



**STANISLAUS LAFCO
LOCAL AGENCY FORMATION COMMISSION**

Sara Lytle-Pinhey, Executive Officer
1010 10th Street, Third Floor
Modesto, California 95354
Phone: 209-525-7660
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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, December 4, 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 October 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. 2019 CALFCO Annual Conference Report.

2. 2020 CALAFCO Events Calendar.

- C. "In the News."

5. **DECLARATION OF CONFLICTS AND DISQUALIFICATIONS**

6. **CONSENT ITEM**

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. **2020 WORK PROGRAM – MUNICIPAL SERVICE REVIEW & SPHERE OF INFLUENCE UPDATES.** (Staff Recommendation: Adopt the 2020 Work Program.)

B. **MUNICIPAL SERVICE REVIEW NO. 2019-04 AND SPHERE OF INFLUENCE UPDATE NO. 2019-05 – CROWS LANDING, GRAYSON AND WESTLEY COMMUNITY SERVICE DISTRICTS.** The Commission will consider the adoption of a Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Crows Landing, Grayson, and Westley Community Services Districts. This item is exempt from the California Environmental Quality Act (CEQA) review pursuant to sections 15306 and 15061(b)(3). (Staff Recommendation: Approve the update and adopt Resolution No. 2019-21.)

7. **PUBLIC HEARINGS**

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. **LAFCO APPLICATION NO. 2019-02, MUNICIPAL SERVICE REVIEW NO. 2019-01 & SPHERE OF INFLUENCE UPDATE NO. 2019-01 – 2019 CHANGE OF ORGANIZATION TO THE EASTSIDE WATER DISTRICT.** Request to modify the Sphere of Influence (SOI) and annex approximately 2,213 acres to the Eastside Water District. The majority of properties involved are located near the northside of the District, in the Turlock Lake area in Stanislaus County, with one 20-acre parcel being located in Merced County. An updated Municipal Service Review will also be considered. The District assumed the role of Lead Agency pursuant to the California Environmental Quality Act (CEQA) and adopted a negative declaration. LAFCO, as a Responsible Agency, will consider the environmental documentation prepared by the District in review of the proposal. The adoption of an updated Municipal Service Review is considered exempt from CEQA as an informational document, pursuant to Section 15306, Class 6, of the CEQA Guidelines. (Staff Recommendation: Adopt Resolution No. 2019-17 approving the proposal.)

B. **LAFCO APPLICATION NO. 2019-10 CITY OF MODESTO FIRE SERVICE CONTRACT WITH THE CITY OF OAKDALE AND OAKDALE RURAL FIRE PROTECTION DISTRICT.** A request to approve a fire services contract, pursuant to Government Code Section 56134, for the provision of fire services outside the City of Modesto's jurisdictional boundaries to the City of Oakdale and Oakdale Rural Fire Protection District. The contract is considered exempt from the California Environmental Quality Act pursuant to the General Rule, Section 15061(b)(3) as it can be seen with certainty that there will not be a significant impact to the environment. (Staff Recommendation: Adopt Resolution No. 2019-20 approving the application.)

8. OTHER BUSINESS

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 January 22, 2020.

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: LAFCO meetings are conducted in English. Please make arrangements for an interpreter if necessary.



STANISLAUS LOCAL AGENCY FORMATION COMMISSION

MINUTES

October 23, 2019

1. CALL TO ORDER

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

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

Commissioners Present: Michael Van Winkle, Chair, City Member
Jim DeMartini, Vice Chair 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

Staff Present: Sara Lytle-Pinhey, Executive Officer
Javier Camarena, Assistant Executive Officer
Jennifer Vieira, Commission Clerk
Alice Mimms, LAFCO Counsel

Commissioners Absent: Vito Chiesa, Alternate County Member

2. PUBLIC COMMENT

None.

3. APPROVAL OF MINUTES

- A. Minutes of the September 25, 2019 Meeting.

Motion by Commissioner Bublak, seconded by Commissioner Withrow and carried with a 5-0 vote to approve the Minutes of the September 25, 2019 meeting by the following vote:

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

4. CORRESPONDENCE

A. Specific Correspondence.

None.

B. Informational Correspondence.

1. 2019 Legislative Update.

C. "In the News"

5. DECLARATION OF CONFLICTS AND DISQUALIFICATIONS

None.

6. CONSENT ITEM

A. **YEAR-END FINANCIAL REPORT FOR FISCAL YEAR 2018-2019**

(Staff Recommendation: Accept and file the report.)

Motion by Commissioner Withrow, seconded by Commissioner Bublak and carried with a 5-0 vote to accept the 2018-2019 Year-end Financial report, by the following vote:

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

7. PUBLIC HEARING

A. **LAFCO APPLICATION NO. 2018-02 – NORTHWEST NEWMAN PHASE I REORGANIZATION TO THE CITY OF NEWMAN.**

Request to annex approximately 121.31 acres to the City of Newman and simultaneously detach the area from the West Stanislaus Fire Protection District and Central California Irrigation District. The project area is located northwest of the Newman City Limits, west of Highway 33 and south of Stuhr Road. The City, through its planning process, assumed the role of Lead Agency, pursuant to the California Environmental Quality Act (CEQA), for the project and prepared an Environmental Impact Report for the Northwest Newman Master Plan. LAFCO, as a Responsible Agency, will consider this environmental documentation and adoption of the same findings. (Staff Recommendation: Adopt Resolution No. 2019-19 approving the proposal.)

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

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

Michael Holland, Newman City Manager spoke in favor of the proposal.

Ronald Clark, property owner/resident; Rosalind Clark, property owner/resident; Steve Bassett, property owner/resident; Sherri Marsigli, property owner; and Marcus Marsigli, son of property owner, all spoke against the proposal.

Jarrett Martin, General Manager of Central California Irrigation District, spoke neither for or against the proposal.

Chair Van Winkle closed the Public Hearing at 7:27 p.m.

Motion by Commissioner Berryhill, seconded by Commissioner Bublak, and carried with a 5-0 vote to adopt Resolution No. 2019-19 approving the proposal, by the following vote:

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

8. OTHER BUSINESS

None.

9. COMMISSIONER COMMENTS

None.

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:
- Upcoming items for December will include the annexation to Eastside Water District and a fire service contract.
 - Staff will be out of the office on Wednesday and Thursday but will be available by email and phone. Staff will be attending the annual CALAFCO Conference.

12. ADJOURNMENT

- A. Chair Van Winkle adjourned the meeting at 7:32 p.m.

NOT YET APPROVED

Sara Lytle-Pinhey, Executive Officer

MEMORANDUM

DATE: December 4, 2019
TO: LAFCO Commissioners
FROM: Sara Lytle-Pinhey, Executive Officer *SLP*
SUBJECT: 2019 CALAFCO Annual Conference Report

The annual conference for the California Association of Local Agency Formation Commissions (CALAFCO) was held on October 30 - November 1, 2019. Attending on behalf of Stanislaus LAFCO were Commissioner DeMartini, LAFCO Staff and Counsel.

This year, Commissioner DeMartini was recognized as Outstanding Commissioner at the CALAFCO Annual Achievement Awards. It was noted that Commissioner DeMartini has been a regular participant in the CALAFCO conferences, having served on Stanislaus LAFCO for over 12 years.

The CALAFCO conference also featured sessions on local agency collaborations, municipal service reviews, and innovations in service delivery. CALAFCO has uploaded copies of all the conference session materials on its website at:

<https://calafco.org/resources/education-training-annual-conferences/2019-conference-materials>

Attached for the Commission's information is CALAFCO's annual newsletter, "The Sphere," that was distributed at the conference. The next CALAFCO Annual Conference is scheduled for October 21-23, 2020 in Monterey, CA.

Attachment:

- "The Sphere" Newsletter - October 2019

October 2019

Legislature Turns Toward Housing Policy

Written by: Michael Colantuono and Aleks R. Giragosian, Colantuono, Highsmith & Whatley, PC

ANNUAL CONFERENCE EDITION

New Housing Legislation – Are we
Paying Attention?

Making sense of Reclamation
Districts in Yolo County

Doing more than surviving at
San Luis Obispo LAFCo

2019 Report to the Membership

Message from the Chair

Thank You to our
Associate Members

Message from the Executive Director



Governor Newsom recently signed AB 101, a budget trailer bill designed to address California’s housing crisis. Many of its provisions are of interest to cities, counties, and LAFCOs.

Grant Programs. AB 101 incentivizes housing by authorizing the Infill Infrastructure Grant Program of 2019 and the Local Government Planning Support Grants Program. Applications by cities and counties with compliant housing elements that the Department of Housing and Community Development (HCD) has designated as “pro-housing” will receive preference. AB 101’s Infill Infrastructure Grant Program of 2019 authorizes \$410 million for any city within a county with a population over 250,000 and \$90 million for any city within a county with a population less than 250,000.

The notice of funding availability will be published by November 30, 2019. For the \$410 million grant, an eligible infill project is a mixed-use residential project in an urbanized area on a site previously developed, or on a vacant site adjoining parcels developed with urban uses on 75% of its perimeter. Cities may apply individually, or jointly with a developer, to fund infrastructure to support eligible projects, including:

- Water, sewer, or other utility service improvements;
- Streets, roads, or transit facilities;
- Site preparation or demolition; and
- Sidewalk or streetscape improvements.

To qualify for an Infill Grant, a city or county must:

- Have a compliant housing element;
- Have submitted its annual housing element progress reports since 2017;

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The Sphere

CALAFCO Journal

October 2019

The Sphere is a publication of the California Association of Local Agency Formation Commissions.

BOARD OF DIRECTORS

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To submit articles, event announcements, comments or other materials noteworthy to LAFCo commissioners and staff, please contact the Editor at 916-442-6536 or info@calafco.org.

The contents of this newsletter do not necessarily represent the views of CALAFCO, its members, or their professional or official affiliations.

1020 12th Street, Suite 222
Sacramento, CA 95814
916-442-6536

www.calafco.org



Josh Susman
Chair of the Board
CALAFCO

A MESSAGE FROM THE CHAIR OF CALAFCO

Greetings to my fellow California LAFCo members. It has been my privilege and honor to serve as your CALAFCO Chair of the Board this past year.

Our accomplishments would not have been possible without your support - the CALAFCO membership and all who volunteer on committees, your CALAFCO Board, the volunteer regional EOs and the tireless commitment and dedication of CALAFCO's Executive Director, Pamela Miller.

It has been a tumultuous year and it would be great for me to say it has been smooth sailing and that all our sponsored and supported legislation was approved and adopted and there were no challenges for CALAFCO or for all LAFCos throughout our great state. But, alas, this would be "fake news".

Issues and pressures are everywhere...from the Federal government to our own statewide challenges, our individual LAFCo issues and our own CALAFCO priorities. The one thing we all have in common is the strength of one voice we enjoy, the unity of all California LAFCos through CALAFCO. As we each take on our own LAFCo challenges, we have the opportunity to come together and be connected through CALAFCO.

Allow me to be honest for a moment. I've been honored to be on the CALAFCO Board of Directors for 12 years. What has consumed me for the last five years as a member of the CALAFCO Executive Committee (two years as Treasurer) and now as current Chair, has been the sustainability of the CALAFCO Association. Believe it or not, I was on the Board when the current dues structure based on categories of rural, suburban and urban was created. That structure has served the Association well, yet we've outgrown it since it was implemented. Your CALAFCO Board has been discussing this in-depth for the past two years and to that end, the Board's been working to create a contemporary plan and dues structure to better reflect the growing organization, both regionally and statewide, to maintain a sustainable organization.

After almost two years in the making, your Board has reviewed, vetted, discussed and now released for our members' consideration and approval what will be before you at the Annual Business Meeting. I assure you, the Board has considered the significance of this request. One may ask, "Are there improvements to this proposal going forward that could be made?" I know I speak for the Board when I say we are open to new information and feedback. And, time is important if we want to stay financially healthy and not rely on Fund Reserves to balance the budget in future years, and maintain the level of service CALAFCO is providing.

As your Chair, and on behalf of the Board, I ask you at this time for your support as we take the crucial steps forward into the future for a stronger and sustainable CALAFCO organization, representing all of California's LAFCos.

Thanks to all of you for your professionalism in moving CALAFCO forward. I look forward to a bright future for our Association and the magic to be created by the power of our collective voice.

The Sphere

A Message from the CALAFCO Executive Director

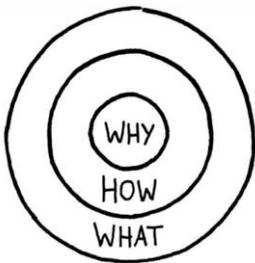


Pamela Miller
Executive Director

What's Your "Why"?

Do you know WHY you do what you do? Everyone knows WHAT they do and most can explain HOW they do it. Few fully understand and can articulate WHY they do what they do. This is true for us as individuals, for teams and for organizations. Yet the WHY is what connects the "what" and "how" to the greater purpose of the work and who we are in the world. Individuals who understand and live their WHY are inspiring and motivating and organizations who operate from their WHY are far more successful than those who don't.

In his book *Start With Why*, Simon Sinek shares the concept of the "Golden Circle". Here's the concept: he asserts that every organization and every person's career operates on three levels as shown in the diagram: **What** we



do, **how** we do it and **why** we do it. In our conversations, that is typically the order or flow in which we present that information. We think, act and communicate from the outside in. We start with the clearest and easiest thing to communicate and move to the more difficult and "squishiest" thing. How compelling and inspiring is that?

Yet, it's the "squishy" that creates connection. Inspiring leaders and successful organizations think, act and communicate from the inside out. They start with the WHY. It's not very compelling and inspiring to hear what I do and why you should care...if I spoke first about why I care and compel you to care then talk about the WHAT...what a shift in perspective and interest that would create.

How often do you think – and I mean really think – about WHY you do what you do?

Our WHY is what inspires and motivates us...it's why we get out of bed every day and go to work or make positive contributions in the world. It is our belief, our cause. Our WHY is what connects us with others and to the work we do. It's not "to make money" or "to

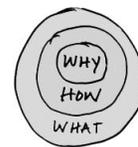
get a promotion" – those are results of our why. Teams that understand their WHY are more easily able to connect their work and how they do it to the greater purpose of the organization and as a result, find greater satisfaction in their work, are more loyal to each other as a team and to the organization. Organizations who know WHY they exist are more successful in fulfilling their vision, mission and purpose.

Do you know what your **WHY** is?

All of us are frequently asked, "What does LAFCo do?" And, how quickly into our response do people's eyes glaze over? It is well before we get to the WHY what we do is important. Imagine if we reversed the order of the response and began with **WHY** the work of LAFCo is important, and move into the how and what...the story would be much more compelling and interesting for people.

Now don't take my word for it...Sinek's Golden Circle concept contains some science about the human brain and how these connections are made. The outer section of the circle, the WHAT, corresponds to the outer section of the brain – the neocortex. This is the part of the brain that controls rational and analytical thought. It helps us to understand facts, figures and controls language.

The middle two sections of the circle, the HOW and WHY, correspond to the middle section of the brain, the limbic system. This part of the brain is what is responsible for our decision making and behaviors. This part of the brain has no capacity for language...therefore this is where "gut feelings" come from.



<<Limbic Brain

<<Neocortex

So, if we want to truly connect with others, we must start with the **WHY**. Only there can we inspire, motivate and create connection.

What's your LAFCo's **WHY**?

What's your **WHY**?



CALAFCO 2019 Annual Report to the Membership

Dear CALAFCO Members:

The CALAFCO Board of Directors is proud to report the highlights of our Association during the past year, which was another full year. CALAFCO continues to be a valuable educational resource to our members and an advocate for LAFCo and LAFCo principles to statewide decision makers. Highlights of the year include our 2019 Annual Conference in Sacramento, Staff Workshop in San Jose, and our continued strong presence across the state as an advocate for LAFCo and LAFCo principles to the Legislature.

We are pleased to report that all 58 member LAFCos have renewed their membership for the 2019-20 fiscal year, and today we have five (5) Gold Associate members and twenty-one (21) Silver Associate members.

Once again this year CALAFCO earned the *GuideStar Exchange Platinum Seal* in recognition of our transparency and completeness in documentation. This is the highest recognition any nonprofit can receive from Guidestar.

Our achievements are the result of the dedicated efforts of the many volunteer LAFCo staff from around the state who contribute their time and expertise. The Board is grateful to the Commissions who support their staff as they serve in the CALAFCO educational and legislative roles on behalf of all LAFCos. We are also grateful to the Associate members and event Sponsors that help underwrite the educational mission of the Association and allow us to keep registration fees as low as possible.

EDUCATIONAL SERVICES AND COMMUNICATION

CALAFCO educational and information sharing-services continue to be the Board's top priority for member services. Under this umbrella, the Association focuses its resources in four areas: the Staff Workshop, Annual Conference, CALAFCO University courses and electronic resources including the web site, quarterly reports and the member list-serves.

2019 Staff Workshop

We continued the tradition of quality education programming with the Staff Workshop held in San Jose in April and the Annual Conference in Sacramento this October. The Workshop, hosted by *Santa Clara LAFCo*, brought together 100 LAFCo staff and guests from around the state, representing 40 LAFCos and four Associate member organizations.

We would like to thank the Program Planning Committee members and Chair *Keene Simonds* (San Diego LAFCo), our host, *Santa Clara LAFCo*, led by *Neelima Palacherla* and all who worked to make this an outstanding Staff Workshop. We also acknowledge and thank the sponsors of this year's Staff Workshop: *Best Best & Krieger; Colantuono Highsmith & Whatley; Open Space Authority of Santa Clara; RSG and De Novo Planning Group*.

All workshop materials were posted to the CALAFCO website prior to the start of the Workshop.

The 2020 Staff Workshop is set for March 25 – 27, 2020 at the beautiful Hyatt Regency Newport Beach John Wayne Airport and will be co-hosted by *Orange and Imperial LAFCos*.

2019 Annual Conference

Approximately 250 LAFCo commissioners, staff and guests are expected at the 2019 Annual Conference in Sacramento as CALAFCO connects California.



The program is rich in content with general and breakout sessions focusing on topics essential to LAFCos as we all continue to tackle the many challenges we face in fulfilling the mission of LAFCo.

We acknowledge and thank the Conference Committee Chair *Anita Paque* (Calaveras), the Program Committee Co-Chairs *Christine Crawford* (Yolo) and *Keene Simonds* (San Diego) and all who worked on the Program Committee to make this an outstanding Conference.

We wish to also thank all of our sponsors for this year's Annual Conference, without whom this special event would not be possible: *Best Best & Krieger; CV Strategies; Streamline; Colanutono, Highsmith & Whatley; Cucamonga Valley Water District; Eastern Municipal Water District; Imperial LAFCo; Irvine Ranch Water District and Western Municipal Water District*.



A special thank you to *CV Strategies* who is sponsoring our first Conference app! They will also be sponsoring the Workshop app for our 2020 Staff Workshop.

Conference presentation materials are posted on the CALAFCO website in advance of the Conference as they are received from presenters. You can find presentation materials for all prior Conferences on the CALAFCO website.

Next year's Conference will be hosted by CALAFCO and held at the *Hyatt Regency Monterey*. Dates are October 21 – 23, 2020.

CALAFCO University



There has been one CALAFCO U course so far this year in Sacramento held on July 15. The topic was *A deep dive into MSRs: One size does not fit all*. A diverse panel of speakers offering varying perspectives of the process, content and value of MSRs was presented.

The next CALAFCO U session is scheduled for January 13, 2020 in Orange County with the topic being *Demystifying legacy costs associated with City and Special District reorganizations*. Once again an all-star panel of experts has been assembled for this session. Registration is open for this unique CALAFCO University course.

Materials for all CALAFCO U sessions can be found on the CALAFCO website.

Accreditations

CALAFCO's educational activities continue to be accredited by the American Planning Association to provide AICP credits for certified planners. This benefit is provided at no cost to LAFCo staff and helps them maintain their certifications. In addition, both the Conference and Workshop have sessions for LAFCo counsel that have been accredited for MCLE credits by the California Bar.

Web Site

The CALAFCO web site is a vital resource for both LAFCos and the community with questions about local government in California. The site consistently attracts between 5,500 and 6,500 visits per week. The vast majority of the visits are for the reference and resource materials found on the site and referral information to member LAFCos.

List-Serves

The list-serves maintained by the Association continue to be an important communication and information sharing tool among LAFCo staff. In total, we maintain eight list serves to help members share information, materials, and expertise. The List-Serves for executive officers, analysts, clerks and counsel discussions remain the most popular and serve to foster the sharing of information and resources. It is important for you to advise CALAFCO when your staff changes so the list serves can be kept up to date.

Special Projects

As a follow up to the 2017 Little Hoover Commission report and recommendations and in light of growing pressure from the Legislature, this year CALAFCO formed a working group to look at potential rewrites of various Protest Provision statutes within CKH. This is a multi-agency and diverse working group with 19 people. CALAFCO member representatives include: *Pamela Miller* (CALAFCO), *José Henriquez* (El Dorado, Central region), *Steve Lucas* (Butte, Northern region), *Kai Luoma* (Ventura, Coastal region), *Paul Novak* (Los Angeles, Southern region), *Holly Whatley* (Colantuono, Highsmith & Whatley), special advisor *Harry Ehrlich* (San Diego), and joint CALAFCO/CSDA Board Member *Jo MacKenzie* (San Diego). Representatives from CSDA include *Anthony Tannehill* and *Mustafa Hessabi* (CSDA staff), *Danielle Coates* (Eastern Municipal Water District), *Christine Compton* (Irvine Ranch Water District), *Lindsey Liebig* (Herald Fire Protection District), *Noelle Mattock* (El Dorado CSD) and *Elliot Mulberg* (Florin RCD & Elk Grove Water District). Other representatives include *Geoff Neill* (CSAC), *Betsy Strauss* (League of CA Cities), *Anton Favorini-Csorba* (Senate Governance & Finance Committee) and *Jimmy MacDonald* (Assembly Local Government Committee).

To date the working group has had two in-person meetings and one phone conference and is in the data gathering stage. The working group is committed to a long process (originally thinking it would be two years). An update on the working group will be provided at the legislative session during the Conference.

LEGISLATIVE PROGRAM

The 2019 legislative year began with excitement and apprehension as we acclimated to a new Governor and new agenda in Sacramento. Of the 2,625 total legislative proposals that were introduced this year, about 40 percent (1,042 bills) made it to Governor Newsom's desk. He signed 870 and vetoed 172.



The CALAFCO Legislative Committee (Committee) began work in October 2018 and met regularly through July 2019.

CALAFCO ended the year tracking a total of twenty-four (24) bills, sponsoring two (2) bills and taking formal positions on nine (9) bills. In addition, we worked closely with authors' offices on several other bills to successfully avoid harmful LAFCo related amendments on bills moving through the Legislature.

CALAFCO also participates on the Department of Water Resources' County Drought Advisory Group (CDAG) and convened the working group on the protest provisions rewrite.

Thorough legislative updates are provided throughout the year via email and are available daily on the CALAFCO website in Capitol Track. In this Annual Report we will summarize the two CALAFCO sponsored bills. A broader legislative discussion on the most critical of bills affecting LAFCo will occur during the Annual Conference – check your program for details. For a complete list of CALAFCO bills, please visit the CALAFCO website Legislation section. Information is updated daily.

On June 26, 2019, the Governor signed **AB 1822**, the Omnibus bill. The bill contained seven (7) updates to CKH. We are grateful for the efforts of Committee member **Sam Martinez** (San Bernardino LAFCo) and Assembly Local Government Committee (ALGC) consultant **Jimmy MacDonald** for their efforts on shepherding this bill, and to all of you who did the work of submitting proposals for insertion into the Omnibus.

The other CALAFCO sponsored bill this year was **AB 1253** (R. Rivas), which provides state funding for LAFCo. Since Governor Brown vetoed **AB 2258** last year, the Board unanimously supported making this a priority again this year. With the potential of \$2 million on the table for LAFCos to study and potentially reorganize service providers with documented known service and governance concerns serving disadvantaged communities and all LAFCos getting reimbursement for the unfunded mandate related to SB 448 (mandatory dissolution of inactive districts), we felt it was important to try again with a new Governor.

Ultimately the funding did not make it into the FY 2019-20 budget and the author decided to hold off one more year and try to secure the funds in the FY 20-21 budget. Additionally, the Department of Conservation expressed an interest in assisting CALAFCO in

securing funds to reimburse LAFCos for the mandated dissolutions in a separate piece of legislation.

The Board decided this will be a priority one last and final time for the 2020 legislative year.

The CALAFCO Board and Executive Director wish to thank everyone who responded to the calls for legislative action throughout the year. Our collective voice really does have an impact and makes a difference in Sacramento.

We also want to thank all of the people who volunteer to be a part of the Legislative Committee and the Legislative Advisory Committee. They work hard for a large portion of the year on behalf of the entire membership.

FINANCIAL POLICIES AND REPORTING

The Board maintains policies and current filings which are in compliance with all federal and state requirements for 501(c)(3) organizations. The CALAFCO Policy Manual, IRS Form 990 and other key Association documents are available on the CALAFCO web site. The Association also maintains its records with the national nonprofit reporting organization, GuideStar (www.guidestar.com). In 2019 CALAFCO earned the *GuideStar Exchange Platinum Seal* in recognition of our transparency and completeness in documentation. This is the highest level of achievement seal an entity can earn from GuideStar.

All financial records are reviewed quarterly by an outside CPA with reports to the Treasurer and the Board. The Board also reviews the annual IRS Form 990 tax filing prepared by the CPA and staff.

2019-20 Budget

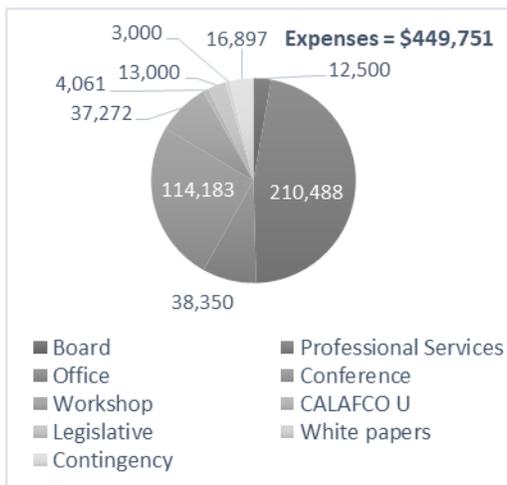
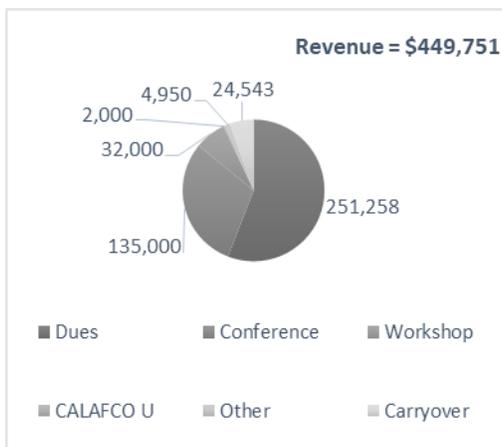
The Board and Executive Director continue to manage the financial resources of the Association closely. As was reported the past two years, we continue to have an unhealthy and unsustainable reliance on the Conference net profit and prior years' net balance to balance the budget. The member dues have never covered the operational costs of the Association and as those costs increase, the increase in dues has not kept pace causing the gap to continue to grow.

In May, the Board adopted a balanced budget. This is due mostly to the large net profit realized for the 2018 Annual Conference (42%), with some savings in the budget realized by staff. As a result of this net profit, we did not have to rely on the \$18,153 of Reserve Funds needed to balance last year's budget. The net surplus allowed us to cover that deficit, cover \$35,591 of the



approx. \$69,000 structural deficit for FY 2019-20, have a surplus carryover balance of \$24,543 and hold almost \$17,000 in the Contingency Fund for FY 2019-20. The remaining portion of the anticipated structural deficit of FY 2019-20 was shared with a one-year cost-sharing increase in member LAFCo dues of 16.25%.

Revenues for FY 2019-20 are budgeted at \$425,208 with an additional \$24,543 in net surplus for a total of \$449,751. Member LAFCo dues comprise \$239,358 of this amount. Expenses are budgeted at \$432,854 with an additional \$16,897 budgeted for Contingency. Total operational expenses are budgeted at \$277,338 (excludes Conference, Workshop and CALAFCO U expenses). This means for FY 2019-20 there is a structural deficit of \$37,980 (difference between member LAFCo dues and operational costs of the Association).



This deficit is being covered by the 15% Conference net profit built into the budget as well as the net surplus. It is the hope of the Board that this year's Conference will realize the budgeted net profit.

The Board spent a great portion of the year discussing the dues structure and the structural deficit, as it promised the membership last year. The financial ad hoc committee did a tremendous amount of work in creating and considering eleven (11) various options of new dues structure before forwarding two to the Board. The Board considered several options over a number of months and in early August presented the membership with a proposal for consideration at the 2019 Annual Business Meeting. Over the past several months, Board members and CALAFCO staff have reached out to our members and made ourselves available to answer questions about the new proposed dues structure. We look forward to this discussion on October 31.

Restricted Fund Reserve

Since 2005 an important goal established by the Board has been to grow and maintain a Fund Reserve to support member services in uncertain economic times and to avoid the need to tap members for additional funds, as had been done in the past. The current balance in our Fund Reserve account is \$162,754, about 58% of the annual operations budget outside of the Conference, Workshop and CALAFCO U. The reserve is not part of the annual budget and requires a vote of the Board to use its funds. The Association has not used the fund reserve since the early 2000s.

CALAFCO maintains its funds with the Local Agency Investment Fund (LAIF). Interest rates have turned and are slowly on the increase.

All financial reports, including budgets and annual tax filings, are available to the membership on the CALAFCO website as well as on GuideStar's website.

ASSOCIATION MANAGEMENT

Earlier this year CALAFCO had to unexpectedly relocate our offices. After eleven years subleasing office space from the Rural County Representatives of California (RCRC), they expanded and needed the space for their own use. With only 45 days to find a new home and move (around the same time as the staff workshop!), staff quickly researched new locations and narrowed the field to several affordable options. Staff presented the information to the Board and a decision was made. The offices were relocated in downtown effective May 1. While there have been numerous challenges associated with the new location, staff continues to work getting settled into the new CALAFCO home.



A FINAL THANK YOU

We wish to recognize the leadership of our Executive Director **Pamela Miller** and Executive Officer **Steve Lucas** (Butte). Added to that is our appreciation for all the contributions of Executive Assistant **Jeni Tickler** in the CALAFCO office, DEOs **Christine Crawford** (Yolo), **Martha Poyatos** (San Mateo) and **Keene Simonds** (San Diego), Legal Counsel **Clark Alsop** (BB&K), and CPA **Jim Gladfelter** (Alta Mesa Group). These people, along with many other volunteers, Associate members and members of the Board have all worked together this year to bring many achievements and a strong Association to you, our member LAFcos and Associate members.

Sincerely Yours,
The CALAFCO Board of Directors

Making Sense of Reclamation Districts in Yolo County

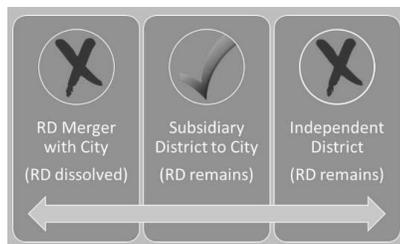
Written by Christine Crawford, Yolo LAFCo

Yolo's fifteen (15) reclamation districts (RDs) were formed roughly 100 years ago back in a time when counties sold an acre of land for a mere \$1 to anyone who was willing to "reclaim" it from the swamps by building up levees. Surprisingly, in Yolo County there have been few governance changes in the last century (except for some previously existing RDs going defunct) despite the significant changes in development and community patterns.

Yolo LAFCo currently has seventeen (17) state and local agencies maintaining portions of the Sacramento River Levee System. With heightened interest after Hurricane Katrina and the State's efforts with the Central Valley Flood Protection Plan, Yolo LAFCo embarked on a comprehensive MSR to

solve this critical governance problem: levees are only as strong as the weakest link and with so many RDs (and some

underperforming), something needed to be done. Therefore, the primary goal of the MSR was to encourage consolidations and determine the best agency to become the lead for each of Yolo's five hydrologic basins.



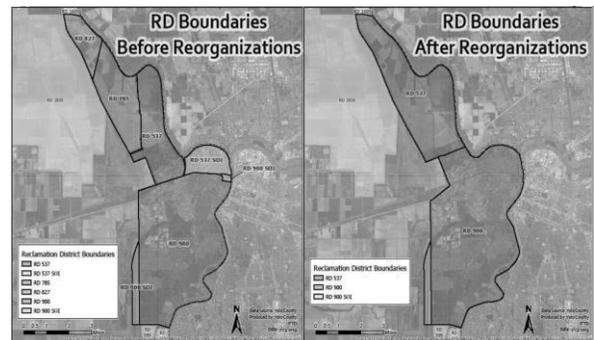
The 2018 MSR resulted in governance recommendations for each of the five hydrologic basins. In particular, the West Sacramento Basin recommendation was controversial with the local reclamation district (RD 900) fighting to retain independent control. However, because the district was completely within City boundaries, LAFCo ultimately recommended in its MSR the district be established as a subsidiary district to the City of West Sacramento. The graphic shows the range of alternatives considered in the MSR.

LAFCo's recommendation was fought by RD 900 and became the subject of a Yolo County Grand Jury investigation with a report issued June 28, 2019, awkwardly, while the proposal application was still pending.

Steadfast in its mission, at its May 23 and July 25, 2019 meetings Yolo LAFCo approved two proposals resulting from the 2018 MSR to achieve what is illustrated in the "before and after" maps below. Four RDs became two, which are now aligned to each hydrologic basin and unique urban versus rural needs. In addition, two areas (one of them disadvantaged) previously not covered by the RD were annexed.

There was no protest filed to the proposal to dissolve and annex the RDs to the north into RD 537 and the protest process for RD 900 concludes on November 13, 2019. Assuming all the terms and conditions are successfully completed, the reorganizations will become effective on July 1, 2020.

I am very proud of the Commission's persistent leadership over the past three years to bring much needed governance changes to ensure critical public safety along the Sacramento River Levee System in Yolo County and a more sensible governance configuration.



Legislature Turns Toward Housing Policy

Continued from front cover

- Apply the funds toward a project
 - with at least 15% affordable units;
 - in an area zoned for mixed-use or residential development;
 - with an average residential density of 30 or more units per acre for a jurisdiction in a metropolitan county.

The Local Government Planning Support Grants Program funds local planning activities to accelerate housing projects and housing element compliance. It authorizes:

- \$125 million for councils of governments; and,
- \$125 million for cities and counties.

The funds may only be used for housing-related planning, including:

- Rezoning and updating planning documents, such as general plans, including housing elements, community plans, specific plans, and sustainable communities strategies;
- Program level CEQA compliance to eliminate the need for project-level review;
- Establishing a Workforce Housing Opportunity Zone (Gov. Code, § 65620 et seq.) or a Housing Sustainability District (Gov. Code, § 66200 et seq.);
- Infrastructure planning, as for sewers, water, transit, roads, or other public facilities to support new housing and residents;
- Partnering with other local entities to identify and prepare excess property for residential development;
- Revamping local planning processes;
- Developing or improving an accessory dwelling unit ordinance; or
- Covering the costs of temporary staffing for these efforts.

HCD will accept applications for Planning Program grants through July 1, 2020.

Housing Elements. Courts may apply a broad range of existing remedies if a city’s or county’s housing element is non-compliant, such as:

- Suspending a city’s or county’s authority to issue building, zoning and map approvals;
- Mandating approval of certain housing projects; or

- Forbidding denial of certain affordable developments.

AB 101 creates a new means to enforce housing element requirements. First, HCD will post on its website and update monthly a list of cities and counties that have not adopted compliant housing elements. Second, HCD will notify the city or county of its non-compliance, offer two opportunities to meet in person or via telephone to discuss the violation, and provide written guidance after the meeting. Then, HCD may:

1. Ask the Attorney General to request a court order directing the city or county to bring its housing element into substantial compliance.
2. If the local agency does not comply within 12 months of the order, the court must impose a fine ranging from \$10,000 to \$100,000 per month to be deposited into SB 2’s Building Homes and Jobs Trust Fund. If the local agency fails to pay its fines, the court may require the State Controller to intercept any state and local funds to cover it.
3. If the local agency does not comply within 3 months of the imposition of the fine, the court may triple the fine.
4. If the local agency does not comply within 6 months of the original fine, the court may increase the fine six-fold or appoint a receiver to bring the agency’s housing element into compliance.



By December 31, 2022, HCD and the Office of Planning and Research will develop a revised RHNA process “that promotes and streamlines housing development and substantially addresses California’s housing shortage.” It is unclear how the revision will affect, if at all, the sixth cycle RHNA allocation plan, which is scheduled to be adopted by the Southern California Association of Governments for its region in October 2020.

Zoning Standards. AB 101 defines a “Low Barrier Navigation Center” facility as a housing-first, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect homeless people to income, public benefits, health services, shelter, and housing. “housing-first” providers offer services as needed and requested on a voluntary basis and do not make housing contingent on participation in services. A city or county has 30 days to notify a developer proposing such a use that its application is complete, and 60 days to act on a complete application.

Cities and counties must treat this use as a use by right in mixed use and nonresidential zones which allow multi-family uses, approving it on a ministerial, or “over the counter,” basis — without CEQA review. The statute applies to charter cities and expires January 1, 2027.

Conclusion. Housing and homelessness are pressing concerns for Californians and therefore have received sustained legislative attention. Further developments are likely in the next legislative session. In the meantime, there is much for local governments — and the LAFCoS which serve them — to get up to speed on.

Doing More Than Surviving in San Luis Obispo

Written by: David Church, San Luis Obispo LAFCo

Staff Transitions. Life happens, and SLO LAFCo’s Clerk, Ms. Donna Bloyd retired at the end of June. Donna has been the glue of our organization for over 15 years. She wrote procedures, organized the office, worried about the details and took great care to ensure SLO LAFCo achieved its mission. Donna cared deeply about us doing a great job and we wish her well in retirement!

In September, we hired Imelda Marquez as our new Clerk. Imelda came to us via Fresno LAFCo where she was an intern. She has enthusiasm, tenacious curiosity and a Bachelor’s in Geography. In her first month she has clerked a meeting, prepared and sent out the agenda, paid the bills, and basically hit the ground running. It is evident that Imelda also cares deeply about doing great work! Welcome aboard Imelda—we are so thankful for you! Also, thanks to Fresno LAFCo for pointing out Imelda’s outstanding skills and talents.

We also saw the retirement of Ray Biering, our steadfast legal counsel and advocate for almost 20 years. Ray’s excellent public agency experience kept us moving in the right direction. Brian Pierik of Burke, Sorensen and Williams has joined us and has been exceptional over his first year. Welcome Brian!

Opting-In, Opting-Out. The two California Water Districts that were formed to help landowners comply with SGMA in the Paso Robles Groundwater Basin were created on the principal of voluntary participation. In other words, as a landowner you could opt-in to the District and conversely opt-out if you wanted to have the County be your GSA instead. Well, the 140,000 acre Shandon-San Juan Water District, which is a GSA under SGMA, had a 33,000 acre detachment (opt-out/Ranch) in September, 2019. This decreased the funding for the District by around \$7,000

overall. The District, while not excited about the detachment, did not oppose it and LAFCo approved the proposal. Interesting to see how things work out in an impacted and polarized groundwater basin that is under SGMA’s bright light.

Commission Pulls Together. The last couple years our Commission has really done a great job of pulling on the same end of the rope. By that I mean, we have tackled some challenging issues with a respectful and listening attitude towards the public, applicants and each other. This has created a good decision making climate for all parties. Special thanks to our Chair, County Representative, Lynn Compton for running an efficient and civil ship. Kudos to the Commission for giving your patient and thoughtful effort to those involved in the work we do for the County, Cities and Special Districts.

SOI/MSR/MOA Updates. It would be easy to take for granted that we have now, for the third time in 17 years, updated the Spheres of Influence, Municipal Service Reviews and the Memorandum of Agreements for the Cities of Pismo and Atascadero. We started this journey back in 2002 with Pismo Beach and have carried on consistently throughout the years with regular updates and an annual work plan. The updates have not been completed exactly every five years, but they have been done “as needed”. Thank goodness we have some flexibility written into the CKH Act. The key SOI’s now have embedded in them conditions regarding the preservation of prime agricultural land, having a sustainable, adequate and reliable water supply, and we even tackled the negotiated property tax process. We are so appreciative of Mike Prater, Deputy Executive Officer, who expertly manages this program and herds the cats towards the finish line! Great Job Mike!

In Memory of Jim Gray

Placer LAFCo lost a long time Commissioner when Jim Gray passed away August 21. Jim was serving as the Alternate Public Member and had previously served as a City member, having served on the Commission for approximately eleven years. He had attended several CALAFCo Conferences.



Jim had been on the Roseville City Council for nine years, including two terms as Mayor, and was an active Rotarian and volunteer in the community. Jim volunteered his time coaching youth sports and participating in numerous community organizations. Jim was the Personnel Director for Placer County prior to his retirement.



Thank You to All of Our Associate Members

CALAFCO GOLD ASSOCIATE MEMBERS



CALAFCO SILVER ASSOCIATE MEMBERS

*Berkson Associates
 City of Fontana
 City of Rancho Mirage
 County Sanitation Districts of L. A. County
 Cucamonga Valley Water District
 Dudek
 E. Mulberg & Associates
 Economic & Planning Systems (EPS)
 Goleta West Sanitary District
 Griffith & Matsuda, a Professional Law Corp.
 HdL Coren & Cone*

*LACO Associates
 Lamphier-Gregory
 P. Scott Browne
 Pacific Gold Agriculture, LLC
 Planwest Partners, Inc.
 Policy Consulting Associates
 QK
 Rancho Mission Viejo
 Rosenow Spevacek Group (RSG)
 Santa Ynez Community Services District*

LOOKING AHEAD....



CALAFCO 2020 Staff Workshop
 March 25 - 27
 Hyatt Regency Newport Beach, John Wayne Airport
 Hosted by Orange & Imperial LAFcos

CALAFCO 2020 Annual Conference
 October 21 - October 23
 Hyatt Regency
 Monterey, CA

The Sphere

CALAFCO Journal

CALIFORNIA ASSOCIATION OF LOCAL AGENCY
FORMATION COMMISSIONS

1020 12th Street, Suite 222
Sacramento, CA 95814

www.calafco.org



CALAFCO provides educational, information sharing and technical support for its members by serving as a resource for, and collaborating with, the public, the legislative and executive branches of state government, and other organizations for the purpose of discouraging urban sprawl, preserving open-space and prime agricultural lands, and encouraging orderly growth and development of local agencies.

Sharing Information and Resources

The Year In Pictures - Scenes from CALAFCO Activities

CALAFCO Annual Conference 2018

Yosemite, CA



CALAFCO Annual Staff Workshop 2019

San Jose, CA



2020 Events Calendar

JANUARY

- 13** CALAFCO University course (Orange County)
- 17** CALAFCO Legislative Committee (Irvine)
- 21-23 CA Assn. of Sanitation Agencies Conference (Indian Wells)
- 22-24 League New Mayor & Council Academy (Sacramento)

FEBRUARY

- 21** CALAFCO Board of Directors Meeting (San Diego)

MARCH

- 5-8 Local Government Commission Ahwahnee Conference (Yosemite)
- 6** CALAFCO Legislative Committee (Sacramento)
- 12 Assn. of CA Water Agencies Legislative Symposium (Sacramento)
- 25-27** CALAFCO Staff Workshop (Newport Beach)
- 31 Fire District Assn. Annual Meeting (Napa)

APRIL

- 1-3 Fire District Assn. Annual Meeting (Napa)
- 3** CALAFCO Legislative Committee (San Diego)
- 22 League of Cities Legislative Day (Sacramento)

MAY

- 1** CALAFCO Board of Directors Meeting (Sacramento)
- 5-8 Assn. of CA Water Agencies Conference (Monterey)
- 8** CALAFCO Legislative Committee (Conference call)
- 19-20 CA Special Districts Assn. Legislative Days (Sacramento)
- 27-28 CA State Assn. of Counties Legislative Days (Sacramento)

JUNE

- 12** CALAFCO Legislative Committee (Conference call)
- 17-18 League Mayor & Council Executive Forum (Monterey)

JULY

- 17** CALAFCO Legislative Committee (Conference call)
- 24** CALAFCO Board of Directors Meeting (San Diego)

AUGUST

- 12-14 CA Assn. of Sanitation Agencies Annual Conference (Squaw Valley)
- 24-27 CA Special Districts Assn. Annual Conference (Palm Desert)

SEPTEMBER

- 16-17 Regional Council of Rural Counties Annual Conference (Napa)

OCTOBER

- 2** CALAFCO Legislative Committee (2021) (Conference call)
- 7-9 League Annual Conference (Long Beach)
- 21-23** CALAFCO Annual Conference (Monterey)
- 22** CALAFCO Annual Business Meeting (Monterey)
- 23** CALAFCO Board of Directors Meeting (Monterey)

NOVEMBER

- 6** CALAFCO Legislative Committee (2021) (Sacramento)
- 13** CALAFCO Board of Directors Meeting (Sacramento)

DECEMBER

- 1-4 CA State Assn. of Counties Annual Conference (Los Angeles)
- 1-4 Assn. of CA Water Agencies Conference (Indian Wells)

Sharing Information and Resources

CALIFORNIA ASSOCIATION OF
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COMMISSIONS

1020 12th Street, Suite 222
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916-442-6536

For current information and other CALAFCO resources please visit www.calafco.org

CORRESPONDENCE – IN THE NEWS

Newspaper Articles

- The Modesto Bee, October 29, 2019, “Here’s how \$500M new reservoir planned near Patterson would work.”
- West Side Index, October 31, 2019, “LAFCO gives green light to NW Newman Annexation.”
- The Modesto Bee, November 5, 2019, “Fourteen-year Turlock Irrigation employee appointed to lead district.”
- West Side Index, November 10, 2019, “Irrigation agencies propose West Side Reservoir.”
- West Side Index, November 14, 2019, “Partnerships bolster local fire departments.”
- The Modesto Bee, November 15, 2019, “‘Jaws of Life’ among items stolen in \$30,000 theft from Stanislaus County fire district.”
- West Side Index, November 21, 2019, “City waives sewer, water policies for parcels being annexed.”

Here's how \$500M new reservoir planned near Patterson would work

By Ken Carlson

A proposed reservoir in Del Puerto Canyon, just west of Patterson, promises reliable water deliveries for farms in western Stanislaus County and nearby counties.

It could serve to recharge groundwater for Patterson, a city of 23,750 residents, while other proposed benefits are water deliveries for wildlife refuges and flood control on occasions when storms threaten flash floods on Del Puerto Creek.

Proponents including Del Puerto Water District and the San Joaquin River Exchange Contractors Water Authority discussed the multiple benefits of the Del Puerto Canyon Reservoir at a press briefing Monday.

A draft environmental study on one of the newest water storage projects in California will be released in late November.

Anthea Hansen, Del Puerto's general manager, said no issues have arisen that would stop the canyon reservoir project, which has drawn little public attention until recently. Estimated to cost \$400 million to \$500 million, the dam and reservoir just west of Interstate 5 could be built over a six-year period starting as early as 2022.

The environmental study is assessing the impacts on wildlife, cultural resources, traffic, air quality and other issues. The canyon reservoir could store as much as 85,000 acre feet of water pumped from the nearby Delta Mendota Canal.

Del Puerto and four districts in the exchange contractors authority have contracts for water from the federal Central Valley Project, a massive complex of dams and canals in Northern and Central California. Water for those farmers in Stanislaus, San Joaquin, Merced, Fresno and Madera counties needs to be pumped south of the Sacramento-San Joaquin delta, but dry years and protections for endangered fish have resulted in unreliable deliveries or none at all.

Chris White, executive director of the exchange contractors, said the canyon reservoir will hold water in wetter years and release it for irrigation in drier periods.

Water released into Del Puerto Creek downstream from the dam would filter through the permeable creek bed to replenish groundwater. The city of Patterson also could put the additional creek water in a recharge basin to prop up the level in wells.

City officials have asked for studies on the safety of a reservoir larger than Turlock Lake and a 200-foot-high earthen dam plugging the historic "gateway" or mouth of Del Puerto Canyon.

White said the state Department of Water Resources division of dam safety will require a safe design and uphold the highest standards in reviewing the design.

Barbara Barrigan-Parrilla, executive director of Restore the Delta, a delta protection group, said a project taking delta water in wet periods won't likely raise issues, but filling the reservoir in dry years could spark a reaction from environmental groups.

"If taking more water means gutting protections for the delta than it becomes problematic," she said.

