



LOCAL AGENCY FORMATION COMMISSION

Dave Braun, Executive Officer

200 W. 4th Street, Suite 3100, Madera, CA 93637
www.maderacounty.com/government/madera-LAFCO
(559) 675-7821

DATE: July 28, 2021

TO: LAFCO Commissioners

FROM: Dave Braun, Executive Officer

SUBJECT: Draft Bass Lake/North Fork Area Municipal Service Review

BACKGROUND

This is a noticed public workshop on the Draft Bass Lake/North Fork Municipal Service Review (MSR). This workshop was originally scheduled for March 25, 2020, and again for July 23, 2020; however, due to Covid-19 both meetings were cancelled. The purpose of this workshop is for staff to receive comments from the Commission, property owners, and the general public regarding the Municipal Service Review. Depending on comments received at this workshop, staff may schedule subsequent workshops or schedule a public hearing to consider the approval of the MSR.

Bass Lake and North Fork are foothill communities located south of State Highway 41 approximately 40-50 miles northeast of the cities of Madera and Fresno. The 2010 U.S. Census estimated approximately 2,726 residents in the Greater Bass Lake/North Fork Area. Rural residential development is generally concentrated around Bass Lake, as well as in North Fork and in the area to the north and east of North Fork. The main business district of North Fork is located on Roads 222 and 225. Bass Lake has a small business district along the easterly side of the lake on Roads 432 and 434. This report focuses on water and sewer provision and road maintenance in the Bass Lake/North Fork area. These are the only municipal services currently provided by the special districts and private service providers in the Greater Bass Lake/North Fork Area.

INTRODUCTION

The Municipal Service Review (MSR) process is a comprehensive assessment of the ability of existing government agencies to effectively and efficiently provide services to residents and users. The term "municipal services" generally refers to the full range of services that a public agency provides or is authorized to provide. As part of its review of municipal

services, the Local Agency Formation Commission (LAFCO) is required to prepare a written statement of its determinations.

This MSR covers two county service areas, 20 maintenance districts and 4 privately-owned water companies (Bass Lake Water Company, Bass Lake Heights Mutual Water Company, Leisure Acres Mutual Water Company, and Sierra Linda Mutual Water Company). While LAFCO is not required to analyze private companies or maintenance districts, which are not considered special districts by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH), Madera LAFCO chose to review them in order to get a full picture of how services are being provided.

Each of these service entities provides one or more urban service in the Bass Lake/North Fork Community. They are listed below, grouped by the type of service they provide:

Water, Sewer, and Road Maintenance

County Service Area No. 2- Bass Lake
Maintenance District 6- Lakeshore Park
Maintenance District 7- Marina View
Maintenance District 8 - North Fork
Maintenance District 24 - Teaford Meadows Lakes

Water and Road Maintenance

Maintenance District No. 58 - Sierra Highlands

Water Only

Bass Lake Water Company
Bass Lake Heights Mutual Water Company
Leisure Acres Mutual Water Company
Sierra Linda Mutual Water Company

Road Maintenance Only

County Service Area 15 – Teaford Meadows
Maintenance District 11 – Bass Lake Heights
Maintenance District 15 – Fine Gold Creek
Maintenance District 18 – Leisure Acres
Maintenance District 25 – Bass Lake Annex
Maintenance District 55 – Woodland Pond
Maintenance District 64 – Little Creek
Maintenance District 67 – Whiskey Creek

Maintenance District 69 – Oak Junction
Maintenance District 74 – Munson Lane
Maintenance District 86 – Hidden Meadow
Maintenance District 92 – Cedar Ridge
Maintenance District 93 – Wilcox
Maintenance District 104 – Northridge Meadows
Maintenance District 107 – Deer Springs
Maintenance District 120 – Old Town

The process of developing the MSR began with the collection of planning and budgetary documents and other records related to the provision of municipal services of each service provider within the Greater Bass Lake/North Fork Area. The Draft MSR was prepared utilizing the gathered data from the County and outside sources.

Following this workshop or subsequent workshops, as necessary, the Final MSR will be presented to the Commission for adoption.

DETERMINATIONS

The following Determinations are based on the analysis provided in this MSR, and are used to officially state LAFCO's position regarding the districts in the Bass Lake/North Fork area. These Determinations do not initiate or approve any action. If accepted by LAFCO, they serve to guide LAFCO in the future as issues surface and requests for changes of organization are brought before LAFCO for review and approval. They also provide the public with an explicit statement of LAFCO's position on these issues.

Population and Growth

Determination 2-1 – U.S. Census data indicates that Bass Lake had a 2010 population of 463. The 2025 population is projected to be 780 and the 2040 population is projected to be 828 by 2040. Similarly, North Fork had a 2010 population of 2,263, with a projected 2025 population of 3,124 and a 2040 projected population of 4,157.

Determination 2-2 – North Fork/Bass Lake plan for future growth through the implementation of policies and standards set forth in the Madera County General Plan. The County's General Plan was updated in 1995 and is a long-range guide for attaining the County's goals within its ultimate service area and accommodating its population growth. The County's General Plan provides a policy base to guide future growth within the communities of North Fork/Bass Lake.

Determination 2-3 – Present needs for public facilities and services vary. Some districts will need to update their assessment fees to properly provide services. Probable needs for public facilities and services are not currently anticipated to vary from present needs, as future

demands are expected to remain relatively the same. Population increases are not currently anticipated to affect the North Fork/Bass Lake community abilities to provide services.

Disadvantaged Unincorporated Communities

Determination 3-1 – There are Census Block Groups within the North Fork and Bass Lake areas that have a median household income below \$53,735 (80 percent of the statewide median household income).

Determination 3-2 – There are areas currently within the jurisdictional boundaries of various county service areas and maintenance districts that can be considered unincorporated disadvantaged communities due to median household income being below 80 percent of the statewide average.

Determination 3-3 – There are areas within the study area that currently receive water and/or sewer through a special district and fire protection services from County and CAL FIRE operated fire stations. These areas would only be considered disadvantaged on the basis of income, not from a service delivery standpoint.

