



**STANISLAUS LAFCO
LOCAL AGENCY FORMATION COMMISSION**

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

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

AGENDA
Wednesday, May 28, 2025
6:00 P.M.
Joint Chambers—Basement Level
1010 10th Street, Modesto, California 95354

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

1. CALL TO ORDER

- A. Pledge of Allegiance to the Flag.
- B. Introduction of Commissioners and Staff.

2. PRESENTATION

- A. Welcome to new Commissioners Aggers and O'Brien.
- B. Presentation of Plaques for Outgoing Commissioners Berryhill and Lane.

3. 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.

4. CORRESPONDENCE

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

- A. Specific Correspondence.

B. Informational Correspondence.

1. Memo to Commission regarding Availability of Support Documents for Upcoming Project: Sierra Pointe Change of Organization to the City of Oakdale.

2. Email from Cecilie Smith, Diablo Grande resident/homeowner, dated May 14, 2025.

C. "In the News."

5. **DECLARATION OF CONFLICTS AND DISQUALIFICATIONS**

6. **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 23, 2025, LAFCO MEETING**
(Staff Recommendation: Accept the Minutes.)

7. **PUBLIC HEARINGS**

A. **LAFCO APPLICATION NO. 2025-01 – MONTE VISTA COLLECTION CHANGE OF ORGANIZATION TO COUNTY SERVICE AREA 24 (HIDEAWAY TERRACE)**
The Commission will consider a request to annex 19-acres to County Service Area (CSA) 24 for the storm drainage and landscaping of a future subdivision located on the north side of East Monte Vista Avenue, between North Waring Road and Lester Road in the Denair area. The annexation to CSA 24 will also include a sphere of influence amendment. (Staff Recommendation: Approve the proposal and adopt Resolution No. 2025-10.)

B. **FINAL LAFCO BUDGET FOR FISCAL YEAR (FY) 2025-2026.** The Commission will consider the adoption of the final LAFCO budget consistent with Government Code Sections 56380 and 56381. (Staff Recommendation: Approve the Final Budget and adopt Resolution No. 2025-09.)

8. **OTHER BUSINESS**

None.

9. **COMMISSIONER COMMENTS**

Commission Members may provide comments regarding LAFCO matters.

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

The Commission Chair may announce additional matters regarding LAFCO matters.

11. **EXECUTIVE OFFICER'S REPORT**

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

A. On the Horizon.

12. 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

13. ADJOURNMENT

- A. Set the next meeting date of the Commission for June 25, 2025.
- B. Adjournment

LAFCO Disclosure Requirements & Notices

Disclosure of Campaign Contributions: Government Code Section 84308 requires that a LAFCO Commissioner disqualify themselves from voting on an application involving an “entitlement for use” (such as a change of organization, reorganization or sphere of influence) if, within the last 12 months, the Commissioner has received \$500 or more in campaign contributions from the applicant, participant or a representative of either. The law requires any applicant or other participant in a LAFCO proceeding to disclose the amount and name of the recipient Commissioner on the official record of the proceeding. The law also prohibits an applicant or other participant from making a contribution of \$500 or more to a LAFCO Commissioner while a proceeding is pending and for 12 months afterward.

Disclosure of Political Expenditures and Contributions Regarding LAFCO Proceedings: Any person or combination of persons who directly or indirectly contributes a total of \$1,000 or more in support of or opposition to a LAFCO proposal must comply with the disclosure requirements of the Political Reform Act (Section 84250). These requirements contain provisions for making disclosures of contributions and expenditures at specific intervals. More information on the scope of the required disclosures is available from the Fair Political Practices Commission (www.fppc.ca.gov or 1-866-ASK-FPPC).

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 209-525-7660. 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: Proceedings before the Local Agency Formation Commission are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

1010 TENTH STREET, 3RD FLOOR
MODESTO, CA 95354



PHONE: (209) 525-7660
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www.stanislauslafco.org

DATE: May 21, 2025
TO: LAFCO Commissioners
FROM: Sara Lytle-Pinhey, Executive Officer
SUBJECT: **Availability of Support Documents for Upcoming Project:
Sierra Pointe Change of Organization to the City of Oakdale**

This memo is intended to inform the Commission of the electronic availability of support documents for an upcoming project known as the Sierra Pointe Change of Organization to the City of Oakdale. These documents are for the Commission's information only. A public hearing for the item is anticipated for the Commission's July 23, 2025 meeting.

Project Description

The City of Oakdale has requested to annex approximately 304 acres into the City of Oakdale located adjacent to the City limits, south of Highway 120/108, east of Orsi Road and north of Sierra Road. The proposed annexation is for the Sierra Pointe Specific Plan and is within the Oakdale Sphere of Influence.

Support Documents Available for Review

The proposal includes lengthy support documents and in order to provide ample time for review, they have been made available on the LAFCO website under "Current Projects & Notices" (https://www.stanislauslafco.org/current_projects.shtm):

- City's Annexation Application with all attachments, including Sierra Pointe Specific Plan, Rezoning, Plan for Services, Plan for Agricultural Preservation, etc.
- Draft Environmental Impact Report (EIR) & Appendices
- Final EIR
- Addendum to the EIR

Please take some time to review the documents prior to our July meeting. While many will be included as attachments to the staff report, lengthier documents will be referenced in their electronic form. Should you have any questions regarding this information, please contact the office at 525-7660.

From: [Cecilie Smith](#)
To: [LAFCO](#)
Subject: Community Request for Assistance – Western Hills Water District
Date: Wednesday, May 14, 2025 6:01:42 AM

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Community Request for Assistance – Western Hills Water District

Stanislaus Local Agency Formation Commission (LAFCO)
 1010 10th Street, 3rd Floor
 Modesto, CA 95354
lafco@stancounty.com

Dear Stanislaus LAFCO Commissioners,

I am writing to you as a concerned homeowner and resident of Diablo Grande, a community served by the Western Hills Water District (WHWD). As you may be aware, our community is currently experiencing a severe and prolonged water service crisis tied to longstanding debt owed by WHWD to the Kern County Water Agency (KCWA), paired with a proposed steep rate increase that threatens affordability and long-term livability for many residents.

The Western Hills Water District was originally established in support of a large-scale development project that never fully materialized. As a result, the community is now burdened with an outdated and unsustainable water supply contract requiring WHWD to purchase more water than we use, at a cost that far exceeds what our current residential base can reasonably support.

Despite these conditions and multiple public calls for solutions, WHWD leadership has not formally engaged your agency to explore potential restructuring, consolidation, or dissolution of the district—actions that LAFCO is empowered to review. As residents, we are concerned that without your oversight and support, the District will continue to make decisions in isolation that do not reflect the best long-term interests of the community.

I respectfully ask that LAFCO:

- Monitor and evaluate the current financial and service viability of the Western Hills Water District
- Inform the public of any upcoming opportunities for formal review or intervention
- Consider whether a LAFCO-initiated study or response is warranted based on the current fiscal distress, service instability, and growing public concern

Thank you for your attention to this urgent matter. I, along with many other

concerned homeowners, look forward to your guidance and leadership on how we can ensure sustainable, transparent, and affordable water services in our community.

Sincerely,

Cecilie Smith

IN THE NEWS

Newspaper Articles

- Patterson Irrigator, April 17, 2025, “Western Hills Water District public meeting set.”
- Modesto Bee, April 21, 2025, “Community-led water system in historic Stanislaus town struggles to supply locals.”
- Patterson Irrigator, April 24, 2025, “Residents urged to contact officials as water termination deadline approaches.”
- Westside Connect, April 30, 2025, “Newman City Council approves long-term housing and community development plan.”
- Westside Connect, April 30, 2025, “Newman City Council approves fee study to support future growth.”
- Oakdale Leader, May 7, 2025, “Fire service may come through special district.”
- Westside Connect, May 8, 2025, “Newman Planning Commission to hold special meeting on housing element changes.”
- Modesto Bee, May 10, 2025, “Oakdale explores switch from PG&E to MID. How much might residents save on power?”
- Oakdale Leader, May 13, 2025, “Council moves forward with feasibility study.”
- Modesto Bee, May 14, 2025, “California AG warns Stanislaus County over failures in planning for underserved communities.”
- Westside Connect, May 15, 2025, “West Side Health Care District faces uncertain future as Board seeks new member.”

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IN THE NEWS – Patterson Irrigator, April 17, 2025

Western Hills Water District public meeting set

By Patterson Irrigator Staff

The Western Hills Water District, a public entity that serves the Diablo Grande community, has scheduled a public meeting for noon Saturday, April 19 at the Diablo Grande Community Center, 9521 Morton Davis Drive. Attending the meeting via Zoom will be an option.

A letter from WHWD Board President Mark Kovich states the board will be updating the public on the situation of the potential water shut off.

“Both Director Oliver and I have been in meetings everyday with State, County and local agencies and officials. We are all trying to find both a short- and long-term solution to this crisis,” Kovich’s letter states.

There is also a resolution on the agenda to approve the transfer of real property to West Stanislaus County Fire District.

The board will also be discussing existing litigation with World International, LLC and City of Patterson in executive session prior to the special meeting Saturday.

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IN THE NEWS – Modesto Bee, April 21, 2025

Community-led water system in historic Stanislaus town struggles to supply locals

By Kathleen Quinn

Knights Ferry has a major drinking water problem in its small water system, and it's had it for a long time. The residents have largely learned to live with the near constant leaks, equipment failures and sporadic shutoffs.

The community was established in the 1850s on the northeastern edge of Stanislaus County. Home to the longest covered bridge west of the Mississippi and a park run by the Army Corps of Engineers, it's a destination by out-of-towners for recreational opportunities and preserved Gold Rush-era history.

But continuous issues with disrepair and leaks in its community-led water service have the system's future in flux.

The water system serves around 168 customers and has 67 connections, one of which is Knights Ferry Elementary School. The Knights Ferry Community Service District (KFCSD) was created in 1970 to help supply water to the community and consists of a five-member board of volunteers.

Juan Cano, a community development manager for the North Central Valley at Self-Help Enterprises, works with disadvantaged rural communities to address water and sewer infrastructure.

"You have these small communities, with these volunteer boards, and these communities, just like any other water system, run into issues like capacity or contamination, older equipment, things like that," he said. "They need a lot of work and assistance to address these issues."

In 2022, a Stanislaus County review of KFCSD noted that the Oakdale Irrigation District provides water from March through October, but that from November through February, the district pumps water from the Stanislaus River, which runs alongside the community. This was intended to be a stopgap solution, but has remained an active source of surface water for the community since the relationship with OID began.

The leaks: Fix one, another appears

Dolly Haskell has lived in Knights Ferry for 25 years. She'd been visiting the town in the summers since she was a child, and her family slowly migrated there. Now she runs the volunteer post office off Main Street and lives up the hill.

"Unfortunately, the lines pop two, three, four times a year," she said. "And if they fix one, it springs another."

In October, the Knights Ferry Municipal Advisory Committee's minutes noted that an eight-inch pipeline had failed and was "currently losing 40 gallons per minute of treated water." Self-Help Enterprises fixed the leak at the Sonora Road Bridge, which was brought to its attention in July and resolved in November.

"They did have a pretty significant few leaks," said Jessi Snyder, Self-Help Enterprises project manager.

Diane Noon moved from Oakdale to Knights Ferry in the 1990s and walks home from her job at the Elementary School to her house regularly. "I've just been walking here, and there's a leak on the road," Noon said about water that had bubbled up through the asphalt in the middle of a neighborhood street. **IN**

THE NEWS – Modesto Bee, April 21, 2025 - Continued

“It’s been there all year and they don’t have money to fix it.”

Due to ongoing leaks, the system is forced to run its water treatment plant at a higher water pressure to meet demand, according to the county’s sanitary survey record.

Some of the leaks are suspected to be a result of heavy trucks trundling along the historic roads, putting unexpected pressure on the pipes.

“The [water] system is old, and it’s not down there all that deep,” she said, adding that the vibration from the trucks causes strain on the pipes.

Haskell said she believes the large trucks carrying gravel are associated with a construction project at the Goodwin Dam Recreation Area in Tuolumne County.

Haskell said the federal government has blocked weight restrictions on vehicles because Main Street is used as an evacuation route. However, local ordinances should be able to create a permitting system for emergency vehicles while putting a general weight restriction on the road when in nonemergency use.

Other leaks may be caused by corrosion or vegetation that grows along the pipes, according to a 2024 county survey.

Water treatment plant well past life expectancy

Snyder learned through working with KFCSD on the Sonora Road leak that it had a State Water Control Board grant, but it couldn’t implement it, so Self-Help Enterprises stepped in again to assist with planning.

“That project has more to do with their water treatment plant — they need some reassessment and some upgrades,” she said.

The water treatment plant, put in place around 2000 using state funding, is now 10-15 years past its useful life expectancy, according to the State Water Control Board’s listed equipment expectations.

The State Water Control Board’s Office of Sustainable Water Solutions granted KFCSD \$735,500 in August to address water quality violations, help replace old parts and assist in meeting the “lead copper rule,” which requires water systems to track the lead and copper coming out of customers’ taps and address any issues.

The upgrades could take three to five years to complete, even if everything runs smoothly, Cano said.

Rachel Reiss, a senior registered environmental health specialist for the county, informed KFCSD that there were significant issues with maintenance, storage and distribution of their water treatment plant at a KFMAC meeting.

“Knights Ferry CSD water system inspections have documented substantial infrastructure deficiencies in 2021 and 2024,” the county responded in an email.

Water quality: ‘I guess I built an immunity’

Snyder said the water quality concerns stemmed from water treatment byproducts. “When you treat surface water with chlorine, you can end up with some toxic byproducts that happen,” she said.

THE NEWS – Modesto Bee, April 21, 2025 - Continued

Chlorine is used as a disinfectant for surface water and in high enough levels, byproducts from the treatment can result in an increased risk of cancer, anemia, liver, kidney or central nervous system issues.

Its latest sanitary survey from the county showed it tested at the maximum contaminant level for drinking water for the carcinogens dichloropropene, carbon tetrachloride and vinyl chloride – byproducts of the chlorination process. It was also at the maximum contamination level for 1,2,3 TCP in 2022, an industrial solvent and degreaser found at hazardous waste sites – but there is no record of retesting since.

Haskell said when she came here as a child, the water was coming straight from the river with no filters. She said she loves the water and trusts it more than bottled water. “Every now and again, there’s been a level of this or a level of that,” she said. “I guess I built an immunity up like a lot of people did.”

Though Noon said she hasn’t received a notice on potential contaminants in a few years, she doesn’t drink it and has purchased her own water bottles since. “Anybody who knows anything doesn’t drink the water,” she said. “But I have younger grandchildren and they’re like ‘Oh it’s fine,’ and I’m like ‘No, it’s not – don’t drink that water.’”

Storage issues make wildfire response a concern

A 30,000-gallon storage tank was leaking so bad it had to be taken out of service. A 110,000-gallon tank became the sole storage for treated water, according to county records. This puts them at risk of being unable to respond to wildfires, which the area is prone to.

“We use domestic water for fire, so if we have a fire, the domestic water is going to go down,” Haskell said. “We need a fire system, we don’t have it – we’ve never had the money to put in a separate system.”

A sanitary survey from August 2024 noted several deficiencies in the water system including, but not limited to:

- Exposed but “de-energized” wiring,
- A cracked electronics board that prevented an alarm from sounding, which required manual daily checks of turbidity,
- A failure of an automatic function, which required the operator to perform backwash manually to routinely clean the filter,
- An irreparable sedimentation analyzer,
- A lack of fuel for their functioning back-up generator
- An emergency notification plan that did not meet state standards
- Absence of a resiliency plan despite having previous public safety shut-off events and several nearby wildfires.

In the 60 days before the county survey in August 2024, there were two water outages due to water line issues.

Haskell said she can tell when a water shutoff is about to happen. She gets a drop in water pressure and that tells her the line is gone and it won’t take long before the water is off.

“The problem is they don’t get the neighbors notified a lot of the time,” she said. “Suddenly the water is off and everybody is going ‘What the heck?’ And they don’t know how long it’s going to be off, they don’t know why it’s off – it’s just off.”

