



**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

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**AGENDA**  
**Wednesday, May 27, 2026**  
**6:00 P.M.**  
**Joint Chambers—Basement Level**  
**1010 10<sup>th</sup> 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 Free On-Demand SB 827 Compliance Training Flier.

C. "In the News."

**4. DECLARATION OF CONFLICTS AND DISQUALIFICATIONS**

**5. CONSENT ITEM**

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

A. **MINUTES OF THE APRIL 22, 2026, LAFCO MEETING**  
(Staff Recommendation: Accept the Minutes.)

**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. **FINAL LAFCO BUDGET FOR FISCAL YEAR (FY) 2026-2027.** The Commission will consider the adoption of the final LAFCO budget consistent with Government Code Sections 56380 and 56381. (Staff Recommendation: Approve the Proposed Budget and adopt Resolution No. 2026-12.)

**7. OTHER BUSINESS**

A. **MUNICIPAL SERVICE REVIEW NO. 2026-01 AND SPHERE OF INFLUENCE UPDATE NO. 2026-04 – DEL PUERTO AND WESTSIDE COMMUNITY HEALTHCARE DISTRICTS AND OAK VALLEY HOSPITAL DISTRICT:** The Commission will consider the adoption of a Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Del Puerto and Westside Community Healthcare Districts and Oak Valley Hospital District. This item is exempt from the California Environmental Quality Act (CEQA) review pursuant to sections 15306 and 15061(b)(3). (Staff Recommendation: Approve the update and adopt Resolution No. 2026-11.)

**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. CLOSED SESSION – PERFORMANCE EVALUATION**

Pursuant to Government Code Section 54957, a closed session will be held to consider the following item: Public Employee Performance Evaluation – Title: LAFCO Executive Officer

**12. ADJOURNMENT**

- A. Set the next meeting date of the Commission for June 24, 2026.
- B. Adjournment

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**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.

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# FREE ON-DEMAND

## SB 827 Compliance Training

For **CALAFCO** Members  
At No Cost to You

CALAFCO members now have free access to the on-demand SB 827 Compliance Training: Essential Fiscal and Financial Oversight for Public Agency Officials, presented by Best Best & Krieger LLP (BBK) and Regional Government Services (RGS). Complete it on your schedule. There is no travel required and no cost to you.

**WHY THIS MATTERS:** California Senate Bill 827, effective January 1, 2026, requires covered local agency officials to complete mandatory fiscal and financial training every two years. Newly appointed or hired officials must complete the training within six months of assuming office or employment.

### WHAT THIS TRAINING COVERS

- Fiscal oversight responsibilities
- Budget development, financial policies, and long-term fiscal planning
- Financial reporting, auditing, and internal controls
- Capital financing, debt management, and revenue mechanisms
- Pensions, post-employment benefits, and financial risk management
- Cash management and investments
- Financial considerations related to procurement and contracting

### DETAILS

- 2 hours, On-demand, Available through December 31, 2026
- Stop and restart at any time. Complete it at your convenience
- Certificate of completion emailed upon finishing the training and short survey
- Free for CALAFCO members (regularly \$75 per person)

### FOLLOW THESE 5 STEPS

1. Register on the CALAFCO website using the link on the events page
2. Use the BBK registration link and discount code from your CALAFCO confirmation email to complete registration with BBK
3. Log in to the BBK Attendee Hub when you are ready to begin
4. Complete the two-hour on-demand training at your convenience. You can stop and restart as needed
5. Finish the short survey at the end. Your certificate of completion will be emailed to you

***A step-by-step registration guide with screenshots is available on the CALAFCO website.***

### IMPORTANT | Register Through CALAFCO First

Please register on the CALAFCO website before signing up with BBK. Registering through the CALAFCO events page helps us track participation and informs future training decisions — information the Board uses when considering upcoming educational opportunities. **Please do not share the BBK registration link or discount code.** Direct colleagues to register through CALAFCO first.

### COMING SOON In-Person SB 827 Training at the CALAFCO Annual Conference.

Tentatively scheduled for Thursday, October 22, 2026, in Sacramento. Watch the CALAFCO website for details. Questions? Contact Michelle McIntyre [mmcintyre@calafco.org](mailto:mmcintyre@calafco.org)



## **IN THE NEWS**

### **Newspaper Articles**

- Modesto Bee, April 27, 2026, “Modesto leans toward most aggressive growth plan. How much population is proposed?”
- Modesto Bee, April 29, 2026, “Modesto council chooses contested plan for growth. What was said and what’s next?”
- Ceres Courier, April 29, 2026, “Growth in Hughson not a problem for school district.”
- Westside Connect, April 29, 2026, “Officials celebrate completion of Orestimba Creek recharge project in Newman.”
- Westside Connect, April 29, 2026, “Federal funding targets major fixes to Delta-Mendota Canal on the Westside.”
- Patterson Irrigator, April 30, 2026, “Longtime Patterson firefighter fills new Battalion Chief role.”
- Patterson Irrigator, April 30, 2026, “Assembly Bill 2282 seeks to bring emergency care to Patterson.”

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**IN THE NEWS – Modesto Bee, April 27, 2026**

## **Modesto leans toward most aggressive growth plan. How much population is proposed?**

By Ken Carlson

The Modesto City Council could choose a growth option Tuesday for the general plan update that will guide the city until 2050.

City staff proposes the option calling for the most aggressive expansion for Modesto, a city of 220,000 residents.

According to agenda materials released Friday, the recommended alternative would add 13,860 acres to Modesto's sphere of influence, or ultimate growth boundary. At build-out, the city could add up to 53,783 residential units and up to 165,650 residents, possibly boosting the city population to more than 385,000 by 2050.

The population projections are rough estimates and the actual growth rate would depend on economic conditions, the housing market and landowner interest in development.

The recommended option, called Alternative 1, includes the largest amount of regional commercial, business center and industrial land use designations, as well as substantial designations for housing subdivisions.

Council members also have the option of choosing Alternative 2, to add 12,380 acres. That moderate growth option has a smaller footprint and includes more high-density housing such as apartments. Alternative 3 would accommodate the least amount of city expansion — 9,330 acres — but with fewer opportunities for business-center and industrial development.

City staff recommends the council choose the option with the largest acreage, even though a smaller amount of development ultimately might be approved occur. An environmental review is the next step, and a staff report suggest it's easier to assess the development impacts of a larger area and then approve a smaller growth area for the general plan.

According to the staff report, it's more time-consuming to choose a smaller area and then add more land after the environmental review is completed.

The most aggressive map (Alternative 1) could accommodate 65 million square feet of retail, office space and industrial uses. The other two alternatives would support 51.7 million square feet and 42.6 million square feet of that type of development, respectively.

The most aggressive map has been opposed by groups such as Voters for Farmland and members of the Wood Colony Community Association.

Todd Heinrich of the Wood Colony Municipal Advisory Council said the Alternative 1 map released Friday has additional areas designated for development, west of Modesto, than what was proposed at public workshops in the past several months.

"I am disappointed," Heinrich said. "Not only are they choosing the most aggressive plan, they are adding to the most aggressive option. They have added land that was not on any of the maps."

## **IN THE NEWS – Modesto Bee, April 27, 2026 - Continued**

Heinrich said the city hasn't given concerned residents enough time to consider the changes. "I got an email from the city at 4:58 p.m. Friday," Heinrich said. "They can't give us more notice than that, and then they don't even do what they said they would do? They have changed the map."

The most recent changes include a strip of land for mixed-use development west of Morse Road and a business center area along Toomes Road, which is now expanded to Hammett Road.

Denny Jackman, president of Voters For Farmland, said the acreage for 53,000 residential units is not necessary given population trends. "Who are they building for?" he asked.

He noted that young women are having babies later in life and are bearing fewer children. In addition, any plans for aggressive housing development ignore that the baby boomer generation is dying off.

Jackman also pointed to growing congestion on Highway 99 in Modesto and on the Altamont Pass, which suggests Bay Area commuters won't be buying homes here. "They are following exactly the same footprint as the failed 1995 general plan," said Jackman, a former Modesto councilman.

The recommended growth option designates land for housing subdivisions north of Kiernan Avenue to Ladd Road. The northern expansion areas are bounded by Stoddard, Ladd and Coffee roads. An eastern growth area extends along Claribel Road to about McGee Avenue.

If the council approves a preferred option Tuesday night, the city will conduct an environmental review. The council would consider a draft general plan update in summer 2027. The update also requires approval from the Local Agency Formation Commission.

The Modesto City Council will meet at 5:30 p.m. Tuesday in the meeting chambers at Tenth Street Place, 1010 10th St.

**IN THE NEWS – Modesto Bee, April 29, 2026**

## **Modesto council chooses contested plan for growth. What was said and what's next?**

By Ken Carlson

The Modesto City Council voted Tuesday night to choose the largest of three land use options for city growth, despite opposition from Wood Colony residents, farmland advocates and Salida leaders.

Dozens of people spoke against the land use plan during a contentious hearing, while others said it was time for Modesto to end a period of stagnant growth.

The council voted 5-1, with Chris Ricci dissenting and Rosa Escutia-Braaton absent, to select an option that would add 12,240 acres to Modesto's sphere of influence and extend the boundary north to Ladd and Patterson roads.

Opponents complained about last-minute map changes, which continued at the meeting. Regardless of city staff promises that the plan would not encroach on Wood Colony's traditional boundaries, Councilmembers Nick Bavaro and Jeremiah Williams asked that staff put a piece of Wood Colony, between North Avenue and Beckwith Road, back onto the map for study purposes.

Wood Colony refers to an Old German Baptist settlement dating to 1869. The scenic farming community is a battleground as the city tries to expand.

Tuesday's vote was not the final approval of land use designations in the 2050 general plan update. The city will conduct an environmental review of the land use plan and submit a draft general plan update to the council for consideration in summer 2027. Once approved, the updated general plan will serve as a blueprint for growth through 2050.

Former Modesto mayor Garrad Marsh, a leading anti-sprawl advocate in Stanislaus County, said the city's plan calls for an 80% increase in housing, even though the national population is projected to grow 8% in the next five decades and California has experienced negative growth for more than 10 years.

Marsh said the city will spend millions of dollars on environmental studies and related costs for a plan that's a "field of dreams."

Debby Schneider of the Salida Municipal Advisory Council said the land use map released Friday shows the city would take in a third of the Salida Community Plan, which is supposed to provide a source of tax revenue for a prospective city of Salida.

Schneider noted that the Landmark Business Park, bounded by Sisk Road, Bangs and Kiernan avenues and Stoddard Road, was now in Modesto's proposed general plan map.

"We will fight tooth and nail to stop this from happening," said Karen Gorne, chairperson of the Salida MAC.

Mayor Sue Zwahlen said she considers Wood Colony and Salida as neighbors and friends. "Growing up, I didn't see these boundaries, but I did learn as soon as I was mayor there were these boundaries," she said.

## **IN THE NEWS – Modesto Bee, April 29, 2026 - Continued**

Representatives of Modesto Police Officers Association and Modesto Chamber of Commerce expressed support for the land use alternative, as did landowners who want to develop their property and annex to the city.

City officials said the general plan update is needed for commercial and industrial development to generate revenue for the general fund and pay for services. In addition, young adults and other residents have wanted a larger supply of housing to make rents more affordable.

The map approved by the council has 4,650 acres for mixed-use development, which would allow for a combination of commercial businesses and apartment-like housing along thoroughfares.

### **Land use proposals in Wood Colony**

Many Wood Colony residents, who also battled the city over general plan issues in 2014-15, want to maintain their lifestyle and multigenerational family farms dating back to the early 1900s or longer.

The city incursion into Wood Colony includes mixed-use development on Beckwith Road, west of Highway 99, as well as business center projects to Hammett Road. Another addition requested by landowners is mixed use on the west side of Morse Road near the Modesto Junior College West Campus.

The city plan also proposes business center and industrial land uses in the Highway 132 corridor to Hart Road. A possible north-south transportation connection for trucks would also intrude on Wood Colony.

“Once the development starts, it won’t end,” said Gordon Heinrich of Wood Colony.

Modesto’s expansion campaign is expected to run into more opposition, and not just from opponents in Wood Colony and Salida. The Voters for Farmland group has talked about a 2028 voter initiative to make Kiernan Avenue the north city limit. The farmland north of Kiernan is ideal for groundwater recharge, the group says, and should not be covered by housing subdivisions.

**IN THE NEWS – Ceres Courier, April 29, 2026**

## **Growth in Hughson not a problem for school district**

By Jeff Benziger

Hughson is growing and school officials there are confident they can handle the influx of families that continues to occur.

The city is also well poised to handle services to new residents.

KB Homes has been quickly building the 299 homes within the Parkwood development and when all is said and done, an estimated 900 to 1,000 new residents will have become part of Hughson's population.

Considered a bedroom community, Hughson has doubled in population since 2000 and today has 8,107 residents.

The new homes are being constructed south of Hatch Road and west of Santa Fe Avenue within earshot of trains. The development prompted the building of a new access road off of Hatch Road over the Turlock Irrigation District's Ceres Main Canal.

Brenda Smith, superintendent of the Hughson Unified School District, said as of October 2025, 38 new students came in from Parkwood which at the time was about half constructed. Fourteen of the 38 were in preschool through third grade; nine at Fox Road Elementary School; five students in the sixth through eighth grades at Ross Middle School; and 10 students at Hughson High School.

"We haven't really had a huge impact yet from Parkwood," said Smith, who said enrollment in Hughson schools is at 2,298 students. Last year the district had 2,190 students and the year before that it was 2,157.

Since 2018 when Smith was hired at Hughson, enrollment was 2,054 – about 250 less than now.

The largest enrollment jump was in transitional kindergarten and kindergarten. She expects the numbers to climb higher next school year.

"Often people when they move into a home they – if they lived close by – won't pull their kids in the middle of the year. They'll wait until a new school year."

Smith said KB Homes is about two-thirds complete. Initially Hughson Unified expected to see an eventual additional 207 students.

Kaufman & Broad bought the subdivision map for development from the original proponents who saw the project through the approval stage.

Hughson has the classroom space because it did not downsize staff after COVID, preferring to offer smaller class sizes.

However, the district is adding seven more classrooms at Hughson High School because voters passed Measure B, a \$46 million bond measure in November 2024.

The classrooms are being created from the remodeling of a building.

Bond proceeds are also paying for the remodeling of existing Hughson High classrooms. The 40 classroom wing has already been refurbished to turn three classrooms into five. The 10 wing in front of Hughson High has been modernized with new flooring, windows and air conditioning units.

## **IN THE NEWS – Ceres Courier, April 29, 2026 - Continued**

“All the walls were taken out and we had some small rooms and some large rooms so now all of the classrooms will be a standard classroom size.”

This summer the 30 wing will be modernized and four new classrooms and student restrooms are being constructed for a science wing.

A new agriculture department is also receiving a new classroom.

The bond proceeds also allowed the installation of new seating, carpeting and paint at the campus' Ella Webb Theater.

After football season is over in the winter, Hughson plans to upgrade its athletic stadium to make it ADA compliant. Bond proceeds will also be put to use moving the maintenance and transportation department at the Hughson Elementary School campus to the site of the current school farm across from the high school.

Instead of advancing on plans to move the district office – currently on the Ross Middle School campus – to the elementary school site on Whitmore Avenue, Smith said priorities have switched to perhaps upgrade the Hughson High cafeteria.

“I have a hard time putting money into a district office that could be used to help improve where our students are,” said Smith. “We're still looking at different options on that. That's one project that I would say is still up in the air.”

The city's wastewater treatment plant on Leedom Road has more than enough capacity for additional growth and the developer is paying fees to offset the impacts to the school system and fire department.

The lots will range in size from 5,005 to 13,280 square feet. The subdivision also includes 6.14 acres of park/storm retention basin.

The company's website indicates that homes start at \$514,990 plus the costs of solar panels mandated by the state of California and home site premiums that may apply.

KB is offering five floor plans:

- The smallest is a 3-4 bedrooms, two and a half to three bath home of 1,985 square feet at \$514,990.
- The three- to four-bedroom, 2 bath at 2,143 square feet starts at \$533,990.
- The three- to four-bedroom with two baths totaling 2,191 square feet starts at \$531,990.
- The four- to six-bedroom, two-and-half to four bath home of 2,532 square feet starts at \$558,990;
- A 2,768-square-foot model of four to six bedrooms and up to three and a half baths has no price available on the KB Homes website.

Parkwood is the third building project for KB Homes in recent years. The Hughson City Council approved 69 homes in 2006 for Euclid South Development, later renamed Fieldstone subdivision. Building was abruptly interrupted by the 2008 mortgage crash but rejuvenated with the final map approval on March 9, 2020.

The other residential development, named Euclid North, was approved in 2007 and amended in 2017.

## Officials celebrate completion of Orestimba Creek recharge project in Newman

By Sabra Stafford

NEWMAN — Local, state and federal water officials gathered in Newman last week to celebrate the completion of the Orestimba Creek Recharge and Recovery Project, a major groundwater initiative designed to boost water reliability, improve flood management and strengthen drought resilience across the Westside.

