

## **SPHERE OF INFLUENCE SUPPLEMENTAL APPLICATION**

Government Code Section 56425(e) of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides that the Commission shall consider and prepare a written statement of its determinations with respect to certain factors prior to making a decision. Please answer the following questions/factors required for sphere of influence determinations. These answers can be written on this form or attached as a separate submittal, as necessary.

Sphere of Influence of the Eastside Water District

### **Purpose of the proposal**

**1. Why is this proposal being filed? List all actions for LAFCO approval. Identify other actions that are part of the overall project, i.e., a tract map or development permit.**

Approval of annexation of land to Eastside Water District.

### **Consultation with the County (City sphere changes only)**

**2. Provide documentation regarding consultation that has occurred between the City and the County with regard to agreement on boundaries, development standards and zoning requirements for land in the proposed sphere as required by Government Code §56425.**

N/A

### **Description of area to be included in the sphere**

**3. What area is proposed to be included in the sphere? Attach a map identifying the current sphere and the proposed addition. What is the acreage?**

See attached map. Total acreage proposed to be annexed is approximately 2,564 acres.

**4. Why was it decided to use these particular boundaries?**

Owners of these parcels requested to be annexed.

**5. What are the existing land uses for the proposal area? Be specific.**

Agricultural, primarily fruit, nuts and grapes.

**6. Are there proposed land uses for the proposal area? Be specific.**

Agricultural, primarily fruit, nuts and grapes.

### **Relationship to Existing Plans**

**7. Describe current County general plan and zoning designations for the proposal area.**

Agricultural

8. Describe any City general plan and rezoning designations for the proposal area.  
Agricultural.

**Environmental Assessment**

9. What is the underlying project? Who is the lead agency? What type of environmental document has been prepared for the proposed project?

The underlying project is the annexation of lands to the Eastside Water District. The Eastside Water District is the lead agency. The Initial Study/Negative Declaration has been prepared in compliance with the California Environmental Quality Act (CEQA) and contains an environmental review of the potential impacts of the proposed project.

**Justification**

10. To assist LAFCO in making determinations pursuant to Government Code §56425, please provide information relevant to each of the following:

- A. Present and planned uses in the area, including agricultural and open-space lands.

The lands are currently used for agriculture. No changes are anticipated as a result of the proposed annexation.

- B. Present and probable needs for public facilities and services in the area.

No Change.

- C. Present capacity of public facilities and adequacy of public services the affected agency provides or is authorized to provide.

No change.

- D. Existence of any social or economic communities of interest in the area.

N/A

**Additional Comments**

11. Provide any other comments or justifications regarding the proposal. NONE

12. Enclose any pertinent staff reports and supporting documentation related to this proposal (i.e., General Plan, Master Facility Plans, Financing Plans). NONE

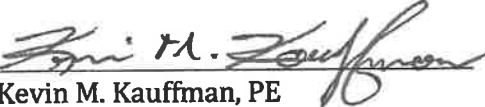
13. Notices and Staff Reports

List up to three persons to receive copies of the LAFCO notice of hearing and staff report.

- | <u>Name</u>       | <u>Address</u>   |
|-------------------|--|
| 1. Jeanne Zolezzi | Herum\Crabtree\Suntag; 5757 Pacific Ave., Suite 222, Stockton, CA 95207. |
| 2. Kevin Kauffman | 731 East Yosemite Avenue, Suite B #147, Merced, CA 95340                 |

**Who should be contacted if there are questions about this application?**

<u>Name</u>	<u>Address</u>	<u>Phone</u>
Kevin Kauffman	731 East Yosemite Avenue, Suite B #147 Merced, CA 95340	Telephone: (209) 478-4940

Signature:   
Kevin M. Kauffman, PE  
Water Consultant  
Eastside Water District

Date: December 21, 2018

# **Service Review - Eastside Water District**

## **Formation**

The Eastside Water District was formed on October 14, 1985.

## **Location and Size**

The District's boundary encompasses approximately 70,500 acres and is located nearly equally in the southeastern portion of Stanislaus County and in the northeastern portion of Merced County.

