
**SAN JOAQUIN
LOCAL AGENCY FORMATION COMMISSION**

LAFCo

509 W. WEBER AVENUE SUITE 420 □ STOCKTON, CA 95203

**Local Agency Formation Commission Meeting Agenda
Thursday, June 11, 2020 9:00 A. M.**

In accordance with the Governor's Executive Order N-33-20, and for the period in which the Order remains in effect, the San Joaquin Local Agency Formation Commission will be closed to the public.

To accommodate the public during this period of time that the Board's Chambers are closed to the public, the San Joaquin Local Agency Formation Commission has arranged for members of the public to observe and address the meeting telephonically.

**TO ATTEND BY TELECONFERENCE: Toll-Free Dial-In Number: 877-778-1806
Conference Code: 891949**

Download Agenda Packet and Materials at: www.sjgov.org/commission/lafco

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

CONSENT ITEMS

1. MEETING MINUTES OF FEBRUARY 13, 2020
(Action by All Members)
Approve Summary Minutes of the regular meeting.

ACTION ITEMS

2. APPOINTMENT OF PUBLIC MEMBER
Commission to review application and appoint a Regular Public Member.
(Action by Regular Voting Members with the exception of Public Member)
Applicant for Public Member is Peter Johnson.

PUBLIC HEARING

3. ALVAREZ REORGANIZATION TO THE CITY OF TRACY (LAFCo 03-20)
(Action by Regular Members)

Request to annex approximately 14.6 acres to the City of Tracy with concurrent detachment from the San Joaquin County Resource Conservation District and the Tracy Rural Fire Protection District

4. CONSOLIDATION OF BRYON-BETHANY IRRIGATION DISTRICT AND THE WEST SIDE IRRIGATION DISTRICT (L AFC 30-19)
(Action by Regular Members)
Request to consolidate Bryon-Bethany Irrigation District and The West Side Irrigation District
5. PRELIMINARY BUDGET REPORT FOR FISCAL YEAR 2020-2021
(Action by Regular Members)
Commission consideration of the Preliminary Budget for Fiscal Year 2020-2021, Work Program and Schedule of Fees
6. FINAL BUDGET FOR THE FISCAL YEAR 2020-2021
(Action by Regular Members)
Commission consideration of the Final Budget for Fiscal Year 2020-2021, Work Program and Schedule of Fees

PUBLIC COMMENTS

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

CORRESPONDENCE

8. Written communication received from Marian Rawlins, dated April 29, 2020

EXECUTIVE OFFICER COMMENTS

9. Comments from the Executive Officer

COMMISSIONER COMMENTS

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

CLOSED SESSION

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

12. 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)

- B. Conference with Legal Counsel-Existing Litigation pursuant to Government Code Section 54956.9(a)

Name of Case: Tracy Rural County Fire Protection District with the City of Tracy as named Real Party of Interest v. San Joaquin LAFCo (San Joaquin County Superior Court Case No. 2019-9687)

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

ADJOURNMENT

LAFCo

509 W. WEBER AVENUE SUITE 420 STOCKTON, CA 95203

EXECUTIVE OFFICER'S REPORT

- PROJECT:** CONSOLIDATION OF BYRON BETHANY IRRIGATION DISTRICT (BBID) AND THE WEST SIDE IRRIGATION DISTRICT (TWSID) (LAFCo 30-19)
- PROPOSAL:** Consolidation of two irrigation districts
- APPLICANT:** BBID/TWSID (Exhibit A-Justification of Proposal)
- LOCATION:** BBID borders the western County boundary with territory in Contra Costa and Alameda counties. TWSID is located east and west of the City of Tracy (Exhibit B-Map of BBID/TWSID)
- PURPOSE:** To enhance services to the landowners within each district
- PROCESS:** Concurrent resolution requires Commission approval and a protest hearing

RECOMMENDATION

It is recommended that the Commission approve Resolution No. 1424 approving the consolidation of BBID and TWSID and directing the Executive Officer to initiate protest procedures.

BACKGROUND

The Board of Directors of BBID and TWSID approved a concurrent resolution to consolidate the two districts (Exhibit C-Concurrent Resolution No. 1). Consolidation of the two districts will be accomplished by combining the territory of TWSID with the territory of BBID and creating BBID as a single successor district. TWSID will cease to exist. If two or more local agencies adopt substantially similar resolutions of application making a proposal for consolidation of the districts, the Commission's authority is limited pursuant to Government Code Section 56853, which states that the Commission shall approve, or conditionally approve, the proposal.

The action to consolidate two special districts requires protest proceedings. Landowner and registered voters will be given notice of the protest hearing within 35 days following the adoption of the Commission's resolution approving the consolidation. Since there are more than 1,000 eligible voters within the two districts the notice will be provided by publication of a display advertisement of at least one-eight page in a newspaper at least 21-days prior to the day set for the protest hearing. The Commission has adopted a policy that delegates the protest hearing process to the Executive Officer.

On June 13, 2019, the Commission adopted a Final Municipal Service Review (MSR) and a Sphere of Influence (SOI) for BBID and TWSID. The MSR consisted of an analysis of the district's

financial ability to provide services, adequacy of services, infrastructure needs or deficiencies and various governmental structure options, including consolidation. In updating the SOI for BBID and TWSID the Commission determined that consolidation is feasible and the SOI was modified and expanded to include territory where there is the technical capacity to provide water service or drainage in the future.

BBID provides irrigation water to approximately 29,500 acres of agricultural land located in San Joaquin, Contra Costa, and Alameda Counties. It also serves a population of approximately 15,000 people by providing raw water for treatment to Mountain House Community Services District. BBID holds pre-1914 appropriative water rights and receives 3,600 acre feet annually (AFA) from the Central Valley Project.

TWSID's service area is comprised of approximately 6,500 acres located east and west of Tracy. The district provides raw water services to agricultural customers. The district also provides storm water drainage services to Tracy under a mutual agreement, the Tracy Defense Depot, and County Service Area No. 50. TWSID receives approximately 12,000 AFA from its post-1914 water license from the State of California and through a water service contract from the Federal Bureau of Reclamation.

ENVIRONMENTAL

BBID has determined that the consolidation of the two districts is categorically exempt pursuant to CEQA, Section 15320, Class 20, Changes in Organization. Class 20 consists of changes in the organization or reorganization of local governmental agencies, i.e., consolidation of two or more districts having identical powers, where the changes do not change the geographical area in which previously existing powers are exercised (Exhibit D-Notice of Exemption).

PLAN FOR SERVICES (Exhibit E)

Management

The consolidated District will be governed by a 9-member Board of Directors consisting of the current 7-member BBID Board of Directors (representing Divisions 1-7 within BBID) and 2 Board Members representing two divisions within the current TWSID territory. Board members will serve staggered four-year terms, are elected by the registered voters within their division, and must own land within the division they represent. BBID currently has 16 employees and TWSID has 4 employees. All employees will become BBID employees after consolidation. The consolidated district will be managed by one General Manager. It should be noted that the current BBID General Manager has been serving as the General Manager of TWSID since 2014 when its General Manager retired.

Services

Both BBID and TWSID have sufficient water supply and water/drainage infrastructure to continue services to their existing customers. It is expected that raw water demand will increase by the year 2040 within the two districts. The MSR completed in July 2019 determined that the consolidated district has sufficient water rights to supply the projected future demand in the year 2040. Shortfalls during future drought years will be overcome through the use of recycled water and water conservation. Consolidation of the districts would help obtain benefits of unified water resources planning and management which will result in more efficient delivery of public services

to customers.

Financial

The Final MSR and SOI Update for BBID and TWSID identified two areas that would improve TWSID's financial status including retiree medical insurance payments and capital improvement funding. Although TWSID has set aside \$1.5 million in reserve funds to pay for retiree medical insurance it is uncertain if this amount would be sufficient to fully cover this obligation. TWSID adopted a Resolution protecting lifetime health benefits if it consolidated with BBID for full-time employees hired before February 9, 2011 and employees hired between June 10, 2009 and February 8, 2011 meeting specified criteria (Exhibit F-Resolution No. 2016-02). The consolidated district becomes responsible for any unfunded liability. BBID proposes to prepare an actuarial study to determine the extent of the retiree medical benefit obligation. If the study determines there are unfunded liabilities, a plan will be prepared to address the deficit. This may include such actions as modifying water rates, selling surplus TWSID property, or increasing the Water service Stand-by Fee.

