



**STANISLAUS LAFCO
LOCAL AGENCY FORMATION COMMISSION**

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Chair Terry Withrow, County Member
Vice Chair Sue Zwahlen, City Member
Amy Bublak, 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, March 25, 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 201 Webinar flier.

2. CALAFCO Quarterly Update, March 6, 2026.

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 JANUARY 28, 2026, LAFCO MEETING**
(Staff Recommendation: Accept the Minutes.)

B. **LAFCO APPLICATION NO. 2026-01 – ELMWOOD ESTATES CHANGE OF ORGANIZATION TO COUNTY SERVICE AREA NO. 19 (TUOLUMNE-GRATTON):**
The Commission will consider a request to annex 5 acres to County Service Area No. 19 (Tuolumne-Gratton) for the storm drainage and landscaping of a future subdivision located on the east side of Story Road, between Hillsdale Drive and Walton Street in the Denair area. The annexation to CSA No. 19 will also include a Sphere of Influence amendment. Stanislaus County, as Lead Agency under the California Environmental Quality Act (CEQA), approved a Negative Declaration for the project. LAFCO, as a Responsible Agency, will consider the environmental documentation prepared by the County as part of its action. (Staff Recommendation: Approve the proposal and adopt Resolution No. 2026-06.)

C. **INDEPENDENT AUDIT FOR FISCAL YEARS 2023-2024 and 2024-2025.** (Staff Recommendation: Accept and File Audit Report.)

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.

A. **LAFCO APPLICATION NO. 2026-02 – FAHMY CHANGE OF ORGANIZATION TO THE CITY OF WATERFORD:** The Commission will consider a request from the City of Waterford to annex 43.27 acres located at the northeast intersection of North Eucalyptus Avenue and Yosemite Boulevard (State Highway 132) and adjacent to Richard M. Moon and Lucille Whitehead Schools. The proposed annexation includes an existing mobile home park, 19.2-acre future subdivision and additional properties. The City, as Lead Agency under the California Environmental Quality Act (CEQA), approved a Mitigated Negative Declaration for the project. LAFCO, as a Responsible Agency, will consider the environmental determination prepared by the City as part of its action. (Staff Recommendation: Approve the proposal and adopt Resolution No. 2026-07.)

7. OTHER BUSINESS

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 April 22, 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.

Sign Up Today!

CALAFCO-U Training Series

LAFCO 201

Applying Judgment in Complex Decisions

Wednesday, April 22, 2026
10:00-11:30 a.m.

Includes
Live Q&A



Building on the strong engagement in LAFCO 101, CALAFCO-U continues its 2026 training series with an advanced, practitioner-led session designed for commissioners and staff ready to move beyond foundational knowledge to confident, applied decision-making.

Complex proposals demand careful statutory interpretation, thoughtful application of local policy and sound judgment. Join us for LAFCO 201, 90 minutes of focused discussion, practical insights and interactive Q&A with legal counsel and experienced Executive Officers.

What Participants Will Gain

- ✓ Clearer Interpretation of LAFCO Statutes and Trends
- ✓ Analytical Tools for Reviewing Challenging Proposals
- ✓ Strategic Perspective on Municipal Service Reviews and Sphere Planning
- ✓ Governance Practices that Strengthen Commission Deliberations

Cost

Free to CALAFCO Members*

Non-members: \$125**

Registration

Sign-up through www.calafco.org

Questions?

Contact CALAFCO at info@calafco.org

*CALAFCO Members include Member LAFCOs (staff and commissioners) and Associate Members. **Registration for non-members is limited to California local and state agency representatives.

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 18 years of hands-on LAFCO experience across several counties.



Brian Spanhurst — Executive Officer, Fresno LAFCO. Brian has been involved with leadership and teamwork skill development for 24 years.

California Association of
Local Agency Formation Commissions

CALAFCO

SUPPORTING SUSTAINABLE
COMMUNITY GROWTH

Four months into this role, I want to share where we are and what you should expect next. Since November, the focus has been steady progress – getting our footing, tightening communication, and moving forward without disruption.

HERE'S WHERE THAT STANDS.

Board Structure Changes: At the February Special Business Meeting, members overwhelmingly approved two governance changes: allowing Executive Officers to serve as voting Board members and eliminating Board “seat type” categories. Those changes take effect with the 2026 election cycle. These proposals didn't come out of nowhere. They came from real conversations across the state. When the feedback was consistent, we moved forward.

Due Structure Review: Another theme I heard repeatedly is that the current dues model – partially based on county population – may no longer reflect today's realities. There are no changes underway, but we should approach the discussion thoughtfully, starting at the May Board Meeting.

Legislative Involvement Back in the Forefront: On the legislative side, engagement is growing. The January Legislative Committee meeting had 38 attendees. That level of participation tells me members want to stay informed and involved. The Legislative Committee has standing meetings scheduled, and member LAFCOs (staff and commissioners) are welcome to attend. I will begin providing more consistent updates on legislation affecting LAFCOs statewide. The goal is to have CALAFCO sponsor legislation that matters starting next year. We're building that foundation now.

More Fiscal Transparency: Financial reporting is another area we're tightening up. I recently retained a CPA to help reorganize and simplify our budget structure. Beginning in May, the Board will start receiving clearer budget-to-actual reports. The goal is simple: clean data and a realistic FY 2026-27 budget.

Educational Events are a Pillar for CALAFCO:

Education and engagement remain strong. CALAFCO-U continues to draw solid participation, and the next session is scheduled for April. The 2026 Staff Workshop will take place May 6-8 in Pismo Beach. We've built time into the program for substantive governance conversations and practical operational discussions – the kind most useful once everyone is back home.

LAFCO Outreach: I've also continued meeting with LAFCOs, both members and nonmembers, to listen and share updates. Those conversations matter. They help ensure that CALAFCO's direction reflects what's happening on the ground. If your Commission would like a visit or an update, I'm always happy to connect

SO, WHAT'S NEXT: Between now and May, our focus is straightforward:

- 1) Implement clearer financial reporting.
- 2) Deliver a strong Staff Workshop.
- 3) Explore *practical* website improvements that improve usability and organization.

CALAFCO is in a good place. Now it's about doing the work well and doing it consistently. As always, I welcome your thoughts.

Michelle McIntyre

IN THE NEWS

Newspaper Articles

- Modesto Bee, January 28, 2026, “Stanislaus adopts plan to protect wells in Modesto area, comply with state.”
- Westside Connect, January 28, 2026, “Newman to receive more than \$160,000 in regional housing planning funds.”
- Westside Connect, January 28, 2026, “Newman reports sharp drop in development fee revenue, reviews \$8.5 million in capital funds.”
- Patterson Irrigator, February 5, 2026, “Patterson installs a new acting fire chief.”
- Modesto Bee, February 12, 2026, “Modesto plans to grow. But where to place housing and industry are tougher decisions.”
- Patterson Irrigator, February 12, 2026, “Chief Jeff Frye fills newly-created role of West Stan Fire Chief.”
- Modesto Bee, February 12, 2026, “Stanislaus County begins project to improve neglected neighborhood in Modesto.”
- Modesto Bee, February 13, 2026, “As Modesto expands north, city opts for narrower main streets, roundabouts.”
- Westside Connect, February 20, 2026, “Stanislaus County approves temporary loan authority for Crows Landing Community Services District.”
- Ceres Courier, March 4, 2026, “Copper Trails specific plan approved by commission.”
- Modesto Bee, March 10, 2026, “Drinking water from Stanislaus County’s domestic wells can be dangerous. Here’s why.”
- Westside Connect, March 11, 2026, “Westside Community Health Care District Board of Directors to consider proposed tax measure for primary election.”
- Patterson Irrigator, March 12, 2026, “\$200,000 donation given for Del Puerto Hospital Foundation.”

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IN THE NEWS – Modesto Bee, January 28, 2026

Stanislaus adopts plan to protect wells in Modesto area, comply with state

By Ken Carlson

Stanislaus County supervisors adopted a well mitigation and management plan Tuesday for the groundwater underlying most of the northern part of the county.

County government has jurisdiction over the eastern and western unincorporated areas that are not within irrigation districts — about 22% of the groundwater basin.

Modesto, Oakdale, Riverbank, Waterford, Modesto Irrigation District and Oakdale Irrigation District are the other members of the Stanislaus and Tuolumne Rivers Groundwater Basin Association, which is expected to comply with the state's groundwater mandates.

A groundwater sustainability plan was adopted in 2022 and submitted to state regulators. Two years later, the California Department of Water Resources said the plan was incomplete. The department told the local association to revise the plan to halt a decline in groundwater levels.

According to a report Tuesday from county Water Resources Manager Christy McKinnon, groundwater levels are expected to decline before management efforts reverse the pattern.

Almost 30 wells are at risk of failing if there is no action.

The groundwater plan will focus on mitigations for domestic wells and small drinking water systems that have been impacted by declining groundwater since 2022. It will apply only to wells affected by groundwater depletion, not electrical problems or the effects of age.

Owners eligible for assistance can receive emergency water through a contract with Self Help Enterprises until well replacement or connection to a public system. Applicants may qualify for up to \$40,000 per well.

The member agencies must approve the management plan before the association adopts it Wednesday. The agencies still need to develop action plans for groundwater management in respective areas. The demands on groundwater may be reduced through conservation, land fallowing, a change in crop patterns, and projects such as groundwater recharge.

McKinnon's report said groundwater levels are fairly stable in the Modesto Irrigation District and the western out-of-district area, so action plans are not currently necessary. The county is responsible for implementation in the eastern and western areas.

Supervisor Terry Withrow succeeded in adding a board recommendation for a third-party consultant to review studies on groundwater issues that were done for the eastern and western areas. He said the studies contained conflicting data and results.

"Anybody who has been part of this over the last three to four years has seen we have this east vs. west thing going on," Withrow said.

Supervisor Mani Grewal, who represents most of Modesto, said he wants to make sure urban ratepayers don't subsidize agricultural pumping outside of water districts. In any cost-recovery plan, the parties benefiting from groundwater protections should bear the associated costs, he said.

NEWS – Modesto Bee, January 28, 2026 - Continued

The local agencies need sustainable groundwater measures to protect drinking water and prevent state intervention such as costly fees and well monitoring. If the state were to intervene, the fees may be \$300 per well in addition to pumping charges up to \$55 per acre-foot.

IN THE NEWS – Modesto Bee, January 28, 2026

Newman to receive more than \$160,000 in regional housing planning funds

By Sabra Stafford

NEWMAN — The Newman City Council on Jan. 13 approved a Memorandum of Understanding with the Stanislaus Council of Governments (StanCOG) that will bring more than \$160,000 in state housing-planning funds to the city as part of California's Regional Early Action Planning Grant Program, known as REAP 2.0.

The agreement allows Newman to receive \$164,061 to support implementation of its state-mandated 6th Cycle Housing Element, the long-range planning document that outlines how the city will accommodate future housing needs. The funding comes from a statewide pool administered by the California Department of Housing and Community Development, which made \$560 million available to regional agencies for local planning efforts.

StanCOG, the regional transportation planning agency and metropolitan planning organization for Stanislaus County, is responsible for distributing REAP 2.0 funds to local jurisdictions. Once the StanCOG board finalizes allocations, cities throughout the county will be able to draw on the money to complete housing-related planning work required by the state.

Under the terms of the MOU, Newman may receive up to \$168,900, though the city's current allocation is listed at \$164,061. The funds must be used for tasks outlined in the city's REAP 2.0 application and approved by the state. All work must be completed by Dec. 31, 2026, with final reporting due to StanCOG by Jan. 31, 2027. No extensions will be granted unless authorized by the state housing department.

The agreement also outlines detailed reporting, accounting and compliance requirements. Newman must maintain separate financial records for the grant, follow all state and federal regulations tied to the funding, and submit quarterly progress reports and reimbursement requests to StanCOG. The city is also required to ensure that any contractors hired under the grant are not debarred or suspended from state or federal programs.

City Manager Michael Holland will serve as Newman's project manager and primary point of contact for the program. StanCOG project manager Michael Sigala will oversee regional coordination and compliance.

City staff recommended approval of the MOU, noting that the funding will have a positive fiscal impact and will help the city meet state housing mandates. The council approved the agreement as part of its consent calendar.

IN THE NEWS – Modesto Bee, January 28, 2026

Newman reports sharp drop in development fee revenue, reviews \$8.5 million in capital funds

By Sabra Stafford

NEWMAN — The Newman City Council on Jan. 13 reviewed its annual Capital Facilities Fees report, a state-required accounting of how the city collects and spends development impact fees used to build parks, public buildings, storm drains and other infrastructure needed to support growth.

The report, covering the 2024–25 fiscal year, shows the city is holding nearly \$8.5 million across four capital funds, even as revenue from new development fell sharply. According to the report, Capital Facilities Fee revenue dropped 44 percent from the previous year, a decline city staff attributed to high interest rates slowing construction activity. Despite the downturn, revenue remains significantly higher than it was five years ago, rising 310 percent since 2020–21.

State law requires cities to publicly disclose the beginning and ending balances of each fund, the amount of fees collected, interest earned, refunds issued, interfund transfers, and the specific projects funded during the year. The report is mandated under Section 66006 of the California Government Code, commonly known as AB 1600.

Newman collects Capital Facilities Fees on new development to help pay for infrastructure needed as the city grows. The four funds include the Park Facility Fee (Fund 16), Public Facility Fees (Fund 40), Supplemental Impact Fees (Fund 41) and the Storm Drain Fee (Fund 42).

As of June 30, 2025, the Park Facility Fee fund held \$1.42 million, the Public Facility Fees fund held \$5.33 million, the Supplemental Impact Fees fund totaled \$1.37 million, and the Storm Drain Fee fund ended the year with \$399,785. The Public Facility Fees fund also received a \$308,760 grant, the only grant revenue reported this year.

Expenditures were minimal across most funds. Fund 40, which supports police, fire, city hall, traffic improvements and other public facilities, spent about \$118,755 on contract services, planning and administrative costs. The other three funds reported no expenditures for the fiscal year.

The city issued no refunds during 2024–25, though staff noted that refunds are not uncommon when projects are canceled or fees are overpaid.

The report also outlines how each fund may be used. Park fees support the acquisition and development of parks; public facility fees fund police, fire, city hall and other civic buildings; supplemental impact fees support sewer, water, planning and downtown improvements; and storm drain fees pay for expansions and upgrades to the city's drainage system.

City officials noted that if a jurisdiction fails to comply with AB 1600 requirements or no longer needs the fees for their intended purpose, it may be required to refund the money to property owners.

The council accepted the report with no changes. The full document is available to the public as part of the Jan. 13 meeting agenda.

Patterson installs a new acting fire chief

By Timothy Benefield

After many months of stressful relations between the Patterson Firefighters Association and the administration of the City of Patterson, the situation quickly and quietly entered a new stage in the past couple of weeks. The tension began in 2024 when Jeff Frye was appointed as the Fire Chief of the Patterson Fire Department. The local union had been looking to fill that position internally. When the new chief began to implement new procedures to modernize the department, the strain on the relationship between the union and administration only increased.

To complicate matters a little more, the Patterson fire chief position had previously included overseeing the volunteer-staffed West Stanislaus County Fire Protection District (WestStan). While the union did not support the new chief, the volunteers of WestStan did. A third-party assessment of the situation in 2025 concluded that, while emergency coordination between the two agencies was handled professionally, tension did exist. The assessment ultimately concluded that the Patterson Fire Department was “a department that stands at a crossroads.” Recommendations were made for the chief’s management style along with observations about the growing pains that the department may be facing while still transitioning from an all-volunteer department to a professional fire department. It was unclear what the final conclusion of the standoff would be.

Early in 2026, the Board of Directors for WestStan took a step that may have provided some unexpected resolutions. The board voted to create a paid fire chief position. This position was offered to Jeff Frye. According to Patterson City Manager Fernando Ulloa, Chief Frye gave a notice to the city and submitted his resignation. A more complete look into the steps taken by the WestStan board and Chief Jeff Frye will be presented in the Irrigator next week.

Upon this resignation, the Patterson City Council appointed Jeff Hakola as the Acting Fire Chief. Hakola was already well known to the Patterson Fire Department and the City of Patterson as he had been serving as a Division Chief of Operations and Training for the department. He came to the Patterson Fire Department in March 2022 and has quickly earned the respect of the department and the city.

The Irrigator spoke with Acting Chief Hakola after the City Council meeting on Tuesday night and learned that he has 35 years of experience as a firefighter. Before coming to Patterson, he worked in fire departments for Orange County and the City of Merced. According to the Patterson Firefighters Association, “Chief Hakola rises from the Division Chief rank within the City of Patterson and brings with him a strong record of collaboration with both city and union leadership.” He is described as a leader who “has demonstrated a commitment to developing progressive programs and implementing creative solutions that strengthen our department and enhance public safety.”

A social media post by the Patterson Firefighter’s Association said, “During this period of transition, we move forward with shared lessons from the past and a renewed commitment to working collaboratively. Together, we will continue to ensure that the citizens of Patterson are served by a modern, highly capable fire department while maintaining strong labor management cooperation.”

Local resident Kandace Weyhrauch has had multiple opportunities to interact with Chief Hakola in her role with various nonprofits in Patterson. She described the new acting chief as someone who has “served at every level of the fire service, from fireman to Division Chief giving him a strong operational foundation and leadership perspective.” According to Weyhrauch, “He is recognized for strengthening firefighter safety, improving training and preparedness, and building strong working relationships with partner agencies, community organizations, and city leadership.” Chief Hakola’s service has earned him multiple honors including Firefighter of the Year and the Cal Fire Director’s Award.

Mayor Mike Clauzel and the City Council welcomed him to the position of Acting Fire Chief in the council meeting as he took his place at the table representing the Patterson Fire Department. A number of firefighters were also present in the meeting to show their support for his appointment.

IN THE NEWS – Patterson Irrigator, February 5, 2026 – Continued

City Manager Fernando Ulloa said the City Council will be looking at where the fire department is and what they will be looking for in a permanent fire chief. He expects that the recruitment of a new fire chief will begin in the near future after they update the information for their ideal candidate. While there will continue to be a cooperative agreement between the Patterson Fire Department and the West Stanislaus County Fire Protection District, there will no longer be a dual role for the fire chief. Ulloa said that the recruitment process will be open for external and internal candidates.

Acting Fire Chief Jeff Hakola told the Irrigator that he definitely intends to put himself in the running for the next permanent Patterson Fire Chief.

IN THE NEWS – Modesto Bee, February 12, 2026

Modesto plans to grow. But where to place housing and industry are tougher decisions

By Ken Carlson

The city of Modesto appears determined to grow and expand its economic base with the 2050 General Plan update.

Officials are running into familiar tensions in a city that was growing fast in the 1990s but also has tried to control development with sewer extension advisory votes. A Stanislaus County anti-sprawl initiative was approved by 68% of voters in 2008.

The city unveiled land use options at workshops in December, noting that Modesto has not grown for years while other cities in Stanislaus County have expanded and captured economic opportunities.

The city also hears public appeals for more housing to relieve a shortage and for high-paying skilled jobs.

City staff has been gathering comments on three land use alternatives, including a “competitive” or aggressive plan, a moderate plan and a strategy for minimal growth. The general plan update will guide the city’s development through 2050.

Notably, this general plan overhaul will have sections on climate change and environmental justice, and may be influenced by the state’s urgency to add housing.

Councilmember Nick Bavaro said he wants to review more information before committing to any option. He said his focus is on a general plan with designations for industrial and commercial uses that will attract industries and well-paying jobs. The plan also should serve to increase the city’s residential inventory, he said.

“If Modesto does not grow, Riverbank, Patterson and other communities surrounding Modesto will pick up the slack,” Bavaro said. “I have not committed to any final map yet. Staff are still listening to the public.”

The growth options have created contention by planning residential development north of Kiernan Avenue either partly or all the way to Ladd Road.

The Vote for Farmland group has said housing subdivisions north of Kiernan would destroy highly productive farmland and cover an important groundwater recharge area. The group has threatened a ballot measure to make Kiernan the northern city limit.

The city will give a presentation on the land use alternatives at a meeting in Salida at 6:30 p.m. Wednesday, Feb. 18, in the Salida Library community room. City staff has said the general plan update won’t change the county-approved Salida Community Plan, which is a blueprint for 3,400 acres of industrial, commercial and residential development along Kiernan between Sisk and Dale roads.

Industrial corridor proposed along Highway 132 bypass

The growth options also have revived proposals for development in the so-called Beckwith Triangle, including regional commercial and a business park across Highway 99 from Vintage Faire Mall.

Also piquing people’s curiosity is a map showing industrial and business center development along the Highway 132 bypass corridor as far as Hart Road. The industrial area would emerge between Maze Boulevard and Woodland Avenue.

NEWS – Modesto Bee, February 12, 2026 - Continued

The city's land use proposals brought 125 residents of Wood Colony to a meeting last month at Hart-Ransom School, which was reminiscent of Wood Colony's strong opposition to proposed city expansion in 2015.

County Supervisor Terry Withrow, who has pushed for completing the 132 bypass, said he doesn't know where the concept for a business park corridor came from and does not support it.

Withrow said the 132 bypass is intended to move goods in and out of Modesto more smoothly. The supervisor said he didn't know of any industries or businesses that want to locate operations in that area.

"We don't want to encourage development out there," Withrow said. "I think (the city) is drawing a map and seeing what they can get."

Withrow added there is no interchange where Dakota Avenue meets the bypass route, which would be essential for developing that area. "The first interchange will be at Hart Road and that is years out before that will happen," he said.

Councilman Chris Ricci said he wasn't aware of specific ideas for business parks proposed along Highway 132. "What the city is aware of is we need more businesses to develop and so the city is making suggestions," Ricci said. "It does not mean people are lined up for that area."

Ricci said the city's goal is to maintain the identity of Wood Colony as an agricultural community. City staff has noted that the land use proposals do not touch the 1,760-acre Wood Colony settlement boundaries that date to 1870.

Wood Colony community leaders are concerned that any development, whether in the Beckwith Triangle or along Highway 132, would induce more development in the scenic area west of Modesto. Maze Boulevard, or Highway 132, is the southern limit of the boundaries drawn for the Wood Colony Municipal Advisory Council.

"That whole area is such a lightning rod for controversy, my take is we need to be very careful there," Ricci said.

Bavaro said, "I don't hear rumblings that the council wants to pave over Wood Colony."

City confronts the housing shortage

Based on what's happened in the last 20 years, growth is going to occur, Ricci said. Modesto's lack of growth has meant only that other cities expanded.

Modesto leaders are aware of the need for more housing opportunities for everyone from young families to people struggling with rental costs.

"I think housing costs are one of the biggest reasons that people struggle economically," Ricci said, adding that the expense contributes to the homelessness epidemic. "One of the best ways to address that is by increasing supply. We need all types of housing."

Even some anti-sprawl advocates have said they're OK with housing development on the eastern fringe of Modesto, where farmland is less productive. The city's growth options plan some residential areas north of Briggsmore Avenue, east of Claus Road.

Bavaro, describing his ideology as pro-business, pro-growth and pro-environment, said he could lean toward residential development on the east side of Modesto — given the option. He said his pro-environment position refers to clean water and air and good sustainable businesses that help the economy.

The climate change section of the general plan update is necessary, Bavaro said. "People talk about more rail, more bike and walking paths. When talking about growth, in that same conversation you need to talk about the environment."

NEWS – Modesto Bee, February 12, 2026 - Continued

The city's competitive option would add 13,800 acres for potential growth and increase land designated for residential by 16%, residential and commercial mixed use by 21%, regional commercial by 84%, business centers by 122% and industrial by 46%.

The more moderate option, adding 12,380 acres, would increase residential by 21%, mixed use by 49%, regional commercial by 55%, business centers by 33% and industrial by 20%. The minimal growth option, adding 9,330 acres, would increase acreage for residential by 17%, mixed use by 23% and regional commercial by 67%, with no net increase for business centers or industrial uses.

The city has proposed areas for business operations and employment on the south side of Kiernan for some time, and the new options designate business centers on the east side of McHenry Avenue, north of Kiernan.

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Chief Jeff Frye fills newly-created role of West Stan fire chief

By Timothy Benefield

It was a decision that has been developing for twenty years. In January 2026, the West Stanislaus County Fire Protection District (WestStan) Board of Directors voted to create a paid chief position. The West Stanislaus County Fire Protection District was founded in 1935 under the 1935 Fire District Act. Originally, the department was all volunteer and it provided protection for the entire district of 625 square miles. Over time, the city of Patterson began developing its own volunteer fire department. For many years, the Fire Chief of the Patterson Fire Department (PFD) has simultaneously been the Fire Chief for the WestStan department as well.

In 2005, the Patterson Fire Department started hiring paid, career firefighters and began a gradual separation process between the two departments. This process certainly provided at least some of the tension that had reached a boiling point over the past year between the then-PFD Chief, Jeff Frye, and the union for the Patterson firefighters. While the WestStan volunteers have been in strong support of Chief Frye, the Patterson Firefighters Association has not. A third-party assessment in 2025 confirmed that, while the two departments worked together professionally in the field, there were definite tensions between the all-volunteer WestStan department and the paid PFD department.

For the past twenty years, the two departments have slowly been developing separate organizational and financial structures. While there has not been a specific timeline in place, the goal has been to let the two departments become separate entities while still collaborating closely with each other. The move by WestStan to create its own fire chief position was a significant milestone in the progress of this timeline. At this point, WestStan operates six stations, two of which are jointly owned with the incorporated cities of Patterson (Fire Station 50) and Newman (Fire Station 55). The other stations include Station 53 in Westley, Station 54 in El Solyo (Vernalis), Station 56 in Crows Landing, and Station 57 in Diablo Grande. According to the new WestStan Fire Chief Jeff Frye, the timing was right for the county fire department to hire its own chief. Regarding the two departments, Chief Frye said, "They have been good neighbors for 90 years, and they will be good neighbors for another 90 years."

There is still quite a web of interconnection between the two departments, and Chief Frye will be focused on developing the independence of WestStan for the next two to three years. He mentioned that the two fire-fighting departments are so blended that the lines are very blurred. There are many shared financial obligations, purchases, and assets. There is a similar relationship between WestStan and the developing Newman Fire Department. Chief Frye shared several examples with the Irrigator of the blended situations, and it quickly became apparent the complications involved. He described the relationship with both the Patterson and Newman fire departments as symbiotic relationships. While the county department and the city departments have their own interests to protect, they definitely provide strong support for each other. He stressed, "If there is an incident on the West Side, it will be all hands on deck." He said, "The intent is to become independent in a responsible manner."

As he moves forward with the task of developing an independent, all-volunteer WestStan fire department, Chief Frye has three main priorities. The first is to build up his volunteers. From providing quality training and equipment for existing volunteers to developing new recruits, he is passionate about building the best possible team to serve the public. In addition to over 50 volunteers in the Patterson/Newman area, there is currently a crew of 25 new recruits in the training pipeline. His second priority is community education. He wants to help the public understand where funding comes from and how it is spent. For example, Measure M failed by five votes in 2023 and Measure V failed by 19 votes in 2024. These measures would have provided much needed funding for training and equipping volunteers. His goal is to help the public understand the need for measures like these. The Chief pointed out that regulations require all personal gear to be replaced every ten years no matter how much usage they have received. His third priority is general advocacy for the district. He hopes to promote the district in order to make sure that the volunteers are well cared for, new training opportunities are discovered, grants are obtained, and the public receives the highest level of service.

IN THE NEWS – Patterson Irrigator, February 12, 2026- Continued

One thing became clear throughout the discussion that the Irrigator had with Chief Frye. He possesses a deep admiration for the volunteers of WestStan. He spoke with obvious emotion about the fact that most of the volunteer firefighters are also heavily engaged in the community in other ways. He sees a spirit of service in them that inspires him. Chief Frye said, "I am beyond grateful for the volunteers." He shared a favorite quote from Ghandi that says, "The best way to find yourself is to lose yourself in the service of others." He sees this embodied in the volunteers and wants to nurture this spirit.

IN THE NEWS – Modesto Bee, February 12, 2026

Stanislaus County begins project to improve neglected neighborhood in Modesto

By Ken Carlson

Stanislaus County has begun work on long-awaited improvements to the Colorado/Rouse area, an unincorporated pocket in west Modesto.

The area, formally called Urban Pocket Area 9, has been the subject of local government initiatives to bring neglected neighborhoods up to modern standards. Colorado/Rouse is in need of sidewalks, storm drainage, sewer mains and street improvements.

At a ceremony Wednesday to celebrate the start of construction, officials said the project would not be possible without a commitment of \$13.4 million in American Rescue Plan Act funds from Stanislaus County and dollars from partner agencies.

The State Water Resources Control Board came through with \$9.6 million and Modesto contributed \$5 million in ARPA funds. An additional \$3.18 million in building community infrastructure and local funds rounds out the nearly \$31.2 million funding package.

The taxpayer funding covers \$4.3 million in pre-construction costs and \$26.8 million in construction expenses.

“This is a neighborhood that has gone without many of the things that we take for granted,” county Supervisor Mani Grewal said. He noted the project will deliver 100,000 square feet of sidewalks, 30,000 feet of curb and gutter, curb ramps for the disabled and 400,000 square feet of roadway.

The neighborhood named after Rouse and Colorado avenues has 331 parcels. The upgrades are expected to result in safer streets and a healthier community.

