



**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
Sue Zwahlen, City Member
Vito Chiesa, County Member
Bill O'Brien, Public Member
Charlie Goeken, Alternate City Member
Mani Grewal, Alternate County Member
Jami Aggers, Alternate Public Member

AGENDA
Wednesday, January 28, 2026
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. All persons wishing to speak during this public comment portion of the meeting are asked to fill out a "Speaker Card" and provide it to the Commission Clerk. Each speaker will be limited to a three-minute presentation. No action will be taken by the Commission as a result of any item presented during the public comment period.

3. 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. CALAFCO-U LAFCO 101 Webinar flier.

2. CALAFCO 2026 Special Corporate Business Meeting Notice & Agenda.

C. "In the News."

4. DECLARATION OF CONFLICTS AND DISQUALIFICATIONS

5. CONSENT ITEMS

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

A. **MINUTES OF THE OCTOBER 22, 2025 LAFCO MEETING**
(Staff Recommendation: Accept the Minutes.)

B. **MID-YEAR BUDGET REPORT FOR FISCAL YEAR 2025-2026**
(Staff Recommendation: Accept and file the report.)

C. **MUNICIPAL SERVICE REVIEW NO. 2025-03 AND SPHERE OF INFLUENCE UPDATE NO. 2025-04 – ORESTIMBA CREEK AND SAND CREEK FLOOD CONTROL DISTRICTS:** The Commission will consider the adoption of a Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Orestimba Creek and Sand Creek Flood Control Districts. This item is exempt from the California Environmental Quality Act (CEQA) review pursuant to sections 15306 and 15061(b)(3). (Staff Recommendation: Approve the update and adopt Resolution No. 2026-05.)

D. **OUT OF BOUNDARY SERVICE APPLICATION – 557 SOUTH 9th STREET (CITY OF MODESTO – SEWER SERVICE):** The Commission will consider a request to extend sewer service outside the City of Modesto's existing city limits to serve a property at 557 S. 9th Street, for a new gas station with convenience store, quick service restaurant and car wash (APN: 038-012-006). The proposal is considered exempt for purposes of the California Environmental Quality Act (CEQA) in accordance with Government Code §21080, which exempts ministerial projects. (Staff Recommendation: Approve the request and adopt Resolution No. 2026-02.)

E. **DETERMINATION OF DISTRICTS NOT QUALIFYING AS INACTIVE PURSUANT TO GOVERNMENT CODE SECTION 56042–** The Commission will consider finding that Reclamation Districts No. 1602 (Del Puerto aka Patterson Ranch), No. 2031 (Elliot) and No. 2101 (Blewett) do not meet the definition of "inactive districts" pursuant to Government Code section 56042. (Staff Recommendation: Adopt Resolution No. 2026-03, directing Staff to notify the State Controller of its findings.)

F. **SCHEDULE OF FEES AND DEPOSITS UPDATE.** (Staff Recommendation: Adopt the updated Schedule of Fees and Deposits and approve Resolution No. 2026-04.)

6. PUBLIC HEARING

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

None.

7. OTHER BUSINESS

A. **2026 WORK PROGRAM – MUNICIPAL SERVICE REVIEW & SPHERE OF INFLUENCE UPDATES.** (Staff Recommendation: Adopt the 2026 Work Program.)

B. **ANNUAL ELECTION OF OFFICERS.** (Staff Recommendation: Appoint a Chairperson and Vice-Chairperson and adopt Resolution No. 2026-01a and 2026-01b.)

8. COMMISSIONER COMMENTS

Commission Members may provide comments regarding LAFCO matters.

9. ADDITIONAL MATTERS AT THE DISCRETION OF THE CHAIRPERSON

The Commission Chair may announce additional matters regarding LAFCO matters.

10. EXECUTIVE OFFICER'S REPORT

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

A. On the Horizon.

11. ADJOURNMENT

A. Set the next meeting date of the Commission for February 25, 2026.

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.

Join Us!

CALAFCO-U LAFCO 101 Webinar

Wednesday,
February 25, 2026
10:00-11:30 a.m.



Let us help streamline your onboarding process!

CALAFCO is launching its first CALAFCO-U session of 2026 with LAFCO 101, an accessible, practical introduction to LAFCO fundamentals. This webinar is ideal for commissioners starting their terms in January and new staff needing a solid foundation.

What Participants Will Learn

- ✓ Why LAFCO Exists
- ✓ LAFCO's Legal Foundations
- ✓ What Falls Under LAFCO Authority
- ✓ LAFCO's Planning Role
- ✓ The LAFCO Process in Plain Language
- ✓ Practical Tips

Instructors



Paula de Sousa — Partner, Best Best & Krieger LLP. Paula is a statewide expert in LAFCO law, legal counsel for several LAFCOs and CALAFCO, and lead author of multiple CALAFCO white papers.



Joe Serrano — Executive Officer, Santa Cruz LAFCO & Deputy Executive Officer, CALAFCO. Joe brings 17 years of hands-on LAFCO experience across several counties.

COST

Free to CALAFCO Members*

Non-members: \$125**

Registration

Sign-up through www.calafco.org

Questions?

Contact CALAFCO at info@calafco.org

California Association of
Local Agency Formation Commissions

CALAFCO

SUPPORTING SUSTAINABLE
COMMUNITY GROWTH

*CALAFCO Members include staff or commissioners of dues-paying LAFCOs.

**Registration for non-members is limited to California local and state agency representatives.

MEMORANDUM

DATE: December 9, 2025

TO: Member LAFCOs, Officers of Member LAFCOs, and Associate Members

CC: CALAFCO Board of Directors

FROM: Michelle McIntyre, Interim Executive Director

RE: **CALAFCO 2026 Special Corporate Business Meeting Notice and Agenda**

CALAFCO Bylaws (Section 3.4) require the Association to notify each Member LAFCO and Associate Member of the Corporation of meetings, not less than 30 days prior to that meeting.

NOTICE

A Special Meeting of the California Association of Local Agency Formation Commissions will be held:

DATE: Monday, February 23, 2026
TIME: 10:00 a.m. – 11:30 a.m.
LOCATION: Virtual via Zoom
Meeting Access:
<https://us02web.zoom.us/j/87609758294?pwd=NNdz0U0B9qrp2nVx6Ki0qVxZh2iWyl.1>
Meeting ID: 876 0975 8294
Passcode: 639868
Phone: 669-444-9171

Attached is the agenda for the special meeting, which is also posted in the Members section of the CALAFCO website.

CALAFCO Bylaws (Section 3.7.1) also require each Member LAFCO designate in writing their voting delegate prior to the meeting. Please e-mail the name, title, and email address of your voting delegate to Pamela Miller at pmiller@millermcg.com **by January 30, 2026 at 5:00 p.m.** *If your LAFCO is unable to provide your voting delegate information by this date due to your meeting schedule, please email Pamela with the date your LAFCO will provide that information in advance of the special meeting.* An updated list of voting delegates will be posted in the Members section of the website. The full meeting packet will be distributed in advance of the meeting.



2026 Special Corporate Business Meeting

**Monday, February 23, 2026
10:00 a.m. to 11:30 a.m.**

Meeting Access

<https://us02web.zoom.us/j/87609758294?pwd=NNdzOU0B9qrp2nVx6KiOqVxZh2iWyl.1>

Meeting ID: 876 0975 8294

Passcode: 639868

Phone: 669-444-9171

SPECIAL MEETING AGENDA

1. **Call to Order/Roll Call of Member LAFCOs**
Wendy Root Askew, Chair
José Henríquez, CALAFCO Executive Officer

2. **New Business**
2.1. Consider and Approve recommended changes to the Association Bylaws
Wendy Root Askew, Chair
Michelle McIntyre, Interim Executive Director
Pamela Miller, Transition Team Consultant

3. **Report on the Association's work ahead**
Wendy Root Askew, Chair
Michelle McIntyre, Interim Executive Director
Pamela Miller, Transition Team Consultant

4. **Announcements/Comments**

Adjourn to the 2026 Annual Business Meeting, to be held on Thursday, October 22, 2026, at 9:00 a.m. at the Sheraton Grand Sacramento Hotel, located at 1230 J Street, Sacramento, CA, 95814.

IN THE NEWS

Newspaper Articles

- Modesto Bee, December 1, 2025, “Water deadline for Stanislaus County resort extended 3 months. Tax sale issue looms.”
- Modesto Bee, December 4, 2025, “Modesto begins next phase of planning for growth, different types of housing and jobs.”
- Westside Connect, December 10, 2025, “Crows Landing airfield redevelopment breaks ground on first phase.”
- Patterson Irrigator, December 11, 2025, “Mayor Mike Clauzel provides statement regarding Keystone development.”
- Modesto Bee, December 12, 2025, “Patterson could have a hospital once again, amid new apartments near downtown.”
- Ceres Courier, January 6, 2026, “Shopping center completions, big city road projects expected in '26.”
- Oakdale Leader, January 8, 2026, “Oak Valley Hospital District sees steady progress ahead.”
- Modesto Bee, January 15, 2026, “Modesto neighborhood getting major improvements. How the \$17M will be spent.”
- Westside Connect, January 15, 2026, “WSCHD Board of Directors to continue with current president and vice president following vote.”
- Westside Connect, January 15, 2026, “Del Puerto Health Care District advances plans for major Patterson campus.”

This page intentionally left blank

IN THE NEWS – Modesto Bee, December 1, 2025

Water deadline for Stanislaus County resort extended 3 months. Tax sale issue looms

By Ken Carlson

A potential date for shutting off water deliveries to Diablo Grande in western Stanislaus County has been extended to March 31 as officials express optimism about negotiations with Kern County.

The Western Hills Water District was facing a Dec. 31 shutoff date as it and the Kern County Water Agency considered proposals for a new water transfer agreement.

The Kern water agency board approved the three-month extension at a meeting in November. It provides Kern officials more time to respond to a counterproposal from Western Hills, according to communications cited by Western Hills.

The Kern County Water Agency, some 200 miles from Diablo Grande, had threatened to stop water deliveries June 30 if the financially troubled Western Hills district did not resume payments for an annual 8,000 acre-feet allocation.

Kern extended the deadline to Sept. 30 and later said it would continue deliveries through Dec. 31 if Western Hills came up with money to make monthly payments. Residents at the 600-home Diablo Grande resort have been charged about \$700 a month for water service since July, which has provided the money for payments to Kern.

A previous developer at Diablo Grande stopped making payments to Kern for the annual water transfers in 2019. A more affordable agreement with the Kern agency, allowing purchases of smaller amounts of water, would allow Western Hills to lower the monthly residential rate.

In another development, the Western Hills board last week authorized a bankruptcy filing for the Diablo Grande Community Facilities District No. 1, due to inability to pay property taxes. The county Board of Supervisors recently postponed a decision on holding a February sale of tax-delinquent parcels. Western Hills doesn't know whether the county on Dec. 9 will include the Diablo Grande parcels in the tax sale tentatively set for Feb. 23.

Western Hills' public announcement Nov. 25 said the bankruptcy process provides legal tools for restructuring or eliminating debts that have burdened Diablo Grande for years.

A Chapter 9 bankruptcy filing would enable Western Hills to seek court-supervised restructuring of the community facilities district's debt obligations, including \$1.9 million in unpaid property taxes and \$38 million in Mello-Roos bond debt. In addition, the Diablo Grande homeowner's association has threatened to place liens on 63 custom lots in the facilities district for nonpayment of fees.

The Western Hills announcement Nov. 25 stressed that the proposed bankruptcy applies only to the community facilities district.

"It is entirely separate from (Western Hills') daily operations and has no connection to our negotiations with the Kern County Water Agency or any other district financial obligations," the announcement said. "This action is being taken solely to protect the Diablo Grande Community from the county Tax Collector, the HOA's actions and to responsibly address the lingering debt owed to the bondholders."

IN THE NEWS – Modesto Bee, December 1, 2025 - Continued

County Treasurer-Tax Collector Donna Riley could not be reached Friday.

Western Hills foreclosed on 91 of the parcels in 2023 for nonpayment of Mello-Roos assessments, but the district hasn't been able to pay the annual tax bills. Those parcels included undeveloped land, portions of two former golf courses, the clubhouse and bare residential lots.

The Western Hills announcement said restructuring the debts would place Diablo Grande in a stronger position to attract a company that would continue with the resort's development. Western Hills has said that a 2,200-home residential community could support a self-sustaining water system.

IN THE NEWS – Modesto Bee, December 4, 2025

Modesto begins next phase of planning for growth, different types of housing and jobs

By Ken Carlson

First, planners sketched out the baseline conditions and a vision for Modesto.

Now, the city is beginning another stage of updating the General Plan, a blueprint for city planning through 2050.

The new phase for the General Plan 2050 update will explore land use alternatives for Modesto's growth so that the city can meet housing, employment and other community needs in the next 25 years.

In an announcement Monday, the city said it's developing land use proposals to make sure growth is well-planned and balanced economically to create jobs, boost revenue and provide more amenities for the public. City planners are considering a variety of housing options for current residents and newcomers to Modesto.

This new phase is always the one that can spark contention about growth boundaries and the impacts of development.

"Identifying potential growth areas outside the city boundaries will complement infill and downtown revitalization projects the city already has underway," the city said in announcing workshops this month to get public feedback.

The city's announcement suggests part of the vision through 2050 is for Modesto become more competitive in terms of economic growth.

Modesto hasn't grown significantly since the 1990s, the city said, "leading to the loss of economic opportunities to nearby cities." Because of the lack of properly zoned vacant land, new areas need to be designated for development to support growth, the city noted.

The planning is focused on three land use alternatives for growth. City spokeswoman Sonya Severo said maps and information about the three alternatives will be shared at the workshops set for Dec. 16-18.

Depending on specifics of the land use proposals, the planning could reignite debates about sprawl, farmland preservation and protection of groundwater resources.

Voters for Farmland notified city officials in late August that it will promote a ballot initiative to make Kiernan Avenue the northern limit for city growth. Denny Jackman, president of the group, promised the ballot measure for 2028 in response to growth options that he said were shown to him by city staff.

Jackman said those options would allow development north of Kiernan on productive farmland and an important area for recharging groundwater.

In the past, proposals designating land in the Wood Colony area for commercial and industrial development, west of Modesto, have sparked opposition. The project to extend the Highway 132 bypass to Gates Road is bound to raise questions about possible development somewhere along the route.

City planning officials declined to comment on any land use proposals along the 132 bypass route. "The proposed areas for development will be discussed at the community workshops," Severo said by email.

NEWS – Modesto Bee, December 4, 2025 - Continued

The city said it's holding the workshops to share land use alternatives, "discuss ways to increase the city's regional competitiveness and gather input from the community."

The workshops are scheduled for:

Dec. 16, from 5:30 to 7 p.m., at Stanislaus County Harvest Hall, 3800 Cornucopia Way, Modesto.

Dec. 17, starting at 5:30 p.m., in the Modesto Centre Plaza San Joaquin Room, 1000 L St.

Dec. 18, at 5:30 p.m., at the Stanislaus County Veterans Service Office, 3500 Coffee Road.

The General Plan update began three years ago with a virtual meeting during the COVID pandemic and could be completed in spring 2027. It envisions Modesto in 2050 as a place with a strong sense of community and connection, cultural diversity, quality jobs, strong neighborhoods and abundant open space and recreational options.

After the land use alternatives are evaluated, the next step in the process is choosing the preferred alternatives, writing a new set of policies for the growth plan and completing a draft General Plan.

State law requires an environmental study on the potential impacts of the proposed General Plan. The city Planning Commission and City Council will make the ultimate decisions on adopting the Modesto General Plan 2050.

IN THE NEWS – Westside Connect, December 10, 2025

Crows Landing airfield redevelopment breaks ground on first phase

By Sabra Stafford

CROWS LANDING — More than two decades after the federal government transferred the former Crows Landing Air Facility to Stanislaus County, officials say the long-awaited redevelopment of the site is finally underway.

The Board of Supervisors has launched construction on the first phase of the Crows Landing Industrial Business Park, a 1,528-acre project designed to transform the former military airfield into a regional employment hub. The plan, adopted in 2018, envisions more than 14 million square feet of building space and a 370-acre public-use airport over the next 30 to 40 years.

Phase 1A of the project, which entered construction in late summer 2025, includes water and wastewater facilities, grading, drainage, utilities and road improvements. County officials estimate the backbone infrastructure will cost between \$36 million and \$42 million.

Funding for the project has come from multiple sources. The Board has dedicated \$20 million in General Fund reserves, with \$4.2 million already allocated for design and engineering. Nearly \$3.5 million was secured in the 2023 federal budget through the Environmental Protection Agency's State and Tribal Assistance Grants program, and supervisors approved \$12 million in American Rescue Plan Act funds last year.

Quarterly reports on the project have been presented to the Board since August 2023 and will continue until completion. The latest update, dated Sept. 30, 2025, noted that some projects have identified funding that exceeds estimated costs. County staff said recommendations on reallocating excess funds will be brought forward as construction advances.

In total, supervisors have approved \$55.8 million in ARPA funding for community infrastructure projects countywide, along with \$6.2 million from the Building Community Infrastructure Fund.

Officials say the Crows Landing Industrial Business Park is intended to improve the county's jobs-to-housing balance and provide sustainable-wage employment opportunities for residents, reducing the need for long commutes outside the region.

Mayor Mike Clauzel provides statement regarding Keystone development

By PL Staff

A recent Patterson Planning Commission meeting regarding the Zacharias Ranch and Baldwin Ranch South Master plan development was postponed due to a 28-page letter sent to the City by the Building Industry Association of the Greater Valley. According to an article in the December 4 edition of the Irrigator, “A last-minute letter from the Building Industry Association of the Greater Valley (BIA) has caused the City of Patterson to delay a Special Planning Commission meeting that was scheduled for Monday evening at City Hall.”

The following evening, December 2, the Patterson City Council held its regularly scheduled City Council meeting. In this meeting, Mayor Mike Clauzel offered a statement to the citizens of Patterson regarding the delay of the meeting and regarding the Keystone Corporation. The following paragraphs contain that statement in its entirety.

“Despite the challenges and the ongoing litigation with Keystone Corporation, the City’s door has been and remains open, as we have communicated to Keystone on multiple occasions. It was Keystone who has not taken these opportunities to reconcile our differences. I have consistently maintained the position Keystone should be directly involved in this development agreement process, but they have chosen to exclude themselves.

We genuinely want Keystone Ranch’s project to succeed, and we want all four developers within the Zacharius Master Plan to move forward together. To date, however, Keystone Ranch has indicated that they do not believe they should be subject to the same development agreement fees as other developers, that they do not intend to secure surface water supplies for their project, and that they do not support construction of a recharge basin sufficient to meet the mitigation requirements and state law. These components are not arbitrary—they are essential for compliance with the settlement agreement, SGMA, and our regional groundwater sustainability plan.

To move this conversation forward constructively, and in the spirit of collaboration, I am directing City staff to hold a meeting that will include all stakeholders—Keystone Ranch among them. This will provide an opportunity for Keystone Ranch to share whether they will agree to the same terms as the other developers, and if not, to explain their proposed alternatives and how those alternatives would remain compliant with state law and the project’s environmental commitments. Our goal is not conflict; our goal is clarity, fairness, and ensuring that all development proceeds responsibly.

As your Mayor and Councilmembers, our commitment is always to the long-term interests of the City of Patterson. None of us benefit personally from whether a particular developer succeeds or fails. We are your neighbors and fellow residents, and we have an ethical obligation to safeguard the community’s resources, legal standing, and future.

We sincerely hope that all parties—including Keystone Ranch—can come together in good faith so that the entire Master Plan area can move forward. But we must do so in a way that honors state law, protects our water resources, and upholds our commitments to the people of Patterson.

In the near future we will issue a press release that will provide more details that answer some of the concerns our citizens have with regard to Keystone’s ongoing litigation with our city.”

IN THE NEWS – Modesto Bee, December 12, 2025

Patterson could have a hospital once again, amid new apartments near downtown

By John Holland

Patterson has taken a key step toward having a hospital for the first time since 1998.

It could open as soon as 2035 as part of a 39-acre complex proposed by the Del Puerto Health Care District just west of downtown.

The first phase could be ready in 2028: buildings for the current outpatient clinic and ambulance service. Other phases could bring a medical office building next to the hospital and varying levels of senior care. The site also could get multi-story housing and shops for all ages in a walkable new neighborhood.

The health care district board voted Monday, Dec. 8, to submit the detailed plans to the city of Patterson. The City Council would make the final decision after extensive public comment.

The construction cost is not yet known, Chief Executive Officer Karin Freese said by email Thursday. The health care district has a \$27 million state grant for mental health care in the first phase. It could tap other government and private sources for the ultimate project, including patient fees and levies on land developers.

The district board voted Dec. 8, 2025, to submit the plans for city approval. Del Puerto Health Care District The district includes the fast-growing Patterson and the much smaller towns of Grayson, Westley and Crows Landing. For 27 years, residents have had to use hospitals in Modesto, Turlock and elsewhere.

“The West Side has severely lacked access to medical services since 1998,” Stanislaus County Supervisor Chance Condit said by phone Thursday. “... I think they are doing a great thing.”

Condit’s district includes the West Side. He said the new Patterson hospital would mesh with his effort to bring health care to the former Crows Landing Naval Air Station. He said a second hospital could be funded by a tribal government seeking to build a casino. Condit declined to name the tribe.