TWSID does not have a capital improvement plan (CIP) although it currently maintains a reserve fund of \$1.0 million for capital replacement. After consolidation, BBID proposes to prepare a CIP for the West Side Service Area which will consider all capital improvement projects, associated costs, and a plan to pay for these improvements. After consolidation, the West Side Service Area may be eligible for grant funding from the Federal Bureau of Reclamation Smart Water Program and from the State Integrated Water Management Plan.

TERMS AND CONDITIONS

BBID and TWSID approved a concurrent resolution proposing a consolidation subject to the Terms and Conditions shown in Exhibit G-Terms and Conditions. The Terms and Conditions include the establishment of the nine divisions within the consolidated district, the makeup of the Board of Directors, and status of TWSID employees. Under the Terms and Conditions, the consolidated district will establish equal agricultural water rates, equal access and priority to all water legally available to the current WSID, assume existing TWSID agreements; and sets aside for the benefit of TWSID the restricted reserve funds, and transfers all assets of TWSID to BBID.

The Commission may order a change to the proposed terms and conditions with the consent of the Districts. Without consent the Commission must provide mailed written notice of the changes to the districts and cannot move forward on the consolidation for 30 days following that mailing. A noticed public hearing on the proposed changes must be held. (Government Code Section 56853 (b)).

REFERRAL COMMENTS (Exhibit H)

LAFCo referred the consolidation proposal to affected agencies for review and comments. The County Public Works Department had no comments on the consolidation. No other affected agencies provided comments.

EFFECT OF CONSOLIDATION

Upon filing of the Certificate of Completion consolidating the districts, the successor district,

BBID, succeeds to all the “powers, rights, duties, obligations, functions, and properties of all predecessor districts.” The consolidation district becomes liable for all debts of the predecessor district as well.

DISCUSSION

Government Code Section 56853(a) provides a special procedure to be followed when both Boards of Directors adopt “substantially similar” Resolutions of application asking to consolidate. The Commission’s authority is limited because the law states that LAFCo shall approve or conditionally approve the proposal. BBID and TWSID have proposed terms and conditions for the consolidation. LAFCo may change the terms and conditions, however, it must provide mailed written notice of the changes to the districts and cannot move forward on the consolidation for 30 days following that mailing without the districts written consent.

Although the Commission shall approve or conditionally approve the proposal to consolidate, the consolidation is subject to a protest hearing. The purpose of the protest hearing is to allow landowners and registered voters to have a say in whether the consolidation will proceed. The number of protests determines whether LAFCo must terminate proceedings, approve the change, or approve the change subject to an election. The following actions will be taken if at the close of the protest hearing the Commission receives written protests:

Action	Written Protests Received
Termination	≥ 50% of the voters residing in the territory
Approval	<25% of registered voters OR <25% landowners owning <25% of assessed value of land within the territory
Election	≥ 25% but <50% of registered voters residing in the territory; OR ≥25% or <50% of landowners who own at least 25% of the assessed value of land within the territory

Consolidation of BBID and TWSID is a logical and orderly change of organization. A MSR and SOI Update which addressed the proposed consolidation was approved by the Commission in July 2019. Consolidating BBID and TWSID will help the District(s) achieve economies of scale to improve efficiency in the provision of water service and maintain ratepayer costs over the long-term.

- Attachments:
- Resolution No. 1424
 - Exhibit A-Justification of Proposal
 - Exhibit B-BBID/TWSID Map
 - Exhibit C-Concurrent Resolution No. 1
 - Exhibit D-Notice of Exemption
 - Exhibit E-Plan for Services
 - Exhibit F-Resolution No. 2016-02
 - Exhibit G-Terms and Conditions
 - Exhibit H-Referral Commens

RESOLUTION NO. 1424

BEFORE THE SAN JOAQUIN LOCAL AGENCY FORMATION COMMISSION
APPROVING THE CONSOLIDATION OF BYRON BETHANY IRRIGATION
DISTRICT AND THE WEST SIDE IRRIGATION DISTRICT (LAFC 30-19)

WHEREAS, the above entitled proposal was initiated by Concurrent Resolution No. 1 from Byron Bethany Irrigation District and The West Side Irrigation District and on March 12, 2020 the Executive Officer certified the application filed for processing in accordance with Local Government Reorganization Act; and

WHEREAS, the Commission held a telephonically public hearing on the proposed reorganization on June 11, 2020, pursuant to the notice of hearing which was published and posted in accordance with State law; and

WHEREAS, at said hearing the Commission heard and received evidence, both oral and written regarding the proposal and all persons were given an opportunity to address the hearing telephonically; and

WHEREAS, the Commission has, in evaluation of the proposal considered the report submitted by the Executive Officer; and

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

Section 1. The proposal qualifies as a Class 20 Exemption under the State CEQA Guidelines.

Section 2. The consolidated district will have the same boundaries as BBID and TWSID as shown in Exhibit A.

Section 3. The reorganization shall be subject to the Terms and Conditions attached hereto as Exhibit B.

Section 4. Directs the Executive Officer to conduct a protest hearing in accordance with Government Code section 57000.

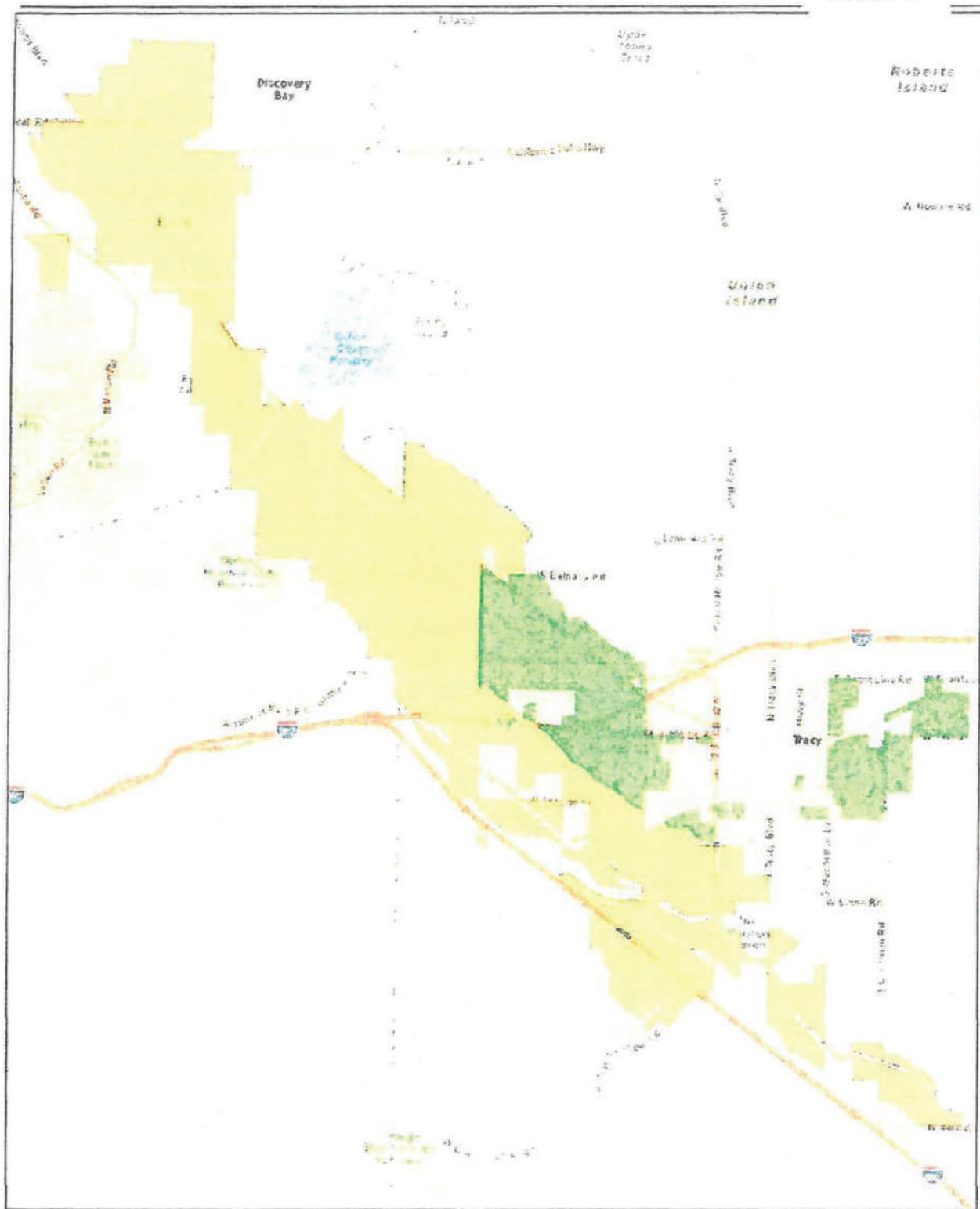
PASSED AND ADOPTED this 11th day of June 2020 by the following roll call vote:

Ayes;

Noes:

Absent:

Jesus Andrade, Chairman
San Joaquin Local Agency
Formation Commission



LEGEND

- Byron Bethany Irrigation District
- Westside Irrigation District

Figure 3-1: Boundary and Sphere of Influence for BBID & TWSID



EXHIBIT B

TERMS AND CONDITIONS FOR THE CONSOLIDATION OF BYRON-BETHANY IRRIGATION DISTRICT AND THE WEST SIDE IRRIGATION DISTRICT

The following terms and conditions shall be imposed as a condition of the consolidation of Byron-Bethany Irrigation District (BBID) and The West Side Irrigation District (WSID):

1. The consolidated district shall operate as a multi-county district operating under Division 11 of the California Water Code.
2. The boundaries of WSID shall be divided into two Divisions and added to BBID's existing seven Divisions. The consolidated district shall have a total of nine Divisions.
3. The boundaries of WSID shall be identified as "West Side Service Area" within BBID.
4. The Board of Directors of the consolidated district shall consist of nine members. Each Director shall be elected by the Division they represent. The current WSID Board of Directors shall appoint the initial Directors for the two divisions within the West Side Service Area.
5. All existing employees of the WSID shall be retained by BBID except for the General Manager.
6. All existing employee and Director benefits of the WSID shall be retained by WSID employees and Directors as specified in Resolution 2016-02, attached hereto as Attachment 1 and incorporated herein by reference.
7. Agricultural water rates within all service areas of BBID other than the "Central Valley Project Service Area" (which is the former district boundary of the Plain View Water District) shall be equal, subject only to reasonable adjustment based on the actual cost of pumping water.
8. BBID shall aggressively pursue the authority to provide pre-1914 water to the West Side Service Area.

San Joaquin Local Agency Formation Commission

509 West Weber Avenue Stockton, CA 95203
209-468-3198 FAX 209-468-3199

JUSTIFICATION OF PROPOSAL

Please complete the following information to process an application under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000: (Indicate N/A if Not Applicable)

SHORT TITLE OF THE PROPOSAL: BBID-TWSID Consolidation

TYPE OF PROPOSAL

- | | | |
|---|---|---|
| <input type="checkbox"/> City Incorporation | <input type="checkbox"/> Sphere of Influence Amendment | <input type="checkbox"/> District Formation |
| <input checked="" type="checkbox"/> Consolidation | <input type="checkbox"/> Sphere of Influence Update | <input type="checkbox"/> Annexation |
| <input type="checkbox"/> Detachment | <input type="checkbox"/> Addition of Services | <input type="checkbox"/> District Dissolution |
| | <input type="checkbox"/> Reorganization (involving an Annexation and Detachment(s)) | |

AGENCY CHANGES RESULTING FROM THIS PROPOSAL

Agency or Agencies gaining territory: Byron Bethany Irrigation District

Agency or Agencies losing territory: The West Side Irrigation District

NOTIFICATION

Please indicate the names, addresses and telephone numbers of all Applicants, Applicant's Agents, and all affected Agencies who are to receive the hearing notice and the Executive Officer's Report:

<u>Name</u>	<u>Mailing Address</u>	<u>Telephone</u>
Board of Directors Byron Bethany Irrigation District	7995 Bruns Road Byron CA 94514	209-835-0375
Board of Directors The West Side Irrigation District	1320 Tracy Boulevard Tracy CA 95376	209-835-0503
City Manager's Office City of Tracy	333 Civic Center Plaza Tracy CA 95376	209-831-6115
General Manager's Office Mountain House Community Services District	230 S Sterling Drive Mountain House CA 95391	209-831-56210
Rick Gilmore, General Manager Byron Bethany Irrigation District	7995 Bruns Road Byron CA 94514	209-608-1428
Bruce Baracco, Project Consultant Baracco and Associates	44 Eureka Street Sutter Creek CA 95685	209-304-0028

(Attach a separate sheet if necessary.)

PROJECT INFORMATION

Please provide project-related information for the following questions:

- 1. Do the proposed boundaries create an island of non-agency territory? N/A Yes No
- 2. Do the proposed boundaries split lines of assessment or ownership? N/A Yes No
- 3. Does the proposal involve public rights-of-way or easements? N/A Yes No
- 4. Does the proposal involve public land or land assessed by the State? Yes No
- 5. Does any part of the proposal involve land under a Williamson Act Contract or Farmland Security Zone? Yes No
- 6. Does any part of the proposal involve land with a Wildlife/Habitat Easement or Agricultural Land Conservation Easement? N/A Yes No

7. List the affected Assessor Parcel Numbers, Owners of record and Parcel Sizes:

<u>APN</u>	<u>Owner</u>	<u>Acreage</u>
N/A		
Byron Bethany Irrigation District has 9,157 parcels of record.		
The West Side Irrigation District has 908 parcels of record.		

- 8. Physical Location of Proposal:
Within portions of Alameda, Contra Costa and San Joaquin Counties (refer to Proposal Map).
- 9. Has an application been filed for an underlying project (such as Development Plan, Conditional Use Permit, or Tentative Subdivision Map)? Yes No
If Yes, please attach a Project Site Plan or Tentative Subdivision Map.
If No, please provide an estimate of when development will occur: N/A.
- 10. List those public services or facilities which will be provided to the affected territory as a result of the proposed action:
Agricultural irrigation water
Water for Municipal and Industrial purposes
Storm drainage services
- 11. Indicate which of these services or facilities will require main line extensions or facility up-grades in order to serve the affected territory:
None; all existing main lines are in place, and all existing facilities are adequate.
- 12. Provide any other justification that will assist the Commission in reviewing the merits of this request.
Refer to Attachment 1: Justification Narrative, and
Attachment 2: Plan for Services

(Attach a separate sheet if necessary)

INDEMNIFICATION AGREEMENT


As part of this application, applicant and real property in interest, if different, agreed to defend, indemnify, hold harmless, and release the San Joaquin Local Agency Formation Commission, its agents, officers, attorneys, and employees from any claim, action, or proceeding brought against any of the above, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, expenses, attorney's fees, or expert witness fees that may be asserted by any person or entity, including the applicant, arising out of or in connection with the approval of this application, whether or not there is concurrent passive or active negligence on the part of the San Joaquin Local Agency Formation Commission, its agents, officers, attorneys, or employees.

Executed at Byron, California, on February 28, 2020.

APPLICANT

REAL PARTY IN INTEREST

(If different from Applicant)

Signature: 

Signature: _____

Title: General Manager, BBID and TWSID

Title: _____

SUBMITTALS

In order for this application to be processed, the following information needs to be provided:

1. Two copies of this Justification of Proposal, completed and signed with original signatures;
2. Five prints of a full-scale proposal map showing the affected territory and its relationship to the affected jurisdiction (Refer to Guide for Preparation);
3. Five copies of an 8.5" x 11" or 11" x 17" reduction of the proposal map;
4. Three copies of a metes and bounds description of the affected territory;
5. One certified copy of the City Council and/or Special District Board Resolution of Application, or a petition making application to LAFCo (as appropriate);
6. Written permission from each affected property owner (or signature form);
7. One copy of the project environmental document (One Compact Disc if more than 25 pages);
8. One copy of the project Notice of Determination;
9. Three 8.5" x 11" copies of the Vicinity Map (if not included on the proposal map);
10. One copy of the plan for providing services along with a schematic diagram of water, sewer and storm drainage systems (refer to Government Code Section 56653);
11. One copy of the Pre-Zoning map or description (as required by Section 56375);
12. One copy of the Statement of Open Space (Ag) Land Conversion (refer to Section 56377);
13. One Copy of the Statement of Timely Availability of Water Supplies (refer to Section 56668(k);
14. One copy of the Statement of Fair Share Housing Needs (if residential land uses are included in the proposal) (refer to Section 56668(l));
15. One copy of the project design (site plan, development plan, or subdivision map);
16. One copy of the Residential Entitlement matrix form (if residential land uses are included in the proposal); and
17. Filing and processing fees in accordance with the LAFCo Fee Schedule and the State Board of Equalization Fee Schedule.

Additional information may be required during staff review of the proposal.

CERTIFICATION

The undersigned hereby certifies that all LAFCo filing requirements will be met and that the statements made in this application are complete and accurate to the best of my knowledge.