Barrigan-Parrilla said her group will probably look at the operational details in the environmental study. She added it may be wise to spend money on upgrades to the San Luis Reservoir dam before funding a new reservoir. Some of the funding for canyon reservoir would come from the Water Infrastructure Improvements for the Nation Act, plus multiple other sources.

IN THE NEWS – The Modesto Bee, October 29, 2019 (Continued Page 2)

Hansen said one of the challenging issues will be access for heavy equipment building the dam just off Interstate 5. The only access point now is the limited Sperry Avenue interchange.

In addition, the districts will need to move a Shell Oil Company line and reroute Del Puerto Canyon Road.

There no plans for boating or other on-the-water recreation at the reservoir.

After the environmental study is released, meetings will be held for public comments. The public comments will be addressed in the final study.

LAFCO gives green light to NW Newman annexation

Approval remains subject to protest process

The city's proposal to annex 121 acres of land on Newman's northern boundary was approved last Wednesday by the Stanislaus Local Agency Formation Commission (LAFCO), despite objections voiced by property owners and reservations expressed by members of the commission.

The annexation remains subject to a protest process in which registered voters and property owners in the subject area can voice their opposition and, if enough object, put the annexation to a vote or halt it outright.

The annexation property extends west from Highway 33 to past Fig Lane, from the current city limits to Stuhr Road. It is the first phase of the master planned 360-acre Northwest Newman project, a mix of residential, commercial and business park uses.

The initial phase, City Manager Michael Holland said, is primarily comprised of land use designations which will promote economic development and job creation in the city.

"This is a good project," Holland told the land use commission. "I think it is everything LAFCO wants to see. You want to see jobs; you want to see a good jobs-housing balance; you want to see orderly growth."

By master planning the entire area, Holland noted, the city is following a mandate it clearly heard from the community during its last general plan revision.

"Our residents told us they don't want us to piecemeal projects and do a subdivision here and a subdivision there," he stated. "They wanted cohesive projects and neighborhoods, not just subdivisions." But speakers representing two of the parcels involved voiced their concerns about the annexation, saying they would lose valued Central California Irrigation District Class I water rights and could under city policies be subject to excessive expenses to bring city utilities to their properties - including the cost of extending water and sewer mains, which is more typically borne by developers.

Ronald Clark, who owns a walnut orchard in the annexation area, said his price of water through CCID would triple and reliability of supply would diminish if the property was annexed. The cost of bringing in city utilities, he said, would be prohibitive.

"This is the sort of thing that will drive us out," he told the commission. "The people who are living there are living there because they don't want to live in a highly-developed, commercial area."

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

Property owner Steve Bassett contended that the city is saddling the property owners with its infrastructure costs. "If they want to annex this, they need to supply the services," he stated.

Sherri Marsigli, who holds an interest in the family-owned Bassett property, said the majority of residents in the area do not wish to be annexed to the city and presented a petition to the commission.

The annexation, she contended, "is being driven by the city instead of a developer, without the express or even implied consent of property owners."

While city officials have taken the position that they will be flexible in working with property owners rather than strictly enforcing policies regarding municipal utilities as written, Marsigli said, nothing has been put in writing.

"Property owners can and probably will be saddled with costs," she predicted, adding that if future development triggers a reimbursement clause that would likely be years down the road.

But Dave Romano, speaking on behalf of 20-acre property owner Sandpoint Properties, praised the project.

"It is an economic development project. Highway 33 is kind of the lifeblood of Newman," he stated. "We look forward to the opportunity to be annexed into the city and take part in the development of the area."

Holland, the city manager, returned to the podium to address concerns that had been raised. He said the city has a proven history of working with residents, noting that a number of wells continue to operate within the city limits.

Regardless of city ordinances and stated policies, Holland emphasized, in practice "the reality is that (requiring main line extension by property owners) is not going to happen."

"We do not foresee ourselves forcing people to connect. If their well goes bad, we are going to want them to hook into city water. It takes a lot of work to engineer, design and install water and sewer lines. It is not something that you typically make a property owner do," Holland stated.

Holland later reiterated to Mattos Newspapers that he does not envision a situation in which a property owner would be required to extend a main line in order to make service available unless the property was being developed. Responsibility to install a service line connecting a home to a main would fall to the property owner, he added.

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

“Is there any way you can work with those property owners to have something in writing so they can feel more comfortable in what you are telling them?” asked William Berryhill, a public member of LAFCO.

Doing so would require rescinding current ordinances, said Holland.

Terry Withrow, county member of LAFCO, praised the plan but questioned the city policies. “I wish we could put some conditions in there that you guys would front the cost until development came in,” he told Holland.

Holland said the city has worked to address concerns raised by property owners.

Only because the city has done so and is striving to be as transparent as possible did the issue of responsibility for water and sewer even surface, he said in a response to Jim DeMartini, a county LAFCO member.

Other cities most likely have similar language buried in their codes, Holland added.

He said the Northwest Newman project is critical to the city moving forward, laying the ground work for new jobs and in time much-needed inventory of housing lots.

“You have to plan for the future, or the future runs you over,” Holland said. “We think we are looking out for the betterment of the entire community.”

LAFCO members ultimately approved the annexation - but not before making their reservations clear.

They indicated that, despite their concerns, the worries surrounding municipal services are appropriately addressed at the local level rather than by LAFCO.

“As much as I would love to say they should get something in writing, from LAFCO’s perspective they have done everything right,” said Berryhill.

“I have concerns about having a homeowner extend a large main line. I think that is not their responsibility. I will go along with this, but I hope the city does not require (property owners) to install an eight- or 10-inch line to get water hooked up,” DeMartini stated.

“We have to stay within our boundaries at LAFCO,” Withrow said. “I wish we could have avoided this one area, and hope it can still be avoided through the council in Newman.”

Brad Hawn, a community member of LAFCO, noted that there is a public protest mechanism.

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“We don’t know if a majority of people feel the way as those who have come here,” he pointed out. “If this is onerous enough on enough people, they are going to come forward and say ‘no’. That is the true way to let the community speak instead of relying on a few.”

LAFCO staff outlined the protest process as follows.

A protest hearing will be scheduled following a 30-day reconsideration period. Protest notices will be sent out at least 21 days prior to the hearing. Written protests can be mailed during the 21-day period or hand-delivered at the protest hearing (as long as it is submitted prior to the closing of the hearing).

If fewer than 25 percent of registered voters or property owners in the annexation area protest, the annexation is affirmed. If 25-50 percent of registered voters, or 25 percent or more landowners (who also own at least 25 percent of assessed land value) object, an election is called and registered voters decide if the annexation is approved or denied. If 50 percent or more registered voters protest, the annexation is terminated.

According to LAFCO staff, there are 54 registered voters within the annexation area, and a total of 38 parcels of land.

Some of those property owners have already agreed to not protest the annexation. That condition was part of a water fee connection fee waiver program offered by the city to residents near a planned line coming from a new well under construction further west on Jensen Road. By making municipal water available to those residents, Holland said, the city hopes to qualify for more favorable financing for the well project. Holland said Monday that about six property owners have entered into that agreement.

Fourteen-year Turlock Irrigation employee appointed to lead district

By John Holland

Michelle Reimers was appointed Tuesday morning as general manager of the Turlock Irrigation District.

Reimers, TID's assistant general manager of external affairs, will succeed Casey Hashimoto, who announced in April that he would retire at the end of 2109. He has been in the post since 2010 and worked on TID's electrical side starting in 1985.

Reimers has been with TID for 14 years.

"The Board believes Michelle's unique blend of skills and vision for the District made her the best candidate for the position," Charlie Fernandes, TID board president, said in a news release. "During her career, she has advised the District on a number of major issues and challenges, and we are fortunate to have her continued leadership in this new role."

In her current position, Reimers has been responsible for customer service and consumer programs, directed state and federal legislative and regulatory efforts, and led all communications and brand management for TID, the news release said.

The district provides Tuolumne River water to about 150,000 acres of farmland roughly bounded by the Tuolumne, Merced and San Joaquin rivers and the Hickman and Ballico areas.

The 100,00-plus power customers are in that zone and in areas stretching east to La Grange and west to Diablo Grande.

Hashimoto's tenure has been relatively low-key. TID did have to contend with a 2012-2016 drought that reduced deliveries to farmers. It also has joined with nearby agencies in fighting a state proposal to boost fish flows in the Tuolumne, Stanislaus and Merced rivers.

TID has kept power rates fairly stable in recent years and acted early to comply with state mandates for renewable sources. They include wind and solar along with the district's main sources, natural gas and hydropower.

The district also is working to reduce reliance on wells in the cities of Turlock and Ceres via a Tuolumne River treatment plant. The Modesto Irrigation District, TID's partner on the river, has done that since the mid-1990s.

Irrigation agencies propose West Side reservoir

A storage reservoir proposed in Del Puerto Canyon near Patterson holds the promise of creating a more reliable water supply for growers served by a coalition of irrigation agencies.

The idea is being championed by the Del Puerto Water District, which serves growers along the Interstate 5 corridor, and the San Joaquin River Exchange Contractors Water Authority, a group of four water agencies, including the Central California Irrigation District.

Anthea Hansen, general manager of the Del Puerto district, and Chris White, executive director of the exchange contractors group, stressed during a press briefing recently that the reservoir is essential in providing the water agencies greater local control over their water supplies.

While the reservoir holds many potential benefits, Hansen said, “primarily our goal here is to solve a storage problem. We believe that there is enough water available, but we don’t have the tools to manage that supply efficiently. That is what has brought this about.”

Del Puerto, she added, has been innovative in developing supplemental water sources for its growers. One such endeavor involves the recycling of treated wastewater from the cities of Modesto, Turlock and Ceres for irrigation use in the district.

But the ability to store and better manage water supplies is a crucial element which is currently lacking, she indicated. A reservoir would also allow greater control over the timing of water deliveries, and allow the agencies to store water during wet years for use during dry times.

“We can provide more reliability to our customers so there are not these peaks and valleys of supply from year to year,” Hansen noted. “This helps our farmers with planting decisions, and with getting financing.”

White emphasized that the reservoir would not increase pumping through the Sacramento-San Joaquin Delta to south-of-the-delta users.

“This is not new water. This is taking water already coming south of the delta and managing it better,” he stated. “This does not affect delta operations. We are looking to manage our water supplies that have already been allocated in a way that is more protective of the local area.”

Del Puerto’s annual water allocation is much more tenuous than that of the exchange contractors. For that reason, Hansen said, the district’s search for new supplemental water supplies will be ongoing.

“We just have to have a place to store it,” she said.

Ag would not be the sole beneficiary of a reservoir, White and Hansen said.

The project would also provide groundwater recharge benefits, offer flood protection to the city of Patterson and help make water available to wildlife refuges.

There are regional economic benefits as well, Hansen pointed out, as ag remains the lifeblood of valley communities.

“If we can be more self-reliant, we would bring more stability to the jobs in these small West Side communities,” she stated.

By the numbers, the proposed reservoir would encompass a surface area of 800 acres, and would involve a 200-foot high earthen dam at the mouth of the canyon, just west of Interstate 5, as well as three saddle dams. The dam would have a capacity of 85,000 acre-feet of water, and would be connected by a pipeline to the Delta-Mendota Canal.

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The reservoir would not be conducive to on-the-water recreational opportunities because the water level would drastically fluctuate.

The cost, estimated at up to \$500 million, would be borne by beneficiaries of the project. White and Hansen said the agency partners are hoping to secure federal funding to help with a portion of the costs.

A draft environmental impact report is expected to be published in December, followed by a 45-day comment period.

The time line calls for environmental review complete by mid-2020, followed by design and acquisition of the privately-owned property on which the reservoir would be located. Construction could begin in 2022, with completion in six years.

The project would require relocating a segment of Del Puerto Canyon Road and a Shell Oil pipeline.

Hansen and White said they believe the reservoir project, which has been previously studied, is more palatable from an environmental standpoint because it offers off-stream storage which does not disrupt a river flow or fishery. Nor does it impact delta pumping, they reiterated.

The proposal would be subject to approval from a host of state and federal agencies.

While the project is not without its challenges, they said, studies to date have not revealed obstacles they consider insurmountable.

“We haven’t seen any big issues that would cause us to not pursue this project,” White told reporters. “The challenges that we are finding through the process are things that we can solve.”

Partnerships bolster local fire departments

Partnerships are continuing to strengthen the community-based fire departments which serve Gustine and Newman.

The ranks of volunteer firefighters have thinned in each community through the years, but a support network helps ensure that help is on the way when emergency strikes in or around the West Side cities.

In Gustine, the station which the Gustine Volunteer Fire Department shares with Merced County is staffed by CalFire 24 hours a day, seven days a week. That lone firefighter is typically the first out in response to a call, followed by the volunteers as needed - and available - from the local department.

Four miles to the north in Newman, the community's fire department shares personnel, equipment and a fire station with the West Stanislaus Fire Protection District. The partnership between the allied agencies enabled Newman to increase its paid fire staffing when the city went from a part-time chief to a shared full-time employee. Keith Bowen is a division chief within the fire protection district ranks but essentially is fire chief in Newman - which pays 60 percent of his salary.

The Newman-West Stanislaus partnership also shares the cost of having an on-call fire officer who, while not specifically staffing a station, is committed to being available to respond to calls through the course of a 24-hour shift.

And, the Newman and Gustine departments have a well-established partnership of their own, responding to assist one another on designated incidents such as structure fires under an automatic aid agreement. While other mutual aid resources are available to respond from other West Stanislaus or Merced County/Cal Fire stations as well as neighboring agencies, none are as close as those coming from the community next door.

In the case of major incidents, said Bowen and Gustine Fire Chief Pat Borrelli, the added resources are instrumental in bringing adequate manpower to the scene - be it from the city next door or from other nearby stations.

While they share a common mission and are among the first to respond in support of the other, the structure of fire safety agencies in Gustine and Newman are markedly different.

Gustine, the smaller of the two cities, has a full-time firefighter on duty and has for years.

The city and county share the station. Each owns its own apparatus and equipment, Borrelli said, and the county contracts with CalFire for staffing.

Borrelli estimates that CalFire has staffed the station for more than 25 years. Prior to that, he said, Merced County personnel staffed the station.

"When CalFire took over we were probably one of the first volunteer departments that took Firefighter I training," Borrelli said in reference to a basic level state firefighting certification.

Now, he said, all the paid call (or volunteer) firefighters throughout the county go through identical training on the county equipment so they can operate that apparatus as needed, one of many ways the system has become streamlined.

Having a full-time firefighter on duty has become even more important through the years, Borrelli said, as the volunteer ranks dwindled. Years ago, he recalled, the department had upward of 25 volunteers. The department now numbers 14, and of those fewer work in town and are more reliably available to respond to calls.

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"It is crucial," he said of the full-time staffing. "Our response time is better because he is already here, and at night, when we are running medical aid calls, there is not a lot of help."

County Engine 74 is typically first out of the Gustine station, regardless of whether a call is within the city or surrounding county area.

"We will pick up our engine or rescue vehicle if it is needed," noted Borrelli, who as a part-time city employee is the Gustine department's only paid staff member beyond per-call stipends.

A CalFire engineer and fire captain are assigned to the Gustine station through 72-hour shifts, Borrelli said, and a relief firefighter takes the other day of the week. The arrangement, he said, allows the CalFire personnel to become familiar with the local volunteers and community - and vice-versa.

And, when needed, officers and resources higher up the chain of command are available as well.

Borrelli does not see volunteers ever going by the wayside.

But he acknowledged that more full-time staffing is going to be needed in the future, and said the city and county are already in talks about staffing the local station with a second firefighter.

"It is not going to happen overnight," Borrelli cautioned.

A different structure is in place in Newman.

Bowen's employment helped provide the staff time to deal with an ever-increasing workload of administrative demands while increasing the fire department presence.

Establishment of the on-call fire officer was another step toward ensuring coverage and improving response times, Bowen said.

"That has reduced response times, and has given the crews an individual to contact. It has provided coverage at the station for phone calls and training," he explained.

If a phone call comes into the station and neither he or the on-call officer is in to take it, Bowen said, the call forwards to the fire officer.

One of the fire officer's responsibilities is to check the apparatus on a daily basis.

"It has made a huge difference operationally," Bowen said of the on-call fire officer program. "It gives us that person who can focus primarily on operations."

The on-call officer also offers the ability to be more responsive to non-emergency requests for service.

"We still get the cat in the tree calls," Bowen noted. "(The community) wants us to be here to cover anything they call for. We're glad to be here for that."

Four firefighters are currently approved to serve in that capacity. They are paid \$150 for a 24-hour shift which runs from 8 a.m. to 8 a.m.

Most are trained to the level of emergency medical technician or higher so they have the ability to render treatment on calls, Bowen noted.

The on-call officer is a step toward alleviating potential resource shortages.

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While the Newman department has 20 volunteers, Bowen said, on any given day only a small percentage may be available to respond to calls.

“On our larger calls we can typically get a first-out response with three to four people, then automatic aid,” he explained. “Automatic aid is extremely important to us. At a typical structure fire, we need at least 15 firefighters. As a volunteer agency with only 20 firefighters we are not adequate in that sense. The next best thing is (is to bring in) additional resources.”

The partnership between Newman city and West Stanislaus has evolved to the point where they are sharing equipment and training.

No longer are there decisions about which truck responds to a call, for example, or which set of turnouts firefighters wear to a call.

The streamlining of operations has been beneficial in multiple ways, Bowen said, from getting the most out of taxpayer dollars to ease of operations on the part of firefighters.

At some points in the past, he said by way of example, firefighters had to train on three different types of engines - each with their own unique traits - which created operational challenges.

The Newman department, like Gustine’s, is envisioning an ongoing evolution in years to come.

“We are working on a plan for staffing the station,” Bowen told Mattos Newspapers. “It will be on a stipend basis as opposed to (having) full-time employees. That model would work for five to seven years but as our community continues to grow there will be a need for 24-hour (paid) coverage.”

‘Jaws of life’ among items stolen in \$30,000 theft from Stanislaus County fire district

By Erin Tracy

Tens of thousands of dollars worth of equipment, including a tool used to free people trapped in vehicles, was stolen from a volunteer fire department south of Modesto on Wednesday night.

The burglary at the Mountain View Fire Protection District on Crows Landing Road was discovered Thursday morning.

The thief or thieves took rescue tools, a circle saw and a portable generator light, which along with costs to repair damaged doors that were pried open amounts to \$40,000, said Chief Carlos Mello.

“We are a small volunteer department,” he said. “It is a very big hit for our budget.”

The rescue tool, called the “jaws of life,” is a hydraulic mechanism with implements that pry, cut and ram to free people who are trapped, most commonly in vehicles that have been crushed in accidents.

Mello said there is no other purpose for this \$30,000 tool.

“It is really one of those tools that is one of a kind,” he said. “It would stand out if someone was trying to sell it at a flea market.”

All of the items are labeled “property of Mountain View Fire.”

The district serves about 800 residents in a 52-square-mile area that extends to the San Joaquin River, the Merced County line and Monte Vista Road and Central Avenue.

Mello said he will be contacting the district’s insurance company to determine if any of the items are covered.

Anyone with information about this burglary is asked to contact the Sheriff’s Department at 209-525-7114.

City waives sewer, water policies for parcels being annexed

NEWMAN - Local leaders last week moved to alleviate concerns that current property owners whose land is being annexed into the city limits for the Northwest Newman project could be saddled with high costs to connect to municipal utilities.

The City Council approved a request from staff to strike a number of provisions contained in the previously-adopted implementation plan that spelled out guidelines under which current property owners would have to connect to water and sewer.

Owners of two involved properties had voiced objections to policy language which required the connections under certain circumstances and, in some cases, may have put the financial responsibility of extending main water or sewer lines on the property owners.

Members of the Stanislaus Local Agency Formation Commission (LAFCO) also expressed concerns about those policies when addressing the city's 121-acre annexation application in October. The commission approved the annexation nonetheless, noting that the matter of the implementation policy was not in their purview. Because the area is inhabited, however, affected registered voters and property owners still have the opportunity to protest - and could potentially block - the annexation.

In response to concerns, the city is striking requirements that property owners hook up to city water and sewer within a specified time frame of those services being available, removed language suggesting that property owners may have to extend main lines at their own expense and eliminated a requirement that property owners connect to city services if available should their existing well or septic system fail.

"I think those are the three concerns that most of the property owners had out there," City Manager Michael Holland told the council.

Holland had previously offered assurances that property owners would not face mandates from the city, saying that despite the strict language of the its codes and policies the city in practice has been flexible in working with property owners.

But the city backed those assurances by striking the policies in question, Holland said.

"We have continually tried to gain the trust of property owners and let them know that we are trying to plan for the future of Newman," he commented. "The revisions were to build trust with the property owners that we are not trying to change their way of life. We are trying to do the right thing by them."

Some of the codes initially reflected in the implementation policy dated back to the 1960s and were antiquated, Holland added.

"It wasn't fair to put that in writing where it made them nervous about it," he stated. "We just wanted to clarify that this is how we have been going about business and will continue to do so."

Holland emphasized, though, that the exemptions apply only to the property owners of record at the time of annexation and do not transfer to successor owners.

Nor do the exemptions apply should a property owner develop the land.

"If someone sells their property or wants to develop their property, it is all fair game at that point," Holland told the council. "They will have to come up to city code. I think that is the intent of the council."

Holland said staff will reach out to residents and property owners in the annexation area, which roughly runs between Highway 33 and just west of Fig Lane from the existing city limits to Stuhr Road, to advise them of the changes in the program and field any questions regarding the annexation.

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He reiterated that, while the overall 360-acre Northwest Newman is a mix of uses which includes business park, highway commercial, residential and more, the initial phase is focused on job generation.

Once annexed, he added, the city will also be able to make improvements to Jensen Road, which is well-traveled but at this time little more than a deteriorating one-lane roadway.

“We are going to have a great project,” Holland stated. “We are hoping to move forward so we can bring these jobs to our community.”

Council member Casey Graham said he believes the changes presented by staff were fairly addressed concerns that have been raised.

County Supervisor Jim DeMartini, who sits on LAFCO, agreed.

“There were concerns about people having to pay to extend the main lines,” DeMartini said during comments to the council last week. “I think you made the right decision by eliminating that.”

**EXECUTIVE OFFICER'S AGENDA REPORT
DECEMBER 4, 2019**

TO: LAFCO Commissioners

FROM: Sara Lytle-Pinhey, Executive Officer *SLP***SUBJECT: 2020 WORK PROGRAM - MUNICIPAL SERVICE REVIEW & SPHERE OF INFLUENCE UPDATES**

RECOMMENDATION

Staff recommends that the Commission consider adoption of a work program to guide completion of Municipal Service Reviews (MSRs) and Sphere of Influence (SOI) updates for 2020. The Commission may direct Staff to prioritize certain updates as needed.

DISCUSSION

One of LAFCO's responsibilities includes a periodic review of spheres of influence for each city and special district. As part of this process a municipal service review must also be completed, outlining the services provided by the agency and making a series of determinations. Stanislaus LAFCO typically combines these into one document (referred to as a MSR-SOI) for better use of staff time and resources.

The requirement for reviewing and updating a sphere of influence is outlined in Government Code section 56425(g) which states, "on or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence." Consistent with that section, Stanislaus LAFCO has generally made it a goal to initiate MSR-SOI updates for the special districts every five years, as these serve as a means for the Commission to check-in with various districts and service demands throughout the County.

For cities, the Commission has interpreted the "as necessary" provision in the above code section as coinciding with a city's General Plan update or proposed sphere of influence modification. City MSR-SOI updates are generally more detailed and time consuming than those of special districts and are often completed by a consultant in conjunction with an application to LAFCO.

The Commission's policies state that it is preferred that municipal service reviews be completed by LAFCO staff where possible to avoid additional costs of using outside consultants. The Commission's policies also state that in order to be cost-effective, MSR-SOI updates will be completed using existing information and documents that are available (e.g. master plans, general plans, budgets, etc) and are not intended to initiate new analyses.

Prior Year's Work Program

In 2019, LAFCO Staff completed MSR updates for the following districts:

- East Stanislaus Resource Conservation District
- West Stanislaus Resource Conservation District
- Crows Landing Community Services District
- Grayson Community Services District
- Westley Community Services District
- Hills Ferry Cemetery District

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- Knights Ferry Cemetery District
- Patterson Cemetery District

Staff also initiated the process for an update to the municipal service review for the Denair and Keyes Community Services District which will overlap into the 2020 goal below.

2020 Goals - Special Districts

To stay aligned with the five-year goal, Staff will begin MSR updates for the following special districts in 2020:

- Denair Community Services District
- Keyes Community Services District
- Del Puerto Healthcare District
- Westside Community Healthcare District
- Oak Valley Hospital District
- Orestimba Creek Flood Control District
- Sand Creek Flood Control District

A draft schedule for all the special districts, organized by the date of the last update is attached. The special districts are grouped together by the target year for adoption of a new MSR-SOI update.

Upcoming City Updates

City MSR-SOI updates are typically initiated by the cities and/or their consultant in conjunction with a general plan update and/or a proposed sphere of influence amendment. In 2019, the Commission approved a minor change to the sphere of influence for the City of Turlock. Staff recommended that this change also be accompanied by an MSR update, which the City agreed to prepare and was also approved by the Commission. Staff will continue to coordinate with cities that may be updating general plans or mater plans to ensure this information is incorporated into their subsequent MSR updates.

CONCLUSION

Staff believes that the proposed work program can be reasonably completed throughout the year. Paid applications (e.g. annexations, out-of-boundary service extensions) have required processing deadlines that are given precedence over Municipal Service Reviews and Sphere of Influence updates and may delay individual updates. Likewise, tasks involved with upcoming projects (e.g. responses to environmental referrals, pre-application meetings, etc.) may also delay MSR-SOI goals. Staff will continue to keep the Commission apprised of the progress in meeting the goals of the 2020 Work Program throughout the year.

Attachments:

- Special Districts MSR & SOI Update Schedule*
- Cities MSR & SOI Updates*

SPECIAL DISTRICTS
MSR & SOI UPDATE SCHEDULE - BY YEAR

	DISTRICT	LAST MSR COMPLETED
2020	Community Services District - Denair and Keyes	August 27, 2014
	Healthcare & Hospital Districts - Del Puerto Healthcare, Westside Community Healthcare, and Oak Valley Hospital Districts	January 28, 2015
	Flood Control Districts - Orestimba Creek and Sand Creek	December 2, 2015
2021	Water District - Western Hills	January 27, 2016
	Community Services District - Monterey Park Tract	January 27, 2016
	County Service Areas (CSAs) -- 24 total	February 24, 2016
	Westside Irrigation & Water Districts - Patterson and West Stanislaus IDs; Eastin, El Solyo, Del Puerto, and Oak Flat WDs	July 27, 2016
	Fire Protection Districts - Burbank-Paradise, Ceres Rural, Denair, Mountain View, Turlock Rural, Westport, Woodland, Hughson, Industrial, Keyes, Salida, Stanislaus Consolidated, West Stanislaus and Oakdale Rural	July 27, 2016
	Community Services District - Knights Ferry	August 24, 2016
2022	Irrigation Districts - Modesto Irrigation District	February 22, 2017
	Turlock Irrigation District	April 26, 2017
	Community Services District - Riverdale Park Tract	May 24, 2017
	Sanitary District Empire Sanitary District	August 23, 2017
	Water District - Eastside Water District	September 27, 2017
2023	Drainage District - Newman Drainage District	March 28, 2018
	Sanitary District - Salida Sanitary District	May 23, 2018
	Water District - Rock Creek Water District	June 27, 2018
	Mosquito Abatement Districts - Turlock and Eastside	September 26, 2018
	Irrigation District - Oakdale Irrigation District	December 5, 2018
2024	Resource Conservation Districts - East Stanislaus and West Stanislaus	May 22, 2019
	Cemetery Districts - Hills Ferry, Knights Ferry and Patterson	August 28, 2019
	Community Services District - Crows Landing, Grayson, Westley	December 4, 2019

CITIES
ADOPTED MUNICIPAL SERVICE REVIEWS (MSRs) &
SPHERE OF INFLUENCE (SOI) UPDATES

CITY	MSR-SOI ADOPTION	NOTES
Ceres	February 22, 2012	<i>City recently completed a General Plan Update (no SOI proposal included)</i>
Hughson	August 24, 2005	-
Modesto	September 22, 2004	<i>City recently completed a General Plan Update (no SOI proposal included)</i>
Newman	January 28, 2009	-
Oakdale	July 22, 2015	<i>Completed SOI modification (with simultaneous annexation)</i>
Patterson	December 4, 2013	-
Riverbank	July 27, 2016	<i>MSR approved as part of a SOI modification</i>
Turlock	August 28, 2019	<i>MSR approved as part of minor SOI modification</i>
Waterford	August 22, 2007	-

Stanislaus LAFCO, Nov. 2019

**EXECUTIVE OFFICER'S AGENDA REPORT
DECEMBER 4, 2019**

TO: LAFCO Commissioners

FROM: Javier Camarena, Assistant Executive Officer

SUBJECT: MSR NO. 2019-04, SOI UPDATE 2019-05: MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE CROWS LANDING, GRAYSON, AND WESTLEY COMMUNITY SERVICE DISTRICTS

INTRODUCTION

This proposal was initiated by the Local Agency Formation Commission in response to State mandates that require the Commission to conduct municipal service reviews and sphere of influence updates for all cities and special districts at least once every five years. The current review covers the Crows Landing, Grayson, and Westley Community Services Districts. The previous update for these districts was adopted December 3, 2014.

DISCUSSION

There are three Community Services Districts in the western region of Stanislaus County: Crows Landing, Grayson, and Westley Community Services District. The Districts were organized under Government Code Section 61000 et. seq. to provide services such as municipal sewer, water, and/or street lighting to their respective unincorporated communities. The CSDs are considered registered voter districts, as their board members are elected by the registered voters residing in each District's boundaries. The CSDs are all located in western Stanislaus County and are somewhat isolated from larger municipal service providers (e.g. the City of Patterson and the City of Newman). Each face challenges typical of smaller districts that have aging infrastructure and do not benefit from economies of scale.

The Municipal Service Review and Sphere of Influence Update process provides an opportunity for the Districts to share accurate and current data, accomplishments and information regarding the services they provide. LAFCO Staff sent the previously approved Municipal Service Review and Sphere of Influence document to each of the Community Services Districts for their comments, revisions and updated information. LAFCO Staff also reviews the Districts' most recent audits, current budget, and financial data from the State Controller's office. Once this data was collected, a revised Municipal Service Review and Sphere of Influence Update document was drafted.

The proposed Municipal Service Review and Sphere of Influence document is attached to this report as Exhibit 1. The relevant factors as set forth by the Cortese-Knox-Hertzberg Act are discussed for each District. No changes are being proposed for the Districts' Spheres of Influence.

ENVIRONMENTAL REVIEW RECOMMENDATION

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

The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be

seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

As there are no land use changes, boundary changes, or environmental impacts associated with the Municipal Service Review and Sphere of Influence Update, a Notice of Exemption is the appropriate environmental document.

ALTERNATIVES FOR COMMISSION ACTION

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

- Option 1:** APPROVE the Municipal Service Review and Sphere of Influence Update for the Crows Landing, Grayson, and Westley Community Services Districts.
- Option 2:** DENY one or more of the updates.
- Option 3:** If the Commission needs more information, it should CONTINUE this matter to a future meeting (maximum 70 days).

RECOMMENDED ACTION

Approve Option 1. Based on the information presented, Staff recommends approval of Municipal Service Review and Sphere of Influence Update for the Crows Landing, Grayson, and Westley Community Services Districts. Therefore, Staff recommends that the Commission adopt Resolution No. 2019-21, which:

1. Determines that the Municipal Service Review and Sphere of Influence Update qualifies for a General Exemption from further California Environmental Quality Act (CEQA) review based on CEQA Regulations §15306 and §15061(b)(3);
2. Makes determinations related to the Municipal Service Review and Sphere of Influence Update as required by Government Code §56425 and §56430; and,
3. Determines that the Spheres of Influence for the Crows Landing, Grayson, and Westley Community Services Districts should be affirmed as they currently exist.

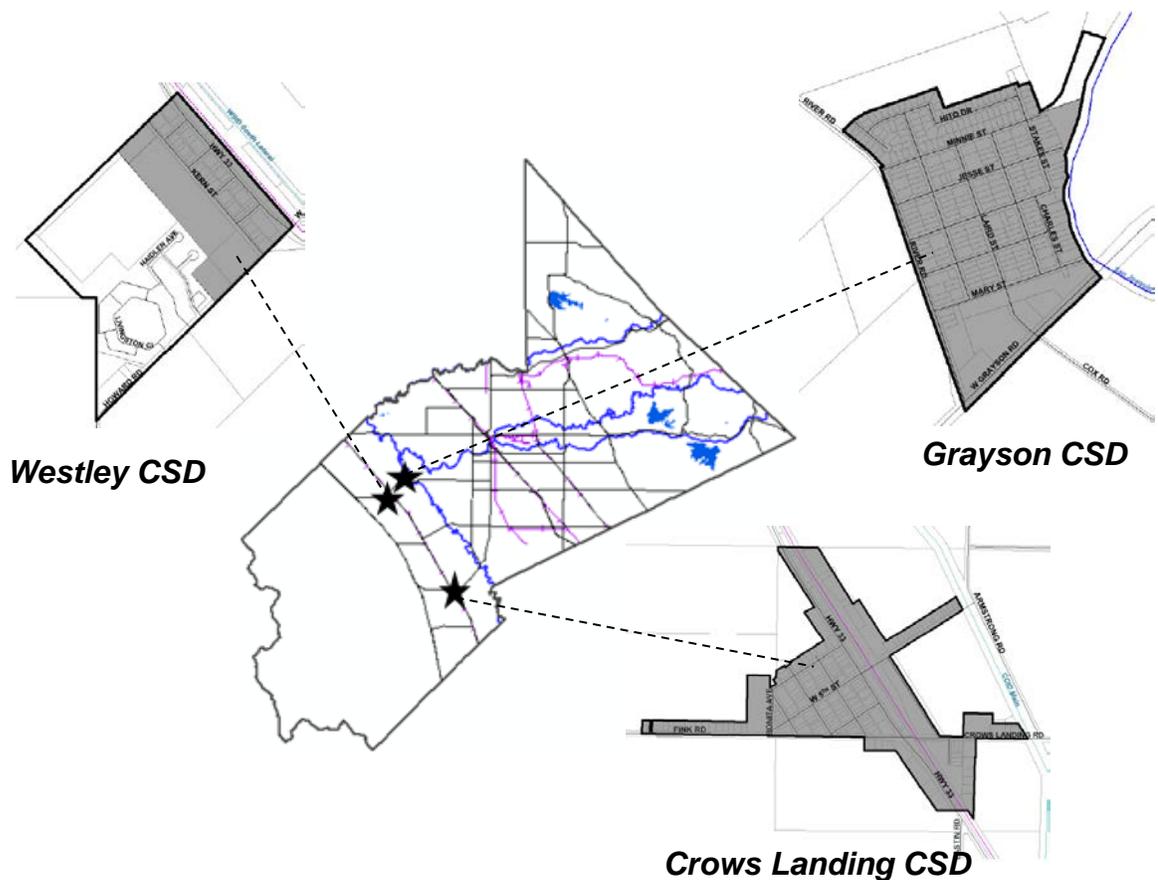
Attachments:

- Municipal Service Review and Sphere of Influence Update for the Crows Landing, Grayson, and Westley Community Services Districts
- Draft Resolution No. 2019-21

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**MUNICIPAL SERVICE REVIEW AND
SPHERE OF INFLUENCE UPDATE FOR:**

**CROWS LANDING, GRAYSON, AND WESTLEY
COMMUNITY SERVICES DISTRICTS**



Prepared By:

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

Adopted: _____

STANISLAUS

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Municipal Service Review and Sphere of Influence Update For the Crows Landing, Grayson, and Westley Community Services Districts

Introduction

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

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

Municipal Service Review Factors to be Addressed

1. Growth and Population Projections for the Affected Area
2. The Location and Characteristics of Any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence
3. Present and Planned Capacity of Public Facilities, Adequacy of Public Services, and Infrastructure Needs or Deficiencies Including Needs or Deficiencies Related to Sewers, Municipal and Industrial Water, and Structural Fire Protection in Any Disadvantaged, Unincorporated Communities Within or Contiguous to the Sphere of Influence
4. Financial Ability of Agencies to Provide Services
5. Status of, and Opportunities for, Shared Facilities
6. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies
7. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy

This MSR will analyze the Crows Landing, Grayson, and Westley Community Services Districts. It will also provide the basis for LAFCO to reaffirm the Districts' Spheres of Influence.

Sphere of Influence Update Process

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

Spheres of Influence for the Grayson and Westley Community Services Districts were originally adopted by the Commission in 1984 and the Sphere of Influence for the Crows Landing Community Services District was adopted in 1988. The most recent combined update, adopted in 2014, proposed no changes to the Districts' SOIs. The current update serves to comply with Government Code Section 56425 and will reaffirm the SOIs for each district.

Sphere of Influence Determinations

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

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

This document proposes no changes to the Districts' existing spheres of influence. Rather, it serves to reaffirm the existing SOI boundaries.

Background

Special districts are local governments that are separate from cities and counties, yet provide public services such as fire protection, sewer, water, and street lighting. California has over 3,400 special districts, which provide over 30 different types of services. There are 54 major types of special districts ranging from airports to fire protection to mosquito abatement to water conservation. To date, there are approximately 325 community services districts (CSDs) in California.

Authority

This review will cover three independent special districts located on the western portion of Stanislaus County: Crows Landing, Grayson, and Westley Community Services Districts. The Districts were organized under Section 61000 et. seq. of the Government Code. In addition, the Districts are considered “registered voter districts,” as the board members are elected by the registered voters residing within each district’s boundaries.

Purpose

Community services districts may be formed to provide one or more of the following services: water, sewer, garbage disposal, fire protection, public recreation, street lighting, mosquito abatement, police services, library services, street improvements, conversion of overhead electric and communication facilities to underground locations, ambulance services, airport facilities, flood control and transportation services.

Classification of Services

As part of the original MSR completed for the Districts, each District provided a listing of the services provided within their boundaries. The Districts are authorized to provide the functions or classes of services as identified in this report. State Law requires that the Districts seek LAFCO approval in order to exercise any other latent powers not currently provided.

CROWS LANDING COMMUNITY SERVICES DISTRICT

Formation

The Crows Landing Community Services District (CSD) was formed on September 23, 1986.

Location and Size

The District encompasses an area of approximately 124 acres located in the unincorporated community of Crows Landing, on the west side of Stanislaus County along State Highway 33, midway between the cities of Patterson and Newman. In addition, the former Crows Landing Naval Air Base is located approximately one mile west of the District boundaries.

Sphere of Influence

The District's Sphere of Influence is coterminous with its current boundaries.

Governance

Five Board members, elected by the registered voters within the District boundaries, govern the District. Meetings are held on the third Wednesday each month at 6:30 p.m. at the Crows Landing Fire Station, located at 22012 "G" Street, Crows Landing.

Personnel

There are four part-time employees working for the District to run the day-to-day operations. The District contracts out for assistance with water repairs, as well as engineering, legal and bookkeeping services.

Services

The District provides municipal water services for residential and commercial purposes via two groundwater wells. Currently, the majority of the municipal water is pumped through very old and small pipelines, which tend to lose pressure when heavy consumptive demands are placed on the system. The system is also at capacity, limiting the District's ability to expand.

Support Agencies

The District maintains collaborative relationships with other agencies, as necessary. These agencies include the: City of Patterson, Stanislaus County (including the Department of Environmental Resources and Public Works Department), West Stanislaus Fire Protection District, State Department of Water Resources and Regional Water Quality Control Board.

Funding Sources

The District's source of revenue is derived from connection and monthly water service fees. The District has also obtained low-interest loans and grants for upgrades and repairs to the water system from the Department of Water Resources, the former Stanislaus County Redevelopment Agency, and the Stanislaus County Community Development Fund.

Municipal Service Review Determinations Crows Landing Community Services District

The following are determinations related to the seven factors required by Section 56430 for a Service Review for the Crows Landing Community Services District:

1. Growth and Population Projections for the Affected Area

The District serves the unincorporated community of Crows Landing with municipal water service. The area is included within a Community Plan in the Stanislaus County General Plan and includes residential, commercial, and industrial designated properties. The current estimated population in Crows Landing is 500 residents. While there are a few properties that are vacant or underutilized within Crows Landing, significant population growth in the area is not expected in the near future.

The recently approved Crows Landing Industrial Business Park is located northwest of the community of Crows Landing. The business park will include approximately 1,500 acres of industrial and business park uses, public facilities, an airport and other related uses and infrastructure. Development of the site will necessitate water and sewer services. Options to potentially include the Crows Landing CSD in these efforts would require LAFCO review and approval.

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

Existing data from the Department of Water Resources' Disadvantaged Communities Mapping Tool identifies the Crows Landing Community as a Disadvantaged Unincorporated Community.

3. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies Related to Sewers, Municipal Water and Industrial Water, and Structural Fire Protection in Any Disadvantaged, Unincorporated Communities Within or Contiguous to the Sphere of Influence

The District currently serves 137 service connections, including residential and commercial users, as well as a school. The District's entire water distribution system is in need of improvements and system upgrades as many of the lines are over 50 years old. The water system is currently at capacity and upkeep of the system is an ongoing challenge as emergency repairs can quickly deplete the District's limited resources. The District relies on two groundwater wells, one of which recently experienced a failure that has necessitated urgent and costly repairs.

Water service is the only service that the Crows Landing Community Services District provides. Private septic systems are used for processing wastewater in the community. The area receives fire protection services from the West Stanislaus Fire Protection District, which operates a fire station in Crows Landing and has an Insurance Service Office (ISO) rating of 5 for the area.

The District was working on a remediation project of well "5". However, the project was changed to the replacement of all new water mains, hydrants, storage and new water source for the CSD.

4. Financial Ability of Agencies to Provide Services

At present time, the District appears to have very limited financial resources to address current system deficiencies. The District is also limited in its revenue stream and does not receive a share of the county property tax. The District raised its water service rates in 2010 and residents now pay a flat rate of \$50 per month. This increase was based on the cost of maintaining the system in compliance with State regulations and the need for infrastructure upgrades to the entire water distribution system, as many of the lines are over 50 years old. The District was recently granted up to \$20,000 from the Stanislaus County Community Development Fund to assist in the necessary repair of wells. The District should continue its efforts to seek funds from other sources (e.g. State and/or Federal public works infrastructure grants/loans) for system upgrades.

5. Status of, and Opportunities for, Shared Facilities

There is no overlapping or duplication of services within the District boundaries and therefore, no shared facilities for water distribution. The West Stanislaus Fire Protection District allows the use of its conference room at the Crows Landing Fire Station for the CSD's monthly meetings.

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

A five-member Board of Directors, elected by the registered voters, governs the District. The District is subject to the provisions of the Brown Act requiring open meetings. Currently there are four part-time employees of the District--a general manager, secretary, and two water operators.

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

The District has benefited from local private organizations (Lions, FDES) and the West Stanislaus Fire Protection District, which recently assisted the District with the purchase and installation of several new fire hydrants. This effort saved the District several thousand dollars. Additionally, the District has an agreement with the City of Patterson to use personnel from the City's Public Works Department for repairs to the District's system and after-hours emergencies.

SOI Update – Crows Landing Community Services District

The following determinations for the Crows Landing Community Services District Sphere of Influence update are made in conformance with Government Code Section 56425 and local Commission policy.

Determinations:

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

The District's Sphere of Influence includes approximately 124 acres. Territory within the District boundaries consists of residential, commercial and industrial land uses. These uses are not expected to change. In addition, the District does not have the authority to make land use decisions, nor does it have authority over present or planned land uses within its boundaries. The responsibility for land use decisions within the District boundaries is retained by the County.

2. Present and Probable Need for Public Facilities and Services in the Area

The present demand for water service is not expected to change. The most critical need in the District at this time, and in the future, is an improved source of water and total upgrade of the existing water distribution system.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The District's water system is at capacity. Much of the water is pumped through very old and small pipelines, which tend to lose pressure when heavy consumptive demands are placed on the system. The ability of the District to provide water services to its customers may be diminished in the future based on the lack of resources to remedy infrastructure deficiencies. The District should continue to pursue financing options that may be available to provide system-wide upgrades.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They are Relevant to the Agency

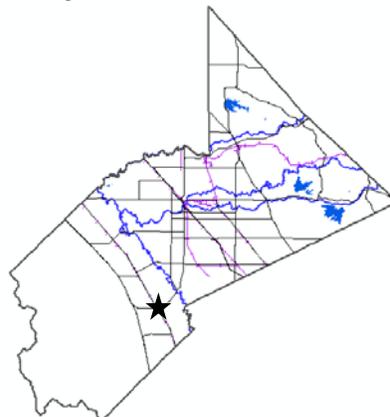
The unincorporated community of Crows Landing is located wholly within the District's boundaries and Sphere of Influence and is the only community of interest in the area.

5. For an Update of a Sphere of Influence of a City or Special District That Provides Public Facilities or Services Related to Sewers, Municipal and Industrial Water, or Structural Fire Protection, the Present and Probable Need for Those Public Facilities and Services of Any Disadvantaged Unincorporated Communities Within the Existing Sphere of Influence

Based on existing Census data, the community of Crows Landing is considered a disadvantaged unincorporated community. Currently, the District provides only municipal water service. The community relies on private septic tanks for sewer service, as there is no nearby infrastructure to provide public wastewater service. As described in the Municipal Service Review for the District, structural fire protection is provided by the West Stanislaus Fire Protection District.

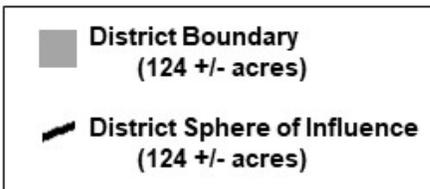
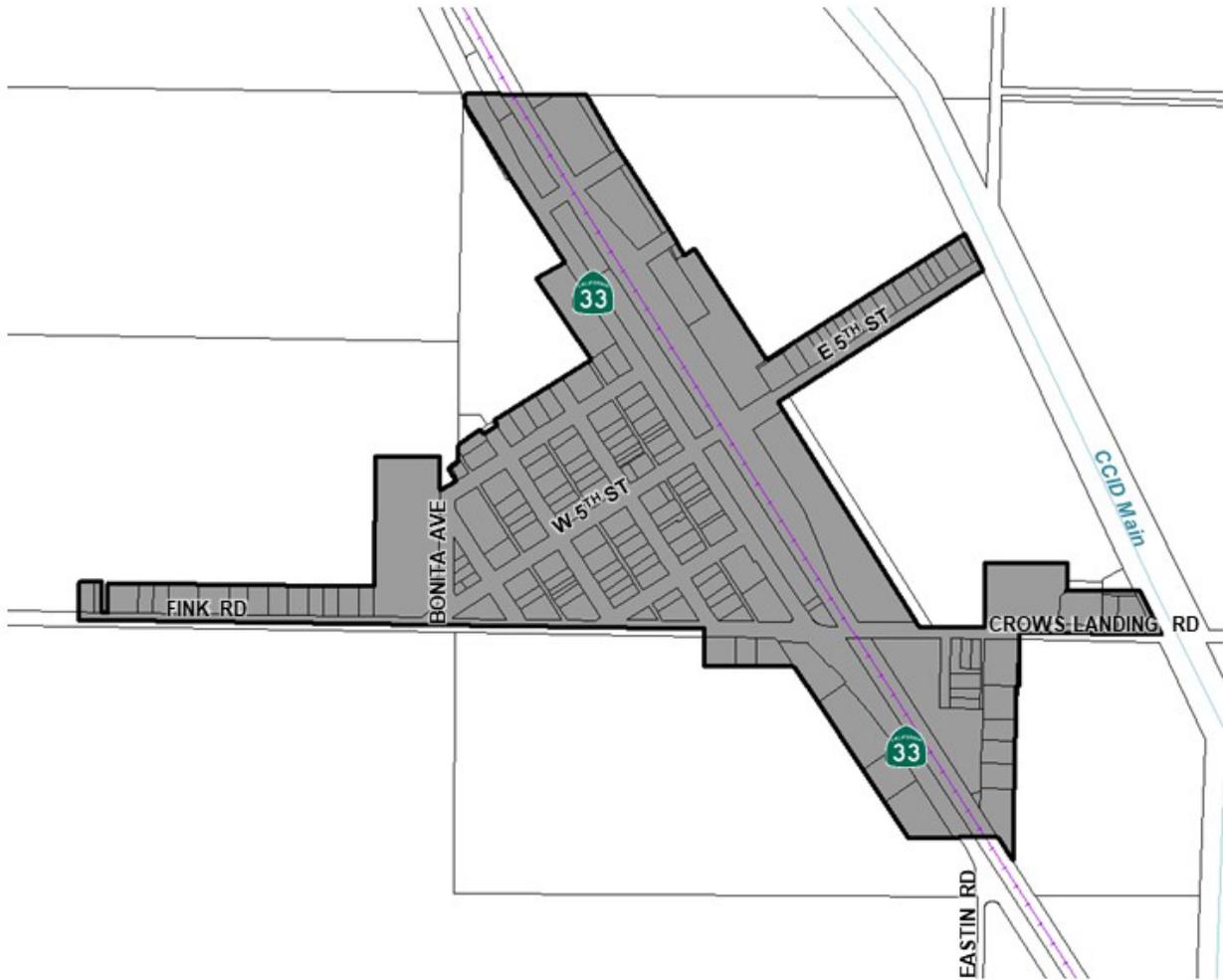
DISTRICT SUMMARY PROFILE

District:	CROWS LANDING COMMUNITY SERVICES DISTRICT
Location:	Unincorporated community of Crows Landing in Western Stanislaus County, along State Highway 33
Boundary:	Approximately 124 acres
Population*:	Approximately 355 persons
Land Use:	Residential, commercial, and industrial
Date of Formation:	September 23, 1986
Enabling Act:	California Government Code, Section 61000, et. seq.
Governing Body:	Five-member Board of Directors, elected by the registered voters within the District
Administration:	Four part-time employees (a general manager, secretary and two water operators)
District Services:	Distribute water for residential and commercial purposes
Total Revenues:	\$94,190 (Fiscal Year 2019-2020 Budget)
Revenue Sources:	Service and connection fees



*Source: 2010 Census

CROWS LANDING COMMUNITY SERVICES DISTRICT BOUNDARY AND SPHERE OF INFLUENCE



Source: LAFCO files, November 2019



GRAYSON COMMUNITY SERVICES DISTRICT

Formation

The Grayson Community Services District was formed on January 21, 1969.