Determination 3-4 – There are areas within the study area that currently receive water and/or sewer through private facilities such as wells and septic tanks, fire protection services from County and CAL FIRE operated fire stations. These areas would only be considered disadvantaged from a service delivery standpoint and should be evaluated on a case-by-case basis to determine if it is a neighborhood of 12 or more registered voters to be included in a follow-up annexation pursuant to State law.

Determination 3-5 – There are areas within the study area that currently do not receive water and/or sewer through a special district but do receive fire protection services from County and CAL FIRE operated fire stations. These areas would be considered disadvantaged based on income and service delivery alike.

County Service Area (CSA) No. 2 - Bass Lake

Determination 4.1-1 – The County provides services including water, sewer, and road maintenance through four zones of benefit in CSA No. 2, utilizing rates set by the County Board of Supervisors.

Determination 4.1-2 – The County adopts a budget annually for CSA No. 2.

Determination 4.1-3 – The sewer and water rates established for CSA No. 2, Zone A were last set in 2009 and Zones B and C were last set in 1996. The rates have not been updated within the past five years and may not accurately depict the true cost of providing services.

Determination 4.1-4 – The rates established for CSA No. 2, Zones B and C do not reflect a true cost for providing road maintenance and repair, as they were not adopted with an engineer's study and do not include adjustments for inflation. The flat rate is likely deficient to provide the needed level of services for road maintenance.

Determination 4.1-5 – The County should explore the establishment of a new rate, or the addition of a yearly inflation multiplier for proper road maintenance. This would require a successful vote of the property owners involved.

Determination 4.1-6 – The County should consider consolidating existing districts within the Bass Lake area with CSA No. 2 to form a new community services district.

Determination 4.1-7 – The County shall coordinate with LAFCO to conduct feasibility and rate studies to determine the most appropriate option to streamline services.

Determination 4.1-8 – If ever Bass Lake Water Company (BLWC) ceases operation or is willing to consider annexation to another agency, the County could consider consolidating BLHMWC. Dependent on conditions and whether districts have been combined, the BLHMWC should be consolidated with the appropriate district to minimize the presence of unnecessary districts and to streamline services.

Determination 4.1-9 – In the event that the Bass Lake Water Company (BLWC) desires consolidating systems, the County shall coordinate with LAFCO to conduct feasibility and rate studies to determine the most appropriate option.

County Service Area No. 15 - Teaford Meadows

Determination 4.2-1 – The County provides road maintenance to 1.80 miles of minor rural County roadway within CSA No. 15. The District does not have a direct assessment fee and instead sets aside a portion of property tax for continued road maintenance.

Determination 4.2-2 – The County adopts a budget annually for CSA No. 15.

Determination 4.2-3 – The percentage of property tax established for CSA No. 15 may not reflect a true cost for providing road maintenance and repair as it was not adopted with an engineer's study and does not include adjustments for inflation. The property tax amount may be deficient to provide the needed level of service for road maintenance.

Determination 4.2-4 – The County should explore the establishment of a direct assessment fee with a yearly inflation multiplier for proper road maintenance. This would require a successful vote of the property owners involved.

Determination 4.2-5 – The County should consider consolidating CSA No.15 with neighboring Maintenance District No. 24 (MD-24), which also provides road maintenance, into a new Maintenance District (MD), County Service Area (CSA), or Community Services District (CSD) to minimize the presence of unnecessary districts and streamline services.

Determination 4.2-6 – The County should coordinate with LAFCO to consider consolidating CSA No. 15 with MD-24 by conducting feasibility and rate studies.

Maintenance District No. 6 - Lakeshore Park

Determination 5.1-1 – The County maintains 0.35 mile of minor rural County roadway within MD-6. The District does not have a direct assessment fee for road maintenance and instead sets aside a portion of property tax for that purpose. The County also provides water to 51 units and sewer to 46 units with a flat rate based on an annual Consumer Price Index adjustment.

Determination 5.1-2 – The County adopts a budget annually for MD-6.

Determination 5.1-3 – The percentage of property tax established for MD-6 may not reflect a true cost for providing road maintenance and repair, as it was not adopted with an engineer's study. The property tax amount may be deficient to provide the needed level of service for road maintenance.

Determination 5.1-4 – Rates for water and sewer services within MD-6 have not been updated within the past five years and may not accurately depict the true cost of providing services.

Determination 5.1-5 – The County should establish updated rates for water and sewer services and explore the establishment of a rate with the addition of a yearly inflation multiplier for proper road maintenance. This would require a successful vote of the property owners involved.

Determination 5.1-6 – The County should consider reorganizing districts in combination with MD-6 in a way that most effectively provides a high level of service for residents. This may mean consolidating MD-6 with MD-7, or consolidating a variety of nearby districts to become a new community services district. Any proposal for consolidation must be supported by the residents within MD-6.

Determination 5.1-7 – The County shall coordinate with LAFCO to conduct feasibility and rate studies to determine the most appropriate option to streamline services.

Maintenance District No. 7 - Marina View

Determination 5.2-1 – The County maintains 0.68 mile of minor rural County roadway within MD-7. The District does not have a direct assessment fee for road maintenance and instead sets aside a portion of property tax for that purpose. The County also provides water to 92 units and sewer to 92 units with a flat rate based on an annual Consumer Price Index adjustment.

Determination 5.2-2 – The County adopts a budget annually for MD-7.

Determination 5.2-3 – The percentage of property tax established for MD-7 may not reflect a true cost for providing road maintenance and repair, as it was not adopted with an engineer's study. The property tax amount may be deficient to provide the needed level of service of road maintenance.

Determination 5.2-4 – Rates for water and sewer services within MD-7 have not been updated within the past five years and may not accurately depict the true cost of providing services.

Determination 5.2-5 - The County should establish updated rates for water and sewer services for MD-7 and explore the establishment of a rate with the addition of a yearly inflation multiplier for proper road maintenance. This would require a successful vote of the property owners involved.

Determination 5.2-6 – The County should consider reorganizing districts in combination with MD-7 in a way that most effectively provides a high level of service for residents. This may mean consolidating MD-7 with MD-6 or consolidating a variety of nearby districts to become a new county service area or community services district. Any proposal for consolidation must be supported by the residents within MD-7.

