



**STANISLAUS LAFCO
LOCAL AGENCY FORMATION COMMISSION**

Sara Lytle-Pinhey, Executive Officer
1010 10th Street, Third Floor
Modesto, California 95354
Phone: 209-525-7660
Fax: 209-525-7643
www.stanislauslafco.org

Chair Amy Bublak, City Member
Vice Chair Terry Withrow, County Member
Richard O'Brien, City Member
Vito Chiesa, County Member
Ken Lane, Public Member
Javier Lopez, Alternate City Member
Mani Grewal, Alternate County Member
Bill Berryhill, Alternate Public Member

**AGENDA
Wednesday, January 26, 2022
6:00 P.M.
Joint Chambers—Basement Level
1010 10th Street, Modesto, California 95354**

- Members of the Public may attend this meeting in person.
- You can also observe the live stream of the LAFCO meeting at:
<http://www.stancounty.com/sclive/>
- In addition, LAFCO meetings are broadcast live on local cable television. A list of cable channels is available at the following website:
<http://www.stancounty.com/planning/broadcasting.shtm>

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 comment on items that are not listed on the regular agenda. 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 September 22, 2021 Meeting.](#)

4. CORRESPONDENCE

No correspondence addressed to the Commission, individual Commissioners or staff will be accepted and/or considered unless it has been signed by the author, or sufficiently identifies the person or persons responsible for its creation and submittal.

- A. Specific Correspondence.

B. Informational Correspondence.

1. 2022 CALAFCO Events Calendar.
2. CALAFCO Quarterly – December 2021.

C. "In the News."

5. **DECLARATION OF CONFLICTS AND DISQUALIFICATIONS**

6. **CONSENT ITEMS**

A. **MUNICIPAL SERVICE REVIEW NO. 2021-03 AND SPHERE OF INFLUENCE UPDATE NO. 2021-04 – FOR WESTERN HILLS WATER DISTRICT:** The Commission will consider the adoption of a Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for Western Hills Water District. 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. 2022-02.)

B. **YEAR-END FINANCIAL REPORT FOR FISCAL YEAR 2020-2021**
(Staff Recommendation: Accept and file the report.)

C. **MID-YEAR BUDGET REPORT FOR FISCAL YEAR 2021-2022**
(Staff Recommendation: Accept and file the report.)

D. **2022 WORK PROGRAM – MUNICIPAL SERVICE REVIEW & SPHERE OF INFLUENCE UPDATES.** (Staff Recommendation: Adopt the 2022 Work Program.)

7. **PUBLIC HEARING**

None.

8. **OTHER BUSINESS**

A. **ANNUAL ELECTION OF OFFICERS.** (Staff Recommendation: Appoint a Chairperson and Vice-Chairperson and adopt Resolution No. 2022-01a and 2022-01b.)

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 February 23, 2022.
- B. Adjournment.

LAFCO Disclosure Requirements

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

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

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

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

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

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

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



STANISLAUS LOCAL AGENCY FORMATION COMMISSION

MINUTES

September 22, 2021

1. CALL TO ORDER

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

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

Commissioners Present: Amy Bublak, Chair, City Member
 Terry Withrow, Vice-Chair, County Member
 Vito Chiesa, County Member
 Bill Berryhill, Alternate Public Member

Commissioners Absent: Richard O'Brien, City Member
 Ken Lane, Public Member
 Mani Grewal, Alternate County Member
 Javier Lopez, Alternate City Member

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

2. PUBLIC COMMENT

Annabel D. Gammon, Karen Mitchell, Jennifer Whetstone, Dan Whetstone, Jami Aggers, Barney Aggers, Karen Gerber Conrotto, Kathy Spanel, Susan Wedegaertner, Matt Veneman, Denny Jackman and Fred Walton all spoke regarding their concerns about the Riverbank River Walk Specific Plan.

3. APPROVAL OF MINUTES

- A. Minutes of the July 28, 2021 Meeting.

Motion by Commissioner Chiesa, seconded by Commissioner Berryhill and carried with a 4-0 vote to approve the Minutes of the July 28, 2021 meeting by the following:

Ayes:	Commissioners: Berryhill, Bublak, Chiesa and Withrow
Noes:	Commissioners: None
Ineligible:	Commissioners: None
Absent:	Commissioners: Grewal, Lane, Lopez and O'Brien
Abstention:	Commissioners: None

4. CORRESPONDENCE

A. Specific Correspondence.

None.

B. Informational Correspondence.

1. 2021 CALAFCO Quarterly – August 2021.

2. CALAFCO Annual Conference cancellation letter, September 7, 2021.

C. "In the News."

5. DECLARATION OF CONFLICTS AND DISQUALIFICATIONS

None.

6. CONSENT ITEMS

A. PROPOSED LAFCO MEETING CALENDAR FOR 2022

(Staff Recommendation: Accept the 2022 Meeting Calendar.)

Motion by Commissioner Chiesa, seconded by Commissioner Withrow, and carried with a 4-0 vote to accept the 2022 Meeting Calendar, by the following vote:

Ayes: Commissioners: Berryhill, Bublak, Chiesa and Withrow

Noes: Commissioners: None

Ineligible: Commissioners: None

Absent: Commissioners: Grewal, Lane, Lopez and O'Brien

Abstention: Commissioners: None

B. SELECTION OF AN INDEPENDENT AUDITOR FOR THE 3-YEAR AUDIT.

(Staff Recommendation: Authorize the Executive Office to Execute a Professional Services Agreement with an independent auditor for completion of a 3-year audit for fiscal years 2019 to 2021.)

Motion by Commissioner Chiesa, seconded by Commissioner Withrow, and carried with a 4-0 vote to authorize the Executive Office to Execute a Professional Services Agreement with an independent auditor for completion of a 3-year audit for fiscal years 2019 to 2021, by the following vote:

Ayes: Commissioners: Berryhill, Bublak, Chiesa and Withrow

Noes: Commissioners: None

Ineligible: Commissioners: None

Absent: Commissioners: Grewal, Lane, Lopez and O'Brien

Abstention: Commissioners: None

C. MUNICIPAL SERVICE REVIEW NO. 2021-02 AND SPHERE OF INFLUENCE UPDATE NO. 2021-03 – FOR THE COUNTY SERVICE AREAS:

The Commission will consider the adoption of a Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the County Service Areas. 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. 2021-14.)

Motion by Commissioner Chiesa, seconded by Commissioner Withrow, and carried with a 4-0 vote to approve the update and adopt Resolution No. 2021-14, by the following vote:

Ayes:	Commissioners: Berryhill, Bublak, Chiesa and Withrow
Noes:	Commissioners: None
Ineligible:	Commissioners: None
Absent:	Commissioners: Grewal, Lane, Lopez and O'Brien
Abstention:	Commissioners: None

7. PUBLIC HEARING

- A. **OUT-OF-BOUNDARY SERVICE APPLICATION: PRICE FORD & HONDA (CITY OF TURLOCK – SEWER & WATER SERVICE)**: The City of Turlock is requesting to extend sewer and water services outside its current City Limits to serve two car dealerships: the existing Price Ford and future Price Honda. The request will provide water for domestic, landscape irrigation and fire service uses and sanitary sewer service for the existing and future car dealerships. The site is located at 5200 & 5202 N. Golden State Boulevard. APNs: 045-053-038, -039. Pursuant to California Environmental Quality Act (CEQA), the Commission will consider the environmental determinations made by the County and City as part of this action. (Staff Recommendation: Adopt Resolution No. 2021-13, approving the application.)

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

Chair Bublak opened the item up for Public Comment at 6:43 p.m.

There was none.

Chair Bublak closed the Public Hearing at 6:43 p.m.

Motion by Commissioner Chiesa, seconded by Commissioner Berryhill and carried with a 4-0 vote to adopt Resolution No. 2021-13, approving the application, by the following vote:

Ayes:	Commissioners: Berryhill, Bublak, Chiesa and Withrow
Noes:	Commissioners: None
Ineligible:	Commissioners: None
Absent:	Commissioners: Grewal, Lane, Lopez and O'Brien
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:
- The annual CALAFCO Conference has been cancelled and we expect to receive information on virtual trainings.
 - October's meeting will be considered tentative, as there are two pending applications that have not yet met the deadline.

12. ADJOURNMENT

- A. Chair Bublak adjourned the meeting at 6:45 p.m.

NOT YET APPROVED

Sara Lytle-Pinhey, Executive Officer

2022 Events Calendar

JANUARY

- 10** CALAFCO U Webinar
- 19-21 CA Assn. of Sanitation Agencies Conference (Palm Springs)
- 21** CALAFCO Board of Directors Meeting (Sacto)
- 21-22& League New Mayor & Council Academy
27-28 (Virtual)
- 26** CALAFCO Monthly EO meeting (Virtual)
- 28** CALAFCO Legislative Committee (Virtual)

FEBRUARY

- 23** CALAFCO U Webinar
- 23** CALAFCO Monthly EO meeting (Virtual)

MARCH

- 11** CALAFCO Legislative Committee (Virtual)
- 23-25** CALAFCO Staff Workshop (Newport Beach)

APRIL

- 5-8 Fire District Assn. Annual Meeting (Napa)
- 20-21 CA State Assn. of Counties Leg Days (Sacto)
- 22** CALAFCO Board of Directors Meeting (Irvine)
- 29** CALAFCO Legislative Committee (Virtual)

MAY

- 3-6 Assn. of CA Water Agencies Conference (Sacto)
- 17-18 CA Special Districts Assn. Leg Days (Sacto)

JUNE

- 17** CALAFCO Legislative Committee (Virtual)

JULY

- 22** CALAFCO Board of Directors Meeting (Virtual)
- 29** CALAFCO Legislative Committee (Virtual)

AUGUST

- 10-12 CA Assn. of Sanitation Agencies Annual Conference (Tahoe)
- 22-25 CA Special Districts Assn. Conference (Palm Springs)

SEPTEMBER

- 7-9 League Annual Conference (Long Beach)
- 14-16 Regional Council of Rural Counties Annual Conference (Napa)
- 16** CALAFCO Legislative Committee (2023) (Virtual)

OCTOBER

- 7** CALAFCO Legislative Committee (Sacto)
- 19-21** CALAFCO Annual Conference (Newport Beach)
- 20** CALAFCO Annual Business Meeting (Newport Beach)
- 21** CALAFCO Board of Directors Meeting (Newport Beach)

NOVEMBER

- 4** CALAFCO Legislative Committee (Sacramento)
- 14-18 CA State Assn. of Counties Annual Conference (Orange County)
- 29-30 Assn. of CA Water Agencies Conference (Indian Wells)

DECEMBER

- 1-2 Assn. of CA Water Agencies Conference (Indian Wells)
- 2** CALAFCO Board of Directors Meeting (Sacto)

Sharing Information and Resources

CALIFORNIA ASSOCIATION OF
LOCAL AGENCY FORMATION
COMMISSIONS

1020 12th Street, Suite 222
Sacramento, CA 95814

916-442-6536

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

Updated December 13, 2021



News from the Board of Directors

CALAFCO QUARTERLY

December 2021



A message from the Executive Director

Greetings from your CALAFCO Board of Directors and Executive Director. As we wind down 2021, the holidays and year-end are a great time to reflect on where we've been and look to the future. We wish you and your families all the best in the coming year.

This Fourth Quarterly Report of 2021 will begin by highlighting the news in our CALAFCO family first, followed by Association updates. It's been a very busy 4th quarter so there's lots of news to report. Happy reading!

LAFcos in the News

Congratulations on these retirements

This year we've seen a lot of retirements, and this quarter is no different. We want to congratulate two long-time LAFCo leaders on their retirements. Their contributions to CALAFCO and to LAFCos statewide are far too numerous to list here. Needless to say, they both leave huge shoes to fill and will be greatly missed. We wish them both all the best in their retirement!

After a 35-year LAFCo career, **Roseanne Chamberlain**,



Amador LAFCo Executive Officer (EO), is retiring. Roseanne began her LAFCo career as a public member Commissioner for Sacramento LAFCo. She served on the CALAFCO Board for 6 years with 2 of those years as Chair of the Board. Her distinguished career also includes work as

EO and Interim EO for several LAFCos. In 2013, Roseanne was the recipient of CALAFCO's Distinguished Service Award.