(Signature)

Date: February 28, 2020

Print or Type Name: Rick Gilmore

Daytime Telephone: 209-608-1428

JUSTIFICATION NARRATIVE

Consolidation of Byron Bethany Irrigation District and The West Side Irrigation District

February 28, 2020

Introduction

In July 2016, the respective Boards of Directors of Byron Bethany Irrigation District (BBID) and The West Side Irrigation District (TWSID) determined that it was in both district's best interests to consider consolidating BBID and TWSID into one irrigation district. The genesis for this activity came about in 2014, at a time when TWSID did not have a District Manager, and TWSID Board had expressed concern for the long-term viability of the District. TWSID Board reached out to the BBID Board for assistance. The result was the BBID Board assigning its General Manager, Rick Gilmore, to serve as interim General Manager for TWSID. This arrangement continued until early July of 2016, when substantive discussions resulted in a proposal to move forward on consolidation. Each Board of Directors adopted concurrent resolutions to initiate the consolidation process. In December 2016, TWSID and BBID entered into a Management Agreement such that BBID would provide management services to TWSID including General Manager duties, operations, and maintenance support. TWSID maintained its own legal counsel and District Secretary.

Summary

The Boards of Directors of Byron Bethany Irrigation District and The West Side Irrigation District approved a concurrent resolution for the consolidation of the two districts. (Refer to Exhibit A – Concurrent Resolution No. 1) TWSID adopted this resolution on July 13, 2016. BBID adopted this resolution on July 26, 2016. The Districts propose to accomplish the consolidation by combining the territory of TWSID with the territory of BBID, and creating BBID as a 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 as described in the analysis of the District's Sphere of Influence (SOI) approved by LAFCo on June 13, 2019. The relationship between BBID and TWSID is shown in Figure 3-1 on page 1-4.

After consolidation of BBID and TWSID occurs, BBID will gain two Divisions (8 and 9) that represent current TWSID territory. The consolidated BBID/TWSID will then be governed by a 9-member Board of Directors, elected by division to staggered 4-year terms by registered voters in each division. Division Directors must own land within the division they hope to represent. The current 7-member BBID Board of Directors is shown by Division in Figure 3-6 on page 1-5. Divisions 1 and 2 are located in Contra Costa County. Division 3 is shared with Alameda and Contra Costa Counties, while Divisions 4 through 7 are located in San Joaquin County, with the Mountain House Community being Division 4. Divisions 8 and 9 will be comprised of TWSID territory located in San Joaquin County. The configuration for these two divisions will be determined by the Board of Directors.

The Consolidation Process

As part of the consolidation process, the respective Boards of Directors are petitioning San Joaquin LAFCo to initiate consolidation proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 200 (CKH Act), including Section 56375 *et seq.*, Section 56853, and Section 57500 *et seq.* Under this scenario, the two districts will be consolidated under one action by the Local Agency Formation Commission. BBID will then become the successor district. The primary purpose of the consolidation would be to enhance the services provided to the landowners within each district. Details relating to the services to be provided are contained in the Plan for Services as Attachment 2. A map showing the Consolidated District is shown on Figure 3-5 on page 1-6.

In addition, the Concurrent Resolution specifies the parameters (called Terms and Conditions) under which the Consolidated District would operate. These are detailed in Exhibit B – Terms and Conditions for the Consolidation of Byron-Bethany Irrigation District and The West Side Irrigation District. (Major parameters include: the principal act under which the multiple-County Consolidated District would operate; the designation of two service areas within the Consolidated District; the establishment of nine divisions within the Consolidated District; the makeup of the Board of Directors for the Consolidated District; status of TWSID employees; establishment of equal agricultural water rates; equal access and priority to all water legally available to the current West Side Irrigation District; existing TWSID agreements shall be assumed by the Consolidated District; TWSID restricted reserve funds available upon consolidation shall be set aside for the benefit of the West Side Service Area; and the transfer of all assets of TWSID to BBID.

Operational Aspects of the Consolidation

Following completion of the consolidation, the Consolidated District will be composed of two service areas: the Byron Bethany Service Area and the West Side Service Area. The consolidated Board of Directors would then consist of the existing seven Board Members (Divisions 1-7) within the Byron Bethany Service Area, and two additional Board Members (Divisions 8-9) from the West Side Service Area. The Consolidated District would then operate with a 9-member Board of Directors. At the present time, term limits are not at play in either district. Following to 2020 Federal Census, the Consolidated District will likely re-calibrate the divisions, perhaps reducing the number to seven divisions. The current voter roll indicates that there are a total of 10,122 registered voters within the Byron Bethany Service Area (25 in Alameda County, 721 in Contra Costa County, and 9,376 in San Joaquin County). There are also a total of 8,847 landowners within the Byron Bethany Service Area. The West Side Service Area currently has 340 registered voters and 304 landowners (all within San Joaquin County).

The Consolidated District will employ 22 full time equivalent (FTE) personnel. Eighteen for the Byron Bethany Service Area – 16 Operations & Maintenance Laborers and two Administration Support persons; and four for the West Side Service Area -- three Operations & Maintenance Laborers and one Administration Support person. The one General Manager will continue to oversee both Service Areas, and will be assisted by one Assistant General Manager, and one Director of Administration. The Consolidated District will contract for legal counsel services, engineering services, and audit services.

Justification for Consolidation

TWSID's current financial trends indicate that expenses sometimes exceed revenues; and over the long-term this trend is not sustainable. District revenue is derived from two major sources: property tax; and water sales. While property tax revenue has increased around 2% per year, water sales have fallen by 43% between 2012 and 2016; from \$1,099,734 in 2012 to \$621,907 in 2016. This trend is expected to continue. Operating expenses have exceeded operational revenue in five of six years between 2011 and 2016. Only with the addition of non-operating revenue such as property tax, stand-by fees, and interest, has the District been able to operate in the black for three out of six years between 2011 and 2016.

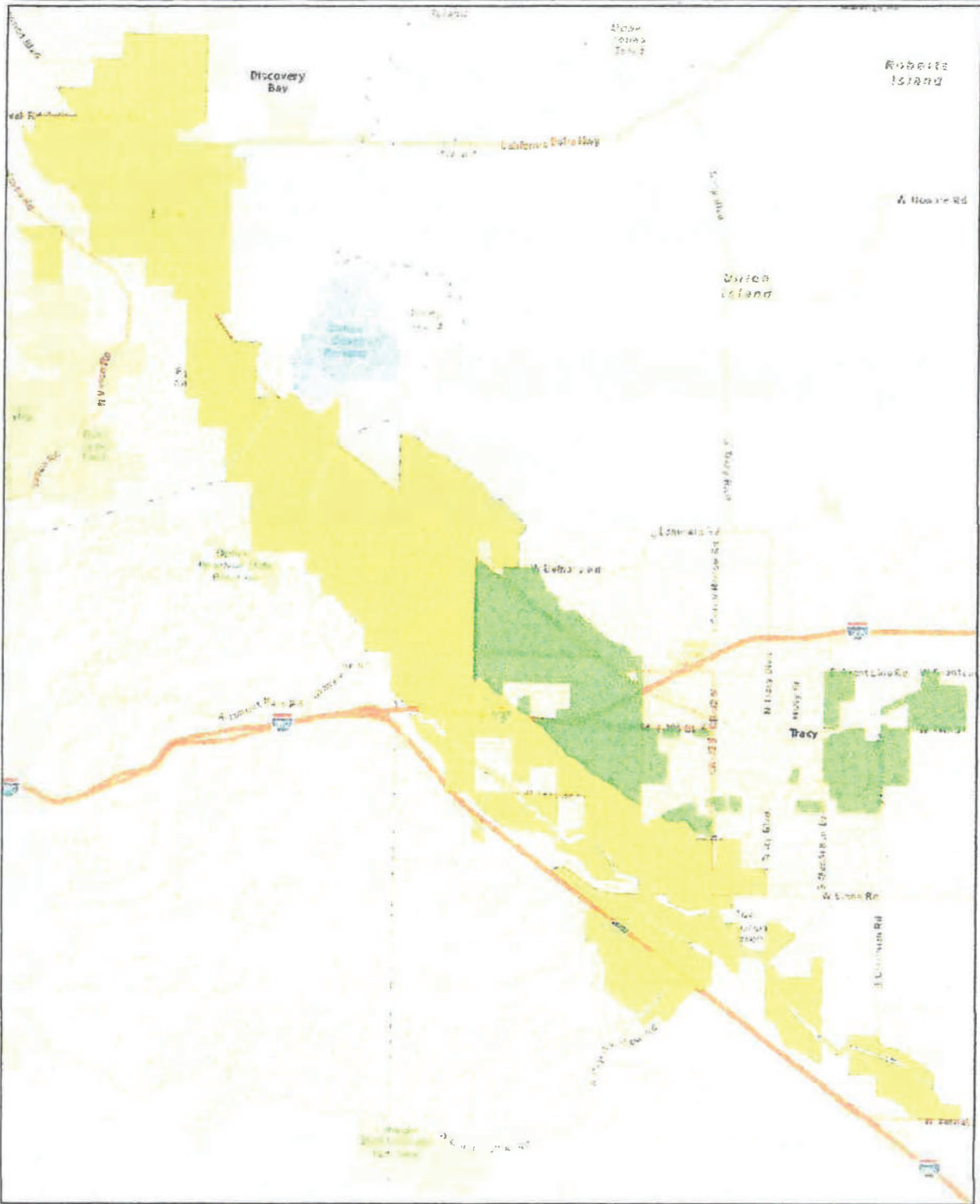
There are two important aspects of consolidation which will be beneficial to TWSID: retiree medical insurance payments; and capital improvement funding.