Determination 5.2-7 – The County shall coordinate with LAFCO to conduct feasibility and rate studies to determine the most appropriate option to streamline services.

Maintenance District No. 8 - North Fork

Determination 5.3-1 – The County provides water to 149.96 units, sewer to 194.96 units, and are based on a flat-rate structure with an annual Consumer Price Index adjustment. The County also maintains 0.36 mile of non-county roadway within MD-8, Zone B (North Fork/Amber Lane) utilizing a direct assessment of \$100 per parcel, per year.

Determination 5.3-2 – The County adopts a budget annually for MD-8.

Determination 5.3-3 – The rate established for MD- 8, Zone A, has not updated water and sewer rates within the past five years and may not accurately depict the true cost of providing services.

Determination 5.3-4 – The rate established for MD-8, Zone B, does not reflect a true cost for providing road maintenance and repair, as it was not adopted with an engineer’s study and does not include adjustments for inflation. The flat rate is likely deficient to provide the needed level of service of road maintenance.

Determination 5.3-5 – The County should establish updated rates for water and sewer services and explore the establishment of a new rate, or the addition of a yearly inflation multiplier for proper road maintenance. This would require a successful vote of the property owners involved.

Determination 5.3-6 – The County should consider consolidating the eastern portion of the MD-8’s Sphere of Influence with the CSA No. 21 and MD-97 systems in a fashion that best meets the need of residents within the community.

Determination 5.3-7 – The County should coordinate with LAFCO to determine the best way to consolidate CSA No. 21, MD-97, and MD-8 by conducting feasibility and rate studies.

Determination 5.3-8 – If ever the Cascadel Mutual Water System (CMWS) ceases operation or is willing to consider annexation to another agency, the County should consider consolidating the CMWS with the new consolidated CSA or CSD to minimize the presence of unnecessary districts and to streamline services.

Determination 5.3-9 – In the event that CMWS desires consolidating systems, the County shall coordinate with LAFCO to conduct feasibility and rate studies to determine the most appropriate option.

Maintenance District No. 11 - Bass Lake Heights

Determination 5.4-1 – The County maintains 0.98 mile of minor rural County roadway within MD-11. The District does not have a direct assessment fee and instead sets aside a portion of property tax for continued road maintenance.

Determination 5.4-2 – The percentage of property tax established for MD-11 may not reflect a true cost for providing road maintenance and repair, as it was not adopted with an engineer’s study and does not include adjustments for inflation. The property tax amount may be deficient to provide the needed level of service of road maintenance.

Determination 5.4-3 – The County adopts a budget annually for MD-11.

Determination 5.4-4 – The County should explore the establishment of a direct assessment fee for MD-11 with a yearly inflation multiplier for proper road maintenance. This would require a successful vote of the property owners involved.

Determination 5.4-5 – The County should consider consolidating MD-11 with MD-86 as a new MD, CSA, or CSD to minimize the presence of unnecessary districts and streamline services.

Determination 5.4-6 – The County shall coordinate with LAFCO to conduct feasibility and rate studies to determine the most appropriate option to streamline services.

Determination 5.4-7 – If ever the BLHMWC ceases operation or is willing to consider annexation to another agency, the County should consider consolidating the BLHMWC with the new combined MD, CSA, or CSD to minimize the presence of unnecessary districts and to streamline services.

Determination 5.4-8 – In the event that BLHMWC desires consolidating systems, the County shall coordinate with LAFCO to conduct feasibility and rate studies to determine the most appropriate option.

Maintenance District No. 15 - Fine Gold Creek

Determination 5.5-1 – The County maintains 1.89 miles of minor rural County roadway within MD-15. The District does not have a direct assessment fee and instead sets aside a portion of property tax for continued road maintenance.

Determination 5.5-2 – The percentage of property tax established for Md-15 may not reflect a true cost for providing road maintenance and repair, as it was not adopted with an engineer's study and does not include adjustments for inflation. The property tax amount may be deficient to provide the needed level of service of road maintenance.

Determination 5.5-3 – The County adopts a budget annually for MD-15.

Determination 5.5-4 – The County should explore the establishment of a direct assessment fee for MD-15 with a yearly inflation multiplier for proper road maintenance. This would require a successful vote of the property owners involved.

Determination 5.5-5 – The County should consider consolidating MD-15 with the MD-55, MD-58, MD-74, and MD-104 systems to form a new MD, CSA, or CSD to minimize the presence of unnecessary districts and streamline services.

Determination 5.5-6 – The County should coordinate with LAFCO to consider consolidating MD-15 with nearby districts by conducting feasibility and rate studies.

Maintenance District No. 18 - Leisure Acres

Determination 5.6-1 – The County maintains 1.76 miles of minor rural County roadway within MD-18. The District does not have a direct assessment fee and instead sets aside a portion of property tax for continued road maintenance.

Determination 5.6-2 – The percentage of property tax established for MD-18 may not reflect a true cost for providing road maintenance and repair, as it was not adopted with an engineer's study and does not include adjustments for inflation. The property tax amount may be deficient to provide the needed level of service of road maintenance.

Determination 5.6-3 – The County adopts a budget annually for MD-18.

Determination 5.6-4 – The County should explore the establishment of a direct assessment fee for MD-18 with a yearly inflation multiplier for proper road maintenance. This would require a successful vote of the property owners involved.

Determination 5.6-5 - The County should consider consolidating MD-18 with neighboring MD-69 as a new MD, CSA or CSD to minimize the presence of unnecessary districts and streamline services.

Determination 5.6-6 – The County should coordinate with LAFCO to consider consolidating MD-18 with MD- 69 by conducting feasibility and rate studies.

Determination 5.6-7 – In the event the Leisure Acres Mutual Water Company (LAMWC) is unable to continue to provide services, for whatever reason, the LAMWC system could be consolidated with MD-18, or the new potential MD, CSA, or CSD proposed in Section 5.6.5.