THE NEWS – Modesto Bee, April 21, 2025 - Continued

Some small community water districts, like this one, aren't regulated by the State directly and are instead overseen by a Local Primacy Agency run by the county.

"Local Primacy Agencies serve as the boots-on-the-ground regulators for small systems in rural and semi-rural communities that would otherwise be difficult for the State to monitor directly," said an email sent to The Bee by the county's spokesperson. "LPAs bring local knowledge, quicker response times, and tailored support, helping ensure safe and reliable drinking water for California's smaller populations."

Stefan Cajina, the North Coastal section chief of the division for drinking water at the State Water Control Board, said that though the county is the first point of regulation, the county itself is regulated annually at the state level to ensure drinking water standards are met.

Where things stand

The KFCSD has no office, phone or high-speed internet, according to KFMAC minutes.

Cajina said issues like this are typical of small water systems that are isolated from larger, more robust systems.

"It really does tend to be the unincorporated areas that have small systems that just don't have the economies of scale – either the capital resources, or the onboard technical expertise or legal or financial expertise – to navigate these issues," he said. "It's really, really hard to be a small water system."

The small water system relies heavily on grant funding, which it didn't get in 2020 due to its former chair, Eric Ulrich, being terminally ill, according to minutes by the KFMAC from Oct. 24, 2024.

In larger systems, water providers can raise rates to cover the cost of new infrastructure or maintaining what's already there, but with how small the customer base is for Knights Ferry, water prices can be raised only so high.

"There's only around 100 residents in this community. What are you going to charge them to make enough money to put a million dollar system in? It's not going to happen – it's all they can do to keep it maintained," Haskell said.

Kathleen Feichtner, chair of KFCSD, responded to The Bee in an email: "You are correct in the acknowledgment of the existence of concerns about our water distribution system. However we are currently working with the state and consulting firm to resolve these problems and have decided at least at this time to not provide any further comments on the matter."

Haskell worries about the long-term future of water in the small town. There's been talk about another water district taking over, or even shutting the system down, she said.

"What are you going to do with a town like this? How are you? You can't do anything if you have no water," she said. "Where we're considered a ghost town on the map, we will in fact be a ghost town."

IN THE NEWS – Patterson Irrigator, April 24, 2025

Residents urged to contact officials as water termination deadline approaches

By Jessica Wilkinson

Western Hills Water District had a public meeting Saturday to discuss the termination of water service to the Diablo Grande community they are currently facing and other viable water source options.

WHWD Board President Mark Kovich said they have had discussions with Patterson Irrigation District on what would have to happen in order to purchase water through them instead of Kern County Water Agency, whom they owe more than \$13.5 million to.

Kovich said the good thing about working with PID would be that they would not have to purchase a minimum amount of water like they do with Kern County Water Agency, because of the State Water Project, and they will sell the district water at market price, only selling what the district uses.

While that is a great long-term option, Kovich said it does come with challenges.

In able to work with PID, they will have to have a physical pipe that connects to PID's facility to the pipe at the Marshall Davis Well.

"It's about a 5,000-foot pipe that we're going to have to put into the ground," he said.

They will also have to get easements from two farmers where the pipe would cut across their farmland. The cost is currently unknown, but he said they will be looking at doing engineering studies, there will be costs associated with environmental approvals, permits and more, so it is not something that will be happening over the next few weeks.

The gameplan is to attempt to come to some sort of agreement with KCWA working toward paying some of the debt owed that previous developers were supposed to be subsidizing and try to keep the water on for several more months while a new source of water is established, Kovich said.

The board president also talked about a new water rate study being conducted that will be presented to the community May 10 and the potential impact it could have financially in order to get money coming in to pay KCWA, build a reserve and do some repairs on crumbling infrastructure to keep the water district running.

Residents may be facing much higher water bills in the short term, but board member Michael Oliver said they have to be realistic about solving the problem.

"Nobody wants to pay more, none of us wants to pay more," Oliver said. "We didn't create this issue but the reality is, we're the only ones who are going to resolve it."

By keeping the water flowing in the short term, houses will retain their value, and then in the long term as a new water source is established and they are able to bring in a new developer to build out Phase One of the Diablo Grande project, values will only increase.

"We're going to have to (pay more) to fix the situation in the short term. In the long term, things will get better," he said.

THE NEWS – Patterson Irrigator, April 24, 2025 - Continued

Kovich also talked about taking the sewer charges off the water bill completely and having it added to the property tax statements instead to ensure the City of Patterson receives their money for providing sewer services to the Diablo Grande community.

The looming water shut off date of June 30th is still a very distinct possibility, but Debbie Antigua with the Diablo Grande Action Committee urged residents to continue reaching out to their elected officials to keep the problem at the forefront of their minds.

As summer months approaching quickly and along with it an increased fire danger, one resident asked about what protection there will be if the water does get shut off.

Kovich said they have talked to fire agencies and they will be leaving one million gallons in the tank in case there is a fire.

Other residents asked about the possibility of trucking water up to the community, but Kovich explained with as much water that is used by the district, it would not be cost effective. The district uses up to a million gallons in two days. Legal counsel also advised that residents can only purchase drinking water for their homes.

MELLO ROOS DEBT

Another problem WHWD is facing is that former developer World International stopped paying their CFD Mello Roos taxes back in 2017, leaving a huge shortfall of \$31 million of debt that needs to be paid back to the bondholders.

Twenty-two homes are currently on the County Tax Collector's list and if they are sold by the tax collector, the new owners of that property are not legally required to pay the arrearages on that \$31 million debt and it will fall back on the district, Kovich said.

"We have to make sure and stop this," he said. "So my ask of you, of the community, is to petition the county and to ask the county politely, diplomatically, and respectfully to stop this."

"If this goes forward, the financial burden of the Mello Roos CFD debt will fall squarely on the district, on all of us. Let me be clear, the Western Hills Water District is not owned or shielded by any corporate entity. The district belongs to the people, it belongs to you."

Kovich said they did have meetings scheduled with the county this week to further discuss the matter, but they need the help of the community to also reach out and request the tax sale be delayed because it could have very harmful impacts on the community.

"The bottom line here is to fix our problems, we need development," Kovich said, later adding that no developer will come in until the water and sewer problems are solved.

"We cannot and will not back down. Justice delayed is justice denied, but with your support we will not be denied. But make no mistake, this is not a fight I, or this board, can win alone. We need you. We need your voice. We need your strength. Together we will stand, together we will fight, together we will prevail and together we will stay the course."

IN THE NEWS – Westside Connect, April 30, 2025

Newman City Council approves long-term housing and community development plan

By Sabra Stafford

NEWMAN, Calif. — The Newman City Council has approved a resolution supporting a five-year plan to enhance housing, public services, and infrastructure for low-income households in partnership with the Stanislaus Urban County and the Stanislaus HOME Consortium. This move helps the city secure crucial federal funding to support local projects aimed at improving residents' quality of life.

The approved plan, known as the Consolidated Plan (CP) for 2025–2029, and its accompanying Annual Action Plan (AAP) for 2025–2026, detail how Newman will use federal dollars allocated through the Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) programs. These funds will finance projects like park upgrades and affordable housing initiatives.

“Participating in the Stanislaus Urban County and HOME Consortium allows us to access federal resources directly, ensuring that critical improvements in housing and community spaces can move forward,” city officials said.

For the upcoming fiscal year, Newman is expected to receive approximately \$149,702 through the CDBG program. These funds will go toward the Steffensen/Sunshine Park Area Improvements Project, enhancing outdoor spaces for local families. Additionally, the city anticipates \$100,536 in HOME funding, which will be invested in affordable housing efforts to benefit low-income residents.

The resolution also supports Stanislaus County as the lead agency responsible for managing these federal programs across several cities in the region, including Ceres, Hughson, Oakdale, Patterson, Riverbank, and Waterford. Public participation played a key role in the plan's development, with a community meeting held earlier this month and drafts available for review throughout the county.

City officials emphasized that this plan underscores their commitment to housing, public services, and community improvements. The approved funds will be incorporated into the city's upcoming budget for the fiscal year 2025–2026, with no additional cost to local taxpayers.

Newman residents can expect to see these funds put to work in the coming months, focusing on projects that enhance public spaces, infrastructure, and housing opportunities for those in need.

IN THE NEWS – Westside Connect, April 30, 2025

Newman City Council approves fee study to support future growth

By Sabra Stafford

NEWMAN, Calif. — The Newman City Council has approved a crucial study to ensure the city's infrastructure and public services keep pace with future development. During Tuesday's meeting, council members unanimously adopted the 2025 Citywide Capital Facilities Development Impact Fees Nexus Study Update.

This study lays the groundwork for updating fees that developers pay to help fund essential public services and facilities, like fire and police protection, transportation, water systems, and more. These fees are critical in ensuring that new development contributes its fair share toward the cost of expanding infrastructure, rather than shifting the financial burden onto existing residents and businesses.

"The Nexus Study ensures we're collecting the right fees to maintain the quality of life in Newman as the city grows," officials said. "It's about fairness and planning for the future."

Under California's Mitigation Fee Act, cities must demonstrate a clear connection—known as a "nexus"—between the fees collected from new developments and the costs of the public facilities those developments require. The study accomplishes this by outlining the improvements needed to support new growth within Newman's current boundaries and areas expected to be annexed in the future.

The updated fee program includes components for key areas such as fire services, police, general government, transportation, sewer, storm drainage, water, and administrative costs. However, park fees are not part of this update and will be reviewed separately once the city completes its Parks Master Plan.

City staff collaborated with stakeholders, including local builders and the Building Industry Association, to review the draft study and make necessary adjustments before presenting it to the council. With no further comments or objections, the council approved the resolution.

By adopting the updated fee program, Newman will ensure that future development helps fund the infrastructure and services necessary to support a growing community. The fees will be integrated into the city's policies to maintain fairness, compliance with state law, and a balanced approach to development.

IN THE NEWS – Oakdale Leader, May 7, 2025

Fire service may come through special district

By Kristi Mayfield

At the April meeting of the Oakdale Fire Protection District in Valley Home, the Board of Directors introduced a representative from the California Special Districts Association, which focuses on advocacy and professional development for special districts across California. Dane Wadley, Field Coordinator for the CSDA, was present to share some of the things that the CSDA could provide to the Oakdale Fire Protection District if they choose to move forward with joining CSDA.

Among other things including legislative advocacy and representation in the government, Wadley highlighted the training and development resources that they could provide to the special district. CSDA offers trial memberships to special districts so that they can utilize their services for up to six months to determine whether or not it would be beneficial to join the organization.

Fees to join the organization are determined upon the operating revenue for the special district and during the first year of membership, the Oakdale Fire Protection District would receive 20 percent off the total cost for the membership. Wadley went on to share some of the other local entities that are members of the CSDA including the Oakdale Irrigation District, Turlock Irrigation District, Stanislaus Consolidated Fire Protection District and Burbank Paradise Fire District, to name a few. Deputy Chief Clint Bray of Stanislaus Consolidated Fire Protection District said that he would follow up with Wadley to obtain an application and send it to the Board for their review.

Members of the board also provided updates to the community regarding some of the inquiries that have been made regarding future fire and emergency services. They are awaiting a response from the Stanislaus County Fire Warden's Office regarding the request for a Contract of Service. They have also reached out to Oak Valley Hospital District to request a single resource vehicle along with a Paramedic that would be stationed with the vehicle to provide emergency services and are waiting for a quote for those services from OVHD.

Paul Rivera, President of the Board, also mentioned that they are checking into the possibility of using a state program that would help them recruit and train volunteer firefighters to help man both the Valley Home and Knights Ferry stations and would provide an update at the next meeting of the Oakdale Fire Protection District. That meeting is scheduled for Thursday, May 8 at 10 a.m. at the Knights Ferry Community Hall, 17601 Main St., Knights Ferry.

Deputy Chief Bray stated that he does not have the final figures for the possible contract and annexation with Stanislaus Consolidated Fire District but that he will be discussing this with his leadership team and will be able to provide an update at the upcoming Ad Hoc Meeting, which is open to the public, on Wednesday, May 14 at 1:30 p.m. at the Station 26 Meeting Room, 3318 Topeka St., Riverbank.

Community members from both Valley Home and Knights Ferry are encouraged to attend the fire board meetings as well as the Ad Hoc meeting to hear information and ask questions of officials.

For more information, visit: www.oakdalefireprotectiondistrict.org

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IN THE NEWS – Westside Connect, May 8, 2025

Newman Planning Commission to hold special meeting on housing element changes

By Sabra Stafford

NEWMAN—The Newman Planning Commission will hold a special meeting at 7 p.m. on May 8 to continue discussions on proposed modifications to the city's housing element—an essential component of the General Plan that will guide housing development in Newman through 2031. The meeting is a key step in the city's ongoing efforts to comply with California's housing laws while addressing local housing needs.

California law requires cities to update their housing elements every eight years to ensure they are providing sufficient housing opportunities for residents of all income levels. Newman, as part of the Stanislaus Council of Governments (StanCOG) region, was required to submit its updated housing element by December 31, 2023. The City Council adopted the 2023-2031 Housing Element in October 2024, repealing the previous 2015-2023 plan. Now, city officials must refine zoning ordinances to reflect new state mandates and facilitate housing development.

At the May 8 meeting, city staff will present proposed changes to the city's Municipal Code to align with Program 1.2 of the Housing Element Update. The objective is to review and discuss the amendments with the Planning Commission and receive input from the public. Because this is an Ordinance Amendment, the final approval rests with the City Council, meaning the Planning Commission's role is to assess the changes and make a formal recommendation.

A Public Notice for this meeting was published on April 2, 2025, inviting residents to submit comments on the proposed amendments. As of April 9, no public comments had been received. Officials hope the upcoming meeting will encourage more residents to voice their thoughts on these significant changes.

The proposed modifications seek to encourage housing development by streamlining zoning requirements and removing regulatory barriers. Among the most notable adjustments are eliminating minimum lot sizes in residential zones, allowing density to be determined by General Plan designations rather than strict lot size restrictions. Additionally, a new section of the city code—Section 5.05.070—would mandate that sites rezoned to R-3 allow multi-family residential developments by-right, meaning developers would no longer need discretionary approvals such as conditional use or design review processes.

Other proposed zoning updates include establishing a minimum density of 20 dwelling units per acre in the R-3 zone while prohibiting new single-family home construction in that district. The city would also comply with new density bonus laws, which allow developers to build additional units if they include affordable housing.

Mixed-use housing would be further encouraged by permitting upper-story residential units in commercial zones without requiring conditional use permits. This change aims to promote development that combines housing with business spaces, increasing living options in key commercial areas.

Parking standards would also be adjusted to reduce development costs. Proposed minimum parking requirements include one space for studio and one-bedroom apartments, two spaces for two- and three-bedroom units, and two and a half spaces for four-bedroom units. The amendments also aim to increase housing availability for low-income and unhoused residents. Newman's zoning code would be updated to permit single-room occupancies (SROs) by-right in mixed-

IN THE NEWS – Westside Connect, May 8, 2025 - Continued

use and residential zones, meaning they could be built without special permit approvals. Additionally, developers would no longer be required to meet open space and parking requirements for SROs in certain areas.

Transitional and supportive housing—essential services for individuals needing long-term stability—would be formally defined in the zoning code and explicitly permitted in residential zones. Supportive housing would also be allowed by-right in multi-family and mixed-use areas, ensuring easier development of these much-needed facilities.

Emergency shelters would also receive zoning adjustments to facilitate their construction. The minimum lot size for shelters would be reduced from 20,000 square feet to 2,500 square feet, and lot width requirements would decrease from 100 feet to 50 feet in industrial zones. Parking standards for emergency shelters would be modified to comply with AB 139, ensuring enough parking for staff but not requiring more spaces than for other residential or commercial uses in the same zone.

Additionally, the proposed amendments permit large residential care facilities serving seven or more residents by-right in residential zones, eliminating conditional use permits that can slow development.

Officials encourage residents to attend and provide comments at the May 8 meeting, as the updated housing element will shape Newman's approach to housing development for the next eight years. The city's goal is to create a housing strategy that meets state requirements while addressing local needs and making housing more accessible for all residents.