Also calling it time to retire this month is San Mateo LAFCo Executive Officer (EO) **Martha Poyatos**. Her LAFCo career began 28 years ago in San Mateo and she's done it all there from commission clerk to analyst and EO. In 2008, Martha received CALAFCO's Outstanding LAFCo Professional Award. Martha also served two terms as CALAFCO Deputy Executive Officer for the coastal region from 2018-2021.



Los Angeles LAFCo Commissioner Retires

Long-time **LA LAFCo** commissioner **Richard Close**, the San Fernando Valley public member, retired after 25 years of service. Commissioner Close was re-appointed to consecutive four-year terms for more than two decades. He served with distinction, even surviving a challenge to his position on the Commission, given that he was a long-standing proponent of the proposed secession of the San Fernando Valley from the City of Los Angeles. Fellow commissioners lauded Commissioner Close's intellect, integrity, and independence in representing the San Fernando Valley.

Amador LAFCo Announces New Executive Officer

Amador LAFCo announced the hiring of **Kris Berry** as the new Executive Officer (EO). Kris retired earlier this year as the EO of Placer LAFCo.

San Mateo LAFCo Announces Interim Executive Officer

Rob Bartoli will transition to the Interim EO position for San Mateo LAFCo effective January 1, with the departure of Martha.

Napa LAFCo Announces New Quarterly Newsletter

Napa LAFCo began a Quarterly Newsletter earlier this year. The newsletter features local LAFCo news of note and what's on the horizon. You can find it on their website.

San Diego LAFCo Welcomes New Analyst

Carolanne Ieromnimon recently joined the San Diego LAFCo team. She started with San Diego LAFCo earlier this year as an intern and is now a full-time Analyst.



CALAFCO Educational Events

MARK YOUR CALENDARS FOR THESE UPCOMING CALAFCO EDUCATIONAL EVENTS!

CALAFCO 2022 STAFF WORKSHOP

Join us **March 23- 25** at the **Hyatt Regency Newport Beach John Wayne Airport** when we FINALLY get LAFCo staff together for the Workshop. It's been so long since we've gathered in person and the time is finally here! All Workshop details including info about the program, registration and hotel reservations will be posted on the CALAFCO website the first week of January.



Deadline to register for the Workshop is March 9 and hotel reservation cutoff date is February 22.

CALAFCO UNIVERSITY

We are pleased to continue offering webinars at no cost to our members. We have two **CALAFCO U webinars** scheduled for the first quarter 2022, so **mark your calendars!**



First up on **January 10** is ***The Property Tax Elements of Jurisdictional Changes and Fiscal Reviews***. Our property tax expert will share resource reports such as trends of value change, revenue calculations, and budget forecast tools that are useful resources for LAFCOs when conducting MSRs. Other panelists will share case studies and perspectives on budget forecasting. Registration for this session closes January 5.

Scheduled for **February 23** is a session on ***Best Practices for Hiring in the New World (Post-Pandemic)***. We will feature a labor/employment law attorney, recruiting firm executive, and an Executive Officer, all of whom will share the myriad of things we need to know as we navigate the new (and wild) labor market seeking the best candidates in this post-pandemic world.

Details for all CALAFCO University courses are on the CALAFCO website.

2021 CALAFCO Achievement Award Recipients

CALAFCO Congratulates the 2021 Annual Achievement Award Recipients

We wish to congratulate all of this year's nominees, and especially those who received a 2021 Achievement Award.

- ❖ **Outstanding Commissioner** – **Olin Woods** (Yolo LAFCo)
- ❖ **Outstanding LAFCo Professional** – **Crystal Craig** (Riverside LAFCo)
- ❖ **Outstanding CALAFCO Associate Member** – **Planwest Partners**
- ❖ **Mike Gotch Excellence in Public Service** (protection of ag/open space land & urban sprawl prevention) – **Napa LAFCo, City and County of Napa and Senator Bill Dodd**
- ❖ **Mike Gotch Excellence in Public Service** (innovation, collaboration, outreach) – **Yolo LAFCo**
- ❖ **Lifetime Achievement** – **Jerry Gladbach** (LA LAFCo)



CALAFCO Board of Directors

CALAFCO Board and Regional Officer Changes

Results of the October CALAFCO Board of Directors elections netted several new Board members for 2022. Earlier this month, Board member **David West** (Imperial LAFCo) who held the southern region public member seat, resigned from the Board. With a term set to expire October 2022, at their January 21 meeting the Board will appoint a replacement to fill that unexpired term.

Current Board members include:

Northern: **Bill Connelly** (Butte), **Blake Inscore** (Del Norte), **Debra Lake** (Humboldt) and **Josh Susman** (Nevada).

Southern: **Mike Kelley** (Imperial), **Jo MacKenzie** (San Diego) and **Acquanetta Warren** (San Bernardino).

Coastal: **Chris Lopez** (Monterey), **Mike McGill** (Contra Costa), **Margie Mohler** (Napa) and **Shane Stark** (Santa Barbara).

Central: **Gay Jones** (Sacramento), **Daron McDaniel** (Merced), **Anita Paque** (Calaveras) and **Daniel Parra** (Fresno).

In October the Board said goodbye to **David Couch** (Humboldt) and **Tom Murray** (San Luis Obispo). We thank them for their service and many contributions to CALAFCO.

Additionally, at their November meeting the Board approved the new Coastal and Central region DEO appointments. We welcome **Dawn Mittleman Longoria** (Napa) and **José Henríquez** (Sacramento) to the team. We thank outgoing DEOs **Christine Crawford** (Yolo) and **Martha Poyatos** (San Mateo) for their service.

CALAFCO Board 2022 Officers and Committees

At the October 8 meeting, the CALAFCO Board elected their officers for 2022 as follows:

Chair – **Anita Paque** (Calaveras - central)

Vice Chair – **Bill Connelly** (Butte - northern)

Treasurer – **Margie Mohler** (Napa - coastal)

Secretary – **Acquanetta Warren** (San Bernardino - southern)

They also appointed members to the 2022 standing committees as follows:

Legislative Committee

Bill Connelly (North)

Anita Paque (Central)

Jo MacKenzie (South)

Mike McGill (Coastal)

Gay Jones (At-Large)

Margie Mohler (a) (At-Large)

Michael Kelley (a) (South)

Chris Lopez (a) (Coastal)

Daron McDaniel (a) (Central)

Josh Susman (a) (North)

Elections Committee

Bill Connelly

Jo MacKenzie (Chair)

Margie Mohler

Daniel Parra

Awards Committee

Blake Inscore (Chair)

Debra Lake

Daniel Parra

Shane Stark

Acquanetta Warren



2022 Annual Conference

Gay Jones
Daron McDaniel
Mike McGill
Josh Susman

CALAFCO BOARD ACTIONS

The Board met virtually on October 8 and appointed the staff members of the 2022 Legislative and Advisory Committees. In addition to the actions noted on page 2 of this Report, they also adopted their 2022 annual meeting calendar and approved the FY 2020-21 annual tax filings.



They met virtually on November 12 with a full agenda. Under the leadership of **Chair Anita Paque**, the Board took a number of actions.

- ✓ **The FY 2021-22 quarterly financial reports were received.** Revenues for the first quarter were mostly on track and expenses were far below the 24% point.
- ✓ **Received the annual Administrative and Operational Report.** This is an annual item as part of corporation best practice.
- ✓ **Approved amendments/updates to the CALAFCO Legislative Policies, Priorities and Issues of Interest.** All recommended changes by the Legislative Committee were approved and adopted.
- ✓ **Considered and reaffirmed legislative priorities for 2022.** The Board considered an additional proposal received from San Diego LAFCo to sponsor a bill making changes to Gov. Code Sec. 56430, requiring all LAFCOs to consider Municipal Service Reviews (MSRs) in a 21-day noticed public hearing and all affected service providers to place the MSR on their meeting agenda for discussion. Given the Board previously approved the sponsorship of three (3) bills for 2022, this proposal was tabled for reconsideration again next year.

The Board's direction to staff in terms of 2022 legislative priorities include sponsoring the annual Omnibus bill, co-sponsoring changes to §56133 with San Diego LAFCo (an item tabled in 2021), and to proceed with wrapping up the work of the protest provision rewrite working group.

- ✓ **Closed session held to approve 2-month contract for Pamela Miller as Executive Director.** In closed session the Board approved a contract for Pamela Miller for Jan-Feb 2022 as a contract Executive Director (transitioning from employee), with limited hours of approx. 20 per week. There was also discussion about priorities during this critical transition period.

All Board meeting documents are on the CALAFCO website.

CALAFCO Administrative Update

The **2021 CKH Guides** are now available. You can download an electronic copy from the CALAFCO website. Pre-orders for printed hard copies are now being accepted. You will find all the details on the CALAFCO website at www.calafco.org.



We will be updating the **CALAFCO Member Directory** in the next two months, so watch for an email from us requesting your changes.

CALAFCO Legislative Update

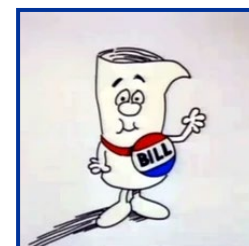


January 3, 2022 marks the start of the second year in the 2-year legislative cycle. Once again the year is expected to be wild and unpredictable. The State has a large budget surplus which is creating all kinds of early budget negotiating, as is the influx of Federal money.

Legislators will hit the ground running trying to move the large number of left-over 2-year bills through committee in January to meet deadlines. That action, along with introduction of new bills for the year, sets the table for a very busy January.

All bills being tracked by CALAFCO can be found on the CALAFCO website inside the Legislation section of the site (log in with your member id first to access this section). CALAFCO's position on all bills is reflected there, and any letters issued by CALAFCO are posted. The CALAFCO Legislative Committee meets regularly and all meeting materials are located in the Legislation section of the CALAFCO website.

Watch for the two Local Government Committee and OPR year-end legislative reports coming soon!





CALAFCO Associate Members' Corner



This section is dedicated to highlighting our Associate Members. The information below is provided to CALAFCO by the Associate member upon joining the Association. All Associate member information can be found in the CALAFCO Member Directory.

We are pleased to acknowledge our **Gold Associate Members** in this edition and thank all our Associate Members for their support and partnership.

**GOLD
Associate
Members**

Best Best & Krieger



BEST BEST & KRIEGER
ATTORNEYS AT LAW

In meeting the needs of public and private sector clients, **BB&K** offers unique experiences in handling complex, multi-disciplinary issues and providing solutions of common interest to leaders of both business and government, including LAFco law. **BB&K** has been CALAFCO's legal counsel since 1982. Visit www.bbklaw.com to learn more about the expert legal services provided by BBK.

Colantuono, Highsmith & Whatley, PC

Colantuono, Highsmith & Whatley, PC's attorneys are among just a few in California with deep expertise in the Cortese-Knox-Hertzberg Act. The firm currently serves as general counsel to Calaveras, San Diego and Yuba LAFcos and as alternate counsel to several other LAFcos on matters as to which their general counsels have conflicts of interest. The Firm's attorneys also serve as special counsel to LAFcos throughout the state and have deep litigation expertise representing LAFcos in court. **Colantuono, Highsmith & Whatley, PC** has been a Gold Associate member since July 2008. Learn more about them at www.chwlaw.us.

COLANTUONO
HIGHSMITH
WHATLEY, PC

CV Strategies

CV Strategies is a dedicated team helping companies with strategic planning, communications and training. **CV Strategies** joined the CALAFCO team as a Gold Associate Member in the fall of 2016. To learn more about their team and the services they offer, visit them at www.cvstrategies.com or contact Erin Kaiman at erin@cvstrat.com.



CALAFCO wishes to thank all of our Associate Members for your ongoing support and partnership. We look forward to continuing to highlight you in future Quarterly Reports.

Did You Know??

CALAFCO Webinars & Courses Archived

Did you know that all **CALAFCO Webinar recordings** on archived on the **CALAFCO website** and available at no cost for on-demand viewing? Visit the CALAFCO website in the CALAFCO Webinars section (log in as a member first). **There are now 49 CALAFCO U courses archived and 15 webinars are archived and available for on-demand viewing!**



Meeting Documents Online

Did you know that all **CALAFCO Board of Directors and Legislative Committee meeting documents** are online? Visit the Boards & Committees pages in the Members Section of the site. Board documents cover 2008 to present and Legislative Committee documents span 2007 to present.