Determination 5.6-8 – In the event that LAMWC desires consolidating systems with MD-18 or the potential MD, CSA or CSD, the County shall coordinate with LAFCO to conduct feasibility and rate studies.

Maintenance District No. 24 - Teaford Meadows Lakes

Determination 5.7-1 – The County maintains 0.46 miles of minor rural County roadway within MD-24. The District does not have a direct assessment fee and instead sets aside a portion of property tax for continued road maintenance. The County also provides water to 59 improved units, five standby units and eight contract units, and sewer to 59 units and five standby units with an annual Consumer Price Index adjustment.

Determination 5.7-2 – The rate established for MD-24 has not updated water and sewer rates within the past five years and may not accurately depict the true cost of providing services.

Determination 5.7-3 – The percentage of property tax established for MD-24 may not reflect a true cost for providing road maintenance and repair or sewer and water, as it was not adopted with an engineer's study and does not include adjustments for inflation. The property tax amount may also be deficient to provide the needed level of service of road maintenance.

Determination 5.7-4 – The County adopts a budget annually for MD-24.

Determination 5.7-5 – The County should establish updated rates for water and sewer services for MD-24 and explore the establishment of a new rate, or the addition of a yearly inflation multiplier for proper road maintenance. This would require a successful vote of the property owners involved.

Determination 5.7-6 – The County should consider consolidating MD-24 with the neighboring CSA No. 15 system to form a new MD, CSA, or CSD to minimize the presence of unnecessary districts and streamline services.

Determination 5.7-7 - The County should coordinate with LAFCO to consider consolidating MD-24 with County Service Area No. 15 by conducting feasibility and rate studies.

Maintenance District No. 25 - Bass Lake Annex

Determination 5.8-1 – The County maintains 0.86 miles of minor rural County roadway within MD-25. The District does not have a direct assessment fee and instead sets aside a portion of property tax for continued road maintenance.

Determination 5.8-2 – The percentage of property tax established for MD-25 may not reflect a true cost for providing road maintenance and repair, as it was not adopted with an engineer's study. The property tax amount may be deficient to provide the needed level of service of road maintenance.

Determination 5.8-3 – The County adopts a budget annually for MD-25.

Determination 5.8-4 – The County should explore the establishment of a direct assessment fee for MD-25 with a yearly inflation multiplier for proper road maintenance. This would require a successful vote of the property owners involved.

Determination 5.8-5 – In the event the Sierra Linda Mutual Water Company (SLMWC) is unable to continue to provide services, for whatever reason, the SLMWC system could be consolidated with MD-25, either as an MD, CSA, or CSD.

Determination 5.8-6 – In the event that SLMWC desires consolidating systems with MD-25, the County shall coordinate with LAFCO to conduct feasibility and rate studies.

Maintenance District No. 55 - Woodland Pond

Determination 5.9-1 – The County maintains 0.65 miles of non-County roadway within MD-55 utilizing a direct assessment of \$100 per parcel, per year.

Determination 5.9-2 – The rate established for MD-55 does not reflect a true cost for providing road maintenance and repair, as it was not adopted with an engineer's study and does not include adjustments for inflation. The flat rate is likely deficient to provide the needed level of service of road maintenance.

Determination 5.9-3 – The County adopts a budget annually for MD-55.

Determination 5.9-4 – The County should explore the establishment of a new rate, or the addition of a yearly inflation multiplier for proper road maintenance in MD-55. This would require a successful vote of the property owners involved.

Determination 5.9-5 – The County should consider consolidating MD-55 with the MD-15, MD-58, MD-74, and MD-104 systems to form a new MD, CSA or CSD to minimize the presence of unnecessary districts and streamline services.

Determination 5.9-6 – The County should coordinate with LAFCO to consider consolidating MD-55 with nearby districts by conducting feasibility and rate studies.

Maintenance District No. 58 - Sierra Highlands

Determination 5.10-1 – The County maintains 3.69 miles of non-County roadway within MD-58 utilizing a direct assessment of \$300 per parcel, per year adjusted for inflation.

Determination 5.10-2 – The rate established for MD-58 has not updated water rates within the past five years and may not accurately depict the true cost of providing services.

Determination 5.10-3 – The rate established for MD-58 reflects a true cost for providing road maintenance and repair, as it was adopted with an engineer's study that does include adjustments for inflation. The rate is able to provide the needed level of service of road maintenance.

Determination 5.10-4 – The County adopts a budget annually for MD-58.

Determination 5.10-5 – The County should establish updated rates for water services.

Determination 5.10-6 – The County should consider consolidating MD-58 with the MD-15, MD-55, MD-74, and MD-104 systems to form a new MD, CSA, or CSD to minimize the presence of unnecessary districts and streamline services.

Determination 5.10-7 - The County should coordinate with LAFCO to consider consolidating MD-58 with nearby districts by conducting feasibility and rate studies.

Maintenance District No. 64 - Little Creek

Determination 5.11-1 – The County maintains 1.72 miles of non-County roadway within MD-64 utilizing a direct assessment of \$100 per parcel, per year.

Determination 5.11-2 – The rate established for MD- 64 does not reflect a true cost for providing road maintenance and repair, as it was not adopted with an engineer’s study and does not include adjustments for inflation. The flat rate is likely deficient to provide the needed level of service of road maintenance.

Determination 5.11-3 – The County adopts a budget annually for MD-64.

Determination 5.11-4 – The County should explore the establishment of a new rate, or the addition of a yearly inflation multiplier for proper road maintenance for MD-64. This would require a successful vote of the property owners involved.

Determination 5.11-5 – The County could consider consolidating MD-64 with the nearby MD-93 system, which also provides road maintenance, to minimize the presence of unnecessary districts.

Determination 5.11-6 – The County should coordinate with LAFCO to consider consolidating MD-64 with MD-93 by conducting feasibility and rate studies.

Maintenance District No. 67 - Whiskey Creek

Determination 5.12-1 – The County maintains 0.42 mile of non-County roadway within MD-67 utilizing a direct assessment of \$100 per parcel, per year.