The ribbon-cutting ceremony was held April 14 at the project site on Orestimba Road, hosted by the Del Puerto Water District and the Central California Irrigation District. The event featured remarks from elected officials, agency leaders and community partners, followed by a luncheon at Stewart & Jasper Orchards.

The celebration marked the end of a multi-year effort to expand and modernize groundwater recharge capacity along Orestimba Creek. The State Water Resources Control Board awarded \$5.6 million through its Proposition 1 Stormwater Grant Program to fully fund construction of the project's recharge ponds and conveyance structures, and in 2023 issued a five-year temporary groundwater recharge permit to help maximize stormwater capture during wet seasons.

"This project strengthens water security and mitigates flood risks for the region," said State Water Board Chair E. Joaquin Esquivel. "I congratulate the districts on their partnership and their commitment to making critical investments in water resilience."

The project expands an existing 20-acre recharge site to nearly 80 acres. It captures and diverts excess surface water and storm flows from the Delta-Mendota Canal and directs them into percolation ponds along Orestimba Creek. The water then infiltrates into the underlying Delta-Mendota Subbasin, where it can be recovered in dry years to support agriculture and reduce pressure on groundwater pumping.

"Reaching this milestone is exciting, but my reflections go first to the importance of collaboration and partnerships," said Anthea Hansen, general manager of the Del Puerto Water District at the groundbreaking ceremony in 2023. "This locally owned groundwater storage is a first for the Del Puerto District and its landowners, and I hope we can use what we learned as a model for future projects in the region."

The project includes new pipelines, a turnout from Orestimba Creek, use of existing Delta-Mendota Canal turnouts, and construction of up to eight recovery wells capable of supplying water during two consecutive critical years. Provost & Pritchard assisted with design, permitting and environmental compliance.

The San Joaquin River Exchange Contractors Water Authority has identified long-term goals of developing 50,000 acre-feet of storage and 500 cubic feet per second of peaking capacity to help avoid shortages during critical years and reduce reliance on the San Joaquin River. Studies have shown the Orestimba Creek alluvial fan has strong recharge potential, making the site a key component of regional water-supply planning.

Funding for the project comes from multiple sources, including the State Water Board's \$5.6 million stormwater grant, \$800,000 from the Department of Water Resources' Integrated Regional Water Management Program, \$1 million from the Bipartisan Infrastructure Law, and contributions of \$1.5 million from CCID and \$1 million from Del Puerto Water District for land acquisition and construction.

The project aligns with statewide goals outlined in Gov. Gavin Newsom's Water Supply Strategy, which calls for expanded stormwater capture, groundwater recharge, wastewater recycling and storage to offset an anticipated 10% loss in California's water supplies by 2040 due to climate change.

IN THE NEWS – Westside Connect, April 29, 2026

## Federal funding targets major fixes to Delta-Mendota Canal on the Westside

By Sabra Stafford

The Delta-Mendota Canal — a crucial water supply line for Westside farms and communities — is set to receive \$235 million in federal funding for major repairs and upgrades, the largest single allocation in a new \$889 million Western water infrastructure package announced by the Department of the Interior.

The investment is part of the One Big Beautiful Bill Act, signed in 2025, which directs \$1 billion to the Bureau of Reclamation through 2034 to restore and expand water conveyance systems across the West. California will receive \$540 million of the total, with the Delta-Mendota Canal topping the list of funded projects.

The canal, which runs roughly 116 miles from the C.W. “Bill” Jones Pumping Plant to the Mendota Pool, supplies irrigation water to farms along the west side of the San Joaquin Valley and delivers replacement water for San Joaquin River flows stored at Friant Dam. It passes near the Westside towns — all heavily dependent on its deliveries.

Federal officials say the funding will support embankment repairs, check structure improvements and evaluation of a potential concrete-lined segment to address long-standing damage caused by land subsidence. Years of groundwater pumping have caused portions of the canal to sink, reducing its carrying capacity and limiting deliveries during peak agricultural demand.

In some stretches of the Central Valley, subsidence has cut canal capacity by more than half, straining growers who rely on consistent water supplies.

The Delta-Mendota project is one of several California improvements funded through the package. The Friant-Kern Canal will receive \$200 million for subsidence correction, the San Luis Canal will receive \$50 million for reliability improvements, and the Tehama-Colusa Canal pumping plant will receive \$15 million. Another \$40 million is earmarked for planning work related to raising Shasta Dam.

Since the funding announcement, state and federal agencies have begun early coordination on the Delta-Mendota work. Local water districts say planning discussions have focused on restoring flow capacity, reinforcing weakened structures and evaluating bypass options in the most heavily subsided areas. Construction timelines have not yet been set.

Supporters say the investment will help stabilize water deliveries on the Westside, where agriculture and local economies depend on the canal’s reliability. Critics have raised concerns about environmental impacts tied to some storage-related projects, but the bulk of the Westside funding is directed toward repairing existing infrastructure.

Water agencies and growers across the region have welcomed the federal commitment, calling it a long-awaited step toward modernizing one of the Valley’s most important water conveyance systems.

## Longtime Patterson firefighter fills new Battalion Chief role

By Timothy Benefield

Casey Zenger is no stranger to the city of Patterson. When the Patterson Fire Department (PFD) first transitioned from an all-volunteer department to a paid, professional force, Zenger was part of the first group of six firefighters that was hired in 2008. Since that time, he has worked his way to the position of Captain/Paramedic. His wife, April (Blair) Zenger, grew up in Patterson, and the couple moved from Newman to Patterson not long after he was hired by the Patterson Fire Department. When the role of Battalion Chief was created in 2026, Captain Zenger was a natural fit for the job.

The new role was created as part of the ongoing process of transitioning the PFD into a modern fire-fighting force. Patterson's Acting Fire Chief Jeff Hakola pointed out, "The future of the fire department is changing, and we are trying to stay ahead of that." The PFD was originally formed in 1935 as an all-volunteer department that collaborated with the all-volunteer West Stanislaus Fire Protection District (West Stan) for many years. In the mid-1900's, Patterson hired its first paid Fire Chief and Administrative Assistant, but the frontline firefighting force continued to be staffed completely by volunteers. Patterson's rapid growth in the early 2000's eventually brought about the hiring of the city's first two Division Chiefs which expanded the paid leadership structure of the force. In 2005, the department officially transitioned from a purely volunteer agency to a combination department consisting of both paid and volunteer personnel. The first non-management personnel hired were two engineers. Shortly afterward, another four engineers were hired. Engineers operate apparatus and, at that time, functioned as company officers. The only remaining volunteers were the personnel called firefighters. Zenger was part of the first group of firefighters hired by the department. The firefighters are the "boots on the ground" personnel holding the hoses and heading into structures.

The PFD is phasing out Division Chiefs and replacing the position with Battalion Chiefs. The two remaining Division Chiefs in the department will not be replaced when they retire. According to Acting Chief Hakola, the reason for this switch is to bridge a gap that hinders career firefighters from advancing their careers. Under the old organizational structure, once a firefighter reached the position of Division Chief they were essentially done with opportunities for promotion. The new position of Battalion Chief will be a unionized, mid-management position with benefits and a possible pathway to the fire chief position itself. In the past, there was little incentive to move from a captain position to a division chief position.

The PFD is taking two other steps to complete this organizational restructure for the benefit of career firefighters. A Firefighters Explorers program similar to the Police Explorer Program will be going before the Patterson City Council for approval on Tuesday, May 5. This program will provide training and educational opportunities for youth from 15-20 years of age. The department is also pursuing approval for a trainee position that would take applicants as young as 20 years old with no training or experience and place them on a path to become a firefighter. Acting Chief Hakola envisions a career path that would take an interested student from 15 -56 years old in the firefighting profession.

Acting Battalion Chief Zenger is moving from the captain position, where he commanded an engine crew, to the new Battalion Chief role, where he will oversee both Patterson fire stations and their crews. The organizational structure operates on a command ratio of one to five. A captain can manage a crew of five and a battalion chief can manage five stations. Patterson currently has two stations with a third station currently in the plans for northeast Patterson. A fourth station is already being discussed but is still a few years away. Zenger jokingly said that he will be long gone by the time Patterson gets to that fifth station. Acting Chief Hakola said that the addition of new stations has less to do with population growth and more to do with geography and response times. A river or a set of railroad tracks can be as much a decisive factor as new houses. He stressed that firefighter safety will always be a major factor in determining when and where new stations will be added. City of Patterson Public Information Officer Victoria Castro said, "As the community grows, so does the department. We are committed to the community."

## **IN THE NEWS – Patterson Irrigator, April 30, 2026 - Continued**

The new Battalion Chief role will have Zenger functioning as an incident commander with oversight of scene management and resource management. He operates from a PFD vehicle that is able to function as a mobile command unit. The back of the vehicle is equipped with multiple tools that will allow him to oversee an incident with confidence.

Acting Battalion Chief Zenger has had firefighting in his blood since high school and he looks poised to spend the rest of his life serving the public as part of the fire department. He completed a Regional Occupational Program (R.O.P.) for firefighting while still in high school. He became a volunteer as soon as he turned eighteen. He went on to complete the Fire Academy at Yuba College and has never looked back. While he still has a son and a daughter in school, his two adult sons seem to carry the same firefighting genes. His second oldest son is currently a train engineer with a strong interest toward becoming a firefighter. Battalion Chief Zenger actually had to interrupt the Irrigator interview briefly in order to take a call from his oldest son who was, at that very moment, at an interview with a fire department in another city. City of Patterson PIO Castro said, "Chief Hakola and Battalion Chief Zenger are prime examples of the talent that we have in our city fire department. They both have vast knowledge and are natural leaders."

The city of Patterson appears to be in good hands with an experienced firefighter like Acting Battalion Chief Casey Zenger taking this newly-created role. If you see him around town, thank him for his eighteen years of service to the city of Patterson.

IN THE NEWS – Patterson Irrigator, April 30, 2026

## **Assembly Bill 2282 seeks to bring emergency care to Patterson.**

This month, AB 2282, authored by Patterson's Assemblymember Juan Alanis, passed out of the California Assembly Health Committee, marking an important milestone in the effort to bring emergency healthcare services closer to home for Patterson residents.

### ***What is AB 2282?***

Simply put, AB 2282 is a bill that allows Del Puerto Health Care District to operate a rural emergency stabilization center in Patterson while we work toward bringing the full healthcare campus to fruition. Right now, the nearest emergency room is 18 miles from Patterson – a 25-to-30-minute ambulance ride that takes that ambulance out of service for at least an hour and twenty minutes every time it runs a call.

This isn't a replacement for the hospital — it's a way to get emergency services to our community sooner, so that Patterson residents have increased access to care while we work to get the healthcare campus, including the full hospital, which is planned to be operational by 2040, up and running.

Patterson is a community of more than 25,000 residents and is one of California's fastest-growing and medically-underserved rural cities.

Del Puerto Health Care District, a public health care district serving Patterson and the west side since 1946, is planning a comprehensive health care campus in Patterson, with a groundbreaking targeted for 2027 and an acute care hospital projected to be operational between 2035 and 2040. AB 2282 authorizes a temporary emergency stabilization center, staffed to full hospital emergency standards and operating 24/7, to serve Patterson residents during the years between now and when the permanent hospital opens.

DPHCD extends its sincere thanks to Assemblymember Juan Alanis for his leadership and commitment to the residents of Patterson and the west side of Stanislaus County. We also thank the many organizations and individuals who submitted letters of support, testified before the committee, or simply spread the word.

### ***What's Next***

AB 2282 continues through the legislative process and will be heard next in Assembly Appropriations. We will provide updates in future editions as the bill advances. Community members who want to support the bill are encouraged to reach out to us so that we can get you plugged in to our efforts. Go to [dphealth.org](http://dphealth.org) to find ways to contact the district for more information or to offer your support.



# STANISLAUS LOCAL AGENCY FORMATION COMMISSION MINUTES April 22, 2026

## 1. CALL TO ORDER

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

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

Commissioners Present: Terry Withrow, Chair, County Member  
Sue Zwahlen, Vice Chair, City Member  
Bill O'Brien, Public Member  
Vito Chiesa, County Member  
Amy Bublak, Chair, City Member  
Charlie Goeken, Alternate City Member  
Jami Aggers, Alternate Public Member

Commissioners Absent: 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 Trieweiler spoke regarding saving farmland; Lori Wolf, Todd Heinrich and Joe Dooley all spoke regarding their concerns with proposed development in Wood Colony.

## 3. CORRESPONDENCE

- A. Specific Correspondence.
  - None.
- B. Informational Correspondence.
  - 1. CALAFCO Board Retreat Summary.
- C. In the News

## 4. DECLARATION OF CONFLICTS AND DISQUALIFICATIONS

None.

## 5. CONSENT ITEMS

- A. **MINUTES OF THE MARCH 25, 2026, LAFCO MEETING**  
(Staff Recommendation: Accept the Minutes.)
- B. **LAFCO APPLICATION NO. 2026-03 AND SPHERE OF INFLUENCE APPLICATION NO. 2026-02 – HOFFMAN RANCH CHANGE OF ORGANIZATION TO COUNTY SERVICE AREA NO. 21 (RIOPEL)**: to annex approximately 16 acres to County Service Area (CSA) 21 (Riopel) for the storm drainage and landscaping of a future subdivision located on the west side of Arnold Road, north of East Zeering Road, east of Riopel Avenue and south of Powell Road in the Denair area. The annexation to CSA 21 will also include a Sphere of Influence amendment. Stanislaus County, 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 documentation prepared by the County as part of its action. (Staff Recommendation: Approve the proposal and adopt Resolution No. 2026-08.)
- C. **BUDGET ADJUSTMENT FOR FISCAL YEAR 2025-2026**: (Staff Recommendation: Approve the Budget Adjustment and adopt Resolution No. 2026-10.)

Chair Withrow asked if anyone from the public would like to pull an item from consent. Milt Trieweiler spoke on item 5.B. and the importance of saving farm land.

*Motion by Commissioner Chiesa, seconded by Commissioner Zwahlen, and carried with a 5-0 vote to approve the consent items, by the following vote:*

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

## 6. PUBLIC HEARING

- A. **PROPOSED LAFCO BUDGET FOR FISCAL YEAR (FY) 2026-2027**. The Commission will consider the adoption of the proposed LAFCO budget consistent with Government Code Sections 56380 and 56381. (Staff Recommendation: Approve the Proposed Budget and adopt Resolution No. 2026-09.)

Sara Lytle-Pinhey, Executive Officer, presented the item with a recommendation to approve the Proposed Budget.

Chair Withrow opened the Public Hearing at 6:34 p.m.

No one spoke.

Chair Withrow closed the Public Hearing at 6:34 p.m.

*Motion by Commissioner O'Bein, seconded by Commissioner Bublak, and carried with a 5-0 vote to approve the proposed budget, by the following vote:*

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

**7. OTHER BUSINESS**

None.

**8. COMMISSIONER COMMENTS**

None.

**9. ADDITIONAL MATTERS AT THE DISCRETION OF THE CHAIRPERSON**

None.

**10. EXECUTIVE OFFICER'S REPORT**

The Executive Officer informed the Commission of the following:

- The LAFCO 201 hosted by CALAFCO was today. Staff will let you know when it's available online to watch.
- The update on the GIS system is complete and the map viewer on the LAFCO website has been updated as well.
- Staff plans to bring the Stanislaus Consolidated & Ceres Fire Protection District reorganization application to the Commission in June.
- Staff will be holding a Protest Hearing in May for the Fahmy Annexation to the City of Waterford.
- For the May meeting, Staff is working on the Final Budget, MSR for the Hospital/Healthcare Districts and will have a closed session for the Executive Officers' evaluation.

**13. ADJOURNMENT**

- A. Chair Withrow adjourned the meeting at 6:37 p.m.

**DRAFT**

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Sara Lytle-Pinhey, Executive Officer

**EXECUTIVE OFFICER'S AGENDA REPORT  
MAY 27, 2026**

TO: LAFCO Commissioners

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

**SUBJECT: FINAL LAFCO BUDGET FOR FISCAL YEAR 2026-2027**

**RECOMMENDATION**

Staff recommends that following the Executive Officer's report and public testimony regarding the Final LAFCO Budget that the Commission:

1. Adopt Resolution No. 2026-12, approving the Final Budget for Fiscal Year 2026-2027 as presented.
2. Direct Staff to transmit the adopted Final Budget to the Board of Supervisors, each City, each Independent Special District, and the County Auditor, in accordance with State law.
3. Request that the County Auditor apportion and collect the net operating expenses of the Final Budget from the County and nine cities in accordance with Government Code Sections 56381(b)(2) and 56381(c).

**DISCUSSION**

At the April 22, 2026 meeting, the Commission reviewed and approved the Proposed Budget for Fiscal Year (FY) 2026-2027. The Final Budget, as summarized in the table below, reflects this approval. No changes are needed to the accounts as they were originally proposed. The Final Budget includes operating expenses totaling \$786,450 and reflects a 5% increase as compared to the current year's budget. Table 1, below, summarizes the Final Budget categories.