Mark Your Calendars For These Upcoming CALAFCO Events

- ❖ CALAFCO U webinar on Rev & Tax Sharing – 1/10
- ❖ CALAFCO Board meeting – 1/21 (Sacto)
- ❖ CALAFCO Leg meeting – 1/28 (virtual)
- ❖ CALAFCO U webinar on Best Hiring Practices – 2/23
- ❖ CALAFCO Leg meeting – 3/11 (virtual)
- ❖ CALAFCO Staff Workshop – 3/23 – 3/25 (Newport Beach)



The **CALAFCO 2022 Calendar of Events** can be found on the CALAFCO website.



CORRESPONDENCE – IN THE NEWS

Newspaper Articles

- Turlock Journal, September 22, 2021, “Auto dealership to expand between Keyes and Turlock.”
- The Modesto Bee, October 28, 2021, “Storms bring pause for state drought orders in Modesto and beyond. They could return.”
- The Modesto Bee, October 28, 2021, “Modesto to bill insurance when firefighters go out to calls. What it means for residents.”
- The Modesto Bee, November 30, 2021, “Construction to begin on hundreds of new homes in 2022. Is it Modesto’s last big project?”
- The Modesto Bee, December 6, 2021, “Cost plunges for water treatment plant for Turlock and Ceres. Will it affect rates?”
- The Modesto Bee, December 14, 2021, “Turlock staff wants to request Modesto Fire contract proposal. City Council OK needed.”
- The Modesto Bee, December 15, 2021, “Turlock moves to request Modesto Fire contract proposal after ‘passionate argument’.”
- The Modesto Bee, December 20, 2021, “Stanislaus County says developer is looking at 15,000-job Crows Landing business park.”
- The Modesto Bee, January 18, 2022, “Another large part of Stanislaus County opts to have Modesto run its fire service.”

IN THE NEWS – Turlock Journal, September 22, 2021

Auto dealership to expand between Keyes and Turlock

By Angelina Martin

A new auto dealership has been given permission to build on a 5.14-acre site between Keyes and Turlock.

Price Honda asked to rezone a 5.14-acre parcel south of Barnhart Road along N. Golden State Boulevard from an expired Planned Development (P-D) (209), to a New P-D. The Stanislaus County Board of Supervisors gave the go-ahead on Aug. 31, with construction set to begin in the spring.

The dealership would be built in two phases. The first phase calls for a two-story 29,300 square-foot auto dealership building with a showroom, parts storage, offices, and service areas. A 2,048 square foot reception canopy would be attached to the main dealership, a 2,100 square-foot express service center, and 1,500 square-foot car detail building.

The second phase within 10 years proposes a 3,375 square-foot expansion to the service bay.

The site is located in the county but within Turlock's sphere of influence. The city of Turlock will supply water and sewer through an Out of Boundary Service agreement requiring approval of the Local Agency Formation Commission (LAFCO).

Price Ford will be expanding into the vacant lot next door with the addition of Price Honda.

Despite a development restriction easement on the property which has been in place since 1966 and was supposed to last until 2033, the city of Turlock terminated the restriction and also entered into a tax sharing agreement with the county which will see the city collect 50% of the new dealership's sales tax revenue and provide both Price Ford and Price Honda's public sewer and water services. Portions of the sales tax revenue collected from the new Price Honda will be dedicated to future planning, design and construction of the Taylor Road interchange at Highway 99.

Owners James Figurell and David Price purchased their original Ford dealership, formerly known as Patchett's Ford, in June 2015 and have since become a philanthropic staple in the community.

During review of the new Price Honda project, the county planning department discovered two other issues in addition to the development restriction easement: compatibility with the nearby residential neighborhood and the project's proposed signage.

Sharon Turnbull, who lives and owns several properties along Barnhart Road behind the project site, complained of dust from the project site from vehicle delivery trucks and Price Ford employees parking in the vacant lot — something not permitted under the property's current zoning. She also said that the current dealership is the cause of speeding cars and semis down Barnhart Road.

"This is getting to be a real nuisance with the racing and stuff down the road," Turnbull said. "We are an older community, we're nothing fancy, but we do try to keep our areas clean and neat. Something's got to be done now."

Figurell said during the county Planning Commission meeting on Aug. 5 that Price Ford has a policy in place which states employees aren't to use Barnhart Road, and that he would ensure his staff follows the order. A wall will be built along the backside of the project to act as a buffer between the residential area and dealership, and neighbors will be able to reach the dealership directly should any disturbances occur as part of a Good Neighbor Policy included in the project.

IN THE NEWS – Turlock Journal, September 22, 2021 (continued)

Also, despite the city's sign ordinance which would not allow for the Price Honda's proposed 65-foot-tall sign, the approved project will include the signage after the Planning Commission considered a nearby 75-foot Peterbilt sign and the existing 45-foot Price Ford sign along Highway 99.

Supervisor Terry Withrow said the project has been years in the making and "painful," but was happy to see it finally moving forward. Supervisor Vito Chiesa assured nearby residents that if they had any problems with noise, dust or vehicles driving down Barnhart Road, they could call him directly.

"If I lived on Barnhart, I'd feel the same way," Chiesa said.

Storms bring pause for state drought orders in Modesto and beyond. They could return

By John Holland

The recent storms allowed California to suspend the drought curtailment orders that had been imposed during the summer.

Cities and irrigation districts now are free to capture river runoff that had been unavailable because of the orders. Officials warned that they could fall back into place if the state gets another stretch of dry weather.

"We are still in drought and no precipitation is expected over the next 10-12 days," an email Tuesday from spokeswoman Ailene Voisin at the State Water Resources Control Board read in part.

The orders had permitted use of water already in reservoirs, which helped many areas get through the 2021 irrigation season. This includes the Modesto, Turlock, Oakdale and South San Joaquin districts.

But the four warned that water could fall short if the orders continued into 2022. They also sued the state agency in September, claiming that it interfered illegally with long-held river rights.

State officials said they had to curtail diversions to keep enough water flowing for fish and water quality. The most orders by far were for streams in the Sacramento-San Joaquin Delta. About 10,300 agencies and individuals hold rights along the tributaries.

Runoff was just 47% of average in the central Sierra Nevada in the water year ending Oct. 1, the California Department of Water Resources said. That followed a 62% year. The effects were eased by storage from the above-average 2017 and 2019.

The recent rain and snow came early in the storm season, which mainly runs from November through March. The storms brought 16% of the average annual precipitation to the central Sierra, DWR said, but officials warned of possible drier conditions ahead.

They base this in part of the emergence of La Niña, a cooling of the eastern Pacific Ocean that tends to deflect storms from California.

Despite the mountain runoff, storage has not risen much in the main reservoirs for the Modesto area. They have to release extra water in autumn to aid salmon spawning.

Don Pedro Reservoir, owned by the Modesto and Turlock irrigation districts, was at 49% of its capacity as of Wednesday. New Melones Reservoir, used by the Oakdale and South San Joaquin irrigation districts, was at 34%.

Modesto to bill insurance when firefighters go out to calls. What it means for residents

By Kevin Valine

Modesto soon will bill insurance companies when its firefighters put out a house fire, treat someone who has had a medical emergency, respond to a car wreck and go out on other calls for service.

The City Council on Tuesday voted unanimously for the city to hire two companies to bill insurance on behalf of the aid provided by its firefighters.

Fire Chief Alan Ernst has said the billing could start as soon as early 2022

He told council members the city will use what he called compassionate billing. That means the city expects the insurance companies to pay and would not pursue payment from the people who received services from firefighters. The city also would continue to help people without insurance, he said, and would expect no payment.

Modesto expects to net about \$1.5 million annually for the Fire Department's budget through billing insurance companies. The city does not expect every bill to be paid, and part of what is collected will go to the billing companies — Fire Recovery USA and Wittman Enterprises.

While the sales, property and other taxes that pay for public safety are growing, they have not grown as fast as the city's expenses, officials have said. And each year, Modesto faces challenges in balancing its general fund, which makes up about a third of its annual operating budget and primarily pays for public safety.

Roseville-based Fire Recovery USA will bill and collect for vehicle accidents, vehicle fires, fires, special rescues and calls about hazardous materials or conditions. Rancho Cordova-based Wittman Enterprises will bill for emergency medical calls.

Fire Recovery would charge a variety of rates based on the type of call. For instance, it could charge \$516 an hour for firefighters to respond to a car accident or \$475 per hour for an engine to respond to a fire. Wittman would charge a \$360 first-responder fee for emergency medical calls.

Modesto resident Emerson Drake spoke against the proposal, saying residents already paid taxes for Fire Department services and billing insurance would result in higher premiums for policy holders.

A Fire Recovery official said that was not true, though he said premiums can go up because policy holders have accidents.

Councilman David Wright, who owns Wright Insurance Agency, said it's industry practice that homeowner policies pay fire departments up to \$500 for responding to a fire.

Out of an abundance of caution, Wright did not take part in Tuesday's council discussion or vote. Wright is an insurance broker and has been in the insurance business since 1985. He deals in health, auto, homeowners, life and commercial insurance.

He said he does not believe billing insurance will result in higher premiums. "I'm not concerned," he said in a Wednesday interview. "No. I don't think it's that big of a loss (to insurers). I think the majority of the cities are already doing this. ... We should have been doing this a long time ago."

Fire Recovery USA states on its website that it has been in business since 2006 and is doing business with more than 1,300 fire departments in 42 states.

Wittman Enterprises states in its proposal to the city that it has been in business since 1991 and is doing business with more than 110 public EMS and fire agencies in California.

Construction to begin on hundreds of new homes in 2022. Is it Modesto's last big project?

By Kristina Karisch

Construction is set to start in the new year for Tivoli, a new housing development in northeast Modesto.

City Councilman David Wright on Nov. 23 thanked city staff for their work on moving the project forward and said Tivoli is expected to break ground in 2022.

"Staff has been really working hard and moving this along with the developers," he said at the Tuesday council meeting. "Hopefully, first part of next year, we'll start seeing some dirt being moved out there."

The roughly 454-acre project was proposed to the city as a mix of homes, stores, offices, an elementary school and parkland and has been in development for over a decade. Current specific plan documents show space for residential properties, as well as offices, a school and commercial real estate.

When the City Council approved the development in 2008, plans included as many as 3,193 new homes ranging in size from apartments and condominiums to regular houses and small estates.

PMZ President Michael Zagaris told The Bee in the summer that he expects the project to be among the last large-scale developments in the city, because the land entitlement process — where a parcel of land is readied for development — is costly and often takes years to complete in Modesto.

Because of this, he said, fellow developers are wary of investing in projects that could take over a decade to come to fruition and run the risks of complications each step of the way.

For Zagaris, who is in his 70s, Tivoli will be the last large project in a decades-long career in Modesto. There currently is no estimate for how long construction will take once it starts in 2022.

Wright last Tuesday thanked city staff for "their hard work" and "moving this process forward."

"Hats off to you," he said.

Cost plunges for water treatment plant for Turlock and Ceres. Will it affect rates?

By John Holland

The water treatment plant being built for Turlock and Ceres will cost nearly \$100 million less than expected.

A low-interest state loan made that possible, project General Manager Robert Granberg said during a site tour Wednesday for The Modesto Bee.

The \$237 million project remains on schedule to start delivering Tuolumne River water to the cities in June 2023. It will reduce their reliance on wells, which can run low during droughts and sometimes exceed pollution standards.

"It's going very well," Granberg said. "We've got our financing figured out. Things are going very well from a construction standpoint."

The \$184.9 million loan will be repaid through water bills, which have been rising since 2018 in anticipation of the project. The average residential bill in each city will top out at \$78 a month in 2022.

The higher rates could stay in place, despite the much-reduced loan interest, because of other water needs. Both cities have plans for upgrading wells, mains and other parts of the systems.

The \$237 million cost includes design, environmental study and construction. The project got about \$35 million in state and federal grants and \$17 million from the local partners. The latter includes the Turlock Irrigation District, which will supply the raw water.

The loan has an interest rate of just 1.2%, which will total about \$35 million over the 30-year term.

It allows the cities to avoid issuing bonds, which would have had about \$132 million total interest at an assumed 4% over the same term.

