
**SAN JOAQUIN
LOCAL AGENCY FORMATION COMMISSION**

LAFCo

509 W. WEBER AVENUE SUITE 420 STOCKTON, CA 95203

AGENDA

Thursday, May 9, 2019 9:00 A. M.

BOARD OF SUPERVISORS CHAMBERS
44 NORTH SAN JOAQUIN STREET, 6TH FLOOR
STOCKTON, CALIFORNIA

* * * *

Call to Order
Announce Date and Time of Meeting for the Record
Roll Call
Pledge of Allegiance

INTRODUCTION

Commissioner Andrade will now serve as Regular City Member, Commissioner Peter Krumeich, City of Escalon, will serve as a Regular City Member, and Commissioner Breitenbucher, City of Manteca, will serve as an Alternate City Member.

CONSENT ITEMS

1. MEETING MINUTES OF APRIL 22, 2019
(Action by All Members)
Approve Summary Minutes of the special meeting.
2. OUT-OF-AGENCY SERVICE REQUEST
(Action by Regular Members)
Request from the City of Stockton to provide out-of-agency sewer service outside the City boundary under Government Code §56133 to 530 S. Hinkley Avenue, Stockton.

ACTION ITEMS

3. DRAFT MUNICIPAL SERVICE REVIEW (MSR) AND SPEHERE OF INFLUENCE (SOI) PLAN FOR BRYON- BETHANY IRRIGATION DISTRICT AND THE WEST SIDE IRRIGATION DISTRICT (18-16)
(Action by Regular Members)
The Commission will hold a workshop to review and discuss the Draft MSR and SOI update report for Bryon-Bethany Irrigation District and the West Side Irrigation District.

4. RESULTS OF PROTEST HEARING FOR THE CONSOLIDATION OF RECLAMATION DISTRICT 2038 (LOWER JONES TRACT) AND RECLAMATION DISTRICT 2039 (UPPER JONES TRACT) (LAFD 28-18)
(Action by Regular Members)
Report from the Executive Officer on the results from the Protest Hearing held on April 16, 2019.

CLOSED SESSION

5. Open Session Disclosure Regarding Closed Session Items pursuant to Government Code Section 54957.7
6. Closed Session
Conference with Labor Negotiator Pursuant to Government Code Section 54957.6
Agency Designated Representative: Peter Johnson / Rod Attebery
Unrepresented Employee: Executive Officer James Glaser
7. Open Session Report on Closed Session pursuant to Government Code Section 54957.1

PUBLIC HEARING

8. PRELIMINARY BUDGET REPORT FOR THE FISCAL YEAR 2019-2020
(Action by Regular Members)
Commission consideration of the Preliminary Budget for Fiscal Year 2019-2020, Work Program and Schedule of Fees.

PUBLIC COMMENTS

9. Persons wishing to address the Commission on matters not otherwise on the agenda

EXECUTIVE OFFICER COMMENTS

10. Comments from the Executive Officer

COMMISSIONER COMMENTS

11. Comments, Reports, or Questions from the LAFCO Commissioners

ADJOURNMENT

LAFCo

509 W. WEBER AVENUE SUITE 420 STOCKTON, CA 95203

SUMMARY MINUTES

April 22, 2019

BOARD OF SUPERVISORS CHAMBERS
44 NORTH SAN JOAQUIN STREET, 6TH FLOOR
STOCKTON, CALIFORNIA

Chairman Johnson called the meeting to order at 9:00 a.m.

MEMBERS PRESENT: Commissioners Kuehne, Patti, Villapudua and
Chairman Johnson

MEMBERS ABSENT: None

ALTERNATE MEMBERS
PRESENT: Commissioners Andrade, Morowit and Winn

ALTERNATE MEMBERS
ABSENT: None

OTHERS PRESENT: James Glaser, Executive Officer; Rod Attebery,
Legal Counsel; and Mitzi Stites, Commission Clerk

CONSENT ITEMS

Chairman Johnson opened the matter up for Public and Commissioner Comments.

No comments were made.

A motion was made by Commissioner Villapudua and seconded by Commissioner Patti to approve the Consent Calendar.

The motion for approval of the Summary Minutes of March 14, 2019, was passed by an unanimous vote of the Commission.

The motion for approval for the out-of-agency service request to the properties located at 3527 Utah Avenue, 3559 Mourfield Avenue, 2516 S. B. Street, and 2502 S. B Street, Stockton, was passed by a unanimous vote of the Commission.

PUBLIC HEARING ITEMS

3. FIRE SERVICES GOVERNANCE MODEL FOR THE CITY OF TRACY AND THE TRACY RURAL FIRE PROTECTION DISTRICT

(Action by Regular Members)

The Commission to consider a policy regarding detachment from the Tracy Rural Fire Protection District.

James E. Glaser, Executive Officer, provided a historical overview on the issue before the Commission and provided justification for his recommendation that the Commission adopt a policy of detachment of the Tracy Rural Fire Protection District when territory annexes into the City of Tracy. The issue of a fire service governance model has been pending since October 2011 when the Commission adopted the Rural Fire District Municipal Service Review which included an Implementation Strategy that states: "Complete a plan regarding the governance model for Tracy City Fire Department and Tracy Rural FPD within 18 months subject to the approval of LAFCo. All subsequent annexation requests shall be consistent with the approved plan." Mr. Glaser stated that the City had prepared at least three studies to address the Commission's concerns regarding the governance model to provide fire services but the studies fell short in properly analyzing all governance models requested by the Commission, did not come with a recommendation from the City and Tracy Rural, or contained incorrect financial data. Mr. Glaser stated that the current "no detachment" policy conflicts with the Cortese Knox Hertzberg Act as well as the Commission's own policies for annexation. He stressed the importance of the Commission in making public policy and that whatever policy decision made today will have lasting financial implications. He stated that the 12 annexations approved with no detachment will not be affected by today's action. Mr. Glaser referred the Commission to the written comments provided by the County Administrator's Office. The CAO obtained financial data from the County Auditor's Office showing the financial loss to the County in the amount of \$74M from 2001 to 2026 during which time the 12 annexations were not detached from Tracy Rural. The CAO recommended that the City of Tracy follow the policy that occurs in other County cities of Stockton, Lodi, and Manteca, and detach territory from the rural fire district upon annexation.

Chairman Johnson opened the floor for Commissioner Comments.

Commissioner Patti requested clarification on what was included in the \$74M projected loss for the County and whether any action taken by the Commission today will affect this loss of funds.

