

DRAFT

**MADERA LOCAL AGENCY FORMATION
COMMISSION**

**NORTH FORK AND
BASS LAKE AREAS**

**MUNICIPAL SERVICE REVIEW AND
SPHERE OF INFLUENCE UPDATE**



JULY 2021



DRAFT

NORTH FORK AND BASS LAKE AREAS MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE

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TABLE OF CONTENTS

Acronyms and Abbreviations..... *ix*

SECTION 1 - Introduction..... ***1-1***

1.1 - Municipal Service Review Purpose 1-1

1.2 - Summary of Issues..... 1-1

1.3 - Scope of this MSR 1-4

1.4 - MSR Preparation, Review and Adoption Process..... 1-4

1.5 - Required Topic Areas of Analysis 1-5

1.6 - Assumptions Regarding Local Agency Structure 1-6

1.7 - LAFCo Powers..... 1-7

1.8 - Key Considerations and Goals 1-8

1.9 - Services Comparison 1-9

SECTION 2 - Growth and Population Projections..... ***2-1***

2.1 - Introduction..... 2-1

2.2 - History of Bass Lake and North Fork Areas..... 2-1

 2.2.1 - North Fork..... 2-1

 2.2.2 - Bass Lake 2-2

2.3 - Planning and Growth Projections 2-3

2.4 - Anticipated Service Needs..... 2-4

2.5 - Land Use Designations..... 2-5

2.6 - Determinations 2-8

SECTION 3 - Disadvantaged Unincorporated Communities..... ***3-1***

3.1 - Overview 3-1

3.2 - Determinations 3-3

SECTION 4 - County Service Areas..... ***4-1***

4.1 - County Service Area 2 – Bass Lake 4-1

 4.1.1 - Introduction 4-1

 4.1.2 - Budget..... 4-8

 4.1.3 - Existing Facilities and Assets 4-11

 4.1.4 - Financial Ability to Provide Services..... 4-11

 4.1.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities 4-13

 4.1.6 - Opportunities for Rate Restructuring..... 4-14

 4.1.7 - Governance 4-14

 4.1.8 - Determinations 4-14

4.2 - County Service Area 15 – Teaford Meadows..... 4-16

 4.2.1 - Introduction 4-16

 4.2.2 - Budget..... 4-16

- 4.2.3 - Existing Facilities and Assets 4-16
- 4.2.4 - Financial Ability to Provide Services..... 4-18
- 4.2.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities 4-18
- 4.2.6 - Opportunities for Rate Restructuring..... 4-18
- 4.2.7 - Governance 4-19
- 4.2.8 - Determinations 4-19
- 4.3 - County Service Area 21 – Cascadel Woods 4-20
- SECTION 5 - County Maintenance Districts..... 5-1**
- 5.1 - MD-6 – Lakeshore Park 5-1
 - 5.1.1 - Introduction 5-1
 - 5.1.2 - Budget..... 5-3
 - 5.1.3 - Existing Facilities and Assets 5-3
 - 5.1.4 - Financial Ability to Provide Services..... 5-4
 - 5.1.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities 5-4
 - 5.1.6 - Opportunities for Rate Restructuring..... 5-6
 - 5.1.7 - Governance 5-7
 - 5.1.8 - Determinations 5-7
- 5.2 - MD-7- Marina View 5-9
 - 5.2.1 - Introduction 5-9
 - 5.2.2 - Budget..... 5-11
 - 5.2.3 - Existing Facilities and Assets 5-11
 - 5.2.4 - Financial Ability to Provide Services..... 5-12
 - 5.2.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities 5-13
 - 5.2.6 - Opportunities for Rate Restructuring..... 5-15
 - 5.2.7 - Governance 5-15
 - 5.2.8 - Determinations 5-15
- 5.3 - MD-8 – North Fork/Amber Lane 5-17
 - 5.3.1 - Introduction 5-17
 - 5.3.2 - Budget..... 5-21
 - 5.3.3 - Existing Facilities and Assets 5-22
 - 5.3.4 - Financial Ability to Provide Services..... 5-23
 - 5.3.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities 5-23
 - 5.3.6 - Opportunities for Rate Restructuring..... 5-24
 - 5.3.7 - Governance 5-25
 - 5.3.8 - Determinations 5-25
- 5.4 - MD-11 – Bass Lake Heights..... 5-27
 - 5.4.1 - Introduction 5-27
 - 5.4.2 - Budget..... 5-27
 - 5.4.3 - Existing Facilities and Assets 5-27
 - 5.4.4 - Financial Ability to Provide Services..... 5-27
 - 5.4.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities 5-29
 - 5.4.6 - Opportunities for Rate Restructuring..... 5-30
 - 5.4.7 - Governance 5-30

5.4.8 - Determinations	5-30
5.5 - MD-15 – Fine Gold Creek	5-32
5.5.1 - Introduction	5-32
5.5.2 - Budget.....	5-32
5.5.3 - Existing Facilities and Assets	5-32
5.5.4 - Financial Ability to Provide Services.....	5-32
5.5.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities	5-34
5.5.6 - Opportunities for Rate Restructuring.....	5-34
5.5.7 - Governance.....	5-35
5.5.8 - Determinations	5-35
5.6 - MD-18 – Leisure Acres.....	5-36
5.6.1 - Introduction	5-36
5.6.2 - Budget.....	5-36
5.6.3 - Existing Facilities and Assets	5-36
5.6.4 - Financial Ability to Provide Services.....	5-36
5.6.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities	5-38
5.6.6 - Opportunities for Rate Restructuring.....	5-39
5.6.7 - Governance.....	5-39
5.6.8 - Determinations	5-39
5.7 - MD-24 – Teaford Meadows Lakes.....	5-41
5.7.1 - Introduction	5-41
5.7.2 - Budget.....	5-41
5.7.3 - Existing Facilities and Assets	5-43
5.7.4 - Financial Ability to Provide Services.....	5-43
5.7.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities	5-44
5.7.6 - Opportunities for Rate Restructuring.....	5-44
5.7.7 - Governance.....	5-45
5.7.8 - Determinations	5-45
5.8 - MD-25 – Bass Lake Annex	5-47
5.8.1 - Introduction	5-47
5.8.2 - Budget.....	5-47
5.8.3 - Existing Facilities and Assets	5-47
5.8.4 - Financial Ability to Provide Services.....	5-47
5.8.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities	5-49
5.8.6 - Opportunities for Rate Restructuring.....	5-50
5.8.7 - Governance.....	5-50
5.8.8 - Determinations	5-50
5.9 - MD-55 – Woodland Pond.....	5-51
5.9.1 - Introduction	5-51
5.9.2 - Budget.....	5-51
5.9.3 - Existing Facilities and Assets	5-51
5.9.4 - Financial Ability to Provide Services.....	5-51
5.9.5 - Opportunities for Rate Restructuring.....	5-53
5.9.6 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities	5-53
5.9.7 - Governance.....	5-54

5.9.8 - Determinations	5-54
5.10 - MD-58 – Sierra Highlands.....	5-55
5.10.1 - Introduction.....	5-55
5.10.2 - Budget.....	5-55
5.10.3 - Existing Facilities and Assets	5-57
5.10.4 - Financial Ability to Provide Services	5-57
5.10.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities	5-58
5.10.6 - Opportunities for Rate Restructuring	5-58
5.10.7 - Governance	5-58
5.10.8 - Determinations	5-59
5.11 - MD-64 – Little Creek	5-60
5.11.1 - Introduction.....	5-60
5.11.2 - Budget.....	5-60
5.11.3 - Existing Facilities and Assets	5-60
5.11.4 - Financial Ability to Provide Services	5-60
5.11.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities	5-62
5.11.6 - Opportunities for Rate Restructuring	5-62
5.11.7 - Governance	5-63
5.11.8 - Determinations	5-63
5.12 - MD-67 – Whisky Creek.....	5-64
5.12.1 - Introduction.....	5-64
5.12.2 - Budget.....	5-64
5.12.3 - Existing Facilities and Assets	5-64
5.12.4 - Financial Ability to Provide Services	5-64
5.12.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities	5-66
5.12.6 - Opportunities for Rate Restructuring	5-66
5.12.7 - Governance	5-66
5.12.8 - Determinations	5-66
5.13 - MD-69 – Oak Junction.....	5-68
5.13.1 - Introduction.....	5-68
5.13.2 - Budget.....	5-68
5.13.3 - Existing Facilities and Assets	5-68
5.13.4 - Financial Ability to Provide Services	5-70
5.13.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities	5-70
5.13.6 - Opportunities for Rate Restructuring	5-71
5.13.7 - Governance	5-71
5.13.8 - Determinations	5-71
5.14 - MD-74 – Munson Lane.....	5-73
5.14.1 - Introduction.....	5-73
5.14.2 - Budget.....	5-73
5.14.3 - Existing Facilities and Assets	5-73
5.14.4 - Financial Ability to Provide Services	5-73
5.14.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities	5-75
5.14.6 - Opportunities for Rate Restructuring	5-75
5.14.7 - Governance	5-76

5.14.8 - Determinations	5-76
5.15 - MD-86 – Hidden Meadow	5-77
5.15.1 - Introduction.....	5-77
5.15.2 - Budget.....	5-77
5.15.3 - Existing Facilities and Assets	5-77
5.15.4 - Financial Ability to Provide Services	5-77
5.15.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities	5-79
5.15.6 - Opportunities for Rate Restructuring	5-80
5.15.7 - Governance	5-80
5.15.8 - Determinations	5-80
5.16 - MD-92 – Cedar Ridge	5-82
5.16.1 - Introduction.....	5-82
5.16.2 - Budget.....	5-82
5.16.3 - Existing Facilities and Assets	5-82
5.16.4 - Financial Ability to Provide Services	5-82
5.16.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities	5-84
5.16.6 - Opportunities for Rate Restructuring	5-85
5.16.7 - Governance	5-85
5.16.8 - Determinations	5-85
5.17 - MD-93 – Wilcox	5-86
5.17.1 - Introduction.....	5-86
5.17.2 - Budget.....	5-86
5.17.3 - Existing Facilities and Assets	5-86
5.17.4 - Financial Ability to Provide Services	5-86
5.17.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities	5-88
5.17.6 - Opportunities for Rate Restructuring	5-88
5.17.7 - Governance	5-89
5.17.8 - Determinations	5-89
5.18 - MD-97 – Cascadel Heights	5-90
5.19 - MD-104 – Northridge Meadows.....	5-91
5.19.1 - Introduction.....	5-91
5.19.2 - Budget.....	5-91
5.19.3 - Existing Facilities and Assets	5-91
5.19.4 - Financial Ability to Provide Services	5-91
5.19.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities	5-93
5.19.6 - Opportunities for Rate Restructuring	5-93
5.19.7 - Governance	5-94
5.19.8 - Determinations	5-94
5.20 - MD-107 – Deer Springs	5-95
5.20.1 - Introduction.....	5-95
5.20.2 - Budget.....	5-95
5.20.3 - Existing Facilities and Assets	5-95
5.20.4 - Financial Ability to Provide Services	5-95
5.20.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities	5-97
5.20.6 - Opportunities for Rate Restructuring	5-97