The project is governed by a four-member board that includes mayors and council members from the cities.

Turlock Mayor Amy Bublak welcomed the news of the state loan in a text to The Bee. She added that the planned rate increases will help with other water system needs, "so I would use caution in saying you could trim back rate increases."

Ceres Mayor Javier Lopez said much the same by text: "It is too soon to determine whether or not we can lower the rates at this time, but when the moment presents itself, this will be a topic of interest to be brought forward."

SOME SUPPLY-CHAIN HICCUPS

The plant design and construction are through a contract with Jacobs Engineering Group, based in Dallas and Denver. Early work was done by CH2M-Hill before it merged into Jacobs.

Construction started in February of this year. It has stayed on schedule despite some supply-chain delays related to the pandemic, said Ted Michaelidis, design-build manager for Jacobs. They included some of the lumber used in concrete pouring and iron for pipe fittings.

Jacobs and its subcontractors have about 100 workers at the site now and will peak at 150 to 175 next summer, Michaelidis said. The plant operation is expected to employ 14 people, under the Stanislaus Regional Water Authority.

IN THE NEWS – The Modesto Bee, December 6, 2021 (Continued Page 2)

The water will be withdrawn through perforated pipes already installed under the streambed near Geer Road. That is far into a river journey that starts in Yosemite National Park and continues through the Stanislaus National Forest, foothill grazing land and irrigated farmland.

The water will mainly need treatment for sediment and for microbes that can make people sick. The process will start with flocculation, where chemical agents are added to cause sediment to clump together and settle out. The water then will go through filters, where it also is treated with ozone to control some of the pathogens. The final step is chlorine.

The current project will result in a capacity of 15 million gallons of water per day. Future phases would bring it to 45 million.

Ceres will receive its share of the water through a 30-inch-diameter pipeline now being installed along Hatch Road. Traffic delays are possible for a few months as crews lay the pipes. Turlock will get its water through a 42-inch pipeline to be laid mostly along Berkeley Road.

MORE WATER FOR SALMON

The partners note another benefit of the project: More water for salmon.

TID diverts its water for farmers at La Grange Reservoir. The portion for the treatment plant will flow for 26 more miles before being withdrawn at Geer Road.

Leaders have discussed a treatment plant off and on since the late 1980s, but it was delayed by cost and other concerns. The potential partners have included Hughson, Keyes, Denair, Hilmar and Delhi. They can still join in the future by paying a share of the cost.

The Modesto Irrigation District has treated some of its share of the Tuolumne for city use since 1994. It has been credited with boosting groundwater in Modesto and smaller locales in the service area.

Cities gain flexibility when they can tap both rivers and groundwater. The treatment plants on the Tuolumne are especially valuable because of MID and TID's strong river rights and ample capacity in Don Pedro Reservoir.

Turlock staff wants to request Modesto fire contract proposal. City Council OK needed

By Kristin Lam

Turlock city staff on Tuesday are scheduled to ask the City Council for permission to request a contract proposal for fire administration services from Modesto.

Staff plan to compare the costs for Modesto to manage the Turlock Fire Department vs. the city maintaining its own fire administration, Interim Fire Chief Michael Botto wrote in a staff report.

If the council directs him and Interim City Manager Sarah Eddy to request a proposal, staff will present the contract and comparison for consideration in January, Botto said in the report.

City staff also plan to ask Citygate Associates, the consultant Turlock is paying \$80,000 to evaluate its Fire Department, to review the cost comparison and analysis.

Botto's request deals only with the command team positions of fire chief, division chief of operation, and division chief of training, per the report. Under the contract proposal Botto seeks, all other Turlock Fire Department staff would continue as city employees and not change.

The proposal differs from how Ceres and Oakdale have contracted Modesto for fire services since July 2019 and August 2021, respectively. Modesto provides all fire protection services for Ceres and hired the city's firefighters under the Ceres contract. But when approving the contract, the Ceres City Council cited similar reasons Botto is giving for the Turlock request: lower costs and better services.

"Opportunity exists to participate in a greater capacity as a regional resource-sharing agency enhancing standardization and efficiencies while reducing duplication of efforts," Botto wrote in the report. "Requesting a proposal for contracting fire administration services with the city of Modesto, Modesto Fire Department will provide a detailed cost analysis with expected fiscal savings and operational increases in efficiencies through an established fire command team."

The comparison between a Modesto contract proposal and the city maintaining an in-house Fire Department command team will be for a five-year period, Botto wrote.

Because one of the command positions is vacant and two are temporarily filled with retirees, Botto wrote, now is a good time to evaluate the option. Both Botto and the interim division chief of operations are scheduled to leave at the end of January, he added.

Turlock has gone without a permanent fire chief since June 2019, when the city fired Robert Talloni. Gary Carlson served as interim chief between then and his retirement this September. The city subsequently hired Botto, who recently served as the interim fire chief in Ceres, where he oversaw the process of contracting Modesto for services.

Records of the city planning to evaluate its traditional Fire Department go back to the budget passed in June. The council allocated \$25,000 of Measure A sales tax revenue for a fire feasibility study, but officials in October voted 3-2 to pay Citygate Associates \$80,000 for a six-month-long comprehensive review. Mayor Amy Bublak and Councilwoman Rebecka Monez voted against it.

City staff plan to ask the council for direction to request a Modesto fire contract proposal during the meeting scheduled for 6 p.m. Tuesday at 156 S. Broadway. Turlock ended remote public participation via Zoom in October, but meetings are livestreamed on YouTube.

Turlock moves to request Modesto fire contract proposal after ‘passionate argument’

By Kristin Lam

A divided Turlock City Council on Tuesday directed staff to request a contract proposal for fire administration services from Modesto, despite concerns from unions and residents who gave public comments.

Voting 3-2, officials in the majority said the step allows the city to gather information and compare the cost of paying Modesto to manage the Turlock Fire Department against maintaining an in-house command team.

Mayor Amy Bublak, who voted for the request with Councilwomen Pam Franco and Rebecka Monez, responded to resident concerns that the council wants to sell the Fire Department to Modesto. Resident Milt Trieweiler and former Councilman Gil Esquer were among several who urged the council not to request a Modesto contract proposal.

“The last three years — only three years — I haven’t been supported by them, the Fire (Department),” Bublak said during the meeting. “But I have supported them nonstop. So this whole hatred concept and jumping to conclusions and people wanting to sell out is all wrong.”

In the 2018 mayoral election, the Turlock firefighters union endorsed one of Bublak’s opponents, then-Mayor Gary Soiseth. In a phone interview, union President Chad Hackett declined to comment on Bublak’s statement but said the union does not support contracting for fire services.

While the union understands the council wanting to explore options, Hackett said, it prefers considering joint power agreements, consolidation or regionalization instead of contracting.

“We do not feel that long-term it is a viable and healthy option,” he said Wednesday. “Whereas the other ones provide more stability factors to where local agencies can still have jurisdiction rights and control within their organization.”

The union is open to evaluating other options to cut out redundancies and smartly spend taxpayers’ dollars, Hackett added. Turlock could look into partnering with the Denair and Keyes fire protection districts, whose jurisdictions touch the city’s, he said.

Under a contract for fire administration services, Hackett also said Turlock firefighters would lose opportunities to be promoted to management. The proposal Turlock seeks would outsource the command positions of fire chief, division chief of operation and division chief of training to Modesto, Interim Chief Michael Botto said during the meeting. All other Turlock Fire Department staff would continue as city employees, per the city staff report.

Mark Gomez, president of the Turlock Management Association Public Safety, similarly told officials during the meeting that his union opposes removing the three positions from the city.

MOTION ON TURLOCK FIRE STUDY FAILS

Council Members Nicole Larson and Andrew Nosrati voted against the action Tuesday. Larson proposed city staff obtain a contract proposal for fire administration services from Modesto but asked the information be included in the ongoing six-month-long Fire Department study. The council in late October voted to pay the consultant Citygate \$80,000 for a comprehensive review of the agency and recommendations for its future.

IN THE NEWS – The Modesto Bee, December 15, 2021 (Continued Page 2)

Her motion failed with only Nosrati supporting it. If the motion had passed, the council would have planned to review the Modesto contract proposal and cost comparisons around May. Per the majority council vote, staff plan to bring the comparisons between a contract and traditional fire department in January.

Larson pushed for waiting until Citygate completes the master plan study and said the council does not need to plan on voting on a Modesto fire contract next month. With Botto and the interim chief division chief of operations scheduled to leave at the end of January, Larson said the council can instead look to hire another retiree to temporarily fill the positions.

Nosrati likewise said he opposed major changes without a permanent city manager. The position has been filled on an interim basis since January, when the council voted 3-2 to put then-City Manager Toby Wells on investigative leave.

On the other hand, Franco said requesting the contract proposal from Modesto allows Citygate to complete the study on the Turlock Fire Department's future. City staff plan to share the proposal with Citygate for analysis.

"This is very understandably a heated and passionate argument whether we do this or not," Franco said. "But tonight there's no contract proposal here. There's no numbers to compare anything to tonight."

City staff plan to bring the Modesto fire contract proposal to the Turlock council in January. The next council meeting is scheduled for Jan. 11.

Stanislaus County says developer is looking at 15,000-job Crows Landing business park

By Ken Carlson

Stanislaus County officials have been in preliminary talks with a potential developer for the business park project at the former Crows Landing airfield.

The county came up empty with previous efforts to find a developer for the 1,528-acre Crows Landing Industrial Business Park but had better luck with a request for proposals in June.

Industrial Realty Group, a firm that specializes in reuse of industrial properties, expressed an interest and entered an exclusive negotiation window with the county, said Keith Boggs, a former assistant executive officer for the county.

The county received no other proposals and has promised to talk only with IRG as it does research on the Crows Landing plan, which could bring up to 15,000 jobs to western Stanislaus County.

The county expects a detailed proposal or an answer from IRG by the end of February, said Boggs, retired and working as a consultant for the county.

If the real estate company is committed to the reuse project, the county would negotiate an agreement for IRG to serve as the master developer. The county would look for another developer if IRG loses interest.

IRG, based in Los Angeles, is one of three partners working on redevelopment of the former McClellan Air Force Base in Sacramento. The firm is reviewing the opportunities for developing the former Naval landing field south of Patterson.

For a number of years, a project called West Park was in the planning stages at Crows Landing before the county cut ties with developer Gerry Kamilos in 2012. A 4,800-acre plan overlapping the former base property, West Park was a proposed jobs mecca and multimodal transportation hub connected with the Port of Oakland.

After the demise of West Park, the county wasn't able to lure a developer for a scaled-down Crows Landing project in early 2013 and released its own plan for reuse of the airfield in 2014. County supervisors approved the environmental studies in 2018.

The county development plan calls for a 370-acre general aviation airport, light manufacturing, distribution warehouses, office space and aviation-related businesses.

Boggs said IRG could propose some changes to the Crows Landing project. But any proposals for reuse must stay within the 1,528-acre footprint, he said. An agreement with the federal government that deeded the property to the county requires that an airport be part of the reuse project.

IRG representatives did not return messages from The Modesto Bee on Friday.

Supervisor Terry Withrow said the talks with IRG are preliminary. "We are going forward with some (developer) whether it is this firm or somebody else," Withrow said. "It's just a matter of finding the right fit to get it started."

Some unanswered questions have swirled around the Crows Landing project. Such as: Does the county need another public airport? Does it have a desire for more distribution centers? And what are the traffic and housing implications of employing 15,000 people at the center between Patterson and Newman.

Boggs said the success of distribution centers such as Amazon and Restoration Hardware a few miles away in Patterson indicates there should be demand for distribution warehouses at the Crows Landing industrial park. The site has access to an Interstate 5 freeway interchange about a mile away.

Another large part of Stanislaus County opts to have Modesto run its fire service

By John Holland

The city of Modesto is close to assuming management of the Stanislaus Consolidated Fire Protection District.

The district board voted 5-0 on Thursday, Jan. 13, for a contract running through June 2027. It will take effect Feb. 1 if the Modesto City Council signs off, too.

The district serves a 199-square-mile zone that includes Riverbank, Waterford, Hickman, La Grange, Empire, the Beard Industrial District and large rural expanses.