Determination 5.12-2 – The rate established for MD- 67 does not reflect a true cost for providing road maintenance and repair, as it was not adopted with an engineer’s study and does not include adjustments for inflation. The flat rate is likely deficient to provide the needed level of service for road maintenance.

Determination 5.12-3 – The County adopts a budget annually for MD-67.

Determination 5.12-4 – The County should explore the establishment of a new rate, or the addition of a yearly inflation multiplier for proper road maintenance in MD-67. This would require a successful vote of the property owners involved.

Determination 5.12-5 – There are no opportunities for district consolidation for MD-67 at this time.

Maintenance District No. 69 - Oak Junction

Determination 5.13-1 – The County maintains 0.31 miles of non-County roadway within MD-69 utilizing a direct assessment of \$100 per parcel, per year.

Determination 5.13-2 – The rate established for MD-69 does not reflect a true cost for providing road maintenance and repair, as it was not adopted with an engineer's study and does not include adjustments for inflation. The flat rate is likely deficient to provide the needed level of service for road maintenance.

Determination 5.13-3 – The County adopts a budget annually for MD-69.

Determination 5.13-4 – The County should explore the establishment of a new rate, or the addition of a yearly inflation multiplier for proper road maintenance in MD-69. This would require a successful vote of the property owners involved.

Determination 5.13-5 – The County should consider consolidating MD-69 with neighboring MD-18 to minimize the presence of unnecessary districts and streamline services.

Determination 5.13-6 – The County should coordinate with LAFCO to conduct feasibility and rate studies in regard to consolidating the MD-69 and MD-18 systems.

Determination 5.13-7 – If ever the Leisure Acres Mutual Water Company (LAMWC) ceases operation or is willing to consider annexation to another agency, the County should consider consolidating the LAMWC with MD-69, or the new combined MD, CSA, or CSD to minimize the presence of unnecessary districts and to streamline services.

Determination 5.13-8 – In the event the LAMWC desires consolidating systems, the County shall coordinate with LAFCO to conduct feasibility and rate studies to determine the most appropriate option.

Maintenance District No. 74 - Munson Lane

Determination 5.14-1 – The County maintains 1.42 miles of non-County roadway within MD-74 utilizing a direct assessment of \$100 per parcel, per year.

Determination 5.14-2 – The rate established for MD-74 does not reflect a true cost for providing road maintenance and repair, as it was not adopted with an engineer’s study and does not include adjustments for inflation. The flat rate is likely deficient to provide the needed level of service of road maintenance.

Determination 5.14-3 – The County adopts a budget annually for MD-74.

Determination 5.14-4 – The County should explore the establishment of a new rate, or the addition of a yearly inflation multiplier for proper road maintenance in MD-74. This would require a successful vote of the property owners involved.

Determination 5.14-5 – The County should consider consolidating MD-74 with the MD-15, MD-55, MD-58, and MD-104 systems to form a new MD, CSA, or CSD to minimize the presence of unnecessary districts and streamline services.

Determination 5.14-6 – The County should coordinate with LAFCO to consider consolidation of MD-74 with nearby districts by conducting feasibility and rate studies.

Maintenance District No. 86 - Hidden Meadow

Determination 5.15-1 – The County maintains 0.54 mile of non-County roadway within MD-86 utilizing a direct assessment of \$100 per parcel, per year.

Determination 5.15-2 – The rate established for MD-86 does not reflect a true cost for providing road maintenance and repair, as it was not adopted with an engineer’s study and does not include adjustments for inflation. The flat rate is likely deficient to provide the needed level of service for road maintenance.

Determination 5.15-3 – The County adopts a budget annually for MD-86.

Determination 5.15-4 – The County should explore the establishment of a new rate, or the addition of a yearly inflation multiplier for proper road maintenance in MD-86. This would require a successful vote of the property owners involved.

Determination 5.15-5 – The County should consider consolidating MD-86 with MD-11 as a new MD, CSA, or CSD to minimize the presence of unnecessary districts and streamline services.

Determination 5.15-6 – The County and LAFCO should participate in detailed discussions with the districts to determine current conditions and the feasibility of consolidating the maintenance districts.

Determination 5.15-7 – If ever the Bass Lake Heights Mutual Water Company (BLHMWC) ceases operation or is willing to consider annexation to another agency, the County should consider consolidating the BLHMWC with the new combined MD, CSA, or CSD to minimize the presence of unnecessary districts and to streamline services.

Determination 5.15-8 – In the event that BLHMWC desires consolidating systems, the County shall coordinate with LAFCO to conduct feasibility and rate studies to determine the most appropriate option.

Maintenance District No. 92 - Cedar Ridge

Determination 5.16-1 – The County maintains 0.38 miles of non-County roadway within MD-92 utilizing a direct assessment of \$100 per parcel, per year.

Determination 5.16-2 – The rate established for MD-92 does not reflect a true cost for providing road maintenance and repair, as it was not adopted with an engineer's study and does not include adjustments for inflation. The flat rate is likely deficient to provide the needed level of service of road maintenance.

Determination 5.16-3 – The County adopts a budget annually for MD-92.

Determination 5.16-4 – The County should explore the establishment of a new rate, or the addition of a yearly inflation multiplier for proper road maintenance. This would require a successful vote of the property owners involved.

Determination 5.16-5 – The County should consider consolidating MD-92 with nearby districts to form a CSD.

Determination 5.16-6 – The County should coordinate with LAFCO to consider consolidating MD-92 with other districts by conducting feasibility and rate studies.

Maintenance District No. 93 - Wilcox

Determination 5.17-1 – The County maintains 1.01 miles of non-County roadway within MD-93 utilizing a direct assessment of \$100 per parcel, per year.

Determination 5.17-2 – The rate established for MD-93 does not reflect a true cost for providing road maintenance and repair, as it was not adopted with an engineer's study and does not include adjustments for inflation. The flat rate is likely deficient to provide the needed level of service for road maintenance.

Determination 5.17-3 – The County adopts a budget annually for MD-93.

Determination 5.17-4 – The County should explore the establishment of a new rate, or the addition of a yearly inflation multiplier for proper road maintenance in MD-93. This would require a successful vote of the property owners involved.

