



**STANISLAUS LAFCO
LOCAL AGENCY FORMATION COMMISSION**

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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, January 22, 2020
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 December 4, 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.
- C. "In the News."

5. DECLARATION OF CONFLICTS AND DISQUALIFICATIONS

6. CONSENT ITEMS

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

A. **MID-YEAR BUDGET REPORT FOR FISCAL YEAR 2019-2020.** (Staff Recommendation: Receive and File Report.)

B. **ANNUAL CITY ANNEXATION SUMMARY.** (Staff Recommendation: Receive and File Report.)

C. **MUNICIPAL SERVICE REVIEW NO. 2019-06 AND SPHERE OF INFLUENCE UPDATE NO. 2019-07 – DENAIR AND KEYES COMMUNITY SERVICES DISTRICTS.** The Commission will consider the adoption of a Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Denair and Keyes 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. 2019-22.)

7. PUBLIC HEARING

None.

8. OTHER BUSINESS

A. **RESULTS OF THE PROTEST HEARING AND APPROVAL OF IMPARTIAL ANALYSIS FOR THE NORTHWEST NEWMAN PHASE I REORGANIZATION TO THE CITY OF NEWMAN.** (Staff Recommendation: Authorize the Executive Officer to submit an impartial analysis for an election to be called by the City of Newman for the Northwest Newman Phase I Reorganization to the City of Newman.)

B. **ANNUAL ELECTION OF OFFICERS.** (Staff Recommendation: Appoint a Chairperson and Vice-Chairperson and adopt Resolution No. 2020-01a and 2020-01b.)

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 March 25, 2020.

B. Adjourn.

LAFCO Disclosure Requirements

Disclosure of Campaign Contributions: If you wish to participate in a LAFCO proceeding, you are prohibited from making a campaign contribution of more than \$250 to any commissioner or alternate. This prohibition begins on the date you begin to actively support or oppose an application before LAFCO and continues until three months after a final decision is rendered by LAFCO. No commissioner or alternate may solicit or accept a campaign contribution of more than \$250 from you or your agent during this period if the commissioner or alternate knows, or has reason to know, that you will participate in the proceedings. If you or your agent have made a contribution of more than \$250 to any commissioner or alternate during the twelve (12) months preceding the decision, that commissioner or alternate must disqualify himself or herself from the decision. However, disqualification is not required if the commissioner or alternate returns the campaign contribution within thirty (30) days of learning both about the contribution and the fact that you are a participant in the proceedings.

Lobbying Disclosure: Any person or group lobbying the Commission or the Executive Officer in regard to an application before LAFCO must file a declaration prior to the hearing on the LAFCO application or at the time of the hearing if that is the initial contact. Any lobbyist speaking at the LAFCO hearing must so identify themselves as lobbyists and identify on the record the name of the person or entity making payment to them.

Disclosure of Political Expenditures and Contributions Regarding LAFCO Proceedings: If the proponents or opponents of a LAFCO proposal spend \$1,000 with respect to that proposal, they must report their contributions of \$100 or more and all of their expenditures under the rules of the Political Reform Act for local initiative measures to the LAFCO Office.

LAFCO Action in Court: All persons are invited to testify and submit written comments to the Commission. If you challenge a LAFCO action in court, you may be limited to issues raised at the public hearing or submitted as written comments prior to the close of the public hearing. All written materials received by staff 24 hours before the hearing will be distributed to the Commission.

Reasonable Accommodations: In compliance with the Americans with Disabilities Act, hearing devices are available for public use. If hearing devices are needed, please contact the LAFCO Clerk at 525-7660. Notification 24 hours prior to the meeting will enable the Clerk to make arrangements.

Alternative Formats: If requested, the agenda will be made available in alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 USC 12132) and the Federal rules and regulations adopted in implementation thereof.

Notice Regarding Non-English Speakers: Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedure Section 185 which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the Local Agency Formation Commission shall be in English and anyone wishing to address the Commission is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.



STANISLAUS LOCAL AGENCY FORMATION COMMISSION

MINUTES

December 4, 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
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: Jim DeMartini, Vice Chair, County Member
Terry Withrow, County Member
Vito Chiesa, Alternate County Member

2. PUBLIC COMMENT

Margaret Countryman, a resident of the City of Modesto, spoke in regard to a zoning code issue in her neighborhood.

3. APPROVAL OF MINUTES

- A. Minutes of the October 23, 2019 Meeting.

Motion by Commissioner Bublak, seconded by Commissioner Berryhill and carried with a 3-0 vote to approve the Minutes of the October 23, 2019 meeting by the following vote:

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

4. CORRESPONDENCE

A. Specific Correspondence.

None.

B. Informational Correspondence.

1. 2019 CALAFCO Annual Conference Report.

2. 2020 CALAFCO Events Calendar.

C. "In the News"

5. DECLARATION OF CONFLICTS AND DISQUALIFICATIONS

None.

6. CONSENT ITEMS

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

Motion by Commissioner Bublak, seconded by Commissioner Berryhill and carried with a 3-0 vote to adopt the 2020 Work Program, by the following vote:

Ayes: Commissioners: Berryhill, Bublak, and Van Winkle

Noes: Commissioners: None

Ineligible: Commissioners: Hawn and O'Brien

Absent: Commissioners: Chiesa and Withrow

Abstention: Commissioners: None

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.)

Motion by Commissioner Bublak, seconded by Commissioner Berryhill and carried with a 3-0 vote to approve the update and Resolution No. 2019-21, by the following vote:

Ayes: Commissioners: Berryhill, Bublak, and Van Winkle

Noes: Commissioners: None

Ineligible: Commissioners: Hawn and O'Brien

Absent: Commissioners: Chiesa and Withrow

Abstention: Commissioners: None

7. PUBLIC HEARINGS

- 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.)

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

Chair Van Winkle opened the Public Hearing at 6:21 p.m.

Jim Robinson, a property owner within the proposed annexation, asked for clarification. Kevin Kaufman, Water Consultant for Eastside Water District, answered his and the Commission's questions.

Chair Van Winkle closed the Public Hearing at 6:25 p.m.

Motion by Commissioner Bublak, seconded by Commissioner Berryhill, and carried with a 3-0 vote to adopt Resolution No. 2019-17 approving the proposal, by the following vote:

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

- 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.)

Sara Lytle-Pinhey, Executive Officer, presented the item with a recommendation of approval.

Chair Van Winkle opened the Public Hearing at 6:30 p.m.

Bryan Whitemyer, Oakdale City Manager, answered questions of the Commission.

Chair Van Winkle closed the Public Hearing at 6:38 p.m.

Motion by Commissioner Berryhill, seconded by Commissioner Bublak, and carried with a 3-0 vote to adopt Resolution No. 2019-20 approving the proposal, by the following vote:

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

- Staff will be holding a Protest Hearing for the Northwest Newman Phase I application on December 19th. Staff will report back to the Commission on the outcome at the January meeting.
- The January meeting will mostly be a business meeting with election of officers, mid-year budget report and an annexation summary.

12. ADJOURNMENT

A. Chair Van Winkle adjourned the meeting at 6:47 p.m.

NOT YET APPROVED

Sara Lytle-Pinhey, Executive Officer

CORRESPONDENCE – IN THE NEWS

Newspaper Articles

- Westside Index, November 27, 2019, “Invasive mosquito will require new control measures.”
- Patterson Irrigator, November 27, 2019, “Planning Commission has questions about proposed reservoir, gets Sperry interchange update, more.”
- The Modesto Bee, December 17, 2019, “‘A geological and natural treasure.’ Would Stanislaus County dam put the area at risk?”
- The Ceres Courier, December 19, 2019, “Whitmore Avenue to be improved in \$1.9 million project.”
- Patterson Irrigator, December 19, 2019, “Reservoir proponents offer compromise.”

Invasive mosquito will require new control measures

NEWMAN - The district which conducts mosquito control operations on the western side of Stanislaus County will be taking a new approach in Newman next spring in light of the discovery of invasive mosquitoes in the community.

David Heft, general manager of the Turlock Mosquito Abatement District, updated the Newman City Council earlier this fall on district operations - a presentation which included reports on the invasive mosquito species discovered in Newman this summer.

The aedes aegypti mosquitoes are a health concern because the species can carry viruses such as Zika, Heft said, and are a nuisance because they are active in the daytime, live in close quarters with humans and are aggressive biters.

The diseases carried by the invasive mosquitoes are not present locally, Heft said, but could be introduced by people who are infected while traveling.

"When you have a mosquito here that can carry those diseases, all it takes is for somebody to come back infected and get bitten by one of these mosquitoes," he explained.

They can pose a quality of life issue as well, as their populations can increase exponentially if left unchecked.

"They will quickly take over and build up to levels that are extremely irritating," Heft remarked. "People won't be able to sit out in their back yards or by the pool. These are out in the middle of the day and they are very aggressive."

So far, Heft said, the invasive mosquitoes have been primarily been detected in Newman east of Highway 33, where they have turned up in numerous traps - but in low numbers.

"We have only collected one trap on the west side (of the highway), and that trap only had one mosquito," he explained. "In all those traps, the most we have caught is four, which is a very low level. We want to try to keep it at that level. Once it gets out of the bag, they are getting 100 or 200 mosquitoes per trap."

But fighting the invasive mosquitoes is a challenge because they are active when humans, bees and other animals are active.

Equipment similar to that currently used to fog neighborhoods through ground application will be used starting next spring, Heft told the council.

That device will deploy a small amount of microscopic droplets that will float in the air - and eventually settle into anything that might be holding water. The material is a bacteria found naturally in the soil, Heft noted.

That material contrasts from typical sprays in that the purpose is for it to settle to the ground and kill larva. The material used for native mosquitoes is designed to float in the air and kill adult mosquitoes as they fly, Heft noted.

"It is not as efficient, but it avoids us having to go from back yard to back yard, which we really don't have the staff to do," he said of the new approach to battling the invasive mosquitoes.

The two sprays do not have mutually exclusive benefits, Heft added, as that which will be used against the invasive species will also help keep native mosquito populations in check.

"It is not harmful to other animals, pets or people," Heft stated. "It is something that we can put out that is not going to harm the environment or anybody."

He said the district also plans to begin using drones to apply chemicals.

Mosquito control agencies are the only ones in the state authorized to use drones for such a purpose, he added.

“This allows us to be much more targeted and to get to areas that we can’t reach or are too small (to use aircraft for application). This is an important tool that we will be using in the future,” Heft stated. “If we have a small neighborhood that we wanted to treat, we could use the drone to fly at a low level.”

As the winter months arrive, Heft said, the district is shifting into preparation mode for next year’s campaign against mosquitoes - with the newly-discovered invasive species requiring a fresh strategy in the annual eradication efforts.

Planning Commission has questions about proposed reservoir, gets Sperry interchange update, more

Several members of the Planning Commission last Thursday expressed concerns about the proposed Del Puerto Canyon Reservoir project – both about the project itself, and that they have not been given an opportunity to meet with the organizers to discuss it. A joint meeting with the Planning Commission and the City Council was scheduled at one point, but was cancelled.

Director of Community Development David James said that staff had been “trying to get a joint meeting,” but added that “because they have a big consulting team, we didn’t want them to have to organize everybody twice. But then the council had some second thoughts about the perception of having a specific meeting for the city...”

However, a number of public meetings will be scheduled, he said, at which the project will be discussed in detail, so city officials decided to forego a joint meeting. Planning commissioners and councilmembers can attend, without concern of a Brown Act issue, James said. A list of meetings should be ready in early December.

Commission Chair Ron West asked about recreation at the proposed reservoir.

“For the moment,” James said, “they’re thinking it wouldn’t really have much of a recreational component.”

“That’s one reason I wanted them to come and talk to us,” West said, adding that he’s “not happy” that project organizers will not be meeting with the commission. “That’s awfully close to us.”

He also expressed concern that the water in the reservoir would be diverted from replenishing the city’s groundwater supply.

West also questioned where the dirt to build the 200-foot dam for the project would come from, and whether it would be trucked through town. He added that he’s been asking questions “for months,” and has not received answers.

Commissioner Eric Bendix expressed concern that the project “would now put us in a dam failure inundation zone, like a good part of Modesto is. This is gonna be a major issue, and it’s an earthen dam,” he said.

James pointed out that the impact on the area both during construction and after the project is completed will have to be considered as part of the project’s Environmental Impact Report (EIR).

Commissioner Titus Linares pointed out that the project will be built “at higher elevations than our city... It’s crucially important that we have a say.”

“The water filling that dam has gotta get pumped out of that canal,” Commissioner Lynn Apland said. “Del Puerto Creek, in 500 years, wouldn’t even fill 10 percent of what this project (will hold).”

I-5 / Sperry Interchange improvements

The community’s commuters and other travelers will no doubt be interested, but probably not thrilled, to hear the latest developments on the I-5 / Sperry Avenue interchange.

Because the interchange is outside city limits, Andrews explained, the county is the lead agency, and is working with CalTrans. The city is involved in the discussions, “and we push it along as best we can, which is a challenge.” The ultimate upgrade is in the Project Approval and Environmental Documentation stage with CalTrans, with some distance to go before permits for construction can be issued.

IN THE NEWS – Patterson Irrigator, November 27, 2019 (Continued)

"The city keeps pushing... to get traction on that," Andrews said, "and I don't know why CalTrans doesn't feel like that's an emergency, when we have traffic backing up on the freeway. It's slow going, but we're working on it."

Various alternatives, including roundabouts, were considered, Andrews said. "What has been selected is traffic lights at both intersections, widened ramps, additional lanes under the bridge and leading up to and around under the bridges. The remaining part of this phase is wrapping up environmental work," Andrews said, but there are currently "disagreements between CalTrans and county and the city. CalTrans feels strongly that this could be a good habitat for an endangered salamander, and the county and city feel otherwise," he said, adding that the concern must be addressed before the project can move forward.

Fee to be updated

James said that the city's "fee mechanism" for this interchange and other roadway improvements that will be required by future development "has been out of date for a long, long time." Planning staff and the city manager are working on a new fee protocol that will cover the I-5 / Sperry Avenue interchange, as well as the intersection at Sperry Avenue and Highway 33 and other future roadway projects. The increased fee would not impact smaller, infill projects, he said, "But a large project, like Palms Plaza and others that will be forthcoming; we need to make sure that these projects are paying their fair share."

In response to Commissioner Apland's question about a proposed starting date for construction on the I-5 / Sperry interchange, James said, "I don't know if we're there yet," adding, "We're gonna keep after CalTrans – we want to put them on the spot." Staff has been trying to get a CalTrans representative to attend a meeting with the planning commission, he added.

"We're handling a lot more than just our traffic, so they need to work with us," West said.

The interchange upgrade project has been under discussion for "at least four years," Andrews said. "Just the discussion about improvements that are needed has been three years."

Interim fix

Andrews said that the city has been working with the county on an agreement for interim improvements to help ease traffic congestion, such as four-way stop signs. No start date has been given.

I-5 / Zacharias Road interchange

Andrews said preliminary work for the future interchange connecting I-5 and Zacharias Road is progressing, and that a draft EIR for public comments is expected sometime in February or March.

Highway 33 and Ward Avenue

In response to concern expressed regarding the confluence of streets and the railroad tracks at Highway 33 and Ward Avenue, Andrews said plans were in the works to "rearrange that intersection," to make it safer. A draft EIR is expected in the spring.

Master Plans

The Parks and Recreation and Transportation master plans should be presented to the commission in late January or February, Andrews said.

Wayfinding sign program

James said that the contract for signage at the I-5 / Sperry Avenue interchange has been awarded to Graphic Solutions, located in San Diego. The sign is intended to make travelers aware that the Villa Del

IN THE NEWS – Patterson Irrigator, November 27, 2019 (Continued)

Lago travel center is “linked to an actual community,” as opposed to others that stand alone on the I-5 corridor.

Encouraging travelers to venture further into town, providing them with “opportunities to spend money” will be beneficial for the city’s economy, James pointed out. “There’s nothing better than bringing in sales tax dollars from the outside. The goal is to capture their attention, and bring them into the community. The goal isn’t to take business away from Villa Del Lago, but to let folks know when they get off the highway that there’s a historic downtown, a Walmart, grocery stores.”

http://www.ttownmedia.com/patterson_irrigator/news/local_news/proposed-reservoir-moving-forward/article_f304da9e-fb66-11e9-8037-4385152a6e96.html

http://www.ttownmedia.com/patterson_irrigator/news/local_news/proposed-private-reservoir-stirs-public-interest/article_ddc90ec0-b426-11e9-b2ae-233978383a09.html

http://www.ttownmedia.com/patterson_irrigator/news/local_news/public-s-time-to-speak-on-reservoir-project-ends-p/article_5dcb0bc0-aff7-11e9-844b-f320c9c08b29.html

‘A geological and natural treasure.’ Would Stanislaus County dam put the area at risk?

By Ken Carlson

In Stanislaus County, people of different political stripes sympathize with the need for more water storage for thirsty farms.

But a plan for a reservoir in Del Puerto Canyon west of Patterson was bound to touch a nerve.

To many West Side residents and others familiar with the site, Del Puerto Canyon is a natural gem and one of the county's scenic wonders.

An environmental impact report released last week raises some concerns about seismic risks and impacts on wildlife. But a significant and unavoidable impact noted in the report is “substantial damage to scenic resources,” “degradation of the visual character” and “adverse effect on a scenic vista.”

“On the West Side, we don’t have many places to get out in nature,” said Shivaugn Alves of Patterson.

Alves said the canyon, colored by blue oaks and more than 100 species of birds, is a natural respite for community members. The earthen-fill dam just west of Interstate 5 would put much of the lower canyon under water.

Alves, whose family are almond growers, said she recognizes the need for water storage, and she is not “anti-dam.” She is co-founder of the Patterson Progressive Alliance, which posted an online petition signed by more than 100 people, urging careful and considerate planning for the \$500 million project.