Lucas Alberto, a neighborhood volunteer, helped communicate the project to residents by going door-to-door. Mailers were sent to homes, but not everyone read them, and it helped to explain the project to Spanish-speaking households and property owners who don't live in Modesto, Alberto said.

To meet a project requirement, at least 50% of the households had to commit to using municipal sewer service.

Residents have been waiting for years for the project, but funding was always an issue. A community resident said a major need is wastewater service hookups to replace residential septic tanks that have been failing.

“The basic needs are simple sidewalks, connection to sewer, the things we take for granted as regular citizens,” Alberto said.

He said he moved away from the Colorado/Rouse neighborhood but later returned. He has two children attending Modesto High School, his alma mater. “They are flourishing,” he said.

County Public Works Director David Leamon said the project should be completed in no longer than two years. The improvements should make the unincorporated pocket ready for annexation to the city.

The wastewater service rate for single-family homes will be an estimated \$46. The service rate for apartments and units in mobile home parks will be around \$33 a month.

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IN THE NEWS – Modesto Bee, February 13, 2026

As Modesto expands north, city opts for narrower main streets, roundabouts

By Trevor Morgan

The City Council voted unanimously Tuesday to keep key arteries narrow and use roundabouts as it plans for Modesto's growth.

As the city expands further north, officials expect Oakdale Road and Claratina Avenue to be major thoroughfares — more than they already are.

They are currently designated to be six lanes wide, which would actually make traffic worse, according to a study done by the city. Four lanes, with roundabouts, would improve traffic flow on streets the city expects to be flooded with cars in the next 20 years.

"If we built what was currently in the general plan, six lanes at Oakdale and Claratina with dual left-turn hands, it would be the largest intersection in the city of Modesto by a large margin," said City Engineer Toby Wells. "In looking at that intersection ... [it] would operate at a level service 'F' for failed."

A two-lane roundabout with bypass lanes, like the one at Coffee Road and Claratina, will be built at that intersection instead.

Narrowing roads and making them more friendly to bikes and pedestrians has been a trend for city plans. In 2020, Crows Landing Road from Highway 99 to Whitmore Avenue was planned to be six lanes but was redesignated to be just four lanes. The same was true for Claus Road between Briggsmore Avenue and Sylvan, which is currently two lanes in 2024.

As the city debates whether to expand up or out, and how, Modesto officials are dealing with what's immediate. The contested general plan for expansion isn't expected to be finalized until next year, but the Tivoli Specific Plan is getting pressure from developers now.

The Tivoli Specific Plan, a roughly 454-acre project in northeast Modesto approved in 2008, was zoned as a mix of homes, stores, offices and more but was rezoned over the years to include more housing as demand for the other uses dwindled.

The plan is to develop what is now farmland, bordered to the north by an extension of Claratina, Roselle to the east, Oakdale to the west and Sylvan to the south.

Round and round

As part of the plan, roundabouts will be placed at every corner and midpoint of the Tivoli development, and smaller ones will be sprinkled throughout its interior.

One high-traffic intersection that will not get a roundabout is Oakdale Road and Sylvan Avenue. Wells said the intersection was part of the traffic study but did not recommend a roundabout there, calling it a "very complex situation."

Councilmember David Wright acknowledged this. "There is a lot of traffic accidents here, and there's some fatal traffic accidents here. I think a roundabout would really help eliminate a lot of accidents in that area," said Wright.

The city's plans for bike lanes around the Tivoli Plan are to have a more modern design by taking them off the street. Instead, they plan to have off-street lanes with shorter crossings for pedestrians and cyclists to navigate the

IN THE NEWS – Patterson Irrigator, February 12, 2026- Continued

IN THE NEWS – Modesto Bee, February 13, 2026- Continued

roundabouts. Both will cross two lanes at a time by using a center median as a refuge. These medians are planned to be 16 feet-wide landscaped concrete barriers.

For transit, designs aim to have turnouts for buses so they do not impede traffic. This indicates bus stops will be on the outer border streets of the plan. The design map did not indicate any stops located within its interior.

IN THE NEWS – Westside Connect, February 20, 2026

Stanislaus County approves temporary loan authority for Crows Landing Community Services District

By Sabra Stafford

The Stanislaus County Board of Supervisors on Feb. 3 approved a measure allowing the Auditor-Controller to provide a temporary loan of up to \$72,794 to the Crows Landing Community Services District during the 2026 fiscal year to help the district manage cash-flow shortages.

The item was approved as part of the board's consent calendar.

The loan, authorized under California Government Code Section 23010, represents 85% of the district's projected revenue for the year. It is intended to ensure uninterrupted operations, including essential water services and planned water line repairs. The district's board adopted a resolution in November designating the county treasurer as its treasurer and formally requested the loan in a Jan. 27 letter to supervisors.

County officials noted that the district must first deposit its funds into the county treasury before any loaned money can be issued. As of Jan. 29, the Treasurer-Tax Collector reported that the required deposits had not yet been made. Once the funds are deposited, the Auditor-Controller will monitor the district's cash flow to ensure it does not exceed the authorized loan amount. Loan proceeds may only be used for maintenance and operational expenses.

Under state law, the district must repay the loan from available revenues before paying any other obligations. If the balance is not fully repaid by the end of the fiscal year, the county will not approve any district payments in 2027 until the loan is satisfied.

County staff said the district recently adopted a rate increase that will take effect in February and is expected to improve its financial position. The loan carries interest based on the average rate of return in the county treasury, and no impact to the county's general fund is anticipated.

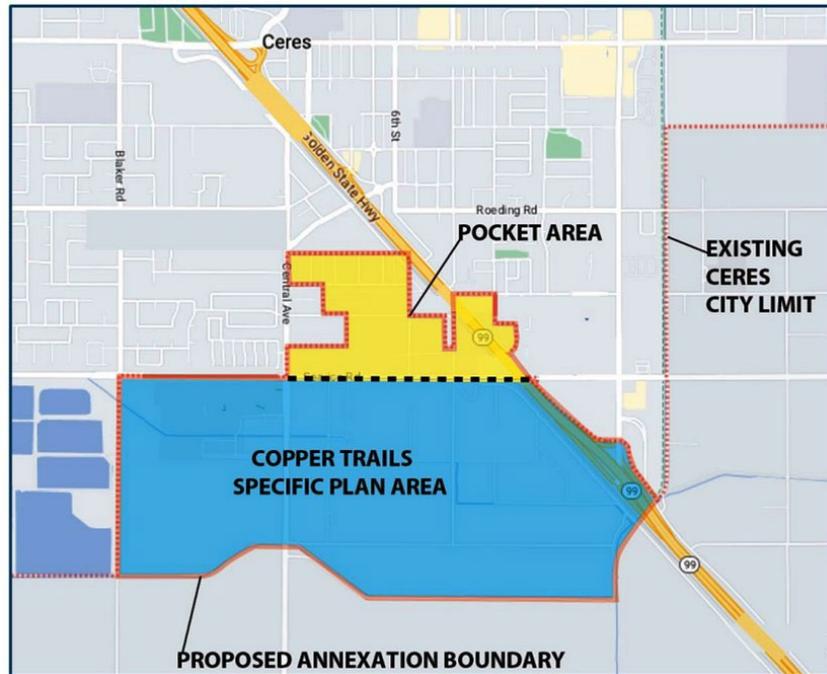
Temporary loans of this type require annual review and approval by the Board of Supervisors.

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IN THE NEWS – Ceres Courier, March 4, 2026

Copper Trails specific plan approved by commission

By Jeff Benziger



The concept Copper Trails has been in the works for over two decades but the next phase of development in Ceres took a step closer to reality on Monday with Ceres Planning Commission approval.

Commissioners voted 4-0 to approve the Environmental Impact Report and amendments to the General Plan to not only develop approximately 535 acres in southwest Ceres but also bring in a 146-acre county pocket north of Service Road into the city.

The next step is for the Ceres City Council to approve and order the Copper Trails Master Plan area to be annexed to the city by the Stanislaus County Local Agency Formation Commission (LAFCO).

The lead proponent of the project is landowner Nav Athwal but many other property owners are involved, many who voiced their support on Monday.

With the exception of the county pocket north of Service Road, the proposed annexation area is bordered by Service Road at 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.

At full buildout, Copper Trails could result in the development of approximately 2,392 dwelling units, nearly 1.2 million square feet of commercial uses, five park/open space sites and a trail network. A large regional shopping area is designated along the west side of Highway 99 between Service Road and E. Redwood Road.

The Copper Trails Specific Plan designates the development of:

- 988 single-family residential units on approximately 178 acres designated as low density residential;

IN THE NEWS – Ceres Courier, March 4, 2026- Continued

- 338 single-family residential units on approximately 38 acres designated as medium density residential;
- 336 residential units on approximately 17 acres designated as medium-high density residential;
- 730 multi-family units on approximately 29 acres designated as high density residential;
- Nearly 1.2-million square feet of non-residential uses on approximately 107 acres designated as Regional Commercial;
- Five neighborhood parks and several greenbelt corridors on approximately 42 acres designated as parks and open space;
- Community facilities on approximately three acres.

The planned circulation system would add new roads and streets to serve new development areas. Land use attorney George Petrolakis said not only will Copper Trails have a robust trail network, it “presents a balance plan, which isn’t always the case in that it has housing, commercial and services, a nice circulation, and ... the parks and open space. The big thing here is you’ve got balance between commercial land and residential land and that’s a big component, maybe the most unique component.”

“You’ll have a chance to capture more retail and quality commercial on this side of the freeway,” Petrolakis told the city. A larger tax base would result.

Several significant and unavoidable environmental impacts will result from implementation of Copper Trails. They include the loss of 319 acres of agricultural land, vehicle emissions and increased traffic. The project will result in traffic levels that would lead to excessive queuing at southbound off-ramp and northbound on-ramp at the Highway 99/Service Road interchange. The impact will be unavoidable until the city reconstructs the interchange whenever funding becomes available.

A city staff report to the commission notes that “the economic and social benefits of the project outweigh and override the significant unavoidable environmental effects that would result from the project.”

Commission Chairman Gary M. Condit expressed concern about impacts that will occur on Service Road, particularly if development occurs before the city has a chance to see the new freeway interchange take place. Service Road is planned for four lanes and the design work for the interchange is underway. Funding remains an unknown, said City Engineer Michael Beltran.

“Could we be constructing at the same time or could a development or two or three happen in the Copper Trails area or even more, before that interchange happens?” rhetorically asked Beltran, “Yes. Will we see an impact of traffic? Absolutely. And then as we move forward and the interchange comes to fruition, then those will start to ease. Growing is difficult. Growing is inconvenient and there will be some growing pains along with it.”

Dr. Kristi Britton, CUSD’s assistant superintendent of Business Services, cited how enrollment in Ceres elementary schools has been declining and that the district is “excited about what these residences will bring for the school district as well as the city.” Students would initially fill the Hanline Elementary School already constructed near Central Valley High School.

She did say CUSD remains concerned about current and future traffic congestion around Central Valley High School.

Most of those who spoke were in favor of Copper Trails. Harinder Toor, an owner of two parcels included in the project area, said he is excited about the project finally moving forward.

But there were some detractors. Ceres resident John Warren raised concerns about how Ceres would be able to keep up with providing police, fire and sewer service to a new area.

Judy Keyes said she is “100 percent against this.”

“Nobody bothered to ask me if I wanted to be a part of this,” said Keyes, who said she has plans to continue farming and has no plans to develop her property. “That’s wrong ... you don’t own the property, you didn’t buy it,

IN THE NEWS – Ceres Courier, March 4, 2026- Continued

you haven't paid the taxes on it, don't maintain it. We do. It's our property and you do not have the right to tell us what you're going to do with our property. You need to work with us and you need to consider us."

She also said enjoys raising beef cattle and row crops on her farm.

"I don't want any more houses," said Keyes. "I think there's enough. I'm tired of the overgrowth. I'm tired of watching every ranch turned into a darn subdivision or a strip mall. We have enough. I think we need to better manage what we already have. Not to mention the crime that's brought in in high density housing and everything else you guys are planning. I really like having my rural little area. That's why we moved here."

Local realtor Renee Ledbetter said it's time for Copper Trails to come to fruition.

"We need housing in Ceres – it's very crucial," said Ledbetter. "We need commercial space. We need retail space. I get calls every day for office space in Ceres and I have none to show them so we definitely have a need for this project."

Condit supported the project but expressed his frustration that City Manager Doug Dunford or Police Chief Trenton Johnson weren't present to address concerns about growing the police department as Ceres grows.

"We're adding 6,700 residents to Ceres, pushing our population just to about 55,000 people," said Condit. "In the General Plan it does state a goal of having 1.3officers per 1,000 residents. This would require the Ceres Police Department to have about 72 to 73 officers. Right now, as I spoke to the chief on the 26th of February, we have 37 officers that's deployable right now. We have on paper 47 allotted positions. So that is a concerning number. We need 72 peace officers to patrol our city with this growth and again, we have other projects in the works as well."

Condit said Ceres "could manage growth in the short term, but long term staffing needs to match development, and if we want to keep the same level of service." That was a quote he shared from Chief Johnson.

Condit also stated his hopes that the regional commercial zone will result in businesses which are lacking.

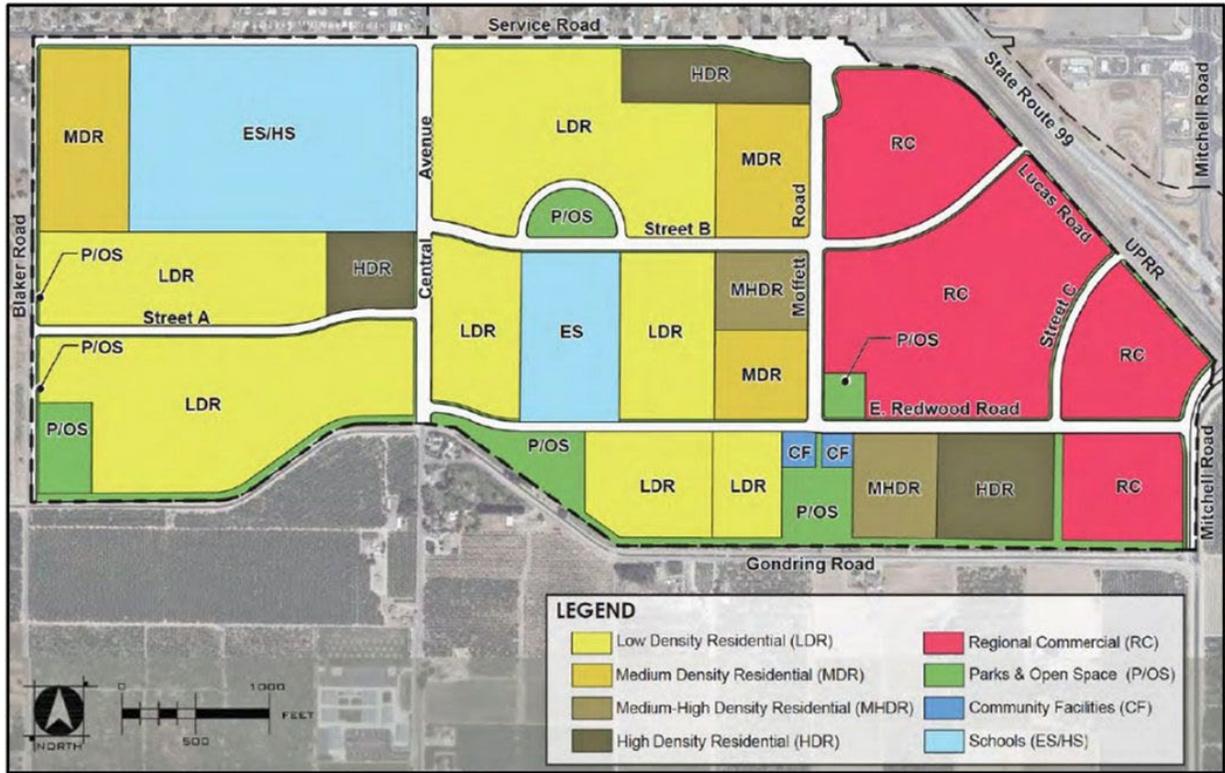
"We have a reputation for getting repeat businesses and I think Ceres residents deserve something unique, like a movie theater, a bowling, something that keeps them in our city."

Vance Jones of the consultant team of Wood Rogers said development of Copper Trails is purely market driven and unpredictable as to timing.

Condit explained his support for the project, saying: "I think it's an overall great project for the future of Ceres and I think that was relayed pretty well by the audience tonight. My biggest concerns is growing our police department to ensure these 6,700 residents of Ceres have the proper staffing and services, and also the commercial development. I want to see something unique to the city of Ceres, perhaps something that Modesto and Turlock doesn't have, and I know that's maybe hard to find, as they beat us to Chick-fil-A, beat us to this and that, but we need to be competitive when it comes to that, to give our residents something to enjoy in the city that they call home."

Commissioners Dorie Perez, R.J. Jammu and Francisco Mireles joined Condit in voting in favor of Copper Trails. Newly appointed commissioner Bob Gobble was absent.

IN THE NEWS – Ceres Courier, March 4, 2026- Continued



IN THE NEWS – Modesto Bee, March 10, 2026

Drinking water from Stanislaus County’s domestic wells can be dangerous. Here’s why

By Kathleen Quinn

On a half-acre lot just feet from a walnut orchard, Emily Petersen lives with her husband, her three young children and her German shepherds.

When she and her husband, Jose, bought the house seven years ago between the unincorporated town of Empire and the city of Waterford, she was excited. It meant having more space and privacy away from the city.

When she learned it came with a well, she thought, “Great, free water.” What she eventually discovered was more complicated.

“You think, ‘Oh, wow, one less bill,’ you’re not going to have to worry about water,” Petersen said. “Well, I didn’t realize, actually, no, you still have to worry about your water.”

State records show that Stanislaus County has about 20,000 water wells, with nearly half used domestically. Those wells are more likely than not to contain unsafe drinking water, according to test results reviewed by The Bee. They tend to be shallow and therefore more prone to surface contaminants like pesticide residue, heavy metals and nitrate contamination from fertilizer, dairies or septic tanks.

Domestic wells are a blind spot for water quality data since the state does not regulate private wells. It’s only through voluntary programs like the Valley Water Collaborative that data on these wells are gathered.

The Bee obtained test results from September 2022 to mid-December 2025 by submitting a California Public Records Act request to the State Water Resources Control Board.

Residents of unincorporated areas in Stanislaus County are more likely to be impacted by polluted groundwater and less likely to have the money to purchase bottled water or install a full home filtration system on their own.

Petersen’s risk for drinking water contaminants is close to the highest in the region. On top of that, she lives in an area heavily burdened by pollution, environmental hazards and socioeconomic vulnerabilities.

“Unless you can afford a new water filtration system, you’re just stuck,” Petersen said.

The most prolific contaminant is nitrate

South of Ceres lies the Cowan Tract, a 102-acre neighborhood with a mix of mobile homes and single-family houses on 1-acre plots.

The neighborhood of 94 households was created in the 1940s on agricultural land zoned for uses like parking, composting and storage sheds. It abuts railroad tracks, orchards and a golf course, and it has no sewer systems, sidewalks or fire hydrants.

The small community relies entirely on domestic wells. Of those tested, all were found over the safe drinking limit for nitrate, and most tested above twice the safe amount.

Travis Davis has lived in the tract with his wife and two children for five years.

IN THE NEWS – Modesto Bee, March 10, 2026- Continued

“We’re able to get an allotment of drinking water because the water from the well is so terrible,” Davis said. “There is a worry in the back of my mind: Am I creating an issue I might have healthwise later on in my life?”

Nitrate can cause serious health concerns for pregnant women and children under the age of 6 months when ingested. Infants who consume nitrate through their drinking water may develop “blue baby syndrome,” a rare but fatal condition that prevents oxygen from moving through the bloodstream.

In May, the California Department of Justice sent a letter to the Stanislaus County Department of Planning and Community Development pointing to the Cowan Tract as a disadvantaged community particularly vulnerable to poor water quality and in need of a more robust plan to address its future development.

Nitrate testing, facilitated by the Valley Water Collaborative, is part of a 35-year deal brokered between the Valley Water Control Board and industries that contribute to nitrate contamination in the region.

The county estimates that there are around 2,000 domestic wells, but state drill records show almost 10,000 such wells in Stanislaus County, and only a small fraction of those have been tested for groundwater contamination, according to records obtained by The Bee.

Since the program began, 540 tests have been conducted throughout the county for nitrate in domestic wells. The Bee found 65% of the tests were over the safe drinking water levels and over 25% were double the safe drinking limit or more.

The county cited “extensive agricultural activities” as the reason nitrate levels reached unsafe standards and emphasized the higher risk in the shallow aquifers.

What’s being done about it?

There have been steps to mitigate the continuing seep of nitrate into groundwater. Most of it has focused on educating farmers on better fertilizing practices so they’re using fertilizer only at times it’s most likely to be absorbed by crops.

But even if nitrate stopped percolating into the shallow aquifers in the county today, it may take 50 years to get back to normal.

Aysha Massell, program director for Water for the Future at Sustainable Conservation, said one idea to decrease nitrate pollution in groundwater is to increase groundwater recharge and essentially flush it out.

Because the groundwater quality is already poor, recharge might work better to move the nitrate out of the aquifer, Massell said, citing a white paper created by Sustainable Conservation.

“In combination with just reducing or eliminating continuing leaching or discharges, it could be very powerful in terms of cleaning it up sooner than later,” she said.

As it stands, nitrate is pervasive throughout the county at high levels, especially for people who live near dairies.

What else is in the water?

Tests of domestic wells show the groundwater contamination is more than just above safe drinking levels for nitrate.

IN THE NEWS – Modesto Bee, March 10, 2026- Continued

Near half of the tested wells were over the safe drinking water levels for uranium, which over time can cause kidney issues. Though uranium is naturally occurring, the county suspects it penetrated the shallow aquifer through high PH groundwater recharge and noted a strong correlation between nitrate and uranium in the groundwater in the regions near Modesto and Ceres.

Around 12% of the wells tested in Stanislaus County were over the safe drinking limit for 1,2,3, TCP, a man-made chemical recognized by the state of California to cause cancer and, over the long term, liver or kidney damage. It also has short-term symptoms like eye, skin, nose, throat and lung irritation, headaches, memory and concentration problems, and muscle coordination issues.

Petersen said when her youngest son, 4-year old Matthew, began to have dry skin and developed spots on his legs, she decided to get her water tested. She found online that Valley Water Collaborative provided free testing that is easy to sign up for. Her test results came back almost nine times over the safe drinking limit for 1,2,3 TCP which persisted in the aquifer her well draws from long after the ingredient was banned in the 1990s.

One in 20 of the wells tested above safe limits for arsenic, another carcinogen most common in the regions near Hughson and Salida.

The most common contaminants found in domestic wells in the county give no hint there is a problem. They are invisible to the naked eye, odorless and often tasteless.

Though Stanislaus County as a whole has a slightly higher cancer rate for both men and women across all age groups compared to the rest of California, determining a direct link between a particular carcinogen and cancer rates in the real world can be difficult due to multiple environmental factors within a small population size.

Testing beyond nitrate is covered by the state's Safe and Affordable Funding for Equity and Resilience, a program designed to identify where there are unsafe drinking water conditions and help fund short and long-term solutions to persistent groundwater issues.

Since the test, Petersen's family has received 1-gallon water bottles through the Valley Water Collaborative. Petersen's youngest child, Matthew, has more sensitive skin and likes taking baths. Though the main form of exposure is through drinking contaminated water, the type of contamination she has in her well can cause skin irritation even if her family isn't drinking it by absorbing through the skin or evaporating during showers or bathing.

Though testing is completely voluntary and the state cannot shut down a well if it tests over, hesitation from residents remains. Some residents fear retaliation from nearby farmers, others worry about property value, still others worry that the information may be used to identify them if they are undocumented.

The next steps to address the contamination of drinking water are to consolidate wells into small or public water systems and implement concrete long-term solutions to groundwater pollution by agriculture in the county. All of these are years to decades off.

For Petersen, the Valley Water Collaborative is interested in moving her family to a filtered community system that she and her neighbors could access, but she doesn't think it will happen.

"None of the neighbors want to sign up because either they own a part of the land, they're a part of the problem, or they just don't want to make the homeowner upset at them," Petersen said.

For now, Petersen distributes her extra water bottles among her neighbors.

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IN THE NEWS – Westside Connect, March 11, 2026

Westside Community Health Care District Board of Directors to consider proposed tax measure for primary election

By Navtej Hundal

A proposed tax measure from the Westside Community Health Care District Board of Directors was discussed during the Feb. 23 meeting.

The topic was brought up during a Jan. 26 meeting where a citizen group measure or a two-thirds majority option was presented, according to the meeting's minutes. No specifics on the proposed referendum were provided during Monday's meeting.

Nic Cardella, a lawyer at Fresno-based law firm Wagner Jones Helsley PC, recommended the board hold a special meeting next week if they want the measure to appear on the ballot for the June 6 primary election. He added that the meeting could discuss what the measure will focus on.

"If the board wants to pursue getting a special tax on the ballot for June 2, 2026, we would need to schedule a special meeting sometime next week," Cardella said. "For right now, it's either June 2, 2026, or the next opportunity would be November of 2028."

In the past two election cycles, 2022 and 2024, the district failed to get a combined two-third majority from Stanislaus and Merced Counties. Measure D proposed a parcel tax of \$69 per parcel, but failed after not getting a two-third majority from both counties. The district casted Measure A, which was the same Measure D, on the ballot two years later. It also didn't meet the two-thirds requirement.

After the district failed its previous two attempts, board member Robert Vargas said during the January meeting that the measure's parcel tax should "be re-examined, so the burden wasn't on landowners with multiple parcels," per the meeting's minutes.

Board President David Varnell wanted district staff to look at possible options for the proposed measure, according to the January meeting minutes.

IN THE NEWS – Patterson Irrigator, March 12, 2026

\$200,000 donation given for Del Puerto Hospital Foundation

By Timothy Benefield

The Del Puerto Health Care District (DPHCD) held its regularly scheduled board meeting on Monday night. While there were several routine items addressed, there were also three agenda items that stood out.

There is no more consistent comment in Patterson than, “We need a hospital!” The DPHCD is making progress in that direction with a developing new health care campus on 9th Street and Las Palmas Avenue. The DPHCD established a nonprofit public benefit corporation, Del Puerto Hospital Foundation, in 1981. Its stated desire is to serve the community of Patterson through charitable endeavors. According to the foundation website, the core mission of the foundation revolves around “providing financial aid to facilitate the operation, maintenance, and modernization of medical facilities.” At the Monday meeting, a \$200,000 donation was made to the foundation by long-time Patterson residents Larry and Joyce Buehner. The donation was received by foundation president George Mac Master and the DPHCD board members. This donation will ultimately advance the cause of building a new hospital facility in Patterson.

Another note of interest was the resignation of board member Luis Avila. He has represented Zone 1 of the DPHCD since 2020. He has much experience in the field of medical administration and recently accepted a position as the Vice President of Operations at the Saint Agnes Medical Center in the Fresno area. His knowledge was valued on the board, and he was instrumental in getting a multi-million-dollar grant towards a mental health clinic to be built in Patterson. The board will soon begin a search to fill his vacant seat.

A third item to watch is the progress of a bill introduced in Sacramento by Assemblymember Juan Alanis. The bill is AB 2282 and could move the construction of an emergency facility in Patterson up the timeline. This will be an ongoing story, and the Irrigator will keep you updated on its development.



**STANISLAUS LOCAL AGENCY FORMATION COMMISSION
MINUTES
January 28, 2026**

1. CALL TO ORDER

Due to the absence of the Chair and Vice Chair, Commissioner Chiesa agreed to serve as Acting Chair.

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

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

Commissioners Present: Vito Chiesa, Acting Chair, County Member
Sue Zwahlen, City Member
Jami Aggers, Alternate Public Member

Commissioners Absent: Amy Bublak, Chair, City Member
Terry Withrow, Vice Chair, County Member
Charlie Goeken, Alternate City Member
Bill O'Brien, Public 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.

- 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

None.

5. CONSENT ITEMS

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.)

Motion by Commissioner Zwahlen, seconded by Commissioner Aggers, and carried with a 3-0 vote to approve the consent items, by the following vote:

Ayes: Commissioners: Aggers, Chiesa and Zwahlen

Noes: Commissioners: None

Ineligible: Commissioners: None

Absent: Commissioners: Bublak, Goeken, Grewal, O'Brien and Withrow

Abstention: Commissioners: None

6. PUBLIC HEARING

None.

7. OTHER BUSINESS

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

Javier Camarena, Assistant Executive Officer, presented the item with a recommendation to adopt the 2026 Work Program.

Chair Chiesa opened the Public Hearing at 6:09 p.m.

Milt Trieweiler, resident, spoke.

Chair Chiesa closed the Public Hearing at 6:11 p.m.

Motion by Commissioner Zwahlen, seconded by Commissioner Aggers, and carried with a 3-0 vote to adopt the 2026 Work Program, by the following vote:

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

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

Motion by Commissioner Chiesa, seconded by Commissioner Aggers and carried with a 3-0 vote to appoint Commissioner Withrow as Chairperson and Commissioner Zwahlen as Vice-Chair, by the following vote:

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

8. COMMISSIONER COMMENTS

Commissioner Aggers will be attending the LAFCO 101.

9. ADDITIONAL MATTERS AT THE DISCRETION OF THE CHAIRPERSON

None.