Mo Hatef, Senior Deputy Administrator, San Joaquin County and Stanley Lawrence, Chief Deputy Auditor-Controller, San Joaquin County, stated that the \$74 million loss includes the existing 12 annexations without detachment from 2001/2002 to 2026/2027 and any action today will not affect this amount of loss. The County is requesting that the Commission approve detachment from Tracy Rural Fire Protection District from future annexations.

Mo Hatef, Senior Deputy Administrator stated that the \$74M is based on a share of 11% of the property tax rate from the 12 annexations to the year 2026/2027.

Commissioner Winn stated that the City of Tracy benefits by no detachment but the City needs to take over fire services.

Chairman Johnson closed the floor for Commissioner Comments.

Chairman Johnson opened the floor for Public Comments.

Karen Schneider, Finance Director for the City of Tracy, represented both the City of Tracy and the Tracy Rural Fire Protection District under the Joint Powers Agreement and she worked on the negotiations. The fiscal analysis is based on this current model and stated that if the Commission changed the policy, it will change the City of Tracy's model which has been growing and getting stronger. Additionally, the City has received grants based on this model. Ms. Schneider stated that LAFCo is holding two annexations hostage over this governance issue. The City of Tracy is asking for two things from the Commission: to continue to move annexations forward and to postpone the policy of detachment while the City, Tracy Rural and the County work on this together.

Commissioner Kuehne stated that all cities that annex new development enter into a tax sharing agreement with the city to take over the services and that Tracy has failed to do that.

Karen Schneider, Finance Director City of Tracy, stated that the fiscal model has been able to support the current governance model and changing this model will cause fiscal harm to the fire services. She said that changing the policy will take away two their revenue sources of property taxes and assessments and that this is a decision that should be done between the County and the City, not LAFCo.

Commissioner Kuehne stated that LAFCo is responsible for both fiscal growth and development growth including the fiscal implication for the County as well. He stated that the decision needs to be completed before any annexations and to do otherwise would not be a good steward for this board. Although it is not an easy decision it needs to be based on LAFCo's responsibility.

Chairman Johnson stated that a comment was made about holding two annexations hostage. This policy has been in effect for 23 years and nothing has been done. Now that deadlines are approaching for these two annexations the City is asking to allow the annexation to go through while the City is working on agreement.

Commissioner Winn agreed with Chairman Johnson that the City of Tracy is asking for the matter to be continue when this practice that has been going on for almost 23 years. Mr. Winn said that a decision on policy needs to be made today.

Karen Schneider, Finance Director, City of Tracy, added that another reason for asking for a continuance is that the City does not agree with the Executive Officer's conclusions on the staff report and they have drafted a letter to be sent to him and the Commission outlining the concerns.

Chairman Johnson stated that this is why LAFCo is holding a special meeting and now is the time for discussion. The items should have been presented today.

Randall Bradley, Fire Chief with the City of Tracy, stated that he was brought in by the San Joaquin County Fire Authority to review their governance model. He stated that the model results in high service performance and the fire stations are now strategically located. He indicated that the County has received \$50M from these past developments.

Commissioner Kuehne commented that no one has denied the level of fire service for Tracy. Commissioner Kuehne asked for clarification on the loss of revenue of \$74M for the county and the

additional revenue due to non-annexing property and additional funds that the County has received.

Jay Wilverding, Auditor-Controller for San Joaquin County, stated that he did not have the numbers to correctly answer the question.

Chairman Johnson restated the question that the Fire Chief said that though the County will have a \$74M loss for not detaching, they have received \$50M generated from new development.

Commissioner Winn added that the revenue was from an increase in other taxes and not the 11% from the fire district.

Jay Wilverding, Auditor Controller for San Joaquin County, stated the tax rate areas get different shares. As cities grow the 18% or 19% that the County receives will grow as well. Regarding the tax sharing agreements with cities, the verbiage is all the same. Also depending on when the agreements were done will depend on the County/City split. Tracy is not treated any different than other Cities.

Robert Rickman, Mayor of City of Tracy, stated that he has spoken with different Mayors and City Council members regarding the tax sharing agreements and found that tax sharing agreement of 80%/20% is one of the worse in the State of California. He found that most other cities are 50%/50%. The City is looking to change that. He stated that the fire service for Tracy is by far one of the best, if not the best and it has received one of the few hazmat vehicles due to their model. Also, the tax sharing agreement is a concern is for all County cities. Mr. Rickman requested that the annexations go through the process and the City will work with the County on the tax sharing agreement.

Mark Bowman, Attorney for the Tracy Rural Fire Protection District, asked that before the Commission makes any policy change that the Commission has evidence that the provision of fire services will not be degraded by this detachment. Chief Bradley stated that the Joint Powers Agreement model provides the best service available.

Jeff Schroder, Ponderosa Homes, stated that he is one of the two annexation projects that is being delayed. He stated that there is a housing crisis resulting in a million dollars of loss to the County. This issue is a County and City issue and not a LAFCo issue.

Commissioner Patti asked the Executive Officer if an annexation with detachment will hold up an annexation.

James E. Glaser, Executive Officer, said it will not hold up an annexation and in fact may go faster.

Commissioner Morowit wanted clarification on the financial impact to the city or to the developer if this matter would continue to be delayed.

Jeff Schroder, Ponderosa Homes, stated that revenue is flat right now and costs are going up. He stated that if the only way to proceed is to detach from the Tracy Rural Fire Protection District then he will make that decision but that development is bringing new money into the County and improving the County's fiscal plan. He stated that the issue of detaching is a huge issue and it should be between the City and County and not a LAFCo issue.

Chairman Johnson stated that the growth of cities in regards to County land is a LAFCo issue and that the policy decided upon today will affect all future annexations and this matter should have been settled a long time ago and now is the time for this Commission to decide.

Justin Legasa, Tracy Firefighter and Paramedic representing Tracy Fire Union Local 3355, discussed the importance of the JPA agreement and the vast improvement it has done for the Tracy Rural Fire Protection District. He stated that requiring detachment would be detrimental to the service that would be provided to the residents.

Leticia Ramirez, Assistant City Attorney for the City of Tracy, stated that issue has been pending for 23 years and it should have been resolved but it has not. She asked if the City agrees to have the annexations detach from the Tracy Rural Fire Protection District can the City skip the Municipal Service Review (MSR) and the Sphere of Influence (SOI) Update to proceed with the annexations.

Mr. Glaser, Executive Officer, said that if the Commission sets the policy to have future annexations detach from the Tracy Rural Fire Protection District, then the annexation process could be done faster, however, the City of Tracy would still need to do a MSR and SOI Update.

Leticia Ramirez, Assistant City Attorney for the City of Tracy, restated that that the City has additional information regarding this matter for the Commission to consider.