Determination 5.17-5 – The County should consider consolidating MD-93 with the nearby MD-64 system to form a new MD, CSA, or CSD to minimize the presence of unnecessary districts and streamline services.

Determination 5.17-6 – The County should coordinate with LAFCO to consider consolidating MD-93 with MD-64 by conducting feasibility and rate studies.

Maintenance District No. 104 - Northridge Meadows

Determination 5.19-1 – The County maintains 0.42 miles of non-County roadway within MD-104 utilizing a direct assessment of \$100 per parcel, per year.

Determination 5.19-2 – The rate established for MD-104 does not reflect a true cost for providing road maintenance and repair, as it was not adopted with an engineer's study and does not include adjustments for inflation. The flat rate is likely deficient to provide the needed level of service for road maintenance.

Determination 5.19-3 – The County adopts a budget annually for MD-104.

Determination 5.19-4 – The County should explore the establishment of a new rate, or the addition of a yearly inflation multiplier for proper road maintenance in MD-104. This would require a successful vote of the property owners involved.

Determination 5.19-5 – The County should consider consolidating MD-104 with the nearby MD-15, MD-55, MD-58, and MD-74 systems to form a new MD, CSA, or CSD to minimize the presence of unnecessary districts and streamline services.

Determination 5.19-6 – The County should coordinate with LAFCO to consider consolidating MD-104 with nearby districts by conducting feasibility and rate studies.

Maintenance District No. 107 - Deer Springs

Determination 5.20-1 – The County maintains 0.19 miles of non-County roadway within MD-107 utilizing a direct assessment of \$100 per parcel, per year.

Determination 5.20-2 – The rate established for Maintenance District 107 (Deer Springs) does not reflect a true cost for providing road maintenance and repair, as it was not adopted with an engineer's study and does not include adjustments for inflation. The flat rate is likely deficient to provide the needed level of service of road maintenance.

Determination 5.20-3 – The County adopts a budget annually for MD-107.

Determination 5.20-4 – The County should explore the establishment of a new rate, or the addition of a yearly inflation multiplier for proper road maintenance in MD-107. This would require a successful vote of the property owners involved.

Determination 5.20-5 – The County should consider consolidating MD-107 with the nearby MD-120 system to form a new MD, CSA, or CSD to minimize the presence of unnecessary districts and streamline services.

Determination 5.20-6 – The County should coordinate with LAFCO to consider consolidating MD-07 with Maintenance District 120 by conducting feasibility and rate studies.

Maintenance District No. 120 - Old Town

Determination 5.21-1 – The County maintains 0.62 miles of non-County roadway within MD-120 utilizing a direct assessment of \$357.75 per parcel, per year adjusted for inflation.

Determination 5.21-2 – The rate established for MD-120 reflects a true cost for providing road maintenance and repair, as it was adopted with an engineer's study and includes adjustments for inflation. The rate is able to provide the needed level of service of road maintenance.

Determination 5.21-3 – The County adopts a budget annually for MD-120.

Determination 5.21-4 – The County should consider consolidating MD-120 with the nearby MD-107 system to form a new MD, CSA, or CSD to minimize the presence of unnecessary districts and streamline services.

Determination 5.21-5 – The County should coordinate with LAFCO to consider consolidating MD-120 with MD-107 by conducting feasibility and rate studies.

Bass Lake Water Company (BLWC)

Determination 7.1-1 – The BLWC is a private utility that provides water to approximately 500 residents and 3,000 seasonal customers within its jurisdiction within the Bass Lake area.

Determination 7.1-2 – BLWC is a privately-owned company not subject to the oversight or jurisdiction of LAFCO.

Determination 7.1-3 - If ever the BLWC ceases operation or is willing to consider annexation to another agency, the County should consider consolidating BLWC with CSA No. 2, Zone A, to minimize the presence of unnecessary districts and to streamline services.

Bass Lake Heights Mutual Water Company (BLHMWC)

Determination 7.2-1 – The BLHMWC is a private utility that provides water to approximately 250 residents within its jurisdiction within the Bass Lake area.

Determination 7.2-2 – The BLHMWC is a privately-owned company not subject to the oversight or jurisdiction of LAFCO.

Determination 7.2-3 – In the event the BLHMWC is unable to continue to provide services, for whatever reason, the BLHMWC could be combined with MD-11.

Determination 7.2-4 – The County shall coordinate with the BLHMWC Bass Lake Heights Mutual Water Company to determine the best feasible method to provide consolidated services with existing agencies or creation of a community services district.

Leisure Acres Mutual Water Company (LAMWC)

Determination 7.4-1 – The LAMWC is a private utility that provides water to approximately 45 residents within its jurisdiction within the North Fork area.

Determination 7.4-2 – The LAMWC is a privately-owned company not subject to the oversight or jurisdiction of LAFCO.

Determination 7.4-3 – In the event the LAMWC is unable to continue to provide services, for whatever reason, the LAMWC could be combined with MD-18 and MD-69 as a new CSA or CSD.

Determination 7.4-4 – The County shall coordinate with the LAMWC to determine the best feasible method to provide consolidated services with existing agencies or creation of a community services district.

Sierra Linda Mutual Water Company (SLMWC)

Determination 7.5-1 – The SLMWC is a private utility that provides water to approximately 180 residents within its jurisdiction within the North Fork area.

Determination 7.5-2 – The SLMWC is a privately-owned company not subject to the oversight or jurisdiction of LAFCO.

Determination 7.5-3 – In the event the SLMWC is unable to continue to provide services, for whatever reason, the SLMWC could be combined with MD-25.

Determination 7.5-4 – The County shall coordinate with the SLMWC to determine the best feasible method to provide consolidated services with existing agencies or creation of a community services district.

SPHERE OF INFLUENCE RECOMMENDATIONS

Recommendation 8.6-1 – Certain existing districts may need to accommodate growth and service provision in the North Fork and Bass Lake areas.

Recommendation 8.6-2 – The County and LAFCO should conduct discussions to consider the feasibility of consolidating nearby districts into County Service Areas or Community Service Districts with new spheres of influence.