The Del Puerto Health Care District hospital would have 25 acute-care beds, not much more than the former building’s 17. Modern medicine allows more outpatient treatment for conditions that once required long hospital stays.

The original facility, Del Puerto Hospital, would have celebrated its 75th anniversary this year had it survived.

The health care district’s history is detailed in recent articles in the Patterson Irrigator newspaper. It was formed in 1946 to raise property taxes for the hospital project, with an elected board.

Members voted to spend \$5,000 for the hospital site, a five-acre alfalfa field at Ninth and E streets. It opened in 1950, financed by a bond measure approved by 684 of the 701 voters.

Patterson had about 1,100 residents at the time, vs. about 25,000 today. The district added ambulance service in 1958, a relatively short drive to the emergency room.

The Modesto Bee reported on the struggles that would lead to the hospital closure 40 years later. The district faced a shortage of physicians and insurance providers. Many of Del Puerto’s beds were empty because patients were at much larger hospitals in the county and beyond.

The board voted on March 25, 1998, to shut down within 90 days. “None of us would be happy with this decision, but we have to be realistic,” member Ed Maring said that night. “We have to stop the hemorrhaging.”

IN THE NEWS – Modesto Bee, December 12, 2025 - Continued

A day later, The Bee quoted a 36-year-old woman who had recently taken her feverish son to the hospital. “That makes me nervous, that there would be nothing on the West Side,” she said. “But to keep dumping money into a losing situation isn’t good, either.”

The same thing had already happened in Newman, about 10 miles south on Highway 33. Financial troubles forced the 1994 closure of West Side Community Hospital, also run by a district board.

Providers other than Del Puerto have continued to staff clinics within its territory. Among them are Golden Valley Health Centers, Sutter Health and Kaiser Permanente.

The need for a local hospital remains, the district CEO said in her email. “This project has been in conceptual development since Del Puerto Hospital closed in 1998, and we are now advancing the detailed budgeting and phasing plans,” Freese said.

The district has continued to have ambulance service, but to more distant hospitals. Its clinic for now is on Keystone Pacific Parkway, amid the massive distribution centers near Interstate 5. Most of its services are offered on weekdays between 8 a.m. and 5 p.m. The urgent-care portion goes to 8 p.m. on Tuesdays and Thursdays.

Del Puerto’s project is on a mostly vacant triangle bounded by Ninth Street and Sperry and Ward avenues. Downtown is a quarter mile walk away. The retail strips of a later era are about the same distance to the west.

Del Puerto leaders aim to break ground on the first phase in 2026. The entire plan must still undergo study of its environmental impacts before going to the Patterson Planning Commission and finally the City Council.

Details on the planned phases

2028: A building at Ninth and E streets would house district administration and ambulance crews. An adjacent structure would have primary care clinics relocated from Keystone Pacific Parkway and the mental health services. The latter got its grant through state Proposition 1 of 2024.

2030: The first of the 75 senior housing units could be ready, for people who are still independent. Later phases would add assisted living, memory care and skilled nursing.

2032: The medical office building could be done, next to a hospital that could arrive between 2035 and 2040, with a parking garage.

The all-ages housing and retail would involve private partners and could happen any time after 2028. The only specific plan so far is for 20 townhomes on the site’s north edge. Las Palmas Avenue could have three-story buildings with an unknown number of apartments over ground-floor shops.

Las Palmas has been Patterson’s main downtown street since its founding in 1909. Most of the business has shifted to retail strips to the west, including on within walking distance of the new hospital. The district plan includes commercial uses on the Sperry Avenue side.

HDR Inc. a global firm, designed the planned complex in the Mission Revival style. It matches Patterson’s historic city hall.

IN THE NEWS – Ceres Courier, January 6, 2026

Shopping center completions, big city road projects expected in '26

By Jeff Benziger

What will the new year bring to Ceres?

A number of city public works projects and — keeping fingers crossed — a number of new commercial businesses if development kicks into gear.

Whether the Maverik station project becomes a reality in 2026 is in question given that a lawsuit is currently holding up development. The Maverik station project was approved by the Ceres Planning Commission in November 2024 and survived an appeal at the Ceres City Council level in August. But the project is being held up by a lawsuit filed by the competing businessman who lost his appeal.

The Sacramento law firm of Abbott & Kindermann is representing gas station owner Sunny Ghai, owner of the Popeye's and Union 76 station on the west side of Mitchell Road and charging that the city performed inadequate environmental review outlined in the California Environmental Quality Act (CEQA). City planners say the lawsuit is merely a way to tie up the project since the Maverik property underwent studies as part the previously approved Ceres Gateway Center and the Mitchell Ranch Shopping Center projects.

"I believe we're going to prevail," predicted Ceres City Manager Doug Dunford. "It's just going to take some time and all it does is delay the project which we badly need."

The city wants Maverik to become a reality as it is expected to generate \$629,000 annually in sales and use tax from the fuel sales, and around \$41,000 in sales and use tax from the convenience store transactions. The purchase of construction materials within the region will exceed \$500,000.

A slew of new businesses could come to Mitchell Road with the opening of two new shopping centers, one being the Nanak Plaza, a 14,010-square-foot commercial shopping center on Mitchell Road, looking for tenants.

Surgit Singh's commercial shopping center consisting of five buildings at the northeast corner of Mitchell and Roeding roads is also undergoing construction. The project will front Mitchell Road north of an existing small retail center and partially wrap around behind it. The five commercial buildings will total 32,287 square feet, which include:

- An 8,567-square-foot building (of which 5,567 square feet restaurant use with the remaining 3,000 square feet designed for retail/office uses);
- Two separate retail/office buildings at 8,520 square feet and 9,600 square feet;
- Two fast-food restaurant pads with each building designed at 2,800 square feet in size and each having a drive-thru.

It's conceivable that work could begin on the 81-unit senior assisted living facility to be constructed south of the Evanshire Mansion. The Evanshire Senior Living LLC project was approved in April.

Also approved but yet to submit building plans is the Dhillon Villas apartment complex which received a two-year extension in February. Dhillon Villas is proposed by Raj Dhillon of Tracy as a mixed use project consisting of a 145-unit three-story apartment complex and strip commercial project on 9.7 acres on

IN THE NEWS – Ceres Courier, January 6, 2026 - Continued

Mitchell Road south of Della Drive. The two retail commercial buildings are proposed to be 15,230 and 13,782 square feet on three proposed parcels at 3106 Mitchell Road.

The site is the large mostly vacant parcel opposite the Stanislaus County Institute of Learning/Tactical Character Academy on Mitchell Road. Currently only a house, metal warehouse and truck operation occupy the site.

City Engineer Michael Beltran is busy with a number of capital projects that will improve some local roads and replace sewer infrastructure.

A major project will be the reconstruction of Crows Landing Road from Service Road to Whitmore Avenue. The project, pegged at \$10 million to \$12 million includes the installation of a sewer lift station and a sewer trunk main line. Beltran expects the project to go out to bid this summer. The sewer improvements will benefit all the development expected in the West Landing Annexation area.

Design work continues with the sewer treatment project improvements.

Another big project will be the complete reconstruction of Whitmore Avenue from Morgan Road to Crows Landing Road. Beltran said the project will possibly occur in the latter half of 2026 and will include widening to four lanes.

At mid-year will be a pavement grind and overlay project on Moffet Road from Whitmore Avenue to Hatch Road. Also, the sewer line down the street will be replaced.

Coming before the city will be the long-awaited Copper Trails master plan. Beltran expects the Ceres Planning Commission to consider the application in February. Approval and annexation of approximately 534.6 acres in southwest Ceres would lead to development of:

- A housing mix of 293 acres, or 1,310 multi-family units and 2,325 single-family houses;
- 34 acres of regional commercial acres;
- 884,200 square feet of retail commercial;
- 383,910 square feet of office uses;
- 802,100 square feet of light industrial;
- 47 acres of parkland;
- 16 acres for schools.

The Copper Trails project is bordered by Service Road to the north, the Union Pacific Railroad tracks, Highway 99 and Mitchell Road to the east, the TID Lower Lateral No. 2 canal to the south, and Blaker Road to the west. The project area encompasses Central Valley High School, Hanline Elementary School, and Hidahl Elementary School along with rural homes and farmland.

IN THE NEWS – Oakdale Leader, January 8, 2026

Oak Valley Hospital District sees steady progress ahead

By Kristi Mayfield

Oak Valley Hospital District keeps forging new paths forward to make Oak Valley a medical center which honors the needs of the community while also introducing new services that combine innovative technology with compassionate care. Recently, OVHD introduced the da Vinci 5 (dv5) robotic surgery system and demonstrated why the dv5 is so important to surgical efficiency and performance.

This robotic technology has been around for a while with the dv5 being the latest iteration, and it represents the most advanced robotic surgical technology available.

“We’ve had a few surgeries with the dv5 and the outcomes have been really good,” said Matt Heyn, CEO, Oak Valley Hospital District. The hospital is at 350 S. Oak Ave., Oakdale.

From robotic assisted Orthopedic Surgeries to a myriad of other specialties, the dv5 allows surgeons to operate with greater precision while also providing real time insights to allow the surgeons to make complex decisions that allow for improved outcomes for the patients including faster healing, less pain and smaller scars.

Dr. Jihan Hegazy, Board Certified General Surgeon, routinely performs surgery at OVHD using the da Vinci Robotic Surgery System and is looking forward to utilizing the dv5 for many years to come. Hegazy, like many surgeons, appreciates the enhanced sense of touch the dv5 provides during the surgery because it allows the physicians to detect tissue resistance and sensitivity, while also being minimally invasive, resulting in less trauma to the patient.

While OVHD is introducing new technology and enhanced care through the new systems such as the dv5, they are also focusing on areas including the Intensive Care Unit, which has been closed for more than a year. Without a critical care unit, many community members have expressed concern as to what could happen should they have a medical emergency that required additional specialized care, with the most recent outcomes being that patients were transferred to other hospitals in Modesto that do have intensive care units, resulting in them having to travel farther to receive critical care. Heyn and his team have responded to these concerns and have worked diligently to ensure that critical care is restored once again.

“We closed the ICU, gutted the unit and renovated the entire unit. The new ICU includes five patient rooms and will officially re-open once the California Department of Public Health performs an inspection and gives us the okay to re-open,” said Heyn, noting that the inspection will probably occur within the next couple of months so hopefully critical care services within the ICU will resume in the near future.

Heyn also provided updates on a couple of other items related to the future of OVHD, including the new modular which will house the EMS Providers as their former quarters were lost to fire last year.

“We’re excited to get the new modular up and ready for our EMS Staff,” said Heyn.

One of the other projects that Heyn is excited about is the acquisition of the Rite Aid Building at 1300 W. F St., Oakdale, which will be the future Center for Health Improvement. The Center will provide urgent care services along with additional meeting spaces for the community. Training courses will be offered at the Center for Health Improvement as well. Some of the courses that will be offered include, but are not limited to, Diabetic Education, First Aid/CPR/AED Courses, Safe Sitters and more. Heyn and his team are hoping to have the Center for Health Improvement fully operational by the fall of 2026.

For more information about any of these items, visit: [Welcome - Oak Valley Hospital](#) or call 209-847-3011.

This page intentionally left blank

IN THE NEWS – Modesto Bee, January 15, 2026

Modesto neighborhood getting major improvements. How the \$17M will be spent

By Kathleen Quinn

Major infrastructure upgrades in southwest Modesto's Bret Harte neighborhood were celebrated Wednesday afternoon by elected officials and community members.

"This is exciting," said David Leamon, Stanislaus County director of public works. "It's super neat that we get to do this ceremony."

The unincorporated community soon will see the first curbs, gutters and sidewalks in a section of the neighborhood, something residents say has been a long time coming.

The infrastructure improvements are part of a \$55.8 million American Rescue Plan Act grant, \$10 million of which went to the Bret Harte neighborhood.

The area between Las Vegas and Eureka streets and Butte and Glenn avenues will receive the upgrade.

Bryan Esquivel, 18, was born and raised in the neighborhood and said residents have to take flood mitigation into their own hands due to the lack of sidewalks and drainage. "This whole street floods," Esquivel said. "The street is usually full of water."

Maria Madrigal brought a display to show pictures of flooding and sinkholes she's experienced and reported to the county since she moved to the neighborhood in the 1980s.

"They would tell me the funding allocated to this neighborhood had been used somewhere else or no funding was allocated to this district. Talk about frustrating," Madrigal said.

She went on to thank her Stanislaus County supervisor, Chance Condit, for helping to collect signatures, listen to complaints and get the funding for the fixes.

The last upgrade was in the 1990s when the neighborhood replaced septic tanks with a sewer system.

The new process began about a month ago, with the county's general contractor, George Reed, marking the streets with yellow paint to identify gas lines.

Modesto also pitched in around \$7 million to provide water to the neighborhood.

Vice Mayor Jeremiah Williams was in attendance to celebrate and to present certificates of appreciation to Leamon from Mayor Sue Zwalen and Assemblymember Juan Alanis.

"What's important is that the city of Modesto, and the county, is for all of its residents, and we're happy to have a part in it. Not as big as the county, but we're thankful that folks, particularly young people, will now have the opportunity to have sidewalks and feel a little bit more pride about the area they live in," Williams said.

A representative for state Sen. Marie Alvarado-Gil also presented a certificate.

For the first time, the neighborhood will have streetside fire hydrants.

The projected timeline for completion of the large-scale project is October.

IN THE NEWS – Modesto Bee, January 15, 2026 - Continued

“If we get a bunch of rain days in March, April or February, then it might move out a month, but we should be done before next year,” Leaman said.

Damon Flores, a south Modesto resident who just qualified for the 2028 USA Olympic team for boxing, also was there to share the moment. “His boxing career started right here in the community of south Modesto, over at the Red Shield center,” Condit said. “From south Modesto to the Olympics, that’s the community that we have here.”

Condit said his goal is to fully build out the area of south Modesto, but he needs community members to show up to the meetings and continue advocating.

“We’re going to need a little bit of help,” Condit said. “We’re going to need a little bit of ‘wearing out the shoe leather,’ if you will.”

Brandon Gamboa, who has lived in the Bret Harte neighborhood for 11 years, said every winter he sees kids navigating flooding on their way to school or waiting for the bus, or his neighbors using wheelchairs sharing the road with cars.

“People don’t think about it, dirt vs. sidewalks — who knows what could come about?” Gamboa said. “I’m very thankful.”

IN THE NEWS – Westside Connect, January 15, 2026

WSCHD Board of Directors to continue with current president and vice president following vote

By Navtej Hundal

David Varnell and Debbie Lopes will remain as board president and vice president, respectively, for another year for the Westside Community Healthcare District following a Board of Directors vote in December.

Varnell, who's been a board member for more than a decade, was voted in the role last year following the departure of then-President Dennis Brazil's resignation. Brazil resigned from his position due to him moving out of Zone 4, which represents Gustine City. Varnell was previously the board's vice president for nine years.

Lopes was voted as vice president in June after Kenneth Helms, who previously held the position, resigned a couple months before. She represents Gustine City.

In the first round of voting for president, Board Member Ashley Casteel suggested Lopes and Varnell swap positions. The decision didn't pass after the board voted 4-1 for Varnell to continue his term. Casteel was the lone board member to vote against.

District receives donation from Westside Healthcare Task Force

In an effort to raise awareness of its financial situation, WSCHD received a response for the first time since the announcement. The Board of Directors approved a \$3,100 donation from the Westside Healthcare Task Force last Monday.

According to a letter from the non-profit organization, the amount will be split between Del Puerto Healthcare District, the City of Gustine and WSCHD. The letter also mentioned that since the retirement of former Stanislaus County Supervisor Jim DeMartini, who established the task force, the non-profit has not been active and will close in the near future.

The previous three board meetings revolved around discussions of the district seeking financial assistance through local agencies. During a Sept. 22 board meeting, a two-page letter was presented. The letter mentioned information about WSCHD, including its history, where its ambulance services operate and the district working with a parcel tax of \$40 per parcel.

The Board of Directors approved the letter being sent to local agencies on Oct.27. Varnell previously told the Westside Connect that supervisors from Stanislaus and Merced Counties, the City of Gustine and the City of Newman were among the recipients receiving the letter.

Discussions later shifted towards reaching out to local business and the public during a Nov.24 meeting. Jessica Vived, an attorney at Wagner Jones Wesley PC, suggested having specific letters for certain groups with the first going out to the local county and government officials.

The district recorded \$2.56 million in revenue with \$2.50 million going in expenditures last year, according to data from California State Controller's Office.

IN THE NEWS – Westside Connect, January 15, 2026

Del Puerto Health Care District advances plans for major Patterson campus

By Sabra Stafford

PATTERSON — The Del Puerto Health Care District has taken another major step toward building a longplanned health care campus in Patterson, selecting global architecture firm HDR to design the 27.5-acre project and submitting its master plan to the city for formal review.

The DPHCD Board approved HDR's hiring in May, calling it a milestone in efforts to expand medical, behavioral health and seniorcare services for residents across the West Side. The campus — one of the district's largest infrastructure investments — is slated to include an ambulance and administration center, a community mental health clinic, a relocated Del Puerto Health Clinic, and a full range of senior living options. Longterm plans also reserve space for a future hospital.

"This is a huge step forward for our community," Board President Becky Campo said, noting HDR's experience designing facilities for rural regions. CEO Karin Freese said the project is aimed at reducing the long travel times many West Side residents face for emergency care, specialty providers and behavioral health services.

HDR will begin design work this summer, with priority facilities targeted for completion in 2028. Full buildout is expected to occur in phases through 2040. Updated renderings shared at a September town hall show a campus designed around green space, walking paths and treelined streets, with buildings arranged to make it easier for patients to move between services. The architecture blends Patterson's Spanish Colonial style with modern elements.

At its Dec. 8 meeting, the DPHCD Board voted to submit the campus master plan to the City of Patterson, beginning a review process that will include city staff, the Planning Commission and the City Council. District leaders say community feedback will continue to shape the project as it moves forward.



**STANISLAUS LOCAL AGENCY FORMATION COMMISSION
MINUTES
October 22, 2025**

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
Sue Zwahlen, City Member
Bill O'Brien, Public Member
Charlie Goeken, Alternate City Member
Jami Aggers, Alternate Public Member

Commissioners Absent: Vito Chiesa, County Member
Mani Grewal, Alternate County Member

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

2. PUBLIC COMMENT

Milt Trieweler spoke regarding sustainable growth and farmland protection.

3. CORRESPONDENCE

- A. Specific Correspondence.
None.
- B. Informational Correspondence.
None.
- C. In the News

4. DECLARATION OF CONFLICTS AND DISQUALIFICATIONS

None.

5. CONSENT ITEMS

- A. **MINUTES OF THE AUGUST 27, 2025, LAFCO MEETING**
(Staff Recommendation: Accept the Minutes.)
- B. **PROPOSED LAFCO MEETING CALENDAR 2026**
(Staff Recommendation: Accept the 2026 Meeting Calendar.)
- C. **YEAR-END FINANCIAL REPORT FOR FY 2024-2025**
(Staff Recommendation: Accept and file the report.)
- D. **LEGISLATIVE UPDATE**
(Staff Recommendation: Accept the update.)

Motion by Commissioner O'Brien, seconded by Commissioner Withrow, and carried with a 4-0 vote to approve the consent items, by the following vote:

*Ayes: Commissioners: Bublak, O'Brien, Withrow and Zwahlen
Noes: Commissioners: None
Ineligible: Commissioners: Aggers and Goeken
Absent: Commissioners: Chiesa and Grewal
Abstention: Commissioners: None*

6. PUBLIC HEARING

- A. **LAFCO APPLICATION NO. 2025-04: FOUNDERS POINT EAST CHANGE OF ORGANIZATION TO THE CITY OF MODESTO:** A request by the City of Modesto to annex approximately 245 acres to accommodate residential and business park development. The proposed annexation area is located northeast of Pelandale Avenue and Tully Road, south of Kiernan Avenue (State Highway 219). The City, through its planning process, assumed the role of Lead Agency, pursuant to the California Environmental Quality Act (CEQA), for the project. The City prepared an initial study and adopted a mitigated negative declaration. LAFCO, as a Responsible Agency, will consider the environmental documentation prepared by the City as part of its action. (Staff Recommendation: Approve the application and adopt Resolution No. 2025-15.)

Javier Camarena, Assistant Executive Officer, presented the item with a recommendation to approve the proposal.

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

Milt Trieweiler, resident; Jessica Hill, representing the City of Modesto; and Dave Romano representing the landowners spoke.

Chair Bublak closed the Public Hearing at 6:18 p.m.

Motion by Commissioner Withrow, seconded by Commissioner O'Brien, and carried with a 4-0 vote to approve the proposal, by the following vote:

*Ayes: Commissioners: Bublak, O'Brien, Withrow and Zwahlen
Noes: Commissioners: None*

Ineligible: *Commissioners: Aggers and Goeken*
Absent: *Commissioners: Chiesa and Grewal*
Abstention: *Commissioners: None*

7. OTHER BUSINESS

None.

8. COMMISSIONER COMMENTS

None.

9. ADDITIONAL MATTERS AT THE DISCRETION OF THE CHAIRPERSON

None.