James E. Glaser, Executive Officer, stated that the Commission also has the option to continue this matter.

Chairman Johnson stated that he does not understand why the City of Tracy wants to wait on this matter. The City of Tracy has come before the Commission during the last few months wanting to get on the Commission Agenda and now that this special meeting is being held, they are not prepared.

Leticia Ramirez, Assistant City Attorney for the City of Tracy, stated that this is a financial issue that needs more time to have the concerns addressed and they would like to respond to the County letter dated April 15, 2019.

James E. Glaser, Executive Officer, stated that the recommendation to establish a LAFCo policy on detachment is not solely based on economics, but on LAFCo principal.

Commissioner Patti inquired about the policy of detaching and if it was consistent with other LAFCos.

Mr. James Glaser, Executive Officer, stated that the fundamental purpose of LAFCo is the determination of whether a district would detach or not detach and this decision rests solely with LAFCo.

Chairman Johnson asked Rod Attebery, Legal Counsel, to confirm that statement. Mr. Attebery, Legal Counsel, stated that it is correct and as a result of LAFCo's authority to determine whether an annexation is appropriate the Commission should take all the steps outlined by Mr. Glaser. He also stated that it is the Executive Officer's obligation to provide the Commission with his independent review.

Commissioner Patti said that LAFCo is not taking away what Tracy has received in the past but the City should follow protocol as with all other Cities.

Bob Bentz addressed the Commission.

Chairman Johnson closed Public Comments.

Chairman Johnson opened Commissioner Comments.

Commissioner Kuehne commented that a lot of discussion took place on tax sharing agreements but this is not under LAFCo purview. He said that what is under LAFCo purview are municipal service reviews, orderly growth, and adequately service provision. Although Mr. Bowman pointed out that any resolution made today might degrade the ability to provide that service he is not disagreeing with that but in by the same token LAFCo must make sure there is financial resources to provide adequate services. Annexation is what LAFCo does and it encourages detachments in annexations. Commissioner Kuehne said LAFCo needs to move forward with this.

Commissioner Winn added that this issue has been going on for about 23 years and LAFCo needs to resolve it. Therefore, it is time to make a firm decision and detachment is the right one to make.

Commissioner Winn left the meeting at 11: 17 a.m.

Commissioner Villapudua agrees with other Commissioners.

The motion was made by Commissioner Villapudua, seconded by Commissioner Patti to approve Resolution No. 1402, adopting an annexation policy for the City of Tracy and Tracy Rural Fire protection District.

The motion passed by a unanimous vote of the voting members of the Commission

Chairman Johnson asked Mr. Glaser to talk about the next steps.

Mr. Glaser, Executive Officer, went over the next steps needed for the City of Tracy prior to consideration of an annexation.

Commissioner Johnson informed the City of Tracy to continue to work with LAFCo in moving forward to get the annexations done.

Commissioner Patti added that everything that we are asking to get this done is LAFCo protocol and LAFCo is not asking for anything different.

James E. Glaser, Executive Officer, said that LAFCo is willing to help to keep this moving forward consistent with LAFCo policies.

Commissioner Patti checked with Mr. Attebery, Legal Counsel, if LAFCo was following LAFCo policies. Rod Attebery, Legal Counsel, stated yes, that Mr. Glaser is following C-K-H policies as well as the Commission policies.

PUBLIC COMMENTS

7. Persons wishing to address the Commission on matters not otherwise on the agenda.

No one came forward

EXECUTIVE OFFICER COMMENTS

8. Comments from the Executive Officer

Next Commission Meeting will be on Thursday, May 9, 2019. Items on the agenda include the Preliminary Budget with the Final Budget will be in June. On the dais is the Municipal Service Review for Byron Bethany Irrigation District and The West Side Irrigation District. The MSR workshop will be in May and the Public Hearing in June. Staff will also provide the results of the Jones Tract Protest Hearing.

COMMISSIONER COMMENTS

9. Comments, Reports, or Questions from the LAFCO Commissioners.

Chairman Johnson thanked Commissioner Kuehne on his service on LAFCo. Commissioner Patti thanked Commissioner Kuehne for his stewardship and friendship on the Commission.

CLOSED SESSION

10. Open Session Disclosure Regarding Closed Session Items pursuant to Government Code Section 54957.7

11. CLOSED SESSION

- A. Conference with Legal Counsel-Existing Litigation pursuant to Government Code Section 54956.9(a)
Name of Case: Pacific Gas and Electric v. San Joaquin LAFCo and South San Joaquin Irrigation District (San Joaquin County Superior Court Case No. 39-2015-00321743-CU-JR-STK)

12. Open Session Report on Closed Session pursuant to Government Code Section 54957.1

Rod Attebery, Legal Counsel, stated there is an update but it is public information and no close session is required. He informed the Commission that PG&E has filed bankruptcy and have filed a stay which means that all litigation and matters of dispute are on hold until the bankruptcy issue is resolved. However, there is no money exchanging hands and there is a question if the matter of stay in a bankruptcy court applies to a reverse validation action, both parties are filing and will respond accordingly.

11:40 a.m. – Chairman Johnson adjourned the meeting to Thursday, May 9, 2019.

LAFCo

509 W. WEBER AVENUE SUITE 420 STOCKTON, CA 95203

EXECUTIVE OFFICER'S REPORT

May 9, 2019

TO: LAFCo Commissioners

FROM: James E. Glaser, Executive Officer

SUBJECT: **CITY OF STOCKTON OUT-OF-AGENCY SERVICE REQUESTS**

Recommendation

It is recommended that the Commission approve the request from the City of Stockton to provide out-of-agency sewer service under the Government Code §56133 to property located at 530 S. Hinkley Avenue, Stockton.

Background

Government Code Section §56133 states that the Commission may authorize a city or special district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization and that prior to providing new or extended service, the city or district must first receive approval from LAFCo. The Commission adopted a policy that conditions their approval for out-of-agency service requiring the recordation of an agreement with the landowner consenting to annexation of their property when annexation becomes feasible.

The City of Stockton submitted a request for approval to extend sanitary sewer service to a single family residences outside the city limits but within the City's sphere of influence. A vicinity map is attached showing the location of the out-of-agency request. Connection to City sewer lines are available to the property and the property owner has paid the appropriate connection fees to the City. The request for out-of-agency service is in compliance with the Government Code §56133 and Commission policies. Staff recommends approval of the attached Resolution 1404 approving out-of-agency services.