Location and Size

The District is located in the unincorporated community of Grayson, along the west side of the San Joaquin River, in western Stanislaus County, and encompasses approximately 100 acres.

Sphere of Influence

The District's Sphere of Influence includes approximately 104 acres and is coterminous with the District's current boundaries, with the exception of a small expansion area along the San Joaquin River.

Governance

A five-member Board of Directors, elected by registered voters within the District boundaries, governs the District. Meetings are held on the second Thursday of each month at 7:00 p.m., at the United Community Center, located at 8900 Laird Street in Grayson.

Personnel

The District employs three part-time persons: a general manager, secretary, and wastewater plant operator. The District also contracts out for legal and bookkeeping services.

Services

The District provides street lighting and municipal wastewater (sewer) services to the community of Grayson.

Support Agencies

The District maintains collaborative relationships with other agencies, such as the: the City of Modesto, City of Patterson, Stanislaus County, Turlock Mosquito Abatement District, California Rural Water Association, and the State Regional Water Quality Control Board.

Funding Sources

The District receives funds from monthly service and connection fees, property tax assessments, as well as a small portion of the shared property tax revenues from Stanislaus County.

Municipal Service Review Determinations Grayson Community Services District

The following are determinations related to the seven factors required by Section 56430 for a Service Review for the Grayson Community Services District:

1. Growth and Population Projections for the Affected Area

The District serves the unincorporated community of Grayson. The area is designated in the Stanislaus County General Plan for residential, commercial and industrial uses. However, due to limited service capacity, it is not expected that any significant population growth will occur within the District boundaries in the near future.

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

Based on available Census data, the community of Grayson meets the income criteria to be considered a disadvantaged unincorporated community. The entirety of the community lies within the District's boundary and Sphere of Influence.

3. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies Related to Sewers, Municipal Water and Industrial Water, and Structural Fire Protection in Any Disadvantaged, Unincorporated Communities Within or Contiguous to the Sphere of Influence

The Grayson Community Services District currently serves one commercial and 240 residential customers with street lighting and wastewater (sewer) service. The District appears to have the ability and the capacity to serve its existing service area. The District's wastewater collection and treatment system has a designed flow capacity of 100,000 gallons per day. Any growth in the area would require significant upgrades to the system in order to increase this capacity.

The District provides only street lighting and wastewater services. Municipal water is provided by the City of Modesto, who owns and operates the former Del Este water system in the area. Water service is provided via two groundwater wells in the Grayson area and is treated through an ion exchange nitrate treatment system. The City has sought grant funding for improvements to the water infrastructure in the area. Structural fire protection service in the area is currently provided by the West Stanislaus Fire Protection District, which operates a fire station approximately one mile away in the community of Westley.

The District received a Proposition 1 Small Community Wastewater Grant from the California State Water Resources Control Board on November 18, 2016. The planning grant amount was for \$500,000 for the Grayson CSD Wastewater Treatment Facility Planning Project.

The project will consolidate the wastewater treatment of Westley and Grayson. A new secondary wastewater treatment facility will be constructed in the current location of the Grayson Wastewater Treatment Plant, which will collect and treat the combined wastewater flow from both communities. The wastewater treatment facility will be abandoned and Westley and Grayson will only have one facility to operate and maintain.

4. Financial Ability of Agencies to Provide Services

At present time, the District appears to have the necessary financial resources to fund existing levels of wastewater and street lighting services within the District's boundaries. Funds are received from monthly service and connection fees and a small portion of the shared property tax revenues from Stanislaus County. The District also utilizes property assessments to fund infrastructure improvements. In 2002, the District passed a \$300,000 special assessment bond for public improvements to the wastewater system, in compliance with the regulations of the Regional Water Quality Control Board. These improvements included installation of new aeration equipment and lift station upgrades.

5. Status of, and Opportunities for, Shared Facilities

The District utilizes the Grayson United Community Center for its meeting space. There is no overlapping or duplication of services within the District boundaries that would readily allow for other shared facilities. The nearest provider of urban services is the Westley Community Services District, which provides sewer and water services to the unincorporated community of Westley located about a mile southwest of Grayson. Both Districts struggle with aging infrastructure necessitating system-wide improvements. As mentioned previously, the District currently in the planning stages of developing a new wastewater treatment plant to serve both the communities of Grayson and Westley.

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

A five-member Board of Directors, elected by the registered voters, governs the District. The District is subject to the provisions of the Brown Act requiring open meetings. The District has a small, yet adequate part-time staff to provide the necessary services to its customers.

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

None.

SOI Update – Grayson Community Services District

The following determinations for the Grayson Community Services District's Sphere of Influence update are made in conformance with Government Code Section 56425 and local Commission policy.

Determinations:

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

The District's Sphere of Influence includes approximately 104 acres. Territory within the District boundaries consists of residential, commercial, and industrial use areas. These uses are not expected to change. In addition, the District does not have the authority to make land use decisions, nor does it have authority over present or planned land uses within its boundaries. The responsibility for land use decisions within the District boundaries is retained by the County.

2. Present and Probable Need for Public Facilities and Services in the Area

The need for reliable wastewater service and street lighting in the area is not expected to change. In 2002, the District passed a \$300,000 special assessment bond for public improvements to the wastewater system, in compliance with the regulations of the Regional Water Quality Control Board. These improvements included new aeration equipment and lift station upgrades.

The District is currently in the planning stages for consolidation of its wastewater services with Westley CSD. The plan proposes a future wastewater plant that will provide wastewater services to both Districts.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The District's wastewater treatment plant is designed to handle flows of up to 100,000 gallons per day. According to the District, the plant is currently at capacity. Although at capacity, the District is currently meeting the demands of the community that it serves.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They are Relevant to the Agency

The unincorporated community of Grayson is the only community of interest within the District's boundaries and Sphere of Influence.

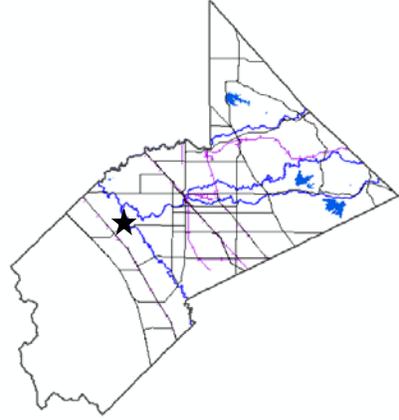
5. For an Update of a Sphere of Influence of a City or Special District That Provides Public Facilities or Services Related to Sewers, Municipal and Industrial Water, or Structural Fire Protection, the Present and Probable Need for Those Public Facilities and Services of Any Disadvantaged Unincorporated Communities Within the Existing Sphere of Influence

Grayson is considered a disadvantaged unincorporated community. The Grayson Community Services District provides wastewater services and lighting to the community. Water service is provided by the City of Modesto. As described in the Municipal Service

Review for the District, structural fire protection is provided by the West Stanislaus Fire Protection District.

DISTRICT SUMMARY PROFILE

District:	GRAYSON COMMUNITY SERVICES DISTRICT
Location:	Unincorporated community of Grayson in Western Stanislaus County
Boundary:	Approximately 100 acres
Population*:	952
Land Use:	Residential, commercial and industrial
Date of Formation:	January 21, 1969
Enabling Act:	California Government Code, Section 61000, et. seq.
Governing Body:	Five-member Board of Directors, elected by registered voters within District boundaries
Administration:	Three part-time employees (a district manager, secretary and plant operator)
District Services:	Street lighting and municipal sewer services
Total Revenues:	\$122,950 (Fiscal Year 2019-2020 Budget)
Revenue Sources:	Service and connection fees; property taxes



**Source: 2010 Census*

GRAYSON COMMUNITY SERVICES DISTRICT BOUNDARY AND SPHERE OF INFLUENCE



WESTLEY COMMUNITY SERVICES DISTRICT

Formation

The Westley Community Services District was formed on August 5, 1969.

Location and Size

The District is located in the unincorporated community of Westley, along State Highway 33 in western Stanislaus County, and encompasses approximately 60 acres.

Sphere of Influence

The District's Sphere of Influence encompasses approximately 149 acres and includes the Stanislaus County Housing Authority's Westley Migrant and Farm Labor Housing Complex.

Governance

The District is governed by a five-member Board of Directors, elected by the registered voters within the District boundaries. Meetings are held on the second Wednesday of each month at 7:00 p.m. at the Westley Fire Station.

Personnel

There are no paid employees working for the District. However, the District contracts with the Stanislaus County Housing Authority to provide sewer and water services within its boundaries.

Services

The Westley Community Services District was established to provide sewer, water and street lighting services to the unincorporated community of Westley. The Stanislaus County Housing Authority operates a wastewater treatment facility, which serves the Housing Authority's Migrant and Farm Labor Housing Complex, and provides sewer service to the District on a contractual basis. The Housing Authority also provides municipal water service within the District boundaries via two pumping stations.

Support Agencies

The District maintains collaborative relationships with other agencies, as necessary. These agencies include the Stanislaus County Housing Authority and Stanislaus County.

Funding Sources

The District's source of revenue is derived from service fees and a very small portion of the shared Stanislaus County property tax revenues. The District regularly reviews its service fees to adjust for increased costs associated with the sewer and water costs charged by the Housing Authority and PG&E for streetlights.

Municipal Service Review Determinations Westley Community Services District

The following are determinations related to the seven factors required by Section 56430 for a Service Review for the Westley Community Services District:

1. Growth and Population Projections for the Affected Area

The District serves the unincorporated community of Westley, which has an estimated population of 83 residents within the District's boundaries. The Housing Authority's Migrant and Farm Labor Housing Complex, with 173 housing units, lies just outside the District's boundaries and within its Sphere of Influence. The area is designated in the Stanislaus County General Plan for residential, commercial and industrial uses. However, due to the limited service capacity, it is not expected that any significant population growth will occur within the District boundaries in the near future.

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

Based on available Census data, the community of Westley meets the income criteria to be considered disadvantaged unincorporated community.

3. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies Related to Sewers, Municipal Water and Industrial Water, and Structural Fire Protection in Any Disadvantaged, Unincorporated Communities Within or Contiguous to the Sphere of Influence

The Westley Community Services District currently serves 38 customer accounts (23 residential and 15 commercial) with street lighting, water and sewer service. The District has indicated that "short-term fix" repairs have been made to the sewer lift station and two pumps. Major repairs to this facility will be necessary at some time in the future.

Structural fire protection service for the community is provided by the West Stanislaus Fire Protection District, which operates a fire station in Westley and has an Insurance Service Office (ISO) rating of 5 for the area.

The District recently completed a Wastewater Treatment Plant Improvement Planning project through a grant provided by the California Water Resources Control Board. As mentioned previously in the document, the Grayson and Westley CSDs will be consolidating into one wastewater treatment plant that will provide services to both communities.

The District will begin a water metering project in December of 2019. Water meters will be installed on approximately 39 service laterals (23 residential, 15 commercial, and 1 school) within the Westley CSD's service area. Backflow preventers will also be installed at commercial service laterals. Two master flow meters will be installed on the 8-inch distribution pipelines between the District and the groundwater supply wells located in the Stanislaus County Housing Authority Migrant Housing area. Additionally, twelve (12) existing water gate valves will be replaced with new isolation valves and three (3) fire hydrants will be replaced.

4. Financial Ability of Agencies to Provide Services

In order to meet the rising costs of sewer, water, and electrical service for streetlights, the District regularly reviews its rates as they relate to actual costs. During the previous update period, reserve funds for the District had been depleted, as costs charged by the Housing Authority and electrical rates had increased. In addition, repairs were needed for the sewer lift station and pumps. The District last updated its fees in 2005.

5. Status of, and Opportunities for, Shared Facilities

The sewer and water facilities are owned by the Housing Authority, which provides the District services by contract. The current arrangement seems to be the most logical given the size and location of the District. The nearest provider of urban services is the Grayson Community Services District, which provides sewer services to the unincorporated community of Grayson located about a mile northeast of Westley. Both Districts struggle with aging infrastructure necessitating system-wide improvements. The potential for shared facilities is currently being explored; however cost estimates associated with upgrades and regionalization of the infrastructure are significant and would necessitate financial assistance.

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

In the past, the District has had difficulty in securing and/or maintaining the required number of board members. A reduced number of board members can often hinder the District in performing the necessary governmental functions and responsibilities of the District.

The District does not have a traditional management structure, as they do not employ full-time personnel. They do, however, contract with the Stanislaus County Housing Authority, which provides sewer and water services to the District. The current contractual arrangement for service with the Housing Authority appears to be appropriate for this relatively small District.

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

None.

SOI Update – Westley Community Services District

The following determinations for the Westley Community Services District's Sphere of Influence update are made in conformance with Government Code Section 56425 and local Commission policy.

Determinations:

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

The Westley Community Services District's Sphere of Influence includes approximately 149 acres, of which 60 acres are currently within the District's boundaries. According to the Stanislaus County General Plan, territory within the District boundaries consists of residential, commercial and industrial land uses. These uses are not expected to change. In addition, the District does not have the authority to make land use decisions, nor does it have authority over present or planned land uses within its boundaries. The responsibility for land use decisions within the District boundaries is retained by the County.

2. Present and Probable Need for Public Facilities and Services in the Area

The present demand for street lighting, water and wastewater services in the area is not expected to change. The District is currently meeting the service needs of its customers. However, the District recognizes that major repairs to the existing sewer lift station and two pumps will be necessary in the near future.

The District is currently working on a project to consolidate its wastewater services with Grayson CSD. The plan proposes a future wastewater plant that will provide wastewater services to both Districts.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The District contracts with the Housing Authority for water and wastewater services and the associated facilities are owned by the Housing Authority. The wastewater treatment plant is designed to handle flows of up to 90,000 gallons per day and is considered to be at capacity. Two water wells serve the area and both have necessitated improvements over the past five to seven years.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They are Relevant to the Agency

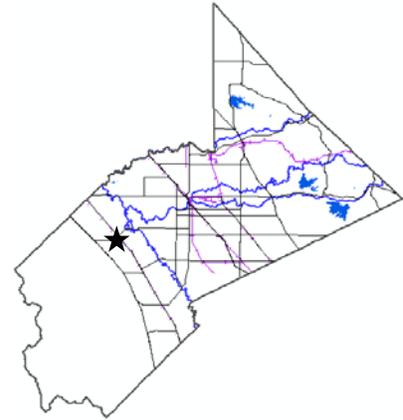
The unincorporated community of Westley, located within the District's Sphere of Influence, is the only community of interest in the area.

5. For an Update of a Sphere of Influence of a City or Special District That Provides Public Facilities or Services Related to Sewers, Municipal and Industrial Water, or Structural Fire Protection, the Present and Probable Need for Those Public Facilities and Services of Any Disadvantaged Unincorporated Communities Within the Existing Sphere of Influence

Westley is considered a disadvantaged unincorporated community. The Grayson Community Services District provides water, wastewater services and lighting to the community. As described in the Municipal Service Review for the District, structural fire protection is provided by the West Stanislaus Fire Protection District.

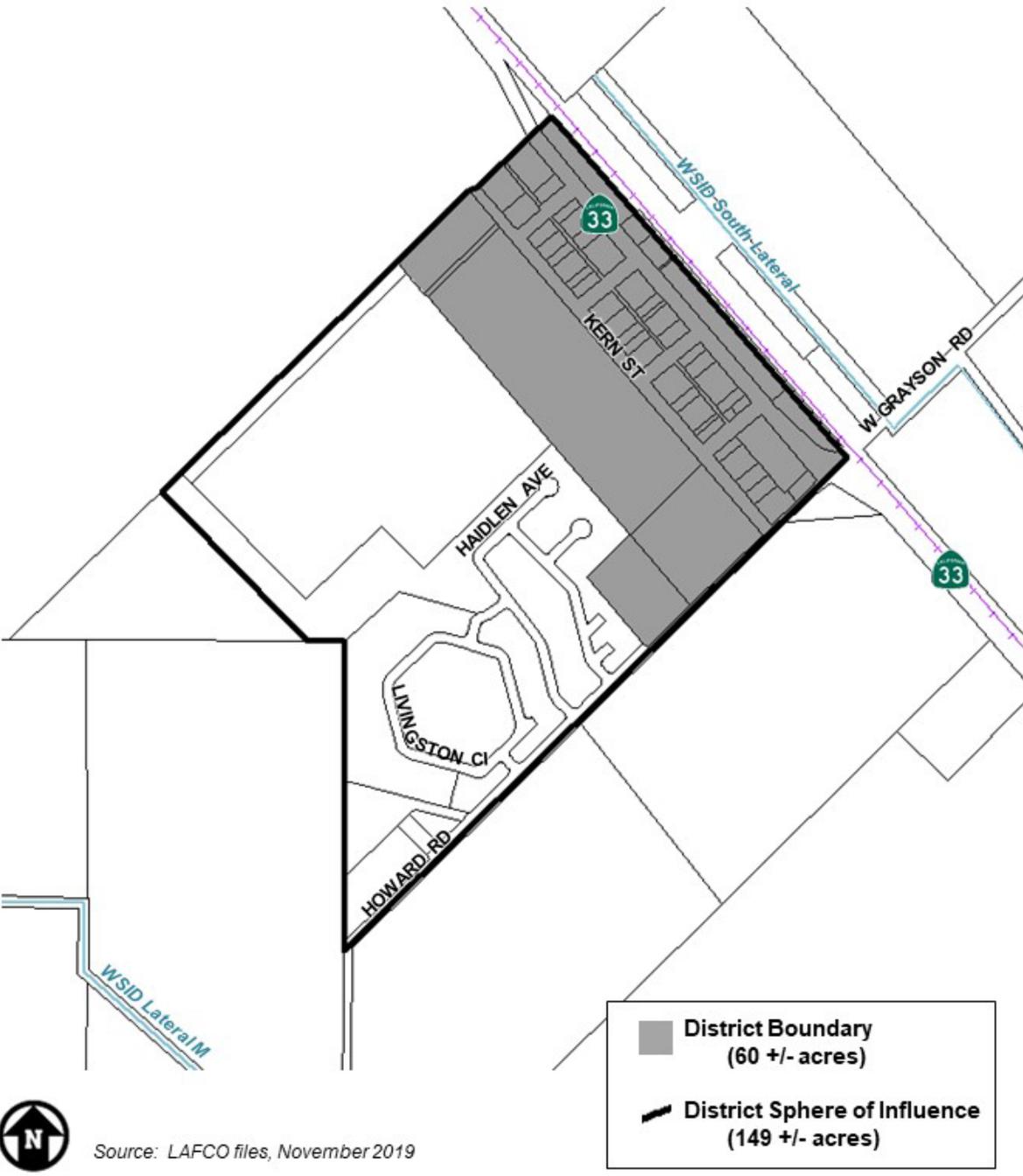
**APPENDIX “C”
DISTRICT SUMMARY PROFILE**

District:	WESTLEY COMMUNITY SERVICES DISTRICT
Location:	Unincorporated community of Westley in Western Stanislaus County, along State Highway 33
Boundary:	Approximately 60 acres
Population*:	603
Land Use:	Residential, commercial, industrial
Date of Formation:	August 5, 1969
Enabling Act:	California Government Code, Section 61000, et. seq.
Governing Body:	Five-member Board of Directors, elected by registered voters within District boundaries
District Services:	Collection and treatment of sewage, street lighting and water distribution
Total Revenues:	\$70,314 (Fiscal Year 2019-2020 Budget)
Revenue Sources:	Service and connection fees, property taxes



**Source: 2010 Census*

WESTLEY COMMUNITY SERVICES DISTRICT BOUNDARY AND SPHERE OF INFLUENCE



REFERENCES

1. California Department of Water Resources. *Disadvantaged Communities (DAC) Mapping Tool*. Website (<https://gis.water.ca.gov/app/dacs/>). Accessed November 14, 2019.
2. California State Controller's Office. *Special Districts Annual Report (Fiscal Year 2011-2012)*. November 22, 2013.
3. California Special Districts Association Website. <https://www.csga.net/dmtd/district-types>. Accessed July 17, 2019
4. Crows Landing Community Services District. *Fiscal Budget*. 2019/2020.
5. Grayson Community Services District. *Fiscal Budget*. 2019/2020.
6. Stanislaus County. *General Plan*. 1994, 2006, 2015.
7. Stanislaus County. *2015-2023 Housing Element*. April 2016.
8. United States Census Bureau. 2010.
9. Westley Community Services District. *Fiscal Budget 2019/2020*.
10. West Stanislaus Fire Protection District. Website (<http://www.weststanfire.org>). Accessed November 14, 2019.

**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: December 4, 2019

NO. 2019-21

SUBJECT: Municipal Service Review No. 2019-04 and Sphere of influence Update No 2019-05: Crows Landing, Grayson, and Westley Community Services Districts

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

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

THE FOLLOWING RESOLUTION WAS ADOPTED:

WHEREAS, a Service Review mandated by California Government Code Section 56430 and a Sphere of Influence Update mandated by California Government Code Section 56425, has been conducted for the Crows Landing, Grayson, and Westley Community Services Districts, in accordance with the Cortese-Knox-Hertzberg Reorganization Act of 2000;

WHEREAS, at the time and in the form and manner provided by law, the Executive Officer has given notice of the December 4, 2019 public hearing by this Commission on this matter;

WHEREAS, the subject document is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Sections 15306 and 15061(b)(3) of the State CEQA Guidelines;

WHEREAS, Staff has reviewed all existing and available information from the District and has prepared a report including recommendations therein, and related information as presented to and considered by this Commission;

WHEREAS, the Commission has duly considered the draft Municipal Service Review and Sphere of Influence Update on the Crows Landing, Grayson, and Westley Community Services Districts and the determinations contained therein;

WHEREAS, the Crows Landing, Grayson, and Westley Community Services Districts were established to provide public water, sewer, and/or street lighting services within their boundaries;

WHEREAS, pursuant to Government Code Section 56425(i), the range of services provided by the Crows Landing, Grayson, and Westley Community Services Districts are limited to those as identified above, and such range of services shall not be changed unless approved by this Commission; and

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

NOW, THEREFORE, BE IT RESOLVED by the Commission:

1. Certifies that the project is statutorily exempt under the California Environmental Quality Act (CEQA) pursuant to Sections 15306 and 15061(b)(3) of the State CEQA Guidelines.
2. Approves the Service Review prepared in compliance with State law and update of the Crows Landing, Grayson, and Westley Community Services Districts' Spheres of Influence, and written determinations prepared by the Staff and contained herein.
3. Determines that except as otherwise stated, no new or different function or class of services shall be provided by the Districts, unless approved by the Commission.
4. Determines, based on presently existing evidence, facts, and circumstances filed and considered by the Commission, that the Spheres of Influence for the Crows Landing, Grayson, and Westley Community Services Districts should be affirmed as they currently exist, as more specifically described on the maps contained within the Service Review document.
5. Directs the Executive Officer to circulate this resolution depicting the adopted Sphere of Influence Update to all affected agencies, including the Crows Landing, Grayson, and Westley Community Services Districts.

ATTEST: _____
Sara Lytle-Pinhey, Executive Officer

EXECUTIVE OFFICER'S AGENDA REPORT
DECEMBER 4, 2019

**MUNICIPAL SERVICE REVIEW NO. 2019-01, SPHERE OF INFLUENCE UPDATE
NO. 2019-01, AND LAFCO APPLICATION NO. 2019-02 –
2019 CHANGE OF ORGANIZATION TO EASTSIDE WATER DISTRICT**

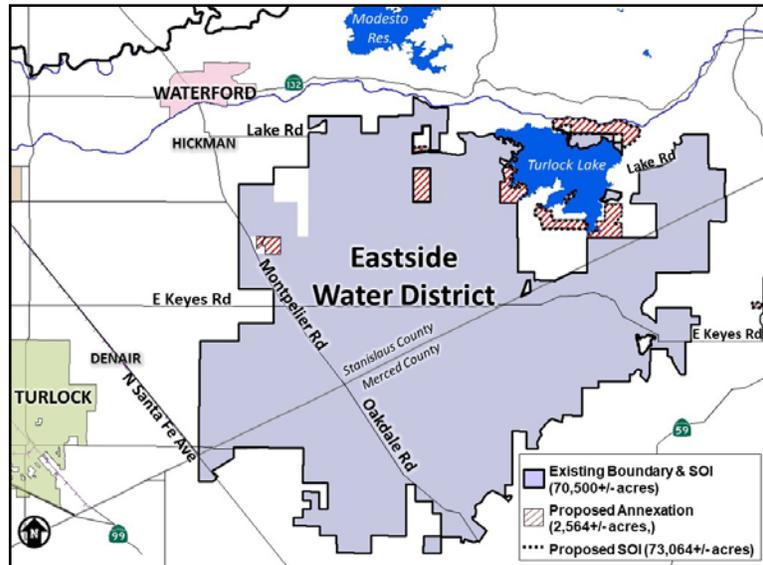
Applicant: Eastside Water District

Request: The Eastside Water District has submitted a request to modify its Sphere of Influence and annex approximately 2,564± acres. (See Maps & Legal Description, Exhibit A.)

Location: Scattered parcels in the Turlock Lake area within Stanislaus County and Merced County.

Parcels Involved and Acreage:

A list of Assessor's Parcel Numbers included in the proposed project are attached in Exhibit B. There are 20 parcels involved totaling approximately 2,564 acres.



Reason for Request: The District was originally formed in 1985 for the purpose of providing solutions to the groundwater overdraft, and declining groundwater levels in the groundwater basin. In 2012 and 2017, the District annexed land in response to requests from landowners, as agriculture lands expanded to the north and east. Landowners again requested an expansion resulting in the proposed application. These acres of additional land irrigate from the groundwater basin, and every irrigator who pumps groundwater from the basin contributes to the groundwater overdraft. The proposed annexation is voluntary and will allow landowners to contribute through assessments to District projects and participate in the East Turlock Sub-basin Groundwater Sustainability Agency.

Commission Actions

The following Commission actions are recommended in consideration of the District's proposal:

- Consideration of the environmental documentation prepared by the District as Lead Agency pursuant to the California Environmental Quality Act (CEQA)
- Adoption of an updated Municipal Service Review for the Eastside Water District
- Approval of a Sphere of Influence modification
- Approval of the annexation of approximately 2,564 acres

ENVIRONMENTAL REVIEW

The Eastside Water District (EWD), as Lead Agency under the California Environmental Quality

Act (CEQA) prepared an initial study for the project. In May of 2018, the EWD adopted a Negative Declaration. LAFCO, as a Responsible Agency, must consider the environmental documentation prepared by the District. The proposed annexation will not result in a change of land use under the current zoning, which is under Stanislaus County and Merced County jurisdiction. The Notice of Determination and Initial Study prepared by the District are attached to this report as Exhibit C.

MUNICIPAL SERVICE REVIEW

Government Code Section 56430 requires that a municipal service review be completed either prior to or concurrent with a sphere of influence modification. In the case of the Eastside Water District, the updated Municipal Service Review and Sphere of Influence Modification are being reviewed concurrently to ensure efficient use of resources.

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

The District joined the Merced and Stanislaus County, the Ballico-Cortez Water District, and Merced Irrigation District in forming the East Turlock Sub-basin Groundwater Sustainability Agency (GSA). This GSA along with the West Turlock Sub-basin GSA began assembling a Groundwater Sustainability Plan (GSP) in compliance with the Sustainable Groundwater Management (SGMA) Act of 2014. The GSP must be submitted to the State by January 31, 2022.

Since the previous MSR-SOI Update, the District has begun work on the following projects:

- Engineering, technical assistance, and construction of diversion facilities from the Turlock Irrigation District's main and highline canals to provide periodic surface water deliveries to landowners.
- Formation of the East Turlock Sub-Basin Groundwater Sustainability Agency Joint Powers Authority (ETS GSA JPA). The JPA must be formed by January 2022. EWD is leading the five members of this JPA. Many of the EWD projects will be incorporated into the Groundwater Sustainability Plan.
- Owning and operating the Mustang Creek flood control project.
- Implementing the East Turlock Area Upland Pipeline Project to serve EWD landowners and recharge the groundwater basin.
- Constructed a pilot project to use Parjana EGRP technology on a ½ acre pond site along the TID Highline canal. The goal is to show that this technology can achieve 0.25 acre-feet per day of groundwater recharge at this site that contain soil that prior to the project allowed no percolation to the groundwater basin.

- Planned construction of a pilot project on the Mustang Creek reservoir site using Torrent Technology drywells. The goal is to confirm that these drywells are capable of recharging 6-acre-feet per day of groundwater recharge.

The proposed Municipal Service Review and Sphere of Influence document is attached to this report as Exhibit D. The relevant factors as set forth by the Cortese-Knox-Hertzberg Act are discussed for the District.

SPHERE OF INFLUENCE MODIFICATION

The District is proposing a sphere of influence modification to accommodate their simultaneous annexation to the District. The expansion areas include additional territory located in both Stanislaus and Merced Counties.

Government Code Section 56076 defines a sphere of influence (SOI) as “a plan for the probable physical boundaries and service area of a local agency, as determined by the commission.” LAFCO creates, amends, and updates spheres of influence to indicate to local agencies and property owners that, at some future date, a particular area is anticipated to require the level of municipal services offered by the subject agency. It is a key component of the planning process, as it indicates to land use authorities and interested parties whether LAFCO expects a need for a jurisdictional change. It can indicate to other potential service providers which agency LAFCO believes to be best situated to offer the services in question.

Government Code Section 56425 requires the Commission to consider and prepare written determinations with respect to the five factors put forth in the law when establishing or modifying a Sphere of Influence. These written determinations are included in the attached MSR-SOI Update (Exhibit “D”).

ANNEXATION PROPOSAL

The project is a proposal to annex 2,564± acres consisting of 20 parcels, with 19 within Stanislaus County and one within Merced County, into the Eastside Water District. The proposed annexation is strictly voluntary for the landowners included in the application.

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:

- 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 properties within the proposed annexation area are rural large properties. Currently, surrounding land uses around the parcels include agricultural uses and scattered rural single-family homes. All the subject parcels are zoned A-2 (General Agriculture) by Stanislaus County and A-1 (General Agriculture) by Merced County. Annexation to the District will not change or lead to change in the zoning. The current total assessed land value for all of the parcels within the proposed annexation area is approximately \$3,734,000. The areas are not expected to have significant growth in the foreseeable future.

- 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 District monitors and helps manage groundwater within the District boundaries which is located over the aquifer. These projects are ongoing and are located throughout the aquifer's region. The District submitted a Plan for Services with the proposal which states that the District is able to provide the necessary monitoring and management services to the subject territories (Exhibit E). When reviewing the District's Plan for Services, the Commission shall consider the ability of the District to deliver adequate, reliable and sustainable services and will not approve a proposal that has the potential to significantly diminish the level of service within the District's current boundaries. Due to the agricultural nature of the area and sparse population, the level of traditional urban services does not apply.

- 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. The proposal is also in the interest of landowners within the District and those proposed to be annexed to the District (pursuant to Government Code Section 56668.3)

- 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 within an area planned for agricultural uses within the Stanislaus County and Merced County General Plans. There are currently 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.***

A majority of the parcels included in the proposal are under a Williamson Act Contract. The proposal will not result in the loss of agricultural land and will not affect the physical and economic integrity of the area. The proposal will provide for better monitoring of the District's groundwater and thus, increase the viability of parcels to remain in agricultural production.

- 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 20 whole Tax Assessor parcels and adjacent road right of way, consistent with adopted Commission policies. The majority of the acreage is adjacent

to the District's current boundaries. All areas are contiguous to the existing District boundary with a majority of the areas located along northeastern boundaries.

g. A regional transportation plan adopted pursuant to Section 65080

According to the CEQA Initial Study prepared by Eastside Water District, there are no anticipated changes in traffic as a result of annexation into District.

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

The proposal is consistent with the Stanislaus County and Merced County General Plans, which both designate the territory as Agriculture.

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

The proposed annexation is located within the district boundaries of the Denair Fire Protection District, Stanislaus Consolidated Fire Protection District, and the Turlock Mosquito Abatement District. 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. No comments have been received in opposition to the proposed annexation.

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 District retains the services of consulting firms for the purpose of conducting studies and making recommendations. District services are financed through the collection of per-acre assessments.

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

Although the District does not directly provide water to its customers, it provides monitoring services for its groundwater supply. The District contracts studies that provide the District with information to best maintain its groundwater supply.

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.

Not applicable.

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 agriculturally zoned within the Stanislaus County and Merced County Zoning Ordinances and are designated as "Agriculture" in the General Plans. 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.

Part of the project area as well as District are within a "Moderate" fire hazard severity zone according to Cal Fire. The proposed annexation includes existing agricultural land. No construction or land alterations are involved.

DISCUSSION

The project proposes to annex 19 parcels within Stanislaus County and one parcel within Merced County for a total of 20 parcels. The Cortese/Knox/Hertzberg Act requires under §56123, if a proposed annexation applies to two or more affected counties, exclusive jurisdiction shall be vested in the commission of the "principal county".

Principal county is defined as the county having the greater portion of the entire assessed value, as shown on the last equalized assessment roll of the county or counties, of all taxable property within the district (§56066). In this case, Stanislaus County is the principal county and has notified Merced County throughout the process.

Waiver of Protest Proceedings

Pursuant to Government Code Section 56662 the Commission may waive protest proceedings entirely 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.

In addition, Staff has received written consent for the proposed annexation from all of the property owners included in the proposal.

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 attached Resolution No. 2019-17, which:

- a. Certifies, as a Responsible Agency under CEQA, that the Commission has considered the environmental documentation prepared by the Eastside Water District as Lead Agency;
- b. Finds that the Municipal Service Review is an information document and its adoption is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15306, Class 6 (Information Collection) of the State CEQA Guidelines;
- c. Finds the proposal to be consistent with State law and the Commission's adopted Policies and Procedures;
- d. Waives protest proceedings pursuant to Government Code Section 56662; and,
- e. Approves LAFCO Application No. 2019-17 – 2019 Change of Organization to the Eastside Water District as outlined in the resolution.

**EXECUTIVE OFFICER'S AGENDA REPORT
DECEMBER 4, 2019
PAGE 8**

Respectfully submitted,

Javier Camarena

Javier Camarena
Assistant Executive Officer

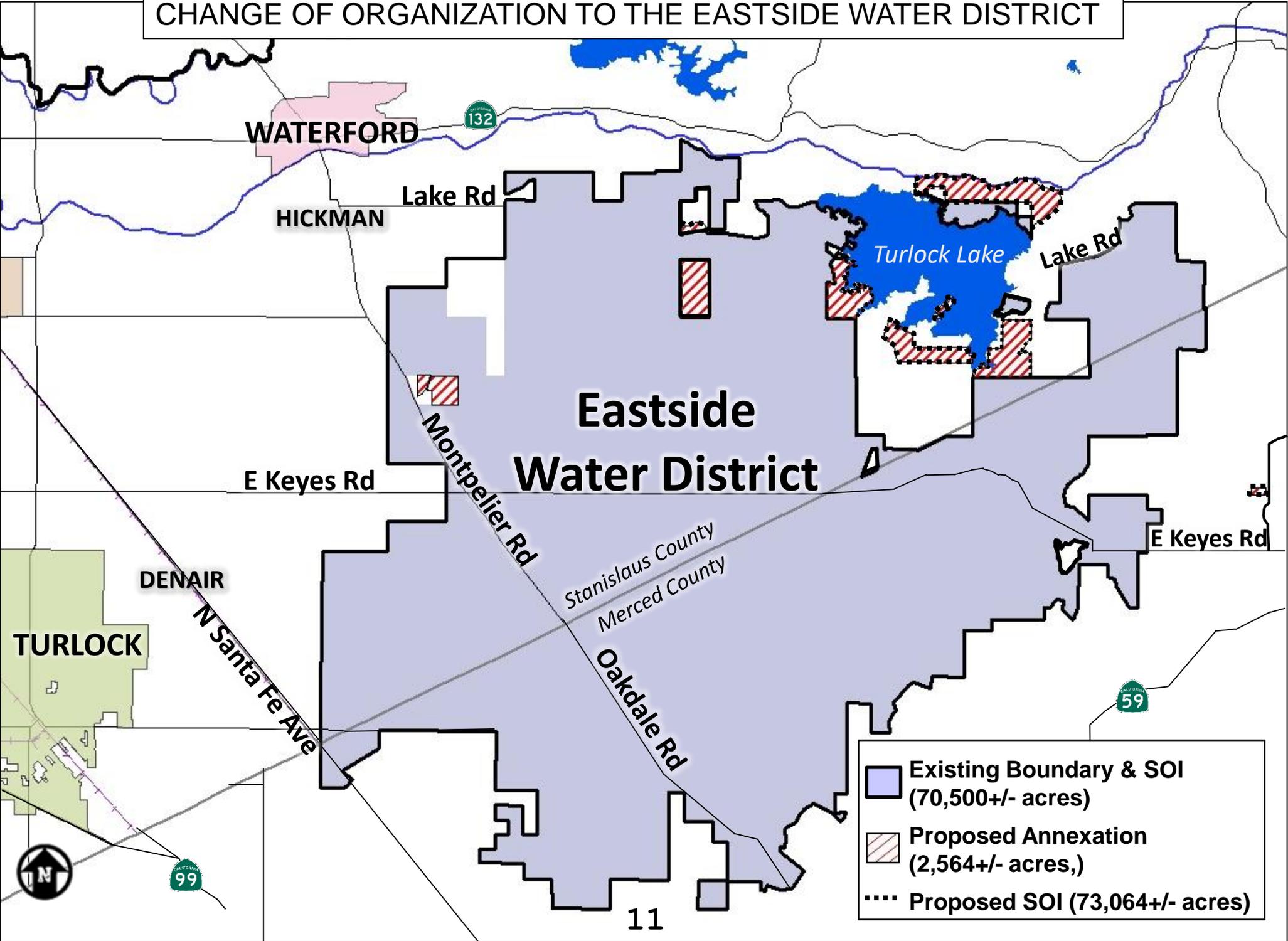
Attachments - Exhibit A: Maps & Legal Description (*Page 9*)
Exhibit B: APN List (*Page 39*)
Exhibit C: Eastside Water District Initial Study and Negative Declaration (*Page 43*)
Exhibit D: Municipal Service Review and Sphere of Influence Update (*Page 79*)
Exhibit E: Plan for Services (*Page 97*)
Exhibit F: LAFCO Resolution No. 2019-17 (*Page 103*)

EXHIBIT A

Maps & Legal Descriptions

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LAFCO APPLICATION 2019-02, MSR2019-01 & SOI UPDATE 2019-01:
CHANGE OF ORGANIZATION TO THE EASTSIDE WATER DISTRICT

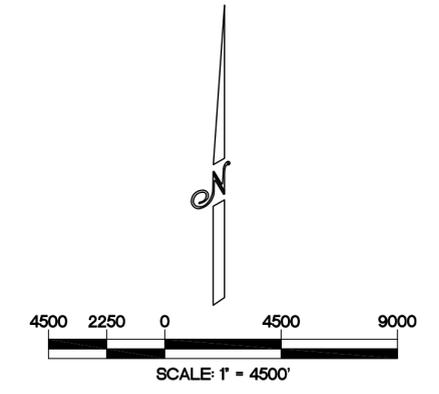
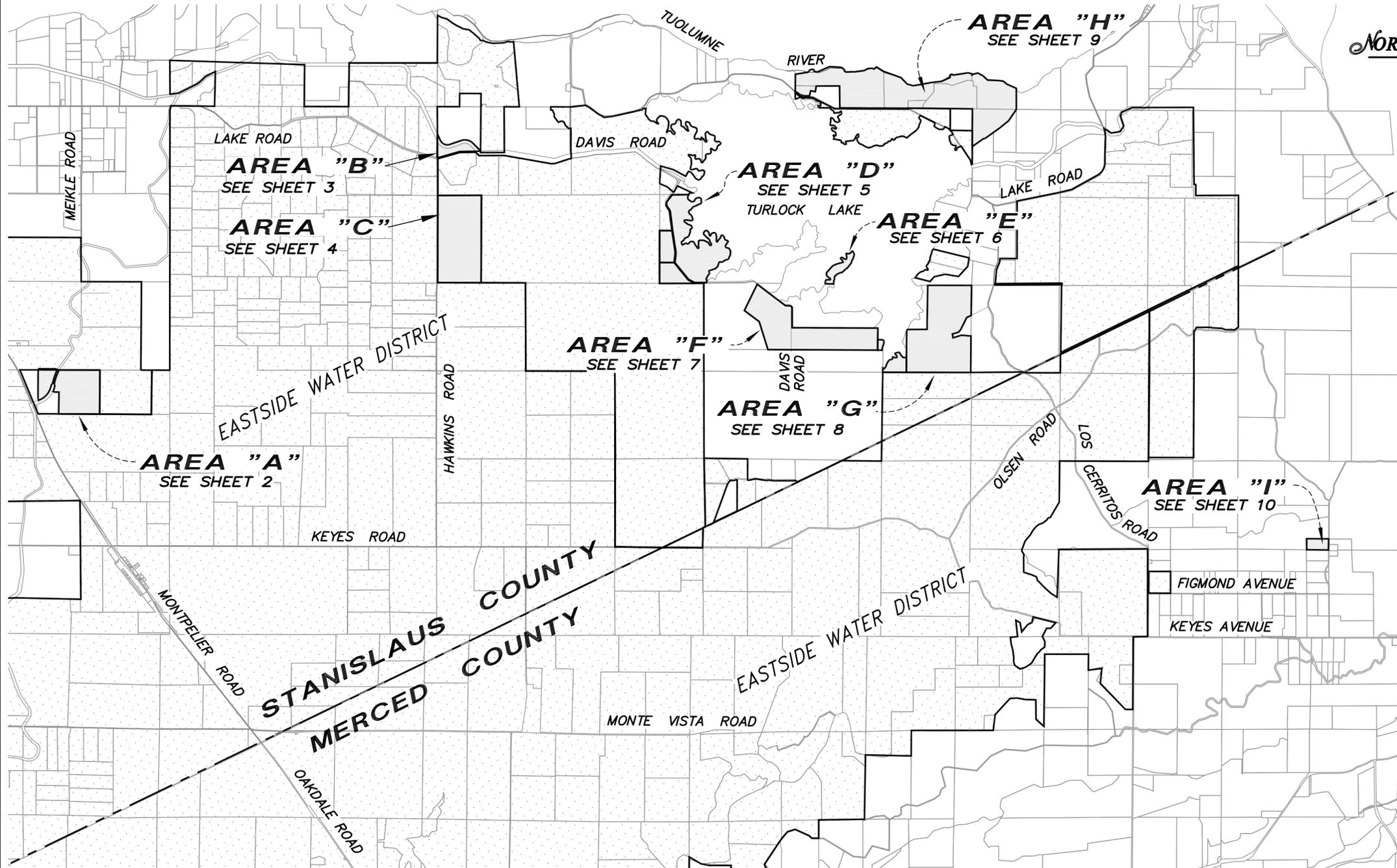


CHANGE OF ORGANIZATION TO THE EASTSIDE WATER DISTRICT

VICINITY MAP AND INDEX SHEET
SITUATE IN PORTIONS OF
TOWNSHIP 4 SOUTH, RANGE 12 EAST &
TOWNSHIP 4 SOUTH, RANGE 13 EAST, M.D.M.
IN STANISLAUS COUNTY & MERCED COUNTY,
CALIFORNIA
JUNE, 2019

NORTHSTAR ENGINEERING GROUP, INC.

909 14th Street, Modesto, CA 95354
(209) 524-3525



LEGEND:

-  EASTSIDE WATER DISTRICT BOUNDARY
-  ANNEXATION BOUNDARY
-  SECTION LINE
-  EXISTING EASTSIDE WATER DISTRICT AREA
-  PROPOSED ANNEXATION AREA
-  ① NUMBERED COURSES MATCHING WRITTEN LEGAL DESCRIPTION
- P.M. PARCEL MAP
- R.S. RECORD OF SURVEY
- A.P.N. ASSESSOR PARCEL NUMBER
- S.C.R. STANISLAUS COUNTY RECORDS
- M.C.R. MERCED COUNTY RECORDS



JULY 11, 2019

FOR CHECKING
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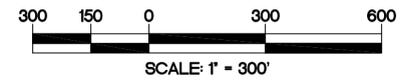
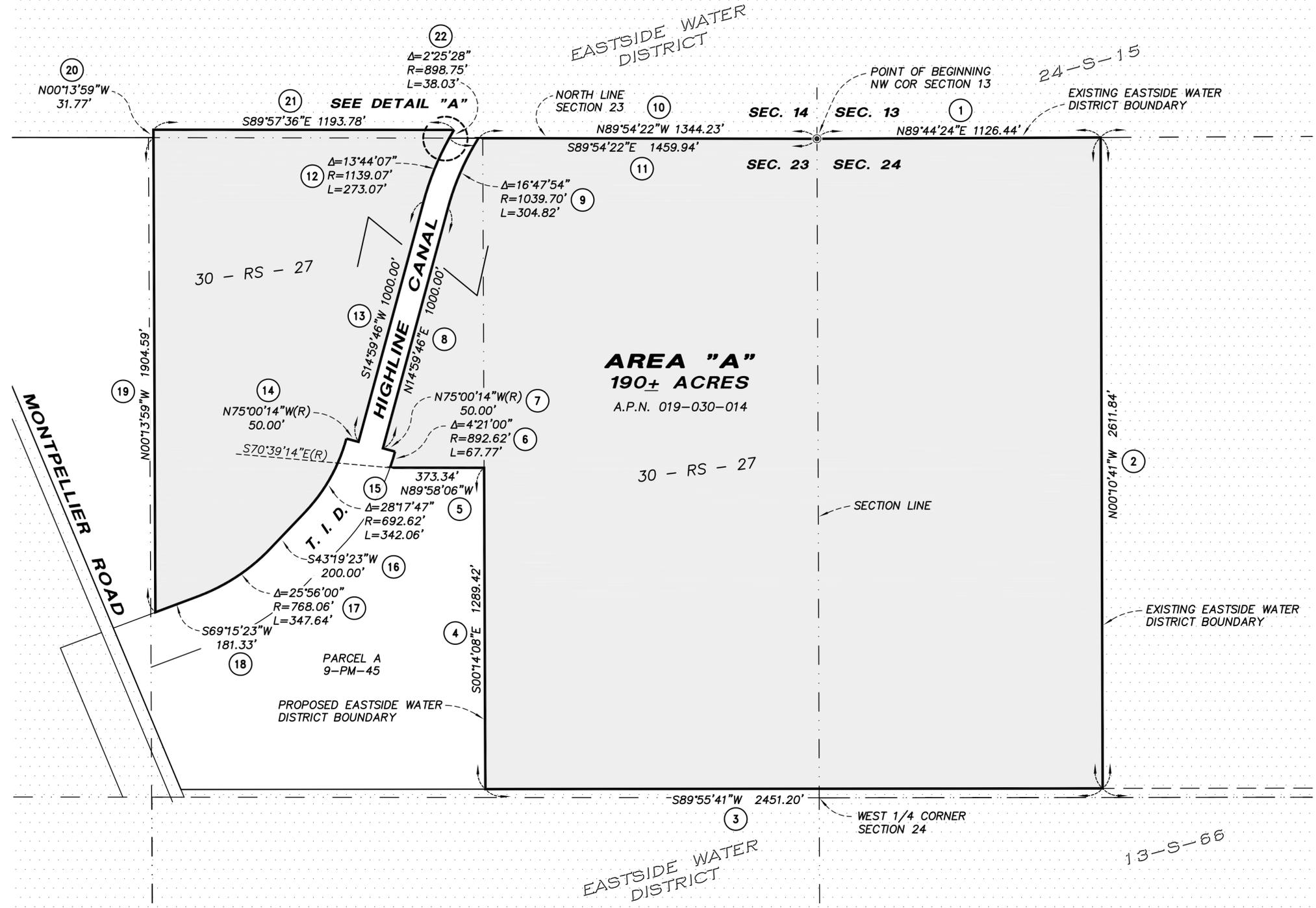
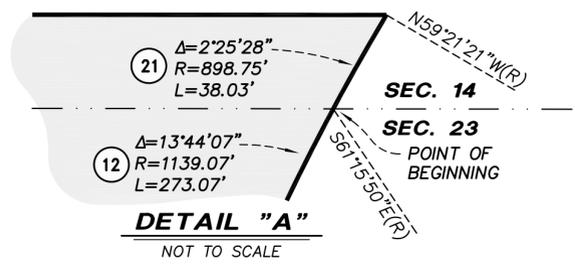
SHEET 1 OF 10

CHANGE OF ORGANIZATION TO THE EASTSIDE WATER DISTRICT

AREA "A"
 SITUATE IN A PORTION OF THE
 SOUTHEAST QUARTER OF SECTION 14, THE
 NORTHEAST QUARTER OF SECTION 23,
 NORTHWEST QUARTER OF SECTION 24,
 TOWNSHIP 4 SOUTH, RANGE 11 EAST, M.D.M.
 IN STANISLAUS COUNTY, CALIFORNIA
 JUNE, 2019

NORTHSTAR ENGINEERING GROUP, INC.