5.20.7 - Governance 5-97

5.20.8 - Determinations 5-98

5.21 - MD-120- Old Town 5-99

5.21.1 - Introduction..... 5-99

5.21.2 - Budget 5-99

5.21.3 - Existing Facilities and Assets 5-99

5.21.4 - Financial Ability to Provide Services 5-101

5.21.5 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities . 5-101

5.21.6 - Opportunities for Rate Restructuring 5-101

5.21.7 - Governance 5-101

5.21.8 - Determinations 5-102

SECTION 6 - Plan for Services 6-1

6.1 - Determinations 6-4

SECTION 7 - Private Utility Companies 7-1

7.1 - Bass Lake Water Company 7-1

7.1.1 - Determinations 7-3

7.2 - Bass Lake Heights Mutual Water Company 7-4

7.2.1 - Determinations 7-4

7.3 - Cascadel Woods Mutual Water Company 7-7

7.4 - Leisure Acres Mutual Water Company 7-8

7.4.1 - Determinations 7-8

7.5 - Sierra Linda Mutual Water Company 7-11

7.5.1 - Determinations 7-11

SECTION 8 - Sphere of Influence Review..... 8-1

8.1 - Present and Planned Land Uses 8-1

8.2 - Present and Probable Need for Public Facilities and Services 8-2

8.3 - Disadvantaged Unincorporated Communities 8-3

8.4 - Present Capacity of Public Facilities and Adequacy of Public Services 8-3

8.5 - Existence of Any Social or Economic Communities of Interest..... 8-3

8.6 - Sphere of Influence Recommendations 8-4

8.6.1 - Consolidation Area A (MDs 11 and 86)..... 8-5

8.6.2 - Consolidated Area B (MDs 18 and 69) 8-7

8.6.3 - Consolidated Area C (CSA-15 and MD-24) 8-9

8.6.4 - Consolidated Area D (MDs 107 and 120)..... 8-11

8.6.5 - Consolidated Area E (MDs 64 and 93) 8-13

8.6.6 - Consolidated Area F (MDs 15, 55, 58, 74, and 104)..... 8-15

8.6.7 - Consolidated Area H (CSA-2, MDs 6, 7, and 92) 8-17

8.6.8 - Consolidated Area I (Alternative for MDs 6 and 7) 8-19

8.6.9 - Recommendations..... 8-21

SECTION 9 - Bibliography..... 9-1

LIST OF FIGURES

Figure 1-1 Regional Location 1-2
Figure 1-2 Project Study Area 1-3
Figure 2-1 General Plan Land Use Map 2-7
Figure 3-1 Median Household Income (2017) 3-2
Figure 4-1 County Service Area 2 – Bass Lake 4-3
Figure 4-2 County Service Area 2A – Bass Lake 4-4
Figure 4-3 County Service Area 2B – Bass Lake/Wishon Cove 4-5
Figure 4-4 County Service Area 2C – Bass Lake 4-6
Figure 4-5 County Service Area 2D – Bass Lake 4-7
Figure 4-6 County Service Area 15 – Teaford Meadows 4-17
Figure 5-1 Maintenance District 6- Lakeshore Park 5-2
Figure 5-2 Maintenance District 7 – Marina View 5-10
Figure 5-3 Maintenance District 8 – North Fork/Amber Lane 5-18
Figure 5-4 Maintenance District 8A 5-19
Figure 5-5 Maintenance District 8B 5-20
Figure 5-6 Maintenance District 11 – Bass Lake Heights 1-3 5-28
Figure 5-7 Maintenance District 15 – Fine Gold Creek 5-33
Figure 5-8 Maintenance District 18 – Leisure Acres 5-37
Figure 5-9 Maintenance District 24 – Teaford Meadows Lakes 5-42
Figure 5-10 Maintenance District 25 – Bass Lake Annex 5-48
Figure 5-11 Maintenance District 55 – Woodland Pond 5-52
Figure 5-12 Maintenance District 58 – Sierra Highlands 5-56
Figure 5-13 Maintenance District 64 – Little Creek 5-61
Figure 5-14 Maintenance District 67 – Whisky Creek 5-65
Figure 5-15 Maintenance District 69 – Oak Junction 5-69
Figure 5-16 Maintenance District 74 – Munson Lane 5-74
Figure 5-17 Maintenance District 86 – Hidden Meadow 5-78
Figure 5-18 Maintenance District 92 – Cedar Ridge 5-83
Figure 5-19 Maintenance District 93 – Wilcox 5-87
Figure 5-20 Maintenance District 104 – Northridge Meadows 5-92
Figure 5-21 Maintenance District 107 – Deer Springs 5-96
Figure 5-22 Maintenance District 120 – Old Town 5-100
Figure 7-1 Bass Lake Water Company 7-2
Figure 7-2 Bass Lake Heights Mutual Water Company 7-5
Figure 7-3 Leisure Acres Mutual Water Company 7-9
Figure 7-4 Sierra Linda Mutual Water Company 7-12
Figure 8-1 Consolidated Area A Map 8-6
Figure 8-2 Consolidated Area B Map 8-8
Figure 8-3 Consolidated Area C Map 8-10

Figure 8-4 Consolidated Area D Map 8-12
Figure 8-5 Consolidated Area E Map 8-14
Figure 8-6 Consolidated Area F Map..... 8-16
Figure 8-7 Consolidated Area H Map..... 8-18
Figure 8-8 Consolidated Area I Map..... 8-20

LIST OF TABLES

Table 1-1 Current, Authorized and Latent Powers Matrix..... 1-10
Table 2-1 Population Growth (2010-2040)..... 2-4
Table 4-1 CSA-2A (Sewer) Budget..... 4-8
Table 4-2 CSA-2A (ACO) Budget..... 4-8
Table 4-3 CSA-2A (Bond Fund) Budget..... 4-9
Table 4-4 CSA-2A (Prepay & Improvement Fund) Budget 4-9
Table 4-5 CSA-2A (Debt Service) Budget..... 4-9
Table 4-6 CSA-2B (Road) Budget 4-10
Table 4-7 CSA-2B & C (Water) Budget..... 4-10
Table 4-8 CSA-2D (Road) Budget..... 4-10
Table 4-9 CSA-15 (Road) Budget 4-16
Table 5-1 MD-6 Budget..... 5-3
Table 5-2 MD-7 Budget..... 5-11
Table 5-3 MD-8A Budget..... 5-21
Table 5-4 MD-8B Budget..... 5-21
Table 5-5 MD-11 (Road) Budget 5-27
Table 5-6 MD-15 (Road) Budget 5-32
Table 5-7 MD-18 (Road) Budget 5-36
Table 5-8 MD-24 Budget 5-43
Table 5-9 MD-25 (Road) Budget 5-47
Table 5-10 MD-55 (Road) Budget..... 5-51
Table 5-11 MD-58 Budget..... 5-57
Table 5-12 MD-64 (Road) Budget..... 5-60
Table 5-13 MD-67 (Road) Budget..... 5-64
Table 5-14 MD-69 (Road) Budget..... 5-68
Table 5-15 MD-74 (Road) Budget..... 5-73
Table 5-16 MD-86 (Road) Budget..... 5-77
Table 5-17 MD-92 (Road) Budget..... 5-82
Table 5-18 MD-93 (Road) Budget..... 5-86
Table 5-19 MD-104 (Road) Budget..... 5-91
Table 5-20 MD-107 (Road) Budget..... 5-95
Table 5-21 MD-120 (Road) Budget..... 5-99
Table 6-1 Estimated Current Costs per Parcel for Construction (Paved Roads only) 6-4

LIST OF CHARTS

Chart 6-1 Inflation of Construction Costs from 1990-2018 of \$100 6-2

APPENDIX

Appendix A – Letters received from MD-6 and MD-7 Water Committees

ACRONYMS AND ABBREVIATIONS

accumulated capital outlay (ACO)	4-1
allowable sale quantity (ASQ)	2-2
asbestos-cement (AC)	5-1
Bass Lake Heights Mutual Water Company (BLHMWC)	3-3
Bass Lake Water Company (BLWC)	4-13
California Department of Forestry and Fire Protection (CAL FIRE)	3-1
Cascadel Mutual Water System (CMWS)	5-24
Certificates of Participation (COP)	5-22
Community Services District (CSD)	4-13
Consumer Price Index (CPI)	4-1
Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act)	1-1
County Service Area (CSA)	1-4
Disadvantaged Unincorporated Communities (DUCs)	3-1
Division of Drinking Water (DDW)	5-5
gallon per minute (gpm)	4-2
Leisure Acres Mutual Water Company (LAMWC)	5-38
Local Agency Formation Commission (LAFCo)	1-1
Madera County Environmental Health (MCEH)	2-5
Maintenance District (MD)	1-4
Maximum Contamination Levels (MCL)	2-4
milligrams per liter (mg/L)	5-3
million board feet of timber (MMBF)	2-2
million gallons (MG)	4-1
million gallons per day (MGD)	5-41
Monitoring and Reporting Program (MRP)	5-1
Municipal Service Review (MSR)	1-1
operations and maintenance (O&M)	5-5
Pacific Gas and Electric Company (PG&E)	2-2
picoCuries per liter (pCi/L)	5-3
Public Utilities Commission (PUC)	7-1
Sierra Linda Mutual Water Company (SLMWC)	5-49
sphere of influence (SOI)	1-1
State Water Resources Control Board's (SWRCB)	5-1
Surface Water Treatment Rule (SWTR)	7-3
Waste Discharge Requirement (WDR)	4-1

SECTION 1 - INTRODUCTION

1.1 - Municipal Service Review Purpose

A Municipal Service Review (MSR) is a comprehensive assessment of the ability of existing local government agencies to effectively and efficiently provide municipal services to residents and users. The form and content of an MSR is specified by requirements in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) and in the State of California's Local Agency Formation Commission (LAFCo) MSR Guidelines, published in August 2003.