Attachment: Resolution No. 1404
Vicinity Map

Resolution No. 1404

**BEFORE THE SAN JOAQUIN LOCAL AGENCY FORMATION
COMMISSION APPROVING AN OUT-OF-AGENCY SANITARY SEWER
SERVICE FROM THE CITY OF STOCKTON TO 530 S. HINKLEY AVENUE,
STOCKTON.**

WHEREAS, the above-reference requests have been filed with the Executive Officer of the San Joaquin Local Agency Formation Commission pursuant to §56133 of the California Government Code.

NOW THEREFORE, the San Joaquin Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

- Section 1. Said out-of-agency service request is hereby approved.
- Section 2. The proposal is found to be Categorically Exempt from CEQA.
- Section 3. The proposal is subject to the following conditions:
 - a. Prior to connection to the city sewer or water, the City of Stockton shall record a covenant and agreement with the property owners to annex to the City of Stockton in a form acceptable to the Executive Officer.
 - b. This approval and conditions apply to current and future property owners.

PASSED AND ADOPTED this 9th day of May, by the following roll call votes:

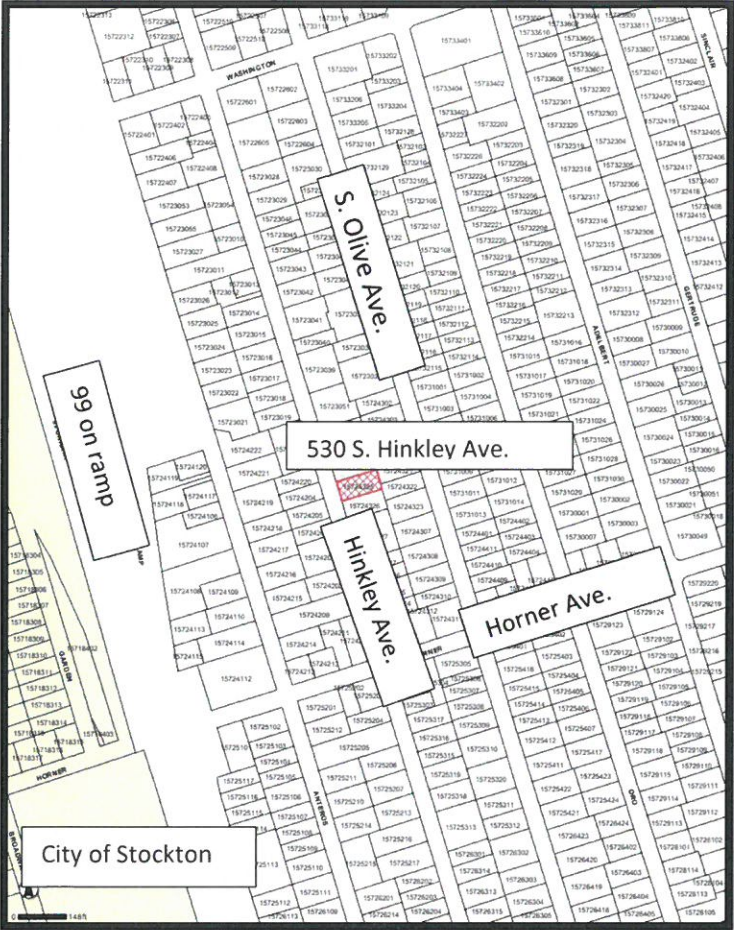
AYES:

NOES:

ABSENT:

Peter M. Johnson, Chairman
San Joaquin Local Agency
Formation Commission

Res. No. 1404
05-09-19



LAFCo

509 W. WEBER AVENUE SUITE 420 STOCKTON, CA 95203

EXECUTIVE OFFICER'S REPORT

May 9, 2019

TO: LAFCo Commissioners

FROM: James E. Glaser, Executive Officer

SUBJECT: **Draft Municipal Service Review/Sphere of Influence Plan Workshop
Bryon-Bethany Irrigation District and The West Side Irrigation
District**

Recommendation

It is recommended that after receiving testimony and providing comments on the Draft Municipal Service Review/Sphere of Influence Plan for Bryon-Bethany Irrigation District (BBID) and The West Side Irrigation District (TWSID) that the matter be scheduled for a public hearing on June 13, 2019.

Background

A Municipal Service Review (MSR) is a comprehensive review of an agency intended to obtain information about the agency's ability to provide services. Its purpose is to evaluate the provision of services from a comprehensive perspective and recommend actions, when necessary, to promote the efficient provision of those services. Service reviews are intended to serve as a tool to help LAFCo, the public and other agencies better understand the public service structure and evaluate options for the provision of efficient and effective public services that the agency currently provides. State law requires that LAFCo update Spheres of Influence and prepare a Municipal Service Review in conjunction with that update.

The MSR is required by the Cortese-Knox-Hertzberg Act to have six categories, as defined by the San Joaquin LAFCo "Service Review Policies" December 14, 2012. Each of these categories requires a written determination. The six categories are as follows:

- Growth and Population Projections for the Affected Area

- The Location and Characteristics of any Disadvantage Unincorporated Communities within or Contiguous to the Sphere of Influence
- Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies
- Financial Ability of Agencies to Provide Services
- Status of and Opportunities for Shared Facilities
- Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

In determining a sphere of influence, the Commission is required to consider and make written determinations with respect to the following factors (Government Code Section 56425):

