

**EXECUTIVE OFFICER'S AGENDA REPORT  
DECEMBER 5, 2018**

**TO: LAFCO Commissioners**

**FROM: Javier Camarena, Assistant Executive Officer**

**SUBJECT: MSR NO. 2018-04, SOI UPDATE 2018-07: MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR OAKDALE IRRIGATION DISTRICT**

**INTRODUCTION**

This proposal was initiated by the Local Agency Formation Commission in response to State mandates, which require the Commission to conduct Municipal Service Reviews and Sphere of Influence Updates for all cities and special districts every five years, as needed. This current review is a routine update to the previous document adopted by the Commission in 2013 for the Oakdale Irrigation District. The District provides irrigation water, domestic water, and wholesale electrical power. The majority of the District is located in the northeastern Stanislaus County, with a portion of territory in San Joaquin County. The District operates under Irrigation District Law, Division 11 of the Water Code, §20500 et. seq.

**DISCUSSION**

The Municipal Service Review and Sphere of Influence Update process provides an opportunity for districts to share accurate and current data, accomplishments and information regarding the services they provide. LAFCO Staff sent the District requests for information, researched District reports and reviewed the District's most recent audits and financial statements. Once this data was collected, a revised Municipal Service Review and Sphere of Influence Update document was completed.

The proposed Municipal Service Review and Sphere of Influence Update are attached to this report as Exhibit 1. The relevant factors and determinations as put forth by the Cortese-Knox-Hertzberg Act are discussed for the District. No changes are being proposed for the District's Sphere of Influence at this time.

**ENVIRONMENTAL REVIEW RECOMMENDATIONS**

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

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

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

**ALTERNATIVES FOR COMMISSION ACTION**

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

- Option 1:** APPROVE the Municipal Service Review and Sphere of Influence Update for the Oakdale Irrigation District.
- Option 2:** DENY the update.
- Option 3:** If the Commission needs more information, it should CONTINUE this matter to a future meeting (maximum 70 days).

**RECOMMENDED ACTION**

**Approve Option 1.** Based on the information presented, Staff recommends approval of Municipal Service Review and Sphere of Influence Update for the Oakdale Irrigation District. Therefore, Staff recommends that the Commission adopt Resolution No. 2018-21 which:

1. Determines that the Municipal Service Review and Sphere of Influence Update qualify for a General Exemption from further California Environmental Quality Act (CEQA) review based on CEQA Regulation §15061(b)(3);
2. Makes determinations related to the Municipal Service Review, as required by Government Code Section 56430; and,
3. Determines that the Sphere of Influence for the Oakdale Irrigation District should be affirmed as it currently exists.

*Attachments:*

- Exhibit 1 - Municipal Service Review and Sphere of Influence Update for the Oakdale Irrigation District*  
*Exhibit 2 - Resolution No. 2018-21*