Modesto already has contracts for fire service in the cities of Ceres and Oakdale, and in the Oakdale Rural Fire Protection District. Turlock officials are discussing a possible agreement with Stanislaus County's biggest city, too.

Proponents say these partnerships reduce administrative costs while enhancing the response to fires, medical emergencies and other calls.

Stanislaus Consolidated was itself founded 1995 as a way to streamline operations, merging three smaller districts. But it, too, has struggled financially.

Under the agreement with Modesto, the district would continue to employ the 66 firefighters and to own the stations and vehicles.

Modesto would manage the operations under the oversight of the district board. This would include budgeting, personnel, training, fire prevention and other tasks.

The district would pay the city \$148,363 for services through June 30, end of the current fiscal year. The fee would be \$371,599 in the following year and rise to about \$420,000 by the final year.

The district will save an estimated \$296,428 over the contract compared with keeping management in-house, said a report from Interim Fire Chief Eric DeHart and District Counsel Christopher Diaz.

"Looking into the financial aspects, MFD will be able to supply these services at a lesser cost than if SCFPD were to stay stand-alone," they wrote.

The district operates stations in Riverbank, Empire, Waterford and La Grange, and on Mitchell Road near Modesto Airport. A sixth station on Highway 132 near Geer Road is temporarily closed because of a budget shortfall.

The Modesto City Council is expected to consider the contract Jan. 25. It would take effect a week later if approved.

Modesto has run the Oakdale-area fire departments under a three-year contract that started in July 2019. The city of Oakdale and the surrounding district have agreed to new contracts through June 2027.

Modesto took over in Ceres last August under a five-year contract. Turlock has asked Modesto to propose an agreement for fire administration services, and also expects a consultant's findings around May.

**EXECUTIVE OFFICER'S AGENDA REPORT
JANUARY 26, 2022**

TO: LAFCO Commissioners

FROM: Javier Camarena, Assistant Executive Officer

SUBJECT: MSR NO. 2021-03, SOI UPDATE 2021-04: MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE WESTERN HILLS WATER DISTRICT

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 every five years. The current review covers the Western Hills Water District, which provides water, sewer, and storm drainage services to the Diablo Grande Specific Plan area, located in the western foothills in Stanislaus County. The previous update for the District was adopted January 26, 2016.

DISCUSSION

The Western Hills Water District (WHWD) was organized under California Water Code Division 13, §34000 - §38501, which allows for water districts to be formed for purposes such as to: produce, store and distribute water for irrigation, domestic, industrial and municipal uses; drain and reclaim lands; collect, treat and dispose of sewage, waste and storm water; generate hydroelectric power; allocate water to crops and acreage; and protect groundwater from contamination.

The Municipal Service Review and Sphere of Influence Update process provides an opportunity for districts to share accurate and current data, accomplishments and information regarding the services they provide. LAFCO Staff sent the WHWD requests for information, researched District reports and reviewed the WHWD's most recent audits and financial statements. Once this data was collected, a revised Municipal Service Review and Sphere of Influence Update document was drafted and circulated for comments. As of preparation of this staff report, no comments have been received.

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 the District. No changes are being proposed for the District's Spheres of Influence at this time. The document serves to affirm the District's current Sphere of Influence.

For the Western Hills Water District, this is the fourth Municipal Service Review and Sphere of Influence Update that the Commission has approved. Since the previous MSR-SOI update the District converted from a landowner-voting district to a registered voter district. The current Board consists entirely of voters who are residents of the District.

The District is currently facing financial issues due to revenue deficits. In the past, revenue deficits were covered by the previous developer, World International LLC, through a master funding agreement. World International LLC stopped subsidizing the District in 2019 and transferred certain land development and funding obligations to Angel's Crossing LLC. Angel's Crossing LLC has similarly stopped providing funds to the District and continues to remain delinquent on water payments to the District. In addition, the District only receives its income from residential customers. Revenue is limited due to a small customer base. The District expects revenues to increase as residential and commercial development occurs.

Due to the lack of existing ratepayers or subsidies, the District is delinquent with Kern County Water Agency (KCWA) and the City of Patterson. The District recently completed a rate study for a potential rate increase that will be subject to Proposition 218.

As a municipal service review is considered a “snapshot in time,” LAFCO Staff will continue to monitor the Western Hills Water District, as it does with all of the special districts, and offer itself as a resource to the District where possible.

ENVIRONMENTAL REVIEW RECOMMENDATIONS

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, an exemption from further environmental review is appropriate.

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 Western Hills Water District.
- Option 2:** DENY the update.
- 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 Western Hills Water District. Therefore, Staff recommends that the Commission adopt Resolution No. 2022-02, 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 Sections 15306 and 15061(b)(3).
2. Makes determinations related to the Municipal Service Review and Sphere of Influence

Update as required by Government Code Sections 56425 and 56430.

3. Determines that the Sphere of Influence for Western Hills Water District should be affirmed as it currently exists.
4. Directs Staff to circulate the subject resolution depicting the District's adopted Sphere of Influence to all affected agencies.

Attachments:

Exhibit 1 - Draft Municipal Service Review and Sphere of Influence Update for the Western Hills Water District

Exhibit 2 - Draft Resolution No. 2022-02 (Western Hills Water District)

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MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE:



WESTERN HILLS WATER DISTRICT

Prepared By:

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

Adopted: _____

STANISLAUS

LOCAL AGENCY FORMATION COMMISSION

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

Introduction

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

The legislative authority for conducting Service Reviews is provided in Government Code Section 56430 of the CKH Act. The Act states, that "in order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area..." A Service Review must have written determinations that address the following factors:

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 and adequacy of public services, including infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services
5. Status of, and opportunities for, shared facilities
6. Accountability for community service needs, including governmental structure and operational efficiencies
7. Any other matter related to effective or efficient service delivery, as required by commission policy

This Service Review will analyze the Western Hills Water District (WHWD). The previous Sphere of Influence (SOI) update for the WHWD was adopted in 2016 and proposed no changes to the District's SOI. The current update serves to comply with Government Code Section 56425 and will reaffirm the SOI for the District.

Sphere of Influence Update Process

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

Service Review – Western Hills Water District

Authority

The Western Hills Water District (WHWD) was organized under the California Water Code, Division 13, §34000-38501. The District is a “registered voter district,” as the board members are elected by registered voters residing within the District’s boundaries.

Background

Special districts are local governments that are separate from cities and counties, yet provide public services such as fire protection, sewer, water, and street lighting. In California, there are over 3,300 special districts with a great diversity of purposes, governance structures, and financing mechanisms. Some districts are responsible for one type of specific duty, while other districts provide multiple public services, as is the case of the Western Hills Water District.

Purpose

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

Governance

A five-member Board of Directors governs the District. Regular meetings are held on the second Wednesday of each month at 6:00 p.m. At this time, meetings are being held virtually via Zoom in accordance with Governor Newsom’s Executive Order N-42-20.

Western Hills Water District recently converted from a landowner-voting district to a registered voter district (pursuant to Water Code Section 35055). Historically, the District has had developer-owner representation on the Board of Directors. However, currently the Board consists entirely of voters who are residents of the District.

Formation

The Western Hills Water District was formed on June 8, 1992.

Location and Size

The District is located in the western foothills of the unincorporated area of Stanislaus County, west of Interstate 5, and approximately 5 miles southwest of the City of Patterson. According to the District, the WHWD encompasses approximately 5,070 acres and serves an estimated population of 1,500.

The District serves an area that is unincorporated and has two designations in the Stanislaus County General Plan - Agriculture, and Specific Plan (for the Diablo Grande project area). The Diablo Grande project includes areas planned for residential, commercial, open space, and recreational uses.

Characteristics

The United States Census Bureau identifies Diablo Grande as a Census Designated Place (CDP). A CDP provides statistical information for settled concentrations of population that are not incorporated. According to the 2019 American Community Survey 5-Year Estimates, the annual median household income within the Diablo Grande CDP is \$102,458. This amount exceeds 80 percent of the statewide level. Therefore, Diablo Grande does not meet the definition of a disadvantaged unincorporated community as defined in Section 56033.5 of the CKH Act.

Sphere of Influence

The District's Sphere of Influence is coterminous with its current boundaries. No amendments to the District's boundaries or sphere of influence are being proposed with this Municipal Service Review and Sphere of Influence Update.

Personnel

The District currently has seven full-time employees. Staff consists of two system operators, three system maintenance employees, one lab technician and an office manager.

Services

The District is authorized to provide the functions or classes of services (e.g. water, sewer, and storm drainage) as identified in this report. Due to changes in the CKH Act, the District would have to seek LAFCO approval to exercise other latent powers not currently provided. The District currently provides services to approximately 610 water and sewer accounts.

Water

Water for the Western Hills Water District (WHWD) is delivered from the California Aqueduct via a metered turnout located near the corner of Lower Oak Flat Road and Interstate 5. The current delivery system consists of 4 pumping stations, a water treatment plant, a surface water reservoir (1 million gallons) and approximately 22 miles of water treated waterlines and 7 miles of raw water pipelines.

In June 2000, WHWD purchased up to 8,000 acre-feet per year supply of water from the Kern County Water Agency (KCWA). This water purchase was approved by the KCWA, the WHWD, and the State Department of Water Resources.

In 2010, the WHWD negotiated a water banking agreement with four districts of the Kern County Water Agency and the Dudley Ridge Water District (collectively known as the "Westside Districts"). The agreement allows the WHWD to transfer excess KCWA-contracted water to the Westside Districts. In return, the Westside Districts agree to credit Western Hills Water District with 500 acre-feet of water in a virtual water "bank account" in any year in which the Westside Districts receives at least 500 acre-feet from WHWD. "Banked" water is not physically stored for future use; rather, it is credited via an accounting system to be used for drought and other emergency situations. However, return water can be expensive depending on several factors. Since 2010 WHWD has received approximately \$3.6 million in water offset costs due to the water banking system and has approximately 5,000 acre-feet in banked water.

With the ongoing drought in California, issues related to water supply and delivery may continue

until the State experiences relief through sufficient rainfall levels. At this time, WHWD and other water districts throughout the state must plan accordingly and prioritize their usage. For 2021, the State Department of Water Resources has set the Table A allocation at 5%, or 400 acre-feet for WHWD. However, Kern County Water Agency (KCWA) has recently limited WHWD to 250 acre-feet per year through 2022 due to the District's ongoing financial issues, which will be discussed later in this report.

Wastewater

The District determined that conveying the wastewater for treatment at the City of Patterson's facility, rather than treating it at smaller on-site facilities as originally planned, would result in more efficient provision of service, consolidation of sewer treatment in one location, and reduction in the likelihood of spills or other treatment difficulties.

In 2002, the WHWD and the City of Patterson entered into and approved a Memorandum of Understanding, wherein the City agreed to treat up to 750,000 gallons per day of wastewater from Diablo Grande and the District agreed to construct a sewer line from Diablo Grande to the City's collection facility and shared proportionately in the cost of the expansion of the City's treatment plant.

Wastewater flows from the WHWD are discharged into the District's Diablo Grande to Patterson Trunk Sewer line that flows down to the valley floor and to the City of Patterson's facilities. Wastewater service for the WHWD has over 22 miles of pipeline ranging in size from 4 to 18-inches. This service operates without the use of pumping stations.

The agreement with the City of Patterson along with the current facilities has provided sufficient wastewater service for Diablo Grande. The allowable 750,000 gallons per day is enough to provide service to the entire Diablo Grande community. At this time, no additional capacity or facilities are needed.

Storm Water

Storm drain facilities are designed to carry flows from the developed portions of a basin into the natural creeks, Salado Creek and an unnamed tributary creek. Specifically, existing creek channels are utilized as the main conveyance facilities and pipelines located in the major street alignments and convey runoff into detention ponds and creek channels. Detention basins are sized so that there is no increase in peak flow off-site due to development. The facilities include various diameter pipelines, box culverts, and combine the use of small reservoirs, ponds, and conventional storm drains to handle drainage. At this time, no additional capacity or facilities are needed.

Support Agencies

The District maintains collaborative relationships with other agencies, such as: Stanislaus County, City of Patterson, Kern County Water Agency, Department of Public Health, Regional Water Quality Control Board, and Department of Water Resources.

