along said west line, North 0°04'27" East 8.63 to a point on the north line of said "Adjusted Parcel 1";
- 9) thence along said north line the following five courses, North 88°45'44" East 451.83;
- 10) thence South 85°01'07" East 90.00 feet;
- 11) thence North 86°43'41" East 80.00 feet;
- 12) thence North 82°27'53" East 154.00 feet;

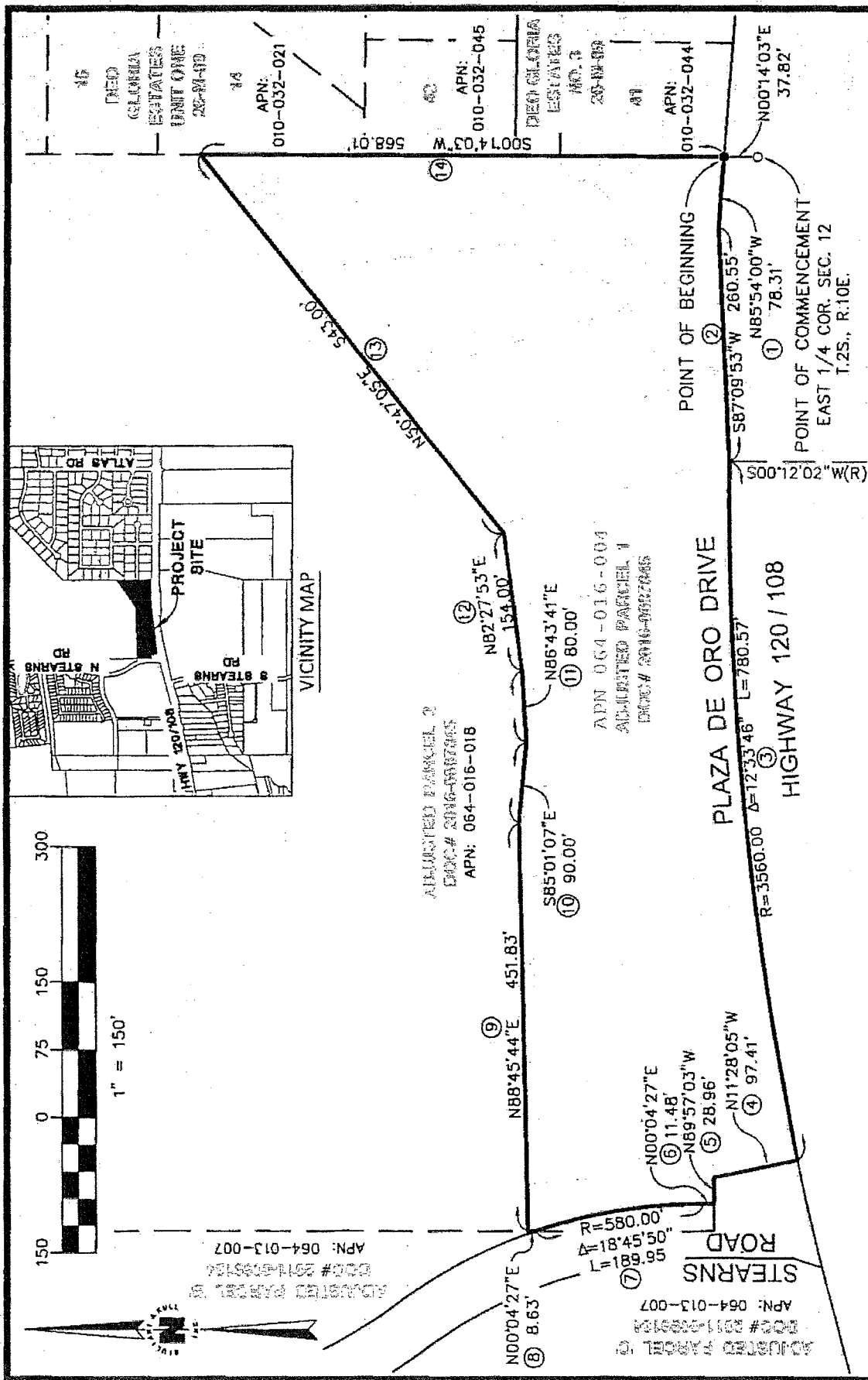
13) thence North 50°47'05" East 543.00 feet to a point on the east line of said "Adjusted Parcel 1";

14) thence along said east line, South 01°4'03" West 568.01 feet to the POINT OF BEGINNING.

All as shown on attached Exhibit 'B' and made a part hereof and containing 8.44 acres, more or less.

END DESCRIPTION





CK Giuliani & Kull, Inc.

Engineers • Planners • Surveyors

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Auburn • Oakdale • San Jose

EXHIBIT "B"
COUNTY SERVICE AREA No. 18
STANISLAUS COUNTY, CALIFORNIA

P:\2013\13199\Draws\Bossharts\CSA MAP.dwg 6/15/2018 8:17am

CONSENT FOR ANNEXATION OF
TERRITORY TO COUNTY SERVICE AREA NO. 18 – ATLAS PARK SUBDIVISION,
OAKDALE
(Fairway 7 Estates Annexation)

Tesoro Homes, Inc, hereinafter referred to as "Owner", owns and has title to the property located in Stanislaus County, California as described on Exhibits "A" and "B" attached hereto and hereinafter referred to as "Property".

Owner hereby consents to the annexation of the Property to the County Service Area No. 18 Atlas Park Subdivisions, Oakdale for the purpose of receiving extended county services to or within the Property and to pay the Fiscal Year 2020/2021 assessment in the amount of \$1,387.94 per Equivalent Benefit Unit (EBU) and the parcel assessment calculated using the County Service Area Assessment Formulas:

Total Operation & Maintenance Cost - Use of Fund Balance / Total Equivalent Benefit Units (EBU) = Levy (Assessment) per Equivalent Benefit Unit (EBU)

Parcel EBU x Levy (Assessment) per EBU = Parcel Assessment.

Currently, the number of Equivalent Benefit Units (EBUs) determined for the property is equal to 7.49 EBU.

Owner acknowledges that the extended county services are roundabout/park and streetscape maintenance, storm drainage control, and storm drainage system maintenance, and the annexation will be pursuant to Government Code Section 25210 et seq.

Owner declares under penalty of perjury that the foregoing is true and correct and that the Consent For Annexation Of Territory To County Service Area No. 18 was executed this 28 day of November, 2018.

Owner or Corporate Officer

Tesoro Homes, Inc

Print Name

President CEO

Title


Signature

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EXHIBIT D

LAFCO Resolution No. 2019-06

**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: March 27, 2019

NO. 2019-06

SUBJECT: LAFCO Application No. 2019-05 & SOI Modification No. 2019-04 – Fairway 7 Estates to County Service Area 18 (Atlas Park)

On the motion of Commissioner _____, seconded by Commissioner _____, and approved by the following:

| | |
|-------------|----------------|
| Ayes: | Commissioners: |
| Noes: | Commissioners: |
| Absent: | Commissioners: |
| Ineligible: | Commissioners: |

THE FOLLOWING RESOLUTION WAS ADOPTED:

WHEREAS, a request has been submitted to modify the Sphere of Influence and simultaneously annex approximately 8.44 acres to County Service Area (CSA) No. 18 (Atlas Park);

WHEREAS, there are less than 12 registered voters within the area and it is thus considered uninhabited;

WHEREAS, the above-referenced proposal has been filed with the Executive Officer of the Stanislaus Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Section 56000 et seq. of the Government Code);

WHEREAS, the proposal was initiated by a Resolution of Application from the Stanislaus County Board of Supervisors to satisfy a Condition of Approval for a County-approved subdivision and all of the owners of land within the affected territory have consented in writing to the sphere of influence modification and change of organization (annexation) into CSA No. 18 (Atlas Park);

WHEREAS, the purpose of the proposal is to allow the subject territory to receive the extended county services offered by County Service Area No. 18 (Atlas Park), including storm drainage, and maintenance of streetscape, sidewalks, chain-link fencing and a masonry wall;

WHEREAS, proceedings for adoption and amendment of a Sphere of Influence are governed by the Cortese-Knox-Hertzberg local Government Reorganization Act, Section 56000 et seq. of the Government Code;

WHEREAS, Commission policies allow a minor amendment to a sphere of influence of any agency without triggering a new or revised Municipal Service Review (MSR) when a previous MSR has been conducted;

WHEREAS, on September 18, 2018, the Stanislaus County Board of Supervisors adopted Resolution No. 2018-00659 supporting the annexation to County Service Area No. 18 (Atlas Park);

WHEREAS, Stanislaus County has prepared an Engineer's Study identifying the assessment formula to be applied to the territory and its compliance with Proposition 218;

WHEREAS, in the form and manner provided by law pursuant to Government Code Sections 56153 and 56157, the Executive Officer has given notice of the public hearing by the Commission on this matter; and

WHEREAS, the Commission has, in evaluating the proposal, considered the report submitted by the Executive Officer, which included determinations and factors set forth in Government Code Sections 56425 and 56668, and any testimony and evidence presented at the meeting held on March 27, 2019.

NOW, THEREFORE, BE IT RESOLVED that the Commission:

1. Finds this proposal to be categorically exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Section 15061(b)(3) of the CEQA Guidelines.
2. Adopts the written determinations pursuant to Government Code Section 56425, as described and put forth in the staff report dated March 27, 2019, and determines that the sphere of influence for CSA No. 18 (Atlas Park) will include the territory and be coterminous with its approved boundaries, as shown in Attachment 1.
3. Approves the proposal subject to the following terms and conditions:
 - (a) The Applicant shall pay the required State Board of Equalization fees and submit a map and legal description prepared to the requirements of the State Board of Equalization and accepted to form by the Executive Officer.
 - (b) The Applicant agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval, and provide for reimbursement or assumption of all legal costs in connection with that approval.
 - (c) In accordance with Government Code Sections 56886(t) and 57330, the subject territory shall be subject to the levying and collection of all previously authorized charges, fees, assessments and taxes of County Service Area No. 18 (Atlas Park).
 - (d) The effective date shall be the date of recordation of the Certificate of Completion.

4. Designates the proposal as the “Fairway 7 Estates Change of Organization to County Service Area No. 18 (Atlas Park)”.
5. Pursuant to Government Code Section 56662(d), waives protest proceedings and orders the change of organization subject to the requirements of Government Code Section 57000 et seq.
6. Authorizes the Executive Officer to prepare and execute Certificate of Completion upon receipt of a map and legal description prepared to the requirements of the State Board of Equalization and accepted to form by the Executive Officer and payment of any outstanding fees, subject to the specified terms and conditions.

ATTEST:

Sara Lytle-Pinhey
Executive Officer

**EXECUTIVE OFFICER'S AGENDA REPORT
MARCH 27, 2019**

TO: LAFCO Commissioners

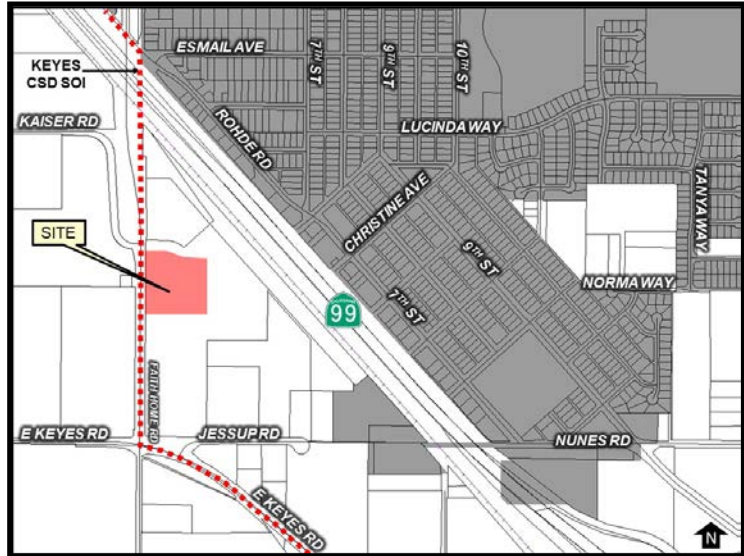
FROM: Javier Camarena, Assistant Executive Officer

**SUBJECT: LAFCO APPLICATION NO. 2019-01 – LINDE CHANGE OF ORGANIZATION
TO KEYES COMMUNITY SERVICES DISTRICT**

PROPOSAL

The project is a proposal to annex a 5.2-acre parcel to the Keyes Community Services District (CSD) for water service for a liquid carbon dioxide (CO₂) purification and liquefaction plant.

1. Applicant: Keyes Community Services District (Keyes CSD)
2. Location: The project area is located on the east side of Faith Home Road southwest of Highway 99 within the Keyes CSD sphere of influence. (See Exhibit A - Maps & Legal Description.)
3. Parcels Involved and Acreage: The project includes Assessor's Parcel Number (APN) 045-026-043 totaling approximately 5.2 acres (See Exhibit "A" maps and Legal Description).
4. Reason for Request: The annexation is requested in order to provide water service for a proposed CO₂ purification and liquefaction plant into the Keyes CSD. The water service will be for domestic and fire suppression use.



ENVIRONMENTAL REVIEW

Stanislaus County, through its planning process, assumed the role of Lead Agency under the California Environmental Quality Act (CEQA) for the CO₂ purification and liquefaction plant. The County approved a Mitigated Negative Declaration (Exhibit B). LAFCO, as a Responsible Agency, must consider the environmental documentation prepared by Stanislaus County. The proposed annexation will not result in a change of land use under the current zoning, which is under Stanislaus County jurisdiction.

BACKGROUND

In August of 2018, the Stanislaus County Board of Supervisors approved Rezone and Parcel Map Application No. PLN 2018-0017 – Linde Group, LLC. The project approval allows for the development of a liquid carbon dioxide (CO₂) purification and liquefaction plant. The project includes a condition of approval requiring annexation into the Keyes Community Services District for domestic and fire suppression water services. The proposed LAFCO application has been submitted in order to fulfill the condition of approval.

FACTORS

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires several factors to be considered by a LAFCO when evaluating a proposal. The following discussion pertains to the factors, as set forth in Government Code Section 56668 and 56668.3:

- a. ***Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.***

The extension of Keyes CSD water will not induce any further growth. The annexation and water extension is being proposed in order to provide domestic and fire suppression water to a CO2 purification and liquefaction plant. The site is currently vacant and surrounded by industrial type uses, vacant land and agricultural land.

The project site is zoned PD 339 (Planned Development) in the Stanislaus County Zoning Ordinance and is designated Planned Development in the County's General Plan. The proposed development is a legal use within the zoning district. Annexation to the District will not change or lead to change in the zoning. The subject parcel is located in Tax Code Area: 072-001. The current total assessed value for the parcel within the proposed annexation area is \$1,203,278.

- b. ***The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.***

The proposed annexation will provide water service to the approved Linde CO2 purification and liquefaction plant. The water service improvements will be installed by the developer. Service and maintenance will be financed through the collection of water charges. The Keyes CSD has indicated that it has the capacity to serve the CO2 purification and liquefaction plant.

- c. ***The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.***

There are no social or economic communities of interest as defined by the Commission in the area. The proposal is consistent with adopted Commission policies to encourage efficient and effective delivery of governmental services.

- d. ***The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.***

The parcel is located within an area that is zoned PD 339 (Planned Development) by Stanislaus County. The proposed CO2 purification and liquefaction plant is consistent with

the County's Zoning Ordinance. The proposed annexation will provide water service to the proposed development. There are no other plans to change the land uses.

e. *The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.*

The proposal will not result in the loss of agricultural land and will not affect the physical and economic integrity of agricultural land. The land is currently zoned PD 339 (Planned Development) by Stanislaus County.

f. *The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting proposed boundaries.*

The proposed boundary includes a whole newly created parcel (APN: 045-026-043), which is consistent with adopted Commission policies. Although the parcel is not contiguous to the existing boundaries of Keyes CSD, the laws governing Community Service Districts allow for non-contiguous annexations when consistent with the policies of the Commission. The current proposal would be served by an existing 12" water line located in Faith Home Road, near one of the District's existing wells, and would be consistent with its service area.

g. *A regional transportation plan adopted pursuant to Section 65080*

The Regional Transportation Plan (RTP) is prepared and adopted by the Stanislaus Association of Governments (StanCOG) and is intended to determine the transportation needs of the region as well as the strategies for investing in the region's transportation system. The annexation will not change traffic or transportation routes for the area.

h. *The proposal's consistency with city or county general and specific plans*

The proposal is consistent with both the Stanislaus County General Plan land use designation of "Planned Development" and zoning designation of PD 339 (Planned Development).

i. *The sphere of influence of any local agency, which may be applicable to the proposal being reviewed.*

The territory is within the Keyes Community Services District's Sphere of Influence. The proposal is consistent with those adopted spheres of influence and Commission policies.

j. *The comments of any affected local agency or other public agency.*

All affected agencies and jurisdictions have been notified pursuant to State law requirements and the Commission adopted policies. A "No Comment" letter was received from both the Sheriff's Department and Stanislaus County Environmental Review Committee. No additional comments have been received from any other local or public agencies.

- k. *The ability of the receiving entity to provide services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.***

The Keyes Community Services District, as applicant for the proposed annexation, has indicated it is willing and able to serve the proposal. The Developer will be responsible for installing all necessary infrastructure improvements required for the water connection. Once the site is on line, service and maintenance will be financed through the collection of water charges.

- l. *Timely availability of water supplies adequate for projected needs as specified in Government Code Section 65352.5.***

Keyes CSD has indicated that it is able to provide water service to the proposed project site. Currently, the District has four groundwater wells that provide drinking water to District customers. The District has some excess water capacity for growth; although, the District is in the process of establishing a treatment process to remediate arsenic levels that represent in the area that currently exceed the State's maximum contaminant levels.

- m. *The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.***

The proposed annexation will serve a CO2 purification and liquefaction plant. Therefore, this item is not applicable.

- n. *Any information or comments from the landowner or owners, voters, or residents of the affected territory.***

The owner of the project site has consented to the proposed annexation. No information or comments, other than what was provided in the application, have been received as of the drafting of this report.

- o. *Any information relating to existing land use designations.***

The property within the proposal is zoned PD 339 (Planned Development) within the Stanislaus County Zoning Ordinance and is designated as "Planned Development" in the General Plan. The annexation will provide water that will serve a CO2 purification and liquefaction plant which is consistent with both designations. There are currently no plans to change the land uses.

- p. *The extent to which the proposal will promote environmental justice.***

As defined by Government Code §56668, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. Staff has determined that approval of the proposal would not result in the unfair treatment of any person based on race, culture or income with respect to the provision of services within the proposal area.

- q. Information contained in a local mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.***

According to the CEQA Initial Study, the project site has not been identified as being within a very high fire hazard severity zone. Stanislaus County has placed a condition of approval on the project requiring that development meet all Department of Environmental Resources HazMat Division and Fire District standards, as well as obtain all required permits.

DISCUSSION

Based on the information provided by the Keyes CSD, annexation of project site can be considered a logical extension of the District's boundaries. Staff has determined that the proposed annexation is consistent with Government Code and LAFCO policies.

Waiver of Protest Proceedings

Pursuant to Government Code Section 56662(d), the Commission may waive protest proceedings for the proposal when the following conditions apply:

1. The territory is uninhabited.
2. All of the owners of land within the affected territory have given their written consent to the change of organization.
3. No subject agency has submitted written opposition to a waiver of protest proceedings.

As all the above conditions for the waiver of protest proceedings have been met, the Commission may waive the protest proceedings in their entirety.

ALTERNATIVES FOR COMMISSION ACTION

Following consideration of this report and any testimony or additional materials that are submitted at the public hearing for this proposal, the Commission may take one of the following actions:

- Option 1** APPROVE the proposal, as submitted by the applicant.
- Option 2** DENY the proposal.
- Option 3** CONTINUE this proposal to a future meeting for additional information.

STAFF RECOMMENDATION

Approve Option 1. Based on the information and discussion contained in this staff report, and the evidence presented, it is recommended that the Commission adopt Resolution No. 2019-04 (attached as Exhibit C), which:

- a. Certifies, as a Responsible Agency under CEQA, that the Commission has considered the environmental documentation prepared by Stanislaus County as Lead Agency;
- b. Finds the proposal to be consistent with State law and the Commission's adopted Policies and Procedures;
- c. Waives protest proceedings pursuant to Government Code Section 56662(d); and,
- d. Approves LAFCO Application 2019-01 – Linde Change of Organization to the Keyes Community Services District as outlined in the resolution.

Respectfully submitted,

Javier Camarena

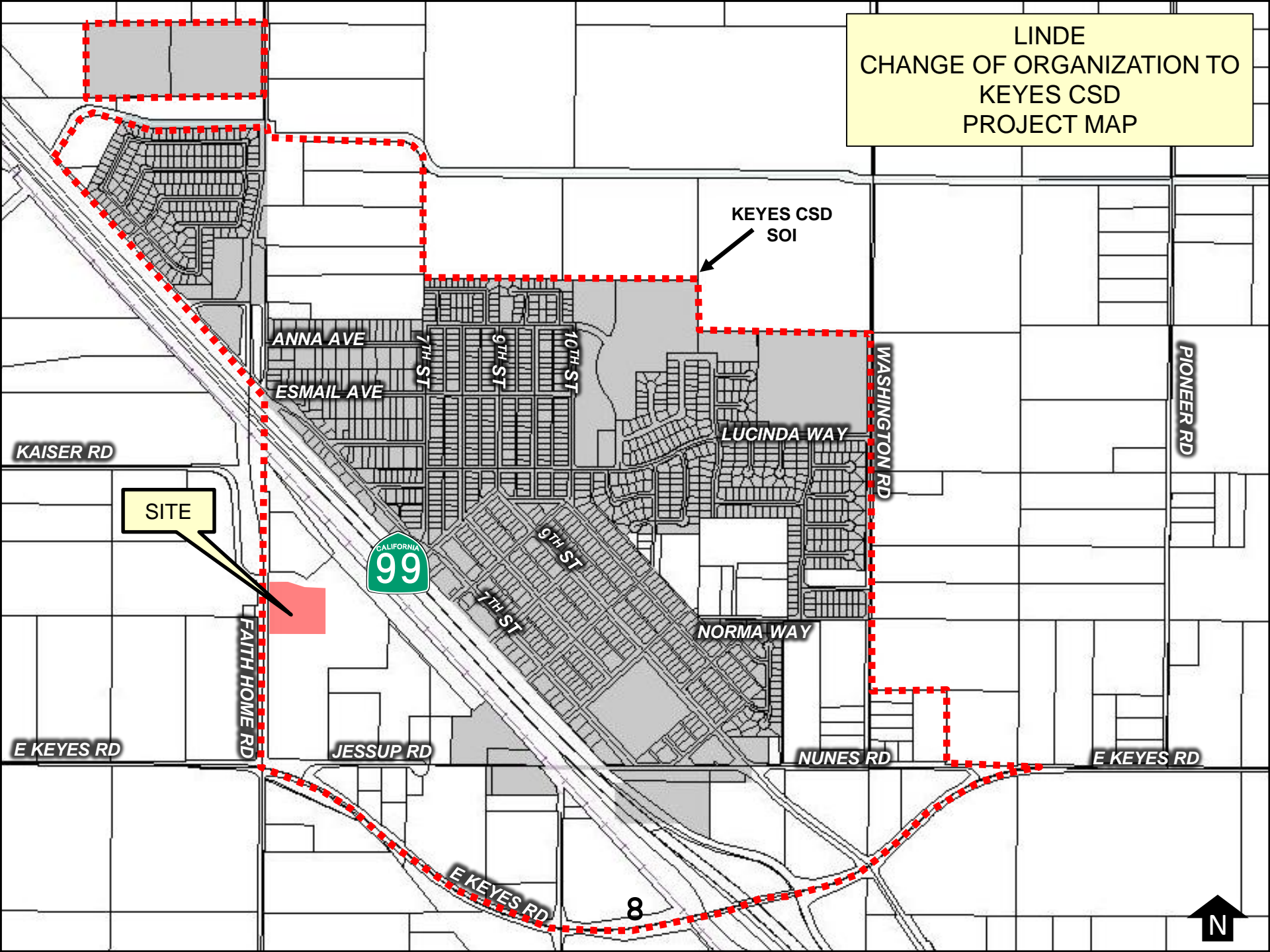
Javier Camarena
Assistant Executive Officer

Attachments - Exhibit A: Maps and Legal Description
Exhibit B: CEQA Initial Study, Mitigation Monitoring Plan and Notice of Determination
Exhibit C: Draft LAFCO Resolution No. 2019-04

EXHIBIT A

Maps and Legal Description

LINDE
CHANGE OF ORGANIZATION TO
KEYES CSD
PROJECT MAP



KEYES CSD
SOI

ANNA AVE

ESMAIL AVE

7TH ST

9TH ST

10TH ST

LUCINDA WAY

WASHINGTON RD

PIONEER RD

KAISER RD

SITE

CALIFORNIA
99

9TH ST

7TH ST

NORMA WAY

FAITH HOME RD

E KEYES RD

JESSUP RD

NUNES RD

E KEYES RD

E KEYES RD

8



EXHIBIT "A"

LEGAL DESCRIPTION

All of that parcel "A" as shown on that Parcel Map filed November 6, 2018, in Book 57 of Parcel Maps, at Page 83, Stanislaus County Records, being a portion of the Southwest one quarter of Section 30, Township 4 South, Range 10 East, Mount Diablo Base and Meridian, more particularly described as follows:


Commencing at the southwest corner of said Section 30, thence along the West line of said Section 30, North 00° 02' 24" West, 1660.03 feet; thence North 89° 57' 24" East, 67.50 feet to the Northwest corner of said Parcel A, and the TRUE POINT OF BEGINNING;

- (1). thence, along the Northerly lines of said Parcel A, North 89° 57' 24" East, 162.64 feet;
- (2). thence, continuing along said Northerly lines, South 73° 30' 44" East, 156.47 feet;
- (3). thence, continuing along said Northerly lines, South 87° 00' 00" East, 190.41 feet to the Northeast corner of said Parcel A;
- (4). thence, along the East line of Parcel A, South 00° 00' 00" E., 420.37 feet;
- (5). thence, along the South line of Parcel A, South 89° 57' 24" West, 502.50 feet to said West line;
- (6). thence North 00° 02' 24" West, 475.00 feet to the POINT OF BEGINNING.

Containing 5.2 acres, more or less.

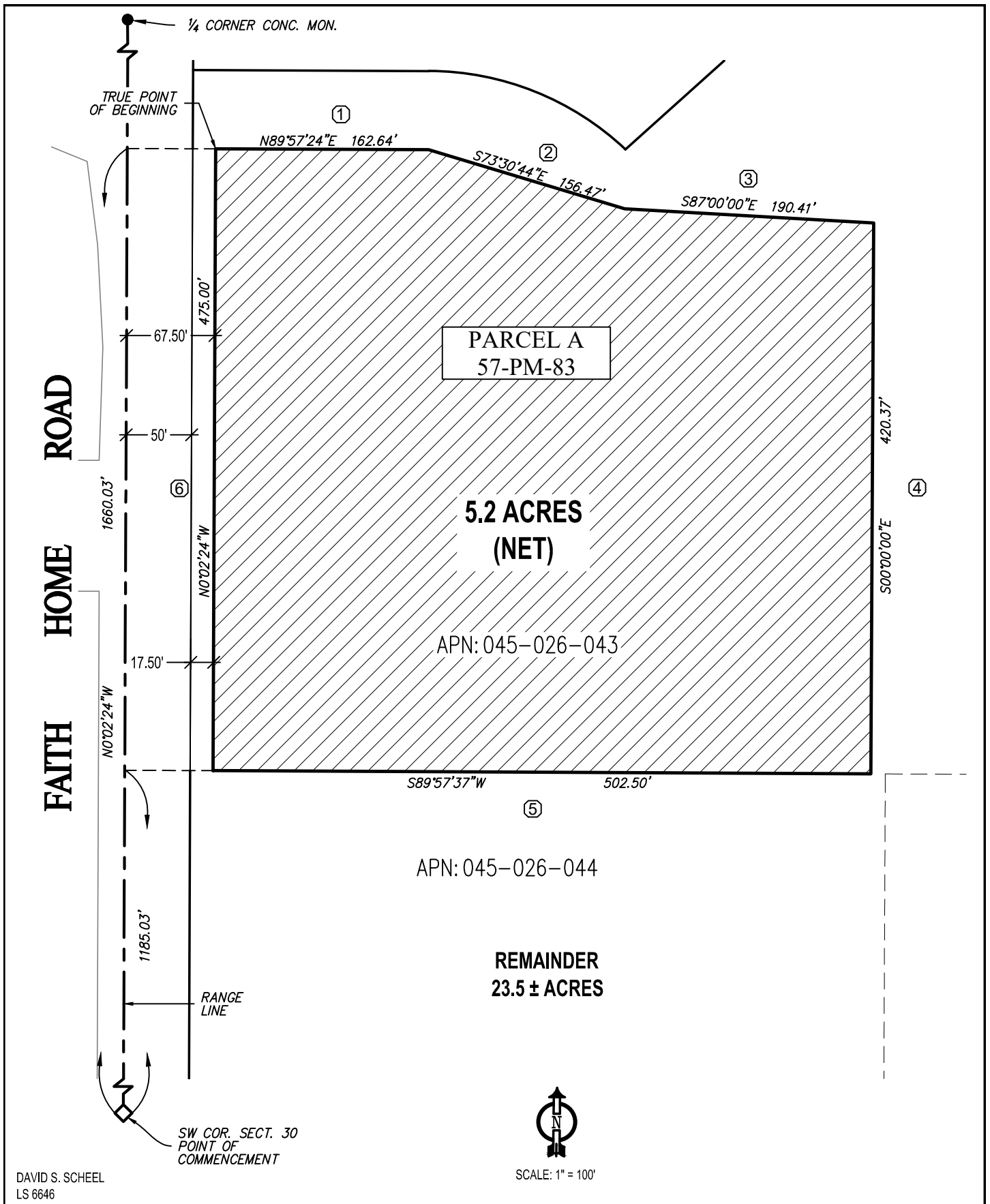
The Basis of Bearings for this description is North 00°02' 24" West for the centerline of Faith Home Road, as shown on said Parcel Map.

All as shown on EXHIBIT "B" attached hereto and by this reference made a part hereof.