620 12th Street, Modesto, CA 95354
 (209) 524-3525



LEGEND:

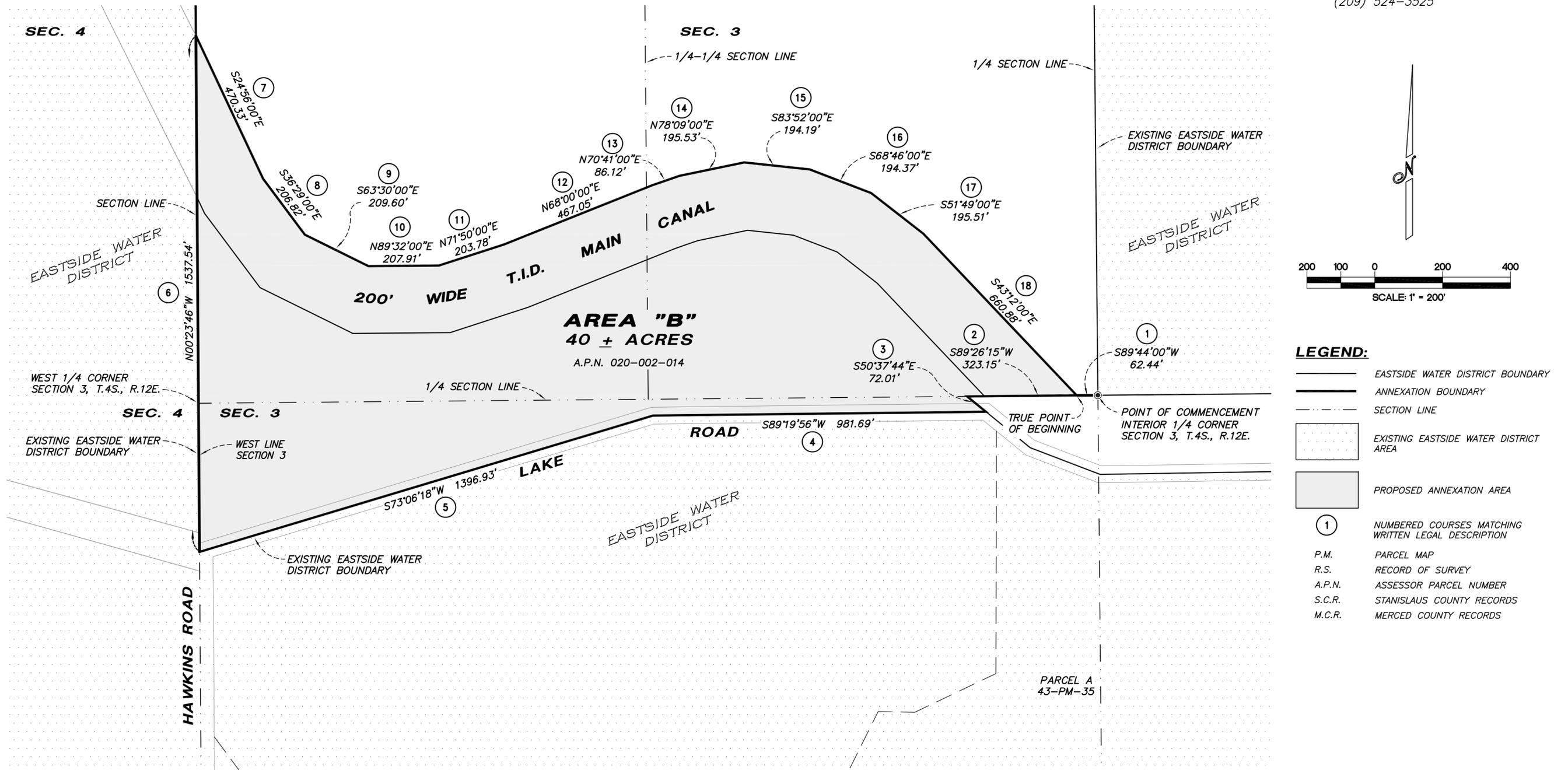
- EASTSIDE WATER DISTRICT BOUNDARY
- ANNEXATION BOUNDARY
- SECTION LINE
- EXISTING EASTSIDE WATER DISTRICT AREA
- PROPOSED ANNEXATION AREA
- 1 NUMBERED COURSES MATCHING WRITTEN LEGAL DESCRIPTION
- P.M. PARCEL MAP
- R.S. RECORD OF SURVEY
- A.P.N. ASSESSOR PARCEL NUMBER
- S.C.R. STANISLAUS COUNTY RECORDS
- M.C.R. MERCED COUNTY RECORDS

CHANGE OF ORGANIZATION TO THE EASTSIDE WATER DISTRICT

AREA "B"
 SITUATE IN A PORTION OF THE
 WEST HALF OF SECTION 3,
 TOWNSHIP 4 SOUTH, RANGE 12 EAST, M.D.M.
 IN STANISLAUS COUNTY, CALIFORNIA
 JUNE, 2019

NORTHSTAR ENGINEERING GROUP, INC.

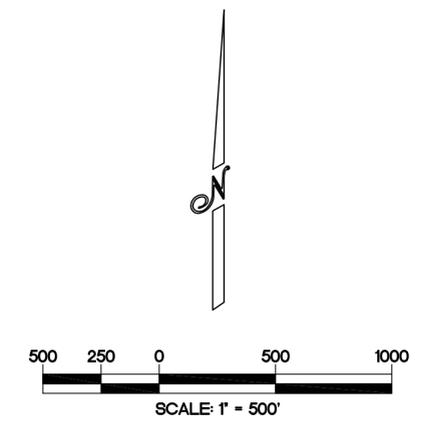
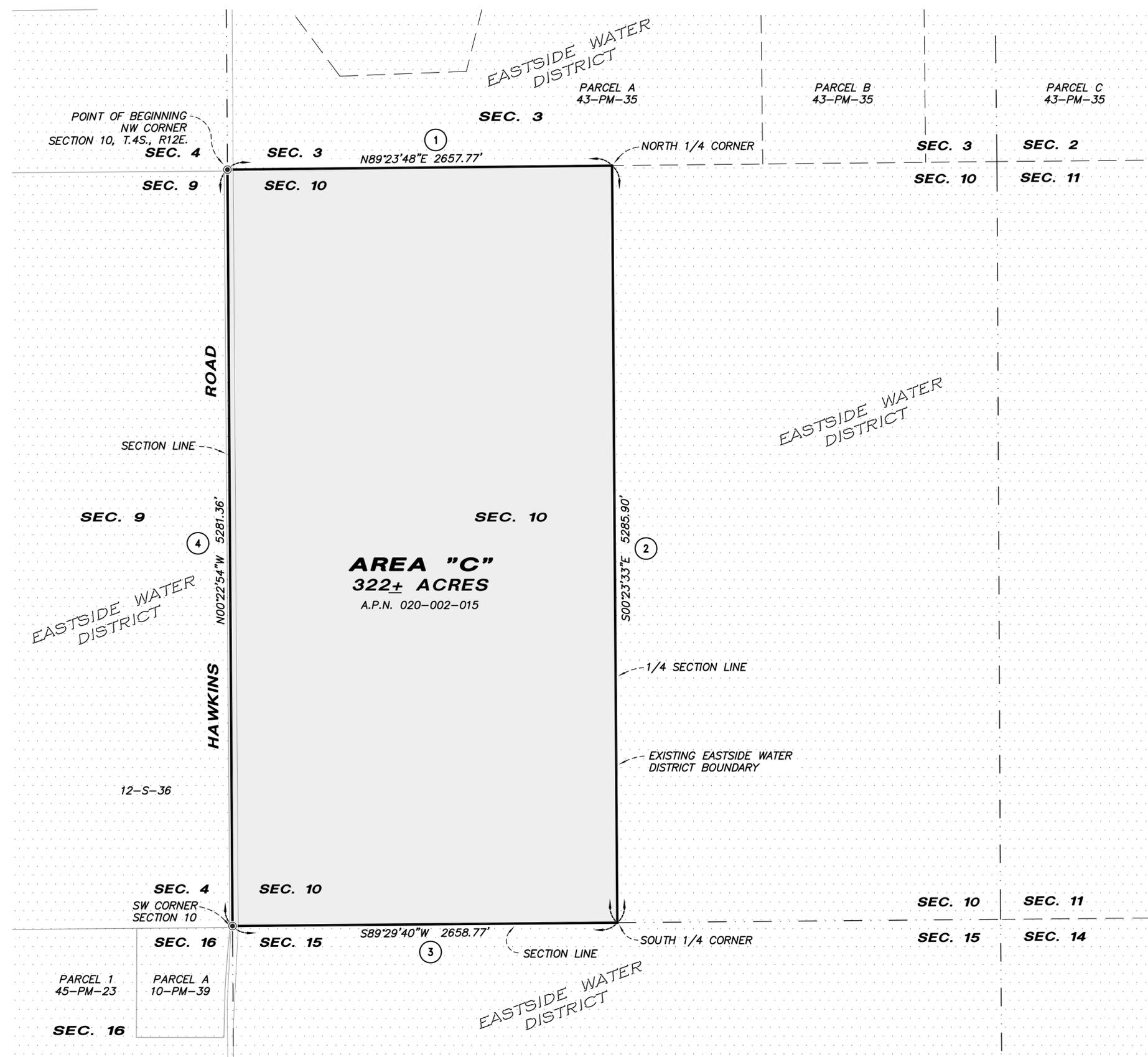
620 12th Street, Modesto, CA 95354
 (209) 524-3525



CHANGE OF ORGANIZATION TO THE EASTSIDE WATER DISTRICT

AREA "C"
 SITUATE IN THE WEST HALF OF SECTION 10,
 TOWNSHIP 4 SOUTH, RANGE 12 EAST, M.D.M.
 IN STANISLAUS COUNTY COUNTY, CALIFORNIA
 FEBRUARY, 2019

ORTHSTAR ENGINEERING GROUP, INC.
 620 12th Street, Modesto, CA 95354
 (209) 524-3525



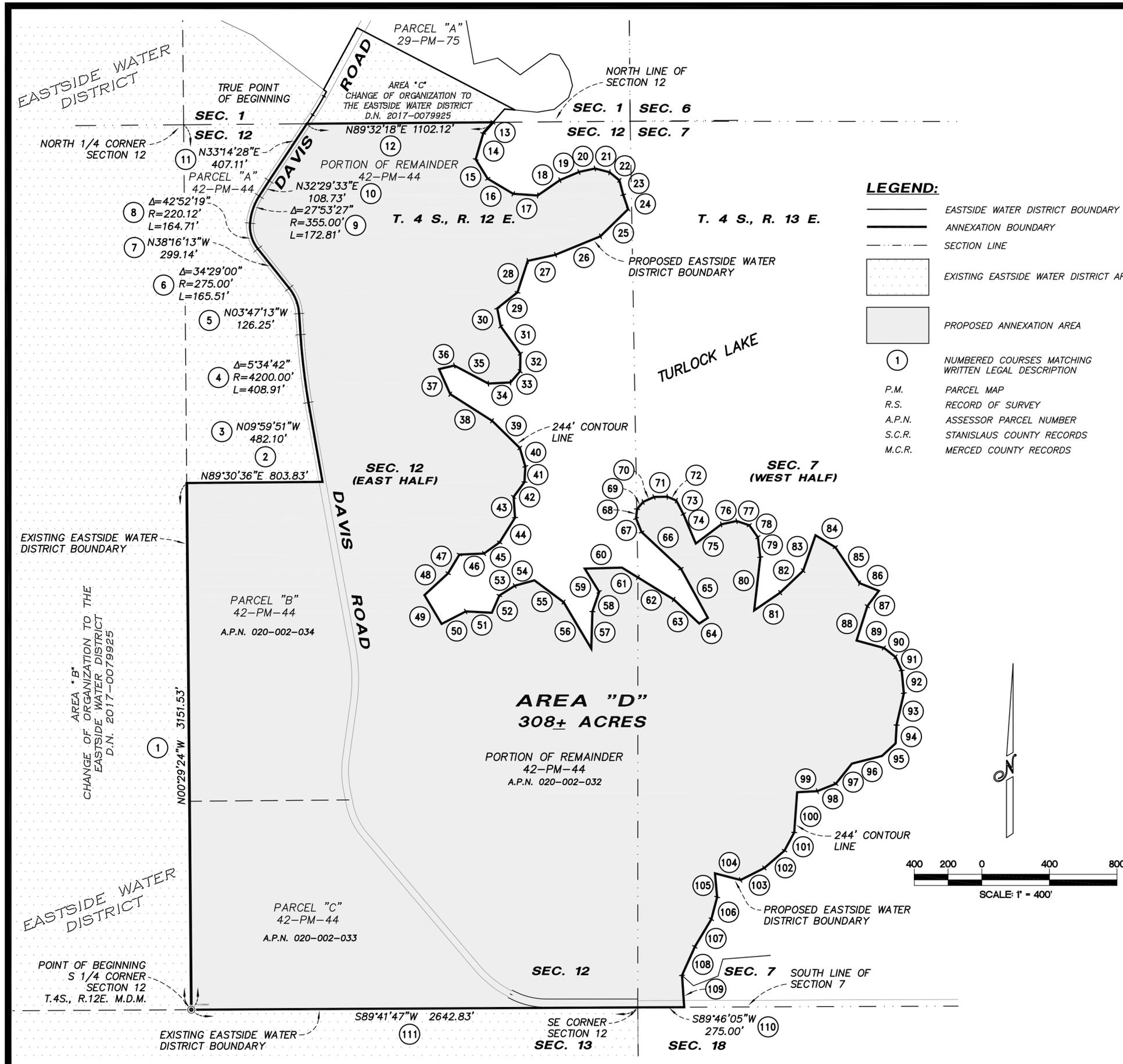
- LEGEND:**
-  EASTSIDE WATER DISTRICT BOUNDARY
 -  ANNEXATION BOUNDARY
 -  SECTION LINE
 -  EXISTING EASTSIDE WATER DISTRICT AREA
 -  PROPOSED ANNEXATION AREA
 -  1 NUMBERED COURSES MATCHING WRITTEN LEGAL DESCRIPTION
 - P.M. PARCEL MAP
 - R.S. RECORD OF SURVEY
 - A.P.N. ASSESSOR PARCEL NUMBER
 - S.C.R. STANISLAUS COUNTY RECORDS
 - M.C.R. MERCED COUNTY RECORDS

CHANGE OF ORGANIZATION TO THE EASTSIDE WATER DISTRICT

AREA "D"
 SITUATE IN THE EAST HALF OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 12 EAST, AND THE WEST HALF OF SECTION 7, TOWNSHIP 4 SOUTH, RANGE 13 EAST, M.D.M. IN STANISLAUS COUNTY, CALIFORNIA
 JUNE, 2019

NORTHSTAR ENGINEERING GROUP, INC.

620 12th Street, Modesto, CA 95354
 (209) 524-3525



LINE TABLE

LINE	BEARING	LENGTH
13	S41°04'00"W	87.68'
14	S15°58'00"W	162'
15	S31°38'00"E	136'
16	S59°08'00"E	176'
17	S86°08'00"E	145'
18	N54°59'00"E	160'
19	N66°39'00"E	123'
20	N77°34'00"E	97'
21	S75°34'00"E	89'
22	S50°18'00"E	76'
23	S14°42'00"E	90'
24	S18°58'00"E	90'
25	S45°13'00"W	231'
26	S67°27'00"W	288'
27	S77°17'00"W	169'
28	S17°45'00"W	197'
29	S51°20'00"W	154'
30	S11°08'00"E	110'
31	S35°24'00"E	200'
32	S00°41'00"W	105'
33	S40°29'00"W	88'
34	S86°57'00"W	131'
35	N61°55'00"W	229'
36	S76°45'00"W	93'
37	S24°00'00"E	164'
38	S57°15'00"E	294'
39	S45°15'00"E	231'
40	S16°37'00"E	115'
41	S02°58'00"W	94'
42	S35°59'00"W	110'
43	S04°06'00"E	124'
44	S31°39'00"W	174'
45	S54°12'00"W	114'
46	S87°32'00"W	146'
47	S30°47'00"W	130'
48	S46°52'00"W	192'
49	S30°31'00"E	200'
50	N62°16'00"E	161'
51	S87°11'00"E	155'
52	N23°13'00"E	112'
53	N57°24'00"E	108'
54	N74°28'00"E	121'
55	S53°03'00"E	216'
56	S30°33'00"E	323'
57	N01°41'00"E	221'
58	N18°42'00"E	125'
59	N31°32'00"W	163'
60	N88°24'00"E	220'
61	S58°08'00"E	111.50'

LINE	BEARING	LENGTH
62	S58°08'00"E	249.50'
63	S46°28'00"E	209'
64	N55°52'00"E	61'
65	N28°29'00"W	334'
66	N46°45'00"W	320'
67	N21°54'00"W	88'
68	N06°23'00"E	56'
69	N39°49'00"E	56'
70	N65°22'00"E	71'
71	N88°32'00"E	78'
72	S66°47'00"E	59'
73	S27°25'00"E	91'
74	S22°36'00"E	191'
75	N52°43'00"E	189'
76	N77°34'00"E	93'
77	S71°33'00"E	79'
78	S35°29'00"E	88'
79	S07°01'00"E	120'
80	S06°27'00"W	321'
81	N55°17'00"E	187'
82	N46°02'00"E	189'
83	N18°59'00"E	224'
84	S58°45'00"E	137'
85	S33°42'00"E	259'
86	S68°15'00"E	123'
87	S36°25'00"W	115'
88	S17°15'00"W	215'
89	S74°48'00"E	168'
90	S51°48'00"E	87'
91	S24°11'00"E	89'
92	S05°32'00"E	136'
93	S12°41'00"W	196'
94	S03°01'00"W	109'
95	S46°44'00"W	110'
96	S75°26'00"W	185'
97	S38°16'00"W	153'
98	S67°59'00"W	118'
99	S86°48'00"W	120'
100	S04°02'00"W	241'
101	S27°57'00"W	123'
102	S48°53'00"W	158'
103	S62°55'00"W	158'
104	N75°26'00"W	157'
105	S05°15'00"E	142'
106	S14°35'00"W	137'
107	S30°36'00"W	192'
108	S23°55'00"W	187'
109	S03°54'08"E	190.92'+/-

CHANGE OF ORGANIZATION TO THE EASTSIDE WATER DISTRICT

AREA "E"
 SITUATE IN THE SOUTH HALF OF SECTION 8,
 TOWNSHIP 4 SOUTH, RANGE 13 EAST, M.D.M.
 IN STANISLAUS COUNTY, CALIFORNIA
 JUNE, 2019

NORTHSTAR ENGINEERING GROUP, INC.

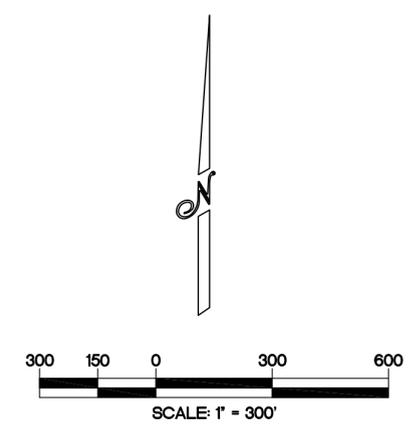
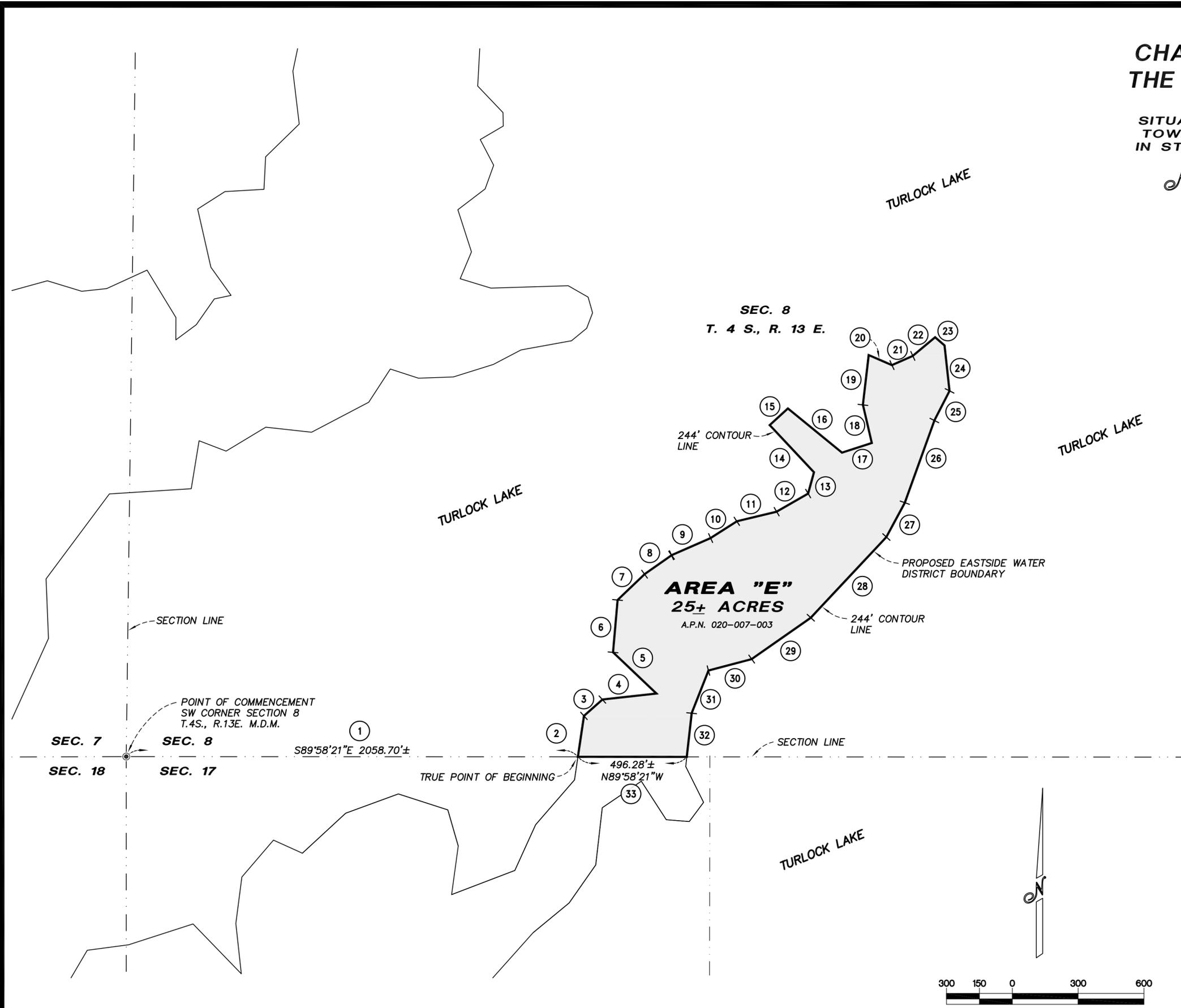
620 12th Street, Modesto, CA 95354
 (209) 524-3525

LEGEND:

-  EASTSIDE WATER DISTRICT BOUNDARY
-  ANNEXATION BOUNDARY
-  SECTION LINE
-  EXISTING EASTSIDE WATER DISTRICT AREA
-  PROPOSED ANNEXATION AREA
-  1 NUMBERED COURSES MATCHING WRITTEN LEGAL DESCRIPTION
- P.M. PARCEL MAP
- R.S. RECORD OF SURVEY
- A.P.N. ASSESSOR PARCEL NUMBER
- S.C.R. STANISLAUS COUNTY RECORDS
- M.C.R. MERCED COUNTY RECORDS

LINE TABLE

LINE	BEARING	LENGTH
2	N08°18'00"E	190.43'±
3	N48°03'00"E	113'
4	N83°35'00"E	248'
5	N46°13'00"W	274'
6	N04°53'00"E	242'
7	N45°55'00"E	171'
8	N54°37'00"E	151'
9	N66°05'00"E	195'
10	N57°06'00"E	142'
11	N76°17'00"E	187'
12	N59°48'00"E	166'
13	N15°04'00"E	102'
14	N42°55'00"W	296'
15	N47°04'00"E	113'
16	S50°28'00"E	320'
17	N71°48'00"E	143'
18	N13°04'00"W	180'
19	N06°31'00"E	231'
20	S66°26'00"E	116'
21	N65°47'00"E	104'
22	N49°48'00"E	133'
23	S49°06'00"E	57'
24	S06°14'00"E	211'
25	S26°53'00"W	153'
26	S19°35'00"W	402'
27	S28°00'00"W	179'
28	S42°49'00"W	507'
29	S54°43'00"W	330'
30	S75°01'00"W	204'
31	S21°15'00"W	211'
32	S06°18'00"W	202.24'±

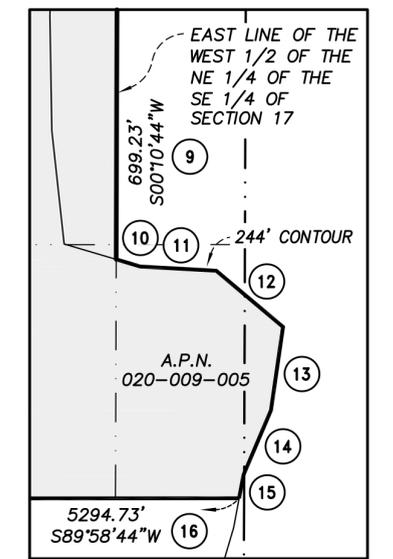
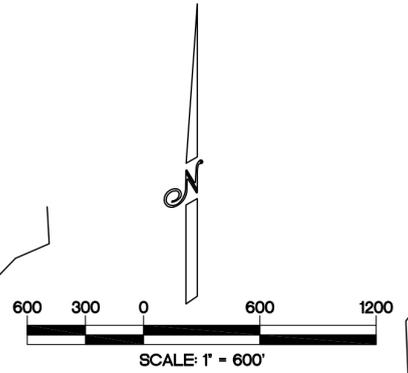
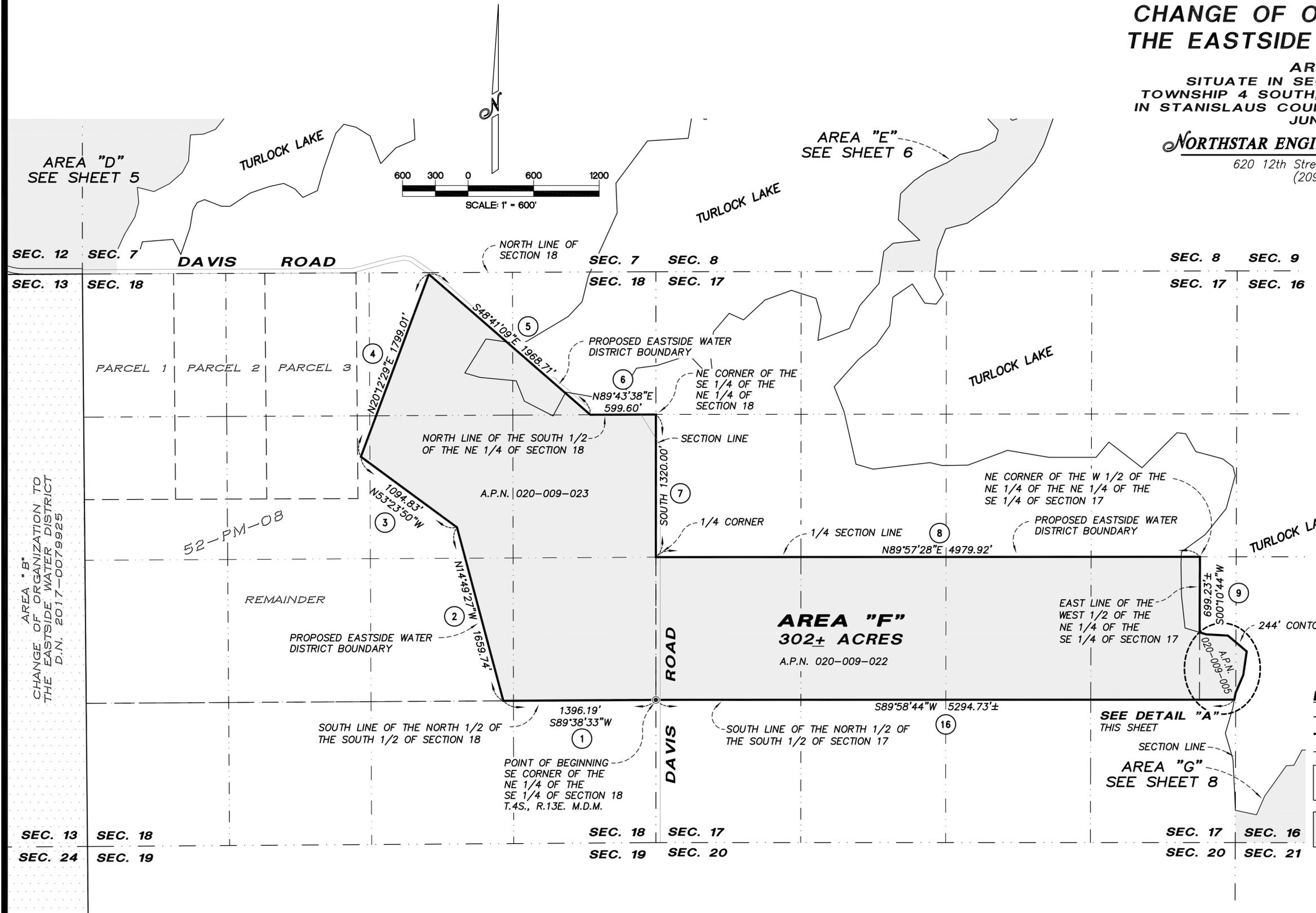


CHANGE OF ORGANIZATION TO THE EASTSIDE WATER DISTRICT

AREA "F"
 SITUATE IN SECTIONS 16, 17 & 18,
 TOWNSHIP 4 SOUTH, RANGE 13 EAST, M.D.M.
 IN STANISLAUS COUNTY, CALIFORNIA
 JUNE, 2019

NORTHSTAR ENGINEERING GROUP, INC.

620 12th Street, Modesto, CA 95354
 (209) 524-3525



- LEGEND:**
- EASTSIDE WATER DISTRICT BOUNDARY
 - ANNEXATION BOUNDARY
 - SECTION LINE
 - EXISTING EASTSIDE WATER DISTRICT AREA
 - PROPOSED ANNEXATION AREA
 - ①** NUMBERED COURSES MATCHING WRITTEN LEGAL DESCRIPTION
 - P.M.** PARCEL MAP
 - R.S.** RECORD OF SURVEY
 - A.P.N.** ASSESSOR PARCEL NUMBER
 - S.C.R.** STANISLAUS COUNTY RECORDS
 - M.C.R.** MERCED COUNTY RECORDS

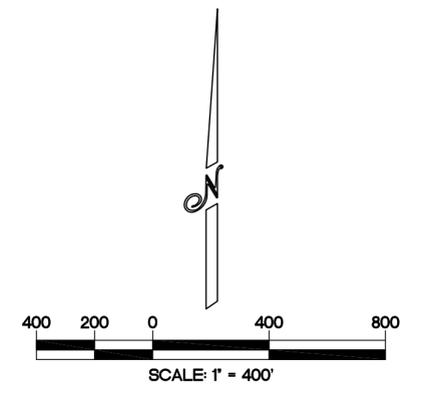
AREA "B"
 CHANGE OF ORGANIZATION TO
 THE EASTSIDE WATER DISTRICT
 D.N. 2017-0079925

CHANGE OF ORGANIZATION TO THE EASTSIDE WATER DISTRICT

AREA "G"
 SITUATE IN SECTION 16,
 TOWNSHIP 4 SOUTH, RANGE 13 EAST, M.D.M.
 IN STANISLAUS COUNTY, CALIFORNIA
 JUNE, 2019

NORTHSTAR ENGINEERING GROUP, INC.

620 12th Street, Modesto, CA 95354
 (209) 524-3525

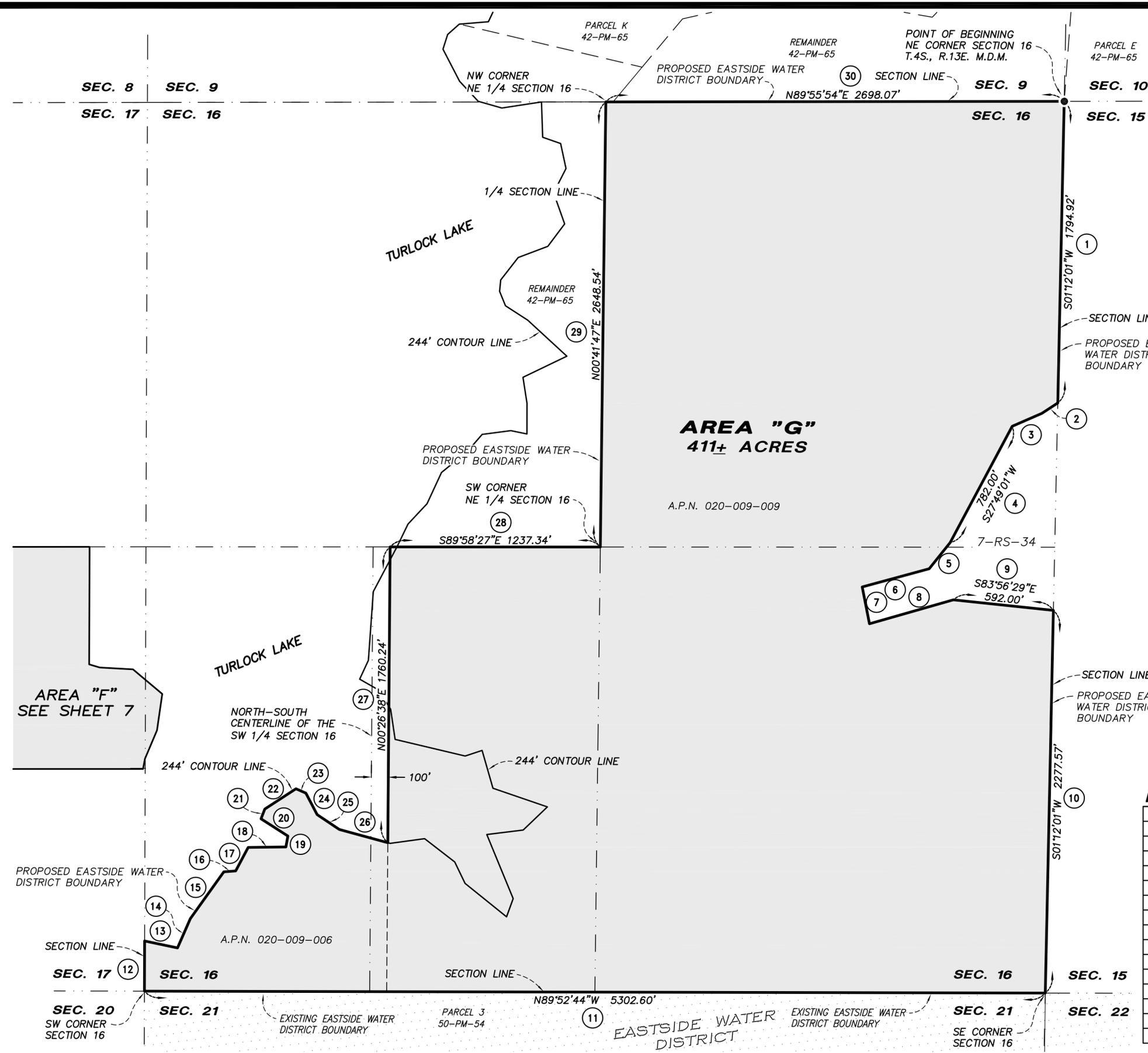


LEGEND:

- EASTSIDE WATER DISTRICT BOUNDARY
- ANNEXATION BOUNDARY
- SECTION LINE
- EXISTING EASTSIDE WATER DISTRICT AREA
- PROPOSED ANNEXATION AREA
- NUMBERED COURSES MATCHING WRITTEN LEGAL DESCRIPTION
- P.M. PARCEL MAP
- R.S. RECORD OF SURVEY
- A.P.N. ASSESSOR PARCEL NUMBER
- S.C.R. STANISLAUS COUNTY RECORDS
- M.C.R. MERCED COUNTY RECORDS

LINE TABLE

LINE	BEARING	LENGTH	LINE	BEARING	LENGTH
1	S01°12'01"W	1794.92'	16	N85°33'23"E	70'
2	S56°37'13"W	112.00'	17	N27°47'23"E	158'
3	S66°09'08"W	191.00'	18	N89°15'23"E	222'
4	S27°49'01"W	782.00'	19	N10°01'23"E	66'
5	S38°26'31"W	199.00'	20	N57°06'37"W	188'
6	S74°37'31"W	409.05'	21	N20°36'23"E	62'
7	S11°03'59"E	223.00'	22	N56°34'23"E	220'
8	N73°56'01"E	514.00'	23	S65°43'37"E	64'
9	S83°56'29"E	592.00'	24	S27°26'37"E	144'
10	S01°12'01"W	2277.57'	25	S55°56'37"E	158'
11	N89°52'44"W	5302.60'	26	S74°34'37"E	295.86'+/-
12	N00°11'27"E	298.80'	27	N00°26'38"E	1760.24'
13	S77°53'37"E	198'	28	S89°58'27"E	1237.34'
14	N23°30'23"E	190'	29	N00°41'47"E	2648.54'
15	N35°15'23"E	341'	30	N89°55'54"E	2698.07'



LINE TABLE

LINE	BEARING	LENGTH	LINE	BEARING	LENGTH	LINE	BEARING	LENGTH	LINE	BEARING	LENGTH
1	N01°22'59"W	1322.50'	22	S59°51'14"E	102.88'	42	N85°03'29"E	296.26'	62	S45°58'49"W	176.16'
2	S89°50'53"W	1346.87'	23	N87°18'02"E	213.23'	43	N54°21'04"E	408.78'	63	S54°40'57"W	517.24'
3	S14°06'53"W	339.85'	24	N87°05'07"E	210.67'	44	N18°49'08"W	158.65'	64	S56°36'10"W	401.27'
4	N79°27'19"W	289.75'	25	S84°46'18"E	93.10'	45	N37°03'14"E	126.35'	65	S53°15'34"W	203.16'
5	S14°13'09"W	412.42'	26	N80°28'18"E	226.46'	46	S87°23'59"E	227.71'	66	S62°19'08"W	86.92'
6	N89°47'58"W	276.69'	27	N81°46'48"E	264.56'	47	N83°30'03"E	394.18'	67	S70°36'31"W	80.41'
8	N46°55'04"W	207.67'	28	N80°46'00"E	85.96'	48	N80°13'56"E	469.96'	68	S53°45'20"W	850.66'
9	N01°05'07"W	905.10'	29	N64°45'53"E	107.14'	49	N89°09'51"E	177.19'	69	N00°14'55"W	2399.32'
10	N02°08'18"W	13.20'	30	N53°09'35"E	97.62'	50	S77°43'40"E	152.12'	70	N89°52'17"W	5277.58'
11	N02°08'18"W	120.00'	31	N81°10'10"E	201.89'	51	S01°04'55"E	39.44'	71	S89°45'12"W	2632.73'
12	N78°36'42"E	779.52'	32	S85°10'01"E	157.58'	52	S49°39'01"E	726.00'			
13	N34°35'42"E	151.89'	33	S64°40'41"E	71.60'	53	S60°39'01"E	594.00'			
14	N69°52'07"E	155.40'	34	N46°42'09"E	137.00'	54	S80°09'01"E	792.00'			
15	S75°32'17"E	99.14'	35	S59°13'12"E	546.88'	55	S82°09'01"E	528.00'			
16	S19°52'07"E	118.22'	36	S73°28'25"E	1061.73'	56	S63°09'01"E	297.66'			
17	S83°00'05"E	186.32'	37	S43°20'55"E	557.41'	57	S01°25'52"E	987.48'			
18	N65°06'09"E	781.14'	38	S75°07'55"E	367.85'	58	S31°51'46"W	857.74'			
19	S87°44'02"E	698.50'	39	N80°13'05"E	690.97'	59	S30°42'22"W	121.25'			
20	S53°35'04"E	235.69'	40	N78°27'03"E	369.62'	60	S36°17'26"W	83.61'			
21	S07°31'38"E	91.34'	41	S88°45'32"E	419.53'	61	S42°04'22"W	251.40'			

LEGEND:

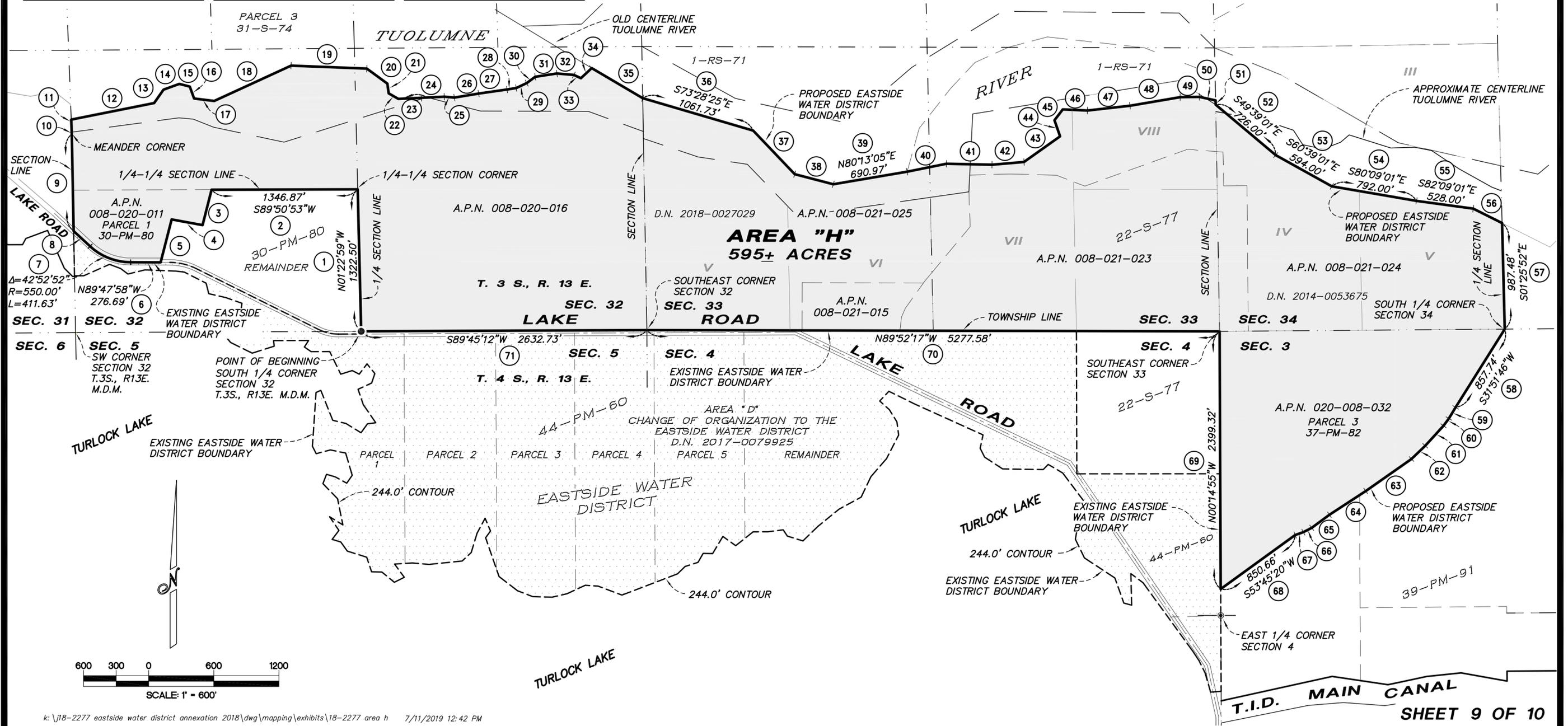
- EASTSIDE WATER DISTRICT BOUNDARY
- ANNEXATION BOUNDARY
- SECTION LINE
- EXISTING EASTSIDE WATER DISTRICT AREA
- PROPOSED ANNEXATION AREA
- NUMBERED COURSES MATCHING WRITTEN LEGAL DESCRIPTION
- P.M. PARCEL MAP
- R.S. RECORD OF SURVEY
- A.P.N. ASSESSOR PARCEL NUMBER
- S.C.R. STANISLAUS COUNTY RECORDS
- M.C.R. MERCED COUNTY RECORDS

CHANGE OF ORGANIZATION TO THE EASTSIDE WATER DISTRICT

AREA "H"
 SITUATE IN A PORTION OF THE
 SOUTH HALF OF SECTIONS 32, 33 AND 34,
 TOWNSHIP 3 SOUTH, RANGE 13 EAST
 AND SECTIONS 3 AND 4,
 TOWNSHIP 4 SOUTH, RANGE 13 EAST, M.D.M.
 IN STANISLAUS COUNTY COUNTY, CALIFORNIA
 JUNE, 2019

NORTHSTAR ENGINEERING GROUP, INC.