Funding Sources

Rates and fees for services are established during the District's annual budget review process. The budget process is designed to screen out unnecessary costs and is submitted to the Board of Directors for review and approval. The District's source of revenue is derived from connection and service fees.

The District is currently in a dire financial situation and has limited financial resources or reserves. Historically, the District's expenses have been greater than its revenue. Revenue deficits had been covered by World International LLC, the prior developer under a master funding agreement. World International LLC stopped subsidizing the District in 2019 and transferred certain land development and funding obligations to Angel's Crossing LLC. Angel's Crossing has similarly stopped providing funds to the District and continues to remain delinquent on water payments to the District. As a result, the District is unable to establish operating or capital reserves.

The District's annual operating costs and underlying contractual obligations were premised on a much larger development. Presently, the District only receives its income from residential customers and this revenue is limited due to a small customer base. Previously, the District received additional income from two golf courses; however, World International LLC closed the Legends Golf Course in 2014. The current developer (Angel's Crossing LLC) is delinquent for water payments on the remaining course (for which water service was terminated), and does not appear to be actively developing current properties. To the extent residential and commercial development occurs, the District's revenue is expected to increase as a result of additional ratepayers.

Due to the lack of existing ratepayers or subsidies, the District is delinquent approximately \$3.7 million with the Kern County Water Agency (KCWA) and City of Patterson. Unless a long-term financial solution is implemented, the nature of its water supply arrangement with KCWA is in jeopardy.

Currently, the District is looking at a number of options. The first and most pressing is a rate increase. A rate increase would help bring the District out of debt and become less dependent on external factors, e.g. reliance on a developer to build additional units to increase revenues. To the extent existing rates are increased, the District could revisit future rates to help alleviate the burden on current residents as additional units are built. Other revenue options are the potential to renegotiate existing water and sewer service contracts to reflect Diablo Grande as it is currently situated, as opposed to the projected growth patterns as they existed in the 1990s. In either case, the District would still be liable for paying its outstanding debt with KCWA and the City of Patterson.

Municipal Service Review Determinations

The following provides an analysis of the seven categories or components required by Section 56430 for a Service Review for the Western Hills Water District (WHWD):

1. Growth and Population Projections for the Affected Area

The Western Hills Water District serves the Diablo Grande area which consists of approximately 5,070 acres. The Diablo Grande area is currently in its first phase of development. The County has issued approximately 595 building permits for single family homes. Phase 1 of the Diablo Grande Specific Plan in its entirety anticipates over 2,000 residences, associated commercial uses, open space, and recreational areas. At this time, no additional growth beyond what has been identified in the Diablo Grande Specific Plan has been proposed.

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

No disadvantaged unincorporated communities have been identified within or contiguous to the District's Sphere of Influence as defined in Section 56033.5 of the CKH Act.

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

Currently, the Western Hills Water District (WHWD) has both the ability and the capacity to serve its service area and has no unmet infrastructure needs or deficiencies. The District has indicated that it has no immediate plans to expand current facilities or capacity. As mentioned previously, there are no disadvantaged unincorporated communities within or contiguous to the Sphere of Influence of the WHWD.

The District is facing difficult financial constraints. The District is currently considering usage rate increases as well as exploring other options concerning its agreement with the Kern County Water Agency.

4. Financial Ability of Agencies to Provide Services

The District adopts Annual Operating and Capital Budgets as well as Audited Annual Financial Reports. As mentioned previously, the District is facing serious financial constraints. Much of the constraints are associated with the delinquent accounts with the current developer of Diablo Grande and the need for more connections, which would increase the amount of ratepayers. As a result, the District's expenses and liabilities are greater than its revenue. This will continue to be the case until residential and commercial projects are developed within the District and rates are potentially increased resulting in a greater source of revenue from assessments.

5. Status of, and Opportunities for, Shared Facilities

Since 2002, the District has had a Memorandum of Understanding with the City of Patterson, wherein the City treats up to 750,000 gallons per day of wastewater from Diablo

Grande. At this time there are no additional proposals for shared facilities.

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

It is reasonable to conclude that the Western Hills Water District has the infrastructure to adequately serve the areas under its jurisdiction. However, the District's financial situation puts significant constraints on the District's ability to operate presently and in the future.

A five-member Board of Directors, elected by the landowners, governs the District. The Board is subject to the provisions of the Brown Act requiring open meetings. The District has a website (www.whwdist.org) that provides up to date information, meeting videos, presentation materials, and reports on its current financial situation.

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

The District is currently in a crucial situation. The District is facing mounting debt to Kern County Water Agency and the City of Patterson. Should the district fail to meet its financial obligations and cease providing services, the results could be severe for the Diablo Grande Community. The Board is working diligently to resolve the issues and get the District back on track financially.

Sphere of Influence Update

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

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

This document proposes no changes to the District's existing Sphere of Influence. Rather, it serves to reaffirm the existing SOI boundary. As part of this process, Staff researched the history of the establishment of the District's SOI. A map of the current District boundary and Sphere of Influence is attached in Appendix "A".

The following determinations for the Western Hills Water District's (WHWD) Sphere of Influence update are made in conformance with Government Code §56425 and local Commission policy.

Determinations:

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

The Western Hills Water District's Sphere of Influence (SOI) includes approximately 5,070 acres and is coterminous with the District's current boundary. The present land uses within the District's SOI include agricultural rangeland, vineyards, two developed golf courses (not in operation), a clubhouse/restaurant, several residential units, and a municipal water storage and distribution system. Some of these uses are no longer receiving service due to lack of payments or delinquent accounts.

Planned future land uses are expected to include additional residential units, commercial and/or employment areas, and open space and recreational lands.

The land uses within the District boundaries are governed by the Stanislaus County General Plan and the Diablo Grande Specific Plan and are not expected to change. In addition, the District does not have the authority to make land use decisions, as the responsibility for land use decisions within the District boundaries is retained by the County.

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

The Stanislaus County Board of Supervisors approved a Specific Plan for the Diablo Grande area in 1999. Phase 1 of the Specific Plan anticipates over 2,000 residences, associated commercial, open space and recreational uses. The District currently has 610 water and sewer accounts.

Although development has slowed dramatically since the previous service review, the probable need for public facilities and services within the approved Specific Plan area is expected to increase in the future.

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

The District has the infrastructure and personnel in place to provide water, sewer and storm water services. However, like many other water districts throughout the State, due to severe drought conditions, water supply is scarce and is of crucial concern.

The current infrastructure can serve immediate and near future demands. The District identified that storage and lift station improvements would enable the District to provide water service at a higher level of efficiency; however, the District currently lacks any significant reserves to support system improvements. The District has limited financial resources due to a shortage of customers and a delinquent developer resulting in revenue unable to cover expenses. The District will likely see an increase in revenue with further development.

4. The existence of any social or economic communities of interest in the area if the Commission determines they are relevant.

Western Hills Water District serves the Diablo Grande area which is located approximately 5 miles southwest of the City of Patterson and is surrounded by rural area. There are no communities of interest within the District boundaries, Sphere of Influence or surrounding area.

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

No disadvantaged unincorporated communities have been identified within or contiguous to the District's Sphere of Influence as defined in Section 56033.5 of the CKH Act.

DISTRICT SUMMARY PROFILE

District:

WESTERN HILLS WATER DISTRICT

Contact Information:

9501 Morton Davis Dr. Bldg. B, Diablo Grande, CA 95363
Ph. (209) 895-9493

Location:

In the western foothills of Stanislaus County, west of Interstate 5, approximately 5 miles southwest of the City of Patterson.

Service Area:

Approximately 5,070 acres

Population*:

1,500

Land Use:

Residential, commercial, open space, recreational

Date of Formation:

June 2, 1992

Enabling Act:

California Water Code, Division 13, §34000 et. seq. (Water District Act)

Governing Body:

Five Board of Directors, elected by landowners within the District boundaries

Administration:

Seven full-time employees

District Services:

Water, sewer, and storm drainage

Budget:

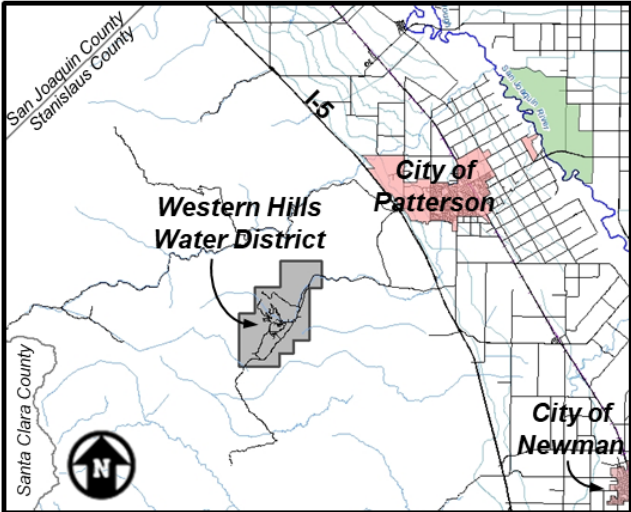
Fiscal Year 2019-2020

Revenues: \$2,449,717.00

Expenses: \$4,789,700.86

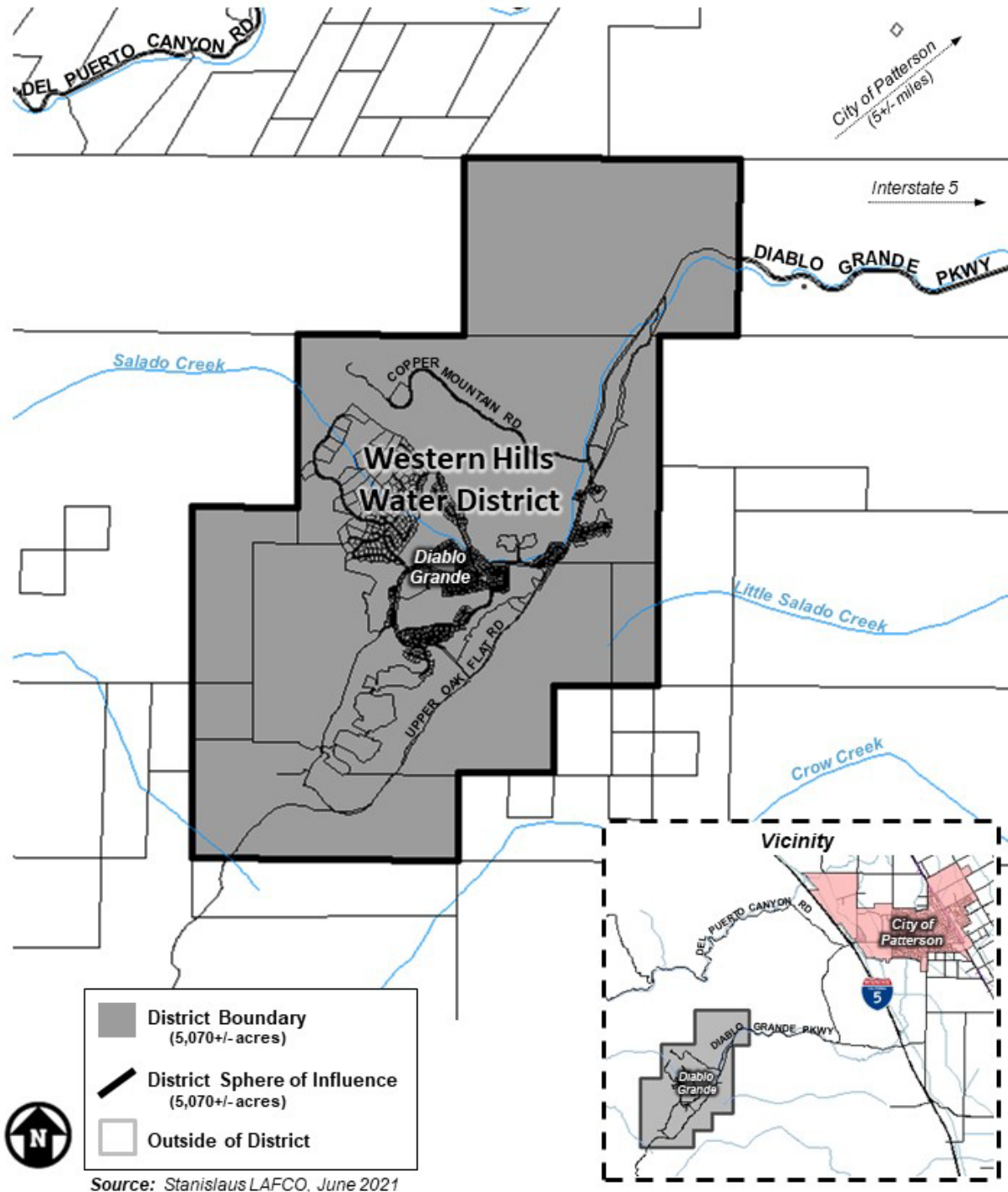
Revenue Sources:

Service and connection fees, Mello Roos assessments



**Source: 2021 District Estimate*

WESTERN HILLS WATER DISTRICT BOUNDARIES AND SPHERE OF INFLUENCE



REFERENCES & AGENCIES CONTACTED

REFERENCES

1. California Legislative Analyst's Office. *Water Special Districts: A Look at Governance and Public Participation*, March 2002".
2. California State Controller's Office. *Special Districts Annual Report*, November, 2011.
3. Diablo Grande Community Development Team Letter dated March 19, 2014.
4. Letter from Angel's Crossing re: Assumption of Liabilities dated April 24, 2020.
5. Letter from Robert E. Donlan re: Request for Information and Process for Addressing WHWD Revenue Deficit dated August 28, 2020.
6. Letter from Kern County Water Agency re: KCWA/WHWD Transfer Contract Invoices and Notice of Claim dated December 1, 2020.
7. Stanislaus County. *Board of Supervisors Resolution No. 2004-975*, Adopted December 14, 2004.
8. Stanislaus County. *2015-2023 Housing Element Update*, Certified April 27, 2016.
9. Stanislaus LAFCO. *Municipal Service Review and Sphere of Influence Update - Western Hills Water District*, January 27, 2016.
10. Western Hills Water District WHWD History and Our Path Forward Presentation dated February 10, 2021.
11. Western Hills Water District *Sanitary Sewer Management Plan*, August 2009.
12. Western Hills Water District *Financial Statements, June 30, 2020 and 2019*.
13. Western Hills Water District website (<http://www.whwdist.org>)

INDIVIDUALS AND AGENCIES CONTACTED

1. David Hobbs, Counsel, Western Hills Water District
2. Kristen Anaya, Stanislaus County Department of Planning and Community Development

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**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: January 26, 2022

NO. 2022-02

SUBJECT: Municipal Service Review No. 2021-03 and Sphere of influence Update No 2021-04: Western Hills Water District

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

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

THE FOLLOWING RESOLUTION WAS ADOPTED:

WHEREAS, 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 Western Hills Water District, 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 26, 2022 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 Western Hills Water District and the determinations contained therein;

WHEREAS, the Western Hills Water District was established to provide sewer, water and storm water services within its boundaries;

WHEREAS, pursuant to Government Code Section 56425(i), the range of services provided by the Western Hills Water District is 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 District's Sphere 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 Western Hills Water District Sphere 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 District, unless approved by the Commission.
4. Determines, based on presently existing evidence, facts, and circumstances filed and considered by the Commission, that the Sphere of Influence for the Western Hills Water District should be affirmed as they currently exist, as more specifically described on the map 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 Western Hills Water District.

ATTEST: _____
Sara Lytle-Pinhey, Executive Officer

**EXECUTIVE OFFICER'S AGENDA REPORT
JANUARY 26, 2022**

TO: LAFCO Commissioners

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

SUBJECT: Year-End Financial Report for Fiscal Year 2020-2021

RECOMMENDATION

Staff recommends that the Commission accept this informational report comparing budgeted and actual revenues and expenditures for Fiscal Year 2020-2021.

DISCUSSION

At the close of Fiscal Year 2020-2021, the Commission's revenues exceeded its expenditures by \$7,582. Overall, the Commission expended 95% of the amount budgeted for the year. Total revenue exceeded the anticipated amount due to an increase in application revenue. A summary of the expenditures and revenues is shown in Table 1, below.

Table 1: Fiscal Year 2020-2021 Summary

<i>Expenditures</i>	Adopted Budget FY 20-21	Actuals (Year-End)	Difference	% of Budget
Salaries & Benefits	456,320	451,874	4,446	99%
Services & Supplies	74,970	53,386	21,584	71%
Other Charges	1,200	554	646	46%
Total Expenditures	532,490	505,814	26,676	95%
<i>Revenues</i>				
Agency Contributions	453,175	453,175	0	100%
Applications	20,000	51,331	(31,331)	257%
Other (Interest & Rebates)	-	8,890	(8,890)	-
Total Revenue	473,175	513,396	(40,221)	109%
Revenue Less Expenditures		7,582		

Expenditures

The Commission uses three expense categories: Salaries and Benefits, Services and Supplies, and Other Charges. Overall, expenses trended lower than budgeted. Details of the individual accounts are attached to this report. The following are highlights within each of these categories:

Salaries and Benefits

At the end of the fiscal year, the Salaries and Benefits category had expenditures of \$451,874, representing 99% of the amount budgeted in this category. A slight savings was seen in health insurance costs at the beginning of the 2021 calendar year.

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JANUARY 26, 2022
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Services and Supplies

Expenditures in the Services and Supplies category accounted for 71% of the amount budgeted. The Commission had significant savings in both the Legal Services and Commission Expense accounts due to the reduced number of meetings during the year. Savings were also seen in the Education & Training accounts, due to cancellation of CALAFCO conferences that were replaced by free, online trainings.

Expenditures in the Outside Data Processing services account exceeded what were originally estimated based on costs to replace outdated and unsupported software and IT's assistance transferring LAFCO's website to a modern platform.

Other Charges

The Other Charges category consists of one account: "Planning Department Services" for shared use of a copier. These costs have been trending lower as Staff strives to make less paper copies of items.

Revenues

Overall, the Commission received \$513,396 in revenues, or \$40,221 above what was anticipated. Application revenue received in Fiscal Year 2020-2021 exceeded estimates by over \$31,000. This reflects Staff's time spent on a large-scale annexation project and a controversial proposal during the year that exceeded their original application deposits. In addition, the Commission received \$8,800 in interest earnings and rebates during the Fiscal Year.

CONCLUSION

Overall revenues received exceeded expenses at year-end and the use of fund balance was not necessary to offset the budget as originally estimated. These increased revenues received at the close of Fiscal Year 2020-2021 will be factored into the review of reserve funds and available fund balance at preparation of the next year's Commission budget.

Attachments: Fiscal Year 2020-2021 Expenditures and Revenues Detail

Stanislaus LAFCO
Fiscal Year 2020-2021 Expenditures and Revenues

EXPENDITURES

Account		FY 20-21 ADOPTED BUDGET	ACTUALS (YEAR-END)	DIFFERENCE	% EXPENDED
Salaries and Benefits					
50000+	Salaries and wages	279,800	277,784	2,016	99%
52000	Retirement	83,100	82,960	140	100%
52010	FICA	22,100	21,178	922	96%
53000	Group health insurance	60,800	59,720	1,080	98%
53020	Unemployment insurance	360	360	-	100%
53051	Benefits admin fee	190	62	128	33%
53081	Long term disability	425	383	42	90%
54000	Workers compensation insurance	995	994	1	100%
55000	Auto allowance	2,400	2,409	(9)	100%
55080	Professional development	2,200	2,101	99	95%
55130	Deferred comp mgmt/conf	3,950	3,924	26	99%
Total	Salaries and Benefits	456,320	451,874	4,446	99%
Services and Supplies					
60400	Communications (ITC - Telecom)	1,145	1,097	48	96%
61000	Insurance (SDRMA)	5,230	5,091	139	97%
61030	Fiduciary liability insurance	40	51	(11)	128%
62200	Memberships (CSDA, CALAFCO)	10,800	10,377	423	96%
62400	Miscellaneous expense	3,000	464	2,536	15%
62450	Indirect costs (A87 roll forward)	(460)	(551)	91	120%
62600	Office supplies	1,500	1,197	303	80%
62730	Postage	1,200	441	760	37%
62750	Other mail room expense	445	135	310	30%
63000	Professional & special serv	12,360	11,403	957	92%
	Building maint & supplies	3,430	3,177	253	93%
	Office lease	4,100	3,860	240	94%
	Utilities	1,515	1,341	174	89%
	Janitorial	830	759	71	91%
	Purchasing	285	156	129	55%
	HR/Risk Mgt overhead	2,200	2,110	90	96%
63090	Auditing & accounting	2,430	2,147	283	88%
63400	Engineering services	2,000	271	1,729	14%
63640	Legal services	12,000	2,148	9,852	18%
63990+	Outside data proc services (IT & GIS Lic)	12,200	15,997	(3,797)	131%
	IT Services (ITC)	8,500	12,747	(4,247)	150%
	Video Streaming (ITC)	1,000	1,000	-	100%
	Mtg Recording (Final Cut Media)	1,500	1,050	450	70%
	GIS License (ITC)	1,200	1,200	-	100%
65000	Publications & legal notices	1,000	1,257	(257)	126%
65780	Education & training	3,000	40	2,960	1%
65810	Other supportive services (messenger)	350	233	117	67%
65890	Commission expense (stipends, training)	6,100	1,464	4,636	24%
67040	Other travel expenses (mileage)	500	-	500	0%
67201	Salvage disposal	130	124	6	95%
Total	Services and Supplies	74,970	53,386	21,584	71%

Other Charges

73024	Planning dept services	1,200	554	646	46%
Total Other Charges		1,200	554	646	46%

TOTAL EXPENDITURES		532,490	505,814	26,676	95%
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REVENUES

Account	FY 20-21 ADOPTED BUDGET	ACTUALS (YEAR-END)	DIFFERENCE	% REALIZED
40680+ Agency Contributions	453,175	453,175	0	100%
40445 Rebates & Refunds	-	10	(10)	-
36414 Application & Other Revenues	20,000	51,331	(31,331)	257%
17000+ Interest Earnings	-	8,880	(8,880)	-
TOTAL REVENUE	473,175	513,396	(40,221)	109%

Revenues Less Expenditures**7,582**

**EXECUTIVE OFFICER'S AGENDA REPORT
JANUARY 26, 2022**

TO: LAFCO Commissioners

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

SUBJECT: MID-YEAR BUDGET REPORT FOR FISCAL YEAR 2021-2022

RECOMMENDATION

It is recommended that the Commission accept this financial update.

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 \$555,560. At mid-year, expenditures totaled \$275,203, which represents approximately 50% of the adopted budget. Below is an overview of LAFCO's expenses and revenues:

LAFCO FY 2021-2022 Mid-Year Comparison: Adopted Budget vs. Actual

	Adopted Budget (2021-2022)	Actual (Mid-Year)	% of Budget
EXPENSES			
Salaries & Benefits	\$467,380	\$243,694	52%
Services & Supplies	86,980	31,344	36%
Other Charges	1,200	165	12%
Total Expenses	\$555,560	\$275,203	50%
REVENUES			
City/County Contributions	\$493,158	\$493,158	100%
Applications & Other Revenues	20,000	4,656	23%
Interest Earnings	--	2,776	--
Total Revenues	\$513,158	\$500,589	98%
<i>Prior Years' Carry-Over</i>	<i>42,402</i>		
<i>Total Budget</i>	<i>\$555,560</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, \$243,694 has been expended on Salaries and Benefits, representing approximately 52% of the total amount budgeted in this category for the fiscal year. This is due to a 3% base salary increase and a one-time COVID payment for County employees that were approved by the Board of Supervisors after the adoption of the LAFCO final budget. As a result of these unanticipated salary increases, by year-end, expenditures in this category are estimated to exceed the budgeted amount by approximately \$16,000.

➤ Services and Supplies:

At the end of the second quarter, expenditures under the Services and Supplies category totaled \$31,344. This represents 36% of the total amount budgeted. Of note is the following:

- Expenditures for the Commission's general liability insurance, membership dues, and office lease (Account #61000, 62200, and 63000) are billed as one-time expenses early in the fiscal year.
- Charges for legal services during the first and second quarter were billed after the Mid-Year, but remain well within the budgeted amount. Legal service expenses can fluctuate throughout the year based on the complexity of applications or need for additional review by counsel. The account is anticipated to be well within budget by the end of the year.
- There has been a delay in receiving certain County charges for utilities, building maintenance, and IT Services causing the associated accounts to appear lower than normal at mid-year (Accounts 63000 and 63990).
- Indirect costs (otherwise known as A-87 roll forward or a "true-up" of the prior year's County charges) are trending higher than anticipated. This is partly due to the County's two-year budget process and their assumption that the account would have a similar credit in the current year as it did in the prior.