David B.S. Scheel, P.L.S. 6646






| | | | | | |
|---|--|---|--|--------------------------------------|-------------------------------|
| JUSTIN W. CAPP, Inc. 1103 12th STREET, MODESTO, CA PO BOX 861, 95353 (209) 524-4774 CE #61393, SE #4813 | | PLAT TO ACCOMPANY LEGAL DESCRIPTION EXHIBIT "B" A PORTION OF THE SOUTHWEST 1/4 OF SECTION 30, T.4 S, R.10 E, M.D.M. STANISLAUS COUNTY CALIFORNIA | | DRAWN MI CHK'D DS DATE 1/18/19 | SHEET NUMBER 1 of 1 |
|  JUSTIN W. CAPP, Inc. ENGINEERING + DESIGN | | | | | |

EXHIBIT B

CEQA Initial Study, Mitigation Monitoring Plan and Notice of Determination

**DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT**1010 10TH Street, Suite 3400, Modesto, CA 95354

Planning Phone: (209) 525-6330 Fax: (209) 525-5911

Building Phone: (209) 525-6557 Fax: (209) 525-7759

CEQA INITIAL STUDY

Adapted from CEQA Guidelines APPENDIX G Environmental Checklist Form, Final Text, December 30, 2009

1. **Project title:** Rezone and Parcel Map Application No. PLN2018-0017 – Linde Group, LLC
2. **Lead agency name and address:** Stanislaus County
1010 10th Street, Suite 3400
Modesto, CA 95354
3. **Contact person and phone number:** Kristin Doud, Senior Planner
(209) 525-6330
4. **Project location:** Faith Home Road, on the northeast corner of Faith Home and Jessup Roads, west of Highway 99, in the Community of Keyes. (APN: 045-026-040).
5. **Project sponsor's name and address:** The Linde Group, LLC, Audie Chong, Principal Project Manager
200 Somerset Corporation Boulevard, Suite 7000
Bridgewater, NJ 08807
6. **General Plan designation:** P-D (Planned Development)
7. **Community Plan designation:** Industrial
8. **Zoning:** P-D (123) (Planned Development)
9. **Description of project:**

This is a request to Rezone 5.2 acres of a 28.7 acre parcel currently zoned P-D (123), which is expired, to a new P-D (Planned Development) to allow the development of a liquid carbon dioxide (CO₂) purification and liquefaction plant. Currently, carbon dioxide gas is generated during the ethanol fermentation process from the Aemetis Bio Fuel facility, located to the east of the project site, and is vented into the atmosphere after a regenerative Thermal Oxidizer to reduce Volatile Organic Chemicals (VOC) without recovery. The proposed project will serve the purpose of recovering the lost Carbon dioxide (CO₂) via a pipeline from the Aemetis Bio Fuel facility to the proposed project site. Once recovered, the CO₂ will be purified and then liquefied and stored into eight proposed storage tanks, 138 feet long, 9 feet wide, and 12 feet tall. The project will include compression equipment for the CO₂ gas, modular equipment for purification of the CO₂ gas, and ammonia compression equipment for the refrigeration system (5,000 pounds in the system) to condense the CO₂ into liquid form. Ammonia is utilized in a closed-loop system to liquefy and chill the CO₂. CO₂ and ammonia compressors will be stored in a 2,500 square foot storage building on-site, and will include engineering to provide noise attenuation. The project also includes an 840 square foot control room, 588 square foot storage room, an 840 square foot control room, a waiting/break room, restroom, truck scales, employee parking, and a 480 square foot electrical room. The business is proposed to operate 24 hours a day, 7 days a week; and to be shutdown for two weeks per year for maintenance purposes. Tank-trailers are proposed to enter the site utilizing a driveway on Faith Home Road; 20 tank-trailers per day are anticipated. Rail cars are estimated to be filled once a week. Additional rail delivery may occur to supplement the project supply in the case that the CO₂ supply from Aemetis Bio Fuel is interrupted. The plant will employ 20 full-time truck drivers and three full-time (working from 8 a.m. to 6 p.m.) employees on a maximum shift for plant operation.

The plant will be remotely monitored from 6 p.m. to 8 a.m. daily. The site will be served by a private anaerobic septic and leach-field system and will annex into the Keyes Community Services District (CSD) in order to obtain water. A new rail spur will also be constructed off of the Union Pacific Railroad on an adjacent parcel (APN: 045-026-038) to serve the project along with two rail loading/unloading stations and tank-trailer parking. However, this parcel is not a part of the project as it is zoned Industrial which permits this use by right. A tentative parcel map is included with the project to create a 5.2 acre parcel and a 23.5 acre remainder. The project will be contained on the 5.2 acre parcel.

Grading and site preparation is proposed to take place in the spring of 2019. Construction is proposed to begin in summer or fall of 2019 and the plant is estimated to begin operation in the fall of 2019.

9. Surrounding land uses and setting:

The site is surrounded by industrial uses to the east; Highway 99 and the Community of Keyes to the north; and agricultural properties with scattered single-family dwellings and ranchettes to the west and south.

10. Other public agencies whose approval is required (e.g., permits, financing approval, or participation agreement.):

Department of Environmental Resources
Department of Public Works
San Joaquin Valley Air Pollution Control District

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> Aesthetics | <input type="checkbox"/> Agriculture & Forestry Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Geology / Soils |
| <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Hazards & Hazardous Materials | <input type="checkbox"/> Hydrology / Water Quality |
| <input type="checkbox"/> Land Use / Planning | <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Population / Housing | <input type="checkbox"/> Public Services | <input type="checkbox"/> Recreation |
| <input checked="" type="checkbox"/> Transportation / Traffic | <input type="checkbox"/> Utilities / Service Systems | <input type="checkbox"/> Mandatory Findings of Significance |

DETERMINATION: (To be completed by the Lead Agency)

On the basis of this initial evaluation:

- ☐ I find that the proposed project **COULD NOT** have a significant effect on the environment, and a **NEGATIVE DECLARATION** will be prepared.
- ☒ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A **MITIGATED NEGATIVE DECLARATION** will be prepared.
- ☐ I find that the proposed project **MAY** have a significant effect on the environment, and an **ENVIRONMENTAL IMPACT REPORT** is required.
- ☐ I find that the proposed project **MAY** have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An **ENVIRONMENTAL IMPACT REPORT** is required, but it must analyze only the effects that remain to be addressed.
- ☐ I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or **NEGATIVE DECLARATION** pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or **NEGATIVE DECLARATION**, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Signature on file.

Signature

May 21, 2018

Date

STRIVING TOGETHER TO BE THE BEST

EVALUATION OF ENVIRONMENTAL IMPACTS:

- 1) A brief explanation is required for all answers except “No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A “No Impact” answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
- 2) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
- 3) Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. “Potentially Significant Impact” is appropriate if there is substantial evidence that an effect may be significant. If there are one or more “Potentially Significant Impact” entries when the determination is made, an EIR is required.
- 4) “Negative Declaration: Less Than Significant With Mitigation Incorporated” applies where the incorporation of mitigation measures has reduced an effect from “Potentially Significant Impact” to a “Less Than Significant Impact.” The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from Section XVII, “Earlier Analyses,” may be cross-referenced).
- 5) Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration.

Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:

- a) Earlier Analysis Used. Identify and state where they are available for review.
 - b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
 - c) Mitigation Measures. For effects that are “Less than Significant with Mitigation Measures Incorporated,” describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
- 6) Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). References to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
 - 7) Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
 - 8) This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project’s environmental effects in whatever format is selected.
 - 9) The explanation of each issue should identify:
 - a) the significant criteria or threshold, if any, used to evaluate each question; and
 - b) the mitigation measure identified, if any, to reduce the impact to less than significant.

ISSUES

| I. AESTHETICS -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|--|--------------------------------|--|------------------------------|-----------|
| a) Have a substantial adverse effect on a scenic vista? | | | X | |
| b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway? | | | X | |
| c) Substantially degrade the existing visual character or quality of the site and its surroundings? | | | X | |
| d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area? | | X | | |

Discussion: The site itself is not considered to be a scenic resource or a unique scenic vista. The project site is bordered by Faith Home Road, near the south side of Highway 99. The site is surrounded by industrial uses to the east; Highway 99 and the Community of Keyes to the north; and agricultural properties with scattered single-family dwellings and ranchettes to the west and south. The project site is within the Keyes Community Plan boundaries, which was adopted by the Board of Supervisors in April of 2000 as part of the Land Use Element of the General Plan. The Keyes Community Plan states that "The present appearance of the community along the State Route 99 corridor, as with many corridor communities, is unattractive. A lack of urban landscaping, key community entryways and unsightly land uses adjacent State Route 99 contribute to a negative image which discourages interest in investing in the community." To ensure attractive development along the Highway 99 corridor, the project includes a conceptual landscape plan with low growing drought tolerant shrubs and trees along the road frontage of the 5.2 acre project site. A final landscape plan, in compliance with the State Water Model Ordinance, will be required at the time of grading permit submittal. The site will also be fenced consistent with other existing area developments. Conditions of approval will be applied to the project that require that dead or dying plants be replaced as well as that nighttime lighting be aimed downward to prevent glare to adjacent properties. The maximum height of the equipment is 65 feet. However, this is consistent with surrounding industrial operations, such as Aemetis Bio Fuel, and under the maximum height limit of 75 feet for the surrounding Industrial zoning district. No adverse impacts to the existing visual character of the site, or its surroundings are anticipated.

The project does propose additional on-site lighting at the entrance, and around the truck parking, truck scale, and employee parking areas. The Keyes Community Plan Mitigation Monitoring and Reporting Program includes a mitigation measure to reduce impacts from light and glare in Highway Commercial areas. This has been applied as a mitigation measure due to the project's proximity to Highway 99 and proposal of additional lighting. With this mitigation in place, impacts associated with creating a new source of substantial light or glare is considered to be less than significant.

Mitigation:

1. *New development shall include cut-off luminaries and/or shields. All exterior lighting shall be designed (aimed down and towards the site) to provide adequate illumination without a glare effect. Low intensity lights shall be used to minimize the visibility of the lighting from nearby areas, and to prevent "spill over" of light onto adjacent residential properties.*

References: Application information; Keyes Community Plan, EIR and MMRP adopted April, 2000; and Stanislaus County General Plan and Support Documentation¹.

| II. AGRICULTURE AND FOREST RESOURCES: In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|---|--------------------------------|--|------------------------------|-----------|
| a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use? | | | X | |
| b) Conflict with existing zoning for agricultural use, or a Williamson Act contract? | | | X | |
| c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))? | | | | X |
| d) Result in the loss of forest land or conversion of forest land to non-forest use? | | | | X |
| e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use? | | | X | |

Discussion: The subject parcel is zoned expired Planned Development (123), and is vacant. However, the eastern portion of the site has been utilized for the storage of processed corn kernels following the fermentation process associated with the Aemetis Bio Fuel plant. The Eastern Stanislaus Soil Survey identifies the site as having prime soils, made up of (DrA) Dinuba sandy loam (0-1 percent slopes, grade 2, Storie Index Rating 77). The eastern portion of the property is classified as "Vacant or Disturbed Land" and the undeveloped western portion of the property is classified as "Prime Farmland" by the California State Department of Conservation Farmland Mapping and Monitoring Program. The project includes a parcel map creating a 5.2 acre parcel, which is the project site, and a 23.5 acre remainder. The 23.5 acre remainder will remain undeveloped. The property is not enrolled in a Williamson Act Contract. The site is surrounded by industrial uses to the east; Highway 99 and the Community of Keyes to the north; and agricultural properties with scattered single-family dwellings and ranchettes to the west and south.

In December of 2007, Stanislaus County adopted an updated Agricultural Element which incorporated guidelines for the implementation of agricultural buffers applicable to new and expanding non-agricultural uses within or adjacent to the A-2 Zoning District. The purpose of these guidelines is to protect the long-term health of agriculture by minimizing conflicts such as spray-drift and trespassing resulting from the interaction of agricultural and non-agricultural uses. Prior to project approval, the applicant may present an alternative to the buffer requirements to the Agricultural Advisory Board for support. Alternatives may be approved provided the Planning Commission finds that the alternative provides equal or greater protection than the existing buffer standards. The agricultural buffer requirement does not apply to the project's northern and eastern boundaries as they do not abut agricultural properties. The project meets the agricultural buffer requirement on the southern property line. The closest agricultural property to the project site on the western property line

is located approximately 140 feet from the nearest structure. However, the nearest area of the project site to be routinely occupied by employees is the truck parking area which is located 200+ feet from the nearest agricultural property. If the Planning Commission determines that a maximum of 23 employees on-site is not a "people intensive use", the project meets the agricultural buffer requirement. If they determine that it is a "people intensive use" then an alternative agricultural buffer will need to be found to provide "equal or greater protection" on the western property line, which includes a reduced buffer distance of 200 feet, fencing, and landscaping proposed along the 5.2 acre project site along Faith Home Road.

The Turlock Irrigation District responded to a project referral requiring that a replacement irrigation pipe be installed along the south side of the remainder parcel and that property adjoining irrigated ground be graded to six inches higher than irrigated ground and include a protective berm, and that irrigation rights for the project site be abandoned.

Mitigation: None.

References: Application information; Eastern Stanislaus Soil Survey; NRCS Web Soil Survey; Referral response received from the Turlock Irrigation District, dated March 21, 2018; Stanislaus County General Plan and Support Documentation¹.

| III. AIR QUALITY: Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|---|--------------------------------|--|------------------------------|-----------|
| a) Conflict with or obstruct implementation of the applicable air quality plan? | | | X | |
| b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation? | | | X | |
| c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)? | | | X | |
| d) Expose sensitive receptors to substantial pollutant concentrations? | | | X | |
| e) Create objectionable odors affecting a substantial number of people? | | | X | |

Discussion: The project site is within the San Joaquin Valley Air Basin, which has been classified as "severe non-attainment" for ozone and respirable particulate matter (PM-10) as defined by the Federal Clean Air Act. The San Joaquin Valley Air Pollution Control District (SJVAPCD) has been established by the State in an effort to control and minimize air pollution. As such, the District maintains permit authority over stationary sources of pollutants.

This is a request to develop a liquid carbon dioxide (CO₂) purification and liquefaction plant. Currently, carbon dioxide gas is generated during the ethanol fermentation process from the Aemetis Bio Fuel facility, located to the east of the project site, and is vented into the atmosphere after a regenerative Thermal Oxidizer to reduce Volatile Organic Chemicals (VOC) without recovery. The proposed project will serve the purpose of recovering the lost Carbon dioxide (CO₂) via a pipeline from the Aemetis Bio Fuel facility to the proposed project site. Once recovered, the CO₂ will be purified and then liquefied and stored into eight proposed storage tanks. The project will include compression equipment for the CO₂ gas, modular equipment for purification of the CO₂ gas, and ammonia compression equipment for the refrigeration system (5,000 pounds in the system) to condense the CO₂ into liquid form. Ammonia is utilized in a closed-loop system to liquefy and chill the CO₂.

A project referral response was received from the Air District indicating that the VOC emissions from the proposed CO₂ liquefaction plant are assumed to be negligible, due to the maximum VOC content of the processed gas from the Aemetis Bio Fuel plant not exceeding 10% by weight, which is the district's threshold of significance for VOC emissions. The response indicated that the proposed project is therefore not subject to District permit requirements, at this time.

Other sources of air pollutants generated by this project would be classified as being generated from "mobile" sources or construction activities. Mobile sources would generally include dust from roads, farming, and automobile exhausts. Mobile sources are generally regulated by the Air Resources Board of the California Environmental Protection Agency (EPA) which sets emissions for vehicles and acts on issues regarding cleaner burning fuels and alternative fuel technologies. A maximum of 20 tank-trailers are anticipated to access the site per day. Rail cars are estimated to be filled once a week. Additional rail delivery may occur to supplement the project supply in the case that the CO₂ supply from Aemetis Bio Fuel is interrupted. The plant will employ 20 full-time truck drivers and three full-time (working from 8 a.m. to 6 p.m.) employees on a maximum shift for plant operation. No comments regarding mobile sources or construction activities were received from the Air District. However, a condition of approval will be added to the project which requires the applicant contact the Air District and obtain any applicable permits.

The project will not conflict with, nor obstruct implementation of any applicable air quality plan. Based on the project details stated above, no significant impacts to air quality are anticipated.

Mitigation: None.

References: Referral response received from the San Joaquin Valley Air Pollution Control District, dated November 1, 2017; Stanislaus County General Plan and Support Documentation¹

| IV. BIOLOGICAL RESOURCES -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|--|--------------------------------|--|------------------------------|-----------|
| a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? | | | X | |
| b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? | | | X | |
| c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means? | | | X | |
| d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites? | | | X | |
| e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance? | | | X | |
| f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan? | | | X | |

Discussion: The project is located within the Ceres Quad of the California Natural Diversity Database. There are 14 plants and animals which are state or federally listed, threatened, or identified as species of special concern within the Ceres California Natural Diversity Database Quad. These species include Swainson's hawk, tricolored blackbird, burrowing owl, riffle sculpin, hardhead, steelhead, Chinook salmon, obscure bumble bee, crotch bumble bee, valley elderberry longhorn beetle, moestan blister beetle, townsend's big-eared bat, heartscale, and subtle orache.

A tentative parcel map is included with the project to create a 5.2 acre parcel and a 23.5 acre remainder. The project will be contained on the 5.2 acre parcel. An early consultation was referred to the California Department of Fish and Wildlife (formerly the Department of Fish and Game) and no response was received. However, the species listed above are not likely to exist on-site, as it is surrounded by developed industrial land, a highway, and residential development, and has no bodies of water on-site.

The project will not conflict with a Habitat Conservation Plan, a Natural Community Conservation Plan, or other locally approved conservation plans. Impacts to endangered species or habitats, locally designated species, or wildlife dispersal or mitigation corridors are considered to be less than significant.

Mitigation: None.

References: Application information; California Natural Diversity Database; and the Stanislaus County General Plan and Support Documentation¹

| V. CULTURAL RESOURCES -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|--|---------------------------------------|---|-------------------------------------|------------------|
| a) Cause a substantial adverse change in the significance of a historical resource as defined in § 15064.5? | | | X | |
| b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5? | | | X | |
| c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature? | | | X | |
| d) Disturb any human remains, including those interred outside of formal cemeteries? | | | X | |

Discussion: The project was referred to the Native American Heritage Commission (NAHC) via the State Clearinghouse. However, no response was received. A letter provided by the applicant from the Central California Information Center indicates the project site has low-sensitivity for cultural, historical, paleontological, or tribal resources. It does not appear that this project will result in significant impacts to any archaeological or cultural resources; however, a standard condition of approval will be added to this project to address any discovery of cultural resources during any ground disturbing activities.

Mitigation: None.

References: Central California Information Center, received on January 3, 2018; Stanislaus County General Plan and Support Documentation¹

| VI. GEOLOGY AND SOILS -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|--|---------------------------------------|---|-------------------------------------|------------------|
| a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving: | | | X | |
| i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42. | | | X | |
| ii) Strong seismic ground shaking? | | | X | |
| iii) Seismic-related ground failure, including liquefaction? | | | X | |
| iv) Landslides? | | | X | |
| b) Result in substantial soil erosion or the loss of topsoil? | | | X | |

| | | | | |
|--|--|--|---|--|
| c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse? | | | X | |
| d) Be located on expansive soil creating substantial risks to life or property? | | | X | |
| e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water? | | | X | |

Discussion: The Eastern Stanislaus Soil Survey identifies the site as having prime soils, made up of (DrA) Dinuba sandy loam (0-1 percent slopes, grade 2, Storie Index Rating 77). As contained in Chapter 5 of the General Plan Support Documentation, the areas of the County subject to significant geologic hazard are located in the Diablo Range, west of Interstate 5; however, as per the California Building Code, all of Stanislaus County is located within a geologic hazard zone (Seismic Design Category D, E, or F) and a soils test may be required at building permit application. Results from the soils test will determine if unstable or expansive soils are present. If such soils are present, special engineering of any structure will be required to compensate for the soil deficiency. Any structures resulting from this project will be designed and built according to building standards appropriate to withstand shaking for the area in which they are constructed. An early consultation referral response received from the Department of Public Works indicated that a grading, drainage, and erosion/sediment control plan for the project is required, subject to Public Works review and Standards and Specifications. Likewise, any future addition of a septic tank or alternative waste water disposal system will require the approval of the Department of Environmental Resources (DER) through the building permit process, which also takes soil type into consideration within the specific design requirements.

DER, Public Works, and the Building Permits Division review and approve any building or grading permit to ensure their standards are met. Conditions of approval regarding these standards will be applied to the project.

Mitigation: None.

References: Project referral response received from the Department of Environmental Resources, dated March 20, 2018; project referral response received from the Department of Public Works, dated April 17, 2018; and the Stanislaus County General Plan and Support Documentation¹

| VII. GREENHOUSE GAS EMISSIONS -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|--|--------------------------------|--|------------------------------|-----------|
| a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment? | | | X | |
| b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases? | | | X | |

Discussion: This is a request to develop a liquid carbon dioxide (CO₂) purification and liquefaction plant. Currently, carbon dioxide gas is generated during the ethanol fermentation process from the Aemetis Bio Fuel facility, located to the east of the project site, and is vented into the atmosphere after a regenerative Thermal Oxidizer to reduce Volatile Organic Chemicals (VOC) without recovery. The proposed project will serve the purpose of recovering the lost Carbon dioxide (CO₂) via a pipeline from the Aemetis Bio Fuel facility to the proposed project site. Once recovered, the CO₂ will be purified and then liquefied and stored into eight proposed storage tanks. The project will include compression equipment for the CO₂ gas, modular equipment for purification of the CO₂ gas, and ammonia compression equipment for the refrigeration system (5,000 pounds in the system) to condense the CO₂ into liquid form. Ammonia is utilized in a closed-loop system to liquefy and chill the CO₂. A maximum of 20 tank-trailers are anticipated to access the site per day. Rail cars are estimated to be filled once a week. Additional rail delivery may occur to supplement the project supply in the case that the CO₂ supply from Aemetis Bio Fuel is interrupted. The plant will employ 20 full-time truck drivers and three full-time (working from 8 a.m. to 6 p.m.) employees on a maximum shift for plant operation.

The principal Greenhouse Gasses (GHGs) are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs), and tropospheric Ozone (O₃). CO₂ is the reference gas for climate change because it is the predominant greenhouse gas emitted. To account for the varying warming potential of different GHGs, GHG emissions are often quantified and reported as CO₂ equivalents (CO₂e). In 2006, California passed the California Global Warming Solutions Act of 2006 (Assembly Bill [AB] No. 32), which requires the California Air Resources Board (ARB) to design and implement emission limits, regulations, and other measures, such that feasible and cost-effective statewide GHG emissions are reduced to 1990 levels by 2020.

All buildings would be subject to the mandatory planning and design, energy efficiency, water efficiency and conservation, material conservation and resources efficiency, and environmental quality measures of the California Green Building Standards (CALGreen) Code (California Code of Regulations, Title 24, Part 11). Minimal greenhouse gas emissions will occur during grading. Grading and construction activities are considered to be less than significant as they are temporary in nature and are subject to meeting SJVAPCD standards for air quality control. Minimal greenhouse gas emissions will also be generated from additional vehicle and truck trips.

No significant impacts from greenhouse gas emissions occurring as a result of this project are anticipated, as this project proposes to purify and liquefy existing CO₂ currently being produced at an adjacent facility; however, a condition of approval will be added to the project which requires the applicant contact the Air District and obtain any applicable permits.

Mitigation: None.

References: Referral response received from the San Joaquin Valley Air Pollution Control District, dated November 1, 2017; and the Stanislaus County General Plan and Support Documentation¹

| VIII. HAZARDS AND HAZARDOUS MATERIALS -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|--|---------------------------------------|---|-------------------------------------|------------------|
| a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? | | | X | |
| b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment? | | | X | |
| c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? | | | X | |
| d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment? | | | X | |
| e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area? | | | | X |
| f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area? | | | | X |
| g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan? | | | X | |

| | | | | |
|---|--|--|----------|--|
| h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands? | | | X | |
|---|--|--|----------|--|

Discussion: This is a request to develop a liquid carbon dioxide (CO₂) purification and liquefaction plant. Currently, carbon dioxide gas is generated during the ethanol fermentation process from the Aemetis Bio Fuel facility, located to the east of the project site, and is vented into the atmosphere after a regenerative Thermal Oxidizer to reduce Volatile Organic Chemicals (VOC) without recovery. The proposed project will serve the purpose of recovering the lost Carbon dioxide (CO₂) via a pipeline from the Aemetis Bio Fuel facility to the proposed project site. Once recovered, the CO₂ will be purified and then liquefied and stored into eight proposed storage tanks. The project will include compression equipment for the CO₂ gas, modular equipment for purification of the CO₂ gas, and ammonia compression equipment for the refrigeration system (5,000 pounds in the system) to condense the CO₂ into liquid form. Ammonia is utilized in a closed-loop system to liquefy and chill the CO₂. A maximum of 20 tank-trailers are anticipated to access the site per day. Rail cars are estimated to be filled once a week. Additional rail delivery may occur to supplement the project supply in the case that the CO₂ supply from Aemetis Bio Fuel is interrupted.

The project was referred to the DER Hazardous Materials (HazMat) Division and the Keyes Fire Protection District. However, no response was received. The project will include a condition of approval which requires that all DER HazMat and fire district standards are met and that any required permits be obtained.

No significant impacts associated with hazards or hazardous materials are anticipated to occur as a result of the proposed project.

Mitigation: None.

References: Stanislaus County General Plan and Support Documentation¹

| IX. HYDROLOGY AND WATER QUALITY -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|--|---------------------------------------|---|-------------------------------------|------------------|
| a) Violate any water quality standards or waste discharge requirements? | | | X | |
| b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)? | | | X | |
| c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site? | | | X | |
| d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site? | | | X | |
| e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff? | | | X | |
| f) Otherwise substantially degrade water quality? | | | X | |

| | | | | |
|--|--|--|---|---|
| g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map? | | | | X |
| h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows? | | | | X |
| i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam? | | | X | |
| j) Inundation by seiche, tsunami, or mudflow? | | | X | |

Discussion: Areas subject to flooding have been identified in accordance with the Federal Emergency Management Act (FEMA). The project site is located in FEMA Flood Zone X, which includes areas determined to be outside the 0.2% annual chance floodplains. All flood zone requirements will be addressed by the Building Permits Division during the building permit process. The Central Valley Regional Water Quality Control Board (RWQCB) provided an early consultation referral response requesting that the applicant coordinate with their agency to determine if any permits or Water Board requirements be obtained/met prior to operation. Conditions of approval will be added to the project requiring the applicant comply with this request prior to issuance of a building permit.

The site will receive public water from the Keyes CSD and will be served by a private septic system. A referral response from the Department of Environmental Resources indicated that the site must be served by a Measure X septic system which includes individual primary and secondary wastewater treatment systems. The septic system will be reviewed by DER for adequacy through the building permit process.

Storm water is proposed to be contained on-site with a storm drain retention basin. A referral response from the Department of Public Works requires that they review and approve a grading and drainage plan prior to issuance of any building permit.

With these requirements incorporated into the project as conditions of approval, no impacts to hydrology and water quality is anticipated.

Mitigation: None.

References: Project referral response received from the Department of Environmental Resources, dated March 20, 2018; project referral response received from the Regional Water Quality Control Board, dated March 13, 2018; Stanislaus County General Plan and Support Documentation¹

| X. LAND USE AND PLANNING -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|---|--------------------------------|--|------------------------------|-----------|
| a) Physically divide an established community? | | | X | |
| b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect? | | | X | |
| c) Conflict with any applicable habitat conservation plan or natural community conservation plan? | | | X | |

Discussion: This is a request to rezone 5.32 acres of a 28.72 acre parcel currently zoned P-D (123), which is expired, to a new P-D (Planned Development) to allow the development of a liquid carbon dioxide (CO₂) purification and liquefaction plant. The project is located within the boundaries of the Keyes Community Plan and Keyes CSD. The property has received a will serve letter from the Keyes CSD for water services and is in the process of annexing into the district. The proposed project is consistent with the surrounding industrial uses within the Keyes Community Plan located south of Highway 99. A tentative parcel map is included with the project to create a 5.2 acre parcel and a 23.5 acre remainder. The project will be contained on the 5.2 acre parcel.

The project will not physically divide an established community nor conflict with any habitat conservation plans.

Mitigation: None.

References: Stanislaus County General Plan and Support Documentation¹

| XI. MINERAL RESOURCES -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|--|---------------------------------------|---|-------------------------------------|------------------|
| a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state? | | | X | |
| b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan? | | | X | |

Discussion: The location of all commercially viable mineral resources in Stanislaus County has been mapped by the State Division of Mines and Geology in Special Report 173. There are no known significant resources on the site.

Mitigation: None.

References: Stanislaus County General Plan and Support Documentation¹

| XII. NOISE -- Would the project result in: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|--|---------------------------------------|---|-------------------------------------|------------------|
| a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies? | | | X | |
| b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels? | | | X | |
| c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project? | | | X | |
| d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project? | | | X | |
| e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels? | | | X | |
| f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels? | | | X | |

Discussion: The area's ambient noise level will temporarily increase during grading/construction. As such, the project will be conditioned to abide by County regulations related to hours and days of construction.

The project is located in an industrial area which has an exterior noise exposure limit of 70 Ldn or CNEL, dBA. Additionally, the Union Pacific Railroad and Highway 99 are located just north of the project site, which increases the project site's ambient noise level substantially. Regardless, the applicant is proposing to house the CO₂ and ammonia compressors in a 2,500 square foot pre-engineered building to attenuate noise from the compressors.

Mitigation: None.

References: Application information; and the Stanislaus County General Plan and Support Documentation¹

| XIII. POPULATION AND HOUSING -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|---|---------------------------------------|---|-------------------------------------|------------------|
| a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)? | | | X | |
| b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere? | | | X | |
| c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere? | | | X | |

Discussion: The site is not included in the vacant sites inventory for the 2016 Stanislaus County Housing Element, which covers the 5th cycle Regional Housing Needs Allocation (RHNA) for the County and will therefore, not impact the County's ability to meet their RHNA. No population growth will be induced nor will any existing housing will be displaced as a result of this project.

Mitigation: None.

References: Stanislaus County General Plan and Support Documentation¹

| XIV. PUBLIC SERVICES -- | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|---|---------------------------------------|---|-------------------------------------|------------------|
| a) Would the project result in the substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services: | | | | |
| Fire protection? | | | X | |
| Police protection? | | | X | |
| Schools? | | | X | |
| Parks? | | | X | |
| Other public facilities? | | | X | |

Discussion: The County has adopted Public Facilities Fees, as well as a Fire Facility Fee on behalf of the appropriate fire district, to address impacts to public services. All adopted public facility fees will be required to be paid at the time of building permit issuance.

This project was circulated to all applicable school, fire, police, irrigation, and public works departments and districts during the early consultation referral period and no concerns were identified with regard to public services.