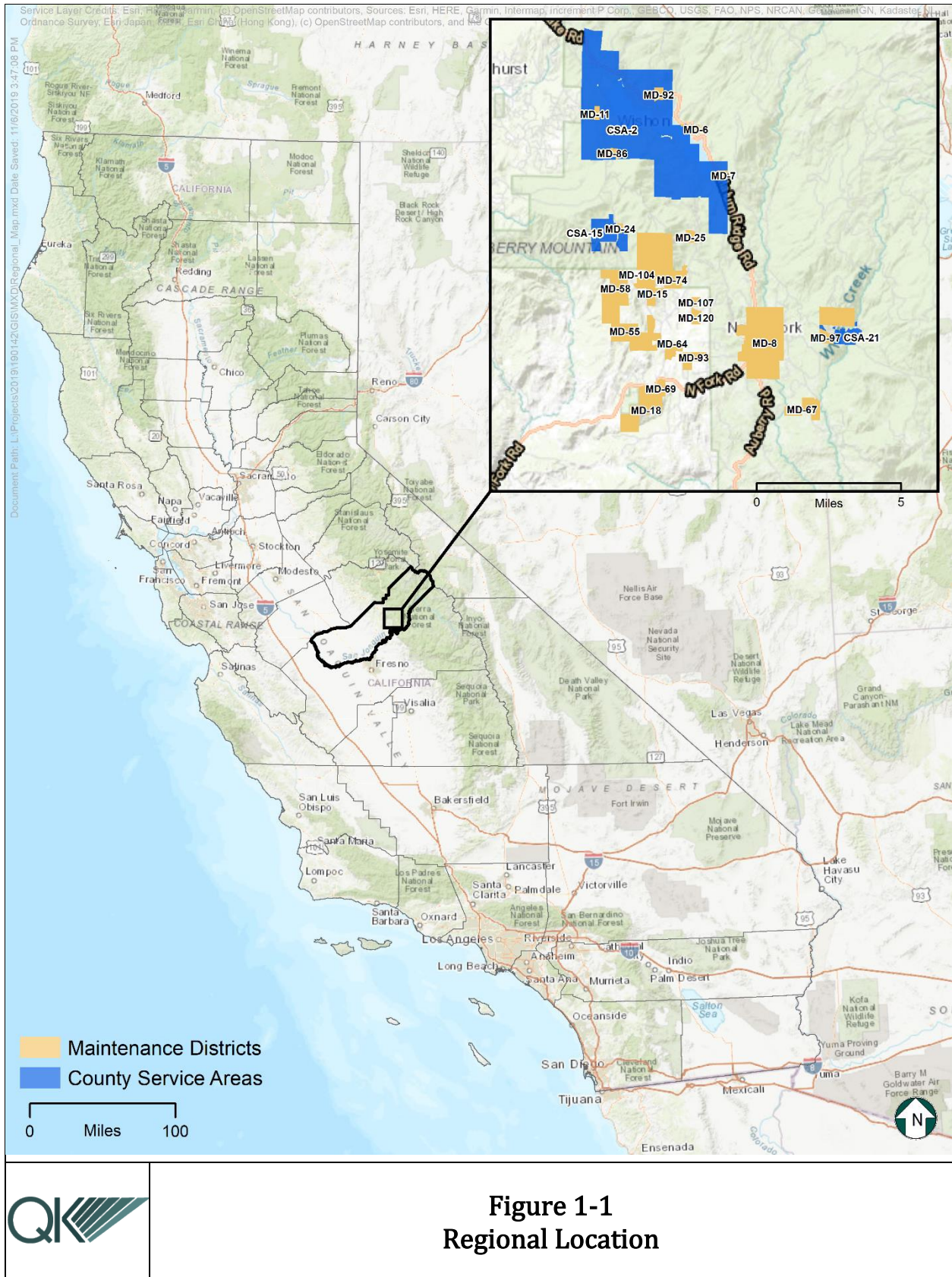
The CKH Act requires all LAFCOs, including Madera LAFCo, to prepare an MSR for each of its incorporated cities and its special districts. The fundamental role of LAFCo is to implement the CKH Act, which was adopted into State law to encourage the logical, efficient, and most appropriate formation of local municipalities, service areas, and special districts. MSRs are to be completed every five years, and must be completed prior to, or in conjunction with, an update of a city or special district sphere of influence (SOI) or before LAFCo initiates any reorganization of the boundaries of a special district.

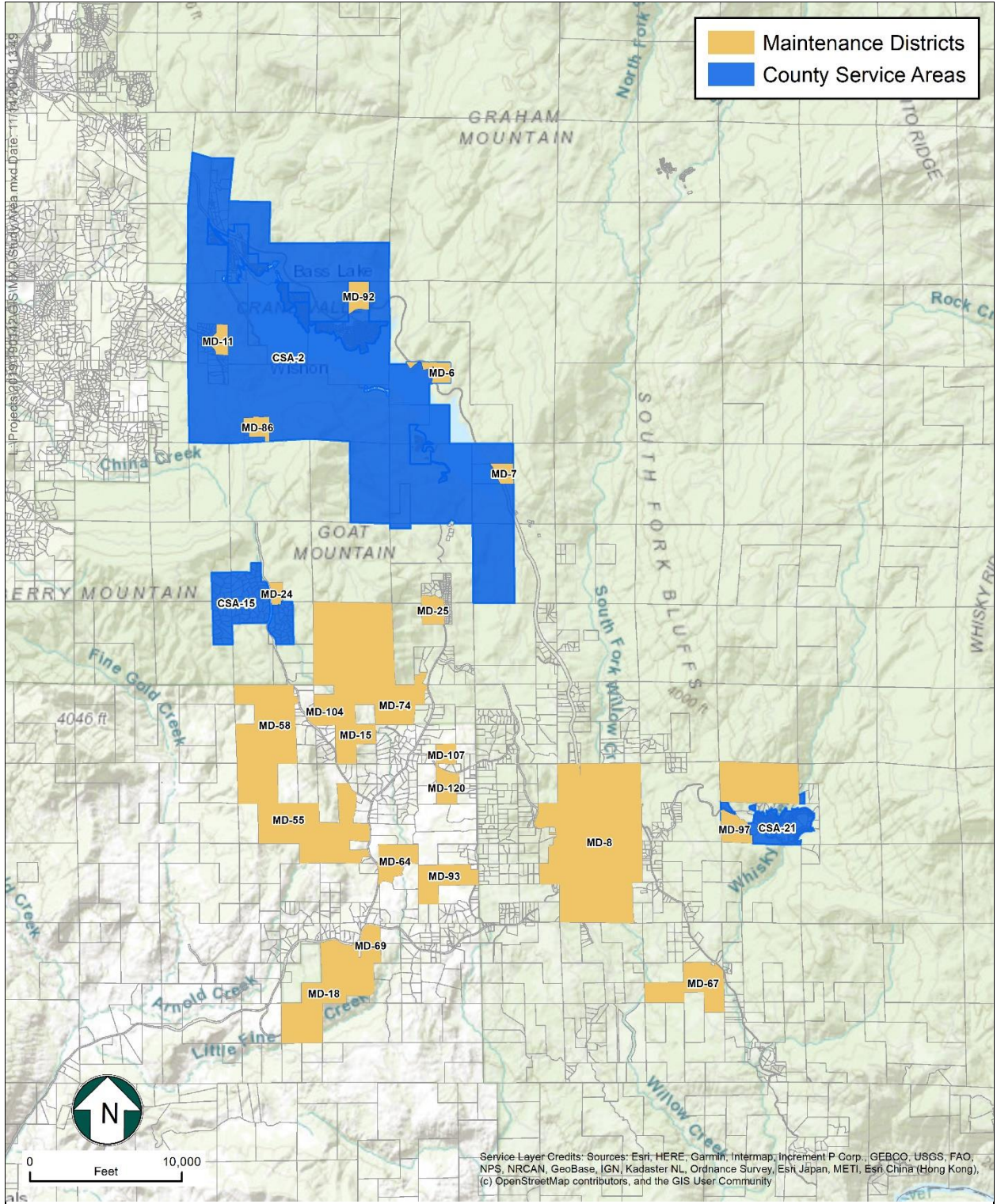
This MSR was initiated by Madera LAFCo in the Spring of 2019 and is intended to provide Madera LAFCo with the necessary and relevant information related to the operations and management of the municipal service providers. Appropriate information will be used to update SOI's within the North Fork/Bass Lake areas located in northern Madera County. Madera LAFCo desires to review the local governing landscape for service delivery and make recommendations for each agency that promote orderly growth and development while preserving surrounding agricultural and open space lands as well.


1.2 - Summary of Issues

The North Fork/Bass Lake area consists of communities located in Madera County roughly 50 miles north of Fresno (see Figure 1-1 and Figure 1-2). The 2017 American Community Survey estimated approximately 571 residents in the area of Bass Lake (U.S. Census Bureau, 2017). However, during the summer and winter season, these numbers could be more than double due to the high number cabins and other homes used for vacation rentals.

This report focuses on reviewing agencies that provide services within the area and reviewing the probability that some of the services may be able to combine in some fashion by a single provider in order to eliminate possible confusion and/or inefficiencies in the governance structure currently employed.





 **Figure 1-2**
Project Study Area

1.3 - Scope of this MSR

While LAFCo is not required to analyze private companies or maintenance districts (which are not considered special districts by the CKH Act), Madera LAFCo chose to review them in order to get a full picture of how services are being provided. The North Fork/Bass Lake MSR study area is outlined on the map in Figure 1-2.

Each of these entities provide one or more urban services in the North Fork/Bass Lake area. The special districts and their corresponding zones of benefit being studied are listed below:

- County Service Area 2 (CSA-2)
- County Service Area 15 (CSA-15)
- County Service Area 21 (CSA-21)
- Maintenance District 6 (MD-6)
- Maintenance District 7 (MD-7)
- Maintenance District 8 (MD-8)
- Maintenance District 11 (MD-11)
- Maintenance District 15 (MD-15)
- Maintenance District 18 (MD-18)
- Maintenance District 24 (MD-24)
- Maintenance District 25 (MD-25)
- Maintenance District 55 (MD-55)
- Maintenance District 58 (MD-58)
- Maintenance District 64 (MD-64)
- Maintenance District 67 (MD-67)
- Maintenance District 69 (MD-69)
- Maintenance District 74 (MD-74)
- Maintenance District 86 (MD-86)
- Maintenance District 92 (MD-92)
- Maintenance District 93 (MD-93)
- Maintenance District 97 (MD-97)
- Maintenance District 104 (MD-104)
- Maintenance District 107 (MD-107)
- Maintenance District 120 (MD-120)
- Bass Lake Water Company
- Bass Lake Heights Mutual Water Company
- Cascadel Mutual Water System
- Leisure Acres Mutual Water Company
- Sierra Linda Mutual Water Company

1.4 - MSR Preparation, Review and Adoption Process

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.

The Draft MSR was prepared utilizing the gathered data from County sources. A public meeting was held at The Pines Resort at Bass Lake on July 28, 2021, to receive feedback regarding proposed determinations in the Draft MSR. Two comment letters were received from the MD-6 and MD-7 Water Committees prior to the workshop.

A noticed hearing was scheduled at the XXXX on XXXX, where comments from the public and adoption of the Final MSR, including its Determinations and Recommendations, could be considered. After input and comment from the public, the Commission approved the Final MSR.