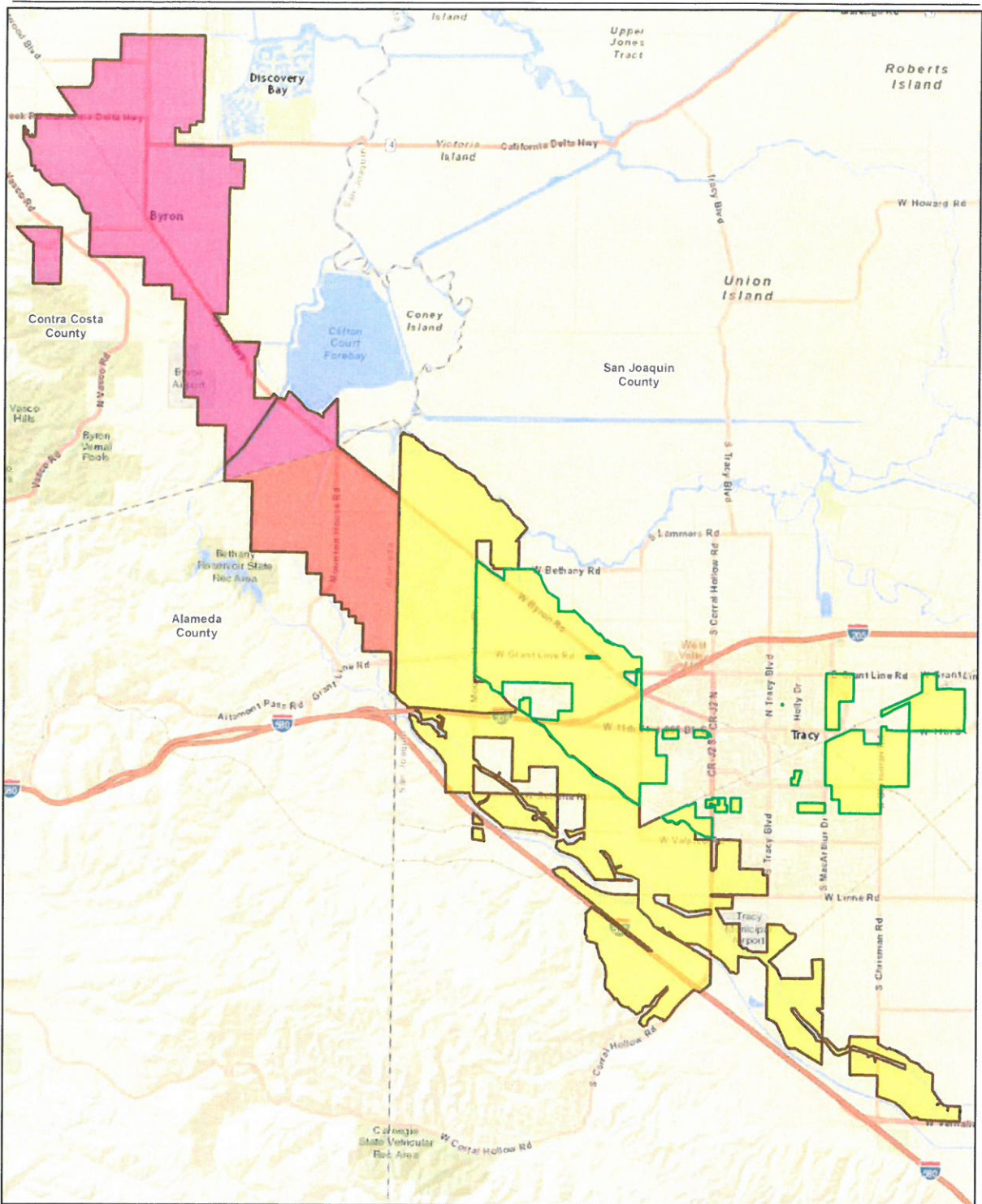
- The Present and Planned Land Uses in the Area, Including Agricultural and Open Space Lands.
- The Present and Probable Need for Public Facilities and Services in the Area.
- The Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide.
- The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency.
- The Present and Probable Need for those Public Facilities and Services within any Disadvantaged Unincorporated Communities (DUCs) within the Sphere of Influence.

Byron Bethany Irrigation District

BBID became a public district in December 1919. Originally formed as a private company, called the Byron-Bethany Irrigation Company, in 1914 it utilized long-term (pre-1914) water rights. BBID procures and supplies raw water to be used for irrigation and municipal purposes. In addition to its pre-1914 water rights, BBID also has a contract with the U.S. Bureau of Reclamation for 20,600 acre-feet (AF) for the Central Valley Service Area. The District consists of approximately 29,477 acres and is located in Alameda, Contra Costa, and San Joaquin Counties. (See Figure 3-2)

The West Side Irrigation District

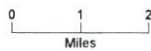
TWSID was originally formed on October 12, 1915 and began making its first water deliveries four years later in 1919. TWSID provides the delivery and sale of irrigation water, agricultural drainage, storm and municipal drainage, and municipal and industrial water. The District consists of approximately 6,589 acres located in the unincorporated territory to the east and west of and within the City of Tracy. TWSID has a license from the State Water Resource Control Board to divert 27,000 AF of water from Old River. TWSID also has a contract with the U.S. Bureau of Reclamation to receive 2,500 AF from the Central Valley Project. TWSID currently functions as an independent district governed by a five-member Board of Directors.



LEGEND

- Byron Bethany Irrigation District
- The West Side Irrigation District
- Alameda County
- Contra Costa County
- San Joaquin County

Figure 3-2: Relation of Three Counties to District Boundaries



Service Layer Credits: Sources: Esri, DeLorme, NAVTEQ, USGS, NRCAN, METI, IPC, TomTom
 Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community