For more information on the meeting or to provide feedback, residents can visit Newman's official website or contact city officials.

By modernizing its zoning laws and reducing barriers to housing development, Newman aims to create a more livable and inclusive community—one that supports diverse housing options for residents of all backgrounds and income levels.

IN THE NEWS – Modesto Bee, May 10, 2025

Oakdale explores switch from PG&E to MID. How much might residents save on power?

By John Holland

Oakdale leaders, alarmed by recent spikes in PG&E power bills, are looking to switch to the Modesto Irrigation District.

The City Council voted 5-0 on Monday, May 5, to recruit a consulting firm to explore the idea in detail. It came over a protest from PG&E, which said rate relief is coming and the system is not for sale in any case.

Interim City Manager Jerry Ramar said homes could save \$257 a month on average based on the current rate structures. He cautioned that the transition costs could cancel out the benefits.

Supporters told of residents paying several hundred dollars a month for air-conditioning during heat waves.

“I do live next to people who have to run their fans all summer, and they are actually hot, very hot,” Councilmember Kayleigh Gilbert said.

About 7,000 of Oakdale’s homes, the vast majority, have PG&E hookups. Some of the newer subdivisions are in MID because of a circa-2000 effort to bring competition to the California grid.

The switch would need approval from the MID board, the Stanislaus Local Agency Formation Commission and the California Public Utilities Commission. The process could mean several years of legal wrangling.

Why is MID cheaper than PG&E?

As a public agency, MID can charge less for electricity than PG&E because it does not have to earn profits for investors. It also does not serve mountainous areas, where PG&E has incurred huge costs for wildfires sparked by its wires.

Oakdale would have three main obligations before joining MID, said an email from Melissa Williams, the utility’s public affairs manager. One is paying for an analysis of how this would affect the overall system. The city also would have to cover the cost of extending MID service and reimburse PG&E for its infrastructure.

Those assets includes poles and wires along city streets and Oakdale’s share of PG&E power plants and transmission lines around the West.

Monday’s vote was for Ramar to contact firms that could do a feasibility study, which he said might run \$50,000 to \$75,000 and take a year. The council would have to approve the contract at a future meeting.

When did MID begin selling electricity?

MID was founded in 1887 to provide Tuolumne River water to farms, as was the neighboring Turlock Irrigation District. Both began in the 1920s to generate cheap hydropower for sale to local homes and businesses. Population growth prompted them to add other sources, first fossil fuels and later wind and solar.

MID’s original service area takes in much of the zone bounded by the Tuolumne, Stanislaus and San Joaquin rivers. Oakdale lies within the Oakdale Irrigation District, which generates Stanislaus hydropower for sale to distant users rather than city residents.

MID gained its Oakdale customers as part of a grid reform that also gave it access to part of the Ripon area and to all of Mountain House. The latter was an entirely new town northwest of Tracy.

IN THE NEWS – Modesto Bee, May 10, 2025 - Continued

MID and TID now have close to a quarter-million electricity customers between them. PG&E also evolved over the past century-plus and today serves about 16 million users of power, gas or both.

How are power bills calculated?

Electricity bills have one charge to cover fixed costs, such as salaries, and rates that vary with monthly consumption. Users are penalized for high use.

Ramar said his estimate was based on average MID consumption of 850 kilowatt-hours per home in a month. The district charges 18 cents for each of the first 500 kilowatt-hours and 21 cents for the other 350.

PG&E's rates are 63 cents per kilowatt-hour during peak demand 40 cents at other times, the city manager said.

The speaker from PG&E was Eric Alvarez, government affairs representative for Stanislaus and four other counties. He is a Modesto City Council member but recuses himself from matters involving that city.

Alvarez acknowledged that high summer bills "cause a hardship for many of our Central Valley customers." But he said no rate hike is planned this year and 2026 will bring a drop of about 5 cents per kilowatt-hour.

Alvarez also mentioned a \$15 billion federal loan guarantee that will help PG&E's upgrade its sources and transmission capacity.

PG&E has paid major settlements following wildfires and also is burying the lines in many vulnerable areas. During winter, it contends with snow and wind in the mountains.

The council said Oakdale residents need help sooner than PG&E offered. Member Jarod Pitassi said this could especially aid renters hoping to become owners. He added that his own house is on MID power, never topping \$160 per month.

"I think it's fair for us to stand up for the residents," Pitassi said. "... It really ticks me off how much they have to pay."

A caution about eminent domain

Alvarez warned Oakdale against trying to acquire the system through eminent domain, which happens when governments cannot get owners to sell. And he noted the ongoing attempt by the South San Joaquin Irrigation District to take over PG&E customers within its boundaries.

SSJID generates hydropower on the Stanislaus River in a partnership with OID. It has proposed since 2008 to use it as a cheaper source than PG&E in Manteca, Ripon, Escalon and other towns. Alvarez said this has cost SSJID about \$28 million in legal and other costs so far.

He concluded with these words for the Oakdale council: "We are committed to providing safe, clean, reliable and affordable energy to our customers in Oakdale, and while we understand the focus on affordability, exploring a public takeover that isn't viable and would create additional risk and costs will not benefit residents and customers."

IN THE NEWS – Oakdale Leader, May 13, 2025

Council moves forward with feasibility study

By Kim Van Meter

In a unanimous 5-0 vote at its May 5 meeting, the Oakdale City Council approved moving forward with a feasibility study to explore consolidating the city's electric service under a single provider—Modesto Irrigation District (MID).

Currently, Oakdale operates under a dual-provider system with some residents receiving power from MID and others from Pacific Gas & Electric (PG&E). The proposal seeks to assess whether transitioning the entire city to MID would be viable—legally, financially, and logistically.

"This dual provider model causes rate disparities for both residential and commercial properties within the city of Oakdale," Interim City Manager Jerry Ramar told the council. "Those on PG&E are paying a much higher rate than those on MID."

According to Ramar, the average Oakdale household on PG&E pays approximately \$5,046 per year for electricity, compared to \$1,962 under MID—a difference of more than \$3,000. Citywide, the potential annual savings could reach \$21.5 million, based on an estimated 7,000 households currently served by PG&E.

The feasibility study will require coordination with MID, the California Public Utilities Commission (CPUC), the Local Agency Formation Commission (LAFCo), and legal counsel. Estimated costs for the study range from \$50,000 to \$75,000, with additional expenses anticipated for required impact and facilities studies from MID.

PG&E's representative, Eric Alvarez, addressed the council, noting the complexity and cost of such efforts. He cited South San Joaquin Irrigation District's \$28 million effort since 2008 to acquire PG&E infrastructure as an example, and stated, "PG&E is not interested in negotiating a sale."

Despite PG&E's objections, some council members expressed strong support. Councilmember Jarod Pitassi called the issue personal, saying, "I know a lot of people, a lot of grandparents ... on single income or social security, and it's not right. If we can hand this to our residents, it would be pretty awesome."

Councilmember Kayleigh Gilbert emphasized the potential benefit for low-income families: "If we were able to switch to MID ... they might be able to run their ACs during the summer, run their heaters (in winter)."

The vote does not initiate the transfer of electric service but authorizes staff to begin the process of evaluating whether such a move is feasible.

"This is just a feasibility study," Ramar reminded the public. "It could come back and say this is not possible."

The results of the study will be brought back to the council for further action once complete but Ramar said there is no timetable, though he suspects it will "be a year or longer" for the council to receive any kind of update.

"These are just baby steps," Ramar said, noting the extensive process ahead to even gather all the required information.

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IN THE NEWS – Modesto Bee, May 14, 2025

California AG warns Stanislaus County over failures in planning for underserved communities

By Julietta Bisharyan

Stanislaus County is facing scrutiny from the California Attorney General's Office. The county received a warning over its failure to update its General Plan to meet state requirements around disadvantaged communities, environmental justice and climate adaptation.

The warning follows an in-depth review of the county's planning documents, including the 2015 General Plan and the amended third draft of its 2023-31 Housing Element Update.

In an 18-page letter sent Friday, the AG's Bureau of Environmental Justice outlined multiple areas where the county's plans fall short of legal obligations under the State Planning and Zoning Law. The letter, addressed to Angela Freitas, director of the county's Planning & Community Development Department, also cites several articles published by The Bee.

"Stanislaus County is home to some of California's most pollution-burdened communities, communities that also face chronic lack of access to infrastructure and services and community-serving resources and amenities. At the same time, the increasing impacts of climate change touch all areas of the County and place disadvantaged communities and vulnerable populations at particular risk," the letter reads.

"The County's compliance with its planning mandates is crucial to addressing these inequities and to ensuring that all County residents can enjoy access to a healthy environment and the resources and opportunities necessary to thrive."

The Attorney General's Office is responsible for ensuring that local governments comply with SB 1000 and other legal obligations aimed at advancing equitable land-use policies. SB 1000 requires local governments to identify disadvantaged communities within their jurisdictions and incorporate environmental justice into their general plans — the long-term planning documents that guide how a city or county will grow and develop.

Since 2018, when SB 1000 went into effect, the office has issued similar warnings and taken enforcement actions against 13 other jurisdictions — including the city of Modesto — to promote stronger environmental justice planning at the local level.

County says it's working to comply

In a statement to The Bee, Freitas said the county is aware of the concerns raised by the state Attorney General's Office and is working to update its General Plan to comply with all state law requirements.

The letter states that the county has not updated its Land Use Element to identify disadvantaged unincorporated communities or assess their infrastructure and service needs, as required under Senate Bill 244. The update was due in December 2023.

A review of county planning documents found that many communities in the western, central and eastern parts of the county likely meet the definition of a disadvantaged unincorporated community. These areas face a range of environmental hazards, including pesticide exposure, contaminated drinking water, hazardous waste and diesel pollution from nearby highways. Residents of the communities often lack access to clean water, reliable sewage systems, fresh food, parks and affordable housing.

IN THE NEWS – Modesto Bee, May 10, 2025 - Continued

The letter specifically criticizes the county for failing to identify La Grange, a historic mining town with a median household income well below the state's 80% threshold for disadvantaged unincorporated communities. It also notes that other communities along Bragg Road and Santa Fe Avenue may qualify as disadvantaged but are not recognized in the county's planning documents.

The letter also points out that the county's draft Housing Element claims the "Westley CSD currently meets the needs of its customers," while noting that future repairs may be needed. However, news coverage tells a different story. Grayson Elementary School in Westley, for example, never has had access to potable water in its 70-year history and continues to face frequent water shutoffs due to maintenance problems and power outages, often forcing students to rely on portable toilets.

The Attorney General's Office urged Stanislaus County to reevaluate its analysis using current data and consult technical guidance from state agencies and advocacy groups to bring its General Plan into compliance.

The letter also faults the county's draft Housing Element Update for falling short of the requirements under Senate Bill 1000, which mandates the integration of environmental justice into local planning.

'Vague language' and 'minimal requirements' noted

While the draft includes some references to environmental justice, the Attorney General's Office says it lacks concrete policies to support access to public facilities, healthy food and opportunities for physical activity. The letter says the plan's "environmental justice actions use vague language and impose minimal requirements, making it unclear what, if anything, they will accomplish."

In addition, the county's Safety Element fails to meet legal requirements around climate adaptation and resiliency. According to the letter, the county has not updated this section of its General Plan to address how it will respond to climate change impacts — an update that is required by state law. The Bureau of Environmental Justice warns that delaying this update until after the Housing Element is adopted could result in the county missing yet another legal deadline.

The letter further notes that the General Plan lacks the required analysis and policy framework to address air quality. It points out the absence of an air quality report, a summary of relevant local, state, and federal programs, and a clear set of goals and policies aimed at improving air quality in the region.

The Attorney General's Office recommends that Stanislaus County engage with residents — especially those in disadvantaged communities — to develop legally compliant amendments to its General Plan.

The letter ends by urging the county to promptly make the necessary updates to avoid falling further behind on state-mandated deadlines.

"It is crucial that the County meaningfully engage residents of disadvantaged communities and vulnerable populations to ensure the amendments address the applicable statutory requirements and satisfy the law's intent to protect communities and advance environmental justice," the letter states.

IN THE NEWS – Westside Connect, May 15, 2025

West Side Health Care District faces uncertain future as Board seeks new member

By Sabra Stafford

NEWMAN, Calif. — The West Side Health Care District is seeking to fill a vacant seat on its Board of Directors as it grapples with significant financial challenges, including concerns over under-billing, staffing shortages, and a failed tax measure meant to stabilize its funding.

The seat, previously held by Kenneth Helms, who resigned in March without explanation, represents Zone 3, which includes Stevinson. Interested candidates must reside within the district's boundaries and submit a letter of interest to the District Office at P.O. Box 746, Newman, CA 95360, by May 20. The Board of Directors will review applications during its May 27 meeting. Questions can be directed to (209) 862-2951.

While the search for a new board member moves forward, the district is also evaluating two potential paths to address its financial instability. A special meeting on March 17 focused on findings from an Ad Hoc Committee, which reported that from January 2023 to March, \$337,000 in ambulance reimbursements had been under-billed and under-paid due to a lack of transparency with its billing contractor, QMC. Additional concerns included insufficient full-time staffing within the district's ambulance operations and errors in tax expense reporting.

The committee outlined two possible directions for the district:

The first option would allow WSCHD to continue its ambulance operations but would require significant financial and structural adjustments. Recommendations included switching from QMC to a new billing provider, a transition requiring \$1.4 million to cover six months of expenses. Additionally, the district would need \$2 million to address staffing concerns, replace aging medical equipment, and improve operations. To make this plan viable, officials would need to renegotiate a collective bargaining agreement with the union and retain experienced professionals to manage staffing demands.

The second option involves shifting away from emergency medical services (EMS) to broader healthcare initiatives. This transition would require the district to transfer its Local Emergency Service Agency (LEMSA) contract to Stanislaus County, after which another provider would be contacted to maintain emergency services within Stanislaus and Merced counties. Despite concerns from board members and the community, Del Puerto Health Care District CEO Karin Freese assured attendees at the March 17 meeting that emergency services would remain available under the new structure.

Moving away from EMS could help the district manage its financial burdens. With a property tax revenue of \$335,000, the district could begin paying down its more than \$1 million in debt. Additionally, WSCHD could use its direct assessment revenue of \$360,000 to create grants supporting EMS services within its boundaries, including funding for local event coverage, operational losses, and equipment replacement. The district could also invest in scholarships, preventative health screenings, and other community initiatives.

Questions about the financial report and its accuracy emerged at the March 25 meeting, when former Board President Dennis Brazil stated that he had spoken with subcommittee members who were caught off guard by the second phase of the March 17 presentation. Brazil requested that the District's legal counsel review the matter, alleging that the report contained false information and had not been formally approved by the committee. However, legal counsel responded that the meeting was informational in nature.

Some board members expressed reservations about the findings presented in the subcommittee's report, questioning whether the data accurately reflected the district's financial situation. Meanwhile, stakeholders and medical personnel voiced concerns about potentially discontinuing ambulance services.

IN THE NEWS – Westside Connect, May 15, 2025 - Continued

“The current crew you have is invested, we’re motivated, and we’re already a really lean, mean machine,” said paramedic Delya Stoltz during the meeting. “Please, as you consider path one, know that you have a group of people that you cannot replace.”

As WSCHD prepares to select a new board member and decide its future direction, financial uncertainty looms over its operations. The next steps could shape how emergency medical services and healthcare initiatives are delivered in the region for years to come.

Writer Navtej Hundal contributed to this story.



**STANISLAUS LOCAL AGENCY FORMATION COMMISSION
MINUTES
April 23, 2025**

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, Vice Chair, County Member
Vito Chiesa, County Member
Sue Zwahlen, City Member
Ken Lane, Public Member
Charlie Goeken, Alternate City Member
Bill Berryhill, Alternate Public Member

Commissioners Absent: Amy Bublak, Chair, City Member
Mani Grewal, Alternate County Member

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

2. PUBLIC COMMENT

None.