10. EXECUTIVE OFFICER'S REPORT

The Executive Officer informed the Commission of the following:

- Staff conducted a Protest Hearing for the Sierra Pointe annexation to the City of Oakdale on September 18th. Less than 25% protest was received and Staff recorded the annexation.
- There are no Public Hearings scheduled for December. Staff recommends canceling the December meeting. The next meeting will be January 28, 2026.

13. ADJOURNMENT

A. Chair Bublak adjourned the meeting at 6:20 p.m.

DRAFT

Sara Lytle-Pinhey, Executive Officer

**EXECUTIVE OFFICER'S AGENDA REPORT
JANUARY 28, 2026**

TO: LAFCO Commissioners

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

SUBJECT: MID-YEAR BUDGET REPORT FOR FISCAL YEAR 2025-2026

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 \$751,000. At mid-year, expenditures totaled \$356,960, which represents approximately 48% of the adopted budget. Below is an overview of LAFCO's expenses and revenues:

LAFCO FY 2025-2026 Mid-Year Comparison: Adopted Budget vs. Actual

	Adopted Budget (2025-2026)	Actual (Mid-Year)	% of Budget
EXPENSES			
Salaries & Benefits	\$633,180	\$318,401	50%
Services & Supplies	116,620	37,892	32%
Other Charges	1,200	667	56%
Total Expenses	\$751,000	\$356,960	48%
REVENUES			
City/County Contributions	\$711,000	\$711,000	100%
Applications & Other Revenues	20,000	21,182	106%
Interest Earnings	--	14,603	--
Total Revenues	\$731,000	\$746,785	102%
<i>Anticipated Use of Fund Balance</i>	<i>20,000</i>		
<i>Total Budget</i>	<i>\$751,000</i>		

The following highlights the expense and revenue categories through mid-year:

➤ **Salaries and Benefits:**

Through the end of the second quarter, \$318,401 has been expended on Salaries and Benefits, representing 50.3% of the total amount budgeted in this category for the fiscal year. In August 2025, the Stanislaus County Board of Supervisors approved a 4% salary for unrepresented employees. As this occurred after the Commission's adoption of the final budget, the impact of a 4% salary was not fully anticipated. Currently, savings in health insurance rates have helped to offset the impact; however, it is likely that a minor budget adjustment will be needed in the coming months to ensure the salaries category does not exceed what was budgeted overall by year end.

➤ Services and Supplies:

At the end of the second quarter, expenditures under the Services and Supplies category totaled \$37,892. This represents 32% of the total amount budgeted. Of note is the following:

- Expenditures for the Commission's general liability insurance, membership dues, and office lease are billed as one-time expenses early in the fiscal year. Thus, the entire Services and Supplies budget category is expected to be well within budget amounts by year-end.
- Certain accounts in the Services and Supplies category (e.g. legal services, engineering services) are charged at actual cost, as needed. These expenses can fluctuate throughout the year based on the complexity of applications and need for additional review.

➤ 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 slightly higher than anticipated due to late billing from the prior year.

➤ Revenues:

The County and nine cities have paid their apportionment shares totaling \$711,000. Revenue received from LAFCO application fees at mid-year totals \$21,182, which already exceeds what was estimated for the year. These additional revenues, as well as interest earned in the current fiscal year, will be factored into next year's budget to reduce agency contributions.

CONCLUSION

The Commission's Fiscal Year 2025-2026 Budget continues to be financially sound. Staff is continuing to monitor estimates in the Salaries and Benefits category and will return to the Commission in the coming months if an adjustment is needed.

**EXECUTIVE OFFICER'S AGENDA REPORT
JANUARY 28, 2026**

TO: LAFCO Commissioners

FROM: Javier Camarena, Assistant Executive Officer

SUBJECT: MSR NO. 2025-03, SOI UPDATE 2025-04: MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE ORESTIMBA CREEK AND SAND CREEK FLOOD CONTROL DISTRICTS

INTRODUCTION

This proposal was initiated by the Local Agency Formation Commission in response to State mandates that require the Commission to conduct municipal service reviews and sphere of influence updates for all cities and special districts every five years, as needed. The current review covers the two flood control districts in Stanislaus County: Orestimba Creek Flood Control District and Sand Creek Flood Control District. The previous update for these districts was adopted June 24, 2020.

DISCUSSION

The two flood control districts were organized under the Stanislaus County Flood Control Enabling Act of 1981 for the control of flood, storm, and drainage waters in their boundaries. The Districts are considered "landowner voter districts" as board members are elected by landowners residing within the district boundaries.

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 each District an information request along with the previously-approved Municipal Service Review and Sphere of Influence document for their comments, revisions and updates. LAFCO Staff also reviewed the Districts' most recent financial reports. Once this data was collected, a revised Municipal Service Review and Sphere of Influence Update document was drafted.

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

As a municipal service review is considered a "snapshot in time," LAFCO Staff will continue to monitor the Flood Control Districts, as it does with all of the special districts, and offer itself as a resource to the Districts where possible.

ENVIRONMENTAL REVIEW RECOMMENDATIONS

Pursuant to the California Environmental Quality Act (CEQA), the adoption of a municipal service review is considered 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 Orestimba Creek and Sand Creek Flood Control Districts.
- Option 2:** DENY one or more of the updates.
- Option 3:** If the Commission needs more information, it should CONTINUE this matter to a future meeting (maximum 70 days).

RECOMMENDED ACTION

Approve Option 1. Based on the information presented, Staff recommends that the Commission approve Municipal Service Review and Sphere of Influence Update for the Orestimba Creek and Sand Creek Flood Control Districts and adopt Resolution No. 2026-5, which:

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

Attachments:

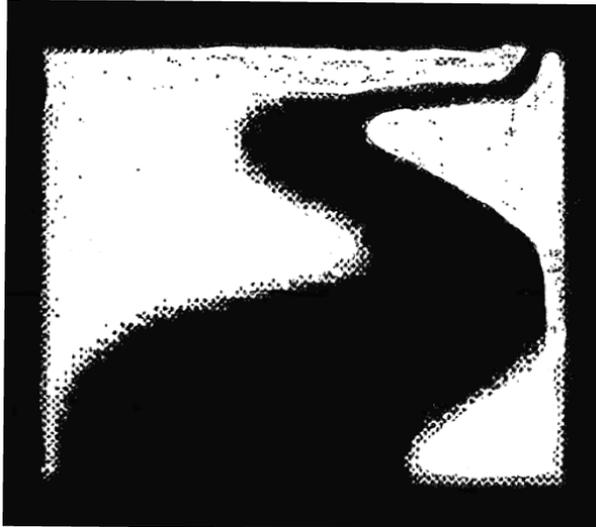
- Exhibit 1* - Draft Municipal Service Review and Sphere of Influence Update for the Orestimba Creek and Sand Creek Flood Control Districts
- Exhibit 2* - Draft Resolution No. 2026-5

DRAFT



MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATES FOR

ORESTIMBA CREEK FLOOD CONTROL DISTRICT



SAND CREEK FLOOD CONTROL DISTRICT

Prepared By:

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

Adopted: _____

STANISLAUS

LOCAL AGENCY FORMATION COMMISSION

COMMISSIONERS

Amy Bublak, City Member (Chair)

Sue Zwahlen, City Member

Vito Chiesa, County Member

Terry Withrow, County Member (Vice Chair)

Bill O'Brien, Public Member

Charlie Goeken, Alternate City Member

Mani Grewal, Alternate County Member

Jami Aggers, Alternate Public Member

STAFF

Sara Lytle-Pinhey, Executive Officer

Javier Camarena, Assistant Executive Officer

Jennifer Vieira, Commission Clerk

Shaun Wahid, Legal Counsel

TABLE OF CONTENTS

Introduction	1
Municipal Service Review Factors to be Addressed	1
Sphere of Influence Update Process	2
Sphere of Influence Determinations.....	2
Background.....	2
Authority.....	3
Purpose.....	3
Classification of Services.....	3
Orestimba Creek Flood Control District	4
Formation.....	4
Services	4
Objective	4
Location and Size.....	4
Governance.....	4
Personnel.....	4
Support Agencies	4
Funding Sources	4
Municipal Service Review Determinations	5
Growth and Population Projections.....	5
Location and Characteristics of Disadvantaged Unincorporated Communities	5
Present and Planned Capacity of Public Facilities, Adequacy of Public Services	5
Financial Ability of Agencies to Provide Services.....	5
Status of, and Opportunities for, Shared Facilities	5
Accountability for Community Service Needs	5
Any Other Matter Related to Effective or Efficient Service Delivery	5
Sphere of Influence Determinations	6
Present and Planned Land Uses	6
Present and Probable Need for Public Facilities and Services.....	6
Present Capacity of Public Facilities and Adequacy of Public Services	6
Communities of Interest in the Area.....	6
Need for Public Facilities in Disadvantaged Unincorporated Communities	7
District Summary Profile.....	8
Map: Orestimba Creek Flood Control District Sphere of Influence	9
Sand Creek Flood Control District.....	10
Formation.....	10
Location and Size.....	10
Governance.....	10
Personnel.....	10
Support Agencies	10
Funding Sources	10
Services	10

TABLE OF CONTENTS (Cont.)

Municipal Service Review Determinations	11
Growth and Population Projections.....	11
Location and Characteristics of Disadvantaged Unincorporated Communities	11
Present and Planned Capacity of Public Facilities, Adequacy of Public Services	11
Financial Ability of Agencies to Provide Services.....	11
Status of, and Opportunities for, Shared Facilities	11
Accountability for Community Service Needs	11
Any Other Matter Related to Effective or Efficient Service Delivery	11
Sphere of Influence Determinations	12
Present and Planned Land Uses	12
Present and Probable Need for Public Facilities and Services.....	12
Present Capacity of Public Facilities and Adequacy of Public Services	12
Communities of Interest in the Area.....	12
Need for Public Facilities in Disadvantaged Unincorporated Communities	12
District Summary Profile	13
Map: Sand Creek Flood Control District Sphere of Influence	14
Appendix C: References	15

Municipal Service Review and Sphere of Influence Updates For the Orestimba Creek and Sand Creek Flood Control Districts

Introduction

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

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

Municipal Service Review Factors to be Addressed

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

This MSR will analyze the Orestimba Creek and Sand Creek Flood Control Districts. It will also provide a basis for LAFCO to reaffirm the Spheres of Influence for the Districts.

Sphere of Influence Update Process

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

Spheres of Influence for the Orestimba Creek and Sand Creek Flood Control Districts were originally adopted by the Commission in 1985. The most recent update, adopted in 2020, proposed no changes to the Districts' SOIs. The current update serves to comply with Government Code Section 56425 and will reaffirm the SOIs for each district.

Sphere of Influence Determinations

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

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

Background

Cities and counties throughout the State generally do not provide flood control services. Because of the importance of flood control in areas of the Central Valley, these services are typically provided by independent flood control districts and/or reclamation districts. These districts often do not conform to political boundaries. The rationale for such special purpose districts is that they are able to provide a high degree of focus on public safety for areas that are subject to flooding. General governments, whether cities or counties, typically include both lands subject to flooding and lands that are unlikely to be flooded. By focusing on lands subject to flooding, special districts are able to provide a more targeted public service and impose the costs of that service only on those benefited.

Authority

There are two flood control districts in Stanislaus County: Orestimba Creek and Sand Creek. Both Flood Control Districts are “single purpose special districts” organized under the Stanislaus County Flood Control Enabling Act (1981). Each District has a locally elected Board of Directors made up of landowners in that district. Under the Code, a Flood Control District may be formed for the control of flood, storm and drainage waters to protect property and its inhabitants.

Purpose

Both the Orestimba Creek and Sand Creek Flood Control Districts were established to provide for the control of flood and storm waters within the Districts, and of the flood and storm waters that flow into the Districts. According to the State Water Code, Section 8110, the Districts were organized for the following purposes:

- a. To protect and preserve the banks of rivers and streams and lands lying contiguous to the district from injury by overflow or washing.
- b. To provide for the improvement of rivers and streams.
- c. To prevent the obstruction of rivers and streams.
- d. To assess, levy and collect within each district a tax for the district.

Classification of Services

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

Municipal Service Review – Orestimba Creek Flood Control District

Formation

The Orestimba Creek Flood Control District was formed on November 20, 1984.

Services

The District provides the following authorized services within its service area:

- Maintaining flood control facilities, including clearing of creek channels and removal of debris to prevent flooding.

Objective

The District's principal objective is to provide for the protection of land, property, and persons within the District from flood, storm and drainage waters which originate both within and outside the District, but which also flow into the District.

Location and Size

The District encompasses approximately 17,650 acres along Orestimba Creek and a tributary, Crow Creek. The unincorporated community of Crows Landing is located on the northern border of the District. The City of Newman is located to the southeast of the District.

Governance

The governing board of the Orestimba Creek Flood Control District consists of five directors elected by landowner election to 4-year terms. Directors must hold title to land within the District. Meetings are held at the Perez Brothers Office, located at 22001 E. Street, Crows Landing, on an as-needed basis.

Personnel

There are no employees employed by the District. The District relies on its volunteer Board members to run the day-to-day operations.

Support Agencies

The District maintains a positive collaborative relationship with other local, state and federal agencies, including: U.S. Army Corps of Engineers, Stanislaus County Public Works Department, Central California Irrigation District (CCID), Del Puerto Water District, City of Newman and Department of Water Resources.

Funding Sources

The District receives a limited amount of the shared property tax revenues from Stanislaus County. The District is also empowered to levy benefit assessments, based on the degree of benefit received by each parcel within the District boundaries, when necessary.

Determinations – Orestimba Creek Flood Control District

The following provides an analysis of the seven categories or components required by Section 56430 for a Service Review for the Orestimba Creek Flood Control District:

1. Growth and Population Projections for the Affected Area

The District serves an area that is unincorporated and agricultural, located between the unincorporated community of Crows Landing and the City of Newman. Little to no growth is projected within the District's boundaries. Growth in the area generally occurs within the City of Newman, just outside the District's boundaries.

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

Upon review of available Census data, there are no known disadvantaged unincorporated communities within the District's Sphere of Influence. The unincorporated community of Crows Landing, which lies contiguous to the District's Sphere of Influence, just north of the District's boundary, is considered disadvantaged, as the median household income falls below the 80% statewide median.

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

The District continues to maintain its flood control facilities, clear creek channels and remove debris to prevent flooding. There are currently no proposed projects or facilities for the District. The District does not provide services related to sewer, municipal and domestic water, or structural fire protection.

4. Financial Ability of Agencies to Provide Services

The District has limited financial resources to fund flood control projects. The District utilizes a special benefit assessment method of financing to maintain existing flood control facilities for parcels within the District's boundary.

5. Status of, and Opportunities for, Shared Facilities

At this time the District does not share any facilities with other agencies or Districts.

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

A five-member Board of Directors, elected by the landowners within the District, governs the District. The District is subject to the provisions of the Brown Act requiring open meetings. No other relevant issues concerning this factor have been identified.

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

None.

SOI Update – Orestimba Creek Flood Control District

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

Determinations:

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

The Orestimba Creek Flood Control District's Sphere of Influence (SOI), which is coterminous with the District's boundaries, includes approximately 17,650 acres along Orestimba Creek and a tributary, Crow Creek. The unincorporated community of Crows Landing is located on the northern border of the District. The city of Newman is located just to the southeast of the District.

The predominate land use within the District is agriculture and this is not expected to change. The District does not have the authority to make land use decisions, nor does it have authority over present or planned land uses within its boundaries. The responsibility for land uses decisions within the District boundaries is retained by the County, whose General Plan identifies the area as agriculture.

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

The need for flood protection and maintenance of the Creek channels within the District boundaries is critical and will not change. Flood protection is necessary to protect residents and property now and into the future. At this time there are no other cost-effective alternatives available for the provision of continued flood protection. The existing flood control system must be continually monitored, maintained and improved.

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

The District operates with limited funding in order to provide basic maintenance to existing flood control facilities. Its functions also include clearing creek channels and removal of debris to prevent flooding.

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

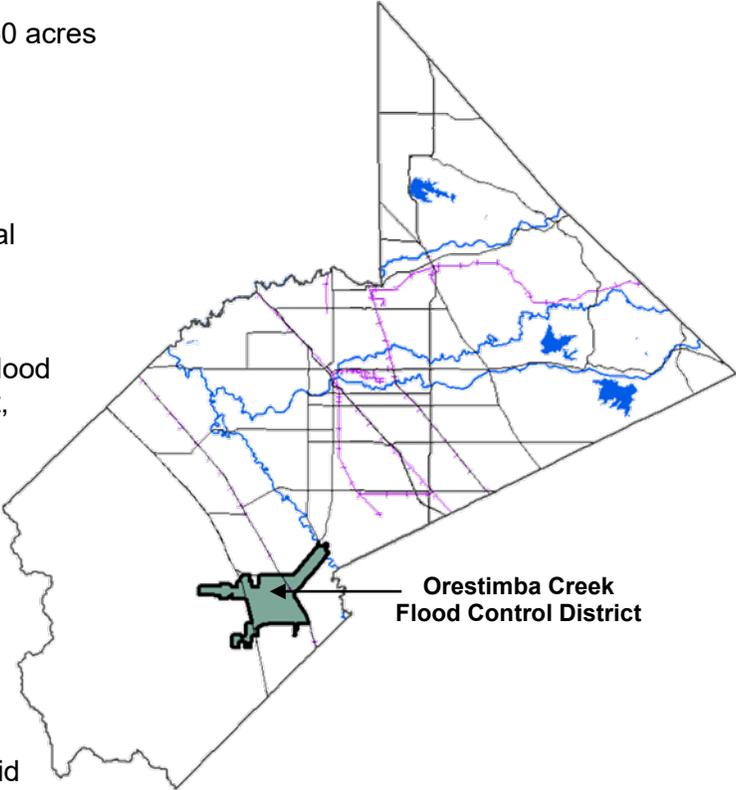
The District's territory and sphere of influence is within unincorporated agricultural areas of the County. As identified previously, the unincorporated community of Crows Landing lies to the immediate north of the District. The City of Newman, located southeast of the District, is a community of interest, as the City experiences periodic flooding.

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

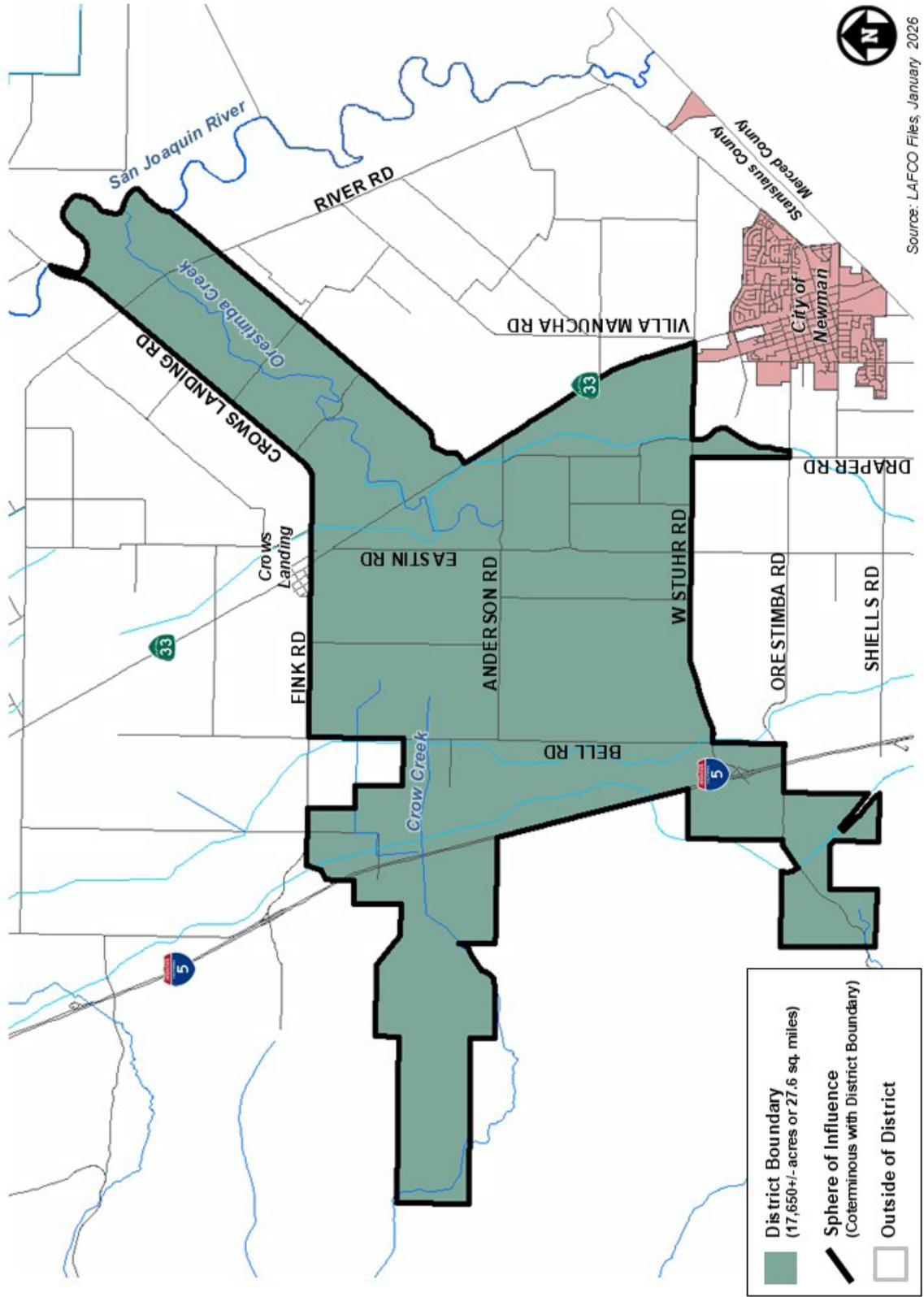
As the District does not provide services related to sewers, municipal and industrial water or structural fire protection, this factor is not applicable.