10. EXECUTIVE OFFICER'S REPORT

The Executive Officer informed the Commission of the following:

- CALAFCO is hosting a LAFCO 101 on February 25th from 10:00am to 11:30 am. Contact the clerk to sign up. It will be recorded to view later if you are unable to attend.
- Staff is working on a Geographical Information System upgrade that should be finished by the end of February.
- There are no Public Hearings scheduled for February. Staff recommend canceling the February meeting.
- For the March meeting staff will bring an application from the City of Waterford and from Stanislaus County Public Works.

13. ADJOURNMENT

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

DRAFT

Sara Lytle-Pinhey, Executive Officer

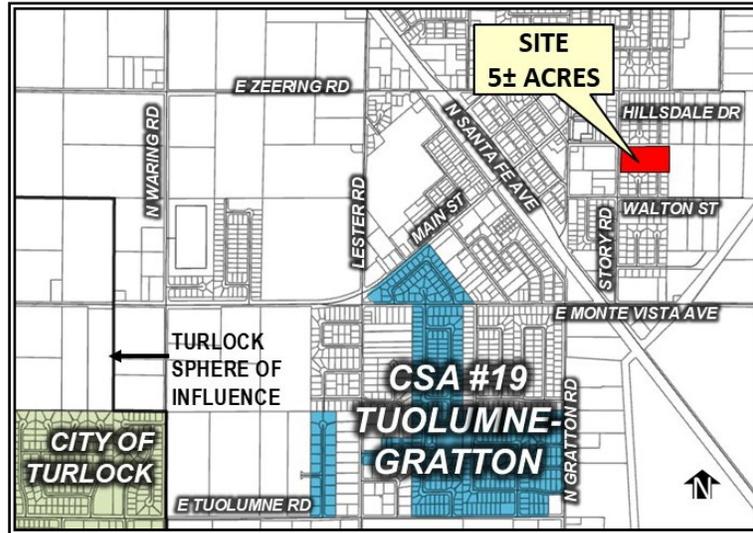
**EXECUTIVE OFFICER'S AGENDA REPORT
MARCH 25, 2026**

**LAFCO APPLICATION NO. 2026-01
SPHERE OF INFLUENCE UPDATE NO. 2026-01
ELMWOOD ESTATES CHANGE OF ORGANIZATION TO
COUNTY SERVICE AREA NO. 19 (TUOLUMNE-GRATTON)**

PROPOSAL

The proposed project is a request to annex 5 acres to County Service Area (CSA) 19 to provide storm drainage, landscaping, and related services to a future subdivision.

1. Applicant: Stanislaus County, by Resolution of Application
2. Location: The project site is located on the east side of Story Road, between Hillside Drive and Walton Street in the Denair area.
3. Parcels Involved and Acreage: The project site includes Assessor's Parcel Number (APN) 024-055-060 totaling approximately 5 acres (See Exhibit "A" Map and Legal Description).
4. Reason for Request: The annexation to CSA No. 19 is being requested in order to satisfy a condition of approval for a Stanislaus County subdivision. The CSA will provide storm drainage and landscaping services to the area. The Commission has previously reviewed and approved similar CSA annexations in the Denair area.



ENVIRONMENTAL REVIEW

Stanislaus County, through its planning process, assumed the role of Lead Agency under the California Environmental Quality Act (CEQA) for the 5-acre residential subdivision. The County approved a Negative Declaration for the project (Exhibit B). LAFCO, as a Responsible Agency, must consider the environmental documentation prepared by Stanislaus County. The proposed annexation will not result in a change of land use under the current zoning, which is under Stanislaus County jurisdiction.

BACKGROUND

In 2022, Stanislaus County approved Rezone and Tentative Map Application No. PLN2022-0026 – Elmwood Estates. The project allowed the property to be rezoned from Rural Residential (R-A) to Planned Development (P-D) 367 and subdivided into 17 parcels to be developed for residential use. The project includes a condition of approval requiring annexation into CSA No. 19 to provide storm drainage and landscaping services to the area. As part of the CSA, services will generally include CSA administration, street-sweeping, maintenance of the storm drain system, chain-link fencing, drainage basin, landscaping, sidewalks, and streetscape. Maintenance and administration activities will be provided by the Stanislaus County Department

of Public Works and Department of Parks and Recreation. For more information, please see the attached Plan for Services (Exhibit C).

FACTORS

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

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

The annexation is being proposed to provide storm drain and landscaping services to the area. The project site is zoned P-D 367 in the Stanislaus County Zoning Ordinance and is designated Low Density Residential in both the General Plan and Denair Community Plan. The proposed development is a legal use within the zoning district. Annexation to the District will not change or lead to change in the zoning. The subject parcel is located in Tax Code Area: 056-002. The current assessed value for the parcel within the proposed annexation area is \$1,088,267.

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

CSA 19 provides extended county services including CSA administration, street-sweeping, maintenance of the storm drain system, chain-link fencing, drainage basin, landscaping, sidewalks, and streetscape maintenance. Upon annexation, the territory will be subject to the approved formula for calculation and levy of annual assessments to pay for services provided by CSA 19.

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

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

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

The parcel is located within an area that is zoned P-D 367 by Stanislaus County. The proposed residential subdivision is consistent with the County's Zoning Ordinance. The proposed annexation will provide maintenance and related services of the subdivision's storm drain system and landscaping. There are no other plans to change the land uses.

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

The proposal will not result in the loss of agricultural land and will not affect the physical and economic integrity of agricultural land. The property is part of the Denair Community Plan and is considered infill development. The project site was recently rezoned from Rural Residential to Low Density Residential uses. The land is currently zoned P-D 367 (Planned Development) by Stanislaus County.

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

The proposed boundary includes parcel 024-055-060 totaling approximately 5 acres. The proposed annexation also includes a sphere of influence (SOI) amendment to the CSA 19 SOI. The amendment will result in a coterminous SOI and CSA boundary.

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

The Regional Transportation Plan (RTP) is prepared and adopted by the Stanislaus Association of Governments (StanCOG) and is intended to determine the transportation needs of the region as well as the strategies for investing in the region's transportation system. The annexation will not change traffic or transportation routes for the area.

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

The proposal is consistent with the Stanislaus County General Plan land use designation of "Low Density Residential", Denair Community Plan designation of "Low Density Residential", and zoning designation of P-D 367 (Planned Development).

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

The proposed change of organization includes a sphere of influence (SOI) amendment to CSA 19. The amendment will result in a coterminous SOI and CSA boundary. The proposed territory is also within the Sphere of Influence of the Denair Fire Protection District, Turlock Mosquito Abatement District, Turlock Irrigation District, and Denair Community Services District.

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

All affected agencies and jurisdictions have been notified pursuant to State law requirements and the Commission adopted policies. A referral response was received from the Denair Community Services District indicating that the proposal would not have an effect on the agency. No additional comments were received.

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

Stanislaus County, as applicant for the proposed annexation, has indicated it is willing and able to serve the proposal. Annexation to the County Service Area will allow the County to establish assessments to fund storm drain and landscape services for the subdivision. The CSA is a dependent district, with the Stanislaus County Board of Supervisors serving as the district's governing body.

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

The project's environmental documentation states that the Denair Community Services District (CSD) will be providing water to the project site. The CSD will require the owner/developer to enter into an agreement with the CSD to construct and pay for necessary infrastructure to provide both sewer and water.

The CSD currently has four groundwater wells, five lift stations, and an above-ground steel water tank to serve its customers. The CSD has the capacity to serve the existing facilities and infrastructure within its boundaries including the project site.

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

The proposed annexation includes 17 lots which will be for new single family residential homes. These units will contribute towards fulfilling the County's regional housing needs allocation.

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

The owner of the project site has consented to the proposed annexation. No information or comments, other than what was provided in the application, have been received as of the drafting of this report.

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

The project site is zoned P-D 367 (Planned Development) within the Stanislaus County Zoning Ordinance and is designated as "Low Density Residential" in both the General Plan and Denair Community Plan. The annexation will provide storm drain and landscaping services for the future residential subdivision. There are currently no plans to change the land uses.

- p. *The extent to which the proposal will promote environmental justice.***

As defined by Government Code §56668, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities

and the provision of public services. Approval of the proposal would not result in the unfair treatment of any person based on race, culture or income with respect to the provision of services within the proposal area.

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

The project site has not been identified as being within a very high fire hazard severity zone.

SPHERE OF INFLUENCE MODIFICATION

Spheres of influence that are established for a County Service Area (CSA) are typically coterminous with their boundaries. Expansion of an existing CSA and its sphere of influence is preferred rather than the formation of a new CSA. Pursuant to LAFCO Policies, a minor amendment to the sphere of influence of an agency may be processed and acted upon by the Commission without triggering a new or revised Municipal Service Review (MSR) where a previous MSR has been conducted and the amendment is less than 100 acres or three percent of the acreage within the District's existing SOI. The proposed annexation meets these criteria. Therefore, consistent with Commission policies, the proposal is being processed as a minor sphere amendment with no new Municipal Service Review required.

Sphere of Influence Determinations

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

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

The County retains the responsibility for land use decisions within the CSA boundaries and sphere of influence. The area is zoned P-D 367 (Planned Development) and has a General Plan and Community Plan designation of "Low-Density Residential". The project site is planned for a residential subdivision which is consistent with the County General Plan, Zoning Ordinance, and Denair Community Plan.

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

When the County approves development within an unincorporated area, it may require annexation to or formation of a County Service Area in order to provide extended services necessary to serve the land uses within the development boundaries. In this case, the CSA will provide storm drain and landscaping services to a residential subdivision. A more in-depth description of these services can be found in the "Plan for Services" (See Exhibit C)

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

Improvements will be installed by the developer of the project site. Stanislaus County will maintain and operate these facilities with the funding provided through the CSA.

Only those property owners who benefit from the extended services provided by the CSA pay for them, which are funded through an assessment levied on parcels within the CSA boundaries. Based on the information provided by the County, it can be determined that CSA 19 will have adequate controls and funding streams to provide the appropriate level of extended County services in order to serve the properties within the boundaries of the CSA.

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

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

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

The project site is located in Denair which has not been identified as a disadvantaged unincorporated community. The area is served by the Denair Fire Protection District for fire protection services and Denair CSD for sewer and water services.

DISCUSSION

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

Waiver of Protest Proceedings

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

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

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

ALTERNATIVES FOR COMMISSION ACTION

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

Option 1 APPROVE the proposal, as submitted by the applicant.

Option 2 DENY the proposal.

Option 3 CONTINUE this proposal to a future meeting for additional information.

STAFF RECOMMENDATION

Approve Option 1. Based on the information and discussion contained in this staff report, and the evidence presented, it is recommended that the Commission adopt Resolution No. 2026-06 (attached as Exhibit D), which:

- a. Certifies, as a Responsible Agency under CEQA, that the Commission has considered the environmental documentation prepared by Stanislaus County as Lead Agency;
- b. Finds the proposal to be consistent with State law and the Commission's adopted Policies and Procedures;
- c. Waives protest proceedings pursuant to Government Code Section 56662(d); and,
- d. Approves LAFCO Application No. 2026-01 and Sphere of Influence Update No. 2026-01 – Elmwood Estates Change of Organization to County Service Area 19 (Tuolumne-Gratton) as outlined in the resolution.

Respectfully submitted,

Javier Camarena

Javier Camarena
Assistant Executive Officer

Attachments - Exhibit A: Map and Legal Description
Exhibit B: Negative Declaration
Exhibit C: Plan for Services
Exhibit D: Draft LAFCO Resolution No. 2026-06

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EXHIBIT A

Maps and Legal Description

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**ELMWOOD ESTATES
CHANGE OF ORGANIZATION TO
CSA 19 (TUOLUMNE-GRATTON)**

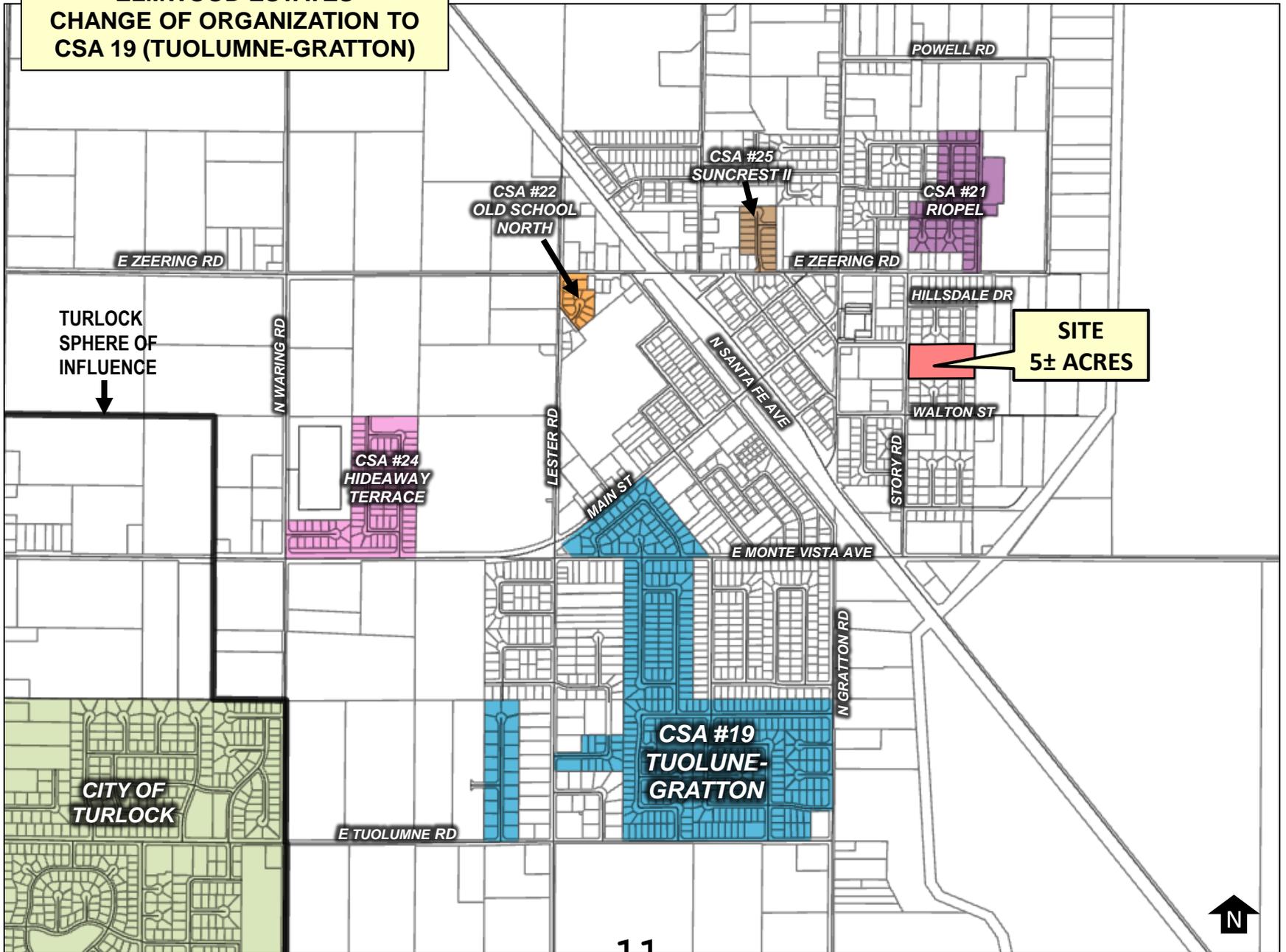


EXHIBIT "A"
LEGAL DESCRIPTION

Elmwood Estates Change of Organization to
County Service Area
No.19(Tuolumne-Gratton)

REAL PROPERTY IN THE UNINCORPORATED AREA OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING LOT "A" OF BLOCK 12 OF SUBDIVISION OF THE LOTS 9 TO 16 OF THE ELMWOOD COLONY ACCORDING TO THE MAP THEREOF FILED IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY, CALIFORNIA, ON JANUARY 14, 1907, IN VOLUME 2 OF MAPS AT PAGE 41 LYING IN THE SOUTHWEST 1/4 OF SECTION 5 T. 5 S., R. 11 E., M.D.B.&M, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 3/4" I.P. AT THE SOUTHWEST CORNER OF LOT "D" OF SAID BLOCK 12, SAID CORNER ALSO BEING THE INTERSECTION OF THE CENTERLINES OF WALTON STREET AND STORY ROAD; THENCE NORTHERLY ALONG SAID CENTERLINE OF STORY ROAD, **COURSE 1**, NORTH 0°56'10" EAST A DISTANCE OF 331.59 FEET; TO THE **POINT OF BEGINNING**.

THENCE CONTINUING NORTHERLY ALONG SAID CENTERLINE OF STORY ROAD, **COURSE 2**, NORTH 0°56'10" EAST A DISTANCE OF 331.58 FEET; TO A POINT ON THE NORTHERLY LINE OF SAID LOT "A"; THENCE LEAVING SAID CENTERLINE OF SAID STORY ROAD, **COURSE 3**, ALONG SAID NORTHERLY LINE OF LOT "A", SOUTH 89°56'42" EAST A DISTANCE OF 660.13 FEET TO THE NORTHEAST CORNER OF SAID LOT "A"; THENCE LEAVING SAID NORTHERLY LINE AND ALONG THE EASTERLY LINE OF SAID LOT "A", **COURSE 4**, SOUTH 0°58'39" WEST A DISTANCE OF 331.88 FEET MORE OR LESS TO THE SOUTHEAST CORNER OF SAID LOT "A"; THENCE LEAVING SAID EASTERLY LINE ALONG THE SOUTHERLY LINE OF SAID LOT "A", **COURSE 5**, NORTH 89°55'11" WEST A DISTANCE OF 659.89 FEET MORE OR LESS TO A POINT ON SAID CENTERLINE OF STORY ROAD AND THE **POINT OF BEGINNING**.

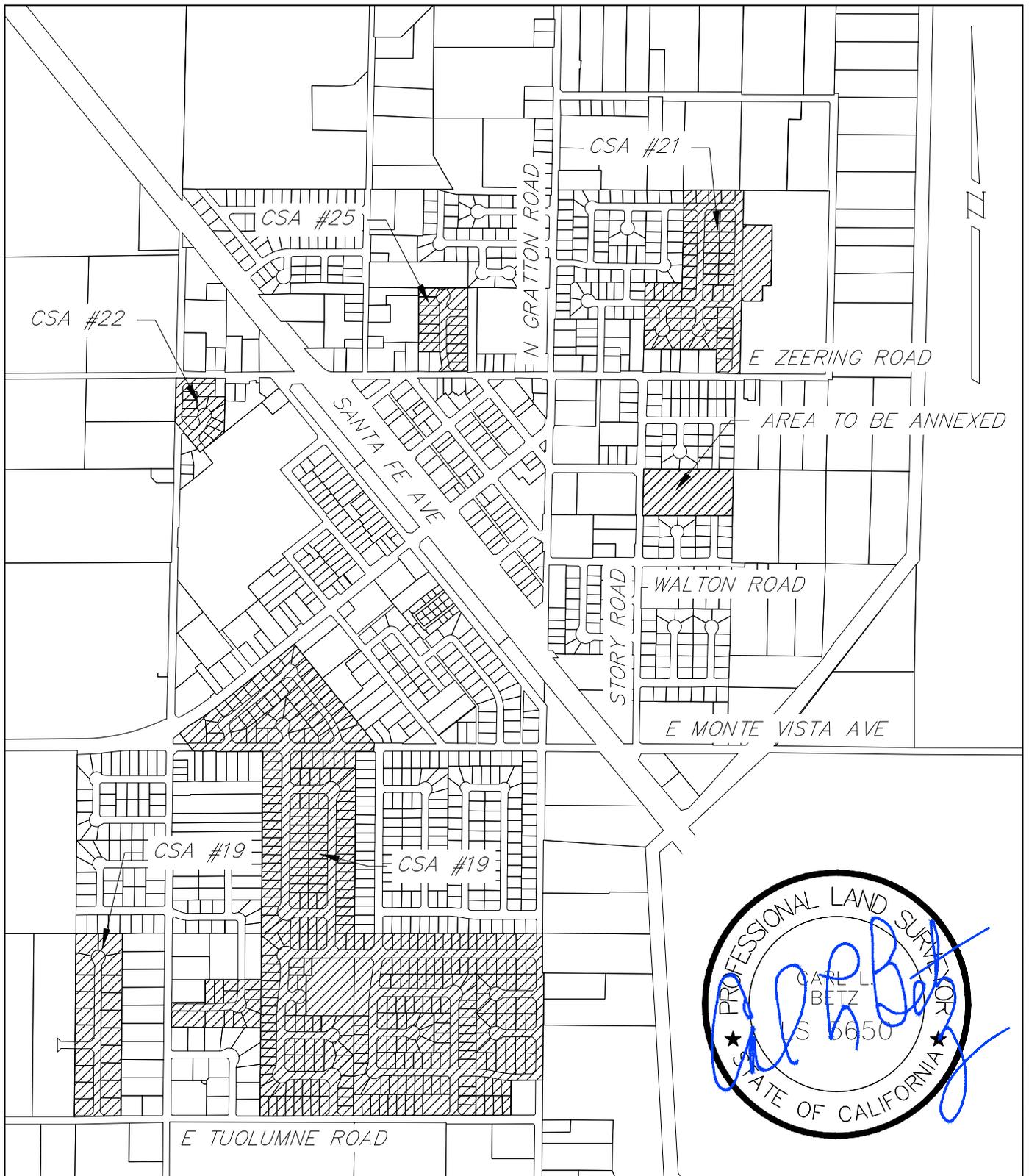
SAID ANNEXATION AREA CONTAINING 218,919 SQUARE FEET, OR 5.026 ACRES MORE OR LESS.

END OF DESCRIPTION

BASIS OF BEARINGS FOR THIS DESCRIPTION:

A BEARING OF NORTH 0°56'10" EAST FOR THE CENTERLINE OF STORY ROAD AS SHOWN ON MAP FILED FOR RECORD ON JULY 3, 1973, IN VOL. 24 OF MAPS ON PAGE 53 STANISLAUS COUNTY RECORDS.





Drawn By: DAM
 Date: 02/18/26
 Scale: NTS
 Job No.: NC22280
 Phone: 866.526.4214

EXHIBIT "B"
 Elmwood Estates Change of Organization to
 County Service Area No.19(Tuolumne-Gratton)
 DENAIR CALIFORNIA

SHEET
1
 OF **2**

MVE Inc.
 1117 L Street, Modesto, CA 95354
 866.526.4214 | www.mve.net
 Northern California | Southern California | Nevada

P:\CAD\NC22280\MAP\LEGAL\NC22280-EXHIBIT B-CSA21 ANNEXATION VIC MAP.dwg

BASIS OF BEARINGS

A BEARING OF NORTH 0°56'10" EAST FOR THE CENTERLINE OF STORY ROAD AS SHOWN ON MAP FILED FOR RECORD ON JULY 3, 1973 IN VOL. 24 OF MAPS ON PAGE 53 STANISLAUS COUNTY RECORDS.



HILLSDALE DRIVE

**OAKMONT VISTA
24-M-53**

ROMIE WAY

**LOT 17
24-M-53**

COURSE 3

**LOT A OF BLOCK 12
2-M-41**

**APN
024-055-060**

**POINT OF
BEGINNING**

NE CNR LOT 17
29-M-13

**MYSTY LAND ESTATES
29-M-13**

**LOT 17
29-M-13**

FD 3/4" IP AT SW
CORNER LOT "D",
BLOCK 12

**POINT OF
COMMENCEMENT**

WALTON STREET

ROMIE WAY

COURSE 2

COURSE 1

N00°56'10"E 331.58'

N00°56'10"E 331.59'

S89°56'42"E 660.13'

SE CNR LOT 17
24-M-53 AND NE CNR
LOT "A" BLOCK 12

N89°55'11"W 659.89'

COURSE 5

S00°58'39"W 331.88'

COURSE 4



CSA #19 ANNEXATION
AREA - 5.026 ACRES

Drawn By: DAM
Date: 02/18/26
Scale: 1"=150'
Job No.: NC22280
Phone: 866.526.4214

EXHIBIT "B"

Elmwood Estates Change of Organization to
County Service Area No.19(Tuolumne-Gratton)

DENAIR

CALIFORNIA



1117 L Street, Modesto, CA 95354
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Northern California | Southern California | Nevada

SHEET
2
OF **2**

EXHIBIT B

Negative Declaration

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NEGATIVE DECLARATION

NAME OF PROJECT: Rezone and Tentative Map Application No. PLN2022-0026
– Elmwood Estates

LOCATION OF PROJECT: 3700 Story Road, between East Zeering Road and Walton Street, in the Community of Denair.
APN: 024-055-060

PROJECT DEVELOPERS: Torre Reich, Malet Development
219 North Broadway
Turlock, CA 95380

DESCRIPTION OF PROJECT: Request to rezone a 4.82± acre parcel from Rural Residential (R-A) to Planned Development (P-D) to increase the maximum building site coverage from 40 to 50 percent, and to create 17 single-family residential lots ranging in size from 8,000 to 10,594 square feet, and a 13,098 square-foot stormwater basin.

Based upon the Initial Study, dated July 19, 2022 the Environmental Coordinator finds as follows:

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

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

Initial Study prepared by: Emily Basnight, Assistant Planner

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

Donna Linder
Stanislaus County
County Clerk-Recorder
1021 "I" Street
Modesto, CA 95354
(209) 525-5279

Public

Receipt No.: 2022120176

Cashier: 37

Register: CHRWZV2

Date/Time: 12/09/2022 03:41 PM

| <u>Description</u> | <u>Fee</u> |
|----------------------|------------|
| Negative Declaration | |
| Filing Time: | 03:41 PM |
| Filing Fee: | \$2,548.00 |
| Filing Total: | \$2,548.00 |
| Administration Fee | |
| Filing Time: | 03:41 PM |
| Filing Fee: | \$57.00 |
| Filing Total: | \$57.00 |
| <hr/> | |
| Total Amount Due: | \$2,605.00 |
| <hr/> | |
| Total Paid | |
| Check Tendered: | \$2,605.00 |
| #2492 | |
| Amount Due: | \$0.00 |

THANK YOU
PLEASE KEEP FOR REFERENCE

FILED

December 9, 2022
DONNA LINDER
STANISLAUS COUNTY
CLERK-RECORDER

By: *[Signature]*
Deputy Clerk

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

NOTICE OF DETERMINATION

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

Project Title: Rezoning and Tentative Map Application No. PLN2022-0026 – Elmwood Estates

Applicant Information: Torre Reich, Malet Development, 219 North Broadway, Turlock, CA 95380; (209) 668-8721.

Project Location: 3700 Story Road, between East Zeering Road and Walton Street, in the Community of Denair, Stanislaus County (APN: 024-055-060).

Description of Project: Request to rezone a 4.82± acre parcel from Rural Residential (R-A) to Planned Development (P-D) to increase the maximum building site coverage from 40 to 50 percent; and to create 17 single-family residential lots ranging in size from 8,000 to 10,594 square feet and a 13,098± square-foot stormwater basin.

Name of Agency Approving Project: Stanislaus County Board of Supervisors

Lead Agency Contact Person: Emily Basnight, Assistant Planner

Telephone: (209) 525-6330

This is to advise that the Stanislaus County Board of Supervisors on **December 6, 2022**, has approved the above described project and has made the following determinations regarding the above described project:

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

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

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

This is to certify that the final EIR with comments and responses and record of project approval, or the Negative Declaration, is available to the General Public at <http://www.stancounty.com/planning/agenda/agenda-min-2022.shtm>.

12/09/2022
Dated

[Signature]
Emily Basnight
Assistant Planner

Date removed from posting 1-12-23

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EXHIBIT C

Plan for Services

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Plan for Services

Elmwood Estates Subdivision

Annexation into CSA #19 Tuolumne-Gratton Denair, CA

FY 2025-2026

BACKGROUND

County Service Area No. 19 – Tuolumne-Gratton (CSA 19) was established December 2002, to provide extended maintenance services for the storm drain system, landscaped storm drainage basins, and parks within the three separate zones that make up the service area. Combined the three zones consist of eight (8) residential subdivisions.

Stanislaus County Public Works is seeking to annex Elmwood Estates, a future subdivision, into CSA 19 Zone 3. The annexation will add a single parcel totaling 4.85 acres to the CSA area. The future subdivision will subdivide the parcel into 18 parcels: 17 residential lots, and a Lot A/Basin expansion. Once the annexation and construction of Elmwood Estates has been completed, Zone 3 will consist of 74 residential lots, 2 landscaped storm drainage basins, and 1 storm drainage basin.

DESCRIPTION OF SERVICES

CSA 19 currently provides ongoing maintenance, operation and servicing of the storm drain basin, storm drain system, and park. The special benefit assessments to be levied for this CSA are intended to provide a revenue source for all the maintenance and servicing of the service area's improvements including, but not limited to materials, equipment, labor, and administrative expenses. However, the assessments are not intended to fund reconstruction or major renovations of the improvements and facilities. The maintenance, operation, and servicing of the storm drain system are funded entirely or partially through the service area assessments and generally described as:

- Periodic cleaning and maintenance (as needed) on 4,145 linear feet 18-inch pipe, 3,472 linear feet of 24-inch pipe, 1,191 linear feet of 30-inch pipe, 274 linear feet of 36-inch pipe, 181 linear feet of 42-inch pipe, 212 linear feet of 48-inch pipe;
- Two (2) 25 HP pumps;
- Periodic cleaning and maintenance of 34 catch basins and 36 manholes;
- Repair curb and gutter as needed to maintain the storm drain system (26,913 linear feet of curb and gutter; 107,333 square feet of sidewalk);
- Periodic streets sweeping to prevent buildup of silt and other damaging materials to the storm drain system. All debris is contained and hauled offsite with containment bins;
- Annual repairs and general maintenance to storm drain basin and 5 rock wells (erosion control, weed spraying, grading/excavation as needed).
- The Parks and Recreation Department provides continual maintenance of all park/basin public use area and parks and landscape areas within the Sterling Ranch Service Area and Palm Estates and Wenstrand Ranch properties (i.e. irrigation, playground areas, and mowing and weed abatement).