A will serve letter received from the Keyes CSD indicates that the developer will be responsible for installing all necessary infrastructure improvements required for the public water connection. The developer also must submit improvement plans to the District for review and approval and pay all applicable deposit, connection, and inspection fees. The applicant is in the process of annexing into the Keyes CSD District.

Electricity will be provided to the project by the Turlock Irrigation District (TID). The Turlock Irrigation District responded to a project referral with the following requirements: that the development meet the District's standards; that a replacement irrigation pipe be installed along the south side of the remainder parcel; that the project site abandon existing irrigation

rights; that property adjoining irrigated ground be graded to six inches higher than irrigated ground and include a protective berm; that guardrails be installed at driveways and/or existing poles or electrical facilities are relocated; and that landscaping be under 15 feet in height.

Mitigation: None.

References: Will Serve Letter, provided by the Keyes Community Services District, dated February 7, 2018; Referral response received from the Turlock Irrigation District, dated March 21, 2018; and the Stanislaus County General Plan and Support Documentation¹

| XV. RECREATION -- | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|--|---------------------------------------|---|-------------------------------------|------------------|
| a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated? | | | X | |
| b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment? | | | X | |

Discussion: This project will not increase demands for recreational facilities, as such impacts typically are associated with residential development, nor does the project propose any recreational facilities.

Mitigation: None.

References: Stanislaus County General Plan and Support Documentation¹

| XVI. TRANSPORTATION/TRAFFIC -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|---|---------------------------------------|---|-------------------------------------|------------------|
| a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit? | | X | | |
| b) Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways? | | | X | |
| c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks? | | | X | |
| d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? | | | X | |
| e) Result in inadequate emergency access? | | | X | |
| f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities? | | | X | |

Discussion: This is a request to develop a liquid carbon dioxide (CO₂) purification and liquefaction plant. A maximum of 20 tank-trailers are anticipated to access the site per day from Faith Home Road. Rail cars are estimated to be filled once a week. Access from the project site to the rail will occur via an access lease from the project site to Assessor Parcel Number 045-026-038, which is located adjacent to the remainder parcel and is owned and operated by A.L. Gilbert. Additional rail delivery may occur to supplement the project supply in the case that the CO₂ supply from Aemetis Bio Fuel is interrupted. The plant will employ 20 full-time truck drivers and three full-time (working from 8 a.m. to 6 p.m.) employees on a maximum shift for plant operation.

The 2015 General Plan Update, which included an update to the Circulation Element, superseded any roadway classification identified in the Keyes Community Plan. The updated Circulation Element, Figure II-1, identifies Faith Home Road as a 135 foot OPA (Other Principal Arterial).

The project was referred to Stanislaus County's Department of Public Works who responded with conditions of approval specifying requirements for recording of the parcel map, required off-site improvements along Faith Home Road, and required on-site improvements including a grading and drainage plan to be submitted to the Department of Public Works for review and approval. These comments will be applied to the project as conditions of approval. The project was also referred to CalTrans, who responded that they have no comments on the project.

The Keyes Community Plan includes a Mitigation Monitoring Plan for development within the Keyes Community Plan area. Any mitigation measures applicable to this project are included as conditions of approval, as they are routine in nature and do not impact the environmental impacts from the project. One of the Keyes Community Plan mitigation measures, regarding traffic impact fees, is incorporated into the Mitigation Monitoring and Reporting Program for the project, as it reduces potential transportation and traffic impacts from the project to less than significant.

Mitigation:

2. *Prior to issuance of a building permit, the applicant/property owner shall pay the Keyes Community Plan Mitigation Funding Program fees for Planned Industrial per the Keyes Community Plan, adopted on April 8, 2000. The fees were calculated in 2003 at \$465.20 per acre. The fees were adjusted for inflation using the Engineering News-record Index, the December 2017 fees are \$762.60 per acre for the proposed 5.2 acres.*

References: Project referral response received from CalTrans, dated March 8, 2018; project referral response received from the Department of Public Works, dated April 17, 2018; Stanislaus County General Plan and Support Documentation¹

| XVII. UTILITIES AND SERVICE SYSTEMS -- Would the project: | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|---|---------------------------------------|---|-------------------------------------|------------------|
| a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board? | | | X | |
| b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? | | | X | |
| c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? | | | X | |
| d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed? | | | X | |
| e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments? | | | X | |
| f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs? | | | X | |

| | | | | |
|--|--|--|----------|--|
| g) Comply with federal, state, and local statutes and regulations related to solid waste? | | | X | |
|--|--|--|----------|--|

Discussion: Limitations on providing utility services have not been identified. The project will be served by the Keyes CSD with public water. A will serve letter received from the Keyes CSD indicates that the developer will be responsible for installing all necessary infrastructure improvements required for the public water connection. The developer also must submit improvement plans to the District for review and approval and pay all applicable deposit, connection, and inspection fees. The applicant is in the process of annexing into the Keyes CSD District.

Electricity will be provided to the project by the Turlock Irrigation District (TID). The Turlock Irrigation District responded to a project referral with the following requirements: that the development meet the District's standards; that a replacement irrigation pipe be installed along the south side of the remainder parcel; that the project site abandon existing irrigation rights; that property adjoining irrigated ground be graded to six inches higher than irrigated ground and include a protective berm; that guardrails be installed at driveways and/or existing poles or electrical facilities are relocated; and that landscaping be under 15 feet in height.

The site will be served by a private septic system. A referral response from the Department of Environmental Resources indicated that the site must be served by a Measure X septic system which includes individual primary and secondary wastewater treatment systems. The septic system will be reviewed by DER for adequacy through the building permit process.

Storm water is proposed to be contained on-site with a storm drain retention basin. A referral response from the Department of Public Works requires that they review and approve a grading and drainage plan prior to issuance of any building permit.

With these requirements incorporated into the project as conditions of approval, no impacts to utilities and service systems are anticipated.

Mitigation: None.

References: Will Serve Letter, provided by the Keyes Community Services District, dated February 7, 2018; Referral response received from the Turlock Irrigation District, dated March 21, 2018; Project referral response received from the Department of Environmental Resources, dated March 20, 2018; project referral response received from the Department of Public Works, dated April 17, 2018; and the Stanislaus County General Plan and Support Documentation¹

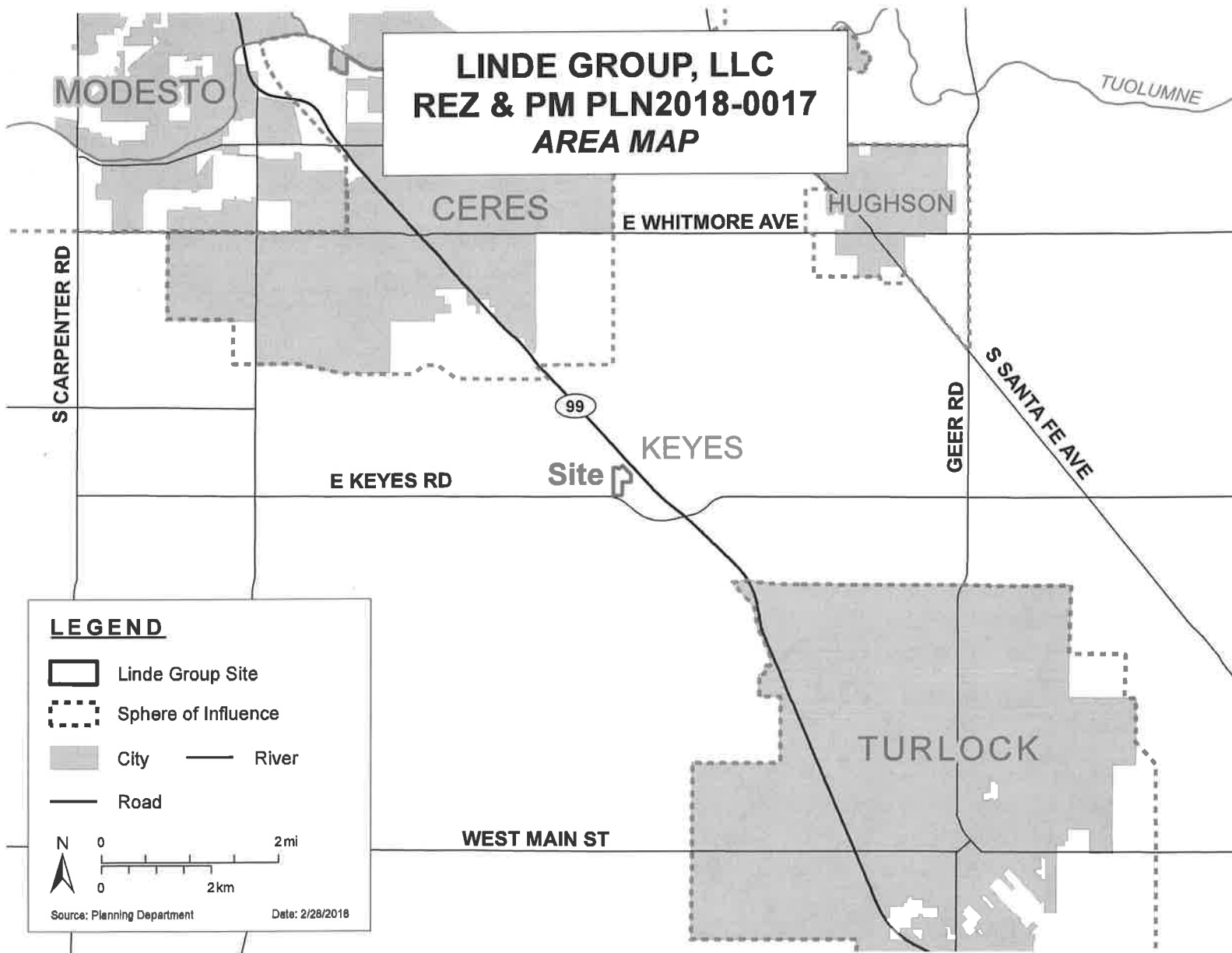
| XVIII. MANDATORY FINDINGS OF SIGNIFICANCE -- | Potentially Significant Impact | Less Than Significant With Mitigation Included | Less Than Significant Impact | No Impact |
|---|---------------------------------------|---|-------------------------------------|------------------|
| a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory? | | | X | |
| b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.) | | | X | |
| c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly? | | | X | |

Discussion: Review of this project has not indicated any features which might significantly impact the environmental quality of the site and/or the surrounding area.

Mitigation: None.

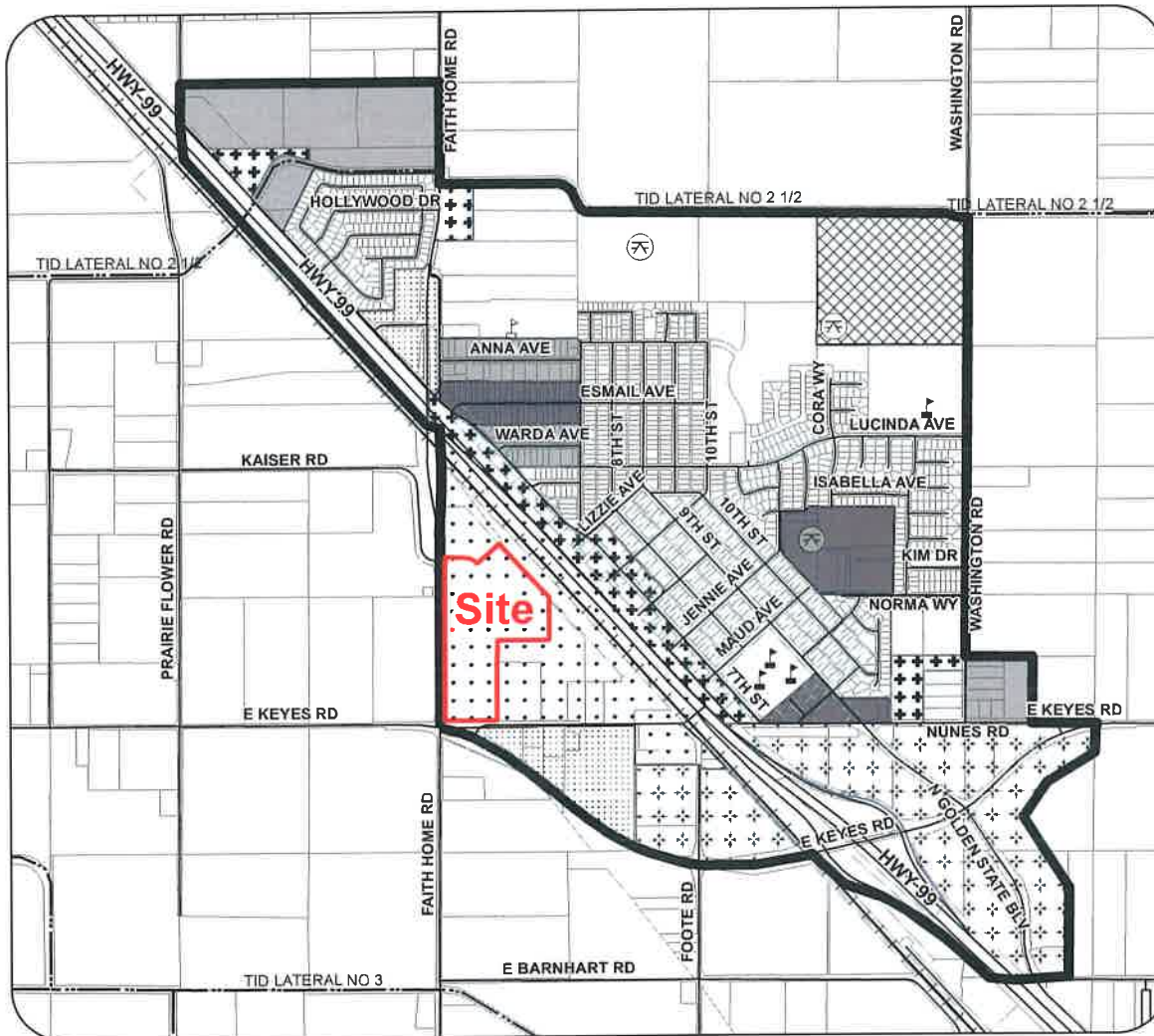
References: Initial Study; Stanislaus County General Plan and Support Documentation¹

¹Stanislaus County General Plan and Support Documentation adopted in August 23, 2016, as amended. **Housing Element** adopted on April 5, 2016.





**LINDE GROUP, LLC
 REZ & PM PLN2018-0017
 GENERAL PLAN MAP**



Keyes COMMUNITY PLAN

Land Use Designations:

- Commercial
- Commercial - Highway
- Industrial
- Planned Industrial
- Residential - Low
- Residential - Medium
- Residential - Medium-High
- Urban Transition

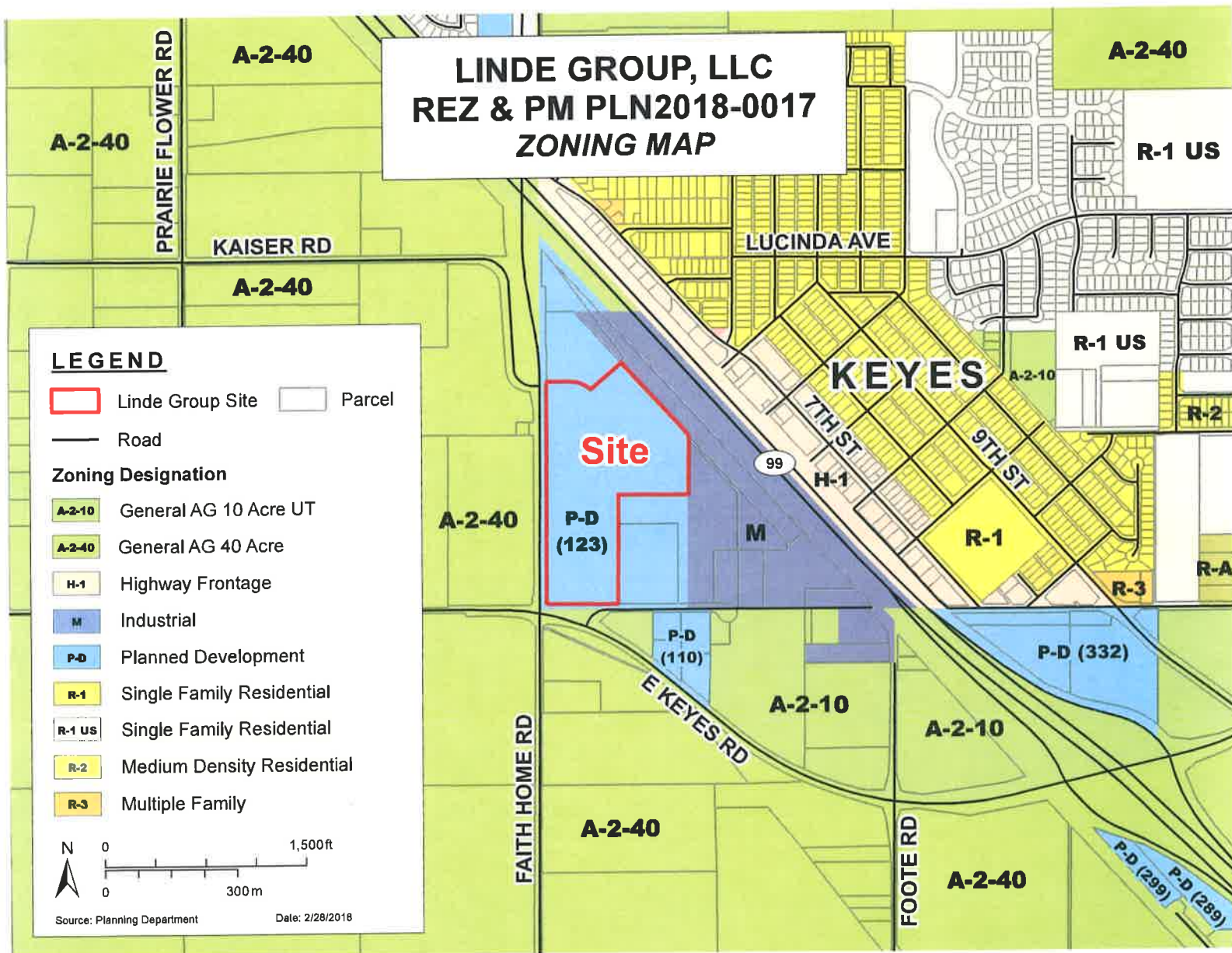
Parks and Schools:

- Existing Park
- Proposed Park
- Existing School
- Proposed School



0 500 1,000 2,000
Feet

1 - 117



**LINDE GROUP, LLC
REZ & PM PLN2018-0017
2017 AERIAL AREA MAP**



**LINDE GROUP, LLC
REZ & PM PLN2018-0017
2017 AERIAL SITE MAP**

FAITH HOME RD

Site

99

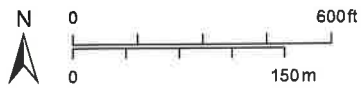
7TH ST

JESSUP RD

LEGEND

 Linde Group Site

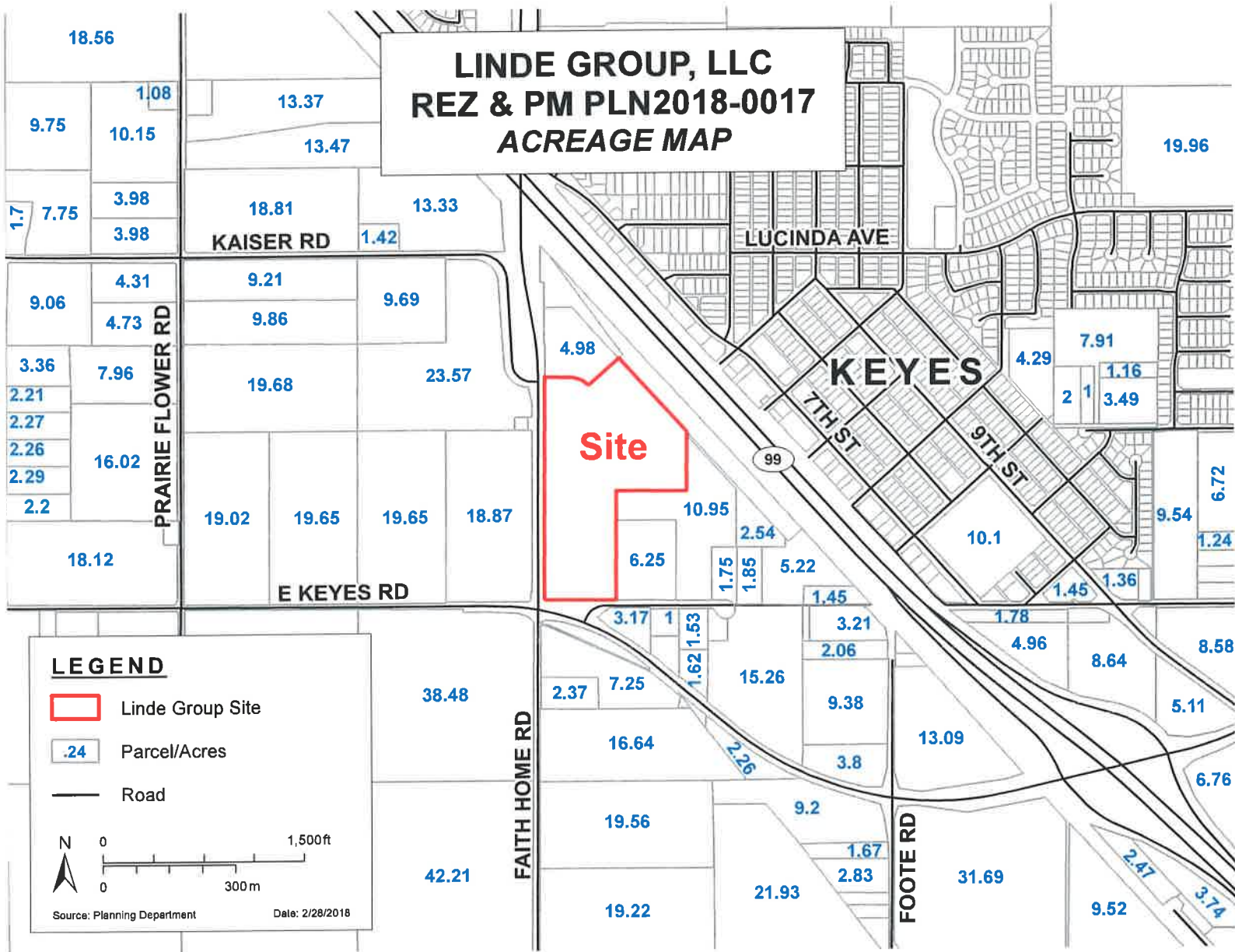
 Road



Source: Planning Department

Date: 2/28/2018

LINDE GROUP, LLC REZ & PM PLN2018-0017 ACREAGE MAP



TENTATIVE PARCEL MAP

A PORTION OF THE SOUTHWEST 1/4 OF SECTION 30, T.4 S, R.10 E, M.D.M.

FEBRUARY 2018

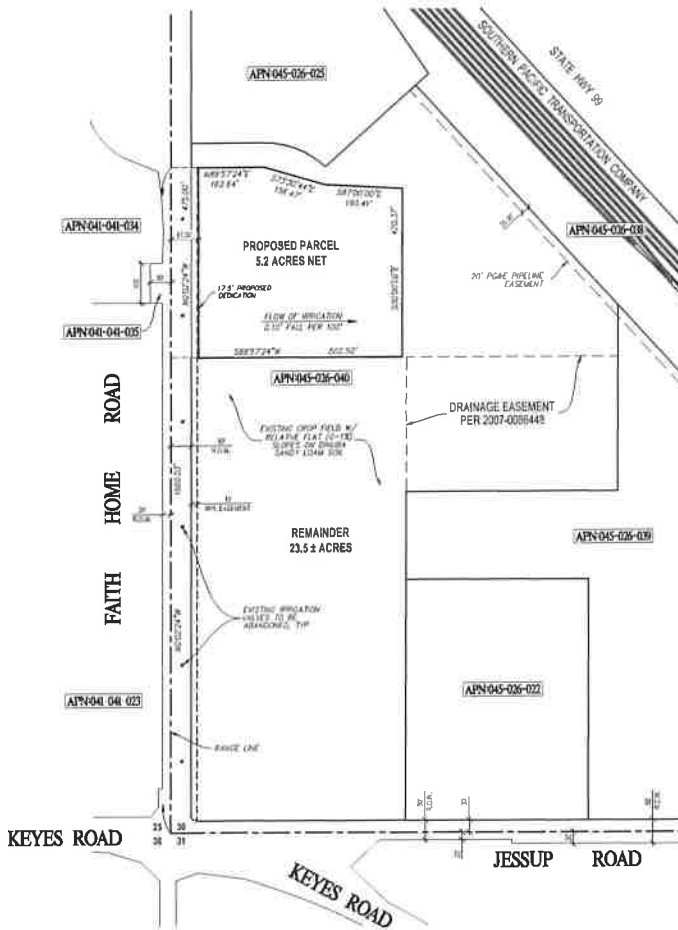


PREPARED BY:
JUSTIN W. CAPP ENGINEERING, INC.
10551 12TH STREET
MANTOLITA, CA 95354

OWNER:
A.L. GILBERT COMPANY, A CALIFORNIA CORPORATION
P.O. BOX 459
KEYES, CA 95328



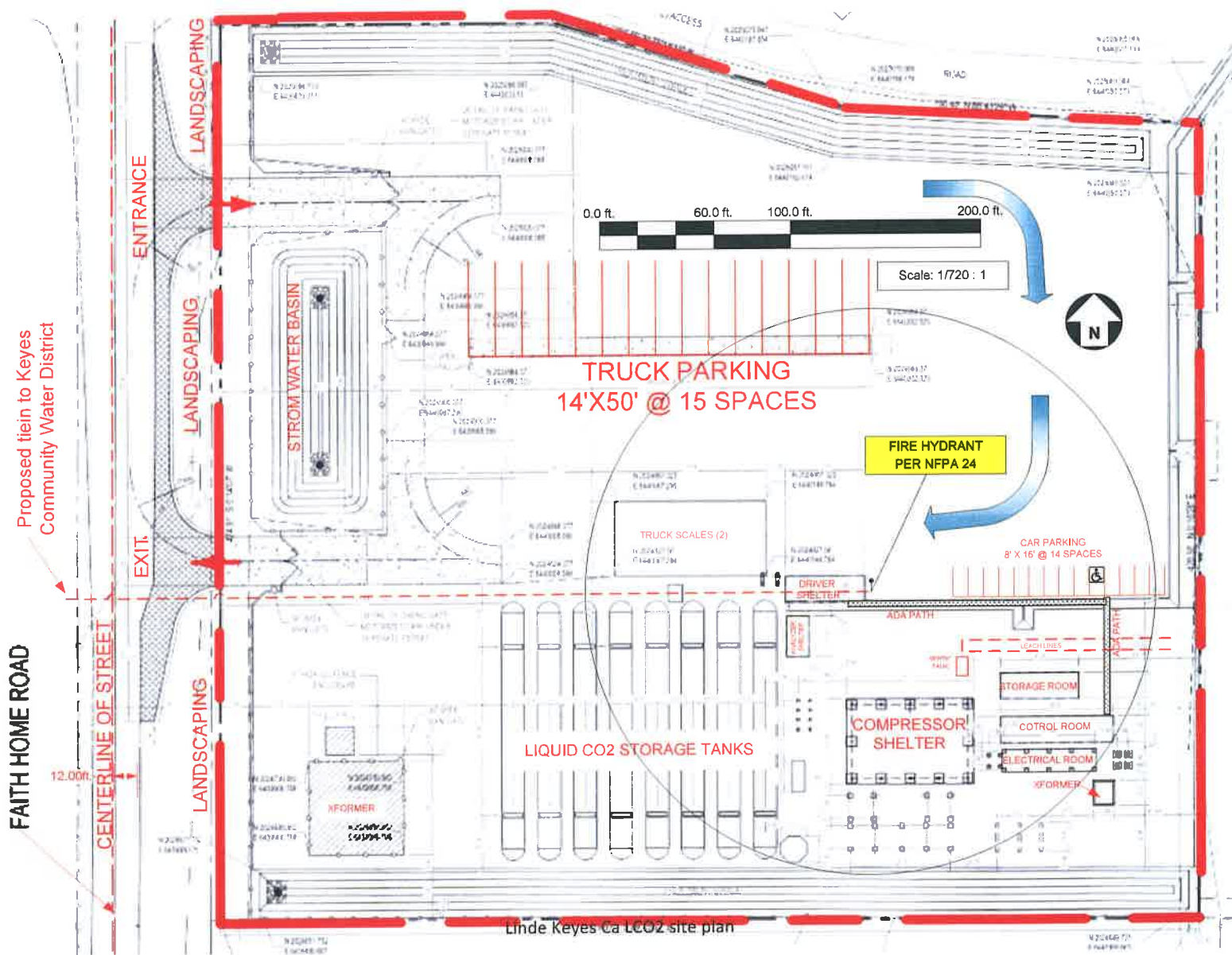
VICINITY MAP
N.T.S.