The petition says, in part, that as the population grows in Patterson and development occurs in the city of 23,750 residents, there are few natural spaces for residents. A recreation area at the reservoir could provide biking and hiking trails, fishing, paddling and other activities, the petition says.

A museum could also feature exhibits on the canyon’s American Indian heritage.

The Del Puerto Water District, the leading proponent for the reservoir, has also received letters from nature enthusiasts from the Bay Area and the eastern side of the county.

“I believe there are significant recreational impacts,” John Harris of Oakdale wrote. “Del Puerto Canyon is used by people throughout central California as a site for nature observation and photography.”

The water district and partners in the San Joaquin River Exchange Contractors Water Authority want the reservoir to improve the reliability of deliveries from the Central Valley Project, a massive system of dams and canals that supplies water to San Joaquin Valley farmers.

The politics of pumping water south from the Sacramento-San Joaquin Delta often results in severe cuts to CVP contractors. Up to 85,000 acre-feet of water pumped from the Delta-Mendota Canal would create an 800-acre lake in wet years and be released for use in dry years.

The draft environmental study by Woodard & Curran of Walnut Creek predicts the dam would experience ground shaking during its 100-year lifespan, due to earthquakes in the broader region. While the reservoir site is not in a recognized fault-rupture hazard zone under the Alquist-Priolo Act of 1972, there are two active faults within 20 miles, the study says, including the Great Valley/Orestimba Fault just east of the dam.

The proponents say the California Department of Water Resources division of dam safety must approve a design and construction plan and will require a seismic hazard analysis. The design will need to ensure that the dam, grounded in bedrock, remains stable in an earthquake, that seepage is managed and that spillway capacity is adequate, the EIR says.

IN THE NEWS – The Modesto Bee, December 17, 2019 (Continued Page 2)

The report also suggests the reservoir could lead to ground subsidence and landslides in the canyon.

Chris White, executive director of the San Joaquin River Water Authority, said the study identifies seismic issues that can be addressed by engineers who design the dam.

"Our project designers have not indicated this is something that can't be designed," White said.

The water districts are talking with the city and county leadership about recreation opportunities.

"There are some good ideas," White said. "It is not our area of expertise, but the county and city do have that expertise in recreation. It would be a separate project taken on by the county and city with the districts' cooperation."

The districts are responsible for realigning Del Puerto Canyon Road, part of which would be covered by the reservoir, so the public still has access to Frank Raines Park and an off-road vehicle area. The EIR's section on aesthetic resources mainly refers to altering the view from a section of Interstate 5 that's a scenic highway.

People out for a bike or motorcycle ride on Del Puerto Canyon Road are mostly enjoying a view of private ranches at the 800-acre reservoir site. Alves said that property owners who would sell land for the reservoir said at a workshop last week that any recreation should come at public expense.

Alves said residents attending the workshop were not given answers about the flood path of a dam failure or whether they will need to buy flood insurance.

The environmental study also predicts some glare and light pollution, which can be mitigated by adjusting the lights to the dam control building and facilities.

Air emissions would increase during construction of the dam, and the pumping of Delta-Mendota water would indirectly put greenhouse gases in the atmosphere, the study says.

An alternative reservoir site in Ingram Canyon, seven miles to the north, would produce twice the amount of greenhouse gases that contribute to climate change. The alternative site would mean less impact from construction vehicles on the I-5 and Sperry Road interchange but more traffic for the I-5 and Howard Road turnoff.

Rather than inundate a scenic canyon, some suggest that groundwater banking and conservation measures by irrigation districts could increase water supplies for agriculture at far less expense.

"I was quite dismayed to hear about the (dam) proposal," Garry Hayes, a Modesto Junior College geology professor, wrote in an email. "Del Puerto is a geological and natural treasure. ... I think the (environmental study) is understating the landslide risk."

Hayes also questioned if the study took into account a dinosaur fossil discovery on a hill just above the proposed reservoir level.

As the dam proponents consider a new route for Del Puerto Canyon Road, Chris Stovall of Patterson, in a letter to the water district, suggested that transportation planners consider punching a highway through the Diablo Range to the south Bay Area.

"As I'm sure you know, the Altamont Pass is massively undersized for the amount of traffic it sees on a regular basis," Stovall wrote. "This area needs another freeway connecting it to the Bay Area."

County Supervisor Jim DeMartini said parks and recreation staff are considering locations for bird-watching, camping and other activities., but boating is likely ruled out because the water level would fluctuate.

"I think it's a good place for storing water," the supervisor said. "The water districts don't have anyplace to store water when they get it. It would be a great benefit for them."

IN THE NEWS – The Modesto Bee, December 17, 2019 (Continued Page 3)

Comments on the EIR can be made at a public meeting from 4 p.m. to 6 p.m. Jan. 15 at the Hammon Senior Center, 1033 W. Las Palmas Ave., in Patterson. Written comments will be accepted until Jan. 27 at Del Puerto Water District, 17840 Ward Ave., Patterson 95363.

IN THE NEWS – The Ceres Courier, December 19, 2019

Whitmore Avenue to be improved in \$1.9 million project

- Section east of Moore Road will enhance student pedestrian safety

By Jeff Benziger

Students who live south of Whitmore Avenue who walk to La Rosa Elementary or Cesar Chavez Jr. High School often have to walk in mud and dirt close to traffic. The substandard conditions for pedestrian will be improved thanks to a \$1.9 million construction contract awarded last week for Whitmore Avenue corridor improvements between Moore Road and Eastgate Boulevard.

"The main goal of this project is pedestrian improvements for the school children," said City Engineer Daniel Padilla. "Some students from the apartment complexes, if they're starting on the south side of the road, just walk in the dirt."

The project involves widening Whitmore Avenue between Moore Road and Eastgate Boulevard with asphalt overlay, and new 10-foot-wide sidewalk with curb and gutter to make for a better and safer pedestrian route. The work also includes installing a new sewer main and sewer laterals, and water services and fire hydrants as well as storm drainage piping. A new center median will be constructed in the section. To improve safety of pedestrians, signage, a pedestrian beacon signal system, solar speed flashing equipment and street lighting will also be installed.

United Pavement Maintenance submitted the lowest responsible bid of \$1.78 million. A 10 percent contingency of \$178,300 brings the project construction total to \$1.96 million.

Construction is expected to begin in April and to be completed before the 2020-21 school year begins.

The widening will bring Whitmore Avenue traffic about 10 feet closer to the front of four residential properties on the block to the south, said City Engineer Daniel Padilla.

"Where students are currently walking, that's almost going to be in the same spot."

The work will complement the Whitmore Ranch Specific Plan project which was recently annexed to the city limits for the development of up to 441 new dwelling units to Ceres south of Whitmore Avenue between Moore Road and Cesar Chavez Junior High School. Community Development Director Tom Westbrook said the improvements have been discussed for years and are independent of the development of homes in that area.

"This project would have been done a year ago if the right of way would have been dedicated," said Westbrook. "But it's a strange animal when you're going into an area that's the county's jurisdiction, technically, and trying to obtain right of way to put in improvements to a school. We got around that. We got it done."

One owner had to be coaxed over time into giving up 30 feet of right-of-way since the city didn't pay for the strip of property. But in exchange the owners get free curb, gutter and sidewalk improvements which generally is a homeowner cost.

The annexation, which was recently approved by the Stanislaus Local Agency Formation Commission (SLAFCO), included both La Rosa Elementary and Cesar Chavez Junior High School as well as lands presently zoned for agricultural use.

The plan earmarks:

IN THE NEWS – The Ceres Courier, December 19, 2019 (continued)

- 28 acres for the development of low-density residential uses, or 196 single-family homes with an average lot size of 5,000 square feet;
- 6.6 acres for medium-density residential uses, or 85 dwelling units with an average lot size of 3,000 square feet;
- 6.4 acres for high-density apartment or condominiums that could result in 160 living units;
- 5.2 acres for open space, including a bike and pedestrian corridor leading to the junior high's western boundary.

Community Development Director Tom Westbrook said the annexation was initiated and funded by Steve and Grant Alvernaz, owners of a 20-acre chunk of the project. The annexation was considered orderly because at the eastern end sit both schools which were in county jurisdiction with the city supplying sewer and water to both.

Previously the schools sat in county jurisdiction. The city committed to bring the campuses into the city limits when it originally agreed to supply water and sewer service to them.

Reservoir proponents offer compromise

Willing to buy land for recreation; work with city, county

Sponsors of the proposed Del Puerto Canyon Reservoir project have come forward with an offer to purchase additional property adjacent to the reservoir for limited recreation activities, such as hiking and bird watching, in order to garner support for the project.

The offer was announced during a public meeting last Wednesday night, as a standing room only crowd of more than 100 people on all sides of the issue came to ask questions and voice their opinions and concerns about the proposed private project.

The meeting was held the night before the draft Environmental Impact Report (EIR) was released, to provide those interested in an opportunity to ask questions before attempting to find the information in the large document, Charles Gardiner, owner and principal strategist at The Catalyst Group said.

Project development process

A project like this one requires due diligence to determine whether it is possible. During that process, the project's developers contact the agencies from whom the project will need approvals. Public workshops are often held, as well.

There are numerous interested agencies in this case: Army Corps of Engineers, Department of Water Resources, Bureau of Reclamation and Division of Safety of Dams, among others.

The land development process itself includes three milestones:

A Scoping Meeting, which is an opportunity for anyone (the public, private industry and government agencies) with any interest in a proposed project to offer comments on the topics that should be addressed in the EIR. The Scoping Meeting for this project was held in July.

Based on the results of the Scoping Meeting, a draft EIR of the items to be studied in the final EIR is generated. During the 45-day public comment period that starts when the draft EIR is released, questions and comments are still accepted. All public comments received during the 45-day comment period must be included in, and addressed in, the final EIR.

The completed studies are compiled into a final EIR, which must be certified.

Water supply challenges

Del Puerto Water District Manager Anthea Hansen explained the issues local water districts face, including what she referred to as the Bureau of Reclamation's "right to short us," on water allocations in dry years, as well as impacts of laws meant to protect endangered species, such as the delta smelt, which also restrict water available to farmers.

For two years during the recent drought, she said, water districts received zero percent of their water allocation. She also mentioned an average allocation of 35 percent, adding that even that amount of water is not sufficient to grow food.

White then explained how that average played out during recent years: 0 percent 2014, 0 percent, 2015 five percent in 2016, 100 percent in 2017, 50 percent in 2018. "In order to survive, in the Central Valley," he said, "you absolutely need storage."

Further complicating the issue is that, while local water districts store their water in the San Luis Reservoir, they have no control over it once it is there – state and federal agencies have that power, Hansen said. If it is available when it is not needed locally, it can be lost to other users, she said.

The recently-completed North Valley Regional Recycled Water project, which was spearheaded by the Del Puerto Water District, pumps recycled water from neighboring communities to the Delta Mendota

IN THE NEWS – Patterson Irrigator, December 19, 2019 (Continued)

Canal (DMC), from which it is made available to farmers on the West Side. The project provides a unique water resource in that it is reliable and available year-round, but it is still only a part of what is needed to grow crops, and 27 percent of that water goes to nearby wildlife refuges, Hansen said.

The proposed reservoir, she said, would provide storage that local water districts would be able to control.

Filled from DMC

If approved, the facility would consist of a 260-foot high earthen main dam, along with three saddle dams. It would be filled from the DMC, using water for which these particular water contractors already have contracts. "We're not changing anything in our supply portfolio; we're just taking supplies that are available at certain times and putting them in a place where we can protect them for the times we need them," Hansen said.

Recreation

Due to public outcry, project organizers have taken steps to address the community's interest in recreation, going so far as to express willingness to purchase additional land to accommodate such activities.

During the discussion, Hansen emphasized that the water district "does not exist to create recreation opportunities; it is in the business of supplying water for agricultural use." But she also said that the district has initiated discussions on the possibility of recreation opportunities in the vicinity of the dam with both the city of Patterson and the county.

"We've been seeing a lot of the comments and take them very seriously. I, too, am a resident of this community," she said.

Program Manager Andrew (Andy) Neal also pointed out logistics that would prevent boating and other activities, such as fluctuating water levels, as well as the possible need to relocate PG&E facilities in a way that would preclude over-water recreation.

Still, Hansen said, the group is working with city and county staff to see how the community's interest in recreation activities in the area might be addressed. "I've offered up my ability to affect change, by gathering these folks, and I hope to continue those discussions." She mentioned the possibility of "some really good partnership opportunities, because there will be some areas that will be very suitable," for hiking and as bird watching and, possibly, bicycling.

Some members of the audience pushed for recreation activities to be developed along with the reservoir, but the realities of government funding preclude that option.

Director of Stanislaus County Parks & Recreation Jaclyn (Jackie) Dwyer said the county is "very, very interested in" a recreation site based on the reservoir. "Obviously, this is a lovely place that everyone loves to go," she said, acknowledging also that "it brings in some tourism for you (the community)."

However, she explained, creating new recreation amenities would take time, because the county would first need to undertake costly feasibility and environmental studies, which would require the approval of the Stanislaus County Board of Supervisors.

"I would hate to tie these two (projects) together. That would take years, because we'd have to start allocating funding, because any project would be taxpayer-funded. So that's an entirely different process." "But I can say, unequivocally, it is something we want to work on," she added. The county is interested in developing some type of recreation amenity for the community, in the interest of increasing the likelihood that the community will accept the proposed reservoir.

The Stanislaus County Board of Supervisors would be the agency to follow up with on possible future recreational opportunities in the area, she said.

IN THE NEWS – Patterson Irrigator, December 19, 2019 (Continued)

Security

Del Puerto Canyon residents and ranchers expressed concerns about an increase in trespassing, citing current issues such as fence-cutting, drinking and graffiti, and “all the other stuff that goes along with the hikers, that we already deal with. Hikers that you’re encouraging to come up here don’t respect (the land and fences) already... so encouraging more of them, what security are you gonna give us?”

“Unfortunately, if that occurs, it’s trespassing,” Hansen said. “We will have security, and staff, and I guess we’ll do what everybody else does: call the sheriff. You can’t control what the public’s gonna do. If we have to make adjustments,” she added, “then we’ll do that.”

Flood concerns

In answer to concerns about flooding in the event the dam were to break, Manager of EIR Preparation Robin Cort cited the “stringent” safety requirements of the California Division of Safety of Dams (DSOD), a division of the California Department of Water Resources. To receive approval from that agency, the project EIR will have to include every possible safety hazard associated with it, including fault lines and seismic activity, utilities (such as overhead power lines) and facilities such as the Shell Oil line, and detail how those safety concerns will be addressed.

The DSOD requires the project plan to consider “a very, very catastrophic event – one that is inordinately unlikely,” Cort said, adding that project organizers believe they can eliminate the possibility of a dam failure of that magnitude.

She also pointed out that as the dam will not be located on a river, there will be “a whole lot more control of how we manage flows, and how we manage water in the reservoir.” That, in turn, she said, adds “a whole extra level of safety.”

White added that the dam will have some space reserved behind it for flooding. “So after the facility is built, folks that are along the creek that have had to pay for flood insurance over the years, we will probably get them out of a Zone A floodplain, and will probably reduce or eliminate” the need for those whose property is along the creek to carry flood insurance.

As an example, White referred to Los Banos Creek Detention Dam, built in 1962. “That project was built for one reason – they should have built it for water supply as well, but they didn’t - they just built it for flood control.” There are photos from 1955, he said, showing Los Banos Creek flooding “huge portions” of Los Banos. During the floods in 1997, which he described as being “of equal size and proportion to the one in the 1950s,” the flood water was controlled through the reservoir. “We’re anticipating that same flood control benefit on Del Puerto Creek,” he said.

The dam will also have sensors as part of an emergency warning system for area residents in the event of a catastrophic dam failure.

In response to a question about how those in the canyon would get out in the case of a dam failure, Cort said that a plan would be required in order to obtain approval from the DSOD.

The owners of the facility would be responsible for an evacuation plan, in case of emergency, Neal added.

On the flip side, Hansen said that the reservoir would help prevent flooding by capturing flood flows on Del Puerto Creek, which would subsequently be released in a controlled fashion. To protect wildlife, the releases would be timed to mimic the natural changes in flow of the creek.

The project will not have any flood control benefits for Salado Creek, White said.

Groundwater

Although the proposed reservoir would not supply drinking water, it will contribute to groundwater recharge. Hansen pointed out that the City of Patterson is “totally reliant on groundwater.” Her agency is

IN THE NEWS – Patterson Irrigator, December 19, 2019 (Continued)

working with city staff “to understand those groundwater needs for now and in the future, and making sure that our project is coordinated with those needs, so that it’s a positive net benefit for both city residents” and the farmers who will benefit directly from the project.

White also mentioned the cooperative effort required by the Sustainable Groundwater Management Act (SGMA), which was put into effect during the most recent drought. The law requires all entities dependent on an aquifer, such as the Delta Mendota sub-basin, to work together to protect the sustainability of that aquifer.

Editor’s note: The City Council on Tuesday approved a resolution authorizing the adoption of the Northern and Central Delta Mendota Region Groundwater Sustainability Plan.

No taxpayer funding

Hansen also emphasized that no city or county tax money will be used for the project. Instead, the group is working quickly in hopes of qualifying for funding under the Water Infrastructure Improvement Act for the Nation (WIIIN), which expires in December, 2021.

The fund “is actually moneys that are collected from the water contractors, as they repay their debt on the Federal Central Valley Project, Hansen said. “They’re re-appropriating moneys that have been collected from the water contractors.”

Any such funding the project may receive “would be commensurate with the level of benefit that we can provide to the environment, or to the wildlife refuges,” she said.

If the project is approved, it will take six years to construct, and the roadway will be completed before dam construction begins.