RECOMMENDATION

It is recommended the Local Agency Formation Commission:

1. Review the Draft MSR;
2. Open the public hearing to take testimony on the Draft MSR;
3. Discuss the Determinations and Recommendations in the Draft MSR;
4. Direct Staff to make any modifications to the Draft MSR;
5. Continue the public hearing to a subsequent workshop or a public hearing to consider approval of the Final MSR.

Attachments:

- Correspondence from the MD-7 Water Committee dated July 17, 2020
- Correspondence from Dr. Randy Haber, VA Palo Alto Health Care System, Menlo Park Division, dated July 18, 2021

MD 7 Water Committee

July 17, 2020

Mr. David Braun, Executive Director
Madera Local Agency Formation Commission
200 West Fourth Street
Madera, CA 93637

Re: Comments on the Municipal Service Review for Bass Lake and North Fork

Dear Mr. Braun:

The MD 7 Water Committee ("Committee") appreciates the opportunity to comment on the June 2020 Draft of the Madera Local Agency Formation Commission ("LAFCo") study entitled: "*North Fork and Bass Lake Areas Municipal Service Review and Sphere of Influence Update*" dated June 2020 as prepared by Quad Knopf and your LAFCo staff report dated July 23, 2020. The Water Committee members consists of MD 7 property owners appointed by the County of Madera to represent the 89 property owners in Marina View Heights. The Committee has been actively working with County and the State of California on solutions to MD 7's water quality issues since 2018.

The Committee agrees with the key considerations and goals of your study – to provide efficient operating structures and a stable fiscal basis for community services to MD 7 and the other districts that are a part of this study. However, there is confusion about consolidations that are administrative in nature and consolidations that involve sharing or joining of facilities, such as water treatment plants. Your reports need to be clear on what is being proposed.

A stated LAFCo goal is for the Commission to consider that "*there is often more than one feasible structure that can potentially provide local community services.*" Our comment letter is written to provide the Commission with current information to inform your decision making and to indicate our local preference on the structure we prefer.

Much of the critical information and recommendations in your staff report and the Quad Knopf report derives from a 2014 feasibility study prepared for the County by the engineering firm of AECOM. This report is now outdated and not suitable to base your recommendations on. We respectfully request that the Commission specifically reject the determinations that MD 7 be combined with MD 6.

Determination No. 5.1-6 – *The County should consider reorganizing districts in combination with Maintenance District 6 (Lakeshore Park) This may mean consolidating MD-6 with MD-7 or consolidating a variety of nearby districts to become a new community services district.* (found on Page 5-7 of the Quad Knopf Report)

Determination No. 5.2-6 – *The County should consider reorganizing districts in combination with Maintenance District No. 7 (Marina View) This may mean consolidating MD-7 with MD-6 or consolidating a variety of nearby districts to become a new County service area or community service district.” (found on Page 5-16 of the Quad Knopf report and Page 6 of the LAFCo staff report)*

- **AECOM 2014 Feasibility Study – Outdated Information on MD 6 and MD 7 Consolidation – Physical Consolidation Option is no longer Feasible**

The AECOM study in 2014, “*Feasibility Study Report for Madera County Maintenance District 7, Marina View Heights,*” recommended that a centralized water treatment plant be constructed serving MD 6 and MD 7. The plant was proposed to be constructed at MD 6 with an interconnecting pipeline between the two districts. The estimated capital costs in 2014 dollars was \$1,789,000 for the treatment plant and \$892,500 for the interconnecting pipeline (AECOM, Page 4-1).

At that time AECOM was working under the assumption that the capital expenses of the project would be funded through a State grant. AECOM’s estimated rate increases were only based on the additional operations and maintenance costs of the combined districts. This planning assumption was accurate at the time and based on the facts that in 2012 the County had been awarded a State Revolving Fund planning grant for MD 6 and MD 7. The State grant assisted in drilling test wells and completing the feasibility reports, which examined various consolidation alternatives, including combining MD 6 and MD 7, with the Bass Lake Water Company.

In late 2017, the State informed the County that the districts no longer qualified for the grant due to their high median household incomes and number of second homes within the districts. The AECOM report was never revised to reflect the loss of the capital grant and to reflect the true costs of consolidating MD 6 and MD 7, including interest on a capital improvement loan.

Joining MD 6 and MD 7 together requires the installation of almost two miles of six-inch water pipeline in Road 274 (11,900 lineal feet). The estimated costs of the new water line in 2014 was \$892,500. This cost was also not factored into the \$1,789,000 in water treatment upgrades. The Quad Knopf report verifies that only the operations and maintenance costs were considered in estimating the future water rates, leading to the consolidation recommendation (Page 5-14). What appears to be a reasonably cost-effective consolidation is only based on the annual O&M costs and not based on obtaining financing for capital improvement costs of over \$2.86 million (2014 dollars), spread over 133 property owners in both districts.

It is important that the Commission recognized that during the ensuing seven years since the AECOM report was prepared that the facts and assumptions have changed dramatically, impacting the viability of the 2014 recommendation that MD 6 and MD 7 be consolidated, The Quad Knopf report needs to be revised on Pages 2-5, 5-5, 5-6, 5-7, 5-13, 5-14 and 5-16 to eliminate this option and to discuss the changed circumstances since the 2014 AECOM report was finalized. Your staff report recommendation on Page 6 should be revised to eliminate the consolidation option.

- **MD 7 Treatment Plant Status**

MD 7's water system has been out of compliance with the arsenic standards since 2008, when US EPA revised their nationwide arsenic regulations. Hundreds of water systems nationwide were found out of compliance when this regulation was adopted. The revised standards are difficult for small rural and mountain systems to comply with, since small water systems have a limited number of service connections in which to spread out their water treatment costs.

The County of Madera Environmental Health Department issued a compliance order for MD 7 for exceeding the drinking water standards for arsenic and uranium in June of 2015 (Compliance Order No. CC0002568). The compliance date was established for June 18, 2018. Since the water system remained out of compliance on June 18, 2018, the County transferred the regulatory enforcement to the State Water Resources Control Board. The State issued a citation and the requirement that MD 7 comply by December 31, 2019 (Citation No. 03-11-18C-036).