1.5 - Required Topic Areas of Analysis

This MSR contains analysis and conclusions, referred to as determinations, regarding six topic areas as set forth in the CKH Act. These areas of analysis focus on the essential operational and management aspects of each service provider, and together constitute a complete review of the ability of the providers to meet the service demands of the residents and businesses within the North Fork/Bass Lake area. The six topic areas used for analysis in this MSR are as follows:

1. Growth and Population Projections

Service efficiency is linked to a service provider's ability to plan for the future needs of a community while also meeting existing service demands. This section reviews projected service demands and needs based upon existing and anticipated growth patterns and population projections. This is found in Section 2 - Growth and Population Projections.

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

Unincorporated disadvantaged communities, as defined by Water Code Section 79505.5, may lack basic infrastructure, such as water, sewer, or fire protection, because they may have been overlooked during the comprehensive land use planning process due to their socioeconomic status. To promote equality and environmental justice in accordance with adopted local policy and Senate Bill 244, which was adopted in 2011, the proximity of any disadvantaged community to existing service providers is analyzed and discussed in order to determine if the community should be included in the SOI of the district. This is found in Section 3 - Disadvantaged Unincorporated Communities.

3. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies

Infrastructure can be evaluated in terms of condition, capacity, availability, quality, and relationship to operational, capital improvement and finance planning. This section assesses the adequacy and quality of the service providers' physical infrastructure and analyzes whether or not sufficient infrastructure and capital are in place (or planned for) to accommodate planned future growth and expansions. This information is found within each agency's section of the report.

4. Financial Ability to Provide Services

This section analyzes the financial structure and health of the district with respect to the provision of services. Included in this analysis is the consideration of rates, service operations, and the like, as well as other factors affecting the district's financial health and stability, including factors affecting the financing of needed

infrastructure improvements and services. This information is found within each agency's section of the report.

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

Practices and opportunities that may help to reduce or eliminate unnecessary costs are examined in this section. Occurrences of facility sharing are listed and assessed for efficiency, and potential sharing opportunities that would serve to better deliver services are discussed. This information is found within each agency's section of the report.

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

This section addresses the adequacy and appropriateness of the agency's existing boundaries and sphere of influence and evaluates the ability of the district to meet their service demands under their existing government structure. Also included in this section is an evaluation of compliance by the agency with public meeting and records laws. This information is found within each agency's section of the report.

In this MSR, Growth and Population Projections are covered in Section 2 and Disadvantaged Unincorporated Communities are covered in Section 3. The other three topic areas are covered in Sections 4 through 7 and are organized by agency.

1.6 - Assumptions Regarding Local Agency Structure

Every community provides municipal services a little differently. There are different types of agencies that are each allowed to provide a different mix of services (see Table 1-1 for examples). Some communities have only one special district and others have many. Sometimes the areas may overlap or receive services from multiple agencies. Madera LAFCo begins this analysis with a number of assumptions that are based on the preamble of the CKH Act.

The preamble of the CKH Act contains a number of legislative findings and declarations that serve as a general guide for LAFCOs and their purpose for being. The first and main declaration is that:

It is the policy of the state to encourage orderly growth and development, which are essential to the social and economic well-being of the state.

The legislature goes on to make further declarations in Section 56001 of the CKH Act about how the determination of orderly local government boundaries is important to orderly growth and development. The legislature also makes the following declarations in Section 56001. This is an appropriate place to begin the discussion of service provision in the North Fork/Bass Lake area:

The Legislature finds and declares that a single multipurpose governmental agency is accountable for community service needs and financial resources and, therefore, may be the best mechanism for establishing community service priorities especially in urban areas.

Nonetheless, the Legislature recognizes the critical role of many limited purpose agencies, especially in rural communities.

The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.

The main issue to be addressed in this MSR is to determine what organization of local government structures and service providers can best encourage orderly growth and development and can best provide municipal services. Once that is determined by LAFCo, then questions of SOI and boundary change recommendations can be answered.

1.7 - LAFCo Powers

LAFCO has the power to determine the SOI for each of the existing County service areas within the North Fork/Bass Lake area. An SOI is a plan for the probable physical boundaries and service area of a local agency. It is represented by a boundary line on a map. The boundary line shows the territory that is expected to eventually be within the agency's boundary, as determined by LAFCo. It is by this method that LAFCo makes policy statements about its intent for the future probable boundaries of a district. If LAFCo chooses to not adopt an SOI for a district, meaning that it chooses to adopt a "zero" sphere, then it is making the policy statement that its plan is for that agency to eventually be consolidated into another district. The preparation of an MSR is required prior to the amendment of a city or district's SOI.

Maintenance districts and the privately-owned water companies are not considered special districts and LAFCo does not determine an SOI for them. However, these districts are included in the MSR to allow LAFCo to make determinations regarding their provisions of service in a manner that comprehensively reviews all services in the North Fork/Bass Lake area.

After the MSR is complete, and any SOIs have been modified, Madera LAFCo has the power to initiate changes of organization to reorganize and/or consolidate the districts. However, final approval of any change to district boundaries rests with the registered voters within the affected area being reorganized. If 50 percent or more of the registered voters provide LAFCo with a written protest of the reorganization, then it fails to be adopted. If 25 percent to 50 percent of registered voters provide a written protest, then the question of the reorganization is placed on the ballot of the next regularly scheduled election for voter approval. If less than 25 percent of registered voters provide a written protest to LAFCo, then LAFCo's approval of the reorganization would stand. Since the final determination of a

reorganization of district boundaries rests with the people in the district being reorganized, LAFCo will likely want to see evidence that the people support the change before LAFCo approves it and may want the citizens living within the districts to take the lead in proposing specific changes.

1.8 - Key Considerations and Goals

The MSR will use the following goals to evaluate the potential government structure options for the North Fork/Bass Lake area:

- 1. Efficient provision of municipal services.** The ultimate goal of the preferred governance structure should be an efficient operating structure and stable fiscal basis required to effectively provide community services to the North Fork/Bass Lake area.
- 2. Adequate revenue sources.** The ability to provide community services at adequate levels hinges upon stable revenue streams linked to the services for which the revenues are being collected.
- 3. Proactive approach to governance structure.** Government agency reorganization proposals are necessarily complex procedures requiring substantial effort on the part of proponents, LAFCo and the affected agencies. These reorganizations are often more complex when contemplated on a reactive basis rather than a proactive basis. An understanding of a long-range approach to reorganization will assist in evaluating specific proposals to determine if they will bring the community closer to the desired end result.
- 4. Avoidance of intergovernmental conflicts, competition, or issues.** Conflicts between local jurisdictions over control and other impacts across jurisdictions and competition for resources (e.g., fiscal revenue generators) often consume resources and weaken incentives to cooperate on important regional issues like transit service, water quantity and quality, air quality, and habitat conservation.
- 5. Local preference.** There is often more than one feasible government structure that can potentially provide local community services. The residents and businesses of the community must have the opportunity to participate in choosing the method, especially since a governmental structure change will likely require some sort of election process for it to be implemented.

Local preference also may include agreements made between local agencies regarding where and how growth and development may occur within a region. These agreements have been identified within the CKH Act as important for consideration during the MSR and SOI update process. The Commission “shall give great weight to the agreement to the extent that *it is consistent with [LAFCO] commission policies...* (emphasis added)” (Government Code §56425(b)).

1.9 - Services Comparison

The services that State law allow a special district to provide vary. Some districts are only allowed to provide a very narrow range of services, while others can provide a wide range of services. Table 1-1 illustrates the services that each agency in the North Fork/Bass Lake area can provide.

The matrix in Table 1-1 specifies whether the services that can be provided are being provided now, are authorized but not being provided, or are latent.

Provides - means that the agency is authorized by LAFCo and State law to provide the service and that the service is currently being provided. These services may continue to be provided by the district at their discretion.

Authorized - means that the agency is authorized by LAFCo and State law to provide the service, but this service is not currently being provided by the district. The district has the authorization it needs from the State and LAFCo to begin providing these services at their discretion.

Latent - means that the agency is authorized by State law to provide the service, but districts are first required to gain LAFCo approval before it may begin providing the service. The process to gain LAFCo approval is described in CKH Section 56824.10 et seq. It is similar to an annexation process, requiring an initiating resolution from the district, followed by LAFCo approval after a public hearing.

A blank box - this means that State law does not allow that agency to provide that service. These services, if needed, would have to be provided directly by Madera County or by another agency that is authorized to provide the service.

**Table 1-1
Current, Authorized and Latent Powers Matrix**

Municipal Service Provided	CSA-2	CSA-15	MD-11, 15, 18, 25, 55, 64, 67, 69, 74, 86, 92, 93, 97, 104, 107, 120	MD-58	MD-6, 7, 8, 24	Private Utility Companies
Water supply	Provides	Latent	Latent	Provides	Provides	Provides
Water distribution	Provides	Latent	Latent	Provides	Provides	Provides
Sewer collection & disposal	Provides	Latent	Latent	Latent	Provides	
Storm drainage	Latent	Latent	Latent	Latent	Latent	
Street maintenance	Provides	Provides	Provides	Provides	Provides	
Street lighting	Latent	Latent	Latent	Latent	Latent	
Street sweeping	Latent	Latent				
Street landscaping	Latent	Latent				
Street construction	Latent	Latent				
Flood control	Latent	Latent				
Solid waste collection, transfer, & disposal	Latent	Latent				
Fire protection	Latent	Latent				
Police protection	Latent	Latent				
Ambulance service	Latent	Latent				
Emergency medical service	Latent	Latent				
Heat and power	Latent	Latent				
Undergrounding of overhead electrical & communication facilities	Latent	Latent				
Parks / recreation	Latent	Latent				
Community facilities	Latent	Latent				
Vector & pest control	Latent	Latent				
Funding for land use planning	Latent	Latent				

Municipal Service Provided	CSA-2	CSA-15	MD-11, 15, 18, 25, 55, 64, 67, 69, 74, 86, 92, 93, 97, 104, 107, 120	MD-58	MD-6, 7, 8, 24	Private Utility Companies
Funding for a municipal advisory council	Latent	Latent				
Graffiti abatement	Latent	Latent				
Weed & rubbish abatement	Latent	Latent				
Soil conservation	Latent	Latent				
Animal control	Latent	Latent				
Transportation	Latent	Latent				
Cemeteries	Latent	Latent				
Airports	Latent	Latent				
Open space habitat conservation	Latent	Latent				

SECTION 2 - GROWTH AND POPULATION PROJECTIONS

2.1 - Introduction

The purpose of this section is to evaluate service demand based on existing and anticipated growth patterns and population projections. The MSR Guidelines call for LAFCo to determine historic and projected growth and absorption patterns in relationship to a service provider's boundaries and SOI. In addition, LAFCo is tasked with evaluating the impact and compatibility of such growth on and with land use plans, services, local government structures and growth patterns.