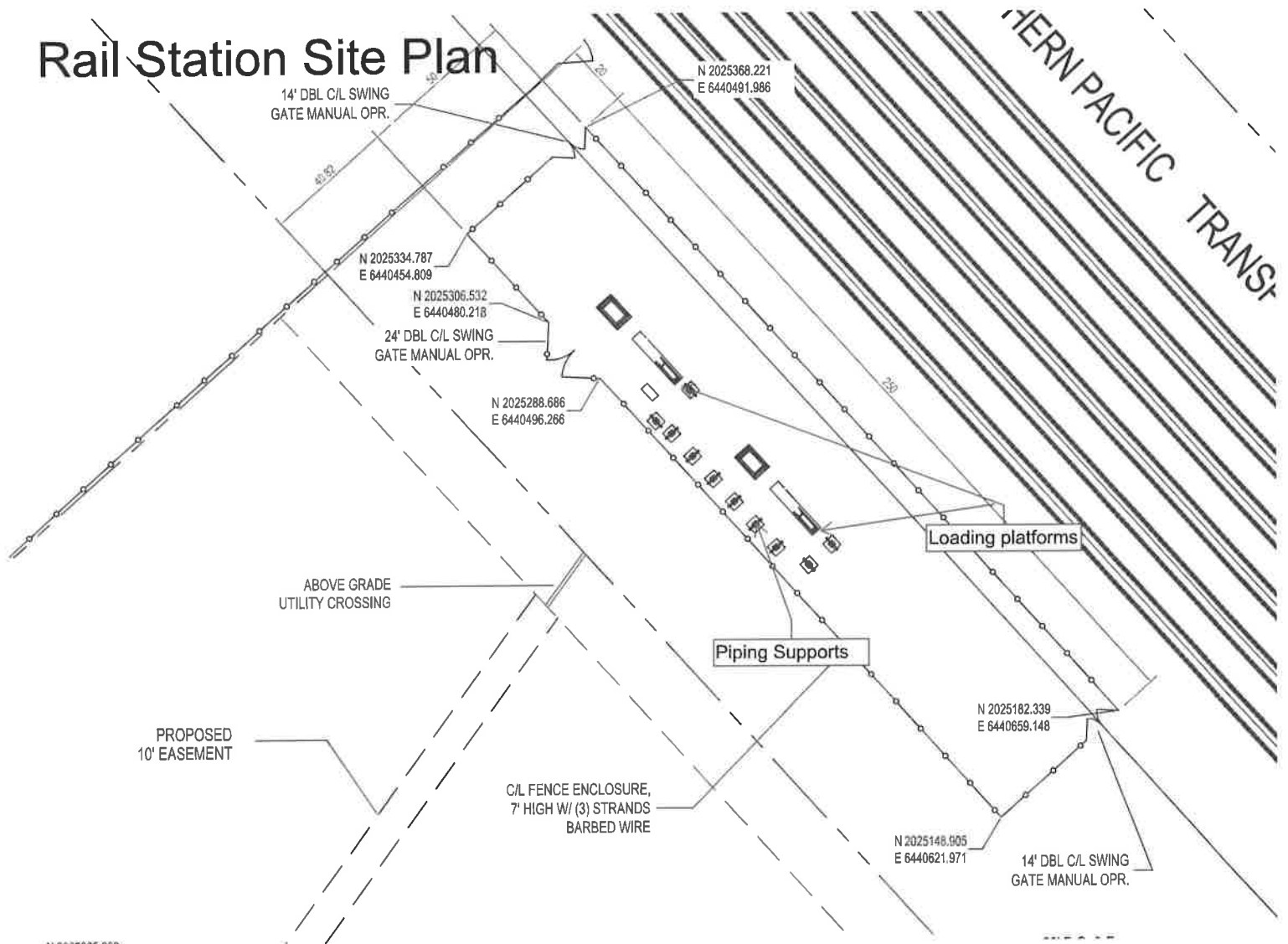
NOTES:

- 1) WATER TABLE APPROXIMATELY 19 FEET DEEP.
- 2) NO EXISTING WELLS ON PROPOSED PARCEL.
- 3) NO EXISTING SEWER LINES OR SEPTIC SYSTEMS IN PROPOSED PARCEL.
- 4) NO STRUCTURES TO BE REMOVED.

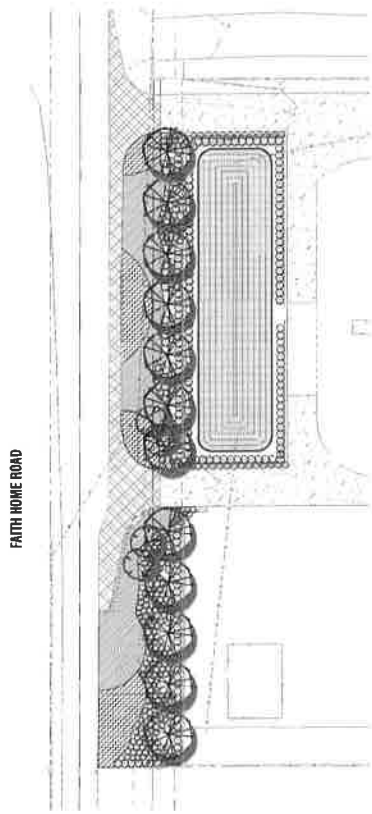




Rail Station Site Plan



LINDE LC02 PLANT

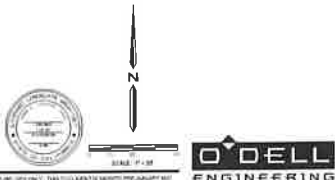


| PLANT SPECIES LIST | | | | |
|----------------------|--|---------------------|--------|----------------------|
| SYMBOL | BOTANICAL NAME | COMMON NAME | SIZE | COMMENTS/NOTES |
| 24" DIA TREE OPTIONS | | | | |
| | Cercis canadensis | Redbud | 15-20' | FLORLESS VARIETY |
| | Celtis occidentalis | Common Hackberry | 20-30' | Single Leader |
| | Fraxinus americana 'Subcordata Purple' | American Purple Ash | 15-20' | Single Leader |
| | Palurus acerifolia 'Dwarfed' | Little Leaf Tree | 15-20' | Single Leader |
| | Quercus laevis | White Oak | 15-20' | Single Leader |
| 24" DIA TREE OPTIONS | | | | |
| | Prunus americana | Flowering Cherry | 15-20' | Single or Multi Stem |
| | Liquidambar styraciflua | Flame Tree | 15-20' | Single or Multi Stem |
| SHRUB OPTIONS | | | | |
| | Camellia japonica | Camellia | 5-6' | FLOROUS PLANT |
| | Celastrus scandens | Witch Hazel | 5-6' | FLOROUS PLANT |
| | Euonymus alatus | Winged Dogwood | 5-6' | FLOROUS PLANT |
| | Hamamelis virginica | Witch Hazel | 5-6' | FLOROUS PLANT |
| | Hydrangea arborescens | Hydrangea | 5-6' | FLOROUS PLANT |
| | Malus domestica | Apple | 5-6' | FLOROUS PLANT |
| | Philadelphus coronarius | Mock Orange | 5-6' | FLOROUS PLANT |
| | Prunella vulgaris | Blackberry | 5-6' | FLOROUS PLANT |
| | Rosa rugosa | Rose | 5-6' | FLOROUS PLANT |
| | Spiraea alba | Spiraea | 5-6' | FLOROUS PLANT |
| | Spirea japonica | Spiraea | 5-6' | FLOROUS PLANT |
| | Staphylea trifolia | Staphylea | 5-6' | FLOROUS PLANT |
| | Taxus canadensis | White Pine | 5-6' | FLOROUS PLANT |
| | Thuja occidentalis | Arborvitae | 5-6' | FLOROUS PLANT |
| | Viburnum acerifolium | Blackhaw | 5-6' | FLOROUS PLANT |
| | Viburnum celticum | Blackhaw | 5-6' | FLOROUS PLANT |
| | Viburnum lentum | Blackhaw | 5-6' | FLOROUS PLANT |
| | Viburnum plicatum | Blackhaw | 5-6' | FLOROUS PLANT |
| | Viburnum sp. | Blackhaw | 5-6' | FLOROUS PLANT |
| | Viburnum sp. | Blackhaw | 5-6' | FLOROUS PLANT |
| GROUND COVER | | | | |
| | Monarda mollis | Monarda | 1-2' | 2nd Year |
| | Monarda mollis | Monarda | 1-2' | 2nd Year |
| | Monarda mollis | Monarda | 1-2' | 2nd Year |

LANDSCAPE CONCEPT PLAN

04/24/2018

NOTE: THESE LAYOUTS FOR CONCEPT PLANS ONLY. THIS DOCUMENT IS NOT FOR CONSTRUCTION. ALL DIMENSIONS ARE TO CENTER UNLESS OTHERWISE NOTED. ALL DIMENSIONS ARE TO CENTER UNLESS OTHERWISE NOTED. ALL DIMENSIONS ARE TO CENTER UNLESS OTHERWISE NOTED.

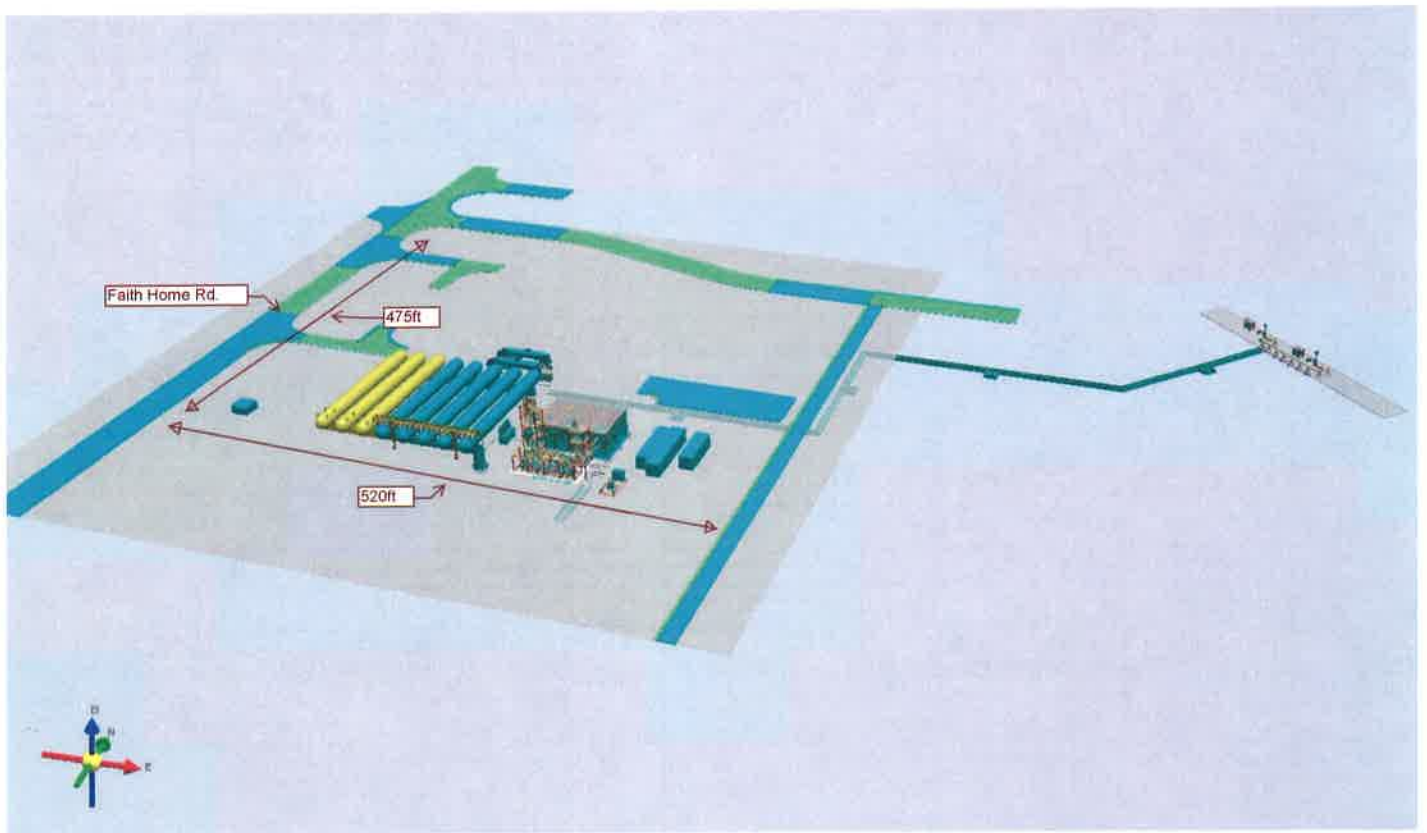


45

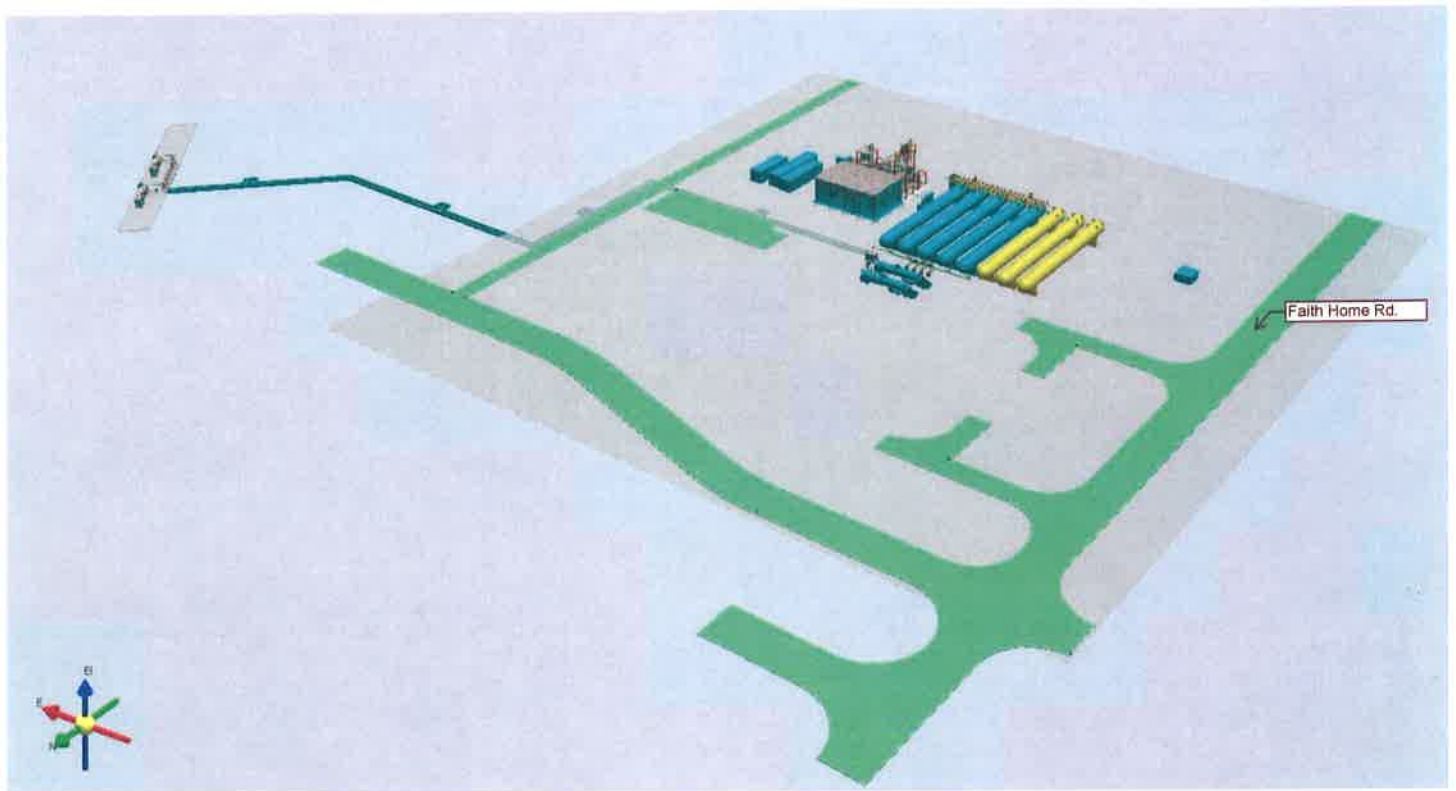


3710A008 Keyes Plant Views

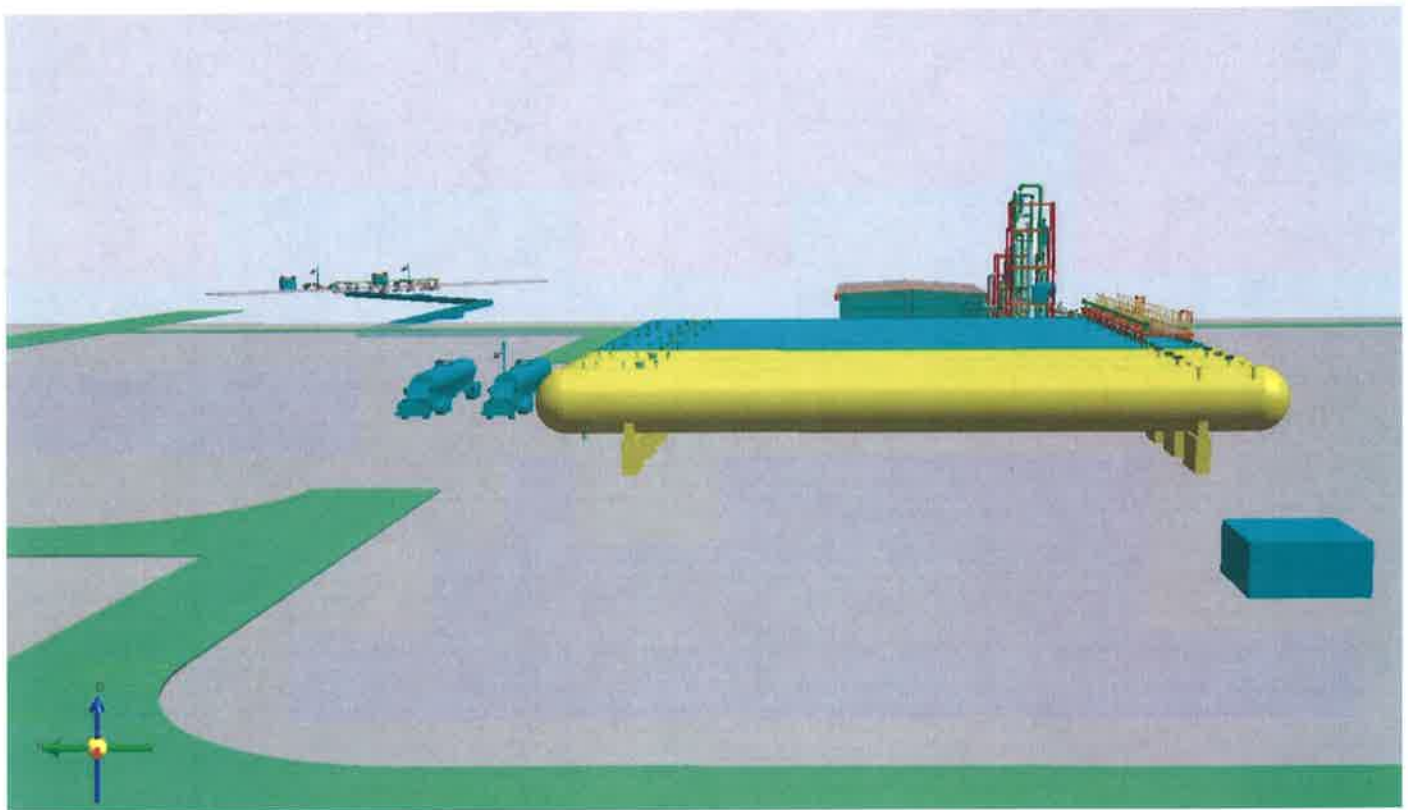
1. Overview, looking north west



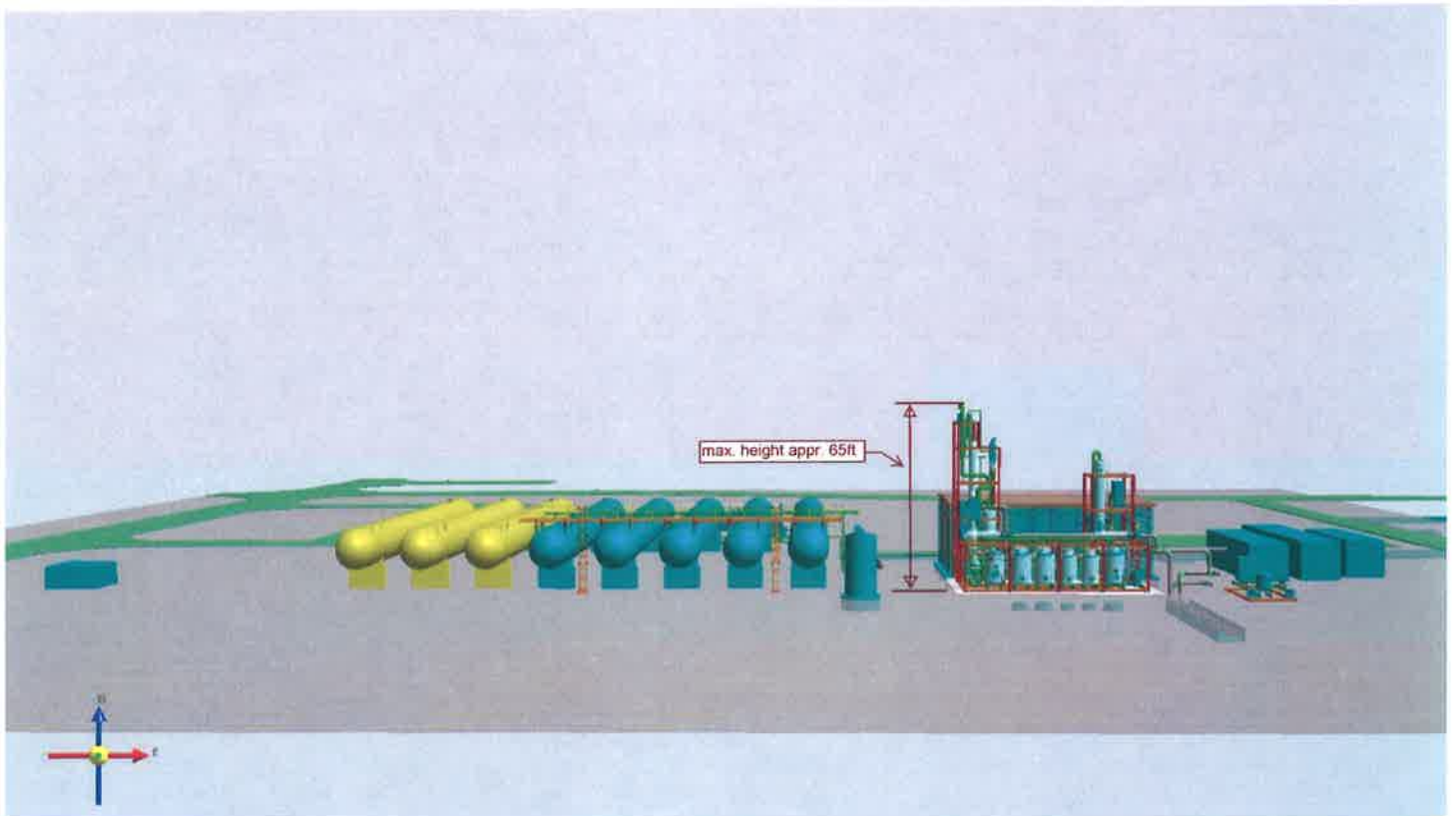
2. Overview, looking south east



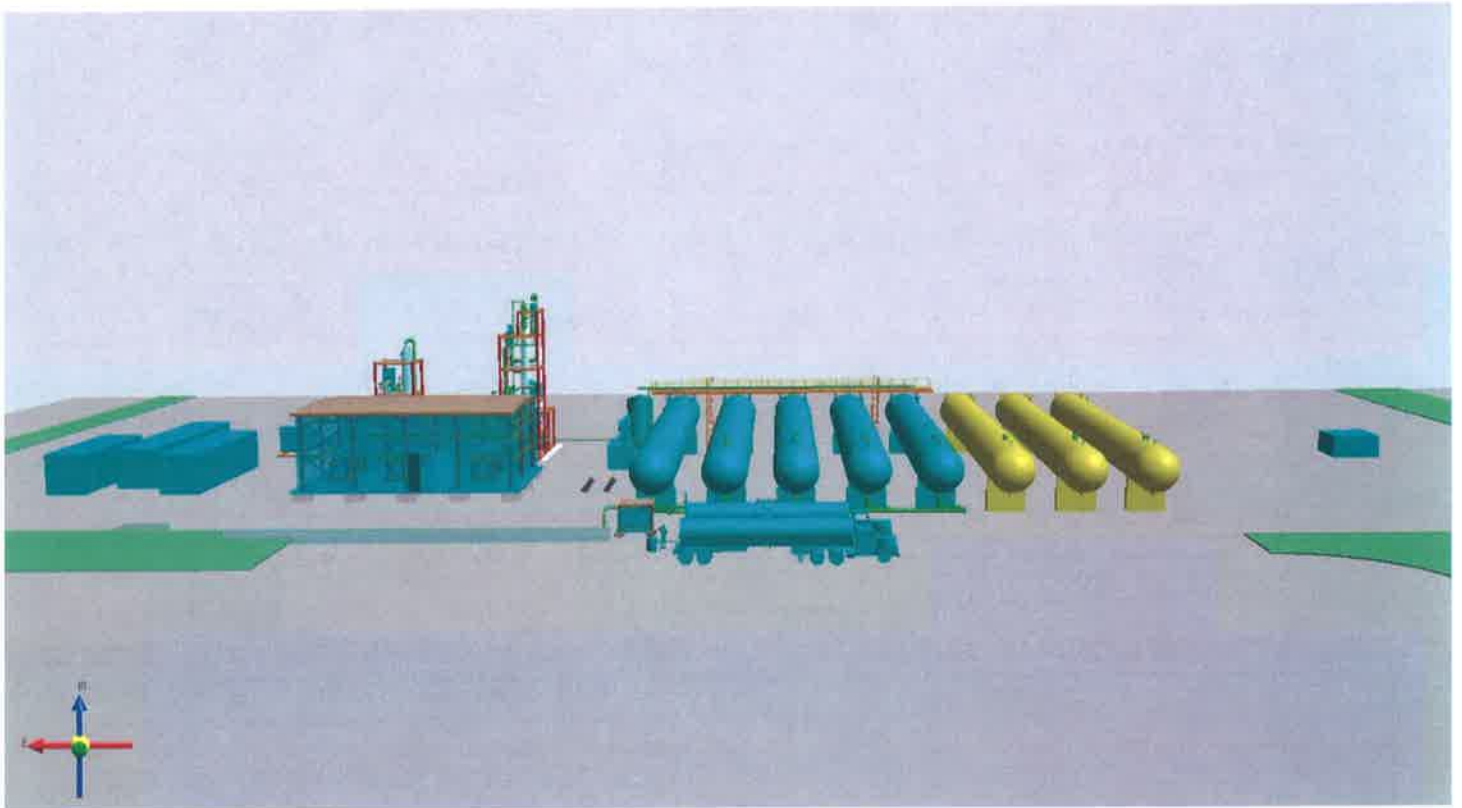
3. Looking east



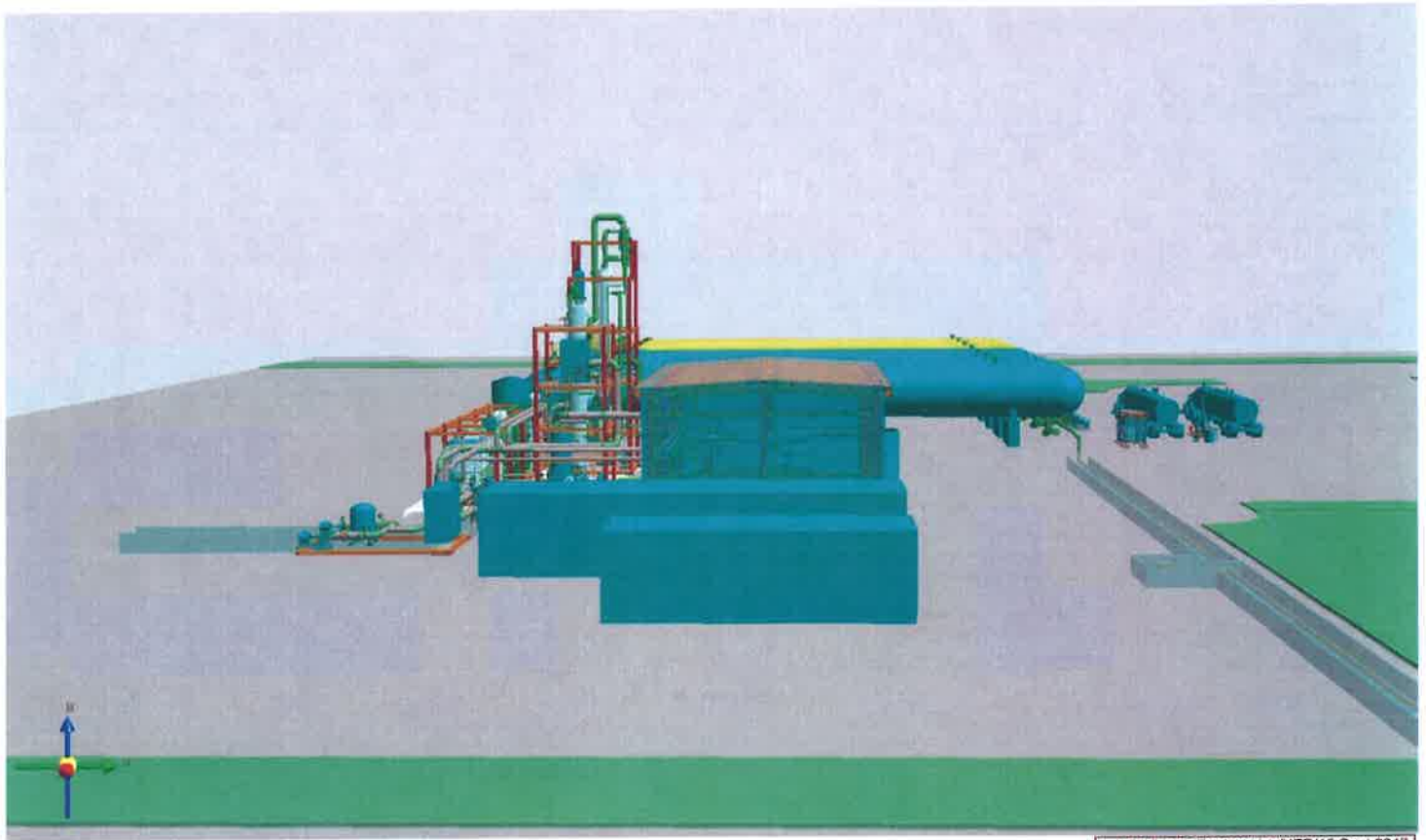
4. looking north



5. looking south



6. looking west



T. Lang/Linde Engineering/XEP/15.Sept 2017

DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

1010 10th Street, Suite 3400, Modesto, CA 95354

Planning Phone: (209) 525-6330 Fax: (209) 525-5911

Building Phone: (209) 525-6557 Fax: (209) 525-7759

Stanislaus County
Planning and Community Development

Mitigation Monitoring and Reporting Program

Adapted from CEQA Guidelines sec. 15097 Final Text, October 26, 1998

MAY 21, 2018

- | | |
|---|--|
| 1. Project title and location: | Rezone and Parcel Map Application No. PLN2018-0017 – Linde Group, LLC Faith Home Road, on the northeast corner of Faith Home and Jessup Roads, west of Highway 99, in the Community of Keyes. (APN: 045-026-040). |
| 2. Project Applicant name and address: | The Linde Group, LLC, Audie Chong, Principal Project Manager 200 Somerset Corporation Boulevard, Suite 7000 Bridgewater, NJ 08807 |
| 3. Person Responsible for Implementing Mitigation Program (Applicant Representative): | Audie Chong |
| 4. Contact person at County: | Kristin Doud, Senior Planner (209) 525-6330 |

MITIGATION MEASURES AND MONITORING PROGRAM:

List all Mitigation Measures by topic as identified in the Mitigated Negative Declaration and complete the form for each measure.