Process, final approval

Neal explained that the project sponsors are currently conducting a feasibility study. If the boards of directors for the water districts deem it is feasible, the group would continue to work with the appropriate agencies to obtain the necessary permits: Army Corps of Engineers, Department of Water Resources, Bureau of Reclamation and Division of Safety of Dams, among others. The final step before construction could begin would be for the project developer to acquire the land.

Public comment meeting

Another public comment meeting will be held on Wednesday, Jan. 15, from 4 to 6 pm at the Hammon Senior Center.

The draft EIR is available at <https://www.delpuertocanyonreservoir.com/assets/pdf/reports/Del-Puerto-Canyon-Reservoir-Draft-EIR.pdf>, as well as the Patterson Library and the Del Puerto Water District Office.

**EXECUTIVE OFFICER'S AGENDA REPORT
JANUARY 22, 2020**

TO: LAFCO Commissioners

FROM: Sara Lytle-Pinhey, Executive Officer *SLP*

SUBJECT: MID-YEAR BUDGET REPORT FOR FISCAL YEAR 2019-2020

RECOMMENDATION

It is recommended that the Commission accept this financial update. No budget adjustments are necessary at this time.

DISCUSSION

The Mid-Year Budget Report provides an overview of LAFCO's expenses and revenues through the second quarter for the Commission's information. The Commission's adopted budget for the current fiscal year is \$498,175. At mid-year, expenditures totaled \$242,280, which represents approximately 49% of the adopted budget. Below is an overview of LAFCO's expenses and revenues:

LAFCO FY 2019-2020 Mid-Year Comparison: Adopted Budget vs. Actual

	Adopted Budget (2019-2020)	Actual (Mid-Year)	% of Budget
EXPENSES			
Salaries & Benefits	\$429,200	\$213,309	50%
Services & Supplies	67,375	28,971	43%
Other Charges	1,600	0	0%
Total Expenses	\$498,175	\$242,280	49%
REVENUES			
City/County Contributions	\$453,175	\$453,175	100%
Applications & Other Revenues	20,000	32,006	160%
Interest Earnings	--	4,688	--
Total Revenues	\$473,175	\$489,866	104%
<i>Prior Years' Carry-Over</i>	<i>25,000</i>		
<i>Total Budget</i>	<i>\$498,175</i>		

A detailed listing of individual accounts is attached for the Commission's information. The following highlights the expense and revenue categories through mid-year:

➤ Salaries and Benefits:

Through the end of the second quarter, \$213,309 has been expended on Salaries and Benefits. Expenditures in this budget category represent approximately 50% of the total amount budgeted for the fiscal year. Although retirement costs are trending higher than what was originally budgeted, Staff estimates that at year-end, the overall Salaries and Benefits category is anticipated to be within the Commission's budgeted amount.

➤ Services and Supplies:

At the end of the second quarter, expenditures under the Services and Supplies category totaled \$28,971. This represents 43% of the total amount budgeted. Of note is the following:

- Expenditures for the Commission's general liability insurance, membership dues, and office lease (included in Account #63000) are billed as one-time expenses early in the fiscal year.
- Charges for legal services are typically billed on a quarterly basis. Legal service expenses can fluctuate throughout the year based on the complexity of applications or need for additional review by counsel. Billing for the second quarter was received after Mid-Year, but remains within the budgeted amount and is anticipated to be within budget by the end of the year.
- Staff consolidates orders for office supplies and places order approximately 2-3 times a year.
- Staff recently received a quote from the County's IT department for the replacement of the clerk's computer and monitors. The replacement was recommended as part of a Countywide evaluation to update older model computers to ensure security upgrades and compatibility with Windows 10. The County was able to obtain a bulk rate and the replacement of the computer and monitors was quoted at \$1,137. This will be covered under the Commission's Miscellaneous Expense account (#62400).

➤ Other Charges:

This budget category contains expenses associated with a shared copier lease and copy costs. Billing for this item occurred in January and has generally trended lower than anticipated. The lower amount is as a result of Staff's continued efforts to decrease the number of paper copies associated with agendas and projects.

➤ Revenues:

The County and nine cities have paid their apportionment shares totaling \$453,175. Additionally, revenue received from LAFCO application fees and services to date totals \$32,003, exceeding the estimate of \$20,000. Staff anticipates that revenues will continue to increase by year-end as additional applications are submitted.

CONCLUSION

The Commission's Fiscal Year 2019-2020 Budget continues to be financially sound. Each category is projected to be near their budgeted amounts by year-end. Any funds anticipated to be remaining at the end of the fiscal year will be used to offset agency contributions in the following year's budget. No budget adjustments are recommended at this time. If future modifications are needed, Staff will immediately bring forth those requests to the Commission for consideration.

EXPENSE AND REVENUE SUMMARY
JULY 1, 2018 - DECEMBER 31, 2018

Account	Final Budget FY 19-20	Actuals 12-31-2019	% of Budget
Salaries and Benefits			
50000+ Salaries and wages	\$ 263,630	132,774	50%
52000 Retirement	70,100	38,159	54%
52010 FICA	20,000	10,077	50%
53000 Group health insurance	62,080	28,330	46%
53009 OPEB health insurance liability	2,920	-	0%
53020 Unemployment insurance	450	228	51%
53051 Benefits admin fee	190	58	31%
53081 Long term disability	380	196	52%
54000 Workers compensation insurance	1,300	545	42%
55000 Auto allowance	2,400	1,062	44%
55080 Professional development	2,200	-	0%
55130 Deferred comp mgmt/conf	3,550	1,880	53%
Total Salaries and Benefits	429,200	213,309	50%
Services and Supplies			
60400 Communications (SBT - Telecom)	1,110	533	48%
61000 Insurance (SDRMA)	3,600	4,021	112%
61030 Fiduciary liability insurance	40	12	30%
62200 Memberships (CSDA, CALAFCO)	6,615	6,681	101%
62400 Miscellaneous expense	3,000	-	0%
62450 Indirect costs (A87 roll forward)	(3,760)	(1,882)	50%
62600 Office supplies	1,500	309	21%
62730 Postage	1,200	451	38%
62750 Other mail room expense	420	181	43%
63000 County services (Office lease, HR, Utilities)	11,690	6,445	55%
63090 Auditing & accounting	2,850	941	33%
63400 Engineering services	2,000	397	20%
63640 Legal services	12,000	570	5%
63990 Data processing services (IT, Video, GIS Lic.)	11,530	3,989	35%
65000 Publications & legal notices	1,000	519	52%
65780 Education & training	5,500	2,865	52%
65810 Other supportive services (messenger)	350	102	29%
65890 Commission expense (stipends, training)	6,100	2,470	40%
67040 Other travel expenses (mileage)	500	312	62%
67201 Salvage disposal	130	55	42%
Total Services and Supplies	67,375	28,971	43%
Other Charges			
73024 Planning dept services (shared copier)	1,600	-	0%
Total Other Charges	1,600	-	0%
TOTAL EXPENSES	498,175	242,280	49%
TOTAL REVENUES			
40680+ Agency Contributions	453,175	453,175	100%
36414 Application & Other Revenues	20,000	32,003	160%
17000+ Interest Earnings	-	4,688	nb

**EXECUTIVE OFFICER'S AGENDA REPORT
JANUARY 22, 2020**

TO: LAFCO Commissioners

FROM: Sara Lytle-Pinhey, Executive Officer *SLP*

SUBJECT: ANNUAL CITY ANNEXATION SUMMARY

Each year, Staff prepares a summary of annexations that have occurred and the current acreages for each city. This report is provided for the Commission's information and is made available on the LAFCO website (www.stanislauslafco.org) under the "Information & Maps" section.

In 2019, LAFCO recorded five city annexations totaling 575.9 acres:

- Crossroads Change of Organization to the City of Riverbank (403.79 acres)
- McHenry-Coralwood Reorganization to the City of Modesto (12.86 acres)
- Northwest Triangle No. 2 Reorganization to the City of Turlock (22.70 acres)
- Wells Avenue Reorganization to the City of Modesto (39.50 acres)
- Whitmore Ranch Reorganization to the City of Ceres (97.05 acres)

Below are the current acreages for the spheres of influence and city limits for each of the nine cities. The column on the right represents the remaining acreage within each city's sphere of influence.

2019 CITY LIMIT & SPHERE OF INFLUENCE ACREAGES
(Rounded to the Nearest Acre)

CITY	SPHERE OF INFLUENCE (SOI) INCLUDING CITY LIMITS	CITY LIMITS	REMAINDER OUTSIDE CITY LIMITS (WITHIN SOI)
Ceres	8,487	6,086	2,401
Hughson	2,029	1,239	790
Modesto	40,512	28,821	11,691
Newman*	3,980	1,399	2,581
Oakdale	6,706	3,993	2,713
Patterson	6,149	5,112	1,037
Riverbank	4,850	3,067	1,783
Turlock	13,111	10,724	2,387
Waterford	2,734	1,560	1,174
TOTAL	88,558	62,001	26,557

Source: Stanislaus LAFCO, 12/31/2019

* Although approved in 2019 by the Commission, the City of Newman's Northwest Newman Phase I Reorganization application is pending confirmation by the registered voters and is not included in this report.

ANNUAL CITY ANNEXATION SUMMARY
JANUARY 22, 2020
PAGE 2

An updated chart reflecting annexations to each city over the past decade, as well as maps for each of the nine cities reflecting their current boundaries, spheres of influence, and primary areas of influence is attached to this report for the Commission's information. These maps are also available on the LAFCO website in PDF format and on LAFCO's Geographical Information System (GIS) viewer. Updates are made throughout the year, immediately following boundary changes.

Status of Projects Using 1:1 Agricultural Mitigation

Two annexations were approved in 2019 that incorporated measures requiring 1:1 agricultural mitigation (either through direct acquisition or in-lieu fees). The Commission requested a list of projects that have been approved with similar mitigation measures since the LAFCO Agricultural Policy was adopted in 2012 and the status of these. Below is a summary of annexations approved and the status of their agricultural mitigation:

DATE	PROJECT TITLE / CITY	TOTAL ACRES ANNEXED	ACRES TO BE MITIGATED	MITIGATION TYPE
1/8/2014	Woodglen Change of Org. to the City of Modesto	83.85	73.68	1:1 acquisition or in-lieu fees
9/17/2015	Crane Crossing Change of Org. to the City of Oakdale	98.73	20.32*	1:1 acquisition or in-lieu fees
6/27/2019	Whitmore Ranch Reorg. to the City of Ceres	97.05	51.70	1:1 acquisition or in-lieu fees
8/26/2019	Crossroads West Change of Org. to the City of Riverbank	403.79	347.39*	1:1 acquisition or in-lieu fees
		<i>Total</i>	493.09*	

* Oakdale and Riverbank's plan areas both included mixed use designations and stated that final acreage will be based on actual acreage converted to residential uses

None of the four projects listed above has had a specific development approved yet. Therefore, none have completed the agricultural mitigation requirement. Staff will continue to maintain and update this list on an annual basis for the Commission's information.

Further Information

Prior reports of interest to the Commission are also available on the LAFCO website and include:

- 50-Year Summary of City Annexations
- Sphere of Influence Report & Inventory of Important Farmland (*Update in Progress*)
- Special Districts' Sphere of Influence Maps

Attachments: Annual City Annexation Summary (2010-2019)
Maps for the Cities

Stanislaus LAFCO
ANNUAL CITY ANNEXATION SUMMARY
2010-2019

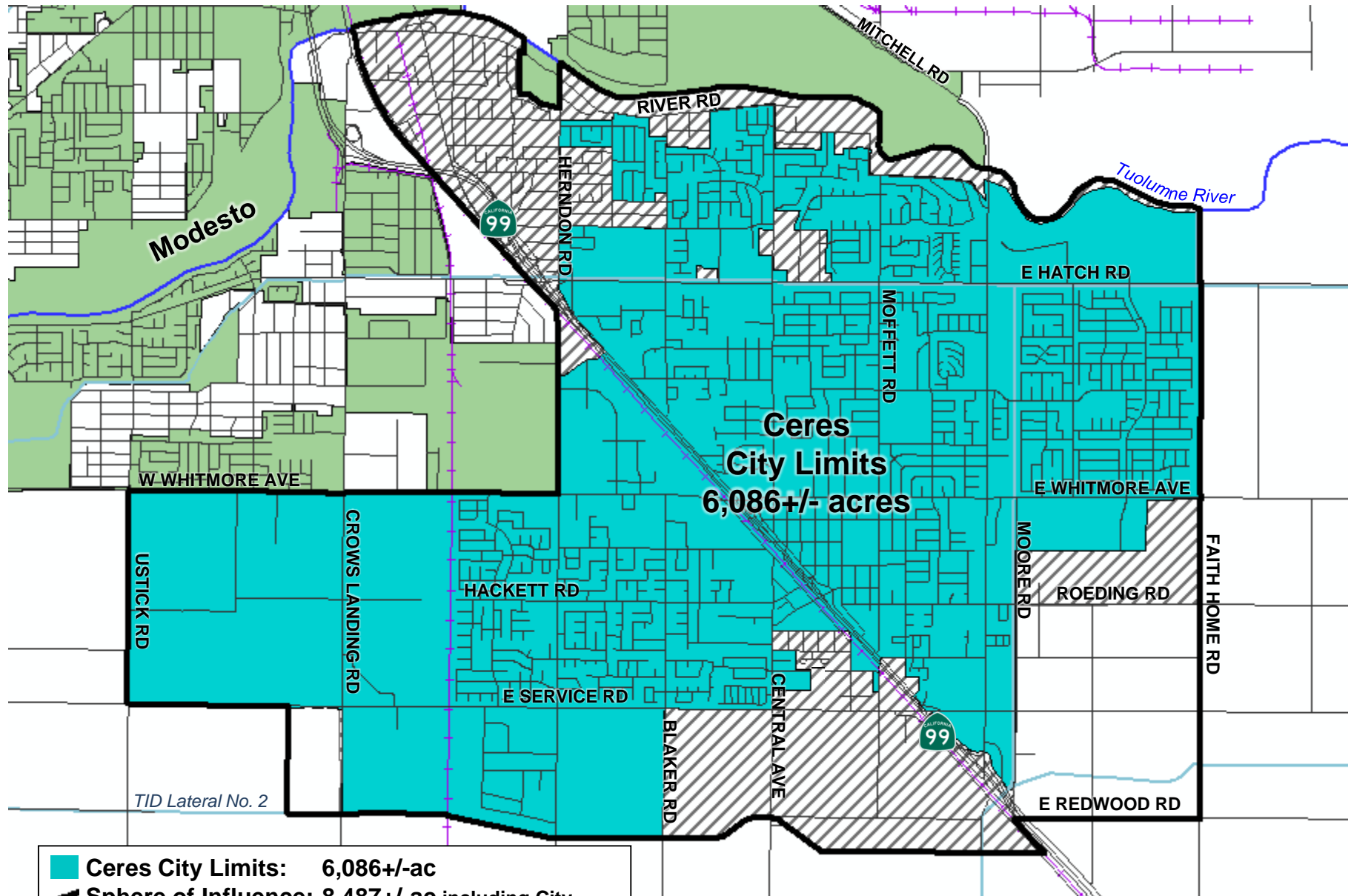
CITY	TOTAL ACRES W/in CITY LIMITS 2009	NUMBER OF ACRES ANNEXED BY YEAR										TOTAL ACRES ANNEXED (2010-2019)	TOTAL ACRES W/in CITY LIMITS 2019	% CHANGE IN PAST DECADE
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019			
Ceres	5,018.23	--	10.09	961.00	--	--	--	--	--	--	97.05	1,068.14	6,086.37	21.29%
Hughson	1,239.10	--	--	--	--	--	--	--	--	--	--	0.00	1,239.10	0.00%
Modesto	23,834.00	--	4,707.11	138.71	--	88.53	--	0.97	--	-0.32	52.36	4,987.36	28,821.36	20.93%
Newman	1,396.57	--	--	--	--	--	--	--	--	2.78	--	2.78	1,399.35	0.20%
Oakdale	3,894.39	--	--	--	--	--	98.73	--	--	--	--	98.73	3,993.12	2.54%
Patterson	3,819.97	173.20	--	--	--	1,119.00	--	--	--	--	--	1,292.20	5,112.17	33.83%
Riverbank	2,662.60	--	--	--	--	--	--	--	--	--	403.79	403.79	3,066.39	15.17%
Turlock	10,701.24	--	--	--	--	--	--	--	--	--	22.70	22.70	10,723.94	0.21%
Waterford	1,559.81	--	--	--	--	--	--	--	--	--	--	0.00	1,559.81	0.00%
TOTAL	54,125.91	173.20	4,717.20	1,099.71	0.00	1,207.53	98.73	0.97	0.00	2.46	575.90	7,875.70	62,001.61	14.55%