2.2 - History of Bass Lake and North Fork Areas

Land use in the mountains area reflects the area's abundance of natural resources. Chief among these are forests, water, and wildlife. The area's scenic beauty has also created the base for an important tourism and recreation industry.

Pine and fir forests ("timberlands") cover approximately 400,000 acres in the mountains area of the County and provide for the County's wood products industry. The mountains and forests also contain significant wildlife habitats and watershed areas.

Although no major urban settlements are located in the mountains, smaller communities of North Fork and Bass Lake are located within the mountain region, with their economic base linked to timber production and tourism, respectively (Madera County, 1995).

2.2.1 - NORTH FORK

The North Fork community lies in the eastern portion of Madera County, just south of Bass Lake. North Fork is a community of approximately 3,600 area residents located in the Sierra Nevada adjacent to the Sierra National Forest, about 30 miles south of Yosemite National Park, and 50 miles north of Fresno. It is the gateway to the historic Sierra Vista Scenic Byway, a road that offers stunning panoramic views of the central Sierra Nevada Mountains. Nestled in a small valley at 2,600 feet, North Fork is located at the exact center of California (North Fork Community Development Council, n.d.).

The area was previously inhabited by the Monache Native American Indian tribal groups who would move through the area for trade. In the 1850's, the area became dependent upon the economic benefits of the timber industry, namely lumber and wood-processing. Unsurprisingly, the meaning behind the County's name is rooted in the Spanish word for "lumber" or "wood" (Madera County, 1995).

Although the area continued to rely upon timber from the 1850's up into the 20th Century, new prescriptions by the Sierra National Forest Land and Resource Management Plan of 1991 provided intensive long-term forest management regulations. The Plan was meant to regulate forest management until 2001-2006 but provides projections into the year 2041 (United States Department of Agriculture, US Forest Service, 1991). The Plan reduced the

annual allowable sale quantity (ASQ) of timber from nearly 125 MMBF (hundred million board feet) to 88 MMBF (Madera County, 1995).

The last log at the South Fork Timber Industries was sawed on February 25, 1994. At noon, the mill siren wailed its farewell to a century-old logging era. Even though employees knew in 1991 that time was running out, the mill's closing was still devastating for the employees, including the logging truck drivers and forest workers (North Fork Community Development Council, n.d.).

2.2.2 - BASS LAKE

Bass Lake is located approximately one hour northwest of Fresno and approximately 17 miles from the Southern Gate to Yosemite National Park. Bass Lake's emerald-green water and sandy shores are nestled amongst tall Pines at an elevation of 3,415 feet.

After observing flocks of what they thought were Sandhill Cranes, they decided to name the large meadow area Crane Valley. The large grey-blue birds were actually Great Blue Herons which still populate the area. Through Crane Valley flowed Willow Creek, a tributary of the San Joaquin River. In 1895, a plan was devised to use the waters of Willow Creek to generate hydroelectric power for residents of the great San Joaquin Valley.

The San Joaquin Electric Company was formed, and the first earthen dam was built in Crane Valley in 1901. Mule-drawn freight wagons carried machinery and supplies up the mountain and went downloaded with timber that had been cleared from the reservoir site.

In 1902 the San Joaquin Light & Power Corporation was formed to purchase the electric company and later the electric operations of the rival gas company. The dam was enlarged in 1905 and the present dam was built in 1910 (145 feet high).

The lake was called Crane Valley Reservoir for many years, but the name was eventually changed when a small Bass Lake lumber operation polluted the lake, killing all the fish that were in it. The lumber company was ordered by the government to replace all the fish that were lost. The chosen fish was Bass, hence the new name - Bass Lake.

Bass Lake is now owned and operated by Pacific Gas and Electric Company (PG&E) and the waters of the lake are still used today to generate electricity, irrigate farmland in the Central Valley and for numerous recreational activities. The lake is considered a "warm water" lake with water temperatures reaching near 80 degrees during the summer months (U.S. Forest Service, n.d.).

Bass Lake's ideal water temperatures and mountainous location has since turned it into a predominantly resort- and vacation-oriented community. The population typically remains relatively low during the winter and increases during summer months. According to 2010 American Fact Finder data, 704 of a total of 1,059 housing units were for seasonal, recreational, or occasional use (U.S. Census Bureau, 2010).

2.3 - Planning and Growth Projections

The North Fork/Bass Lake area is governed by the County of Madera. Both communities receive services from a variety of special districts and private utility providers. The Madera County General Plan was adopted in 1994, with a Housing Element Update in 2015. Within the Housing Element, the County underwent the process of estimating population growth in order to properly plan for infrastructural needs.

Other master planning documents include the North Fork/South Fork Community Center Area Plan that serves to protect aesthetic and natural beauty by guiding development within the area.

Bass Lake does not have an area plan. However, the community has recently processed various planning entitlement projects which raise questions about how development should be handled in the area. In 2005, Pines Resort of Bass Lake proposed a 10.8-acre construction project which would house 64 residential units. The project was met by homeowners with overwhelming disapproval due to the lack of infrastructure to support the project as well as the potential for overcrowding and destruction of natural habitat (Live Oak Associates, INC, 2005). The project would have increased the seasonal population of Bass Lake and a growing need for infrastructural improvements. The project has not been built as a result of legal challenges and lack of development interest.

In Table 2-1, population projections were generated using the most recent population information that was included within the Madera County General Plan Housing Element. The projected growth rates predict the expected rise in population of North Fork and Bass Lake. Since the population estimates were generated utilizing the 2017 Census population, there will be available information in the future that would allow for these estimates to be updated accordingly. The estimated populations would be 4,157 residents in greater North Fork area, and 828 residents in Bass Lake by the year 2040.

The population projections provided in Table 2-1 are conservative estimates that should be used only for the purposes of discussion. The North Fork/Bass Lake area consists of resort and rural residential communities that may never reach the provided population estimates. However, based on these updated figures, it is apparent that the infrastructure planning for these neighborhoods would be able to support population growth beyond the 2040 horizon if current trends remain constant and rates continue to be updated appropriately. However, anomalies or unforeseen events may occur over time that may spike growth in the areas.

**Table 2-1
Population Growth (2010-2040)**

Year	Bass Lake		North Fork		Madera County	
	Population	Annual Growth Rate ¹	Population	Annual Growth Rate	Population	Annual Growth Rate
2010	463	---	---	2,263	151,328	---
2015	739	+1.4%	+59.61%	2,416	161,556	+1.4%
2020	760	+2.9%	+2.9%	2,767	185,056	+2.9%
2025	780	+2.6%	+2.6%	3,124	208,914	+2.6%
2030	795	+1.9%	+1.9%	3,428	229,277	+1.9%
2035	813	+2.2%	+2.2%	3,804	254,408	+2.2%
2040	828	+1.9%	+1.9%	4,157	278,011	+1.9%

Source: (Madera County, 2015), (US Census Bureau, 2015)

The growth projections listed within Table 2-1 show that North Fork would nearly double in size by 2040 while Bass Lake would add approximately 100 new residents. It is anticipated that North Fork would grow as other areas of the County are projected to grow considering the lack of available services and limited ability for fire protection. Furthermore, Bass Lake is a seasonal vacation community with population fluctuations that make it increasingly difficult to properly project exact population counts. Based on the existing General Plan designations within the study areas, no new growth areas or development proposals are shown that would allow for significant growth as well. Therefore, these projects are very conservative and should be revised following the next decennial census.

2.4 - Anticipated Service Needs

The North Fork and Bass Lake areas require typical local services, such as water service, sewer service, solid waste collection, street maintenance, and others.

As previously discussed, certain preventative actions should be undertaken by districts in coordination with LAFCo and the County in order to comply with Maximum Contamination Levels (MCL), or to properly fund service needs.

County Service Area 2 contains four zones of benefit. Zones B and D provide road maintenance and maintain a direct assessment fee of \$100, which is likely unable to fund an appropriate level of service. In order for these zones to meet these service needs, it is recommended that the district works to establish a new rate with an inflation multiplier.

¹ Growth rate projections beyond 2010 for Bass Lake and North Fork were based on Madera County's anticipated population and growth rate from the adopted Housing Element.

Zone A of County Service Area 2 provides sewer services to the area. The zone maintains assessment rates that fund services. Although these rates exist, they were last updated in 2009 and should be revisited in order to accurately fund services into the future.

Water service is provided to CSA-2 within Zone C. However, rates have not been set since 1996, which may impact the district's ability to run in a fiscally sustainable fashion. These rates should be revisited to collect the appropriate revenues to provide service needs into the future.

Maintenance Districts 6 and 7 are the only districts which provided in-depth rate increase analysis and feasibility study reports. The reports concluded that both districts are under compliance order numbers 2000550 and 2000551 from Madera County Environmental Health (MCEH) for exceeding the MCL for arsenic, gross alpha, manganese, and natural uranium. In order to reach compliance, the districts must install a future water treatment plant and find a way to properly fund operation and maintenance. It was concluded that MD-6 and MD-7 should consolidate the two systems.

Maintenance Districts 8, 55, 64, 69, 74, 86, 92, 93, 104, and 107 maintain direct assessment fees for road maintenance of \$100, which is likely unable to fund an appropriate level of service. In order to meet service needs, it has been recommended that the districts work to establish a new rate with an inflation multiplier.

County Service Area 15, as well as Maintenance Districts 6, 7, 11, 15, 18, 24, and 25 have not established a fee for road maintenance, and instead elect to use a portion of property tax for this purpose. The portion of tax revenue may also be unable to appropriately fund anticipated service needs within the districts. It is the determination of the Bass Lake and North Fork Areas Municipal Services Review that these districts work to establish a direct assessment fee that accounts for inflation in order to appropriately fund service needs.

The majority of the water and sewer districts within the North Fork and Bass Lake areas have a more accurate rate for providing services; However, most of these districts have not reviewed or updated their rates within the past five years. In anticipation of additional connections, or the possibility of infrastructural upgrades, these districts should review their rates and update them accordingly.

Districts within the study area are of appropriate size to service the area. Most districts within the North Fork and Bass Lake areas have been created to provide water, sewer and road maintenance to small residential communities that are scattered throughout the mountainous landscape. Most of these areas will not see a significant rise in population which would have otherwise warranted an extension of district boundaries.