DISTRICT SUMMARY PROFILE

District:	ORESTIMBA CREEK FLOOD CONTROL DISTRICT
Location:	Orestimba Creek, near the unincorporated community of Crows Landing and the City of Newman.
Service Area:	Approximately 17,650 acres
Population:	Approximately 400
Households:	Approximately 134
Land Use:	Rural and Agricultural
Date of Formation:	November 20, 1984
Enabling Act:	Stanislaus County Flood Control Enabling Act, Water Code Appendix, Section 120 et seq.
Governing Body:	Five Directors – Elected by Landowners, must hold title to land within the District.
Administration:	There are no paid staff members
District Services:	Maintenance of existing flood control facilities within District boundaries.
Total Revenues:	\$17,245 (Year ending June 30, 2024)



Map: Orestimba Creek Flood Control District Sphere of Influence



Municipal Service Review – Sand Creek Flood Control District

Formation

The Sand Creek Flood Control District was formed on April 26, 1988.

Location and Size

The Sand Creek Flood Control District covers an approximate 11,630-acre watershed area, with outlets into the Turlock Irrigation District (TID) Main Canal, located about one mile east of the community of Denair. The floodplain is located between the Highline and TID Main Canals. The upper watershed area above the Highline Canal is gently rolling, with an average slope of about 2.5 percent. Most of this upper watershed was converted from rangeland to irrigated vineyards and orchards. The lower watershed, below the Highline Canal contains a variety of agricultural uses including cropland, pastureland and orchards.

Governance

The governing board of the Sand Creek Flood Control District consists of 5 directors elected by landowner election to 4-year terms. Directors must hold title to land within the District. Meetings are held quarterly on the third Wednesday of January, April, July, and October, at the Turlock Irrigation District (TID) Ante Room, 333 E. Canal Drive, Turlock.

Personnel

The District relies on its volunteer Board members to run the day-to-day operations and contracts for other services as needed (e.g. a part-time secretary, weed management, and auditor).

Support Agencies

The District maintains a positive collaborative relationship with other local, state and federal agencies, as necessary. These agencies may include the: Turlock Irrigation District (TID), State Department of Water Resources (DWR), State Regional Water Quality Control Board (RWQCB) and the Federal Emergency Management Agency (FEMA).

Funding Sources

The District receives a limited amount of special benefit assessments to fund its services. The special assessments are based upon the degree of benefit received by each parcel within the District boundaries.

Services

The District provides the following authorized services within its service area:

- Prevention of flooding, via monitoring of drain ditch lines to prevent overflow and flooding, including spraying of weeds to keep the Sand Creek Drain clear of debris.
- Monitoring of discharges into the TID canal.

Determinations – Sand Creek Flood Control District

The following provides an analysis of the seven categories or components required by Section 56430 for a municipal service review for the Sand Creek Flood Control District:

1. Growth and Population Projections for the Affected Area

The District serves an area that is unincorporated and agricultural, east of the community of Denair. Little to no growth is projected within the District's boundaries.

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

Upon review of available Census data, there are no known disadvantaged unincorporated communities within or contiguous to the District's Sphere of Influence.

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

It appears that the District currently has both the ability and the capacity to provide monitoring and maintenance in its service area. The District does not provide services related to sewer, municipal and domestic water, or structural fire protection.

4. Financial Ability of Agencies to Provide Services

At present time, the District appears to have limited financial resources to fund sufficient levels of service within the District's boundaries. There are no overlapping or duplication of services within the District boundaries. The District does not charge rates for services. However, the District's special benefit assessment method of financing is reasonable for flood control services for specific parcels that benefit from the flood control services provided by the District.

5. Status of, and Opportunities for, Shared Facilities

When necessary, the District shares facilities with other agencies (e.g. Turlock Irrigation District).

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

It is reasonable to conclude that the District can adequately serve the areas under its jurisdiction. A five-member Board of Directors, elected by the landowners within the District, governs the District. The Board is subject to the provisions of the Brown Act requiring open meetings.

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

None.

SOI Update – Sand Creek Flood Control District

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

Determinations:

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

The Sand Creek Flood Control District's Sphere of Influence (SOI), which is coterminous with its current boundaries, covers an approximate 11,630-acre watershed area, with outlets into the Turlock Irrigation District (TID) Main Canal, located about one mile east of the community of Denair.

The predominate land use is agriculture, as the District is agriculturally based. It is expected that the present and planned land uses will continue to remain agricultural. The District does not have the authority to make land use decisions, nor does it have authority over present or planned land uses within its boundaries. The responsibility for land uses decisions within the District boundaries is retained by the County.

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

The need for flood protection and maintenance of drain ditch lines within the District boundaries is important and will not change. At this time there are no other cost-effective alternatives to drain ditch lines available for the provision of continued flood protection. The existing levee and flood control system must be continually monitored, maintained and improved.

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

The District currently has the ability and capacity to provide monitoring and maintenance within its service area. The District is always looking to make improvements throughout its territory. However, securing funding for such improvements can be a challenge.

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

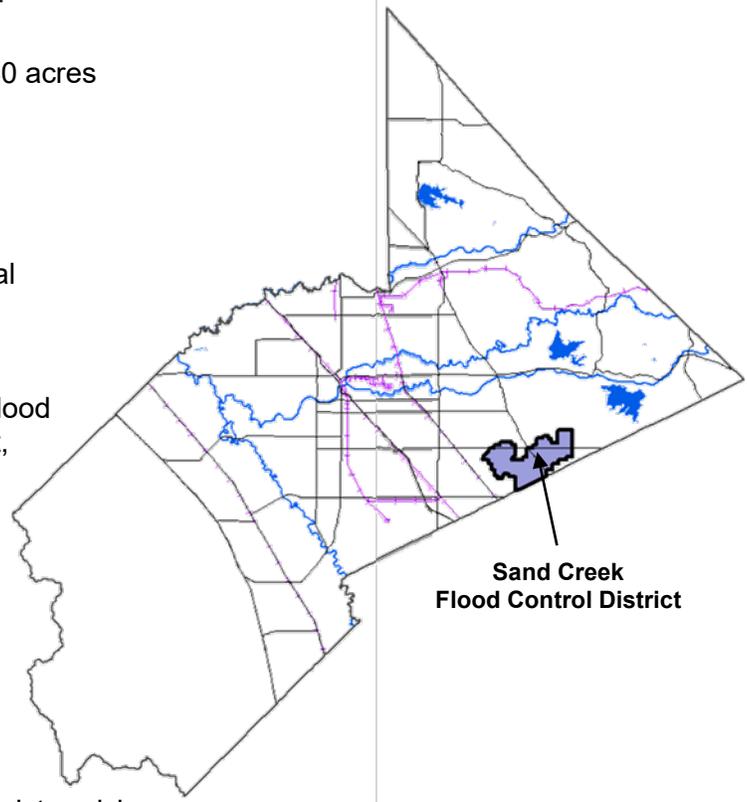
The unincorporated community of Denair lies west of the District's boundaries and may be considered a community of interest in the area.

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

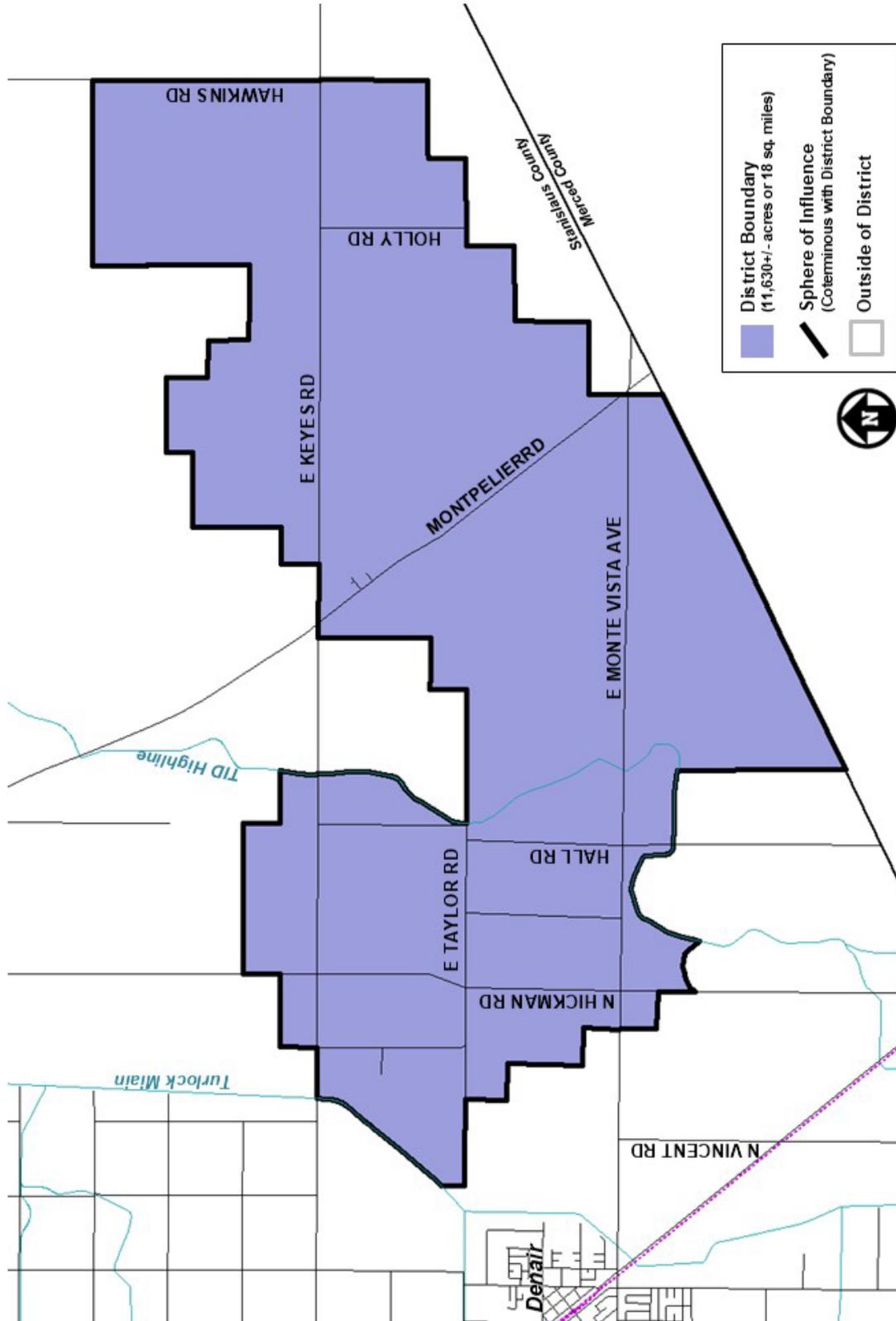
As the District does not provide services related to sewers, municipal and industrial water or structural fire protection, this factor is not applicable.

DISTRICT SUMMARY PROFILE

District:	SAND CREEK FLOOD CONTROL DISTRICT
Location:	Sand Creek Watershed, located one mile east of the unincorporated community of Denair
Service Area:	Approximately 11,630 acres
Population:	Approximately 380
Households:	Approximately 126
Land Use:	Rural and Agricultural
Date of Formation:	April 26, 1988
Enabling Act:	Stanislaus County Flood Control Enabling Act, Water Code Appendix, Section 120 et seq.
Governing Body:	Five Directors – Elected by Landowners, must hold title to land within the District.
Administration:	The District is administered by 5 Directors, elected by the property owners within the District. Contracted staff services (e.g. secretary, weed maintenance, & auditor) are used on an as-needed basis.
District Services:	Maintenance of existing flood control facilities within District boundaries.
Budget:	\$11,158 (Fiscal year 2025-2026)



Map: Sand Creek Flood Control District Sphere of Influence



REFERENCES

1. California Department of Water Resources. *Disadvantaged Communities (DAC) Mapping Tool* (<https://gjs.water.ca.gov/app/dacs/>). Accessed November 20, 2025.
2. Orestimba Creek Flood Control District, *Financial Statements and Independent Auditors' Report for the Years Ended June 30, 2023, 2022, 2021, 2020, and 2019*.
3. Sand Creek Flood Control District. *Financial Statements with Independent Auditor's Report for the Years Ended June 30, 2021, 2020, 2019, 2018, and 2017*.
4. Sand Creek Flood Control District. *Fiscal Year 2025-2026 Budget*.
5. Stanislaus LAFCO. *Municipal Service Review and Sphere of Influence Update for the Orestimba Creek Flood Control District and Sand Creek Flood Control District*. June 24, 2020.
6. United States Army Corps of Engineers. *Orestimba Creek - Draft Interim Feasibility Study*. December 2012.

This page intentionally left blank.

**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: January 28, 2026

NO. 2026-5

SUBJECT: Municipal Service Review No. 2025-03 and Sphere of influence Update No 2025-04: Orestimba Creek and Sand Creek Flood Control Districts

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

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

THE FOLLOWING RESOLUTION WAS ADOPTED:

WHEREAS, a Service Review mandated by California Government Code Section 56430 and a Sphere of Influence Update mandated by California Government Code Section 56425, has been conducted for the Orestimba Creek and Sand Creek Flood Control Districts, in accordance with the Cortese-Knox-Hertzberg Reorganization Act of 2000;

WHEREAS, at the time and in the form and manner provided by law, the Executive Officer has given notice of the January 28, 2026 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 Districts 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 Orestimba Creek and Sand Creek Flood Control Districts and the determinations contained therein;

WHEREAS, the Orestimba Creek and Sand Creek Flood Control Districts were established to provide flood control services within their boundaries;

WHEREAS, pursuant to Government Code Section 56425(i), the range of services provided by the Orestimba Creek and Sand Creek Flood Control Districts are limited to those as identified above, and such range of services shall not be changed unless approved by this Commission; and

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

NOW, THEREFORE, BE IT RESOLVED by the Commission:

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

ATTEST: _____
Sara Lytle-Pinhey, Executive Officer

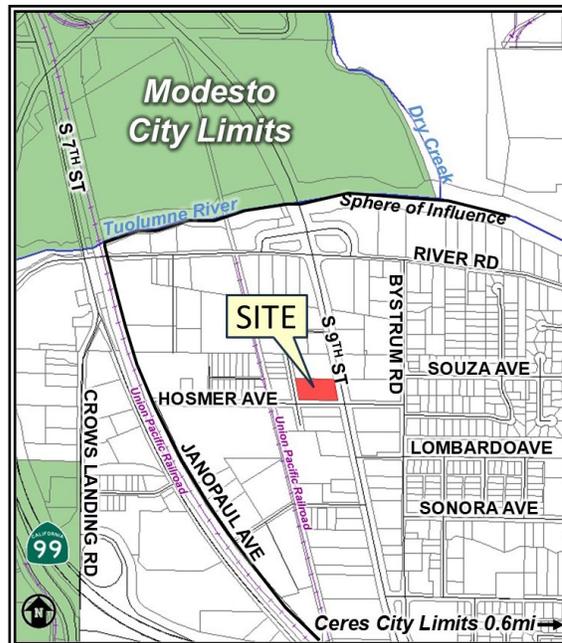
**EXECUTIVE OFFICER'S AGENDA REPORT
JANUARY 28, 2026**

**STANISLAUS LOCAL AGENCY FORMATION COMMISSION
OUT-OF-BOUNDARY SERVICE APPLICATION:
557 SOUTH 9TH STREET (CITY OF MODESTO - SEWER SERVICE)**

APPLICANT: City of Modesto

LOCATION: The site is located at 557 South 9th Street, at the northwest corner of South 9th Street and Hosmer Avenue intersection. (APN: 038-012-006). The is located within the City of Ceres Sphere of Influence. (See Map, Exhibit A.)

REQUEST: The City of Modesto is requesting an out-of-boundary service extension to provide sewer service to a proposed gas station. (See City of Modesto's Out-of-Boundary Application, Exhibit B.)



BACKGROUND

Government Code Section 56133 specifies that a city or special district must apply for and obtain LAFCO approval prior to providing new or extended services outside its jurisdictional boundaries. The section describes two situations where the Commission may authorize service extensions outside a city or district's jurisdictional boundaries:

- (1) For proposals *within* a city or district's sphere of influence: in anticipation of a later change of organization.
- (2) For proposals *outside* a city or district's sphere of influence: to respond to an existing or impending threat to the public health or safety of the residents of the affected territory.

Stanislaus LAFCO has adopted its own policy to assist in the Commission's review of out-of-boundary service requests, known as Policy 15 (see Exhibit C). Policy 15 reiterates the requirements of Government Code Section 56133 and also allows the Executive Officer, on behalf of the Commission, to approve service extensions in limited circumstances to respond to health and safety concerns for existing development within the agency's sphere of influence. As the current request would serve new development outside the City of Modesto's sphere of influence, it is being forwarded to the Commission for review.

DISCUSSION

State law and Commission policies generally prefer annexation to accommodate the extension of City services. However, the Commission has recognized that there are situations when out-of-boundary service extensions may be an appropriate alternative, consistent with Government Code Section 56133 and Commission Policy 15.

Consistency with Commission Policy 15

The Commission's Policy 15(C) describes a variety of situations where the Commission may favorably consider service extensions. These include the following:

1. *Services will be provided to a small portion of a larger parcel and annexation of the entire parcel would be inappropriate in terms of orderly boundaries, adopted land use plans, open space/greenbelt agreements or other relevant factors.*
2. *Lack of contiguity makes annexation infeasible given current boundaries, and the requested public service is justified based on adopted land use plans or other entitlements for use.*
3. *Where public agencies have a formal agreement defining service areas provided LAFCO has formally recognized the boundaries of the area.*
4. *Emergency or health related conditions mitigate against waiting for annexation.*
5. *Other circumstances which are consistent with the statutory purposes and the policies and standards of the Stanislaus LAFCO.*

For the current request, the Commission may find subsection #2 described above to be an applicable scenario for approval. The project is located in an area between the City of Modesto and City of Ceres that has historically been provided with sewer and water.¹ services by the City of Modesto, although it is located within the City of Ceres Sphere of Influence. Both cities have acknowledged this overlap and many properties within the area are already receiving services from Modesto.

The site is surrounded by industrial, commercial and residential uses and is considered infill development. However, the area lacks curb, gutter and sidewalk infrastructure throughout the area. The property is located within the City of Ceres' Sphere of Influence, but it is approximately 3,000 feet west of the Ceres city limits and not contiguous to the City's boundary. Therefore, annexation is considered infeasible without also including a much larger area and associated infrastructure improvements.

While the request is not to address a health or emergency situation (subsection #4 above), the provision of a public sewer system from the City can be considered a preferable alternative to an on-site septic system.

LAFCO has approved similar requests for sewer services in the area over the past several years as the area is within an unincorporated area with existing City of Modesto sewer infrastructure. The current request will connect to an existing 24-inch sewer main on Ansul Avenue.

¹ The City's application identifies that the site will connect to both sewer and water services. The site is currently located within the former Del Este water system area, acquired by the City of Modesto in 1995. Consistent with Commission's Policy 15(G), additional review or approval by the Commission of water service within the service area is not required.

Consistency with Applicable State Law

The Commission must also consider Government Code Section 56133, the applicable state law, which states “the commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization [emphasis added].”

The proposed outside-of-boundary service request is unique in that the property is not within the City of Modesto’s Sphere of Influence, yet sewer and water services are provided by the City of Modesto (City sewer service and the former Del Este Water District). However, the site is within the City of Ceres Sphere of Influence and is anticipated to be annexed into the City of Ceres in the future.

The timeframe for “anticipation of a later change of organization” is not specifically defined. Some LAFCOs interpret this phrase as being synonymous with the property being located within a sphere of influence. Others request a more definitive timeframe for annexation by the service provider. Although the timeframe for future annexation is currently unknown, the property has been within the Sphere of Influence of the City of Ceres since 1984 and the surrounding area is foreseen for commercial uses on the County and City’s General Plan.

Environmental Review

Staff has determined that the proposed sewer extension is considered exempt for the purposes of the California Environmental Quality Act (CEQA) in accordance with Government Code §21080, as it is infill development, ministerial and intended to accommodate an allowable use consistent with current zoning. No further change in land use is proposed, as a result of this out-of-boundary service extension application and there is no possibility of the proposal having a significant effect on the environment. The Commission does not have any further obligations under CEQA for environmental review.

CONCLUSION

Although annexations to cities or special districts are generally the preferred method for the provision of services, Commission policies also recognize that out-of-boundary service extensions can be an appropriate alternative. Staff believes the City’s proposal to provide sewer service to the future development is consistent with Government Code Section 56133 and the Commission’s Policy 15.

ALTERNATIVES FOR LAFCO ACTION

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

- APPROVE the request, as submitted by the City.
- DENY the request without prejudice.
- CONTINUE the proposal to a future meeting for additional information.