3. CORRESPONDENCE

- A. Specific Correspondence.
 - 1. Letter from Annabel Gammon regarding Agenda Item 6A.
- B. Informational Correspondence.
 - 1. Response Letter to the City of Modesto's Notice of Preparation of an Environmental Impact Report - Scannell Industrial Project dated March 27, 2025.
- C. In the News

4. DECLARATION OF CONFLICTS AND DISQUALIFICATIONS

None.

5. CONSENT ITEMS

A. **MINUTES OF THE MARCH 26, 2025, LAFCO MEETING**

(Staff Recommendation: Accept the Minutes.)

B. **OUT OF BOUNDARY SERVICE APPLICATION – TOPEKA-SANTA FE (CITY OF RIVERBANK – SEWER & WATER)**: The Commission will consider a request to extend sewer and water services outside the City of Riverbank’s city limits to serve an unincorporated area along Topeka Street and Santa Fe Street between 8th Street and Claus Road. The area consists of approximately 19.5 acres. The Commission will also consider the Mitigated Negative Declaration prepared by Stanislaus County, as Lead Agency under the California Environmental Quality Act (CEQA). (Staff Recommendation: Approve the request and adopt Resolution No. 2025-08.)

The Commission will consider a request to extend sewer and water services outside the City of Riverbank’s city limits to serve an unincorporated area along Topeka Street and Santa Fe Street between 8th Street and Claus Road. The area consists of approximately 19.5 acres. The Commission will also consider the Mitigated Negative Declaration prepared by Stanislaus County, as Lead Agency under the California Environmental Quality Act (CEQA). (Staff Recommendation: Approve the request and adopt Resolution No. 2025-08.)

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

*Ayes: Commissioners: Chiesa, Goeken, Lane, Withrow and Zwahlen
Noes: Commissioners: None
Ineligible: Commissioners: Berryhill
Absent: Commissioners: Bublak and Grewal
Abstention: Commissioners: None*

6:05 p.m. Commissioner Lane left the dais.

6. OTHER BUSINESS

A. **SELECTION OF PUBLIC MEMBER AND ALTERNATE PUBLIC MEMBER TO THE COMMISSION.** The Commission will consider applications to fill upcoming vacancies for the Public and Alternate Public Member. (Staff Recommendation: Appoint a Public Member and Alternate Public Member and adopt Resolutions No. 2025-05 and 2025-06.)

The Commission will consider applications to fill upcoming vacancies for the Public and Alternate Public Member. (Staff Recommendation: Appoint a Public Member and Alternate Public Member and adopt Resolutions No. 2025-05 and 2025-06.)

Sara Lytle-Pinhey, Executive Officer, introduced the item noting that applicants Annabel Gammon and Robert DeMont would not be in attendance but still wished to be considered.

Chair Withrow opened the floor to the 10 applicants in attendance: Brad Johnson, Devon Shelley, James Reape, Jami Aggers, Jeani Ferrari, Ken Buehner, Ken L. Lane, Milton Trieweler, Stanley Peery Jr., and William M. O’Brien.

Motion by Commissioner Goeken, seconded by Commissioner Chiesa, and approved with a 4-0 vote to appoint William O’Brien as Public Member, by the following vote:

*Ayes: Commissioners: Chiesa, Goeken, Withrow and Zwahlen
Noes: Commissioners: None
Ineligible: Commissioners: Berryhill and Lane*

Absent: Commissioners: Bublak and Grewal
Abstention: Commissioners: None

Motion by Commissioner Chiesa, seconded by Commissioner Goeken, and failed with a 2-2 vote to appoint Ken Lane as Alternate Public Member, by the following vote:

Ayes: Commissioners: Chiesa and Goeken
Noes: Commissioners: Withrow and Zwahlen
Ineligible: Commissioners: Berryhill and Lane
Absent: Commissioners: Bublak and Grewal
Abstention: Commissioners: None

Motion by Commissioner Goeken to appoint Ken Buehner as Alternate Public Member failed due to lack of a second.

Motion by Commissioner Zwahlen, seconded by Commissioner Chiesa, and approved with a 3-1 vote to appoint Jami Aggers as Alternate Public Member, by the following vote:

Ayes: Commissioners: Chiesa, Withrow and Zwahlen
Noes: Commissioners: Goeken
Ineligible: Commissioners: Berryhill and Lane
Absent: Commissioners: Bublak and Grewal
Abstention: Commissioners: None

6:39 p.m. Commissioner Lane returned to the dais.

7. PUBLIC HEARING

- A. **PROPOSED LAFCO BUDGET FOR FISCAL YEAR (FY) 2025-2026.** 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. 2025-07.)

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

Chair Withrow opened the item up for Public Comment at 6:49 p.m.

No one spoke.

Chair Withrow closed the Public Hearing at 6:49 p.m.

Motion by Commissioner Goeken, seconded by Commissioner Zwahlen and carried with a 5-0 vote to adopt Resolution No. 2025-07, by the following vote:

Ayes: Commissioners: Chiesa, Goeken, Lane, Withrow and Zwahlen
Noes: Commissioners: None
Ineligible: Commissioners: Berryhill
Absent: Commissioners: Bublak and Grewal
Abstention: Commissioners: None

8. COMMISSIONER COMMENTS

Commissioner Lane and Commissioner Berryhill both thanked the Commission and Staff for their time on LAFCO.

9. ADDITIONAL MATTERS AT THE DISCRETION OF THE CHAIRPERSON

Chair Withrow thanked everyone who applied for the Public Member position.

10. EXECUTIVE OFFICER'S REPORT

The Executive Officer informed the Commission of the following:

- For the May meeting, Staff will bring the Final Budget, an annexation to County Service Area 24 in Denair, and a Closed Session for the evaluation of the Executive Officer.

11. ADJOURNMENT

A. Chair Withrow adjourned the meeting at 6:52 p.m.

DRAFT

Sara Lytle-Pinhey, Executive Officer

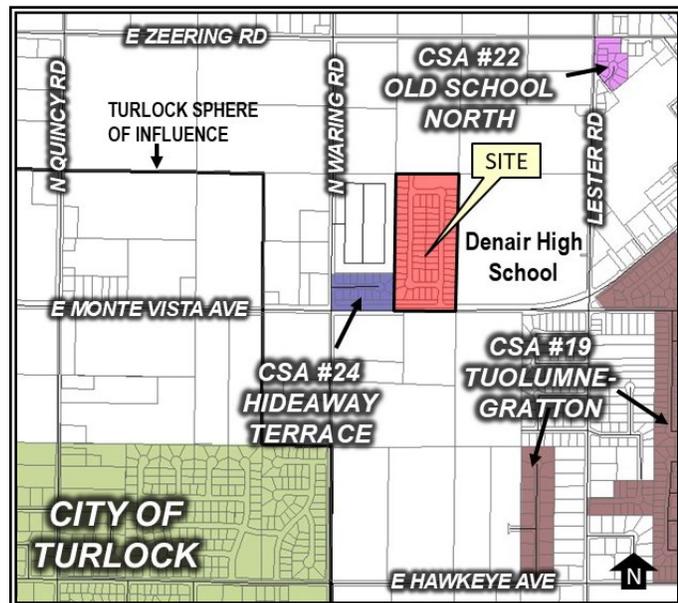
**EXECUTIVE OFFICER'S AGENDA REPORT
MAY 28, 2025**

**LAFCO APPLICATION NO. 2025-01
SPHERE OF INFLUENCE UPDATE NO. 2025-01
MONTE VISTA COLLECTION CHANGE OF ORGANIZATION TO
COUNTY SERVICE AREA NO. 24 (HIDEAWAY TERRACE)**

PROPOSAL

The proposed project is a request to annex 19 acres to County Service Area (CSA) 24 to provide storm drainage, landscaping, and related services to a future subdivision.

1. Applicant: Stanislaus County, by Resolution of Application
2. Location: The project site is located on the north side of East Monte Vista Avenue, between North Waring Road and Lester Road in the Denair area.
3. Parcels Involved and Acreage: The project site includes Assessor's Parcel Number (APN) 024-012-009 totaling approximately 19 acres (See Exhibit "A" Map and Legal Description).
4. Reason for Request: The annexation to CSA No. 24 is being requested in order to satisfy a development standard for a Stanislaus County subdivision. The CSA will provide storm drainage and landscaping services to the area. The Commission has previously reviewed and approved similar CSA annexations in the Denair area.



ENVIRONMENTAL REVIEW

Stanislaus County, through its planning process, assumed the role of Lead Agency under the California Environmental Quality Act (CEQA) for the 19-acre residential subdivision. The County approved a Mitigated Negative Declaration for the project (Exhibit B). LAFCO, as a Responsible Agency, must consider the environmental documentation prepared by Stanislaus County. The proposed annexation will not result in a change of land use under the current zoning, which is under Stanislaus County jurisdiction.

BACKGROUND

In 2022, Stanislaus County approved Rezone and Vesting Tentative Map Application No. PLN2021-0040 – Lazares Companies. The project allowed the property to be rezoned from Rural Residential (R-A) to Planned Development (P-D) 366 and subdivided into 72 parcels to be developed for residential use. The project includes a condition of approval requiring annexation into CSA No. 24 to provide storm drainage and landscaping services to the area. As part of the CSA, services will generally include CSA administration, street-sweeping, maintenance of the storm drain system, masonry wall(s), chain-link fencing, drainage basin, landscaping, sidewalks,

and streetscape. Maintenance and administration activities will be provided by the Stanislaus County Department of Public Works and Department of Parks and Recreation. For more information, please see the attached Plan for Services (Exhibit C).

County Public Works Staff stated that the subdivision map has been recorded for the project site and it has recently been assigned new Assessor's Parcel Numbers (APNs). However, for the purposes of this application and report, the project site will be identified by its former APN 024-012-009.

FACTORS

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

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

The annexation is being proposed to provide storm drain and landscaping services to the area. The project site is zoned P-D 366 in the Stanislaus County Zoning Ordinance and is designated Low Density Residential in both the General Plan and Denair Community Plan. The proposed development is a legal use within the zoning district. Annexation to the District will not change or lead to change in the zoning. The subject parcel is located in Tax Code Area: 056-009. The current assessed value for the parcel within the proposed annexation area is \$5,872,549.

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

CSA 24 provides extended county services including CSA administration, street-sweeping, maintenance of the storm drain system, masonry wall(s), chain-link fencing, drainage basin, landscaping, sidewalks, and streetscape maintenance. Upon annexation, the territory will be subject to the approved formula for calculation and levy of annual assessments to pay for services provided by CSA 24.

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

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

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

The parcel is located within an area that is zoned P-D 366 by Stanislaus County. The proposed residential subdivision is consistent with the County's Zoning Ordinance. The proposed annexation will provide maintenance and related services of the subdivision's storm drain system and landscaping. There are no other plans to change the land uses.

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

The proposal will not result in the loss of agricultural land and will not affect the physical and economic integrity of agricultural land. The property is part of the Denair Community Plan and is considered infill development. The project site was recently rezoned from Rural Residential to Low Density Residential uses. The land is currently zoned P-D 366 (Planned Development) by Stanislaus County.

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

The proposed boundary includes parcel 024-012-009 totaling approximately 19 acres. The proposed annexation also includes a sphere of influence (SOI) amendment to the CSA 24 SOI. The amendment will result in a coterminous SOI and CSA boundary.

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

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

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

The proposal is consistent with the Stanislaus County General Plan land use designation of "Low Density Residential", Denair Community Plan designation of "Low Density Residential", and zoning designation of P-D 366 (Planned Development).

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

The proposed change of organization includes a sphere of influence (SOI) amendment to CSA 24. The amendment will result in a coterminous SOI and CSA boundary. The proposed territory is also within the Sphere of Influence of the Denair Fire Protection District, Turlock Mosquito Abatement District, Turlock Irrigation District, and Denair Community Services District.

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

All affected agencies and jurisdictions have been notified pursuant to State law requirements and the Commission adopted policies. No comments were received.

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

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

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

The project's environmental documentation states that the Denair Community Services District (CSD) will be providing water to the project site via a 12-inch water main already serving the adjacent single-family development. The CSD currently has four groundwater wells, five lift stations, and an above-ground steel water tank to serve its customers. The CSD has the capacity to serve the existing facilities and infrastructure within its boundaries including the project site.

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

The proposed annexation includes 72 lots, 69 of which will be for new single family residential homes. The County estimates a maximum of 207 residential units could be built, taking in to account the ability to construct accessory and junior accessory units. These units will contribute towards fulfilling the County's regional housing needs allocation.

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

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

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

The project site is zoned P-D 366 (Planned Development) within the Stanislaus County Zoning Ordinance and is designated as "Low Density Residential" in both the General Plan and Denair Community Plan. The annexation will provide storm drain and landscaping services for the future residential subdivision. There are currently no plans to change the land uses.

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

As defined by Government Code §56668, “environmental justice” means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. Approval of the proposal would not result in the unfair treatment of any person based on race, culture or income with respect to the provision of services within the proposal area.

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

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

SPHERE OF INFLUENCE MODIFICATION

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

Sphere of Influence Determinations

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

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

The County retains the responsibility for land use decisions within the CSA boundaries and sphere of influence. The area is zoned P-D 366 (Planned Development) and has a General Plan and Community Plan designation of “Low-Density Residential”. The project site is planned for a residential subdivision which is consistent with the County General Plan, Zoning Ordinance, and Denair Community Plan.

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

When the County approves development within an unincorporated area, it may require annexation to or formation of a County Service Area in order to provide extended services necessary to serve the land uses within the development boundaries. In this case, the CSA

will provide storm drain and landscaping services to a residential subdivision. A more in-depth description of these services can be found in the "Plan for Services" (See Exhibit C)

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

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

Only those property owners who benefit from the extended services provided by the CSA pay for them, which are funded through an assessment levied on parcels within the CSA boundaries. Based on the information provided by the County, it can be determined that, CSA 24 will have adequate controls and funding streams to provide the appropriate level of extended County services in order to serve the properties within the boundaries of the CSA.

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

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

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

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

DISCUSSION

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

Waiver of Protest Proceedings

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

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

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

ALTERNATIVES FOR COMMISSION ACTION

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

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

Option 2 DENY the proposal.

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

STAFF RECOMMENDATION

Approve Option 1. Based on the information and discussion contained in this staff report, and the evidence presented, it is recommended that the Commission adopt Resolution No. 2025-10 (attached as Exhibit D), which:

- a. Certifies, as a Responsible Agency under CEQA, that the Commission has considered the environmental documentation prepared by Stanislaus County as Lead Agency;
- b. Finds the proposal to be consistent with State law and the Commission's adopted Policies and Procedures;
- c. Waives protest proceedings pursuant to Government Code Section 56662(d); and,
- d. Approves LAFCO Application No. 2025-01 and Sphere of Influence Update No. 2025-01 – Monte Vista Collection Change of Organization to County Service Area 24 (Hideaway Terrace) as outlined in the resolution.

Respectfully submitted,

Javier Camarena

Javier Camarena
Assistant Executive Officer

- Attachments - Exhibit A: Map and Legal Description
Exhibit B: Mitigated Negative Declaration
Exhibit C: Plan for Services
Exhibit D: Draft LAFCO Resolution No. 2025-10

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EXHIBIT A

Map & Legal Description

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MONTE VISTA CROSSINGS
CHANGE OF ORGANIZATION TO
CSA 24 (HIDEAWAY TERRACE)

N QUINCY RD

N WARING RD

E ZEERING RD

CSA #22
OLD SCHOOL
NORTH

N SANTA FE AVE

N BERKELEY AVE

TURLOCK SPHERE
OF INFLUENCE

SITE

Denair High
School

LESTER RD

E MONTE VISTA AVE

CSA #24
HIDEAWAY
TERRACE

CSA #19
TUOLUMNE-
GRATTON

CITY OF
TURLOCK

11

E HAWKEYE AVE



EXHIBIT "A"

**ANNEXATION TO COUNTY SERVICE AREA (CSA) No. 24
(HIDEAWAY TERRACE)**

LEGAL DESCRIPTION

Lying in a portion of the Southwest Quarter of Section 6, Township 5 South, Range 11 East, Mount Diablo Meridian, and more particularly described as follows:

COMMENCING at the Southwest corner of said Section 6, said Southwest corner being marked with a 1-1/2" iron pipe in a monument well; thence along the South line of said Section 6, North 89°30'30" East 618.64 feet to the intersection with the Southerly extension of the West line of the East half of Lot 27 as shown on that certain map entitled "Elmwood Colony" recorded in Volume 2 of Maps, at Page 13, Stanislaus County Records, said point being the Southeast corner of existing County Service Area (CSA) No. 24 Hideaway Terrace (Denair) boundary as described in the Certificate of Completion recorded September 26, 2006 as Document No. 2006-0142081, Stanislaus County Records, said point being also the **TRUE POINT OF BEGINNING** of this description; thence

1. Northerly along said Southerly extension and said West line of East half of Lot 27, North 00°25'46" East 1327.37 feet to the Northwest corner of said East half of Lot 27; thence
2. Along the North line of said Lot 27, North 89°31'39" East 628.74 feet to the Northeast corner of said Lot 27; thence
3. Along the East line of said Lot 27 and its extension thereof, South 00°51'50" West 1327.36 feet to a point on the South line of said Section 6; thence
4. Along the South line of said Section 6, South 89°30'30" West 618.68 feet to the point of beginning.