*Table 1: LAFCO Final Budget Summary*

<b>Expenses</b>	<b>Current Budget FY 2025-2026*</b>	<b>Proposed &amp; Final Budget FY 2026-2027</b>	<b>% Change (Proposed v. Current)</b>
Salaries & Benefits	\$638,180	\$678,900	6%
Services & Supplies	111,620	106,050	-5%
Other Charges	1,200	1,500	25%
<b>Total Expenses</b>	<b>\$751,100</b>	<b>\$786,450</b>	<b>5%</b>
<b>Revenues</b>			
Agency Contributions	\$711,000	\$746,450	5%
Application & Other Revenues	20,000	20,000	0%
<b>Total Revenues</b>	<b>\$713,670</b>	<b>\$766,450</b>	<b>5%</b>
<i>Anticipated Use of Undesignated Fund Balance</i>	\$20,000	\$20,000	0%

*\*Adopted FY 2025-2026 Budget has been updated to reflect \$5,000 adjustment from Services & Supplies to Salaries & Benefits approved on Apr. 22, 2026.*

**EXECUTIVE OFFICER'S AGENDA REPORT**  
**MAY 27, 2026**  
**PAGE 2**

A detailed Final Budget chart is attached to this report, along with a copy of the staff report for the Proposed Budget that includes a discussion highlighting individual accounts.

No changes are recommended to the accounts as originally presented in the Proposed Budget. Application revenues in the current fiscal year continue to exceed original estimates, with additional fees expected to be received near the end of the fiscal year. Should revenues exceed the current year-end estimate, these will be factored in as available fund balance during the next budget year.

**CONCLUSION**

The Commission is required to adopt a Final Budget by June 15<sup>th</sup> annually. Following adoption of the Final Budget, a copy will be transmitted to the Board of Supervisors, each City, each Independent Special District, and to the County Auditor. The County Auditor will then allocate and charge LAFCO's net budget to all participating local agencies as outlined under Government Code Section 56381(b) and (c).

Approval of the Final Budget will enable the Commission to perform its core responsibilities effectively, and continue its work on Municipal Service Review updates, policy implementation, and current projects.

Attachments: Final Budget Detail Fiscal Year 2026-2027  
Draft LAFCO Resolution No. 2026-12

*Copy of the Proposed Budget Staff Report, dated April 22, 2026 (for reference)*

**Stanislaus LAFCO**  
**FINAL FISCAL YEAR 2026-2027 BUDGET**

Account	FY 25-26 Adopted Budget*	FY 25-26 Estimated Year-End	FY 26-27 FINAL BUDGET	Increase or (Decrease)	% Change
<b>Salaries and Benefits</b>					
50000+ Salaries and wages	\$ 391,000	\$ 397,500	\$ 418,000	\$ 27,000	7%
52000 Retirement	123,000	125,800	134,000	11,000	9%
52010 FICA	30,500	30,770	32,700	2,200	7%
53000 Group health insurance	76,000	65,885	76,000	-	0%
53020 Unemployment insurance	500	192	500	-	0%
53081 Long term disability	480	411	500	20	4%
54000 Workers compensation insurance	3,200	2,604	3,200	-	0%
55000 Auto allowance	4,800	4,800	4,800	-	0%
55080 Professional development	2,500	2,500	2,500	-	0%
55130 Deferred comp mgmt/conf	6,200	6,470	6,700	500	8%
<b>Total Salaries and Benefits</b>	<b>\$ 638,180</b>	<b>\$ 636,932</b>	<b>\$ 678,900</b>	<b>\$ 40,720</b>	<b>6%</b>
<b>Services and Supplies</b>					
60400 Communications (ITC - Telecom)	\$ 1,200	\$ 1,200	\$ 1,250	\$ 50	4%
61000 Insurance (SDRMA)	6,250	6,398	6,700	450	7%
61030 Fiduciary liability insurance	15	12	15	-	0%
61070 Crime & fidelity insurance	40	36	40	-	0%
62200 Memberships (CSDA, CALAFCO)	12,320	12,382	12,700	380	3%
62400 Miscellaneous expense	500	5,500	5,500	5,000	1000%
62600 Office supplies	1,500	1,500	1,500	-	0%
62730 Postage	1,200	1,200	1,800	600	50%
63000 Professional & special serv	38,995	35,072	37,750	(1,245)	-3%
Building maint & supplies	5,510	6,540	6,800	1,290	23%
Office lease	4,785	-	-	(4,785)	-100%
Utilities	1,900	2,640	2,750	850	45%
Janitorial	1,400	1,752	1,900	500	36%
Purchasing	500	500	500	-	0%
HR/Risk Mgt overhead	4,300	4,500	4,700	400	9%
IT Services (ITC)	16,000	15,140	16,000	-	0%
Video Streaming (ITC)	1,000	1,000	1,000	-	0%
Mtg Recording (Final Cut Media)	1,800	1,200	1,800	-	0%
Licenses: GIS & Adobe (ITC)	1,800	1,800	2,300	500	28%
63090 Auditing & accounting	14,600	15,055	3,180	(11,420)	-78%
County Auditor Services	2,600	3,055	3,180	580	22%
Independent Auditor (Biennial Audit)	12,000	12,000	-	(12,000)	nb
63400 Engineering services	2,000	1,000	2,000	-	0%
63640 Legal services	16,000	10,000	16,000	-	0%
65000 Publications & legal notices	1,200	1,200	1,800	600	50%
65660 Special dept. exp (commissioners)	8,500	4,000	8,500	-	0%
65780+ Education & training	6,500	3,200	6,500	-	0%
67040 Other travel exp (local mileage)	600	300	600	-	0%
67200 Salvage disposal	200	200	215	15	8%
<b>Total Services and Supplies</b>	<b>\$ 111,620</b>	<b>\$ 98,255</b>	<b>\$ 106,050</b>	<b>\$ (5,570)</b>	<b>-5%</b>
<b>Other Charges</b>					
73024 Planning dept services (copier)	\$ 1,200	\$ 1,200	\$ 1,500	\$ 300	25%
<b>Total Other Charges</b>	<b>\$ 1,200</b>	<b>\$ 1,200</b>	<b>\$ 1,500</b>	<b>\$ 300</b>	<b>25%</b>
<b>TOTAL EXPENSES</b>	<b>\$ 751,000</b>	<b>\$ 736,387</b>	<b>\$ 786,450</b>	<b>\$ 35,450</b>	<b>5%</b>
<b>TOTAL REVENUES</b>					
40680+ Agency Contributions	711,000	711,000	746,450	35,450	5%
36414 Application & Other Revenues	20,000	42,680	20,000	-	0%
17000+ Interest Earnings & Refunds	-	21,300	-	-	nb
<b>Use of Undesig. Fund Balance</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>0%</b>

\*Adopted FY 2025-2026 Budget has been updated to reflect \$5,000 adjustment from #62400 to #50000+ approved on Apr. 22, 2026.

**Stanislaus LAFCO**  
**FINAL FISCAL YEAR 2026-2027 BUDGET**  
**Reserve Funds & Undesignated Fund Balance**

Estimated Fund Balance June 30, 2026	\$	497,158
<i>General Fund Reserve (15%)</i>		(118,000)
<i>Accrued Leave Fund (Cash-Out Liability)</i>		(150,000)
<i>Long-Term Liability Reserve</i>		(200,000)
<b>Undesignated Fund Balance (Est.)</b>	<b>\$</b>	<b>29,158</b>

**STANISLAUS COUNTY LOCAL AGENCY  
FORMATION COMMISSION**

**RESOLUTION**

**DATE:** May 27, 2026

**NO.** 2026-12

**SUBJECT: Adoption of the Final LAFCO Budget for Fiscal Year 2026-2027**

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**, Government Code Section 56381(a) requires the Commission to adopt annually, following noticed public hearings, a proposed budget by May 1 and a final budget by June 15;

**WHEREAS**, the Stanislaus Local Agency Formation Commission wishes to provide for a budget to fulfill its purposes and functions as set forth by State law;

**WHEREAS**, pursuant to Government Code Section 56381(a), the proposed budget must be, at a minimum, equal to the previous budget, unless a finding is made that the reduced costs will nevertheless allow the Commission to fulfill the purposes and programs of the Stanislaus Local Agency Formation Commission (LAFCO);

**WHEREAS**, the Commission conducted a public hearing on April 22, 2026 and approved a Proposed Budget for Fiscal Year 2026-2027, as submitted by the Executive Officer;

**WHEREAS**, the Commission considered the Final Budget for Fiscal Year 2026-2027 at a duly noticed public hearing on May 27, 2026;

**WHEREAS**, approval of the Final Budget will enable the Commission to perform its core responsibilities effectively, and to continue its work on State-mandated Municipal Service Reviews and Sphere of Influence Updates;

**NOW, THEREFORE, BE IT RESOLVED** that the Commission:

1. Finds that the Final Budget for Fiscal Year 2026-2027 will allow the Stanislaus Local Agency Formation Commission to fulfill the purposes and programs of the Cortese-Knox-Hertzberg Local Government Reorganization Act.
2. Adopts the Final Budget for Fiscal Year 2026-2027, with total operating expenses of \$786,450, as outlined in the attachment.
3. Directs Staff to transmit the adopted Final Budget for Fiscal Year 2026-2027 to the funding agencies, pursuant to Government Code Section 56381(a).

4. Requests that the County Auditor apportion and collect the net operating expenses of the Commission's Final Budget for Fiscal Year 2026-2027 in the amount of \$746,450 from the County and each of the nine cities no later than July 1, 2025 for the amount each entity owes in accordance with Government Code Sections 56381(b)(2) and 56381(c).
5. Authorizes the Executive Officer and the County Auditor to determine the method of collection if a city or the County does not remit its required payment within 60 days, as outlined in 56381(c).

**ATTEST:**

\_\_\_\_\_  
Sara Lytle-Pinhey  
Executive Officer

Attachment: Final Budget for Fiscal Year 2026-2027

**Stanislaus LAFCO**  
**FINAL FISCAL YEAR 2026-2027 BUDGET**

<b>Account</b>			
<b>Salaries and Benefits</b>			
50000+	Salaries and wages	\$	418,000
52000	Retirement		134,000
52010	FICA		32,700
53000	Group health insurance		76,000
53020	Unemployment insurance		500
53081	Long term disability		500
54000	Workers compensation insurance		3,200
55000	Auto allowance		4,800
55080	Professional development		2,500
55130	Deferred comp mgmt/conf		6,700
<b>Total Salaries and Benefits</b>		<b>\$</b>	<b>678,900</b>
<b>Services and Supplies</b>			
60400	Communications (ITC - Telecom)	\$	1,250
61000	Insurance (SDRMA)		6,700
61030	Fiduciary liability insurance		15
61070	Crime & fidelity insurance		40
62200	Memberships (CSDA, CALAFCO)		12,700
62400	Miscellaneous expense		5,500
62600	Office supplies		1,500
62730	Postage		1,800
63000	Professional & special serv		37,750
	Building maint & supplies		6,800
	Office lease		-
	Utilities		2,750
	Janitorial		1,900
	Purchasing		500
	HR/Risk Mgt overhead		4,700
	IT Services (ITC)		16,000
	Video Streaming (ITC)		1,000
	Mtg Recording (Final Cut Media)		1,800
	Licenses: GIS & Adobe (ITC)		2,300
63090	Auditing & accounting		3,180
	County Auditor Services		3,180
	Independent Auditor (Biennial Audit)		-
63400	Engineering services		2,000
63640	Legal services		16,000
65000	Publications & legal notices		1,800
65660	Special dept. exp (commissioners)		8,500
65780+	Education & training		6,500
67040	Other travel exp (local mileage)		600
67200	Salvage disposal		215
<b>Total Services and Supplies</b>		<b>\$</b>	<b>106,050</b>
<b>Other Charges</b>			
73024	Planning dept services	\$	1,500
<b>Total Other Charges</b>		<b>\$</b>	<b>1,500</b>
<b>TOTAL EXPENSES</b>		<b>\$</b>	<b>786,450</b>
<b>TOTAL REVENUES</b>		<b>\$</b>	<b>766,450</b>
40680+	Agency Contributions		746,450
36414	Application & Other Revenues		20,000
17000+	Interest Earnings & Refunds		-
<b>Use of Undesig. Fund Balance</b>		<b>\$</b>	<b>20,000</b>

**Stanislaus LAFCO**  
**FINAL FISCAL YEAR 2026-2027 BUDGET**  
**Reserve Funds & Undesignated Fund Balance**

Estimated Fund Balance June 30, 2025	\$ 497,158
<i>General Fund Reserve (15%)</i>	<i>(118,000)</i>
<i>Accrued Leave Fund (Cash-Out Liability)</i>	<i>(150,000)</i>
<i>Long-Term Liability Reserve</i>	<i>(200,000)</i>
<b>Undesignated Fund Balance (Est.)</b>	<b>\$ 29,158</b>

TO: LAFCO Commissioners  
 FROM: Sara Lytle-Pinhey, Executive Officer *SLP*  
 SUBJECT: PROPOSED LAFCO BUDGET FOR FISCAL YEAR 2026-2027

**RECOMMENDATION**

It is recommended that the Commission:

1. Receive the Executive Officer’s report and accept public testimony regarding the Proposed LAFCO Budget.
2. Adopt Resolution No. 2026-09, approving the Proposed LAFCO Budget for Fiscal Year 2026-2027.
3. Schedule a public hearing for May 27, 2026, to consider adoption of the Final LAFCO Budget for Fiscal Year 2026-2027.

**EXECUTIVE SUMMARY**

The Proposed Fiscal Year (FY) 2026-2027 Budget includes operating expenses totaling \$786,450 and reflects a 5% increase as compared to the FY 2025-2026 budget. This is attributable to increases in Salaries & Benefits, including increases to the County’s health insurance costs and anticipated retirement cost increases. The table below summarizes the Proposed Budget and includes a comparison to the current year’s budget.

*Table 1: LAFCO Proposed Budget Summary*

<b>Expenses</b>	<b>Current Budget FY 2025-2026</b>	<b>Proposed Budget FY 2026-2027</b>	<b>% Change (Proposed v. Current)</b>
Salaries & Benefits	\$633,180	\$678,900	7%
Services & Supplies	116,620	106,050	-9%
Other Charges	1,200	1,500	25%
<b>Total Expenses</b>	<b>\$751,000</b>	<b>\$786,450</b>	<b>5%</b>
<b>Revenues</b>			
Agency Contributions	\$711,000	\$746,450	5%
Application & Other Revenues	20,000	20,000	0%
<b>Total Revenues</b>	<b>\$731,000</b>	<b>\$766,450</b>	<b>5%</b>
<i>Anticipated Use of Undesignated Fund Balance</i>	\$20,000	\$20,000	0%

An analysis of the Commission’s estimated year-end fund balance is also included in this report. Following allocations of reserve funds, Staff recommends the use of \$20,000 in undesignated fund balance to offset agency contributions. A chart depicting individual accounts for the Proposed

Fiscal Year 2026-2027 Budget is attached to this report.

## **BACKGROUND**

LAFCO is an independent commission established in each county by the State legislature. The Cortese-Knox-Hertzberg Local Government Reorganization Act establishes the specific funding methods and process for the annual LAFCO budget.

The Commission is funded by the County and its nine cities. Adopting the LAFCO budget is solely the responsibility of the Commission. The statutes governing LAFCO and directing its operations do not require separate approval of the financial program by the County, the nine cities, the independent special districts, nor any other local governmental agency. Section 56381(a) of the Government Code specifies that:

- The Commission shall adopt annually, following noticed public hearings, a proposed budget by May 1, and final budget by June 15. At a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the Commission finds that reduced staffing or program costs will nevertheless allow the Commission to fulfill the purposes and programs of this chapter.
- The Commission shall transmit its proposed and final budgets to the board of supervisors, to each city, and to each independent special district.

Following adoption of a final budget, the County Auditor will allocate and charge LAFCO's final net budget to the County and nine cities as required by Government Code Section 56381(b).

## **EXPENSES**

The expense portion of the Proposed Budget is divided into three main categories: Salaries and Benefits, Services and Supplies, and Other Charges. The following are highlights from various accounts in the Proposed Budget.

### *SALARIES AND BENEFITS (Accounts 50000+)*

Expenses in the Salaries and Benefits category are projected to increase by 7% overall during Fiscal Year 2026-2027. LAFCO's employee benefits mirror the County's benefits, including health insurance and retirement (through StanCERA), pursuant to a Memorandum of Understanding between the County and the Commission. Similarly, LAFCO Staff receives increases to base salaries (e.g. cost-of-living increases) concurrently with respective County positions. Estimates for salaries and benefits are typically provided by the County during each budget cycle and are incorporated into the LAFCO Budget. For FY 2025-2026, the County approved an unanticipated 4% increase for County employees effective in August 2025 (well after adoption of LAFCO's budget). The increase was partly absorbed in the Commission's adopted budget but necessitated a budget adjustment. For FY 2026-2027, the County approved an additional 4% salary increase. The impact of both of these increases is reflected in the overall 7% increase for the Proposed Budget.