Source: Stanislaus LAFCO Files
Report Date: 12/31/2019

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Ceres

Sphere of Influence (SOI) Adopted: February 22, 2012



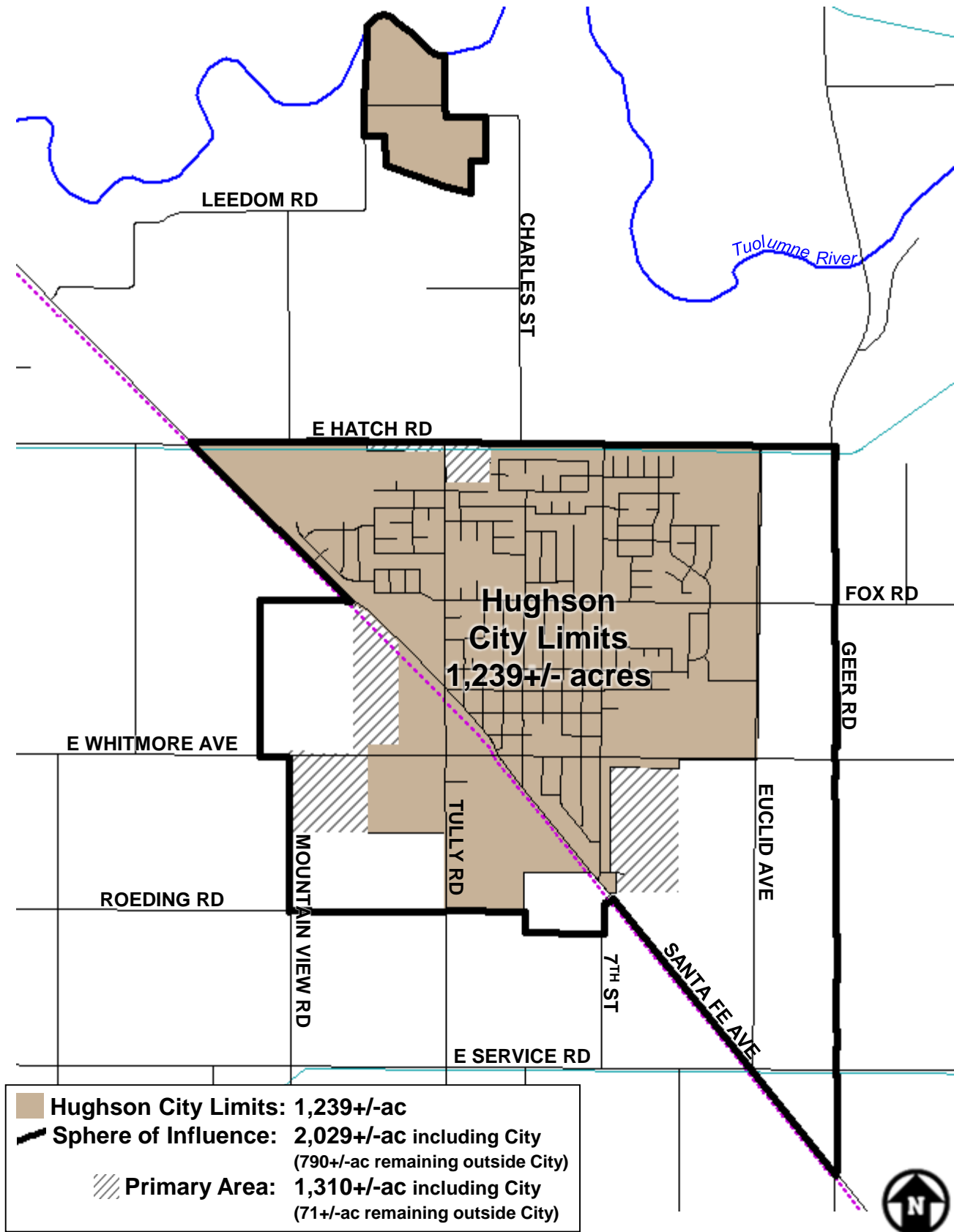
	Ceres City Limits: 6,086+/-ac
	Sphere of Influence: 8,487+/-ac including City (2,401+/-ac remaining outside City)
	Primary Area: 7,849+/-ac including City (1,763+/-ac remaining outside City)

Source: LAFCO Files, July 2019



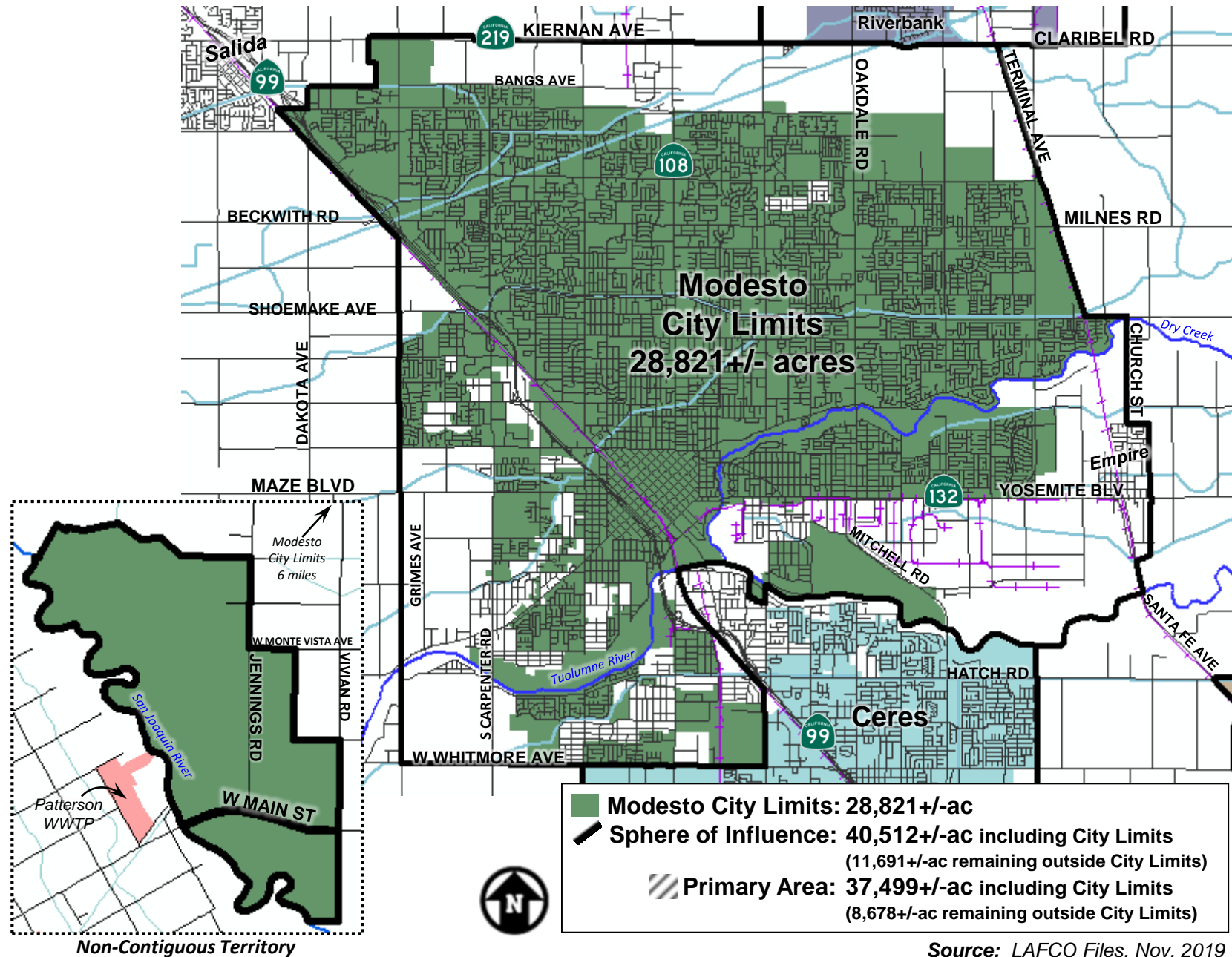
Hughson

Sphere of Influence (SOI) Adopted: September 23, 2009



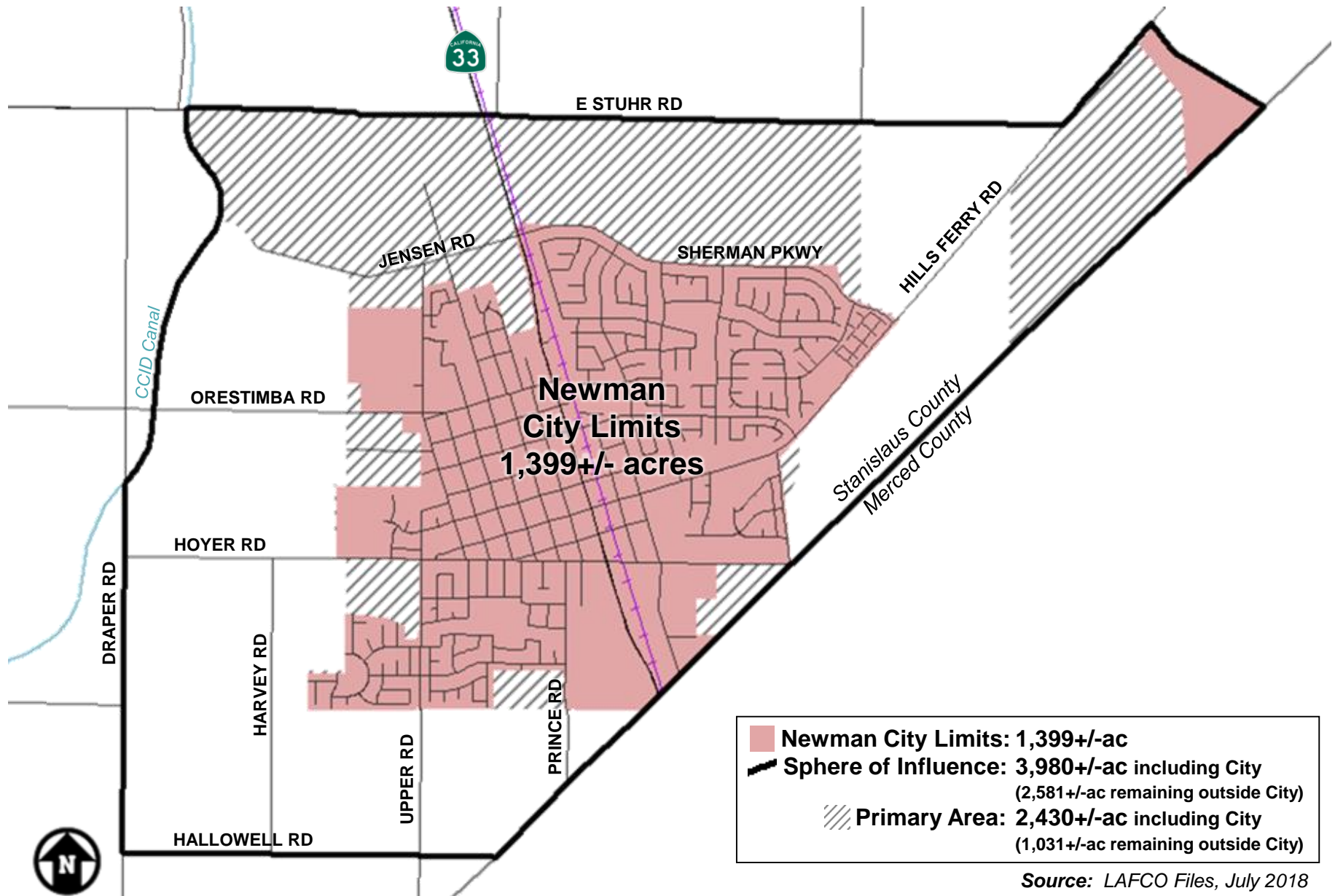
Modesto

Sphere of Influence (SOI) Adopted: December 1, 2010



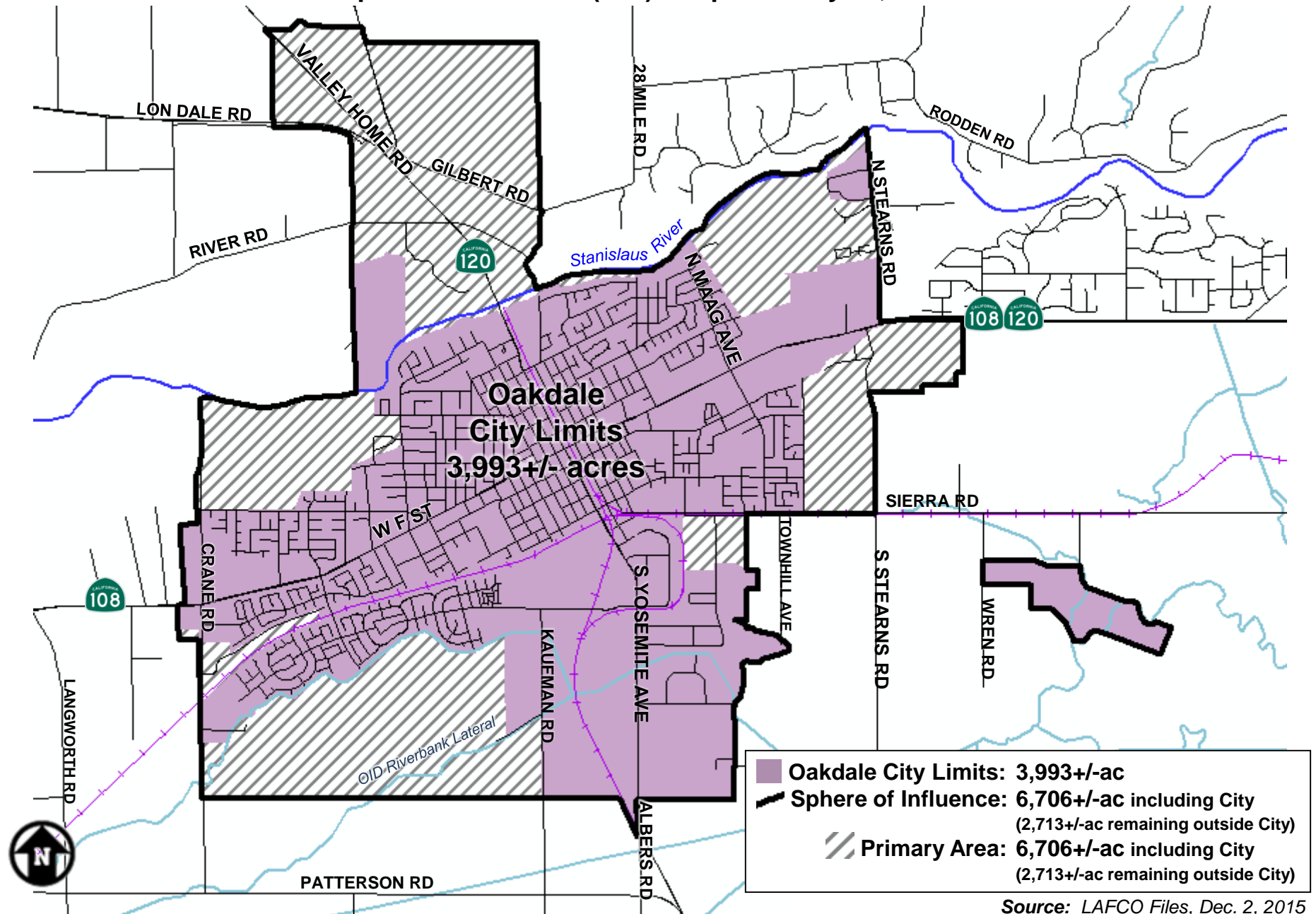
Newman

Sphere of Influence (SOI) Adopted: January 28, 2009



Oakdale

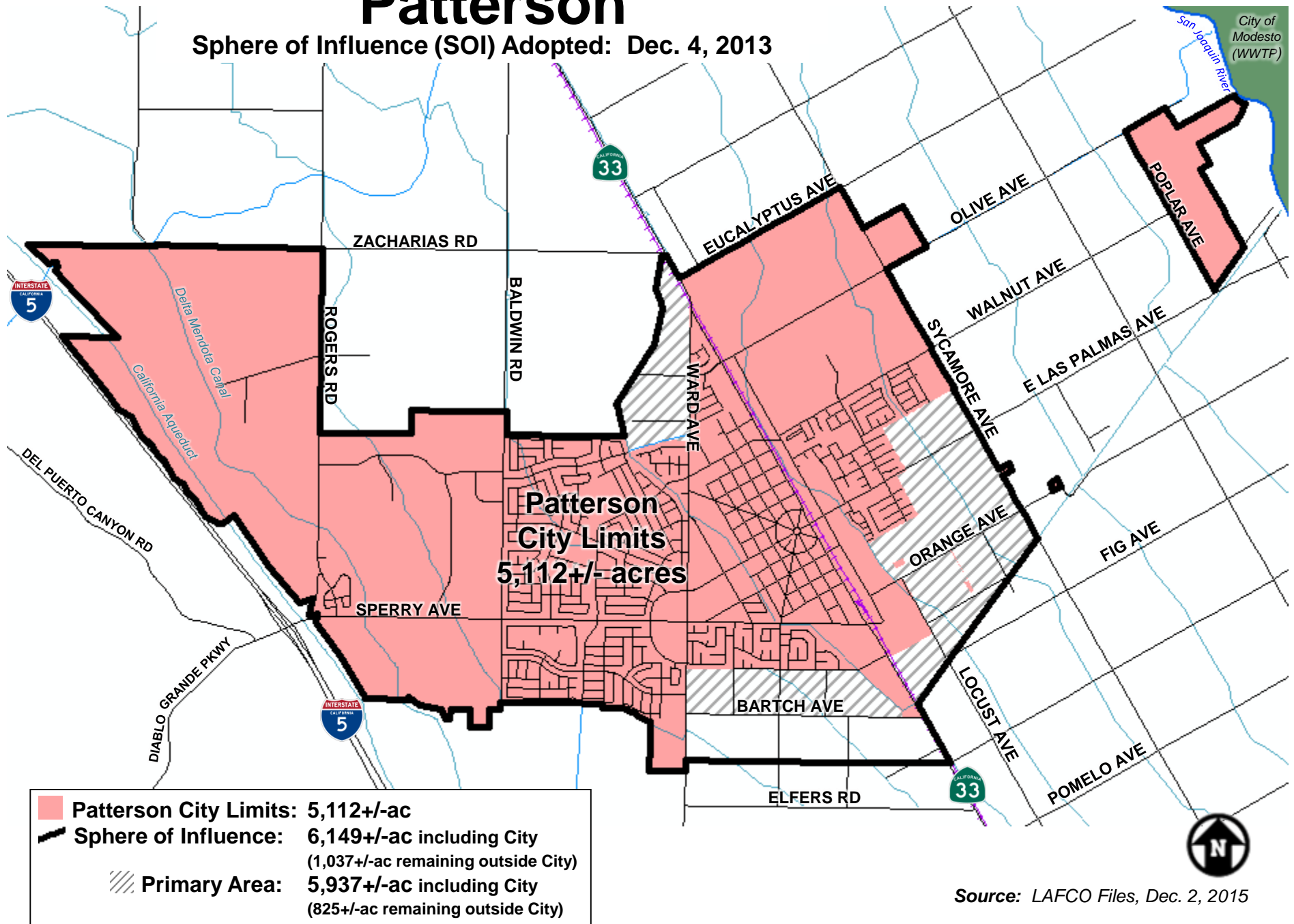
Sphere of Influence (SOI) Adopted: July 22, 2015