I. AESTHETICS

- No.1 Mitigation Measure: New development shall include cut-off luminaries and/or shields. All exterior lighting shall be designed (aimed down and towards the site) to provide adequate illumination without a glare effect. Low intensity lights shall be used to minimize the visibility of the lighting from nearby areas, and to prevent "spill over" of light onto adjacent residential properties.

- | | |
|---|--|
| Who Implements the Measure: | Applicant |
| When should the measure be implemented: | During building design |
| When should it be completed: | Prior to issuance of the Final Occupancy Permit |
| Who verifies compliance: | Stanislaus County Planning and Community Development Department, Planning Division |
| Other Responsible Agencies: | N/A |

XVI. TRANSPORTATION/TRAFFIC

No.2 Mitigation Measure: Prior to issuance of a building permit, the applicant/property owner shall pay the Keyes Community Plan Mitigation Funding Program fees for Planned Industrial per the Keyes Community Plan, adopted on April 8, 2000. The fees were calculated in 2003 at \$465.20 per acre. The fees were adjusted for inflation using the Engineering News-record Index, the December 2017 fees are \$762.60 per acre for the proposed 5.2 acres.

| | |
|---|--|
| Who Implements the Measure: | Applicant |
| When should the measure be implemented: | Prior to issuance of a building permit |
| When should it be completed: | Prior to issuance of a building permit |
| Who verifies compliance: | Stanislaus County Planning and Community Development Department, Building Division |
| Other Responsible Agencies: | Stanislaus County Public Works Department and Stanislaus County Planning and Community Development Department, Planning Division |

I, the undersigned, do hereby certify that I understand and agree to be responsible for implementing the Mitigation Program for the above listed project.

Signature on file.
Person Responsible for Implementing
Mitigation Program

May 17, 2018
Date



MITIGATED NEGATIVE DECLARATION

NAME OF PROJECT: Rezone and Parcel Map Application No. PLN2018-0017 – Linde Group, LLC

LOCATION OF PROJECT: Faith Home Road, on the northeast corner of Faith Home and Jessup Roads, west of Highway 99, in the Community of Keyes. APN: 045-026-040.

PROJECT DEVELOPER: The Linde Group, LLC
Audie Chong, Principal Project Manager
200 Somerset Corporation Boulevard, Suite 7000
Bridgewater, NJ 08807

DESCRIPTION OF PROJECT: Request to Rezone 5.2 acres of a 28.7 acre parcel currently zoned P-D (123), which is expired to a new P-D (Planned Development) to allow the development of a liquid carbon dioxide (CO₂) purification and liquefaction plant. A tentative parcel map is included with the project to create a 5.2 acre parcel, which will contain the proposed project, and a 23.5 acre remainder.

Based upon the Initial Study, dated May 21, 2018, the Environmental Coordinator finds as follows:

1. This project does not have the potential to degrade the quality of the environment, nor to curtail the diversity of the environment.
2. This project will not have a detrimental effect upon either short-term or long-term environmental goals.
3. This project will not have impacts which are individually limited but cumulatively considerable.
4. This project will not have environmental impacts which will cause substantial adverse effects upon human beings, either directly or indirectly.

The aforementioned findings are contingent upon the following mitigation measures (if indicated) which shall be incorporated into this project:

1. New development shall include cut-off luminaries and/or shields. All exterior lighting shall be designed (aimed down and towards the site) to provide adequate illumination without a glare effect. Low intensity lights shall be used to minimize the visibility of the lighting from nearby areas, and to prevent "spill over" of light onto adjacent residential properties.
2. Prior to issuance of a building permit, the applicant/property owner shall pay the Keyes Community Plan Mitigation Funding Program fees for Planned Industrial per the Keyes Community Plan, adopted on April 8, 2000. The fees were calculated in 2003 at \$465.20 per acre. The fees were adjusted for inflation using the Engineering News-record Index, the December 2017 fees are \$762.60 per acre for the proposed 5.2 acres.

The Initial Study and other environmental documents are available for public review at the Department of Planning and Community Development, 1010 10th Street, Suite 3400, Modesto, California.



Initial Study prepared by: Kristin Doud, Senior Planner

Submit comments to: Stanislaus County
Planning and Community Development Department
1010 10th Street, Suite 3400
Modesto, California 95354



FILED

2018 AUG 23 AM 10:08

STANISLAUS CO. CLERK-RECORDER

Kalpana Surh

NOTICE OF DETERMINATION

Filing of Notice of Determination in Compliance with Section 21108 or 21152 of the Public Resources Code

Project Title: Rezone and Parcel Map Application No. PLN2018-0017 – Linde Group, LLC

Applicant Information: The Linde Group, LLC 200 Somerset Corporation Blvd, Suite 7000, Bridgewater, NJ 08807

Project Location: Faith Home Road, on the northeast corner of Faith Home and Jessup Roads, west of Highway 99, in the Community of Keyes. Stanislaus County APN: 045-026-040.

Description of Project: Request to rezone 5.2 acres of a 28.7 acre parcel currently zoned P-D (123), which is expired, to a new P-D (Planned Development) to allow the development of a liquid carbon dioxide (CO₂) purification and liquefaction plant. A tentative parcel map is included with this project to create a 5.2 acre parcel, which will contain the proposed project, and a 23.5 acre remainder.

Name of Agency Approving Project: Stanislaus County Board of Supervisors

Lead Agency Contact Person: Kristin Doud, Senior Planner

Telephone: (209) 525-6330

This is to advise that the Stanislaus County **Board of Supervisors** on August 21, 2018, has approved the above described project and has made the following determinations regarding the above described project:

1. The project **will** not have a significant effect on the environment.
2. A **Mitigated Negative Declaration** was prepared for this project pursuant to the provisions of CEQA.

The **Mitigated Negative Declaration** and record of project approval may be examined at:
Stanislaus County Department of Planning and Community Development
1010 10th Street, Suite 3400
Modesto, California 95354

3. Mitigation measures **were** made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan **was** adopted for this project.
5. A statement of Overriding Considerations **was not** adopted for this project.
6. Findings **were** made pursuant to the provisions of CEQA.

This is to certify that the final EIR with comments and responses and record of project approval, or the Mitigated Negative Declaration, is available to the General Public @ <http://www.stancounty.com/planning/pl/agenda-min.shtm>

Dated

8/22/18

Kristin Doud
Senior Planner

EXHIBIT C

LAFCO Resolution No. 2019-04

**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: March 27, 2019

NO. 2019-04

SUBJECT: LAFCO Application No. 2019-01 – Linde Change of Organization to Keyes Community Services 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, the applicant has requested to annex 5.2 acres located on the east side of Faith Home Road into the Keyes Community Services District that is within its existing Sphere of Influence;

WHEREAS, the Keyes Community Services District is the applicant and is willing to provide water service to the project site;

WHEREAS, the Commission has conducted a public hearing to consider the proposal on March 27, 2019, and notice of said hearing was given at the time and in the form and manner provided by law;

WHEREAS, the territory is considered uninhabited as it contains less than 12 registered voters;

WHEREAS, the purpose of the proposal is to allow the subject territory to receive water service from the Keyes Community Services District;

WHEREAS, Stanislaus County, as Lead Agency, prepared and subsequently approved Mitigated Negative Declarations for the proposal in compliance with the California Environmental Quality Act (CEQA);

WHEREAS, in the form and manner provided by law pursuant to Government Code Sections 56153 and 56157, the Executive Officer has given notice of the public hearing by the Commission on this matter; and

WHEREAS, the Commission has, in evaluating the proposal, considered the report submitted by the Executive Officer, which included determinations and factors set forth in Government Code Sections 56425 and 56668, and any testimony and evidence presented at the meeting held on March 27, 2019.

WHEREAS, proceedings for adoption and amendment of a Sphere of Influence are governed by the Cortese-Knox-Hertzberg local Government Reorganization Act, Section 56000 et seq. of the Government Code;

NOW, THEREFORE, BE IT RESOLVED that the Commission:

1. Certifies, in accordance with CEQA, as a Responsible Agency, that it has considered the Mitigated Negative Declarations prepared by Stanislaus County.
2. Determines that: (a) the subject territory is within the Keyes Community Services District's Sphere of Influence; (b) approval of the proposal is consistent with all applicable spheres of influence, overall Commission policies and local general plans; (c) there are less than twelve (12) registered voters within the territory and it is considered uninhabited; (d) all the owners of land within the subject territory have given their written consent to the annexation; (e) no subject agencies have submitted written protest to a waiver of protest proceedings; and (f) the proposal is in the interest of the landowners within the territory.
3. Approves the proposal subject to the following terms and conditions:
 - a. The applicant shall pay State Board of Equalization fees, pursuant to Government Code Section 54902.5.
 - b. The applicant agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding brought against any of them, the purpose of which is to attack, set aside, void or annul LAFCO's action on a proposal or any action relating to or arising out of such approval, and provide for the reimbursement or assumption of all legal costs in connection with that approval.
 - c. In accordance with Government Code Sections 56886(t) and 57330, the subject territory shall be subject to the levying and collection of all previously authorized charges, fees, assessments or taxes of the Keyes Community Services District.
 - d. The effective date of the change of organization shall be the date of recordation of the Certificate of Completion.
 - e. The application submitted has been processed as a change of organization consisting of annexation to the Keyes Community Services District.
4. Designates the proposal as the "Linde Change of Organization to the Keyes Community Services District".
5. Waives the protest proceedings pursuant to Government Code Section 56662(d) and orders the change of organization subject to the requirements of Government Code Section 57200 et. seq.

6. Authorizes and directs the Executive Officer to prepare and execute a Certificate of Completion in accordance with Government Code Section 57203, upon receipt of a map and legal description prepared pursuant to the requirements of the State Board of Equalization and accepted to form by the Executive Officer, subject to the specified terms and conditions.

ATTEST:

Sara Lytle-Pinhey
Executive Officer



1010 TENTH STREET, 3RD FLOOR
MODESTO, CA 95354

PHONE: (209) 525-7660
FAX: (209) 525-7643
www.stanislauslafco.org

MEMORANDUM

DATE: March 27, 2019
TO: LAFCO Commissioners
FROM: Sara Lytle-Pinhey, Executive Officer
SUBJECT: Biennial Audit for Fiscal Years 2016-2017 and 2017-2018

RECOMMENDATION

It is recommended that the Commission accept and file the financial audit for fiscal years 2016-2017 and 2017-2018.

DISCUSSION

The Commission's outside audit firm, Johnson & Associates CPAs, Inc., has completed the LAFCO biennial audit for fiscal years 2016-2017 and 2017-2018.

The purpose of the biennial audit is for an independent third-party to review and assess the Commission's financial records to determine their compliance with generally accepted governmental accounting standards. LAFCO currently contracts with the County Auditor-Controller Office for financial services and maintains its funds in the County Treasury, pursuant to an adopted Memorandum of Understanding. The outside audit provides an opportunity for a third-party to identify reporting errors and omissions as well as to make suggestions for improvements.

As with the prior audits, the auditor found that the financial statements present fairly the financial position of the Commission. The auditor made a recommendation for strengthening internal controls related to transactions initiated by the County. This is currently being implemented. The biennial audit is attached in full to this memo.

Attachment: Financial Audit for Fiscal Years 2016-2017 and 2017-2018

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CASEY G. JOHNSON, CPA, CVA, MBA
MICHELLE N. MATOS, CPA, MBA

JOHNSON & ASSOCIATES CPAs, INC.

631 15th Street Modesto, CA 95354
Phone (209) 236-1040 • Fax (209) 236-1068

March 1, 2019

To the Commissioners
Stanislaus Local Agency Formation Commission
Modesto, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Stanislaus Local Agency Formation Commission (LAFCO) for the years ended June 30, 2017 and June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 7, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by LAFCO are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the years ended June 30, 2017 and June 30, 2018. We noted no transactions entered into by LAFCO during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting LAFCO's financial statements were:

1. The estimate of the net pension liability and related deferred outflows and deferred inflows reported in the Statement of Net Position. We evaluated the key factors and assumptions used by the actuary to develop these items in determining they were reasonable in relation to the financial statements taken as a whole.
2. The estimate of the net OPEB liability and related deferred outflows and deferred inflows reported in the Statement of Net Position. We evaluated the key factors and assumptions used by the actuary to develop these items in determining they were reasonable in relation to the financial statements taken as a whole.

Members • American Institute of Certified Public Accountants
• California Society of Certified Public Accountants

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

1. The disclosure of the OPEB Plan in Notes 5 and 6 to the financial statements includes details of the Net OPEB Liability and related Deferred Outflows and Deferred Inflows that may be useful to the District's board in planning for future activity.
2. The disclosure of the Retirement Plan in Note 7 to the financial statements includes details of the Net Pension Liability and related Deferred Outflows and Deferred Inflows that may be useful to the District's board in planning for future activity.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No misstatements were detected as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 1, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all of the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During the course of our audit procedures, it was noted that the adjusting entries from the prior audit were not incorporated into the general ledger. The result was financial statements that contained a beginning net asset balance that did not reconcile to the prior audit. It was discussed that since it is the County's policy to not re-open a period in the accounting software once it has been closed, that is the reason that the entries were not incorporated. These entries were analyzed and tracked through an excel spreadsheet maintained separately from the actual accounting records. Since this was a relatively small amount and it was being addressed in some way by the County, this did not elevate to the level of a deficiency in internal controls. However, as an opportunity for strengthening controls, it would be recommended that a method of incorporating the adjustments into the actual general ledger be considered to ensure the records are fully reconciled at all times.

One of the elements of strong internal controls is a policy for documentation. While the Commission does have a good policy for documentation and retention related to disbursements which is being followed, an area for strengthening these controls was identified. It was noted that when there is a disbursement that is initiated by the County, there is no formal policy in place to document review or approval of each individual transaction. These types of transactions are approved at the beginning of each fiscal year as a total for the year and incorporated into the budget, so there is documentation of approval of the types of transactions. However, there is no formal policy of documentation to ensure that these transactions are being reviewed to ensure that they are in compliance with the agreed upon amounts at the beginning of the year. There were no discrepancies noted with regards to these types of transactions. This is merely an area for the Commission to consider strengthening of internal control procedures through some type of initialing/dating or other means.

Through the course of our audit procedures, the County representatives were responsive and helpful in answering questions and assisting with reconciliation items. However, there were instances where questions arose from the County that could appear as the County acting in a financial capacity outside of what would customarily be anticipated, from an audit perspective. This included the County questioning items before discussing them with the CEO of LAFCO. While it is not believed that there has been any overstepping of boundaries, the Commissioners should be cognizant of the fact that the County provides services for many different departments and there is a risk to the Commission of the County intentionally or unintentionally making unilateral decisions directly affecting the Commission's financial activity. LAFCO is an independent entity from the County and this should always been considered when the Commissioners are performing their oversight duties.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and the other required supplemental information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the

To the Commissioners
Stanislaus Local Agency Formation Commission
March 1, 2019
Page 4 of 4

information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Commissioners of the Stanislaus Local Agency Formation Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Johnson & Associates CPAs, Inc.

Johnson & Associates CPAs, Inc.
Modesto, California

**STANISLAUS LOCAL
AGENCY FORMATION COMMISSION**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2017 AND JUNE 30, 2018

C O N T E N T S

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INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Stanislaus Local Agency Formation Commission
Modesto, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Stanislaus Local Agency Formation Commission of the County of Stanislaus, California as of and for the years ended June 30, 2017 and June 30, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Stanislaus Local Agency Formation Commission as of June 30, 2017 and June 30, 2018 and the respective changes in financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2019, on our consideration of the Stanislaus Local Agency Formation Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Johnson & Associates CPAs, Inc.

Johnson & Associates CPAs, Inc.

March 1, 2019
Modesto, California

**Stanislaus Local Agency Formation Commission
Management's Discussion and Analysis Report
For the Year Ending June 30, 2017 and June 30, 2018**

As management of the Stanislaus Local Agency Formation Commission (the Commission), we offer readers of the Commission's financial statements this discussion and analysis of the financial activities of the Commission for the above years. We encourage readers to consider the information presented in this report in conjunction with the Commission's financial statements and the accompanying notes to the basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis report is intended to serve as an introduction to the Commission's basic financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Commission. The financial statements also include various note disclosures that further describe the Commission's activities.

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net position.

The Statement of Activities presents information showing how the Commission's net position changed during each fiscal year. All changes in net position are reported as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows (accrual basis). Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g. accounts payable and receivable).

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The Commission, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than government-wide financial statements, it is useful to compare the information presented. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate the comparison between governmental funds and government wide statements.

Notes to Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL ANALYSIS OF THE COMMISSION

The Commission has presented its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis (MD&A) for State and Local Governments*.

The table below presents a condensed Statement of Net Position for the fiscal years ending June 30, 2017 and June 30, 2018, as well as the prior year ending June 30, 2016.

Condensed Statement of Net Position

| | As of June 30: | | |
|---------------------------------------|-------------------|-------------------|-------------------|
| | <u>2016</u> | <u>2017</u> | <u>2018</u> |
| ASSETS | | | |
| Total Assets | <u>\$ 304,116</u> | <u>\$ 289,944</u> | <u>\$ 311,983</u> |
| Total Deferred Outflows of Resources | <u>34,765</u> | <u>388,494</u> | <u>342,737</u> |
| LIABILITIES & NET POSITION | | | |
| Total Liabilities | <u>\$ 246,867</u> | <u>\$ 644,797</u> | <u>\$ 618,223</u> |
| Total Deferred Inflows of Resources | <u>22,212</u> | <u>5,111</u> | <u>9,217</u> |
| Total Net Position | <u>\$ 69,802</u> | <u>\$ 28,530</u> | <u>\$ 27,280</u> |

The Statements of Net Position present complete information on the Commission's assets and deferred outflows of resources, as well as liabilities and deferred inflows of resources, with the difference reported as net position. Changes in net position that occur over time may serve as an indicator of the Commission's financial position.

Changes in Net Position

State Law requires the County and the nine cities of Stanislaus County fund the Commission's budget each year. The Commission is also authorized to establish and collect fees for the purposes of offsetting agency contributions. It is the practice of the Commission to make use of unrestricted fund balance to help cover operating costs and minimize the fiscal impact on the local funding agencies. This practice of using unrestricted fund balance occasionally results in budgeting an operating shortfall, as was the case in the fiscal year ending June 30, 2017.

Condensed Statement of Activities

| | For the Year Ended June 30: | | |
|---|-----------------------------|-------------------------|-------------------------|
| | <u>2016</u> | <u>2017</u> | <u>2018</u> |
| REVENUE | | | |
| Program Revenues | | | |
| Intergovernmental | \$ 377,210 | \$ 330,936 | \$ 394,375 |
| Application Fees | 30,274 | 30,551 | 32,555 |
| General Revenues | | | |
| Interest & Other Income | 7,658 | 5,701 | 6,465 |
| Reimbursement to Funding Agencies | <u>(449,639)</u> | <u>-</u> | <u>-</u> |
| Total Revenue | <u><u>(34,497)</u></u> | <u><u>367,188</u></u> | <u><u>433,395</u></u> |
| EXPENSES | | | |
| Salaries and Benefits | 182,009 | 346,203 | 361,191 |
| Services and Supplies | <u>44,539</u> | <u>62,257</u> | <u>56,774</u> |
| Total Expenses | <u><u>226,548</u></u> | <u><u>408,460</u></u> | <u><u>417,965</u></u> |
| CHANGE IN NET POSITION | \$ (261,045) | \$ (41,272) | \$ 15,430 |
| NET POSITION – BEGINNING OF YEAR | <u>330,847</u> | <u>69,802</u> | <u>28,530</u> |
| NET POSITION – END OF YEAR | <u><u>\$ 69,802</u></u> | <u><u>\$ 28,530</u></u> | <u><u>\$ 27,280</u></u> |

Financial Analysis of the Commission's Governmental Fund

As noted earlier, fund accounting is used by the Commission to ensure and demonstrate compliance with finance-related legal requirements. For the fiscal year ending June 30, 2017, the Commission reported an ending fund balance of \$264,583. For the fiscal year ending June 30, 2018, the Commission reported an ending fund balance of \$281,101, for an increase of \$16,518.

Expenditures and revenues increased in fiscal years ending June 30, 2017 and June 30, 2018 as the Commission budgeted for three full-time employees, following a previous reduction in staffing levels during the economic downturn.

BUDGETARY HIGHLIGHTS

The Commission practices bottom-line accounting, giving management the discretion to use excess funds in one account to offset deficits in other accounts. This allows management to minimize fiscal impact of unanticipated increases in contracted administrative services by controlling spending in other accounts. A Budgetary Comparison Schedule is included in the Required Supplementary Information (RSI) section of this report. In both years, revenues exceeded budgeted amounts, primarily due to application revenues exceeding those anticipated. Expenditures were also less than budgeted, due to various charges for services being lower than anticipated, including charges for legal services.

CAPITAL ASSETS

The Commission has no capital assets.

DEBT ADMINISTRATION

GASB 68 was implemented in the 2014-2015 fiscal year which required long-term net pension liability to be recognized. More information regarding pension liability, deferred outflows and inflows is described in Note 7. GASB 75 was implemented in the 2017-2018 fiscal year which required other postemployment benefits liability to be recognized. See Note 6 for additional information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Commission is committed to fulfilling its State-mandated mission with as little fiscal impact to local agencies as possible. In preparing the budget for fiscal year 2018-2019, the Commission used spending baseline to estimate how much it would cost to continue the level of activities and services at next year's price for labor and supplies. The Commission's adopted fiscal year 2018-2019 budget is \$493,939, an overall increase of 9% from the prior year's adopted budget.

CONTACTING THE COMMISSION

These financial statements are designed to provide a general overview of the Commission's finances for all those interested. Through a memorandum of understanding, the County provides certain support functions, including financial management and accounting. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Stanislaus Local Agency Formation Commission, 1010 10th Street, Suite 3600, Modesto, CA 95354.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2017

| | |
|--|------------------|
| ASSETS | |
| Cash | \$ 289,944 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred Outflows Related to Pension | 388,494 |
| LIABILITIES | |
| Accrued Compensated Absences | \$ 9,205 |
| Payroll Liabilities | 16,156 |
| Noncurrent Liabilities | |
| Compensated Absences Due in More Than One Year | 52,580 |
| Net Pension Liability | 554,866 |
| OPEB Obligation | <u>11,990</u> |
| Total Liabilities | 644,797 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Inflows Related to Pension | <u>5,111</u> |
| NET POSITION | |
| Unrestricted | <u>28,530</u> |
| Total Net Position | <u>\$ 28,530</u> |

See accompanying notes and independent accountant's report.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

| | | <u>Program Revenue</u> | | <u>Net (Expenses)</u> |
|-------------------------------|-------------------|------------------------|----------------------|-----------------------|
| | <u>(Expenses)</u> | <u>Charges for</u> | <u>Operating</u> | <u>Revenues and</u> |
| | | <u>Services</u> | <u>Grants and</u> | <u>Changes in</u> |
| | | | <u>Contributions</u> | <u>Net Assets</u> |
| GOVERNMENTAL ACTIVITIES | | | | |
| Operations | \$ (408,460) | \$ 361,487 | \$ - | \$ <u>(46,973)</u> |
| Net Program (Expense) Revenue | | | | <u>(46,973)</u> |
| GENERAL REVENUES | | | | |
| Other Income | | | | 1,026 |
| Interest | | | | <u>4,675</u> |
| Total General Revenues | | | | <u>5,701</u> |
| CHANGE IN NET POSITION | | | | (41,272) |
| NET POSITION | | | | |
| Beginning of Year | | | | <u>69,802</u> |
| End of Year | | | | <u>\$ 28,530</u> |

See accompanying notes and independent accountant's report.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

| | | <u>General Fund</u> |
|--|--------------|-------------------------|
| ASSETS | | |
| Cash and Investments, Unrestricted | | <u>\$ 289,944</u> |
| LIABILITIES | | |
| Payroll Liabilities | \$ 16,156 | |
| Accrued Compensated Absences | <u>9,205</u> | |
| Total Liabilities | | \$ 25,361 |
| FUND BALANCES | | |
| Unassigned | | <u>264,583</u> |
| Total Liabilities, Deferred Inflows of Resources, Fund Equity and Other Credits | | <u>\$ 289,944</u> |

See accompanying notes and independent accountant's report.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
JUNE 30, 2017

| | |
|------------------------------------|------------|
| FUND BALANCE OF GOVERNMENTAL FUNDS | \$ 264,583 |
|------------------------------------|------------|

Amounts Reported for Governmental Activities in the Statement of
Net Position are Different Because:

| | |
|--|----------|
| OPEB obligation is not included in the fund financial statements because it is not currently due and payable but the liability is reported in the statement of net position. | (11,990) |
|--|----------|

| | |
|--|----------|
| Accrued Compensated Absences that are not currently due and payable are not included in the fund financial statements but are included in the statement of net position. | (52,580) |
|--|----------|

| | |
|--|-----------|
| Net Pension Liability is not included in the fund financial statements because it is not currently due and payable but the liability is reported in the statement of net position. | (554,866) |
|--|-----------|

| | |
|---|---------|
| Deferred Inflows Related to Pensions is not included in the fund financial statements because it is not available to pay current obligations but the liability is reported in the statement of net position. | (5,111) |
|---|---------|

| | |
|--|----------------|
| Deferred Outflows Related to Pensions is not included in the fund financial statements because it is not currently due and payable but the asset is reported in the statement of net position. | <u>388,494</u> |
|--|----------------|

| | |
|---|------------------|
| NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ 28,530</u> |
|---|------------------|

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

| | General Fund |
|---|--------------------------|
| <hr/> | |
| REVENUE | |
| Charges for Services | |
| Intergovernmental Revenue | \$ 330,936 |
| Application Fees | <u>30,551</u> |
| Total Charges for Services | \$ 361,487 |
| Interest | 4,675 |
| Other Income | <u>1,026</u> |
| Total Revenue | <u>367,188</u> |
| | |
| EXPENDITURES | |
| Current Program - General Government | |
| Salaries and Benefits | 321,353 |
| Services and Supplies, and Other Charges | <u>62,257</u> |
| Total Expenditures | <u>383,610</u> |
| | |
| EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES | (16,422) |
| | |
| FUND BALANCE, BEGINNING OF YEAR | 226,013 |
| Prior Period Adjustment | <u>54,992</u> |
| ADJUSTED FUND BALANCE, BEGINNING OF YEAR | <u>281,005</u> |
| | |
| FUND BALANCE, END OF YEAR | <u><u>\$ 264,583</u></u> |

See accompanying notes and independent accountant's report.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (16,422)

Revenue (Expenses) Reported on Statement of Activities not Included on
the Governmental Funds Statement:

Change in the long-term portion of accrued compensated absences is
not included in the fund financial statements because it is not a current
use of resources, but the expense is included in the statement of
activities. (7,863)

Change in the OPEB obligation is not included in the fund financial
statements because it is not currently due and payable but the
expense is reported in the statement of activities. (1,715)

Change in Net Pension Liability and related Deferred Inflows and
Deferred Outflows is not included on the fund financial statements
because it is not a current use of resources, but the expense is reported
in the statement of activities. (15,272)

CHANGE IN NET POSITION \$ (41,272)

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2018

| | | |
|--|---------------|------------------|
| ASSETS | | |
| Cash | | \$ 311,983 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Outflows Related to Pension | | 342,737 |
| LIABILITIES | | |
| Accounts Payable | \$ 1,545 | |
| Accrued Compensated Absences | 10,876 | |
| Payroll Liabilities | 18,461 | |
| Noncurrent Liabilities | | |
| Compensated Absences Due in More Than One Year | 56,116 | |
| Net Pension Liability | 503,091 | |
| Net OPEB Liability | <u>28,134</u> | |
| Total Liabilities | | 618,223 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Inflows Related to Pension | 8,221 | |
| Deferred Inflows Related to OPEB | <u>996</u> | |
| Total Deferred Inflows of Resources | | <u>9,217</u> |
| NET POSITION | | |
| Unrestricted | | <u>27,280</u> |
| Total Net Position | | <u>\$ 27,280</u> |

See accompanying notes and independent accountant's report.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

| | | <u>Program Revenue</u> | | <u>Net (Expenses)</u> |
|-------------------------------|-------------------|------------------------|----------------------|-----------------------|
| | <u>(Expenses)</u> | <u>Charges for</u> | <u>Operating</u> | <u>Revenues and</u> |
| | | <u>Services</u> | <u>Grants and</u> | <u>Changes in</u> |
| | | | <u>Contributions</u> | <u>Net Assets</u> |
| GOVERNMENTAL ACTIVITIES | | | | |
| Operations | \$ (417,965) | \$ 426,930 | \$ - | <u>\$ 8,965</u> |
| Net Program (Expense) Revenue | | | | <u>8,965</u> |
| GENERAL REVENUES | | | | |
| Other Income | | | | 1,012 |
| Interest | | | | <u>5,453</u> |
| Total General Revenues | | | | <u>6,465</u> |
| CHANGE IN NET POSITION | | | | 15,430 |
| NET POSITION | | | | |
| Beginning of Year | | | 28,530 | |
| Prior Period Adjustment | | | <u>(16,680)</u> | |
| Adjusted Beginning of Year | | | | <u>11,850</u> |
| End of Year | | | | <u>\$ 27,280</u> |

See accompanying notes and independent accountant's report.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

| | <u>General Fund</u> |
|--|-------------------------|
| ASSETS | |
| Cash and Investments, Unrestricted | <u>\$ 311,983</u> |
| LIABILITIES | |
| Accounts Payable | \$ 1,545 |
| Payroll Liabilities | 18,461 |
| Accrued Compensated Absences | <u>10,876</u> |
| Total Liabilities | 30,882 |
| FUND BALANCES | |
| Unassigned | <u>281,101</u> |
| Total Liabilities, Deferred Inflows of Resources, Fund Equity and Other Credits | <u>\$ 311,983</u> |

See accompanying notes and independent accountant's report.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
JUNE 30, 2018

| | |
|------------------------------------|------------|
| FUND BALANCE OF GOVERNMENTAL FUNDS | \$ 281,101 |
|------------------------------------|------------|

Amounts Reported for Governmental Activities in the Statement of
Net Position are Different Because:

| | |
|---|----------|
| Net OPEB liability is not included in the fund financial statements because it is not currently due and payable but the liability is reported in the statement of net position. | (28,134) |
|---|----------|

| | |
|--|-------|
| Deferred Inflows Related to OPEB is not included in the fund financial statements because it is not available to pay current obligations but the liability is reported in the statement of net position. | (996) |
|--|-------|

| | |
|--|----------|
| Accrued Compensated Absences that are not currently due and payable are not included in the fund financial statements but are included in the statement of net position. | (56,116) |
|--|----------|

| | |
|--|-----------|
| Net Pension Liability is not included in the fund financial statements because it is not currently due and payable but the liability is reported in the statement of net position. | (503,091) |
|--|-----------|

| | |
|--|---------|
| Deferred Inflows Related to Pensions is not included in the fund financial statements because it is not available to pay current obligations but the liability is reported in the statement of net position. | (8,221) |
|--|---------|

| | |
|--|----------------|
| Deferred Outflows Related to Pensions is not included in the fund financial statements because it is not currently due and payable but the asset is reported in the statement of net position. | <u>342,737</u> |
|--|----------------|

| | |
|---|------------------|
| NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ 27,280</u> |
|---|------------------|

See accompanying notes and independent accountant's report.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

| | <u>General Fund</u> |
|---|-------------------------|
| REVENUE | |
| Charges for Services | |
| Intergovernmental Revenue | \$ 394,375 |
| Application Fees | <u>32,555</u> |
| Total Charges for Services | \$ 426,930 |
| Interest | 5,453 |
| Other Income | <u>1,012</u> |
| Total Revenue | <u>433,395</u> |
| EXPENDITURES | |
| Current Program - General Government | |
| Salaries and Benefits | 360,103 |
| Services and Supplies, and Other Charges | <u>56,774</u> |
| Total Expenditures | <u>416,877</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES | 16,518 |
| FUND BALANCE, BEGINNING OF YEAR | <u>264,583</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 281,101</u> |

See accompanying notes and independent accountant's report.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

| | |
|--|------------------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ 16,518 |
| Revenue (Expenses) Reported on Statement of Activities not Included on the Governmental Funds Statement: | |
| Change in the long-term portion of accrued compensated absences is not included in the fund financial statements because it is not a current use of resources, but the expense is included in the statement of activities. | (3,536) |
| Change in the Net OPEB Liability and related Deferred Inflows is not included in the fund financial statements because it is not currently due and payable but the expense is reported in the statement of activities. | (460) |
| Change in Net Pension Liability and related Deferred Inflows and Deferred Outflows is not included on the fund financial statements because it is not a current use of resources, but the expense is reported in the statement of activities. | <u>2,908</u> |
| CHANGE IN NET POSITION | <u>\$ 15,430</u> |

See accompanying notes and independent accountant's report.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Local Agency Formation Commission of Stanislaus County (the Commission) was created in 1963 by the California Legislature to encourage the orderly formation and development of local agencies, promote the efficient extension of municipal services, and protect against the premature conversion of agricultural and open-space lands. In 2001, following the enactment of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the Commission became an independent agency separate from Stanislaus County. The financially independent Stanislaus LAFCO fund was established on July 1, 2001. As of June 30, 2017 and June 30, 2018, there are nine cities under the jurisdiction of the Commission of Stanislaus County.