### *SERVICES AND SUPPLIES (Accounts 60000+)*

The proposed expenditures in the Services and Supplies category have decreased by 9% compared to the current year's budget. This is primarily due to the completion of the biennial audit

**EXECUTIVE OFFICER'S AGENDA REPORT**  
**APRIL 22, 2026**  
**PAGE 3**

and removal of that item from the Proposed Budget. The majority of the Services and Supplies category includes items associated with the County's Cost Allocation Plan (CAP) charges. CAP charges reimburse the County for various services provided by agreement to LAFCO, including County payroll, information technology, accounts payable/receivable, mailroom services, building services, legal services and overhead charges. Typically, the County provides estimates for these categories in advance of LAFCO's budget preparation; however, this year, the County's budget calendar and release of CAP charge information has been delayed. LAFCO Staff has attempted to estimate these using best available information (e.g. potential increases based on Consumer Price Index or known salary increases); however, these will be reviewed again upon preparation of LAFCO's Final Budget if the County provides estimates.

The following are highlights of various line items in the Services and Supplies category.

Insurance – SDRMA (Account #61000)

Like many other LAFCOs, the Commission uses the Special District Risk Management Authority (SDRMA) for its general liability insurance. SDRMA's rates have remained relatively stable over the last decade, with an increase in the current year based on overall rate increases in the insurance market. LAFCO will continue to take advantage of safety discounts and longevity credits to diminish impacts of increases in future years.

Memberships – CALAFCO (Account #62200)

Stanislaus LAFCO currently contributes a \$10,510 membership fee to the California Association of LAFCOs (CALAFCO). This amount is increasing to \$10,825 for Fiscal Year 2026-2027 based on a 3% Consumer Price Index increase. CALAFCO is a non-profit organization dedicated to supporting LAFCOs with educational and legislative resources. Over the past year, the Association has made efforts to increase its value to membership, including revising its policies, adding educational opportunities, and continuing its legislative efforts. While there was previously some uncertainty regarding CALAFCO's direction, Staff believes that continued membership is beneficial.

Professional & Special Services (Account #63000)

This account includes costs for office space, utilities, as well as overhead charges from the County for human resources, risk management, and purchasing. Charges for building maintenance services and utilities are billed on a pass-through basis and have increased based on inflation. Since adoption of the prior budget, the Tenth Street Place JPA has re-evaluated all office space within the Tenth Street building to ensure that all departments are paying appropriate amounts for their respective square footage. As a result, LAFCO no longer pays a separate "lease" amount in addition to building maintenance and utilities fees, which has thus far lead to lower overall costs to LAFCO within the #63000 account.

*OTHER CHARGES (Accounts #70000+)*

This category includes one account (#73024) for copy costs and a shared portion of the copier lease with the County Planning Department. A minor increase (\$300) is proposed in this category to accommodate the costs of paper noticing that is still required by State law.

**REVENUES**

The primary revenue source for LAFCO is contributions from the County and nine cities. Government Code Section 56381(b)(2) requires that the county and its cities each provide a one-half share of the Commission's operational costs. By statute, the cities share is apportioned by the County Auditor relative to each city's total revenues, as reported in the most recent edition of the Cities Annual Report published by the State Controller.

Application fees represent a very small percentage of LAFCO revenues (roughly 3%). The majority of Staff's duties are considered unfunded State mandates, including preparation of municipal service review updates, informational reports, responses to inquiries, and coordination with local and state agencies. For FY 2026-27, Staff proposes maintaining application fee revenue estimates of \$20,000. Application fees that are received in any given year can vary widely, so this item is estimated conservatively. Any additional revenue received above this amount will be factored in during the Commission's next budget cycle.

**FUND BALANCE & RESERVES**

Government Code Section 56381(c) provides that "if at the end of the fiscal year, the Commission has funds in excess of what it needs, the Commission may retain those funds and calculate them into the following fiscal year's budget."

Table 2 outlines the changes to the fund balance based on projected operating revenues and expenses in the current fiscal year. The actual amount of fund balance will be calculated at year's end (typically by September). However, based on the beginning year fund balance and projected revenues and expenses, Staff has estimated a year-end fund balance of \$497,158 for the current fiscal year.

*Table 2: LAFCO Fund Balance*

<b>Fund Balance July 1, 2025</b>		<b>\$ 458,565</b>	
<b>Revenues</b>	<b>Estimated Year-End</b>	<b>Budgeted FY 25-26</b>	<i>Variance with Budget Over / (Under)</i>
City/County Contributions	\$ 711,000	\$ 711,000	\$ -
Application Revenue	42,680	20,000	22,680
Interest	21,300	-	21,300
<b>Total Revenues</b>	<b>\$ 774,980</b>	<b>\$ 731,000</b>	<b>\$ 43,980</b>
<b>Expenses</b>	<b>Estimated Year-End</b>	<b>Budgeted FY 25-26*</b>	<i>Difference</i>
Salaries and Benefits	\$ 636,932	\$ 633,180*	\$ 3,752
Services and Supplies	98,255	116,620*	(18,365)
Other Charges (Copier)	1,200	1,200	-
<b>Total Expenses</b>	<b>\$ 736,387</b>	<b>\$ 751,000</b>	<b>\$ (14,613)</b>
<b>Revenue Less Expenditures</b>		<b>\$ 38,593</b>	<b>\$ 58,593</b>
<b>Estimated Fund Balance June 30, 2026</b>		<b>\$ 497,158</b>	

*\*Budgeted amounts do not include the potential FY 25-26 adjustment. If approved, these estimates will be updated.*

Reserve Funds & Long-Term Pension Liability

The Commission’s Reserve Fund Policy identifies two reserve categories to be calculated annually and allocated during the annual budget process: an Accrued Leave Fund (based on accumulated cash-out liability) and a General Fund Reserve (15% of operating expenses). The Commission also requested a reserve fund be included to represent long-term liabilities. Proposed reserve funds for FY 2026-2027 are shown in the following table.

**Table 3: Proposed Reserve Funds**

	<b>Budgeted FY 25-26</b>	<b>Proposed FY 26-27</b>
<b>General Fund Reserve (15%)</b>	<b>\$ 112,500</b>	<b>\$ 118,000</b>
<b>Accrued Leave Fund (Cash-Out Liability)</b>	<b>140,000</b>	<b>150,000</b>
<b>Long-Term Liability Reserve</b>	<b>150,000</b>	<b>200,000</b>
<i>Total Reserves</i>	<i>\$ 402,500</i>	<i>\$ 468,000</i>

The Commission’s addition of a Long-Term Liability Reserve was in response to an accounting requirement known as GASB 68. GASB 68 requires employers to report long-term unfunded pension liabilities on their balance sheets. The estimated unfunded portion of the pension can vary significantly each year based on investment returns and contribution rates. It can be viewed as an indicator of the overall health of the StanCERA retirement system from year to year. Accounting and budgeting for retirement costs are based on retirement contribution rates that are updated annually using actuarial analysis and adopted by the StanCERA Board. The rates are subsequently approved by the County Board of Supervisors.

Long-term pension liability is no longer reported directly on the Commission’s balance sheet and is instead reported on the County’s overall pension liability. This is based on LAFCO’s employees being classified by the County Auditor as “contract employees,” with the Commission reimbursing benefits costs to the County. The estimated net pension liability as of June 30, 2024 was \$742,848. Staff from the County Auditor’s office identified that there are many uncertainties with regard to the exact amount and timing of the long-term pension liability. An additional \$50,000 has been proposed to be added to the Long-Term Liability Reserve for FY 2026-2027.

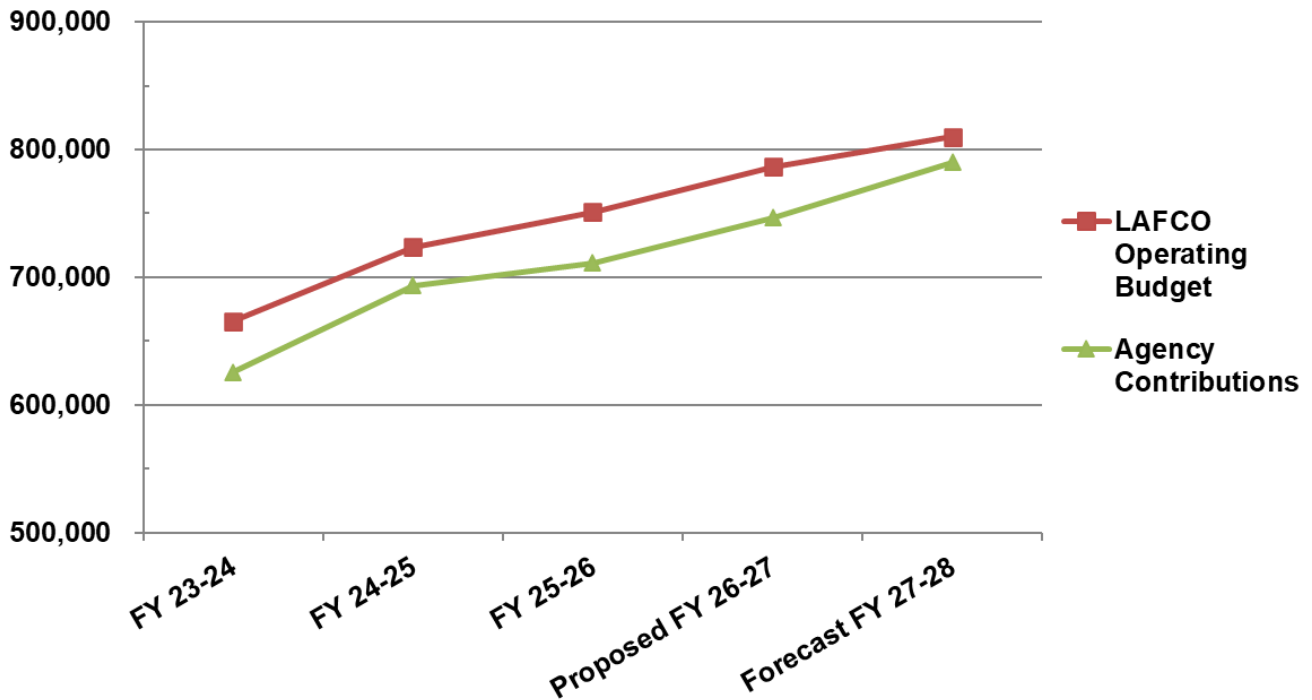
Fund Balance Status – Use of Undesignated Funds

It is the Commission’s policy that undesignated fund balance is used in the following budget year to offset agency contributions. On average, the combination of budget savings from the prior year and estimated application revenues has offset agency contributions by about \$40,000 each year. In years where there are no budget savings to contribute to undesignated fund balance, agency contributions will see a corresponding increase in their allocation amounts. For the Proposed Budget, an estimated \$29,158 in undesignated fund balance will be available to offset agency contributions. The majority of this amount (\$20,000), in addition to \$20,000 in estimated application revenues is proposed to offset contributions; however, it should be acknowledged that in future years, agency contributions may rise to meet the Commission’s actual operating expenses. A forecast of the following year’s budget, for example, shows that if the Commission fully expends its budget as proposed and continues to fund reserves at existing levels, agency contributions may soon align with the Commission’s operating expenses (see Table 4 and Figure 1 on the next page).

Table 4: Total Budget & Agency Contributions

	Proposed FY 26-27	Forecasted FY 27-28
<b>Total Budget</b>	\$ 786,450	\$ 810,044
Est. Application Revenue	(20,000)	(20,000)
Use of Fund Balance	(20,000)	-
<b>Agency Contributions</b>	746,450	790,044
<b>Fund Balance Beg. (Estimated)</b>	497,158	477,158
<b>Fund Balance End (Year End Est.)</b>	477,158	477,158
<b>Designated Reserves: 15% Reserve</b>	118,000	121,500
<i>Accrued Leave (Cash-Out Liability)</i>	150,000	155,000
<i>Long-Term Liability Reserve</i>	200,000	200,000
<i>Total Reserves</i>	468,000	476,500
<b>Estimated Undesignated Fund Balance Remaining</b>	<b>\$ 9,158</b>	<b>\$ 658</b>

Figure 1: Forecast of Agency Contributions



Agency Contributions

LAFCO is funded by contributions from the County and nine cities. By statute, the County is apportioned a half-share of the Commission's operational costs. The cities' share is calculated annually by the County Auditor and is relative to each city's total revenues, as published in the most recent State Controller reports.

Combined, the County and City of Modesto contribute nearly 79% of the Commission's budget, with the remainder split amongst the other cities (see Chart 1 below). Contribution amounts fluctuate from year to year amongst the cities, as their revenues increase or decrease relative to each other. Cities with larger increases in revenues may see their LAFCO contribution increase at a higher rate than other cities. Likewise, if a city has very low reported revenues, they may see their contribution amount *decrease*, even with an increase in LAFCO's budget. Table 5 on the next page outlines the County and Cities' contributions to the LAFCO budget for the current year and an estimate of the contributions for FY 2026-2027 based on the proposed budget.

*Chart 1: City/County Allocations (Estimated FY 2026-2027)\**

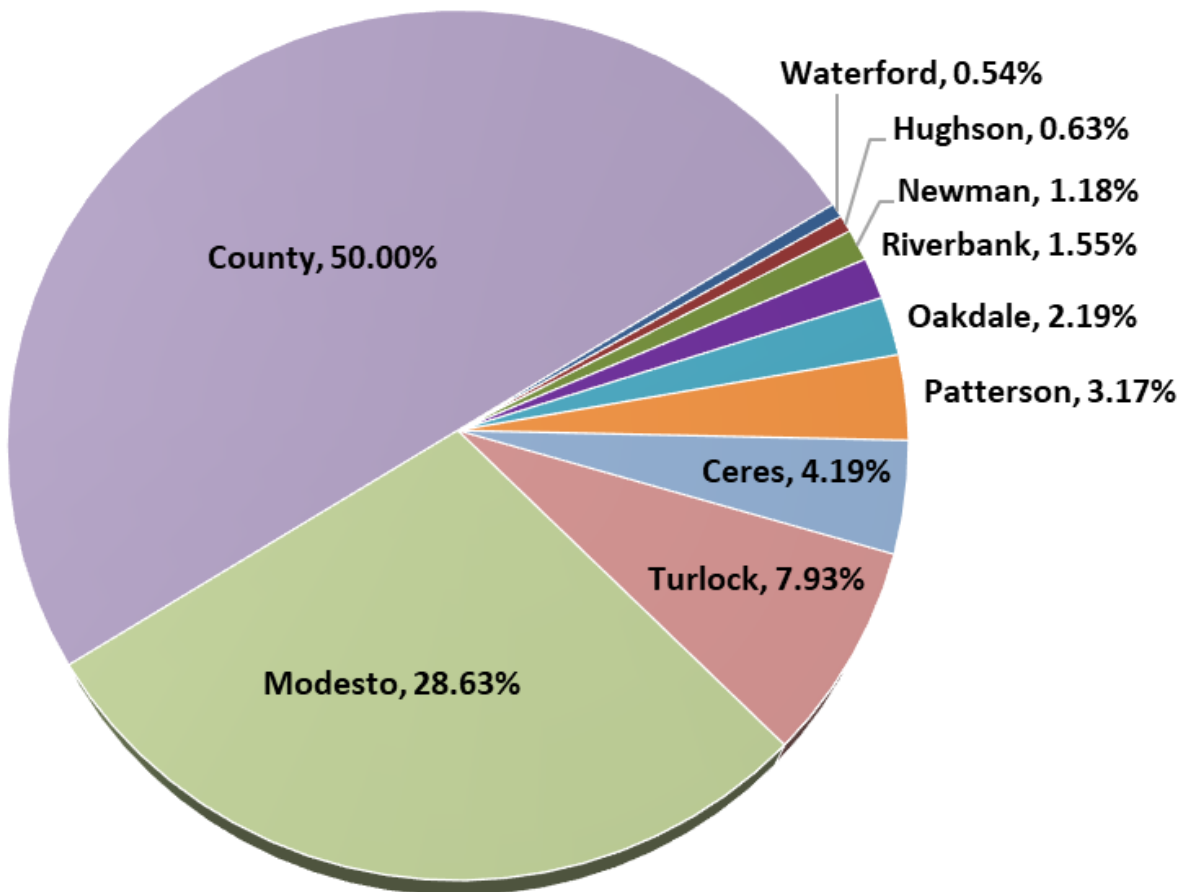


Table 5: Estimated Agency Contributions FY 2026-2027\*

	State Controller Reported Revenues (FY 23-24)	% of LAFCO Budget	Current FY 25-26 Contribution	Estimated FY 26-27 Contribution*	Total Change	% Increase (Decrease)
<b>Ceres</b>	94,256,407	4.19%	34,685	31,285	(3,400)	-9.80%
<b>Hughson</b>	14,161,950	0.63%	6,127	4,701	(1,427)	-23.29%
<b>Modesto</b>	643,894,826	28.63%	202,651	213,716	11,065	5.46%
<b>Newman</b>	26,606,823	1.18%	6,070	8,831	2,761	45.49%
<b>Oakdale</b>	49,164,611	2.19%	15,774	16,318	544	3.45%
<b>Patterson</b>	71,233,475	3.17%	20,099	23,643	3,544	17.63%
<b>Riverbank</b>	34,767,030	1.55%	9,640	11,540	1,899	19.70%
<b>Turlock</b>	178,280,203	7.93%	56,802	59,173	2,371	4.17%
<b>Waterford</b>	12,108,529	0.54%	3,652	4,019	367	10.04%
<b>All Cities</b>		50%	355,500	373,225	17,725	4.99%
<b>County Contribution</b>		50%	355,500	373,225	17,725	4.99%
<b>Total Agency Contributions</b>		<b>100%</b>	<b>\$ 711,000</b>	<b>\$ 746,450</b>	<b>\$ 35,450</b>	<b>4.99%</b>

\* Estimates are based on the most recent State Controller’s Reports. Final amounts will be determined by the County Auditor following the Commission’s adoption of the Final Budget.