➤ Other Charges:

This budget category contains expenses associated with a shared copier lease and copy costs and is typically only billed twice a year. Copy costs have generally trended lower than anticipated. The lower amount is as a result of limited meetings and 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 \$493,158. Revenue received from LAFCO application fees and services at mid-year totals \$4,656. Staff anticipates two city annexations, a district detachment, and two other outstanding applications in the next few months that will reach or exceed the \$20,000 estimated for the account by year-end.

CONCLUSION

While there have been unanticipated increases in the Salaries and Benefits category, overall expenses are expected to remain at or near the total budget due to savings in the Services and Supplies category. Staff will continue to monitor monthly expenditures, along with year-end estimates, and return to the Commission should fund balance (General Fund Reserves) need to be appropriated for expenses.

EXPENSE AND REVENUE SUMMARY
JULY 1, 2021 - DECEMBER 31, 2021

Account	Final Budget FY 21-22	Actuals 12-31-2021	% of Budget
Salaries and Benefits			
50000+ Salaries and wages	\$ 285,000	146,883	52%
50250 Covid one-time payment	-	4,875	nb
52000 Retirement	89,990	46,282	51%
52010 FICA	22,500	11,480	51%
53000 Group health insurance	59,300	29,638	50%
53020 Unemployment insurance	360	190	53%
53051 Benefits admin fee	190	-	0%
53081 Long term disability	425	197	46%
54000 Workers compensation insurance	1,035	465	45%
55000 Auto allowance	2,400	1,218	51%
55080 Professional development	2,200	399	18%
55130 Deferred comp mgmt/conf	3,980	2,067	52%
Total Salaries and Benefits	467,380	243,694	52%
Services and Supplies			
60400 Communications (ITC - Telecom)	1,290	336	26%
61000 Insurance (SDRMA)	4,800	4,688	98%
61030 Fiduciary liability insurance	70	15	21%
62200 Memberships (CSDA, CALAFCO)	10,560	10,002	95%
62400 Miscellaneous expense	3,000	-	0%
62450 Indirect costs (A87 roll forward)	(460)	1,170	-254%
62600 Office supplies	1,500	343	23%
62730 Postage	1,200	145	12%
62750 Other mail room expense	470	53	11%
63000 Prof & special services (lease, utilities, HR, etc)	12,515	6,554	52%
63090 Auditing & accounting	2,505	679	27%
63400 Engineering services	2,000	-	0%
63640 Legal services	12,000	2,090	17%
63990 Data processing services (IT, Video, GIS Lic.)	12,950	3,809	29%
65000 Publications & legal notices	1,000	131	13%
65660 Special dept. expense (3-year audit)	12,000	-	0%
65780 Education & training	2,500	(60)	-2%
65810 Other supportive services (messenger)	350	69	20%
65890 Commission expense (stipends, training)	6,100	1,275	21%
67040 Other travel expenses (mileage)	500	-	0%
67201 Salvage disposal	130	45	35%
Total Services and Supplies	86,980	31,344	36%
Other Charges			
73024 Planning dept services (shared copier)	1,200	165	14%
Total Other Charges	1,200	165	14%
TOTAL EXPENSES	555,560	275,203	50%
TOTAL REVENUES			
TOTAL REVENUES	513,158	500,589	98%
40680+ Agency Contributions	493,158	493,158	100%
36414 Application & Other Revenues	20,000	4,656	23%
17000+ Interest Earnings	-	2,776	nb

EXECUTIVE OFFICER'S AGENDA REPORT
January 26, 2022

TO: LAFCO Commissioners

FROM: Javier Camarena, Assistant Executive Officer

SUBJECT: 2022 WORK PROGRAM - MUNICIPAL SERVICE REVIEW & SPHERE OF INFLUENCE UPDATES

RECOMMENDATION

Staff recommends that the Commission consider adoption of a work program to guide completion of Municipal Service Reviews (MSRs) and Sphere of Influence (SOI) updates for 2022. The Commission may direct Staff to prioritize certain updates as needed.

DISCUSSION

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

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

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

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

Prior Year's Work Program

In 2021, LAFCO Staff completed MSR updates for the following districts:

- Patterson Irrigation District
- West Stanislaus Irrigation District
- Eastin Water District
- El Solyo Water District
- Del Puerto Water District
- Oak Flat Water District
- County Service Areas (21 total)

2022 Goals - Special Districts

Staff has begun work on several special districts that were scheduled to be completed in 2021 but will likely overlap into the 2022 work program. The special districts include:

- Western Hills Water District
- Monterey Park Community Services District
- Knights Ferry Community Services District
- Fire Protection Districts (14 total)

All of updates have been initiated and are slightly delayed due to current changes in governance, proposed new services and other additional changes occurring within these special districts. In addition, given the size and workload of the MSR update for the Fire Protection Districts (14 total), the update has overlapped into 2022. All of the mentioned updates are expected to be completed in 2022.

To stay aligned with the five-year goal, Staff will begin MSR updates for the following additional special districts in 2022:

- Modesto Irrigation District
- Turlock Irrigation District
- Riverdale Park Tract Community Services District
- Empire Sanitary District

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

Upcoming City Updates

City MSR-SOI updates are typically initiated by the cities and/or their consultant in conjunction with a general plan update and/or a proposed sphere of influence amendment. In 2020, the Modesto City Council directed its staff to begin the process of a comprehensive General Plan Update. Any associated Sphere of Influence proposal will require an MSR update. Staff will continue to coordinate with cities that may be updating general plans or master plans to ensure this information is incorporated into their subsequent MSR updates.

Additional Upcoming Projects

The following projects are currently being reviewed and processed through their respective jurisdictions. Staff is monitoring these projects, which will likely be brought before the Commission in 2022.

- 1604 Kansas Avenue: Annexation of approximately .65 acres to the City of Modesto, to allow a proposed gas station and convenience store at 1600 and 1604 Kansas Avenue.
- Fairview Village Specific Plan: Annexation of approximately 178 acres to the City of Modesto located northeast of Carpenter Road and Whitmore Avenue.
- Central California Irrigation District Detachment: Detachment of over 200 parcels from CCID that currently overlap the Newman City Limits.

CONCLUSION

Staff believes that the proposed work program can be reasonably completed throughout the year. Paid applications (e.g. annexations, out-of-boundary service extensions) have required processing deadlines that are given precedence over Municipal Service Reviews and Sphere of Influence updates and may delay individual updates. Likewise, tasks involved with upcoming projects (e.g. responses to environmental referrals, pre-application meetings, etc.) may also delay MSR-SOI goals. Staff will continue to keep the Commission apprised of the progress in meeting the goals of the 2022 Work Program throughout the year.

Attachments:

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

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SPECIAL DISTRICTS

MSR & SOI UPDATE SCHEDULE - BY YEAR

	DISTRICT	LAST MSR COMPLETED
Early 2022	Water District - Western Hills Water District	<i>In Process</i>
	Community Services District - Monterey Park Tract	<i>In Process</i>
	Community Services District - Knights Ferry	<i>In Process</i>
2022	Fire Protection Districts - Burbank-Paradise, Ceres Rural, Denair, Mountain View, Turlock Rural, Westport, Woodland, Hughson, Industrial, Keyes, Salida, Stanislaus Consolidated, West Stanislaus and Oakdale Rural	July 27, 2016
	Irrigation Districts - Modesto Irrigation District	February 22, 2017
	Turlock Irrigation District	April 26, 2017
	Community Services District - Riverdale Park Tract	May 24, 2017
	Sanitary District Empire Sanitary District	August 23, 2017
2023	Drainage District - Newman Drainage District	March 28, 2018
	Sanitary District - Salida Sanitary District	May 23, 2018
	Water District - Rock Creek Water District	June 27, 2018
	Mosquito Abatement Districts - Turlock and Eastside	September 26, 2018
	Irrigation District - Oakdale Irrigation District	December 5, 2018
2024	Resource Conservation Districts - East Stanislaus and West Stanislaus	May 22, 2019
	Cemetery Districts - Hills Ferry, Knights Ferry and Patterson	August 28, 2019
	Community Services District - Crows Landing, Grayson, Westley	December 4, 2019
	Water District - Eastside Water District	December 4, 2019
2025	Community Services District - Denair and Keyes	January 22, 2020
	Healthcare & Hospital Districts - Del Puerto Healthcare, Westside Community Healthcare, and Oak Valley Hospital Districts	August 26, 2020
	Flood Control Districts - Orestimba Creek and Sand Creek	June 24, 2020
2026	County Service Areas (CSAs) -- 22 total	September 22, 2021
	Westside Irrigation & Water Districts - Patterson and West Stanislaus IDs; Eastin, El Solyo, Del Puerto, and Oak Flat WDs	February 24, 2021

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

CITY	MSR-SOI ADOPTION	NOTES
Ceres	February 22, 2012	<i>City recently completed a General Plan Update (no SOI proposal included)</i>
Hughson	August 24, 2005	-
Modesto	September 22, 2004	<i>City is be pursuing a Comprehensive General Plan Update, advised of need for updated MSR</i>
Newman	January 28, 2009	<i>Completed as part of SOI Modification in 2009.</i>
Oakdale	July 22, 2015	<i>Completed SOI modification (with simultaneous annexation)</i>
Patterson	December 4, 2013	<i>City preparing EIR for proposal that will require MSR and SOI update</i>
Riverbank	July 27, 2016	<i>MSR approved as part of a SOI modification</i>
Turlock	August 28, 2019	<i>MSR approved as part of minor SOI modification</i>
Waterford	August 22, 2007	-

Stanislaus LAFCO, Jan. 2022

**EXECUTIVE OFFICER'S AGENDA REPORT
JANUARY 26, 2022**

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 that establish 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 Commission's Rules of Order (Rule 4), the office of Chairperson and Vice-Chairperson are rotated annually. According to the sequence, the next Chairperson would be a County Member and the next Vice-Chairperson would be a City Member.

Commissioner Terry Withrow, as the current Vice-Chair, is be eligible to be Chairperson, as well as, Commissioner Vito Chiesa. Commissioner Amy Bublak, as the current Chair is eligible for the Vice-Chairperson, as well as, Commissioner Richard O'Brien. (See attached Rotation Schedule.)

RECOMMENDATION

If the Commission agrees with the terms of office and the rotation of officers as per Rule 4 and the options above, it is recommended that the Commission adopt the attached Resolutions appointing a new Chairperson (County Member) and a Vice-Chairperson (City Member) for the annual term of February 1, 2022 to January 31, 2023.

Attachments: Draft LAFCO Resolution No. 2022-01a & 2022-01b
Rotation Schedule

**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: January 26, 2022

NO. 2022-01a

SUBJECT: Annual Election of Officers (Chairperson)

On the motion of Commissioner _____, seconded by _____, 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 annually elect a Chairperson;

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

WHEREAS, the term of the present officer expired on January 31, 2022; 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, 2022 through January 31, 2023.

ATTEST:

Sara Lytle-Pinhey
Executive Officer

**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: January 26, 2022

NO. 2021-01b

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 annually elect a Vice-Chairperson;

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

WHEREAS, the term of the present officer expired on January 31, 2022; and,

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

NOW, THEREFORE, BE IT RESOLVED that the Commission:

1. Elects Commissioner _____ as Vice-Chairperson for a term of office commencing February 1, 2022 through January 31, 2023.

ATTEST:

Sara Lytle-Pinhey
Executive Officer

COMMISSIONER ROTATION SCHEDULE

				<u>Rotation</u>
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	DeMartini Berryhill	County Public	B
2/2021 – 1/2022	Chairperson Vice-Chairperson	SKIPPED	Public City	C
2/2021 – 1/2022	Chairperson Vice-Chairperson	Bublak Withrow	City County	D
2/2022 – 1/2023	Chairperson Vice-Chairperson		County City	E