STAFF RECOMMENDATION

Based on the discussion in this staff report and following any testimony or evidence presented at the meeting, Staff recommends that the Commission approve the proposal as submitted by the City of Modesto and adopt Resolution No. 2026-02, which finds the request to be consistent with Government Code Section 56133 and Commission Policy 15 and includes the following standard terms and conditions:

- A. This approval allows for the extension of sewer service as requested by the City for the property located at 559 South 9th Street only.
- B. The City shall not allow additional sewer service connections outside the City limits and beyond the current request without first requesting and securing approval from LAFCO.

Respectfully submitted,

Javier Camarena

Javier Camarena
Assistant Executive Officer

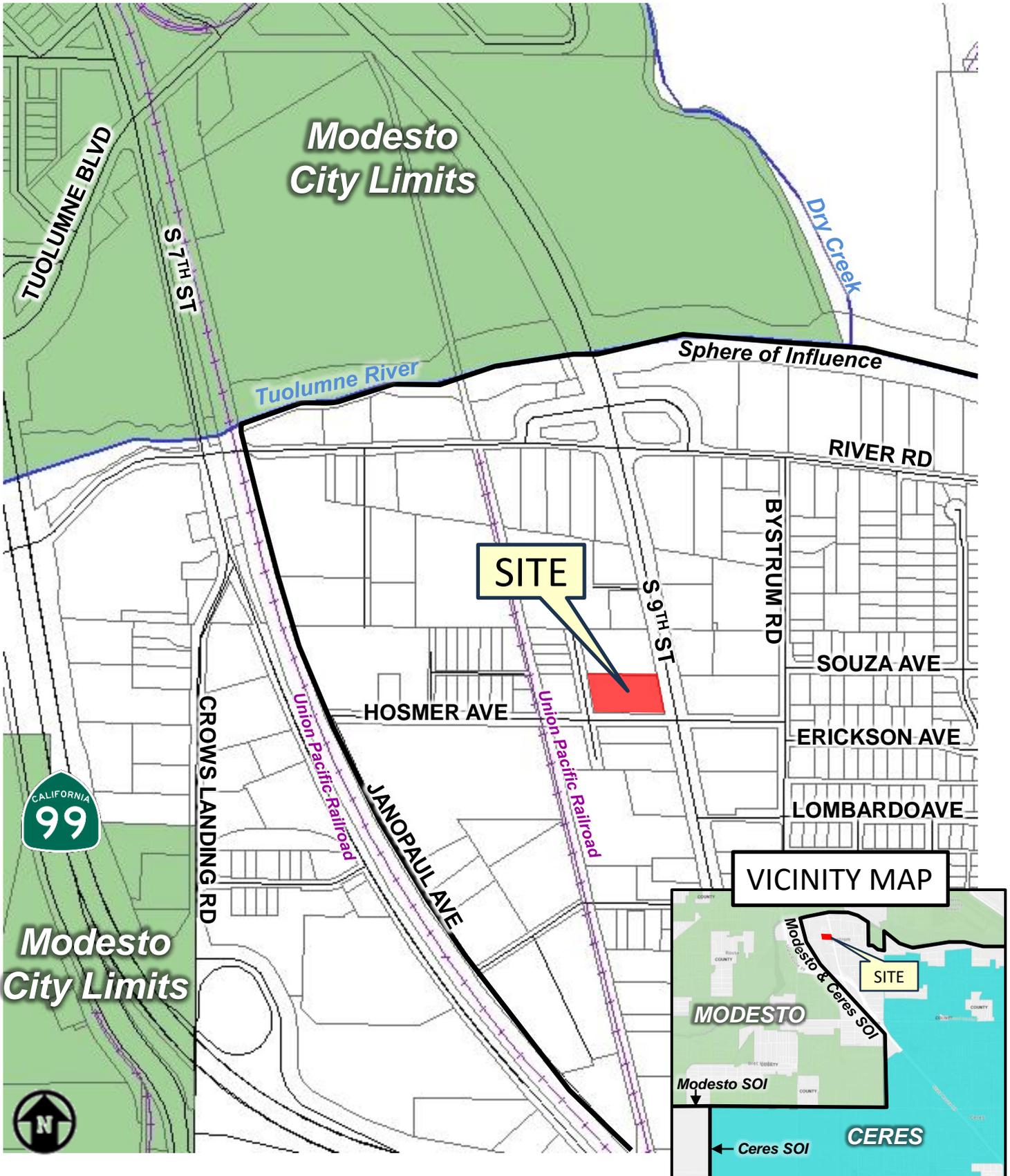
Attachments: Exhibit A - Map
 Exhibit B - City's Out-of-Boundary Application
 Exhibit C - LAFCO Policy 15
 Exhibit D - Draft LAFCO Resolution 2026-02

EXHIBIT A

Map

This page intentionally left blank.

OUT OF BOUNDARY SERVICE APPLICATION
557 South 9th Street (APN 038-012-006)



This page intentionally left blank.

EXHIBIT B

City of Modesto Out-of-Boundary Application

This page intentionally left blank.

STANISLAUS LAFCO

Stanislaus Local Agency Formation Commission
1010 – 10 th Street, 3rd Floor ♦ Modesto, CA 95354
(209) 525-7660 ♦ FAX (209) 525-7643
www.stanislauslafco.org

OUT OF BOUNDARY SERVICE APPLICATION

AGENCY TO EXTEND SERVICE:

AGENCY NAME: City of Modesto

CONTACT PERSON: Alfredo Aguilera

MAILING ADDRESS: 1010 10th Street, 3rd Floor, Attn: Land Development Engineering

PHONE: (209) 571-5180 E-MAIL: alaguilera@modestogov.com

PROPERTY OWNER (PARTY RECEIVING SERVICE):

PROPERTY OWNER NAME: Benny Dhanda

SITE ADDRESS: 557 S 9th St, Modesto, CA 95351

PHONE: (209) 405-6159 E-MAIL: bennydhanda@gmail.com

ASSESSOR PARCEL NUMBER(S): 138-012-006

ACREAGE: 1.25 (If multiple properties, attach a list with names, addresses and APNs.)

REQUIRED ATTACHMENTS - Please provide the following:

- Completed application and fees. (See [Schedule of Fees and Deposits](#). Please consult with LAFCO staff to determine the appropriate fee.)
- Map showing existing facilities and proposed extensions. The map should include measurements detailing how services are to be extended to the property.
- Draft service agreement or contract between the service provider and property owner OR a will-serve letter from the service provider.

PROPOSAL-SPECIFIC ATTACHMENTS – The following may also be required:

- If the proposed extension will serve new development, a copy of the environmental determination made by the Lead Agency.
- If the proposed service extension is to remedy a health and safety situation, documentation of the health and safety issue.

The following application questions are intended to obtain enough data about the proposal to allow the Commission and staff to adequately assess the service extension. By taking the time to fully respond to the questions below, you can reduce the processing time for this application. You may include any additional information that you believe is pertinent. Use additional sheets where and if necessary.

1. List type of service(s) to be extended:

Existing Water and Sewer mains run along the project frontage. Project will connect to existing mains for connection.

2. Is the service extension for new development or an existing use? Provide a complete description of the project and/or use to be served.

Service is for new commercial development. Project will include a Gas Station w/ convenience store, quick Service Restaurant, and a Car Wash.

3. Is this request to address a health and safety situation? Yes No

If yes, please explain below.

Health reasons would be to connect to nearby available sewer and water instead of creating more on-site septic systems or on-site private wells.

4. Is the property to be served within the Agency's sphere of influence? Yes No

5. LAFCO policies generally prefer annexation rather than an extension of services outside the agency's boundary. Is annexation of the territory by your agency anticipated at a future time? Yes No

6. Please provide an explain of the Agency's preference for an out-of-boundary instead of annexation.

Annexation is not practical at this time as City of Modesto would need to implement ordinance, policy, and other improvements. Project is also within City of Ceres Influence.

7. Are there any land use entitlements involved in the project or contract? Yes No
If yes, please check the entitlements that were obtained and provide a copy of the approval:

- | | |
|---|--|
| <input type="checkbox"/> Tentative Map and Conditions | <input type="checkbox"/> Subdivision Map or Parcel Map |
| <input type="checkbox"/> Specific Plan | <input type="checkbox"/> General Plan Amendment |
| <input type="checkbox"/> Rezoning | |
| <input type="checkbox"/> Other: _____ | |

CERTIFICATION

I hereby certify that the statement furnished above and in the attached exhibits present the data and information required for this evaluation of service extension to the best of my ability, and that the facts, statement, and information presented herein are true and correct to the best of my knowledge and belief.

INDEMNITY AGREEMENT

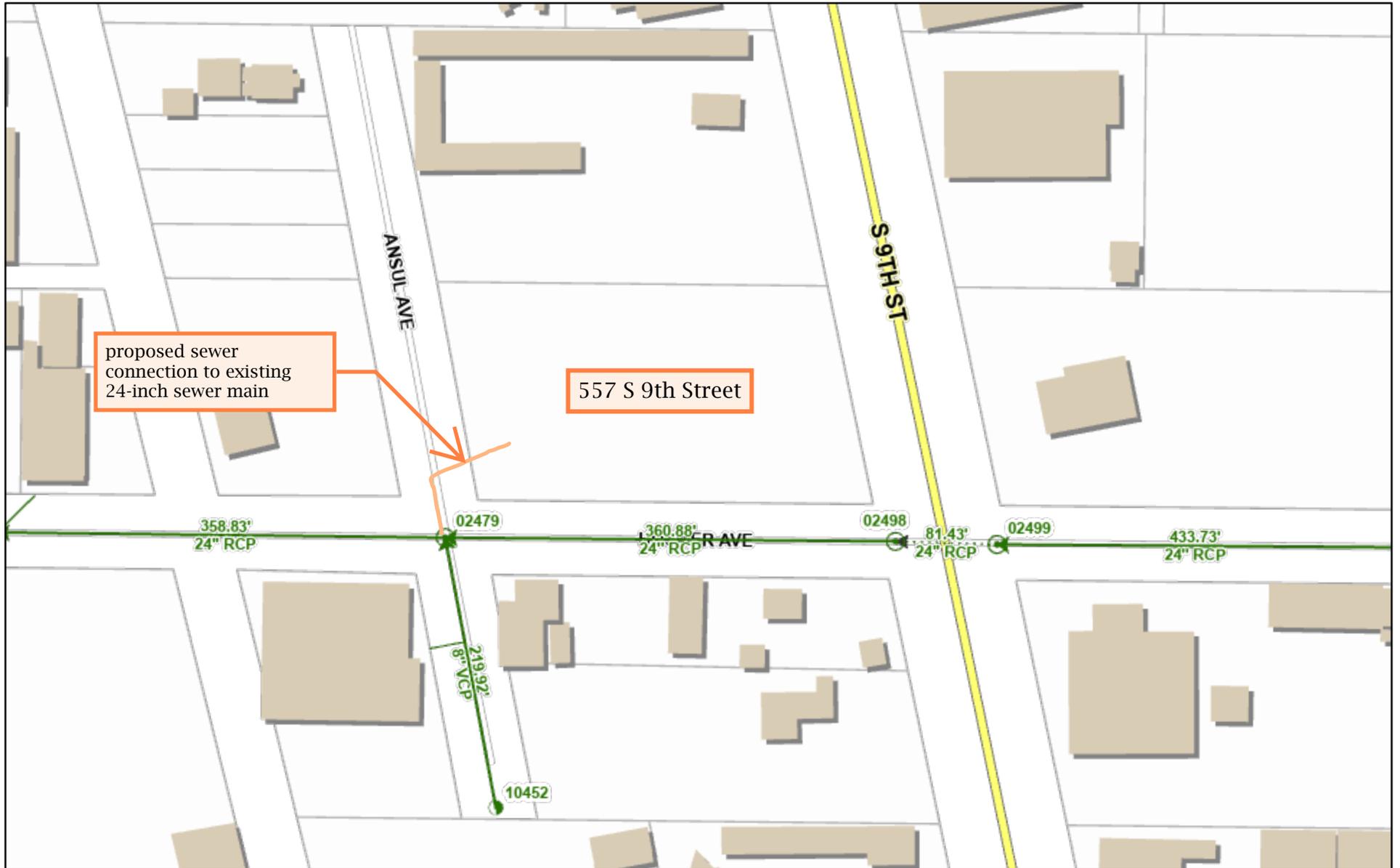
As part of this application, the applicant agrees to defend, indemnify, hold harmless and release the Stanislaus Local Agency Formation Commission (LAFCO), its officers, employees, attorneys, or agents from any claim, action or proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul, in whole or in part, LAFCO's action on a proposal or on the environmental documents submitted to support it. This indemnification obligation shall include, but not be limited to, damages, costs, expenses, attorney fees, and expert witness fees that may be asserted by any person or entity, including the applicant arising out of or in connection with the application.

SIGNED: 
PRINTED NAME: Alfredo Aguilera
AGENCY: City of Modesto
DATE: 12/3/25

Please forward the completed form, fees, and related information to:

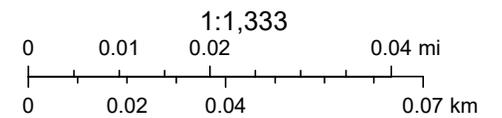
Stanislaus Local Agency Formation Commission
1010 10th Street, 3rd Floor
Modesto, CA 95354

ArcGIS Web Map



December 3, 2025

- | | | | |
|-------------|----------------|----------------|----------|
| Sewer Lines | Private | Sewer Manholes | Terminal |
| | Main | | Regular |
| | Sewer Laterals | | |

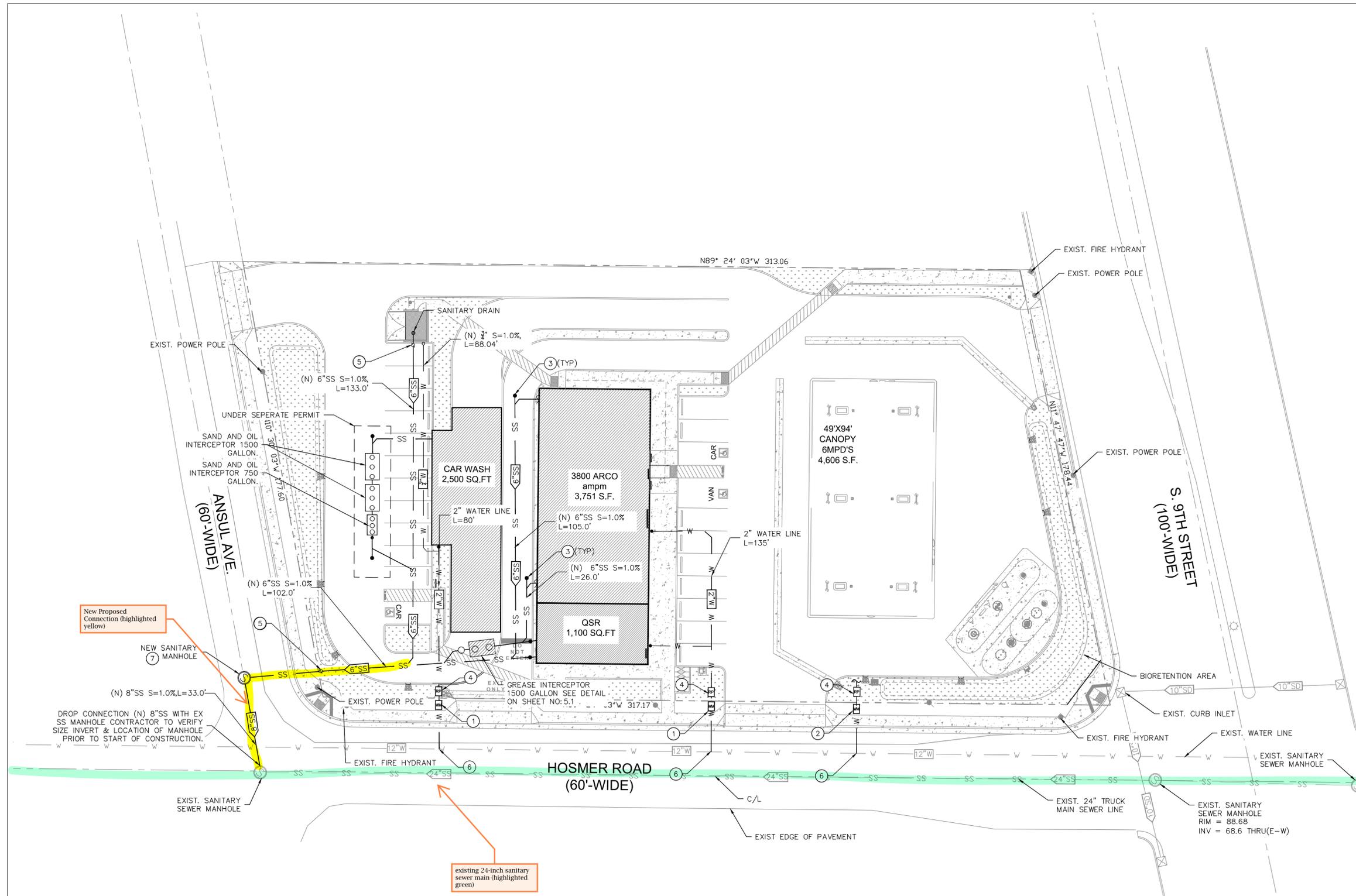


LEGEND

-  PROPERTY BOUNDARY
-  EXIST. STREET LIGHT
-  EXIST. FIRE HYDRANT
-  EXIST. POWER POLE
-  EXIST. SANITARY SEWER MANHOLE
-  SANITARY SEWER
-  WATER LINE
-  WATER METER
-  BACKFLOW PREVENTER
-  SANITARY SEWER TWO WAY CLEANOUT

UTILITY KEYPLAN NOTES

- ① 2" WATER METER AS PER CITY OF MODESTO STANDARD DWG. NO: 640. SEE DETAIL ON SHEET NO:5.1 .
- ② 1" MIN. IRRIGATION METER AS PER CITY OF MODESTO STANDARDS DWG. NO: 640. SEE DETAIL ON SHEET NO:5.1 .
- ③ CLEANOUT AS PER CITY OF MODESTO.
- ④ BACKFLOW PREVENTION AS PER CITY OF MODESTO DWG. NO: 642. SEE DETAIL ON SHEET NO:5.1 .
- ⑤ TWO WAY CLEANOUT AS PER CITY OF MODESTO.
- ⑥ INSTALL NEW DOMESTIC (POTABLE), IRRIGATION & FIRE SERVICES TIE-IN WITH EXISTING WATER MAIN LINE AS PER CITY OF MODESTO STANDARD DWG. NO: 611,612. SEE DETAIL ON SHEET NO:5.1 . CONTRACTOR TO VERIFY LOCATION AND DEPTH PRIOR TO CONSTRUCTION. WATER CONNECTIONS WILL BE MADE BY CITY OF MODESTO AT OWNER'S EXPENSE.
- ⑦ SANITARY SEWER MANHOLE AS PER CITY OF MODESTO DWG. NO: 501. SEE DETAIL ON SHEET NO:5.1 .

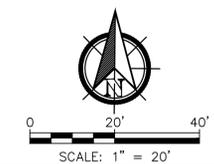


NOTE TO CONTRACTOR:
 THE EXISTENCE AND LOCATION OF ANY UNDERGROUND UTILITIES, PIPES, AND/OR STRUCTURES SHOWN ON THESE PLANS WERE OBTAINED BY A SEARCH OF AVAILABLE RECORDS. TO THE BEST OF OUR KNOWLEDGE, THERE ARE NO EXISTING UTILITIES EXCEPT AS SHOWN ON THESE PLANS. THE CONTRACTOR SHALL ASCERTAIN THE TRUE VERTICAL AND HORIZONTAL LOCATION OF THOSE UNDERGROUND UTILITIES TO BE USED AND SHALL BE RESPONSIBLE FOR ANY DAMAGE TO ANY PUBLIC OR PRIVATE UTILITIES, SHOWN OR NOT SHOWN HEREON. IF THE CONTRACTOR ENCOUNTERS ANY DISCREPANCIES, CONFLICTS OR AREAS WHICH HE FEELS UNWORKABLE, HE SHALL NOTIFY THE GRADING ENGINEER IMMEDIATELY PRIOR TO CONTINUING OR DEVIATING FROM THIS PLAN.

UNAUTHORIZED CHANGES & USES:
 THE ENGINEER PREPARING THESE PLANS WILL NOT BE RESPONSIBLE FOR, OR LIABLE FOR, UNAUTHORIZED CHANGES TO OR USES OF THESE PLANS. ALL CHANGES TO THE PLANS MUST BE IN WRITING AND MUST BE APPROVED BY THE PREPARER OF THESE PLANS. CONSTRUCTION CONTRACTOR AGREES THAT IN ACCORDANCE WITH GENERALLY ACCEPTED CONSTRUCTION PRACTICES, CONSTRUCTION CONTRACTOR WILL BE REQUIRED TO ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR JOB SITE CONDITIONS DURING THE COURSE OF CONSTRUCTION OF THE PROJECT, INCLUDING SAFETY OF ALL PERSONS AND PROPERTY. THAT THIS REQUIREMENT SHALL BE MADE TO APPLY CONTINUOUSLY AND NOT BE LIMITED TO NORMAL WORKING HOURS, AND CONSTRUCTION CONTRACTOR FURTHER AGREES TO DEFEND, INDEMNIFY AND HOLD DESIGN PROFESSIONAL HARMLESS FROM ANY AND ALL LIABILITY, REAL OR ALLEGED, IN CONNECTION WITH THE PERFORMANCE OF WORK ON THIS PROJECT, EXCEPTING LIABILITY ARISING FROM THE SOLE NEGLIGENCE OF DESIGN PROFESSIONAL.