**WORK PROGRAM & APPLICATION ACTIVITY**

Staff completed the 2025 work program of municipal service review updates and is in the process of completing the 2026 work program for updates affecting 32 special districts. Staff continues to see steady pre-application activity for annexation proposals and anticipates at least three city annexations, two district annexations, a potential district reorganization and multiple service extensions on the horizon in the upcoming fiscal year.

**CONCLUSION**

The Commission and LAFCO Staff continue to exercise fiscal prudence, recognizing the financial constraints faced by our funding agencies. Approval of the Proposed Budget will enable the Commission to perform its core responsibilities effectively, and continue its work on municipal service review updates, policy development, and current projects.

Attachments: LAFCO Resolution No. 2026-11  
 Proposed Fiscal Year 2026-2027 Budget Detail

**STANISLAUS COUNTY LOCAL AGENCY  
FORMATION COMMISSION**

**RESOLUTION**

**DATE:** April 22, 2026

**NO.** 2026-11

**SUBJECT: Adoption of the Proposed LAFCO Budget for Fiscal Year 2026-2027**

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**, Government Code Section 56381(a) requires the Commission to adopt annually, following noticed public hearings, a proposed budget by May 1 and a final budget by June 15;

**WHEREAS**, the Stanislaus Local Agency Formation Commission wishes to provide for a budget to fulfill its purposes and functions as set forth by State law;

**WHEREAS**, pursuant to Government Code Section 56381(a), the proposed budget must be, at a minimum, equal to the previous budget, unless a finding is made that the reduced costs will nevertheless allow the Commission to fulfill the purposes and programs of the Stanislaus Local Agency Formation Commission (LAFCO);

**WHEREAS**, approval of the Proposed Budget will enable the Commission to perform its core responsibilities effectively, and to continue its work on State-mandated Municipal Service Reviews and Sphere of Influence Updates;

**WHEREAS**, the Commission mailed notices of the Proposed Budget to the County Board of Supervisors, the nine cities and the independent special districts; published a notice; and

**WHEREAS**, the Commission has conducted a public hearing on April 22, 2026, to consider the Proposed Budget for Fiscal Year 2026-2027, as submitted by the Executive Officer.

**NOW, THEREFORE, BE IT RESOLVED** that the Commission:

1. Finds that the Proposed Budget for Fiscal Year 2026-2027 will allow the Stanislaus Local Agency Formation Commission to fulfill the purposes and programs of the Cortese-Knox-Hertzberg Local Government Reorganization Act.
2. Adopts the Proposed Budget for Fiscal Year 2026-2027 as outlined in Exhibit 1, in accordance with Government Code Section 56381(a).

3. Hereby schedules the public hearing to consider the adoption of the Final Budget for Fiscal Year 2025-2026, for the Commission's May 28, 2025 meeting.

**DRAFT**

**ATTEST:**

---

Sara Lytle-Pinhey  
Executive Officer

Attachment: Proposed Fiscal Year 2026-2027 Budget

**Stanislaus LAFCO**  
**PROPOSED FISCAL YEAR 2026-2027 BUDGET**

Account	FY 25-26 Adopted Budget	FY 25-26 Estimated Year-End	FY 26-27 PROPOSED BUDGET	Increase or (Decrease)	% Change
<b>Salaries and Benefits</b>					
50000+ Salaries and wages	\$ 386,000	\$ 397,500	\$ 418,000	\$ 32,000	8%
52000 Retirement	123,000	125,800	134,000	11,000	9%
52010 FICA	30,500	30,770	32,700	2,200	7%
53000 Group health insurance	76,000	65,885	76,000	-	0%
53020 Unemployment insurance	500	192	500	-	0%
53081 Long term disability	480	411	500	20	4%
54000 Workers compensation insurance	3,200	2,604	3,200	-	0%
55000 Auto allowance	4,800	4,800	4,800	-	0%
55080 Professional development	2,500	2,500	2,500	-	0%
55130 Deferred comp mgmt/conf	6,200	6,470	6,700	500	8%
<b>Total Salaries and Benefits</b>	<b>\$ 633,180</b>	<b>\$ 636,932</b>	<b>\$ 678,900</b>	<b>\$ 45,720</b>	<b>7%</b>
<b>Services and Supplies</b>					
60400 Communications (ITC - Telecom)	\$ 1,200	\$ 1,200	\$ 1,250	\$ 50	4%
61000 Insurance (SDRMA)	6,250	6,398	6,700	450	7%
61030 Fiduciary liability insurance	15	12	15	-	0%
61070 Crime & fidelity insurance	40	36	40	-	0%
62200 Memberships (CSDA, CALAFCO)	12,320	12,382	12,700	380	3%
62400 Miscellaneous expense	5,500	5,500	5,500	-	0%
62600 Office supplies	1,500	1,500	1,500	-	0%
62730 Postage	1,200	1,200	1,800	600	50%
63000 Professional & special serv	38,995	35,072	37,750	(1,245)	-3%
Building maint & supplies	5,510	6,540	6,800	1,290	23%
Office lease	4,785	-	-	(4,785)	-100%
Utilities	1,900	2,640	2,750	850	45%
Janitorial	1,400	1,752	1,900	500	36%
Purchasing	500	500	500	-	0%
HR/Risk Mgt overhead	4,300	4,500	4,700	400	9%
IT Services (ITC)	16,000	15,140	16,000	-	0%
Video Streaming (ITC)	1,000	1,000	1,000	-	0%
Mtg Recording (Final Cut Media)	1,800	1,200	1,800	-	0%
Licenses: GIS & Adobe (ITC)	1,800	1,800	2,300	500	28%
63090 Auditing & accounting	14,600	15,055	3,180	(11,420)	-78%
County Auditor Services	2,600	3,055	3,180	580	22%
Independent Auditor (Biennial Audit)	12,000	12,000	-	(12,000)	nb
63400 Engineering services	2,000	1,000	2,000	-	0%
63640 Legal services	16,000	10,000	16,000	-	0%
65000 Publications & legal notices	1,200	1,200	1,800	600	50%
65660 Special dept. exp (commissioners)	8,500	4,000	8,500	-	0%
65780+ Education & training	6,500	3,200	6,500	-	0%
67040 Other travel exp (local mileage)	600	300	600	-	0%
67200 Salvage disposal	200	200	215	15	8%
<b>Total Services and Supplies</b>	<b>\$ 116,620</b>	<b>\$ 98,255</b>	<b>\$ 106,050</b>	<b>\$ (10,570)</b>	<b>-9%</b>
<b>Other Charges</b>					
73024 Planning dept services (copier)	\$ 1,200	\$ 1,200	\$ 1,500	\$ 300	25%
<b>Total Other Charges</b>	<b>\$ 1,200</b>	<b>\$ 1,200</b>	<b>\$ 1,500</b>	<b>\$ 300</b>	<b>25%</b>
<b>TOTAL EXPENSES</b>	<b>\$ 751,000</b>	<b>\$ 736,387</b>	<b>\$ 786,450</b>	<b>\$ 35,450</b>	<b>5%</b>
<b>TOTAL REVENUES</b>					
40680+ Agency Contributions	711,000	711,000	746,450	35,450	5%
36414 Application & Other Revenues	20,000	42,680	20,000	-	0%
17000+ Interest Earnings & Refunds	-	21,300	-	-	nb
<b>Use of Undesig. Fund Balance</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>0%</b>

**Stanislaus LAFCO**  
**PROPOSED FISCAL YEAR 2026-2027 BUDGET**  
**Reserve Funds & Undesignated Fund Balance**

Estimated Fund Balance June 30, 2026	\$	497,158
<i>General Fund Reserve (15%)</i>		(118,000)
<i>Accrued Leave Fund (Cash-Out Liability)</i>		(150,000)
<i>Long-Term Liability Reserve</i>		(200,000)
<b>Undesignated Fund Balance (Est.)</b>	<b>\$</b>	<b>29,158</b>

**EXECUTIVE OFFICER'S AGENDA REPORT  
MAY 27, 2026****TO: LAFCO Commissioners****FROM: Javier Camarena, Assistant Executive Officer****SUBJECT: MSR NO. 2026-01, SOI UPDATE 2026-01: Municipal Service Review and Sphere of Influence Update for Del Puerto Healthcare District, Westside Community Healthcare District, and Oak Valley Hospital District****INTRODUCTION**

This proposal was initiated by the Local Agency Formation Commission in response to State mandates that require the Commission to conduct municipal service reviews and sphere of influence updates for all cities and special districts every five years or as necessary. The current review covers three healthcare/hospital districts in Stanislaus County: the Del Puerto Healthcare District, the Westside Community Healthcare District, and the Oak Valley Hospital District. The previous update for these districts was adopted August 26, 2020.

**BACKGROUND**

The three Healthcare/Hospital Districts were organized under the Local Hospital District Law (Health and Safety Code §32000 et. seq.) and are empowered to provide services such as acute and long-term healthcare services, ambulance services, and a community hospital. The Districts are considered "registered voter districts" as board members are elected by registered voters residing within the district boundaries.

The Municipal Service Review and Sphere of Influence Update process provides an opportunity for districts to share accurate and current data, accomplishments and information regarding the services they provide. LAFCO Staff sent each Healthcare/Hospital District a questionnaire along with the previously-approved Municipal Service Review and Sphere of Influence document for their comments, revisions and updated information. LAFCO Staff also reviewed the Districts' most recent audits and budgets. Once this data was collected, a revised Municipal Service Review and Sphere of Influence Update document was drafted.

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

**DISCUSSION**

For the Healthcare/Hospital Districts, this is the fifth Municipal Service Review and Sphere of Influence Update that the Commission has reviewed for the Districts. Since the previous MSR-SOI, there have been some notable changes for the Districts that are provided in the draft update. The following are some highlights for each District.

The Del Puerto Healthcare District has acquired a 40-acre site in central Patterson. The site is planned for a phased healthcare mixed-use campus. The site will include a replacement of the Patterson District Ambulance and Administration Center and Combined Rural Health and Community Mental Health Clinic among other facilities. Development is expected to begin in 2026.

**EXECUTIVE OFFICER'S AGENDA REPORT**

**MAY 27, 2026**

**PAGE 2**

The Westside Community Healthcare District (WCHD) was evaluated for sustainability, financial position, operational expenses and income through an ad hoc committee in early 2025. The ad hoc committee made key findings and provided best practices and recommendations. Further details can be found in the Municipal Service Review. The District is currently exploring adding a ballot measure to the next available election to increase tax revenue.

The Oak Valley Hospital District completed a 123,000 square foot expansion but is only using the 1<sup>st</sup> floor at this time. The District plans on opening the second floor in 2032. The District is also planning on opening a third operating room in 2026. In compliance with Assembly Bill (AB) 1882, the District will begin making seismic upgrades and water and sewer storage improvements to its facilities.

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

**ENVIRONMENTAL REVIEW RECOMMENDATIONS**

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

*The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.*

As there are no land use changes, boundary changes, or environmental impacts associated with the Municipal Service Review and Sphere of Influence Update, an exemption from further environmental review is appropriate.

**ALTERNATIVES FOR COMMISSION ACTION**

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

- Option 1:** APPROVE MSR 2026-01 and SOI 2026-01 Municipal Service Review and Sphere of Influence Update for the Del Puerto Healthcare District, the Westside Community Healthcare District, and the Oak Valley Hospital District.
- Option 2:** DENY one or more of the updates.
- Option 3:** If the Commission needs more information, it should CONTINUE this matter to a future meeting (maximum 70 days).

**RECOMMENDED ACTION**

**Approve Option 1.** Based on the information presented, Staff recommends approval Municipal Service Review 2026-01 and Sphere of Influence 2026-01 Update for Del Puerto Healthcare District, Westside Community Healthcare District, and the Oak Valley Hospital District. Therefore, Staff recommends that the Commission adopt Resolution No. 2026-11 which:

1. Determines that the Municipal Service Review and Sphere of Influence Update qualify for a General Exemption from further California Environmental Quality Act (CEQA) review based on CEQA Regulations Sections 15306 and 15061(b)(3).
2. Makes determinations related to the Municipal Service Review and Sphere of Influence Update as required by Government Code Sections 56425 and 56430.
3. Determines that the Spheres of Influence for the Del Puerto Healthcare District, Westside Community Healthcare District, and the Oak Valley Hospital District should be affirmed as they currently exist.

*Attachments:*

*Exhibit 1* - Draft Municipal Service Review and Sphere of Influence Update for the Del Puerto Healthcare District, Westside Community Healthcare District, and the Oak Valley Hospital District

*Exhibit 2* - Draft Resolution No. 2026-11

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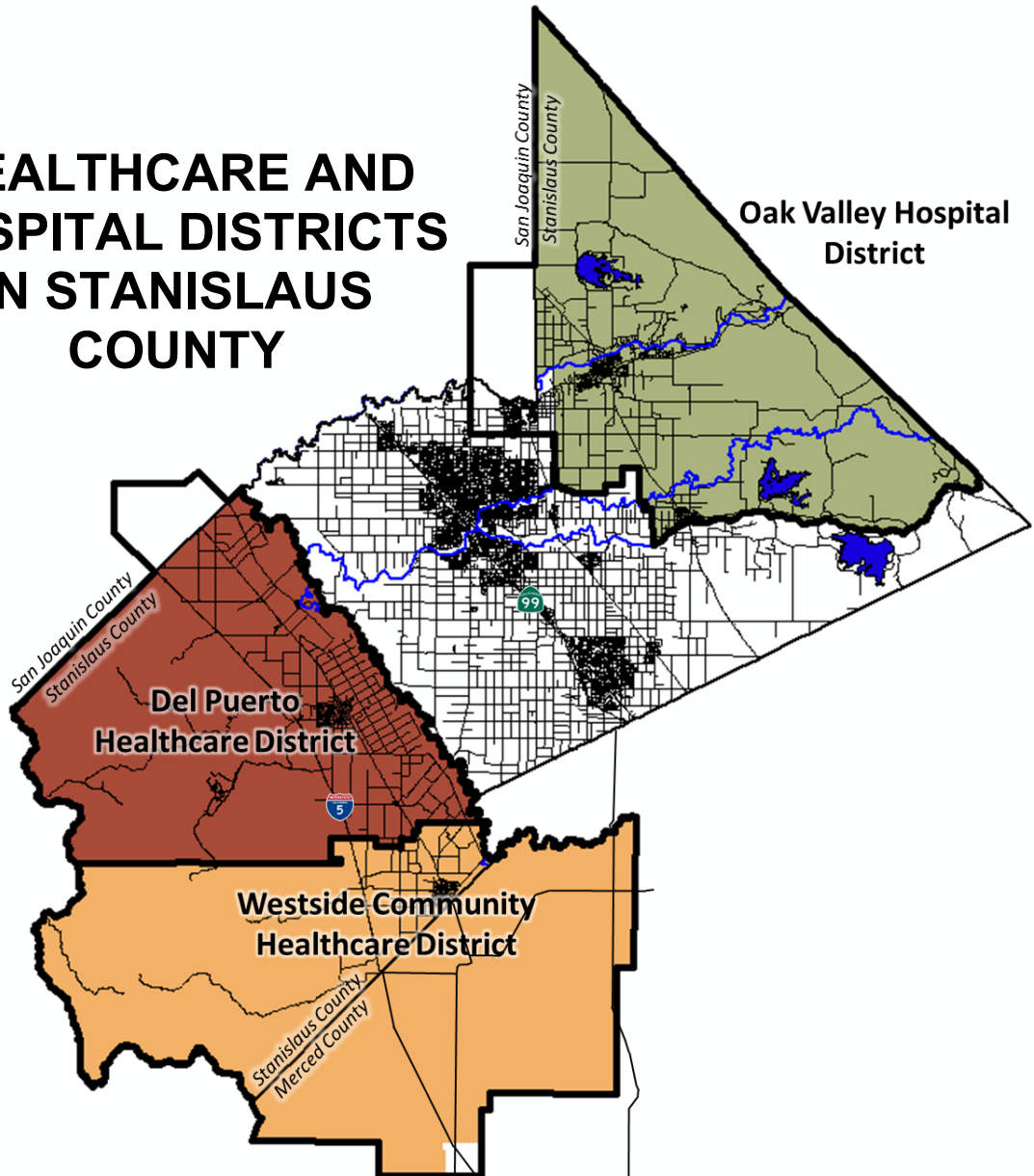
Stanislaus  
**LAFCO**



LOCAL AGENCY FORMATION COMMISSION

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

## **HEALTHCARE AND HOSPITAL DISTRICTS IN STANISLAUS COUNTY**



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**Adopted: \_\_\_\_\_**

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# **STANISLAUS**

## **LOCAL AGENCY FORMATION COMMISSION**

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# **Municipal Service Review and Sphere of Influence Update For the Del Puerto Healthcare District, the Westside Community Healthcare District, and the Oak Valley Hospital District**

## **Introduction**

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

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

## **Municipal Service Review Factors to be Addressed**

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

This MSR will analyze the Del Puerto Healthcare District, the Westside Community Healthcare District, and the Oak Valley Hospital District. It will also provide a basis for LAFCO to reaffirm the Spheres of Influence for the Districts.