These services will be fully extended to the following infrastructure, added by the annexation, and receive the same benefits described above as well as all benefits extended to Zone 3:

- 152 linear feet of 12-inch PVC Storm pipe, 731 linear feet of 18-inch RCP Storm pipe;
- 1 Bubble-up structure with Rip Rap, 7 catch basins and 5 manholes;
- 268 Cubic Yards of drainage rock/Rip Rap
- 268 linear feet of 6-inch vertical curb & gutter, 1409 linear feet of 4.5" drive over curb & gutter, 6702 square feet of 6" PCC concrete sidewalk, and 1239 square feet of 3.5" PCC concrete sidewalk;
- 240 linear feet of 7' chain link fence, and 106 linear feet of 6' masonry wall;
- 13,055 square feet of landscaped basin area, which will be an expansion of the existing drainage basin.

BUDGET ANALYSIS

It is estimated there will be a fund balance on June 30, 2025, of \$2,869 for Runyan Estates (Zone 1), \$98,992 for Sterling Ranch (Zone 2), and \$41,605 for Palm Estates and Wenstrand Ranch (Zone 3) for a total of \$143,466 for the CSA. This amount has been generated in order to have funds available for future capital improvements in the storm drain system, landscaped park, and streetscapes. It is estimated that replacement pumps will cost approximately \$27,000 each for labor and materials for a total of \$54,000. This fiscal approach is aimed at accumulating a sufficient reserve by the time the pumps are replaced, so that no increase in the annual assessment will be necessary to cover these costs.

The threat to stormwater quality comes from the urbanized areas within the County, which the CSA's encompass. The County is mandated by the State Water Resources Control Board, Water Quality Order No. 2013-0001-DWQ to regulate stormwater within these urbanized areas. The CSA's receive additional services above the General Benefit for the following permit areas: Education and Outreach (E.7), Public Involvement and Participation Program (E.8), Illicit Discharge Detection and Elimination Program (E.9), Post-Construction Stormwater Management Program (E.12), Water Quality Monitoring (E.13), Program Effectiveness Assessment and Improvement (E.14), Total Maximum Daily Loads Compliance Requirements (E.15) and the Annual Reporting Program (E.16).

The fee structure to implement the state requirements has not been determined for Fiscal Year 2025-2026. An estimated annual fee of \$5 per parcel is included in this year's budget. Any surplus or shortfall will be adjusted in future calculations.

The fiscal year is the 12-month period from July 1st through June 30th of the following year. The annual assessment is received with property taxes collected in December and April. This means the fiscal year starts on July 1st, but the first installment of the annual assessment will

not be collected until December, creating a 6-month lag in receiving the money necessary to maintain the various services provided. Therefore, \$49,537.50 (\$815 for Runyan Estates (Zone 1), \$35,089 for Sterling Ranch (Zone 2), and \$13,633.50 for Palm Estates and Wenstrand Ranch (Zone 3)) of available fund balance will be carried forward to cover costs from July 1st to December 31st.

ASSESSMENT FORMULA

Proposition 218, a statewide initiative approved by the voters in November 1996, requires property owners approve any change in the method of calculating assessment and any increase in the assessment rate through a ballot procedure. An assessment ballot procedure occurred during the formation of CSA 19. A majority protest was not filed regarding the formula for calculating the annual assessment and the levy of the annual assessment to pay for services provided by CSA 19. Therefore, a formula for calculating the annual assessment has been approved and is in place. The formula that is being used to calculate the assessments is as follows:

The amount of annual assessment equals the total operation and maintenance cost minus any fund balance from previous year divided equally by the number of EBUs within the CSA 19. A residential parcel with a recorded final map receives the same equal benefit as the number of approved residential properties on or for the parcel annual assessment and the levy of the annual assessment to pay for services provided by CSA 19.

$$\frac{\text{(Total Cost of Operations \& Maintenance-Use of Fund Balance)}}{\text{Total EBUs}} = \text{Assessment per EBU}$$

ASSESSMENT CALCULATION:

2025-2026 Assessment (Runyan Country Estates (Zone 1)) = \$1,091.20 / 20 EBU = \$54.56 per EBU

2025-2026 Assessment (Sterling Ranch Units 1-5 (Zone 2)) = \$38,598.74 / 306.68 EBU = \$125.86 per EBU

2025-2026 Assessment (Palm Estates/Wenstrand Ranch (Zone 3)) = \$16,176.84/ 57.348 EBU = \$282.08 per EBU.

2024-2025 Assessment (Runyan Country Estates (Zone 1)) = \$1,091.20 / 20 EBU = \$54.56 per EBU

2024-2025 Assessment (Sterling Ranch Units 1-5 (Zone 2)) = \$38,598.74 / 306.68 EBU = \$125.86 per EBU

2024-2025 Assessment (Palm Estates/Wenstrand Ranch (Zone 3)) = \$16,176.84/ 57.348 EBU = \$282.08 per EBU.

If the annexation project is approved, the assessment of proposed parcels will start in Fiscal Year 2026-2027. A deposit of \$32,264.91 from the developer that covers 1st year of Operation and Maintenance will be transferred to the CSA 19 Zone 3 fund. Thus, the fund balance of CSA 19 Zone 3 will be sufficient to cover services provided in this zone.

A method for calculating the annual assessment has been approved per Proposition 218, therefore no ballot procedure is necessary to approve any change in the assessment. The Fiscal Year 2025-2026 assessment is in compliance with Proposition 218.

EXISTING SERVICE AREA BUDGET

CSA 19 - Runyan Zone 1, Sterling Zone 2, Palm Estates and Wenstrand Ranch Zone 3

| EXPENSE DESCRIPTION | TOTAL BUDGET Zone 1 | TOTAL BUDGET Zone 2 | TOTAL BUDGET Zone 3 |
|--|------------------------|------------------------|------------------------|
| | 2% | 69% | 29% |
| ADMINISTRATION | | | |
| County Administration | \$ 20.00 | \$ 690.00 | \$ 290.00 |
| Miscellaneous/Other Admin Fees | \$ - | \$ - | \$ - |
| Total | \$ 20.00 | \$ 690.00 | \$ 290.00 |
| PARKS & RECREATION | | | |
| Parks Labor | \$ 114.34 | \$ 3,937.83 | \$ 1,655.03 |
| Parks Vandalism/Graffiti | \$ 60.00 | \$ 2,070.00 | \$ 870.00 |
| Parks Utilities | \$ - | \$ - | \$ - |
| Parks Other Supplies | \$ 1.08 | \$ 37.26 | \$ 15.66 |
| Total | \$ 175.42 | \$ 6,045.09 | \$ 2,540.69 |
| PUBLIC WORKS | | | |
| Pond Excavation | \$ - | \$ - | \$ - |
| SWRCB Permit Requirement | \$ 100.00 | \$ 1,535.00 | \$ 295.00 |
| Pump Replacement | \$ - | \$ - | \$ - |
| Cleaning Drainage System (storm and/or catch basins) | \$ 584.58 | \$ 23,837.91 | \$ 7,000.00 |
| Street Sweeping | \$ 1,000.00 | \$ 30,000.00 | \$ 16,500.00 |
| Curb & Gutter Repair | \$ - | \$ - | \$ - |
| Weed Spraying | \$ - | \$ 1,620.00 | \$ 1,131.31 |
| Erosion Control | \$ - | \$ - | \$ - |
| Separator Cleaning | \$ - | \$ - | \$ - |
| Utilities | \$ - | \$ 13,950.00 | \$ 3,635.00 |
| Total | \$ 1,684.58 | \$ 70,942.91 | \$ 28,561.31 |
| Capital Improvement Reserve-Parks | \$ - | \$ - | \$ - |
| Capital Improvement Reserve -Public Works | \$ - | \$ - | \$ - |
| General Benefits (-) | \$ (250.00) | \$ (7,500.00) | \$ (4,125.00) |
| Total Administration, Parks & Rec, Public Works Budget | \$ 1,630.00 | \$ 70,178.00 | \$ 27,267.00 |
| Adjustments to Available Fund Balance | | | |
| Beginning Fund Balance (Estimated for 2025-26) | \$ 2,869.00 | \$ 98,992.00 | \$ 41,605.00 |
| General Fund (or PW) Loan Repayment/Advance (+) | \$ - | \$ - | \$ - |
| Capital Improvement Expenditure -Parks (-) | \$ - | \$ - | \$ - |
| Capital Improvement Expenditure (pumps etc.) (-) | \$ - | \$ - | \$ - |
| 6 Months Operating Reserve (-) | \$ (815.00) | \$ (35,089.00) | \$ (13,633.50) |
| Use of Fund Balance for FY2025-26 (-) | \$ (589.00) | \$ (31,579.00) | \$ (11,084.00) |
| Current Fund Balance | \$ 1,465.00 | \$ 32,324.00 | \$ 16,887.50 |
| Required Capital Reserve Parks (-) | \$ (600.00) | \$ (5,400.00) | \$ - |
| Required Capital Reserve Public Works (-) | \$ - | \$ (54,000.00) | \$ - |
| Available Fund Balance | \$ 865.00 | \$ (27,076.00) | \$ 16,887.50 |
| Total Administration, Parks & Rec, Public Works Budget | \$ 1,630.00 | \$ 70,178.00 | \$ 27,267.00 |
| Use of Fund Balance (-) | \$ (589.00) | \$ (31,579.00) | \$ (11,084.00) |
| Balance to Levy | \$ 1,041.00 | \$ 38,599.00 | \$ 16,183.00 |
| District Statistics | | | |
| Total Parcels | 20 | 307 | 60 |
| Parcels Levied | 20 | 307 | 59 |
| Total EBU | 20.00 | 306.68 | 57.37 |
| Levy per EBU | \$ 52.05 | \$ 125.86 | \$ 282.08 |
| Capital Reserve Target | \$ 600.00 | \$ 59,400.00 | \$ - |

*Runyan receives no benefit from Sterling storm drain system and equal benefit from parks.

SERVICE AREA BUDGET AFTER ANNEXATION

CSA 19 - Runyan Zone 1, Sterling Zone 2, Palm Estates and Wenstrand Ranch Zone 3

| EXPENSE DESCRIPTION | TOTAL BUDGET Zone 1 | TOTAL BUDGET Zone 2 | TOTAL BUDGET Zone 3 |
|--|------------------------|------------------------|------------------------|
| | 2% | 69% | 29% |
| ADMINISTRATION | | | |
| County Administration | \$ 20.00 | \$ 690.00 | \$ 290.00 |
| Miscellaneous/Other Admin Fees | \$ - | \$ - | \$ - |
| Total | \$ 20.00 | \$ 690.00 | \$ 290.00 |
| PARKS & RECREATION | | | |
| Parks Labor | \$ 114.34 | \$ 3,937.83 | \$ 1,655.03 |
| Parks Vandalism/Graffiti | \$ 60.00 | \$ 2,070.00 | \$ 870.00 |
| Parks Utilities | \$ - | \$ - | \$ 547.24 |
| Parks Other Supplies | \$ 1.08 | \$ 37.26 | \$ 15.66 |
| Total | \$ 175.42 | \$ 6,045.09 | \$ 3,087.93 |
| PUBLIC WORKS | | | |
| Pond Excavation | \$ - | \$ - | \$ - |
| SWRCB Permit Requirement | \$ 100.00 | \$ 1,535.00 | \$ 295.00 |
| Pump Replacement | \$ - | \$ - | \$ - |
| Cleaning Drainage System (storm and/or catch basins) | \$ 584.58 | \$ 23,837.91 | \$ 7,000.00 |
| Street Sweeping | \$ 1,000.00 | \$ 30,000.00 | \$ 16,500.00 |
| Curb & Gutter Repair | \$ - | \$ - | \$ - |
| Weed Spraying | \$ - | \$ 1,620.00 | \$ 1,131.31 |
| Erosion Control | \$ - | \$ - | \$ - |
| Separator Cleaning | \$ - | \$ - | \$ - |
| Utilities | \$ - | \$ 13,950.00 | \$ 3,635.00 |
| Total | \$ 1,684.58 | \$ 70,942.91 | \$ 28,561.31 |
| Capital Improvement Reserve-Parks | \$ - | \$ - | \$ - |
| Capital Improvement Reserve -Public Works | \$ - | \$ - | \$ - |
| General Benefits (-) | \$ (250.00) | \$ (7,500.00) | \$ (4,125.00) |
| Total Administration, Parks & Rec, Public Works Budget | \$ 1,630.00 | \$ 70,178.00 | \$ 27,814.24 |
| Adjustments to Available Fund Balance | | | |
| Beginning Fund Balance (Estimated for 2026-27) | \$ 2,869.00 | \$ 98,992.00 | \$ 73,869.91 |
| General Fund (or PW) Loan Repayment/Advance (+) | \$ - | \$ - | \$ - |
| Capital Improvement Expenditure -Parks (-) | \$ - | \$ - | \$ - |
| Capital Improvement Expenditure (pumps etc.) (-) | \$ - | \$ - | \$ - |
| 6 Months Operating Reserve (-) | \$ (815.00) | \$ (35,089.00) | \$ (13,907.12) |
| Use of Fund Balance for FY2026-27 (-) | \$ (589.00) | \$ (31,579.00) | \$ (11,084.00) |
| Current Fund Balance | \$ 1,465.00 | \$ 32,324.00 | \$ 48,878.79 |
| Required Capital Reserve Parks (-) | \$ (600.00) | \$ (5,400.00) | \$ - |
| Required Capital ReservePublic Works (-) | \$ - | \$ (54,000.00) | \$ - |
| Availbale Fund Balance | \$ 865.00 | \$ (27,076.00) | \$ 48,878.79 |
| Total Administration, Parks & Rec, Public Works Budget | \$ 1,630.00 | \$ 70,178.00 | \$ 27,814.24 |
| Use of Fund Balance (-) | \$ (589.00) | \$ (31,579.00) | \$ (11,084.00) |
| Balance to Levy | \$ 1,041.00 | \$ 38,599.00 | \$ 16,730.24 |
| District Statistics | | | |
| Total Parcels | 20 | 307 | 60 |
| Parcels Levied | 20 | 307 | 59 |
| Total EBU | 20.00 | 306.68 | 59.31 |
| Levy per EBU | \$ 52.05 | \$ 125.86 | \$ 282.08 |
| Capital Reserve Target | \$ 600.00 | \$ 59,400.00 | \$ - |

*Runyan receives no benefit from Sterling storm drain system and equal benefit from parks.

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EXHIBIT D

**Draft LAFCO Resolution
No. 2026-06**

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**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: March 25, 2026

NO. 2026-06

SUBJECT: LAFCO APPLICATION NO. 2026-01 SPHERE OF INFLUENCE UPDATE NO. 2026-01 – ELMWOOD ESTATES CHANGE OF ORGANIZATION TO COUNTY SERVICE AREA NO. 19 (TUOLUMNE-GRATTON)

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, Stanislaus County has requested to annex approximately 5 acres located on the east side of Story Road, between Hillsdale Drive and Walton Street in the Denair area into County Service Area No. 19 (Tuolumne-Gratton);

WHEREAS, the Commission has conducted a public hearing to consider the proposal on March 25, 2026, and notice of said hearing was given at the time and in the form and manner provided by law;

WHEREAS, the territory is considered uninhabited as it contains less than 12 registered voters;

WHEREAS, the purpose of the proposal is to allow the subject territory to receive extended county services offered by County Service Area No. 19, including CSA administration, street-sweeping, storm drain system maintenance, masonry wall(s), chain-link fencing, drainage basin, landscaping, sidewalks, and streetscape;

WHEREAS, Stanislaus County, as Lead Agency, prepared and subsequently approved a Negative Declaration for the proposal in compliance with the California Environmental Quality Act (CEQA);

WHEREAS, the proposal would not result in the loss of agricultural land, as the site has historically been designated for planned residential uses;

WHEREAS, the proposal includes a simultaneous sphere of influence amendment, coterminous with the annexation, in order to maintain consistency with the sphere of influence of CSA No. 19;

WHEREAS, proceedings for adoption and amendment of a sphere of influence are governed by the Cortese-Knox-Hertzberg local Government Reorganization Act, Section 56000 et seq. of the Government Code;

WHEREAS, Commission policies allow a minor amendment to a sphere of influence of any agency without triggering a new or revised Municipal Service Review (MSR) when a previous MSR has been conducted;

WHEREAS, on January 26, 2026, the Stanislaus County Board of Supervisors adopted Resolution No. 2026-0012 requesting the annexation to County Service Area No. 19;

WHEREAS, Stanislaus County has prepared an Engineer's Study identifying the assessment formula to be applied to the territory and its compliance with Proposition 218;

WHEREAS, in the form and manner provided by law pursuant to Government Code Sections 56153 and 56157, the Executive Officer has given notice of the public hearing by the Commission on this matter; and

WHEREAS, the Commission has, in evaluating the proposal, considered the report submitted by the Executive Officer, which included determinations and factors set forth in Government Code Sections 56425 and 56668, and any testimony and evidence presented at the meeting held on May 28, 2025.

NOW, THEREFORE, BE IT RESOLVED that the Commission:

1. Certifies, in accordance with CEQA, as a Responsible Agency, that it has considered the Negative Declaration prepared by Stanislaus County.
2. Determines that: (a) the subject territory will be within the County Service Area No. 19 Sphere of Influence with approval of the modification; (b) approval of the proposal is consistent with all applicable spheres of influence, overall Commission policies and local general plans; (c) there are less than twelve (12) registered voters within the territory and it is considered uninhabited; (d) all the owners of land within the subject territory have given their written consent to the annexation; (e) no subject agencies have submitted written protest to a waiver of protest proceedings; and (f) the proposal is in the interest of the landowners within the territory.
3. Approves the proposal subject to the following terms and conditions:
 - a. The applicant shall pay State Board of Equalization fees, pursuant to Government Code Section 54902.5.
 - b. The applicant agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding brought against any of them, the purpose of which is to attack, set aside, void or annul LAFCO's action on a proposal or any action relating to or arising out of such approval, and provide for the reimbursement or assumption of all legal costs in connection with that approval.
 - c. In accordance with Government Code Sections 56886(t) and 57330, the subject territory shall be subject to the levying and collection of all previously authorized charges, fees, assessments or taxes of County Service Area No. 19.

- d. The effective date of the change of organization shall be the date of recordation of the Certificate of Completion.
 - e. The application submitted has been processed as a change of organization consisting of annexation to County Service Area No. 19.
4. Designates the proposal as the “Elmwood Estates Change of Organization to County Service Area No. 19 (Tuolumne-Gratton)”.
 5. Waives the protest proceedings pursuant to Government Code Section 56662(d) and orders the change of organization subject to the requirements of Government Code Section 57200 et. seq.
 6. Authorizes and directs the Executive Officer to prepare and execute a Certificate of Completion in accordance with Government Code Section 57203, upon receipt of a map and legal description prepared pursuant to the requirements of the State Board of Equalization and accepted to form by the Executive Officer, subject to the specified terms and conditions.

ATTEST:

Sara Lytle-Pinhey
Executive Officer

**EXECUTIVE OFFICER'S AGENDA REPORT
MARH 25, 2026**

TO: LAFCO Commissioners
FROM: Sara Lytle-Pinhey, Executive Officer *SLP*
SUBJECT: **INDEPENDENT AUDIT FOR FISCAL YEARS 2023-2024 AND 2024-2025**

RECOMMENDATION

It is recommended that the Commission accept and file the financial audit for fiscal years 2023-2024 and 2024-2025.

DISCUSSION

The Commission has requested that an audit of LAFCO's finances be completed every two years. The independent auditing firm, Hawks & Associates CPAs, Inc., has completed the LAFCO biennial audit for fiscal years 2023-2024 and 2024-2025.

The purpose of the audit is for an independent third-party to review and assess the Commission's financial records to determine their compliance with generally accepted governmental accounting standards. LAFCO currently contracts with the County Auditor-Controller Office for financial services and maintains its funds in the County Treasury, pursuant to an adopted Memorandum of Understanding. The outside audit provides an opportunity for a third-party to identify reporting errors and omissions as well as to make suggestions for improvements.

As with the prior audits, the auditor found that the financial statements present fairly the financial position of the Commission. The final audit is attached in full to this memo.

Attachment: Independent Audit for Fiscal Years 2023-2024 and 2024-2025

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Stanislaus Local Agency
Formation Commission

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEARS ENDED
JUNE 30, 2024 AND JUNE 30, 2025

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Hawks & Associates CPAs , Inc

• *think BOLDLY* • *plan CAREFULLY* • *execute PRECISELY* •

INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Stanislaus Local Agency Formation Commission
Modesto, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Stanislaus Local Agency Formation Commission (LAFCO) as of and for the years ended June 30, 2024, and 2025, and the related notes to the financial statements, which collectively comprise the LAFCO's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the LAFCO, as of June 30, 2024, and 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the LAFCO, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the LAFCO's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the LAFCO's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the LAFCO's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025, on our consideration of the LAFCO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the LAFCO's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LAFCO's internal control over financial reporting and compliance.



Modesto, California
December 15, 2025

**Stanislaus Local Agency Formation Commission
Management's Discussion and Analysis Report
For the Year Ending June 30, 2024 and June 30, 2025**

As management of the Stanislaus Local Agency Formation Commission (the Commission), we offer readers of the Commission's financial statements this discussion and analysis of the financial activities of the Commission for the above years. We encourage readers to consider the information presented in this report in conjunction with the Commission's financial statements and the accompanying notes to the basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis report is intended to serve as an introduction to the Commission's basic financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Commission. The financial statements also include various note disclosures that further describe the Commission's activities.

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net position.

The Statement of Activities presents information showing how the Commission's net position changed during each fiscal year. All changes in net position are reported as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows (accrual basis). Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g. accounts payable and receivable).

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The Commission, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than government-wide financial statements, it is useful to compare the information presented. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate the comparison between governmental funds and government wide statements.

Notes to Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL ANALYSIS OF THE COMMISSION

The Commission has presented its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis (MD&A) for State and Local Governments*.

The table below presents a condensed Statement of Net Position for the fiscal years ending June 30, 2025, and June 30, 2024, as well as the prior year ending June 30, 2023.

Condensed Statement of Net Position

| | As of June 30: | | |
|----------------------------|-------------------|-------------------|-------------------|
| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| ASSETS | | | |
| Total Assets | <u>\$ 367,599</u> | <u>\$ 407,885</u> | <u>\$ 482,258</u> |
| LIABILITIES & NET POSITION | | | |
| Total Liabilities | <u>\$ 25,068</u> | <u>\$ 23,075</u> | <u>\$ 23,693</u> |
| Total Net Position | <u>\$ 342,531</u> | <u>\$ 384,810</u> | <u>\$ 458,565</u> |

The Statements of Net Position present complete information on the Commission's assets and deferred outflows of resources, as well as liabilities and deferred inflows of resources, with the difference reported as net position. Changes in net position that occur over time may serve as an indicator of the Commission's financial position.

Changes in Net Position

State Law requires the County and the nine cities of Stanislaus County fund the Commission's budget each year. The Commission is also authorized to establish and collect fees for the purposes of offsetting agency contributions. It is the practice of the Commission to make use of unrestricted fund balance to help cover operating costs and minimize the fiscal impact on the local funding agencies. This practice of using unrestricted fund balance occasionally results in budgeting an operating shortfall, as was the case in the fiscal years ending June 30, 2024 and June 30, 2025.

Condensed Statement of Activities

For the Year Ended June 30

| | 2023 | 2024 | 2025 |
|----------------------------------|-------------------|-------------------|-------------------|
| Program Revenues | | | |
| Intergovernmental | \$ 553,480 | \$ 625,690 | \$ 693,670 |
| Application Fees | 23,000 | 28,632 | 21,153 |
| General Revenues | | | |
| Interest & Other Income | <u>(7,173)</u> | <u>28,638</u> | <u>32,114</u> |
| Total Revenue | <u>\$ 569,307</u> | <u>\$ 682,960</u> | <u>\$ 746,937</u> |
| EXPENSES | | | |
| Personnel expenses | \$ 499,369 | \$ 554,441 | \$ 601,146 |
| Services and Supplies | <u>63,464</u> | <u>86,240</u> | <u>72,036</u> |
| Total Expenses | <u>\$ 562,833</u> | <u>\$ 640,681</u> | <u>\$ 673,182</u> |
| CHANGE IN NET POSITION | | | |
| NET POSITION – BEGINNING OF YEAR | \$ 6,474 | \$ 42,279 | \$ 73,755 |
| | <u>336,057</u> | <u>342,531</u> | <u>384,810</u> |
| NET POSITION – END OF YEAR | <u>\$ 342,531</u> | <u>\$ 384,810</u> | <u>\$ 458,565</u> |

Financial Analysis of the Commission's Governmental Fund

As noted earlier, fund accounting is used by the Commission to ensure and demonstrate compliance with finance-related legal requirements. For the fiscal year ending June 30, 2024, the Commission reported an ending fund balance of \$384,810. For the fiscal year ending June 30, 2025, the Commission reported an ending fund balance of \$458,565, for an increase of \$73,755.

Expenditures and revenues increased in fiscal years ending June 30, 2024 and June 30, 2025 as the Commission budgeted for cost-of-living adjustments for its three full-time employees and increases to the County's Cost Allocation Plan (CAP) charges.

BUDGETARY HIGHLIGHTS

The Commission practices bottom-line accounting, giving management the discretion to use excess funds in one account to offset deficits in other accounts. This allows management to minimize fiscal impact of unanticipated increases in contracted administrative services by controlling spending in other accounts. A Budgetary Comparison Schedule is included in the Required Supplementary Information (RSI) section of this report. In both years, revenues exceeded budgeted amounts, primarily due to application revenues exceeding those anticipated. Expenditures were also less than budgeted, due to various charges for services being lower than anticipated, including charges for legal services.

CAPITAL ASSETS

The Commission has no capital assets.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Commission is committed to fulfilling its State-mandated mission with as little fiscal impact to local agencies as possible. In preparing the budget for fiscal year 2025-2026, the Commission used spending baseline to estimate how much it would cost to continue the level of activities and services at next year's price for labor and supplies. The Commission's adopted fiscal year 2024-2025 budget is \$723,670 for expenditures an overall increase of 8.71% from the prior year's adopted budget.