TOPOGRAPHIC AND BOUNDARY SURVEY

TOPOGRAPHIC AND BOUNDARY SURVEY COMPLETED BY OTHERS SEE SHEET T-1.0.



NO.	BY	DATE

PREPARED BY:




PREPARED FOR:

557 S 9TH ST
 MODESTO, CA 95351
 APN-038-012-006

TITLE:

UTILITY PLAN

DATE: 10/8/2025

DESIGNED BY: P.SINGH

DRAWN BY: P.SEKHON

CHECKED BY: M.SAINI

APPROVED BY: M.SAINI

SHEET NO.

C-3.0

Recording Requested By
City of Modesto
Return to / Mail to
City of Modesto City Clerk
P.O. Box 642
Modesto, CA 95353

OUTSIDE SERVICE AGREEMENT FOR SEWER SERVICE

This Agreement is made in the City of Modesto, County of Stanislaus, State of California, by and between the CITY OF MODESTO, a municipal corporation of the State of California, hereinafter called CITY, and DHANDA DEVELOPMENT GROUP, INC, a California corporation, hereinafter called OWNER, and entered into on the date the last party executes said agreement.

This Agreement is made with reference to the following recitals:

- A. OWNER desires to have sewer service from CITY to his property located outside the City limits of CITY;
- B. CITY is agreeable to providing said sewer service under the following terms and conditions,

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements herein contained, the parties hereto mutually agree as follows:

- 1. OWNER shall do any and all acts necessary to annex the following described property to CITY when requested to do so by CITY: Address: 557 S 9th ST
APN: 038-012-006 See EXHIBIT A for full description of property.
- 2. In the event OWNER, for whatever reason, fails to take whatever action is necessary to annex said property when requested to do so by City, City may at its election terminate this agreement by giving written notice thereof to OWNER. In the event this agreement is so terminated, OWNER acknowledges, understands, and agrees that City may thereafter, upon

30 days' written notice to OWNER, in the discretion of the Utilities Director, elect to do either of the following: (1) disconnect the sewer service connection to said property; or, (2) charge up to ten (10) times the inside-City sewer rates then in effect until OWNER'S property is annexed to the City.

3. OWNER shall pay sewer rates for service outside the CITY as provided by the Modesto Municipal Code until OWNER'S property is annexed to the CITY.

4. The remedy provided in paragraph #2, above, to City, in event the owners breach this agreement, is cumulative and is in addition to any other remedies in law or equity that may be available to City. The election of one or more remedies shall not bar the use of other remedies unless the circumstances make the remedies incompatible.

5. OWNER shall, where a sewer lateral exists to serve the property directly, obtain a permit from CITY to connect to the sewer lateral and pay all the required charges as set forth in Municipal Code Section 5-6.801 through 807, including all applicable subtrunk and perimeter sewer charges.

OWNER shall, where a sewer lateral does not exist to serve the property directly, construct the sewer lateral at his own expense. All work shall be in accordance with plans and specifications approved by CITY, and OWNER shall reimburse CITY for all costs of engineering and inspection incurred by CITY for the sewer lateral extension. In addition, OWNER shall obtain a permit from the CITY to connect to the sewer lateral and shall pay all applicable permit, subtrunk and/or perimeter sewer charges prior to beginning any on-site construction.

6. After the initial sewer connection is made for the above-described property, as set forth in paragraph 5 above, OWNER agrees to obtain a new sewer connection permit from the CITY for each additional unit or units added to the existing sewer service.

7. It is further agreed that upon execution of this agreement by both parties, OWNER shall install said sewer service within six (6) months from the date of execution of this agreement. Failure to do so renders this agreement void.

8. It is distinctly covenanted and agreed by the parties hereto that this agreement shall be recorded and that all the covenants and agreements above expressed shall be held to run with and bind the above-described land and all subsequent owners and occupants thereof.

9. OWNER agrees that sewer discharge requirements as to the property will not change significantly from the originally anticipated sewer discharge requirements.

IN WITNESS WHEREOF, the City of Modesto, a municipal corporation, has caused this agreement to be executed in duplicate by its City Manager pursuant to Modesto Municipal Code 5-6.309 (a) and City Ordinance No. 3612-C.S., adopted on the 9th day of December, 2014, and OWNER has caused this agreement to be duly executed.

CITY:

CITY OF MODESTO,
a California municipal corporation

By: _____
JOSEPH P. LOPEZ
City Manager

OWNER:

DHANDA DEVELOPMENT GROUP, INC, a
California corporation*

By: _____

Name: _____

Title: _____

Date: _____

ATTEST:

By: _____
DIANE NAYARES-PEREZ, CMC
City Clerk

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

By: _____
JOSE M. SANCHEZ
City Attorney

(SEAL)

** Corporations - signature of two (2) officers required or one (1) officer plus corporate seal.*

APPROVED AS TO SUFFICIENCY:

By: _____
TOBY WELLS
Director of Engineering Services

Partnership - signature of a partner required

Sole Proprietorship - signature of proprietor required

LLC – signature of proprietor or partner required

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

Departmental Information:

LOCATION OF PROPERTY

557 S 9th ST
Street Address

MAILING ADDRESS OF OWNER:
(if different from location
of property)

1463 Moffat Blvd Ste 3
Street Address

Manteca, CA 95336
City

209.405.6159
Phone Number



**Engineering Services Dept.
Land Development Engineering**
P.O. Box 642
Modesto, California 95354
209.577.5200
Modestogov.com

December 4th, 2025

Benny Dhanda
1463 Moffat Blvd STE 3
Manteca, CA 95336

Subject: Sewer Will Serve Letter for a property located at 557 S. 9th Street (APN: 038-012-006)

Dear Mr. Dhanda:

As requested in your application dated August 28, 2025, the proposed commercial development consisting of a gas station, quick service restaurant, and car-wash located at 557 S 9th St (APN: 038-012-006), will be allowed to make a sewer service connection to the City's sewer system to accommodate normal usage as described below.

Sewer Service:

Pursuant to Modesto City Council Resolution No. 91-434 that establishes various conditions for the extension of sewer services into unincorporated areas, it has been determined that a connection to the City's sewer system will be allowed to accommodate normal usage by the proposed development.

In general, Resolution No. 91-434 provides that sewer service extensions may be approved by the City Manager, on a case-by-case basis, to properties located outside the Modesto Municipal Sewer District No. 1, but within the Ultimate Sewer Service Area, when all the following conditions are met:

1. The sewer system in which the service connection will be made has sufficient capacity to receive the amount and type of discharge expected from the proposed facility.
2. An appropriately sized sewer line or manhole exists relatively close to the subject property to serve as the connection point.
3. That all applicable water and sewer connection fees are paid, and associated permits be obtained prior to beginning any on-site construction. The property owner agrees to pay all associated monthly water and sewer service charges.

4. The property owner must execute an outside service agreement with the City of Modesto.

In addition to the above requirements, the following items are specific conditions on the proposed project:

5. That the project's proposed sewer demands will not change significantly from the above reference letter.

6. The property owner shall connect to the existing sanitary sewer manhole at the intersection of Hosmer Avenue and Ansul Avenue and extend the sanitary sewer main to be able to service the property. Design of the connecting sewer main shall be per City Standards and by a registered engineer authorized to perform such work. The proposed design shall be approved by the City and all costs associated with its design, installation, and permits shall be borne by the property owner.

7. That the property owner enters into a standard sewer service agreement with the City, as required for sewer service outside the City limits. For Starting the agreement process, you can contact Deborah Long at (209) 342- 4712 for more information.

On May 22, 2012, the City Council approved Resolution No. 2012-203 that amended City Council Policy 5.002 relating to sewer connection into unincorporated areas. On June 5, 2012, the City Council approved final adoption of Ordinance No. 3567-C.S. amending City of Modesto Municipal Code Section 11-1.05. Both amendments included language which required that the City Manager, upon the recommendation of the Director responsible for utility system planning, request City Council approval for all extensions of sewer services into unincorporated areas.

Construction of the sewer service connection identified to serve the above referenced property shall be completed prior to twelve (12) months from the City Council date of this letter, and if after such time the service connections have not been made, the City's approval of said connections will be revoked.

If you have any questions, please contact Alfredo Aguilera at (209) 571-5180.

Recommended By: _____
Jaspreet Mangat, Senior Civil Engineer

Sincerely,

Joseph P. Lopez
City Manager

cc: William S. Wong - Director of Utilities
Stanislaus County Building Dept.

This page intentionally left blank.

EXHIBIT C

LAFCO Policy 15

This page intentionally left blank.

POLICY 15 - OUT-OF-BOUNDARY SERVICE CONTRACTS OR AGREEMENTS

(Amended October 23, 2024)

Government Code Section 56133 (Cortese-Knox-Hertzberg Act) specifies that a city or special district must apply for and obtain LAFCO approval before providing new or extended services outside its jurisdictional boundaries. The Commission will consider this policy in addition to the provisions of Government Code Section 56133 when reviewing out-of-boundary service extension requests.

- A. Pursuant to Government Code Section 56133(b), the Commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries, but within its sphere of influence, in anticipation of a later change of organization. The Commission may authorize a city or district to provide new or extended services outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the residents of the affected territory in accordance with Government Code Section 56133(c).
- B. The Commission has determined that the Executive Officer shall have the authority to approve, or conditionally approve, proposals to extend services outside a city or district's jurisdictional boundaries but within its sphere of influence in cases where the service extension is proposed to remedy a clear health and safety concern for existing development. In addition, the Executive Officer shall have the authority to approve or conditionally approve service extensions where the services will not facilitate development or will provide water and/or sewer service to accessory dwelling units being created on lots where a single-family or multifamily dwelling unit already exists.

In cases where the Executive Officer recommends denial of such a proposed service extension or where the proposal will facilitate new development, that proposal shall be placed on the next agenda for which notice can be provided so that it may be considered by the Commission. After the public hearing, the Commission may approve, conditionally approve, or deny the proposal.

- C. Considerations for Approving Agreements: Annexations to cities and special districts are generally preferred for providing public services; however, out-of-boundary service extensions can be an appropriate alternative. While each proposal must be decided on its own merits, the Commission may favorably consider such service extensions in the following situations:
 - 1. Services will be provided to a small portion of a larger parcel and annexation of the entire parcel would be inappropriate in terms of orderly boundaries, adopted land use plans, open space/greenbelt agreements or other relevant factors.
 - 2. Lack of contiguity makes annexation infeasible given current boundaries and the requested public service is justified based on adopted land use plans or other entitlements for use.
 - 3. Where public agencies have a formal agreement defining service areas provided LAFCO has formally recognized the boundaries of the area.
 - 4. Emergency or health related conditions mitigate against waiting for annexation.

5. Other circumstances which are consistent with the statutory purposes and the policies and standards of the Stanislaus LAFCO.
- D. Health or Safety Concerns: The requirements contained in Section 56133(c) of the Government Code will be followed in the review of proposals to serve territory with municipal services outside the local agency's sphere of influence. Service extensions outside a local agency's sphere of influence will not be approved unless there is a documented existing or impending threat to public health and safety, and the request meets one or more of the following criteria as outlined below:
1. The lack of the service being requested constitutes an existing or impending health and safety concern.
 2. The property is currently developed.
 3. No future expansion of service will be permitted without approval from the LAFCO.
- E. Agreements Consenting to Annex: Whenever the affected property may ultimately be annexed to the service agency, a standard condition for approval of an out-of-boundary service extension is recordation of an agreement by the landowner consenting to annex the territory, which agreement shall inure to future owners of the property.
1. The Commission may waive this requirement on a case-by-case basis upon concurrence of the agency proposing to provide out-of-boundary services.
 2. The Commission has determined, pursuant to Government Code Section 56133(b) that the Beard Industrial Area shall not be subject to the requirement for consent-to-annex agreements, based on the historical land use of the area and its location within the Sphere of Influence of the City of Modesto.
- F. Area-wide Approvals: The Commission has recognized and approved extensions of sewer and/or water services to specific unincorporated areas, including the Bret Harte Neighborhood, Robertson Road Neighborhood, and the Beard Industrial Area. New development in these delineated unincorporated areas is considered infill and does not require further Commission review for the provision of extended sewer and/or water services. The Commission may consider similar approvals for area-wide service extensions on a case-by-case basis when it determines each of the following exists:
1. There is substantial existing development in the area, consistent with adopted land use plans or entitlements.
 2. The area is currently located within the agency's sphere of influence.
 3. The agency is capable of providing extended services to the area without negatively impacting existing users.
 4. The proposal meets one of the situations outlined in Section C of this Policy where extension of services is an appropriate alternative to annexation.
- G. In the case where a city or district has acquired the system of a private or mutual water company prior to January 1, 2001, those agencies shall be authorized to continue such

service and provide additional connections within the certificated service area of the private or mutual water company, as defined by the Public Utilities Commission or other appropriate agency at the time of acquisition, without LAFCO review or approval as outlined in Government Code Section 56133. The continuation of service connections under this policy shall not be constrained by the sphere of influence of that local agency at that time. Proposals to extend service outside this previously defined certificated area would come under the provisions of Government Code Section 56133 for the review and approval by the Commission prior to the signing of a contract/agreement for the provision of the service.

- H. Exemptions: Commission approval is not required for cities or districts to provide new or extended services outside their jurisdictional boundaries if any of the following exemptions apply in accordance with Government Code Section 56133(e). The Commission encourages cities and districts to verify with the Executive Officer to determine whether statutory exemptions apply or whether the proposed extension falls within a prior approval by the Commission.
1. Two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.
 2. The transfer of non-potable or non-treated water;
 3. The provision of surplus water to agricultural lands and facilities, including but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.
 4. An extended service that a city or district was providing on or before January 1, 2001.
 5. A local publicly owned electrical utility, as defined by Section 224.3 of the Public Utilities Code, providing electrical services that do not involve the acquisition, construction, or installation of electrical distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.
 6. A fire protection contract, as defined in Section 56134 and Policy 15a.

This page intentionally left blank.

EXHIBIT D

Draft LAFCO Resolution No. 2026-02

This page intentionally left blank.

**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: January 28, 2026

NO. 2026-02

**SUBJECT: OUT OF BOUNDARY SERVICE APPLICATION NOR 557 SOUTH 9TH STREET
(CITY OF MODESTO – SEWER SERVICE)**

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

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

THE FOLLOWING RESOLUTION WAS ADOPTED:

WHEREAS, the City of Modesto has submitted an out-of-boundary service application requesting to provide sewer service to a property located at 557 South 9th Street;

WHEREAS, the site is otherwise identified as Assessor’s Parcel Number 038-012-006;

WHEREAS, the property is located outside the current city limits of Ceres and Modesto, but within the City of Ceres’ Sphere of Influence;

WHEREAS, the property is located in an area served by the City of Modesto but within the City of Ceres Sphere of Influence;

WHEREAS, Government Code Section 56133 states that a city may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the local agency formation commission in the affected county;

WHEREAS, the Commission has adopted specific policies (Policy 15) to guide its evaluation of out-of-boundary service applications, consistent with Government Code Section 56133;

WHEREAS, in accordance with adopted Commission Policy 15, the current proposal has been forwarded to the Commission as it would serve new development;

WHEREAS, the City of Modesto has indicated that it has the ability to serve the site with sewer service;

WHEREAS, The proposed project is considered exempt for purposes of the California Environmental Quality Act (CEQA) in accordance with Government Code §21080, which exempts ministerial projects, and further there is no possibility that the connection to sewer service will have a significant effect on the environment;

WHEREAS, the Commission, as a Responsible Agency, has considered Staff's environmental determination; and,

WHEREAS, the Commission has, in evaluating the proposal, considered the report submitted by the Executive Officer, consistency with California Government Code Section 56133 and the Commission's adopted policies, and all testimony and evidence presented at the meeting held on January 28, 2026.

NOW, THEREFORE, BE IT RESOLVED that this Commission:

1. Finds that the proposed extension of sewer service is consistent with the Commission's adopted policies and California Government Code Section 56133.
2. Certifies, as a Responsible Agency, that the project is exempt for purposes of CEQA.
3. Authorizes the City of Modesto to provide the requested sewer service, subject to the following terms and conditions:
 - A. This approval allows for the extension of sewer service as requested by the City for the property located at 557 South 9th Street only.
 - B. The City shall not allow additional service connections outside the City limits without first requesting and securing approval from LAFCO.
4. Directs the Executive Officer to forward a copy of this resolution to the City of Modesto.

ATTEST: _____
Sara Lytle-Pinhey, Executive Officer

**EXECUTIVE OFFICER'S AGENDA REPORT
JANUARY 28, 2026**

TO: LAFCO Commissioners

FROM: Javier Camarena, Assistant Executive Officer

**SUBJECT: DETERMINATION OF DISTRICTS NOT QUALIFYING AS INACTIVE
PURSUANT TO GOVERNMENT CODE SECTION 56042**

RECOMMENDATION

Staff recommends that the Commission adopt Resolution 2026-03 finding that Reclamation Districts No. 1602 (Del Puerto aka Patterson Ranch), No. 2031 (Elliot) and No. 2101 (Blewett) do not meet the definition of "inactive districts" pursuant to Government Code section 56042. Staff further recommends that the Commission direct Staff to notify the State Controller of its findings.

DISCUSSION

In 2017, Senate Bill 448 was enacted to provide an expedited process for LAFCOs to dissolve inactive districts. The legislation defines "inactive districts" and requires the State Controller's Office to annually publish and notify LAFCOs of districts it suspects of being inactive. LAFCOs are then required to initiate dissolution of the inactive districts within 90 days of receiving the notification from the State Controller, unless it determines that the district does not meet the criteria for an "inactive district."

Stanislaus LAFCO Staff received a letter on November 12, 2025 from the State Controller's Office that identifies three reclamation districts in Stanislaus County as potentially inactive (Exhibit A). Government Code section 56042 defines an inactive district as meeting all of the following criteria:

- a. The special district is as defined in Section 56036 (within LAFCO's purview for changes of organization).
- b. The special district has had no financial transactions in the previous fiscal year.
- c. The special district has no assets and liabilities.
- d. The special district has no outstanding debts, judgements, litigation, contracts, liens, or claims.

Should a district be found to meet all of the criteria above, Government Code Section 56879 requires that the Commission initiate the dissolution process within 90 days of receiving notice from the State Controller's Office.

Shortly after receiving the correspondence from the State Controller, LAFCO Staff sent letters to each affected Reclamation District informing them of process and requesting additional information to determine whether they met the criteria for an inactive district as defined by Government Code section 56042 and described above.

Staff also contacted the Central Valley Flood Protection Board (CVFPB). The CVFPB (formerly known as the Reclamation Board) is the regulatory authority for flood control activities in the Central Valley. CVFPB also serves as the local sponsor to the Corps of Engineers on Federal flood control projects, cost shares in projects, holds title or easements to the lands underlying projects and inspects the operations and maintenance of facilities.

The CVFPB responded in a letter dated December 10, 2025 (attached as Exhibit B) stating that the Reclamation Districts 1602, 2031, and 2101 are the local maintaining agencies (LMAs) that perform critical operation and maintenance of the Federal-State flood control infrastructure, commonly referred to as the State Plan of Flood Control. The CVFPB also confirmed that it has executed assurance agreements with each of the reclamation districts identified in the State Controller's letter. Work performed by these Districts, functioning as LMAs, is reflected in the most recent California Department of Water Resources' (CDWR) Annual Inspection and Local Maintaining Agency Report (2024) and the U.S. Army Corps of Engineer's Inspection Reports. These reports can be found on the CDWR's website at https://cdec.water.ca.gov/current_reports.html.

The CVFPB also provided a summary of the operating and maintenance expenses for RD 1601 and 2101, thus disqualifying them from criteria "b" of the inactive definition. The CVFPB stated that although there were no documented expenses for RD 2031, the District continues to maintain its levee as part of its assurance agreement.

In addition to the CVFPB letter, LAFCO Staff also received following correspondence from the Reclamation Districts.

- Email dated December 4, 2025 from Alex Dominguez with Klein-DeNatale-Goldner Law Office stating that Reclamation District No. 1602 (Patterson Ranch) is currently in the process of filling its board and requesting a postponement in initiating the dissolution process (attached as Exhibit B).
- Phone call on December 5, 2025 with Bill Lyons from Reclamation District No. 2031 (Elliot Ranch). Mr. Lyons confirmed that the levee is still being maintained and is inspected annually by the Department of Water Resources.
- Letter dated December 10, 2025 from Provost & Pritchard Consulting Group stating that Reclamation District No. 2101 (Blewett Ranch) does not meet the criteria for "inactive special district" and provides information regarding the District's levee maintenance, assets and liabilities, and regulatory obligations (attached as Exhibit B).