## **Sphere of Influence Update Process**

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

The most recent sphere of influence update for the Healthcare and Hospital Districts was adopted in 2020 and proposed no changes to the Districts' SOIs. The current update serves to comply with Government Code Section 56425 and will reaffirm the SOIs for each district.

## **Sphere of Influence Determinations**

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

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

## **Background**

Healthcare/hospital districts originated during the aftermath of World War II. American soldiers returned from the war in need of extensive medical treatment and often hospitalization. California was in the grip of an acute hospital bed shortage. Significant portions of the state had no access to necessary healthcare services.

The Legislature responded to this hospital shortage by enacting the Local Hospital District Act, which later became the Health Care District Act. The creation of these types of districts was intended to provide hospital facilities in areas needing them, but where it was not economically feasible for other institutions to provide them. The districts, have, or prior to Proposition 13 had, taxing powers, authority to issue general obligation bonds, and authority to receive federal hospital construction grants.

There are three healthcare/hospital Districts in Stanislaus County: 1) Del Puerto Healthcare District, located in the Patterson area; 2) Westside Community Healthcare District, located in the Newman and Gustine area; and 3) Oak Valley Hospital District, located in the Oakdale area. In addition, these three Districts are among those whose service area, or sphere of influence, can be determined by where their patrons come from, as indicated by patient-origin records kept by the Districts.

### **Authority**

The three Districts in this review were organized under the Local Hospital District Law, Health and Safety Code, Section 32000 et. seq. In addition, the Districts are considered to be a “registered voter districts,” as the board members are elected by registered voters residing within each District’s boundaries.

### **Purpose**

Healthcare/Hospital districts may exercise numerous powers, including the following: establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or services, including but not limited to, outpatient programs, services and facilities; retirement programs; chemical dependency programs, services and facilities; or other healthcare programs, services, facilities, and activities at any location inside and outside the district for the benefit of the district and people served by the district; acquire, maintain, and operate ambulances, or ambulance services inside and outside the district; and establish a nurses’ training school, or child care facility for the benefit of employees of the hospital or residents of the district (Health and Safety Code Section 32121).

### **Classification of Services**

As part of the original MSR completed for the Districts, each District provided a listing of the services provided within their boundaries. The Districts are authorized to provide the functions or classes of services (e.g. community hospital with acute care, skilled nursing, and ambulance services) as identified in this report. State Law requires that the Districts seek LAFCO approval in order to exercise any other latent powers not currently provided.

## **Municipal Service Review – Del Puerto Healthcare District**

### **Formation**

The Del Puerto Healthcare District was formed on July 1, 1946.

### **Services**

The District provided hospital services until 1998 when, for economic reasons, the hospital was forced to close. The District has maintained ambulance services (Patterson District Ambulance) since May 1, 1976, paid all outstanding debts, and as of June of 2003, provides outpatient care through the federally certified Rural Health Clinic, Del Puerto Health Center. Current services and programs include the following:

- Patterson District Ambulance (PDA) provides 24/7 Advanced Life Support (ALS) service across western Stanislaus County. Three fully equipped ambulances operate daily, with two assigned to continuous coverage and a third deployed based on demand or special events. The service also responds under mutual-aid agreements to Westside Community Healthcare District (Newman/Gustine area) and north into southern San Joaquin County. PDA staff deliver CPR and first-aid instruction to residents, businesses, and schools.
- Del Puerto Healthcare District (DPHCD) works in alignment with multiple agencies, including Stanislaus County EMS Agency for coordinated dispatch and training, as well as the City of Patterson Fire Department, West Stanislaus Fire Protection District and Westside Community Healthcare District for EMS mutual aid.
- Del Puerto Health Center provides primary care 6-days a week to western Stanislaus County. The Center is open Monday through Friday 8:30 a.m. - 6:30 p.m. and Saturday 8:30 a.m. - 12:30 p.m. Services include family medicine, women's health, pediatrics, occupational health, behavioral health, and laboratory services. Evening and Saturday clinics expand access for working families, and telehealth has become integral for specialty consults and mental health follow-up.
- The District hosts recurring women's health, chronic disease, and immunization events, and participates in city and regional fairs, such as the Patterson Apricot Festival and Back-to-School Block Party. Education materials are bilingual (English/Spanish), and community health data guide annual programming priorities.

### **Location and Size**

The District boundary is comprised of approximately 234,000 acres, serving a significant portion of western Stanislaus County. While not heavily populated, the District covers an area that generally extends from Highway 132 south to Crows Landing, the San Joaquin River to the east and the County line in the hills beyond Interstate 5 to the west. The District serves the City of Patterson, as well as the unincorporated communities of Crows Landing, Grayson, and Westley. The District also serves the unincorporated community of Diablo Grande, located in the western foothills of Stanislaus County, west of Interstate 5 and approximately 5 miles southwest of the City of Patterson. The District's administrative office is located at: 875 "E" Street, Patterson, California.

## **Sphere of Influence**

The District's Sphere of Influence (SOI) encompasses approximately 249,000 acres and includes a potential expansion area of approximately 15,000 acres located in San Joaquin County. This area was included in the SOI because the District also draws patients from the Vernalis area in San Joaquin County, which, although not currently within the District's boundaries, is closer to Patterson than the healthcare services available in the Tracy area. It should be noted, however, that the District's SOI does not limit its service area, as the District also receives patients from areas outside this boundary, including the cities of Newman, Gustine, Modesto, Ceres, Turlock, and from as far as Tracy and Stockton.

## **Governance**

A five-member Board of Directors governs the District. Meetings are held on the last Monday of each month at 6:00 p.m. at City of Patterson Council Chambers, 1 Plaza Circle in Patterson. All meetings are open to the public.

## **Personnel**

The District employs 58 persons: 44 full-time, 14 part-time. In addition, some support services are outsourced. These include, legal counsel, IT support, patient services billing, biomedical services, housekeeping, some HR and financial consulting, vehicle and building maintenance, and grant-writing.

## **Mission Statement**

The Del Puerto Healthcare District's mission statement is as follows: "To provide, promote, and partner in quality healthcare for all."

## **Partnership Agencies**

The District maintains strong partnerships with local fire districts, regional EMS providers, healthcare associations, and public agencies. The District operates Patterson District Ambulance and collaborates closely with surrounding fire departments to support coordinated emergency response. DPHCD also participates in regional and statewide healthcare coalitions, including Association of Healthcare Districts, California Special Districts Association, and county health initiatives, to advance policy, funding, and service access for rural communities. In addition, the District hosts clinical and EMS training programs, supports student rotations and job shadowing, and works with area schools, colleges, and workforce agencies to expand local healthcare career pathways. Through partnerships with hospitals, health systems, and community organizations, DPHCD focuses on expanding access to care, improving health literacy, and preparing the future workforce to serve the west side of Stanislaus County.

## **Funding Sources**

The District's source of revenue is derived from the following: a share of the County property tax revenues, special assessments, health center revenues, ambulance service fees, developer/mitigation fees collected from new development, and interest income.

## **Determinations - Del Puerto Healthcare District**

The following provides an analysis of the seven categories or components required by Government Code Section 56430 for a Service Review for the Del Puerto Healthcare District:

### **1. Growth and Population Projections for the Affected Area**

The District estimates that its current population is approximately 30,000 people. Projections for the City of Patterson and surrounding area anticipate growth up to 40,000+ by 2035 and 60,000 by 2050 based on currently approved housing developments.

From July 1, 2020, through June 30, 2025, the Health Center had 67,689 patient visits. During the same period, Patterson District Ambulance responded to over 15,945 911 calls, transported 10,709 patients to hospitals, and field treated and released 1,181 individuals.

While there are other communities within the District (Westley, Grayson, and Vernalis), it is unlikely that there will be major growth in these communities in the near future.

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

DPHCD's service area includes the disadvantaged unincorporated (e.g. rural) communities (DUCs) of Grayson, Westley, and Crows Landing, which lie within the boundaries and Sphere of Influence of the District. The communities are considered DUCs, as they have median household incomes that fall below the 80% statewide median. The District also serves other unincorporated areas such as Diablo Grande and Vernalis.

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

The District operates from multiple sites including the current ambulance operations and administration building and the Del Puerto Health Center. The District owns and maintains six ambulances plus the equipment necessary to place the ambulances in service. The District also owns all equipment necessary to provide services to the Health Center.

The District has acquired a 40-acre site in central Patterson for a phased healthcare mixed-use campus. The site is located between Sperry and Las Palmas Avenues and Ward and South 9<sup>th</sup> Streets.

The site will have a 19,000 square foot replacement of Patterson District Ambulance and Administration Center (DPAC) and a new 32,000 square foot Combined Rural Health and Community Mental Health Clinic (CMHC). Development will begin in 2026 and expected to begin occupancy in 2028. The campus will also include the full continuum of senior living (e.g., independent, assisted, memory care, and skilled nursing), which will require LAFCO approval for an activation of latent powers. The campus will also include an 80,000 square foot medical office building and the eventual development of a Critical Access Hospital. Approximately one-half of the site is planned for mixed use development such as housing, retail, and commercial.

The development is planned to be developed in the following phases:

- Phase 1 (2026–2028): Del Puerto Ambulance & Administration Center (DPAC) and Combined Rural Health and Community Mental Health Clinic
- Phases 2 & 3 (2028–2031): Independent Senior Living; Medical Office Building; 24/7 Urgent Care
- Phase 4 (2031–2035): Memory Care and Assisted Living;
- Phase 5 (2035-2040) Skilled Nursing; future Acute Care Hospital.

Currently, recruitment of healthcare providers in rural areas, lack of imaging services (X-ray & ultrasound), and reimbursement limitations are challenges for the District. The District is actively addressing these challenges through incentivized recruiting, partnerships, and lobbying state legislation for updates to health care expense reimbursement models.

As the District is not a provider of water, sewer, or fire protection services, it is not responsible for assuring that these services are adequately provided to disadvantaged unincorporated communities within or contiguous to the District.

#### **4. Financial Ability of Agencies to Provide Services**

Overall, the District appears to be in stable financial shape and has in place the necessary financial mechanisms to support continued services to existing and future residents. Core operations – including the Health Center, Ambulance/EMS, and Administration – are billed accordingly and provide revenues for the district. The District also receives revenue from property taxes, service fees, grants, development mitigation fees, and federal cost-based reimbursement via its Rural Health Clinic status.

As is common with agencies that provide ambulance services, it is difficult to fully recover costs related to emergency service calls. Thus, the District's ambulance service is subsidized through property tax support and the Public Provider-Ground Emergency Medical Transportation-Intergovernmental Transfer program.

Annual independent audits, public financial reporting, and regular board reviews promote full transparency. The District has a multi-year financial plan in place and has established capital investment associated with the Patterson Healthcare Campus. The District has positioned itself for long-term financial sustainability while continuing to expand and improve healthcare services for the west side of Stanislaus County.

Earlier this year, the DPHCD secured a \$27 million grant to construct a Community Mental Health Clinic through California's Proposition 1 Behavioral Health Continuum Infrastructure Program (BHCIP). The state-of-the-art clinic will provide vital care for individuals facing mental health and substance use challenges. The clinic will be part of the healthcare campus mentioned previously.

The DPCHD also approved the 2025 Development Impact Fee Nexus Study which supported the approval of updated development impact fees for the district. The fees will help support the long-term development of the healthcare campus and help fund construction.

## **5. Status of, and Opportunities for, Shared Facilities**

The District shares facilities and/or equipment with agencies and organizations within the area when opportunities arise. For example, the District allows access to their quarters when the Westside Ambulance posts for the District. Since the West Stanislaus Fire Protection District assists with medical aids, their supplies and oxygen are restocked. From time-to-time joint education or meeting space is provided. Through a joint agreement, space, equipment and supplies for diabetes education and screening is also provided.

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

A five-member Board of Directors governs the District. Registered voters within a geographical area or division elect the board members. The Board is subject to provisions of the Brown Act requiring open meetings. The District has implemented formal governance policies, structured onboarding, and continuing education to ensure stability and strategic alignment during board turnover. Through assistance from the District CEO, the DPHCD engages residents through town halls, newsletters, surveys, collaborative committees, and partnerships with neighboring agencies.

The District's website provides information about the District, news, policies and procedures, meeting dates, meeting agendas and minutes, program information, staff, services, and other essential district information.

It is reasonable to conclude that the District has the organizational capability to adequately serve the areas under its jurisdiction. The District has the necessary resources and staffing levels to operate in a cost-efficient and professional manner.

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

The District has identified constraints related to recruiting healthcare providers in rural areas, lack of imaging services, and reimbursement limitations as ongoing challenges. The District is actively addressing these constraints through incentivizing recruitment, seeking partnerships to address the lack of imaging services, and lobbying for changes to state health care reimbursement models.

## **SOI Update – Del Puerto Healthcare District**

The following determinations for the Del Puerto Healthcare District Sphere of Influence update and are made in conformance with Government Code Section 56425 and local Commission policy.

### **Determinations:**

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

The present and planned land uses within the District's Sphere of Influence (SOI) consist of agricultural, rural residential, suburban and urban areas. The District does not have the authority to make land use decisions, nor does it have authority over present or planned land uses within its boundaries and SOI. The responsibility for land use decisions within the District boundaries is retained by the City of Patterson, Stanislaus County, and San Joaquin County.

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

In 2021 and 2025, the DPHCD partnered with Sacramento State University to conduct Community Health Assessment and Needs (CHAN) surveys. The surveys gathered data on access, availability, and affordability of healthcare services across the west side of Stanislaus County. Findings confirmed that the region remains medically underserved with high outmigration for care, limited specialty and behavioral health services, delayed preventive and urgent care due to limited after-hours options, and growing demand driven by a rapidly aging population and socioeconomic barriers in smaller rural communities.

Patterson and its surrounding population is estimated to surpass 40,000 by 2035. There is no hospital within 18 miles of the area. As mentioned previously, the DPHCD is developing its 38.5-acre healthcare campus in central Patterson. The campus will improve access to much needed services in Western Stanislaus County.

The present and probable need for public healthcare facilities and services in the area is not likely to diminish. On an annual basis, the District draws thousands of patients seeking localized healthcare services. Portions of patients travel from all communities on the west side (including Patterson, Newman, and Gustine) as well as the Modesto, Ceres, and Turlock areas. New development in these areas will continue to generate additional demand for healthcare and ambulance services.

At this time, the sphere of influence (SOI) update reaffirms the current SOI. The future Healthcare Campus in Patterson will expand the district's service capability at a regional level. With a growing population and need for services in west Stanislaus County, the District should begin consideration of expanding its Sphere of Influence to include areas that it consistently serves.

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

While the current Administration and Ambulance building has exceeded capacity, the current 10,000 square foot Health Center has additional capacity for providers.

As mentioned previously, the District is planning a 38.5-acre healthcare mixed-use campus which, at completion, will include the Del Puerto Ambulance and Administration Center, combined Rural Health and Community Mental Health Clinic, Independent Senior Living, Medical Office Building, 24/7 Urgent Care, Memory Care and Assisted Living, Skilled Nursing, and Acute Care Hospital. The District intends to apply for an activation of latent powers with LAFCO to add these additional services to what it currently provides.

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

The following jurisdictions can be categorized as Communities of Interest in the area: the City of Patterson, the unincorporated communities of Crows Landing, Grayson, Westley, Diablo Grande, and Vernalis (in San Joaquin County). Although outside the Districts' current boundary and SOI, the cities of Newman and Gustine can also be considered communities of interest, as the District receives patients from these areas as well.