Retiree Medical Insurance Payments – For several years in the past, TWSID had an employee benefit program covering retiree medical insurance which was not sustainable. Since then, the District changed its policy; however TWSID is still responsible for these benefits for a few of the retired and current Directors, and a few past employees. TWSID has set aside \$1.5 million in reserve funds to pay for this expense. At this time, it is not clear whether the reserve fund will be sufficient to fully cover this obligation. As part of the consolidation program, the Consolidated District would then be responsible for any unfunded liability. BBID is proposing to prepare an actuarial study to determine the extent of the retiree medical benefit obligation. If this study determines that there are unfunded liabilities, a plan will be prepared to address the deficit. This may include such actions as modifying water rates, selling surplus TWSID property, or increasing the Water Service Stand-by Fee.

Capital Improvement Funding – At the present time TWSID does not have a Capital Improvement Plan (CIP), although the District maintains a reserve fund for capital replacement projects (\$1.0 million). However, it is not certain that these funds will be adequate to pay for needed capital improvement projects within the West Side Service Area. BBID is proposing to prepare a CIP for the West Side Service Area which is consistent with BBID's overall CIP. This new plan will consider all capital improvement projects within the two Service Areas, any associated costs, and a plan to pay for these improvements. After consolidation, the West Side Service Area may be eligible for grant funding from the Federal Bureau of Reclamation Smart Water Program, and from the State Integrated Water Management Plan.

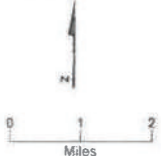
Both BBID and TWSID share an aspiration to seek the most efficient provision of service for their water ratepayers. Consolidating BBID and TWSID will help the District to obtain benefits of unified water resources planning and management which will result in more efficient delivery of public services to customers. Based on the joint Management Agreement between BBID and TWSID, a more efficient Service Plan can be developed. This Plan for Services provides a framework for developing such efficiencies. Approval of the consolidation will allow the Consolidated District to more effectively engage with regional partners and to continue making improvements in the area of water supply reliability and water use efficiency. A Consolidated District will also improve upon economies of scale, increase purchasing power, reduce ratepayer costs, allow for personnel and equipment sharing, and coordinating a regular maintenance schedule.

* * * *



- LEGEND**
- Byron Bethany Irrigation District
 - Westside Irrigation District

Figure 3-1: Boundary and Sphere of Influence for BBID & TWSID



CONCURRENT RESOLUTION NO. 1

CONCURRENT RESOLUTION OF APPLICATION BY
BYRON-BETHANY IRRIGATION DISTRICT AND THE WEST SIDE IRRIGATION DISTRICT

A CONCURRENT RESOLUTION OF THE BOARDS OF DIRECTORS OF BYRON-BETHANY IRRIGATION DISTRICT AND THE WEST SIDE IRRIGATION DISTRICT CONSTITUTING THE DISTRICTS' RESOLUTION OF APPLICATION TO THE SAN JOAQUIN COUNTY LOCAL AGENCY FORMATION COMMISSION TO INITIATE PROCEEDINGS FOR THE CONSOLIDATION OF BYRON-BETHANY IRRIGATION DISTRICT AND WEST SIDE IRRIGATION DISTRICT

WHEREAS, the Boards of Directors of Byron-Bethany Irrigation District (BBID) and The West Side Irrigation District (WSID) (collectively referred to herein as "Districts") desire to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (LAFCO Law), Part 3 of Division 3 (commencing with Section 56000) of Title 5 of the Government Code with the San Joaquin County Local Agency Formation Commission (SJ LAFCO) for the consolidation of the Districts (Consolidation) as specified herein; and

WHEREAS, the Districts wish to accomplish the Consolidation by uniting the territory of WSID with the territory of BBID and creating BBID as the single successor district; and

WHEREAS, the Districts have agreed to initiate the Consolidation with SJ LAFCO by adoption of this Concurrent Resolution; and

WHEREAS, pursuant to Government Code section 56853, in the case of a concurrent consolidation, SJ LAFCO shall approve, or conditionally approve, the proposed consolidation; and

WHEREAS, notice of intent to adopt this Concurrent Resolution of Application has not been given to SJ LAFCO, or to any interested agency or subject agency; and

WHEREAS, the proposal is consistent with the Spheres of Influence for BBID and WSID; and

WHEREAS, the territory included in the consolidated district is inhabited, as defined in the LAFCO Law; and

WHEREAS, the boundaries of the territory included in the consolidated district will be the combined territories of BBID and WSID, as described in Exhibit "A," attached hereto and incorporated herein by reference; and

WHEREAS, the Districts desire that the proposed consolidation be subject to the terms and conditions set forth in Exhibit "B," attached hereto and incorporated herein by reference; and

WHEREAS, the reason for the Consolidation is to enhance the services provided to the territories of both BBID and WSID; and

WHEREAS, the Districts hereby consent to the proposed consolidation without an election by voters within the Districts.

NOW, THEREFORE, BE IT RESOLVED by the Boards of Directors of BBID and WSID that:

1. The SJ LAFCO is requested to undertake proceedings for the proposed consolidation pursuant to Part 3 of Division 3 of the LAFCO Law and according to the terms and conditions stated above.
2. The President of the Board or General Manager for each District is authorized and directed to execute this Concurrent Resolution and any other documents as SJ LAFCO may reasonably request to accomplish the consolidation initiated by this Concurrent Resolution.
3. The President of the Board or General Manager for each District is hereby authorized and directed to perform any and all acts required to effectuate the consolidation initiated by this Concurrent Resolution, including but not limited to preparation and coordination of the application to SJ LAFCO, the justification of proposal, and the plan for services.
4. BBID, as the future successor district, will take the lead in preparing the application to SJ LAFCO and any documentation required or requested by SJ LAFCO to accomplish the consolidation initiated by this Concurrent Resolution. BBID will involve and coordinate with WSID in the preparation of the application and any other documentation required or requested by SJ LAFCO.
5. This Concurrent Resolution is effective from the date last shown below.

PASSED AND ADOPTED by the Board of Directors of the Byron-Bethany Irrigation District at a regular Board Meeting held on the 26th day of July 2016 by the following vote:

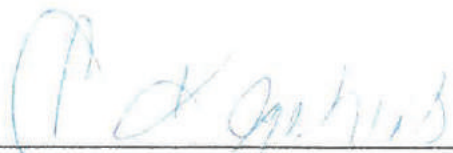
BYRON-BETHANY IRRIGATION DISTRICT:

AYES: Brown, Enos, Kagehiro, M. Maggiore, T. Maggiore, Tuso


NOES:

ABSENT: Musco

ABSTAIN:



Russell Kagehiro, President

ATTEST:


Rick Gilmore, Secretary

WEST SIDE IRRIGATION DISTRICT:

PASSED AND ADOPTED by the Board of Directors of the West Side Irrigation District at a regular Board Meeting held on the 13th day of July 2016 by the following vote:

AYES: Alvarez, Pereira, Pombo

NOES: Serpa

ABSENT: Mattos

ABSTAIN:



Jack Alvarez, President

ATTEST:



Carol Petz, Secretary

Notice of Exemption**Appendix E**

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

County Clerk

County of: San Joaquin

44 N San Joaquin Street Suite 260

Stockton CA 95202

From: (Public Agency): Byron Bethany Irrigation District
7995 Bruns Road
Byron CA 94514

(Address)

Project Title: Byron Bethany Irrigation District-The West Side Irrigation District Consolidation

Project Applicant: Byron Bethany Irrigation District

Project Location - Specific:

Portions of Alameda, Contra Costa, and San Joaquin Counties

Project Location - City: Tracy Project Location - County: Same as above

Description of Nature, Purpose and Beneficiaries of Project:

To consolidate two irrigation districts into one irrigation district. Byron Bethany Irrigation District will be the successor district, and The West Side Irrigation District will cease to exist.