CONTACTING THE COMMISSION

These financial statements are designed to provide a general overview of the Commission's finances for all those interested. Through a memorandum of understanding, the County provides certain support functions, including financial management and accounting. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Stanislaus Local Agency Formation Commission, 1010 10th Street, Suite 3600, Modesto, CA 95354.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
STATEMENTS OF NET POSITION
FOR YEARS ENDED JUNE 30, 2024 AND 2025

| | Governmental Activities | |
|------------------------------------|----------------------------|------------|
| | 2025 | 2024 |
| ASSETS | | |
| Current Assets: | | |
| Cash and Investments, Unrestricted | \$ 479,965 | \$ 400,747 |
| Interest Receivable | 2,293 | 3,070 |
| Total Current Assets | 482,258 | 403,817 |
| Other Assets | | |
| Operating Right-Of-Use Asset | - | 4,068 |
| Total Current Assets | - | 4,068 |
| Total Assets | \$ 482,258 | \$ 407,885 |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accrued Contract Labor | \$ 22,461 | \$ 18,988 |
| Accounts Payable | 1,232 | - |
| Operating Lease Liabilities | - | 4,087 |
| Total Current Liabilities | 23,693 | 23,075 |
| Total Liabilities | 23,693 | 23,075 |
| NET POSITION | | |
| Unrestricted | 458,565 | 384,810 |
| Total Net Position | 458,565 | 384,810 |
| Total Liabilities and Net Position | \$ 482,258 | \$ 407,885 |

The accompanying notes are an integral part of these financial statements.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
 STATEMENTS OF ACTIVITIES
 FOR YEARS ENDED JUNE 30, 2024 AND 2025

| | Governmental Activities | |
|--------------------------------------|----------------------------|----------------|
| | 2025 | 2024 |
| REVENUES | | |
| Charges for Services | | |
| Intergovernmental Revenue | \$ 693,670 | \$ 625,690 |
| Application Fees | 21,153 | 28,632 |
| Total Charges for Services | 714,823 | 654,322 |
| Interest Income | 32,114 | 28,638 |
| Total Revenue | 746,937 | 682,960 |
| EXPENSES | | |
| Current Program - General Government | | |
| Contract labor | 601,146 | 554,441 |
| Service, Supplies, & Other Charges | 72,036 | 86,240 |
| Total Program Expenses | 673,182 | 640,681 |
| CHANGE IN NET POSITION | 73,755 | 42,279 |
| NET POSITION - BEGINNING OF YEAR | 384,810 | 342,531 |
| NET POSITION - END OF YEAR | \$ 458,565 | \$ 384,810 |

The accompanying notes are an integral part of these financial statements.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
BALANCE SHEETS - GOVERNMENTAL FUNDS
FOR YEARS ENDED JUNE 30, 2024 AND 2025

| | GENERAL FUND | |
|------------------------------------|-----------------|------------|
| | 2025 | 2024 |
| ASSETS | | |
| Current Assets: | | |
| Cash and Investments, Unrestricted | \$ 479,965 | \$ 400,728 |
| Interest Receivable | 2,293 | 3,069 |
| Total Current Assets | 482,258 | 403,797 |
| Total Assets | \$ 482,258 | \$ 403,797 |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accrued Contract Labor | \$ 22,461 | \$ 18,987 |
| Accounts Payable | 1,232 | - |
| Total Current Liabilities | 23,693 | 18,987 |
| Total Liabilities | 23,693 | 18,987 |
| FUND BALANCE | | |
| Unassigned | 458,565 | 384,810 |
| Total Fund Balance | 458,565 | 384,810 |
| Total Liabilities and Fund Balance | \$ 482,258 | \$ 403,797 |

The accompanying notes are an integral part of these financial statements.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
RECONCILIATIONS OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2024 AND 2025

| | 2025 | 2024 |
|--|------------|------------|
| TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ 458,565 | \$ 384,810 |
| <p>Amounts reported for governmental activities in the statement of net position are different because:</p> | | |
| <p>Accrued obligations not normally recorded in governmental funds (e.g., compensated absences, claims and judgments operating leases with scheduled rent increases, special termination benefits, government's net pension obligations as an employer, landfill closure and postclosure care costs, etc.)</p> | - | - |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ 458,565 | \$ 384,810 |

The accompanying notes are an integral part of these financial statements.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR YEARS ENDED JUNE 30, 2024 AND 2025

| | Governmental Funds | Governmental Funds |
|--------------------------------------|-----------------------|-----------------------|
| | 2025 | 2024 |
| REVENUES | | |
| Charges for Services | | |
| Intergovernmental Revenue | \$ 693,670 | \$ 625,690 |
| Application Fees | 21,153 | 28,632 |
| Total Charges for Services | 714,823 | 654,322 |
| Interest Income | 32,114 | 28,638 |
| Total Revenue | 746,937 | 682,960 |
| EXPENDITURES | | |
| Current Program - General Government | | |
| Contract labor | 601,146 | 554,441 |
| Service, Supplies, & Other Charges | 72,036 | 86,240 |
| Total Expenditures | 673,182 | 640,681 |
| CHANGE IN FUND BALANCE | 73,755 | 42,279 |
| FUND BALANCE - BEGINNING OF YEAR | 384,810 | 342,531 |
| FUND BALANCE - END OF YEAR | \$ 458,565 | \$ 384,810 |

The accompanying notes are an integral part of these financial statements.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
RECONCILIATIONS OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUND TYPES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024 AND 2025

| | 2025 | 2024 |
|--|-----------|-----------|
| NET CHANGE IN TOTAL FUND BALANCES PER FUND FINANCIAL STATEMENTS | \$ 73,755 | \$ 42,279 |
| <p>Amounts reported for governmental activities in the statement of activities are different because:</p> | | |
| <p>Prior year revenues received in the current year are recorded in the fund financial statement but are a reduction to receivable in the government-wide statement of net position.</p> | - | - |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ 73,755 | \$ 42,279 |

The accompanying notes are an integral part of these financial statements.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Local Agency Formation Commission of Stanislaus County (the Commission) was created in 1963 by the California Legislature to encourage the orderly formation and development of local agencies, promote the efficient extension of municipal services, and protect against the premature conversion of agricultural and open space lands. In 2001, following the enactment of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the Commission became an independent agency separate from Stanislaus County. The financially independent Stanislaus LAFCO fund was established on July 1, 2001. As of June 30, 2024 and 2025, there are nine cities under the jurisdiction of the Commission of Stanislaus County.

The Commission is comprised of five regular and three alternate members. Each member is appointed pursuant to California Government Code Section 56000 et. Seq. and represents one of the following three interests:

County Members – two regular and one alternate member represent Stanislaus County. These members are County Supervisors. Appointments are made by the Board of Supervisors.

City Members – two regular and one alternate member represent the nine cities in Stanislaus County. The members are mayors or city council members. Appointments are made by the City Selection Committee.

Public Members – one regular and one alternate member represent the general public. Appointments are made by the County and city members of the Commission.

The Commission includes all activities (operations of its administrative staff and commission officers) considered to be a part of the Commission. The Commission reviewed the criteria developed by the Governmental Accounting Standards Board (GASB) in its issuance of Statement No. 61, relating to the financial reporting entity to determine whether the Commission is financially accountable for other entities. The Commission has determined that no other outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the financial statements. In addition, the Commission is not aware of any entity that would be financially accountable for the Commission that would result in the Commission being considered a component unit of that entity.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Accounting

Government-Wide Statements

The statement of net position and the statement of activities report information on all of the Commission's activities. Fiduciary activities of the Commission are not included in these statements. These statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of the Commission. Revenues that are not classified as program revenues are presented as general revenues.

Revenue

Revenue to finance the Commission's operation is primarily derived pursuant to Government Code Section 56381. Under this section, the Commission is required to adopt a fiscal budget which includes anticipated funding needed for the year. Stanislaus County is responsible for funding one half of the budgeted revenue and the nine cities within Stanislaus County are collectively responsible for funding the other one half of the budgeted revenue.

Implementation of New Accounting Pronouncements

For fiscal years ended June 30, 2024 and 2025, the Commission was not required to adopt any new accounting pronouncements.

Fund Accounting

The accounts of the Commission are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liability, fund equity, revenues and expenditures or expenses, as appropriate.

Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The Commission has only one fund group, government funds.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fund – The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.

Fund Equity

The Commission reports under GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make nature and extent of the constraints placed on the government’s fund balances more transparent.

The following classifications describe the relative strength of the spending constraints:

Non-spendable Fund Balance – amounts that are not in spendable form (such as prepaid expenses) or are required to be maintained intact. The Commission does not have any non-spendable funds as of June 30, 2024 and 2025 in a form or that are legally or contractually required to be maintained intact.

Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantor, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed Fund Balance – amounts constrained to specific purposes by the Commission itself, using its highest level of decision-making authority (i.e., Commissioners). To be reported as committed, amounts cannot be used for any other purpose unless the Commission takes the same highest level of action to remove or change the constraint. Committed funds may be modified or rescinded only through resolutions approved by the Commissioners.

Assigned Fund Balance – amounts the Commission intends to use for a specific purpose. Intent can be expressed by the Commissioners or by an official or body to which the Commissioners delegate the authority. The Commission does not have any assigned funds as of June 30, 2024 and 2025.

Unassigned Fund Balance – all amounts not included in other spendable classification. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Commission’s policy is first to apply restricted and then unrestricted funds. Similarly, the policy is to first use committed, then assigned, then unassigned amounts.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant and equipment assets, are reported in the government wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Property, plant and equipment of the Commission are depreciated using the straight-line method over the estimated useful lives. The Commission does not own any capital assets as of June 30, 2024 and 2025.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budget and Budgetary Accounting

The Commissioners shall adopt a preliminary operating budget for the fiscal year commencing July 1. Public hearings are conducted at an advertised location to obtain public comments. Prior to June 15, the budget is adopted by vote of the Commissioners. Once approved, the Commissioners may amend the legally adopted budget when unexpected modifications are required. Under GASB Statement No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The Commission does not have any funds other than the General Fund. Therefore, budget comparison information is presented for the general fund only. For years June 30, 2024 and 2025 actual expenditures were lower than the budgeted amounts.

Leases

The Commission leases certain buildings, equipment, and vehicles. The determination of whether an arrangement is a lease is made at the lease's inception. Under GASB Statement No. 87, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. The Commission only reassess its determination if the terms and conditions of the contract are changed.

Operating leases are included in other assets as operating lease right-of-use ("ROU") assets, long term liabilities as operating lease liabilities in the Commission's statement of net position.

ROU Assets represent the Commission's right to use an underlying asset for the lease term, and lease liabilities represent the Commission's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Commission uses the implicit rate when it is readily determinable. Since most of the Commission's leases do not provide an implicit rate, to determine the present value of lease payments, management uses the risk-free discount rate based on the information available at lease commencement.

Operating lease ROU Assets also includes any lease payments made and excludes any leased incentives. The Commission's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Commission will exercise the option.

NOTE 2 CASH AND CASH EQUIVALENTS

The Commission considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

The Commission maintains all of its cash in the Stanislaus County Treasury. The County pools these funds with those of other agencies in the county and invests the cash as prescribed by the California Government Code. These pooled funds are carried at cost plus accrued interest, which approximates market value. Interest earned is deposited quarterly into participating funds.

The Commission's deposits in the County pool may be accessed at any time. Stanislaus County's credit rating is A+, by Standard and Poor's.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2025

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in Stanislaus County's financial statements which can be obtained by contacting Stanislaus County's Auditor-Controller's Office at 1010 Tenth Street, Suite 5100, Modesto, California, 95353. The Stanislaus County Treasure Oversight Committee oversees the Treasurer's investments and policies.

NOTE 3 RELATED PARTY TRANSACTIONS

During the fiscal year ended June 30, 2024 and 2025, the Commission paid Stanislaus County, a related party, for legal services, operating support services, and contract employees as follows:

| <u>Fiscal Year Ended</u> | <u>Legal Services</u> | <u>Operating Support Services</u> | <u>Contract Employees</u> | <u>Total</u> |
|--------------------------|-----------------------|-----------------------------------|---------------------------|--------------|
| June 30, 2024 | \$ 8,114 | \$ 31,813 | \$ 554,441 | \$ 594,368 |
| June 30, 2025 | \$ 3,197 | \$ 37,709 | \$ 601,146 | \$ 642,052 |

The following summary of the amounts the Commission received during the fiscal years ended June 30, 2024 and 2025 from Stanislaus County and the nine cities within the County, related parties. The nine cities which provided funding to the Commission were City of Ceres, City of Hughson, City of Modesto, City of Newman, City of Oakdale, City of Patterson, City of Riverbank, City of Turlock, and City of Waterford.

| <u>Fiscal Year Ended</u> | <u>County</u> | <u>Cities</u> | <u>Total</u> |
|--------------------------|---------------|---------------|--------------|
| June 30, 2024 | \$ - | \$ 625,690 | \$ 625,690 |
| June 30, 2025 | \$ - | \$ 693,670 | \$ 693,670 |

The lease payments (Note 4) are made to the City of Modesto, a related party.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2025

NOTE 4 OPERATING LEASE

The Commission leases office space located on Tenth Street Place in Modesto, California under an operating lease. The Commission lease has matured and was not renewed as of June 30, 2025. The total annual lease payment is \$4,178, adjusted annually. The total amounts paid during the years ended June 30, 2024 and 2025 were \$4,359 and \$4,179.

The following summarizes the line item in the statement of net position at June 30, 2024 and 2025:

| | 2025 | 2024 |
|-------------------------------------|------|----------|
| Other Assets | | |
| Operating Lease Right-Of-Use Assets | \$ - | \$ 4,068 |
| Long Term Liabilities | | |
| Operating Lease Liabilities | \$ - | \$ 3,999 |

The following summarizes the weighted average remaining lease term as of June 30, 2024 and 2025:

| | 2025 | 2024 |
|---------------------------------------|------|--------|
| Weighted Average Remaining Lease Term | | |
| Operating Leases | - | 1 year |

The following is a schedule by years of future minimum lease payments required under a building lease that has initial or non-cancellable lease terms in excess of one year as of June 30, 2024:

| Year Ending June 30, | |
|------------------------------------|----------|
| 2025 | \$ 4,179 |
| 2026 | - |
| 2027 | - |
| 2028 | - |
| 2029 | - |
| Total Lease Payments | 4,179 |
| Less: Interest | 180 |
| Present Value of Lease Liabilities | \$ 3,999 |

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2025

NOTE 4 OPERATING LEASE (continued)

The following summarizes the line items in the statement of activities which include the components of lease expenses for the year ended June 30, 2024 and 2025:

| | 2025 | 2024 |
|---|----------|----------|
| Operating Lease Expenses included in SG&A | \$ 4,179 | \$ 4,359 |

As of July 1, 2025, the Agency has entered into a cost sharing agreement with the county for their building space. LAFCO's allocation for the 500 square foot of space is .0066%, sharing the costs of the utilities, maintenance supplies and janitorial labor for the building.

NOTE 5 RISK MANAGEMENT

The Commission is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission participates in Stanislaus County's risk pool.

Information about coverage can be found in the County's basic financial statements. In addition, the Commission also participates in the property and liability program offered by the Special District Risk Management authority (SDRMA). Contact information for the SDRMA is: 1112 1 Street, Suite 300, Sacramento, CA 95814.

NOTE 6 GOVERNING BOARD

As of June 30, 2025, the Commissioners of Stanislaus LAFCO were as follows:

| Name | Position |
|----------------|-------------------------|
| Amy Bublak | City Member |
| Sue Zwahlen | City Member |
| Vito Chiesa | County Member |
| Terry Withrow | County Member |
| Bill O'Brien | Public Member |
| Charlie Goeken | Alternate City Member |
| Mani Grewal | Alternate County Member |
| Jami Aggers | Alternate Public Member |

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2025

NOTE 7 BUDGETARY COMPLIANCE – NON-GAAP FINANCIAL STATEMENTS

By statute, the Commission prepares its annual budget on a non-GAAP basis of accounting as described in Note 1. A reconciliation of these non-GAAP statements to the GAAP statements is as follows:

| Governmental | <u>General Fund</u> | <u>General Fund</u> |
|----------------------|---------------------|---------------------|
| | 2025 | 2024 |
| Budget Basis | \$ 73,755 | \$ 42,279 |
| Adjustments (net): | | |
| Revenue Accruals | - | - |
| Expenditure Accruals | <u>-</u> | <u>-</u> |
| GAAP Basis | <u>\$ 73,755</u> | <u>\$ 42,279</u> |

NOTE 8 SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 15, 2025, which is the date the financial statements were available to be issued and has not noted any material events that are required to be disclosed.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2024

| | Original Budget | Final Budget | Actual Amounts (Budgetary Basis) | Variance With Final Budget |
|--------------------------------|---------------------|--------------------|---|-------------------------------------|
| REVENUES | | | | |
| Agency Contributions | \$ 533,910 | \$ 625,690 | \$ 625,690 | \$ - |
| Application & Other Revenues | 20,000 | 20,000 | 29,095 | 9,095 |
| Interest Earnings & Refunds | - | - | 28,638 | 28,638 |
| Total Revenues | <u>553,910</u> | <u>645,690</u> | <u>683,423</u> | <u>37,733</u> |
| EXPENDITURES | | | | |
| Salaries and Wages | 350,000 | 350,000 | 343,047 | (6,953) |
| Retirement | 99,800 | 103,000 | 103,662 | 662 |
| FICA | 26,600 | 26,600 | 26,353 | (247) |
| Group Health Insurance | 62,900 | 62,900 | 65,990 | 3,090 |
| Unemployment Insurance | 460 | 460 | 405 | (55) |
| Benefits Admin Fee | 200 | 200 | - | (200) |
| Long Term Disability | 425 | 425 | 398 | (27) |
| Workers Compensatino Insurance | 1,450 | 1,450 | 1,961 | 511 |
| Auto Allowance | 4,800 | 4,800 | 4,874 | 74 |
| Professional Development | 2,500 | 2,500 | 1,445 | (1,055) |
| Deferred Comp Mgmt/Conf | 5,600 | 5,600 | 5,634 | 34 |
| Total Salaries and Benefits | <u>554,735</u> | <u>557,935</u> | <u>553,769</u> | <u>(4,166)</u> |
| Communications | 1,225 | 1,225 | 1,152 | (73) |
| Insurance | 5,235 | 5,235 | 5,274 | 39 |
| Fiduciary Liability Insurance | 15 | 15 | 14 | (1) |
| Crime and Fidelity Insurance | 40 | 40 | 36 | (4) |
| Memberships | 11,700 | 11,700 | 11,221 | (479) |
| Miscellaneous Expense | 5,000 | 5,000 | - | (5,000) |
| Indirect Costs | - | - | - | - |
| Office Supplies | 1,500 | 1,500 | 791 | (709) |
| Postage | 1,200 | 1,200 | 569 | (631) |
| Other Mail Room Expense | - | - | - | - |
| Professional & Special Serv | 34,025 | 34,025 | 35,392 | 1,367 |
| Auditing & Accounting | 14,200 | 14,200 | 14,496 | 296 |
| Engineering Services | 2,000 | 2,000 | - | (2,000) |
| Legal Services | 12,000 | 16,000 | 8,114 | (7,886) |
| Outside Data Proc Services | - | - | - | - |
| Publications & Legal Notices | 1,200 | 1,200 | 761 | (439) |
| Education & Training | 6,000 | 6,000 | 5,416 | (584) |
| Special Dept Expense | 6,415 | 6,415 | 2,300 | (4,115) |
| Other Supportive Services | - | - | - | - |
| Commission Expense | - | - | - | - |
| Other Travel Expenses | 600 | 600 | 1,235 | 635 |
| Salvage Disposal | 200 | 200 | 159 | (41) |
| Lease Expense | - | - | - | - |
| Other Charges | - | - | 444 | 444 |
| Total Services and Supplies | <u>102,555</u> | <u>106,555</u> | <u>87,374</u> | <u>(19,181)</u> |
| Planning Dept Services | <u>1,200</u> | <u>1,200</u> | <u>-</u> | <u>(1,200)</u> |
| Total Services and Supplies | <u>1,200</u> | <u>1,200</u> | <u>-</u> | <u>(1,200)</u> |
| Total Expenditures | 658,490 | 665,690 | 641,144 | (24,547) |
| CHANGE IN FUND BALANCE | <u>\$ (104,580)</u> | <u>\$ (20,000)</u> | <u>\$ 42,279</u> | <u>\$ 62,280</u> |

The accompanying notes are an integral part of these financial statements.

STANISLAUS LOCAL AGENCY FORMATION COMMISSION
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2025

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts (Budgetary Basis)</u> | <u>Variance With Final Budget</u> |
|--------------------------------|----------------------------|-------------------------|---|---|
| REVENUES | | | | |
| Agency Contributions | \$ 693,670 | \$ 693,670 | \$ 693,670 | \$ - |
| Application & Other Revenues | 20,000 | 20,000 | 22,009 | 2,009 |
| Interest Earnings & Refunds | - | - | 32,115 | 32,115 |
| Total Revenues | <u>713,670</u> | <u>713,670</u> | <u>747,794</u> | <u>34,124</u> |
| EXPENDITURES | | | | |
| Salaries and Wages | 375,500 | 375,500 | 371,986 | (3,514) |
| Retirement | 115,875 | 115,875 | 113,374 | (2,501) |
| FICA | 29,500 | 29,500 | 28,545 | (955) |
| Group Health Insurance | 72,500 | 72,500 | 70,913 | (1,587) |
| Unemployment Insurance | 500 | 500 | 390 | (110) |
| Benefits Admin Fee | - | - | - | - |
| Long Term Disability | 470 | 470 | 407 | (63) |
| Workers Compensatino Insurance | 3,050 | 3,050 | 3,033 | (17) |
| Auto Allowance | 4,800 | 4,800 | 4,819 | 19 |
| Professional Development | 2,500 | 2,500 | 1,398 | (1,102) |
| Deferred Comp Mgmt/Conf | 6,000 | 6,000 | 6,079 | 79 |
| Total Salaries and Benefits | <u>610,695</u> | <u>610,695</u> | <u>600,944</u> | <u>(9,751)</u> |
| Communications | 1,200 | 1,200 | 1,152 | (48) |
| Insurance | 5,500 | 5,500 | 5,286 | (214) |
| Fiduciary Liability Insurance | 15 | 15 | 14 | (1) |
| Crime and Fidelity Insurance | 40 | 40 | 31 | (9) |
| Memberships | 11,700 | 11,700 | 11,983 | 283 |
| Miscellaneous Expense | 5,500 | 5,500 | - | (5,500) |
| Indirect Costs | - | - | - | - |
| Office Supplies | 1,500 | 1,500 | 696 | (804) |
| Postage | 1,200 | 1,200 | 224 | (976) |
| Other Mail Room Expense | - | - | - | - |
| Professional & Special Serv | 45,795 | 45,795 | 41,221 | (4,574) |
| Auditing & Accounting | 4,325 | 4,325 | 2,572 | (1,753) |
| Engineering Services | 2,000 | 2,000 | 163 | (1,837) |
| Legal Services | 16,000 | 16,000 | 3,197 | (12,803) |
| Outside Data Proc Services | - | - | - | - |
| Publications & Legal Notices | 1,200 | 1,200 | 686 | (514) |
| Education & Training | 6,500 | 6,500 | 2,085 | (4,415) |
| Special Dept Expense | 8,500 | 8,500 | 2,542 | (5,958) |
| Other Supportive Services | - | - | - | - |
| Commission Expense | - | - | - | - |
| Other Travel Expenses | 600 | 600 | 747 | 147 |
| Salvage Disposal | 200 | 200 | 83 | (117) |
| Lease Expense | - | - | - | - |
| Other Charges | - | - | 414 | 414 |
| Total Services and Supplies | <u>111,775</u> | <u>111,775</u> | <u>73,096</u> | <u>(38,679)</u> |
| Planning Dept Services | <u>1,200</u> | <u>1,200</u> | <u>-</u> | <u>(1,200)</u> |
| Total Services and Supplies | <u>1,200</u> | <u>1,200</u> | <u>-</u> | <u>(1,200)</u> |
| Total Expenditures | 723,670 | 723,670 | 674,039 | (49,630) |
| CHANGE IN FUND BALANCE | <u>\$ (10,000)</u> | <u>\$ (10,000)</u> | <u>\$ 73,755</u> | <u>\$ 83,754</u> |

The accompanying notes are an integral part of these financial statements.



Hawks & Associates CPAs , Inc

• think **BOLDLY** • plan **CAREFULLY** • execute **PRECISELY** •

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Commissioners
Stanislaus Local Agency Formation Commission
Modesto, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Stanislaus Local Agency Formation Commission (LAFCO), as of and for the year ended June 30, 2024 and 2025, and the related notes to the financial statements, which collectively comprise LAFCO's basic financial statements, and have issued our report thereon dated December 15, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered LAFCO's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of LAFCO's internal control. Accordingly, we do not express an opinion on the effectiveness of LAFCO's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether LAFCO's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Modesto, California
December 15, 2025

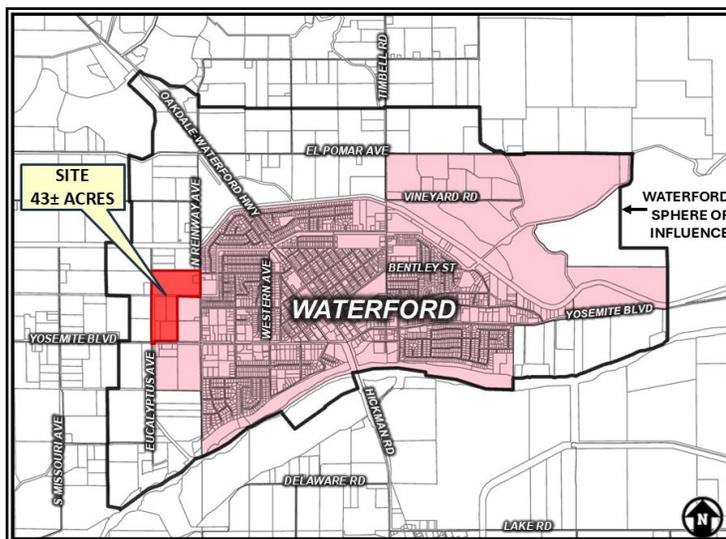
**EXECUTIVE OFFICER'S AGENDA REPORT
MARCH 25, 2026**

**LAFCO APPLICATION NO. 2026-02
FAHMY CHANGE OF ORGANIZATION TO
THE CITY OF WATERFORD**

PROPOSAL

The City of Waterford is requesting to annex 43.27 acres. The proposed annexation is within the Waterford Sphere of Influence.

1. **Applicant:** City of Waterford
2. **Location:** The project site is located at the northeast intersection of North Eucalyptus Avenue and Yosemite Boulevard (State Highway 132) and adjacent to Richard M. Moon and Lucille Whitehead Schools. (See Exhibit A).
3. **Parcels Involved and Acreage:** The project site contains six (6) parcels and associated right-of-way along Eucalyptus Avenue, Yosemite Boulevard and North Reinway Avenue for a total of approximately 43.27 acres.



4. **Reason for Request:** The City of Waterford recently approved a resolution of application to annex the proposed 43.27 acres for development of a 19.2-acre future subdivision. The project includes a mobile home park and additional properties.

BACKGROUND

On November 20, 2025, the Waterford City Council approved a mitigated negative declaration, rezoning, vesting tentative subdivision map and resolution of application for the proposed project. The proposed annexation includes a future 19.2-acre subdivision that will accommodate 98 single-family residential lots. The proposed annexation also includes a mobile home park and additional properties.

FACTORS

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

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

EXECUTIVE OFFICER’S AGENDA REPORT

MARCH 25, 2026

PAGE 2

The project area is considered inhabited territory as the site includes more than 12 registered voters. According to the City of Waterford, approximately 19.2 acres are designated for 98 single-family residential lots. The remaining acreage has been rezoned for single-family residential uses as well. This includes an existing mobile home park, ranchettes, and approximately 10 additional acres currently planted in orchards. In total, the annexation will bring in approximately 43.27 acres of low-density housing uses to the City of Waterford.

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

Essential governmental services that are provided to the subject area at the present time, and will be provided after the change of organization is finalized, are summarized in the following chart:

| Type | Current Service Provider | Future Service Provider (Following Reorganization) |
|--------------------------------|---|---|
| Law Enforcement | Waterford Police Services / Stanislaus County Sheriff | Same |
| Fire Protection | Stanislaus Consolidated Fire Protection District | Same |
| Planning & Building Inspection | Stanislaus County | City of Waterford |
| School District | Waterford Unified | Same |
| Water (Potable) | Private Wells | City of Waterford |
| Sewer | Private Septic Systems | City of Waterford |
| Roads | Stanislaus County | City of Waterford |
| Mosquito Abatement | Eastside Mosquito Abatement | Same |

Plan for Services

The City submitted a Plan for Services (attached as Exhibit B) demonstrating that the City can provide the necessary services to the subject territory. The City of Waterford is a full provider of municipal services, including sewer and water, and police services (via contract with Stanislaus County Sheriff services). Fire protection services will continue being provided by the Stanislaus Consolidated Fire Protection District. The proposal does not have the potential to significantly diminish the level of services within the City’s current boundaries. Additional information regarding the proposed services to the area is discussed further in factors “j” and “k.”

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

The project site is currently within the jurisdiction of Stanislaus County. However, the City of Waterford's Vision 2025 General Plan, which was adopted in 2007, designates the project site for Low Density Residential land uses. Once annexed, the City of Waterford will provide the services listed in the table provided in the previous section. There are no social or economic communities of interest in the area, as defined by the Commission's policies.

Upon annexation, the property taxes will be shared in accordance with the City/County Master Property Tax Agreement. California Revenue and Taxation Code section 99, authorizes counties, cities and special districts to enter into standing master property tax sharing agreements. Master tax sharing agreements provide consistency and efficiency in the annexation process.

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

LAFCO policies and priorities are intended to guide development away from existing prime agricultural lands and encourage development of existing vacant or nonprime agricultural land for urban uses within the existing jurisdiction of a local agency or within the sphere of influence of a local agency. Further, annexation is appropriate only when it can be shown that the City can provide all the necessary services for development, and it is consistent with the Commission's adopted policies to provide planned, well ordered and efficient development patterns.

In order to encourage orderly growth of urban areas and promote infill development, the Commission requires a vacant land inventory and absorption study of areas within the City's existing limits and/or sphere of influence.

In 2007, the Lake Pointe Master Development Plan (MDP) was approved by the City of Waterford and subsequently annexed. Lake Pointe is 425-acres in size and located along the City's northeast boundary. Much of the MDP area is undeveloped. However, the City is currently processing a subdivision map for 412 single-family lots totaling 73.6 acres within the MDP area. The City identified that the challenge in developing the MDP area is the infrastructure improvements needed for build out, whereas the proposed project will connect to existing utilities on North Reinway Avenue. The City's Plan for Agricultural Preservation states that, because of this, development of the proposed project is more immediate than other available land. For more information see Exhibit B.

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

One of LAFCO's main charges, as put forth by the legislature, is to protect and promote agriculture. According to the City's Agricultural Preservation Plan, development of the project will convert approximately 18.5 acres of Prime Farmland. The remaining acreage of the annexation area are identified as existing urban and built up lands.

The proposed project is located within Waterford's Sphere of Influence (SOI), contiguous with the city limit, and is within the City's General Plan area which was adopted in 2007. Therefore, the City does not view the project area as a preferred location for permanent agricultural uses.

To mitigate the impact to agricultural resources, the City adopted a mitigation measure requiring farmland mitigation to occur at a ratio of no less than 1:1 for each acre of Prime Farmland converted to non-agricultural use consistent with LAFCO policy. The mitigation measure provides options to either directly preserve farmland through conservation easements or pay in-lieu fees to an established, qualified, mitigation program to fund the acquisition and maintenance of such agricultural land. The project developer has entered into a Memorandum of Understanding (MOU) with the California Farmland Trust for payment of in-lieu fees. (See Exhibit B)

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

The annexation includes six (6) Assessor's Parcel Numbers shown on the legal description and map (Exhibit A). The full adjacent road right-of-way along North Eucalyptus Avenue and portions of Yosemite Boulevard are included. The annexation is contiguous to the existing city limits.