620 12th Street, Modesto, CA 95354
 (209) 524-3525



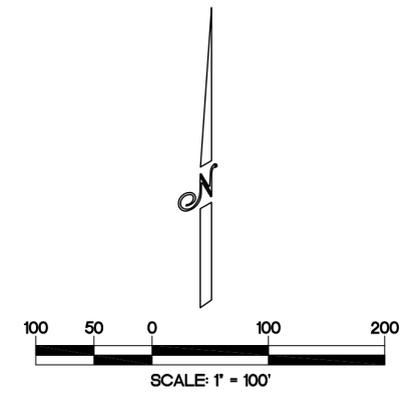
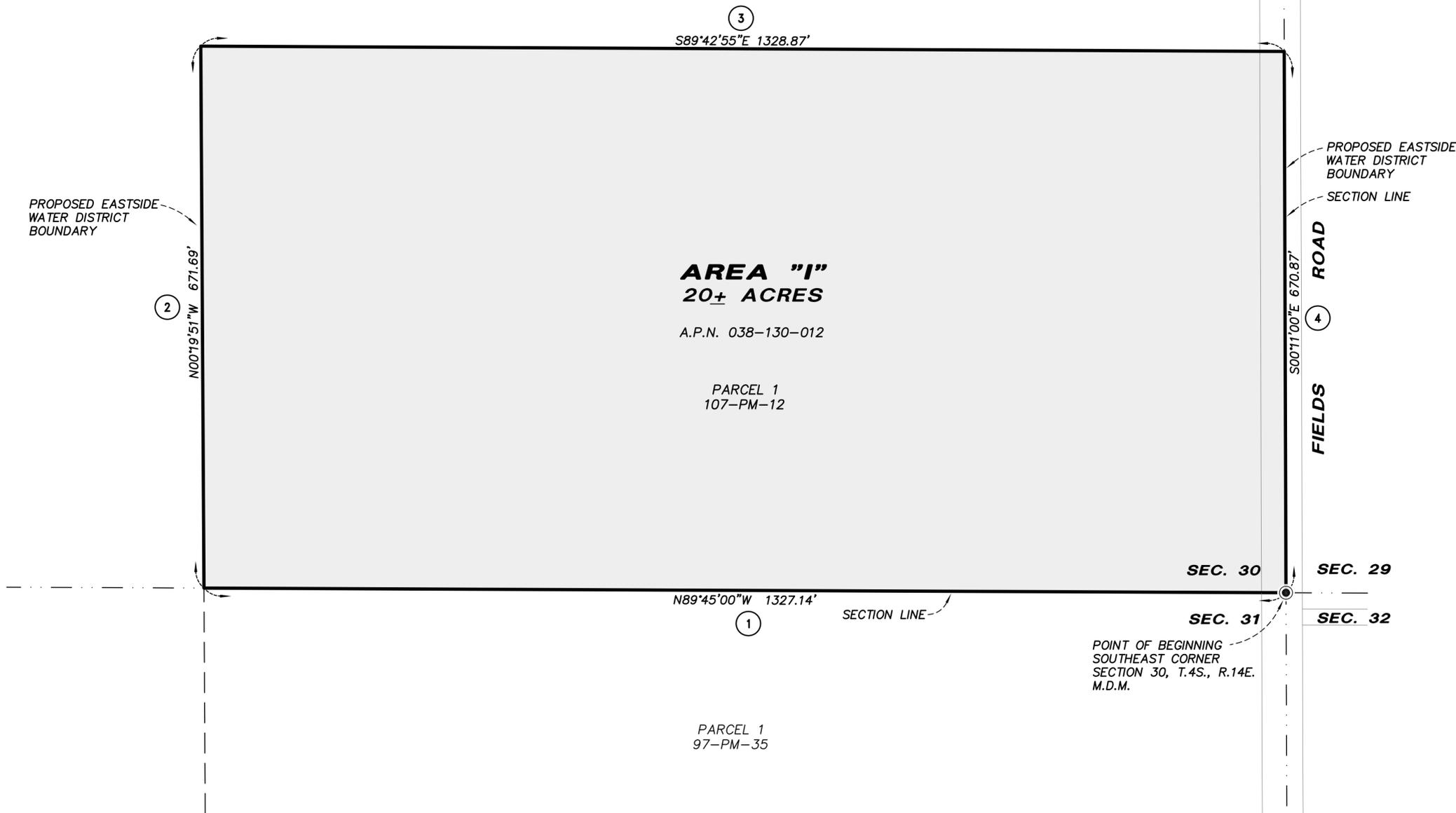
CHANGE OF ORGANIZATION TO THE EASTSIDE WATER DISTRICT

AREA "I"
 BEING THE SOUTHWEST QUARTER OF THE
 NORTHWEST QUARTER OF SECTION 36,
 TOWNSHIP 4 SOUTH, RANGE 13 EAST, M.D.M.
 IN MERCED COUNTY, CALIFORNIA
 JUNE, 2019

NORTHSTAR ENGINEERING GROUP, INC.

620 12th Street, Modesto, CA 95354
 (209) 524-3525

REMAINDER
 107-PM-12



LEGEND:

- EASTSIDE WATER DISTRICT BOUNDARY
- ANNEXATION BOUNDARY
- - - SECTION LINE
- EXISTING EASTSIDE WATER DISTRICT AREA
- PROPOSED ANNEXATION AREA
- 1 NUMBERED COURSES MATCHING WRITTEN LEGAL DESCRIPTION
- P.M. PARCEL MAP
- R.S. RECORD OF SURVEY
- A.P.N. ASSESSOR PARCEL NUMBER
- S.C.R. STANISLAUS COUNTY RECORDS
- M.C.R. MERCED COUNTY RECORDS

Change of Organization to the Eastside Water District Area "A" Legal Description

Situate in Sections 14, 23 & 24, Township 4 South, Range 11 East, Mount Diablo Meridian in the County of Stanislaus, State of California, said Area "A" also being described as follows:

BEGINNING at the Northwest Quarter corner of said Section 24; thence along the North line of said Section 24 the following course:

1. North 89°44'24" East 1126.44 feet; thence
2. Leaving said Section line, South 00°10'41" East 2611.84 feet; thence
3. South 89°55'41" West 2451.20 feet to a point on the East line of Parcel A as shown on that certain Parcel Map recorded in Book 9 of Parcel Maps, at Page 45, Stanislaus County Records; thence
4. Along the East line of said Parcel A, North 00°14'08" West 1289.42 feet to the Northeast corner of said Parcel A; thence
5. Along the North line of said Parcel A, North 89°58'06" West 373.34 feet to the Northwest corner of said Parcel A, being also a point on the Turlock Irrigation District (TID) High Line Right of Way and the beginning of a non-tangent curve to the left, having a radius of 892.62 feet to which a radial line bears South 70°39'14" East and having a central angle of 04°21'00"; thence along said TID Right of Way the following Four (4) courses:
6. Along the arc of said curve, 67.77 feet;
7. North 75°00'14" West 50.00 feet;
8. North 14°59'46" East 1000.00 feet to the beginning of a curve to the right, having a radius of 1039.70 feet and having a central angle of 16°47'54"; thence
9. Along the arc of said curve, 304.82 feet to a point on the North line of said Section 23; thence
10. Along said North line, South 89°54'22" East 1344.23 feet to the point of beginning.

TOGETHER WITH:

COMMENCING at the Northwest Quarter corner of said Section 24; thence along the North line of said Section 24 the following course:

11. North 89°54'22" West 1459.94 feet to a point on the Turlock Irrigation District (TID) High Line Right of Way, being also the **TRUE POINT OF BEGINNING** of this description and the beginning of a curve to the left, having a radius of 1139.07 feet, to which a radial line bears North 61°15'33" West and having a central angle of 13°44'42"; thence along said TID Right of Way the following Seven (7) courses:
12. Along the arc of said curve, 273.26 feet;
13. South 14°59'46" West 1000.00 feet;
14. North 75°00'14" West 50.00 feet to the beginning of a curve to the right, having a radius of 692.62 feet, to which a radial line bears South 75°00'14" East and having a central angle of 28°17'47"; thence
15. Along the arc of said curve, 342.06 feet;
16. South 43°19'23" West 200.00 feet to the beginning of a curve to the right, having a radius of 768.06 feet and having a central angle of 25°56'00"; thence
17. Along the arc of said curve, 347.64 feet;
18. South 69°15'23" West 181.33 feet; thence
19. North 00°13'59" West 1904.68 feet to a point on the North line of said Section 23; thence
20. North 00°13'59" West 31.77 feet; thence
21. South 89°57'36" East 1193.62 feet to a point on said TID Right of Way and the beginning of a non-tangent curve to the left, having a radius of 1139.07 feet, to which a radial line bears North 59°21'22" West and having a central angle of 01°54'10"; thence

22. Along said TID Right of Way and the arc of said curve, 37.83 feet to the point of beginning.

Containing 190 Acres more or less



Nicole Cannella, P.L.S. 9099

Change of Organization to the Eastside Water District Area "B" Legal Description

Situate in the West Half of Section 3, Township 4 South, Range 12 East, Mount Diablo Meridian in the County of Stanislaus, State of California, said Area "B" also being described as follows:

COMMENCING at the Interior Quarter corner of said Section 3; thence along the East-West Quarter Section line of said Section 3 the following course:

1. South 89°44'00" West 62.44 feet to a point on the Northerly line of Turlock Irrigation District (T.I.D.) 200 foot Right of Way Main Canal and the **TRUE POINT OF BEGINNING** of this description; thence
2. Continuing along said Quarter Section line, South 89°26'15" West 323.15 feet; thence
3. Leaving said Quarter Section line, South 50°37'44" East 72.01 feet to the centerline of Lake Road, being also a point on the existing boundary of the Eastside Water District; thence along said centerline of Lake Road, being also said existing District Boundary, the following Two (2) courses:
 4. South 89°19'56" West 981.69 feet;
 5. South 73°06'18" West 1396.93 feet to a point on the West line of said Section 3; thence
6. Along said West line of Section 3, being also said existing District Boundary, North 00°23'46" West 1537.54 feet to a point on said Northerly line of T.I.D. Right of Way; thence leaving said existing District Boundary and along said Northerly line of T.I.D. Right of Way, the following Twelve (12) courses:
 7. South 24°56'00" East 470.33 feet;
 8. South 36°29'00" East 206.82 feet;
 9. South 63°30'00" East 209.60 feet;
 10. North 89°32'00" East 207.91 feet;
 11. North 71°50'00" East 203.78 feet;
 12. North 68°00'00" East 467.05 feet;
 13. North 70°41'00" East 86.12 feet;
 14. North 78°09'00" East 195.53 feet;
 15. South 83°52'00" East 194.19 feet;
 16. South 68°46'00" East 194.37 feet;
 17. South 51°49'00" East 195.51 feet;
 18. South 43°12'00" East 660.88 feet more or less to the point of beginning.

Containing 40 Acres more or less



Nicole Cannella, P.L.S. 9099

Change of Organization to the Eastside Water District

Area "C" Legal Description

Situate in the West Half of Section 10, Township 4 South, Range 12 East, Mount Diablo Meridian in the County of Stanislaus, State of California, said Area "C" also being described as follows:

BEGINNING at the Northwest corner of said Section 10; thence along the North line of said Section 10, being also the existing boundary of the Eastside Water District, the following course:

1. North 89°23'48" East 2657.77 feet to the North Quarter corner of said Section 10; thence
2. Along the North-South Quarter Section line of said Section 10, being also said existing District boundary, South 00°23'33" East 5285.90 feet to the South Quarter corner of said Section 10; thence
3. Along the South line of said Section 10, being also said existing District boundary, South 89°29'40" West 2658.77 feet to the Southwest corner of said Section 10; thence
4. Along the West line of said Section 10, being also said existing District boundary, North 00°22'54" West 5281.36 feet to the point of beginning.

Containing 322 Acres more or less



Nicole Cannella, P.L.S. 9099

Change of Organization to the Eastside Water District Area "D" Legal Description

Situate in the East Half of Section 12, Township 4 South, Range 12 East and the West Half of Section 7, Township 4 South, Range 13 East, Mount Diablo Meridian in the County of Stanislaus, State of California, said Area "D" also being described as follows:

BEGINNING at the South Quarter corner of said Section 12, being also the Southwest corner of that certain Parcel Map recorded in Book 42 of Parcel Maps at Page 44, Stanislaus County Records; thence along the existing boundary of the Eastside Water District, being also the North-South Quarter Section line of said Section 12 and the West line of said Parcel Map, the following Two (2) courses:

1. North 00°29'24" West 3151.53 feet to the Northwest corner of Parcel B of said Parcel Map; thence
2. Leaving said Quarter Section line and along the North line of said Parcel B, North 89°30'36" East 803.83 feet to the Northeast corner of said Parcel B, being also a point on the centerline of Davis Road; thence Continuing along said existing District boundary, being also said Davis Road centerline the following Nine (9) courses:
3. North 09°59'51" West 482.10 feet; thence
4. Along a tangent curve, concave to the northeast, having a radius of 4200.00 feet subtended by a chord of North 06°34'35" West 408.75 feet, through a central angle of 05°34'42"; an arc distance of 408.91 feet;
5. North 03°47'13" West 126.25 feet; thence
6. Along a tangent curve, concave to the Southwest, having a radius of 275.00 feet subtended by a chord of North 21°01'43" West 163.02 feet, through a central angle of 34°29'00", an arc distance of 165.51 feet;
7. North 38°16'13" West 299.14 feet
8. Along a tangent curve, concave to the Northeast, having a radius of 220.12 feet subtended by a chord of North 16°50'04" West 160.89 , through a central angle of 42°52'19"; an arc distance of 164.71 feet; thence
9. Along a compound curve, concave to the Southeast, having a radius of 355.00 feet subtended by a chord of N 18°32'49" E 171.11, through a central angle of 27°53'27"; an arc distance of 172.81 feet;
10. North 32°29'33" East 108.73 feet;
11. North 33°14'28" East 407.11 feet to a point on the North line of said Section 12, thence
12. Continuing along said existing District boundary, being also said North line of Section 12, North 89°32'18" East 1102.12 feet more or less to the intersection of said North line and the Turlock Lake 244.0 foot Contour line as described in the Grant Deed from Hooker Grain Co. to Larry Hooker, recorded December 13, 1990, as Instrument Number 103778, Stanislaus County Records; thence along said Contour line the following Ninety-five (95) courses:
13. South 41°04'00" West 87.68 feet more or less;
14. South 15°58'00" West 162 feet;
15. South 31°38'00" East 136 feet;
16. South 59°08'00" East 176 feet;
17. South 86°08'00" East 145 feet;
18. North 54°59'00" East 160 feet;
19. North 66°39'00" East 123 feet;
20. North 77°34'00" East 97 feet;
21. South 75°34'00" East 89 feet;
22. South 50°18'00" East 76 feet;

23. South 14°42'00" East 90 feet;
24. South 18°58'00" East 90 feet;
25. South 45°13'00" West 231 feet;
26. South 67°27'00" West 288 feet;
27. South 77°17'00" West 169 feet;
28. South 17°45'00" West 197 feet;
29. South 51°20'00" West 154 feet;
30. South 11°08'00" East 110 feet;
31. South 35°24'00" East 200 feet;
32. South 00°41'00" West 105 feet;
33. South 40°29'00" West 88 feet;
34. South 86°57'00" West 131 feet;
35. North 61°55'00" West 229 feet;
36. South 76°45'00" West 93 feet;
37. South 24°00'00" East 164 feet;
38. South 57°15'00" East 294 feet;
39. South 45°15'00" East 231 feet;
40. South 16°37'00" East 115 feet;
41. South 02°58'00" West 94 feet;
42. South 35°59'00" West 110 feet;
43. South 04°06'00" East 124 feet;
44. South 31°39'00" West 174 feet;
45. South 54°12'00" West 114 feet;
46. South 87°32'00" West 146 feet;
47. South 30°47'00" West 130 feet;
48. South 46°52'00" West 192 feet;
49. South 30°31'00" East 200 feet;
50. North 62°16'00" East 161 feet;
51. South 87°11'00" East 155 feet;
52. North 23°13'00" East 112 feet;
53. North 57°24'00" East 108 feet;
54. North 74°28'00" East 121 feet;
55. South 53°03'00" East 216 feet;
56. South 30°33'00" East 323 feet;
57. North 01°41'00" East 221 feet;
58. North 18°42'00" East 125 feet;
59. North 31°32'00" West 163 feet;
60. North 88°24'00" East 220 feet;
61. South 58°08'00" East 111.50 feet to a point known as Engineer's Station 159 plus 21.5, said point on the East line of Section 12, Township 4 South, Range 12 East, bearing North a distance of 2579.0 feet from the Southeast corner of said Section 12; thence continuing along said surveyed traverse of contour elevation 244.0;
62. South 58°08'00" East 249.50 feet;
63. South 46°28'00" East 209 feet;
64. North 55°52'00" East 61 feet;

65. North 28°29'00" West 334 feet;
66. North 46°45'00" West 320 feet;
67. North 21°54'00" West 88 feet;
68. North 06°23'00" East 56 feet;
69. North 39°49'00" East 56 feet;
70. North 65°22'00" East 71 feet;
71. North 88°32'00" East 78 feet;
72. South 66°47'00" East 59 feet;
73. South 27°25'00" East 91 feet;
74. South 22°36'00" East 191 feet;
75. North 52°43'00" East 189 feet;
76. North 77°34'00" East 93 feet;
77. South 71°33'00" East 79 feet;
78. South 35°29'00" East 88 feet;
79. South 07°01'00" East 120 feet;
80. South 06°27'00" West 321 feet;
81. North 55°17'00" East 187 feet;
82. North 46°02'00" East 189 feet;
83. North 18°59'00" East 224 feet;
84. South 58°45'00" East 137 feet;
85. South 33°42'00" East 259 feet;
86. South 68°15'00" East 123 feet;
87. South 36°25'00" West 115 feet;
88. South 17°15'00" West 215 feet;
89. South 74°48'00" East 168 feet;
90. South 51°48'00" East 87 feet;
91. South 24°11'00" East 89 feet;
92. South 05°32'00" East 136 feet;
93. South 12°41'00" West 196 feet;
94. South 03°01'00" West 109 feet;
95. South 46°44'00" West 110 feet;
96. South 75°26'00" West 185 feet;
97. South 38°16'00" West 153 feet;
98. South 67°59'00" West 118 feet;
99. South 86°48'00" West 120 feet;
100. South 04°02'00" West 241 feet;
101. South 27°57'00" West 123 feet;
102. South 48°53'00" West 158 feet;
103. South 62°55'00" West 158 feet;
104. North 75°26'00" West 157 feet;
105. South 05°15'00" East 142 feet;
106. South 14°35'00" West 137 feet;
107. South 30°36'00" West 192 feet;

108. South 23°55'00" West 187 feet to a point on an existing fence as described in the Quit Claim Deed from Rodman Hooker to Brent and Nancy Stout, recorded March 8, 2019 as Document Number 2019-0014142, Stanislaus County Records; thence
109. Leaving said surveyed traverse of contour elevation 244.0 and along said existing fence South 03°54'08" East 190.92 feet more or less to a point on the South line of said Section 7; thence
110. Along the South line of said Section 7, South 89°46'05" West 275.00 feet to the Southeast corner of said Section 12, being also the Southeast corner of said Parcel Map; thence
111. Along the South line of said Section 12 and said Parcel Map, South 89°41'47" West 2642.83 feet to the point of beginning.

Containing 308 Acres more or less



Nicole Cannella, P.L.S. 9099

Change of Organization to the Eastside Water District Area "E" Legal Description

Situate in the South Half of Section 8, Township 4 South, Range 13 East, Mount Diablo Meridian in the County of Stanislaus, State of California, said Area "E" also being described as follows:

COMMENCING at the Southwest corner of said Section 8; thence

1. Along the South line of said Section 8, South 89°58'21" East 2058.80 feet more or less to the intersection of said South line and the Turlock Lake 244.0 foot Contour line as described in the Grant Deed to Hooker Grain Co., a California Corporation, recorded August 13, 1975 in Book 2723 of Official Records, at Page 393, Stanislaus County Records and the **TRUE POINT OF BEGINNING** of this description; thence along said Contour line the following thirty one (31) courses:
 2. North 08°18'00" East 190.43 feet more or less;
 3. North 48°03'00" East 113 feet;
 4. North 83°35'00" East 248 feet;
 5. North 46°13'00" West 274 feet;
 6. North 04°53'00" East 242 feet;
 7. North 45°55'00" East 171 feet;
 8. North 54°37'00" East 151 feet;
 9. North 66°05'00" East 195 feet;
 10. North 57°06'00" East 142 feet;
 11. North 76°17'00" East 187 feet;
 12. North 59°48'00" East 166 feet;
 13. North 15°04'00" East 102 feet;
 14. North 42°55'00" West 296 feet;
 15. North 47°04'00" East 113 feet;
 16. South 50°28'00" East 320 feet;
 17. North 71°48'00" East 143 feet;
 18. North 13°04'00" West 180 feet;
 19. North 06°31'00" East 231 feet;
 20. South 66°26'00" East 116 feet;
 21. North 65°47'00" East 104 feet;
 22. North 49°48'00" East 133 feet;
 23. South 49°06'00" East 57 feet;
 24. South 06°14'00" East 211 feet;
 25. South 26°53'00" West 153 feet;
 26. South 19°35'00" West 402 feet;
 27. South 28°00'00" West 179 feet;
 28. South 42°49'00" West 507 feet;
 29. South 54°43'00" West 330 feet;
 30. South 75°01'00" West 204 feet;
 31. South 21°15'00" West 211 feet;
32. South 06°18'00" West 202.24 feet more or less to the South line of said Section 8; thence
33. Along said South line, North 89°58'21" West 496.28 feet to the point of beginning.

Containing 25 Acres more or less



Change of Organization to the Eastside Water District

Area "F" Legal Description

Situate in a portion of Sections 16, 17 and 18, Township 4 South, Range 13 East, Mount Diablo Meridian, situate in Stanislaus County, California, said Area "F" also being described as follows:

BEGINNING at the Southeast corner of the Northeast Quarter of the Southeast Quarter of said Section 18; thence along the South line of the North Half of the South Half of said Section 18 the following course:

1. South 89°38'33" West 1396.19 feet to the Southeast corner of that certain Parcel Map recorded on Book 52 of Parcel Maps at Page 8, Stanislaus County Records; thence along the Easterly line of said Parcel Map the following three (3) courses:
2. North 14°49'27" West 1659.74 feet;
3. North 53°23'50" West 1094.83 feet;
4. North 20°12'29" East 1799.01 feet more or less to a point on the South line of Davis Road; thence
5. Along said South line of Davis Road, South 48°41'09" East 1968.71 feet to a point on the North line of the South Half of the Northeast Quarter of said Section 18; thence
6. Along said North line, North 89°43'38" East 599.60 feet to the Northeast corner of the Southeast Quarter of the Northeast Quarter of said Section 18; thence
7. Along the East line of said Section 18, South 00°00'00" East 1320.00 feet to the West Quarter corner of said Section 17; thence
8. Along the East-West Quarter Section line of said Section 17, North 89°57'28" East 4979.92 feet more or less to the Northeast corner of the West Half of the Northeast Quarter of the Northeast Quarter of the Southeast Quarter of said Section 17; thence
9. Southerly, along the East line of the West Half of the Northeast Quarter of the Southeast Quarter of said Section 17, South 00°10'44" West 699.23 feet more or less to the intersection of said East line and the Turlock Lake 244.0 foot Contour line as described in the Grant Deed to Hooker Grain Co., a California Corporation, recorded August 13, 1975 in Book 2723 of Official Records, at Page 393, Stanislaus County Records; thence along said Contour line the following six (6) courses:
10. South 73°21'00" East 64.94 feet more or less;
11. South 86°48'00" East 196 feet;
12. South 49°40'00" East 226 feet;
13. South 08°06'00" West 219 feet;
14. South 22°46'00" West 184 feet;
15. South 10°29'00" West 61.21 feet more or less to a point on the South line of the North Half of the South Half of said Section 17; thence
16. Along said South line, South 89°58'44" West 5294.73 feet more or less to the point of beginning.

Containing 302 Acres more or less



Nicole Cannella, P.L.S. 9099

Change of Organization to the Eastside Water District

Area "G" Legal Description

Situate in Section 16, Township 4 South, Range 13 East, Mount Diablo Meridian in the County of Stanislaus, State of California, said Area "G" also being described as follows:

BEGINNING at the Northeast Quarter corner of said Section 16; thence along the East Section line of said Section 16 the following course:

1. South 01°12'01" West 1794.92 feet to the Northeast corner of the property granted to Lisa C. Kilroy by Grant Deed recorded December 28, 2001 as Document Number 2001-0156802, Stanislaus County Records; thence Westerly, along the Northerly, Westerly and Southerly line of said Kilroy Property the following Eight (8) Courses
2. South 56°37'13" West 112.00 feet;
3. South 66°09'08" West 191.00 feet;
4. South 27°49'01" West 782.00 feet;
5. South 38°26'31" West 199.00 feet;
6. South 74°37'31" West 409.05 feet;
7. South 11°03'59" East 223.00 feet;
8. North 73°56'01" East 514.00 feet;
9. South 83°56'29" East 592.00 feet to the Southeast corner of said Kilroy Property, being also a point on the East line of said Section 16; thence
10. Along said East Section line, South 01°12'01" West 2277.57 feet to the Southeast corner of said Section 16; thence
11. Along the South line of said Section 16, North 89°52'44" West 5302.60 feet to the Southwest corner of said Section 16; thence
12. Along the West line of said Section 16, North 00°11'27" East 298.80 feet more or less to the intersection of said West Section line and the Turlock Lake 244 foot Contour line as described in the Grant Deed to Hooker Grain Co., a California Corporation, recorded August 13, 1975 in Book 2723 of Official Records, at Page 393, Stanislaus County Records and ; thence along said Contour line the following Fourteen (14) courses,
13. South 77°53'37" East 198 feet;
14. North 23°30'23" East 190 feet;
15. North 35°15'23" East 341 feet;
16. North 85°33'23" East 70 feet;
17. North 27°47'23" East 158 feet;
18. North 89°15'23" East 222 feet;
19. North 10°01'23" East 66 feet;
20. North 57°06'37" West 188 feet;
21. North 20°36'23" East 62 feet;
22. North 56°34'23" East 220 feet;
23. South 65°43'37" East 64 feet;
24. South 27°26'37" East 144 feet;
25. South 55°56'37" East 158 feet;
26. South 74°34'37" East 295.86 feet more or less to a point which is 100 feet East of the North-South Centerline of the Southwest Quarter of said Section 16; thence
27. Parallel with said North-South Centerline, North 00°26'38" East 1760.24 feet to a point on the North line of the Southwest Quarter of said Section 16; thence

28. Along said North line of the Southwest Quarter, South 89°58'27" East 1237.34 feet to the Southwest corner of the Northeast Quarter of said Section 16; thence
29. Along said West line of the Northeast Quarter, North 00°41'47" East 2648.54 feet to the North Quarter corner of said Section 16; thence
30. Along the North line of said Section 16, North 89°55'54" East 2698.07 feet to the point of beginning.

Containing 411 Acres more or less



Nicole Cannella, P.L.S. 9099

Change of Organization to the Eastside Water District

Area "H" Legal Description

Situate in the South Half of Sections 32, 33 and 34, Township 3 South, Range 13 East and Sections 3 and 4, Township 3 South, Range 13 East, Mount Diablo Meridian in the County of Stanislaus, State of California, said Area "H" also being described as follows:

BEGINNING at the South Quarter corner of said Section 32, being also the Southeast corner of that certain Parcel Map recorded on June 5, 1980 in Book 30 of Parcel Maps, at Page 80, Stanislaus County Records; thence Northerly, along the North-South Quarter Section line, being also the East line of said Parcel Map the following course:

1. North 01°22'59" West 1322.50 feet to the Quarter-Quarter Section Corner of said Section 32, being also the Northeast Corner of said Parcel Map; thence
2. Along the Quarter-Quarter Section line, being also the North line of said Parcel Map, South 89°50'53" West 1346.87 feet to the Northeast corner of Parcel 1 of said Parcel Map; thence, along the Easterly line of said Parcel 1 the following three (3) courses:
3. South 14°06'53" West 339.85 feet;
4. North 79°27'19" West 289.75 feet;
5. South 14°13'09" West 412.42 feet to the centerline of Lake Road as shown on said Parcel Map; thence, along the centerline of said Lake Road the following three (3) courses:
6. North 89°47'58" West 276.69 feet to the beginning of a curve to the right, having a radius of 550.00 feet and having a central angle of 42°52'52"; thence
7. Along the arc of said curve, 411.63 feet;
8. North 46°55'04" West 207.67 feet to a point on the West line of said Section 32; thence
9. Along said West line of Section 32, North 01°05'07" West 905.10 feet the U.S. Meander Corner on the left bank of the Tuolumne River, between Sections 31 and 32, Township 3 South, Range 13 East, Mount Diablo Meridian; thence
10. Along said Section Line, North 02°08'18" West 13.20 feet to the intersection of said Section line and the southerly line of land as established by Decree of Distribution of Fanning Estates as shown in Volume 1 at Page 71 of record of surveys; thence
11. Continuing along said Section line, North 02°08'18" West 120.00 feet to the Northwest corner of that certain real property described in the Correction to Grant Deed to William Jason Hall, Trustee of the 2009 Hall Family Revocable Living Trust recorded April 19, 2018 as Document Number 2018-0027029, Stanislaus County Records, being also the intersection of said Section line and the approximate centerline of the Tuolumne River, as originally determined by various swamp and overflow surveys; thence along the Northerly line of said Hall property the following Thirty-nine (39) courses:
12. Meandering up stream along the approximate centerline of the of the Tuolumne River, as again determined by the relocation of various swamp and overflow surveys, North 78°36'42" East 779.52 feet; thence
13. Continuing along said approximate centerline, North 34°35'42" East 151.89 feet; thence
14. Leaving said approximate centerline, North 69°52'07" East 155.40 feet;
15. South 75°32'17" East 99.14 feet;
16. South 19°52'07" East 118.22 feet;
17. South 83°00'05" East 186.32 feet;
18. North 65°06'09" East 781.14 feet;
19. South 87°44'02" East 698.50 feet;
20. South 53°35'04" East 235.69 feet;
21. South 07°31'38" East 91.34 feet;
22. South 59°51'14" East 102.88 feet;
23. North 87°18'02" East 213.23 feet;

24. North 87°05'07" East 210.67 feet;
25. South 84°46'18" East 93.10 feet;
26. North 80°28'18" East 226.46 feet;
27. North 81°46'48" East 264.56 feet;
28. North 80°46'00" East 85.96 feet;
29. North 64°45'53" East 107.14 feet;
30. North 53°09'35" East 97.62 feet;
31. North 81°10'10" East 201.89 feet;
32. South 85°10'01" East 157.58 feet;
33. South 64°40'41" East 71.60 feet;
34. North 46°42'09" East 137.00 feet more or less to a point on the centerline of the Tuolumne River, as originally determined by various swamp and overflow surveys; thence
35. Meandering upstream along the approximate centerline of the Tuolumne River, as again determined by the relocation of various swamp and overflow surveys, South 59°13'12" East 546.88 feet more or less to the East line of said Section 32; thence;
36. South 73°28'25" East 1061.73 feet;
37. South 43°20'55" East 557.41 feet;
38. South 75°07'55" East 367.85 feet;
39. North 80°13'05" East 690.97 feet;
40. North 78°27'03" East 369.62 feet;
41. South 88°45'32" East 419.53 feet;
42. North 85°03'29" East 296.26 feet;
43. North 54°21'04" East 408.78 feet;
44. North 18°49'08" West 158.65 feet;
45. North 37°03'14" East 126.35 feet;
46. South 87°23'59" East 227.71 feet;
47. North 83°30'03" East 394.18 feet;
48. North 80°13'56" East 469.96 feet;
49. North 89°09'51" East 177.19 feet;
50. South 77°43'40" East 152.12 feet to a point on the East line of said Section 33; thence
51. Along said East line of Section 33, South 01°04'55" East 39.44 feet more or less to the Northwest corner of that certain property described in Grant Deed to William Jason Hall and Yvette Emilia Fagundes-Hall, Trustees of The Hall Family Revocable Living Trust dated July 23, 2009, recorded on August 15, 2014 as Document Number 2014-0053675, Stanislaus County Records; thence along the Northerly line of last said Hall property the following Five (5) courses:
 52. South 49°39'01" East 726.00 feet;
 53. South 60°39'01" East 594.00 feet;
 54. South 80°09'01" East 792.00 feet;
 55. South 82°09'01" East 528.00 feet;
 56. South 63°09'01" East 297.66 feet to a point on the North-South Quarter Section line of said Section 33; thence
 57. Along said North-South Quarter Section line, South 01°25'52" East 987.48 feet to the South Quarter corner of said Section 33, being also the Northeast corner of Parcel 3 as shown on that certain Parcel Map filed for record in Book 37 of Parcel Maps at Page 83, Stanislaus County Records; thence, Southwesterly, along the Easterly and Southerly lines of said Parcel 3 the following Eleven (11) courses:
 58. South 31°51'46" West 857.74 feet;

59. South 30°42'22" West 121.25 feet;
60. South 36°17'26" West 83.61 feet;
61. South 42°04'22" West 251.40 feet;
62. South 45°58'49" West 176.16 feet;
63. South 54°40'57" West 517.24 feet;
64. South 56°36'10" West 401.27 feet;
65. South 53°15'34" West 203.16 feet;
66. South 62°19'08" West 86.92 feet;
67. South 70°36'31" West 80.41 feet;
68. South 53°45'20" West 850.66 feet to the Southwest corner of said Parcel 3, being also a point on the West line of said Section 3; thence
69. Along said West line of Section 3, North 00°14'55" West 2399.32 feet to the Southeast corner of said Section 33; thence
70. Along the South line of said Section 33, North 89°52'17" West 5277.58 feet to the Southeast corner of said Section 32; thence
71. Along the South line of said Section 32, South 89°45'12" West 2632.73 feet to the point of beginning.

Containing 595 Acres more or less



Nicole Cannella, P.L.S. 9099

Change of Organization to the Eastside Water District

Area "I" Legal Description

Situate in the Southeast Quarter of Section 30, Township 4 South, Range 14, Mount Diablo Meridian in the County of Merced, State of California, said Area "I" also being described as follows:

BEGINNING at the Southeast corner of said Section 30, thence

1. Along the South line of said Section 30, North 89°45'00" West 1327.14 feet to the Southwest corner of Parcel 1 as shown on that certain Parcel Map recorded in Book 107 of Parcel Maps at Pages 11-12, Merced County Records; thence
2. Along the West line of said Parcel 1, North 00°19'51" West 671.69 feet to the Northwest corner of said Parcel 1; thence
3. Along the North line of said Parcel 1 and its Easterly extension thereof, South 89°42'55" East 1328.87 feet to a point on the East line of said Section 30; thence
4. Along the East line of said Section 30, South 00°11'00" East 670.87 feet to the point of beginning.

Containing 20 Acres more or less



Nicole Cannella, P.L.S. 9099

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EXHIBIT B

APN List

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APN LIST

		Assessor's Parcel Numbers	Tax Rate Area	Assessed LAND Value	Consent form?
Area A	1	019-030-014	056-008	\$ 934,474	y
Area B	2	020-002-014	108-020	\$ 111,397	y
Area C	3	020-002-015	108-034	\$ 500,478	y
Area D	4	020-002-032	108-034	\$ 124,116	y
	5	020-002-033	108-034	\$ 22,896	y
	6	020-002-034	108-034	\$ 120,305	y
Area E	7	020-007-003	108-034	\$ 15,662	y
Area F	8	020-009-005	108-034	\$ 3,309	y
	9	020-009-022	108-034	\$ 88,648	y
	10	020-009-023	108-034	\$ 102,516	y
Area G	11	020-009-006	108-034	\$ 15,366	y
	12	020-009-009	108-034	\$ 377,936	y
Area H	13	008-020-011	108-032	\$ 247,791	y
	14	008-020-016	108-032	\$ 226,987	y
	15	008-021-015	108-032	\$ 48,768	y
	16	008-021-023	108-032	\$ 107,027	y
	17	008-021-024	108-032	\$ 56,738	y
	18	008-021-025	108-032	\$ 150,404	y
	19	020-008-032	108-032	\$ 208,658	y
Area I (Merced)	20	038-130-012	101-001	\$ 270,636	y
TOTAL				\$ 3,734,112	

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EXHIBIT C

**Eastside Water District Initial Study &
Negative Declaration**

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FILED

2018 MAY 22 PM 1:25

EASTSIDE WATER DISTRICT
NEGATIVE DECLARATION REGARDING ENVIRONMENTAL IMPACT

STANISLAUS CO. CLERK-RECORDER
Kalpana Suri

1. NOTICE IS HEREBY GIVEN that the project described below has been reviewed pursuant to the provisions of the California Environmental Quality Act of 1970 (Public Resources Code Section 21100, et seq.) and a determination has been made that it will have no significant effect upon the environment.
2. PROJECT NAME: Eastside Water District Annexation
3. DESCRIPTION OF THE PROJECT: Annexation of approximately 2,400 gross acres into the Eastside Water District. The Project Description is more fully set forth in the Initial Study attached hereto and incorporated into this Negative Declaration by reference. Based on the Initial Study, it has been found that the project will have no significant effect on the environment.
4. LOCATION OF PROJECT: The Project is located immediately adjacent to the existing geographical boundaries of the district, as shown on the map attached as EXHIBIT "A".
5. NAME AND ADDRESS OF PROJECT PROPONENT: Eastside Water District, Kevin Kauffman, 731 East Yosemite Avenue, Suite B #147, Merced, CA, 95340. 209-478-4940
6. MITIGATION MEASURES: None.
7. A copy of the Initial Study regarding the environmental effect of this project is on file at www.eastsidewaterdistrict.com. This study was:
 Adopted as presented.
 Adopted with changes. Specific modifications supporting reasons are attached.
8. The Eastside Water District considered this Negative Declaration at a public meeting of its Board of Directors on May 17, 2018.
9. DETERMINATION: *(To be completed by the Lead Agency)*.

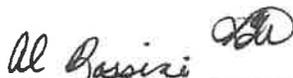
On the basis of this initial evaluation:

- 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 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.

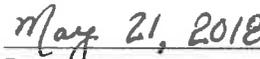
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

- 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 the 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 (1) have been adequately analyzed in an earlier EIR or NEGATIVE DECLARATION pursuant to the applicable standards, and (c) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the project, nothing further is required.



Al Rossini, President
Eastside Water District



Date



State of California - Department of Fish and Wildlife
2018 ENVIRONMENTAL FILING FEE CASH RECEIPT
 DFW 753.5a (Rev. 01/03/18) Previously DFG 753.5a

RECEIPT NUMBER: 50 — 2018 — 084
STATE CLEARINGHOUSE NUMBER (If applicable)

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.

LEAD AGENCY Eastside Water District	LEAD AGENCY EMAIL	DATE 07/11/2018
COUNTY/STATE AGENCY OF FILING Stanislaus	DOCUMENT NUMBER 2018-084	

PROJECT TITLE Eastside Water District Annexation			
PROJECT APPLICANT NAME Eastside Water District	PROJECT APPLICANT EMAIL	PHONE NUMBER (209) 478-4940	
PROJECT APPLICANT ADDRESS 731 East Yosemite Ave Ste B 147	CITY Merced	STATE CA	ZIP CODE 95340

PROJECT APPLICANT (Check appropriate box)

Local Public Agency
 School District
 Other Special District
 State Agency
 Private Entity

CHECK APPLICABLE FEES:

- Environmental Impact Report (EIR) \$3,168.00 \$ 0.00
- Mitigated/Negative Declaration (MND)(ND) \$2,280.75 \$ 0.00
- Certified Regulatory Program document (CRP) \$1,077.00 \$ 0.00

- Exempt from fee
 - Notice of Exemption (attach)
 - CDFW No Effect Determination (attach)
- Fee previously paid (attach previously issued cash receipt copy)

- Water Right Application or Petition Fee (State Water Resources Control Board only) \$850.00 \$ 0.00
- County documentary handling fee \$ 57.00
- Other \$

PAYMENT METHOD:

- Cash
 Credit
 Check
 Other

TOTAL RECEIVED \$ 57.00

SIGNATURE X	AGENCY OF FILING PRINTED NAME AND TITLE Jennifer Mercado, Legal Clerk
-----------------------	--

**EASTSIDE WATER DISTRICT
PUBLIC NOTICE OF FINAL NEGATIVE DECLARATION**

The Eastside Water District ("EWD") prepared, makes, declares and published this final Negative Declaration for the Eastside Water District Annexation Project.

Project Title: Eastside Water District Annexation

Project Location: The project is located immediately adjacent to the existing geographical boundaries of the District, within Stanislaus and Merced Counties, as shown on the map attached as EXHIBIT "A".

Project Description: Annexation of approximately 2,400 acres into the Eastside Water District. The Project Description is more fully set forth in the Initial Study for the project. Based on this Initial Study it has been found that the project will have no significant impact on the environment.

Determination: EWD has reviewed the proposed project and has determined that the project, as identified in the attached Initial Study, will not have a significant effect on the environment. An Environmental Impact Report is not required pursuant to the Environmental Quality Act of 1970 (Division 13 of the California Public Resources Code).

Public Review: The Initial Study/Negative Declaration was prepared in compliance with the California Environmental Quality Act ("CEQA") and contains an environmental review of the potential impacts of the proposed project. This Initial Study/Negative Declaration was circulated for over 20 days from May 21, 2018 through June 11, 2018. No comments on the Initial Study/Negative Declaration were received by the Eastside Water District. The original Initial Study/Negative Declaration will not be revised prior to adoption of this Final Negative Declaration by EWD, which is scheduled for June 21 2018.

This environmental review process and Negative Declaration filing is made pursuant to Title 14, Division 6, Chapter 3, Article 6 of the California Administrative Code Section 15070.

A copy of the Initial Study and Proposed Negative Declaration may be reviewed at:
www.eastsidewaterdistrict.com



Mr. Al Rossini, Chairman
EWD Board of Directors

2018 JUL 13 PM 3:29
RECEIVED COUNTY CLERK
BY: 



INITIAL STUDY
AND PROPOSED
NEGATIVE DECLARATION

FOR

EASTSIDE WATER DISTRICT
ANNEXATION

Prepared for:

Stanislaus LAFCO
1010 10th Street, 3rd Floor
Modesto, CA 95354
Phone: (209) 525-7660

Prepared by:

Eastside Water District
Post Office Box 280
Denair, California 95316

May 17, 2018

**EASTSIDE WATER DISTRICT
PUBLIC NOTICE OF PROPOSED NEGATIVE DECLARATION**

The Eastside Water District ("EWD") prepares, makes, declares and published this proposed Negative Declaration for the Eastside Water District Annexation Project.

Project Title: Eastside Water District Annexation

Project Location: The project is located immediately adjacent to the existing geographical boundaries of the District, within Stanislaus and Merced Counties, as shown on the map attached as **EXHIBIT "A"**.

Project Description: Annexation of approximately 2,400 acres into the Eastside Water District. The Project Description is more fully set forth in the Initial Study for the project. Based on the Initial Study, it has been found that the project will have no significant impact on the environment.

Determination: EWD has reviewed the proposed project and has determined that the project, as identified in the attached Initial Study, will not have a significant effect on the environment. An Environmental Impact Report is not required pursuant to the Environmental Quality Act of 1970 (Division 13 of the California Public Resources Code).

Public Review: The Initial Study/Negative Declaration has been prepared in compliance with the California Environmental Quality Act ("CEQA") and contains an environmental review of the potential impacts of the proposed project. This Initial Study/Negative Declaration is being circulated for 20 days from **May 18, 2018 through June 8, 2018**. Comments on the Initial Study/Negative Declaration may be sent by to Eastside Water District, ATTN: Kevin Kauffman, 731 East Yosemite Avenue, Suite B #147, Merced, CA, 95340 by 12:00 noon on June 8, 2018. Comments will be reviewed by EWD, and the Initial Study/Negative Declaration will be revised, as appropriate, prior to the adoption of the proposed Negative Declaration by EWD, which is scheduled for June 21, 2018.

This environmental review process and Negative Declaration filing is made pursuant to Title 14, Division 6, Chapter 3, Article 6 of the California Administrative Code Section 15070.

A copy of the Initial Study and Proposed Negative Declaration may be reviewed at:
www.eastsidewaterdistrict.com

Mr. Al Rossini, President
EWD Board of Directors

**EASTSIDE WATER DISTRICT
NEGATIVE DECLARATION REGARDING ENVIRONMENTAL IMPACT**

1. NOTICE IS HEREBY GIVEN that the project described below has been reviewed pursuant to the provisions of the California Environmental Quality Act of 1970 (Public Resources Code Section 21100, et seq.) and a determination has been made that it will have no significant effect upon the environment.
2. PROJECT NAME: Eastside Water District Annexation
3. DESCRIPTION OF THE PROJECT: Annexation of approximately 2,400 gross acres into the Eastside Water District. The Project Description is more fully set forth in the Initial Study attached hereto and incorporated into this Negative Declaration by reference. Based on the Initial Study, it has been found that the project will have no significant effect on the environment.
4. LOCATION OF PROJECT: The Project is located immediately adjacent to the existing geographical boundaries of the district, as shown on the map attached as **EXHIBIT "A"**.
5. NAME AND ADDRESS OF PROJECT PROPONENT: Eastside Water District, Kevin Kauffman, Post Office Box 280, Denair, California, 95316.
6. MITIGATION MEASURES: None.
7. A copy of the Initial Study regarding the environmental effect of this project is on file at www.eastsidewaterdistrict.com. This study was:
 - Adopted as presented.
 - Adopted with changes. Specific modifications supporting reasons are attached.
8. The Eastside Water District considered this Negative Declaration at a public meeting of its Board of Directors on March 23, 2017.
9. 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 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.

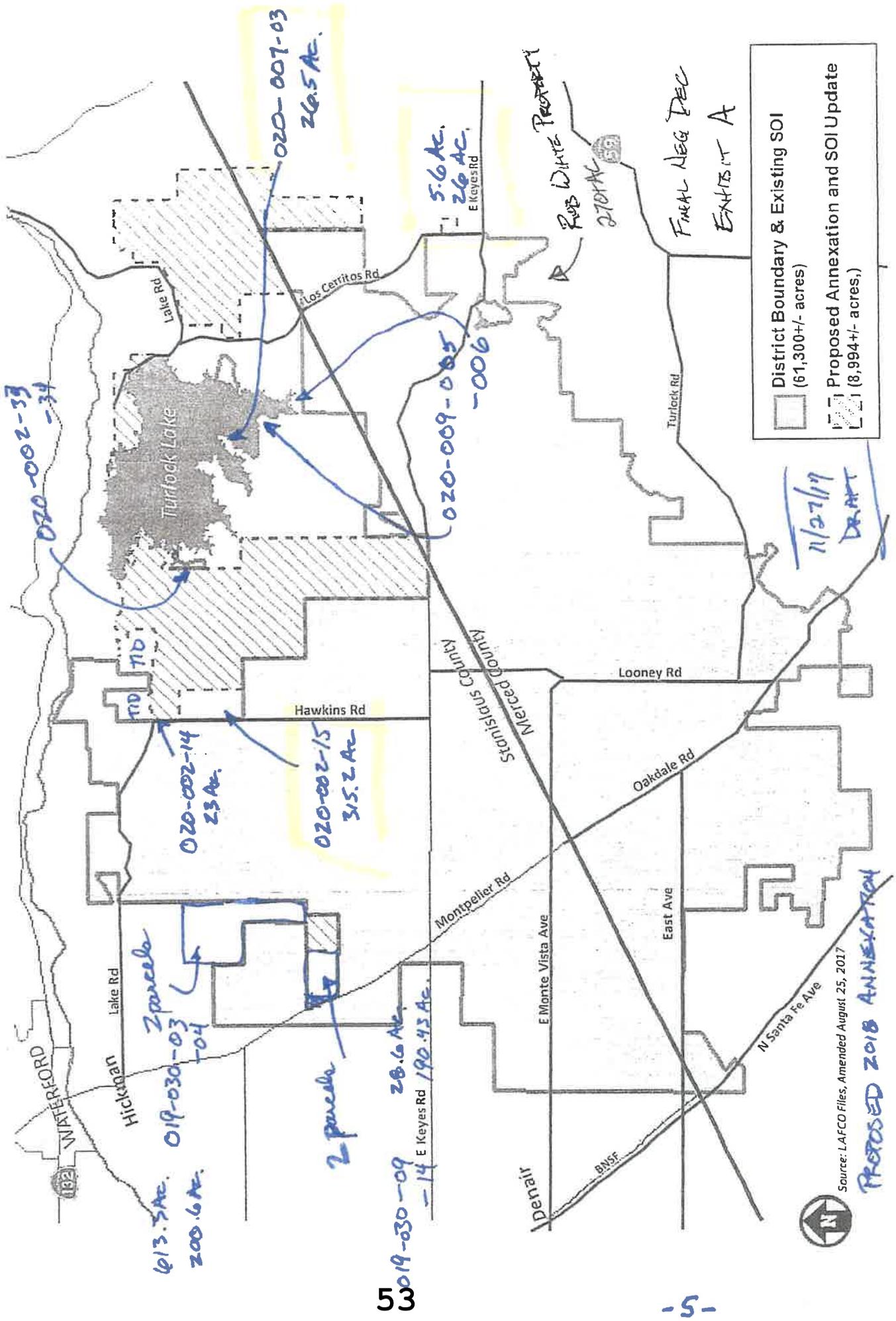
- I find that the proposed project MAY have a “potentially significant impact” or “potentially significant unless mitigated” impact on the environment, but at least one effect (1) has been adequately analyzed in an earlier document pursuant to applicable legal standards; and (2) has been addressed by mitigation measures based on the earlier analysis as described on the 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 (1) have been adequately analyzed in an earlier EIR or NEGATIVE DECLARATION pursuant to the applicable standards, and (c) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the project, nothing further is required.