Containing 19.00 acres, more or less

SUBJECT TO all easements and/or rights-of-way of record.

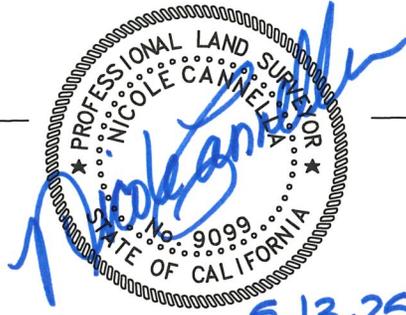
This legal description as described is delineated on the accompanying "Plat to Accompany Legal Description" and made a part hereof for reference purposes.



Nicole Cannella, P.L.S. 9099



5.13.25

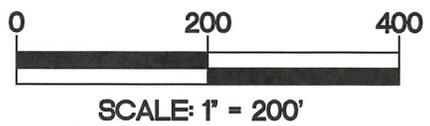


NOTE:
SEE SHEET 2 OF 2
FOR VICINITY MAP

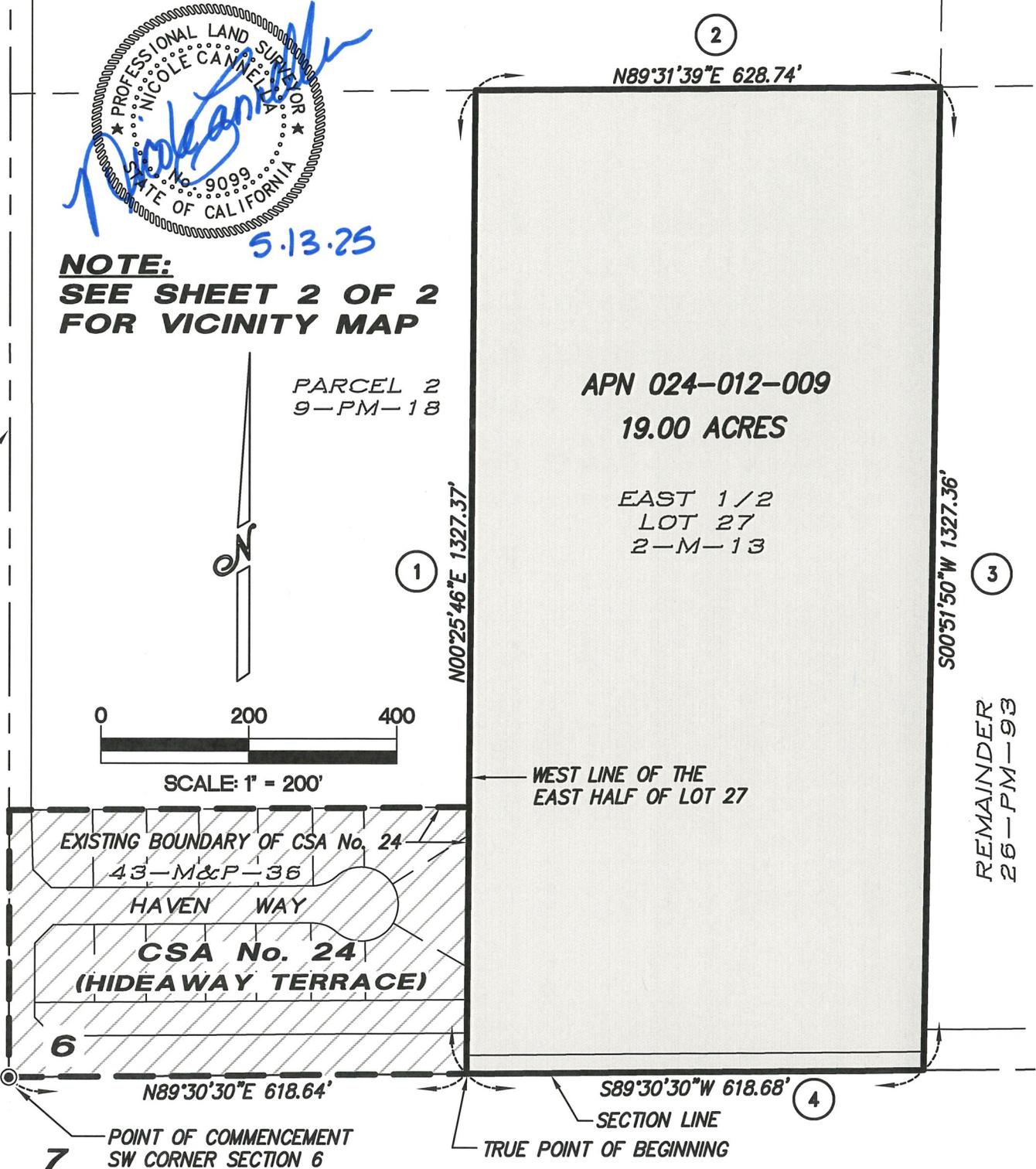
PARCEL 2
 9-PM-18

APN 024-012-009
 19.00 ACRES

EAST 1/2
 LOT 27
 2-M-13



ROAD
 SECTION LINE
 WARING



EXISTING BOUNDARY OF CSA No. 24
 43-M&P-36
 HAVEN WAY
 CSA No. 24
 (HIDEAWAY TERRACE)

WEST LINE OF THE
 EAST HALF OF LOT 27

REMAINDER
 26-PM-93

N89°30'30"E 618.64'
 POINT OF COMMENCEMENT
 SW CORNER SECTION 6
 FOUND 1-1/2" IRON PIPE
 IN MONUMENT WELL

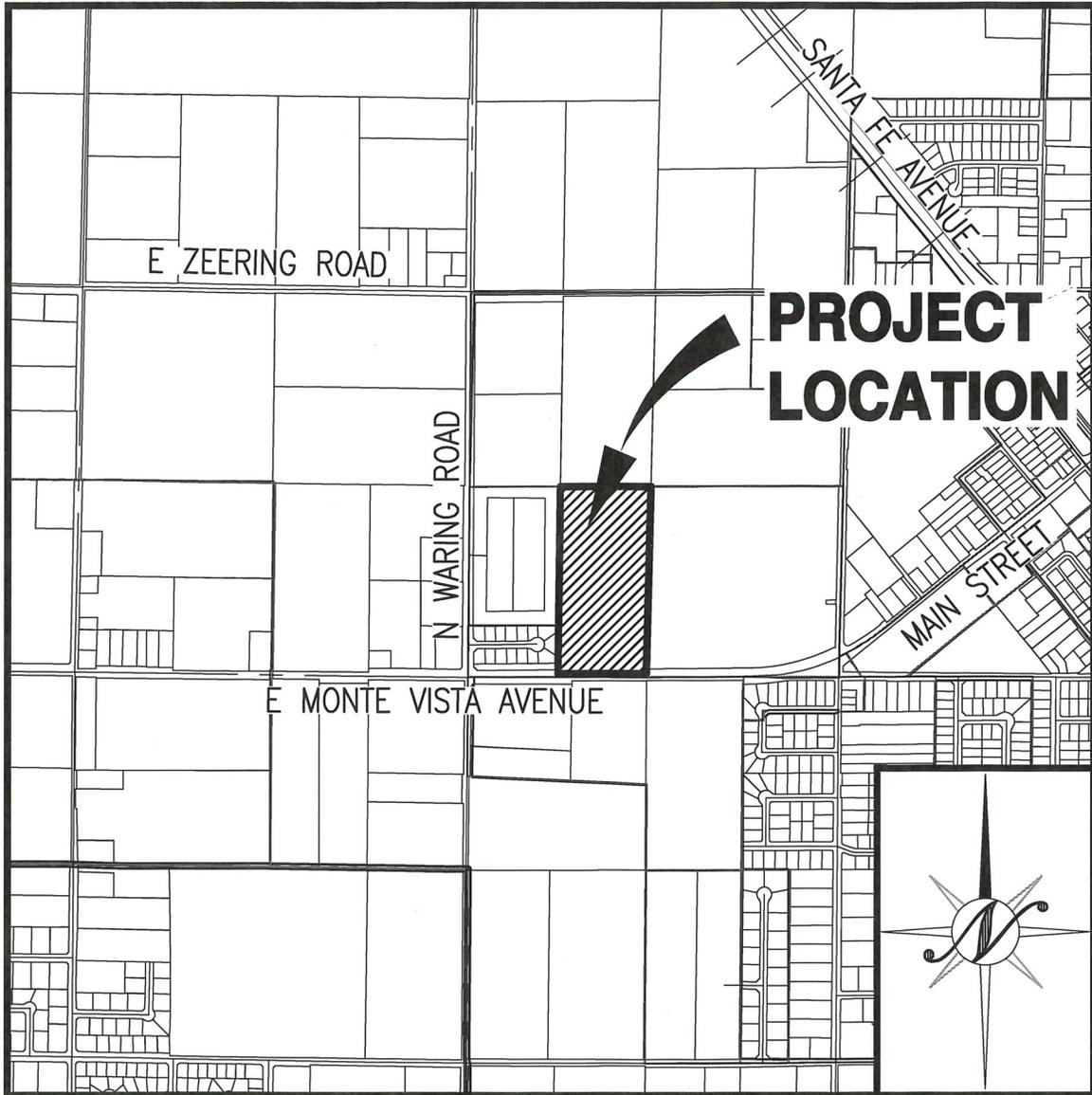
EAST MONTE VISTA AVENUE

SHEET 1 OF 2

North Star
Engineering Group, Inc.
 • CIVIL ENGINEERING • SURVEYING • PLANNING •
 620 12th Street Modesto, CA 95354
 (209) 524-3525 Phone (209) 524-3526 Fax

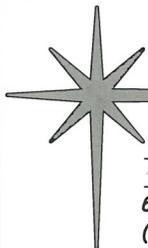
**PLAT TO ACCOMPANY
 LEGAL DESCRIPTION**
 LYING IN A PORTION OF THE
 SOUTHWEST QUARTER OF SECTION 6,
 TOWNSHIP 5 SOUTH, RANGE 11 EAST,
 MOUNT DIABLO MERIDIAN
 STANISLAUS COUNTY, CALIFORNIA

JOB NO:	J20-2759
SCALE:	1" = 200'
DR BY:	NC
FILE:	20-2759 monte vista csa annex exhibit.dwg
DATE:	May 12, 2025



VICINITY MAP

SHEET 2 OF 2



North Star

Engineering Group, Inc.

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

PLAT TO ACCOMPANY
LEGAL DESCRIPTION

LYING IN A PORTION OF THE
 SOUTHWEST QUARTER OF SECTION 6,
 TOWNSHIP 5 SOUTH, RANGE 11 EAST,
 MOUNT DIABLO MERIDIAN

STANISLAUS COUNTY, CALIFORNIA

JOB NO: J20-2759

SCALE: NOT TO SCALE

DR BY: NC

FILE: 20-2759 monte vista csa
 annex exhibit.dwg

DATE: May 12, 2025

EXHIBIT B

Mitigated Negative Declaration

Initial Study available at:

https://www.stanislauslafco.org/current_projects.shtm

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FILED

August 19, 2022
DONNA LINDER
STANISLAUS COUNTY
CLERK-RECORDER

By: *Anna Crestman*
Deputy Clerk

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

NOTICE OF DETERMINATION

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

Project Title: General Plan Amendment, Rezone, and Vesting Tentative Map Application No. PLN2021-0040 – Lazares Companies

Applicant Information: Lazares Companies, 16795 Lark Avenue, Suite 106, Los Gatos, CA 95302 (209) 662-5098

Project Location: 3531 and 3549 East Monte Vista Avenue, between North Waring and Lester Roads, in the Community of Denair, Stanislaus County (024-012-009).

Description of Project: Request to amend the Denair Community Plan designation from Estate Residential to Low-Density Residential and the zoning designation from Rural Residential (R-A) to Planned Development (P-D) on an 18.6± acre parcel, and to subdivide the project site into 72 parcels.

Name of Agency Approving Project: Stanislaus County Board of Supervisors

Lead Agency Contact Person: Jeremy Ballard, Associate Planner

Telephone: (209) 525-6330

This is to advise that the Stanislaus County Board of Supervisors on **August 16, 2022**, approved the above described project and has made the following determinations regarding the above described project:

1. The project **will not** have a significant effect on the environment.
2. A Mitigated Negative Declaration was prepared for this project pursuant to the provisions of the California Environmental Quality Act (CEQA).

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

3. Mitigation measures **were** made a condition of approval of the project.
4. A mitigation reporting or monitoring plan **was** adopted for this project.
5. A statement of Overriding Considerations **was not** adopted for this project.
6. Findings **were** made pursuant to the provisions of CEQA.
7. The proposed project is consistent with the development density established by the Stanislaus County General Plan and that there are no new or increased impacts peculiar to the project for this site.

This is to certify that the final Environmental Impact Report with comments and responses and record of project approval or the Negative Declaration is available for review on the Stanislaus County Planning Commission's Agendas & Minutes web page (<http://www.stancounty.com/planning/agenda/agenda-min-2022.shtm>).

8/19/22
Date

Jeremy Ballard

Jeremy Ballard
Associate Planner

Date removed from posting 9/22/2022



State of California - Department of Fish and Wildlife
2022 ENVIRONMENTAL DOCUMENT FILING FEE

CASH RECEIPT

DFW 753.5a (REV. 01/01/22) Previously DFG 753.5a

Print	StartOver	Finalize&Email
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RECEIPT NUMBER: 50-08/19/2022-157
STATE CLEARINGHOUSE NUMBER (If applicable)

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.