2.5 - Land Use Designations

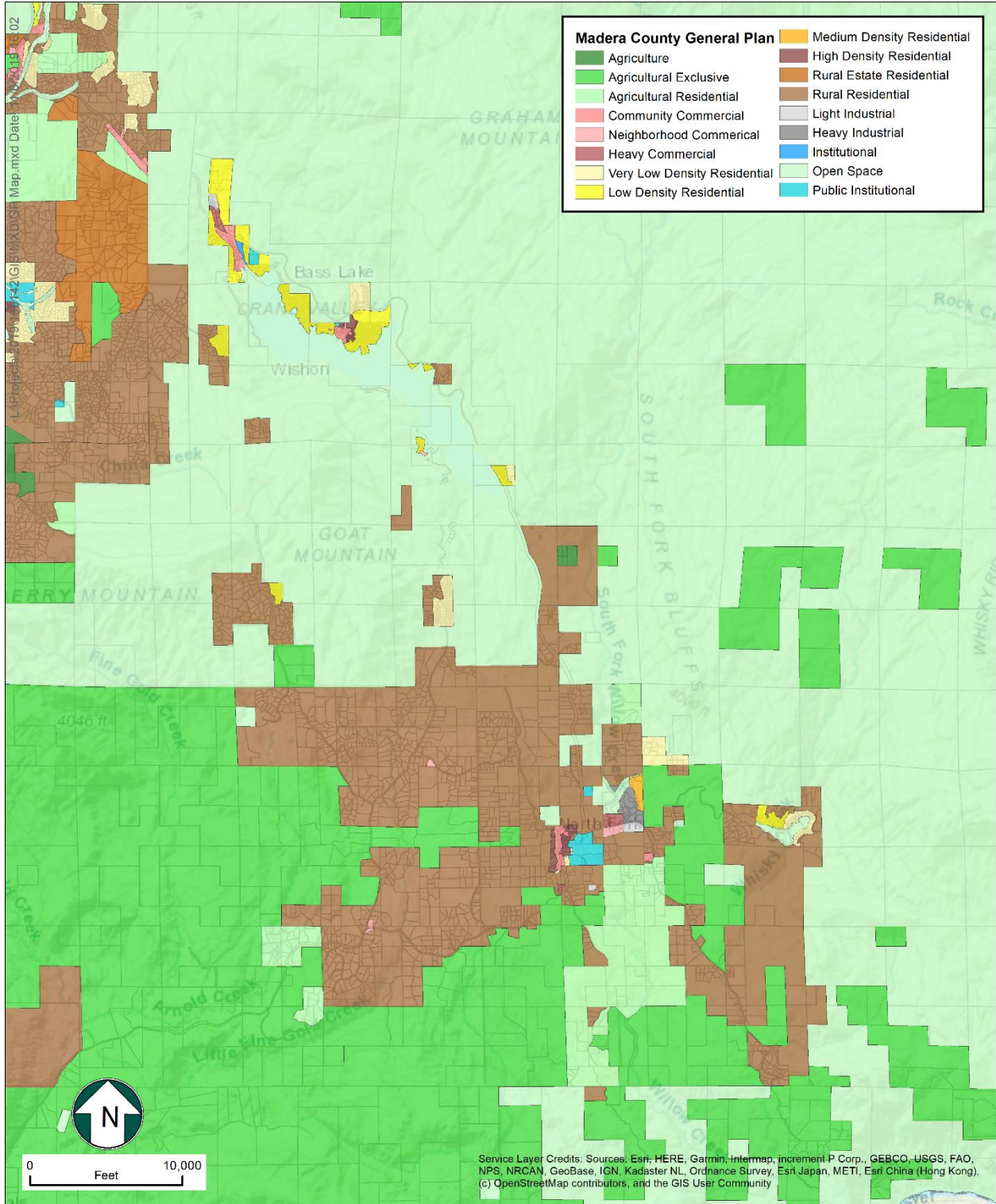
Bass Lake lies in the northwestern portion of the study area. Most commercial activity within the area is adjacent to the boundaries of the lake. Much of the commercial land in the area is tourist and resort oriented. On the periphery from Bass Lake lies abundant open space lands,


with limited rural residential communities. Land use in the mountains area reflects the area's abundance of natural resources. Chief among these are forests, water, and wildlife. The area's scenic beauty has also created the base for an important tourism and recreation industry (Madera County, 1995).

The community of North Fork lies in the southeastern portion of the MSR study area. There is a central cluster of high density residential, rural residential and rural estate residential properties. These designations underly the existing development neighborhoods predominantly within the districts being reviewed. Encompassed by this area lies three small clusters of public institutional and commercial lands. These designations are surrounded by a high volume of agricultural and open space lands. These existing designations would require significant amendment in order to promote any new, outlying development that is outside an existing service provider or neighborhood.

Pine and fir forests ("timberlands") cover approximately 400,000 acres in the mountains area of the County and provide for the County's wood products industry. The mountains and forests also contain significant wildlife habitats and watershed areas (Madera County, 1995).

Most districts in the study area provide services to most residential and commercial properties. Residential zones not encompassed by districts typically have an alternative private system, such as a well and septic tank, in place to provide essential service and maintenance needs provided by a special district or other utility company. Figure 2-1 shows the County General Plan land use designations for the area.



 **Figure 2-1**
General Plan Land Use Map

2.6 - Determinations

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.

SECTION 3 - DISADVANTAGED UNINCORPORATED COMMUNITIES

3.1 - Overview

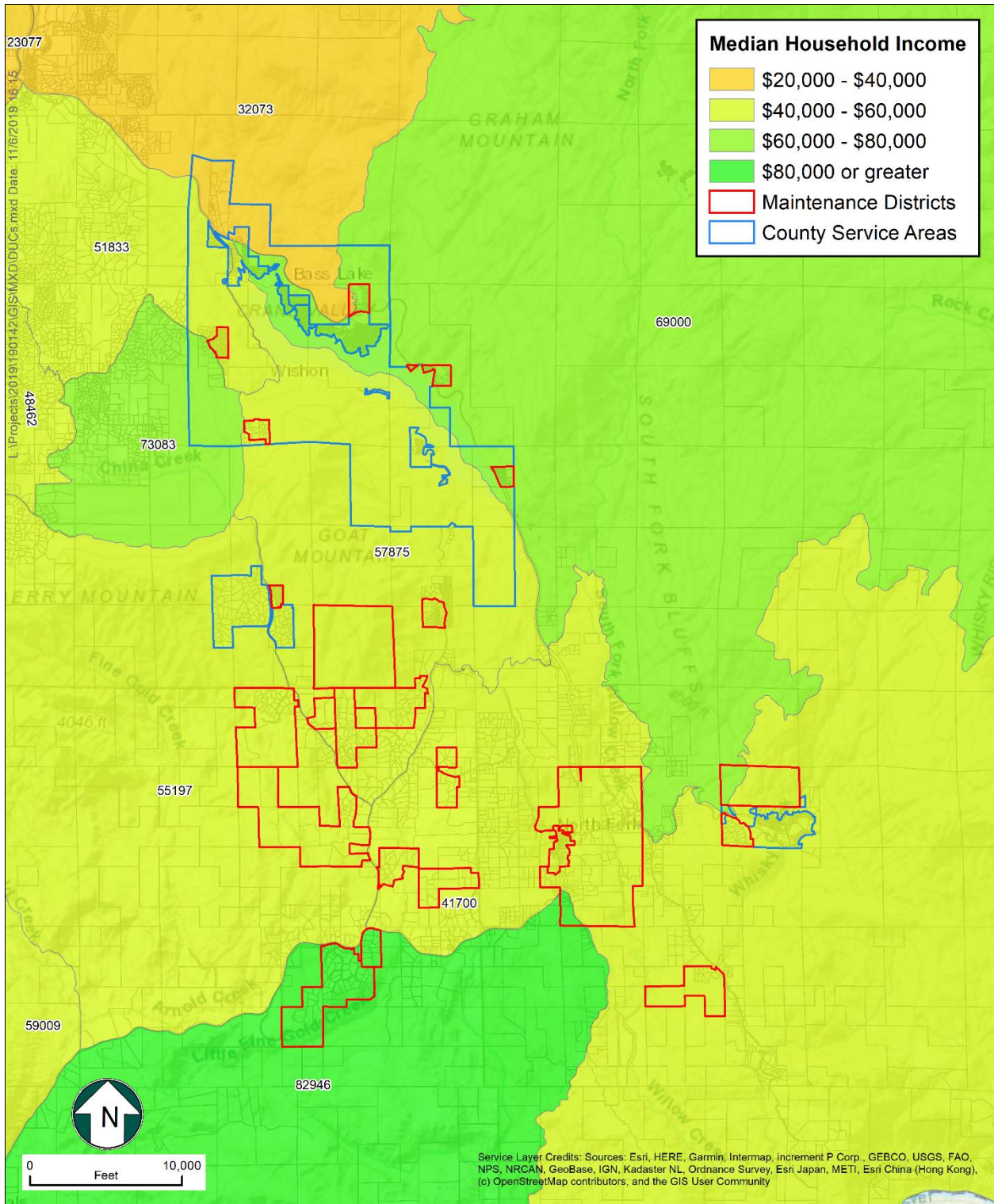
Disadvantaged Unincorporated Communities (DUCs) are defined as inhabited territory (12 or more registered voters) that constitutes all or a portion of a community with an annual median household income of \$53,735 which is less than 80 percent of the statewide annual median household income of \$67,169 in 2017 (US Census Bureau, 2017). These communities were identified as an area of concern by Senate Bill 244 that was adopted into State law in 2011. These communities may lack essential municipal services such as water or sewer as they may have been developed prior to infrastructure being installed in proximity to them. Fire protection is another service which needs to be reviewed in order to determine if these areas have adequate protection from the local service providers. Pursuant to State law, LAFCo is required to identify any adjacent DUCs and determine if they should be included within any SOI amendment of a special district or potentially included during the consideration of any special district formation in the future. Lastly, Madera LAFCo has not adopted a policy or more specific definition of DUCs, therefore, the criteria within State law will be utilized. Figure 3-1 maps the median household income in the area.


Based on the location of the income levels shown in Figure 3-1, there are multiple districts within the North Fork/Bass Lake area that can be classified under SB 244 as disadvantaged unincorporated communities. Although fire services for all DUCs designations within the study area are provided by Madera County Fire Department and the California Department of Forestry and Fire Protection (CAL FIRE) through mutual aid agreements, other essential services such as water and sewer may or may not be provided. The existence of services and the entity providing these services varies between districts. However, special districts and private utility providers are in most cases the only entities that are currently providing potable water service.

Bass Lake contains two districts that contain a median income of \$32,073 and are classified as DUCs. These areas include the northwestern portion of the CSA-2 sphere of influence and the western portion of MD-92. Although CSA-2 has areas classified as DUCs, the area is primarily made up of commercial and light industrial properties, and thus is not representative of residential properties within the area.

The southwestern portion of the CSA-2 sphere of influence, CSA-2A, and MD-11 fall within the category of a DUC with a median income of \$51,833.

The disadvantaged portion of CSA-2 receives sewer service from Zone A and water from the Bass Lake Water Company. Similarly, most residential areas within the portion of CSA-2A contain rental properties, and do not represent the residents within the community. Although the area is considered a DUC based off income, service provision is being adequately met.