## **Sphere of Influence**

The District's original Sphere of Influence, as adopted in 1988, included approximately 2,700 acres of expansion areas in addition to the District's current boundaries. These areas are generally located west of Hawkins Road and to the south and east of Meikle Road. In 2012, the District received approval to expand its boundary by 7,293 acres. The District also received approval to add 9,207 acres in 2017. The District is currently proposing a 2,564-acre expansion to its Sphere of Influence in order to accommodate the Northerly and Southwesterly Change of Organization proposal. The expansion areas include additional territory mostly north and some east of and contiguous to the District's existing boundary, as well as one non-contiguous area near Turlock Lake (See "Map 1" on page 9). This Service Review will to cover the District's existing boundary and Sphere of Influence (SOI), as well as the territory proposed for the SOI expansion.

## **Governance**

Seven board members, elected by landowners within the District boundaries, govern the District. Meetings are held monthly at the Turlock Irrigation District Office, located at 333 E. Canal Drive, Turlock.

## **Personnel**

There are no paid employees working for the District. However, the District does contract out for engineering, legal, grant management, and District Secretary and record keeping services.

## **Services**

When formed, the District's stated purpose was to study the means to obtain surface water to supplement the groundwater, and to eventually develop reliable source(s) of irrigation water. As a result of past and recent legislation, the District will also be monitoring groundwater levels throughout its boundaries as part of the California Statewide Groundwater Elevation Monitoring (CASGEM) program and has formed a multi-agency Groundwater Sustainability Agency through participate actively in a Joint Powers Authority to achieve compliance under the Sustainable Groundwater Management Act (SGMA). The District is a voting member of the East Turlock Basin Groundwater Sustainability Agency (ETS GSA) JPA.

Over the years, the District has undertaken a series of initiatives/activities in order to stabilize and/or restore groundwater levels:

- 1990 ..... Irrigation Master Plan
- 1994 ..... Groundwater Master Plan
- 1995-present ..... Pilot Surface Water Incentive Program
- 1997 ..... Turlock Basin Groundwater Management Plan
- 1998-2000 ..... Operated the Monte Vista Pilot Recharge Program
- 2001 ..... Obtained a \$200,000 Grant from the Department of Water Resources to finance an "Eastside Water District Groundwater Multiple Resources Integration Planning Study".

**Sphere of Influence Update Process**

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

The previous Sphere of Influence update was completed for the District in 2017, as part of a modification (expansion) of the District's Sphere of Influence. The current update is in response to a proposed modification (expansion) of the District's Sphere of Influence.

**Background**

No resource is more vital to California than water. From the agricultural areas, urban centers, industrial plants, to open space and recreational areas, the distribution of water has been critical to all land uses.

In California, there are thousands of special water districts with a great diversity of purposes, governance structures, and financing mechanisms. Some districts are responsible for one type of specific duty, as in the case of the water district reviewed in this report, while other districts provide a wide range of public services.

**Authority**

This review will cover the Eastside Water District, a "single purpose" district, which is generally located east of the City of Turlock and Turlock Irrigation District, within both Stanislaus and Merced Counties. The District was organized under the California Water Code, Division 13, §34000 - 38501. In addition, the District is considered a "landowner voter district", as the board members are elected by landowners within the District's boundaries.

**Purpose**

Water Districts are formed for purposes such as: to produce, store and distribute water for irrigation, domestic, industrial and municipal uses; drain and reclaim lands; collect, treat and dispose of sewage, waste and storm water; generate hydroelectric power; allocate water to crops and acreage; and, for districts that adopt a groundwater management plan, the same power given to water replenishment districts by the water code to protect groundwater from contamination.

**Classification of Services**

As part of this service review, the Eastside Water District has provided a listing of the services provided within their boundaries. The District is authorized to provide the functions or classes of services (e.g. irrigation water and groundwater protection) as identified in this report. The Cortese-Knox-Hertzberg Act requires that the Districts seek LAFCO approval to exercise other latent powers not currently provided.