Byron Bethany Irrigation District, California



Consolidation

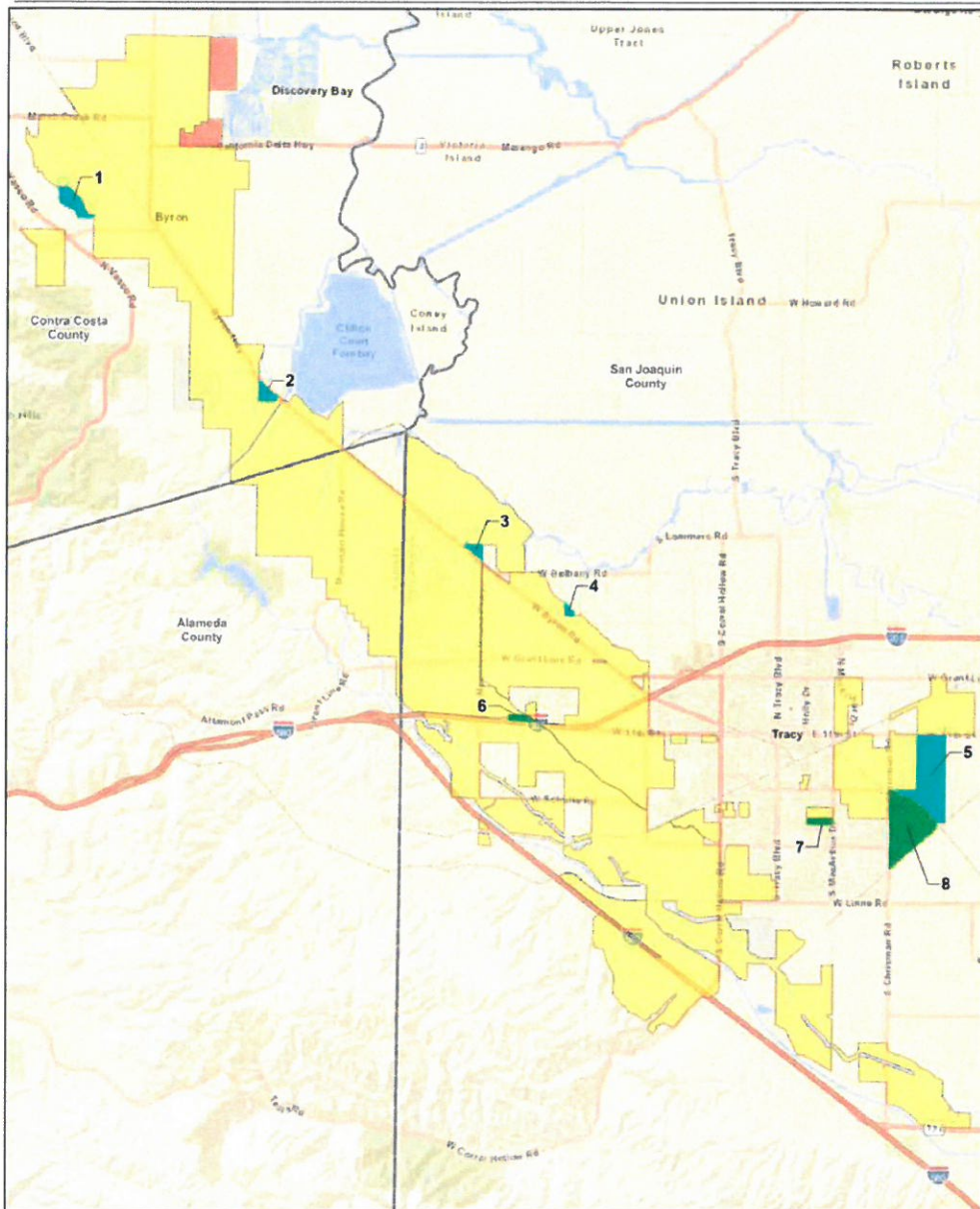
The Boards of Directors of Byron Bethany Irrigation and The West Side Irrigation District approved a concurrent resolution for the consolidation of the two Districts. The Districts propose to accomplish the consolidation by combining the territory of TWSID with the territory of BBID, and creating BBID as the single successor district. TWSID would no longer be a separate entity. The reason for the consolidation is to enhance the services provided to the territories of both BBID and TWSID. In the interim, TWSID and BBID entered into a December 2016 Management Agreement (Agreement for Services) such that BBID provides management services to TWSID. Management services covered under the 2016 Agreement include provision of a General Manager, operations, and maintenance support. TWSID retains its separate legal counsel, until the consolidation is formally approved by LAFCo. Figure 8-5 shows the proposed Sphere of Influence for the Consolidated District.

The MSR/SOI document has been transmitted to the surrounding jurisdictions and State and Federal water agencies. LAFCo has not yet received any comments. Any comments will be included in the final report.

The Commission's service review policy sets forth the procedure for public participation and public hearing. The policy requires a two-step process for the adoption of a service review: 1) a public meeting/workshop with the Commission to accept comments from the public and the Commission "prior to finalizing the document", and 2) a formal 21-day review period and public hearing. Staff will provide public notice for the June 13, 2019 meeting to meet our legal obligation for a public hearing. The Commission will be able to adopt the MSR at that meeting or may continue the matter to a future meeting. A motion is attached for Commission's consideration.

The draft report was previously transmitted at the Special April 22, 2019 meeting to the Commissioners for their early review.

Attached is a motion for Commission's consideration.



- LEGEND**
- Byron Bethany Irrigation District and The West Side Irrigation District
 - Proposed Sphere of Influence for Consolidated District
 - Discovery Bay Area to be removed from SOI
 - Drainage Parcels – Additions to SOI

Figure 8-5: Proposed SOI for Consolidated District

Note: Proposed consolidated District of BBID and TWSID shown in yellow



Service Layer Credits: Sources: Esri, DeLorme, NAVTEQ, USGS, NRCAN, METI, Esri, TomTom
 Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), Mapbox, Swatch, NGCC, © OpenStreetMap contributors, and the GIS User Community



Byron Bethany Irrigation District, California

Motion

Moved by Commissioner _____, seconded by Commissioner _____ that the Draft Municipal Service Review/Sphere of Influence Plan for Bryon-Bethany Irrigation District (BBID) and The West Side Irrigation District (TWSID) be set for public hearing on June 13, 2019.

LAFCo

509 West Weber Avenue Suite 420 STOCKTON, CA 95203

EXECUTIVE OFFICER'S REPORT

May 9, 2019

TO: LAFCo Commissioners

FROM: James E. Glaser, Executive Officer

**SUBJECT: Results of Protest Hearing for the Consolidation of Reclamation District 2038
(Lower Jones Tract) and Reclamation District 2039 (Upper Jones Tract)
(LAFCo 28-18)**

Recommendation

It is recommended that the Commission approve Resolution No. 1405 ordering the consolidation of Reclamation District 2038 and Reclamation District 2039.

Background

On February 14, 2019 the Commission approved the consolidation of Reclamation District 2038 and Reclamation District 2039 and directed the Executive Officer to conduct protest proceedings. By statute, the approval of a consolidation is subject to a protest hearing. A protest hearing was held on April 19, 2019 at 10:00 a.m. at the LAFCo Office at 509 W. Weber Avenue, Suite 420, Stockton, CA.

In accordance with Government Code Section 57075(a) the Commission shall make a determination regarding the value of the written protests filed and not withdrawn and take the appropriate action based on the results:

- If at least 25% of the number of landowners within the territory subject to the consolidation, owning at least 25% of the assessed value of land within the territory then an election would be held

No written protests were received by the close of the Protest Proceedings. Based on the final results of the protest proceeding, the appropriate action is to take is to order the consolidation of RD 2038 and RD 2039.

Attachment: Resolution No. 1405

RESOLUTION NO. 1403

**SAN JOAQUIN LAFCO
CONDUCTING AUTHORITY**

**RESOLUTION ORDERING THE CONSOLIDATION OF RECLAMATION DISTRICT 2038
(Lower Jones Tract) AND RECLAMATION DISTRICT 2039 (Upper Jones Tract)
(LAFc 28-18)**

WHEREAS, the San Joaquin Local Agency Formation Commission (LAFCo) on February 14, 2019 approved LAFCo Resolution No. 1396, approving the consolidation of Reclamation District 2038 and Reclamation District 2039.