 **Figure 3-1**
Median Household Income (2017)

Maintenance District 11 is a residential neighborhood classified as a DUC. Inhabitants in this area receive water service from the Bass Lake Heights Mutual Water Company (BLHMWC) but do not receive sewer services. The community within MD-11 have therefore chosen to provide sewer service through alternative means, such as using septic tanks. The District is within the existing boundaries of the County Service Area 2 sphere of influence, but the terrain would likely inhibit it from receiving expanded services from CSA-2. Therefore, there are no nearby districts that can be considered for a potential consolidation in the event that the people are unable to provide services through alternative means.

The southern portion of the study area includes the North Fork proper. This area is located within the SOI of MD-8, as well as Zones A and B. Similarly, the area also includes CSA-21, MD-64, 67, 93, 97, 107, and 120. The census map shows that the median income for this area is \$41,700.

Maintenance District 8 encompasses the majority of the North Fork proper. The area is classified as a DUC throughout most of the District. A portion of the District is serviced by MD-8, Zone of Benefit A which provides both water and sewer. A small portion of the District overlaps with MD-8A to form MD-8B. This small section receives road maintenance in addition to water and sewer. The remainder of the District lies within the SOI. A very small section of the eastern SOI boundary is within the jurisdiction of the Cascadel Mutual Water System, but a large majority of the SOI is currently not serviced by the District and therefore does not receive any services. Although there is not any service provision within the greater SOI boundaries, the District does contain a high volume of residential properties. The communities within the greater sphere of MD-8 have therefore chosen to provide sewer service through alternative means, such as using septic tanks. In the event that these properties are unable to provide services through other means, there are no nearby districts that MD-8 can consolidate with that would enhance service quality.

Maintenance Districts 64, 67, 93, 107, and 120 are located within the greater North Fork area and provide road maintenance to predominantly high-density residential communities. There are no nearby districts that are able to provide water or sewer in the event that these communities are unable to find an alternative form of service delivery.

3.2 - Determinations

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, per 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.

SECTION 4 - COUNTY SERVICE AREAS

4.1 - County Service Area 2 – Bass Lake

4.1.1 - INTRODUCTION

County Service Area 2 encompasses the area that surrounds Bass Lake. The service area is in Madera County Supervisorial District 5 and provides road maintenance, water, and sewer services to residential and commercial connections within the District's boundaries. It is comprised of four zones of benefit that provide a variety of services and overlap in some areas.

County Service Area 2, Zone A - Bass Lake (CSA-2A) is located along Bass Lake's northeast and southwest shores, including the Pines Tract, in Madera County Supervisorial District 5. The zone was formed on October 21, 1975, by Resolution No. 75-004. This service area zone provides sewer service for a resort area including both residential and commercial connections. The funding for the sewer system operations comes from assessments.

The Bass Lake Sewer System provides sewer collection, treatment, and disposal services to 1,570.10 improved sewer units and 251.9 standby units in County Service Areas 2A and 2B. The treatment plant is operated under Waste Discharge Requirement (WDR) 5-00-232, limiting sewage treatment to a maximum daily flow of 0.65 million gallons (MG). Due to the fluctuations in populations in a resort community, the flows in the system vary widely. The average daily winter flow is only 0.092 MG whereas the average daily summer flow is 0.272 MG. The flows during summer holidays and weekends are considerably higher, with the Fourth of July holiday having flows nearing the limit.

The plant, collection system, and disposal system were built in the mid 1970's and consist of two circular plants (each with aeration basins, clarifiers and aerobic digesters), a chlorine contact tank, over 102,000 feet of 4-, 6-, 8-, and 10-inch sewer mains, 17 lift stations, a 12.9-acre foot effluent storage pond, 31 acres of spray fields, and sludge drying beds.

The sewer rates were initially set on December 8, 2009, by Resolution No. 2009-363 and include an annual Consumer Price Index (CPI) adjustment. The current rate for improved lots is \$422.34 per sewer unit, per year. There are no standby rates. An additional accumulated capital outlay (ACO) charge of \$60 per sewer unit for both improved and standby units was approved on September 10, 2013, by Resolution 2013-140. All charges are included on the annual property tax bill (Department of Public Works, Municipal Services Division, 2019).

County Service Area 2, Zone B (CSA-2B) is located in Madera County Supervisory District 5 on the southwest shore of Bass Lake and accessed from Road 222. The Wishon Cove Water System provides water services to the zone, as well as adjacent CSA-2C. Similarly, CSA-2B receives sewer services from CSA-2A. The CSA-2B serves 33 parcels with 0.70 miles of paved roads. When the zone was formed, a direct assessment of \$100 per parcel per year for road

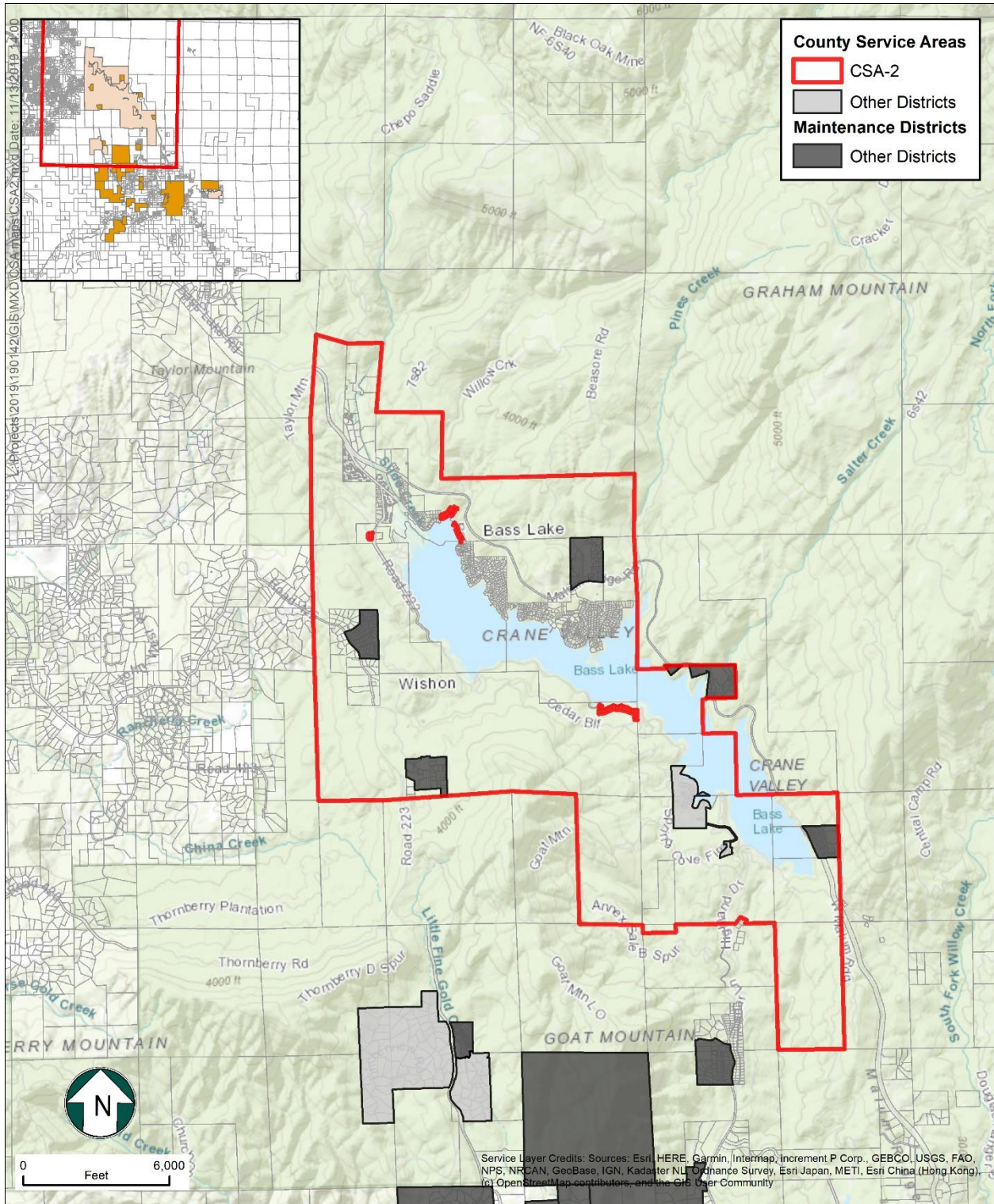
maintenance was approved. These are non-County roads and not included in the County's maintained system (Department of Public Works, Municipal Services Division, 2019).


The monthly rates for the water system were set in 1996 and remain at the rate of \$40 per improved water unit and \$16.66 per unimproved parcel. The sewer rates for CSA2-B are the same as in CSA-2A of \$422.34 per improved unit plus the nonroutine operating expenditures (ACO) charge of \$60 per sewer unit per year. The sewer charges are included on their annual property tax bill (Department of Public Works, Municipal Services Division, 2019).