Source: LAFCO Files, Dec. 2, 2015

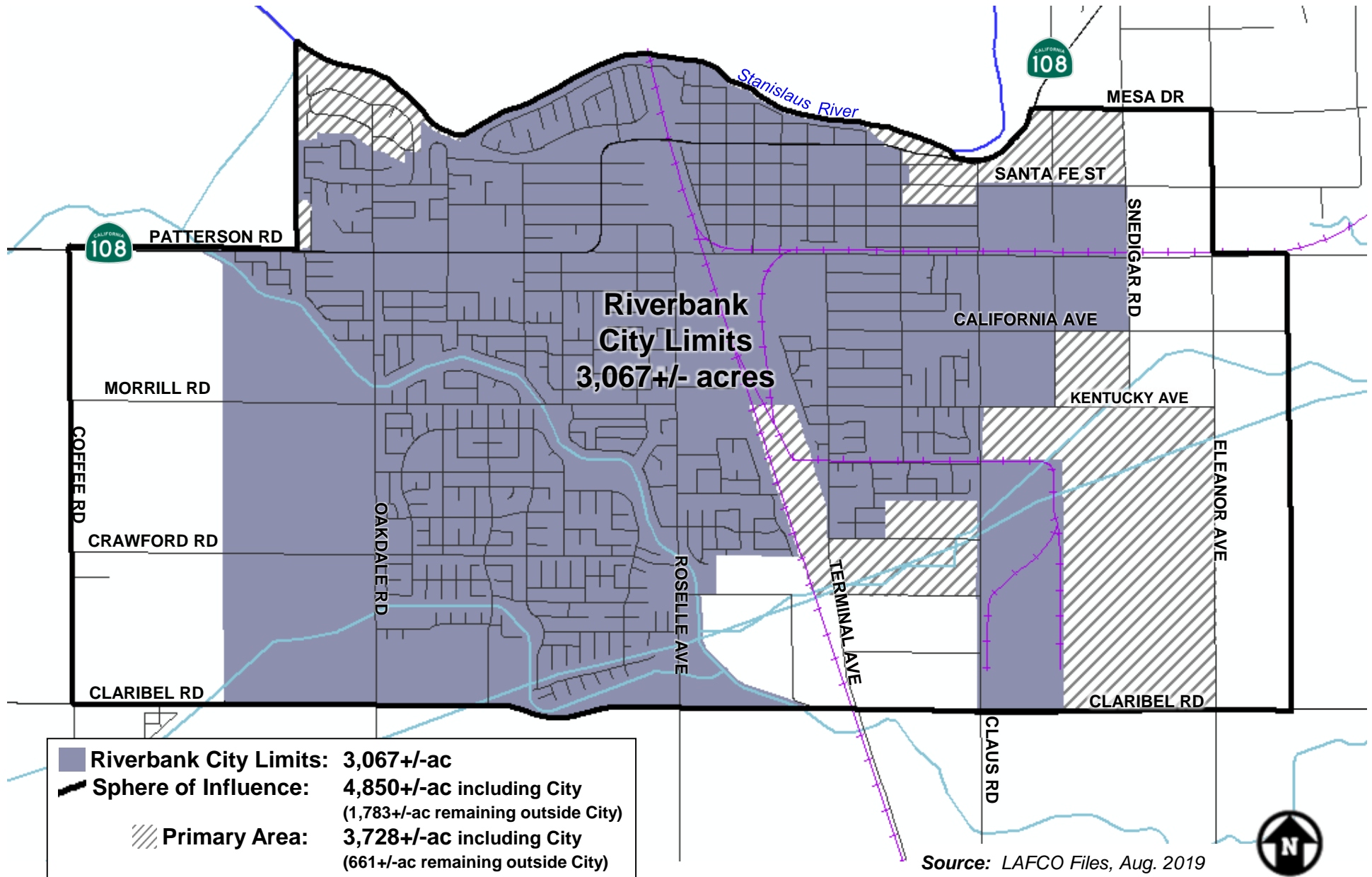
Patterson

Sphere of Influence (SOI) Adopted: Dec. 4, 2013



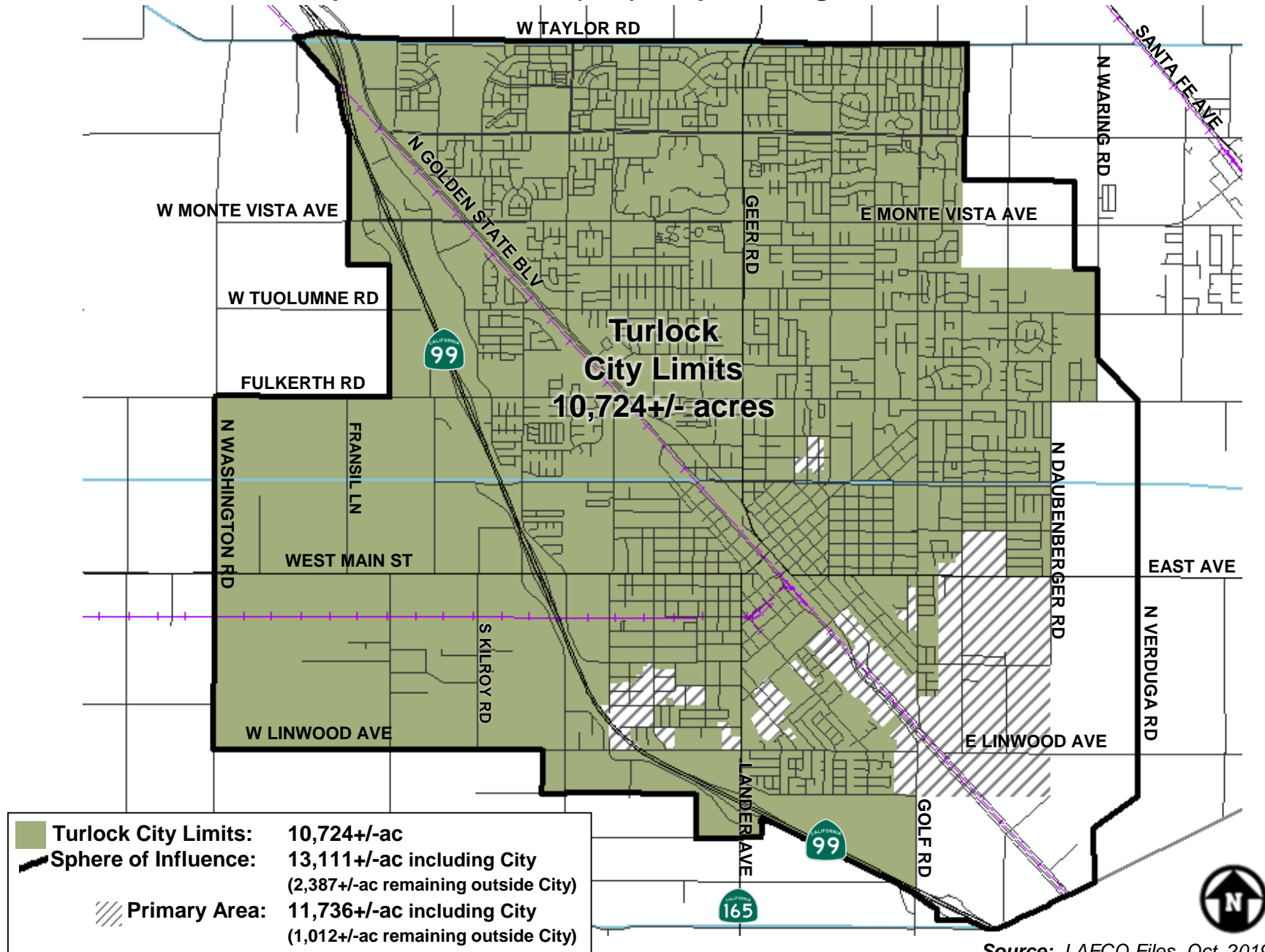
Riverbank

Sphere of Influence (SOI) Adopted: July 27, 2016



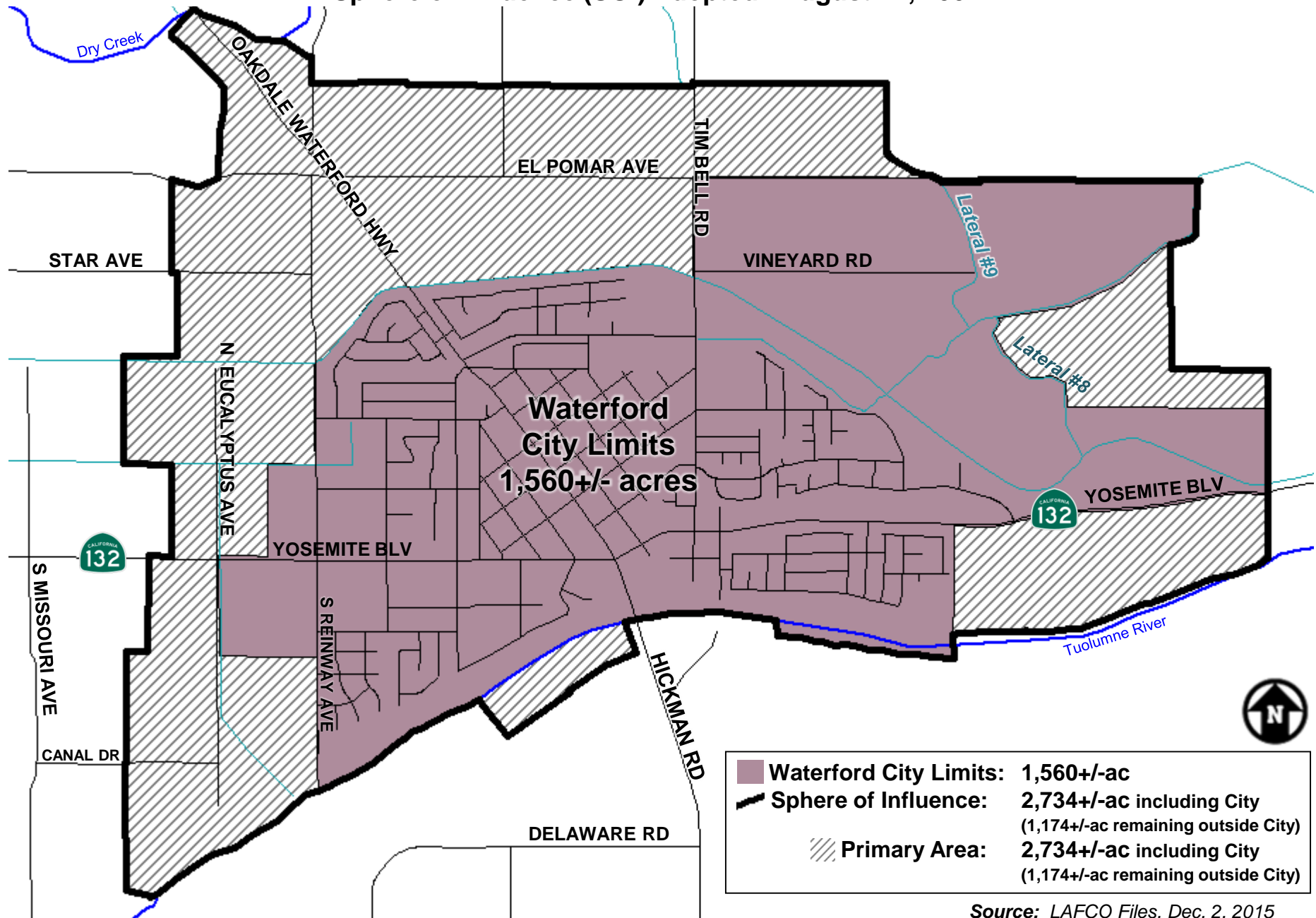
Turlock

Sphere of Influence (SOI) Adopted: August 28, 2019



Waterford

Sphere of Influence (SOI) Adopted: August 22, 2007



**EXECUTIVE OFFICER'S AGENDA REPORT
JANUARY 22, 2020**

TO: LAFCO Commissioners

FROM: Javier Camarena, Assistant Executive Officer

**SUBJECT: MSR NO. 2019-06, SOI UPDATE 2019-07: MUNICIPAL SERVICE REVIEW AND
SPHERE OF INFLUENCE UPDATE FOR THE DENAIR AND KEYES
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 Denair and Keyes Community Services Districts. The previous update for these districts was adopted August 27, 2014.

DISCUSSION

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 Keyes CSD is located north of the City of Turlock and the Denair CSD is located east of the City of Turlock.

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.

The Denair CSD has experienced minimal growth since the previous MSR and SOI update. The CSD is presently meeting the water, sewer, and street lighting needs of its customers within the existing service area boundaries.

The Keyes CSD has recently completed a facility to be used for treating arsenic in the District's water supply. The District is able to provide services to its customers and is currently providing services to several customers outside of the District's boundaries. At this time there are no plans to expand the District's Sphere of Influence. However, LAFCO staff has been in contact with the District to discuss potentially amending the District's Sphere of Influence to incorporate potential future area.

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 Denair and Keyes 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 Denair and Keyes Community Services Districts. Therefore, Staff recommends that the Commission adopt Resolution No. 2019-22, which:

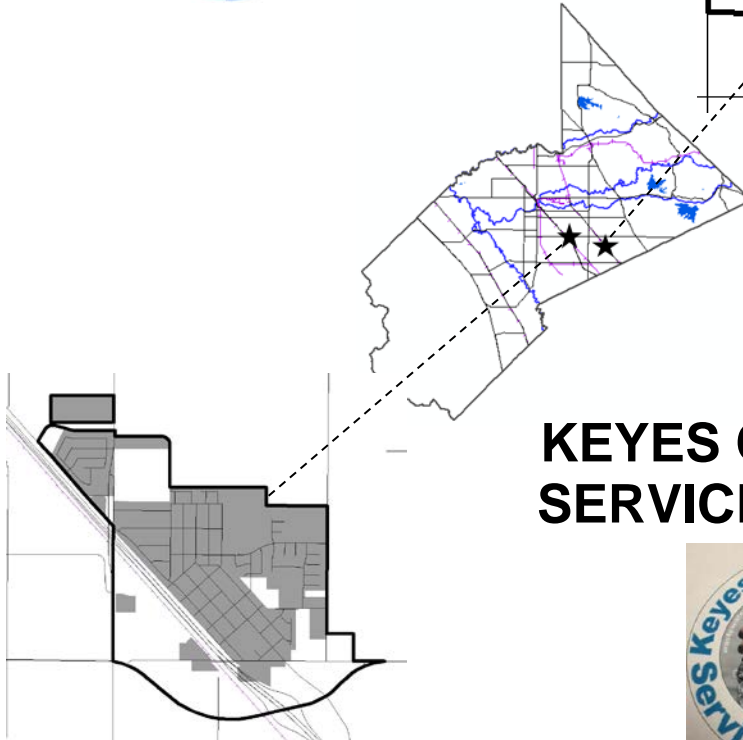
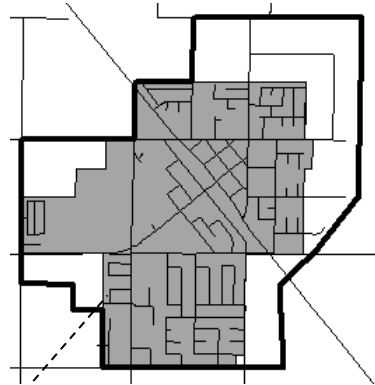
1. Determines that the Municipal Service Review and Sphere of Influence Update qualifies for a General Exemption from further California Environmental Quality Act (CEQA) review based on CEQA Regulations §15306 and §15061(b)(3);
2. Makes determinations related to the Municipal Service Review and Sphere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

Attachments:

- Municipal Service Review and Sphere of Influence Update for the Denair and Keyes Community Services Districts
- Draft Resolution No. 2019-22

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR:

DENAIR COMMUNITY SERVICES DISTRICT



KEYES COMMUNITY SERVICES DISTRICT



Prepared By:

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

Adopted: _____

STANISLAUS

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Municipal Service Review and Sphere of Influence Update for the Denair and Keyes 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 (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 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 Denair and Keyes Community Services Districts. The MSR 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 Denair and Keyes Community Services Districts were originally adopted by the Commission in 1984. The most recent 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 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.

Authority

This review will cover two independent special districts: Denair Community Services District and Keyes Community Services District. The Districts were organized under Section 61000 et. seq. of the Government Code. In addition, each District is considered "registered voter districts", as the board members are elected by the registered voters residing within the district's boundaries.

Purpose

Community Services Districts may be formed to provide water, sewer, or garbage services, 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 previous municipal service review, the Districts provided a listing of the services provided within their boundaries. The Districts are authorized to provide the functions or classes of services (e.g. water, sewer, street lighting) 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.

Municipal Service Review – Denair Community Services District

Formation

The Denair Community Services District was formed on October 3, 1961.

Services

The District provides sewer and domestic water services to the community of Denair. In addition, the District has a contractual agreement with the City of Turlock for sewer disposal services.

The District also owns and operates the following community service buildings: Community Center, Gaslight Theatre, Library Building, Senior Center, and Scout Hall.

Capacity

The District has purchased the necessary sewer capacity from the City of Turlock to serve existing and future development within its sphere of influence. Infrastructure improvements would be required in order to deliver additional wastewater to the City's treatment plant.