Staff has reviewed the recent documentation provided by the Districts and CVFPB. Financial transaction information and the additional communications provided for Reclamation Districts 1602 and 2101 disqualify them as inactive. In addition, the CVFPB identified that all three Districts (1602, 2031, and 2101) actively maintain levee systems within their boundaries and are subject to ongoing maintenance assurance agreements, regulatory obligations, and annual levee inspections. Therefore, the Commission may determine that these Reclamation Districts do not meet the definition of inactive, thus not requiring an initiation of dissolution.

CONCLUSION

Based on the documentation and communications received, Staff recommends that the Commission determine Reclamation Districts 1602, 2031, and 2101 do not meet the criteria for inactive districts as defined in Government Code section 56042. Resolution No. 2026-03 has been prepared for the Commission’s adoption and is attached as Exhibit D. It should also be noted that the Commission made a similar determination regarding the districts in 2019 (following the receipt of a letter from the State Controller’s Office) based on information from the CVFPB regarding ongoing assurance agreements and maintenance.

While the Commission’s determination disqualifies the Districts as being “inactive” for the purposes of the dissolution process, the Reclamation Districts will remain responsible for functioning in accordance with all State laws as special districts. Reclamation Districts must continue to file their required reports with the State Controller’s Office on a regular basis to avoid being identified as potentially inactive in the future.

- Attachments:*
- Exhibit A: Letter from the State Controller’s Office Dated October 30, 2025
 - Exhibit B: Correspondence:
 - Letter from the Central Valley Flood Protection Board dated December 10, 2025
 - Email dated December 4, 2025, from Alex Dominguez with Klein-DeNatale-Goldner Law Office
 - Letter from Provost & Pritchard Consulting Group dated December 10, 2025
 - Exhibit C: Map of Reclamation District Nos. 1602, 2031 & 2101
 - Exhibit D: Draft Resolution No. 2026-03

This page intentionally left blank.

EXHIBIT A

**Letter from State Controller's Office
Dated October 30, 2025**

This page intentionally left blank.



RECEIVED
NOV 12 2025

BY:

MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

October 30, 2025

Sara Lytle-Pinhey
Executive Officer
Stanislaus LAFCO
1010 10th Street, 3rd Floor
Modesto, CA 95354

SUBJECT: Notification of Inactive Special Districts in County

Dear Executive Officer Lytle-Pinhey:

Chapter 334, Statutes of 2017 added various provisions to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 regarding inactive special districts. This bill requires the State Controller's Office (SCO) to create a list of inactive special districts based on information in the special district's Financial Transactions Report (FTR), to publish the list of inactive special districts on its website annually, and to notify the local agency formation commission in the county or counties in which the inactive special district is located.

Pursuant to Government Code (GC) section 56042, an "inactive special district" must:

- Meet the definition set forth in GC section 56036;
- Have no financial transactions in the previous fiscal year; and
- Have no assets, liabilities, outstanding debts, judgments, litigation, contracts, liens, or claims.

Pursuant to GC section 56879, the Commission is required to initiate dissolution of inactive special districts by resolution within 90 days of receiving this notice, unless the Commission determines that a district does not meet the criteria set forth in GC section 56042. Additionally, the Commission is required to notify SCO if it determines that district does not meet the dissolution criteria in GC section 56042. Once the dissolution process is complete, please inform SCO using the contact information on page 2.

- Enclosed is a copy of the list of inactive California special districts. The list is determined by financial data in each special district's Fiscal Year 2023-24 FTR. The list of inactive California special districts may also be found on the SCO website at: https://www.sco.ca.gov/ard_local_rep_freq_requested.html.

Local Government Programs and Services Division
Mailing Address P.O. Box 942850, Sacramento, CA 94250
3301 C Street, Suite 740, Sacramento, CA 95816

Sara Lytle-Pinhey
Executive Officer
October 30, 2025
Page 2 of 2

If you have any questions or need to notify us of a special district's status, please contact Jaswant Gill at JGill@sco.ca.gov or (916) 327-4366.

Sincerely,



Phillip Pangilinan
Manager
Local Government Reporting Section

Enclosures

PROOF OF SERVICE BY MAIL

I declare: I am a citizen of the United States, over the age of 18 years, and not a party to this action. My business address is State Controller's Office, 3301 C Street, Suite 740, Sacramento, California 95816.

On the date set forth below, I served the following entitled document:

Notification of Inactive Special Districts in County

by placing a true copy thereof in a sealed envelope addressed to the person(s) named below at the address(es) shown and by placing said envelope for collection and mailing, following our ordinary business practices. I am readily familiar with this business' practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

Name: Sara Lytle-Pinhey
Executive Officer
Stanislaus Local Agency Formation Commission

Address: Stanislaus LAFCO
1010 10th Street, 3rd Floor
Modesto, CA 95354

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on October 30, 2025 , at Sacramento, California.

Signature: 
Printed Name: Jaswant Gill

California State Controller's Office
List of Inactive Districts per Government Code section 56879
Source: Special Districts Financial Transactions Reports, Fiscal Year 2023-24

#	District Name	City	County
1	County Service Area No. 6 (Calaveras)	San Andreas	Calaveras
2	County Service Area No. 3 (Colusa)	Colusa	Colusa
3	County Service Area No. 32 (Santa Barbara)	Santa Barbara	Santa Barbara
4	Fall River Valley Irrigation District	Redding	Shasta
5	Sierra City Public Utility District	Downieville	Sierra
6	Reclamation District No. 2101	Fresno	Stanislaus
7	Reclamation District No. 2031	Modesto	Stanislaus
8	Reclamation District No. 1602	Patterson	Stanislaus
9	Rancho Saucos Water District	Tehama	Tehama
10	County Service Area No. 60 (Tuolumne)	Sonora	Tuolumne
11	County Service Area No. 56 (Yuba)	Marysville	Yuba
12	County Service Area No. 57 (Yuba)	Marysville	Yuba
13	County Service Area No. 58 (Yuba)	Marysville	Yuba
14	River Highlands Community Service District	Marysville	Yuba
15	Royal Pines County Service Area (Yuba)	Marysville	Yuba

EXHIBIT B

Correspondence

- **Letter from Central Valley Flood Protection Board
dated December 10, 2025**
- **Email from Alex Dominguez with Klein-DeNatale-
Goldner Law Office
dated December 4, 2025**
- **Letter from Provost & Pritchard Consulting Group
dated December 10, 2025**

This page intentionally left blank.

CENTRAL VALLEY FLOOD PROTECTION BOARD

3310 El Camino Ave., Ste. 170
SACRAMENTO, CA 95821
(916) 574-0609



December 10, 2025

Javier Camarena, Assistant Executive Officer
Local Agency Formation Commission
Stanislaus County
1010 Tenth Street, 3rd Floor
Modesto, California, 95354

**Subject: Reclamation Districts, Nos. 1602, 2031, and 2101
(Stanislaus County, California)**

Dear Javier Camarena:

Thank you for the opportunity to comment on the October 30, 2025, California State Controller's letter regarding the special districts it considers inactive. The three special districts noted above are local maintaining agencies (LMAs) that perform critical operation and maintenance of the federal-State flood control infrastructure, commonly referred to as the State Plan of Flood Control (SPFC).

The Central Valley Flood Protection Board (Board) is the State agency charged with managing the SPFC. In accordance with California Water Code Sections 12878, et seq., the Board, on behalf of the State, provided assurances to the federal government for operation and maintenance (O&M) of the SPFC. In those areas where the State was not the maintainer of the SPFC, the Board required the LMAs to guarantee the SPFC would be managed in perpetuity pursuant to the requirements set forth in the respective U.S. Army Corps of Engineers' (USACE) Operation and Maintenance Manuals.

The Board has executed assurance agreements with each of the subject LMAs above. They perform operation and maintenance work, including vegetation and rodent management, and active levee patrolling during high water events. The work performed by these LMAs is reflected in the most recent California Department of Water Resources' annual Inspection and Local Maintaining Agency Report (2024) and the USACE Inspection Reports. Also reflected is a summary of the LMAs' O&M expenses documented for the previous and current fiscal year (Attachment 1). RD 2031 has no documented expenses but continues to maintain their levee. Accordingly, if Stanislaus County Local Agency Formation Commission dissolves any of these LMAs, a successor agency must be identified to perform the ongoing operations and maintenance of the SPFC and to accept the obligations of the existing Assurance Agreements with the Board.

December 10, 2025

Page 2

We appreciate your courtesy in seeking the Board's input on this matter and would appreciate updates as the matter progresses. Please do not hesitate to contact me or our Chief Engineer, Michael Wright at Michael.Wright@CVFlood.ca.gov if you have any additional questions or concerns.

Sincerely,

Chris Lief

Chris Lief, Executive Officer

Attachments

cc: (via electronic copy)
RD 1602: Mark Childs, Matt Brady
RD 2031.: Martin Reyes; Bill Lyons, Jr
RD 2101: Steve Perez, Sara Pernu

Summary of RDs 1602 and 2101 expenses by DWR Local Maintaining Agency Assessment Unit

2024-2025 Expenses (Part 3)					
LMA Short Name	LMA ID	LMA Name	Rodent control	Vegetation control	Total
RD1602	32	Reclamation District No. 1602 (Del Puerto)	\$2,000.00	\$30,911.00	\$32,911.00
RD2101	160	Reclamation District No. 2101 (Blewett)	\$500.00	\$2,000.00	\$2,500.00

2025-2026 Expenses (Part 4)					
LMA Short Name	LMA ID	LMA Name	Rodent Control	Veg. Control	Total
RD1602	32	Reclamation District No. 1602 (Del Puerto)	\$1,500.00	\$26,889.00	\$28,389.00
RD2101	160	Reclamation District No. 2101 (Blewett)	\$500.00	\$2,000.00	\$2,500.00

Reclamation District No. 1602

Department of Water Resources
Division of Flood Management

Part 3 (01/01/2025 - 12/04/2025)

Flood Project Inspection and Assessment Branch
Local Maintaining Agency Assessment Section

ID	UNIT	CATEGORY	SLM	ELM	TOTAL ESTIMATED COSTS(\$)	FMAP(\$)	FSRP(\$)	FEATURE/CONDITION
57351	All Units	Rodent Control			\$ 2,000			
57350	All Units	Vegetation Control/Spray			\$ 3,000			
57349	All Units	Vegetation Control/Thin and Trim			\$ 21,428			
57352	All Units	Vegetation Control/Thin and Trim			\$ 6,483			

Reclamation District No. 1602

Total Budget: \$ 32,911.00

Total Contribution from FMAP:

Total Contribution from FSRP:

Reclamation District No. 1602

Part 4 (01/01/2025 - 12/04/2025)

Department of Water Resources
Division of Flood Management

Flood Project Inspection and Assessment Branch
Local Maintaining Agency Assessment Section

ID	UNIT	CATEGORY	SLM	ELM	TOTAL ESTIMATED COSTS(\$)	FMAP(\$)	FSRP(\$)	FEATURE/CONDITION
57353	All Units	Rodent Control			\$ 1,500			
57354	All Units	Vegetation Control/Spray			\$ 1,500			
57355	All Units	Vegetation Control/Thin and Trim			\$ 25,389			

Reclamation District No. 1602

Total Budget: \$ 28,389.00

Total Contribution from FMAP:

Total Contribution from FSRP:

PART 3 Reporting Form

Part 3: A summary of maintenance performed by the Local Agency during the previous fiscal year (July 1, 2024 – June 30, 2025)

Levee Type (please highlight or circle)	Maintenance Category (See Part 3 in Reporting Guidance)	Estimated Cost (\$)	Description of Activity	Additional Comments
Project Non-Project	Patrolling	\$0.00	Levee is patrolled daily as apart of our daily management activities.	None
Project Non-Project	Encroachment control	\$0.00	Monitoring and maintenance of encroachment points is part of our daily management activities.	None
Project Non-Project	Rodent Control/ Grouting	\$500.00	Gopher and ground squirrel holes are flagged and grouted quarterly.	None
Project Non-Project	Weed Control	\$2,000	Herbicides sprayed on a quarterly basis	None
Project Non-Project				

PART 4 Reporting Form

Part 4: A statement of levee work and estimated cost for operation and maintenance of the Project Levee (or jurisdictional Non-Project Levee) for the current fiscal year, as approved by the Local Agency (July 1, 2025 – June 30, 2026)

Levee Type (please highlight or circle)	Maintenance Category (See Part 3 in Reporting Guidance)	Estimated Cost (\$)	Description of Activity	Additional Comments
Project Non-Project	Patrolling	\$0.00	Levee is patrolled daily as apart of our daily management activities.	None
Project Non-Project	Encroachment Control	\$0.00	Monitoring and maintenance of encroachment points is part of our daily management activities.	None
Project Non-Project	Rodent Control/ Grouting	\$500.00	Gopher and ground squirrel holes are flagged and grouted quarterly.	None
Project Non-Project	Weed Control	\$2,000	Herbicides sprayed on a quarterly basis	None
Project Non-Project				

This page intentionally left blank.

Javier Camarena

From: Alex Dominguez <ADominguez@kleinlaw.com>
Sent: Thursday, December 4, 2025 10:44 AM
To: Javier Camarena
Cc: Sara Lytle-Pinhey
Subject: Reclamation District 1602

Importance: High

***** WARNING:** This message originated from outside of **Stanislaus County**. **DO NOT** click links or open attachments unless you recognize the sender and know the content is safe *******

Mr. Camarena:

My name is Alex Dominguez. Our office serves as general counsel for Twin Oaks Irrigation Company. We are in receipt of your November 21, 2025 letter regarding the “Dissolution of Reclamation District 1602 (Del Puerto).”

Recently, we have been exploring the possibility of reactivating Reclamation District 1602 (RD 1602). In fact, earlier this year, I met with Sara, the Executive Director of the Stanislaus County LAFCO regarding these efforts. During that meeting, Sara and I both agreed that because RD 1602 is technically an “active” special district, the only action needed to “reactivate” the District is to fill the Board of Trustees. Accordingly, we have been working with County Counsel and others to determine the best way to actually do so.

While I understand that the facts seem to have changed (i.e., the State has identified RD 1602 as “inactive”), we are still moving forward with our efforts to fill the Board of Directors. At this point, we are working with County Counsel to get this matter placed on a Board of Supervisors agenda. Accordingly, we request that LAFCO hold off on initiating the dissolution process, at least for 60 days.

Thank you,

Alex N. Dominguez

Attorney

Klein · DeNatale · Goldner
ATTORNEYS AT LAW

10000 Stockdale Highway, Suite 200 ▪ Bakersfield, CA 93311
Direct: 661-328-5337 ▪ Main: 661-395-1000 ▪ Fax: 661-326-0418
ADominguez@kleinlaw.com ▪ www.kleinlaw.com

The contents of this e-mail message, including any attachments, are intended solely for the use of the person or entity to whom the e-mail was addressed. It contains information that may be protected by the attorney-client privilege, work-product doctrine, or other privileges and may be restricted from disclosure by applicable state and federal law. If you are not the intended recipient of this message, be advised that any dissemination, distribution, or use of the contents of this message is strictly prohibited. If you received this e-mail message in error, please contact

the sender by reply e-mail. Please also permanently delete all copies of the original e-mail and any documentation. Thank you – Klein, DeNatale, Goldner, Cooper, Rosenlieb & Kimball, LLP

Disclaimer

The information contained in this communication from the sender is confidential. It is intended solely for use by the recipient and others authorized to receive it. If you are not the recipient, you are hereby notified that any disclosure, copying, distribution or taking action in relation of the contents of this information is strictly prohibited and may be unlawful.

This email has been scanned for viruses and malware, and may have been automatically archived by **Mimecast Ltd**, an innovator in Software as a Service (SaaS) for business. Providing a **safer** and **more useful** place for your human generated data. Specializing in; Security, archiving and compliance. To find out more [Click Here](#).

PROVOST & PRITCHARD CONSULTING GROUP

8950 Cal Center Dr, Ste 102, Sacramento, CA 95826 • (916) 918-2020
www.provostandpritchard.com

December 10, 2025

Stanislaus Local Agency Formation Commission
c/o Javier Camarena, Assistant Executive Officer
1010 10th Street, 3rd Floor
Modesto, CA 95354

RE: LAFCO Notice Initiating Dissolution Proceedings for Reclamation District No. 2101 (Blewett Ranch)

Dear Mr. Camarena and Members of the Commission:

On behalf of Reclamation District No. 2101 (Blewett Ranch), and in response to LAFCO's November 12, 2025 notice initiating dissolution proceedings under Government Code §56879, we respectfully submit this formal statement of opposition and request for immediate termination of the proceedings.

As demonstrated below, RD 2101 is an active, operational special district with ongoing obligations, infrastructure, assets, liabilities, regulatory responsibilities, and documented activity. The District does not meet the statutory definition of an "inactive special district" under Government Code §56042 and therefore cannot legally be dissolved under the SB 448 expedited dissolution framework. Additional information in support of this position is provided below:

ITEM 1. RD 2101 DOES NOT MEET THE CRITERIA FOR "INACTIVE SPECIAL DISTRICTS" UNDER GC §56042

Under state law, a district is "inactive" only if all the following are true:

1. The district filed no financial transactions during the prior fiscal year.
2. The district has no assets.
3. The district has no liabilities.
4. The district has no outstanding debts, contracts, judgments, litigation, or claims.

RD 2101 does not satisfy all the aforementioned criteria.

The District maintains:

- Active levee and drainage infrastructure, including the Main Drain (Coddington Drain), pumping operations, and interior drainage facilities serving approximately 1,420 irrigated acres,
- Ongoing operational costs, financial transactions, and annual assessments,
- Active maintenance and decision-making,
- Regulatory obligations, including coordination with DWR, CVFPB, Stanislaus County, and stormwater and drainage reporting requirements, and
- Assets and liabilities, including physical works, easements, levee systems, drainage systems, and maintenance responsibilities.

\\EgnyteDrive\Clients\Baker Manock_Jensen-1033\103321002-Pescadero WR App\0103321002 - Water Right Reporting\200 Technical\RD 2101\RD2101_DRAFT_LAFCO_Response_2025.docx

Engineering • Structural • Geotechnical • Surveying • Planning • Environmental • GIS • Construction Services • Hydrogeology • Consulting
Clovis • Visalia • Bakersfield • Modesto • Los Banos • Chico • Sacramento • Sonora • San Luis Obispo • Riverside • Camarillo • Boise, ID

Given these conditions, RD 2101 is legally barred from being classified as inactive, and LAFCO must terminate dissolution proceedings per §56879(b).

ITEM 2. THE COMMISSION ADDRESSED THIS ISSUE IN 2019 & REAFFIRMED RD 2101'S ACTIVE STATUS

Stanislaus LAFCO reviewed this classification in 2019 and reached a unanimous conclusion as summarized below:

- **January 23, 2019:** LAFCO adopted Resolution 2019-02 initiating dissolution for RDs 1602, 2031, and 2101 following the State Controller's erroneous inclusion of these districts on the "inactive" list.
- **March 27, 2019:** After staff review and updated documentation, LAFCO unanimously adopted Resolution 2019-07, terminating the dissolution proceedings.

The operational conditions that led to termination of the 2019 dissolution process still exist today. RD 2101 continues to maintain levees, drainage operations, and regional compliance efforts.

ITEM 3. PUBLIC SAFETY AND REGIONAL FLOOD MANAGEMENT REQUIRE RD 2101'S CONTINUED EXISTENCE

RD 2101's levees, interior drainage systems, and agricultural flood management assets protect productive farmland, rural residences, and essential economic activity. Dissolving the District would leave no successor agency prepared or obligated to maintain these facilities and would shift liability and financial responsibility to the County or landowners without a proper framework.

Therefore RD 2101 (Blewett Ranch) request immediate termination of these dissolution proceedings based on documented operations, statutory obligations, and prior Commission findings. RD 2101 clearly does not meet the "inactive" criteria. We respectfully request that LAFCO complete the following:

- Immediately terminate the 2025 dissolution proceedings,
- Correct any inaccurate State Controller classifications, and
- Incorporate the 2019 administrative record into the 2025 file.

RD 2101 remains committed to transparency and collaboration in cooperation with LAFCO, Stanislaus County, and regional partners.

Additional documentation is available upon request.

Please let me know if you have any questions.