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

The Regional Transportation Plan (RTP) is prepared and adopted by the Stanislaus Association of Governments (StanCOG) and is intended to determine the transportation needs of the region as well as the strategies for investing in the region's transportation system. The proposal is consistent with both the City and County general plans.

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

The project site is currently zoned A-2-10 (General Agriculture) in the Stanislaus County Zoning Ordinance and designated as Agriculture in the County General Plan. The City of Waterford has prezoned the proposed area for Planned Community (PC) and Residential Single (RS). Once annexed, the project site will be under the jurisdiction of the City of Waterford. Annexation is consistent with the City's General Plan and Zoning designation.

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

The territory is within the City of Waterford's Sphere of Influence. In addition, it is within the Sphere of Influence of the following agencies: Stanislaus Consolidated Fire Protection District, Oak Valley Hospital District, Eastside Mosquito Abatement District, and the Modesto Irrigation District. Upon annexation, the area will remain in all of the aforementioned districts.

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

All affected agencies and jurisdictions have been notified pursuant to State law requirements and the Commission adopted policies.

Staff received a “no-comment” letter from the Stanislaus County Department of Public Works. No other agency comments were received as of the drafting of this report.

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

The City of Waterford will provide municipal services to the area, such as: domestic water, sanitary sewer, storm drainage, street construction/maintenance, police protection and street lighting. Fire protection is proposed to continue being provided by the Stanislaus Consolidated Fire Protection District. Services will be financed through applicable utility, services and permit fees, as well as property tax revenues and general fund resources.

Water Delivery – According to the project's Plan for Services, the proposed 98-lot subdivision will be served with water through a looped water system within the proposed internal roadways. An eight-inch water main will be installed along North Eucalyptus Avenue to serve the project and accommodate future extensions.

The City currently operates eight (8) active groundwater production wells, which serve as the primary source of potable water. The Plan for Services also states that the City's total water supply and distribution capacity is estimated at approximately 4,020 gallons per minute (gpm). The City's annual water demand is approximately 1,413 acre-feet per year, which averages out to approximately 875 gpm.

Based on the City's existing groundwater production capacity, current average and peak demand levels, the City of Waterford has adequate water supply and distribution capacity to serve the proposed annexation area.

Any new development within the annexation area will be required to pay all applicable water connection fees, development impact fees, and improvement costs, ensuring that it contributes its fair share toward system expansion and long-term reliability.

Wastewater Collection and Treatment – According to the proposed Plan for Services, the nearest connection point to the City of Waterford's wastewater system is located within North Reinway Avenue. One of the proposed subdivision parcels will be designated for a new sanitary sewer pump station. Wastewater from the subdivision will be conveyed through a new gravity sewer system through the proposed streets and to the on-site pump station. Sewage will then be pumped through a six-inch main south along North Reinway Avenue to a manhole and the intersection of South Reinway Avenue and Washington Road, connecting to the City's collection system.

The City of Waterford's wastewater collection, treatment and disposal system has a maximum capacity of 1.0 million gallons per day (mgd). All wastewater is conveyed to the City's Wastewater Treatment Plant (WWTP) located just south of Riverside Drive above the northern bank of the Tuolumne River.

Current wastewater flow is approximately 0.585 mgd. Projected build out of the current City

limits is estimated to increase flows to 0.780 mgd, which is within the capacity of the WWTP. Sewer infrastructure is generally located in an area that can support further anticipated growth if needed.

The City has adequate wastewater treatment and collection capacity to accommodate build-out under the General Plan.

Storm Drainage – The proposed project will have a comprehensive stormwater management system. Stormwater runoff from the proposed subdivision will be conveyed via a new gravity system to future storm drainage trunk main in North Eucalyptus Avenue. Stormwater will be discharged through a metering structure and overflow pipe into the existing twelve-inch storm drainage line in North Reinway Avenue, with discharge rates controlled to match pre-development conditions to prevent overloading downstream stormwater systems.

The system will also incorporate an underground percolation network along North Eucalyptus Avenue, employing a series of four (4) drywells or French Drain systems. The design will support groundwater recharge and reduce surface runoff.

Fire Protection Services – The annexation area is currently served by Stanislaus Consolidated Fire Protection District and will continue to be served by the District after annexation.

According to the Project's Plan for Services, the annexation area will be provided fire protection services primarily by SCFPD Station No. 24, located at 129 E Street in downtown Waterford.

The District recently updated its Development Impact Fees through preparation of a Facilities Impact Study (2024). Impact fees collected from new development within the Proposed Project, along with ongoing revenues from property taxes and other District funding sources, would be used to support capital improvements and service expansion as needed.

Police Protection – The area will be served by Waterford Police Services, which currently operates under contract with the Stanislaus County Sheriff's Department. The law enforcement services agreement between the City of Waterford and Stanislaus County Sheriff specifies a minimum staffing standard of one sworn officer per 1,000 residents. A total of eleven (11) sworn positions are assigned to serve the City of Waterford. The resulting office to population ratio is approximately 1.18 sworn officers per 1,000 residents which exceeds the minimum contractual standard.

Law enforcement operations are funded primarily through the City's General Fund, while capital improvements and facility needs are supported through Capital Facilities Fees (CFF) collected from new development.

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

As mentioned previously, the City's total water capacity is estimated at approximately 4,020 gallons per minute (gpm). The City's annual water demand is approximately 1,413 acre-feet per year, which averages out to approximately 875 gpm.

The City has reviewed its current water supply capacity and distribution system and has indicated that its existing facilities, combined with planned improvements, are sufficient to accommodate future residential growth within the SOI, including the Proposed Project.

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

According to the City's 6th Cycle Housing Element 2023-2031, the City's Regional Housing Needs Allocation (RHNA) requires that the City allocate area for 557 housing units. The City estimates that the proposed annexation will provide approximately 207 single-family residential units, which includes the 43 existing mobile home/RV park units and the 98 proposed homes on the new subdivision. The proposed annexation will contribute to meeting its regional housing needs.

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

The LAFCO Commission received a referral response from the Stanislaus County Department of Public Works dated February 10, 2026 stating that the proposed project will not have an effect on the Department.

No additional comments have been received at the time of this staff report.

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

As mentioned previously, the project site is currently zoned A-2-10 and A-2-40 (General Agriculture) in the Stanislaus County Zoning Ordinance and designated as Agriculture in the County General Plan. The City of Waterford has rezoned the annexation area for Planned Community (PC) and Residential Single (RS). Once annexed, the project site will be under the jurisdiction of the City of Waterford. Annexation is consistent with the City's plans.

- p. The extent to which the proposal will promote environmental justice (fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services).***

As defined by Government Code §56668, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. Staff has determined that as proposed, the reorganization would not likely result in the unfair treatment of any person based on race, culture or income with respect to the provision of services within the proposal area.

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

The project site has not been identified as being within a very high fire hazard severity zone.

DISCUSSION

LAFCO Staff has completed the following analysis to further evaluate issues and address factors unique to LAFCO's role pursuant to State Law and the Commission's adopted Policies and Procedures. The following is a discussion on each of these additional considerations.

Plan for Agricultural Preservation

The Commission adopted an Agricultural Preservation Policy that provides evaluation standards for the review of proposals that could induce or lead to the conversion of agricultural lands. The Policy requires that applicants prepare a Plan for Agricultural Preservation that details the impacts to agricultural lands, identifies a method to minimize impacts, and provides additional information to assist the Commission in making its findings for approval of a project. The Policy states that the Commission may consider approval of a proposal that contains agricultural land when it determines there is sufficient evidence demonstrating the following:

- a. *Insufficient alternative land is available within the existing sphere of influence or boundaries of the agency and, where possible, growth has been directed away from prime agricultural lands towards soils of lesser quality.*
- b. *For annexation proposals, that the development is imminent for all or a substantial portion of the proposal area.*
- c. *The loss of agricultural lands has been minimized based on the selected agricultural preservation strategy. For the purposes of making the determination in this section, the term "minimize" shall mean to allocate no more agricultural land to non-agricultural uses than what is reasonably needed to accommodate the amount and types of development anticipated to occur.*
- d. *The proposal will result in planned, orderly, and efficient use of land and services. This can be demonstrated through mechanisms such as:*
 - i. *Use of compact urban growth patterns and the efficient use of land that result in a reduced impact to agricultural lands measured by an increase over the current average density within the agency's boundaries (e.g. persons per acre) by the proposed average density of the proposal area.*
 - ii. *Use of adopted general plan policies, specific or master plans and project phasing that promote planned, orderly, and efficient development.*

The City approved the Lake Pointe Master Development Plan (MDP) in 2007. The Lake Pointe MDP was annexed to the City of Waterford and is comprised of approximately 425 acres. The City's Plan for Agricultural Preservation states that the City is currently in the process of reviewing a tentative subdivision map totaling approximately 74 acres. However, the remaining acreage has remained undeveloped. In order for the Lake Pointe MDP to be built out, several infrastructure improvements are required and are yet to be developed.

The proposed project will connect to the City's existing utilities on North Reinway Avenue, which include: water, sewer and storm drainage. The Plan Agricultural Preservation states that development of the proposed project site is more immediate than other available land within the City limits and SOI.

The Agricultural Preservation Policy also requires the City to demonstrate that it has minimized the loss of agricultural land and that the development will result in planned, orderly, and efficient use of land and services. A total of approximately 18.5 of the 43.27 acres proposed for annexation are identified as Prime Farmland. As mentioned previously in this report, the City's Mitigated Negative Declaration includes a provision for 1:1 agricultural mitigation, which is consistent with the menu of strategies in LAFCO's Policy. The developer of the project has entered into a Memorandum of Understanding (MOU) with the California Farmland Trust for payment of in-lieu fees.

The City's 2025 General Plan 30 General Plan Environmental Impact Report anticipated development of the project area as part of the overall evaluation of the buildout of the City. The proposed development is also consistent with the Waterford Vision 2025 General Plan goals and policies as outlined in the project's Plan for Agricultural Preservation.

The site is located adjacent to the City limits, is within the City's SOI and will access nearby public utility connections along North Reinway Avenue. The proposed development is anticipated to be developed in one phase and will include improvements such as curb, gutter, sidewalk and roadway improvements along Eucalyptus Avenue and North Reinway Avenue, consistent with adjacent City neighborhoods.

Protest Hearing

Should the Commission approve the proposal; the annexation will be subject to a Protest Hearing which will allow registered voters and property owners within the annexation area to protest the Commission's decision. Pursuant to Government Code Section 57075, if a majority protest occurs (at least 50% of the registered voters residing in the territory), the proceedings will be terminated. If there is less than a majority protest, but one of the following thresholds is met, an election will be called:

1. Protests are filed from at least 25 percent, but less than 50 percent, of the registered voters residing in the affected territory.
2. Protests are filed from at least 25 percent of the property owners who also own at least 25 percent of the assessed value of land within the affected territory.

If there is less than a majority protest and an election is not triggered from the above thresholds, the Commission's approval will be ordered, and the annexation recorded.

ENVIRONMENTAL REVIEW

The City of Waterford, as Lead Agency pursuant to the California Environmental Quality Act (CEQA), certified and adopted a Mitigated Negative Declaration (MND) for the proposed annexation, rezoning and subdivision map. LAFCO, as a Responsible Agency, must certify that it has considered the environmental documentation prepared by the City of Waterford (See Exhibit C).

ALTERNATIVES FOR COMMISSION ACTION

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

Option 1 APPROVE the proposal (with or without modification).

Option 2 DENY the proposal (with or without prejudice).

Option 3 CONTINUE this proposal to a future meeting for additional information.

STAFF RECOMMENDATION

Based on the discussion in this staff report, including the factors set forth in Government Code Section 56668, and following any testimony or evidence presented at the meeting, Staff recommends that the Commission approve the proposal and adopt Resolution 2026-07 (attached as Exhibit D) which:

1. Finds the proposal to be consistent with State law and the Commission's adopted Policies and Procedures;
2. Certifies, as a Responsible Agency under CEQA, that the Commission has considered the environmental documentation prepared by the City of Oakdale as Lead Agency;
3. Approves the change of organization, subject to the terms and conditions and directs the Executive Officer to initiate protest proceedings.

Respectfully submitted,



Javier Camarena
Assistant Executive Officer

- Attachments - Exhibit A: Maps and Legal Description
Exhibit B: Plan for Services, Plan for Agricultural Preservation & Memorandum of Understanding with California Farmland Trust dated December 12, 2025
Exhibit C: City of Waterford Resolutions, Ordinances & Documents
Ordinance No. 2025-05: Approving and Adopting the rezoning of the project site.
Resolution No. 2025-61: Resolution Approving the Mitigated Negative Declaration for Annexation, Rezoning and Vesting Tentative Subdivision Map.
Resolution No. 2025-62: Resolution of Application for Annexation
Exhibit D: Draft LAFCO Resolution No. 2026-07

Available on LAFCO Website: https://www.stanislauslafco.org/current_projects.shtml

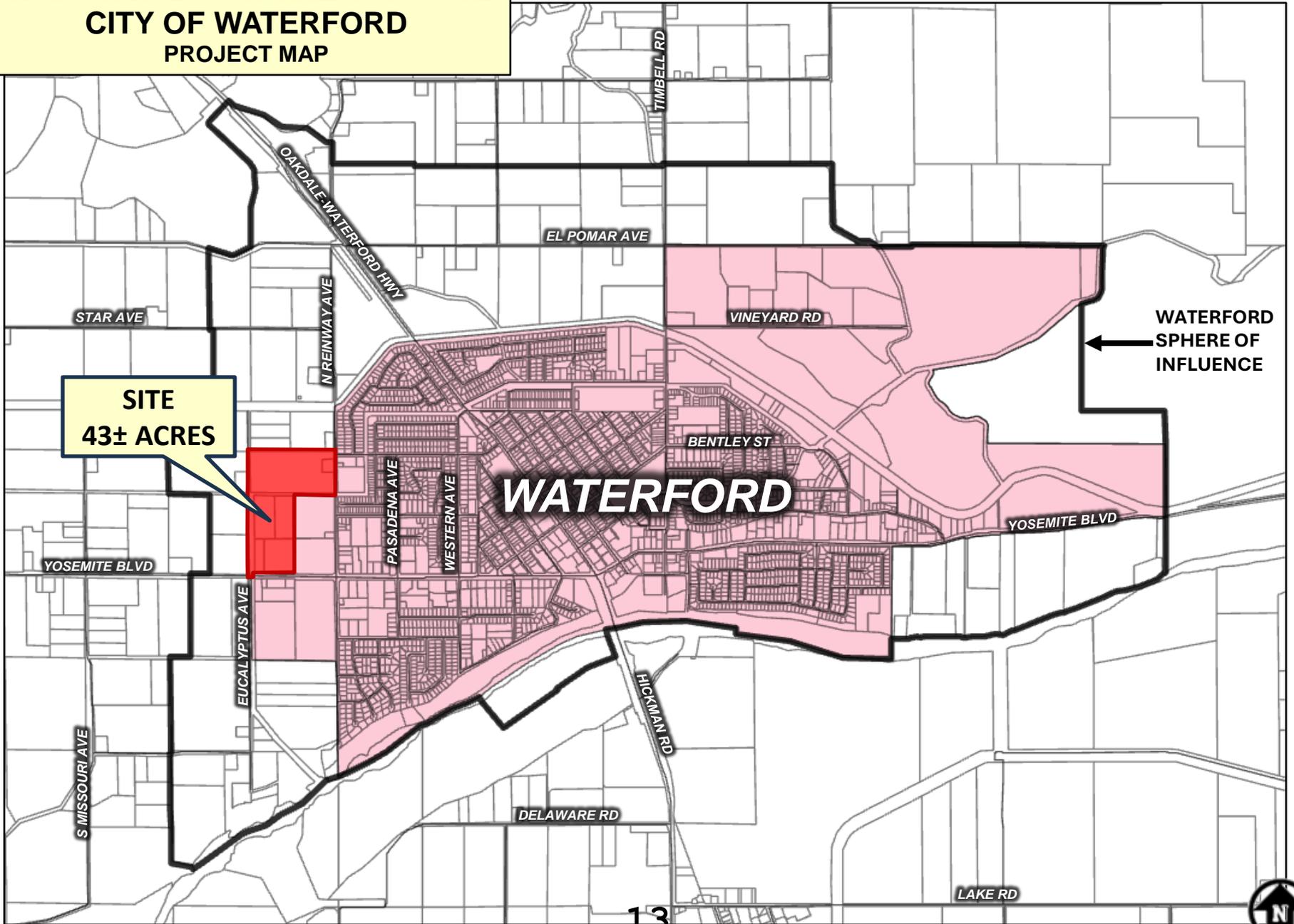
Initial Study
Mitigated Negative Declaration

EXHIBIT A

Maps and Legal Description

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**FAHMY CHANGE OF ORGANIZATION TO THE
CITY OF WATERFORD
PROJECT MAP**



**SITE
43± ACRES**

**WATERFORD
SPHERE OF
INFLUENCE**

WATERFORD

EXHIBIT "A"

LEGAL DESCRIPTION

FAHMY ANNEXATION TO THE CITY OF WATERFORD, STANISLAUS COUNTY, CALIFORNIA

ALL that certain real property, being a portion of the Southeast quarter of Section 29 and the Northeast quarter of Section 32, Township 3 South, Range 11 East, Mount Diablo Meridian, County of Stanislaus, State of California, being more particularly described as follows:

BEGINNING at the point of intersection of the East line of said Section 29 and the centerline of the W.I.D. Lateral No. 11(60-foot wide), said point being a point on the West line of the original City of Waterford boundary, being also the Northeast corner of the Moon School Reorganization to the City of Waterford;

- 1) thence along said centerline and the North line of said Moon School Reorganization North 89°34'23" West 646.25 feet to the Northwest corner of said Moon School Reorganization;
- 2) thence along said West line of said Moon School Reorganization South 00°25'26" East 1273.44 feet to a point on the North line of the Waterford High School Change of Organization to the City of Waterford

thence along said North line the following five (5) courses:

- 3) North 89°20'18" West 305.99 feet;
- 4) North 00°22'28" West 5.00 feet;
- 5) North 89°20'18" West 177.61 feet;
- 6) South 00°24'36" East 5.00 feet;
- 7) North 89°20'18" West 215.01 feet to the Northwest corner of said Waterford High School Change of Organization;
- 8) thence along the West line of said Waterford High School Change of Organization South 00°23'18" East 83.01 feet to a point 33.00 feet distant at right angles from North line of said Section 32;
- 9) thence parallel with said North line of Section 32 North 89°20'18" West 40.01 feet to the West right-of-way line of Eucalyptus Avenue (40-feet wide);
- 10) thence along said West right-of-way line North 00°24'36" West 2036.36 feet to the Westerly extension of the North line of Lot 74 of "Waterford Colony Subdivision No. 1" filed for record in Volume 9 of Maps, at Page 3, Stanislaus County Records;
- 11) thence leaving said West right-of-way along last said North line and Westerly extension South 89°26'32" East 1385.26 feet to a point on said East line of Section 29;
- 12) thence along said East line South 00°21'05" East 679.76 feet to the **POINT OF BEGINNING**.

Containing 43.27 Acres, more or less

All as shown on EXHIBIT "B" attached hereto and by this reference made a part hereof.



Tanya Cissell, P.L.S. 9857



③ LINE NUMBER; SEE LEGAL DESCRIPTION

EUCALYPTUS AVENUE

W.I.D. MAIN CANAL

⑪ S89°26'32"E 1385.26'

SCOTTISH GLEN
SUBDIVISION
35-M-43

KADOTA AVENUE

ORIGINAL
CITY OF WATERFORD

W.I.D. LATERAL NO. 11

① N89°34'23"W 646.25'

POINT OF BEGINNING

EXISTING CITY LIMIT LINE

PROPOSED
ANNEXATION
43.27 ACRES

MOON SCHOOL REORGANIZATION

EAST LINE OF SECTION 29,
T. 3 S., R. 11 E., M.D.M.

REID COURT

PECAN AVENUE

REINWAY AVENUE

YOSEMITE BLVD

(STATE HIGHWAY 132)

WATERFORD HIGH SCHOOL
CHANGE OF ORGANIZATION



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WATERFORD
COLONY
9-M-3

⑩ N00°24'36"W 2036.36'

W.I.D. MAIN CANAL

⑤ N89°20'18"W 177.61'

④ N00°22'28"W 5.00'

⑦ N89°20'18"W 215.01'

③ N89°20'18"W 305.99'

⑨ N89°20'18"W 40.01'

⑧ S00°23'18"E 83.01'

⑥ S00°24'36"E 5.00'

(STATE HIGHWAY 132)

WATERFORD HIGH SCHOOL
CHANGE OF ORGANIZATION

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NorthStar

Engineering Group, Inc.

• CIVIL ENGINEERING • SURVEYING • PLANNING •
620 12th Street Modesto, CA 95354
(209) 524-3525 Phone (209) 524-3526 Fax

EXHIBIT "B"
FAHMY ANNEXATION TO THE
CITY OF WATERFORD

LYING IN A PORTION OF SECTIONS 29 AND 32,
TOWNSHIP 3 SOUTH, RANGE 11 EAST, MOUNT DIABLO MERIDIAN
STANISLAUS COUNTY CALIFORNIA

| | |
|--------|----------|
| JOB: | J21-2842 |
| DATE: | 1/5/2026 |
| SCALE: | 1"=300' |
| DRAWN: | TC |
| CHK'D: | TC |
| SHEET | 1 OF 1 |

EXHIBIT B

**Plan for Services,
Plan for Agricultural Preservation &
Memorandum of Understanding with California
Farmland Trust dated December 12, 2025**

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PLAN FOR SERVICES AND PLAN FOR AGRICULTURAL PRESERVATION

FAHMY ANNEXATION

Plan for Services

City of Waterford

INTRODUCTION

This Plan for Services has been prepared to provide background information in support of the proposed Fahmy Annexation (hereafter referred to as the Proposed Project) and to demonstrate the City of Waterford’s ability to provide municipal services to the annexation area in a timely and efficient manner. The Plan for Services is intended to ensure compliance with the requirements of the Stanislaus County Local Agency Formation Commission (LAFCo) and other applicable regulatory standards.

This document has been prepared pursuant to California Government Code Section 56653, which requires that applications for a change of organization or reorganization be accompanied by a plan for providing services. The Plan for Services identifies existing and proposed service providers, describes service capabilities and infrastructure, and evaluates the City’s ability to finance and extend municipal services to the Proposed Project.

The purpose of the Proposed Project is to allow the project to connect to City of Waterford municipal services and to establish an orderly and logical City boundary consistent with long-term planning objectives.

The Proposed Project is subject to review under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code Section 56000 et seq.), which provides LAFCo with authority over changes in local governmental boundaries. Pursuant to the criteria set forth in California Government Code Section 56337, the proposed annexation is supported by the following findings:

1. Lands within the annexation area are designated for urban uses under the City of Waterford General Plan.
2. The proposed annexation area is located within the City of Waterford’s Primary Sphere of Influence.
3. The annexation proposes an orderly and logical boundary and is contiguous to the existing City limits.

4. The annexation represents a logical extension of the City's boundaries and can be served by existing and planned municipal infrastructure.

BACKGROUND

The Proposed Project is consistent with and implements the intent of the City of Waterford Vision 2025 General Plan. The Proposed Project and subsequent subdivision would facilitate new residential development in a manner that reflects thoughtful, orderly, and efficient planning within the City's planned growth framework. The Project site is located adjacent to existing City limits and would be served by municipal infrastructure and public services, thereby promoting logical boundary expansion and avoiding leapfrog development.

The Proposed Project supports the Vision 2025 General Plan's goals and policies related to managed growth, efficient service delivery, and the provision of housing opportunities within areas planned for urban development. By extending City services to the project site and incorporating the property into the City's land use and regulatory framework, the project ensures development occurs in a coordinated and fiscally responsible manner consistent with the City's long-term planning objectives.

The Land Use Plan of the City of Waterford's Vision 2025 General Plan identifies the Proposed Project as being located within the City's adopted Primary Sphere of Influence (SOI). The site is designated Low Density Residential (LD). Pursuant to the Vision 2025 General Plan, the Low Density Residential designation is intended to accommodate predominantly single-family detached residential development, while also allowing for a range of compatible single-family housing types. These may include alternative formats such as condominium units and zero lot-line residential development, consistent with applicable development standards and implementing zoning regulations.

Annexation and Pre-Zoning

The Project site is currently located within unincorporated Stanislaus County and lies within the City of Waterford's adopted SOI. The Proposed Project would incorporate six (6) existing legal parcels into the City of Waterford, identified by the following Assessor Parcel Numbers (APNs): 080-003-050, 080-003-012, 080-003-015, 080-003-034, 080-003-040, and 080-003-049.

The Project site is contiguous with the existing City limits along its eastern and southern boundaries, allowing for the logical extension of municipal boundaries and services. The site is generally bounded by North Reinway Avenue to the east, State Route 132 to the south, and the Modesto Irrigation District (MID) Main Canal and North Eucalyptus Avenue to the west.

The Project site is predominantly undeveloped and includes four (4) existing residences and an existing Mobile Home and RV Park (Space in the Shade Mobile Home), located at 11819 Yosemite Boulevard (APN 080-003-040). The Mobile Home and RV Park consists of forty-three (43) spaces,

the majority of which are currently occupied. The existing mobile home and RV park is assumed to remain in place and is included in overall service planning assumptions.

Upon approval of the annexation request, the Project site would be pre-zoned consistent with the City of Waterford's Vision 2025 General Plan land use designations. Based on applicable General Plan designations, the overall development capacity within the annexation area is estimated at approximately 207 single-family residential units, inclusive of the 43 existing mobile home/RV park units and the 98 single-family residential lots proposed as part of the subdivision. No additional development beyond the 98 lots is proposed at this time.

APN 080-003-050 is pre-zoned Planned Community (PC) to allow for flexibility in lot sizes below the minimum lot size required under the Residential Single (RS) zoning district. All other applicable development standards, including setbacks, lot coverage, and height, would conform to the RS zoning standards as implemented through the PC designation.

Tentative Subdivision Map and Infrastructure

The Proposed Project includes a Tentative Subdivision Map to subdivide approximately 19.2 acres of the annexation area into ninety-eight (98) single-family residential lots, along with one parcel reserved for a sanitary sewer pump station.

Sanitary sewer service would be provided through a pump station located within the subdivision. Wastewater would be conveyed via a six-inch force main extending approximately 2,470 feet south along North Reinway Avenue to an existing manhole at the intersection of South Reinway Avenue and Washington Road.

Storm drainage runoff would be conveyed through a gravity-fed system to a future storm drainage trunk main in North Eucalyptus Avenue. Stormwater would be discharged through a metering structure and overflow pipe to an existing twelve-inch storm drain line in North Reinway Avenue. Discharge flows would be metered to match pre-development runoff conditions, ensuring downstream drainage facilities are not adversely impacted. Any stagnant water within the storm drainage network would be addressed through underground percolation systems along North Eucalyptus Avenue, utilizing either dry wells or French drain systems, as appropriate.

Water service would be provided through a looped water system within the proposed internal roadways. An eight-inch water main would be installed along North Eucalyptus Avenue to serve the Project frontage and accommodate future extensions. The subdivision would connect to the existing municipal water system at two (2) points along North Reinway Avenue, including one connection at the project entrance and an additional connection via an easement across Lots 90 and 93. A water line would also be installed within the northern stub street to allow for future system connectivity.

Development Characteristics and Access

Physical development of individual residential units is not proposed at this time. Future development of the subdivided lots would be subject to separate discretionary approvals and would be required to comply with the City of Waterford Zoning Ordinance, including Section 17.20 (General Residential Districts), as well as all applicable municipal standards and regulations. Ultimately, land uses within the subdivision would be consistent with permitted uses in the Residential Single (RS) zoning district.

Typical lot sizes within the subdivision would be approximately 6,000 square feet. Primary vehicular access to the Project site would be provided from North Reinway Avenue, North Eucalyptus Avenue, and the proposed internal roadway identified as “Street A.”

WATER SUPPLY

The City will require any future applicant/developer to construct the water supply infrastructure necessary to serve the Proposed Project area and future development. Annexation of the subject area will be required, with any development, to connect to the City of Waterford Domestic Water System.

Water supply for the Proposed Project area would be provided by the City of Waterford, which is responsible for supplying all urban water demands within the City of Waterford, including the River Pointe subdivision and future development within the City’s SOI. The City’s water system is planned and operated to expand in a logical and orderly manner to serve growth areas identified in the General Plan and SOI.

Existing agricultural uses on the Project site are currently served by the Modesto Irrigation District (MID) through a main canal located along the southern boundary of the site and a private 30-inch concrete pipeline traversing the site from east to west. Upon annexation and urban development, water service would transition from agricultural surface water supplies to the City of Waterford’s municipal groundwater-based system.

Water System Ownership and Planning Framework

The City of Waterford relies exclusively on groundwater as its potable water source and does not currently utilize surface water for municipal supply. On July 1, 2015, the City negotiated and completed the acquisition of the Del Este Water System from the City of Modesto, thereby becoming the owner and operator of water utility services within the City of Waterford and the unincorporated community of Hickman.

