



**Madera County Maintenance District 6
2016-2017
Madera County Grand Jury
Final Report 1617-05**

Published on: May 12, 2017

2016-2017

**Madera County Grand Jury
Final Report 1617-05
Madera County Maintenance District 6**

Introduction:

The Madera County Grand Jury received a complaint regarding the intake and expenditure of funds available to Madera County Maintenance District 6 (MD-6), lack of acknowledgment and honoring of a petition from property owners in MD-6 to the Board of Supervisors (BoS), failure by Madera County to provide drinking water that meets the standards as set by the California Water Resources Board, and a lack of communication and transparency by County officials and the BoS in the consolidation process between Bass Lake Water Company (BLWC), MD-6, and Maintenance District 7 (MD-7). Bass Lake is in eastern Madera County and includes water systems designated as MD-6 (Lakeshore) and MD-7 (Marina View).

Data for this investigation was obtained through complainant interview and correspondence and research of MD-6 financial records. Interviews were conducted with Auditor-Controller office staff, officials of the Madera County Office of Development Services, and a senior sanitary engineer with the State Water Resources Board Division of Drinking Water.

Facts:

1. There are 46 residential and five standby water connections for MD-6 supplied by two deep rock wells.
2. MD-6 water system exceeds allowable contaminant levels for gross alpha, uranium, arsenic, and manganese. In 2007, Madera County Environmental Health issued a district non-compliance notice for MD-6.
3. A revised compliance order was issued in 2015 for violation of California Health and Safety Code (HSC) Section 11655(a)(1) for excessive uranium and arsenic in MD-6 water. The compliance order has a deadline of June 18, 2018.
4. The governing body for MD-6 is the BoS. MD-6 funds are part of the County budget and are allocated by the BoS. The Auditor-Controller oversees the income and expenditures for MD-6 in accordance with the adopted budget.
5. The estimated cost of consolidation, construction and connection of MD-6, MD-7, and BLWC is \$6,233,000. Prior to June 2016, a grant from the State Regional Water Quality Board would have funded 80% of project cost. At the time of this report, funding from the State is 100%.
6. MD-6 and MD-7 are eligible for grant funding for the proposed water consolidation project because they are considered a disadvantaged community. According to California Water Code Section 79505.5, a “disadvantaged community” is defined as a community with an annual median household income that is less than 80% of the statewide annual median household income.

7. The proposed water treatment system, to be built on property in MD-6, will remove the arsenic and uranium from the water produced by the wells in MD-6.
8. After project completion, all water delivered to MD-6 will comply with primary and secondary water standards. Normal operation will be to send drinking water to MD-6 from BLWC. During peak use times or emergency situations, valves can be adjusted to send water from MD-6 to MD-7 and BLWC.
9. MD-6 property owners who signed the Grand Jury complaint stated that they were not notified in a timely manner of the proposed water system consolidation.
10. County officials stated that they have complied with State requirements for notifications to property owners of MD-6, including quarterly notices and website access for project updates and budget status.
11. California HSC allows the State Water Quality Board to require consolidation of smaller water districts for the purpose of meeting water quality standards.
12. The BoS authorized a feasibility study assessing options to comply with the water quality standards for MD-6. The study concluded that the most effective solution was consolidation of BLWC, MD-6, and MD-7, which was approved by the BoS on November 3, 2015.
13. The BLWC is regulated by the California Public Utilities Commission (CPUC). Regulations are in place for CPUC water systems that dictate how rates are set for customers. Property owners of MD-6 will have the opportunity to participate in public meetings for rate setting.
14. Community meetings conducted by County and State officials were held December 2013, July 2015, and November 2016 to discuss the project with the property owners of BLWC, MD-6, and MD-7.
15. California Water Resources Board allows interim solutions such as bottled water and point-of-use water treatment devices to meet drinking water standards. Madera County provides bottled drinking water delivered weekly, biweekly, or monthly to qualified residents of MD-6. This service began February 2016. As of October 2016, the cost has been \$2,711.78.
16. After the November 2016 community meeting, some MD-6 property owners rescinded their opposition to the consolidation.
17. As of December 2016, the account balance for MD-6 was \$652,244. Funds are used to pay operating costs for services that MD-6 is authorized to provide. All funds in the account will remain with MD-6 after the consolidation.
18. MD-6 funds must be used first to pay for State approved capital improvement projects. Allowed reimbursement from the State occurs after completion.

Findings:

1. Consolidation of MD-6, MD-7 and BLWC provides the most cost effective solution to provide water that complies with State primary and secondary standards. This would satisfy the conditions of the compliance order.
2. California Water Resources Board considers point-of-use water treatment devices as interim solutions that do not satisfy compliance orders.

3. The MD-6 account balance fluctuates as capital improvement project costs are funded and reimbursed. All MD-6 account funds are properly accounted for by the Auditor-Controller.

Recommendations:

The Madera County Grand Jury recommends that:

1. MD-6 property owners voluntarily support and participate in the consolidation with BLWC and MD-7 to ensure drinking water that meets State Water Resources Board's primary and secondary standards.

Respondents:

Madera County Board of Supervisors
200 West 4th Street
Madera, CA 93637

Madera County Office of Development Services
Chief of Development Services
200 West 4th Street, Suite 3100
Madera, CA 93637

Madera County Office of Public Works
Public Works Director
200 West 4th Street
Madera, CA 93637

Madera County Auditor-Controller
200 West 4th Street
Madera, CA 93637

Information only:

State Water Resources Control Board
Division of Drinking Water – Merced District
Senior Sanitary Engineer
265 West Bullard Avenue, Suite 101
Fresno, CA 93704