The Commission is comprised of five regular and three alternate members. Each member is appointed pursuant to California Government Code Section 56000 et. Seq. and represents one of the following three interests:

County Members – two regular and one alternate member represent Stanislaus County. These members are County Supervisors. Appointments are made by the Board of Supervisors.

City Members – two regular and one alternate member represent the nine cities in Stanislaus County. The members are mayors or city council members. Appointments are made by the City Selection Committee.

Public Members – one regular and one alternate member represent the general public. Appointments are made by the county and city members of the Commission.

The Commission includes all activities (operations of its administrative staff and commission officers) considered to be a part of the Commission. The Commission reviewed the criteria developed by the Governmental Accounting Standards Board (GASB) in its issuance of Statement No. 61, relating to the financial reporting entity to determine whether the Commission is financially accountable for other entities. The Commission has determined that no other outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the financial statements. In addition, the Commission is not aware of any entity that would be financially accountable for the Commission that would result in the Commission being considered a component unit of that entity.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation and Accounting

Government-Wide Statements

The statement of net position and the statement of activities report information on all of the Commission's activities. These statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of the Commission. Revenues that are not classified as program revenues are presented as general revenues.

Government Fund Statements

The Government Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers most revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a current liability is incurred, as under accrual accounting. The General Fund is the Commission's primary operating fund. It accounts for all financial resources of the general government.

Revenue

Revenue to finance the Commission's operation is primarily derived pursuant to Government Code Section 56381. Under this section, the Commission is required to adopt a fiscal budget which includes anticipated funding needed for the year. The County of Stanislaus is responsible for funding one half of the budgeted revenue and the nine cities within the Stanislaus County are collectively responsible for funding the other one half of the budgeted revenue.

Implementation of New Accounting Pronouncements

For the fiscal year ended June 30, 2018, the Commission was required to adopt GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", which replaces GASB Statement No. 45. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures for postemployment benefits other than pensions. The provisions of GASB Statement No. 75 are effective for fiscal years beginning after June 15, 2017.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

The accounts of the Commission are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liability, fund equity, revenues and expenditures or expenses, as appropriate.

Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The Commission has only one fund group, government funds.

General Fund - The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.

Fund Equity

The Commission reports under GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

The following classifications describe the relative strength of the spending constraints:

Non-spendable fund balance – amounts that are not in spendable form (such as prepaid expenses) or are required to be maintained intact. The Commission does not have any non-spendable funds as of June 30, 2017 and June 30, 2018 in a form or that are legally or contractually required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantor, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts constrained to specific purposes by the Commission itself, using its highest level of decision-making authority (i.e., Commissioners). To be reported as committed, amounts cannot be used for any other purpose unless the Commission takes the same highest level of action to remove or change the constraint. Committed funds may be modified or rescinded only through resolutions approved by the Commissioners.

Assigned fund balance – amounts the Commission intends to use for a specific purpose. Intent can be expressed by the Commissioners or by an official or

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

body to which the Commissioners delegate the authority. The Commission does not have any assigned funds as of June 30, 2017 and June 30, 2018.

Unassigned fund balance – all amounts not included in other spendable classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Commission's policy is first to apply restricted and then unrestricted funds. Similarly, the policy is to first use committed, then assigned, then unassigned amounts.

Capital Assets

Capital assets, which include property, plant and equipment assets, are reported in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment of the Commission are depreciated using the straight-line method over the estimated useful lives. The Commission does not own any capital assets as of June 30, 2017 and June 30, 2018.

Accrued Compensated Absences

Commission employees are eligible to earn vacation leave, accrued holiday leave, and compensation time. This time may either be taken or accumulated until paid upon termination or retirement. Sick leave may be accumulated without limitation, but upon termination or retirement, an employee will be paid for a maximum of 600 hours of unused sick leave. The amount depends on the length of service and if it is a retirement or regular separation. As of June 30, 2017 and June 30, 2018, the accrual for accrued compensated absences was \$61,785 and \$66,992, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget and Budgetary Accounting

The Commissioners shall adopt a preliminary operating budget for the fiscal year commencing July 1. Public hearings are conducted at an advertised location to obtain public comments. Prior to June 15, the budget is adopted by vote of the Commissioners. Once approved, the Commissioners may amend the legally adopted budget when unexpected modifications are required.

Under GASB Statement No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The Commission does not have any funds other than the General Fund. Therefore, budget comparison information is presented for the general fund only. For both years ended June 30, 2017 and June 30, 2018 actual expenditures were lower than the budgeted amounts.

NOTE 2 CASH AND CASH EQUIVALENTS

The Commission considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

The Commission maintains all of its cash in the Stanislaus County Treasury. The County pools these funds with those of other agencies in the County and invests the cash as prescribed by the California Government Code. These pooled funds are carried at cost plus accrued interest, which approximates market value. Interest earned is deposited quarterly into participating funds. The Commission's deposits in the County pool may be accessed at any time. Stanislaus County's credit rating is A+, by Standard and Poor's. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in Stanislaus County's financial statements which can be obtained by contacting Stanislaus County's Auditor-Controller's Office at 1010 Tenth Street, Suite 5100, Modesto, California, 95353. The Stanislaus County Treasury Oversight Committee oversees the Treasurer's investments and policies.

NOTE 3 RELATED PARTY TRANSACTIONS

During the fiscal years ended June 30, 2017 and June 30, 2018, the Commission paid Stanislaus County, a related party, for, legal services, and operating support services as follows:

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND JUNE 30, 2018

NOTE 3 RELATED PARTY TRANSACTIONS (Continued)

| <u>Fiscal Year Ended</u> | <u>Legal Services</u> | <u>Operating Support Services</u> | <u>Total</u> |
|--------------------------|---------------------------|---|------------------|
| June 30, 2017 | <u>\$ 16,765</u> | <u>\$ 14,291</u> | <u>\$ 31,056</u> |
| June 30, 2018 | <u>\$ 10,212</u> | <u>\$ 18,761</u> | <u>\$ 28,973</u> |

The following is a summary of the amounts the Commission received during the fiscal years ended June 30, 2017 and June 30, 2018 from Stanislaus County and the nine cities within the County, related parties. The nine cities which provided funding to the Commission were City of Ceres, City of Hughson, City of Modesto, City of Newman, City of Oakdale, City of Patterson, City of Riverbank, City of Turlock, and City of Waterford.

| <u>Fiscal Year Ended</u> | <u>County</u> | <u>Cities</u> | <u>Total</u> |
|--------------------------|-------------------|-------------------|-------------------|
| June 30, 2017 | <u>\$ 165,468</u> | <u>\$ 165,468</u> | <u>\$ 330,936</u> |
| June 30, 2018 | <u>\$ 197,188</u> | <u>\$ 197,188</u> | <u>\$ 394,375</u> |

NOTE 4 OPERATING LEASE

The Commission leases office space located at 1010 Tenth Street, 3rd Floor, in Modesto, California under an operating lease expiring June 30, 2019. The total annual lease payment is \$3,683, adjusted annually. The total amount paid during the years ended June 30, 2017 and June 30, 2018 were \$3,683 and \$3,774, respectively.

The total future anticipated payments pursuant to this operating lease are as follows:

| <u>Fiscal Year Ending</u> | <u>June 30, 2017</u> | <u>June 30, 2018</u> |
|---------------------------|----------------------|----------------------|
| 2018 | <u>\$ 3,683</u> | <u>\$ -</u> |
| 2019 | <u>3,683</u> | <u>3,683</u> |
| Total | <u>\$ 7,366</u> | <u>\$ 3,683</u> |

NOTE 5 OTHER POST EMPLOYMENT BENEFIT PLAN UNDER GASB 45

For the fiscal year ended June 30, 2017, the Commission properly reported its obligation for other post-employment benefits pursuant to GASB Statement No. 45. The following represents the required OPEB disclosure information as set forth in GASB Statement No. 45.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND JUNE 30, 2018

NOTE 5 OTHER POST EMPLOYMENT BENEFIT PLAN UNDER GASB 45 (Continued)

The Commission, through its employment arrangement with Stanislaus County, is a participant in the Stanislaus County Employees Retirement Association (StanCERA), a cost-sharing multi-employer defined benefit public employee retirement system. StanCERA provides retirement benefits only. However, Commission retirees and active County employees are rated in the same pool to determine health insurance premiums. While the County does not directly contribute towards the cost of premiums, the ability for retirees to obtain coverage at an active employee rate

constitutes a significant economic benefit to the retirees, called an "implicit subsidy" under GASB Statement No. 45.

Annual OPEB Cost and Net OPEB Obligation

For the fiscal year ending June 30, 2017, the Commission's OPEB cost was \$2,643. The Commission's OPEB cost, the percentage of annual OPEB cost contribution to the plan, and the net OPEB obligation for the year ending June 30, 2017 were as follows:

| | |
|--|------------------|
| Annual required contribution (ARC) | \$ 1,252 |
| Interest on net OPEB obligation | 223 |
| Adjustment to annual required contribution | <u>1,168</u> |
| Annual OPEB cost | 2,643 |
| Contributions made | <u>(928)</u> |
| Change in net OPEB obligation | 1,715 |
| Net OPEB obligation - beginning of year | <u>10,275</u> |
| Net OPEB obligation - end of year | <u>\$ 11,990</u> |

| Year Ended | Annual OPEB Cost | Actual Employer Contribution | Percentage Contributed | Net Ending OPEB |
|---------------|---------------------|------------------------------------|---------------------------|--------------------|
| June 30, 2017 | <u>\$ 2,643</u> | <u>\$ 928</u> | <u>35.11%</u> | <u>\$ 11,990</u> |
| June 30, 2016 | <u>\$ 2,695</u> | <u>\$ 980</u> | <u>36.36%</u> | <u>\$ 10,275</u> |
| June 30, 2015 | <u>\$ 3,758</u> | <u>\$ 2,043</u> | <u>54.36%</u> | <u>\$ 8,577</u> |

Funding Status and Funding Progress

The funded status of the plan based on an actuarial update as of July 1, 2016 was as follows:

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND JUNE 30, 2018

NOTE 5 OTHER POST EMPLOYMENT BENEFIT PLAN UNDER GASB 45 (Continued)

| | |
|--|-------------------|
| Actuarial Accrued Liability (AAL) | \$ 16,036 |
| Actuarial Value of Plan Assets | <u>-</u> |
| Unfunded Actuarial Accrued Liability (UAAL) | <u>\$ 16,036</u> |
| Funded Ratio (actuarial value of plan assets/UAAL) | 0% |
| Covered Payroll (active plan members) | <u>\$ 184,986</u> |
| UAAL as Percentage of Covered Payroll | 8.67% |

Actuarial Valuation

The plan was valued by an actuary as of July 1, 2016. Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the Commissions' actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

In the July 1, 2016 actuarial valuation, the entry age, level percent of pay method was used. The unfunded actuarial accrued liability is being amortized over 30 years. As of July 1, 2016, there were 30 years left on the amortization. The actuarial assumption utilized a 4.0 percent discount rate. The valuation assumes an increase in salaries of 3.0 percent per year.

The projected premium rates that were to be effective are based on analysis of the recent County experience combined with healthcare industry general knowledge of the actuary. The expected rate of increase in health insurance premiums initially used a selected rate of 6.0 percent, with a reduction to the ultimate rate of 5.0 percent in the subsequent year.

Funding Policy

The Commission currently pays for postemployment health care benefits on a pay-as-you-go basis. The Commission does not intend to adopt a policy to pre-fund the implicit subsidy to retirees.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND JUNE 30, 2018

NOTE 6 OTHER POST EMPLOYMENT BENEFIT PLAN UNDER GASB 75

For the fiscal year ended June 30, 2018, the Commission properly adopted and reported its obligation for other post-employment benefits pursuant to GASB Statement No. 75. The following represents the required OPEB disclosure information as set forth in GASB Statement No. 75.

General Information about the OPEB Plan

Plan Description. The Commission, through its employment arrangement with Stanislaus County, is a participant in the Stanislaus County Employees Retirement Association (StanCERA), a cost-sharing multi-employer defined benefit public

employee retirement system. StanCERA provides retirement benefits only. However, the Commission is able to offer retirees medical insurance plans that mirror those that are offered to active County employees. Retirees pay 100% of the premium cost of the health insurance plan plus a 2% administration fee. While the County does not directly contribute towards the cost of premiums, the ability for retirees to obtain coverage at an active employee rate constitutes a significant economic benefit to the retirees, called an "implicit subsidy" under GASB Statement No. 75. The inclusion of the retirees increases the County's overall health insurance rates.

Benefits Provided. County employees who attain age 50 and complete 5 years of service with the County, and have 10 years of StanCERA membership, are eligible to retire and participate in the County's medical insurance program that is provided to the County's active employees. The County owns and administers the program but allows StanCERA retirees access. Tier 3 employees may retire after the later of age 55 or 10 years of service. Surviving spouses of eligible retirees may continue coverage after the retiree's death. Eligibility for coverage under the County's health plans ends when the retiree or surviving spouse reaches age 65. The current health plans offered by Stanislaus County are Anthem Blue Cross and Stanislaus County Partners in Health. Each plan offers an Exclusive Provider Organization (EPO) and a High Deductible Health Plan (HDHP) option.

Contributions. The Commission does not make direct contributions to the plan. All contributions are a result of the implicit subsidy.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the Commission reported a liability of \$28,134 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2016. The Commission's proportion of the net OPEB liability was based on the Commission's actual contributions to the retirement plan relative to the actual retirement contributions of all participating agencies. At June 30, 2018, the Commission's portion was

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND JUNE 30, 2018

NOTE 6 OTHER POST EMPLOYMENT BENEFIT PLAN UNDER GASB 75 (Continued)

0.08549%.

For the year ended June 30, 2018, the Commission recognized OPEB expense of \$460. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Changes in assumptions or other inputs | \$ - | \$ 996 |
| Total | <u>\$ -</u> | <u>\$ 996</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year ended June 30,</u> | |
|----------------------------|----------|
| 2019 | \$ (146) |
| 2020 | \$ (146) |
| 2021 | \$ (146) |
| 2022 | \$ (146) |
| 2023 | \$ (146) |
| Thereafter | \$ (266) |

Actuarial Assumptions. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|----------------------------|--|
| Salary Increases | 3.00% |
| Healthcare Cost Trend Rate | 6.00% for 2016; 5.00% for 2017 and later years |

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the July 1, 2016 valuation were based on a review of plan experience during the period July 1, 2014 to June 30, 2016.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND JUNE 30, 2018

NOTE 6 OTHER POST EMPLOYMENT BENEFIT PLAN UNDER GASB 75 (Continued)

Discount Rate. The actuarially determined discount rate to measure the total OPEB liability was based on the requirements that the discount rate reflect a blended rate comprised of a) the long-term expected rate of return on OPEB plan investments and b) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. It was computed as follows:

| Reporting Date | Measurement Date | Long-Term Expected Return on Plan Investments | Municipal Bond 20-Year High Grade Rate Index | Discount Rate |
|----------------|------------------|---|--|---------------|
| June 30, 2018 | June 30, 2018 | 4.00% | 3.62% | 3.62% |

Sensitivity of the Commission's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Commission's proportionate share of the net OPEB liability calculated using the discount rate of 3.62%, as well as what the Commission's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62%) or 1-percentage-point higher (4.62%) than the current rate:

| | 1% Decrease (2.62%) | Discount Rate (3.62%) | 1% Increase (4.62%) |
|--|------------------------|--------------------------|------------------------|
| Commission's proportionate share of the net OPEB liability | \$ 30,513 | \$ 28,134 | \$ 25,945 |

Sensitivity of the Commission's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the Commission's proportionate share of the net OPEB liability calculated using the healthcare cost trend rate of 6.00% decreasing to 5.00%, as well as what the Commission's proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (5.00% decreasing to 4.00%) or 1-percentage-point higher (7.00% decreasing to 6.00%) than the current rate:

| | 1% Decrease (5.00% decreasing to 4.00%) | Trend Rate (6.00% decreasing to 5.00%) | 1% Increase (7.00% decreasing to 6.00%) |
|--|--|---|--|
| Commission's proportionate share of the net OPEB liability | \$ 24,817 | \$ 28,134 | \$ 32,020 |

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Stanislaus County comprehensive annual financial report.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND JUNE 30, 2018

NOTE 7 RETIREMENT PLAN

General Information about the Pension Plan

Plan Description. Employees of the Commission are provided with pensions through the Stanislaus County Employees' Retirement Association (StanCERA), a retirement system organized under the 1937 Retirement Act. StanCERA is a cost-sharing multiple-employer public employee retirement system. StanCERA issues a separate, publicly available comprehensive annual financial report that includes financial statements and required supplementary information. Copies of StanCERA's annual financial report may be obtained from the Stanislaus County Employees' Retirement Association, 1100 H Street, Modesto, CA 95354 or at www.stancera.org.

Benefits Provided. StanCERA provides retirement, disability, death, beneficiary, cost-of-living, and ad-hoc retirement benefits. Retirement benefit is determined as a percentage of monthly final average salary per year of service, depending on age at retirement and tier classification. Each classification tier has different retirement eligibility terms. Employees are eligible for service-related disability benefits regardless of length of service with benefits up to 50% of final average salary. Five years of service are required for non-service related disability, regardless of age, with benefits up to 1/3 of final average salary. Depending on the circumstances of death and the classification tier, beneficiary benefits are provided to the surviving spouse from 50% up to 100% of the member's retirement allowance. The current maximum increase in retirement allowance for the cost-of-living benefit is 3% per year based on the change in the Bureau of Labor Statistics Consumer Price Index. Ad-hoc benefits are non-vested benefits which are determined by the Board of Retirement subject to funding availability.

Contributions. Employer and member contribution rates in effect each year are based on recommendations made by an independent actuary and adopted by the Board of Retirement. Employees are required to contribute from 3.26% to 18.31% of their annual pay depending on the classification tier selected. The Commission's contractually required contribution rate for the years ended June 30, 2016 and June 30, 2017 were 23.35% and 24.99% of annual payroll, respectively, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded liability. Contributions to the pension plan from the Commission were \$43,874 and \$47,475 for the years ended June 30, 2016 and June 30, 2017, respectively.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND JUNE 30, 2018

NOTE 7 RETIREMENT PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions

At June 30, 2017 and June 30, 2018, the Commission reported a liability of \$554,866 and \$503,091, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Commission's proportion of the net pension liability was based on the Commission's actual contributions to the retirement plan relative to the actual retirement contributions of all participating agencies. At June 30, 2017 and June 30, 2018, the District's portion was 0.07526% and 0.07562%, respectively.

For the years ended June 30, 2017 and June 30, 2018, the Commission recognized pension expense of \$62,968 and \$55,681, respectively.

At June 30, 2017, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 970 | \$ 3,869 |
| Changes in assumptions | 162,405 | - |
| Net difference between projected and actual earnings on pension plan investments | 82,388 | - |
| Changes in proportion and differences between Commission contributions and proportionate share of contributions | 423 | 1,054 |
| Commission contributions subsequent to the measurement date | 47,757 | 188 |
| Differences due to change in allocation percentage | <u>94,551</u> | <u>-</u> |
| Total | <u>\$ 388,494</u> | <u>\$ 5,111</u> |

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND JUNE 30, 2018

NOTE 7 RETIREMENT PLAN (Continued)

The Commission's contributions of \$47,757 made subsequent to the measurement date are reported as deferred outflows of resources for fiscal year ended June 30, 2017 and will be recognized as a reduction of the net pension liability in the following fiscal year.

At June 30, 2017, amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions were to be recognized in pension expense as follows:

| <u>Year ended June 30,</u> | |
|----------------------------|-----------|
| 2017 | \$ 71,913 |
| 2018 | \$ 71,913 |
| 2019 | \$ 98,279 |
| 2020 | \$ 93,521 |

At June 30, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 18,074 | \$ 2,915 |
| Changes in assumptions | 122,392 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 4,252 |
| Changes in proportion and differences between Commission contributions and proportionate share of contributions | 1,591 | 790 |
| Commission contributions subsequent to the measurement date | 58,635 | 263 |
| Differences due to change in allocation percentage | <u>142,044</u> | <u>-</u> |
| Total | <u>\$ 342,737</u> | <u>\$ 8,221</u> |

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND JUNE 30, 2018

NOTE 7 RETIREMENT PLAN (Continued)

The Commission's contributions of \$58,635 made subsequent to the measurement date are reported as deferred outflows of resources for fiscal year ended June 30, 2018 and will be recognized as a reduction of the net pension liability in the following fiscal year.

At June 30, 2018, amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions were to be recognized in pension expense as follows:

| <u>Year ended June 30,</u> | | |
|----------------------------|----|--------|
| 2018 | \$ | 72,810 |
| 2019 | \$ | 96,289 |
| 2020 | \$ | 85,543 |
| 2021 | \$ | 21,239 |

Actuarial assumptions – June 30, 2017 net pension liability. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|----------------------------|---|
| Inflation | 3.00% per year |
| Salary Increases | 3.25% per year plus merit component based on employee classification and years of service |
| Investment Rate of Return | 7.25% per year, net of investment expenses |
| Cost-of-Living Adjustments | 100% of CPI up to 3.0% annually with banking, 2.7% annual increase assumed |

Mortality rates were based on the sex distinct Retired Pensioners (RP) 2000 Combined Mortality tables published by the Society of Actuaries projected from 2000 to 2020 using Scale AA.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 through June 30, 2015. Measurements as of the reporting date are based on the fair value of assets as of June 30, 2017, and the Total Pension Liability as of the valuation date, June 30, 2016, using update procedures to roll forward to StanCERA's fiscal year end of June 30, 2017. There were no significant events between the valuation date and the measurement date, so the roll forward procedures only included the addition of service cost offset by actual benefit payments.

The long-term expected rate of return on pension plan investments was determined using a building-block approach. An inflation forecast is the baseline and various real return premiums (e.g. bonds, equities, etc.) are added to create nominal return expectations for each asset class. These expectations are combined to produce the

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND JUNE 30, 2018

NOTE 7 RETIREMENT PLAN (Continued)

long-term expected rate of return by weighting the expected nominal rates of return by the target asset allocation percentages and including an expected return from rebalancing uncorrelated asset classes. The target allocation and best estimate of geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------------|-------------------|--|
| Domestic Equities | 15.00% | |
| US Large Cap | | 5.90% |
| US Small Cap | | 5.20 |
| International Equities | 20.00 | |
| Int'l Development | | 9.20 |
| Emerging Market Equity | | 11.30 |
| US Fixed Income | 21.00 | |
| Core Fixed Income | | 3.20 |
| U.S. Treasury | | 2.30 |
| Short-Term Gov/Credit | | 2.50 |
| Real Estate Securities | 10.00 | |
| Core | | 4.70 |
| Value-Add | | 6.70 |
| Private Credit | 14.00 | 9.10 |
| Private Equity | 5.00 | 8.20 |
| Private Real Estate | 0.00 | 0.00 |
| Infrastructure | 0.00 | 4.70 |
| Risk Parity | 14.00 | 7.00 |
| Cash | 1.00 | 2.00 |
| Total | <u>100.00%</u> | |

Actuarial assumptions – June 30, 2018 net pension liability. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|----------------------------|---|
| Inflation | 3.00% per year |
| Salary Increases | 3.25% per year plus merit component based on employee classification and years of service |
| Investment Rate of Return | 7.25% per year, net of investment expenses |
| Cost-of-Living Adjustments | 100% of CPI up to 3.0% annually with banking, 2.7% annual increase assumed |

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND JUNE 30, 2018

NOTE 7 RETIREMENT PLAN (Continued)

Mortality rates were based on the sex distinct Retired Pensioners (RP) 2000 Combined Mortality tables published by the Society of Actuaries projected from 2000 to 2020 using Scale AA.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 through June 30, 2015. Measurements as of the reporting date are based on the fair value of assets as of June 30, 2018, and the Total Pension Liability as of the valuation date, June 30, 2017, using update procedures to roll forward to StanCERA's fiscal year end of June 30, 2018. There were no significant events between the valuation date and the measurement date, so the roll forward procedures only included the addition of service cost offset by actual benefit payments.

The long-term expected rate of return on pension plan investments was determined using a building-block approach. An inflation forecast is the baseline and various real return premiums (e.g. bonds, equities, etc.) are added to create nominal return expectations for each asset class. These expectations are combined to produce the long-term expected rate of return by weighting the expected nominal rates of return by the target asset allocation percentages and including an expected return from rebalancing uncorrelated asset classes. The target allocation and best estimate of geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------------|-------------------|--|
| Domestic Equities | 24.00% | |
| US Large Cap | | 4.70% |
| US Small Cap | | 4.80 |
| International Equities | 24.00 | |
| Int'l Development | | 9.70 |
| Emerging Market Equity | | 8.60 |
| US Fixed Income | 22.00 | |
| Core Fixed Income | | 3.30 |
| U.S. Treasury | | 2.40 |
| Short-Term Gov/Credit | | 2.60 |
| Real Estate Securities | 7.70 | |
| Core | | 4.60 |
| Value-Add | | 6.60 |
| Private Credit | 5.00 | 6.50 |
| Private Equity | 0.00 | 7.80 |
| Private Real Estate | 1.70 | 0.00 |
| Infrastructure | 0.60 | 4.60 |
| Risk Parity | 14.00 | 7.20 |
| Cash | 1.00 | 2.20 |
| Total | <u>100.00%</u> | |

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND JUNE 30, 2018

NOTE 7 RETIREMENT PLAN (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.25% and 7.25% as of June 30, 2017 and June 30, 2018, respectively. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Commission's proportionate share of the net pension liability to changes in the discount rate. The following presents the Commission's proportionate share of the net pension liability calculated using the applicable discount rate for each fiscal year, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| June 30, 2017 | 1% Decrease (6.25%) | Discount Rate (7.25%) | 1% Increase (8.25%) |
|--|------------------------|--------------------------|------------------------|
| District's proportionate share of the net pension liability | \$ 825,370 | \$ 554,866 | \$ 334,644 |
| June 30, 2018 | 1% Decrease (6.25%) | Discount Rate (7.25%) | 1% Increase (8.25%) |
| District's proportionate share of the net pension liability | \$ 789,551 | \$ 503,091 | \$ 269,793 |

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued StanCERA financial report.

NOTE 8 RISK MANAGEMENT

The Commission is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission participates in Stanislaus County's risk pool. Information about coverage can be found in the County's basic financial statements. In addition, the Commission also participates in the property and liability program offered by the Special District Risk Management Authority (SDRMA). Contact information for the SDRMA is: 1112 I Street, Suite 300, Sacramento, CA, 95814.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND JUNE 30, 2018

NOTE 9 GOVERNING BOARD

As of June 30, 2018, the Commissioners of Stanislaus LAFCO were as follows:

| <u>Name</u> | <u>Position</u> |
|--------------------|-------------------------|
| Amy Bublak | City Member |
| Michael Van Winkle | City Member |
| Jim DeMartini | County Member |
| Terry Withrow | County Member (Chair) |
| William Berryhill | Public Member |
| Richard O'Brien | Alternate City Member |
| Vito Chiesa | Alternate County Member |
| Brad Hawn | Alternate Public Member |

NOTE 10 PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$54,992 is presented in the June 30, 2017 Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds. This adjustment is the result of the prior year accrued compensated absences not being adjusted as a reconciling difference between the government-wide and fund balance financials.

In fiscal year ended June 30, 2018, the Commission adopted GASB Statement No. 75 which changed the reporting of the net OPEB liability and related deferred outflows and deferred inflows related to OPEB. The result of this implementation is a prior period adjustment of \$(16,680).