With regards to domestic water, the District currently has four groundwater wells, five lift stations, and an above-ground steel water tank to serve customers within the existing District boundaries. Water produced from the District's wells has consistently met the State's Title 22 (Code of Regulations) drinking water standards. In order to accommodate future growth within the District's sphere of influence, installation of additional groundwater wells and/or pipelines would be necessary. In 2000, the District adopted a Water Master Plan, which identifies projected water requirements and recommended system improvements over the next 10 to 20 years.

Location and Size

The District is located in the unincorporated community of Denair, east of the City of Turlock, in eastern Stanislaus County, and encompasses approximately 674 acres.

Sphere of Influence

The District's Sphere of Influence (SOI) incorporates approximately 1,056 acres (see Map - District Boundaries and Sphere of Influence). The original SOI boundary was established by LAFCO in 1984 to correspond with the Denair Community Plan. In 1998, the County approved updates to the Denair Community Plan, which maintained the same community planning boundaries (see Map - Denair Community Plan).

Governance

A five member Board of Directors, elected by registered voters within the District boundaries, governs the District. Meetings are held on the third Tuesday of each month at 6:00 p.m., at the District Office, located at 3850 N. Gratton Road, Denair.

The District also has established a website that current information on District programs and activities (www.denaircsd.org).

Personnel

The District has 7 full-time employees. The District also contracts with outside consultants for engineering, legal, and financial (auditor) services.

Support Agencies

The District maintains collaborative relationships with other agencies, such as the: the City of Turlock, State Water Resources Control Board, Department of Water Resources, California Rural Water Association, California Special Districts Association, National Rural Water Association, and American Water Works Association.

Funding Sources

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

Municipal Service Review Determinations Denair Community Services District

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

1. Growth and Population Projections for the Affected Area

The District serves the unincorporated community of Denair. The area is designated in the Stanislaus County General Plan and Denair Community Plan for residential, commercial, and industrial uses. The District currently serves an estimated population of 4,873 persons with water and sewer service. Although the District has purchased the necessary sewer capacity from the City of Turlock to serve future development within its sphere of influence, due to limited infrastructure and resources, it is not expected that any significant population growth will occur within the District boundaries at this time. The District may consider expanding its current infrastructure and facilities within the next 2-5 years should development consistent with the Denair Community Plan area be approved by the County.

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

Upon review of available Census data, there does not appear to be any communities meeting the criteria for disadvantaged within or contiguous to the Sphere of Influence of the District.

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 present water and sewer demand within the District's current boundaries can be met with existing facilities and infrastructure. However, before additional areas can be served within the sphere of influence, significant sewer and water infrastructure facilities will be required.

The District recently completed construction of an above-ground steel water tank (Water Tank No. 1) and associated booster pumps to help minimize capacity constraints during peak flows, and to increase fire-flow requirements for the Denair Middle School and surrounding community. The water tank is adjacent to the existing trunk system which was designed and constructed in 2005 to provide the District with increased capacity.

4. Financial Ability of Agencies to Provide Services

At the present time, the District has the necessary financial resources to fund existing levels of water and sewer services within the District's boundaries. There is no overlapping or duplication of services within these boundaries. The District, on an annual basis, reviews its rate and fee schedule and attempts to keep the rates and fees as minimal as possible.

5. Status of, and Opportunities for, Shared Facilities

The District shares facilities with other agencies as necessary and continually reviews new opportunities to continue these efforts. For example, the District owns, operates and maintains the following community facilities: Community Center, Gaslight Theater, Library Building, Senior Center, and Scout Hall.

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 conforms to the provisions of the Brown Act requiring open meetings. The District has recently upgraded its website which includes meeting agendas and minutes. It appears that the District has the necessary resources and staffing levels to operate in a cost-efficient and professional manner.

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

Since the previous update, the District established a corporation yard for the storage of materials required to maintain water and sewer mains, utility services and fire hydrants within the community of Denair. The additional space provided by the yard assists the District in providing efficient service to maintain District facilities.

SOI Update – Denair Community Services District

The following determinations for the Denair 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 (SOI) includes approximately 1,056 acres. Territory within the District boundaries consists of residential, commercial, and industrial land use areas. These uses are not expected to change. In addition, the District does not have the authority to make land use decisions 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 District is presently meeting the water and sewer needs of its customers within its existing service area boundary. However, additional infrastructure and resources would be necessary to accommodate future development within the District's Sphere of Influence (e.g. additional water wells and installation of transmission lines to connect to the Turlock wastewater disposal system).

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

The District currently has adequate capacity to provide the necessary water and sewer services to customers within its existing service area boundary.

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 Denair is the only community of interest within the District boundaries. The Turlock city limits lie approximately 1.3 miles west of the District's current boundaries. The two entities' Spheres of Influence are approximately 680 feet apart.

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 current Census data did not identify any areas qualifying as disadvantaged unincorporated communities within the District's Sphere of Influence, no analysis is required for this determination.

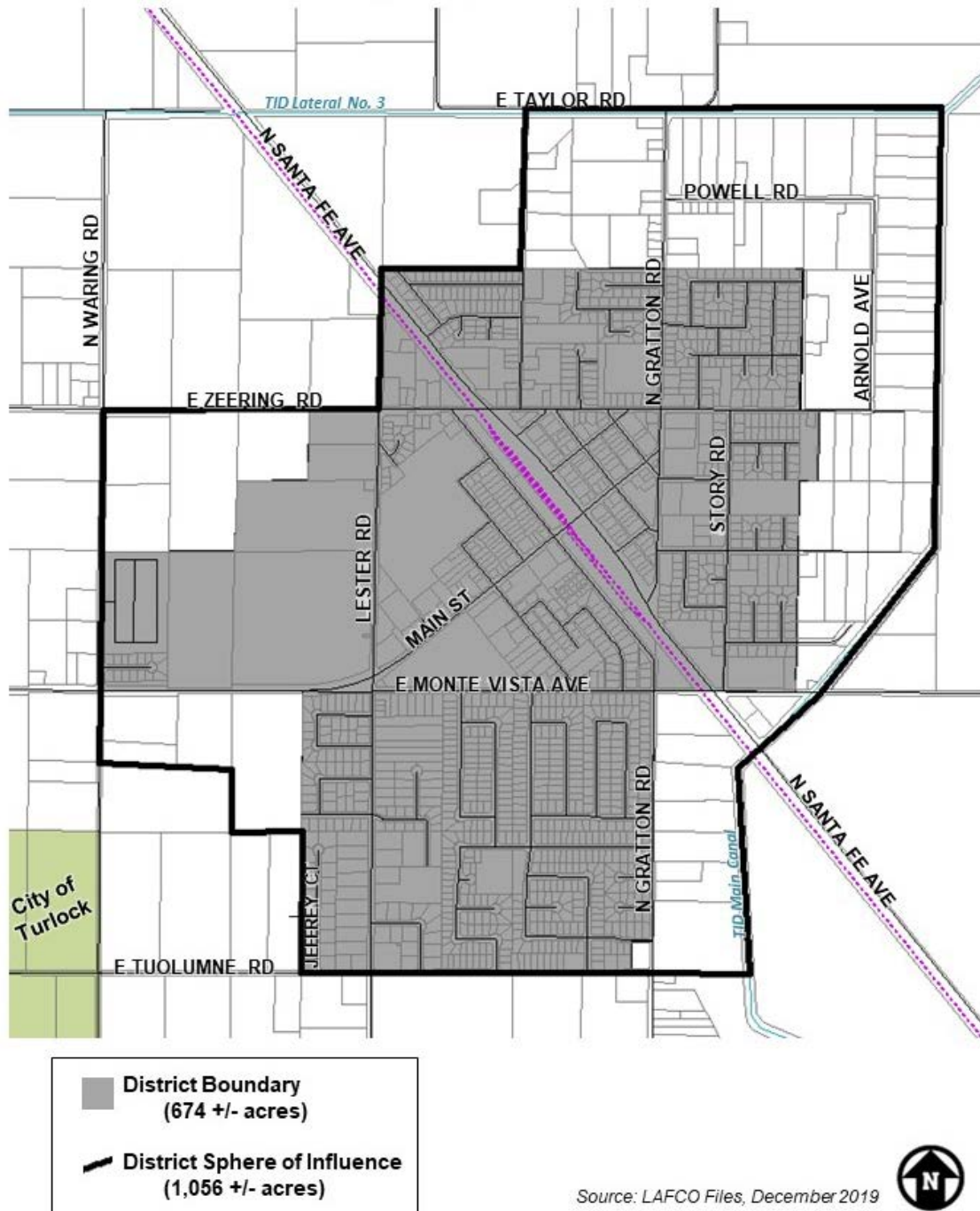
DISTRICT SUMMARY PROFILE

District:	DENAIR COMMUNITY SERVICES DISTRICT
Location:	East of the City of Turlock, in the unincorporated community of Denair.
Service Area:	Approximately 674 acres
Population*:	4,873
Land Use:	Residential, commercial, and industrial
Date of Formation:	October 3, 1961
Enabling Act:	California Government Code, Section 61000, et seq.
Governing Body:	5 directors, elected by registered voters within District boundaries
Administration:	7 full-time employees
District Services:	Municipal water and sewer services
Total Revenues:	\$2,804,127.97 (Projected for Fiscal Year 2019-2020)
Revenue Sources:	Monthly service and connection fees; property taxes

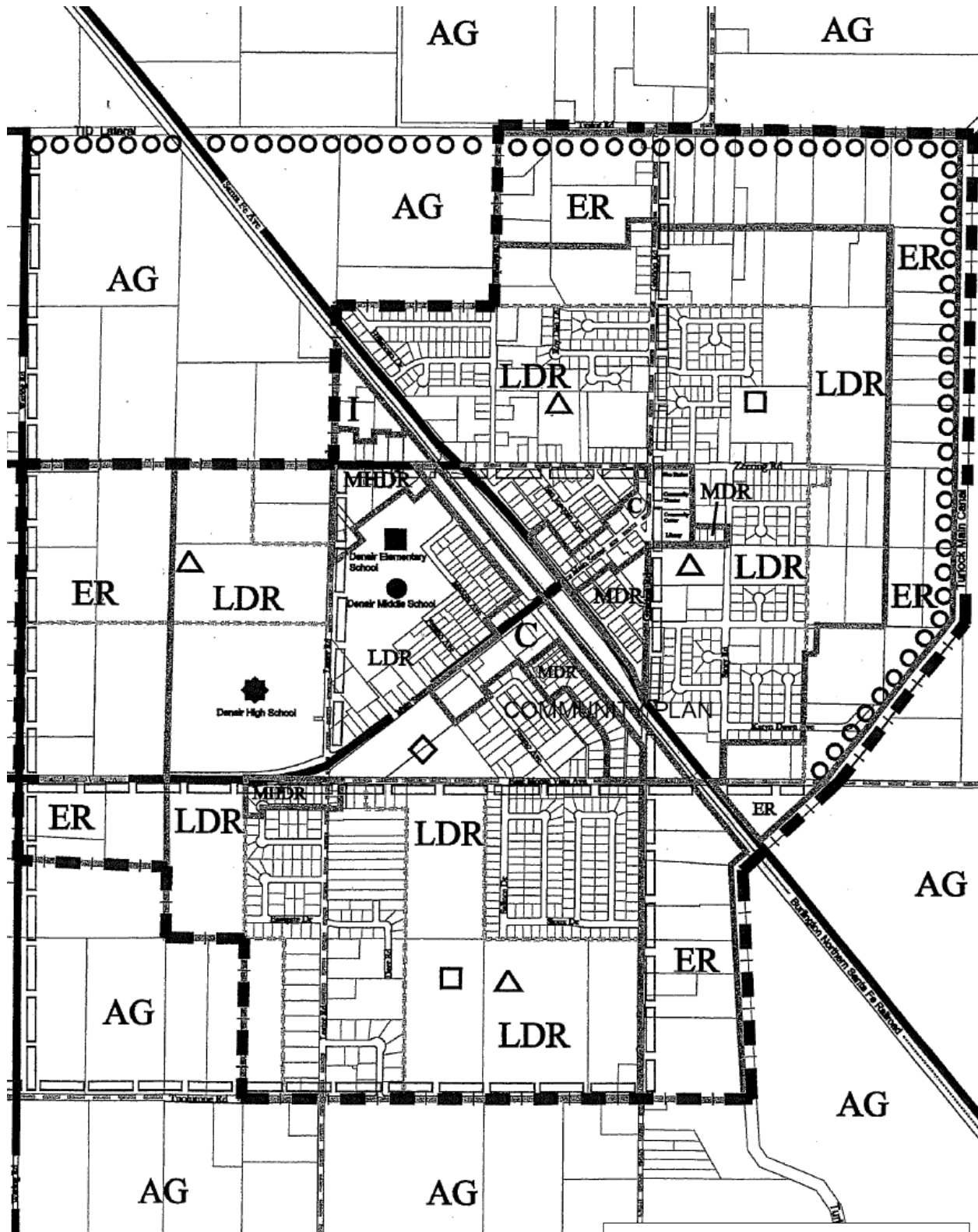


*Source: District Estimate

DENAIR COMMUNITY SERVICES DISTRICT BOUNDARY AND SPHERE OF INFLUENCE



DENAIR COMMUNITY PLAN



■ ■ ■ COMMUNITY PLAN BOUNDARY

Source: Stanislaus County General Plan
For Illustrative Purposes Only. Check with
County Planning to Verify Designations

Municipal Service Review – Keyes Community Services District

Formation

The Keyes Community Services District was formed on June 20, 1955.

Services

The District provides sewer, water and street lighting services to the community of Keyes. In addition, the District has a contractual agreement with the City of Turlock for sewer disposal services.

Capacity

The District currently serves approximately 1,350 customers providing sewer, water and lighting services to its customers.

With regards to its sewer system, the District's estimated volume of wastewater is .456 mgd. District has an agreement with the City of Turlock to use collection system improvements for sewage.

Currently, the District has 4 groundwater wells that provide drinking water to District customers. The District has completed an arsenic treatment project and is in the beginning stages of starting operation of treatment. Current testing shows arsenic level being reduced to below the maximum contaminant level (MCL).

The District recently completed a master meter agreement with mobile home parks outside the District boundaries to provide arsenic-free drinking water.

Location and Size

The District is located in the unincorporated community of Keyes, northwest the City of Turlock. The boundaries of the District encompass approximately 478 acres.

Sphere of Influence

The District's Sphere of Influence (SOI) includes approximately 793 acres (see Map - District Boundaries and Sphere of Influence). The original SOI boundary was established by LAFCO in 1984 to correspond with the Keyes Community Plan at that time. The County updated the Keyes Community Plan in 2000 to include additional territory along the west side of Washington Road (see Map - Keyes Community Plan). Similarly, the Commission approved an expansion of the SOI and annexation of 125 acres to the Keyes CSD in 2000 to accommodate residential development and a school.

Governance

A five-member Board of Directors, elected by registered voters within the District boundaries, governs the District. Meetings are held on the fourth Tuesday of each month at 1:00 p.m., at the District office located at 5601 7th Street, Keyes.

Personnel

The District has eight employees – 7 full-time and 1 part-time. The District also contracts out for legal, engineering and bookkeeping services.

Support Agencies

The District maintains collaborative relationships with other agencies, including the City of Turlock, Stanislaus County, the Keyes Fire Protection District, California Rural Water Association, State Water Resources Control Board, and the California Statewide Development Authority.

Funding Sources

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

Municipal Service Review Determinations Keyes Community Services District

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

1. Growth and Population Projections for the Affected Area

The District serves a population of approximately 5,600 in the unincorporated community of Keyes. The area is designated in the Stanislaus County General Plan and Keyes Community Plan for residential, commercial, and industrial uses.

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

According to 2010 Census data, the community of Keyes meets the income criteria and definition of a “disadvantaged unincorporated community” pursuant to Government Code Section 56033.5. While the majority of the developed Keyes area is included within the District’s boundaries, there are scattered urban uses, including mobile home parks, in and around the District’s Sphere of Influence that are currently served by on-site sewer and water systems and may benefit from the District’s services.

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

At the present time, the District has the capacity to serve the residents in its existing service area boundary. Some minor growth can be accommodated with existing infrastructure, however, before major growth can occur additional facilities will need to be constructed. Currently, the District is preparing to construct a new lift station. Additionally, the District has recently completed an arsenic treatment facility and is currently in the final steps of initiating operation of the facility.

4. Financial Ability of Agencies to Provide Services

The District appears to have the necessary financial resources to fund existing levels of water, sewer, and street lighting services within the District’s boundaries. The District regularly reviews its rates for services.

5. Status of, and Opportunities for, Shared Facilities

The District does not share facilities with any other district or agency. There is no overlapping or duplication of services within the area.

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 conforms to the provisions of the Brown Act, requiring open meetings. Recently the District upgraded its website which provides District information, meeting agendas and minutes, and reports. It is reasonable to conclude the District can adequately serve the current areas under its jurisdiction. The District has a small, yet adequate 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 – Keyes Community Services District

The following determinations for the Keyes 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 (SOI) includes approximately 793 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.

Recently, the District has requested several service connections for water outside of the District's Boundary and Sphere of Influence. At this time there are no plans to expand the District's Sphere of Influence. However, LAFCO staff has been in contact with the District to discuss potentially amending the District's Sphere of Influence to incorporate potential future area.

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

The District is presently meeting the water, sewer, and street lighting needs of its customers within the existing service area boundaries. However, additional infrastructure and resources would be necessary to accommodate future development within the District's Sphere of Influence. The District recently completed its arsenic treatment facility and is currently in the process of beginning operations.

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

The District currently has adequate capacity to provide the necessary water, sewer, and street lighting services to customers within its existing service area boundary.

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 Keyes is a community of interest within the District boundaries. The City of Ceres may also be considered a community of interest in the area as its Sphere of Influence lies approximately ¼-mile north of the District.

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 existing boundaries of the District encompass the majority of the urbanized area of the Keyes community. For those uses currently outside the District's boundaries, LAFCO review is required prior to the extension of services in these instances, either through an annexation request or out-of-boundary service extension application.