LEAD AGENCY STANISLAUS COUNTY, DEPT OF PLANNING AND COMMUNITY DEVELOPMENT	LEAD AGENCY EMAIL	DATE 08/19/2022
COUNTY/STATE AGENCY OF FILING STANISLAUS COUNTY	DOCUMENT NUMBER 50-2022-210	

PROJECT TITLE

GENERAL PLAN AMENDMENT, REZONE, AND VESTING TENTATIVE MAP APPLICATION NO. PLN2021-0040 - LAZARES COMPANIES

PROJECT APPLICANT NAME LAZARES COMPANIES	PROJECT APPLICANT EMAIL	PHONE NUMBER (209) 662-5098
PROJECT APPLICANT ADDRESS 16795 LARK AVENUE SUITE 106	CITY LOS GATOS	STATE CA
		ZIP CODE 95302

PROJECT APPLICANT (Check appropriate box)

Local Public Agency
 School District
 Other Special District
 State Agency
 Private Entity

CHECK APPLICABLE FEES:

<input type="checkbox"/> Environmental Impact Report (EIR)	\$ 3,539.25	\$ _____
<input checked="" type="checkbox"/> Mitigated/Negative Declaration (MND)(ND)	\$ 2,548.00	\$ 2,548.00
<input type="checkbox"/> Certified Regulatory Program (CRP) document - payment due directly to CDFW	\$ 1,203.25	\$ _____
<input type="checkbox"/> Exempt from fee		
<input type="checkbox"/> Notice of Exemption (attach)		
<input type="checkbox"/> CDFW No Effect Determination (attach)		
<input type="checkbox"/> Fee previously paid (attach previously issued cash receipt copy)		
<hr/>		
<input type="checkbox"/> Water Right Application or Petition Fee (State Water Resources Control Board only)	\$ 850.00	\$ _____
<input checked="" type="checkbox"/> County documentary handling fee	\$ 57.00	\$ 57.00
<input type="checkbox"/> Other		\$ _____

PAYMENT METHOD:

Cash
 Credit
 Check
 Other CHECK #3268

TOTAL RECEIVED \$ 2,605.00

SIGNATURE X <i>Jennine Creekmore</i>	AGENCY OF FILING PRINTED NAME AND TITLE Jennine Creekmore Deputy Clerk
---	---



State of California - Department of Fish and Wildlife
2022 ENVIRONMENTAL DOCUMENT FILING FEE
CASH RECEIPT
 DFW 753.5a (REV. 01/01/22) Previously DFG 753.5a

NOTICE

Each project applicant shall remit to the county clerk the environmental filing fee before or at the time of filing a Notice of Determination (Pub. Resources Code, § 21152; Fish & G. Code, § 711.4, subdivision (d); Cal. Code Regs., tit. 14, § 753.5). Without the appropriate fee, statutory or categorical exemption, or a valid No Effect Determination issued by the California Department of Fish and Wildlife (CDFW), the Notice of Determination is not operative, vested, or final, and shall not be accepted by the county clerk.

COUNTY DOCUMENTARY HANDLING FEE

The county clerk may charge a documentary handling fee of fifty dollars (\$50) per filing in addition to the environmental filing fee (Fish & G. Code, § 711.4, subd. (e); Cal. Code Regs., tit. 14, § 753.5, subd. (g)(1)). A county board of supervisors shall have the authority to increase or decrease the fee or charge, that is otherwise authorized to be levied by another provision of law, in the amount reasonably necessary to recover the cost of providing any product or service or the cost of enforcing any regulation for which the fee or charge is levied (Gov. Code, § 54985, subd. (a)).

COLLECTION PROCEDURES FOR COUNTY GOVERNMENTS

Filing Notice of Determination (NOD):

- Collect environmental filing fee or copy of previously issued cash receipt. *(Do not collect fee if project applicant presents a No Effect Determination signed by CDFW. An additional fee is required for each separate environmental document. An addendum is not considered a separate environmental document. Checks should be made payable to the county.)*
- Issue cash receipt to project applicant.
- Attach copy of cash receipt and, if applicable, previously issued cash receipt, to NOD.
- Mail filing fees for CRP document to CDFW prior to filing the NOD or equivalent final approval (Cal. Code Regs. Tit. 14, § 753.5 (b)(5)). The CRP should request receipt from CDFW to show proof of payment for filing the NOD or equivalent approval. Please mail payment to address below made attention to the Cash Receipts Unit of the Accounting Services Branch.

If the project applicant presents a **No Effect Determination** signed by CDFW, also:

- Attach No Effect Determination to NOD *(no environmental filing fee is due)*.

Filing Notice of Exemption (NOE) *(Statutorily or categorically exempt project (Cal. Code Regs., tit. 14, §§ 15260-15285, 15300-15333))*

- Issue cash receipt to project applicant.
- Attach copy of cash receipt to NOE *(no environmental filing fee is due)*.

Within 30 days after the end of each month in which the environmental filing fees are collected, each county shall summarize and record the amount collected on the monthly State of California Form No. CA25 (TC31) and remit the amount collected to the State Treasurer. Identify the remittance on Form No. CA25 as "Environmental Document Filing Fees" per Fish and Game Code section 711.4.

The county clerk shall mail the following documents to CDFW on a monthly basis:

- ✓ A photocopy of the monthly State of California Form No. CA25 (TC31)
- ✓ CDFW/ASB copies of all cash receipts (including all voided receipts)
- ✓ A copy of all CDFW No Effect Determinations filed in lieu of fee payment
- ✓ A copy of all NODs filed with the county during the preceding month
- ✓ A list of the name, address and telephone number of all project applicants for which an NOD has been filed. If this information is contained on the cash receipt filed with CDFW under California Code of Regulations, title 14, section 753.5, subdivision (e)(6), no additional information is required.

DOCUMENT RETENTION

The county shall retain two copies of the cash receipt (for lead agency and county clerk) and a copy of all documents described above for at least 12 months.

RECEIPT NUMBER

- # The first two digits automatically populate by making the appropriate selection in the County/State Agency of Filing drop down menu.
- # The next eight digits automatically populate when a date is entered.
- # The last three digits correspond with the sequential order of issuance for each calendar year. For example, the first receipt number issued on January 1 should end in 001. If a county issued 252 receipts for the year ending on December 31, the last receipt number should end in 252. CDFW recommends that counties and state agencies 1) save a local copy of this form, and 2) track receipt numbers on a spreadsheet tabbed by month to ensure accuracy.

DO NOT COMBINE THE ENVIRONMENTAL FEES WITH THE STATE SHARE OF FISH AND WILDLIFE FEES.

Mail to:

California Department of Fish and Wildlife
 Accounting Services Branch
 P.O. Box 944209
 Sacramento, California 94244-2090

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

Public

Receipt No.: 2022101910

Cashier: 35

Register: CHQXEV2

Date/Time: 08/19/2022 02:14 PM

<u>Description</u>	<u>Fee</u>
Mitigated Negative Declaration (MND)	
Filing Time:	02:14 PM
Filing Fee:	\$2,548.00
Filing Total:	\$2,548.00
Administration Fee	
Filing Time:	02:14 PM
Filing Fee:	\$57.00
Filing Total:	\$57.00
<hr/>	
Total Amount Due:	\$2,605.00
<hr/>	
Total Paid	
Check Tendered:	\$2,605.00
#3268	
Amount Due:	\$0.00

THANK YOU
PLEASE KEEP FOR REFERENCE



MITIGATED NEGATIVE DECLARATION

- NAME OF PROJECT:** General Plan Amendment, Rezone, and Vesting Tentative Subdivision Map Application No. PLN2021-0040 – Lazares Companies
- LOCATION OF PROJECT:** 3531 East Monte Vista Avenue, between North Waring and Lester Roads, in the Community of Denair. APN: 024-012-009.
- PROJECT DEVELOPER:** David Lazares dba Lazares Companies
16795 Lark Avenue, Suite 106
Los Gatos, CA 95302
- DESCRIPTION OF PROJECT:** Request to amend the Denair Community Plan designation from Estate Residential to Low-Density Residential and the zoning designation from Rural Residential (R-A) to Planned Development (P-D) on an 18.6± acre parcel, and to subdivide the project site into 72 parcels, with lots ranging in size from 7,223 to 14,962 square feet, to allow for low-density residential development

Based upon the Initial Study, dated June 1, 2022, the Environmental Coordinator finds as follows:

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

The aforementioned findings are contingent upon the following mitigation measures (if indicated) which shall be incorporated into this project:

1. A traffic control device for the intersection of East Monte Vista Avenue and Proposed Street A shall be included in the project improvement plans and shall be installed prior to the final acceptance of the subdivision improvements by the Board of Supervisors.

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

Initial Study prepared by: Jeremy Ballard, Associate Planner

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

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EXHIBIT C

Plan for Services

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Plan for Services

Monte Vista Collection Subdivision

**Annexation into CSA #24 Hideaway Terrace
Denair, CA**

FY 2024-2025

BACKGROUND

County Service Area No. 24 - Hideaway Terrace, (CSA 24), was established in September of 2006 to provide extended maintenance services for the storm drain system and landscaping at the storm drain basin within the Hideaway Terrace Subdivision.

Stanislaus County Public Works is seeking to annex Monte Vista Collection, a future subdivision, into CSA 24. The annexation will add a 19.00-acre lot to the CSA area. The future subdivision will subdivide the parcel into 72 parcels: 69 residential lots, 1 Lot A/Swale, 1 Lot B/Swale, and 1 Lot C/ Drainage Basin. Upon completion of the annexation and construction of the subdivision, CSA 24 will consist of 84 residential lots, 2 swale lots, 1 drainage basin/park, and 1 drainage basin.

DESCRIPTION OF SERVICES

CSA 24 currently provides ongoing maintenance, operation, and servicing, of the storm drain basin, storm drain system, and park. The special benefit assessments to be levied for this CSA are intended to provide a revenue source for all the maintenance, and servicing of the service area's improvements including, but not limited to, the materials, equipment, labor and administrative expenses. However, the assessments are not intended to fund reconstruction or major renovations of the improvements and facilities. The maintenance, operation, and servicing of the storm drain system are funded entirely or partially through the service area assessments and are generally described as:

- Periodic cleaning and maintenance (as needed) on 579 linear feet of 18-inch pipe and 526 linear feet of 36-inch pipe;
- Periodic cleaning and maintenance of 3 catch basins and 3 manholes;
- Repair curb and gutter as needed to maintain the storm drain system (1,877 linear feet of curb and gutter);
- Periodic street sweeping to prevent buildup of silt and other damaging materials to the storm drain system. All debris is contained and hauled offsite with containment bins;
- Annual repairs and general maintenance to storm drain basin (erosion control, weed spraying, grading/excavation as needed);
- Remove silt build up next to the wall of the separator with the use of the suction truck;
- Annual maintenance and repair of 560 linear feet of fencing/masonry wall;
- The Parks and Recreation Department provides continual maintenance to the park/basin public use area (i.e. signage, mowing, irrigation, annual plantings, weed abatement, pest control).

These services will be fully extended to the following infrastructure which will be added by the annexation and receive the same benefits described above:

- Periodic cleaning and maintenance (as needed) of 295 linear feet of 12-inch PVC Storm pipe, 1,262 linear feet of 18-inch RCP Storm pipe, 1,086 linear feet 24-inch RCP Storm pipe;
- Periodic cleaning and maintenance of 14 catch basins and 13 manholes;
- Repair as needed to maintain the storm drain system of 5,368 linear feet of 6-inch vertical curb & gutter;
- Annual repairs and general maintenance to storm drain basin (erosion control, weed spraying, grading/excavation as needed);
- Annual maintenance and repairs (as needed) of 1,148 linear feet of fencing/masonry wall;

- Parks and Recreation Department provides continual maintenance to 81,000 square feet of landscaped park area.
- Periodic street sweeping to the new roadways Dillon Way, Elder Drive, Jake Way, and Perch Drive to prevent the buildup of silt and other damaging materials.

BUDGET ANALYSIS

The estimated fund balance as of June 30, 2024 is \$15,232. This amount was generated in order to have funds available for capital improvements in the storm drainage system. Based on operating experience, this fund balance can be reduced while still being adequate for future capital needs.

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

The fee structure to implement the state requirements has not been determined for Fiscal Year 2024-2025. An estimated annual fee of \$5 per parcel is included in the budget. Any surplus or shortfall will be adjusted in future calculations.

The fiscal year is the 12 months from July 1st through June 30th of the following year. The annual assessment is received with property taxes collected in December and April. This means the fiscal year starts on July 1st, but the first installment of the annual assessment will not be collected until December, creating a 6-month lag in receiving the money necessary to maintain the various services provided. Therefore, a reserve of \$4,149, one half of the annual operating budget, will be carried forward from the available fund balance to cover costs from July 1st to December 31st.

ASSESSMENT FORMULA

Proposition 218, a statewide initiative approved by the voters in November 1996, and which took effect on July 1, 1997, requires an assessment ballot procedure to increase the assessment. An assessment ballot procedure occurred during the formation of CSA 24 in 2006. A majority protest was not filed regarding the formula for calculating the annual assessment and the levy of the annual assessment to pay for the services provided by CSA 24. The property owner cast a majority vote supporting the formula and levy of annual assessment to pay for the services provided by CSA 24. Therefore, the formula for calculating the annual assessment has been approved and is in place. The formula that is being used to calculate the assessment is the total cost to operate and maintain the storm drain system and the landscaped storm drain basin divided equally by the number of EBUs within CSA 24.

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

**Assessment Per Equivalent Benefit Unit (EBU)
CSA No. 24 (Monte Vista Collection)**

DESCRIPTION	EXISTING	PROPOSED ANNEXATION	TOTAL SUBDIVIDED
Required Funds	\$8,297.42	\$0	\$47,536.00
Total Equivalent Benefit Units	15.24	+ 69.82	85.06
Calculated Assessment Per Equivalent	\$544.45	\$0	\$558.85

Assessment Calculation:

2024-2025 Assessment = \$ 8,297.42 / 15.24 EBU = \$544.45 per EBU

2025-2026 Assessment = \$47,536.00 / 85.06 EBU = \$558.85 per EBU

If the annexation project is approved, the assessment of proposed parcels will start in Fiscal Year 2025-2026. A deposit of \$49,911.73 from the developer that covers 1st year of Operation and Maintenance will be transferred to the CSA 24 fund. Thus, the fund balance of CSA 24 will be sufficient to cover the services.

A method for calculating the annual assessment was previously approved per Proposition 218, therefore no ballot procedure is necessary to approve any change in the assessment. The current Fiscal Year 2024-2025 assessment is in compliance with Proposition 218.

EXISTING SERVICE AREA BUDGET

CSA 24
Hideaway Terrace

EXPENSE DESCRIPTION	TOTAL BUDGET
ADMINISTRATION	
County Administration	\$ 500
Miscellaneous/Other Admin Fees	\$ -
Total	\$ 500
PARKS & RECREATION	
Parks Labor	\$ 3,000
Parks Vandalism/Graffiti	\$ 127
Parks Utilities	\$ 2,638
Parks Other Supplies	\$ -
Maintenance - Structures & Grounds	\$ -
Total	\$ 5,765
PUBLIC WORKS	
SWRCB Permit Requirement	\$ 80
Cleaning Drainage System	\$ 500
Street Sweeping	\$ 1,500
Curb & Gutter Repair	\$ -
Weed Spraying	\$ 452
Erosion Control	\$ -
Total	\$ 2,532
Capital Improvement Reserve	\$ -
General Benefits	\$ (500)
Total Administration, Parks & Rec, Public Works Budget	\$ 8,297
Adjustments to Available Fund Balance	
Beginning Fund Balance (Estimated for 2024-25)	\$ 15,232
General Fund (or PW) Loan Repayment/Advance (+)	\$ -
Other Revenues/General Fund (Contributions i.e. Grants) (+)	\$ -
Capital Improvement Expenditure (pumps etc.) (-)	\$ -
6 Months Operating Reserve (-)	\$ (4,149)
Use of Fund Balance for FY2024-25 (-)	\$ -
Contingency Reserve (-)	\$ -
Current Fund Balance	\$ 11,083
PW Required Capital Reserve (-)	\$ -
Available Fund Balance	\$ 11,083
Total Administration, Parks & Rec, Public Works Budget	\$ 8,297
Use of Fund Balance (-)	\$ -
Balance to Levy	\$ 8,297
District Statistics	
Total Parcels	16
Parcels Levied	16
Total EBU	15.24
Levy EBU	\$ 544.45
Capital Reserve Target	\$ -