WHEREAS, the Commission did set forth the reasons for approval of the consolidation, made determinations, including those required by the California Environmental Quality Act (CEQA), and approved terms and conditions for the consolidation described in LAFCo Resolution No. 1396, attached hereto and by this reference incorporated herein;

WHEREAS, the consolidation was initiated by the legislative bodies of the reclamation districts adopting substantially similar Resolutions of Application;

WHEREAS, Government Code Section 56029 designates the Commission as the Conducting Authority to conduct proceedings for a consolidation pursuant to Part 4 of Division 3 of Government Code commencing with Section 57000;

WHEREAS, the Commission directed the Executive Officer, pursuant to Government Code Section 56881(d), to initiate protest proceedings pursuant to Part 4, commencing with Section 57000;

WHEREAS, the Executive Officer set the proposal for a protest hearing on April 19, 2019 at the hour of 10:00 a.m., at the LAFCo Office at 509 West Weber Avenue, Suite 420, Stockton, California;

WHEREAS, notice, in the form and manner required by law, has been given for the conducting authority proceedings by the Executive Officer, pursuant to Government Code Section 57025;

WHEREAS, pursuant to Government Code Section 57002, the Executive Officer has conducted the public hearing for the purposes of receiving written protests;

WHEREAS, the conducting authority proceeding hearing was concluded on April 19, 2019;

WHEREAS, no written protests were received either prior to, or upon conclusion of the hearing;

NOW, THEREFORE, THE SAN JOAQUIN LOCAL AGENCY FORMATION COMMISSION HEREBY RESOLVES, DETERMINES, AND ORDERS as follows:

1. The consolidation of Reclamation District 2038 and Reclamation District 2039 is hereby ordered pursuant to Government Code Section 57075(a);
2. Directs the Executive Officer to file a Certificate of Completion in the manner stated in Government Code Section 57000 et seq;

PASSED AND ADOPTED this 9th day of May 2019 by the following vote:

AYES:

NOES:

PETER JOHNSON, CHAIRMAN
San Joaquin Local Agency
Formation Commission

EXECUTIVE OFFICER'S REPORT

May 9, 2019

TO: LAFCo Commissioners

FROM: James E. Glaser, Executive Officer

SUBJECT: **LAFCO PRELIMINARY BUDGET FOR FISCAL YEAR 2019-2020,
WORK PROGRAM, AND SCHEDULE OF FEES**

Recommendation

It is recommended that the Commission, after receiving testimony and proving comments, schedule a Public Hearing on June 9, 2019 for approval of the Final Fiscal Year 2019-2020 Budget, Work Program and Schedule of Fees.

Overview

In compliance with the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act), the attached Preliminary Budget for Fiscal Year (FY) 2019-20 is submitted for Commission approval. The CKH Act requires the Commission to approve a preliminary budget by May 31 and a final budget by June 15th.

The Commission Budget Committee comprised of Chairman Peter Johnson and Commissioner Patti met on April 22, 2019 to review the status of the current budget year, the proposed work program, fee schedule, and to consider alternative budget options for the upcoming fiscal year. The Budget Committee's recommendation for the FY 2019-2020 budget is attached.

The proposed budget anticipates revenues in the amount of \$474,600 from the following sources: \$222,800 contribution from the County; \$222,800 contribution from the seven cities;¹ \$15,000 in from application filing fees; and \$14,000 interest revenue. The budget anticipates that the cost for staffing and operations will be approximately \$728,958 and that the Commission will transfer

¹ The County and its cities contribute one-half share of LAFCo's operational costs. The Cities share is based upon the proportionate share of the total county population living within cities. Using the January 2017 population data from the State Department of Finance, the city contributions would be as follows: Stockton-\$119,644; Tracy-\$33,866; Manteca-\$28,518; Lodi-\$23,839; Lathrop-\$8,689; Ripon-\$5,570; and Escalon-\$2,674.

\$254,358 from its existing \$876,753 Contingency/Reserve fund to continue agency operations to the end of the fiscal year.

As directed by the Commission during last year's budget approval process the proposed County and City contributions were increased by 3%. The Commission decided that the County and City Contributions should be increased by 3% each year. The Committee also proposes that \$200,000 be set aside in the Contract for Services line item in the event that the Commission wishes to contract out for special studies, complete municipal service reviews, or other matters that require an outside consultant.

Although the proposed budget attached does not include salary changes, the Budget Committee requests that the Commission discuss the Executive Officer's salary in a Closed Session. A Final FY 2019-2020 budget will reflect any changes for approval at the June Public Hearing.

Work Program

For 2019-2020, the LAFCo Work Program will include application processing for annexations and other organizational changes and out-of-agency service requests. Municipal Service Reviews (MSRs) and Sphere of Influence (SOI) will be updated for the cities of Escalon and Lodi. LAFCo completed MSR and SOI Updates for 21 reclamation districts and may, based on Commission direction, begin work on the remaining 29 reclamation districts. MSR and SOI updates may, based on Commission direction, will be completed for County rural fire districts as well as a MSR and SOI amendment for South San Joaquin Irrigation District.

LAFCo anticipates a consolidation proposal from Byron-Bethany Irrigation District and West Side Irrigation District.

The Commission will review and update, as needed, its operational policies and procedures.

Schedule of Fees

The Budget Committee reviewed the application filing fee schedule and proposes the following adjustments:

- Increase fee from \$1,200 to \$3,000 for Amendments to a Municipal Service Review
- Clarification of the Surveyor Map Checking Fee by adding the words "whichever is higher"

The Budget Committee requested that Staff review the current fee schedule and compare our application filing fees with those of other LAFCos. A preliminary review of other fee schedules indicates a wide variety of ways to charge for services and would require more time for a thorough review. Staff will present its analysis at the final budget hearing June. There is no requirement that the fee schedule must be approved with the budget. If the Commission desires, an approval for the fee schedule can be postponed until a later date.

Accomplishments

During the current FY2018-2019, LAFCo processed 13 Out-of-Agency requests, annexed territory to Woodbridge Irrigation District and County Service Area 29, dissolved 2 inactive independent special districts and completed a consolidation. Municipal service reviews and Sphere of Influence Updates were completed for the City of Stockton, Reclamation District 2038 and 2039 and a MSR/SOI Update is pending for Byron Bethany Irrigation District and the West Side Irrigation District and the City of Tracy. In May, the Commission resolved the issue regarding the governance model for providing fire protection for the City of Tracy and Tracy Rural Fire District and adopted a policy of “detachment” of the fire district from the City. The Commission actively recruited and selected a new Public Member to serve on the Commission.

Staff will be prepared to discuss the Final Budget, Work Program and Schedule of Fees at the June 13, 2019 meeting.

Attachments: Motion
Preliminary Budget for Fiscal Year 2019-2020
Schedule of Fees

cc: County Administrator’s Office

MOTION

Moved by Commissioner _____, seconded by Commissioner _____ to approve the LAFCO Preliminary Budget for Fiscal Year 2019-2020 and Work Program and schedule a Public Hearing for June 13, 2019 to consider the Final Budget, Work Program, and Schedule of Fees.