- 2003 ..... Prepared a "Supplemental Water Supply Plan", as part of the above listed Grant, to identify alternatives for the provision of supplemental water supplies and the means in which to deliver the water to the District.
- 2006 – 2016..... In partnership with the Turlock Irrigation District (TID), constructed and operated the East Avenue Pilot Recharge Project.
- 2008 .....As a member of the Turlock Groundwater Basin Association, retained Timothy J. Durbin to prepare an "Assessment of Future Groundwater Impacts Due to Assumed Water Use Changes in the Turlock Groundwater Basin."
- 2008 .....Groundwater Master Plan Update
- 2011 ..... District and TID established a network of wells to monitor groundwater levels as part of CASGEM, the California statewide monitoring program.
- 2014 ..... Potential Managed Aquifer and Recovery of Diffused Surface Water Program (DSWP) Report by Wood-Rodgers, Provost & Pritchard, and E-PUR
- 2015..... DSWP Design Plans (30%) by Provost & Pritchard
- 2015 – 2016..... Water Charge Analysis Report and Proposition 218 Election Report & Results.
- 2017..... Joined the Counties of Merced and Stanislaus, the Ballico-Cortez Water District, and Merced Irrigation District in forming the East Turlock Subbasin GSA

The District's website (<http://www.eastsidewaterdistrict.com>) provides additional detail on all these District programs and activities.

**Support Agencies**

The District maintains a positive collaborative relationship with other agencies, as necessary. These agencies include the: City of Turlock, neighboring Irrigation Districts (Merced, Modesto, and Turlock), Merced and Stanislaus Counties, the West Turlock Subbasin GSA, California Special District's Association, State Department of Water Resources, and United States Geological Service and Natural Resources Conservation Service.

**Funding Sources**

The District's source of revenue is derived from charging an assessment of \$2.00 per acre, per year, to the landowners within the District boundaries. The money collected is utilized to carry out studies to bring water to the District and for general operational purposes.

In 2016, the District began collecting per-acre charges to fund its DSWP. In five of ten years beginning in 2016, the district will charge up to \$30.00 per acre as a capital improvement charge to build the DSWP; for a total of up to \$150.00 per acre over this period. Also during that period, the Proposition 218 election authorized an operational per acre charge of up to 10% of accumulated capital charges to fund both the operation of DSWP capital improvements and to comply with the SGMA.

**Written Determinations - Eastside Water District**

The following provides an analysis of the seven categories or components required by Section 56430 for a Service Review for the Eastside Water District:

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

The District serves a rural agricultural area that is located in both Stanislaus and Merced Counties, generally east of Turlock Irrigation District. The area is designated as Agriculture on both the Merced and Stanislaus County General Plans and does not expect any significant population growth.

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

There are likely small disadvantaged unincorporated communities, as defined by Government

Code Section 56033.5 within or contiguous to the District's Sphere of Influence. Other than the DWR database for SGMA activities, there is no study is available that has identified specific economically challenged or disadvantaged communities. The operations of the District are expected to provide such communities with services that will not cause further challenges or disadvantages.

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

Currently, the District has both the ability and the capacity to serve its service area and has significant unmet infrastructure needs in order to meet its mission. The DSWP implemented in 2016 is expected to help meet these unmet needs, as well as achieve compliance with the SGMA. As indicated previously, there are disadvantaged unincorporated communities within or contiguous to the Sphere of Influence. District activities will only benefit these communities and not cause further challenges or disadvantages. The District is not a provider of sewer, domestic, municipal, and industrial water, or structural fire protection services.

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

At present time, the District appears to have the necessary financial resources to fund adequate levels of service within its boundaries. There is no overlapping or duplication of services within the District boundaries.

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

Currently, the District does not share any facilities with other agencies or Districts.

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

It is reasonable to conclude that the District can adequately serve the areas under its jurisdiction. A seven-member Board of Directors, elected by the landowners, governs the District. The Board conforms to the provisions of the Brown Act requiring open meetings. The District has its own website (<http://www.eastsidewaterdistrict.com>), which provides up to date information.

The District does not have a traditional management structure, as they do not employ full-time personnel. They do however employ consultants for engineering, legal, and secretarial services on a contractual basis to perform the necessary administrative and operational duties for the District.

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

None.

## **Sphere of Influence Update for the Eastside Water District**

The District has proposed an expansion of its Sphere of Influence in order to accommodate the future inclusion of neighboring lands currently being irrigated with groundwater within the Turlock Groundwater Basin Area (See "Map 1" on page 9).

In determining the Sphere of Influence (SOI) of each local agency, the Commission shall consider and prepare determinations with respect to each of the following factors:

1. The present and planned land uses in the area, including agricultural and open space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides, or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the Commission determines they are relevant.