SERVICE AREA BUDGET AFTER ANNEXATION

CSA 24
Hideaway
Terrace

EXPENSE DESCRIPTION	TOTAL BUDGET
<u>ADMINISTRATION</u>	
County Administration	\$ 2,500
Miscellaneous/Other Admin Fees	\$ -
Total	\$ 2,500
<u>PARKS & RECREATION</u>	
Parks Labor	\$ 14,000
Parks Vandalism/Graffiti	\$ 3,050
Parks Utilities	\$ 17,001
Parks Other Supplies	\$ -
Maintenance - Structures & Grounds	\$ -
Total	\$ 34,051
<u>PUBLIC WORKS</u>	
SWRCB Permit Requirement	\$ 85
Cleaning Drainage System	\$ 4,000
Street Sweeping	\$ 7,350
Curb & Gutter Repair	\$ -
Weed Spraying	\$ 2,000
Erosion Control	\$ -
Total	\$ 13,435
Capital Improvement Reserve	\$ -
General Benefits	\$ (2,450)
Total Administration, Parks & Rec, Public Works Budget	\$ 47,536
<u>Adjustments to Available Fund Balance</u>	
Beginning Fund Balance (Estimated for 2025-26)	\$ 65,144
General Fund (or PW) Loan Repayment/Advance (+)	\$ -
Other Revenues/General Fund (Contributions I.e. Grants) (+)	\$ -
Capital Improvement Expenditure (pumps etc.) (-)	\$ -
6 Months Operating Reserve (-)	\$ (23,768)
Use of Fund Balance for FY2025-26 (-)	\$ -
Contingency Reserve (-)	\$ -
Current Fund Balance	\$ 41,376
PW Required Capital Reserve (-)	\$ -
Available Fund Balance	\$ 41,376
Total Administration, Parks & Rec, Public Works Budget	\$ 47,536
Use of Fund Balance (-)	\$ -
Balance to Levy	\$ 47,536
<u>District Statistics</u>	
Total	17
Parcels	17
Parcels Levied	17
Total EBU	85.06
Levy EBU	\$ 558.85
Capital Reserve Target	\$ -

EXHIBIT D

Draft LAFCO Resolution No. 2025-10

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**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: May 28, 2025

NO. 2025-10

SUBJECT: LAFCO APPLICATION NO. 2025-01 & SPHERE OF INFLUENCE UPDATE NO. 20225-01 – MONTE VISTA COLLECTION CHANGE OF ORGANIZATION TO COUNTY SERVICE AREA NO. 24 (HIDEAWAY TERRACE)

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

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

THE FOLLOWING RESOLUTION WAS ADOPTED:

WHEREAS, Stanislaus County has requested to annex approximately 19 acres located on the north side of East Monte Vista Avenue, between North Waring Road and Lester Road in the Denair area into County Service Area No. 24 (Hideaway Terrace);

WHEREAS, the Commission has conducted a public hearing to consider the proposal on May 28, 2025, and notice of said hearing was given at the time and in the form and manner provided by law;

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

WHEREAS, the purpose of the proposal is to allow the subject territory to receive extended county services offered by County Service Area No. 24, including CSA administration, street-sweeping, storm drain system maintenance, masonry wall(s), chain-link fencing, drainage basin, landscaping, sidewalks, and streetscape;

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

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

WHEREAS, the proposal includes a simultaneous sphere of influence amendment, coterminous with the annexation, in order to maintain consistency with the sphere of influence of CSA No. 24;

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

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

WHEREAS, on February 25, 2025, the Stanislaus County Board of Supervisors adopted Resolution No. 2025-0097 requesting the annexation to County Service Area No. 24;

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

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

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

NOW, THEREFORE, BE IT RESOLVED that the Commission:

1. Certifies, in accordance with CEQA, as a Responsible Agency, that it has considered the Mitigated Negative Declarations prepared by Stanislaus County.
2. Determines that: (a) the subject territory will be within the County Service Area No. 24 Sphere of Influence with approval of the modification; (b) approval of the proposal is consistent with all applicable spheres of influence, overall Commission policies and local general plans; (c) there are less than twelve (12) registered voters within the territory and it is considered uninhabited; (d) all the owners of land within the subject territory have given their written consent to the annexation; (e) no subject agencies have submitted written protest to a waiver of protest proceedings; and (f) the proposal is in the interest of the landowners within the territory.
3. Approves the proposal subject to the following terms and conditions:
 - a. The applicant shall pay State Board of Equalization fees, pursuant to Government Code Section 54902.5.
 - b. The applicant agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding brought against any of them, the purpose of which is to attack, set aside, void or annul LAFCO's action on a proposal or any action relating to or arising out of such approval, and provide for the reimbursement or assumption of all legal costs in connection with that approval.
 - c. In accordance with Government Code Sections 56886(t) and 57330, the subject territory shall be subject to the levying and collection of all previously authorized charges, fees, assessments or taxes of County Service Area No. 24.

- d. The effective date of the change of organization shall be the date of recordation of the Certificate of Completion.
 - e. The application submitted has been processed as a change of organization consisting of annexation to County Service Area No. 24.
4. Designates the proposal as the “Monte Vista Collection Change of Organization to County Service Area No 24 (Hideaway Terrace)”.
 5. Waives the protest proceedings pursuant to Government Code Section 56662(d) and orders the change of organization subject to the requirements of Government Code Section 57200 et. seq.
 6. Authorizes and directs the Executive Officer to prepare and execute a Certificate of Completion in accordance with Government Code Section 57203, upon receipt of a map and legal description prepared pursuant to the requirements of the State Board of Equalization and accepted to form by the Executive Officer, subject to the specified terms and conditions.

DRAFT

ATTEST:

Sara Lytle-Pinhey
Executive Officer

**EXECUTIVE OFFICER'S AGENDA REPORT
MAY 28, 2025**

TO: LAFCO Commissioners

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

SUBJECT: FINAL LAFCO BUDGET FOR FISCAL YEAR 2025-2026

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. 2025-09, approving the Final Budget for Fiscal Year 2025-2026 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 23, 2025 meeting, the Commission reviewed and approved the Proposed Budget for Fiscal Year (FY) 2025-2026. 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 \$751,000 and reflects a 4% increase as compared to the current year's budget. Table 1, below, summarizes the Final Budget categories.

Table 1: LAFCO Final Budget Summary

Expenses	Current Budget FY 2024-2025	Proposed & Final Budget FY 2025-2026	% Change (Proposed v. Current)
Salaries & Benefits	\$610,695	\$633,180	4%
Services & Supplies	111,775	116,620	4%
Other Charges	1,200	1,200	0%
Total Expenses	\$723,670	\$751,000	4%
Revenues			
Agency Contributions	\$693,670	\$711,000	2%
Application & Other Revenues	20,000	20,000	0%
Total Revenues	\$713,670	\$731,000	2%
<i>Anticipated Use of Undesignated Fund Balance</i>	\$10,000	\$20,000	100%

EXECUTIVE OFFICER'S AGENDA REPORT
MAY 28, 2025
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 15th 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 MSR/SOI updates, policy development, and current projects.

Attachments: Final Budget Detail Fiscal Year 2025-2026
Draft LAFCO Resolution No. 2025-09

Copy of the Proposed Budget Staff Report, dated April 23, 2025 (for reference)

Stanislaus LAFCO
FINAL FISCAL YEAR 2025-2026 BUDGET

Account	FY 24-25 Adopted Budget	FY 24-25 Estimated Year-End	FY 25-26 FINAL BUDGET	Increase or (Decrease)	% Change
Salaries and Benefits					
50000+ Salaries and wages	\$ 375,500	\$ 374,000	\$ 386,000	\$ 10,500	3%
52000 Retirement	115,875	115,875	123,000	7,125	6%
52010 FICA	29,500	29,500	30,500	1,000	3%
53000 Group health insurance	72,500	72,000	76,000	3,500	5%
53020 Unemployment insurance	500	400	500	-	0%
53081 Long term disability	470	440	480	10	2%
54000 Workers compensation insurance	3,050	3,050	3,200	150	5%
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	6,000	6,150	6,200	200	3%
Total Salaries and Benefits	\$ 610,695	\$ 608,715	\$ 633,180	\$ 22,485	4%
Services and Supplies					
60400 Communications (ITC - Telecom)	\$ 1,200	\$ 1,160	\$ 1,200	\$ -	0%
61000 Insurance (SDRMA)	5,500	5,286	6,250	750	14%
61030 Fiduciary liability insurance	15	12	15	-	0%
61070 Crime & fidelity insurance	40	36	40	-	0%
62200 Memberships (CSDA, CALAFCO)	11,700	11,983	12,320	620	5%
62400 Miscellaneous expense	5,500	(780)	5,500	-	0%
62600 Office supplies	1,500	1,200	1,500	-	0%
62730 Postage	1,200	500	1,200	-	0%
63000 Professional & special serv	45,795	41,258	38,995	(6,800)	-15%
Building maint & supplies	5,000	4,680	5,510	510	10%
Office lease	4,785	4,390	4,785	-	0%
Utilities	1,900	1,595	1,900	-	0%
Janitorial	1,400	1,255	1,400	-	0%
Purchasing	1,010	500	500	(510)	-50%
HR/Risk Mgt overhead	4,200	3,840	4,300	100	2%
IT Services (ITC)	15,700	14,348	16,000	300	2%
File Management Update (ITC)	7,200	6,650	-	(7,200)	-100%
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	1,800	-	0%
63090 Auditing & accounting	4,325	2,400	14,600	10,275	238%
County Auditor Services	4,325	2,400	2,600	(1,725)	-40%
New Independent Auditor (Biennial Audit)	-	-	12,000	12,000	new
63400 Engineering services	2,000	800	2,000	-	0%
63640 Legal services	16,000	10,000	16,000	-	0%
65000 Publications & legal notices	1,200	900	1,200	-	0%
65660 Special dept. exp (commissioners)	8,500	2,700	8,500	-	0%
65780+ Education & training	6,500	2,500	6,500	-	0%
67040 Other travel exp (local mileage)	600	100	600	-	0%
67200 Salvage disposal	200	120	200	-	0%
Total Services and Supplies	\$ 111,775	\$ 80,175	\$ 116,620	\$ 4,845	4%
Other Charges					
73024 Planning dept services	\$ 1,200	\$ 800	\$ 1,200	\$ -	0%
Total Other Charges	\$ 1,200	\$ 800	\$ 1,200	\$ -	0%
TOTAL EXPENSES	\$ 723,670	\$ 689,690	\$ 751,000	\$ 27,330	4%
TOTAL REVENUES					
40680+ Agency Contributions	693,670	693,670	711,000	17,330	2%
36414 Application & Other Revenues	20,000	14,500	20,000	-	0%
17000+ Interest Earnings & Refunds	-	21,000	-	-	nb
Use of Undesig. Fund Balance	\$ 10,000	(39,480)	\$ 20,000	\$ 10,000	100%

Stanislaus LAFCO
FINAL FISCAL YEAR 2025-2026 BUDGET
Reserve Funds & Undesignated Fund Balance

Estimated Fund Balance June 30, 2025	\$	428,165
<i>General Fund Reserve (15%)</i>		(112,500)
<i>Accrued Leave Fund (Cash-Out Liability)</i>		(140,000)
<i>Long-Term Liability Reserve</i>		(150,000)
Undesignated Fund Balance (Est.)	\$	25,665

**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: May 28, 2025

NO. 2025-09

SUBJECT: Adoption of the Final LAFCO Budget for Fiscal Year 2025-2026

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 23, 2025 and approved a Proposed Budget for Fiscal Year 2025-2026, as submitted by the Executive Officer;

WHEREAS, the Commission considered the Final Budget for Fiscal Year 2025-2026 at a duly noticed public hearing on May 28, 2025;

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 2025-2026 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 2025-2026, with total operating expenses of \$751,000, as outlined in the attachment.
3. Directs Staff to transmit the adopted Final Budget for Fiscal Year 2025-2026 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 2025-2026 in the amount of \$711,000 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).

DRAFT

ATTEST:

Sara Lytle-Pinhey
Executive Officer

Attachment: Final Budget for Fiscal Year 2025-2026

Stanislaus LAFCO
FINAL FISCAL YEAR 2025-2026 BUDGET

Account			
Salaries and Benefits			
50000+	Salaries and wages	\$	386,000
52000	Retirement		123,000
52010	FICA		30,500
53000	Group health insurance		76,000
53020	Unemployment insurance		500
53081	Long term disability		480
54000	Workers compensation insurance		3,200
55000	Auto allowance		4,800
55080	Professional development		2,500
55130	Deferred comp mgmt/conf		6,200
Total	Salaries and Benefits	\$	633,180
Services and Supplies			
60400	Communications (ITC - Telecom)	\$	1,200
61000	Insurance (SDRMA)		6,250
61030	Fiduciary liability insurance		15
61070	Crime & fidelity insurance		40
62200	Memberships (CSDA, CALAFCO)		12,320
62400	Miscellaneous expense		5,500
62600	Office supplies		1,500
62730	Postage		1,200
63000	Professional & special serv		38,995
	Building maint & supplies		5,510
	Office lease		4,785
	Utilities		1,900
	Janitorial		1,400
	Purchasing		500
	HR/Risk Mgt overhead		4,300
	IT Services (ITC)		16,000
	File Management Update (ITC)		-
	Video Streaming (ITC)		1,000
	Mtg Recording (Final Cut Media)		1,800
	Licenses: GIS & Adobe (ITC)		1,800
63090	Auditing & accounting		14,600
	County Auditor Services		2,600
	<i>New</i> Independent Auditor (Biennial Audit)		12,000
63400	Engineering services		2,000
63640	Legal services		16,000
65000	Publications & legal notices		1,200
65660	Special dept. exp (commissioners)		8,500
65780+	Education & training		6,500
67040	Other travel exp (local mileage)		600
67200	Salvage disposal		200
Total	Services and Supplies	\$	116,620
Other Charges			
73024	Planning dept services	\$	1,200
Total	Other Charges	\$	1,200
TOTAL EXPENSES		\$	751,000
TOTAL REVENUES			
40680+	Agency Contributions		711,000
36414	Application & Other Revenues		20,000
17000+	Interest Earnings & Refunds		-
	Use of Undesig. Fund Balance	\$	20,000

Stanislaus LAFCO
FINAL FISCAL YEAR 2025-2026 BUDGET
Reserve Funds & Undesignated Fund Balance

Estimated Fund Balance June 30, 2025	\$ 428,165
<i>General Fund Reserve (15%)</i>	(112,500)
<i>Accrued Leave Fund (Cash-Out Liability)</i>	(140,000)
<i>Long-Term Liability Reserve</i>	(150,000)
Undesignated Fund Balance (Est.)	\$ 25,665

**EXECUTIVE OFFICER’S AGENDA REPORT
APRIL 23, 2025**

TO: LAFCO Commissioners

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

SUBJECT: PROPOSED LAFCO BUDGET FOR FISCAL YEAR 2025-2026

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. 2025-07, approving the Proposed LAFCO Budget for Fiscal Year 2025-2026.
3. Schedule a public hearing for May 28, 2025, to consider adoption of the Final LAFCO Budget for Fiscal Year 2025-2026.

EXECUTIVE SUMMARY

The Proposed Fiscal Year (FY) 2025-2026 Budget includes operating expenses totaling \$751,000 and reflects an 4% increase as compared to the FY 2024-2025 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

Expenses	Current Budget FY 2024-2025	Proposed Budget FY 2025-2026	% Change (Proposed v. Current)
Salaries & Benefits	\$610,695	\$633,180	4%
Services & Supplies	111,775	116,620	4%
Other Charges	1,200	1,200	0%
Total Expenses	\$723,670	\$751,000	4%
Revenues			
Agency Contributions	\$693,670	\$711,000	2%
Application & Other Revenues	20,000	20,000	0%
Total Revenues	\$713,670	\$731,000	2%
<i>Anticipated Use of Undesignated Fund Balance</i>	<i>\$10,000</i>	<i>\$20,000</i>	<i>100%</i>

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 2025-2026 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 4% overall during Fiscal Year 2025-2026. 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.

SERVICES AND SUPPLIES (Accounts 60000+)

The proposed expenditures in the Services and Supplies category have increased by \$4,845 as compared to the current year's budget. The services and supplies category also 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. The following are highlights for 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 had 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 \$10,174 membership fee to the California Association of LAFCOs (CALAFCO). This amount is increasing to \$10,510 for Fiscal Year 2025-2026 based on a 3.1% Consumer Price Index increase. CALAFCO is a non-profit organization dedicated to supporting LAFCOs with educational and legislative resources. An informational report was provided at the Commission's March meeting describing the current state of the association following controversy related to the legislative committee, resignation of its Executive Director and LAFCOs from multiple counties choosing not to renew their memberships. Since that meeting, the CALAFCO Board has met and is continuing to make progress towards stabilizing the association and continuing to provide services to its membership. Staff believes that CALAFCO still provides value and will continue to monitor the progress of the association during its transition.