Al Rossini, President
Eastside Water District

Date

EASTSIDE WATER DISTRICT BOUNDARY AND SPHERE OF INFLUENCE



District Boundary & Existing SOI (61,300+/- acres)
 Proposed Annexation and SOI Update (8,994+/- acres)

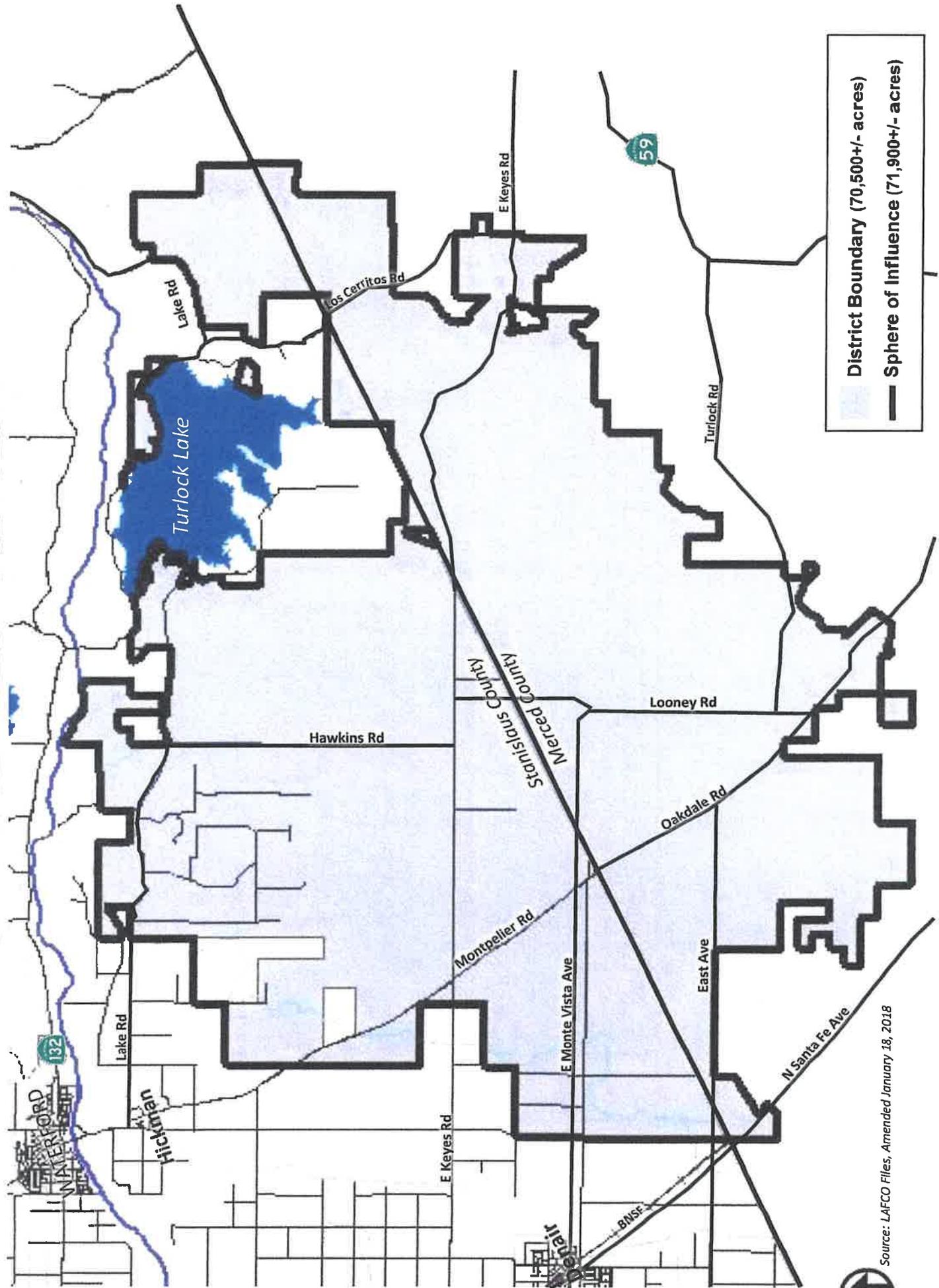


Source: LAFCO Files, Amended August 25, 2017

PROPOSED 2018 ANNEXATION

11/27/17
DRAFT

EASTSIDE WATER DISTRICT BOUNDARY AND SPHERE OF INFLUENCE



District Boundary (70,500+/- acres)
 Sphere of Influence (71,900+/- acres)



Source: LAFCO Files, Amended January 18, 2018

**EASTSIDE WATER DISTRICT
ENVIRONMENTAL CHECKLIST FORM**

1. **Project Title:** Eastside Water District Annexation
2. **Lead agency name and address:**

Eastside Water District
731 East Yosemite Avenue, Suite B #147
Merced, California 95340
3. **Contact person and phone number:** Kevin Kauffman, (209) 478-4940.
4. **Project location:** The Project is located immediately adjacent to the existing geographical boundaries of the District, as shown on **EXHIBIT "A"**.
5. **Project sponsor's name and address:** The Eastside Water District, Post Office Box 280, Denair, California 95316.
6. **General plan designation:** Agriculture, Foothill Pasture.
7. **Zoning:** General Agriculture.
8. **Description of project:** The Project is the proposed annexation of the properties identified in **Table 1**, a total of approximately **2,400** acres into the Eastside Water District.

TABLE 1 - Land to be Annexed into Eastside Water District

Assessor's Parcel Number	Landowner	Acreage
008-020-016	Hall	193.90
008-021-015		10.00
008-021-023		96.00
008-021-024		96.00
008-021-025		118.60
008-008-008	D Crocker	69.00
019-030-003	J A Barnes	613.30
019-030-004	M Giannini	200.60
019-030-009	L White	28.60
019-030-014	C Acosta	190.43
020-002-014	R Whoolley	23.00
020-002-015	Hooker Grain	315.20
020-002-033	F Brumley	39.00
020-002-034		40.00
020-007-003	Hooker Grain	26.50
020-009-005		5.60
020-009-006		26.00
020-009-022	G Erickson	150.61
020-009-023		155.39
	TOTAL =	2,397.73

- 9. Surrounding land uses and setting: Agricultural (irrigated and dry)
- 10. Other public agencies whose approval is required: None.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

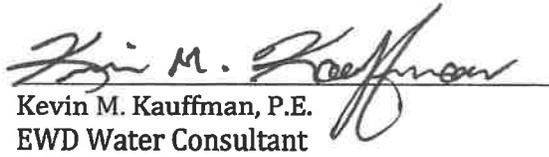
- | | | |
|---|---|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agriculture and Forestry Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Geology/Soils |
| <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:

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 those effects that remain to be addressed by mitigation.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (1) have been analyzed adequately in the earlier

EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (2) 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.


Kevin M. Kauffman, P.E.
EWD Water Consultant

DATE: May 17, 2018

ISSUES

	Potentially Significant Impact	Less than Significant with Mitigation	Less Than Significant Impact	No Impact
I. <u>AESTHETICS</u>: <i>Would the Project:</i>				
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
d) Create a new source of substantial light or glare that would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

DISCUSSION:

a – d) The proposed project is the annexation of land into the district; no new construction or land alterations are involved. Therefore, the Project would have no impact.

II. AGRICULTURE AND FORESTRY RESOURCES:¹

Would the Project:

	Potentially Significant Impact	Less than Significant with Mitigation	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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Res. Code section 12220(g)), timberland, (as defined by Public Res. Code section 4526), or timberland zoned Timberland Production (as defined by Gov. Code section 51104(g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
d) Result in the loss of forestland or conversion of forestland to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
e) Involve other changes in the existing environment that, due to their location or nature, could result in conversion of Farmland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

¹ 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 Dept. 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.

to non-agricultural use or conversion of Forestland to non-forest use?

DISCUSSION:

a-e) The proposed project is the annexation of land into the District. No change in land use will occur. There is no forest land or timberland in the project area, as all lands are already agricultural in use. The project is likely to allow the acreage to continue in agricultural use. Therefore, the project would have no impact.

ISSUES

	Potentially Significant Impact	Less than Significant with Mitigation	Less Than Significant Impact	No Impact
III. <u>AIR QUALITY:</u>²				
<i>Would the Project:</i>				
a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
c) Result in a cumulatively considerable net increase of an criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions that exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
d) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
e) Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

² 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 determination.

DISCUSSION:

a-e) The proposed project is the annexation of agricultural land into the district. No construction or changes in land use is involved in this project. Therefore, the project would have no impact to air quality.

ISSUES

	Potentially Significant Impact	Less than Significant with Mitigation	Less Than Significant Impact	No Impact
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IV. BIOLOGICAL RESOURCES:

Would the Project:

<p>a) Have a substantial adverse effect, either directly or through habitat modifications, on any species indentified 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?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
<p>b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the California Department of Fish and Wildlife Service?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
<p>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?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
<p>d) Interfere substantially with the movement of any native resident or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

wildlife nursery sites?

e) Conflict with any local policies or ordinances protection 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:

a-f) The proposed project is the annexation of existing agricultural land into the district. There will be no change in land use, and no construction or land alterations are involved. While EWD does obtain surplus surface water supplies from adjacent districts when available for groundwater recharge, no change to the district’s existing activities is contemplated. As a result, the project will cause no change in water diversions from any water body; therefore, the project will have no impact.

ISSUES

	Potentially Significant Impact	Less than Significant with Mitigation	Less Than Significant Impact	No Impact
--	---------------------------------------	--	-------------------------------------	------------------

V. CULTURAL RESOURCES:

Would the Project:

a) Cause a substantial adverse change in the significance of a historical resources as defined in section 15064.5? X

b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to section 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?

DISCUSSION:

a-d) The proposed project is the annexation of existing agricultural land into EWD. No construction or land alterations are involved. Therefore, the project would have no impact on cultural resources.

ISSUES

	Potentially Significant Impact	Less than Significant with Mitigation	Less Than Significant Impact	No Impact
--	---------------------------------------	--	-------------------------------------	------------------

VI. GEOLOGY AND SOILS:

Would the Project:

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.

ii) Strong seismic ground shaking?

iii) Seismic-related ground failure, including liquefaction?

iv) Landslides?

b) Result in substantial soil erosion or the loss of topsoil?

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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risk to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

DISCUSSION:

a-e) The proposed project is the annexation of existing agricultural land into the district. No construction or land alterations are involved. Therefore, the project will have no impact.

ISSUES

	Potentially Significant Impact	Less than Significant with Mitigation	Less Than Significant Impact	No Impact
--	---------------------------------------	--	-------------------------------------	------------------

VII. GREENHOUSE GAS

EMISSIONS:

Would the Project:

a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b) Conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of green-	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

house gases?
DISCUSSION:

a-b) The proposed project is the annexation of existing agricultural land into the district. No construction, land alterations or change in land uses are involved that could increase greenhouse gas emissions. Therefore, the project would have no impact.

ISSUES

	Potentially Significant Impact	Less than Significant with Mitigation	Less Than Significant Impact	No Impact
--	---	--	---	----------------------

**VIII. HAZARDS AND
HAZARDOUS MATERIALS:**
Would the Project:

a) Create a significant hazard to the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.2 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	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 be the	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

result in a safety hazard for people residing or working in the project area?

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 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:

a-h) The proposed project is the annexation of existing agricultural land into the district. No construction or land alterations are involved. Therefore, the project would have no impact.

ISSUES

Potentially Significant Impact **Less than Significant with Mitigation** **Less Than Significant Impact** **No Impact**

IX. HYDROLOGY AND WATER QUALITY:

Would the Project:

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 ground- X

water table level (e.g., the production rate of pre-existing nearby wells would drop to a level that 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 that 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 amount of surface runoff in a manner that would result in flooding on- or off-site?

X

e) Create or contribute runoff water which would exceed the capacity of existing or planned storm water 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 that 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:

a-j) The proposed project is the annexation of existing agricultural land into the district. No construction or land alterations are involved, and no change in land use is contemplated by the project that would affect hydrology or water quality in any way. Therefore, the project would have no impact on hydrology or water quality.

ISSUES

	Potentially Significant Impact	Less than Significant with Mitigation	Less Than Significant Impact	No Impact
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X. LAND USE AND PLANNING:

Would the Project:

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:

a-c) The proposed project is the annexation of existing agricultural land into the district. No construction or land alterations are involved, and no change in land use is contemplated by the project; therefore, the project would have no impact on land use and planning.

ISSUES

	Potentially Significant Impact	Less than Significant with Mitigation	Less Than Significant Impact	No Impact
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XI. MINERAL RESOURCES:

Would the Project:

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|---|
| a) Result in the loss or availability of a known mineral resource that would be of value to the region and the residents of the state? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | X |
| b) Result in the loss or availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | X |

DISCUSSION:

a & b) The proposed project is the annexation of existing agricultural land into the district. No construction or land alterations are involved, and no change in land use is contemplated by the project; therefore, the project would have no impact on mineral resources.

ISSUES

	Potentially Significant Impact	Less than Significant with Mitigation	Less Than Significant Impact	No Impact
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XII. NOISE:

Would the Project:

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|---|
| a) Result in the 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? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | X |
| b) Result in the exposure of persons to or generation of excessive ground borne vibration or ground borne noise levels? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | X |
| c) A substantial permanent | | | | |

increase in ambient noise levels in the project vicinity above noise 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 people in the area be exposed to excessive noise levels? X

DISCUSSION:

a-f) The proposed project is the annexation of existing agricultural land into the district. No construction or land alterations are involved, and no change in land use is contemplated by the project; therefore, the project would have no impact on noise.

ISSUES

Potentially Significant Impact **Less than Significant with Mitigation** **Less Than Significant Impact** **No Impact**

XIII. POPULATION AND HOUSING:

HOUSING:

Would the Project:

a) Induce substantial population growth in an area, either directly (e.g., by proposing new homes and businesses) or indirectly (e.g., 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:

a-c) The proposed project is the annexation of existing agricultural land into the district. No construction or land alterations are involved, and no change in land use is contemplated by the project; therefore, the project would have no impact on population or housing.

ISSUES

Potentially Significant Impact	Less than Significant with Mitigation	Less Than Significant Impact	No Impact
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XIV. PUBLIC SERVICES:

Would the Project:

a) Result in 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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

Other public facilities?

DISCUSSION:

The proposed project is the annexation of existing agricultural land into the district. No construction or land alterations are involved, and no change in land use is contemplated by the project; therefore, the project would have no impact on public services.

ISSUES

	Potentially Significant Impact	Less than Significant with Mitigation	Less Than Significant Impact	No Impact
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XV. RECREATION:

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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
--	--------------------------	--------------------------	--------------------------	-------------------------------------

b) Does the project include or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
--	--------------------------	--------------------------	--------------------------	-------------------------------------

DISCUSSION:

a & b) The proposed project is the annexation of existing agricultural land into the district. No construction or land alterations are involved and change in land use is contemplated by the project; therefore, the project would have no impact on recreation.

ISSUES

	Potentially Significant Impact	Less than Significant with Mitigation	Less Than Significant Impact	No Impact
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XVI. TRANSPORTATION/

TRAFFIC:

Would the Project:

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 systems, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths and mass transit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	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 highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
e) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

DISCUSSION:

a-f) The proposed project is the annexation of existing agricultural land into the district. No construction or land alterations are involved, and no change in land use is contemplated by the project; therefore, the project would have no impact on transportation or traffic.

ISSUES

	Potentially Significant Impact	Less than Significant with Mitigation	Less Than Significant Impact	No Impact
<u>XVII. UTILITIES AND SERVICE SYSTEMS:</u>				
<i>Would the Project:</i>				
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
e) Result in a determination by the wastewater treatment provider that 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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?

g) Comply with federal, state, and local statutes and regulations related to solid waste?

DISCUSSION:

a-g) The proposed project is the annexation of existing agricultural land into the district. No construction or land alterations are involved, and no change in land use is contemplated by the project; therefore, the project would have no impact on utilities or service systems. Most of the agricultural land within EWD is irrigated with groundwater. The only other source of supply is a very limited amount of surface water from purchases in wet years from the Turlock and Merced Irrigation District's canals lying adjacent to District and from riparian water rights along the Tuolumne and Merced Rivers. From 1997 to 2016 the District constructed and operated pilot recharge basin. The District is contemplating expanding its studies by constructing additional recharge facilities. Inclusion of additional lands will provide additional support for expanded groundwater recharge efforts. It is not anticipated that additional surface water supplies will be provided to annexed lands, but those lands will benefit from groundwater recharge.

ISSUES

Potentially Significant Impact **Less than Significant with Mitigation** **Less Than Significant Impact** **No Impact**

XVIII. MANDATORY FINDINGS OF SIGNIFICANCE:

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?

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)?

c) Does the project have environ-
 mental effects that will cause
 substantial adverse effects on
 human beings, either directly
 or indirectly?

DISCUSSION:

The proposed project is the annexation of existing agricultural land into the District. The project will not change the current land use of any land to be annexed, and no changes in District operations are contemplated. No construction or land alterations are involved. Therefore, there are no mandatory findings of significance.

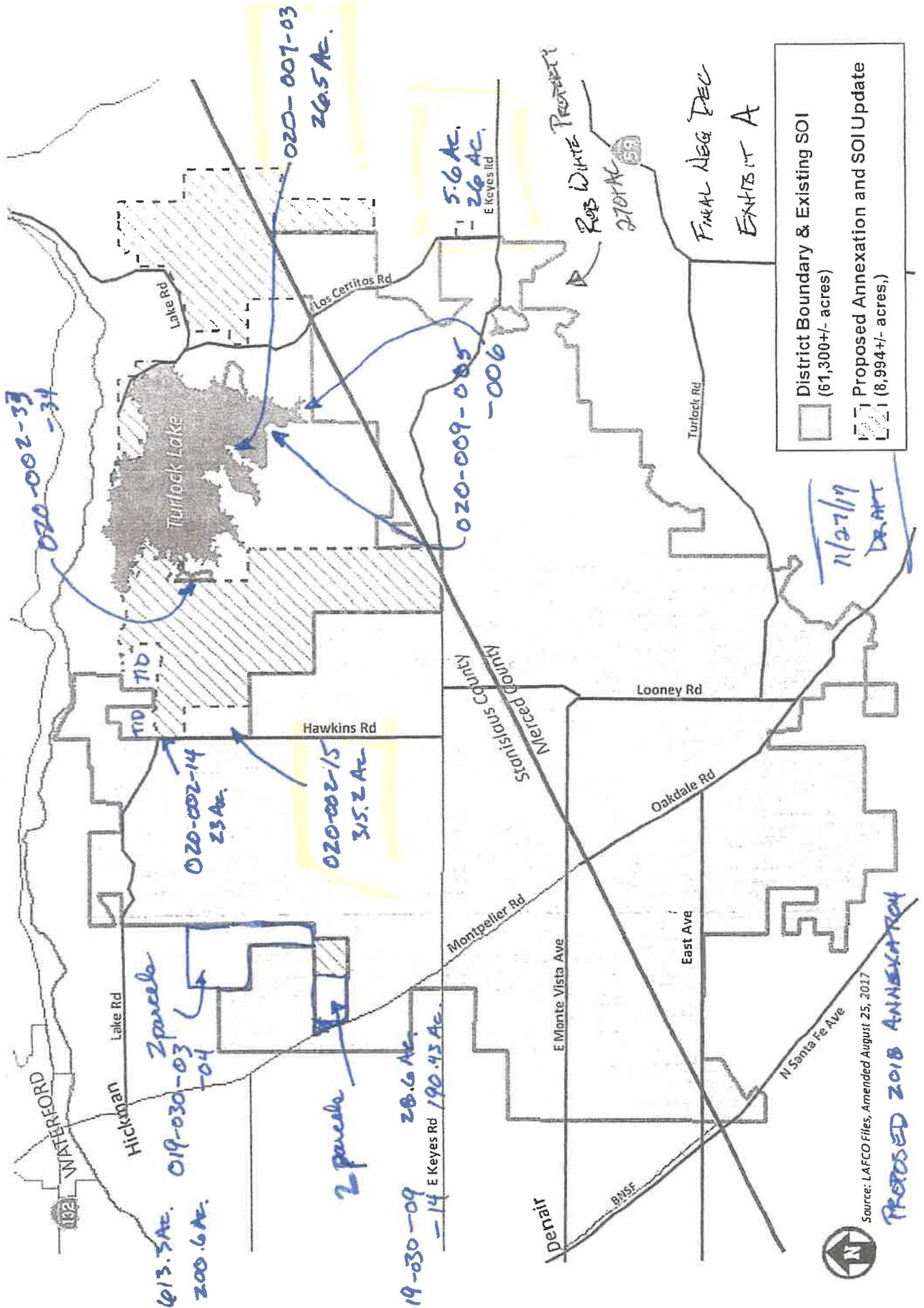
CONSULTATION WITH RESPONSIBLE AGENCY

The Stanislaus County Local Agency Formation Commission is a responsible agency under Public Resources Code § 21080.3 and Title 14 California Code of Regulations § 15381. CEQA requires that as soon as the lead agency has decided that an initial study is required, it must consult with all responsible agencies to obtain their recommendations on whether an EIR or a Negative Declaration should be prepared. Public Resources Code § 21080.3; Title 14 Cal. Code Regs. § 15063(g). EWD has been communicating with Stanislaus LAFCO regarding the annexation and the CEQA process.

DETERMINATION

Based upon the information contained in the Initial Study, it is determined that the Negative Declaration should be adopted.

EASTSIDE WATER DISTRICT BOUNDARY AND SPHERE OF INFLUENCE



	District Boundary & Existing SOI
	(61,300+/- acres)
	Proposed Annexation and SOI Update
	(8,994+/- acres)



Source: LAFCO Files, Amended August 25, 2017

PROPOSED 2018 ANNEXATION

1/27/19
DRAFT

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EXHIBIT D

**Municipal Service Review & Sphere of Influence
Update**

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MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE:



EASTSIDE WATER DISTRICT

Prepared By:

Stanislaus Local Agency Formation Commission
1010 Tenth Street, Third Floor
Modesto, CA 95354
Phone: (209) 525-7660

Adopted:

STANISLAUS

LOCAL AGENCY FORMATION COMMISSION

COMMISSIONERS

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

STAFF

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Rob Taro, Commission Counsel
Jennifer Goss, Commission Clerk

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Municipal Service Review and Sphere of Influence Update For the Eastside Water District

Introduction

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

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

Service Review Factors to be Addressed

1. Growth and Population Projections for the Affected Area
2. The Location and Characteristics of Any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence
3. Present and Planned Capacity of Public Facilities, Adequacy of Public Services, and Infrastructure Needs or Deficiencies Including Needs or Deficiencies Related to Sewers, Municipal and Industrial Water, and Structural Fire Protection in Any Disadvantaged, Unincorporated Communities Within or Contiguous to the Sphere of Influence
4. Financial Ability of Agencies to Provide Services
5. Status of, and Opportunities for, Shared Facilities
6. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies
7. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy

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

Sphere of Influence Update Process

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

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

Background

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

In California, there are hundreds of special water districts with a great diversity of purposes, governance structures, and financing mechanisms. Some districts are responsible for one type of specific duty, as in the case of the water district reviewed in this report, while other districts provide a wide range of public services.

Authority

This review will cover the Eastside Water District, a "single purpose" district, which is generally located east of the City of Turlock, within both Stanislaus and Merced Counties. The District was organized under the California Water Code, Division 13, §34000 – 38501. In addition, the District is considered a "landowner voter district", as the board members are elected by landowners within the District's boundaries.

Purpose

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

Classification of Services

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

Service Review – Eastside Water District

Formation

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

Location and Size

The District's boundary currently encompasses approximately 70,700 acres, and is located in the southeastern portion of Stanislaus County and in the northeastern portion of Merced County.

Sphere of Influence

The District's original Sphere of Influence, as adopted in 1988, included approximately 2,700 acres of expansion areas in addition to the District's current boundaries. These areas are generally located west of Hawkins Road and to the south and east of Meikle Road. The District is currently proposing an approximately the 2,400-acre expansion to its Sphere of Influence in order to accommodate the 2019 Change of Organization proposal. The expansion areas include additional island territories within the outer boundaries of the District, areas around Turlock Lake and a parcel located east of the current boundary. (See "Map" on page 10). This Service Review will to cover the District's existing boundary and Sphere of Influence (SOI), as well as the territory proposed for the SOI expansion.

Governance

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

Personnel

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

Services

When formed, the District's stated purpose was to study the means to obtain surface water to supplement the groundwater, and to eventually develop reliable source(s) of irrigation water. As a result of recent legislation, the District will also be monitoring groundwater levels throughout its boundaries as part of the California Statewide Groundwater Elevation Monitoring (CASGEM) program and groundwater management planning with the newly formed East Turlock Sub-basin Groundwater Sustainability Agency JPA.

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

- 1990..... Irrigation Master Plan
- 1994..... Groundwater Master Plan
- 1995-present.... Pilot Surface Water Incentive Program

- 1997..... Turlock Basin Groundwater Management Plan
- 1998-2000..... Operated the Monte Vista Pilot Recharge Program
- 2001..... Obtained a \$200,000 Grant from the Department of Water Resources to finance an “Eastside Water District Groundwater Multiple Resources Integration Planning Study”.
- 2003..... Prepared a “Supplemental Water Supply Plan”, as part of the above listed Grant, to identify alternatives for the provision of supplemental water supplies and the means in which to deliver the water to the District.
- 2006..... In partnership with the Turlock Irrigation District (TID), constructed and continues to operate the East Avenue Pilot Recharge Project.
- 2008..... As a member of the Turlock Groundwater Basin Association, retained Timothy J. Durbin to prepare an “Assessment of Future Groundwater Impacts Due to Assumed Water Use Changes in the Turlock Groundwater Basin.”
- 2008..... Groundwater Master Plan Update
- 2011..... District and TID established a network of wells to monitor groundwater levels as part of CASGEM, the California statewide monitoring program.
- 2014..... Potential Managed Aquifer and Recovery of Diffused Surface Water Program (DSWP) Report by Wood-Rodgers, Provost & Pritchard, and E-PUR
- 2015..... DSWP Design Plans (30%) by Provost & Pritchard
- 2015 - 2016..... Water Charge Analysis Report and Proposition 218 Election Report & Results.
- 2017..... Joined the Counties of Merced and Stanislaus, the Ballico-Cortez Water District, and Merced Irrigation District in forming the East Turlock Subbasin GSA
- 2018 ETS GSA JPA and the West Turlock Subbasin GSA began assembling a Groundwater Sustainability Plan (GSP) in compliance with the Sustainable Groundwater Management Act (SGMA) of 2014. This GSP must be submitted by January 31, 2022.

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

Support Agencies

The District maintains a positive collaborative relationship with other agencies, as necessary. These agencies include the: City of Turlock, neighboring Irrigation Districts (Merced, Modesto, and Turlock), Agricultural Water Management Council (AWMC), Association of California Water Agencies (ACWA), State Department of Water Resources, and United States Geological Service.

Funding Sources

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

In 2016, the District began collecting per-acre charges to fund its DSWP. In five of ten years beginning in 2016, the district will charge up to \$30.00 per acre as a capital improvement charge to build the DSWP; for a total of up to \$150.00 per acre over this period. Also, during that period, the Proposition 218 election authorized an operational per acre charge of up to 10%

of accumulated capital charges to fund both the operation of DSWP capital improvements and to comply with the SGMA.

Written Determinations – Eastside Water District

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

1. Growth and Population Projections for the Affected Area

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

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

There are no disadvantaged unincorporated communities, as defined by Government Code Section 56033.5 within or contiguous to the District's Sphere of Influence.

3. Present and Planned Capacity of Public Facilities, Adequacy of Public Services, and Infrastructure Needs or Deficiencies Including Needs or Deficiencies Related to Sewers, Municipal and Industrial Water, and Structural Fire Protection to Any Disadvantaged, Unincorporated Communities Within or Contiguous to the Sphere of Influence

The District has begun work on the following projects.

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

Currently, the District has both the ability and the capacity to serve its service area and has no unmet infrastructure needs or deficiencies. Additionally, the District is not a provider of sewer, municipal and industrial water, or structural fire protection services.

4. Financial Ability of Agencies to Provide Services

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

5. Status of, and Opportunities for, Shared Facilities

Other than being responsible for the Mustang Creek Flood Control Project owned by Merced County, the District does not share any facilities with other agencies or Districts.

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

It is reasonable to conclude that the District can adequately serve the areas under its jurisdiction.

To more fully represent landowners within the District, the Board of Directors were expanded from five to a seven-member board of directors in 2017. The Board of Directors, elected by the landowners, governs the District. The Board conforms to the provisions of the Brown Act requiring open meetings. The District has its own website (www.eastsidewaterdistrict.com), which provides up to date information.

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

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

None.

Sphere of Influence Update

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

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

The following determinations for the Eastside Water District's Sphere of Influence update are made in conformance with Government Code Section 56425 and local Commission policy.

Determinations:

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

The Eastside Water District's proposed Sphere of Influence (SOI), including expansion areas and lands currently within the District's boundaries, totals approximately 74,200 acres. Upon approval, lands outside the District's boundary but within its Sphere of Influence would account for approximately 900 acres. Territory within the District's proposed Sphere of Influence consists of agricultural and rural land use areas. These uses are not expected to change. In addition, the District does not have the authority to make land use decisions, nor does it have authority over present or planned land uses within its boundaries or sphere of influence area. The responsibility for land use decisions within these areas is retained by the counties of Stanislaus and Merced.

2. Present and Probable Need for Public Facilities and Services in the Area

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

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

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

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They are Relevant to the Agency

There are no known communities of interest within the District's boundaries or proposed Sphere of Influence.

5. For an Update of a Sphere of Influence of a City or Special District That Provides Public Facilities or Services Related to Sewers, Municipal and Industrial Water, or Structural Fire Protection, the Present and Probable Need for Those Public Facilities and Services of Any Disadvantaged Unincorporated Communities Within the Existing Sphere of Influence

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

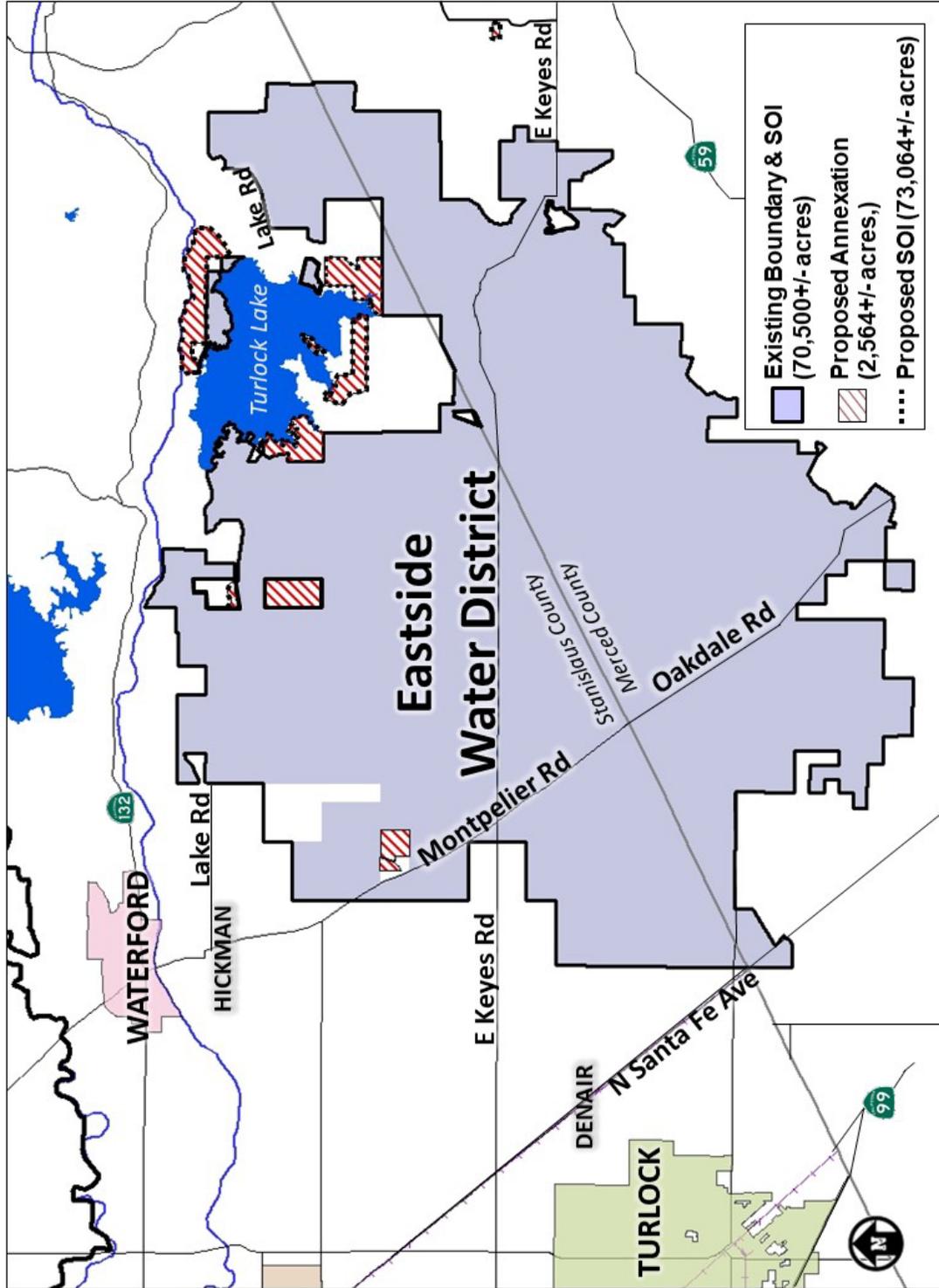
APPENDIX "A" DISTRICT SUMMARY PROFILE

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



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

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



APPENDIX “B”

REFERENCES

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

INDIVIDUALS AND AGENCIES CONTACTED

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

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EXHIBIT E

Plan for Services

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**STATEMENT OF OPERATION AND
PLAN OF SERVICES FOR
EASTSIDE WATER DISTRICT**

May 17, 2018

Prepared for:

STANISLAUS LAFCO
1010 10th Street, 3rd Floor
Modesto, CA 95354
Telephone: (209) 525-7660

Prepared by:

EASTSIDE WATER DISTRICT
c/o Kevin Kauffman
Post Office Box 280
Denair, California 95316
Telephone: (209) 478-4940
kauffmankevin@comcast.net

I. INTRODUCTION

A. Background

A Resolution of Application for Reorganization of the Eastside Water District ("District") will be presented to the Local Agency Formation Commission of Stanislaus County. That Resolution requests the annexation of approximately 2,564 acres of agricultural land to the District. The District was given authority by the Water Code and the Legislature to take the necessary steps to manage a currently overdrafted groundwater basin.

The District's original boundary was established at the time of the District's formation in 1985. Approximately 7,379.3 acres of land was annexed to the District in 2012, bringing the total size of the District to 61,293 acres. An additional 9,207 acres were annexed to the District in 2017, making the current District boundary 70,500 acres. It is the District's goal to annex adjacent non-district land within Stanislaus and Merced counties into the District's boundaries. This will ensure that additional landowners are part of the solution to the groundwater basin problem.

B. Purpose

On behalf of the District, Petitioner requests that approximately 2,564 acres of land be annexed into the District boundaries.

II. PLAN OF OPERATION

A. Key Organizational Aspects of the District

1. Board of Directors

A seven-person Board of Directors currently governs the District. The Board expanded from its previous five-member size in 2017.

B. Key Budgetary Aspects of the Eastside Water District

1. Assessment

Based on the existing 70,500 acres within the District and the current assessment of \$2.00 per acre, the District operates on an annual budget of \$141,000. Assessments cannot be raised in the future without a vote. While the initial charter of the District provided that rates could be raised to \$3.00 per acre the Board never used that authority. When Proposition 218 passed in 1996 the District's original authority was preempted and the \$2.00 per acre rate existing at that time was locked in. Proposition 218 requires that in order to raise the rate the new rate must be approved by a vote of the members of the District.

III. DISTRICT SERVICES AND OPERATIONS

The District is currently comprised of about 70,500 acres in Merced and Stanislaus Counties of high value, non-subsidized crops that are irrigated using highly efficient methods. Nearly all the land within the District is agricultural and is irrigated with groundwater. The only other water source of supply is a very limited amount of surface water from purchases in wet years from the Turlock and

Merced Irrigation District's canals lying adjacent to the District and from riparian water rights from the Tuolumne and Merced Rivers. Since irrigation began in the late 1950's, the area that is now within the District suffered dramatic drops in groundwater levels – dropping over 100 feet in some areas. It is recognized that all irrigators who pump from the common aquifer contribute to the overdraft, yet only irrigators who are members of the District contribute to the search for solutions.

The District was formed in 1985, after about twenty years of struggle, in recognition that if the overdraft of groundwater resources was allowed to continue unabated, it could create conditions where pumping groundwater for irrigation is no longer economical, or the quality of groundwater pumped would not be satisfactory for irrigation. The District was formed, by election of landowners within the District under California law, as a legal body to address the water needs of the region.

Starting in the late 1980's and continuing to the present day, the District retains the services of consulting firms for the purpose of conducting studies and making recommendations to address groundwater overdraft. An Irrigation Water Master Plan was completed in 1990. In 1994, the District completed a Groundwater Management Plan under California AB 3030. This plan has been updated multiple times and identifies tasks to: (1) monitor groundwater levels and quality; (2) reduce pumping through improved conservation and further development of surface water/groundwater conjunctive use programs; and (3) search for surface water supplies and methods to recharge the groundwater. Developed in 1995 and continuing today, the District maintains and funds an incentive program to encourage irrigators to use available surface water in average to wet years from the Turlock and Merced Irrigation Districts.

The District joined other agencies that pump water from the common Turlock Groundwater Basin in developing and adopting a Basin-wide Groundwater Management Plan with the objective of coordination and joint efforts to stabilize groundwater levels.

In 1997, the District constructed a Pilot Recharge Basin near Monte Vista Avenue and very successfully operated it during the irrigation seasons of 1998, 1999, and 2000. From 2005 through 2016, in partnership with the Turlock Irrigation District, the District constructed and operated a Pilot Recharge Basin on East Avenue. The data and information learned from these pilot projects lead to recommended method for recharging the groundwater.

In 2014, a Managed Aquifer Recharge (MAR) study was completed and recommended specific areas within and outside of the District boundaries to conduct groundwater recharge operations using diffused surface water (surface water that never makes it to a natural waterway). The facilities proposed for construction (recharge basins, dry-wells, and infrastructure to deliver surface water for irrigation) would also be used to recharge other surface water supplies secured by the District (water rights or contracts).

In 2015, the District conducted a Proposition 218 Election to raise capital and operating funds to build and operate facilities described in the 2014 MAR study. Both of these capital and operating per-acre charges will allow the District to build and operate groundwater recharge facilities intended to address the continual overdraft of the aquifer.

With deadlines in 2017 and 2022, the District and other agencies located over the aquifer were required to be in a groundwater sustainability agency and adopt a groundwater sustainability plan, respectively, in compliance with the Sustainable Groundwater Management Act (SGMA), passed by the California Legislature in 2014. Ahead of the 2017 deadline, the District joined four other agencies in 2017 to form the East Turlock Subbasin Groundwater Sustainability Agency (ETS GSA).

The developing District 'Diffused Surface Water Projects' will allow the District to achieve the 2022 compliance deadline for the adoption of a Groundwater Sustainability Plan. The funding established with the Proposition 218 election in 2015 provides the funds necessary to build the projects and to comply with the SGMA.

The District is currently engaged in complying with CASGEM (SB7X-6) to carry out the State mandate to monitor groundwater levels throughout the state in cooperation with the Turlock Irrigation District. The District will continue to carry out that responsibility for all lands within the District, including newly annexed territory. It is expected that this requirement will become the responsibility of the local GSAs.

IV. WATER DISTRICT FACILITIES

The District does not currently own any permanent facilities. Service to newly annexed property would be through benefits provided by leased facilities and future leased or owned District facilities.

EXHIBIT F

Draft LAFCO Resolution No. 2019-17

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**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: December 4, 2019

NO. 2019-17

SUBJECT: Municipal Service Review No. 2019-01, Sphere of Influence Update No. 2019-01, and LAFCO Application No. 2019-02 – 2019 Change of Organization to Eastside Water District

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

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

THE FOLLOWING RESOLUTION WAS ADOPTED:

WHEREAS, the Eastside Water District has requested their Sphere of Influence be modified to include additional territory of approximately 2,374± acres;

WHEREAS, the Eastside Water District has requested to concurrently annex 2,564± acres;

WHEREAS, the Eastside Water District approved a Resolution of Application for the annexation area;

WHEREAS, there are less than 12 registered voters within the area and it is thus considered uninhabited;

WHEREAS, California Government Code Section 56430 requires the Commission to conduct a municipal service review before, or in conjunction with, but no later than the time it is considering an action to update a Sphere of Influence;

WHEREAS, California Government Code Section 56430 requires the Commission to prepare written determinations with respect to certain factors outlined in this section;

WHEREAS, a Municipal Service Review has been conducted in accordance with California Government Code Section 56430;

WHEREAS, the Municipal Service Review is an informational document and its adoption is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15306, Class 6 (Information Collection) of the State CEQA Guidelines;

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, the Sphere of Influence is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO;

WHEREAS, the Eastside Water District was the Lead Agency in preparing the environmental documentation which included the modification of the Sphere of Influence;

WHEREAS, the Eastside Water District, has certified a Negative Declaration, in compliance with the California Environmental Quality Act (CEQA) and State CEQA Guidelines;

WHEREAS, the Eastside Water District shall be responsible for monitoring and reporting to ensure CEQA compliance;

WHEREAS, the Commission is not aware of any legal challenge filed against the District's environmental determinations for the proposal;

WHEREAS, most parcels within the proposed Sphere of Influence are currently encumbered by a Williamson Act Contract;

WHEREAS, pursuant to Government Code Section 56425 and 56430, the purpose of a Municipal Service Review and Sphere of Influence Modification for the Eastside Water District is to assist LAFCO in carrying out its responsibilities for planning and shaping the logically and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities;

WHEREAS, at the time and in the form and manner provided by law, the Executive Officer provided notice of the December 4, 2019 public hearing by this Commission on this matter; and

WHEREAS, the Commission has heard all interested parties desiring to be heard and has considered the proposal and report by the Executive Officer and all other relevant evidence and information presented or filed at the hearing.

NOW, THEREFORE, BE IT RESOLVED that this Commission:

1. Certifies, in accordance with CEQA, as a Responsible Agency, that it has considered the Negative Declaration prepared by the Eastside Water District.
2. Determines that the preparation and adoption of the Eastside Water District Municipal Service Review is categorically exempt from environmental review pursuant to Article 19, Section 15306, Class 6 (Information Collection) of the CEQA Guidelines.
3. Approves the Eastside Water District Municipal Service Review and the written determinations.
4. Adopts the written determinations, in accordance with Government Code Section 56425 for establishing a Sphere of Influence.
5. Finds that the Sphere of Influence would create a logical boundary and would facilitate planned, orderly, and efficient patterns of land use or provision of services.

6. 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 Eastside Water 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 Eastside Water District.
7. Designates the proposal as the "2019 Change of Organization to Eastside Water District."
8. Waives the protest proceedings pursuant to Government Code Section 56662) and orders the change of organization subject to the requirements of Government Code Section 57200 et. seq.
9. 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

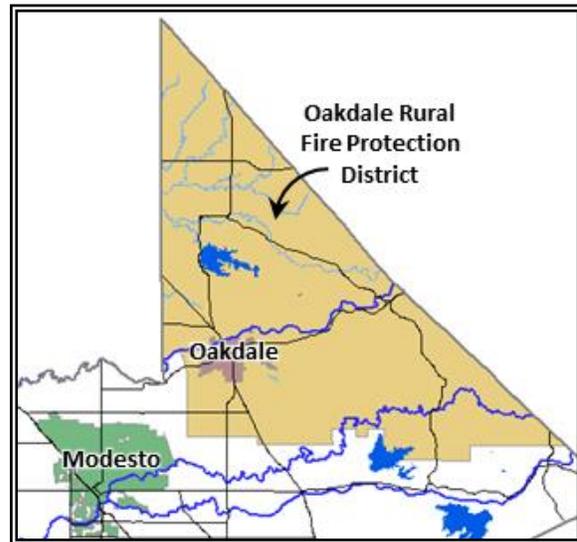
**EXECUTIVE OFFICER'S AGENDA REPORT
DECEMBER 4, 2019**

**LAFCO APPLICATION NO. 2019-10:
CITY OF MODESTO FIRE SERVICE CONTRACT WITH THE CITY OF OAKDALE AND
OAKDALE RURAL FIRE PROTECTION DISTRICT**

APPLICANT: City of Modesto

LOCATION: The affected area includes the entire jurisdictional boundaries of the City of Oakdale and the Oakdale Rural Fire Protection District. (See Map, Exhibit A.)

REQUEST: The City of Modesto submitted an application to provide extended fire protection services outside its jurisdictional boundaries to the City of Oakdale and the Oakdale Rural Fire Protection District. (See Application, Exhibit B.) The three agencies recently entered into an agreement for services that requires LAFCO review pursuant to Government Code Section 56134.



BACKGROUND

Effective January 1, 2017, Government Code Section 56134 requires LAFCO review and approval of fire protection contracts or agreements for the exercise of new or extended fire protection services outside a public agency's jurisdictional boundaries. A contract or agreement is defined as one that either transfers responsibility for more than 25% of an agency's service area or affects employment status for more than 25% of employees of an agency. Fire contracts or agreements were previously exempt from Commission review (as are other agreements between two entities providing like services). Mutual aid agreements are not generally subject to such review. However, any fire service contract triggering the above thresholds must now seek LAFCO review and approval. Government Code Section 56134 is attached in full as Exhibit C for the Commission's information.

The City of Oakdale ("Oakdale") and Oakdale Rural Fire Protection District ("District") were previously contracted with the Stanislaus Consolidated Fire Protection District for fire services. This contract expired on June 30, 2019. Prior to the contract's expiration, Oakdale and the District had attempted to negotiate renewal of the existing contract without success. Oakdale and the District then negotiated with the City of Modesto to provide the following services in Oakdale and the District's boundaries: fire protection, prevention, suppression, and related services including emergency medical services, emergency preparedness, mitigation of hazardous materials incidents, and special operations including confined space rescues and water rescues. The City of Modesto agreement was approved by the respective parties and has been in effect since July 1, 2019 to ensure continued fire service in the area. Although the new legislation requires LAFCO approval for such agreements or contracts, it did not contemplate instances where expedited agreements are needed to provide for continued fire service. Given the urgency to complete the agreement, the City of Modesto is now coming to LAFCO to seek

approval, which would confirm the agreement as it is now in place.

DISCUSSION

State law and Commission policies encourage the efficient delivery of services. While annexation or consolidation is typically the preferred method for the extension of services outside an agency's existing boundary, contracts or agreements for fire service are a common alternative that offer flexibility for the agencies involved.

Plan for Services

Government Code Section 56134 requires proposed contracts for fire service to submit a Plan for Services detailing how fire services will be provided and funded. The City of Modesto prepared a Plan for Services that is included with its application (attached as Exhibit B). Many of the details of the Plan are contained within the agreement itself, also attached to the City of Modesto's application.

Pursuant to the agreement, the City of Modesto will provide fire protection services over the entire territorial jurisdictions of the City of Oakdale and the Oakdale Rural Fire Protection District. This accounts for over 211,000 acres of additional territory for the City of Modesto's service area. Over 34,000 residents are in this additional territory. The City of Modesto hired 25 employees to accommodate these additional responsibilities. The City of Oakdale and the District have agreed to pay the City of Modesto, based on a three-year budget projection of anticipated costs.

The initial term of the agreement is three years, through June 30, 2022, with an option to extend the contract for an additional two years. The agreement also describes a process for regular review of services provided and the composition of an advisory committee for continued input from the City of Oakdale and the District.

Fiscal Analysis

As part of the application, the City of Modesto included information analyzing the fiscal impacts of the proposal and options that were considered. In early 2019, the City of Oakdale and Oakdale Rural Fire Protection District considered various options for fire service, including an extension of the prior contract with the Stanislaus Consolidated Fire Protection District, providing services independently, partnering with other agencies, or seeking an alternative governance structure.

During the consideration of cost of continuing the contract with the Stanislaus Consolidated Fire Protection District, the City of Oakdale and Oakdale Rural Fire Protection District identified concerns with the cost-share formula and uncertainties related to future costs. Original estimates for Fiscal Year 19/20 was \$4,408,617. However, the extended contract also made Oakdale and the District liable for unfunded payroll liabilities of Stanislaus Consolidated Fire Protection District employees. Additionally, the City of Oakdale and District's desire for additional staff coverage with this model was considered cost-prohibitive for the agencies.