Name of Public Agency Approving Project: San Joaquin Local Agency Formation Commission

Name of Person or Agency Carrying Out Project: Byron Bethany Irrigation District

Exempt Status: (check one):

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: Section 15320. Class 20. Changes in Organization
- Statutory Exemptions. State code number: _____

Reasons why project is exempt:

Two districts with identical powers are allowed to consolidate where the changes do not change the geographical area in which previously existing powers are exercised.

Lead Agency
Contact Person: Rick Gilmore Area Code/Telephone/Extension: 209-835-0375

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature:  Date: February 28, 2020 Title: General Manager

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: N.A.

Filed Doc #: 39-02282020-072
02/28/2020 11:43:04 AM

Steve J. Bestolarides
San Joaquin County Clerk

Attachment 2**PLAN FOR SERVICES****Consolidation of
Byron Bethany Irrigation District and The West Side Irrigation District****February 28, 2020****Introduction**

Pursuant to Section 56653 of the Government Code, San Joaquin LAFCo requires that any application for a consolidation include a plan for providing municipal services. In accordance with Section 56653 of the Government Code, this document includes the following information:

1. An enumeration and description of the services to be extended to the affected territory.
2. The level and range of those services.
3. An indication of when those services can feasibly be extended to the affected territory.
4. An indication of any improvements or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
5. Information with respect to how those services will be financed.

Background

Byron Bethany Irrigation District (BBID) and The West Side Irrigation District (TWSID) are proposing to consolidate into a single irrigation district. The consolidated district will continue to provide services to the combined 'territory' including:

- Irrigation water for commercial agricultural operations;
- Wholesale untreated municipal water to the Mountain House Community Services District (MHCSD);
- Service to twelve other Municipal and Industrial (M&I) customers in the Tracy area.; and
- Storm drainage services to a portion of the City of Tracy.

For details, data and references, refer to the *Final Municipal Service Review and Sphere of Influence Update for Byron Bethany Irrigation District and The West Side Irrigation District*, prepared for San Joaquin LAFCo, June 13, 2019.

Existing Services

The Byron Bethany Service Area will continue to provide irrigation water to approximately 29,500 acres, including farm properties within the three County service areas (portions of San Joaquin, Alameda, and Contra Costa Counties). In addition, raw water is wholesaled to the Mountain House Community Services District to serve treated water to 15,000 people, plus other Municipal and Industrial users in the Tracy area.

The West Side Service Area of the consolidated district will continue to provide irrigation water to approximately 4,200 acres of crops. In addition, the West Side Service Area provides storm water drainage services consisting of conveyance (existing irrigation canals) and discharge to portions of the City of Tracy, the Tracy Defense Depot, and County Service Area No. 50.

At the present time, the consolidated district will provide approximately 39,300 acre-feet of irrigation water to 33,000 acres each year. Details regarding existing services for each Service Area are provided below. The consolidated district boundary is shown in Figure 3-5 on page 2-7.

Byron Bethany Service Area

Byron Bethany Irrigation District (BBID) is responsible for providing reliable and affordable raw water services to their agricultural and municipal customers. The Byron Bethany Service Area comprises approximately 29,477 acres consisting of farmland (including perennial orchards of almonds, apples, cherries, and walnuts), perennial vines for grapes, and annual crops such as tomatoes, corn, cotton, strawberries, oats, sudan, bell peppers, beans and alfalfa. Of the five service divisions within the Service Area, four are served by pre-1914 appropriative water rights, and one division is served by Federal water (Central Valley Project). In addition to these primary water sources, BBID has been able to purchase raw water from neighboring districts (such as the Contra Costa Water District) during times of drought or water shortages.

Current Water Demand

On average, the Byron Bethany Service Area utilizes 26,000 acre-feet annually (AFA) from its pre-1914 appropriative rights, and 3,600 AFA from the Central Valley Project (CVP). In addition, occasional use of groundwater from private property owners and purchases from Contra Costa Water District (CCWD) can add to the total quantity.

Currently BBID does not use recycled water, although the District is open to the concept if a feasible solution arises in the future.

The demand for agricultural water peaks during mid to late summer as crops mature and crop water use increases. Farmers may also use water in winter for frost protection. The Byron Bethany Service Area currently serves 110 agriculture surface irrigation customers with 315 metered turnouts. An individual farm might have several metered turnouts. The Byron Bethany Service Area also has 12 Municipal and Industrial (M&I) customers, including the Mountain House Community Services District (MHCS D), the City of Tracy, Mariposa Energy LLC, Patterson Pass Business Park, Baselite Concrete, GWF Energy, Musco Family Olive, Kings & Lyon, Safeway Distribution Center, and Costco Distribution Center. MHCS D has been receiving an average of 2,400 AFA to serve current development.

Water Service Facilities

BBID derives its pre-1914 water supply from Italian Slough, with flow diverted from the Harvey O. Banks Pumping Plant (State Water Project) approach channel located upstream from the pumping plant. Water for agricultural purposes is conveyed via water pumps to a series of canals, pipelines and gates to farmland within the Service Area. As shown on Figure 5-1 on page 2-8, the Byron Bethany Service Area delivers irrigation water and municipal water (MHCSO) through a series of canals, pipes, and pump stations. The BBID portion of the consolidated district also has an intertie with Contra Costa Water District to provide water on an emergency basis during water shortages.

BBID's CVP water is supplied by the Delta-Mendota Canal. This water is distributed to the CVP service division through several intakes along the Delta-Mendota Canal. This water is distributed via 9.2 miles of enclosed pipe with meters used to measure flow. Raw water provided to the MHCSO is obtained from the State Water Project and conveyed utilizing a pump station and 30-inch diameter pipeline to the Mountain House Water Treatment Plant. (Refer to Figure 5-1 on page 2-8 for locations.) BBID is working to improve its water storage facilities by supporting the Los Vaqueros Reservoir expansion project in Contra Costa County. BBID can also utilize Federal facilities for water storage including the Delta-Mendota Canal, the O'Neil Forebay, and San Luis Reservoir.

Capital Improvements

BBID adopted a Capital Improvement Plan (CIP) as part of its Agricultural Water Management Plan. A number of projects, including canal linings, pipeline replacement, and conversion of canals to pipelines are included on the CIP projects list. Several have been completed, while others are in the design process or are future planned projects.

West Side Service Area

The West Side Irrigation District (TWSID) is responsible for providing reliable and affordable raw water services to their agricultural customers located east and west of the City of Tracy. The West Side Service Area comprises approximately 6,590 acres of which 4,200 acres are currently in production. Crops grown include alfalfa, beans, corn, oats, and sudan, along with irrigated pasture. In addition, TWSID provides storm water drainage services to the City of Tracy under a mutual agreement.

Current Water Demand

On average, the West Side Service Area utilizes 12,000 acre-feet annually (AFA) from its two sources of water: a post-1914 water license from the State of California; and a water service contract with the Federal Bureau of Reclamation for 2,500 acre-feet annually.

Currently TWSID does not use recycled water, but is working with the City of Tracy to utilize tertiary treated wastewater to be discharged into a TWSID canal and potentially available for agricultural use.

Demand for water in the West Side Service Area is based on current crop configurations, as many farmers rotate their crops from year to year based on market demands, soil health, and water availability. District farmers utilize three methods to irrigate their crops: furrows on 1,100 acres, borders on 1,670 acres, and sprinklers on 1,447 acres.

Water Service Facilities

Water is measured at the pump station at the Old River intake, and distributed to customers from there through a series of canals, pipes, and pump stations.

Capital Improvements

At the present time TWSID does not have a Capital Improvement Plan (CIP), although the District maintains a reserve fund for capital replacement projects (\$1.0 million).

Future Water Demand

In the future, demand for water services from the Consolidated District will be from two sources: agricultural water demand; and municipal water demand. Agricultural water will be utilized in both the Byron Bethany Service Area and the West Side Service Area. Municipal water will be utilized in the Mountain House Community (MHCSD), The Tracy Hills Project (City of Tracy), and the industrial area around the Patterson Pass Business Park. Both BBID and TWSID feel that they have sufficient water resources to meet the demands of their agricultural and municipal water customers through at least the year 2040.