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

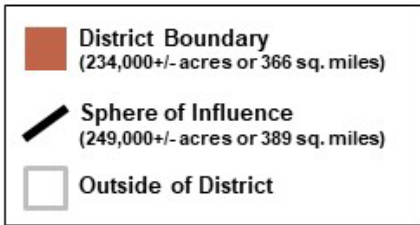
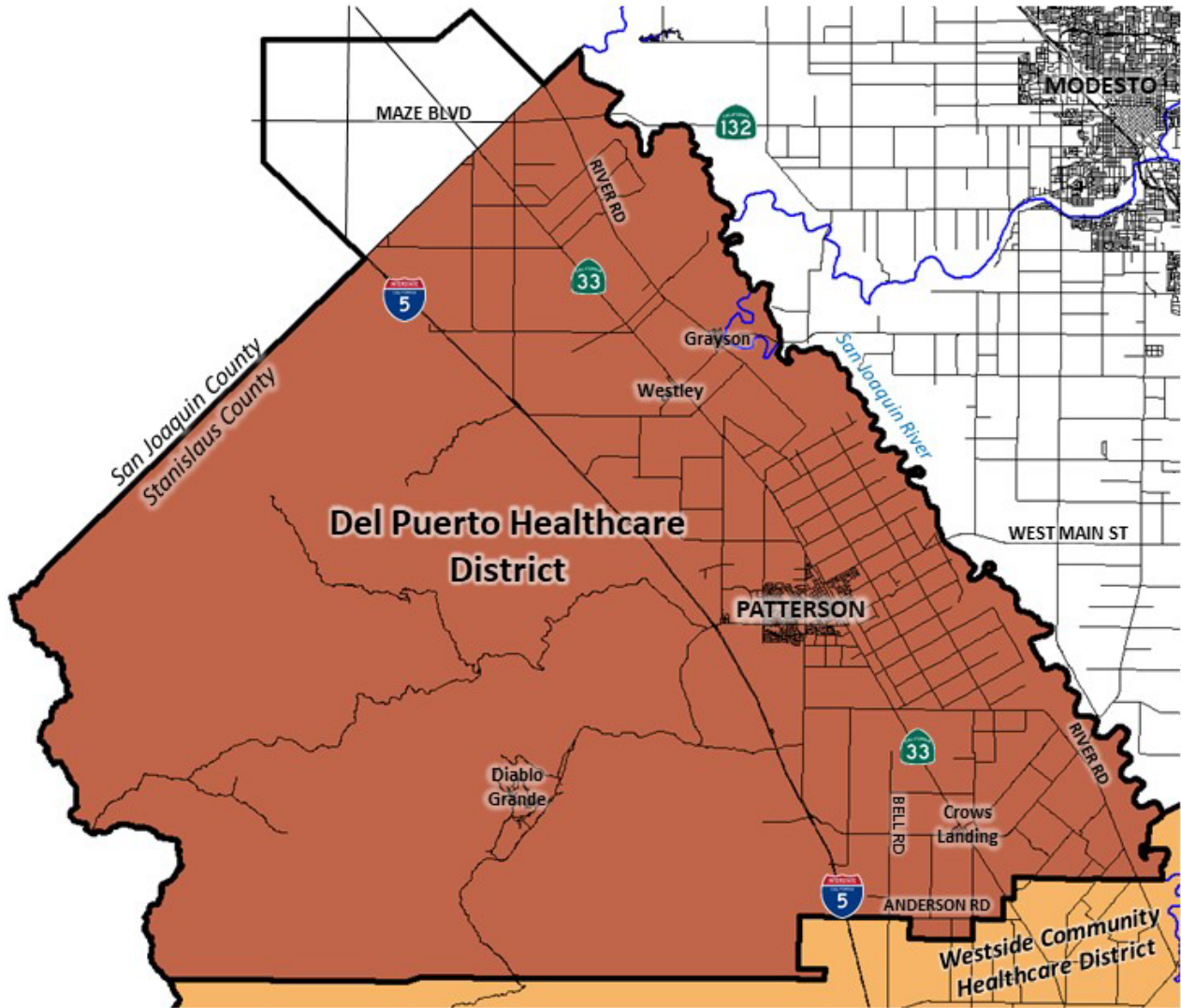
As the District does not provide services related to sewers, municipal and industrial water or structural fire protection, this factor is not applicable.

**DISTRICT SUMMARY PROFILE  
DEL PUERTO HEALTHCARE DISTRICT**



Formation:	July 1, 1946
Services:	Ambulance services, operation of a health center, education, and free community health outreach
District Boundary:	Approximately 234,000 acres, located west of the San Joaquin River, including the City of Patterson, the unincorporated communities of Crows Landing, Grayson, and Westley, as well as the Diablo Grande area
Sphere of Influence:	Includes approximately 15,000 acres beyond the District's current boundary, extending out to the Vernalis area in San Joaquin County
Population:	30,000 (total service population estimate for 2025)
Land Use:	Agricultural, Rural Residential, Suburban and Urban
Enabling Act:	Local Hospital District Law, California Health and Safety Code, Section 32000 et. seq.
Governing Body:	Five-member Board of Directors, elected by registered voters within the District boundaries
Administration:	458 Employees
Total Revenues:	\$6 to 8 million (Fiscal Year 2025-2026 Budget)
Revenue Sources:	Share of County property taxes, special assessments, service fees, developer/mitigation fees, and interest

# DEL PUERTO HEALTHCARE DISTRICT BOUNDARIES AND SPHERE OF INFLUENCE



Source: LAFCO Files, July 2020

# **Municipal Service Review – Westside Community Healthcare District**

## **Formation**

The Westside Community Healthcare District was formed on November 18, 1957.

## **Services**

Currently, the District provides ambulance services within its service area boundaries. The District originally operated a 22-bed hospital facility from 1938 until its closure in 1993. The hospital's closure was a result of low utilization and declining reimbursements. The District has since sold the hospital where the ambulances were stationed. In 2020, the District purchased a building and remodeled to meet the specific needs of the ambulance station.

## **Location and Size**

The boundaries of the District are comprised of approximately 329,000 acres and serves approximately 20,500 people. The District serves areas in and around the City of Newman and the City of Gustine (in Merced County). The District office is located at 990 Tulare Street, Suite C in Newman, California.

## **Sphere of Influence**

The District's Sphere of Influence (SOI) is generally coterminous with its current boundaries, with the exception of approximately 2,500 acres in the Santa Nella area in Merced County that currently lies outside the District's boundaries but within its SOI. The cities of Newman and Gustine and the unincorporated community of Stevinson (in Merced County) are all located within the District's boundaries and Sphere of Influence.

## **Governance**

A five-member Board of Directors governs the District. Registered voters within a geographical area or zone elect the board members. Directors from Zones 1 and 2 are representatives from and elected in Stanislaus County, whereas Directors from Zones 3, 4 and 5 are representatives from and elected in Merced County. Meetings are held the fourth Monday of every month at 7:00 p.m. at the District Office, located at 990 Tulare Street in Newman, California.

## **Personnel**

The District employs 30 persons, full-time and part-time. Two are administrative: Administrative Services Manager and the Chief Administrative Officer. The remaining employees are Paramedics and EMT staff. The District currently contracts its billing, collections, accounting, and legal services.

## **Partnership Agencies**

The District maintains positive and collaborative relationships with local, state and federal agencies, such as: the Cities of Newman and Gustine, Stanislaus and Merced counties, California Highway Patrol, Gustine and Newman Fire Departments, West Stanislaus Fire Protection District, and local area hospitals (e.g., Doctors, Emanuel, Memorial, and Los Banos). The District coordinates with Riggs Ambulance Service and bordering service providers via

mutual-aid agreements.

**Funding Sources**

The District's source of revenue is derived from a share of County property tax revenues (Stanislaus and Merced), special assessments, and ambulance service fees.

## **Determinations - Westside Community Healthcare District**

The following provides an analysis of the seven categories or components required by Government Code Section 56430 for a Service Review for the Westside Community Healthcare District:

### **1. Growth and Population Projections for the Affected Area**

Approximately 20,500 people reside within the District's boundary. Last fiscal year, the District made 2,718 responses and 1,553 transports. Although significant growth is not projected in the unincorporated areas of Merced and Stanislaus County, growth potential exists in the cities of Newman and Gustine.

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

The unincorporated communities of Stevinson and Santa Nella, located in Merced County, are both considered disadvantaged unincorporated communities that are located within the District's Sphere of Influence. Both communities have median household incomes that fall below the 80% statewide median.

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

The District sold its former hospital in 2015. As part of the sale, the District had an agreement to stay at the hospital for 5 years rent free until June 21, 2020, which has passed. In 2020, the District purchased a property which was remodeled to meet the needs of its ambulance station.

In early 2025, an ad hoc committee was established to evaluate the District's sustainability, financial position, operational expenses, and income to ensure alignment with its mission, values and strategic goals. The Committee included two District Board Members, a former Board Member, two District staff, and the CEO of a neighboring Healthcare Special District.

As part of the committee's evaluation, key findings were made available related to staffing, billing and operational challenges. Some of these challenges included but were not limited to: limited staff, lack of financial review, under-reporting of liabilities, tax revenue incorrectly reported, audit issues, ineligible COVID funding, lack of billing and revenue oversight, and lack of equipment and savings for equipment replacement.

The committee provided best practices and recommendations for the District. However, it is unclear if the District has fully implemented them.

As the District is not a provider of water, sewer, or fire protection services, it is not responsible for assuring that these services are adequately provided to disadvantaged unincorporated communities within or contiguous to the District.

### **4. Financial Ability of Agencies to Provide Services**

The District receives funding from charges for services, taxes and assessments. The District

also receives a portion of the general property taxes collected in the District by both Merced and Stanislaus Counties to support District operations.

The District sets the rate of assessment annually for the special tax assessment that was passed by voters in 1984. As a result, the rate has not increased since 1984 and the District continues to see reduced reimbursements.

For the past two election cycles, 2022 and 2024, the District has proposed ballot measures to increase assessments. Both attempts have failed to get a combined two-thirds majority vote from Stanislaus and Merced Counties. Currently, the District Board is exploring adding a ballot measure for a third time to the next available election to increase tax revenue.

## **5. Status of, and Opportunities for, Shared Facilities**

The District does not currently share its facilities with other Districts.

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

A five-member Board of Directors governs the District. Registered voters within a geographical area or division elect the board members. The Board is subject to the provisions of the Brown Act requiring open meetings. The District has limited administrative staff, which it supplements with professional consultants to complement the District staff and improve productivity.

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

The District faces administrative, financial and operational challenges affecting the efficient and effective delivery of ambulance services.

The District's ad hoc committee, mentioned previously in this report, reported in January of 2025 that the District was not meeting its goal of always having two (2) ambulances as the District's ambulance 24/7 availability was averaging approximately 1.75.

Recently, a Stanislaus County Emergency Medical Services Agency (SCEMSA) System Assessment was completed in cooperation with the Stanislaus County EMS Agency and System Stakeholders. The report was completed in order support future ambulance service procurement, system planning throughout Stanislaus County and provide findings and recommendations.

The report states that the Westside Community Healthcare District's ambulance services exhibits the defining characteristics of rural EMS systems: low call density, geographic dispersion, workforce recruitment competition, and payer mix heavily weighted with Medi-Cal. The report also states that in such environments, fixed staffing costs, variable transport volume, and capital replacement obligations must be supported by sufficient organizational scale and administrative capacity.

In the assessment, a finding was made stating that the Westside Ambulance's low-density profile, dual-county service interface, and historic staffing volatility create a distinct operating environment that merits careful structural evaluation.

Lastly, the assessment recommends that a regionalized provider could materially reduce operational, financial, clinical, and governance risk through workforce pooling, centralized financial oversight, and shared capital reserves. The report recommends that SCEMSA pursue consolidation of EMS services in Western Stanislaus County under a single integrated regional operator serving Zones A and 5 by doing the following:

- Initiating planning for regionalized EMS service consolidation in Western Zones A and 5.
- Evaluate governance, financial, workforce, and clinical impacts of consolidation.
- Incorporate regionalization requirements into future procurement strategies.

Items mentioned in this section collectively affect service reliability and fiscal sustainability and warrant continued evaluation by the District.

## **SOI Update – Westside Community Healthcare District**

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

### **Determinations:**

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

The present and planned land uses within the District's Sphere of Influence (SOI) consist of agricultural, rural residential, and suburban areas. The District does not have the authority to make land use decisions, nor does it have authority over present or planned land uses within its boundaries and SOI. The responsibility for land use decisions within these areas is retained by the City of Newman, Stanislaus County, the City of Gustine, and Merced County.

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

As new development occurs, additional demand for ambulance services is generated; therefore, the present and probable need for ambulance services in the area is not likely to diminish.

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

As identified in the Municipal Service Review section, it appears that the District currently has capacity to provide ambulance services within its existing Sphere of Influence. However, the District has had difficulties meeting its goal of having two (2) ambulances readily available, continues to have financial setbacks due to its antiquated special tax rate and shortage of reimbursements, and additional staffing, financial and operational challenges. It is recommended that the District address these shortfalls.


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

The following jurisdictions can be categorized as Communities of Interest in the area: the City of Newman (in Stanislaus County), the City of Gustine, and the unincorporated communities of Stevinson and Santa Nella (in Merced County).

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

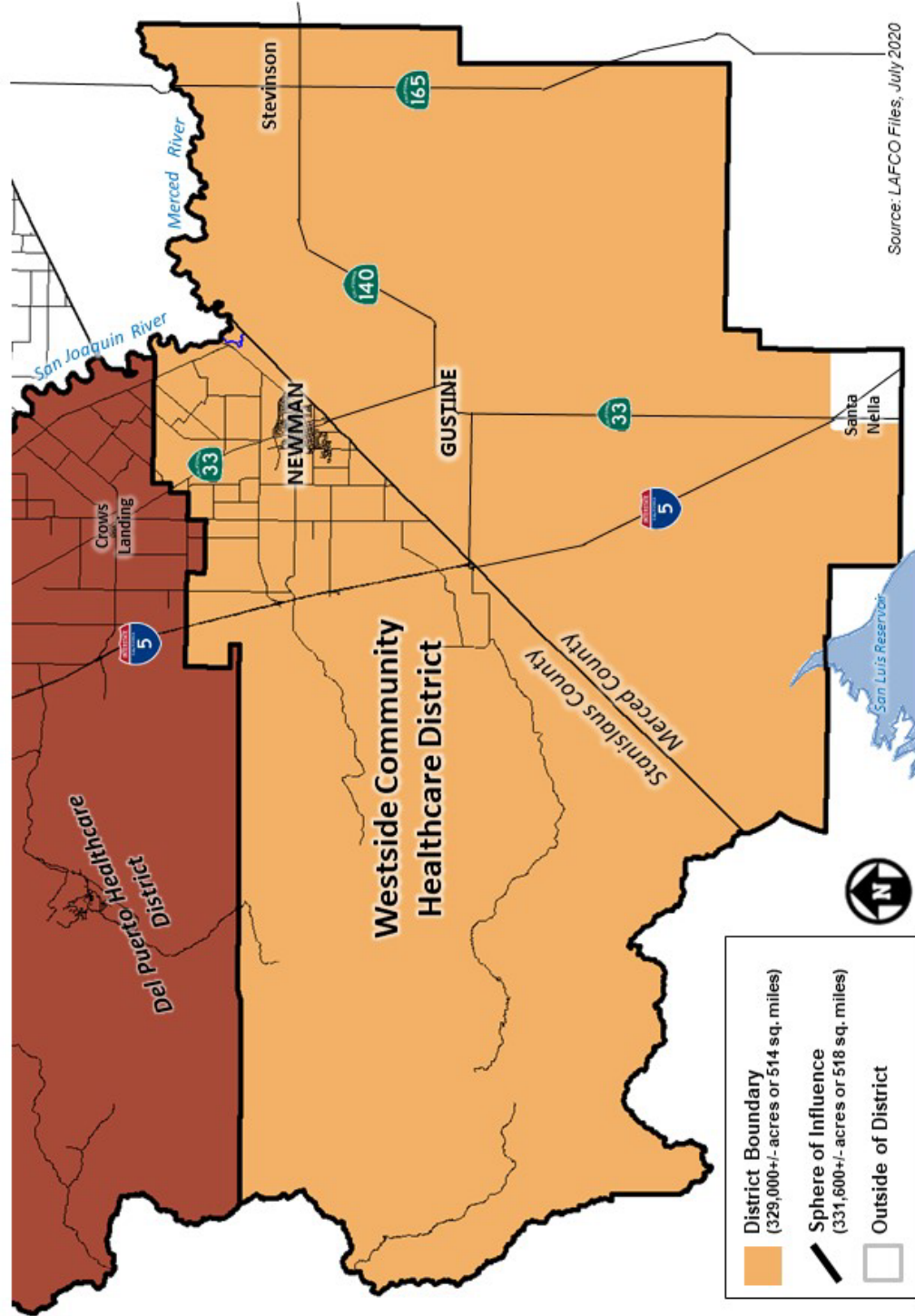
As the District does not provide services related to sewers, municipal and industrial water or structural fire protection, this factor is not applicable.