To support long-term planning and system reliability, the City entered into a contract with Shoreline Engineering and Restoration in September 2015 to prepare a comprehensive Water Master Plan for the Waterford and Hickman water systems. The final draft of the Water Master

Plan was published in April 2016 and provides an evaluation of existing system conditions, identifies deficiencies, and outlines phased capital improvement strategies to accommodate future growth through a long-range planning horizon extending to approximately 2070.

The City also prepares and maintains an Urban Water Management Plan (UWMP), which evaluates current and projected water demands and identifies water supply strategies necessary to serve anticipated growth consistent with state water planning requirements.

Water Supply Capacity and Demand

The City of Waterford currently operates eight (8) active groundwater production wells, which serve as the primary source of potable water. Individual well capacities range from approximately 305 gallons per minute (gpm) to 800 gpm. The combined gross production capacity of these wells is approximately 4,425 gpm. In accordance with State Water Code requirements and operational constraints, the City's net well production capacity is approximately 3,625 gpm.

Based on data from the 2016 Water Master Plan, the City's total water supply and distribution capacity is estimated at approximately 4,020 gpm. Average annual water demand is approximately 1,413 acre-feet per year, equivalent to approximately 875 gpm. The City's maximum daily demand recorded in 2016 was approximately 1,662 gpm, which is representative of peak-day pumping conditions.

According to the City of Waterford Municipal Service Review (MSR) (July 2007), peak hour water demands for the former Del Este system, excluding the Grupe River Pointe development, were estimated at approximately 5.23 million gallons per day (mgd), equivalent to approximately 3,632 gpm. At peak hour demand conditions, the Waterford Water System operates near this demand level; however, system planning, operational management, and phased capital improvements are designed to ensure reliable service as demand increases over time.

The City has reviewed its current water supply capacity and distribution system and has determined that existing facilities, combined with planned improvements identified in the Water Master Plan, are sufficient to accommodate future residential growth within the SOI, including the Proposed Project.

Water System Improvements and Project Demand

The Proposed Project will connect to the City of Waterford's municipal water system and would be required to comply with all applicable City standards, water quality regulations, groundwater management requirements, and adopted master plans. The Project would pay all applicable water connection fees, development impact fees, and improvement costs, ensuring that it contributes its fair share toward system expansion and long-term reliability.

As water demand continues to increase citywide, the City will continue to implement the recommendations of the 2016 Water Master Plan, including infrastructure upgrades, system

looping, additional storage, and potential future well improvements, as necessary to maintain adequate service levels.

Service Adequacy and Conclusion

Based on the City's existing groundwater production capacity, current average and peak demand levels, adopted planning documents, and long-term capital improvement strategies, the City of Waterford has adequate water supply and distribution capacity to serve the Proposed Project area. The extension of water service would occur in an orderly and efficient manner consistent with the City's General Plan, Urban Water Management Plan, and Water Master Plan.

The Proposed Project would not result in the duplication of water services and would allow for the coordinated expansion of the municipal water system within the City's Sphere of Influence, consistent with the requirements of Government Code §56653 and the Cortese-Knox-Hertzberg Local Government Reorganization Act.

WASTEWATER COLLECTION AND TREATMENT

The Proposed Project currently has an existing wastewater facility within the immediate vicinity of the subdivision. The nearest connection point to the City of Waterford's domestic wastewater system is located within North Reinway Avenue. The Proposed Project will be served by the City's sewer infrastructure, with a parcel within the subdivision designated for a new sanitary sewer pump station (Lot A).

Wastewater from the subdivision will be conveyed via a new gravity sewer system within the proposed streets to the on-site pump station. From there, sewage will be pumped through a six-inch force main south along North Reinway Avenue for approximately 2,470 feet to an existing manhole at the intersection of South Reinway Avenue and Washington Road, connecting to the City's collection system. All wastewater improvements will be designed and constructed in accordance with the City's Vision 2025 General Plan Goals and Policies, the Waterford Municipal Code, and applicable wastewater treatment master plans.

Existing Wastewater System

Per the City's 2007 Municipal Service Review (MSR), the City of Waterford operates and maintains a wastewater collection, treatment, and disposal system with a total treatment capacity of 1.0 million gallons per day (mgd). The system consists of a network of gravity sewers, force mains, and lift stations, all of which convey wastewater to a single Wastewater Treatment Plant (WWTP) located just south of Riverside Drive on a bluff above the northern bank of the Tuolumne River.

The City's sewer system serves approximately 8,500 residents, encompassing residential, retail, office, commercial, and light industrial land uses. The wastewater collection system includes approximately 26 miles of nine (9) gravity sewer lines, 1.5 miles of force mains, roughly 200 manholes, and four (4) lift stations. Sewer mainlines are composed of various materials depending

on their age, including vitrified clay pipe (VCP) and polyvinyl chloride (PVC). The City's primary operational goal is to maintain uninterrupted sewage flow, avoiding health hazards, effluent leakage, or water infiltration and inflow.

The current average wastewater flow is approximately 0.585 mgd, which represents roughly 75 gallons per person per day. Projected build out of the current City limits is estimated to increase flows to 0.780 mgd, which remains within the treatment capacity of the WWTP. Sewer infrastructure is generally located within reasonable proximity to all vacant lands within City limits, with planned infrastructure expansions coordinated with new development. Recent sewer extensions, including from Yosemite Boulevard to Vineyard Road, further support capacity for anticipated growth.

The City currently has adequate wastewater treatment and collection capacity to accommodate build-out under the General Plan. The Proposed Project's wastewater demand is not expected to exceed existing system capacity and will integrate seamlessly with the City's existing collection and treatment infrastructure.

STORMWATER

The Proposed Project will implement a comprehensive stormwater management system designed to protect downstream infrastructure, maintain pre-development flow rates, and enhance water quality. An existing twelve-inch storm drainage manhole is located within North Reinway Avenue approximately 140-feet south of the subdivision boundary. Stormwater runoff from the subdivision will be conveyed via a new gravity system to the future storm drainage trunk main in North Eucalyptus Avenue. Stormwater will be discharged through a metering structure and overflow pipe into the existing twelve-inch storm drainage line in North Reinway Avenue, with discharge rates controlled to match pre-development conditions to prevent overloading downstream stormwater systems.

To manage infiltration and avoid stagnation, the stormwater system will incorporate an underground percolation network along North Eucalyptus Avenue, employing a series of four (4) Drywells or French Drain systems. This design ensures that water not conveyed to the municipal system can percolate into the subsurface, supporting groundwater recharge and reducing surface runoff.

The Proposed Project will also include Low-Impact Development (LID) design measures, consistent with current stormwater management best practices. These measures may include bioretention areas, vegetated swales, and other features that reduce runoff volume, improve water quality, and enhance site drainage.

A Stormwater Facility Operation and Maintenance Plan will be prepared for the Proposed Project, outlining procedures to ensure that all stormwater control measures are inspected, maintained, and adequately funded for the life of the project. All stormwater infrastructure and management

practices will comply with the City’s Vision 2025 General Plan Goals and Policies, the Waterford Municipal Code, and adopted storm drain, water, and wastewater master plans.

Through this design, the Proposed Project will ensure safe, effective, and sustainable stormwater management, minimizing the risk of flooding, protecting downstream systems, and supporting water quality improvements consistent with City standards.

FIRE PROTECTION SERVICES

Fire protection and emergency medical services for the Proposed Project would be provided by the Stanislaus Consolidated Fire Protection District (SCFPD), which currently serves the City of Waterford and surrounding unincorporated areas within its Sphere of Influence. SCFPD is a full-service, all-risk fire protection district that provides fire suppression, emergency medical response, rescue services, hazardous materials response, wildland fire suppression, water rescue operations, and fire prevention services.

Governance and Administrative Structure

SCFPD operates under the policy direction of a Board of Directors, which is responsible for governance oversight, adoption of budgets, establishment of service levels, and ensuring compliance with applicable state and local regulations. The District’s day-to-day operations are administered by the Fire Chief, who is responsible for overall leadership, strategic planning, emergency response readiness, personnel management, and coordination with local, regional, and state agencies.

The Fire Chief is supported by a Deputy Chief of Operations, who oversees field operations, emergency response coordination, and operational readiness across the District. Administrative functions, including finance, budgeting, payroll, and records management, are supported by a Finance and Administrative Manager and administrative support staff. This administrative structure provides the fiscal and organizational capacity necessary to maintain existing service levels and accommodate future growth within the District’s service area.

Operational Command and Staffing

SCFPD’s operational command structure is organized through a Battalion Chief system, which provides direct supervision of fire stations, emergency response units, and suppression personnel. Battalion Chiefs oversee shift operations, incident command, training compliance, and maintenance of adopted response standards throughout the District.

District-wide, SCFPD operates six (6) fire stations, consisting of five (5) fully staffed stations and one (1) unstaffed station, and employs approximately 56 full-time personnel and two (2) part-time personnel. SCFPD responds to more than 4,200 calls for service annually, including medical aids, structural fires, hazardous materials incidents, wildland fires, water rescues, and other emergency responses.

Station No. 24 – Waterford Service Area

Fire protection services to the Proposed Project would be provided primarily by SCFPD Station No. 24, located at 129 E Street in downtown Waterford, approximately 1.2 miles southeast of the Project site. Station No. 24 is a 7,600-square-foot facility, constructed in 2017, and is staffed 24 hours per day, seven days per week, with three full-time personnel per shift.

Station No. 24 houses the following apparatus and specialized resources:

- One (1) Type 1 Engine
- One (1) Type 3 Brush Rig
- One (1) Water Rescue Boat
- One (1) Office of Emergency Services (OES) Type 1 Engine

The station's water rescue boat provides specialized response coverage for Modesto Reservoir, Turlock Lake, and a substantial portion of the Tuolumne River, enhancing the District's regional emergency response capabilities.

Service Demand and Performance

SCFPD maintains a strong emergency response profile and has demonstrated the capacity to meet existing service demands. Historical call data indicates that in 2014, SCFPD Station No. 24 received 1,790 calls for service, of which 1,083 were EMS/rescue-related, 154 were fire related, and 301 were classified as good intent calls. During the same period, the District as a whole responded to 4,235 incidents, reflecting a broad range of emergency service activities across its service area.

Fire Protection Rating and Service Quality

The Insurance Services Office (ISO) currently rates the overall SCFPD service area as a Class 2 under the Public Protection Classification Program, on a scale of 1 to 10, with 1 representing the highest level of fire protection. The ISO rating evaluates factors such as emergency communications, staffing, apparatus deployment, training, response capability, and water supply for fire suppression. The District's ISO rating reflects a high level of fire protection service for both existing and future development.

Financing and Growth-Related Improvements

The City of Waterford and SCFPD coordinate to ensure that new development contributes its fair share toward facilities and services required to accommodate growth. Development Impact Fees, adopted pursuant to Government Code § 66000 et seq., serve as the primary funding mechanism for new or expanded fire protection facilities, equipment, and capital improvements necessitated by new development.

SCFPD recently updated its Development Impact Fees through preparation of a Facilities Impact Study (2024), which evaluates the District’s long-term facility and equipment needs to serve future growth within its service area. The District’s recently adopted impact fee is \$0.86 per square foot of new development. Impact fees collected from new development within the Proposed Project, along with ongoing revenues from property taxes and other District funding sources, would be used to support capital improvements and service expansion as needed.

In addition, SCFPD maintains a special assessment for fire protection services. As new parcels are created within the Proposed Project, each parcel would contribute to this assessment to finance the ongoing provision of fire protection and emergency response services.

Based on SCFPD’s established governance structure, operational command framework, station staffing, apparatus resources, response capabilities, and adopted financing mechanisms, the District has adequate organizational capacity and service capability to provide fire protection and emergency medical services to the Proposed Project. The Proposed Project would not result in duplication of services and would allow for the orderly, efficient, and fiscally sustainable extension of fire protection services consistent with the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act and Government Code §56653.

POLICE PROTECTION SERVICES

Law enforcement services for the Proposed Project would be provided by Waterford Police Services, which operates under contract with the Stanislaus County Sheriff’s Department. The City of Waterford entered into a law enforcement services agreement with Stanislaus County in July 1998, at which time the former Waterford Police Department transitioned to Waterford Police Services. This contractual arrangement allows the City to provide comprehensive, professional police services while leveraging the personnel, resources, and specialized units of the Stanislaus County Sheriff’s Department.

Organization and Staffing

Waterford Police Services is staffed by both full-time and extra-help personnel from the Stanislaus County Sheriff’s Department. A total of eleven (11) sworn positions are assigned to serve the City of Waterford, including one Lieutenant, one Sergeant, and seven Deputy Sheriffs, along with two administrative positions that support law enforcement operations. The Lieutenant serves as the Chief of Police, currently Chief David Mullins, and is funded jointly, with 50 percent of the position funded by the City of Waterford.

The remaining sworn and administrative positions assigned to Waterford Police Services are fully funded by the City. This staffing model provides dedicated local law enforcement coverage while allowing access to Countywide law enforcement resources as needed.

Facilities and Service Area

Waterford Police Services operates from a police station located at 115 E Street, approximately 1.25 miles east of the Project site. From this location, officers provide patrol, traffic enforcement, investigations, and community-oriented policing services throughout the City of Waterford, including areas proposed for annexation.

Service Standards and Performance

The law enforcement services agreement between the City of Waterford and the Stanislaus County Sheriff specifies a minimum staffing standard of one sworn officer per 1,000 residents. As of July 2023, the City's estimated population was 9,323 residents, resulting in an officer to population ratio of approximately 1.18 sworn officers per 1,000 residents, which exceeds the minimum contractual standard.

Waterford Police Services responded to 4,433 calls for service in 2024, with an average response time of approximately 5 minutes, which is within the City's adopted General Plan response time goals. These performance metrics demonstrate the Department's ability to provide timely and effective law enforcement services to existing development within the City.

Specialized Law Enforcement Services

In addition to locally assigned personnel, Waterford Police Services has access to a wide range of specialized Sheriff's Department units operating out of the Sheriff's Operations Center on Hackett Road in Modesto. These specialized services include, but are not limited to, investigations related to felony assaults, crimes against children, fraud, narcotics enforcement, gang and street crimes, and other complex or resource-intensive law enforcement activities. This arrangement enhances the City's ability to respond to serious incidents without the need to maintain specialized units at the local level.

Funding and Growth-Related Impacts

The City's total budget for Waterford Police Services for Fiscal Year 2024/2025 is approximately \$2,525,494. Law enforcement operations are funded primarily through the City's General Fund, while capital improvements and facility needs are supported through Capital Facilities Fees (CFF) collected from new development.

Approved and pending development projects within the City, including the Proposed Project, are anticipated to generate additional demand for law enforcement services. The Proposed Project would be required to pay all applicable Capital Facilities Fees, including the portion allocated for police services. Payment of these fees is intended to offset or mitigate the incremental impacts of new development on law enforcement facilities and services and to ensure that service levels remain consistent with adopted standards.

Based on existing staffing levels, contractual service standards, response time performance, access to specialized County law enforcement resources, and established funding mechanisms, Waterford Police Services has adequate capacity to provide police protection services to the Proposed Project. Extension of police services to the annexation area would occur in an orderly and efficient manner, would not require construction of new police facilities at this time, and would be consistent with the requirements of Government Code §56653 and the policies of the Cortese-Knox-Hertzberg Local Government Reorganization Act.

FINANCING

The Proposed Project will be fully financed by the Project Proponent. All on-site and Project-specific infrastructure improvements will be funded through private financing and constructed at the Project Proponent's expense.

Public facilities and services associated with the Proposed Project would similarly be funded by the developer through the payment of all applicable City development impact fees, connection fees, and other required assessments in effect at the time of development, consistent with City policies and adopted fee programs. These fees are intended to offset the costs associated with the provision of public facilities and services necessitated by the Proposed Project.

Long-term operation and maintenance of public facilities serving the Proposed Project would be made possible through annexation into Community Facilities District (CFD) No. 2019-01. Ongoing maintenance costs would be funded through CFD assessments, in combination with applicable City enterprise funds and other municipal revenue sources, as appropriate. As a result, the Proposed Project is not anticipated to result in an undue fiscal burden on the City of Waterford or other service providers, as the Proposed Project will contribute proportionately to both the capital and long-term maintenance costs associated with public services and infrastructure.

Plan for Agricultural Preservation

The purpose of a Plan for Agricultural Preservation is to assist the LAFCo Commission in determining how the annexation of the Proposed Project meets the stated goals of LAFCo's Agricultural Preservation Policy.

This Plan for Agricultural Preservation includes:

1. A detailed analysis of direct and indirect impacts to agricultural resources on the site and surrounding area, including a detailed description of the agricultural resources affected and information regarding Williamson Act lands,
2. A discussion on existing and proposed densities,
3. A description of relevant County and City General Plan policies and specific plan,
4. A discussion on consistency with regional planning efforts,
5. An analysis of mitigation measures and strategies to minimize loss of agricultural lands,
6. A discussion on alternative lands located within the sphere of influence,

7. Possible growth or phasing of the development,
8. Minimization of use of agricultural land, and
9. Preparation for the planned, orderly, and efficient use of land.

Detailed Analysis of Direct and Indirect Impacts to Agricultural Resources on the Site and Surrounding Area

The Proposed Project contains approximately 29.18 acres of Prime Farmland that will be permanently converted for development the Proposed Project, including the Tentative Subdivision Map and the pre-zoning for residential use. Of the total 43.27 acres for the Project site, 19.2 acres will be subdivided to create ninety-eight (98) new single-family residential lots, permanently removing this portion from agricultural production.

The City's Vision 2025 General Plan Environmental Impact Report anticipated development of the Project area as part of the overall evaluation of the buildout of the City. While the City has incorporated all available mitigation for the loss of agriculture land in the form of General Plan policies and implementation strategies, the extent of urban development under the General Plan inherently involves the conversion of high-quality agricultural land.

The Proposed Project is bounded by agricultural lands to the north and west. Indirect impacts include potential conflicts between new residential uses and existing agricultural operations (e.g., noise, dust, and privacy).

Williamson Act Lands

There are no Williamson Act Contracts within the Proposed annexation area.

Existing and Proposed Densities

The Stanislaus County General Plan Land Use Element designates the proposed Annexation Area as Agriculture (A), and those lands are zoned by Stanislaus County as A-2-10. The density for A-2-10 is generally 0.10 dwelling units per acre. Currently, the Project site consists primarily of agricultural lands; however, a portion of the Project site consists of the existing Space in the Shade Mobile Home Park, which currently provides forty-three (43) mobile home and RV spaces for rent, and is located at the southern portion of the Project site immediately adjacent to Yosemite Boulevard.

Proposed Annexation and Proposed Densities

The Proposed Project includes a Tentative Subdivision Map that would permit the development of ninety-eight (98) residential units. The Proposed Project is designated as Low-Density Residential (LD) by the Waterford Vision 2025 General Plan. The LD designation allows for 4 to 6 dwelling units per gross acre. The subdivision of the 19.2-acre portion will result in an average density of

approximately five (5) dwelling units per acre. This is consistent with the City's Vision 2025 General Plan requirements.

Relevant Waterford Vision 2025 General Plan Policies

The Waterford Vision 2025 General Plan includes goals and policies that aim to sustain and preserve existing and future agricultural lands. The Waterford Vision 2025 General Plan states:

Policy UE-1: *Promotes annexation of developed areas within the City's Sphere of Influence.* The Proposed Project is located within Waterford's Sphere of Influence. The Project site is also partially developed with the Space in the Shade Mobile Home Park.

Policy UE-3: *The City shall accommodate urban development on non-prime soils whenever feasible.* This policy calls for the City to oppose development in the SOI that is not proposed for annexation into the City. The Proposed Project includes an annexation into the City of Waterford.

Policy UE-4: *The City shall control the timing, density, and location of new land uses within its urban expansion boundaries to reflect the availability of urban and utility services.* The Project site is located directly contiguous to the City's western boundary line. The Proposed Project includes an application for annexation, pre-zoning, and a tentative subdivision map.

Policy L-1.3: *Encourage a diversity of lot sizes in residential subdivisions.* The Proposed Project includes pre-zoning 20.08 acres as Planned Development. The PD zoning will allow the development of 5,500 square foot lot sizes, smaller than the 6,000 square feet required for the Low Density Residential District.

Policy PF-1.5: *Assure that Expansion of the City Results in the Enhancement of Municipal Services and Facilities within Waterford Without Increasing Costs to the Existing City.* It has been determined that the current water, sewer, and stormwater infrastructure can accommodate this Proposed annexation.

Policy OS-B-1: *Protect agricultural areas outside the City's urban growth area from urban impacts.* The Project Proponent has entered into a Memorandum of Understanding with the California Farmland Trust.

Policy OS-B-2: *Relieve pressures on converting areas containing large concentrations "prime" agricultural soils to urban uses by providing adequate urban development land within the Waterford urban growth area.* The Proposed Project is located within the City's Sphere of Influence.

Policy SD-4.1: *Preserve the City's Prime agricultural soil resources.* The Proposed Project is located within the City's Sphere of Influence.

Consistency with Regional Planning Efforts

The Proposed Project is consistent with the Waterford Vision 2025 General Plan and implements the General Plan goals, policies, and objectives.

In addition, the proposed project follows the guidelines of the San Joaquin Valley Regional Blueprint (Blueprint) and follows principles of smart growth that are reflected in the Waterford General Plan. The Blueprint promotes increases in development densities over time to accommodate a growth that is consistent with realities in both communities and the marketplace overall. In addition to this added growth across the region, the Blueprint recognizes that more compact development can be utilized as a more cost effective and sustainable approach to managing urban growth. Specifically, the Vision 2025 General Plan is consistent with the following Smart Growth Principles that the Blueprint is based upon: creating a range of housing opportunities and choices; creating walkable neighborhoods; fostering distinctive, attractive communities with a strong sense of place; containing a mix of land uses; strengthening and directing development towards existing communities; taking advantage of compact building design; enhancing the economic vitality of the region; and supporting actions that encourage environmental resource management.

The Project site is located within the City’s Primary Sphere of Influence (SOI), which was approved by the Stanislaus Local Agency Formation Commission (LAFCo) in 2007. The Proposed Project meets applicable LAFCo policies necessary to support annexation.

Analysis of Mitigation Measures and Strategies Proposed to Minimize Loss of Agricultural Lands

Mitigation Measure Ag.-1 of the Fahmy Annexation IS/MND requires the following:

“Prior to the filing of an annexation request to the Stanislaus LAFCo, the Developer and/or Project Proponent shall provide to the City of Waterford Planning Department a Plan for Agricultural Preservation which shall include written evidence of compliance with Stanislaus LAFCo Policy 22.”

The Stanislaus LAFCo Policy 22 requires a Plan for Agricultural Preservation to be submitted that outlines the information included in this Plan. The Plan for Agricultural Preservation demonstrate how the Proposed Project meets the stated goals of LAFCO’s Agricultural Preservation Policy.

Pursuant to Stanislaus LAFCo Policy 22, the City of Waterford is requiring a 1:1 mitigation for the loss of approximately 29.18 acres of Prime Farmland in the Project site. Of the 29.18 acres, 18.5 acres are located within the Proposed area of the Tentative Subdivision Map. In order to satisfy this mitigation requirement, the Project Applicant has entered into a Memorandum of Understanding (MOU) with the California Farmland Trust that requires the payment of in-lieu fees to the Trust on a per acre basis. Per the MOU, dated December 9, 2025 the Applicant will be required to pay \$15,034 per acre of the 18.5 acres of Prime Farmland within the Proposed area of the Tentative Subdivision Map. This mitigation fee will be applicable to the 10.68 acres of Prime Farmland located to the south of the Proposed subdivision in the Project area.

The Proposed Project implements the General Plan Policy UE-1 by prioritizing annexation within the existing Primary Sphere of Influence rather than expanding beyond planned growth boundaries.

Alternative Land within the Sphere of Influence

In 2007, the Lake Pointe Master Development Plan (MDP) was approved and annexed into the City of Waterford. Lake Pointe is 425-acres in size and is located along the City's northeast boundary. The Lake Pointe MDP has remained undeveloped since its annexation. However, the City has received and is currently processing a Tentative Subdivision Map application for 412 single-family lots on three (3) parcels totaling 73.6 acres. The Proposed Project in the Lake Pointe MDP would be developed in two (2) phases.

Several infrastructure improvements are required in order for the Lake Pointe MDP to be built out. According to the Lake Pointe Development Environment Review, dated September 2007, the MDP area would require new stormwater facilities, develop groundwater resources, construct a new storm drain system, and upgrade the City's wastewater treatment and disposal system. Because of this, the development of the MDP would entail a more complicated development process compared to the Proposed Project. The Proposed Project will connect to the existing utilities on N. Reinway Avenue. These new utility connections have been reviewed and it has been determined that the current water, sewer, and stormwater infrastructure can accommodate this Proposed Project. As previously discussed, the Proposed Project includes a Tentative Subdivision Map for ninety-eight (98) residential lots, which will be developed in one (1) phase. At this point, the development of the Proposed Project is more immediately than other available land within the City limits and SOI. The Proposed Project is located contiguous to the western city limits and provides additional housing development opportunities for the western side of Waterford.

Probable Growth/Phasing of Development

The Proposed Project includes a Vesting Tentative Subdivision Map (VTSM) to subdivide 19.21 acres of the total 43.27 acres into ninety-eight (98) residential lots and is anticipated to be developed in one (1) phase. As previously stated, the Proposed Project includes the developed Space in the Shade Mobile Home Park, which currently provides forty-three (43) mobile home and RV spaces for rent.

The remainder of the Project site (approximately 24 acres) will remain in its existing condition for the time being. The annexation allows these remaining properties to ultimately connect to City services as they are developed, but they will be required to apply for and obtain separate approval from the City for any future development.

Minimization of Use of Agricultural Land

The Proposed Project is entitled with a Prezone Application. The Proposed Project has been prezoned with the RS, Residential Single and PC, Planned Community designations. The use of PC,

Planned Community zoning district allows for smaller minimum lot sizes (5,500 sq. ft. vs 6,000 sq. ft.) and higher lot coverage (60% vs 40%). This zoning district allows for more efficient use of the specific parcels being removed from agriculture, maximizing the use of the converted land.

Planned, Orderly, and Efficient Use of Land

The Proposed Project is located within Waterford’s SOI, is contiguous to the city limit, and implements the General Plan. The Proposed Project includes the installation of essential frontage improvements (curb, gutter, sidewalk) and roadway improvements to Eucalyptus Avenue and N. Reinway Avenue.

The City Engineer determined there is sufficient water, sewer, and stormwater capacity to serve the subdivision and the remainder of the site.

The Proposed Project will annex into the City’s Community Facilities District (CFD) No. 2019-01 to fund long-term maintenance of public facilities, ensuring the development pays for its own service impacts.

Improvements to Eucalyptus Avenue are designed to relieve traffic volumes on N. Reinway Avenue, ensuring the transportation network can handle the transition from agriculture to residential use.



CALIFORNIA FARMLAND TRUST

www.cafarmtrust.org

P.O. Box 1960
Elk Grove, California 95759

P: 916.687.3178
F: 916.685.1041

December 12, 2025

Agreement #25-802

California Land Development
Nav Athwal
331 Santa Rosa Drive
Los Gatos, CA 95032

City of Waterford
Michael Pitcock, City Manager
101 E Street
Waterford, CA 95386

Subject: Memorandum of Understanding – Farmland Mitigation for the Fahmy Annexation (18.5 Acres of Prime Farmland), City of Waterford, Stanislaus County, CA.

Dear Mr. Athwal and Mr. Pitcock,

The California Land Development (“Applicant”) has requested the California Farmland Trust (“CFT”) to assist in satisfying a farmland mitigation requirement imposed by the City of Waterford (“City”) in Stanislaus County, CA. The request relates to the proposed annexation which will impact 18.5 acres of Prime Farmland. CFT understands that, because of the proposed annexation of Prime Farmland, the City is requiring a 1:1 mitigation for the loss of 18.5 acres. City will allow an “in-lieu” fee to be paid by the project proponent to satisfy the mitigation requirement.

CFT will assist the Applicant or the Applicant’s successor (“Developer”) in satisfying the agricultural mitigation requirements described in the Mitigation Monitoring/Reporting Program for the Fahmy Annexation (File No. Annexation, Prezone and VTSM 2022-0001) and approved by the Waterford City Council through Resolution No. 2025-61 adopting the Mitigated Negative Declaration for Annexation, Prezone, and Vesting Tentative Subdivision Map No. 2022-0001 on November 20, 2025. CFT will use the funds to obtain an agricultural conservation easement in Stanislaus County meeting CFT’s selection criteria protecting no less than 18.5 acres of Prime Farmland. CFT will hold and enforce the agricultural conservation easement in perpetuity.

CFT is a California nonprofit public benefit corporation and IRS s. 501(c)(3) organization dedicated to the conservation of farmland primarily in California’s Central San Joaquin Valley. CFT routinely assists other entities





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in meeting their mitigation requirements and supports jurisdictions through formal agreements to administer farmland mitigation fees.

CFT assists entities for which farmland mitigation has been mandated and where payment of an “in-lieu” fee is acceptable. CFT has established a mitigation fee of \$15,034 per acre, based on a moving average of appraised agricultural conservation easements in Stanislaus County and within CFT’s service area, plus transactional & administrative costs and stewardship and legal defense fees necessary to hold and monitor the easement in perpetuity.