Byron Bethany Service Area

Demand for agricultural irrigation water in the Byron Bethany Service Area is expected to remain static in future years, with additional acreage water use offset by increased water use efficiency through drip irrigation. Water demand for municipal purposes will increase due to additional development in Mountain House and Tracy Hills.

Agricultural water demand for 2020 is projected to be 24,900 acre-feet (AF).

This demand will remain constant at 24,900 AF in 2025, 2030, 2035 and 2040.

Municipal water demand for Mountain House is projected to be 5,120 AF in 2020; then increasing to 6,394 AF in 2025, 7,666 AF in 2030, 8,939 in 2035, and 10,172 AF in 2040, which is considered to be full build-out.

Municipal water demand for Tracy Hills is projected to be 5,000 AF in 2020, 10,400 AF in 2025, 13,100 AF in 2030, 15,430 AF in 2035, and 16,230 AF in 2040.

West Side Service Area

TWSID has taken steps to conserve water, which, in concert with fallowed land and/or dry-cropped farming, has actually reduced the demand for agricultural irrigation water. Following consolidation, the West Side Service Area expects water demand to increase as irrigation increases. The West Side Service Area will also provide municipal water to the City of Tracy for the Tracy Hills project.

Agricultural water demand is projected to be 12,000 AF in 2020, 14,000 AF in 2025 and 2030, 14,500 AF in 2035, and 15,000 AF in 2040.

Municipal water for Tracy Hills will be constant at 4,000 AF per year, beginning in 2020.

Financing

Presented below are summaries of the adopted budgets for each District for the 2019 Budget Year:

Byron Bethany Irrigation District

Revenues

Property Tax Revenue	\$3,650,000
Water Sales	1,373,000
Miscellaneous Revenue	972,455
Transfer from Unencumbered Reserves	<u>1,201,402</u>
Total	\$7,196,857

Expenditures

Salaries and Benefits	\$1,897,276
Services and Supplies	3,094,881
Capital Outlay	<u>2,204,700</u>
Total	\$7,196,857

BBID maintains a number of investment accounts, including the California Local Agency Investment Fund (LAIF), JP Morgan Chase, Discover Bank, and Morgan Stanley. As of September 2019, these accounts contained \$15,729,372.

BBID also maintains a number of Reserve Accounts, as of September 2019, as follows:

Insurance/SIR Reserve	\$105,000
SLDMWA – DHCCP Payment Reserve	1,000,000
Rolling Stock Replacement Reserve	100,000
Construction Equipment Replacement Reserve	100,000
Groundwater Management Program	200,000
OME & GA Reserve	3,406,250
Mountain House Infrastructure Replacement	2,000,000
CVP Service Area Capital Improvement	50,000
PERS Contribution Contingency	500,000
Capital Improvement Plan – Ten Year CIP Plan	1,476,086
Legal Reserve	1,000,000
2017 Sales Debt Payment Reserve	1,600,000
2018 Revenue Bonds Debt Payment Reserve	<u>1,000,000</u>
Total	\$12,537,336

The West Side Irrigation District

Revenues

Water Sales	\$871,600
Property Tax Revenue	68,500
Miscellaneous Revenue	251,207
Transfer from Reserves	<u>203,063</u>
Total	\$1,394,370

Expenditures

Salaries and Benefits	\$206,500
Services and Supplies	\$1,078,000
Capital Improvements	<u>109,870</u>
Total	\$1,394,370

TWSID does not have any investment accounts.

TWSID maintains three Reserve Accounts, as of February 2020, as follows:

Capital Replacement Fund	\$1,000,000
Employee and Director Benefits Fund	1,500,000
Groundwater Well Development Fund	<u>1,000,000</u>
Total	\$3,500,000

Liabilities

Neither District has incurred any new liabilities since 2016. For a discussion of TWSID's post-retirement medical insurance liability, please refer to Attachment 1.

* * * *

Attachment 1BEFORE THE BOARD OF DIRECTORS OF
THE WEST SIDE IRRIGATION DISTRICT

RESOLUTION NO. 2016-02

Resolution Identifying Employee and Director Benefits for Both Existing and Retired
Employees and Existing and Retired Directors

WHEREAS, over the years, the Board of Directors (Board) has adopted and amended health insurance and other related employment benefits for employees and Directors to keep a qualified work force and to keep in conformance with changes in the law.

WHEREAS, over the years, the Board has adopted and amended resolutions related to health insurance for retired employees and Directors to keep in conformance with changes in the law.

WHEREAS, the Board has been considering the potential of consolidating with the Byron-Bethany Irrigation District (BBID) and the Board wants to ensure that the existing benefits for employees, retired employees, existing Directors and retired Directors are identified and continue to be provided with any future consolidation with BBID.

WHEREAS, benefits that accrue to retired employees will apply to existing employees that subsequently retire following consolidation. Benefits that accrue to retired Directors shall apply to any Director's position that is eliminated as a result of the consolidation and said Director shall be classified as a retired Director. Any existing Director that serves on the BBID Board as a result of the consolidation and subsequently retires or is not re-elected or re-appointed shall be considered retired at the end of the Director's then term.

BE IT RESOLVED by the Board of Directors of The West Side Irrigation District as follows:

SECTION A - EXISTING EMPLOYEE BENEFITS

1. Full time employees are entitled to medical, dental and life insurance benefits. The District pays 100% of the cost of medical, dental and life insurance benefits for the employee and their dependents. Currently there are 5 employees receiving full medical, dental, and life insurance on themselves and dependents under their choice of plans.
2. Annually on January 1 of each year, all employees receive 6 days (48 hours) of sick leave.
3. Full time employees receive paid vacation accruing annually on the first day of the month in the employee's anniversary month: 2-15 years get 2 weeks per

year; 16-20 years get 3 weeks per year; after 20 years get 4 weeks per year. Vacation time is not carried over year to year.

4. Full time employees are paid for time missed due to jury duty.
5. Full time employees receive up to 3 days leave of absence with pay for bereavement due to the death of an immediate family member.
6. Employees are paid for the following holidays, New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day and the day after, two weeks at Christmas.
7. Full time employees are eligible for the District's defined benefit plan through VALIC. The District will match employee contributions up to 5%. Employee can contribute more, but the District will only match up to 5%.
8. Employees who were hired prior to February 9, 2011 will receive lifetime health benefits with the following provisions:
 - (a) Employees employed prior to June 10, 2009:
 - (1) Must have been employed on or after December 1, 1991.
 - (2) Employee must have been employed by the District continuously for at least 14 years.
 - (3) Employee must be covered by the District's approved health insurance plan at the time of retirement.
 - (4) Employee must have reached the age of 55 prior to retirement.
 - (b) Employees hired between June 10, 2009 & February 8, 2011:
 - (1) Employee must have been employed by the District continuously for at least 25 years.
 - (2) Employee must be covered by the District's approved health insurance plan at the time of retirement.
 - (3) Employee must have reached age 60 prior to retirement.
 - (4) Only the spouse of the qualified employee who was the spouse of the employee at the time that the employee retires is eligible for health insurance benefits upon the requirement of the qualified employee. Should the qualified employee re-marry after retirement any subsequent spouse shall not be entitled to health insurance benefits.

(c) Employees hired on or after February 9, 2011 are not entitled to lifetime health benefits as the policy was terminated.

SECTION B - RETIRED EMPLOYEES HEALTHCARE INSURANCE BENEFITS

1. Retired Employees who were hired prior to February 9, 2011 will receive lifetime health benefits with the following provisions:

(a) Retired Employees employed prior to June 10, 2009:

(1) Must have been employed on or after December 1, 1991.

(2) Employee must have been employed by the District continuously for at least 14 years.

(3) Employee must be covered by the District's approved health insurance plan at the time of retirement.

(4) Employee must have reached the age of 55 prior to retirement.

(b) Retired Employees hired between June 10, 2009 & February 8, 2011:

(1) Employee must have been employed by the District continuously for at least 25 years.

(2) Employee must be covered by the District's approved health insurance plan at the time of retirement.

(3) Employee must have reached age 60 prior to retirement.

(4) Only the spouse of the qualified employee who was the spouse of the employee at the time that the employee retires is eligible for health insurance benefits upon the requirement of the qualified employee. Should the qualified employee re-marry after retirement any subsequent spouse shall not be entitled to health insurance benefits.

(c) Retired Employees hired on or after February 9, 2011 are not entitled to lifetime health benefits as the policy was terminated.