NOTE 11 SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 1, 2019, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED JUNE 30, 2017

| | Budgeted Amounts | | | Variance with Final Budget Over (Under) |
|---|------------------|------------|------------|--|
| | Preliminary | Final | Actual | |
| REVENUE | | | | |
| Charges for Services | | | | |
| Intergovernmental Revenue | \$ 331,142 | \$ 330,936 | \$ 330,936 | \$ - |
| Application Fees | 6,000 | 6,000 | 30,551 | 24,551 |
| Total Charges for Services | 337,142 | 336,936 | 361,487 | 24,551 |
| Interest | - | - | 4,675 | 4,675 |
| Other Income | - | - | 1,026 | 1,026 |
| | | | | |
| Total Revenue | 337,142 | 336,936 | 367,188 | 30,252 |
| EXPENDITURES | | | | |
| Current Program - General Government | | | | |
| Salaries and Benefits | 332,382 | 332,382 | 321,353 | (11,029) |
| Services and Supplies, and Other Charges | 76,440 | 80,123 | 62,257 | (17,866) |
| | | | | |
| Total Expenditures | 408,822 | 412,505 | 383,610 | (28,895) |
| Excess of Revenue (Deficiency) Over (Under) | | | | |
| Expenditures | (71,680) | (75,569) | (16,422) | 59,147 |
| Beginning Fund Balance, July 1, 2016 | | | | |
| Prior Period Adjustment | | | 226,013 | |
| | | | 54,992 | |
| Adjusted Beginning Fund Balance, July 1, 2016 | | | | |
| | | | 281,005 | |
| Ending Fund Balance, June 30, 2017 | | | | |
| | | | \$ 264,583 | |

See accompanying notes and independent accountant's report.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED JUNE 30, 2018

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Over (Under)</u> |
|---|-------------------------|--------------|-------------------|--|
| | <u>Preliminary</u> | <u>Final</u> | | |
| REVENUE | | | | |
| Charges for Services | | | | |
| Intergovernmental Revenue | \$ 374,375 | \$ 394,375 | \$ 394,375 | \$ - |
| Application Fees | 9,000 | 9,000 | 32,555 | 23,555 |
| Total Charges for Services | 383,375 | 403,375 | 426,930 | 23,555 |
| Interest | - | - | 5,453 | 5,453 |
| Other Income | - | - | 1,012 | 1,012 |
| Total Revenue | 383,375 | 403,375 | 433,395 | 30,020 |
| EXPENDITURES | | | | |
| Current Program - General Government | | | | |
| Salaries and Benefits | 376,530 | 376,530 | 360,103 | (16,427) |
| Services and Supplies, and Other Charges | 76,845 | 76,845 | 56,774 | (20,071) |
| Total Expenditures | 453,375 | 453,375 | 416,877 | (36,498) |
| Excess of Revenue (Deficiency) Over (Under) | | | | |
| Expenditures | (70,000) | (50,000) | 16,518 | 66,518 |
| Beginning Fund Balance, July 1, 2017 | | | 264,583 | |
| Ending Fund Balance, June 30, 2018 | | | <u>\$ 281,101</u> | |

See accompanying notes and independent accountant's report.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

Stanislaus County Employees' Retirement Association

Last 5 Fiscal Years Ending June 30

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|-------------|-------------|-------------|-------------|-------------|
| Commission's proportion of the net pension liability (asset) | 0.07562% | 0.07526% | 0.05718% | 0.08044% | 0.08019% |
| Commission's proportionate share of the net pension liability (asset) | \$ 503,091 | \$ 554,866 | \$ 168,764 | \$ 187,477 | \$ 305,314 |
| Commission's covered-employee payroll | \$ 193,906 | \$ 184,986 | \$ 135,172 | \$ 178,101 | \$ 174,122 |
| Commission's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 259.45% | 299.95% | 124.85% | 105.26% | 175.34% |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 75.0% | 70.6% | 86.1% | 88.5% | 80.2% |

See accompanying notes and independent accountant's report.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
SCHEDULE OF COMMISSION PENSION CONTRIBUTIONS

Stanislaus County Employees' Retirement Association

Last 5 Fiscal Years Ending June 30

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|---------------|---------------|---------------|---------------|-------------|
| Contractually required contribution | \$ 47,475 | \$ 43,874 | \$ 30,624 | \$ 37,616 | N/A |
| Contributions in relation to the contractually required contribution | <u>47,475</u> | <u>43,874</u> | <u>30,624</u> | <u>37,616</u> | <u>N/A</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>N/A</u> |
| District's covered-employee payroll | \$ 193,906 | \$ 184,986 | \$ 135,172 | \$ 178,101 | \$ 174,122 |
| Contributions as a percentage of covered-employee payroll | 24.5% | 23.7% | 22.7% | 21.1% | N/A |

See accompanying notes and independent accountant's report.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY

Stanislaus County Post-Employment Medical Benefits Plan

Last Fiscal Year Ending June 30

| | <u>2018</u> |
|--|-------------|
| Commission's proportion of the net OPEB liability (asset) | 0.08549% |
| Commission's proportionate share of the net OPEB liability (asset) | \$ 28,134 |
| Commission's covered-employee payroll | \$ 205,386 |
| Commission's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll | 13.70% |
| Plan fiduciary net position as a percentage of the total OPEB liability (asset) | 0.0% |

See accompanying notes and independent accountant's report.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
SCHEDULE OF COMMISSION OPEB CONTRIBUTIONS

Stanislaus County Post-Employment Medical Benefits Plan

Last Fiscal Year Ending June 30

| | <u>2018</u> |
|--|--------------|
| Contractually required contribution | \$ 1,439 |
| Contributions in relation to the contractually required contribution | <u>1,439</u> |
| Contribution deficiency (excess) | <u>\$ -</u> |
| District's covered-employee payroll | \$ 205,386 |
| Contributions as a percentage of covered-employee payroll | 0.7% |

See accompanying notes and independent accountant's report.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2017 AND JUNE 30, 2018

Changes of Benefit Terms

There were no changes of benefit terms for fiscal years ended June 30, 2016 and June 30, 2017.

Changes of Assumptions

There were no changes in assumptions approved by the Board of Retirement for fiscal years ended June 30, 2016 and June 30, 2017.

OTHER REPORT



CASEY G. JOHNSON, CPA, CVA, MBA
MICHELLE N. MATOS, CPA, MBA

JOHNSON & ASSOCIATES CPAs, INC.

631 15th Street Modesto, CA 95354

Phone (209) 236-1040 • Fax (209) 236-1068

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

To the Commissioners
Modesto, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Stanislaus Local Agency Formation Commission (LAFCO), as of and for the years ended June 30, 2017 and June 30, 2018, and the related notes to the financial statements, which collectively comprise LAFCO's basic financial statements and have issued our report thereon dated March 1, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered LAFCO's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of LAFCO's internal control. Accordingly, we do not express an opinion on the effectiveness of LAFCO's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and recommendations, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any material weaknesses as a result of our audit procedures.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify and significant deficiencies as a result of our audit procedures.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether LAFCO's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

LAFCO's Response to Findings

LAFCO's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. LAFCO's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Johnson & Associates CPAs, Inc.

Johnson & Associates CPAs, Inc.

March 1, 2019
Modesto, California

**EXECUTIVE OFFICER'S AGENDA REPORT
MARCH 27, 2019**

TO: LAFCO Commissioners

FROM: Sara Lytle-Pinhey, Executive Officer *SLP*

SUBJECT: PROPOSED AMENDMENT TO COMMISSION POLICY 22 – AGRICULTURAL PRESERVATION POLICY

RECOMMENDATION

Staff recommends that the Commission approve and adopt an amendment to Policy 22 – Agricultural Preservation Policy related to collection of in-lieu fees, when used as an agricultural preservation strategy.

BACKGROUND

Staff received a letter from the Keith J. Schneider of the Keystone Corporation requesting a technical amendment to LAFCO's Agricultural Preservation Policy (attached as Exhibit A). Staff shared Mr. Schneider's request with the Commission and received direction to bring back a proposed amendment for their consideration.

DISCUSSION

The Commission's current Policy states that in-lieu fees are to be collected "before the issuance of a grading permit, building permit, or final map approval, whichever comes first" (emphasis added). The proposed amendment removes the "whichever comes first" constraint and adds a plural option to recognize that in-lieu fees could potentially be spread over multiple building permits. A copy of the proposed policy amendment is attached in full as Exhibit B.

The "whichever comes first" phrase was originally included in the Commission's Policy following example language from Santa Clara LAFCO and the City of Hughson. A breakdown of how other entities with agricultural preservation policies treat the timing of collection of fees is attached as Exhibit C. Of note, Yolo LAFCO, Stanislaus County, and San Joaquin County also tie mitigation collection to various development-related permits, but they do not include the more restrictive, "whichever comes first" phrase.

Staff believes the more restrictive language was likely included in these policies to ensure that the in-lieu fees were paid as near-to the impact or development as possible. However, in practice, it is not uncommon for mitigation fees to be divided and collected upon the issuance of individual permits. Removal of this restriction from LAFCO's policy will allow cities additional flexibility regarding when and how in-lieu fees are collected, should they be used as the selected agricultural preservation strategy.

Comments from Interested Agencies

Staff conducted preliminary outreach with the planning directors from the nine cities, the County, as well as representatives from the California Farmland Trust. A request for comments was also sent out to interested parties and agencies on February 6th.

E-mail correspondence was received from Denny Jackman, a Board Director for the California Farmland Trust, who suggested that LAFCO Staff request updates from cities that are in the

process of collecting in-lieu fees. Mr. Jackman also provided a spreadsheet that cities could use to track the information. Individual cities are responsible for tracking and ensuring collection of in-lieu fees. However, follow-up reports, while not required, would be of interest to the Commission.

The Stanislaus County Environmental Review Committee submitted a letter indicating it had no comment on the proposed amendment. No other written comments have been received as of the drafting of this report.

Environmental Analysis

Staff has determined that there is no possibility that the proposed amendment to the Agricultural Preservation Policy will have a significant effect on the environment. It is therefore found to be exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the State Guidelines. The proposed amendment is minor in nature and serves to clarify that in-lieu fees may be collected at the time of building permit issuance. The proposed amendment is consistent with the Cortese-Knox-Hertzberg Act (Government Code Section 56000 et. seq.), which requires LAFCOs to consider the effects that a proposal may have on agricultural lands (Government Code Sections 56425 and 56668(e)). Further, annexation and sphere of influence proposals brought forth to LAFCO are subject to their own stand-alone CEQA review, which evaluates proposals on a site-by-site and case-by-case basis. A Notice of Exemption is the appropriate environmental document and has been drafted for filing should the Commission approve the proposal (Exhibit D).

CONCLUSION

Staff recommends that the Commission, following the public hearing and consideration of all relevant information presented, approve the proposed update and adopt Resolution 2019-05 (attached as Exhibit E), which:

1. Finds that the proposed Policy and Procedures amendment is consistent with State Law as well as the overall goals of LAFCO;
2. Finds that the proposed Policy and Procedures amendment is exempt for the purposes of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3); and,
3. Adopts the proposed Policy and Procedures amendment to be effective immediately.

Attachments:

- Exhibit A: Letter from Keith J. Schneider, Keystone Corporation
- Exhibit B: Proposed Amendment to Policy 22 – Agricultural Preservation Policy
- Exhibit C: Comparison Chart - Timing of In-Lieu Fees
- Exhibit D: Draft Notice of Exemption
- Exhibit E: Draft LAFCO Resolution 2019-05

EXHIBIT A

**Letter from Keith J. Schneider,
Keystone Corporation**

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KEITH SCHNEIDER

EXECUTIVE VICE PRESIDENT

1700 KEYSTONE PACIFIC PARKWAY, C-3
PATTERSON, CA 95363

TELEPHONE: 209-480-2513

FAX: 209-895-9305

November 14, 2018

Ms. Sara Lytle-Pinhey
Stanislaus LAFCO
1010 10th Street, 3rd Floor
Modesto, CA 95354

Dear Ms. Lytle-Pinhey:

I'm writing to respectfully request that Stanislaus LAFCO make a slight change in its Agricultural Preservation Policy. The current policy under Paragraph B. Commission Evaluation of a Plan for Agricultural Preservation, number 2b. reads as follows:

2b. An adopted ordinance or resolution has been submitted by the Agency confirming that mitigation has occurred or requires the applicant to have the mitigation measure in place before the issuance of a grading permit, building permit, or final map approval for the site, whichever comes first.

The existing policy wording is problematic in the sense a final map or grading permit precedes a building permit and therefore requires the applicant to fund 100% of the mitigation payment for the complete development project upfront. This financial burden isn't a financeable expense and becomes a serious impediment to the applicant or a subsequent builder to proceed with a project.

We respectfully request the wording be revised to allow the mitigation payments to be for each lot or parcel for which a building permit is issued. This approach will allow the mitigation payments to become an ordinary expense of a project rather than an extraordinary and burdensome early expense which hinders economic development.

Please let me know if you have any questions or need further clarification of my request. We would be happy to provide sample policy language if that would be of assistance.

Thanks.

Sincerely,

Keith J. Schneider
Keystone Corporation

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EXHIBIT B

Proposed Amendment to Policy 22 – Agricultural Preservation Policy

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Stanislaus LAFCO

POLICY 22 - AGRICULTURAL PRESERVATION POLICY

Agriculture is a vital and essential part of the Stanislaus County economy and environment. Accordingly, boundary changes for urban development should only be proposed, evaluated, and approved in a manner which, to the fullest extent feasible, is consistent with the continuing growth and vitality of agriculture within the County.

LAFCO's mission is to discourage urban sprawl, preserve open space and prime agricultural lands, promote the efficient provision of government services and encourage the orderly formation of local agencies. Additionally, Government Code Section 56668(e) requires LAFCO to consider "the effect of the proposal on maintaining the physical and economic integrity of agricultural lands."

Consistent with the legislative intent of LAFCO, the goals of this policy are as follows:

- Guide development away from agricultural lands where possible and encourage efficient development of existing vacant lands and infill properties within an agency's boundaries prior to conversion of additional agricultural lands.
- Fully consider the impacts a proposal will have on existing agricultural lands.
- Minimize the conversion of agricultural land to other uses.
- Promote preservation of agricultural lands for continued agricultural uses while balancing the need for planned, orderly development and the efficient provision of services.

The Commission encourages local agencies to identify the loss of agricultural land as early in their processes as possible, and to work with applicants to initiate and execute plans to minimize that loss, as soon as feasible. Agencies may also adopt their own agricultural preservation policies, consistent with this Policy, in order to better meet their own local circumstances and processes.

The Commission shall consider this Agricultural Preservation Policy, in addition to its existing goals and policies, as an evaluation standard for review of those proposals that could reasonably be expected to induce, facilitate, or lead to the conversion of agricultural land.

A. Plan for Agricultural Preservation Requirement

Upon application for a sphere of influence expansion or annexation to a city or special district ("agency") providing one or more urban services (i.e. potable water, sewer services) that includes agricultural lands, a Plan for Agricultural Preservation must be provided with the application to LAFCO. The purpose of a Plan for Agricultural Preservation is to assist the Commission in determining how a proposal meets the stated goals of this Policy.

The Plan for Agricultural Preservation shall include: a detailed analysis of direct and indirect impacts to agricultural resources on the site and surrounding area, including a detailed description of the agricultural resources affected and information regarding Williamson Act Lands; a vacant land inventory and absorption study evaluating lands

within the existing boundaries of the jurisdiction that could be developed for the same or similar uses; existing and proposed densities (persons per acre); relevant County and City General Plan policies and specific plans; consistency with regional planning efforts (e.g. the San Joaquin Valley Blueprint and the Sustainable Communities Strategy); and an analysis of mitigation measures that could offset impacts to agricultural resources. The Plan for Agricultural Preservation should be consistent with documentation prepared by the Lead Agency in accordance with the California Environmental Quality Act (CEQA).

The Plan for Agricultural Preservation shall specify the method or strategy proposed to minimize the loss of agricultural lands. The Commission encourages the use of one or more of the following strategies:

1. Removal of agricultural lands from the existing sphere of influence in order to offset, in whole or in part, a proposed sphere of influence expansion or redirection.
2. An adopted policy or condition requiring agricultural mitigation at a ratio of at least 1:1. This can be achieved by acquisition and dedication of agricultural land, development rights and/or conservation easements to permanently protect agricultural land, or payment of in-lieu fees to an established, qualified, mitigation program to fully fund the acquisition and maintenance of such agricultural land, development rights or easements, consistent with Section B-2 of this Policy.
 - a. In recognition of existing County policies applicable to agricultural land conversions in the unincorporated areas, as well as the goals of individual agencies to promote employment growth to meet the stated needs of their communities, an agency may select to utilize a minimum of 1:1 mitigation for conversions to residential uses.
 - b. Agricultural mitigation easements or offsets shall not be required for any annexations of land for commercial or industrial development.
3. A voter-approved urban growth boundary designed to limit the extent to which urban development can occur during a specified time period.

B. Commission Evaluation of a Plan for Agricultural Preservation

1. The Commission may consider approval of a proposal that contains agricultural land when it determines that there is sufficient evidence within the Plan for Agricultural Preservation that demonstrates all of the following:
 - a. Insufficient alternative land is available within the existing sphere of influence or boundaries of the agency and, where possible, growth has been directed away from prime agricultural lands towards soils of lesser quality.
 - b. For sphere of influence proposals, that the additional territory will not exceed the twenty year period for probable growth and development (or ten years within a proposed primary area of influence). For annexation proposals, that the development is imminent for all or a substantial portion of the proposal area.
 - c. The loss of agricultural lands has been minimized based on the selected agricultural preservation strategy. For the purposes of making the determination in this section, the term “minimize” shall mean to allocate no more

agricultural land to non-agricultural uses than what is reasonably needed to accommodate the amount and types of development anticipated to occur.

- d. The proposal will result in planned, orderly, and efficient use of land and services. This can be demonstrated through mechanisms such as:
 - i. Use of compact urban growth patterns and the efficient use of land that result in a reduced impact to agricultural lands measured by an increase over the current average density within the agency's boundaries (e.g. persons per acre) by the proposed average density of the proposal area.
 - ii. Use of adopted general plan policies, specific or master plans and project phasing that promote planned, orderly, and efficient development.
2. For those proposals utilizing agricultural mitigation lands or in-lieu fees, the Commission may approve a proposal only if it also determines all of the following:
 - a. The mitigation lands must be of equal or better soil quality, have a dependable and sustainable supply of irrigation water, and be located within Stanislaus County.
 - b. An adopted ordinance or resolution has been submitted by the agency confirming that mitigation has occurred, or requires the applicant to have the mitigation measure in place before the issuance of a grading permit, building permit(s), or final map approval for the site, whichever comes first.
 - c. The agricultural conservation entity is a city or a public or non-profit agency that: has the legal and technical ability to hold and administer agricultural preservation easements and in-lieu fees for the purposes of conserving and maintaining lands in agricultural production; and has adopted written standards, policies and practices (such as the Land Trust Alliance's "Standards and Practices") and is operating in compliance with those standards.
 - d. The agricultural mitigation land is not already effectively encumbered by a conservation easement of any nature.
 - e. Proposed in-lieu fees shall fully fund the costs associated with acquiring and managing an agricultural conservation easement, including the estimated transaction costs and the costs of administering, monitoring and enforcing the easement. Should the proposed in-lieu fees be less than 35% of the average per acre price for five (5) comparable land sales in Stanislaus County, plus a 5% endowment, the applicant shall provide evidence that the lesser amount will in fact achieve the stated agricultural mitigation goals.

C. Exceptions

The following applications are considered exempt from the requirement for a Plan for Agricultural Preservation and its implementation, unless determined otherwise by the Commission:

1. Proposals consisting solely of the inclusion of lands owned by a city or special district and currently used by that agency for public uses.

2. Proposals which have been shown to have no significant impact to agricultural lands, including, but not limited to:
 - a. Proposals consisting solely of lands which are substantially developed with urban uses.
 - b. Proposals brought forth for the purpose of providing irrigation water to agricultural lands.

DEFINITIONS

Agricultural Conservation Easement: An easement over agricultural land for the purpose of restricting its use to agriculture. The interest granted pursuant to an agricultural conservation easement is an interest in land which is less than fee simple. Agricultural conservation easements acquired shall be established in perpetuity (or shall be permanently protected from future development via enforceable deed restriction).

Agricultural Lands: Land currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under crop rotational program, or land enrolled in an agricultural subsidy or set-aside program (Government Code Section 56016). As used in this section, "agricultural lands" also includes those lands defined in Government Code Section 56064 as "prime agricultural land" and those lands identified as "prime farmland", "farmland of statewide importance", and "unique farmland" as part of the California Department of Conservation's Farmland Mapping and Monitoring Program.

Agricultural Mitigation Land: Agricultural land encumbered by an agricultural conservation easement or other conservation mechanism acceptable to LAFCO.

Primary Area of Influence: The area around a local agency within which territory is eligible for annexation and the extension of urban services within a ten year period.

Prime Agricultural Land: An area of land, whether a single parcel or contiguous parcels, that has not been developed for a use other than an agricultural use and that meets any of the following qualifications:

- (a) Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not the land is actually irrigated, provided that irrigation is feasible.
- (b) Land that qualifies for rating 80 through 100 Storie Index Rating.
- (c) Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Range and Pasture Handbook, Revision 1, December 2003.
- (d) Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars (\$400) per acre.

- (e) Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars (\$400) per acre for three of the previous five calendar years (Government Code Section 56064).

Sphere of Influence: A plan for the probable physical boundaries and service area of a local agency, as determined by the commission (Government Code Section 56076). The area around a local agency within which territory is eligible for annexation and the extension of urban services within a twenty year period.

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EXHIBIT C

Comparison Chart – Timing of In-Lieu Fees

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Policy Comparison: Timing of In-Lieu Fees

| | |
|--|--|
| Stanislaus LAFCO (current language) | “An adopted ordinance or resolution has been submitted by the agency confirming that mitigation has occurred, or requires the applicant to have the mitigation measure in place <u>before the issuance of a grading permit, building permit, or final map approval for the site, whichever comes first.</u> ” |
| Stanislaus County | “Final approval shall be obtained <u>prior to any of the following: 1) the issuance of any building, grading or encroachment permit(s) required for development, 2) recording of any parcel or final subdivision map, or 3) operation of the approved use.</u> ” |
| Santa Clara LAFCO | “LAFCO prefers that agricultural mitigation be in place <u>at the time of LAFCO approval or as soon as possible after LAFCO approval.</u> The mitigation (as detailed in the Plan for Mitigation) should be fulfilled <u>no later than at the time of city’s approval of the final map, or issuance of a grading permit or building permit, whichever occurs first.</u> ” |
| Yolo LAFCO | An adopted ordinance or resolution must be submitted “confirming that mitigation has occurred, or requiring the applicant to have the mitigation measure in place <u>before the issuance of a grading permit, a building permit or final map approval for the site.</u> ” |
| San Joaquin County | “Submission of the required legal instrument or payment of the in-lieu fee shall occur <u>at the time of Grading Permit or Building Permit issuance.</u> ...The in-lieu fee shall be updated annually based on an inflator that takes into account the inflation of property values...” |
| City of Hughson | “Final approval of any project subject to this program shall be contingent upon the execution of any necessary legal instrument and/or payment of fees as specified by this program. Final approval shall be obtained <u>prior to whichever of the following shall occur first: (1) the issuance of any building grading or encroachment permit(s) required for development; (2) recording of any parcel or final subdivision map; or (3) operation of the approved use.</u> ” |

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EXHIBIT D

Draft Notice of Exemption

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CEQA NOTICE OF EXEMPTION

TO: County Clerk-Recorder
Stanislaus County
1021 "I" Street
Modesto, CA 95354

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

**TITLE: STANISLAUS LOCAL AGENCY FORMATION COMMISSION AMENDMENT TO
POLICY 22 - AGRICULTURAL PRESERVATION POLICY**

DESCRIPTION: Stanislaus LAFCO will consider an amendment to its existing Agricultural Preservation Policy (Policy 22 of the Commission's Policies and Procedures) regarding the timing of in-lieu fee collection if being used as an agricultural preservation strategy. The current Policy states fees are to be collected "before the issuance of a grading permit, building permit, or final map approval, whichever comes first" (emphasis added). The amendment would remove the "whichever comes first" constraint and add a plural option to recognize the in-lieu fee may be spread over multiple building permits. The proposed amendment is being made in accordance with the Cortese-Knox-Hertzberg Act (Government Code Section 56000 et. seq.), which requires LAFCOs to consider the effects that a proposal may have on agricultural lands (Government Code Sections 56425 and 56668(e)).

LOCATION: Countywide

PUBLIC AGENCY APPROVING PROJECT: Stanislaus Local Agency Formation Commission

CONTACT PERSON: Sara Lytle-Pinhey, Executive Officer, (209) 525-7660

ENVIRONMENTAL DETERMINATION: In this case, it has been determined with certainty that there is no possibility that the policy amendment may have a significant effect on the environment and therefore it is found to be exempt from CEQA pursuant to Section 15061(b)(3) of the State Guidelines. The Local Agency Formation Commission will file this Notice of Exemption upon approval of the policy amendment.

REASONS FOR EXEMPTION: LAFCO approval of such policies is encouraged under Government Code 56000 et seq. The policy amendment does not involve, authorize, or permit the construction of any facilities associated with any property. The policy amendment is minor in nature and serves to clarify the timing of collection of an in-lieu fee when used as an agricultural preservation strategy. It also allows for collection of an in-lieu fee to be spread over multiple building permits. Approval of this policy amendment has no possibility of affecting the environment directly or indirectly as LAFCO is not proposing the approval of any application or engaging in any activity. The Cortese-Knox-Hertzberg Act calls for LAFCO to discourage urban sprawl, preserve open space and prime agricultural lands, promote the efficient provision of government services and encourage the orderly formation of local agencies. The Act also requires LAFCOs to establish written policies and procedures to exercise its powers consistent with its purpose. The policy amendment is consistent with the intent of the Act.

Signature: _____
Name & Title: Sara Lytle-Pinhey, Executive Officer

Date: _____

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EXHIBIT E

Draft LAFCO Resolution 2019-05

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**STANISLAUS LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: March 27, 2019

NO. 2019-05

SUBJECT: Adoption of Amendment to Policy 22 - Agricultural Preservation Policy

On the motion of Commissioner _____, seconded by Commissioner _____, and approved by the following:

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

THE FOLLOWING RESOLUTION WAS ADOPTED:

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et seq.) is replete with provisions that grant to a Local Agency Formation Commission (LAFCO) the authority to consider and provide for the preservation of agricultural lands;

WHEREAS, Section 56375(g) of the Government Code authorizes Stanislaus LAFCO to adopt procedures and standards for the evaluation of proposals, including the effect of a proposal on maintaining the physical and economic integrity of agricultural lands;

WHEREAS, Stanislaus LAFCO has adopted Policies and Procedures in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act and desires to adopt a policy to more specifically address preservation of agricultural lands;

WHEREAS, the Commission conducted a noticed public hearing on March 27, 2019 to consider an amendment to the Commission's Policy 22 - Agricultural Preservation Policy ("Policy");

WHEREAS, the Commission has considered the written staff report and testimony and evidence presented at the public hearing held on March 27, 2019 regarding the proposed Policy amendment;

WHEREAS, adoption of the Policy amendment is generally exempt from the California Environmental Quality Act (CEQA) pursuant to Guideline 15061(b)(3) as there is no substantial evidence that the proposed Policy will have a significant effect on the environment; and,

WHEREAS, annexation and sphere of influence amendment proposals brought forth to LAFCO are subject to their own stand-alone CEQA review, which evaluates proposals on a site-by-site and case-by-case basis.

NOW, THEREFORE, BE IT RESOLVED that this Commission:

1. Finds that the proposed Policy amendment is generally exempt from the California Environmental Quality Act (CEQA) pursuant to Guideline 15061(b)(3).
2. Directs the Executive Officer to file a Notice of Exemption with the Stanislaus County Clerk Records Office.
3. Finds that the proposed Policy amendment is consistent with the overall goals and policies of LAFCO.
4. Adopts the amendment to the Agricultural Preservation Policy, to be included in the Stanislaus LAFCO Policies and Procedures Manual, effective immediately.

ATTEST: _____
Sara Lytle-Pinhey
Executive Officer

Attachment 1: Proposed Amendment to Policy 22 - Agricultural Preservation Policy

Attachment 1:

Proposed amendments are shown as **bold and double-underlined** text.

Stanislaus LAFCO

POLICY 22 - AGRICULTURAL PRESERVATION POLICY

Agriculture is a vital and essential part of the Stanislaus County economy and environment. Accordingly, boundary changes for urban development should only be proposed, evaluated, and approved in a manner which, to the fullest extent feasible, is consistent with the continuing growth and vitality of agriculture within the County.

LAFCO's mission is to discourage urban sprawl, preserve open space and prime agricultural lands, promote the efficient provision of government services and encourage the orderly formation of local agencies. Additionally, Government Code Section 56668(e) requires LAFCO to consider "the effect of the proposal on maintaining the physical and economic integrity of agricultural lands."

Consistent with the legislative intent of LAFCO, the goals of this policy are as follows:

- Guide development away from agricultural lands where possible and encourage efficient development of existing vacant lands and infill properties within an agency's boundaries prior to conversion of additional agricultural lands.
- Fully consider the impacts a proposal will have on existing agricultural lands.
- Minimize the conversion of agricultural land to other uses.
- Promote preservation of agricultural lands for continued agricultural uses while balancing the need for planned, orderly development and the efficient provision of services.

The Commission encourages local agencies to identify the loss of agricultural land as early in their processes as possible, and to work with applicants to initiate and execute plans to minimize that loss, as soon as feasible. Agencies may also adopt their own agricultural preservation policies, consistent with this Policy, in order to better meet their own local circumstances and processes.

The Commission shall consider this Agricultural Preservation Policy, in addition to its existing goals and policies, as an evaluation standard for review of those proposals that could reasonably be expected to induce, facilitate, or lead to the conversion of agricultural land.

A. Plan for Agricultural Preservation Requirement

Upon application for a sphere of influence expansion or annexation to a city or special district ("agency") providing one or more urban services (i.e. potable water, sewer services) that includes agricultural lands, a Plan for Agricultural Preservation must be provided with the application to LAFCO. The purpose of a Plan for Agricultural Preservation is to assist the Commission in determining how a proposal meets the stated goals of this Policy.

The Plan for Agricultural Preservation shall include: a detailed analysis of direct and indirect impacts to agricultural resources on the site and surrounding area, including a detailed description of the agricultural resources affected and information regarding Williamson Act Lands; a vacant land inventory and absorption study evaluating lands within the existing

boundaries of the jurisdiction that could be developed for the same or similar uses; existing and proposed densities (persons per acre); relevant County and City General Plan policies and specific plans; consistency with regional planning efforts (e.g. the San Joaquin Valley Blueprint and the Sustainable Communities Strategy); and an analysis of mitigation measures that could offset impacts to agricultural resources. The Plan for Agricultural Preservation should be consistent with documentation prepared by the Lead Agency in accordance with the California Environmental Quality Act (CEQA).