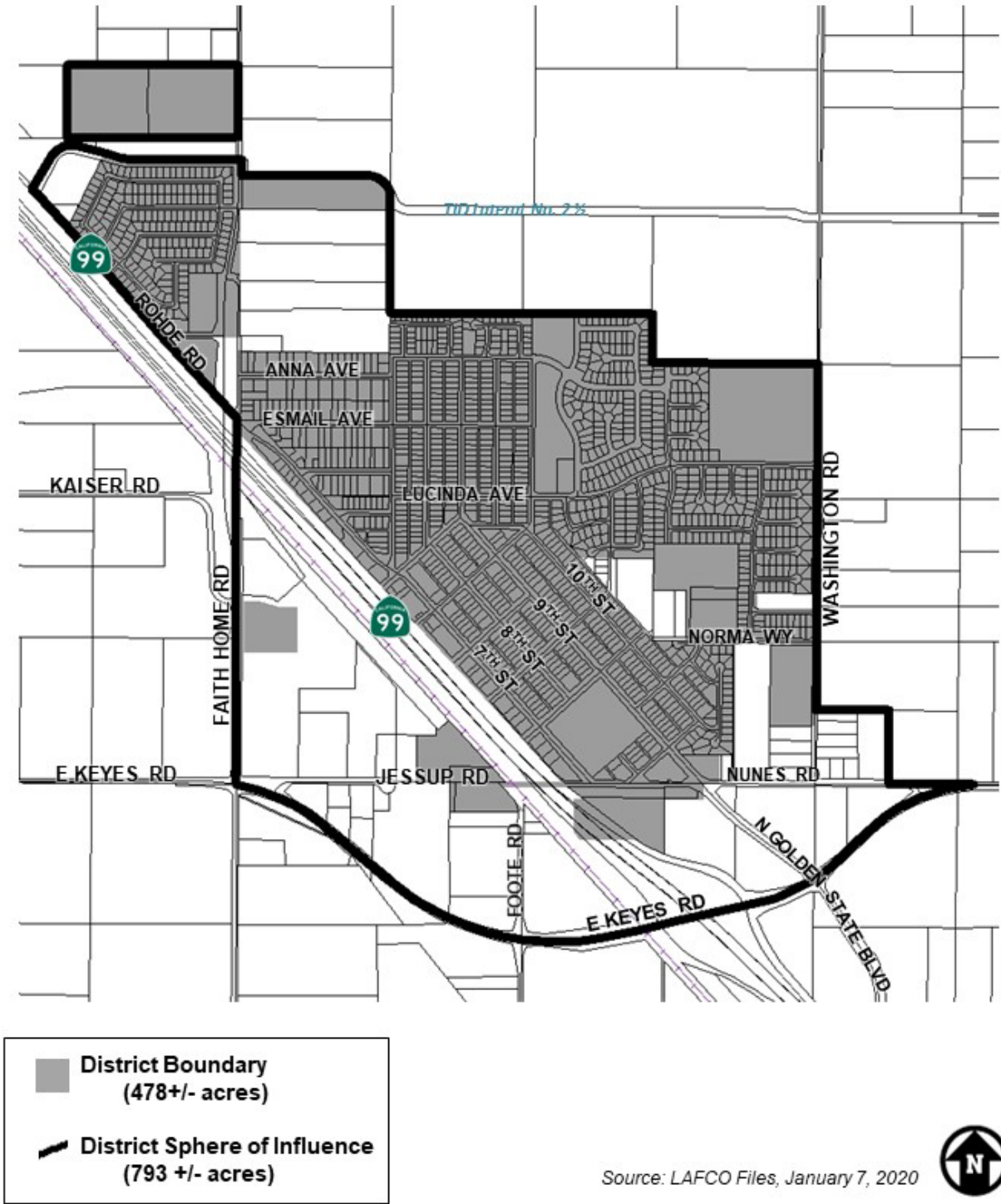
DISTRICT SUMMARY PROFILE

District:	KEYES COMMUNITY SERVICES DISTRICT
Location:	In the unincorporated community of Keyes, northwest of the City of Turlock.
Service Area:	Approximately 478 acres
Population*:	5,601
Land Use:	Residential, commercial, and industrial
Date of Formation:	June 20, 1955
Enabling Act:	California Government Code, Section 61000, et. seq.
Governing Body:	5 member Board of Directors, elected by registered voters within District boundaries
Administration:	7 employees (6 full-time and 1 part-time)
District Services:	Water, sewer, and street lighting services
Total Revenues:	Approximately \$2,800,000 (Projected for Fiscal Year 2019-2020)
Revenue Sources:	Monthly service and connection fees; property taxes

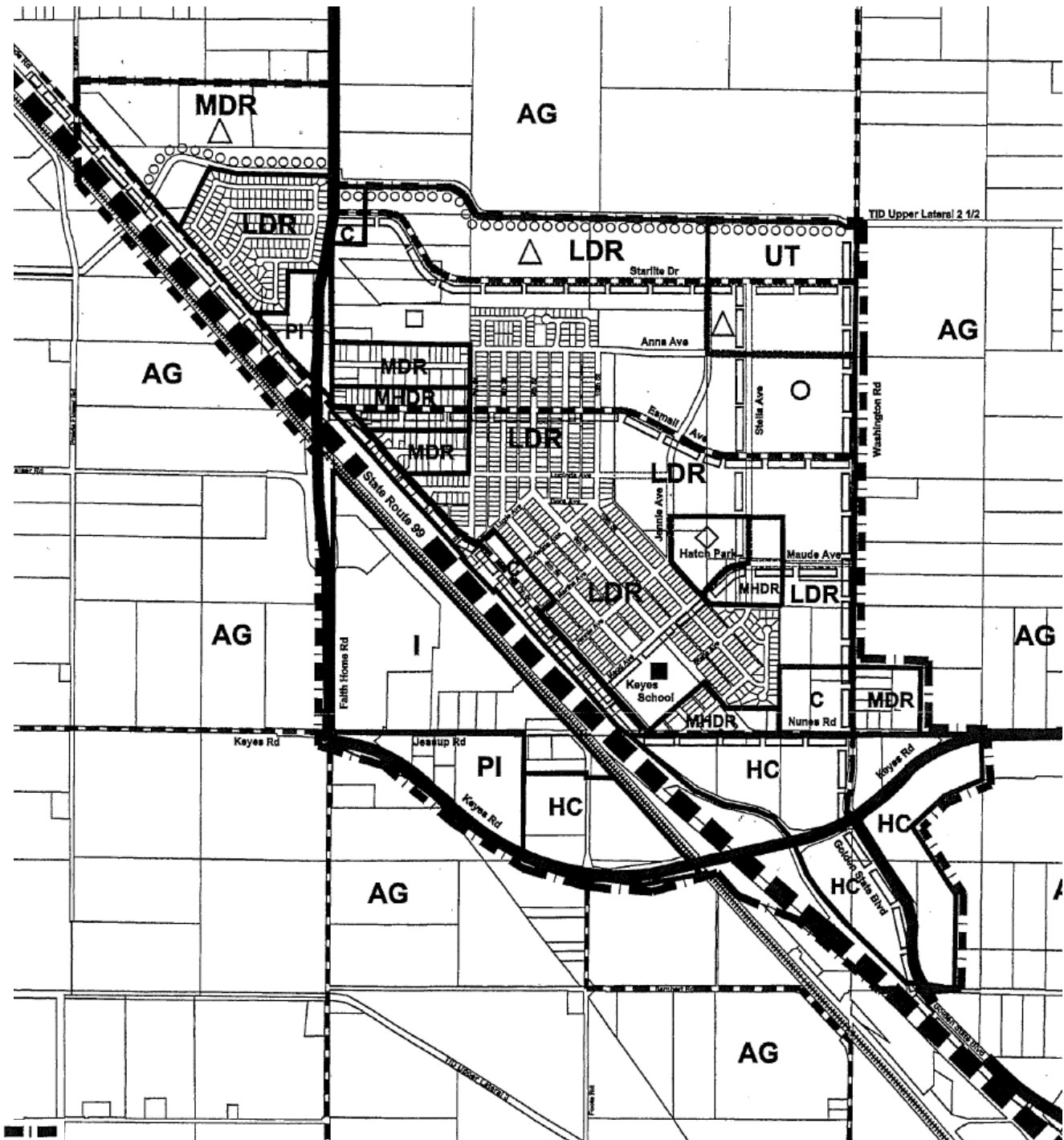


**Source: 2019 population estimate, US Census*

**KEYES COMMUNITY SERVICES DISTRICT
BOUNDARY AND SPHERE OF INFLUENCE**



KEYES COMMUNITY PLAN



COMMUNITY PLAN BOUNDARY

Source: Stanislaus County General Plan
For Illustrative Purposes Only. Check with
County Planning to Verify Designations

REFERENCES

1. California Department of Water Resources. Disadvantaged Communities (DAC) Mapping Tool (<http://www.water.ca.gov/irwm/grants/resourceslinks.cfm>). Accessed January 7, 2020.
2. California State Controller's Office. *Special Districts Annual Report (Fiscal Year 2011-2012)*. November 22, 2013.
3. Denair Community Services District. *Proposed Budget - Fiscal Year 2019-2020*.
4. Denair Community Services District. Website (<http://www.denaircsd.org>). Accessed December 10, 2019.
5. Keyes Community Services District. *Adopted Budget - Fiscal Year 2019-2020*.
6. Keyes Community Services District. Website (<http://www.keyescsd.org>). Accessed January 7, 2020.
7. Stanislaus LAFCO. *Executive Officer's Agenda Report: Consideration and Adoption of Spheres of Influence for Development-Related Special Districts in Priority Area 3: Turlock Area*. November 28, 1984.
8. Stanislaus LAFCO. *Municipal Service Review and Sphere of Influence Updates for the Denair and Keyes Community Services Districts*. August 27, 2014.
9. Turlock Groundwater Basin Association. *Groundwater Management Plan*. January 17, 2008.
10. United States Census Bureau. Website (<https://www.census.gov/>). Accessed January 7, 2020.

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**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: January 22, 2020

NO. 2019-22

SUBJECT: Municipal Service Review No. 2019-06 and Sphere of influence Update No 2019-07: Denair and Keyes 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 Denair and Keyes 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 January 22, 2020 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 Denair and Keyes Community Services Districts and the determinations contained therein;

WHEREAS, the Denair and Keyes 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 Denair and Keyes 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 Denair and Keyes 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 Denair and Keyes 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 Denair and Keyes Community Services Districts.

ATTEST: _____
Sara Lytle-Pinhey, Executive Officer

MEMORANDUM

DATE: January 22, 2020

TO: LAFCO Commissioners

FROM: Sara Lytle-Pinhey, Executive Officer *SLP*

SUBJECT: **Results of the Protest Hearing and Approval of Impartial Analysis for the Northwest Newman Phase I Reorganization to the City of Newman**

RECOMMENDATION

It is recommended that the Commission direct the Executive Officer to submit an impartial analysis for an election to be called by the City of Newman for the Northwest Newman Phase I Reorganization to the City of Newman.

DISCUSSION

On October 23, 2019, the Commission adopted Resolution 2019-19, approving the Northwest Newman Phase I Reorganization to the City of Newman and directing the Executive Officer to initiate protest proceedings. The Commission has previously delegated the conduct of protest hearings (also referred to as "conducting authority proceedings") to the Executive Officer, pursuant to Government Code Section 57000(c). The Executive Officer held a protest hearing on December 19, 2019, following the required notice period. The protest hearing process allows an opportunity for landowners and registered voters within the affected territory to submit protests via mail or in-person prior to close of the hearing.

Pursuant to Government Code Section 57075(a), there are three potential outcomes following a protest hearing:

- If a majority of registered voters within the territory protest, the proposal is terminated.
- If at least 25% (but less than 50%) of registered voters protest, the proposal is subject to an election. Or if at least 25% of landowners (who also own at least 25% of the assessed value of land) protest, the proposal is subject to an election.
- If neither of the above scenarios occur, the proposal is ordered (as originally approved by the Commission).

Protests Received

Staff received a total of 38 written protest forms for the proposal. Each of these forms were reviewed by LAFCO Staff, consistent with the requirements of the Cortese-Knox-Hertzberg Act which specifies the requirements for verification and valuation of protests. This process

includes verification of registered voter information with the County Elections Department and verification of landowner information with the current County Assessor Roll.

The following charts summarize the protests received:

Registered Voters – Written Protests

Total Registered Voters Residing Within the Annexation Area	55
Verified Protests Received	23
Percent of Registered Voters Protesting	41.82%

Landowners – Written Protests

Total Landowners Within the Annexation Area	34
Verified Protests Received	11
Percent of Landowners Protesting	32.35%
Percent of Assessed Value of Land	20.56%

As it has been determined that the number of registered voter protests exceeded 25%, but is less than a majority, the proposal is now subject to an election. The number of landowner protests also exceeded the 25% threshold; however, these protests accounted for less than 25% of assessed land value. Either the registered voter or landowner threshold can trigger an election on its own; therefore, the registered voter protest sufficiently warrants an election.

The Executive Officer has completed Conducting Authority Resolution No. 03-2019 (attached for the Commission's information) noting the outcome of the protest hearing and need for an election. This information has been shared with the property owners and registered voters within the proposal area and the City of Newman, who has been requested to call for an election that will determine the final outcome.

IMPARTIAL ANALYSIS

Once the City of Newman calls for an election, the Commission has a very limited timeframe to review and submit an impartial analysis for the election. In order to ensure timely submittal and avoid the need for a special LAFCO meeting, Staff has prepared the following impartial analysis for the Commission's review:

**IMPARTIAL ANALYSIS FOR THE PROPOSED REORGANIZATION CONSISTING OF
ANNEXATION TO THE CITY OF NEWMAN AND DETACHMENT FROM THE WEST
STANISLAUS FIRE PROTECTION DISTRICT AND CENTRAL CALIFORNIA
IRRIGATION DISTRICT**

This is a ballot measure to determine if registered voters within the unincorporated area northwest of the existing city limits of Newman want to be annexed to the City of Newman.

The proposed reorganization is known as the "Northwest Newman Phase I Reorganization to the City of Newman" and includes approximately 121 acres located northwest of the existing City limits, west of Highway 33, and south of Stuhr Road. If approved by voters, the reorganization would result in annexation to the City of Newman and simultaneous detachment from the West Stanislaus Fire Protection District and the

Central California Irrigation District. The proposal, as approved by the Local Agency Formation Commission, is subject to certain terms and conditions as specified in the order adopted on October 23, 2019.

A "Yes" vote means you are in favor of the annexation to the City of Newman and detachment from the West Stanislaus Fire Protection District and Central California Irrigation District, commonly referred to as the Northwest Newman Phase I Reorganization. Annexation will place the area under the local jurisdiction of the City of Newman with responsibility for municipal services transferring from the County to the City. The territory would no longer be located within the boundaries of the West Stanislaus Fire Protection District and the Central California Irrigation District. Specific questions regarding current City and/or District services, land use, taxes, assessments and charges should be directed to the City and/or District.

A "No" vote means you are opposed to the annexation to the City of Newman and detachment from the West Stanislaus Fire Protection District and Central California Irrigation District, commonly referred to as the Northwest Newman Phase I Reorganization. If the measure fails to receive a majority of votes cast, the reorganization will be terminated and the area will remain unincorporated and within the boundaries of the West Stanislaus Fire Protection District and Central California Irrigation District.

The above statement is an impartial analysis of Measure _____. If you desire a copy of the measure, please call the elections official's office at (209) 525-5200 and a copy will be mailed at no cost to you.

RECOMMENDED COMMISSION ACTION

It is recommended that the Commission direct the Executive Officer to submit the impartial analysis for the election to be called by the City of Newman for the Northwest Newman Phase I Reorganization to the City of Newman.

Attachment: Conducting Authority Resolution No. 03-2019

**STANISLAUS LAFCO CONDUCTING AUTHORITY
RESOLUTION NO. 03-2019**

**RESOLUTION OF THE EXECUTIVE OFFICER AS CONDUCTING AUTHORITY ORDERING
THE NORTHWEST NEWMAN PHASE I REORGANIZATION TO THE CITY OF NEWMAN
SUBJECT TO CONFIRMATION BY VOTERS**

WHEREAS, the Stanislaus Local Agency Formation Commission (LAFCO), on October 23, 2019, adopted LAFCO Resolution 2019-19, approving the Northwest Newman Phase I Reorganization to the City of Newman with certain terms and conditions;

WHEREAS, the reorganization consists of annexation to the City of Newman and simultaneous detachment from the West Stanislaus Fire Protection District and the Central California Irrigation District;

WHEREAS, the Commission set forth the reasons for the proposal, made findings and determinations, including those required of the California Environmental Quality Act (CEQA), and approved terms and conditions of the reorganization as described in Exhibit A, LAFCO Resolution No. 2019-19;

WHEREAS, the affected boundaries of the reorganization include approximately 121 acres located northwest of the existing City Limits of Newman, west of Highway 33, and south of Stuhr Road, as shown in Exhibit B;

WHEREAS, the territory is inhabited and does not have 100% landowner consent;

WHEREAS, pursuant to Section 99 of the Revenue and Taxation Code, the area is subject to a city-county tax sharing agreement applicable to the Northwest Newman Master Plan area;

WHEREAS, Government Code Section 56029 designates the Commission, as the conducting authority to conduct proceedings for the reorganization pursuant to Part 4 of Division 3 of the California Government Code commencing with Section 57000;

WHEREAS, pursuant to Government Code Section 57000(c), the Commission, on February 28, 2001, delegated all functions, duties, and responsibilities of the Commission as conducting authority to the Executive Officer;

WHEREAS, on October 23, 2019, the Commission adopted LAFCO Resolution No. 2019-19, making determinations, approving the proposal and directing the Executive Officer to complete protest proceedings;

WHEREAS, notice was given for the protest hearing, in the form and manner required by law, pursuant to Government Code Section 57025;

WHEREAS, pursuant to Government Code Section 57050, the Executive Officer has conducted the protest hearing for the reorganization on December 19, 2019 for the purpose of receiving written protests;

WHEREAS, following the conclusion of the hearing, the Executive Officer has determined that the written protests received and not withdrawn have been submitted by at least twenty-five percent but less than fifty percent of the registered voters;

WHEREAS, a resolution ordering the reorganization subject to confirmation by registered voters is required pursuant to Part 4 of the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 commencing with Section 57000 of the Government Code.