The City of Modesto's proposal provided for increased personnel and clarity for costs in each of the years and flat rate for fire and administrative services. The total cost for Fiscal Year 19/20 is \$4,603,568. The agreement sets forth a monthly fee schedule for Oakdale and the District that

they have reviewed and approved. Oakdale and the District both collect revenues that directly support fire services and would be anticipated to continue over the next three years of the agreement. The City of Oakdale currently has a half-cent sales tax that contributes towards public safety, including fire services. Oakdale Rural Fire Protection District currently collects a special assessment within its boundary in addition to property tax revenue that would contribute towards funding the agreement.

Commission Determinations

In order to approve an application for a fire protection contract, the Commission must make the following determinations pursuant to Government Code Section 56134(j):

- 1) *The proposed exercise of new or extended fire protection services outside a public agency's jurisdictional boundaries is consistent with the intent of this division, including but not limited to, the policies of Sections 56001 and 56300.*
- 2) *The Commission has reviewed the fiscal analysis prepared in accordance with Section 56134(f).*
- 3) *The Commission has reviewed any testimony presented at the public hearing.*
- 4) *The proposed affected territory is expected to receive revenues sufficient to provide public services and facilities and a reasonable reserve during the three fiscal years following the effective date of the contract or agreement between the public agencies to provide the new or extended fire protection services.*

Following review of any testimony at the public hearing, Staff believes the Commission will be able to make all of the determinations outlined above for approval of the fire protection contract.

Environmental Review

The fire service contract is considered exempt from the California Environmental Quality Act pursuant to the General Rule, Section 15061(b)(3) as it can be seen with certainty that there will not be a significant impact to the environment. Additionally, Staff has determined that there is no reasonable possibility that the contract for fire service will have a significant effect on the environment.

CONCLUSION

Although annexations to cities or special districts are generally the preferred method for the provision of services, Commission policies also recognize that provision of services outside the boundaries of an agency can be an appropriate alternative. Staff believes the City of Modesto's proposal for extended fire services is consistent with the overall policies of LAFCO as well as the intent of Government Code Section 56134.

ALTERNATIVES FOR LAFCO 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:

- APPROVE the request, as submitted by the City of Modesto.
- DENY the request without prejudice.
- CONTINUE the proposal to a future meeting for additional information.

STAFF RECOMMENDATION

Based on the discussion in this Staff Report and following any testimony or evidence presented at the meeting, Staff recommends that the Commission approve the City of Modesto's application and adopt Resolution No. 2019-20 (Exhibit D) making the appropriate findings, consistent with Government Code Section 56134.

Respectfully submitted,



Sara Lytle-Pinhey
Executive Officer

Attachments: Exhibit A - Map (Page 5)
Exhibit B - City of Modesto's Application to LAFCO (Page 9)
Exhibit C - Government Code Section 56134 (Page 61)
Exhibit D - Draft LAFCO Resolution No. 2019-20 (Page 67)

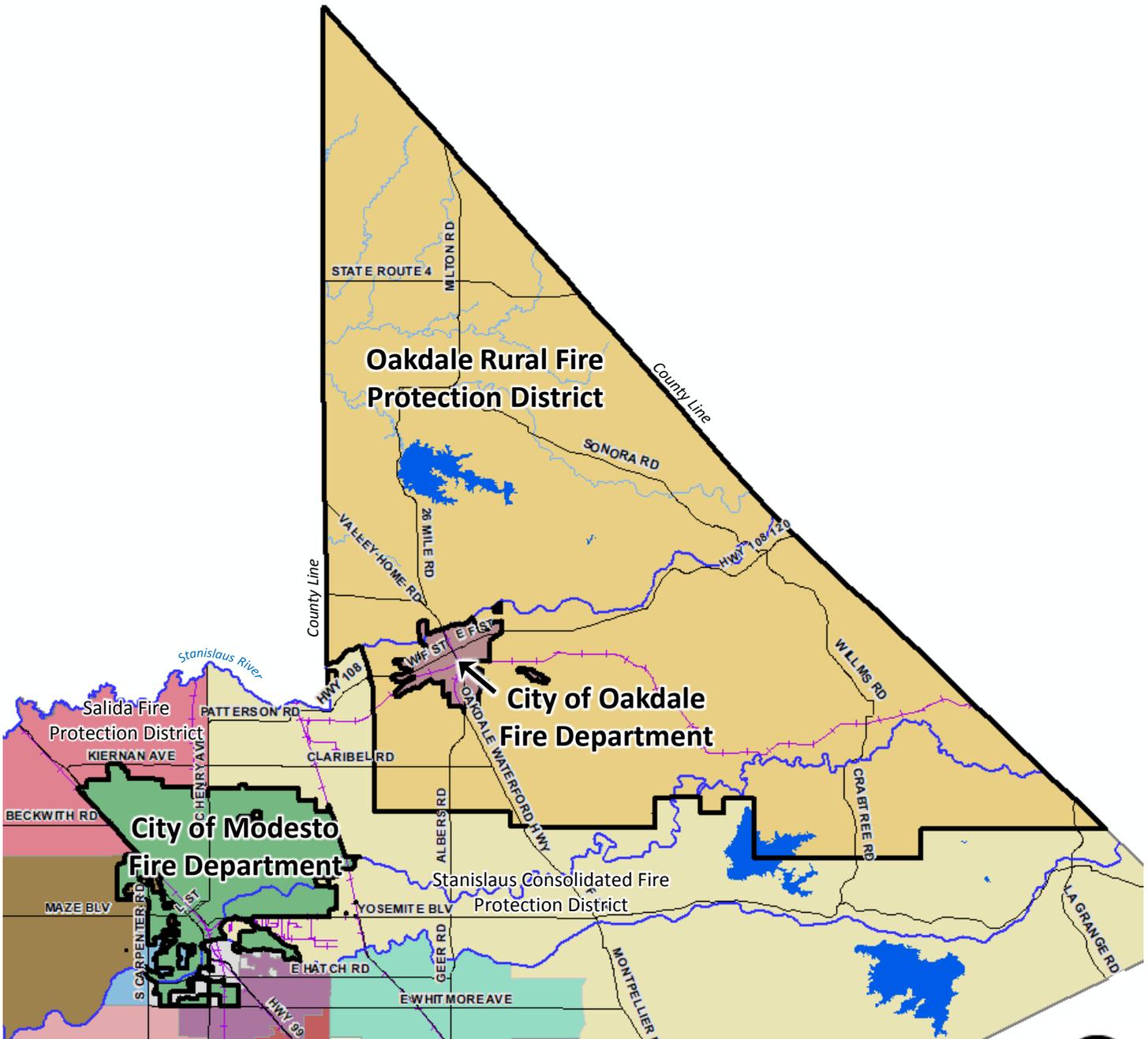
EXHIBIT A

Map

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LAFCO Application No. 2019-10
**City of Modesto Fire Contract with the City of Oakdale
and Oakdale Rural Fire Protection District**

Area Map



Source – LAFCO files, County GIS, Oct. 2019



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EXHIBIT B

**City of Modesto's Application
To LAFCO**

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STANISLAUS LAFCO

Stanislaus Local Agency Formation Commission

1010 – 10th Street, 3rd Floor ♦ Modesto, CA 95354

(209) 525-7660 ♦ FAX (209) 525-7643

www.stanislauslafco.org

APPLICATION FOR FIRE SERVICE CONTRACT

NAME OF PROPOSAL: Modesto Contract for Fire Service

APPLICANT:

Name: Modesto Fire Department

Address: 409 12th Street, Modesto, CA 95354

Phone: 209-572-9590 Fax: 209-544-1652 E-Mail: aernst@modestofire.com

Contact Person: Alan Ernst Title: Fire Chief

APPLICANT'S REPRESENTATIVE:

Name: Joseph Lopez, City Manager

Address: 1010 10th Street

Phone: 209-577-5404 Fax: _____ E-Mail: joelopez@modestogov.com

Contact Person: Michelle Thomson Title: Executive Assistant

AGENCIES INVOLVED:

Agency to provide fire protection service: _____

Name: Modesto Fire Department

Address: 409 12th Street, Modesto, CA 95354

Phone: 209-572-9590 Fax: 209-544-1652 E-Mail: aernst@modestofire.com

Contact Person: Alan Ernst Title: Fire Chief

Agency to provide fire protection service: * _____

Name: _____

Address: _____

Phone: _____ Fax: _____ E-Mail: _____

Contact Person: _____ Title: _____

Agency to receive fire protection service: _____

Name: City of Oakdale

Address: 280 N. 3rd Avenue, Oakdale, CA 95361

Phone: 209-845-3571 Fax: _____ E-Mail: bwhitemyer@ci.oakdale.ca.us

Contact Person: Bryan Whitemyer Title: City Manager

Agency to receive fire protection service: * _____

Name: Oakdale Fire Protection District

Address: 455 South Fifth Avenue, Oakdale, CA 95361

Phone: _____ Fax: _____ E-Mail: jlopes0074@gmail.com

Contact Person: Jane Lopes Title: District Board President

**If Necessary*

LAFCO Use Only:

Proposal Name: _____ LAFCO Application No. _____

Submittal Date: _____ Cert. of Filing Date: _____

LAFCO Filing Fee: \$ _____ Fees Paid? _____ Yes _____ No

100% Property Owners Consent? _____ Yes _____ No

QUESTIONNAIRE

Please answer the following questions related to the proposed fire protection contract. The information will allow the Commission and staff to adequately assess the contract. Please provide any additional information that may be applicable (Additional sheets are okay).

A. General description of proposed contract and its terms:

This is an agreement to provide fire protection and related services between Modesto, the City of Oakdale and the Oakdale Fire Protection District for a three-year term, with a two-year extension option. The initial term will be from July 1, 2019 through June 30, 2022. See Attachment A.

B. Describe the affected jurisdictional boundaries (acreage) and number of employees that will have a change in employment status. Will the new contract affect more than 25% of employees of any public agency or transfer responsibility for more than 25% of an agency's jurisdictional boundaries? Explain:

The services provided by Modesto Fire Department will affect approximately 211,200 additional acres. The new contract requires additional staffing to support the request for services, which consists of 25 employees hired by the City of Modesto. (address percentage question)

C. Proposed services and anticipated level of service for all agencies:

See Attach. A. Services include, but not limited to: fire protection, prevention, suppression and others such as emergency medical services, emergency preparedness, mitigation of hazardous materials incidents, and special operations including confined space rescue, technical rescue & water rescue

D. New services being provided that are not currently being provided, if any. (If any please describe):

Please see attached "Additional Sheet" for response.

E. Specify any special arrangements or terms related to the Fire Protection District:

Please see attached "Additional Sheet" for response.

Please see attached "Additional Sheet" for response.

Please see attached "Additional Sheet" for response.

F. Please provide a description of the assumption of assets, liabilities, leasing of facilities and equipment if applicable:

Please see Article III and Exhibits A and B to Attachment A in connection with Oakdale and District maintaining ownership and title of vehicles, equipment, apparatuses and fire stations/training annex.

- G. Please provide a description of the assumption of personnel and/or retirement obligation, if applicable:

The City of Modesto did not assume any employees from either agency; the City hired 25 new employees to staff for additional responsibilities. Please see attached "Additional Sheet" for further explanation.

- H. Location and Assessor's Parcel Numbers (attach additional sheets if necessary):

All parcels that are within the boundaries of the vicinity map. See Exhibit C to Attachment A.

I. PLAN FOR SERVICES

A resolution of application submitted shall be submitted with a plan which shall include all of the following information (pursuant to Government Code Section 56134e):

- a. The total estimated cost to provide the new or extended fire protection services in the affected territory.
- b. The estimated cost of the new or extended fire protection services to customers in the affected territory.
- c. An identification of service providers, if any, of the new or extended services proposed to be provided and the potential fiscal impact to the customers of those existing providers.
- d. A plan for financing the exercise of the new or extended fire protection services in the affected territory.
- e. Alternatives for the exercises of the new or extended fire protection services in the affected territory.
- f. An enumeration and description of the new or extended fire protection services proposed to be extended to the affected territory.
- g. The level and range of new or extended fire protection services.
- h. An indication of when the new or extended fire protection services can feasibly be extended to the affected territory.
- i. An indication of any improvements or upgrades to structures, roads, sewer or water facilities, or other conditions the public agency would impose or require within the affected territory if the fire protection contract is completed.
- j. A determination, supported by documentation that the proposed fire protection contract meets the 25% thresholds described in Section 56134(a)

J. LAND USE

- i. Area Affected by Proposal (Gross Acres): Approximately 211,200 acres
- ii. Land Uses of Area to be served:

Zoning	See Exhibit C to Attachment A	<input type="checkbox"/> City <input type="checkbox"/> County
General Plan Designation	See Exhibit C to Attachment A	<input type="checkbox"/> City <input type="checkbox"/> County
Use of Proposal Area	Fire protection services (See Attachment A)	

K. BOUNDARIES AND ASSESSMENT

- i. Is the property contiguous to the existing City or District boundary?: Yes No
(Contiguous is defined by Govt. Code Section 56031)
- ii. Is the project co-terminus with:
 - Assessor's Parcel boundaries? Yes No
 - Legal lot boundaries? Yes No

- L. Is the Proposal completely surrounded by the fire agency providing services?
 Yes No

Please Describe: Please refer to Exhibit C to Attachment A

M. POPULATION AND HOUSING

- i. Estimated Population of area to be served: Approximately 34,267
- ii. Estimated Number/Type of Dwelling Units within the proposed area:
Existing: Approximately 11,000 Proposed (if any): Not applicable.

CERTIFICATION

I certify, under penalty of perjury, under the laws of the State of California, that the information contained in this application is true and correct. I acknowledge and agree that the Stanislaus Local Agency Formation Commission is relying on the accuracy of the information provided and my representations in order to process this application proposal.

Print Name: Joseph Lopez Title: City Manager
 Signature:  Date: 10.10.19

- City or District Applicant
- Property Owner Applicant
- Applicant's Representative/Agent (Proof of authority must be provided)

Background

The City of Oakdale (Oakdale) and the Oakdale Fire Protection District (OFPD) have been working jointly for several years to provide fire protection services in their perspective jurisdictions. Both agencies felt the effects of the economic recession causing them to look for more efficient ways to maintain service levels with reduced budgets. In 2011 both agencies entered into an agreement to jointly staff a fire engine located at the Oakdale Fire Station in downtown Oakdale. OFPD provided a fire engineer on the joint staffed engine and the OFPD closed their main Fire Station, which was located approximately a half of a mile away. The joint staffed engine company responded to both calls in the City of Oakdale and in the OFPD's jurisdiction. This partnership saved both agencies money and reduced the redundancy of having two fire stations in close proximity to each other.

In July of 2012 both agencies contracted with the Stanislaus Consolidated Fire Protection District (SCFPD) to provide management services due to the retirement of one OFPD Fire Chief and a Fire Chief and a Division Chief from Oakdale. SCFPD provided Chief officer coverage and provided administration services to each agency through a management contract. In

September of 2014 the OFPD and Oakdale entered into a contract for service with SCFPD.

Under the agreement SCFPD was to provide full fire protection services to the OFPD and Oakdale for a term of five years. The employees of the OFPD and Oakdale were terminated on August 31st, 2014 and rehired September 1st, 2014 by SCFPD as new employees along with their rank and seniority from their former agency. The contract for service was based on the Alameda County contract model that is uses for it's contracting city's, which is based on a cost sharing formula dependent on the level of service desired by each agency. Overhead cost is

calculated based on number of fire stations and the number of line positions that each agency desired to have in their perspective jurisdiction. The SCFPD contract for service was based on actual cost that would be totaled at the end of each fiscal year. Each contract agency would either receive a credit or they would be charged an additional amount if the actuals were under or over the budgeted amount.

In the Spring of 2019, the OFPD and Oakdale decided that they wouldn't pursue a contract extension with SCFPD after the contract for service expired on June 30th, 2019. This decision left OFPD and Oakdale with two options; either form a new agency or contract with another agency to provide fire protection services. OFPD and Oakdale hired an independent consultant to assist them with the process of evaluating the best option to provide fire protection services for their perspective jurisdictions. The City of Modesto was contacted and asked to provide a cost analysis projection if they were to provide a contract for service while the independent consultant analyzed the option for the Oakdale agencies to form their own department. After reviewing their final two options the OFPD District Board of Directors and the Oakdale City Council unanimously voted to enter into a contract for fire protection services with the City of Modesto.

Summary

A thorough review of the AGREEMENT TO PROVIDE FIRE PROTECTION SERVICES BETWEEN THE CITY OF MODESTO, THE CITY OF OAKDALE, AND THE OAKDALE FIRE PROTECTION DISTRICT (Plan for Service) was conducted. The plan for service contains the necessary information related to providing fire protection services to the Oakdale agencies. The term of the contract is for three

years with the option of a two-year extension. Termination of the contract for service requires a twelve (12) month written notification.

The contract for service contains a three-year cost projection and monthly fee schedule. The payment schedule is based on a flat rate for fire and administrative services provided. The flat rate for service will provide each agency with a known cost without fluctuations, which will allow the contract agency's to accurately budget for over the next three years. Neither agency was previously providing its own fire protection services prior to this contract agreement, so a cost comparison with OFPD and Oakdale is difficult other than to look at their overall contract budget that each agency had with SCFPD. The proposed contract for service budget with SCFPD for the Fiscal Year 19/20 was \$4,408,617. If the Oakdale agencies were to jointly create a new fire department with similar operational staffing but reduced overhead positions as compared to the SCFPD proposal, the total estimated budget for Fiscal Year 19/20 is \$4,487,788. This projection was provided by the Oakdale agency's independent consultant who evaluated the cost of forming a new joint fire agency. The contract for service proposed by the City of Modesto for the Fiscal Year 19/20 is \$4,603,567. The Modesto agreement includes three additional firefighters along with three battalion chiefs that are dedicated to covering the Oakdale area that the previous agreements did not.

In the agreement with the City of Modesto Oakdale and OFPD will be responsible for their perspective Capital Assets. Each agency will retain ownership of their fire stations along with their apparatus and equipment. The yearly budget provides for minor repairs and service, however if there is a need for a significant repair or a need for a Capital Improvement Project, the Oakdale agencies will provide for such expenditures. In the agreement the City of Modesto

agrees to conduct a lateral recruitment for new employees from SCFPD to staff the Oakdale and OFPD stations. Since the OFPD and Oakdale currently don't have a firefighter Memorandum of Understandings (MOU) there is labor contract to compare the Modesto Fire Department's labor agreement with.

An analysis of each agency's revenue was analyzed to insure it is sufficient to provide public services and facilities and a reasonable reserve during the three fiscal years following the effective date of the contract to provide fire protection services. The City of Oakdale has allocated General Fund Revenues to cover fire services costs in the amount of \$3,144,644 in FY 2017-2018, \$3,369,077 in FY 2018-2019, and \$3,377,965 in FY 2019-2021. The General Fund Reserve Balance has grown from \$4,114,745 at the end of Fiscal Year 2015-2016 to a balance of \$5,042,133 at the end of Fiscal Year 2018-2019. The City of Oakdale anticipates that its General Fund Reserve Balance will grow by almost \$200,000 to \$5,282,897 by the end of Fiscal Year 2019-2020. The main reason for this growth is due to new revenue from permitted cannabis operations in Oakdale. The City of Oakdale has development agreements with two cannabis dispensaries that will generate a minimum of \$360,000 in revenue for the City per year. With the new revenue, a healthy General Fund Reserve Level of over 40% and the City's prudent budgeting practices the City of Oakdale can afford the costs associated with the fire services contract with the Modesto Fire Department.

Contract Cost for City of Oakdale

<u>FY 2019-2020</u>	<u>FY 2020-2021</u>	<u>FY 2021-2022</u>
\$2,630,610.31	\$2,794,164.93	\$2,898,689.68

The two main sources of revenue for the OFPD is from property taxes and a special assessment. The special assessment revenues have remained relatively flat over the past six years (see table below). Property taxes have slightly increased as property values recover from the recession. The District receives rent revenue from a fire station that it no longer uses for fire protection services. The OFPD Board of Directors is currently working with Capital Public Finance Group to put a new special assessment before the voters on the March 2020 ballot. If successful, this will assist in providing the District with additional revenue to increase its staffing model and secure its future beyond the three-year contract. OFPD has the revenue and a carryover balance to cover the cost of the three-year contract with the City of Modesto baring the need for a major capital needs project.

Contract Cost for the OFPD

<u>FY 2019-2020</u>	<u>FY 2020-2021</u>	<u>FY 2021-2022</u>
\$1,972,957.73	\$2,095,623.69	\$2,174,017.26

OFPD Revenue and Carryover Balance

Revenue Source	2,014	2,015	2,016	2,017	2,018	2,019
Carryover form prior year	307,028	465,877	412,122	490,488	533,824	444,057
Property Tax	417,389	460,045	536,235	589,246	619,576	678,147
Special Assessment	1,291,584	1,313,926	1,349,382	1,321,196	1,342,859	1,324,823
Misc. Revenue	128,043	87,530	23,143	17,848	27,081	27,520

Interest Earned	630	387	1,368	946	444	1,801
Total Revenue Received	1,837,646	1,861,888	1,910,128	1,929,236	1,989,960	2,032,291
Total Revenue + Carryover	2,144,674	2,327,765	2,322,250	2,419,724	2,523,784	2,476,348
Year End Balance	465,877	412,122	490,488	533,824	444,057	529,684

ADDITIONAL SHEET

- D. A 24/7 Battalion Chief as well as one additional person on Engine 28 for 3-0 staffing, Advisory Committee meetings, fire prevention community outreach/education, fire investigation, plan review services, conduct field fire flows, inspections, issuance of operational permits, enforce provisions relating to fireworks, participate, plan and inspect special events such as the annual Rodeo parade event and Community fairs (Chocolate Festival). Please refer to Attachment A Article IV.
- E. City shall only bear all actual costs of Minor Repairs of equipment, vehicles, apparatuses and Stations owned by District and Oakdale, including such property identified in Exhibit A and Exhibit B. Major Repairs shall be paid by the Party with ownership of such property. Please see Attachment A Article 3.3.B.
- G. To provide service to the requested areas, the City of Modesto conducted two lateral recruitments for those interested. Ultimately, 25 employees, who were thought to adequately support the contract, were hired. Upon the expiration of the Agreement, Oakdale and District intend to offer employment to affected City fire department personnel. Please refer to Attachment A Article VII for further explanation of personnel.

PLAN FOR SERVICES

(City of Modesto's Responses to Section I of LAFCO Fire Service Application, Page 4)

- a. The total estimated cost to provide the new or extended fire protection services in the affected territory.
Please refer to Attachment E under "Fiscal Impact."
- b. The estimated cost of the new or extended fire protection services to customers in the affected territory.
Please refer to Exhibit E under "Fiscal Impact."
- c. An identification of services providers, if any, of the new or extended services proposed to be provided and the potential fiscal impact to the customers of those existing providers.
Modesto Fire Department will be providing all services contemplated in the Agreement. There is an annual fee that will be paid for by the other agencies. See Article VI and Exhibit D to Attachment A. Any other pay-for-services shall be paid at District and City of Oakdale's established then-existing rates. See Section 4.6 of Attachment A.
- d. A plan for financing the exercise of the new or extended fire protection services in the affected territory.
Oakdale and District agree to pay City for all services provided pursuant to the terms and conditions of the Agreement. Please see Article VI and Exhibit D of Attachment A.
- e. Alternatives for the exercises of the new or extended fire protection services in the affected territory.
Please refer to Attachment G to review what alternatives were explored. All parties agreed these alternatives were not in the best interest of District and City of Oakdale.
- f. An enumeration and description of the new or extended fire protection services proposed to be extended to the affected territory.
City will provide fire protection, prevention, suppression services, and related services such as emergency medical services, emergency preparedness, mitigation of hazardous materials incidents, and special operations including, but not limited to, confined space rescue, technical rescue, and water rescue within the territorial limits of the City and in unincorporated areas of the County of Stanislaus. See Article IV to Attachment A for further details.
- g. The level and range of new or extended fire protection services.
See Article IV to Attachment A for details.

- h. An indication of when the new or extended fire protection services can feasibly be extended to the affected territory.

July 1, 2019.

- i. An indication of any improvements or upgrades to structures, roads, sewer or water facilities, or other conditions the public agency would impose or require within the affected territory if the fire protection contract is completed.

See Article III, Article V, and Exhibit A and Exhibit B to Attachment A

- j. A determination, supported by documentation that the proposed fire protection contract meets the 25% thresholds described in Section 56134(a).

Yes. The new fire protection services will encompass over 200,000 acres of new territory and serve 100% of the territorial jurisdictions of the City of Oakdale and the Oakdale Fire Protection District, pursuant to Government Code section 56134, subdivision (a)(1)(A).

ATTACHMENT A

AGREEMENT TO PROVIDE FIRE PROTECTION SERVICES BETWEEN THE CITY OF MODESTO, THE CITY OF OAKDALE, AND THE OAKDALE FIRE PROTECTION DISTRICT

This Agreement ("Agreement") is made and entered into this 11th day of June 2019 (the "Effective Date"), by and between the City of Modesto ("City"), a California municipal corporation, the City of Oakdale ("Oakdale"), a California municipal corporation, and the Oakdale Fire Protection District ("District"), a California special district. City, Oakdale, and District are sometimes individually referred to as a "Party" and collectively referred to as the "Parties" in this Agreement.

RECITALS

WHEREAS, City provides fire protection, prevention, suppression services, and related services such as emergency medical services, emergency preparedness, mitigation of hazardous materials incidents, and special operations including, but not limited to, confined space rescue, technical rescue, and water rescue within the territorial limits of the City and in unincorporated areas of the County of Stanislaus ("County"); and

WHEREAS, Oakdale and District desire to contract with City for the provision of fire protection services, within Oakdale's and District's jurisdictional boundaries; and

WHEREAS, City is willing and able to perform fire protection services; and

WHEREAS, the Parties desire to enter into a fruitful and long-term partnership for the provision of such fire protection services; and

WHEREAS, the Parties agree that this Agreement will ensure provision of fire protection services within Oakdale and the District; and

WHEREAS, it is the desire of the Parties to address, by this Agreement, all matters which are related to the services to be provided to Oakdale and District by City; and

WHEREAS, this Agreement is entered into pursuant to Government Code sections 54981 and 6502, and Health and Safety Code section 13800 *et seq.*, including, but not limited to, sections 13861, 13862, 13863, and 13878; and

WHEREAS, the Parties acknowledge they have complied with the provisions of the Meyers-Milias-Brown Act (Gov. Code §§ 3500 *et seq.*) and applicable laws, rules, and ordinances with respect to its employees affected by this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants in this Agreement, it is agreed by and between the Parties hereto as follows:

**ARTICLE I
DEFINITIONS**

1.1. Capital Improvements.

"Capital Improvements" means any planned improvements, capital upgrades, or replacements of equipment, vehicles, apparatuses, fire stations and/or other facilities or property, excluding Major Repairs and Minor Repairs.

1.2. **Fire Services.**

"Fire Services" means those services described in Article IV of this Agreement and listed under Health and Safety Code section 13862.

1.3. **Fiscal Year.**

"Fiscal Year" means the annual period commencing on July 1 and ending June 30 of any calendar year.

1.4. **Major Repair.**

"Major Repair" means any unplanned repair or maintenance work in excess of \$5,000.

1.5. **Minor Repair.**

"Minor Repair" means any repair or maintenance work of a preventive and routine nature due to normal wear and tear for \$5,000 or less.

ARTICLE II TERM OF AGREEMENT

2.1. **Initial Term.** The initial term of this Agreement shall be for three (3) years from July 1, 2019 through June 30, 2022.

2.2. **Extension of Term.** This Agreement may, by approval of all Parties and their governing bodies, be extended for one additional two (2) year term; provided, however, that all Parties receive final approval for such extension no later than June 30, 2021. Due to Fiscal Year appropriation and budget planning, June 30, 2021 shall be considered a firm date, unless all the Parties agree in writing to allow a later date for approval by the Parties' respective governing bodies.

2.3. **Termination.** Notwithstanding Sections 2.1 and 2.2 and any other provision of this Agreement, any Party may terminate this Agreement by providing twelve (12) months' written notification to the other Parties, and the term of this Agreement or any extension thereof shall be shortened accordingly. Written notification of termination shall be in the form of a Resolution by the applicable Party's governing body. The twelve (12) months' written notification requirement shall not be triggered until such Resolution is tendered, delivered, or mailed to the other Parties. Notwithstanding the foregoing, the City may terminate this Agreement pursuant to Section 6.2 of this Agreement. During the twelve (12) months' termination period, the non-terminating Parties shall have the right to meet and confer to enter into a new Agreement for fire services between them, and any new agency.

ARTICLE III
OAKDALE AND DISTRICT STATIONS, VEHICLES, AND EQUIPMENT

3.1. **Title and Use of Equipment, Vehicles and Apparatuses.** Oakdale and District shall maintain ownership and title of vehicles, equipment, and apparatuses, including such property identified in Exhibit A, and shall permit, allow, and does hereby authorize City to utilize such property (and any other such property, vehicles, apparatuses, or equipment so hereafter acquired by Oakdale and District) to provide services to Oakdale and District pursuant to this Agreement, and provide any necessary, required, or reasonably requested local, state, and federal mutual and automatic mutual aid, or statewide master mutual aid and assistance by hire pursuant to the California Fire Assistance Agreement. Each apparatus shall be assigned to the Party's station that owns the apparatus and equipment. Exception will be for short-term or special need use elsewhere in the City system.

3.2. **Title and Use of Stations.** Oakdale shall maintain ownership and title of Fire Station 27 (450 S Willowood Drive, Oakdale, California), Fire Station 28 and Fire Station 28 Training Annex (325 E. G Street, Oakdale, California). District shall maintain ownership and title of Fire Station 29 (17700 Main Street, Knights Ferry, California) and Fire Station 30 (13200 Valley Home Road, Valley Home, California). Oakdale and District shall provide the City with full and complete access and full and complete use of Fire Station 27, Fire Station 28 and Fire Station 28 Training Annex, Fire Station 29, and Fire Station 30 (collectively, the "Stations"), as identified in Exhibit B of this Agreement, to the same extent that City would enjoy if it owned such Stations and all the fixtures, equipment, and appurtenances therein.

3.3. **Maintenance and Repairs.**

A. City shall only bear all actual costs of Minor Repairs of equipment, vehicles, and apparatuses and Stations owned by District and Oakdale, including such property identified in Exhibit A and Exhibit B.

B. Major Repairs shall be promptly paid by the Party with ownership or title of such property. For any third-party products or services needed to effectuate such repairs, the owning Party shall be required to procure and contract the necessary services or products and comply with all laws and rules regarding same. City shall not bear any financial responsibility or liability arising from, or related to, Major Repairs and the owning Party agrees to defend, indemnify, and hold the City harmless from any such liability. In the event that Oakdale or District contracts or otherwise hires a third-party contractor to perform any Major Repairs, Oakdale or District shall require any such third-party contractor to have general liability insurance with minimum limits of \$2,000,000 per occurrence and \$4,000,000 in the aggregate. City shall be named as an additional insured on any such coverage

C. Notwithstanding those duties set forth in the preceding paragraph, the City shall serve as project manager for Major Repairs. As project manager, City shall provide cost estimates, plan and coordinate the work, and seek approval from District or Oakdale prior to the commencement of work. City shall facilitate and manage the work through completion and keep District and Oakdale reasonably abreast of any material changes, including without limitation, changes in scope of work, budget, and/or change orders.

D. Should an insurable event result in damage to any property or Stations owned by District or Oakdale, including such property identified in Exhibit A and Exhibit B, the Party with title or ownership of such property shall bear the portion of the actual replacement cost exceeding any insurance proceeds collected by such Party for said damage.

3.4. **Inspection of Oakdale and District-Owned Property.** City agrees to reasonably inspect all real property, buildings, equipment and apparatuses owned by Oakdale or District, including such property identified in Exhibit A and Exhibit B to ensure they meet the appropriate and applicable fire service and safety standards.

3.5. **Capital Improvements.**

A. Capital Improvements shall be paid for by the Party with ownership or title of such property. For any third-party products or services needed to effectuate such Capital Improvements, the owning Party shall be required to procure and contract the necessary services or products and comply with all laws and rules regarding same. City shall not bear any financial responsibility or liability arising from, or related to, such Capital Improvements and the owning Party agrees to defend, indemnify, and hold the City harmless from any such liability. In the event that Oakdale or District contracts or otherwise hires a third-party contractor to perform any Capital Improvement, Oakdale or District shall require any such third-party contractor to have general liability insurance with minimum limits of \$2,000,000 per occurrence and \$4,000,000 in the aggregate. City shall be named as an additional insured on any such coverage.

B. Notwithstanding those duties set forth in the preceding paragraph, the City shall serve as project manager for Capital Improvements. As project manager, City shall provide cost estimates, plan and coordinate the work, and seek approval from District or Oakdale prior to the commencement of work. City shall facilitate and manage the project through completion and keep District and Oakdale reasonably abreast of any material changes, including without limitation, changes in scope of work, budget, and/or change orders.

C. Oakdale and District shall maintain a Capital Improvements program for projects to ensure funds are annually appropriated for the actual costs required to replace, improve, and/or repair their respective facilities, Stations, apparatuses, equipment, and property described herein (*e.g.* roofs, HVAC systems, exterior/interior paint, etc.). If the City identifies any needed Capital Improvements it must submit them annually to Oakdale and/or District by March 15th, with cost estimates and reasonable supporting documentation, for Oakdale and District's annual budget development process.

3.6. **Personal Protective Equipment ("PPE").** Oakdale and District agree to transfer the following PPE for each of up to nine (9) captains, nine (9) engineers, and seven (7) firefighters: (i) two sets of structural turnouts each, (ii) wildland boots-packs and associated gear, (iii) water rescue equipment and EMS. For any additional needed PPE arising from this Agreement, the City may negotiate separately with Stanislaus Consolidated Fire Protection District ("SCFPD") or any third party for additional firefighters transferring to City.

3.7. **Return Upon Termination.** City will return all equipment, apparatuses,

property, and Stations, including such property identified in Exhibit A and Exhibit B, to District and Oakdale upon termination of this Agreement, with reasonable wear and tear expected.

ARTICLE IV DUTIES OF CITY UNDER THIS AGREEMENT

4.1. **Scope of Services.** City shall provide Fire Services, as more specifically described in this Article, within the jurisdictional area of Oakdale and District (see Exhibit C for service area map). In providing such services, City shall administer the provisions of Oakdale Municipal Code Chapter 12 entitled "Fire Protection" ("Oakdale Fire Code") and the most recent modification of the State Fire and Building Code enacted by District. Throughout the term of the Agreement and as reasonably needed or as requested by Oakdale or District, City shall consult with Oakdale or District regarding City's implementation of the provisions of this Agreement.

4.2. **Bi-Annual Review of Services.** Unless otherwise waived by all the Parties, City agrees to, and shall cooperate in, a bi-annual review of the expectations outlined in this Article, that shall take place at a mutually agreeable time between the Parties. If areas of improvement are identified in the course of this review, then a reasonable corrective action plan shall be mutually developed and agreed upon. Such corrective action shall be memorialized in a writing signed by all the Parties.

4.3. **Advisory Committee.** An Advisory Committee, consisting of Oakdale City Manager, two representatives from the Oakdale City Council, two representatives from the District Board, and the City's Fire Chief and Modesto City Manager, shall be formed to discuss and provide advisory input regarding the delivery of Fire Services for Oakdale and District. To the extent permitted by law, applicable personnel rules, and/or controlling labor agreements, the Advisory Committee will also reasonably participate and provide input in the City Fire Department's annual budget development and labor negotiations, to the extent such activities materially impact or affect Oakdale and District. The Advisory Committee shall agree to meet no less than twice per year at a mutually agreeable time and location.

4.4. **Description of Support and Fire Prevention Services to be provided by City.** The City shall provide the following fire prevention and support services necessary to maintain Fire Services within Oakdale and District:

- A. Fire Services program planning and administration consistent with the terms and conditions of this Agreement.
- B. Assist in the development and administration of annual Oakdale and District Fire Services budgets.
- C. Providing and supporting an "Intern and/or Reserve" Firefighter Program. Augmenting minimum staffing to increase company safety and efficiency, and provide training opportunities for interns.
- D. Delivery and documentation of federal and state-mandated firefighter training as well as provision of additional training as authorized and funded within the City's

budget.

E. Assist with emergency and disaster management within the Oakdale Emergency Operations Center as timely requested by the Oakdale City Council.

F. Coordination of procurement of all routine operational supplies, services, and equipment as necessary to provide the Fire Services outlined in this Agreement.

G. When requested by Oakdale and District, provide plan review services of all development and building plans to ensure compliance with applicable fire and life safety codes and regulations, as well as inspection of fire protection and fire alarm systems for compliance with applicable codes and standards. Oakdale and District shall collect fees and automatically reimburse the City for fire prevention services at rates that are identified in Oakdale's and District's fire prevention rate schedule.

H. City shall coordinate and provide reasonable assistance to help ensure that fire safety inspections of all state-mandated occupancies and enforcement of weed abatement within Oakdale and District will be performed by the Stanislaus County Fire Wardens Office at no cost to either Oakdale, District or City; provided, that sufficient funding continues through the "Less Than Countywide Fire Tax" assessment.

I. Inspections of Business, Commercial and Industrial occupancies. Fees collected by Oakdale and District will be provided to City for providing this service.

J. Investigation of all fires to establish origin and cause as well as coordination with law enforcement on all criminal prosecutions resulting from such investigations. The City may contract for fire investigation services. This service will be provided through the Stanislaus Regional Fire Investigation Unit and will be paid for through the "Less Than Countywide Fire Tax" assessment.

K. Maintenance of sufficient, segregated records relating to provision of Fire Services to Oakdale and District, including, but not limited to response time data for all incident responses. At a minimum, such records shall be sufficient to meet any and all federal and state reporting obligations as they relate to the provision of Fire Services, including but not limited to annual audits, mutual aid, and reimbursement for disaster response, hazardous material response, or other incident responses. Such records, reports and response data shall be provided to Oakdale and District at their request.

L. Annual Inspections of the Oakdale Police Department holding cell and the Oakdale Municipal Airport.

M. Enforce the provisions of Chapter 12 of the Oakdale Municipal Code relating to Fireworks (which adopts and amends the California Fire Code) and as that Chapter may be amended in the future. Enforcement of illegal fireworks will not be the responsibility of the City. City will coordinate and reasonably assist with applicable law enforcement agencies on the enforcement.

N. Involved with Site Plan review for new proposed projects ensuring access, water supply and special conditions are included in the design. City shall be involved in General plan updates and input on Specific plan developments. City shall coordinate with Oakdale and District regarding the adoption of the Fire Code and applicable law, including Municipal Code ordinance amendments.

O. Conduct field fire flows for fire protections system design. This is a cost for service reimbursement to the City. Fees received for services delivered will be automatically reimbursed to the City.

P. Coordinate the planning, development, and delivery of fire prevention and safety education programs for schools, businesses, community associations, child-care providers, and other members of the community. Fire prevention and life safety programs will be tailored to educate Oakdale and District residents and business community in order to help preserve life and property.

Q. Participate in, plan, and inspect special events such as the annual Rodeo parade and event, Community fairs (Chocolate Festival), Farmers Market, and other special events.

R. The City shall not provide weed abatement services, but shall work with District and Oakdale to help identify a weed abatement enforcement program.

S. City will work with Parties to address Hazard mitigation which may include coordinating Community forums to address and reduce the wildland fire threat. Specific area of concern is the Riparian Habitat along the Stanislaus River corridor in the Knights Ferry and City of Oakdale communities. Coordination will be with CalFIRE and other stakeholders.

4.5. Incident Response Within Jurisdictions of Oakdale and District. The following criteria shall apply to incident response within Oakdale and District jurisdictions, including fire suppression, emergency medical response, rescue services, hazardous materials response, and response to any other emergency or non-emergency request for service.

A. **Chief Officer Coverage.** City shall provide a qualified Shift Battalion Officer, to be immediately available for response and management of emergency incidents as necessary to provide incident command and coordination functions within the jurisdictional boundaries of Oakdale and District, including the authority to commit expenditure of Oakdale and District funds (e.g., request aircraft or specialized equipment or contractors) to mitigate an emergency incident.

B. **Staffing.** City shall provide, on a twenty-four (24) hour, seven-(7) day per-week basis, one (1) three (3)-member company at Station 27, and one (1) three (3)-member company at Station 28. At either (but not both) Station 29 or 30, City shall provide one (1) two (2)-member engine company. Fire Stations 28 and 29 and 30 shall be staffed with personnel trained and qualified to perform water rescue services. Additional qualified fire personnel may be assigned to the Oakdale and District Station(s) as determined by the City Fire Chief or his/her designee to provide supplemental Fire Services or staffing for special events, anticipated weather

events, or other situations within the City's budget as that budget may be modified from year to year, and operational capacity. Minimum staffing level for District shall be two (2) members per company, and minimum staffing for Oakdale shall be three (3) members per company. It is the desire of all Parties to reach minimum staffing levels of three (3) per company, and staff all four (4) Stations.

C. **Emergency.** Oakdale and District shall continue to contract with and pay the Stanislaus Regional 911 for dispatch services.

D. **Major Disaster Response.** In the event of a major disaster in Oakdale and/or District, City will provide support to the Oakdale Emergency Operations Center (EOC). In the event of a multi-jurisdictional emergency or disaster, coordination of fire resources may be performed from the Emergency Operations Center.

E. **Statewide Mutual Aid and Assistance by Hire.** City may respond to requests for mutual aid or assistance-by-hire by other agencies within the State of California pursuant to the California Statewide Master Mutual Aid Agreement or the California Fire Assistance Agreement, as approved by the Fire Chief or his or her authorized designee. Oakdale and/or District shall credit or reimburse City for any mutual aid monies it receives relating to City's use of personnel assigned to Oakdale and/or the District. District and/or Oakdale shall be entitled to reimbursement for apparatuses or vehicles owned by District and/or Oakdale, and City shall not claim any entitlement thereto.

4.6. **Miscellaneous.**

A. **False Fire Alarms.** City will enforce the provisions of Chapter 12 of the Oakdale Municipal Code providing for recovery of costs associated with responses to false fire alarms.

B. **Hazardous Materials Releases.** City will enforce the provisions of Chapter 12 of the Oakdale Municipal Code or Modesto Municipal Code providing for recovery of costs associated with responses to releases of hazardous materials.

C. **Master Fee Schedules and Cost Recovery.**

(i) **District.** Upon the District's adoption of an Ordinance for fee and cost recovery, and as it may be amended by the District from time-to-time, the City will administer the District's fee recovery ordinance for purposes of administering the billing and collection efforts of all such applicable fees. City also reserves the right to seek fee reimbursement for services rendered that are not covered by the District's fee ordinance or require a level of staffing and/or property that are above and beyond the usual and customary resources required for services. District shall not unreasonably withhold City's entitlement to such fees on such occasions.

(ii) **Oakdale.** City will be entitled to fee reimbursement for actual costs for services rendered pursuant to any and all applicable fee schedules or ordinances of Oakdale that provide and allow for such fees. Oakdale shall be responsible for administering the

billing and collection efforts of all such applicable fees.

**ARTICLE V
DUTIES OF OAKDALE AND DISTRICT**

5.1. **Payment for Fire Services.** Oakdale and District shall compensate City for the provision of Fire Services as further described in Article VI of this Agreement.

5.2. **Major Repairs and Capital Improvements.** As set forth in Article III of this Agreement, Oakdale and District agree to pay for the cost of Major Repairs and Capital Improvements for all property owned by them, including such property identified in Exhibit A and Exhibit B.

**ARTICLE VI
ANNUAL FIXED FEE FOR FIRE PROTECTION SERVICES**

6.1. **Annual Fixed Fee for Services.** Oakdale and District agree to pay City for all services provided pursuant to the terms and conditions of this Agreement in the amounts and times as set forth in Exhibit D and this Article.

A. The Fee Payment Schedule as set forth in Exhibit D is based upon the three (3) year budget projection describing the total reasonably anticipated costs of providing Fire Services for each Fiscal Year or portion thereof. Should the City realize fiscal benefits through economies of scale if it contracts with additional agencies for fire services, the fee for service paid by Oakdale and District under this Agreement may be revised. Notwithstanding any other provision of this Agreement, the annual fixed fee does not include those fees and costs not appropriated and reflected in this Agreement, including without limitation, District and/or Oakdale Pension Obligation Bond Payments, Retiree Medical Payments, and assessment collection fees, CalPERS Side Fund, Station 27 Bond Payment, and other liabilities or financial indebtedness.

B. On the last day of each month throughout the duration of this Agreement, Oakdale and District agree to remit to City payments amounting to 1/12th of each of their respective annual fiscal obligation hereunder, pursuant to the fee schedule set forth in Exhibit D. Oakdale and District are responsible to pay the full monthly amounts as each are required pursuant to Exhibit D.

6.2. **Delinquent Payments.** In the event that Oakdale or District fails to pay the entire amount described in Section 6.1.B. above within fifteen (15) calendar days of the due date, interest shall accrue to the unpaid balance at an annual equivalent rate equal to the higher of (1) the Prior Year Penalty Factor; or (2) the legal rate of interest on a judgment in the Superior Courts of the State of California, determined from the date the payment was originally due. The Prior Year Penalty Factor shall be the interest rate earned on City's entire investment portfolio for the preceding Fiscal Year plus two percent (2%). For example, if the rate of return on City's entire investment portfolio for the preceding Fiscal Year was four percent (4%), the Prior Year Penalty Factor will be six percent (6%).

A. In the event that Oakdale or District does not pay the required monthly payment as identified in Section 6.1.B. within thirty (30) calendar days of the due date, the City shall provide notice that all Fire Services may be terminated in thirty (30) calendar days.

B. In the event that Oakdale or District does not pay the required monthly payment plus interest at the end of the thirty (30) calendar day notification period give pursuant to Section 6.2.A, the City shall have the option to terminate Fire Services immediately and without further notice.

6.3. **Service Level Reductions.** If budgetary constraints require service level reductions by any Party, all Parties agree to meet and confer.

6.4. **Start-Up Cost.** Oakdale and District will be responsible for a “one-time” start-up cost that is agreeable to all Parties. Start-up costs include turnouts and re-branding (station and engine identifiers).

ARTICLE VII PERSONNEL

7.1. **Recruitment of Employees.** In addition to any other recruitment choices, City shall hold a lateral recruitment for new employees from Stanislaus Consolidated Fire Protection District to staff the Oakdale and District stations. Employees must be in “good standing” and meet City minimum requirements. City reserves all rights and shall not be obligated to hire any lateral firefighters from such recruitment.

A. Prior to being offered positions with City, Oakdale and District employees must complete a LiveScan background review. Employees who are identified to have felony arrests or other convictions that would prevent them from serving as public safety employees will not be considered as employees in “good standing” and will not be offered employment positions with the City.

B. Prior to being offered new positions with the City, lateral Oakdale and District recruited employees must provide proof they possess a valid California Driver’s license and current Emergency Medical Technician certification. Employees who fail to provide proof they possess a valid California Driver’s license and current Emergency Medical Technician certification will not be considered employees in “good standing” and will not be offered employment positions with the City.

7.2. **Seniority.** All lateral recruits will be hired as new employees, and seniority within new employees will be determined by original hire date from home agency, pursuant to MCFFA MOU and any applicable personnel rules, laws, policies or procedures of the City.

7.3. **Rank.** It is the desire of the City to recruit up to twenty-five (25) members of sufficient rank to provide the contractual services provided herein, including up to nine (9) Fire Captains.

7.4. **Effect of Termination.** Upon the expiration of this Agreement, it is Oakdale and

District's present intent to offer employment to City fire department personnel so affected by such termination.

7.5. **Subject to Personnel Rules and Laws.** Nothing in this Article or Agreement as it pertains to the recruitment, employment, retention, or separation of personnel shall apply to the extent it is in conflict with any applicable personnel rules, laws, policies, procedures, and bargaining agreements or MOUs, including the MCFFA MOU.

ARTICLE VIII INDEMNIFICATION AND INSURANCE

8.1. Mutual Indemnification.

A. City shall indemnify, defend and hold harmless the District and Oakdale (including their elected or appointed officials, employees, agents, volunteers, and attorneys as the same may be constituted now and from time to time hereafter) to the extent allowed by law and in proportion to City's fault, against any and all third-party liability for claims, demands, costs, or judgments (direct, indirect, incidental, or consequential) involving bodily injury, personal injury, death, property damage, or other costs and expenses (including reasonable attorneys' fees, costs and expenses) arising or resulting from the negligent acts or omissions of its own elected or appointed officers, agents, employees, volunteers, or representatives carried out pursuant to the obligations of this Agreement.