The Plan for Agricultural Preservation shall specify the method or strategy proposed to minimize the loss of agricultural lands. The Commission encourages the use of one or more of the following strategies:

1. Removal of agricultural lands from the existing sphere of influence in order to offset, in whole or in part, a proposed sphere of influence expansion or redirection.
2. An adopted policy or condition requiring agricultural mitigation at a ratio of at least 1:1. This can be achieved by acquisition and dedication of agricultural land, development rights and/or conservation easements to permanently protect agricultural land, or payment of in-lieu fees to an established, qualified, mitigation program to fully fund the acquisition and maintenance of such agricultural land, development rights or easements, consistent with Section B-2 of this Policy.
 - a. In recognition of existing County policies applicable to agricultural land conversions in the unincorporated areas, as well as the goals of individual agencies to promote employment growth to meet the stated needs of their communities, an agency may select to utilize a minimum of 1:1 mitigation for conversions to residential uses.
 - b. Agricultural mitigation easements or offsets shall not be required for any annexations of land for commercial or industrial development.
3. A voter-approved urban growth boundary designed to limit the extent to which urban development can occur during a specified time period.

B. Commission Evaluation of a Plan for Agricultural Preservation

1. The Commission may consider approval of a proposal that contains agricultural land when it determines that there is sufficient evidence within the Plan for Agricultural Preservation that demonstrates all of the following:
 - a. Insufficient alternative land is available within the existing sphere of influence or boundaries of the agency and, where possible, growth has been directed away from prime agricultural lands towards soils of lesser quality.
 - b. For sphere of influence proposals, that the additional territory will not exceed the twenty year period for probable growth and development (or ten years within a proposed primary area of influence). For annexation proposals, that the development is imminent for all or a substantial portion of the proposal area.
 - c. The loss of agricultural lands has been minimized based on the selected agricultural preservation strategy. For the purposes of making the determination in this section,

the term “minimize” shall mean to allocate no more agricultural land to non-agricultural uses than what is reasonably needed to accommodate the amount and types of development anticipated to occur.

- d. The proposal will result in planned, orderly, and efficient use of land and services. This can be demonstrated through mechanisms such as:
 - i. Use of compact urban growth patterns and the efficient use of land that result in a reduced impact to agricultural lands measured by an increase over the current average density within the agency’s boundaries (e.g. persons per acre) by the proposed average density of the proposal area.
 - ii. Use of adopted general plan policies, specific or master plans and project phasing that promote planned, orderly, and efficient development.
2. For those proposals utilizing agricultural mitigation lands or in-lieu fees, the Commission may approve a proposal only if it also determines all of the following:
 - a. The mitigation lands must be of equal or better soil quality, have a dependable and sustainable supply of irrigation water, and be located within Stanislaus County.
 - b. An adopted ordinance or resolution has been submitted by the agency confirming that mitigation has occurred, or requires the applicant to have the mitigation measure in place before the issuance of a grading permit, building permit(s), or final map approval for the site, whichever comes first.
 - c. The agricultural conservation entity is a city or a public or non-profit agency that: has the legal and technical ability to hold and administer agricultural preservation easements and in-lieu fees for the purposes of conserving and maintaining lands in agricultural production; and has adopted written standards, policies and practices (such as the Land Trust Alliance’s “Standards and Practices”) and is operating in compliance with those standards.
 - d. The agricultural mitigation land is not already effectively encumbered by a conservation easement of any nature.
 - e. Proposed in-lieu fees shall fully fund the costs associated with acquiring and managing an agricultural conservation easement, including the estimated transaction costs and the costs of administering, monitoring and enforcing the easement. Should the proposed in-lieu fees be less than 35% of the average per acre price for five (5) comparable land sales in Stanislaus County, plus a 5% endowment, the applicant shall provide evidence that the lesser amount will in fact achieve the stated agricultural mitigation goals.

C. Exceptions

The following applications are considered exempt from the requirement for a Plan for Agricultural Preservation and its implementation, unless determined otherwise by the Commission:

1. Proposals consisting solely of the inclusion of lands owned by a city or special district and currently used by that agency for public uses.
2. Proposals which have been shown to have no significant impact to agricultural lands, including, but not limited to:
 - a. Proposals consisting solely of lands which are substantially developed with urban uses.
 - b. Proposals brought forth for the purpose of providing irrigation water to agricultural lands.

DEFINITIONS

Agricultural Conservation Easement: An easement over agricultural land for the purpose of restricting its use to agriculture. The interest granted pursuant to an agricultural conservation easement is an interest in land which is less than fee simple. Agricultural conservation easements acquired shall be established in perpetuity (or shall be permanently protected from future development via enforceable deed restriction).

Agricultural Lands: Land currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under crop rotational program, or land enrolled in an agricultural subsidy or set-aside program (Government Code Section 56016). As used in this section, "agricultural lands" also includes those lands defined in Government Code Section 56064 as "prime agricultural land" and those lands identified as "prime farmland", "farmland of statewide importance", and "unique farmland" as part of the California Department of Conservation's Farmland Mapping and Monitoring Program.

Agricultural Mitigation Land: Agricultural land encumbered by an agricultural conservation easement or other conservation mechanism acceptable to LAFCO.

Primary Area of Influence: The area around a local agency within which territory is eligible for annexation and the extension of urban services within a ten year period.

Prime Agricultural Land: An area of land, whether a single parcel or contiguous parcels, that has not been developed for a use other than an agricultural use and that meets any of the following qualifications:

- (a) Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not the land is actually irrigated, provided that irrigation is feasible.
- (b) Land that qualifies for rating 80 through 100 Storie Index Rating.
- (c) Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Range and Pasture Handbook, Revision 1, December 2003.
- (d) Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an

annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars (\$400) per acre.

- (e) Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars (\$400) per acre for three of the previous five calendar years (Government Code Section 56064).

Sphere of Influence: A plan for the probable physical boundaries and service area of a local agency, as determined by the commission (Government Code Section 56076). The area around a local agency within which territory is eligible for annexation and the extension of urban services within a twenty year period.

**EXECUTIVE OFFICER'S AGENDA REPORT
MARCH 27, 2019**

TO: LAFCO Commissioners

FROM: Sara Lytle-Pinhey, Executive Officer *SLP*

**SUBJECT: TERMINATION OF DISSOLUTION PROCEEDINGS FOR RECLAMATION
DISTRICT NUMBERS 1602, 2031, AND 2101**

RECOMMENDATION

Staff recommends that, in accordance with Government Code section 56042 and based on information received since the January 23, 2019 Commission meeting, the Commission adopt Resolution 2019-07 (Exhibit A) terminating dissolution proceedings for the following districts originally identified by the State Controller's Office as being inactive: Reclamation District No. 1602 (Del Puerto aka Patterson Ranch), Reclamation District No. 2031 (Elliot), and Reclamation District No. 2101 (Blewett).

DISCUSSION

In 2017, the Governor signed Senate Bill 448 which defines "inactive districts" and requires the State Controller's Office to annually publish a list of these districts with notification given to LAFCOs. LAFCOs are then required to adopt a resolution to initiate dissolution proceedings of the inactive districts within 90 days. The Commission must then hold a public hearing for the dissolution within an additional 90 days, unless evidence is provided that would otherwise qualify the districts as active.

On November 9, 2018, Stanislaus LAFCO received a notice from the State Controller's Office identifying three reclamation districts in Stanislaus County as inactive and eligible for dissolution (attached as Exhibit B). Government Code section 56042 defines an inactive district as meeting all the following:

- a. The special district is as defined in Section 56036 (within LAFCO's purview for changes of organization).
- b. The special district has had no financial transactions in the previous fiscal year.
- c. The special district has no assets and liabilities.
- d. The special district has no outstanding debts, judgements, litigation, contracts, liens, or claims.

As required by statute, the Commission adopted a resolution on January 23, 2019 to initiate dissolution proceedings. Since the January meeting, Staff has continued outreach and research efforts with the three districts, as well as the Central Valley Flood Protection Board (CVFPB, formerly known as the Reclamation Board). The CVFPB is the regulatory authority for flood control activities in the Central Valley. CVFPB also serves as the local sponsor to the Corps of Engineers on Federal flood control projects, cost shares in projects, holds title or easements to the lands underlying projects and inspects the operations and maintenance of facilities.

The following additional documents have been obtained since the January 23, 2019 meeting and are attached to this report as Exhibits C through E:

- Letter from Reclamation District No. 2101 dated January 17, 2019 (received after the Commission's January meeting) with a copy of a recent financial transaction for the District
- Letter from the CVFPB dated March 14, 2019 regarding Reclamation Districts 1602, 2031, and 2101
- An example maintenance agreement (for Reclamation District No. 2031)

The CVFPB letter dated March 14, 2019 identifies that the agency has ongoing maintenance agreements with each reclamation district, that each is conducting regular maintenance of their respective areas that are inspected annually. Within the maintenance agreements, each reclamation district (or local maintaining agency) assumes obligation of maintenance and operation of flood control project works.

Staff reviewed this additional documentation with LAFCO Counsel and has been advised that the reclamation districts do not meet the criteria for inactive districts, pursuant to Government Code section 56042. Specifically, Reclamation District No. 2101 has provided evidence of a financial transaction within the last year, disqualifying it from subsection "b" of the inactive definition. Further, the existence of ongoing maintenance agreements and obligations with CVFPB for all the districts disqualify them from subsection "d" of the inactive definition.

CONCLUSION

While the documentation disqualifies the districts as being "inactive" for the purposes of the dissolution process, the reclamation districts will remain responsible for functioning in accordance with all State laws as special districts, including filing their financial transaction reports with the State Controller. Staff recommends that the Commission adopt Resolution 2019-07 which determines the reclamation districts do not qualify as inactive, terminates dissolution proceedings, and directs the Executive Officer to provide notification to the State Controller of this determination.

Attachments:

- Exhibit A: Draft LAFCO Resolution 2019-07
- Exhibit B: Letter from the State Controller's Office Dated November 6, 2018
- Exhibit C: Letter from Reclamation District No. 2101 Dated January 17, 2019
- Exhibit D: Letter from Central Valley Flood Protection Board Dated March 14, 2019
- Exhibit E: Maintenance Agreement for Reclamation District No. 2031, dated February 20, 1964
- Exhibit F: Map of Reclamation Districts

EXHIBIT A

Draft LAFCO Resolution 2019-07

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**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: March 27, 2019

NO. 2019-07

SUBJECT: Termination of Dissolution Proceedings for Inactive Reclamation District Numbers 1602, 2031, and 2101

On the motion of Commissioner _____, seconded by Commissioner _____, and approved by the following:

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

THE FOLLOWING RESOLUTION WAS ADOPTED:

WHEREAS, on November 9, 2018, Stanislaus LAFCO received a letter from the State Controller's Office informing LAFCO that Reclamation District numbers 1602 (Del Puerto aka Patterson Ranch), 2031 (Elliot), and 2101 (Blewett) are eligible for dissolution pursuant to Government Code section 56879;

WHEREAS, pursuant to Government Code Section 56879, the Commission initiated dissolution proceedings on January 23, 2019;

WHEREAS, following the January 23, 2019 meeting, the Commission has received information that disqualifies the Districts from the definition of inactive, pursuant to Government Code Section 56036; and

WHEREAS, the termination of dissolution proceedings is not subject to the California Environmental Quality Act (CEQA).

NOW, THEREFORE, BE IT RESOLVED that the Commission:

1. Determines based on the information provided regarding the districts that the do not meet the definition of inactive, pursuant to Government Code Section 56036.
2. Terminates dissolution proceedings for Reclamation District numbers 1602 (Del Puerto aka Patterson Ranch), 2031 (Elliot), and 2101 (Blewett).
3. Directs the Executive Officer to notify the State Controller's office of the Commission's determination.

ATTEST:

Sara Lytle-Pinhey
Executive Officer

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EXHIBIT B

**Letter from State Controller's Office
Dated November 6, 2018**

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BETTY T. YEE
California State Controller

November 6, 2018

Sara Lytle-Pinhey
1010 10th Street, 3rd Floor
Modesto, CA, 95354

SUBJECT: Amended Notification of Inactive Special Districts in County

Dear Ms. Lytle-Pinhey:

This is a follow-up to the letter we sent you dated October 31, 2018 (see enclosed). The State Controller's Office (SCO) discovered that some special districts were not included in the original notice sent to you on October 31, 2018 due to a coding error in our database. The enclosed document provides an amended list of the special districts within your jurisdiction that are inactive, based on financial data in each special district's fiscal year 2016-17 Financial Transactions Report. The complete list of California inactive special districts may be found here: https://www.sco.ca.gov/ard_local_rep_freq_requested.html.

Pursuant to Government Code (GC) 56879, within 90 days of receiving this notice, the Commission is required to initiate dissolution of inactive districts by resolution, unless the Commission determines that a district does not meet the criteria set forth in GC 56042. The Commission is required to notify the SCO if it determines that a district does not meet the criteria for dissolution in GC 56042. Once the dissolution process is complete, please notify SCO using the contact information below.

Please accept our apologies for this error. If you have questions or need to notify us of a district's status, please contact Derek Miller by phone at (916) 322-5579, or email at dmiller@sco.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Phillip Pangilinan", is written over the typed name.

PHILLIP PANGILINAN
Manager
Local Government Reporting Section

Enclosures: October 31, 2018 letter
2016-17 County Inactive Districts List (amended)

Local Government Programs and Services Division
MAILING ADDRESS P.O. Box 942850, Sacramento, CA 94250
3301 C Street, Suite 700, Sacramento, CA 95816



BETTY T. YEE
California State Controller

October 31, 2018

Sara Lytle-Pinhey
Stanislaus Local Agency Formation Commission
1010 10th Street, 3rd Floor
Modesto, CA 95354

SUBJECT: Notification of Inactive Special Districts in County.

Dear Mrs. Lytle-Pinhey:

Chapter 334, Statutes of 2017 (Senate Bill 448) added various provisions to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 regarding special districts that are inactive. SB 448 requires the State Controller's Office (SCO) to create a list of inactive special districts based on information in the special district's Financial Transactions Reports (FTR), publish the list of inactive special districts on its website annually, and notify a local agency formation commission in the county or counties in which the inactive special district is located.

Pursuant to Government Code (GC) section 56042, an "inactive special district" meets all of the following:

- (a) The special district is as defined in Section 56036.
- (b) The special district has had no financial transactions in the previous fiscal year.
- (c) The special district has no assets and liabilities.
- (d) The special district has no outstanding debts, judgments, litigation, contracts, liens, or claims.

Within 90 days of receiving this notice, the commission is required to initiate dissolution of inactive special district(s), unless you determine that the district(s) does not meet the criteria set forth in GC section 56042. The commission shall also notify the SCO if you determine that the district(s) does not meet the criteria set forth in GC section 56042.

The enclosed document lists the special districts within your jurisdiction that are inactive, based on financial data in the special district's fiscal year 2016-17 FTR. The complete list of inactive special districts is found here: https://www.sco.ca.gov/ard_local_rep_freq_requested.html

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Sara Lytle-Pinhey
October 31, 2018
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If you have any questions or need assistance, please contact Derek Miller by telephone at (916) 322-5579, or by email at dmiller@sco.ca.gov.

Sincerely,



PHILLIP PANGILINAN
Manager
Local Government Reporting Section

Enclosure: 2016-17 County Inactive Districts List

State Controller's Office
2016-17 Inactive Districts for Stanislaus County

| County Name | District Name | District Type | Email Address | Street Address 1 | Street Address 2 | P.O. Box | City | Zip |
|-------------|----------------------------------|---------------|------------------------|----------------------------|------------------|----------|-----------|----------------|
| Stanislaus | Reclamation District No. 1602 | Dependent | robertsd@ldschurch.org | 2012 Apple Avenue | | | Patterson | 95363 |
| Stanislaus | Reclamation District No. 2031 | Dependent | | 10555 Maze Blvd. | | | Modesto | 95358 |
| Stanislaus | Reclamation District No. 2101 | Dependent | | 6130 Huntingdale Circle | | | Stockton | 95219- 1906 |

Note: Email Address belongs to the Financial Transactions Report preparer; in some cases this may be an outside consultant.

EXHIBIT C

**Letter from Reclamation District No. 2101
Dated January 17, 2019**

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January 17, 2019

Stanislaus LAFCO 1010 10th Street, 3rd Floor

Modesto, California 95354

Dear Mr. Camarena:

Reclamation District 2101 (the "District") received a letter dated November 6, 2018 from the Stanislaus Local Agency Formation Commission ("LAFCO") regarding the State Controller's Office listing the District as an inactive special district per Government Code Section 56042. The purpose of this letter is to inform you that the District does not meet the definitional requirements of an inactive district per Government Code Section 56042 and is an active district.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 grants LAFCOs authority over local agencies. Senate Bill 448 (Wieckowski), chaptered in 2017, requires the State Controller to publish a list of inactive special districts and establishes a process for LAFCOs to dissolve inactive special districts. Government Code Section 56879(a) requires the State Controller to create a list of inactive special districts based upon received financial reports. Government Code Section 56042 provides an inactive district is a district that meets all of the following:

- (a) The special district is as defined in Section 56036.
- (b) The special district has had no financial transactions in the previous fiscal year.
- (c) The special district has no assets or liabilities.
- (d) The special district has no outstanding debts, judgements, litigation, contracts, liens, or claims.

The District is a Reclamation District formed pursuant to the California Water Code, and is therefore a special district as defined in Government Code Section 56036. The District engaged in financial transactions over the past year including a contract with Foida Land Leveling for services in exchange for \$7,117.50. I have provided a copy of the bill for your records. This demonstrates the District has had transactions in 2018 per Government Code Section 56042(b). Government Code Section 56879(b) requires the appropriate LAFCO to initiate dissolution of inactive districts by a resolution within 90 days of receiving notification by the State Controller. However, because the District is not "inactive," we request that Stanislaus Stanislaus LAFCO Page 2 2287429v1 / 21381.0001 LAFCO notify the State Controller per Government Code Section 56879(b) that the District is active. If you have any further questions regarding this matter, please do not hesitate to contact me.

Very truly yours,



Stephen Perez – RD 2101 President

209-613-6053

Date 12/29/18

Foiada Land Leveling
8707 Crows Landing Rd.
Ceres, Ca. 95307
209 667 6143 Office
209 595 6157 Cell
209 634 6072 Fax
FoiadaLV@aol.com

Bill To NBInv. AP6 LLC.
(Pescadero Ranch)
P.O. Box 5379
Fresno, Ca. 93755
Invoice # NBIAP6LLC1

EIN:94-2736931
Cont. Lic. No. 917228

| Date | Tr. Hrs. | Type work | Rate | Amount |
|----------|----------------------------------|-----------|----------|-----------|
| | D6-N | Dozing | | |
| 12/7/18 | 8 Hrs. | | | |
| 12/8/18 | 9 1/2 Hrs. | | | |
| 12/10/18 | 9 Hrs. | | | |
| 12/11/18 | 9 Hrs. | | | |
| | Dozer move in fee | | | \$550.00 |
| | ** Total Dozing Hrs. = 35 1/2 ** | | \$185.00 | \$6567.50 |
| | ** Total Bill ** | | | \$7117.50 |

24% annual interest added after 30 days

| Current | 1-30 Days Past Due | 31-60 Days Past Due | 61-90 Days Past Due | Over 90 Days Past Due | Amount Due |
|-----------|-----------------------|------------------------|------------------------|-----------------------------|---------------|
| \$7117.50 | | | | | \$7117.50 |

Foiada Land Leveling
In Business since 1945

Balance
Interest on Balance
Paid
Amount Due

Make all checks payable to Foiada land leveling

Thank you for your business!

EXHIBIT D

**Letter from the Central Valley Flood Protection Board
Dated March 14, 2019**

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CENTRAL VALLEY FLOOD PROTECTION BOARD

3310 El Camino Ave., Ste. 170
SACRAMENTO, CA 95821
(916) 574-0609 FAX: (916) 574-0682



RECEIVED MAR 18 2019

March 14, 2019

Sara Lytle-Pinhey
Executive Officer
Stanislaus County LAFCo
1010 10th Street, 3rd Floor
Modesto, CA 95354

Subject: Reclamation District Nos. 1602, 2031, and 2101

Dear Ms. Lytle-Pinhey,

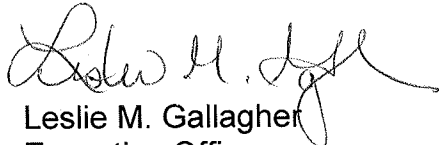
Thank you for the opportunity to comment on the October 31, 2018, California State Controller letter relative to special districts it has deemed inactive. The three special districts noted above are local maintaining agencies (LMAs) that perform critical operation and maintenance of the federal-State flood control infrastructure commonly referred to as the State Plan of Flood Control (SPFC).

The Central Valley Flood Protection Board (Board) is the State agency charged with managing the SPFC. In accordance with California Water Code §§ 12878, et. seq., the Board, on behalf of the State, provided assurances to the federal government for operation and maintenance of the SPFC. In those areas where the State was not the maintainer of the SPFC, the Board required the LMAs to guarantee the SPFC would be managed in perpetuity pursuant to the requirements set forth in the respective U.S. Army Corps. (USACE) Operation and Maintenance Manuals.

The Board has executed assurance agreements with each of the subject LMAs above. They currently perform operation and maintenance work including vegetation and rodent management, and active levee patrolling during high water events. The work performed by these LMAs is reflected in the most recent CA Department of Water Resources' annual *Inspection and Local Maintaining Agency Report* (2018) and the USACE *Periodic Inspection Report* (PIR). Accordingly, if LAFCo dissolves any of these LMAs, then there must be a successor agency identified to perform the ongoing operations and maintenance of the SPFC and to accept the obligations of the existing Assurance Agreements with the Board.

We appreciate your courtesy in seeking the Board's input on this matter and would appreciate updates to the Board as the matter progresses. Please do not hesitate to contact me or our Legislative and Policy Advisor, Darren Suen at Darren.Suen@water.ca.gov if you have any additional questions or concerns.

Sincerely,



Leslie M. Gallagher
Executive Officer

EXHIBIT E

**Maintenance Agreement for Reclamation District No.
2031 dated February 20, 1964**

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7000.37.401

A G R E E M E N T

This agreement made and entered into by and between
THE RECLAMATION BOARD of the State of California, hereinafter
referred to as the Board, and Reclamation District No. 2031, a
public agency, hereinafter referred to as the District, on the 20th
day of February, 1964, in view of the following circumstances.

WHEREAS, the Federal Flood Control Act of 1944
(58 Stat. 887) authorized construction by the United States of a
project of flood control for the San Joaquin River ^{as} described in
House Document No. 2, 78th Congress, Second Session; and

WHEREAS, the State of California in 1945 authorized
the same project of flood control, Section 12651 of the Water Code,
and authorized the Reclamation Board to give satisfactory assurances
to the Secretary of the Army that the required local cooperation be
furnished by the State in connection with the aforesaid project; and

WHEREAS, the State Legislature has authorized the State
Reclamation Board to acquire the lands, easements and rights of
way necessary for construction of the project, in accordance with
the authorized plan of flood control, and has appropriated funds to
commence acquisition of said lands, easements and rights of way;
and

WHEREAS, The Reclamation Board is not authorized to
expend any funds upon this project until some other public agency
has assumed the obligation of maintenance and operation of the
works and the obligation to hold the United States harmless from
damages due to the construction of the works; and

WHEREAS, said project provides for the construction of levees and appurtenant works at specified locations which will require future maintenance in accordance with Federal requirements; and

WHEREAS, said project contemplates the maintenance of the main channel of the San Joaquin River, excluding dredging but including limited clearing of overbank areas, to maintain approximately the design flood capacity of the levee system; and

WHEREAS, Congress has appropriated funds necessary to commence construction of the project by the Corps of Engineers, United States Army, and the Corps of Engineers has requested that the State fulfill its obligation in the acquisition of lands, easements and rights of way; and

WHEREAS, the proposed project for the San Joaquin River will be beneficial to the lands and properties located within the boundaries of District;

NOW, THEREFORE, IT IS HEREBY AGREED:

(1) That the Board, as funds become available to it for expenditure, will acquire, without cost to District, such lands, easements and rights of way as may be necessary for the construction of the project of flood control for the Lower San Joaquin River and its tributaries as authorized by Section 12651 of the Water Code of the State of California, or as subsequently modified; provided, however, that any lands, easements and rights of way presently held by District and utilized for or occupied by levee and channel improvements or other flood control project works shall be conveyed, without charge, by District to the Sacramento and San Joaquin Drainage District for joint use by the latter agency and the District for flood control and reclamation purposes.

(2) That in consideration therefor the District agrees:

(a) To hold and save the United States free from damages due to the construction works situate upon the hereinafter described parcels of real property; and also from damages due to their subsequent maintenance and operation;

(b) To maintain and operate after completion, in accordance with regulations prescribed by the Secretary of the Army, all levee and channel improvements, together with all other project works situate upon the hereinafter described parcels of real property;

(c) To hold and save the State of California, the Sacramento and San Joaquin Drainage District and the Reclamation Board, their successors or assigns, free and harmless from any and all claims arising out of or in connection with the aforesaid obligations assumed by District.

(3) Said parcel of real property is situate in the County of Stanislaus and is described as follows:

A continuous strip of real property to be occupied by the proposed levee and riverward berm along the right bank of the Tuolumne River, the right bank of the San Joaquin River and the left bank of the Stanislaus River, Stanislaus County, California; said strip having a width, inclusive of said berm, of from 100 feet to 9,000 feet; said strip beginning at Gates Road located on the boundary between Sections 35 and 36 of Township 3 South, Range 7 East, extending westerly along the north edge of Lateral No. 4 of Modesto Irrigation District to a point approximately 1,000 feet east of that portion of the San Joaquin River known as Finnegan's Cut, then downstream along the right bank of Finnegan's Cut to State Highway No. 132, or Maze Boulevard, thence along Maze Boulevard to a point approximately 150 feet east of the San Joaquin River, thence downstream along the right bank of the San Joaquin River to the Stanislaus River, thence upstream along the left bank of the Stanislaus River to high ground, located at the westerly end of that County Road known as Kiernan Avenue,

which runs along the north boundary of Section 1, in Township 3 South, Range 7 East, said strip containing 1,500 acres, more or less.

IN WITNESS WHEREOF, the parties hereto have executed this indenture on the date first hereinabove mentioned.

RECLAMATION DISTRICT NO. 2031

By E. J. Mabe

By Dir. F. Koeltz

By [Signature]

By Chas. R. Koeltz

THE RECLAMATION BOARD

By Stanley W. Kovich
President

By Wallace M. Corman
Secretary

| | | |
|--------------------------------|--|--------|
| 605 | POLICY | BUDGET |
| Department of General Services | | |
| APPROVED | | |
| MAR 16 1964 | | |
| BY | <u>[Signature]</u> Ass't. Chief Counsel | |

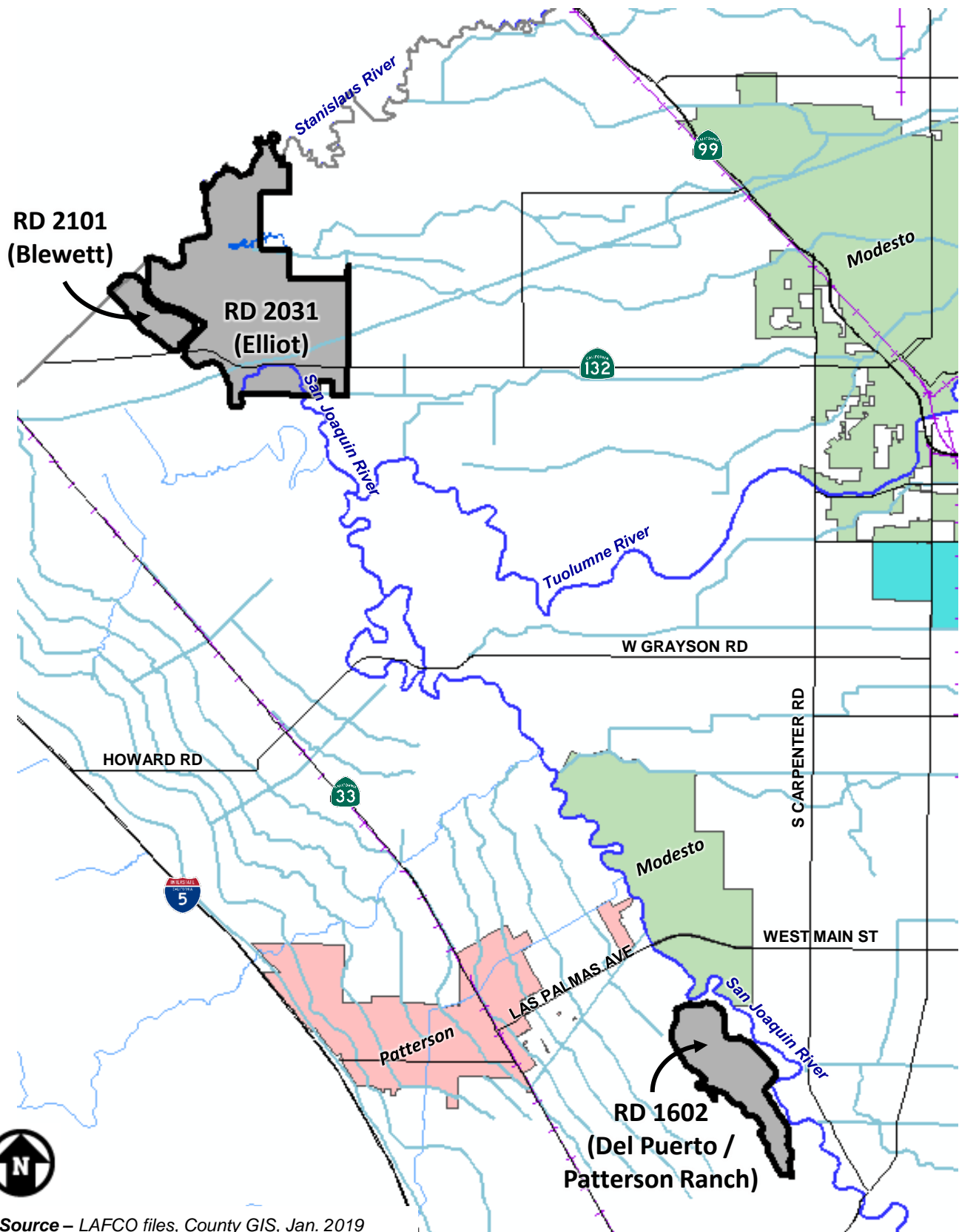
APPROVED BY
[Signature]
For Department of Finance

EXHIBIT F

Map of Districts

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Reclamation District Numbers 1602, 2031, 2101



Source – LAFCO files, County GIS, Jan. 2019