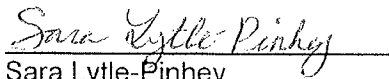
NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED, AND ORDERED by the Executive Officer of the Stanislaus Local Agency Formation Commission as follows:

1. The subject reorganization is hereby ordered subject to the confirmation of the registered voters residing within the affected territory.
2. The reorganization is subject to the terms and conditions contained in LAFCO Resolution No. 2019-19, attached hereto as Exhibit A; and the boundaries are further described on the map and legal description, attached hereto as Exhibit B.
3. The regular County assessment roll will be utilized.
4. No existing bonded indebtedness shall be affected by this change of organization.
5. Pursuant to Government Code Section 57118(d), the election shall be held within the territory subject to the reorganization.
6. The question to be submitted at the election called shall be in substantially the following form:

Shall the order be confirmed that was adopted on October 23, 2019 by the Stanislaus Local Agency Formation Commission ordering a reorganization consisting of annexation to the City of Newman and detachment from the West Stanislaus Fire Protection District and Central California Irrigation District, subject to the terms and conditions specified in the order?

7. If a majority of votes cast upon the question are in favor of the reorganization, the reorganization shall be confirmed and ordered and a Certificate of Completion for the reorganization shall be filed in the manner stated in Government Code Section 57000 et. seq., upon satisfaction of the terms and conditions set forth in LAFCO Resolution 2019-19.

BE IT FURTHER RESOLVED that pursuant to Government Code section 57000(d), the Executive Officer shall inform the City of Newman that a determination has been made that will require an election be conducted and request the City to direct the elections official to conduct the necessary election


Sara Lytle-Pinhey
Executive Officer, Stanislaus LAFCO

1/15/2020
Date

Exhibit A: LAFCO Resolution No. 2019-19
Exhibit B: Map of Affected Area

Exhibit A

**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: October 23, 2019

NO. 2019-19

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

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

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

THE FOLLOWING RESOLUTION WAS ADOPTED:

WHEREAS, the City of Newman has requested to annex approximately 121 acres known as the Northwest Newman Phase I Reorganization to the City of Newman and detach said acreage from the West Stanislaus Fire Protection District and Central California Irrigation District;

WHEREAS, the City of Newman adopted a Resolution of Application and pre-zoned the proposed annexation area, located within the City of Newman existing Sphere of Influence and Primary Area;

WHEREAS, there are more than 12 registered voters within the area and it is thus considered inhabited;

WHEREAS, the County and City have negotiated and reached an agreement as to a rate of exchange of property tax revenues, pursuant to Section 99 of the Revenue and Taxation Code, which is applicable solely to the Northwest Newman Master Plan area;

WHEREAS, there is one (1) active Williamson Act contracted land within the boundaries of the reorganization;

WHEREAS, pursuant to Government Code Section 51243.5, the Commission must determine whether a city may exercise an option not to succeed to a Williamson Act contract upon annexation;

WHEREAS, the City of Newman must succeed to Williamson Act Contract No. 76-2249 upon annexation, as the findings in Government Code Section 51243.5 have not been met;

WHEREAS, pursuant to Government Code Section 56856.5(c), the Commission may approve a change of organization or reorganization that would result in the annexation of Williamson Act lands only if it makes a specific finding;

WHEREAS, the City of Newman was the Lead Agency in preparing the environmental documentation which included the proposed annexation;

WHEREAS, the City of Newman, as Lead Agency, has certified a Final Environmental Impact Report for the proposal, in compliance with the California Environmental Quality Act (CEQA) and State CEQA Guidelines;

WHEREAS, the City of Newman shall be responsible for monitoring and reporting to ensure CEQA compliance;

WHEREAS, the City of Newman has determined that there are impacts, which could not be mitigated to acceptable levels and adopted CEQA Findings of Fact and Statements of Overriding Considerations, as put forth in the City of Newman Resolution No. 2017-54;

WHEREAS, the Commission has reviewed the environmental documentation prepared by the City of Newman, including the Final Environmental Impact Report and Statements of Overriding Considerations, and has not identified any feasible mitigation measures that would substantially lessen the identified impacts of the proposal;

WHEREAS, the Commission is not aware of any legal challenge filed against the City's environmental determinations for the proposal;

WHEREAS, the Commission has reviewed the Plan for Agricultural Preservation submitted by the City for the proposal which provides information regarding impacts to agricultural lands and the City's strategy to minimize the loss of agricultural lands;

WHEREAS, at the time and in the form and manner provided by law, the Executive Officer provided notice of the October 23, 2019 public hearing by this Commission; 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.

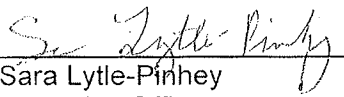
NOW, THEREFORE, BE IT RESOLVED that this Commission:

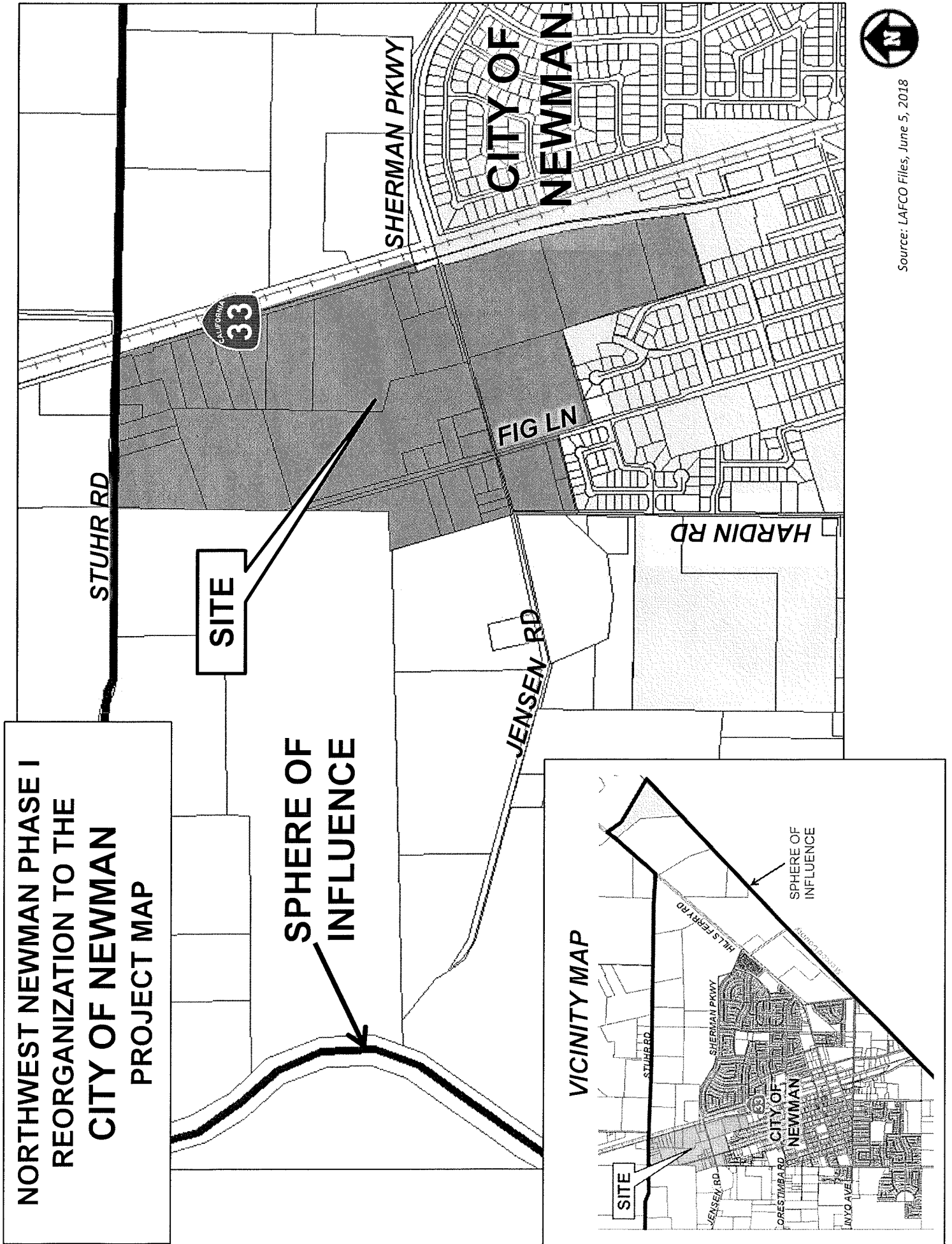
1. Acting as a Responsible Agency pursuant to CEQA Guidelines Sections 15051, 15052, 15096, and 15391, the Commission has reviewed and considered the Final Environmental Impact Report for the Northwest Newman Master Plan, and adopts the same findings regarding the environmental impacts of the proposal and the statement of overriding considerations, all as approved and adopted by the City of Newman acting as the Lead Agency and put forth in Newman City Council Resolution No. 2017-54; and additionally makes the following findings:
 - A. As a "Responsible Agency", Stanislaus LAFCO has independently evaluated the City's certified EIR, and has complied with all actions and guidelines pursuant to CEQA Guidelines Section 15096, and has reached an independent conclusion that determines the EIR adequately addresses the potential impacts related to the proposal that the Stanislaus LAFCO has been asked to approve;

- B. On the basis of substantial evidence in light of the whole record, none of the conditions identified in the CEQA Guidelines Section 15052 have occurred that would necessitate LAFCO assuming the role of Lead Agency from the City of Newman;
 - C. On the basis of substantial evidence in light of the whole record, none of the conditions identified in CEQA Guidelines Section 15162 or 15163 have occurred that would necessitate preparation of a Subsequent EIR or Supplemental EIR as certified by the City of Newman;
 - D. On the basis of substantial evidence in light of the whole record, in compliance with CEQA Guidelines Section 15096(g)(2), that there are no feasible alternatives to the proposal or feasible mitigation measures within the Stanislaus LAFCO's powers that would substantially lessen or avoid any significant effect the proposal would have on the environment;
 - E. On the basis of substantial evidence in light of the whole record, in compliance with CEQA Guidelines Section 15096(h), that the Stanislaus LAFCO, as a "Responsible Agency" adopts the same findings put forth in Newman City Council Resolution No. 2017-54 as required by Section 15091(a) for each significant effect of the proposal and makes the findings in Section 15093 as necessary, adopts the same Statement of Overriding Considerations, also contained in said referenced resolution, and to further require the filing of a Notice of Determination in compliance with CEQA Guidelines Section 15096(i); and,
 - F. The City of Newman shall be responsible for the Mitigation Monitoring and Reporting Program, all as approved and adopted by the City to ensure CEQA Compliance.
- 2. Determines, the City of Newman shall succeed to Williamson Act Contract No. 76-2249, upon annexation, as the criteria contained in Government Code Section 51243.5, have not been met.
 - 3. Finds, pursuant to Government Code Section 56856.5, the reorganization of the "Northwest Newman Master Plan Phase I" area is appropriate to provide necessary urban services to a planned, well-ordered, and efficient urban development pattern by the City of Newman, and whose adopted plans and policies includes appropriate consideration for the preservation of open space lands within those urban development patterns upon annexation.
 - 4. Determines that the Plan for Agricultural Preservation, as submitted by the City, contains sufficient evidence demonstrating consistency with the goals of the Commission's Agricultural Preservation Policy.
 - 5. Determines that the approval of the reorganization is consistent with overall Commission policies and the City's General Plan and that the City has provided sufficient evidence to show that the required services are available and will be provided upon development of the area.

6. Approves the proposal subject to the following terms and conditions:
 - A. The applicant shall pay State Board of Equalization fees and any remaining fees owed to LAFCO.
 - 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. The effective date shall be the date of recordation of the Certificate of Completion.
 - D. The application shall be processed as a reorganization consisting of the annexation of territory to the City of Newman and detachment from the West Stanislaus Fire Protection District and Central California Irrigation District.
 - E. Upon the effective date of the annexation, all rights, title, and interest of the County, including the underlying fee where owned by the County in any and all public improvements, including, but not limited to the following: sidewalks, trails, landscaped areas, open space, street lights, signals, bridges, storm drains, and pipes shall vest in the City; except for those properties to be retained by the County.
 - G. Pursuant to Government Code Section 56889, the City shall adopt the rules and procedures required by the Williamson Act, including but not limited to the rules and procedures required by Government Code Sections 51231, 51237, and 51237.5.
7. Designates the proposal as the "Northwest Newman Phase I Reorganization to the City of Newman."
8. Designates the Commission as conducting authority pursuant to Government Code Section 56029 for the reorganization.
9. Authorizes and directs the Executive Officer, pursuant to Government Code Section 56881(d), to initiate the protest proceedings for the reorganization pursuant to Part 4, commencing with Section 57000, in compliance with this Resolution and upon receipt of a map and legal description accepted to form by the Executive Officer.

ATTEST:


Sara Lytle-Pinhey
Executive Officer



**EXECUTIVE OFFICER'S AGENDA REPORT
JANUARY 22, 2020**

TO: LAFCO Commissioners

FROM: Jennifer Vieira, Commission Clerk

SUBJECT: Annual Election of Officers (Chairperson and Vice-Chairperson)

BACKGROUND

The Commission's adopted Policies and Procedures includes Rules of Order, which establishes the terms and rotation schedule for the annual election of the Chairperson and Vice-Chairperson. The established annual term of office for these officers is from February 1st through January 31st.

Based on the current rotation of officers, as established in the adopted Rules of Order (Rule 4), the Office of Chairperson and Vice-Chairperson shall be rotated among the members according to the following sequence: Chairperson – County Member and Vice-Chairperson – Public Member. Alternate members are not eligible to be officers.

Thus, Commissioner Jim DeMartini, as the current Vice-Chair is eligible for Chairperson, as well as Commissioner Withrow. Bill Berryhill, Regular Public Member, is eligible for Vice-Chairperson. (See attached Rotation Schedule.)

RECOMMENDATION

If your Commission agrees with the terms of office and the rotation of officers as per Rule 4, it is recommended that the Commission adopt the attached Resolutions selecting a new Chairperson (County Member) and a Vice-Chairperson (Public Member) for the annual term of February 1, 2020 to January 31, 2021.

Attachments: Draft LAFCO Resolution No. 2020-01a & 2020-01b
Rotation Schedule

**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: January 22, 2020

NO. 2020-01a

SUBJECT: Annual Election of Officers (Chairperson)

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, in accordance with Government Code Section 56334 and Commission Rules of Order, the members of the Commission shall elect a chairperson at the first meeting in January of each year;

WHEREAS, the Commission's Rules of Order, under Rule 4, provides for the systematic rotation of the Chairperson among its members;

WHEREAS, the terms of the present officer expire on January 31, 2020; and,

WHEREAS, based on adopted Commission Policies and Procedures, the rotation of its members for the Chairperson, a County Member is in line for this office seat, respectively.

NOW, THEREFORE, BE IT RESOLVED that the Commission:

1. Elects Commissioner _____ as Chairperson for a term of office commencing February 1, 2020 through January 31, 2021.

ATTEST:

Sara Lytle-Pinhey
Executive Officer

**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: January 22, 2020

NO. 2020-01b

SUBJECT: Annual Election of Officers (Vice-Chairperson)

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, in accordance with Government Code Section 56334 and Commission Rules of Order, the members of the Commission shall elect a Vice-Chairperson at the first meeting in January of each year;

WHEREAS, the Commission's Rules of Order, under Rule 4, provides for the systematic rotation of the Vice-Chairperson among its members;

WHEREAS, the terms of the present officer expire on January 31, 2020; and,

WHEREAS, based on adopted Commission Policies and Procedures, the rotation of its members for the Vice-Chairperson, a Public Member is in line for this office seat, respectively.

NOW, THEREFORE, BE IT RESOLVED that the Commission:

1. Elects Commissioner Berryhill as Vice-Chairperson for a term of office commencing February 1, 2020 through January 31, 2021.

ATTEST:

Sara Lytle-Pinhey
Executive Officer

COMMISSIONER ROTATION SCHEDULE

Rotation

2/2009 - 1/2010	Chairperson Vice-Chairperson	Lane DeMartini	City County	A
2/2010 - 1/2011	Chairperson Vice-Chairperson	DeMartini Saletta	County Public	B
2/2011 - 1/2012	Chairperson Vice-Chairperson	Saletta Goeken	Public City	C
2/2012 - 1/2013	Chairperson Vice-Chairperson	Goeken O'Brien	City County	D
2/2013 - 1/2014	Chairperson Vice-Chairperson	O'Brien Bublak	County City	E
2/2014 - 1/2015	Chairperson Vice-Chairperson	Bublak DeMartini	City County	A
2/2015 - 1/2016	Chairperson Vice-Chairperson	DeMartini Hawn	County Public	B
2/2016 - 1/2017	Chairperson Vice-Chairperson	Hawn Bublak	Public City	C
2/2017 - 1/2018	Chairperson Vice-Chairperson	Bublak Withrow	City County	D
2/2018 - 1/2019	Chairperson Vice-Chairperson	Withrow Van Winkle	County City	E
2/2019 – 1/2020	Chairperson Vice-Chairperson	Van Winkle DeMartini	City County	A
2/2020 – 1/2021	Chairperson Vice-Chairperson		County Public	B