B. District and/or Oakdale shall indemnify, defend and hold harmless the City (including its elected or appointed officials, employees, agents, volunteers, and attorneys as the same may be constituted now and from time to time hereafter) to the extent allowed by law and in proportion to District and/or Oakdale's fault, against any and all third-party liability for claims, demands, costs, or judgments (direct, indirect, incidental, or consequential) involving bodily injury, personal injury, death, property damage, or other costs and expenses (including reasonable attorneys' fees, costs and expenses) arising or resulting from their negligent acts or omissions of their own elected or appointed officers, agents, employees, volunteers, or representatives carried out pursuant to the obligations of this Agreement.

8.2. **Mutual Indemnification Obligations Survive Termination.** As to activities occurring or being carried out in performance of this Agreement and during the term of this Agreement, the obligations created by Agreement Section 8.1 shall survive termination of this Agreement.

8.3. Public Liability and Property Insurance.

A. Each Party shall maintain in effect, at its own cost and expense, the following insurance coverage provided either through a bona fide program of self-insurance, commercial insurance policies, or any combination thereof:

(i) Commercial general liability or public liability with minimum limits of \$2,000,000 per occurrence and \$4,000,000 in the aggregate.

(ii) City will provide auto liability insurance including owned, leased, non-owned, and hired automobiles, with a combined single limit of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

(iii) The City shall maintain Workers' Compensation in accordance with California Labor Code Section 3700 with a minimum of \$1,000,000 per occurrence for employer's liability, for the duration of time that such workers are employed.

(iv) All risk property insurance, excluding earthquake and flood, on all permanent property of an insurable nature in an amount sufficient to cover at least one hundred percent (100%) of the replacement costs of said property. In any event, Oakdale and District shall maintain property insurance coverage for all the real property and buildings identified in Exhibit B.

B. All insurance required by this Agreement shall:

(i) Be placed: (1) with companies admitted to transact insurance business in the State of California and with a current A.M. Best rating of no less than A:VI or with carriers with a current A.M. Best rating of no less than A:VII; or (2) disclosed self-insurance with limits acceptable to the other Party.

(ii) Provide that each Party's insurance is primary and non-contributing insurance to any insurance or self-insurance maintained by the other Party and that the insurance of the other Party shall not be called upon to contribute to a loss covered by a Party's insurance.

C. Each Party shall file certificates of insurance with the other Party evidencing that the required insurance is in effect.

8.4. **Workers' Compensation.**

A. City shall provide Oakdale and District an endorsement that its Workers' Compensation insurer waives the right of subrogation against City, its officers, officials, employees, and volunteers for all claims on or after the Effective Date of this Agreement during the tenure of said Agreement.

B. All injuries that occur prior to the execution of this Agreement and all Workers' Compensation claims that are filed prior to this Agreement shall remain the responsibility of Oakdale and District. Oakdale's third-party administrator for the Workers' Compensation shall provide the City's third-party administrator for Workers' Compensation, a list of all active claims of all City of Oakdale personnel who will become employees of the City, prior to the execution of this Agreement.

ARTICLE IX MISCELLANEOUS

9.1. **Amendments to Agreement.** No part of this Agreement shall be altered or amended without written agreement of the Parties.

9.2. **Assignment.** The rights and obligations of the Parties under this Agreement are not assignable and shall not be delegated without the prior written approval of all Parties.

9.3. **Dispute Resolution.** The Parties recognize that this Agreement cannot represent a complete expression of all issues which may arise during the performance of the Agreement. Accordingly, City, Oakdale and District agree to meet and confer in good faith over any issue not expressly described herein to the end that Oakdale and District will obtain the best Fire Services possible under the most favorable economic terms and that City will be fairly and adequately compensated for the services it provides hereunder.

It is the Parties' intention to avoid the cost of litigation and to resolve any issues that may arise amicably if possible. To that end, the Parties agree to meet within ten (10) business days of a request made by the other Party in writing to discuss the issues and attempt to resolve the dispute. If the dispute is not resolved after that meeting, the Parties agree to mediate the dispute within thirty (30) calendar days of the meeting or as soon thereafter as possible. The mediator will be chosen by mutual agreement of the Parties. The costs of mediation will be borne by the Parties equally. No Party may initiate litigation prior to the conclusion of mediation. In any action brought under this Agreement, the prevailing Party shall be entitled to recover its actual costs and attorney fees pursuant to California Civil Code Section 1717.

9.4. **No Waiver.** The waiver of any Party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provision. The subsequent acceptance by either Party of any monies that become due hereunder shall not be deemed to be a waiver for any preexisting or concurrent breach or violation by the other Party of any provision of this Agreement.

9.5. **Parties in Interest.** Nothing in this Agreement, whether express or implied, is intended to confer any rights on any persons other than the Parties to it and their representatives, successors and permitted assignees.

9.6. **Interpretation.** This Agreement shall be interpreted and construed reasonably and neither for nor against any Party, regardless of the degree to which any Party participated in its drafting. Each of the Parties has received the advice of legal counsel prior to signing this Agreement. Each Party acknowledges no other party or agent or attorney has made a promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matter herein to induce another party to execute this Agreement. The Parties agree no provision or provisions may be subject to any rules of construction based upon any Party being considered the Party "drafting" this Agreement.

When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural, and the masculine shall include the feminine and neuter and vice versa. Whenever a reference is made herein to a particular provision of this Agreement, it means and includes all paragraphs, subparagraphs and subparts thereof, and, whenever a reference is made herein to a particular paragraph or subparagraph, it shall include all subparagraphs and subparts thereof.

9.7. **Captions.** The captions in this Agreement are for convenience and reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

9.8. **References to Laws.** All references in this Agreement to laws shall be understood to include such laws as they may be subsequently amended or re-codified, unless otherwise specifically provided.

9.9. **References to Days.** All references to days herein are to calendar days, including Saturdays, Sundays and holidays, except as otherwise specifically provided. Unless otherwise required by a specific provision of this Agreement, time hereunder is to be computed excluding the first day and including the last day.

9.10. **Time of Essence.** Time is of the essence of this Agreement and of every part of this Agreement. No extension or variation of this Agreement will operate as a waiver of this provision.

9.11. **Severability.** If any non-material provision of this Agreement is for any reason deemed to be invalid and unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement, and such remaining provision shall be enforced as if such invalid or unenforceable provision had not been contained herein.

9.12. **Choice of Law and Venue.** This Agreement shall be administered and interpreted under the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be in that state and venue shall be in Stanislaus County, California.

9.13. **Entire Agreement.** This Agreement represents the full and entire Agreement between the Parties regarding the matters covered herein.

9.14. **Counterparts.** This Agreement may be executed in counterparts each of which shall be considered an original.

9.15. **Exhibits.** The following Exhibits are attached hereto and incorporated as if fully set forth herein:

<u>Exhibit A:</u>	Oakdale and District Apparatuses, Vehicles, and Equipment
<u>Exhibit B:</u>	Oakdale and District Stations
<u>Exhibit C:</u>	Service Boundaries Map for Oakdale and District
<u>Exhibit D:</u>	Fee Payment Schedule (FY19/20-FY21/22)

9.16. **Notices.** All notices required or permitted hereunder shall be deemed sufficiently given if delivered by hand, electronic mail, or by United States mail, postage

prepaid, addressed to the Parties at the addresses set forth below or to such other address as may, from time to time, be designated in writing.

To Oakdale:

Bryan Whitemyer
Oakdale City Manager
280 N. Third Avenue
Oakdale, CA 95361

To City:

Joseph Lopez
Modesto City Manager
1010 10th Street
Modesto, CA 95354

To District:

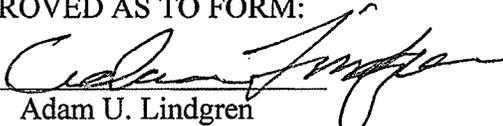
Jane Lopes
District Board President
P.O. Box 932
Oakdale, CA 95361

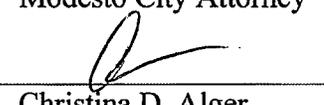
9.17. **Joint Defense/Common Interest.** In the event of a third-party challenge of any type to this Agreement, the Parties agree to jointly defend the validity and implementation of the Agreement.

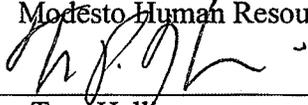
9.18. **Further Obligations.** The Parties recognize that this Agreement cannot represent a complete expression of all issues, which may arise during the performance of this Agreement. Accordingly, the Parties agree to meet and confer in good faith over any issues, challenges, prohibitions, or obligations not expressly described herein to the end that City will be fairly compensated and Oakdale and District will obtain sufficient fire services.

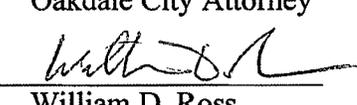
IN WITNESS WHEREOF, the Parties execute this Agreement hereto on the Effective Date.

APPROVED AS TO FORM:

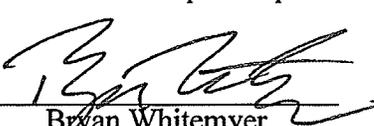
By: 
Adam U. Lindgren
Modesto City Attorney

By: 
Christina D. Alger
Modesto Human Resources Manager (Risk)

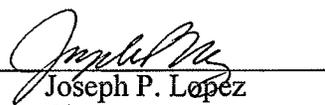
By: 
Tom Hallinan
Oakdale City Attorney

By: 
William D. Ross
District Counsel

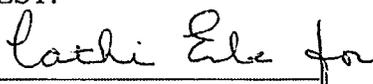
CITY OF OAKDALE,
a California Municipal Corporation

By: 
Bryan Whitemyer
City Manager

CITY OF MODESTO,
a California Municipal Corporation

By: 
Joseph P. Lopez
City Manager

ATTEST:

By: 
Stephanie Lopez
Modesto City Clerk

OAKDALE FIRE PROTECTION DISTRICT,
a California Special District

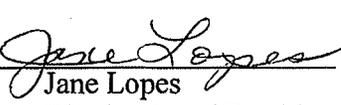
By: 
Jane Lopes
District Board President

EXHIBIT A
Oakdale and District Apparatus, Vehicles, and Equipment

Oakdale

ID	NO	VIN	APPARATUS/VEHICLE
07-01	E-28	4S7AT2C967C056582	ENGINE TYPE 1
06-01	E-27	4S7AT2C987C056583	ENGINE TYPE 1
90-02	E-228	457BT9LO3MC003283	ENGINE TYPE 1
01-01	B-28	1HTAA1724CHB24573	ENGINE TYPE 3
82-01	B-227	B1HTAA1724CHB24573	ENGINE TYPE 3
00-03	R-228	4S7HT8292YCO34227	RESCUE
02-05	U-28	1FTNW21FX3EB15019	UTILITY VEHICLE FORD EXPEDITION
02-06	U-228	1FMPU16LO2LA40263	UTILITY VEHICLE FORD F250
97-01	U-27	2FTFX28L3VCA54473	UTILITY VEHICLE FORD F250
18-02	BOAT 28	XMO74004F515/05511434	AB INFLATABLE
10-02	BOAT 228	BO25PF010	POLARIS BOAT

District

ID	NO	VIN	APPARATUS/VEHICLE
05-01	E-29	4S7CT2D965CO49328	ENGINE TYPE 1
99-04	E-30	4ENRAAA88X1000380	ENGINE TYPE 1
96-01	B-227	1HTLFUGN3FHA31313	ENGINE TYPE 3
87-01	B-22	HTSLNDMXMH339384	ENGINE TYPE 3
03-03	G-30	1FDAF57PX3ECO3161	ENGINE TYPE 6
02-04	G-29	1FDAF57F63EA10349	ENGINE TYPE 6
14-01	WT-27	2NKHLJ9X5EM417025	KENWORTH WATER TENDER
00-03	R-28	4S7HT8292YCO34227	HI TECH RESCUE
06-02	U-23	1GNEK13T26J119609	UTILITY CHEVY TAHOE
99-02	U-30	1GCEK19T1XE100690	UTILITY CHEVY 2500
99-01	U-29	1B7HF13Z1XJ620684	UTILTIY DODGE P/U
09-02	BOAT 29	X22PB909/CF5143XC	POLARIS BOAT

EXHIBIT B
Oakdale and District Stations

Oakdale:

Fire Station 27 – 450 S. Willowwood Drive, Oakdale, CA

Fire Station 28 – 325 E. G Street, Oakdale, CA

Fire Station 28 Training Annex – 325 E. G Street, Oakdale, CA

District:

Fire Station 29 – 1770 Main Street, Knights Ferry, CA

Fire Station 30 – 13200 Valley Home Road, Valley Home, CA

EXHIBIT C
Service Boundaries Map for Oakdale and District

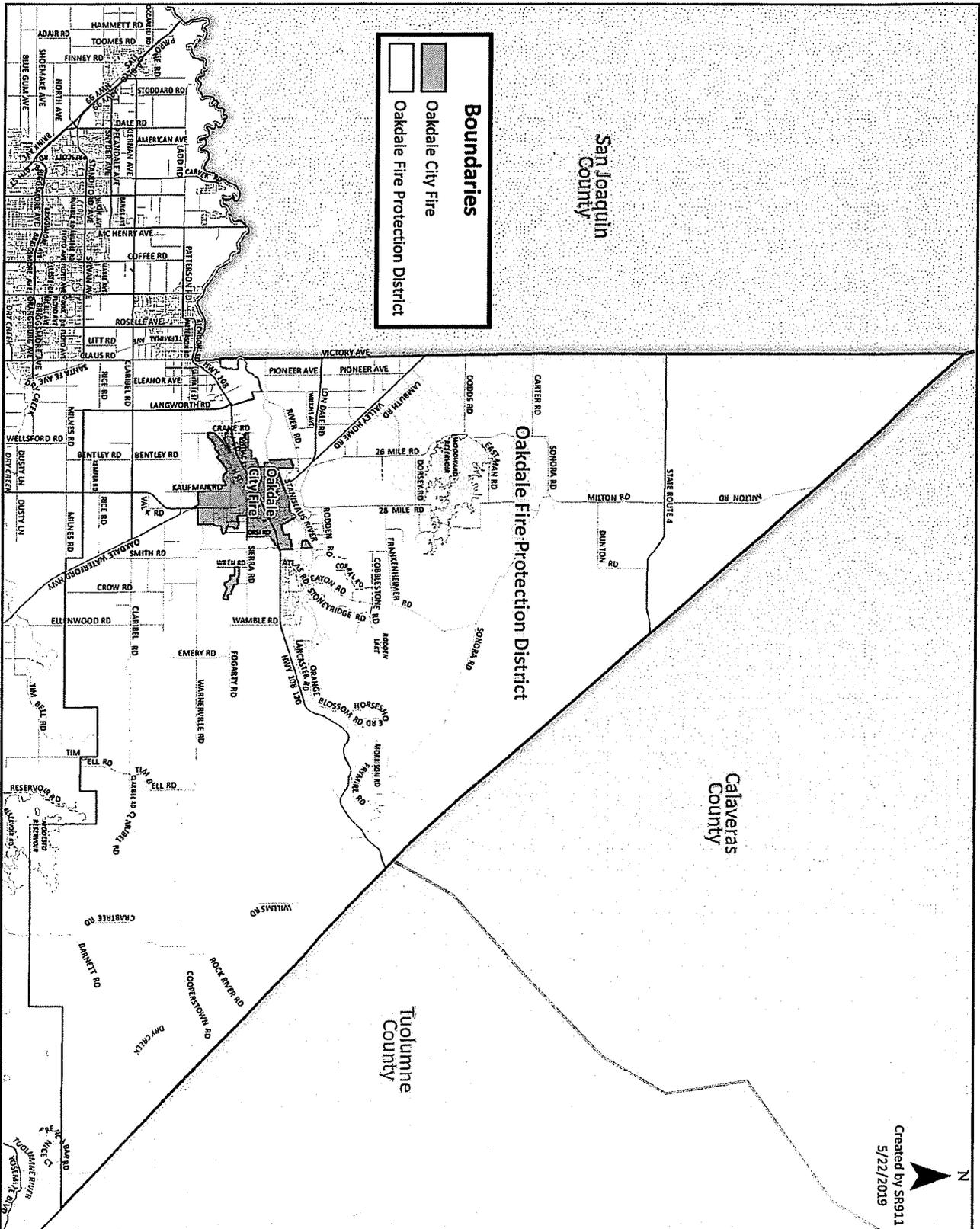


EXHIBIT D
Fee Payment Schedule

FY 2019/2020 Fee Schedule

Total Annual Fee		OFPD		City of Oakdale
\$4,603,568.04		\$1,972,957.73		\$2,630,610.31

Monthly Payments:

Date

7/31/2019	\$164,413.14	\$219,217.53
8/31/2019	\$164,413.14	\$219,217.53
9/30/2019	\$164,413.14	\$219,217.53
10/31/2019	\$164,413.14	\$219,217.53
11/30/2019	\$164,413.14	\$219,217.53
12/31/2019	\$164,413.14	\$219,217.53
1/31/2020	\$164,413.14	\$219,217.53
2/28/2020	\$164,413.14	\$219,217.53
3/31/2020	\$164,413.14	\$219,217.53
4/30/2020	\$164,413.14	\$219,217.53
5/31/2020	\$164,413.14	\$219,217.53
6/30/2020	\$164,413.14	\$219,217.53

Annual Payment

Total:

\$1,972,957.73

\$2,630,610.31

FY 2020/2021 Fee Schedule

Total Annual Fee		OFPD		City of Oakdale
\$4,889,788.62		\$2,095,623.69		\$2,794,164.93

Monthly Payments:

Date

7/31/2020	\$174,635.31	\$232,847.08
8/31/2020	\$174,635.31	\$232,847.08
9/30/2020	\$174,635.31	\$232,847.08
10/31/2020	\$174,635.31	\$232,847.08
11/30/2020	\$174,635.31	\$232,847.08
12/31/2020	\$174,635.31	\$232,847.08
1/31/2021	\$174,635.31	\$232,847.08
2/28/2021	\$174,635.31	\$232,847.08
3/31/2021	\$174,635.31	\$232,847.08
4/30/2021	\$174,635.31	\$232,847.08
5/31/2021	\$174,635.31	\$232,847.08
6/30/2021	\$174,635.31	\$232,847.08

Annual Payment

Total:	\$2,095,623.69	\$2,794,164.93
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FY 2021/2022 Fee Schedule

Total Annual Fee		OFPD		City of Oakdale
\$5,072,706.94		\$2,174,017.26		\$2,898,689.68

Monthly Payments:

Date

7/31/2021	\$181,168.11	\$241,557.47
8/31/2021	\$181,168.11	\$241,557.47
9/30/2021	\$181,168.11	\$241,557.47
10/31/2021	\$181,168.11	\$241,557.47
11/30/2021	\$181,168.11	\$241,557.47
12/31/2021	\$181,168.11	\$241,557.47
1/31/2022	\$181,168.11	\$241,557.47
2/28/2022	\$181,168.11	\$241,557.47
3/31/2022	\$181,168.11	\$241,557.47
4/30/2022	\$181,168.11	\$241,557.47
5/31/2022	\$181,168.11	\$241,557.47
6/30/2022	\$181,168.11	\$241,557.47

Annual Payment

Total:	\$2,174,017.26	\$2,898,689.68
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ATTACHMENT B
City Council Agenda Report

 <p style="text-align: center;">CITY OF MODESTO</p> <p style="text-align: center;">COUNCIL AGENDA REPORT</p>	<p>DATE OF MEETING:</p> <p style="text-align: center;">June 11, 2019</p>
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TO: Mayor and City Council Date: May 24, 2019

THROUGH: Joseph P. Lopez, City Manager

FROM: Alan Ernst, Fire Chief

SUBJECT: Oakdale Contract for Fire Service

CONTACT: Alan Ernst, Fire Chief, aernst@modestofire.com, 209.572.9590

DESCRIPTION:

Consider approving an Agreement to provide fire protection services between the City of Modesto, the City of Oakdale and the Oakdale Fire Protection District for a three-year term, with a two-year extension option; approving the side letter to the Modesto City Fire Firefighters Association Memorandum of Understanding as it relates to the Agreement to provide fire protection services between the City of Modesto, the City of Oakdale and the Oakdale Fire Protection District; and amending the Position Allocation for Fiscal Year 2019-20 as adopted in the operating budget. (Funding Source: General Fund)

STRATEGIC PLAN ELEMENT:

This report supports the Strategic Plan Core Commitment to: "Provide Greater Safer Neighborhoods" and "Provide Healthy Economy and Great Quality of Life."

BACKGROUND:

The City of Oakdale ("Oakdale") and the Oakdale Fire Protection District ("District") are currently in contract for fire protection services with Stanislaus Consolidated Fire Protection District that will expire June 30, 2019. Oakdale and District approached the City of Modesto ("COM") to provide the following services within Oakdale's and District's respective jurisdictional boundaries: fire protection, prevention, suppression services, and related services such as emergency medical services, emergency preparedness, mitigation of hazardous materials incidents, and special operations including, but not limited to, confined space rescue, technical rescue and water rescue.

In 2014, COM, Stanislaus Consolidated Fire Protection District, Ceres Fire Department and the Turlock Fire Department entered into a Resource Sharing Agreement. The Resource Sharing Agreement ensures that the closest emergency equipment is dispatched to each emergency, regardless of jurisdictional boundaries. This Agreement supports the Resource Sharing Agreement.

The Agreement supports the Mayor's 100 Day Strategic Plan recommendations, in that it realizes fiscal efficiencies through contracts for service or consolidations. It also explores new approaches to public safety, as it creates a partnership between neighboring communities to maintain, and potentially increase, a safe environment. In 2016, the 100-Day Committee recommended that COM "work collaboratively with neighboring fire service districts to reduce expenses while maintaining levels of service."

DISCUSSION:

Beginning on July 1, 2019, Oakdale and the District are in urgent need of fire protection services and have requested to contract with COM for such services beyond its current jurisdictional boundaries. In response to the request by both District and Oakdale, staff has conducted an in-depth assessment of the staffing and resources required to support the request as outlined above. It has been determined that additional staffing, as outlined in the Agreement, will consist of two (2) three (3)-person engine companies at Stations 27 and 28, and one (1) two (2)-person engine company at either Station 29 or 30. The additional staffing will require adding twenty-five (25) sworn employees: one (1) battalion chief, nine (9) captains, nine (9) engineers and six (6) firefighters. With the addition of these twenty-five (25) sworn employees, one (1) vacation board will be added to the Modesto City Fire Firefighters Association ("MCFFA") Memorandum of Understanding ("MOU"). Language has been addressed in a side letter of the MCFFA MOU to reflect the staffing and vacation board.

The initial term of the Agreement will be for three years, from July 1, 2019 through June 30, 2022, with the option of an additional two-year extension. All parties hope to collaborate beyond the contract term, ultimately entering into a long-term partnership. Oakdale and District will compensate COM for all services provided, pursuant to the terms and conditions of the Agreement. On May 29th, 2019, Oakdale's City Council and District's Board unanimously approved the Agreement during a joint meeting. They have expressed eagerness to begin collaboration with COM. In order to maintain cooperative, in the event the Agreement is terminated, Oakdale and District intend to offer employment to COM Fire Department personnel affected by such termination.

FISCAL IMPACT:

It is anticipated that this Agreement will generate approximately \$14,566,064 in new revenue to the General Fund over the three-year term. The total anticipated expenses to the general fund in order to perform the duties of the Agreement (including salary and benefits, fleet and facility maintenance, and service and supplies) are approximately \$13,816,064. The net revenue for the three-year term of the Agreement is estimated at approximately \$750,000 and accounts for COM's fire administrative support and COM central services support such as human resources, payroll, purchasing and accounts payable. This Agreement positively impacts the General Fund through the economies of scale from regionalization.

The budget for the new revenues and expenditures that will be coming into the General Fund and the City of Modesto as a result of this agreement will be brought forward for approval by Council as part of the addendum to the Proposed Budget. The Proposed Budget will be heard at a public hearing that is set for June 25, 2019. At this meeting, the Proposed Budget for Fiscal Year 2019-20 and the addendum to the budget, inclusive of this Agreement's impacts, will be heard for Council's consideration and approval.

COMMITTEE RECOMMENDATION:

This item was not reviewed at the Committee level in order to expedite the potential service agreement to provide uninterrupted fire protection services to Oakdale and District.

RECOMMENDED COUNCIL ACTION:

Staff Recommendations:

Resolution approving an Agreement to provide fire protection services between the City of Modesto, the City of Oakdale and the Oakdale Fire Protection District for a three-year term, with a two-year extension option, and authorizing the City Manager, or his designee, to execute the agreement.

Resolution approving the side letter to the Modesto City Fire Firefighters Association Memorandum of Understanding as it relates to the Agreement to provide fire protection services between the City of Modesto, the City of Oakdale and the Oakdale Fire Protection District, and authorizing the City Manager, or his designee, to execute the agreement.

Resolution amending the Position Allocation for Fiscal Year 2019-20 as adopted in the operating budget.

Approved by:

Alan Ernst, Fire Chief

- Attachments:
1. Resolution(s)
2. Side Letter
3. Agreement

ATTACHMENT C
Agreement Resolution

MODESTO CITY COUNCIL
RESOLUTION NO. 2019-270

RESOLUTION APPROVING AN AGREEMENT TO PROVIDE FIRE PROTECTION SERVICES BETWEEN THE CITY OF MODESTO, THE CITY OF OAKDALE AND THE OAKDALE FIRE PROTECTION DISTRICT FOR A THREE-YEAR TERM, WITH A TWO-YEAR EXTENSION OPTION, AND AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE THE AGREEMENT

WHEREAS, the City of Oakdale ("Oakdale") and the Oakdale Fire Protection District ("District") are currently in contract with Stanislaus Consolidated Fire Protection District that will expire June 30, 2019; and

WHEREAS, Oakdale and District approached the City of Modesto ("COM") to provide the following services within Oakdale's and District's jurisdictional boundaries: fire protection, prevention, suppression services, and related services such as emergency medical services, emergency preparedness, mitigation of hazardous materials incidents, and special operations including, but not limited to, confined space rescue, technical rescue and water rescue; and

WHEREAS, the initial term of the Agreement will be for three years, from July 1, 2019 through June 30, 2022, with the option of a two-year extension; and

WHEREAS, Oakdale and District will compensate COM for all services provided, pursuant to the terms and conditions of the Agreement; and

WHEREAS, in the event the Agreement is terminated, Oakdale and District intend to offer employment to COM Fire Department personnel affected by such termination; and

WHEREAS, the Agreement will generate approximately \$14,566,064 in new revenue to the General Fund, with total anticipated expenses at \$13,816,064 and net revenue at \$750,000, over the three-year term.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves an Agreement to provide fire protection services between the City of Modesto, the City of Oakdale and the Oakdale Fire Protection District for a three-year term, with a two-year extension option.

BE IT FURTHER RESOLVED, that the City Manager, or his designee is hereby authorized to execute the Agreement, in a form approved by the City Attorney.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 11th day of June, 2019, by Councilmember Madrigal, who moved its adoption, which motion being duly seconded by Councilmember Grewal, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Ridenour, Mayor Brandvold

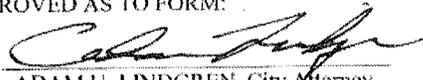
NOES: Councilmembers: None

ABSENT: Councilmembers: Zoslocki

ATTEST: 
STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: 
ADAM U. LINDGREN, City Attorney

ATTACHMENT D
Side Letter

Letter of Understanding

Between

City of Modesto

And

Modesto City Fire Fighters Association, IAFF Local 1289

The City of Modesto, hereby referred to as “City” and the Modesto Professional Firefighters, IAFF Local 1289, hereby referred to as “Union” execute this Letter of Understanding (“LOU”) on this 11th day of June 2019 regarding the following:

The City and the Union agree effective June 11, 2019 and for the term of the contract of Fire Protection Services with the City of Oakdale and the Oakdale Fire Protection District:

Article 18. MINIMUM STAFFING POLICY

1. Effective July 1, 2019 Article 18 Section A is amended to allow two (2) employees per engine company (Captain/Engineer) assigned to Oakdale Fire Protection District Station 29 (Knights Ferry) or Station 30 (Valley Home).
2. The parties recognize the extenuating circumstances of The Contract for Service Agreement between the City, Oakdale Fire Department, and the Oakdale Fire Protection District. Particularly, the time restraints associated with said agreement.
3. The Union is not now; nor will it enter into any future discussions with the City, in support of 2-0 staffing on any apparatus that Modesto Fire Department personnel staff. Regardless, it is solely because of the extenuating circumstances aforementioned, that the Union enters into this LOU.
4. Reserve, intern, or any unsworn person shall not supplement or replace staffing on any apparatus staffed with Modesto Fire Department personnel.
5. It shall be the intent of the City of Modesto to obtain 3-0 staffing for any and all 2-0 apparatus staffed with Modesto Fire Department personnel as soon as administratively and financially possible. Furthermore, LOCAL 1289 requests that staffing levels at Station 29 and or Station 30 be discussed at any and all bi-annual Review of Service and, or any and all Advisory Committee meetings; as outlined in Article IV Section 4.2 of the Agreement to Provide Fire Protection Services Between the City of Modesto, The City of Oakdale, and The Oakdale Fire Protection District.

Article 26. PROBATION

1. Lateral Firefighters, Engineers, and Captains hired through a contract for fire services shall serve a twelve (12) month probationary period and are exempt from the minimum four (4) weeks of training and competency test.

Article 32. VACATION

1. For the term of the contract of Fire Protection Services with the City of Oakdale and the Oakdale Fire Protection District, the number of vacation boards shall be five (5) with the exemption of all holidays listed in Article 30 where the available vacation boards shall be six (6)
2. Lateral Firefighters, Engineers, and Captains hired through a contract for fire services may have annual vacation time credited in advance, although all of the time may not be earned at the time the vacation starts.

This Letter of Understanding shall become effective upon ratification by the effective membership of the Union and by the Modesto City Council.

CITY OF MODESTO

By: _____ Dated: _____

MODESTO FIREFIGHTERS, IAFF Local 1289

By: _____ Dated: _____

ATTACHMENT E
Side Letter Resolution

MODESTO CITY COUNCIL
RESOLUTION NO. 2019-271

**RESOLUTION APPROVING THE SIDE LETTER TO THE MODESTO CITY
FIRE FIREFIGHTERS ASSOCIATION MEMORANDUM OF
UNDERSTANDING AS IT RELATES TO THE AGREEMENT TO PROVIDE
FIRE PROTECTION SERVICES BETWEEN THE CITY OF MODESTO, THE
CITY OF OAKDALE AND THE OAKDALE FIRE PROTECTION DISTRICT,
AND AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO
EXECUTE THE AGREEMENT**

WHEREAS, the current Memorandum of Understanding (MOU) between the City of Modesto (CITY) and the Modesto Fire Fighters Association (MCFFA) expires on June 30, 2021, and

WHEREAS, representatives of the CITY and the MCFFA have met and conferred in good faith concerning vacation boards and minimum staffing, and

WHEREAS, the CITY and MCFFA have reached agreement on language changes for a Letter of Agreement (LOA) which, upon execution, shall be **attached** hereto and made a part hereof, and

WHEREAS, the LOA provides as follows:

ARTICLE 32, VACATION, SECTION (J) of the MOU is amended to provide the number of vacation shifts boards available per work shift shall be five (5) with the exception of all holidays listed in Article 30 where the available vacation boards shall be six (6), and

ARTICLE 18, MINIMUM STAFFING POLICY, SECTION (A) of the MOU is amended to provide Effective upon adoption of this agreement by the City Council, there shall be a minimum of three (3) employees per engine (Captain/Engineer/Firefighter), four (4) employees per non-tiller truck company per shift (Captain/Engineer/2 Firefighters), four (4) employees per tiller truck (Captain/2 Engineers/Firefighter) and

two (2) employees per Crash Fire Rescue (Captain/Engineer) and two (2) employees per engine company (Captain/Engineer) assigned to Oakdale Fire Protection District Stations 29 (Knights Ferry) or 30 (Valley Home). The airport/crash rescue unit may be unstaffed. Prior to implementing any reduction in force from daily staffing levels that are in effect at the time of adoption of this contract and/or any changes to the City's current delivery platform, the City shall provide notice to MCFFA and meet and confer over the proposed change, and

ARTICLE 26. PROBATION, Lateral Firefighters, Engineers, and Captains hired through a contract for fire services shall serve a twelve (12) month probationary period and are exempt from the minimum four (4) weeks of training and competency test, and

WHEREAS, this contract amendment shall become effective upon ratification by the MCFFA and adoption by the City Council.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that the Council hereby approves the side letter to the Modesto City Fire Firefighters Association Memorandum of Understanding as it relates to the Agreement to provide fire protection services between the City of Modesto, the City of Oakdale and the Oakdale Fire Protection District.

BE IT FURTHER RESOLVED by the Council of the City of Modesto that the City Manager or designee is hereby authorized to execute the agreement.

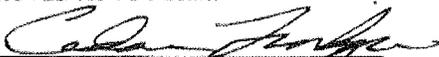
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 11th day of June, 2019, by Councilmember Madrigal, who moved its adoption, which motion being duly seconded by Councilmember Grewal, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Ridenour,
Mayor Brandvold
NOES: Councilmembers: None
ABSENT: Councilmembers: Zoslocki

ATTEST: 
STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: 
ADAM U. LINDGREN, City Attorney

ATTACHMENT F
Position Allocation Resolution

MODESTO CITY COUNCIL
RESOLUTION NO. 2019-272

**RESOLUTION AMENDING THE POSITION ALLOCATION FOR FISCAL
YEAR 2019-20 AS ADOPTED IN THE OPERATING BUDGET**

WHEREAS, per Personnel Administrative Order 2.2-87-12, a classification study may be conducted in response to a reclassification request, to develop/revise a classification specification, or to assist in a reorganization; and

WHEREAS, classifications are being added to support a contract for fire services with the City of Oakdale and the Oakdale Fire Protection District; and

WHEREAS, position changes will be effective the pay period in which July 1, 2019 falls, (Pay Period beginning June 25, 2019).

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves amending the Position Allocation and the Fiscal Year 2019-20 Operating Budget for various departments as follows:

1. Create one (1) Battalion Chief, nine (9) Fire Captains, nine (9) Fire Engineers, and seven (7) Firefighters in the Modesto Fire Department.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 11th day of June, 2019, by Councilmember Madrigal, who moved its adoption, which motion being duly seconded by Councilmember Grewal, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Ridenour, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: Zoslocki

ATTEST: 
STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: 
ADAM U. LINDGREN, City Attorney

ATTACHMENT G
Alternative Plan

Oakdale Fire – Plan B Option

In the event Plan A – Maintaining a Contract for services with SCFPD ends with a termination date of 6/30 or 12/31 or Plan C – Contract with Modesto is not selected, we need to be prepared for continuation of services without interruption. This plan is designed as the City being the Contractor and the ORFPD contracting to the City for Services.

This plan is based on a 56 hour work week; however, we are currently exploring a 72 hour work week where FF's work 12 days per month, paid regular time for all 72 plus half time (FLSA) for hours over 53 or 19 hours per pay period. You need less FF's total to cover same staffing levels as today.

As a contingency plan the following have been drafted:

1. An MOU based on a 56 hour work week, some focus points are:
 - a. Developed utilizing the SCFPD MOU, Past OFD MOU, OPOA MOU, history and knowledge base.
 - b. Drafted with the expectation that the FF's Association will seek representation during the life of the contract. The FF's entering will be a non-represented group until then.
 - c. Drafted with the expectation that staffing will be mostly by Lateral Recruits from SCFPD and carry with them seniority and benefits as long term employees.
 - d. Fitness for duty is a standard for entering the agency but often is not a continued requirement for employment. Within this draft MOU it is a requirement without a pay incentive to maintain the physical condition needed to perform the job. Section 2.04 with NWCG 310-1 guidelines. Note: The language in this section may need to be softened but the intent should not change. Language should be added which includes the City providing professional assistance to the FF helping him/her return to duty in good physical and mental health.
 - i. This test would also be used for a fit for duty evaluation after an injury or illness when applicable.
 - e. Sick leave is fully funded within the cost analysis and time provided (144 hrs annually) is an industry standard. Attached is a Sick Leave worksheet.
 - f. Holiday Time is fully funded and designed to be paid out per pay period and not made available for time off reducing OT expense. The time allotted is an industry standard. Attached is a Holiday time worksheet.
 - g. Salary was based on an informal salary survey (attached) and set at 5% below the Oakdale Police Department salary schedule. The cost analysis is based on the highest level in each position (maximum cost to the agency). It is common for

FF's to be paid less than Police Officers in most Cities. I did not do a survey to determine the percentage less.

- h. Many of the components are mirrored from the OPOA's MOU as they will be managed by the same agency (City)
 - i. Retirement – Employees pay one percent of the City's PERS rate now and one additional percent within the contract term (mirrored OPOA).
 - j. The MOU identifies that the agency is a Combination Career, Paid Reserve/Intern, Volunteer, Fire Department. Section 10.06
 - k. This MOU does not provide a pay incentive for Water Rescue Technician and EMT as these should be included in the job descriptions as requirements of the positions.
 - l. Extensive review by legal council (will everything within the MOU stand up in court if challenged?) is recommend. Suggest tabling until an option is selected.
 - m. Review by HR and CM is needed. Recommend not dedicating the time until an option is selected. Are there any conflicts with the City's Merit Rules? Is this MOU meeting expectations of the City? Are there any hidden costs not identified?
2. Attached is a draft salary/benefit cost analysis. This is a draft used to identify the cost for comparison purposes with the current cost of SCFPD. The components of the worksheet should be adjusted as determined best by the CM and possibly a District representative. This includes all immediate and long-term costs associated with each position. Based on:
- a. Highest step in position
 - b. Fully funding Sick and Vacation leave time
 - c. Holiday time is fully funded and paid out per pay period
 - d. A 5% UAL is included – Not sure if this is an accurate rate to be charged
 - e. The incentives for Bi-lingual and BA Degree are not included as very few FF's will realize these; however, they are available. Minimal cost to the City/District
 - f. The signature lines in the MOU include a line for ORFPD representation, providing that seat at the table and involvement.
 - g. A modified version can be developed to more closely compare between OFD and SCFPD. This would be without Holiday/Sick/Vacation/ and 5% UAL.
3. Currently in process is capturing SCFPD's Job Descriptions and Standard Operating Procedures in Word data format. This will allow us to streamline the modifications and development of same documents for the OFD.
4. An administration model has yet to be developed. Modesto Fire is not interested in Administration for an Oakdale Workforce. MFD is interested in a full contract for service.
5. This Option and any other should include a:
- a. Volunteer FF Program providing a much needed Community service for VH & KF with an option open for Oakdale.

- b. Paid Reserve – Intern program filling staffing needs where funding for FTE's is not available
 - c. All programs should be developed based on skill levels and training requirements not paid or volunteer status. It is expected that all programs can be successful with the proper support from the Career staff and Leadership (FC).
6. It is important to take into consideration the Operational Response Component. Today Oakdale's are three stations in a 28 station response program MCST. If we are separated from SCFPD or not engaged in a contract with MFD then we will only be a three station organization. Mutual aid and automatic aid are not guaranteed.

It has been a bit challenging to determine the best means to identify total position cost to the City for immediate and long-term impacts with PERS and time accrual. Our costs per position is greater than what is current being charged by SCFPD. Our OT should be much less even if we do not have any vacation cards (Relief Position) built in and all absences are filled using OT.

EXHIBIT C

Government Code Section 56134

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Government Code Section 56134

- (a) (1) For the purposes of this section, “fire protection contract” means a contract or agreement for the exercise of new or extended fire protection services outside a public agency’s jurisdictional boundaries, as authorized by Chapter 4 (commencing with Section 55600) of Part 2 of Division 2 of Title 5 of this code or by Article 4 (commencing with Section 4141) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code, except those contracts entered into pursuant to Sections 4143 and 4144 of the Public Resources Code, that does either of the following:
- (A) Transfers responsibility for providing services in more than 25 percent of the area within the jurisdictional boundaries of any public agency affected by the contract or agreement.
 - (B) Changes the employment status of more than 25 percent of the employees of any public agency affected by the contract or agreement.
- (2) A contract or agreement for the exercise of new or extended fire protection services outside a public agency’s jurisdictional boundaries, as authorized by Chapter 4 (commencing with Section 55600) of Part 2 of Division 2 of Title 5 of this code or Article 4 (commencing with Section 4141) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code, except those contracts entered into pursuant to Sections 4143 and 4144 of the Public Resources Code, that, in combination with other contracts or agreements, would produce the results described in subparagraph (A) or (B) of paragraph (1) shall be deemed a fire protection contract for the purposes of this section.
- (3) For the purposes of this section, “jurisdictional boundaries” shall include the territory or lands protected pursuant to a fire protection contract entered into on or before December 31, 2015. An extension of a fire protection contract entered into on or before December 31, 2015, that would produce the results described in subparagraph (A) or (B) of paragraph (1) shall be deemed a fire protection contract for the purposes of this section.
- (b) Notwithstanding Section 56133, a public agency may provide new or extended services pursuant to a fire protection contract only if it first requests and receives written approval from the commission in the affected county pursuant to the requirements of this section.
- (c) A request by a public agency for commission approval of new or extended services provided pursuant to a fire protection contract shall be made by the adoption of a resolution of application as follows:
- (1) In the case of a public agency that is not a state agency, the application shall be initiated by the adoption of a resolution of application by the legislative body of the public agency proposing to provide new or extended services outside the public agency’s current jurisdictional boundaries.
 - (2) In the case of a public agency that is a state agency, the application shall be initiated by the director of the state agency proposing to provide new or extended services outside the agency’s current jurisdictional boundaries and be approved by the Director of Finance.

- (3) In the case of a public agency that is a local agency currently under contract with a state agency for the provision of fire protection services and proposing to provide new or extended services by the expansion of the existing contract or agreement, the application shall be initiated by the public agency that is a local agency and be approved by the Director of Finance.
- (d) The legislative body of a public agency or the director of a state agency shall not submit a resolution of application pursuant to this section unless both of the following occur:
 - (1) The public agency does either of the following:
 - (A) Obtains and submits with the resolution a written agreement validated and executed by each affected public agency and recognized employee organization that represents firefighters of the existing and proposed service providers consenting to the proposed fire protection contract.
 - (B) Provides, at least 30 days prior to the hearing held pursuant to paragraph (2), written notice to each affected public agency and recognized employee organization that represents firefighters of the existing and proposed service providers of the proposed fire protection contract and submits a copy of each written notice with the resolution of application. The notice shall, at minimum, include a full copy of the proposed contract.
 - (2) The public agency conducts an open and public hearing on the resolution, conducted pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5) or the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2), as applicable.
- (e) A resolution of application submitted pursuant to this section shall be submitted with a plan which shall include all of the following information:
 - (1) The total estimated cost to provide the new or extended fire protection services in the affected territory.
 - (2) The estimated cost of the new or extended fire protection services to customers in the affected territory.
 - (3) An identification of existing service providers, if any, of the new or extended services proposed to be provided and the potential fiscal impact to the customers of those existing providers.
 - (4) A plan for financing the exercise of the new or extended fire protection services in the affected territory.
 - (5) Alternatives for the exercise of the new or extended fire protection services in the affected territory.
 - (6) An enumeration and description of the new or extended fire protection services proposed to be extended to the affected territory.
 - (7) The level and range of new or extended fire protection services.

- (8) An indication of when the new or extended fire protection services can feasibly be extended to the affected territory.
 - (9) An indication of any improvements or upgrades to structures, roads, sewer or water facilities, or other conditions the public agency would impose or require within the affected territory if the fire protection contract is completed.
 - (10) A determination, supported by documentation, that the proposed fire protection contract meets the criteria established pursuant to subparagraph (A) or (B) of paragraph (1) or paragraph (2), as applicable, of subdivision (a).
- (f) The applicant shall cause to be prepared by contract an independent fiscal analysis to be submitted with the application pursuant to this section. The analysis shall review and document all of the following:
- (1) A thorough review of the plan for services submitted by the public agency pursuant to subdivision (e).
 - (2) How the costs of the existing service provider compare to the costs of services provided in service areas with similar populations and of similar geographic size that provide a similar level and range of services and make a reasonable determination of the costs expected to be borne by the public agency providing new or extended fire protection services.
 - (3) Any other information and analysis needed to support the findings required by subdivision (j).
- (g) The clerk of the legislative body of a public agency or the director of a state agency adopting a resolution of application pursuant to this section shall file a certified copy of the resolution with the executive officer.
- (h) (1) The executive officer, within 30 days of receipt of a public agency's request for approval of a fire protection contract, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request does not comply with the requirements of subdivision (d), the executive officer shall determine that the request is incomplete. If a request is determined incomplete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete.
- (2) The commission shall approve, disapprove, or approve with conditions the contract for new or extended services following the hearing at the commission meeting, as provided in paragraph (1). If the contract is disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.
- (i) (1) The commission shall not approve an application for approval of a fire protection contract unless the commission determines that the public agency will have sufficient revenues to carry

out the exercise of the new or extended fire protection services outside its jurisdictional boundaries, except as specified in paragraph (2).

- (2) The commission may approve an application for approval of a fire protection contract where the commission has determined that the public agency will not have sufficient revenue to provide the proposed new or different functions or class of services, if the commission conditions its approval on the concurrent approval of sufficient revenue sources pursuant to Section 56886. In approving a proposal, the commission shall provide that, if the revenue sources pursuant to Section 56886 are not approved, the authority of the public agency to provide new or extended fire protection services shall not be exercised.
- (j) The commission shall not approve an application for approval of a fire protection contract unless the commission determines, based on the entire record, all of the following:
- (1) The proposed exercise of new or extended fire protection services outside a public agency's jurisdictional boundaries is consistent with the intent of this division, including, but not limited to, the policies of Sections 56001 and 56300.
 - (2) The commission has reviewed the fiscal analysis prepared pursuant to subdivision (f).
 - (3) The commission has reviewed any testimony presented at the public hearing.
 - (4) The proposed affected territory is expected to receive revenues sufficient to provide public services and facilities and a reasonable reserve during the three fiscal years following the effective date of the contract or agreement between the public agencies to provide the new or extended fire protection services.
- (k) At least 21 days prior to the date of the hearing, the executive officer shall give mailed notice of that hearing to each affected local agency or affected county, and to any interested party who has filed a written request for notice with the executive officer. In addition, at least 21 days prior to the date of that hearing, the executive officer shall cause notice of the hearing to be published in accordance with Section 56153 in a newspaper of general circulation that is circulated within the territory affected by the proposal proposed to be adopted and shall post the notice of the hearing on the commission's Internet Web site.
- (l) The commission may continue from time to time any hearing called pursuant to this section. The commission shall hear and consider oral or written testimony presented by any affected local agency, affected county, or any interested person who appears at any hearing called and held pursuant to this section.
- (m) This section shall not be construed to abrogate a public agency's obligations under the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1).

(Amended by Stats. 2016, Ch. 165, Sec. 1. (AB 2910) Effective January 1, 2017.)

EXHIBIT D

Draft LAFCO Resolution No. 2019-20

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**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: December 4, 2019

NO. 2019-20

SUBJECT: LAFCO APPLICATION NO. 2019-10 - CITY OF MODESTO FIRE SERVICE CONTRACT WITH THE CITY OF OAKDALE AND OAKDALE RURAL FIRE PROTECTION DISTRICT

On the motion of Commissioner _____, seconded by Commissioner _____, and approved by the following:

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

THE FOLLOWING RESOLUTION WAS ADOPTED:

WHEREAS, the City of Modesto, by resolution of application, has submitted a request for approval of a contract for the provision of fire services outside the City’s jurisdictional boundaries to the City of Oakdale and the Oakdale Rural Fire Protection District;

WHEREAS, pursuant to Government Code Section 56134(e) and 56134(f), the City of Modesto also prepared and submitted a plan for services and independent fiscal analysis with its application;

WHEREAS, the area to be served is located outside the current city limits and sphere of influence of the City of Modesto;

WHEREAS, the application for review of a fire service contract is considered exempt from the California Environmental Quality Act pursuant to the General Rule, Section 15061(b)(3) as it can be seen with certainty that there will be no significant effect on the environment;

WHEREAS, the Commission has, in evaluating the proposal, considered the report submitted by the Executive Officer, the plan for services and fiscal analysis prepared by the City of Modesto, consistency with California Government Code Section 56134, and the Commission’s adopted policies, and all testimony and evidence presented at the meeting held on December 4, 2019.

NOW, THEREFORE, BE IT RESOLVED that this Commission:

1. Finds that the fire protection service contract is consistent with the Commission’s adopted policies, the overall intent of LAFCO, and California Government Code Section 56134.
2. Finds that the fire protection service contract is exempt pursuant to the California Environmental Quality Act.
3. Approves the City of Modesto’s proposed contract to provide fire services to the City of

Oakdale and Oakdale Rural Fire Protection District, as requested.

4. Directs the Executive Officer to forward a copy of this resolution to the City of Modesto.

ATTEST: _____
Sara Lytle-Pinhey, Executive Officer