PROPOSED PRELIMINARY BUDGET FY 19-20
San Joaquin LAFCo Budget Committee

	FY18-19 Budget	Est FY 18-19 Revenue/Expenditures	Over/Under Budget	Proposed FY 19-20	Amount Over/Under FY 18-19
REVENUES					
Filing Fees	15,000	32,605	17,605	15,000	-
County Contribution	216,300	216,300	-	222,800	6,500
City Contribution	216,300	216,300	-	222,800	6,500
Interest	7,500	19,734	12,234	14,000	6,500
TOTAL REVENUES	\$455,100	484,939	29,839	474,600	19,500
EXPENDITURES					
SALARIES					
Staff Salaries/Commissioner Stipends	266,596	285,937	19,341	277,285	10,689
BENEFITS	160,914	29,404	(112,169)	170,970	
SALARIES/BENEFITS-COMMISSIONER STIPENDS	\$427,510	\$315,341	-\$112,169	\$448,255	20,745
SERVICES AND SUPPLIES					
Prof Serv (Neumiller & Beardslee)	15,000	15,000	-	15,000	-
Office Supplies - General	5,000	2,741	(2,259)	5,000	-
Communications	2,500	2,982	482	3,000	500
CALAFCO Membership	5,952	5,832	(120)	6,249	297
Rents and Leases - Copy Machine/Usage	3,500	2,390	(1,110)	2,400	(1,100)
Rents and Leases - County Computers*	1,280	1,328	48	1,398	118
CALAFCO Conference-Commissioners	10,068	7,263	(2,805)	10,068	-
CALAFCO Conference-Staff	5,250	3,318	(1,932)	6,338	1,088
Data Processing Direct Charges*	5,097	5,342	245	4,159	(938)
Auditors Payroll and A/P Charges	300	300	-	300	-
Registrar of Voters Charges	300	100	(200)	200	(100)
Recorders Office	450	450	-	450	-
Publications & Legal Notices	1,500	2,445	945	3,000	1,500
Insurance-Worker's Compensation*	247	247	-	191	(56)
Insurance-Special Property	950	950	-	950	-
Office Space/Utilities	22,000	20,160	(1,840)	22,000	-
Contract for Services	200,000	-	(200,000)	200,000	-
Total Services and Supplies	\$279,394	\$70,848	(208,546)	280,703	1,309
Total Expenditures	706,904	386,189		728,958	
Total Revenues	455,100	484,939		474,600	
GRAND TOTAL	-\$251,804	\$98,750		-\$254,358	
Contingency/Reserves	\$804,853	\$876,753		\$975,503	
Balance	\$553,049	\$975,503		\$721,145	

San Joaquin Local Agency Formation Commission

SCHEDULE OF FEES

FEES FOR PROCESSING APPLICATIONS AND CHARGES FOR SERVICES

(Effective Date: August ~~14, 13,~~ 2018/2019)

Fee

I.	<u>ANNEXATIONS AND DETACHMENTS</u>	
	Existing and New Development:	
	Under 3 Acres	\$2,190
	3 to 10 Acres	\$2,922
	10.1 to 20 Acres	\$3,660
	20.1 to 40 Acres	\$4,388
	40.1 to 80 Acres	\$5,122
	80.1 to 120 Acres	\$5,854
	120.1 to 240 Acres	\$6,593
	240.1 to 500 Acres	\$7,333
	500.1 to 1,000 Acres	\$8,060
	Over 1,000.1 acres \$8.05 per acre	
II.	<u>LEGAL SERVICES</u>	Actual Cost \$1,000
	Required for all services.	Deposit
	Principle	\$375 per hour
	Associate	\$300 per hour
	Paralegal	\$175 per hour
III.	<u>OTHER ACTIONS</u>	
	Proposals requiring Protest Proceedings (Actual cost if Voter Election)	1,600
	Special District Formation	8,500
	Consolidation, Merger, Subsidiary District	1,000
	Addition of Services	2,500
	Dissolution	No Charge
	Request for Reconsideration	1,500
	Out-of-Agency Service for Designated Areas	2,500
	Out-of-Agency Service	\$300 per single-family equivalent/per service
	Sphere of Influence	
	Amendment in conjunction with annexation	1,500
	Amendment not in conjunction with annexation	2,500
	New or Update for Cities	4,000
	New or Update for Special Districts	1,600
	Removal of Territory	2,500
	Amendment to a Municipal Service Review	<u>1,200</u> <u>3,000</u>
	Incorporation	Actual Costs (\$5,000 deposit)
	Comprehensive Fiscal Analysis	Actual Cost (\$5,000 deposit)

		Fee
IV.	<u>ENVIRONMENTAL REVIEW</u>	
	CEQA Exemption	\$150
	Lead Agency other than LAFCo:	
	Review Environmental Impact Report	\$500
	Review Negative Declaration	\$250
	LAFCo as Lead Agency:	
	Initial Study (including Negative Declaration)	Actual Cost
	Preparation and processing of EIR	Actual Cost
	State Department of Fish and Wildlife Fee (with LAFCo as Lead Agency) includes County Clerk Processing Fee	
	Notices of Exemption	As Required by
	If Negative Declaration	Fish and Wildlife Code
	If Environmental Impact Report	
	County Clerk Processing Fee	\$50
V.	<u>MISCELLANEOUS FEES AND CHARGES</u>	
	For checking and approving boundary maps and legal descriptions (<i>Make check payable to Department of Public Works</i>)	\$700 or 20% of LAFCo Fee <u>whichever is higher</u>
	Special Commission meeting	\$2,000
	Staff Costs for Research, Technical Assistance, Mailing, Attendance at Meetings and unique/complex projects as determined by the Commission:	
	Executive Officer	\$150 per hour
	LAFCo Analyst	\$120 per hour
	Commission Clerk	\$60 per hour
	Meeting CDs (per CD)	\$20
	Document copying (per page)	\$.20
	Checking Sufficiency of Petition (per signature)	Fee set by the Registrar of Voters
	Outside Consultants hired by LAFCo	Actual Costs plus 20%
	Meeting Transcripts	Actual Costs plus 20%

Notes:

- Actual costs shall be determined by multiplying the documented actual hours by the hourly rate of salary plus benefits.
- The Commission may waive or adjust processing fees upon a determination that the proposal would further the purposes of the Local Government Reorganization Act of 2000. Requests for fee waivers or adjustments must be submitted in writing to the Commission prior to the submittal of any application.