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. Account #63000 previously included a one-time increase of \$7,200 for County IT staff to assist in updating LAFCO's electronic file management system. This task was successfully completed in the current fiscal year and no additional funding is needed for the Proposed Budget.

Auditing & Accounting – Biennial Audit (Account #63090)

This account typically includes costs for County Auditor services, including payroll and accounting services. For the Proposed Budget, an additional amount of \$12,000 has been included for the Commission's biennial audit.

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. While copy costs trended lower in the current fiscal year, it is recommended to maintain the item at \$1,200.

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 revenues, although charged at actual cost, 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 2025-26, 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 \$428,165 for the current fiscal year.

Table 2: LAFCO Fund Balance

Fund Balance July 1, 2024	\$	388,685	
	Estimated	Budgeted	<i>Variance with</i>
Revenues	Year-End	FY 24-25	<i>Budget</i>
			<i>Over / (Under)</i>
City/County Contributions	\$ 693,670	\$ 693,670	\$ -
Application Revenue	14,500	20,000	(5,500)
Interest	21,000	-	21,000
Total Revenues	\$ 729,170	\$ 713,670	\$ 15,500
	Estimated	Budgeted	<i>Difference</i>
Expenses	Year-End	FY 24-25	
Salaries and Benefits	\$ 608,715	\$ 610,695	\$ (1,980)
Services and Supplies	80,175	111,775	(31,600)
Other Charges (Copier)	800	1,200	(400)
Total Expenses	\$ 689,690	\$ 723,670	\$ (33,980)
Revenue Less Expenditures	\$ 39,480	\$ (10,000)	\$ 49,480
Estimated Fund Balance June 30, 2025	\$	428,165	

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 2025-2026 are shown in the following table.

Table 3: Proposed Reserve Funds

General Fund Reserve (15%)	\$ 112,500
Accrued Leave Fund (Cash-Out Liability)	140,000
Long-Term Liability Reserve	150,000
<i>Total Reserves</i>	<i>\$ 402,500</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 is \$742,848. Staff from the County Auditor's office identified that there are many uncertainties with regards to the exact amount and timing of the long-term pension liability.

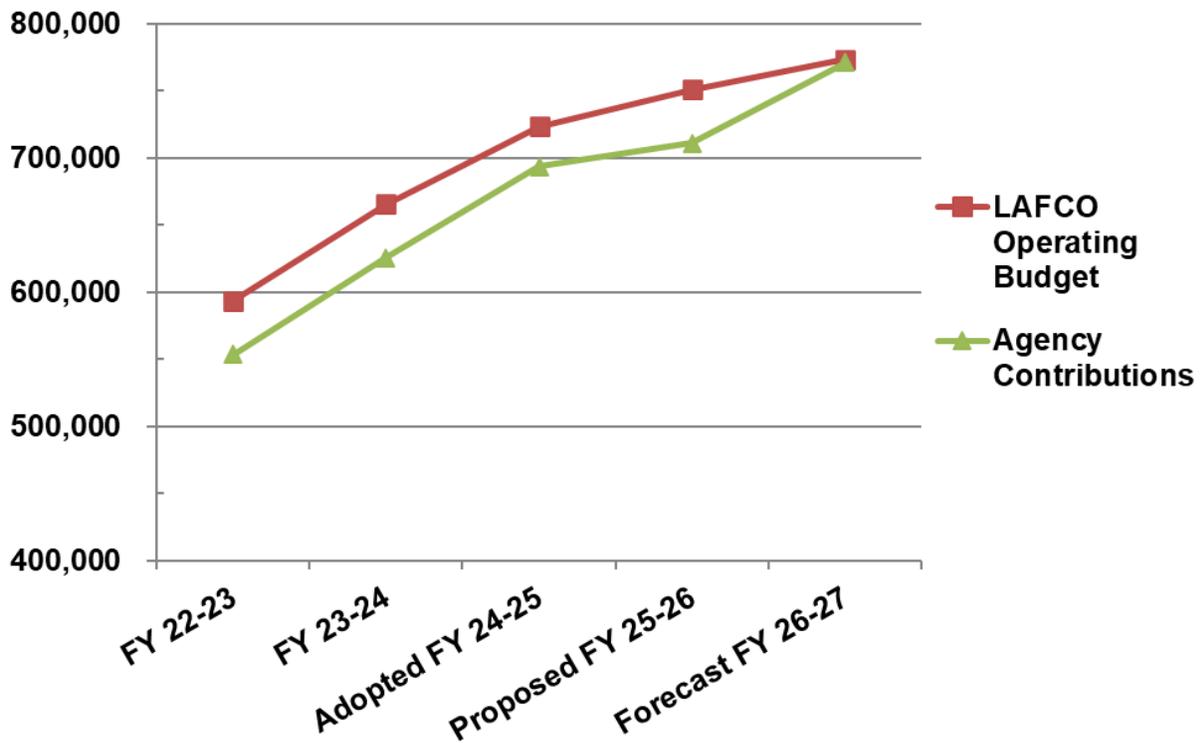
Fund Balance Status – Use of Undesignated Funds

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 \$25,665 in undesignated fund balance is available to offset agency contributions. The majority of this amount (\$20,000), in addition to \$20,000 in estimated application revenues will help 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 25-26	Forecasted FY 26-27
Total Budget	\$ 751,000	\$ 773,000
Agency Contributions	711,000	771,530
Fund Balance Beg. (Estimated)	428,165	408,165
Drawdown (Projected Use of Fund Balance to Reduce Agency Contributions)	(20,000)	(2,000)
Fund Balance End (Year End Est.)	408,165	406,165
Designated Reserves: 15% Reserve	112,500	116,030
<i>Accrued Leave (Cash-Out Liability)</i>	140,000	140,000
<i>Long-Term Liability Reserve</i>	150,000	150,000
<i>Total Reserves</i>	402,500	406,030
Estimated Undesignated Fund Balance for Use in <u>Following Year</u>	\$ 5,665	\$ 136

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 2025-2026 based on the proposed budget.

*Chart 1: City/County Allocations (Estimated FY 2025-2026)**

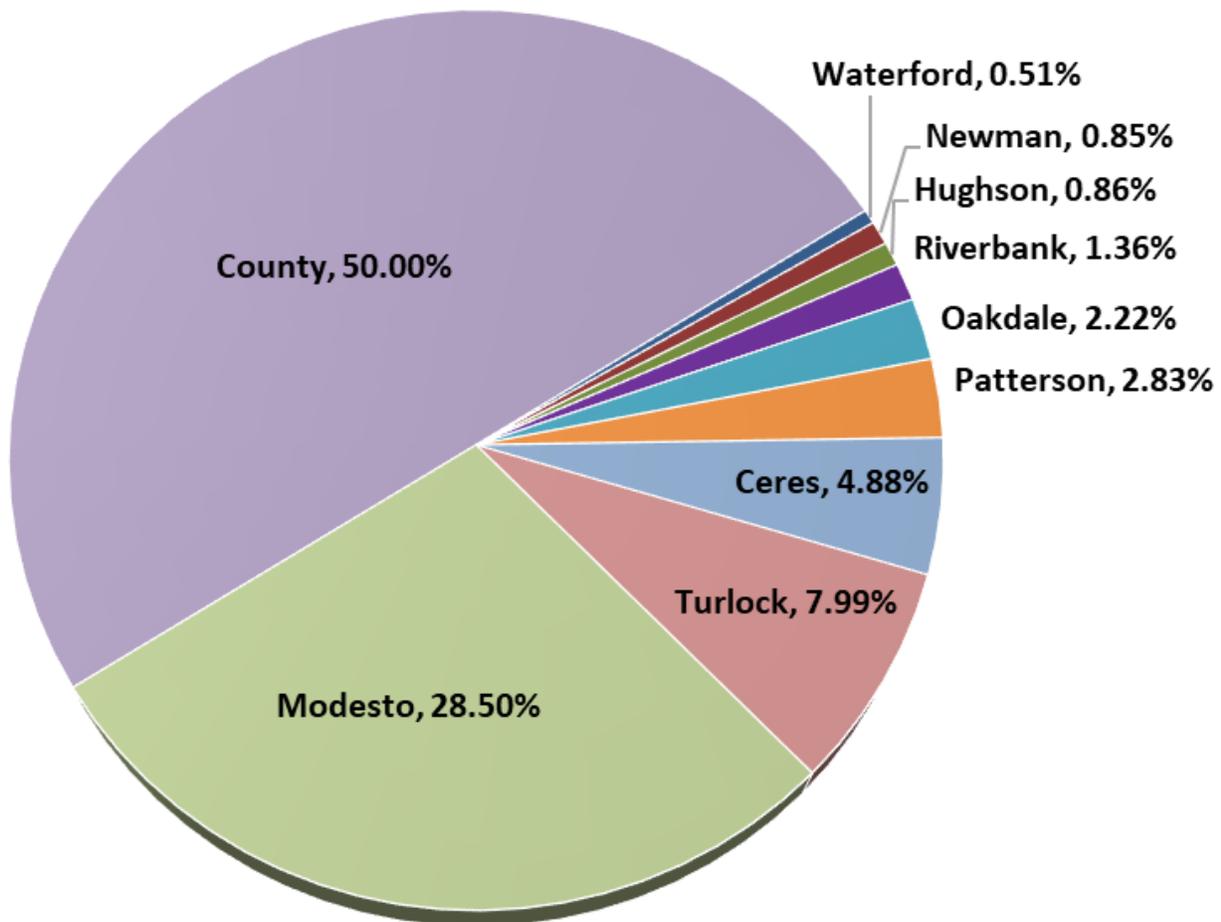


Table 5: Estimated Agency Contributions FY 2025-2026*

	State Controller Reported Revenues (FY 22-23)	% of LAFCO Budget	Current FY 24-25 Contribution	Estimated FY 25-26 Contribution*	Total Change	% Increase (Decrease)
Ceres	98,230,778	4.88%	30,348	35,660	5,312	17.51%
Hughson	17,353,423	0.86%	5,425	6,300	875	2.65%
Modesto	573,929,774	28.50%	198,509	208,351	9,842	9.77%
Newman	17,190,873	0.85%	5,842	6,241	399	6.83%
Oakdale	44,673,892	2.22%	15,162	16,218	1,056	6.97%
Patterson	56,923,515	2.83%	19,877	20,665	788	3.96%
Riverbank	27,301,891	1.36%	10,018	9,911	(107)	(1.07%)
Turlock	160,869,108	7.99%	58,022	58,400	377	0.65%
Waterford	10,343,643	0.51%	3,632	3,755	123	3.38%
All Cities	1,006,816,897	50%	346,835	365,500	18,665	5.38%
County Contribution		50%	346,835	365,500	18,665	5.38%
Total Agency Contributions		100%	\$ 693,670	\$ 731,000	\$ 37,330	5.38%

* 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 2024 work program of municipal service review updates and is in the process of completing the 2025 work program for updates affecting seven special districts. Staff continues to see steady pre-application activity for annexation proposals and anticipates at least three city annexations, two district annexations, and a potential district reorganization 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. 2025-07
 Proposed Fiscal Year 2025-2026 Budget Detail

**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: April 23, 2025

NO. 2025-07

SUBJECT: Adoption of the Proposed LAFCO Budget for Fiscal Year 2025-2026

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

Ayes:	Commissioners: Chiesa, Goeken, Lane, Withrow and Zwahlen
Noes:	Commissioners: None
Absent:	Commissioners: Bublak and Grewal
Ineligible:	Commissioners: Berryhill

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 23, 2025, to consider the Proposed Budget for Fiscal Year 2025-2026, as submitted by the Executive Officer.

NOW, THEREFORE, BE IT RESOLVED that the Commission:

1. Finds that the Proposed Budget for Fiscal Year 2025-2026 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 2025-2026 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.

ATTEST: 
Sara Lytle-Pinhey
Executive Officer

Attachment: Proposed Fiscal Year 2025-2026 Budget

Stanislaus LAFCO
PROPOSED FISCAL YEAR 2025-2026 BUDGET

Account	FY 24-25 Adopted Budget	FY 24-25 Estimated Year-End	FY 25-26 PROPOSED BUDGET	Increase or (Decrease)	% Change
Salaries and Benefits					
50000+ Salaries and wages	\$ 375,500	\$ 374,000	\$ 386,000	\$ 10,500	3%
52000 Retirement	115,875	115,875	123,000	7,125	6%
52010 FICA	29,500	29,500	30,500	1,000	3%
53000 Group health insurance	72,500	72,000	76,000	3,500	5%
53020 Unemployment insurance	500	400	500	-	0%
53081 Long term disability	470	440	480	10	2%
54000 Workers compensation insurance	3,050	3,050	3,200	150	5%
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	6,000	6,150	6,200	200	3%
Total Salaries and Benefits	\$ 610,695	\$ 608,715	\$ 633,180	\$ 22,485	4%
Services and Supplies					
60400 Communications (ITC - Telecom)	\$ 1,200	\$ 1,160	\$ 1,200	\$ -	0%
61000 Insurance (SDRMA)	5,500	5,286	6,250	750	14%
61030 Fiduciary liability insurance	15	12	15	-	0%
61070 Crime & fidelity insurance	40	36	40	-	0%
62200 Memberships (CSDA, CALAFCO)	11,700	11,983	12,320	620	5%
62400 Miscellaneous expense	5,500	(780)	5,500	-	0%
62600 Office supplies	1,500	1,200	1,500	-	0%
62730 Postage	1,200	500	1,200	-	0%
63000 Professional & special serv	45,795	41,258	38,995	(6,800)	-15%
Building maint & supplies	5,000	4,680	5,510	510	10%
Office lease	4,785	4,390	4,785	-	0%
Utilities	1,900	1,595	1,900	-	0%
Janitorial	1,400	1,255	1,400	-	0%
Purchasing	1,010	500	500	(510)	-50%
HR/Risk Mgt overhead	4,200	3,840	4,300	100	2%
IT Services (ITC)	15,700	14,348	16,000	300	2%
File Management Update (ITC)	7,200	6,650	-	(7,200)	-100%
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	1,800	-	0%
63090 Auditing & accounting	4,325	2,400	14,600	10,275	238%
County Auditor Services	4,325	2,400	2,600	(1,725)	-40%
New Independent Auditor (Biennial Audit)	-	-	12,000	12,000	new
63400 Engineering services	2,000	800	2,000	-	0%
63640 Legal services	16,000	10,000	16,000	-	0%
65000 Publications & legal notices	1,200	900	1,200	-	0%
65660 Special dept. exp (commissioners)	8,500	2,700	8,500	-	0%
65780+ Education & training	6,500	2,500	6,500	-	0%
67040 Other travel exp (local mileage)	600	100	600	-	0%
67200 Salvage disposal	200	120	200	-	0%
Total Services and Supplies	\$ 111,775	\$ 80,175	\$ 116,620	\$ 4,845	4%
Other Charges					
73024 Planning dept services	\$ 1,200	\$ 800	\$ 1,200	\$ -	0%
Total Other Charges	\$ 1,200	\$ 800	\$ 1,200	\$ -	0%
TOTAL EXPENSES	\$ 723,670	\$ 689,690	\$ 751,000	\$ 27,330	4%
TOTAL REVENUES	\$ 713,670	\$ 729,170	\$ 731,000	\$ 17,330	2%
40680+ Agency Contributions	693,670	693,670	711,000	17,330	2%
36414 Application & Other Revenues	20,000	14,500	20,000	-	0%
17000+ Interest Earnings & Refunds	-	21,000	-	-	nb
Use of Undesig. Fund Balance	\$ 10,000	(39,480)	\$ 20,000	\$ 10,000	100%

Stanislaus LAFCO
PROPOSED FISCAL YEAR 2025-2026 BUDGET
Reserve Funds & Undesignated Fund Balance

Estimated Fund Balance June 30, 2025	\$	428,165
<i>General Fund Reserve (15%)</i>		(112,500)
<i>Accrued Leave Fund (Cash-Out Liability)</i>		(140,000)
<i>Long-Term Liability Reserve</i>		(150,000)
Undesignated Fund Balance (Est.)	\$	25,665