The County responded with a Corrective Action Plan, which engaged AECOM to design a water treatment plant for MD 7 (see the MD 7 Corrective Action Plan, July 13, 2018). The plans for the water treatment plant are currently at the 90% design completion stage. After completion of the design, the County will retain an independent rate expert to estimate the water rate increase to finance the construction of the project.

- **MD 7 – Reverse Osmosis Project**

The Committee and the County of Madera have been working in good faith with the State Water Board staff to complete the design of the project. Like many projects, it has been slowed by the Covid-19 pandemic. The County received State Water Board authorization to install reverse osmosis devices in each home in MD 7 as a temporary compliance measure to meet the compliance deadline. These devices have been installed and are operational.

Test results illustrate the reverse osmosis is providing drinking water that meets or exceeds the federal and state requirements. The use of the reverse osmosis devices is conditioned upon MD 7 applying for state financing for the water system treatment upgrade. New water rates will have to be approved by the property owners that support both the capital expenses and the operations and maintenance expenses as part of the District's application for financing.

- **November 19, 2019 Board of Supervisors Protest Hearing**

The report should include the information that the Madera County Board of Supervisors held a protest hearing on the water rates for MD 7 on November 19, 2019. During this hearing, the Board approved a water rate increase of \$58.60 per month to support the reverse osmosis project, which the Committee supported. The Board also adopted a sewer rate increase to \$75.66 per month, which the Committee also supported, including CPI adjustments in future years – FY20-21, FY 21-22, and FY 22-23.

The reverse osmosis project provides compliant drinking water at a cost-effective rate. The Committee will continue to work with the State and the County to implement practical and cost-effective solutions to MD 7's water quality issues. These options may include classification as a Transient Water System and an application to the State for an economic hardship to retain the individual reverse osmosis devices, if the rates necessary to support the new water treatment plant are cost prohibitive under State regulations.

- **Corrections to the Report**

There are three other factual errors in the Quad Knopf report regarding MD 7. On Page 5-9 the report lists MD 7 has having two water tanks with 90,000 gallons of storage capacity. On Page 5-11 the report lists the two tanks as having 125,000 gallons of storage capacity. The correct storage capacity is 125,000 gallons in the two tanks. Page 5-12 the report states that MD 7 does not have fire hydrants. The report should be corrected to indicate that MD 7 does have fire hydrants.

- **Administrative Consolidations**

The Committee understands that there may be areas where the administration of the districts can be consolidated. It should be noted that even with this type of consolidation, each maintenance district will require separate accounting of revenues and expenses under Proposition 218. Rate setting will also need to comply with Proposition 218 in terms of the type of public hearings that are required.

We thank the Committee for their consideration of our requests and look forward to working with the County and LAFCo on cost-effective and practical solutions for MD 7. We respectfully request that you distribute this letter to the LAFCo Commissioners.

Sincerely,

George Aquino
Brian Cutler
Ken Farfsing
Theresa Wilson

MD 7 Water Committee

cc: MD 7 Property Owners

Robert McCauley, Chief of Staff, Supervisor Robert Wheeler
Mr. Craig Wagner, Supervising Civil Engineer, Madera County Public Works
Mr. Ray Gutierrez, Engineer II, Madera County Public Works

From: Randy Haber <randyhaber@gmail.com>
Sent: Sunday, July 18, 2021 11:11:29 PM
To: David Braun <david.braun@maderacounty.com>
Cc: Bill Troost <billtroost@att.net>; Walt Jennings LSBC <waltjennings@hotmail.com>
Subject: Upcoming MSR

July 18, 2021

Dear Executive Officer Braun:

On August 2, 2020, I wrote you in response to your Municipal Service Review (MSR) for North Fork and the Bass Lake Area, and about LAFCo's role in reorganizing and/or consolidating districts. I am writing now because you have sent out a notice of an upcoming MSR publication.

Since I last wrote, it has become increasingly clear that the water treatment needs of small communities are not being properly addressed by our State and County agencies. We at MD-6 are working with Deputy Director Polhemus of State DDW, the legislative group of State Senator Brogeas' office, and State and County officials to address these issues. In my letter to you on last August 2, I explained my concerns about the mention of consolidation in LAFCO MSR.

The point is this: It is one thing to mandate consolidation of disadvantaged communities so that a stable supply of drinking water can become available to citizens across a broad area. It is another thing for State and County policies to frustrate and obstruct self-paying small communities from obtaining appropriate, available, and affordable small-community water treatment. It is worse to have discovered misuse and abuse of State law in ways that favor the take-over of valuable small-community water assets by privately-owned water utilities. And then, to discover State grants providing public funds to expand a private utility. And then, to discover the expanded private utility being sold to an international water corporation at enormous personal profit, thus turning public money into private personal cash. And then, to further discover that additional personal profit was being made by the overdevelopment of the Bass Lake area beyond its water resources. This suggests that our current governing structures can be manipulated by the rich and powerful for their personal gain at the cost of small communities with valuable water assets. We are attempting to address these vulnerabilities by working with the State and County to modify County policies so that small communities can obtain the water treatment they need, thus eliminating current obstruction.

It is hoped that my description last August 2nd was informative and helpful to this current version of the MSR, and that reference to consolidation of "non-disadvantaged" communities was removed. Further, it is hoped that LAFCO is not vulnerable to the special interests of developers and private utilities in ways that put small communities at risk. Consolidation should not be used as a substitute for proper governance of small communities who need access to appropriate and affordable water treatment.

Thank you for your consideration of these remarks.

Dr. Randy Haber, Member, MD-6 Water Committee, with
Dr. Bill Troost, Chairman, MD-6 Water Committee
Mr. Walt Jennings, Member, MD-6 Water Committee

Dr. Randy Haber
VA Palo Alto Health Care System
Menlo Park Division, CA 94025
va internal: jon.haber@va.gov
Correspondence: 2268 Marina Ave, Livermore, CA 94550
Office text msg: 925-487-7078
Email: randyhaber@gmail.com