2. Health insurance shall be provided for either the life of the Retired Employee or the life of the Retired Employee's spouse, whichever is longer, subject to the requirements set forth in this Section, and subject to the following:

(a) If a Retired Employee, or his/her spouse, reaches age 65 and becomes eligible for Medicare or Medical or otherwise becomes eligible for governmentally provided or mandated health insurance benefits, the District may replace its then

existing approved health insurance coverage with supplemental health insurance of a type and amount to be determined by the District.

(b) If a Retired Employee, or his/her spouse, reaches age 65 and becomes eligible for Medicare, said Retired Employee, or his/her spouse, is required to obtain at his/her own expense, Medicare Parts A & B to continue to be eligible for District-provided health insurance.

3. The District's health insurance program is purchased through the Association of California Water Agencies and operates pursuant to the rules of that Association. If those rules are changed so as to alter or deny approval of the District's health insurance program for Directors and/or their spouses, then the District's program may be changed to conform to the new rules, or terminated, if required.

SECTION C - EXISTING DIRECTORS HEALTHCARE INSURANCE BENEFITS

1. Directors having served 10 years of consecutive service prior to February 1, 2015 shall qualify for healthcare insurance benefits. The District will pay 100% of the medical plan of the Director's choice for both the Director and their dependents.

2. Directors having served 10 years of consecutive service on or after February 1, 2015 shall qualify for healthcare insurance benefits. The District will pay 100% of the least cost medical insurance plan, per available medical plans, for the Director and 50% of the least cost medical insurance plan, per available medical plans for the employee's dependents. The Director and their dependents shall have the option to buy-up to a higher benefit plan at their expense.

SECTION D - QUALIFICATIONS FOR DIRECTORS LIFETIME HEALTH INSURANCE BENEFITS

1. For a Director and his/her spouse to qualify for the health insurance benefits, the Director must meet the following conditions:

(a) The Director must have been duly elected and serving as a Director for the District on or after December 1, 1991.

(b) The Director must have served at least four (4) consecutive four (4) year terms as a director of the District.

(c) The Director must be covered by the District's approved health insurance plan at the time of his/her retirement.

(d) The Director must have reached age 55 prior to retirement.

(e) No lifetime health insurance benefits will be provided to a Director or his/her spouse if the Director is first elected to a term of office that begins on or after January 1, 1995.

2. Health insurance shall be provided for either the life of the Director or the life of the Director's spouse, whichever is longer, subject to the requirements set forth in this Sections, and subject to the following:

(a) If a Director, or his/her spouse, reaches age 65 and becomes eligible for Medicare or Medical or otherwise becomes eligible for governmentally provided or mandated health insurance benefits, the District may replace its then existing approved health insurance coverage with supplemental health insurance of a type and amount to be determined by the District.

(b) If a Director, or his/her spouse, reaches age 65 and becomes eligible for Medicare, said Director, or his/her spouse, is required to obtain at his/her own expense, Medicare Parts A & B to continue to be eligible for District-provided health insurance.

3. The District's health insurance program is purchased through the Association of California Water Agencies and operates pursuant to the rules of that Association. If those rules are changed so as to alter or deny approval of the District's health insurance program for Directors and/or their spouses, then the District's program may be changed to conform to the new rules, or terminated, if required.

EXHIBIT B

TERMS AND CONDITIONS FOR THE CONSOLIDATION OF
BYRON-BETHANY IRRIGATION DISTRICT AND
THE WEST SIDE IRRIGATION DISTRICT

The following terms and conditions shall be imposed as a condition of the consolidation of Byron-Bethany Irrigation District (BBID) and The West Side Irrigation District (WSID):

1. The consolidated district shall operate as a multi-county district operating under Division 11 of the California Water Code.
2. The boundaries of WSID shall be divided into two Divisions and added to BBID's existing seven Divisions. The consolidated district shall have a total of nine Divisions.
3. The boundaries of WSID shall be identified as "West Side Service Area" within BBID.
4. The Board of Directors of the consolidated district shall consist of nine members. Each Director shall be elected by the Division they represent. The current WSID Board of Directors shall appoint the initial Directors for the two divisions within the West Side Service Area.
5. All existing employees of the WSID shall be retained by BBID except for the General Manager.
6. All existing employee and Director benefits of the WSID shall be retained by WSID employees and Directors as specified in Resolution 2016-02, attached hereto as Attachment 1 and incorporated herein by reference.
7. Agricultural water rates within all service areas of BBID other than the "Central Valley Project Service Area" (which is the former district boundary of the Plain View Water District) shall be equal, subject only to reasonable adjustment based on the actual cost of pumping water.
8. BBID shall aggressively pursue the authority to provide pre-1914 water to the West Side Service Area.

9. The West Side Service Area shall have equal access and priority to all water legally available to it served by and through BBID, water transfers, Warren Act water, groundwater well water, and other methods.

10. All existing written agreements of WSID shall be assumed by BBID ("Assumed Agreements"). Assumed Agreements shall also include the applicable drainage agreements for the Cordes Ranch development and the Tracy Gateway development. While these agreements have expired, it is anticipated that each will be renewed.

11. WSID's Central Valley Project Water Service Contract ("Assigned CVP Water") shall be assigned to BBID subject to the approval of the United States Bureau of Reclamation.

12. The West Side Service Area shall have a priority to any and all Assigned CVP Water as follows:

- a. First priority to Assigned CVP Water shall be to Landowners within the West Side Service Area.
- b. Second priority to Assigned CVP Water shall be transferred to third parties, with income generated allocated to the Restricted Reserve Funds.
- c. Third priority to Assigned CVP Water shall be to landowners within BBID outside of the West Side Service Area.

13. The West Side Service Area shall have a priority to water under License 1381 as follows ("License Water"):

- a. First priority to License Water shall be to Landowners within the West Side Service Area.
- b. If the Place of Use for License Water is expanded at any time in the future, second priority to License Water shall be transfer to third parties, with income generated allocated to the Restricted Reserve Funds.
- c. Third priority to License Water shall be to landowners within BBID outside of the West Side Service Area.

14. Funds available to WSID as of the date of consolidation ("Restricted Reserve Funds") shall be set aside in restricted funds established for the benefit of the West Side Service Area as follows:

- a. West Side Service Area Capital Replacement Fund (\$1,000,000)

- b. West Side Service Area Employee and Director Benefits Fund (\$1,500,000)
- c. West Side Service Area Groundwater Well Development Fund (\$1,000,000)

15. West Side Service Area Restricted Reserve Funds shall be supplemented from the proceeds from the sale of any West Side Service Area property rights, payments under Assumed Agreements, and from the sale of any of West Side Service Area Assigned CVP Water or License Water or any other sources of income attributable to the West Side Service Area.

16. Subject to the restrictions outlined above, all assets of WSID shall be transferred to BBID upon the filing of the Certificate of Completion by the San Joaquin County Local Agency Formation Commission.

17. WSID warrants it has no ongoing liabilities that will impact BBID with the exception of long-term debt associated with construction of the Delta-Mendota Canal and the capital costs of the Lodi Energy Center, which are paid through monthly utility bills.

18. BBID warrants that it has no ongoing liability that will impact the West Side Service Area.



SAN JOAQUIN
 COUNTY
Greatness grows here.



Department of Public Works

Kris Balaji, Director of Public Works

Fritz Buchman, Deputy Director/Development

Jim Stone, Deputy Director/Operations

Najee Zarif, Interim Deputy Director/Engineering

Kristi Rhea, Manager of Strategic Initiatives

May 22, 2020

MEMORANDUM

TO: James E. Glaser, Executive Officer
 LAFCo
CONTACT PERSON: Liz Contreras, LAFCo Analyst

FROM: Alex Chetley, Engineering Services Manager *AC*
 Development Services Division

SUBJECT: CONSOLIDATION OF BYRON BETHANY IRRIGATION DISTRICT (BBID) AND THE WEST SIDE IRRIGATION DISTRICT (TWSID) (LAFC 30-19)
 To consolidate the above-named Irrigation Districts, creating BBID as a single successor district.

LOCATION: Byron Bethany Irrigation District consists of 29,477 acres with a service boundary that includes portions of San Joaquin, Alameda and Contra Costa Counties. The West Side Irrigation District consists of 6,590 acres east and west of the City of Tracy.

COMMENTS:

- **No comments**

AC:SC

X: LAFCO LAFCo Referrals/Consolidation of Byron Bethany Irrig Dist and West Side Irrig Dist (LAFC 30-19) Comments to LAFCo doc