**DISTRICT SUMMARY PROFILE  
WESTSIDE COMMUNITY HEALTHCARE DISTRICT**

Formation:	November 18, 1957	
Services:	Ambulance services	
District Boundary:	Approximately 329,000 acres including the western portion of Stanislaus County in and around the City of Newman, south of and adjacent to the Del Puerto Healthcare District. The District boundary also overlaps into Merced County, including the City of Gustine and the unincorporated community of Stevinson	
Sphere of Influence:	Coterminous with the District's current boundary, with the exception of approximately 2,500 acres in the Santa Nella area of Merced County	
Population*:	Approximately 20,500	
Land Use:	Rural, Suburban and Urban	
Enabling Act:	Local Hospital District Law, California Health and Safety Code, Section 32000 et. seq.	
Governing Body:	Five-member Board of Directors, elected by registered voters within the District boundaries	
Administration:	31 Employees: 10 full-time and 21 part-time	
Total Revenues:	\$1,687,050 (Net Revenue: Fiscal Year 2024)	
Revenue Sources:	Share of County property taxes, special assessments, and ambulance service fees	

*\*Source: Westside Community Healthcare District*

# WESTSIDE COMMUNITY HEALTHCARE DISTRICT BOUNDARY AND SPHERE OF INFLUENCE



## **Municipal Service Review – Oak Valley Hospital District**

### **Formation**

The Oak Valley Hospital District was formed on June 18, 1968 as a not-for-profit, acute care, hospital.

### **Services**

In 1973, the District constructed the Oak Valley Hospital, in order to provide area residents with access to convenient health care services. The District is licensed to operate and maintain a general acute care hospital, which is a full-service, non-profit public hospital providing medical care to the residents of Oakdale its surrounding communities. The District provides a number of services including surgery, emergency services, intensive care unit, transitional care unit, skilled nursing, laboratory services, diagnostic, infusion, ambulance, nursing and rehabilitation, primary care, inpatient, orthopedics, women's health, respiratory therapy, occupational health, physical health and telehealth. In addition to the 115-bed Oak Valley Care Center, the District also operates a skilled nursing facility and rural health clinics located in Oakdale, Riverbank, Escalon and Waterford.

Ambulance services are provided to the communities of Oakdale, Riverbank, and Waterford. Emergency Medical Technicians (EMTs) are on call 24-hours a day to serve the surrounding communities utilizing the Oak Valley Ambulance services.

### **Location and Size**

The District boundaries are comprised of approximately 253,700 acres. The District serves Northern Stanislaus County, which includes the cities of Oakdale, Riverbank, and Waterford; and the unincorporated communities of Knights Ferry and Valley Home. The District also provides services to areas in the southeast portion of San Joaquin County including areas in and around the City of Escalon. The District's hospital and administrative offices are located at 350 South Oak Avenue, Oakdale, CA 95361.

### **Sphere of Influence**

The cities of Oakdale, Riverbank, and Waterford, along with the unincorporated communities of Knights Ferry and Valley Home are located within the District's Sphere of Influence boundary. The Sphere of Influence includes additional acreage currently outside the District's boundary in and around the City of Escalon (in San Joaquin County).

### **Governance**

A five-member Board of Directors governs the District. Meetings are held on the First Thursday of each month at 5:30 p.m. in the District's Hospital Administration Building Conference Room located at 350 South Oak Avenue, Oakdale, CA 95361. All meetings are open to the public. In July of 2025, the District began livestreaming its Board meetings. The District also has a website ([www.oakvalleyhospital.com](http://www.oakvalleyhospital.com)) that is user-friendly and provides information such as programs and services, physicians' directory, annual reports, and visiting hours.

## **Personnel**

The District employs 59 part-time and 325 full-time employees, for a total of 384. employees and additionally 115 physicians approved to practice medicine.

## **Partnership Agencies**

The District maintains positive and collaborative relationships with local, state and federal agencies, such as: the cities of Oakdale, Riverbank, Waterford, and Escalon, Stanislaus and San Joaquin counties, Oakdale Rural Fire Protection District, Oak Valley Hospital Foundation, Mountain Valley Emergency Medical Services, local area hospitals, UC Davis, Children's Medical Hospital, Fresno, Hospital Council of Northern and Central California, California Department of Health Services, California Children and Families Commission, Office of Statewide Health & Planning, and the Center for Medicare and Medicaid Services (CMS).

## **Funding Sources**

The District's source of revenue is derived from the following: reimbursements from Medicare, Medi-Cal, Self-Pay, PPO, Private Insurance, Oak Valley Hospital Foundation, charity/trusts, grants (First Five Program). The District does not receive a share of the County property tax revenues for daily operating needs but does receive funds for approximately 40% of the debt incurred for the new building.

## **Determinations - Oak Valley Hospital District**

The following provides an analysis of the six categories or components required by Government Code Section 56430 for a municipal service review for the Oak Valley Hospital District:

### **1. Growth and Population Projections for the Affected Area**

The District serves the communities of Escalon, Oakdale, Riverbank and Waterford with an estimated population of approximately 83,000. The District projects population estimates to increase by .5% annually.

According to the District's 2024 service statistics, the district served 21,350 emergency department visits, 599 in patient visits, 50,500 clinic visits, 147,362 lab visits, and 21,642 radiology visits.

Although significant growth is not projected in the unincorporated areas of Valley Home and Knights Ferry, most of the growth potential exists in the cities of Escalon, Oakdale, Riverbank, and Waterford.

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

No known disadvantaged unincorporated communities are within or contiguous to the District's Sphere of Influence.

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

The District currently has the following within its facilities: two operating rooms, two GI rooms, 12 emergency rooms, one triage room, five ICU beds, 24 medical/surgery beds, 11 transition care beds, 104 skilled nursing beds, the Oak Valley Hospital facility and four rural health clinics.

The District has completed a 123,000 square foot expansion. However, the district is only using the 1<sup>st</sup> floor at this time but plans on opening the second floor in 2032. The District is planning on opening a third operating room in 2026.

Over the next few years, the District will begin making seismic upgrades to district facilities. The District will also be required to provide water and sewer storage capacity for 96 hours for its facilities. These improvements are part of Assembly Bill (AB) 1882 which require the upgrades be implemented by 2030.

As the District is not a provider of water, sewer, or fire protection services, it is not responsible for assuring that these services are adequately provided to disadvantaged unincorporated communities within or contiguous to the District.

### **4. Financial Ability of Agencies to Provide Services**

The District adopts an annual budget, which is used as the spending plan for the District.

The budget provides a framework for the District to address budgetary issues such as: revenues, expenditures, reserves, fiscal management, investments, capital improvements, and rates and fees. Monthly financial reports are provided at the District's board meetings.

Rates and fees for services provided by the District are governed by the amount the District can charge for services rendered. The District charges all patients equally based on its established pricing structure. The rates and fees are established during the District's annual budget review process. Factored into the budget are reimbursements from insurance programs, such as HMOs, PPOs, Medicare and Medicaid. The amounts of reimbursements are based upon contractual agreements and government obligations.

The District has experienced some challenges. The District has reported costs of \$350,000 per month as a result of the "Big Beautiful Bill" approved by Congress. The District has also experienced a 4% reduction in Medicare payments.

The District's annual budget process is designed to screen out unnecessary costs and is submitted to the Board of Directors for review and approval. Overall, the District appears to be in good financial shape, and has in place the necessary financial mechanisms to continue serving existing and future residents.

#### **5. Status of, and Opportunities for, Shared Facilities**

The District shares its conference facilities with agencies and organizations within the area, including, but not limited to the City of Oakdale, Family Support Network, and the State's Women, Infant & Children (WIC) Program.

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

A five-member Board of Directors, elected by registered voters, governs the District. The Board is subject to the provisions of the Brown Act requiring open meetings. The District also has established a website ([www.oakvalleyhospital.com](http://www.oakvalleyhospital.com)) that is user-friendly and provides information such as: programs and services offered, visiting hours, and yearly reports.

The District has the necessary resources and staffing levels to operate in a cost-efficient and professional manner. It is reasonable to conclude that the District has the organizational capability to adequately serve the areas under its jurisdiction.

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

None.

## SOI Update – Oak Valley Hospital District

The following determinations for the Oak Valley Hospital District Sphere of Influence update and are made in conformance with Government Code Section 56425 and Commission policy.

### **Determinations:**

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

The present and planned land uses within the District's Sphere of Influence (SOI) consist of agricultural, rural residential, suburban and urban areas. The District does not have the authority to make land use decisions, nor does it have authority over present or planned land uses within its boundaries and SOI. The responsibility for land use decisions within these areas is retained by the cities of Oakdale, Riverbank, Waterford and Escalon; and Stanislaus and San Joaquin counties.

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

The City of Oakdale recently annexed approximately 304 acres. The territory is located within the Oak Valley Hospital District and will eventually develop 890 residential units, which will in turn increase the population and need for services within the District.

On an annual basis, the Oak Valley Hospital District draws thousands of patrons seeking localized healthcare services. Realizing that the need for community-based healthcare services will continue, the District has an adopted Master Plan, which includes expansion of hospital facilities and services within the District's Sphere of Influence. This expansion is expected to meet the local healthcare needs for the next 30 years.

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

The District outgrew its previous facility, built in 1973, and underwent a \$69 million expansion of a new hospital facility. Financing for the expansion came from a variety of sources including hospital reserves, revenue bond financing, and donations.

With regards to adequacy of public services provided, the District continually strives to implement new procedures to measure service levels, invests in information technology that gives physicians and other caregivers timelier access to data needed to provide effective care to patients, and completed a consumer preference survey and developed action plans to address areas of concern. The District states that it is committed to providing its communities with quality health care services with compassion, pride and excellence.

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

The following jurisdictions can be categorized as Communities of Interest in the area: the cities of Oakdale, Riverbank, Waterford, and Escalon (San Joaquin County), as well as the unincorporated communities of Knights Ferry and Valley Home.

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

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

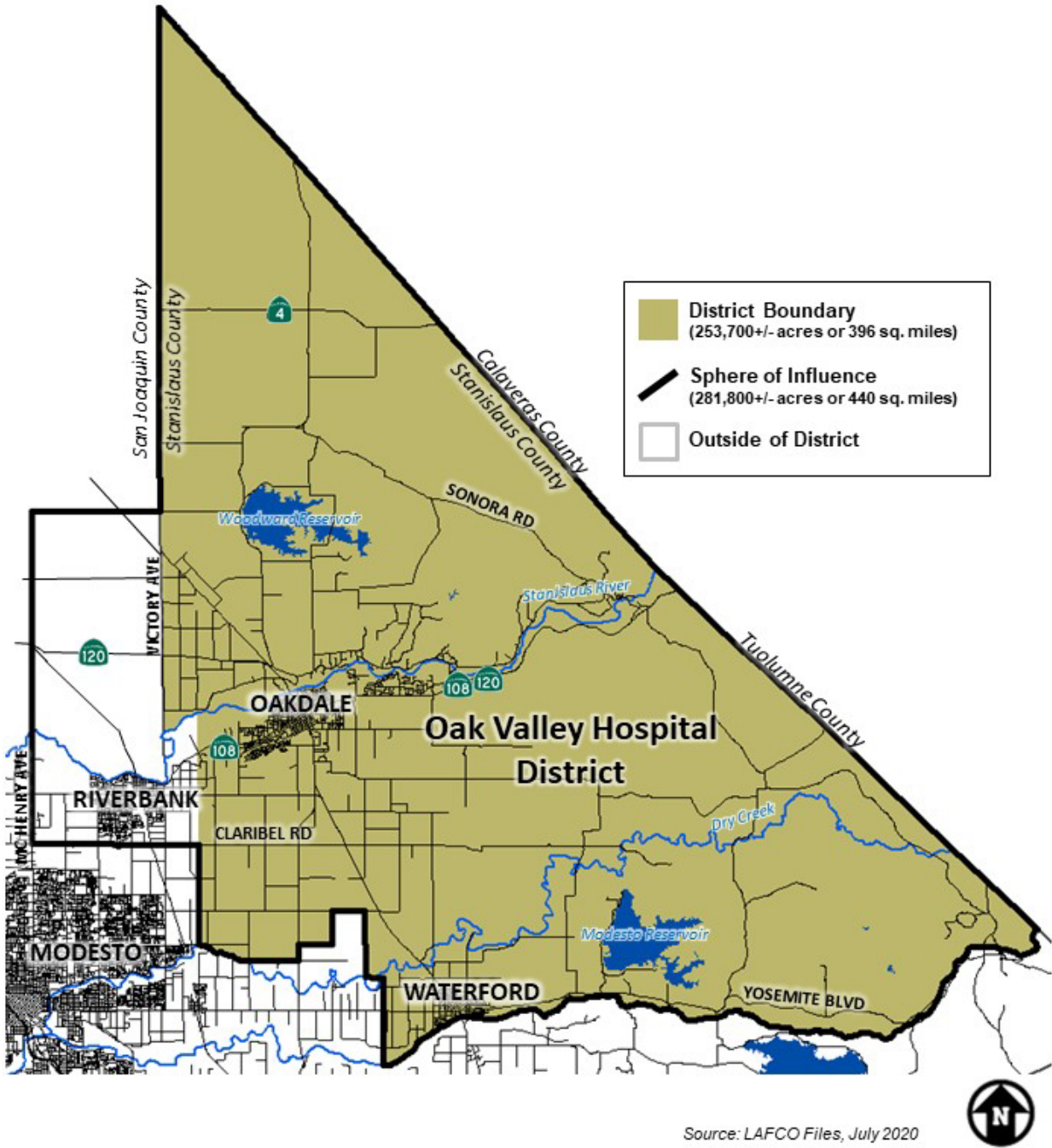
**DISTRICT SUMMARY PROFILE  
OAK VALLEY HOSPITAL DISTRICT**



Formation:	June 18, 1958
Services:	Operation of a general acute care community hospital, skilled nursing facility, ambulance services, and rural health clinics
District Boundary:	Approximately 253,700 acres, located in the northern portion of Stanislaus County, including the cities of Oakdale, Riverbank, and Waterford; and the unincorporated communities of Knights Ferry and Valley Home
Sphere of Influence:	Extends into southeast San Joaquin County nearly 28,000 acres, including areas in and around the City of Escalon
Population*:	83,000 (Population estimate for 2025)
Land Use:	Rural, suburban, and urban
Enabling Act:	California Health and Safety Code: Hospital Districts, Sections 32000 to 32490.9
Governing Body:	Five-member Board of Directors, elected by the registered voters within the District
Administration:	550 Employees
Total Operating Revenues:	\$90,183,960 (Fiscal Year 23-24 Audit & Financial Statements)
Revenue Sources:	Insurance Programs (Self-Pay, PPO, Private Insurance, Workers Compensation), Medicare, Medi-Cal, charity/foundations, and various grants

\*Source: District estimate, 2025

# OAK VALLEY HOSPITAL DISTRICT BOUNDARIES AND SPHERE OF INFLUENCE



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### **INDIVIDUALS AND AGENCIES CONTACTED**

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1. Karin Freese PhD, MBA, Chief Executive Officer, Del Puerto Healthcare District.
2. Michael Courtney, Chief Administrative Officer, Westside Community Healthcare District
3. Sheryl Perry, Clerk of the Board / Executive Assistant to the President & CEO, Oak Valley Healthcare District

**STANISLAUS COUNTY LOCAL AGENCY  
FORMATION COMMISSION**

**RESOLUTION**

**DATE:** May 27, 2026

**NO.** 2026-11

**SUBJECT:** Municipal Service Review No. 2026-01 and Sphere of influence Update No 2026-01: Del Puerto Healthcare District, Westside Community Healthcare District, and Oak Valley Hospital District.

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

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

**THE FOLLOWING RESOLUTION WAS ADOPTED:**

**WHEREAS**, a Service Review mandated by California Government Code Section 56430 and a Sphere of Influence Update mandated by California Government Code Section 56425, has been conducted for the Del Puerto Healthcare District, Westside Community Healthcare District and Oak Valley Hospital District, in accordance with the Cortese-Knox-Hertzberg Reorganization Act of 2000;

**WHEREAS**, at the time and in the form and manner provided by law, the Executive Officer has given notice of the May 27, 2026 public hearing by this Commission on this matter;

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

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

**WHEREAS**, the Commission has duly considered the draft Municipal Service Review and Sphere of Influence Update on the Del Puerto Healthcare District, Westside Community Healthcare District and Oak Valley Hospital District and the determinations contained therein;

**WHEREAS**, the Del Puerto Healthcare District, Westside Community Healthcare District and Oak Valley Hospital District were established to provide healthcare and hospital services within their boundaries;

**WHEREAS**, pursuant to Government Code Section 56425(i), the range of services provided by the Del Puerto Healthcare District, Westside Community Healthcare District and Oak Valley Hospital District are limited to those as identified above, and such range of services shall not be changed unless approved by this Commission; and

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

**NOW, THEREFORE, BE IT RESOLVED** by the Commission:

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

**ATTEST:** \_\_\_\_\_  
Sara Lytle-Pinhey, Executive Officer