Sara Harper, PE, CFM

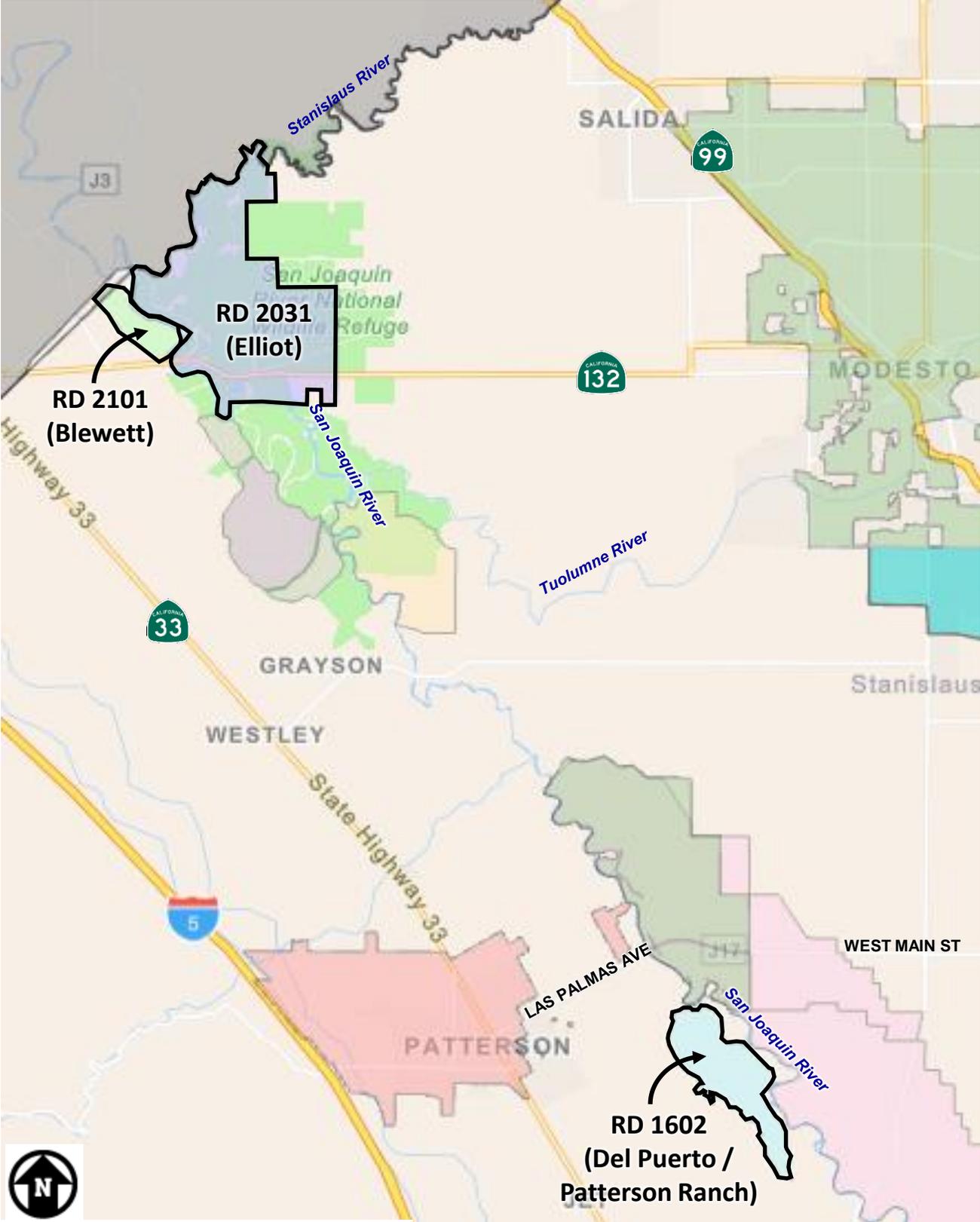
Cc: Taylor Christensen (via email)
Sara Pernu (via email)
Phil Christensen (via email)
Kevin King (via email)

EXHIBIT C

**Map of Inactive Reclamation Districts Nos.
1602, 2031 & 2101**

This page intentionally left blank.

Reclamation District Numbers 1602, 2031, 2101



Source – LAFCO files, County GIS, Jan. 2026

This page intentionally left blank.

EXHIBIT D

Draft Resolution No. 2026-03

This page intentionally left blank.

**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: January 28, 2026

NO. 2026-03

**SUBJECT: DETERMINATION OF DISTRICTS NOT QUALIFYING AS INACTIVE
PURSUANT TO GOVERNMENT CODE SECTION 56042**

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

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

THE FOLLOWING RESOLUTION WAS ADOPTED:

WHEREAS, Stanislaus LAFCO received a letter dated October 30, 2025 from the State Controller’s Office informing LAFCO of three potentially inactive districts: Reclamation District numbers 1602 (Del Puerto aka Patterson Ranch), 2031 (Elliot), and 2101 (Blewett);

WHEREAS, pursuant to Government Code section 56879, the Commission is required to initiate dissolution of inactive districts unless the Commission determines that the districts do not meet the criteria for inactive districts as set forth in Government Code section 56042;

WHEREAS, each of the affected Districts and the Central Valley Flood Protection Board were provided notice of the State Controller’s letter; and

WHEREAS, the Commission has received information that disqualifies each of the Districts (Reclamation Districts 1602, 2031 and 2101) from the definition of inactive pursuant to Government Code Section 56042.

NOW, THEREFORE, BE IT RESOLVED that the Commission:

1. Determines based on the information received that the three Districts identified (Reclamation Districts 1602, 2031, and 2101) do not meet the definition of inactive, pursuant to Government Code Section 56036.
2. Directs the Executive Officer to notify the State Controller’s office of the Commission’s determination.

ATTEST: _____
Sara Lytle-Pinhey
Executive Officer

**EXECUTIVE OFFICER'S AGENDA REPORT
JANUARY 28, 2026**

TO: LAFCO Commissioners
FROM: Sara Lytle-Pinhey, Executive Officer *SLP*
SUBJECT: SCHEDULE OF FEES AND DEPOSITS UPDATE

RECOMMENDATION

It is recommended that the Commission adopt an updated Schedule of Fees and Deposits to be effective February 1, 2026.

DISCUSSION

Government Code section 56383 allows LAFCOs to recover costs by charging fees, provided that the fees do not exceed the estimated reasonable cost of providing those services for which the fee is charged. LAFCO collects application fees for review of boundary changes, sphere of influence requests, out-of-boundary service extensions, and other LAFCO services. The majority of these fees are deposits. Projects are then cost-accounted to reflect the actual cost of processing the application. Should the cost be less than the deposit, the difference is refunded to the applicant. Should the cost exceed the deposit, the applicant is immediately notified and invoiced.

The last update of LAFCO's fee schedule occurred in 2024 and included an increase to the deposit for boundary changes, Activation of Latent Powers, Out-of-Boundary Commission Reviews, and Fire Service Contract Reviews and the addition of an Areawide Proposal (multiple parcels) deposit.

For the current update, Staff reviewed common application types to ensure that the deposits more closely reflected actual costs, including updated weighted labor rates.

Updated Fees & Deposits

The following outlines the recommended changes:

- The deposits for Request for Reconsideration have been increased by \$500 to accommodate weighted labor rates.
- The deposits for a Continuance Request and Time Extension Request by Applicant have each been increased by \$500, also to accommodate weighted labor rates.
- The Commission also collects fees on behalf of outside agencies, as required, including the California Department of Fish & Wildlife, whose fees have recently increased and are reflected on updated Schedule of Fees and Deposits for the applicant's information.
- A minor change to Section 7-A has also been made to add "mailroom costs" as a processing fee item. This is just to further clarify the fees for Postage and Mailroom Costs LAFCO is charging and being charged for.

No other changes to the Schedule of Fees and Deposits are needed at this time. Staff will continue to track costs associated with applications and return to the Commission in future years if changes to deposit amounts are needed.

Attachment: LAFCO Resolution No. 2026-04
Proposed LAFCO Schedule of Fees and Deposits

**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: January 28, 2026

NO. 2026-04

SUBJECT: UPDATED SCHEDULE OF FEES AND DEPOSITS

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, Government Code section 56383 authorizes a Local Agency Formation Commission to establish a schedule of fees and deposits for the costs of proceedings;

WHEREAS, it is the Commission’s policy that the fees should be based on actual processing costs plus the costs of necessary indirect and administrative functions;

WHEREAS, pursuant to Government Code section 66016, prior to levying a new fee or service charge, or prior to approving an increase in an existing fee or service charge, a local agency shall hold at least one open and public meeting, at which oral or written presentations can be made, as part of a regularly scheduled meeting;

WHEREAS, the Commission has heard and considered all oral and written comments provided on the updated fee schedule; and,

WHEREAS, the adoption and setting of fees is not considered a project under the California Environmental Quality Act under Regulations Code section 15273(a).

NOW, THEREFORE, BE IT RESOLVED that the Commission:

1. Finds that the fees set forth in Attachment 1 attached hereto do not exceed the estimated reasonable costs of providing the services for which the fees are charged and are necessary to pay the costs of operations related to filing and processing applications to the Stanislaus Local Agency Formation Commission.

2. Adopts the schedule of fees and deposits set forth in Attachment 1 attached hereto to become effective on February 1, 2026.

ATTEST: _____
Sara Lytle-Pinhey
Executive Officer

This page intentionally left blank.

SCHEDULE OF FEES AND DEPOSITS
(Effective February 1, 2026)

1. FILING FEES

All fees listed below are considered deposits unless otherwise noted. Deposit amounts will be combined for applications requesting multiple boundary changes or actions. Please verify the appropriate deposit amount with LAFCO Staff prior to submitting an application.

A. Boundary Changes

City or District Annexation.....	\$4,000
City or District Detachment	\$4,000
City or District Reorganization	\$4,500

B. District Formation, Consolidation, Dissolution

Formation of a Special District (includes SOI Adoption).....	\$8,500
District Consolidation/Merger	\$4,000
District Dissolution	\$4,000
Establishment of a Subsidiary District.....	\$3,500
Activation of Latent Powers (Additional Service) by a District	\$4,000

C. Sphere of Influence Amendment and/or Non-Scheduled
Municipal Service Review Update

.....	\$5,000
-------	---------

D. Incorporation \$15,000

E. Disincorporation \$5,000

F. Out-of-Boundary Service Extension Request

1. Executive Officer Review (Flat Fee)	\$ 500
2. Commission Review	\$2,000
3. Areawide Proposal (Multiple Parcels).....	\$2,500

G. Fire Service Contract Review \$2,500

H. Request for Reconsideration ~~\$2,000~~ **\$1,500**
This fee shall be returned to the applicant if the Commission determines that the reconsideration is required to correct a procedural defect in its earlier action.

I. Continuance Request or Time Extension Request
by Applicant..... ~~\$2,000~~ **\$1,500**

2. SUPPLEMENTAL FEES

A. Notice of Hearing: Actual Cost

Section 56157 of the Government Code requires that for certain applications, notice be provided to registered voters and owners of within the affected territory as well as those within 300 feet of the exterior boundary. The applicant will be required to reimburse LAFCO for the direct cost of this noticing.

B. Outside Consultant(s) Fees: Actual Cost

An additional fee may be charged based on actual cost to hire outside consultant(s) to prepare incorporation feasibility studies, comprehensive fiscal analyses or special studies.

C. County Surveyor: Actual Cost

LAFCO utilizes the services of the County Surveyor for review of legal descriptions. The first two hours of staff time associated with these tasks are factored into the application deposit. Projects requiring more than two hours of County Surveyor review are charged at actual cost.

D. Mapping Fees: Actual Cost

The County may also assist LAFCO in updating its boundary maps on the Geographical Information System (GIS). The first two hours of staff time associated with these tasks are factored into the application deposit. Projects requiring more than three hours of GIS mapping are charged at actual cost.

E. Service/Duplication Costs:

The majority of LAFCO records, including meeting videos, minutes, and reports, are available electronically at no charge. Hardcopies of documents, additional Staff research, and pre-application services will be charged according to the following chart Additional services not listed will be charged at actual cost.

Document Copying – Black & White	\$0.10 per page
Staff Research & Studies	Limited to one half-hour of staff time, then actual cost
Pre-Application Fees	Limited to one half-hour of staff time, then actual cost

F. Outside Legal Counsel Fees: Actual Cost

LAFCO may require the services of outside legal counsel to process an application. An additional fee may be charged at the discretion of the Executive Officer based on the actual cost to hire outside counsel.

3. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FEES

CEQA compliance is required for most LAFCO actions; these fees are in addition to the Filing Fees.

CEQA Exemption – LAFCO as Lead Agency	\$57
Initial Study – LAFCO as Lead Agency	Actual Cost
Prepare Negative Declaration - LAFCO as Lead Agency	Actual Cost
Prepare EIR – LAFCO as Lead Agency	Actual Cost
Stanislaus County Clerk/Recorder Filing Fees*	\$57
Fish & Wildlife Filing Fees*	
- Negative Declaration	\$3,043.75 2,916.75
- Mitigated Negative Declaration	\$3,043.75 2,916.75
- Environmental Impact Report (EIR)	\$4,227.50 4,051.25

*Other agency fees – subject to change without notice.

4. OTHER ACTIONS

- A. Non-Scheduled Municipal Service Reviews Actual Cost
- B. Petition Verification Actual Cost

Petition verifications are performed in-house whenever possible; however, some proposals require petition checks to be performed by either the County Elections Department or Assessor’s Office. These departments will bill LAFCO for the service, which is then passed on to the applicant.

5. STATE CONTROLLER’S REVIEW OF COMPREHENSIVE FISCAL ANALYSIS – FOR AN INCORPORATION PROPOSAL

For any request made pursuant to Government Code Section 56801, the requestor shall include a deposit of \$25,000 to cover the costs of the State Controller’s review. The requestor may be required to deposit additional amounts, as requested by the Executive Officer, to complete the review. Upon completion of the State Controller’s review and final billing to LAFCO, the requestor will either be: (a) refunded the amount that the deposit exceeds the actual cost of the State Controller’s review; or (b) charged the amount that the actual cost of the State Controller’s review exceeds the deposit(s). (The deposit amount includes a 10% administration and coordination fee, which is non-refundable.)

6. WORKSHOP FEES

Proponents or opponents of actions pending before the Commission may request that a workshop be held in their area. If the Executive Officer agrees to conduct such a workshop session, the requesting party shall reimburse LAFCO all costs associated therewith.

7. FEE POLICIES

- A. All deposits are initial payments toward the actual costs of processing (“project costs”). Project cost includes all staff time and materials. Materials include, but are not limited to, charges for advertisement of hearings, map and legal description review (up to 2 hours), postage/mailroom costs, copies, signature verification, in addition to fees for project reviews by affected agencies.
- B. If the actual costs exceed the deposit, the Executive Officer shall bill the applicant. The application shall not be processed further until the additional costs are paid. All final bills must be paid by the applicant prior to filing the Certificate of Completion.
- C. The Commission may, at its sole discretion, contract for outside assistance to assist in processing and review of an application before it. The types of assistance include, but are not limited to, legal, engineering, environmental, planning, appraisal, management, and clerical fields. The estimated or actual costs, as determined by the Commission for such assistance shall be deposited with the Executive Officer before an application will be processed further.
- D. Applicants are also responsible for payment of appropriate State Board of Equalization fees. The Executive Officer will determine the appropriate fee in accordance with the State Board of Equalization fee schedule. The fee, payable to the “State Board of Equalization”, shall be collected by the Executive Officer prior to the Certificate of Completion.
- E. Filing fees and deposits may be appealed before the Commission prior to the submittal of an application. A request for waiver shall be submitted in writing to the LAFCO Executive Officer and shall specify the reasons for the request. The appeal will be considered at the next regular meeting of the Commission.
- F. If the actual project costs are less than the deposit, the LAFCO Staff will refund the unused portion of the deposit to the applicant. For an application that has been denied, a refund of the unused portion (if applicable) shall be issued. The refund shall be made after the reconsideration period has closed. For an application that is approved, the refund shall be made when the LAFCO file is closed (typically when LAFCO receives written notice from the State Board of Equalization that the boundary change has been accepted). Refunds may not include fees which LAFCO collects for outside agencies.

**EXECUTIVE OFFICER'S AGENDA REPORT
JANUARY 28, 2026**

TO: LAFCO Commissioners

FROM: Javier Camarena, Assistant Executive Officer

**SUBJECT: 2026 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 2026. 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 2025, LAFCO Staff completed MSR updates for the following districts:

- Denair Community Services District
- Orestimba Creek and Sand Creek Flood Control Districts

LAFCO Staff also initiated the MSR updates for the following districts that are still in progress:

- Keyes Community Services Districts

- Del Puerto Healthcare, Westside Community Healthcare and Oak Valley Hospital Districts

2026 Goals - Special Districts

Staff will initiate MSR updates for the following special districts in 2026 to stay aligned with the five-year schedule:

- County Service Areas (CSAs) 22 total
- Patterson and West Stanislaus Irrigation Districts
- Eastin, El Solyo, Del Puerto and Oak Flats Water Districts

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.

City MSR 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. The most recent city MSR approved by the Commission was for the City of Patterson in July 2023, to accommodate a simultaneous Sphere of Influence amendment.

A chart outlining the adoption dates for City MSRs is attached to this report. 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.

Current Efforts

In addition to the MSR-SOI updates, the following summarizes additional efforts currently underway by Staff.

- City of Waterford – The City recently approved a 43-acre project of which 19.2-acres will be subdivided to create 98 single-family lots. The City is planning on annexing the territory and is currently in the process of completing its application to LAFCO.
- Keyes Community Services District (CSD) – The District recently approved a resolution of application to request a Sphere of Influence (SOI) Amendment and Annexation for the Keyes CSD. The SOI amendment would move the SOI to be coterminous with the southern portion of the Keyes Community Plan. The District is currently in the process of completing its application to LAFCO.
- Stanislaus County – The County recently applied to LAFCO requesting to annex 5-acres and amend the Sphere of Influence for County Service Area No. 19 (Tuolumne-Gratton). LAFCO Staff is currently reviewing the application.
- Stanislaus County – The County also recently approved a resolution of application to request the annexation of 19.56-acres and amend the Sphere of Influence for County Service Area No. 21 (Riopel). The County is currently in the process of completing its application to LAFCO.

- Staff continues to receive inquiries and pre-application meeting requests related to various upcoming city and district projects. Staff will continue to monitor these potential proposals.

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 2026 Work Program throughout the year.

Attachments:

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

This page intentionally left blank.

SPECIAL DISTRICTS
MSR & SOI UPDATE SCHEDULE - BY YEAR

	DISTRICT	LAST MSR COMPLETED
2026	Community Services District - Keyes	<i>In progress</i> January 22, 2020
	Healthcare & Hospital Districts - Del Puerto Healthcare, Westside Community Healthcare, and Oak Valley Hospital Districts	<i>In progress</i> August 26, 2020
	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
2027	Water District - Western Hills Water District	January 26, 2022
	Community Services District - Monterey Park Tract	May 25, 2022
	Community Services District - Knights Ferry	April 27, 2022
	Irrigation Districts - Modesto Irrigation District	September 28, 2022
	Turlock Irrigation District	September 28, 2022
	Community Services District - Riverdale Park Tract	October 26, 2022
2028	Drainage District - Newman Drainage District	September 27, 2023
	Sanitary District - Empire Sanitary District	February 28, 2024
	Salida Sanitary District	April 26, 2023
	Water District - Rock Creek Water District	February 28, 2024
	Mosquito Abatement Districts - Turlock and Eastside	October 25, 2023
	Irrigation District - Oakdale Irrigation District	September 27, 2023
2029	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	March 27, 2024
	Resource Conservation Districts - East Stanislaus and West Stanislaus	September 25, 2024
	Cemetery Districts - Hills Ferry, Knights Ferry and Patterson	April 24, 2024
	Community Services District - Crows Landing, Grayson, Westley	October 23, 2024
	Water District - Eastside Water District	July 24, 2024
	2030	Flood Control Districts - Orestimba Creek and Sand Creek
Community Services District - Denair		August 27, 2025

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

CITY	MSR-SOI ADOPTION	NOTES
Ceres	February 22, 2012	<i>City completed a General Plan Update (no SOI proposal included).</i>
Hughson	August 24, 2005	-
Modesto	September 22, 2004	<i>City restarted a Comprehensive General Plan Update in 2025, has been 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) in 2015.</i>
Patterson	July 26, 2023	<i>Completed as part of SOI Modification in 2023</i>
Riverbank	July 27, 2016	<i>MSR approved as part of a SOI modification in 2016.</i>
Turlock	August 28, 2019	<i>MSR approved as part of minor SOI modification</i>
Waterford	August 22, 2007	-

Stanislaus LAFCO, Jan. 2026

**EXECUTIVE OFFICER'S AGENDA REPORT
JANUARY 28, 2026**

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 eligible to be Chairperson, as well as Commissioner Vito Chiesa. Commissioners Amy Bublak and Sue Zwahlen are eligible for Vice-Chairperson. (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, 2026, to January 31, 2027.

Attachments: Rotation Schedule
Draft LAFCO Resolution No. 2026-01a & 2026-01b

COMMISSIONER ROTATION SCHEDULE

				<u>Rotation</u>
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	Withrow O'Brien	County City	E
2/2023 – 1/2024	Chairperson Vice-Chairperson	O'Brien Chiesa	City County	A
2/2024 – 1/2025	Chairperson Vice-Chairperson	Chiesa Lane	County Public	B
2/2025 – 1/2026	Chairperson Vice-Chairperson	SKIPPED	Public City	C
2/2025 – 1/2026	Chairperson Vice-Chairperson	Bublak Withrow	City County	D
2/2026 – 1/2027	Chairperson Vice-Chairperson		County City	E

**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: January 28, 2026

NO. 2026-01a

SUBJECT: Annual Election of Officers (Chairperson)

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

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

THE FOLLOWING RESOLUTION WAS ADOPTED:

WHEREAS, in accordance with Government Code Section 56334 and Commission Rules of Order, the members of the Commission shall 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 expires on January 31, 2026; 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, 2026, through January 31, 2027.

ATTEST: _____
Sara Lytle-Pinhey
Executive Officer

**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: January 28, 2026

NO. 2026-01b

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 expires on January 31, 2026; 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, 2026, through January 31, 2027.

ATTEST: _____
Sara Lytle-Pinhey
Executive Officer