Pursuant to this MOU, Developer agrees to pay CFT a fee of **\$278,129** (\$15,034 per acre x 18.5 acres) payable at grading or building permit issuance. CFT will document receipt of funds by providing a written acknowledgment to the Developer and the City.

Because agricultural conservation easement projects are inherently complex and dependent on multiple external factors, CFT cannot guarantee a specific timeframe for closing on an easement.

Developer acknowledges and agrees it is solely responsible for all obligations necessary to satisfy City’s mitigation requirement associated with the Fahmy Annexation and agrees to indemnify and hold CFT harmless from any and all liability arising from Developer’s actions, or lack thereof.

This MOU will remain effective for one year or until the total payment is received by CFT, at which time it will expire unless extended.

Please review the foregoing terms, acknowledge your concurrence by signing below, and return the executed document at your earliest opportunity.

Respectfully submitted,
CALIFORNIA FARMLAND TRUST

DocuSigned by:

EA36B8274FE9495...
Charlotte Mitchell,
Executive Director

Attachment: Waterford City Council Resolution No. 2025-61 with Exhibits





CALIFORNIA FARMLAND TRUST

www.cafarmtrust.org

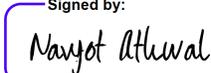
P.O. Box 1960
Elk Grove, California 95759

P: 916.687.3178
F: 916.685.1041

Signatures

Applicant:

Nav Athwal
California Land Development

| | |
|---|-----------------|
| Signed by: | |
|  | 12/12/2025 |
| <hr/> | |
| Signature | Date |
| | |
| Navjot Athwal | Managing Member |
| <hr/> | |
| Name | Title |

City:

Michael Pitcock, City Manager
City of Waterford

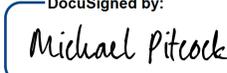
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| DocuSigned by: | |
|  | 2/23/2026 |
| <hr/> | |
| Signature | Date |
| | |
| Michael Pitcock | City Manager |
| <hr/> | |
| Name | Title |



EXHIBIT C

City of Waterford Resolutions, Ordinances & Documents

Ordinance No. 2025-05: Approving & Adopting the Rezoning of the Project Site.

Resolution No. 2025-61: Resolution Approving the Mitigated Negative Declaration for Annexation, Rezoning, and Vesting Tentative Subdivision Map

Resolution No. 2025-62: Resolution of Application for Annexation

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ORDINANCE NO. 2025-05

**AN ORDINANCE OF THE CITY OF WATERFORD CITY COUNCIL
APPROVING AND ADOPTING THE PREZONING OF 43.27-ACRES AS TO
ASSESSOR PARCEL NUMBERS 080-003-050, 012, 015, 034, 040, AND 049**

WHEREAS, the City of Waterford is authorized by Title 17 Chapter 17.77, to initiate a prezone whenever public necessity and convenience and the general welfare require such amendment; and

WHEREAS, the City of Waterford Planning Commission conducted a Public Hearing on October 21, 2025 to consider the proposed prezone.

WHEREAS, the City Council for the City of Waterford has made the following findings for adoption.

1. An application has been received from California Land Development (331 Santa Rosa Drive, Los Gatos, CA 95032) with a proposal to annex and prezone approximately 43.27± acres on property assigned the following assessor parcel number: 080-003-012, 015, 034, 040, 049, and 050; and,
2. The project site is currently under the zoning regulation of Stanislaus County and has a General Plan Land Use Designation of Low Density Residential (LD); and
3. The applicant is proposing to rezone the Subject Properties to RS and Planned Community 2022-01 (PC #2022-01); and
4. The Planning Commission held a noticed public hearing on October 21, 2025, and by a vote of 3-0, recommended to the City Council approval of the Prezone; and,
5. Notice of the public hearing on the proposed Prezone was published in the *Waterford News*, a newspaper of general circulation, on November 4, 2025; and
6. Notices of the public hearing on the proposed Prezone were mailed to all property owners within 300-feet of the property, according to the most recent assessor's roll, on November 4, 2025; and
7. The City finds that pursuant to the California Environmental Quality Act (CEQA), the Lead Agency (Waterford) has prepared an Initial Study and concludes that the proposed project is within the scope of the previously certified City of Waterford Vision 2025 General Plan Environmental Impact Report, and in accordance with Section 15074 of the CEQA Guidelines, a Mitigated Negative Declaration has been prepared and considered.

WHEREAS, a public hearing was held on November 20, 2025 and all comments were heard and considered by the City Council.

THE CITY COUNCIL OF THE CITY OF WATERFORD, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. ZONING MAP. The Zoning Map of the City of Waterford is hereby amended in the area described in Exhibit A attached hereto and by reference incorporated herein.

SECTION 2. FINDINGS. The approval of this ordinance is based on the following findings and determinations:

- A. The Planning Commission, on October 21, 2025 held a noticed public hearing and made its written recommendation to the City Council to approve the rezoning to RS and Planned Community 2022-01 (PC #2022-01), as illustrated in Exhibit A of this Ordinance.
- B. The proposed rezoning is consistent with the goals, policies, and implementation measures and Low Density Residential (LD) land use of the City of Waterford Vision 2025 General Plan.
- C. A noticed Public Hearing before the City Council was given in the form and manner required by State statute and the Waterford Municipal Code.

SECTION 3. CONDITIONS. The development is subject to the conditions and standards adopted in the City's Vision 2025 General Plan for development which includes the following terms and conditions:

SECTION 4. The Zoning Map of the City of Waterford, which is attached as part of Title 17 of the City Code, is hereby amended and changed, and from and after the effective date of the Ordinance, the property illustrated in Exhibit A hereof shall be referred to and described on said zoning map of the City of Waterford as RS and Planned Community 2022-01 (PC #2022-01).

- A. Approval of this Prezone authorizes the Zoning Map of the City of Waterford to be amended to include APN 080-003-034, 012, 015, and 040 to be zoned RS, Residential Single. APN 080-003-049 and 050 are to be zoned PC, Planned Community (PC 2022-01).
- B. Approval of Prezone to Planned Community 2022-01 authorizes a 98-lot single-family residential development shall expire within two years from the date of the annexation approval by the Stanislaus Location Agency Formation Commission unless acted upon or the applicant or property owner obtains a time extension for the subdivision map.

SECTION 5. DEVELOPMENT STANDARDS. The following development standards are hereby associated with Planned Community 2022-01 (PC #2022-01):

| Development Standard | Planned Community 2022-01 |
|-----------------------------|--|
| <i>Lot Dimensions</i> | |
| Lot Size (Minimum) | 5,000 square feet |
| Lot Width (Minimum) | Interior – 55-feet Corner – 65-feet |
| Lot Coverage (Maximum) | 60% |
| <i>Setbacks (Minimum)</i> | |
| Front | 15-feet |
| Rear | 10-feet |
| Side | Interior – 5-feet Corner – 10-feet |

For properties rezoned RS, development standards shall adhere to the City of Waterford Zoning Ordinance.

SECTION 6. AUTHORITY. This ordinance is adopted pursuant to the authority granted by the California Constitution and State law.

SECTION 7. If any section, subsection, subdivision, sentence, clause, phrase or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 8. To the extent the provisions of the Waterford Municipal Code as amended by this Ordinance are substantially the same as the provisions of that Code as they read immediately prior to the adoption of this Ordinance, then those provisions shall be construed as continuations of the earlier provisions and not as new enactments.

SECTION 9. The City Clerk shall certify as to the adoption of this Ordinance and shall cause a summary thereof to be published within fifteen (15) days of adoption and shall post a certified copy of this Ordinance, including the vote for and against same, in the Office of the City Clerk, in accordance with Government Code Section 36933.

SECTION 10. ENACTMENT: Prior to the expiration of fifteen (15) days from the passage and adoption thereof, this ordinance shall be published in a newspaper of general circulation printed and published in the County of Stanislaus, State of California, together with names of the members of the City Council voting for and against the same.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Waterford this 20th day of November 2025, by the following vote:

AYES: Goeken, Gutierrez, Harris, Hilton, Talbott

NOES: None

ABSTAIN: None

ABSENT: None

CITY OF WATERFORD

Signed by:
Charlie Goeken _____
6D7A8A7DC0154CF...

CHARLIE GOEKEN, Mayor

ATTEST:

DocuSigned by:
Patricia Krause _____
0E40B251B23D4F2...

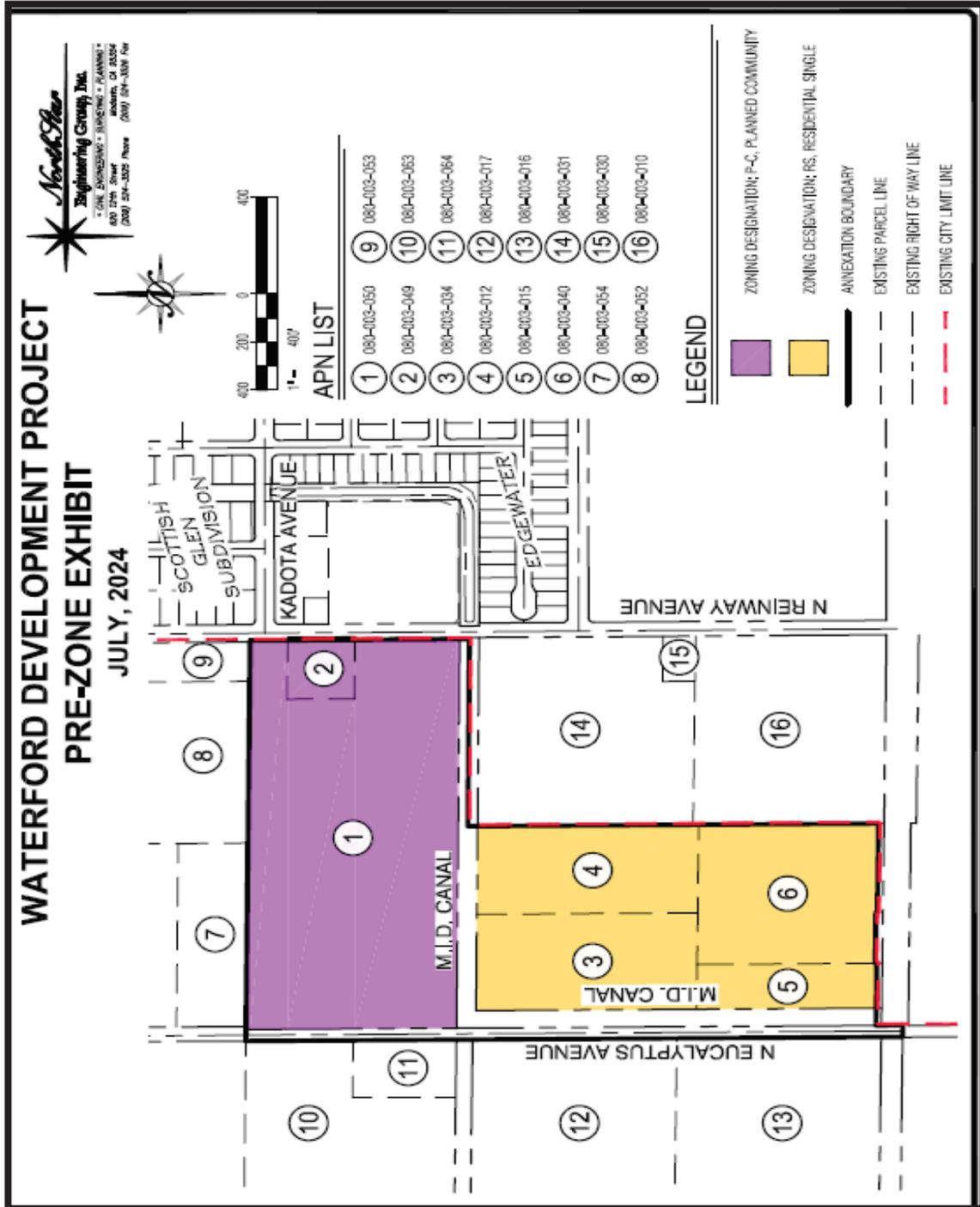
PATRICIA KRAUSE
City Clerk

APPROVED AS TO FORM:

Signed by:
Corbett Browning _____
F2D1FA69CB4B4A7...

CORBETT J. BROWNING
City Attorney

EXHIBIT A



**WATERFORD CITY COUNCIL
RESOLUTION NO. 2025-61**

**A RESOLUTION OF THE CITY OF WATERFORD CITY
COUNCIL APPROVAL OF A MITIGATED NEGATIVE
DECLARATION FOR ANNEXATION, PREZONE, AND VESTING
TENTATIVE SUBDIVISION MAP NO. 2022-0001 (FAHMY
ANNEXATION) FOR ASSESSOR PARCEL NUMBERS 080-003,
050, 012, 015, 034, 040, AND 049**

WHEREAS, the City of Waterford has received a request from the Applicant (California Land Development, 331 Santa Rosa Drive, Los Gatos, CA 95032), on behalf of the Property Owner of Record (Fahmy Living Trust) to annex and prezone 43.27-acres into the City of Waterford, Assessor Parcel Numbers 080-003, 012, 015, 034, 040, 049, and 050. The Project also consists of a Vesting Tentative Subdivision Map (VTSM) to allow for the subdivision of 19.20-acres into ninety-eight (98) single family residential lots. The project will connect to the City of Waterford sewer, water and storm drain services. The project site is designated by the City's Vision 2025 General Plan as Low Density Residential (LDR) and is currently zoned Residential Single (RS); and

WHEREAS, the Proposed Project Site is located in the Low Density Residential (LD) land use designation of the City's General Plan Land Use Map; and

WHEREAS, the Proposed Project is considered a "project" as defined by the California Environmental Quality Act (CEQA) and may involve potentially significant effects on the environment; and,

WHEREAS, the City of Waterford, acting as Lead Agency, has prepared and circulated for public and agency review an Initial Study/Mitigated Negative Declaration (IS/MND) addressing the potential environmental effects of the proposed project in accordance with the requirements of CEQA; and,

WHEREAS, the Lead Agency distributed the Public Review Draft IS/MND for public review on September 3, 2024, and the comment period concluded on October 4, 2024; and,

WHEREAS, a Notice of Intent to adopt the IS/MND also identifying the date of this meeting was published in the Waterford News on September 4, 2024, filed with the Stanislaus County Clerk-Recorder Office, and mailed to properties within a 300-foot radius of the Project site; and,

WHEREAS, the Planning Commission has reviewed and independently considered the analysis and conclusions of the IS/MND during a noticed public hearing on October 21, 2025, and recommended certification to the City Council; and,

WHEREAS, a copy of the IS/MND is attached hereto as Exhibit A; and,

WHEREAS, the Planning Commission has prepared a Mitigation Monitoring/Reporting Plan reflecting the analysis and mitigation recommendations contained in the IS/MND, a copy of which is attached hereto as Exhibit B; and,

WHEREAS, the notice of the special public hearing on the proposed Annexation, Prezone, and VTSM was published in the *Waterford News*, a newspaper of general circulation, on November 4, 2025; and

WHEREAS, notices of the special public hearing on the proposed Annexation, Prezone, and VTSM were mailed to all property owners within 300-feet of the property, according to the most recent assessor's roll, on November 4, 2025; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Waterford makes the following findings and determinations:

1. The Proposed Project is consistent with the City of Waterford Vision 2025 General Plan, and specifically, the Low Density Residential (LD) land use designation assigned by the Vision 2025 General Plan.
2. The site is physically suitable for the density and/or intensity of the Proposed Project.
3. The Proposed Project is not likely to cause substantial environmental damage, or substantially and unavoidably injure fish or wildlife or their habitat.
 - a. As per Sections 15182 and 15162 of the California Environmental Quality Act ("CEQA") Guidelines, this Project is within the scope of the projects covered by the Vision 2025 General Plan Final EIR.
4. A Notice of Determination pertaining to this matter shall be filed with the County Clerk within five (5) business days of this resolution, in accordance with the requirements of CEQA. Documents and materials related to the IS/MND shall be maintained at Waterford City Hall.
5. Constitutionality, severability. If any section, subsection, sentence, clause, phrase, word of this resolution is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the resolution. The Planning Commission of the City of Waterford hereby declares that it would have passed this resolution and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more section(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.

NOW, THEREFORE BE IT FURTHER RESOLVED BY THE WATERFORD CITY COUNCIL that it approves the Mitigated Negative Declaration for Annexation, Prezone, and Vesting Tentative Subdivision Map No. 2022-0001.

PASSED, APPROVED, AND ADOPTED by the Waterford City Council of the City of Waterford at a regular meeting this 20th day of November 2025, by the following vote:

AYES: Goeken, Gutierrez, Harris, Hilton, Talbott

NOES: None

ABSTAIN: None

ABSENT: None

CITY OF WATERFORD

Signed by:
Charlie Goeken _____
6D7A8A7DC0154CF...

Charlie Goeken, Mayor

ATTEST:

DocuSigned by:
Patricia Krause _____
0E40B251B23D4F2...

PATRICIA KRAUSE, CMC
City Clerk

APPROVED AS TO FORM:

Signed by:
Corbett Browning _____
F2D1FA69CB4B47...

CORBETT J. BROWNING
City Attorney

Exhibit. A of
City of Waterford Resolution No. 2025-61

Initial Study & Mitigated Negative Declaration
can be found at:

https://www.stanislauslafco.org/current_projects.shtm

EXHIBIT B – MITIGATION MONITORING AND REPORTING PROGRAM

**MITIGATION MONITORING/
REPORTING PROGRAM**

FOR THE

**FAHMY ANNEXATION
(File No. Annexation, Prezone, and VTSM 2022-0001)**

Waterford, CA

Prepared for:

City of Waterford
101 E Street
Waterford, CA 95386

Prepared by:

J.B. Anderson Land Use Planning
139 S. Stockton Avenue
Ripon, CA 9536

| Environmental Impact | Mitigation Measure | Monitoring Responsibility | Timing | Verification (Date/Initials) |
|---|--|---|--|------------------------------|
| Agricultural Resources | | | | |
| <p>Development of the Proposed Project will result in the loss of Prime Farmland.</p> | <p>Ag- 1: Prior to the filing of an annexation request to the Stanislaus LAFCo, the Developer and/or Project Proponent shall provide to the City of Waterford Planning Department a Plan for Agricultural Preservation which shall include written evidence of compliance with Stanislaus LAFCo Policy 22.</p> | <p>Planning Manager</p> | <p>Prior to the filing of an annexation application with Stanislaus LAFCo.</p> | |
| Air Quality | | | | |
| <p>Construction activities related to the Proposed Project will create dust.</p> | <p>Air-1: Prior to the commencement of construction activities for each phase of construction, the Project Proponent shall prepare and submit a Dust Control Plan that meets all of the applicable requirements of APCD Rule 8021, Section 6.3.</p> | <p>Planning Manager and City Engineer</p> | <p>Prior to any construction activities.</p> | |
| Biological Resources | | | | |
| <p>The Proposed Project could result in potentially significant impacts to Swainson's Hawk habitat.</p> | <p>Bio-1: Pre-construction surveys for nesting Swainson's hawks within 0.25 miles of the Project site are conservatively recommended if construction commences between March 1 and September 15.</p> | <p>Planning Manager</p> | <p>Prior to any construction activities.</p> | |

| Environmental Impact | Mitigation Measure | Monitoring Responsibility | Timing | Verification (Date/Initials) |
|--|--|---------------------------|--|------------------------------|
| | <p>If active nests are found, a qualified biologist should determine the need (if any) for temporal restrictions on construction using criteria set forth by CDFW (CDFG, 1994) and the Swainson's Hawk Technical Advisory Committee (SWHTAC, 2000).</p> | | | |
| <p>The Proposed Project could result in potentially significant impacts to migratory birds.</p> | <p>Bio-2: Trees in the site could be used by birds protected by the Migratory Bird Treaty Act of 1918 or Fish and Game Code of California. If vegetation removal or construction commences during the general avian nesting season (March 1 through July 31), a pre-construction survey for nesting birds is recommended. If active nests are found, work in the vicinity of the nests should be delayed until the young fledge.</p> | <p>Planning Manager</p> | <p>Prior to any construction activities.</p> | |
| <p>The Proposed Project could result in potentially significant impacts to biological resources.</p> | <p>Bio-3: Prior to the approval of any development project within the Project site that does not include the proposed Tentative Subdivision Map, the Developer and/or Project Proponent shall prepare a Biological Assessment. This Biological</p> | <p>Planning Manager</p> | <p>Prior to the approval of any Tentative Subdivision Map.</p> | |

| Environmental Impact | Mitigation Measure | Monitoring Responsibility | Timing | Verification (Date/Initials) |
|-----------------------------|--|----------------------------------|---------------|-------------------------------------|
| | Assessment shall be submitted to the City's Planning Department for their review and evaluation of said development project. | | | |

**WATERFORD CITY COUNCIL
RESOLUTION NO. 2025-62**

**A RESOLUTION OF THE CITY OF WATERFORD CITY
COUNCIL APPROVING TO INITIATE PROCEEDINGS FOR THE
REORGANIZATION OF 43.27 ACRES KNOWN AS THE FAHMY
ANNXATION**

WHEREAS, the City has processed a request to annex 43.27 acres into the City of Waterford, known as the “Fahmy Annexation” (“Project”); and,

WHEREAS, the City of Waterford (“City”) seeks to file an application with the Stanislaus Local Agency Formation Commission (“Stanislaus LAFCO”) to initiate proceedings for adjustment to the boundaries specified herein, pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, commencing with California Government Code § 56000; and

WHEREAS, the City, as the lead agency pursuant to the California Environmental Quality Act (“CEQA”), has prepared a Mitigated Negative Declaration (SCH No. 2024090068) (“MND”), evaluating and mitigating the environmental impacts of the Proposed Project; and

WHEREAS, the City’s existing Sphere of Influence (“SOI”) encompasses the entire Proposed Project area; and

WHEREAS, the City proposes to annex and reorganize the boundaries of the Project into City limits (“Reorganization Proposal”); and

WHEREAS, the Project area is contiguous to City limits, is within the City’s SOI, and implements the goals, policies, and programs of the City’s Vision 2025 General Plan; and

WHEREAS, the City has determined that it will be able to provide the public facilities and services to support the buildout of the Project area; and

WHEREAS, the purpose of this Resolution is to authorize City staff to file an application with Stanislaus LAFCO to annex the Project area into City limits and allow for future development of the area consistent with the Project.

NOW, THEREFORE, BE IT RESOLVED by the City of Waterford City Council as follows:

1. The City Council hereby authorizes City staff to file an application with Stanislaus LAFCO to annex the Project area into City limits, as described and depicted in **Exhibit A** attached and incorporated hereto, and to take all actions necessary and incidental to accomplish the reorganization of the Specific Plan area.
2. The City Council hereby requests that the Reorganization Proposal be subject to the following terms and conditions:
 - a. That the effective date of the Reorganization Proposal be the date on which Stanislaus LAFCO records the certificate of completion for the annexation of the Project area.

PASSED, APPROVED, AND ADOPTED by the Waterford City Council of the City of Waterford at a regular meeting this 20th day of November 2025, by the following vote:

AYES: Goeken, Gutierrez, Harris, Hilton, Talbott

NOES: None

ABSTAIN: None

ABSENT: None

CITY OF WATERFORD

Signed by:
Charlie Goeken _____
6D7A8A7DC0154CF...

Charlie Goeken, Mayor

ATTEST:

DocuSigned by:
Patricia Krause _____
0E40B251B23D4F2...

PATRICIA KRAUSE, CMC
City Clerk

APPROVED AS TO FORM:

Signed by:
Corbett Browning _____
F2D1FA69CB4B4A7...

CORBETT J. BROWNING
City Attorney

Exhibit A – Fahmy Annexation

EXHIBIT "A"

LEGAL DESCRIPTION

FAHMY ANNEXATION TO THE CITY OF WATERFORD, STANISLAUS COUNTY, CALIFORNIA

ALL that certain real property, being a portion of the Southeast quarter of Section 29 and the Northeast quarter of Section 32, Township 3 South, Range 11 East, Mount Diablo Meridian, County of Stanislaus, State of California, being more particularly described as follows:

BEGINNING at the point of intersection of the East line of said Section 29 and the centerline of the W.I.D. Lateral No. 11(60-foot wide), said point being a point on the West line of the original City of Waterford boundary, being also the Northeast corner of the Moon School Reorganization to the City of Waterford;

- 1) thence along said centerline and the North line of said Moon School Reorganization North 89°34'23" West 646.25 feet to the Northwest corner of said Moon School Reorganization;
- 2) thence along said West line of said Moon School Reorganization South 00°25'26" East 1273.44 feet to a point on the North line of the Waterford High School Change of Organization to the City of Waterford

thence along said North line the following five (5) courses:

- 3) North 89°20'18" West 305.99 feet;
- 4) North 00°22'28" West 5.00 feet;
- 5) North 89°20'18" West 177.61 feet;
- 6) South 00°24'36" East 5.00 feet;
- 7) North 89°20'18" West 215.01 feet to the Northwest corner of said Waterford High School Change of Organization;
- 8) thence along the West line of said Waterford High School Change of Organization South 00°23'18" East 83.01 feet to a point 33.00 feet distant at right angles from North line of said Section 32;
- 9) thence parallel with said North line of Section 32 North 89°20'18" West 40.01 feet to the West right-of-way line of Eucalyptus Avenue (40-foot wide);
- 10) thence along said West right-of-way line North 00°24'36" West 2036.36 feet to the Westerly extension of the North line of Lot 74 of "Waterford Colony Subdivision No. 1" filed for record in Volume 9 of Maps, at Page 3, Stanislaus County Records;
- 11) thence leaving said West right-of-way along last said North line and Westerly extension South 89°26'32" East 1385.26 feet to a point on said East line of Section 29;
- 12) thence along said East line South 00°21'05" East 679.76 feet to the **POINT OF BEGINNING**.

Containing 43.27 Acres, more or less

All as shown on EXHIBIT "B" attached hereto and by this reference made a part hereof.



Kent A. Hysell, P.L.S. 6953



EXHIBIT D

**Draft LAFCO Resolution
No. 2026-07**

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**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: March 25, 2026

NO. 2026-07

**SUBJECT: LAFCO APPLICATION NO. 2026-02 – FAHMY CHANGE OF ORGANIZATION
TO THE CITY OF WATERFORD**

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

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

THE FOLLOWING RESOLUTION WAS ADOPTED:

WHEREAS, the City of Waterford has requested to annex approximately 43.27 acres to the City;

WHEREAS, the City of Waterford approved a Resolution of Application and rezoned the subject territory;

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

WHEREAS, the City of Waterford, as Lead Agency, has prepared the environmental documentation and has filed a Mitigated Negative Declaration for the proposal, in compliance with the California Environmental Quality Act (CEQA) and State CEQA Guidelines;

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

WHEREAS, the Commission has reviewed the environmental documentation prepared by the City of Waterford, including the Initial Study, Mitigated Negative Declaration and Notice of Determination;

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

WHEREAS, the Commission conducted a duly noticed public hearing on March 25, 2026 to consider the proposal at which time the Commission heard and received all oral or written testimony, objections, and evidence that were presented and all interested persons were given an opportunity to hear and be heard with respect to the proposal and the report provided by LAFCO Staff;

WHEREAS, the Commission has, in evaluating the proposal, considered the report submitted by the Executive Officer, the factors set forth in Section 56668 of the California Government Code and testimony and evidence presented at the meeting held on March 25, 2026.

NOW, THEREFORE, BE IT RESOLVED that this Commission:

1. Certifies, in accordance with CEQA, as a Responsible Agency, that it has considered the Mitigated Negative Declaration prepared by Stanislaus County.
2. The City of Waterford shall be responsible for the Mitigation Monitoring and Reporting Program, all as approved and adopted by the City to ensure CEQA Compliance.
2. Determines that the Plan for Agricultural Preservation, as submitted by the City, contains sufficient evidence demonstrating consistency with the goals of the Commission's Agricultural Preservation Policy.
3. Finds, pursuant to Government Code Section 56856.5, that the change of organization of the area is appropriate to provide necessary urban services to a planned, well-ordered, and efficient urban development pattern by the City of Waterford, whose adopted plans and policies includes appropriate consideration for the preservation of open space lands within those urban development patterns upon annexation.
4. Approves the proposal subject to the following terms and conditions:
 - A. The applicant shall pay State Board of Equalization fees and remaining fees owed to LAFCO.
 - B. The applicant agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers, and employees from any claim, action or proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul LAFCO's action on a proposal or any action relating to or arising out of such approval, and provide for the reimbursement or assumption of all legal costs in connection with that approval.
 - C. The effective date shall be the date of recordation of the Certificate of Completion.
 - D. The application shall be processed as a change of organization consisting of the annexation of territory to the City of Waterford.
 - E. Upon the effective date of the annexation, all rights, title, and interest of the County, including the underlying fee where owned by the County in any and all public improvements, including, but no limited to the following: sidewalks, trails, landscaped areas, open space, street lights, signals, bridges, storm drains, and pipes shall vest in the City; except for those properties to be retained by the County.
5. Designates the proposal as the "Fahmy Change of Organization to the City of Waterford."
6. Designates the Commission as conducting authority pursuant to Government Code Section 56029 for the change of organization.

7. Authorizes and directs the Executive Officer, pursuant to Government Code Section 56881(d), to initiate the protest proceedings for the change of organization pursuant to Part 4, commencing with Section 57000, in compliance with this Resolution and upon receipt of a map and legal description accepted to form by the Executive Officer.

ATTEST: _____
Sara Lytle-Pinhey
Executive Officer