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

### **Determinations:**

#### **1. Present and Planned Land Uses**

The Eastside Water District's proposed Sphere of Influence (SOI), including expansion areas and lands currently within the District's boundaries, totals 71,900 acres. Upon approval, lands outside the District's boundary but within its Sphere of Influence would account for approximately 9,090.3 acres. Territory within the District's proposed Sphere of Influence consists of agricultural and rural land use areas. These uses are not expected to change. In addition, the District does not have the authority to make land use decisions, nor does it have authority over present or planned land uses within its boundaries or sphere of influence area. The responsibility for land use decisions within these areas is retained by the counties of Stanislaus and Merced.

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

The District is presently meeting the needs of its customers. The future need to identify and subsequently obtain surface water to supplement the groundwater and to develop reliable source(s) of irrigation water to its customers will not likely diminish.

#### **3. Present Capacity of Public Facilities and Adequacy of Public Services Provided**

The District currently has the capacity to continue its efforts to stabilize and/or restore groundwater levels within its existing Sphere of Influence in compliance with SGMA.

#### **4. Communities of Interest in the Area**

There are no known communities of interest within the District's boundaries or proposed Sphere of Influence.



**APPENDIX "A"**  
**DISTRICT SUMMARY PROFILE**

District: **EASTSIDE WATER DISTRICT**

Location: **Southeastern Stanislaus County and Northeastern Merced County**

Service Area: **Approximately 71,900 acres (with an additional 9,090.3 acres outside the current District boundaries but within the proposed Sphere of Influence).**

Population\*:

Land Use: **Agricultural**

Date of Formation: **October 14, 1985**

Enabling Act: **California Water Code, Division 13, Section 34000 et. seq. (Water District Act)**

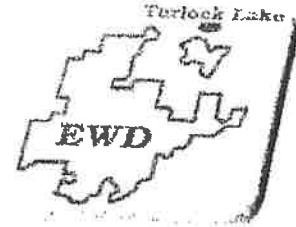
Governing Body: **7 Member Board of Directors, elected by landowners within District boundaries**

Administration: **No paid employees. However, the District does contract out for engineering, legal, grant management, District Secretary, and record and bookkeeping services.**

District Services: **Groundwater monitoring and recharge projects, the pursuit of surface water supplies to supplement groundwater use, and related studies.**

Budget: **Fiscal Year 2017-2018**  
Revenues: **\$423,817.91**  
Expenses: **\$781,047.70**

Revenue Sources: **Property Assessments (\$2 per acre)**  
**DSWP Capital Improvement Per Acre Charge (up to \$150.00)**  
**DSWP Operational Per Acre Charge (up to \$15.00)**



*"Source: 2015?? population was estimated using 2000 Census data with the addition of the unincorporated population growth rate through 2010.*

## APPENDIX "B"

### REFERENCES

1. California State Controller's Office, "Special Districts Annual Report, Fiscal Year 2009-2010", December 13, 2011.
2. Eastside Water District, "Statement of Operation and Plan for Services", November 10, 2011.
3. Eastside Water District website (<http://www.eastsidewaterdistrict.com>).
4. California Department of Water Resources website ([www.water.ca.gov](http://www.water.ca.gov)).
5. California Special District Association website ([www.csda.net](http://www.csda.net)).
6. TGBA Website ([www.turlockqba/home.org](http://www.turlockqba/home.org)).
7. Stanislaus LAFCO, "Municipal Service Review and Sphere of Influence Updates for the Eastside and Rock Creek Water Districts", December 2012.
8. Turlock Groundwater Basin Association, "Assessment of Future Groundwater Impacts Due to Assumed Water-Use Changes", September 11, 2008.
9. Turlock Groundwater Basin Association, "Groundwater Master Plan", March 18, 2008.
10. U.S. Geological Survey (USGS) website ([www.usgs.gov](http://www.usgs.gov)).
11. State of California Legislative Analyst's Office Report - "Water Special Districts: A Look at Governance and Public Participation, March 20??".

### INDIVIDUALS AND AGENCIES CONTACTED

1. Kevin M. Kauffman, PE, Water Resource Consultant, Eastside Water District
2. Karen Whipp, Secretary, Eastside Water District
3. Jeanne Zolezzi & Karna Harrigfeld, Legal Counsel, Eastside Water District
4. Merced Local Agency Formation Commission