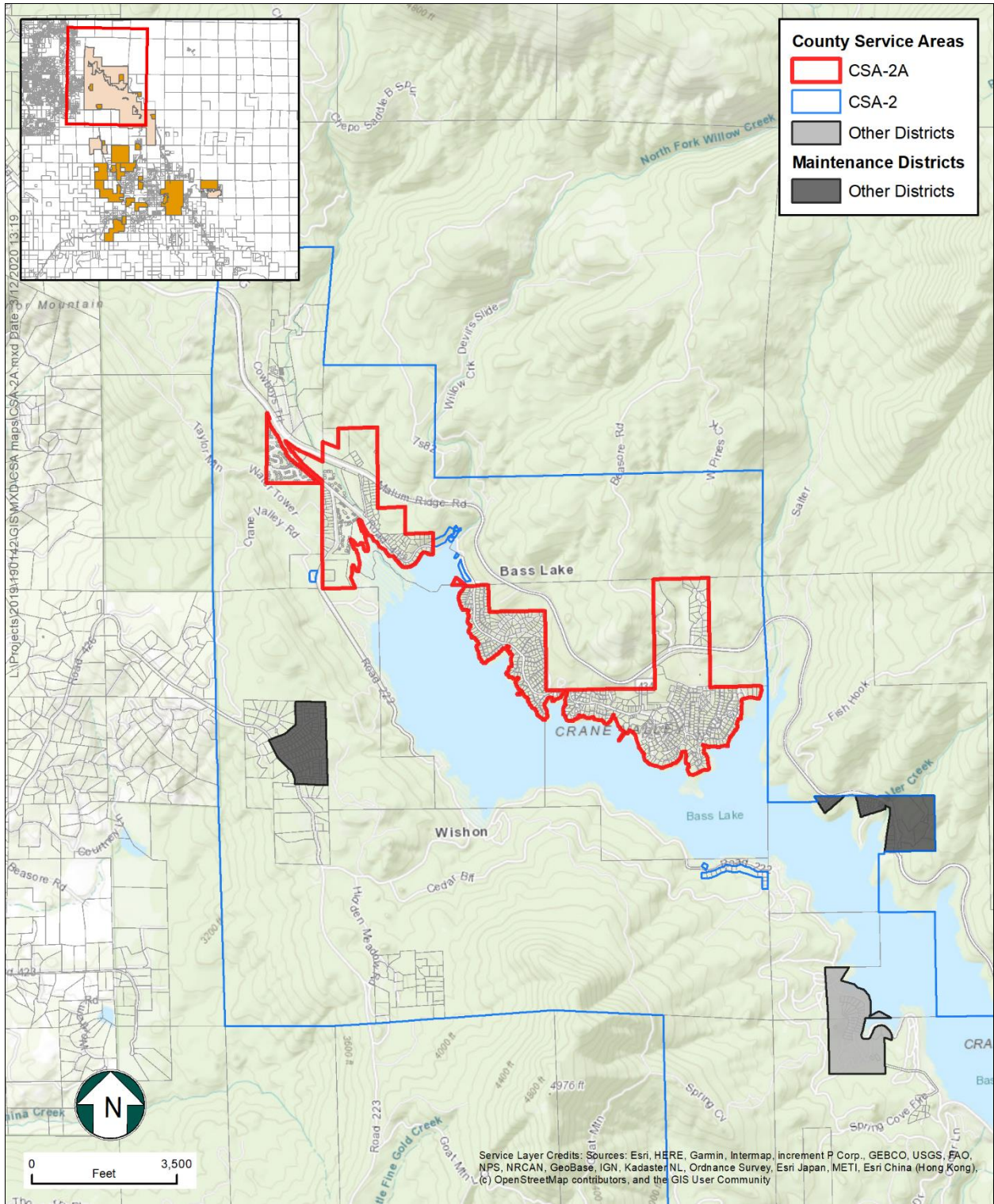
As previously mentioned, County Service Area Zones B and C are located along Bass Lake's south shore at County Road 222 and Emory Lane in Madera County Supervisorial District 5. The water enterprise for CSA-2C was formed on April 12, 1994, by Resolution No. 94-155. This area provides water service for PG&E's campground and private residents on Emory Lane and at CSA-2C.


The Wishon Cove Water System, State Identification Number 2000542, serves Service Areas 2B and 2C for a total of 76 improved units and six standby units. The system is classified as a Transient Non-Community Water System. The surface water is pumped from Bass Lake by submersible pumps and is treated by a 100 gallons per minute (gpm) capacity conventional filtration surface water treatment plant built in 1990. The water is chlorinated then pumped to a 43,000-gallon storage tank in which gravity feeds the system. The distribution system delivers water to the residents and the campgrounds through a combination of 2- to 6-inch pipes. There is also a combination of wharf hydrants and fire boxes throughout the system.

County Service Area 2-D - Bass Lakes Estates (CSA-2D) is located in Madera County Supervisory District 5 on the northeast shore of Bass Lake and accessed east from Road 432. The zone serves approximately 61 parcels with 0.80 miles of paved roads. The zone was formed on January 3, 1995, by Resolution 95-5 and is approximately 20.39 acres in size. When the zone was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County's maintained system.



 **Figure 4-1**
County Service Area 2 – Bass Lake



 **Figure 4-2**
County Service Area 2A – Bass Lake

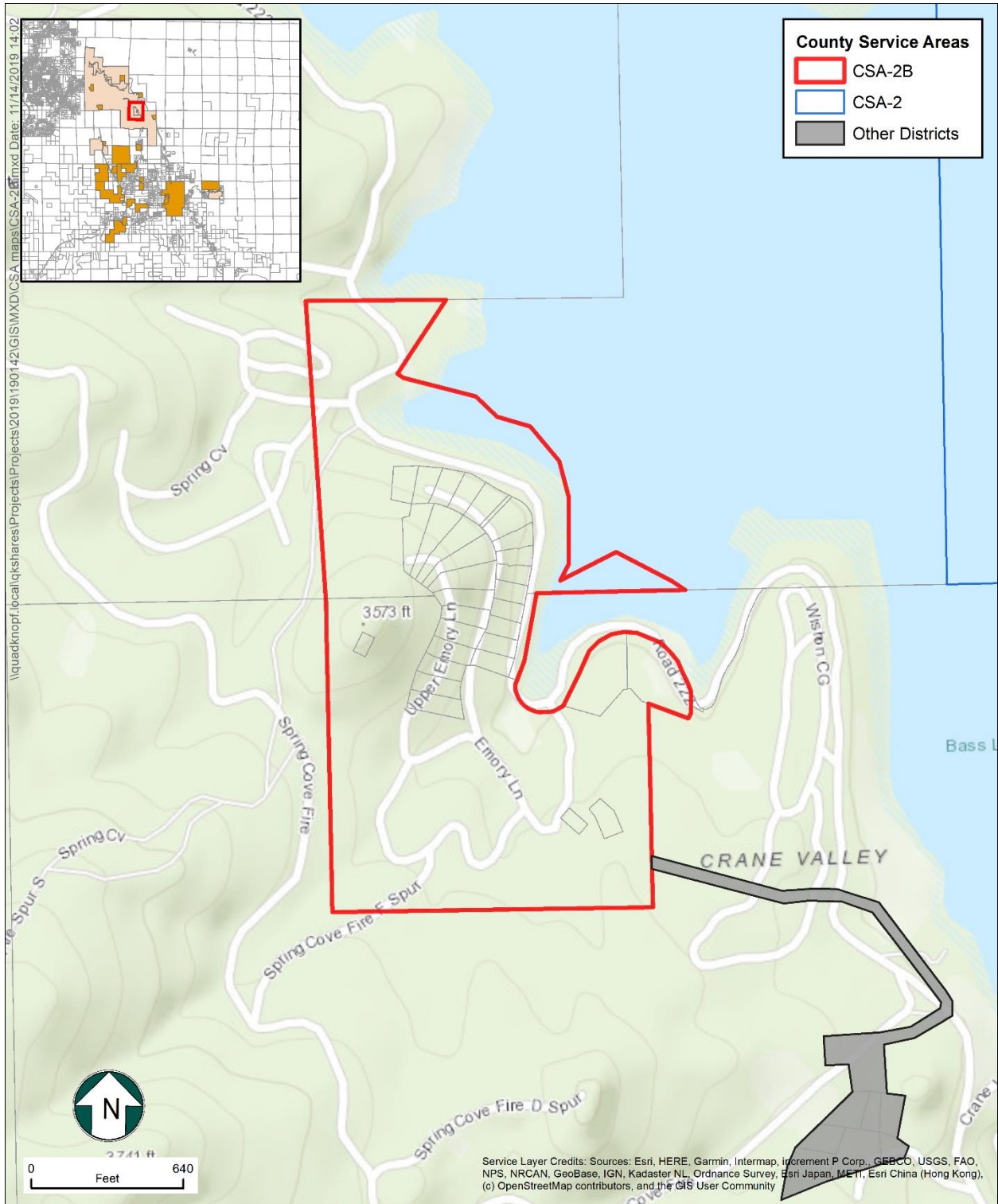
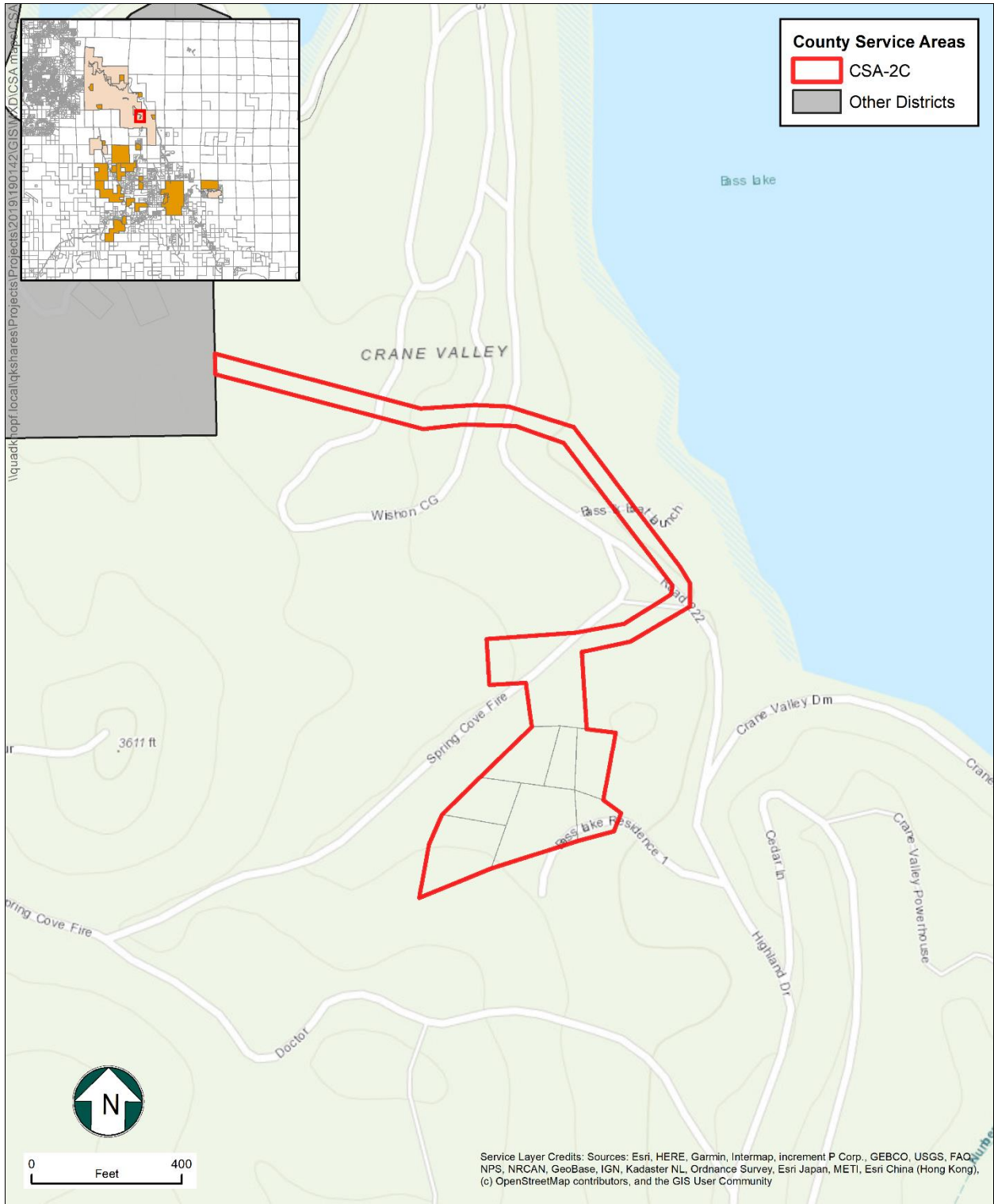

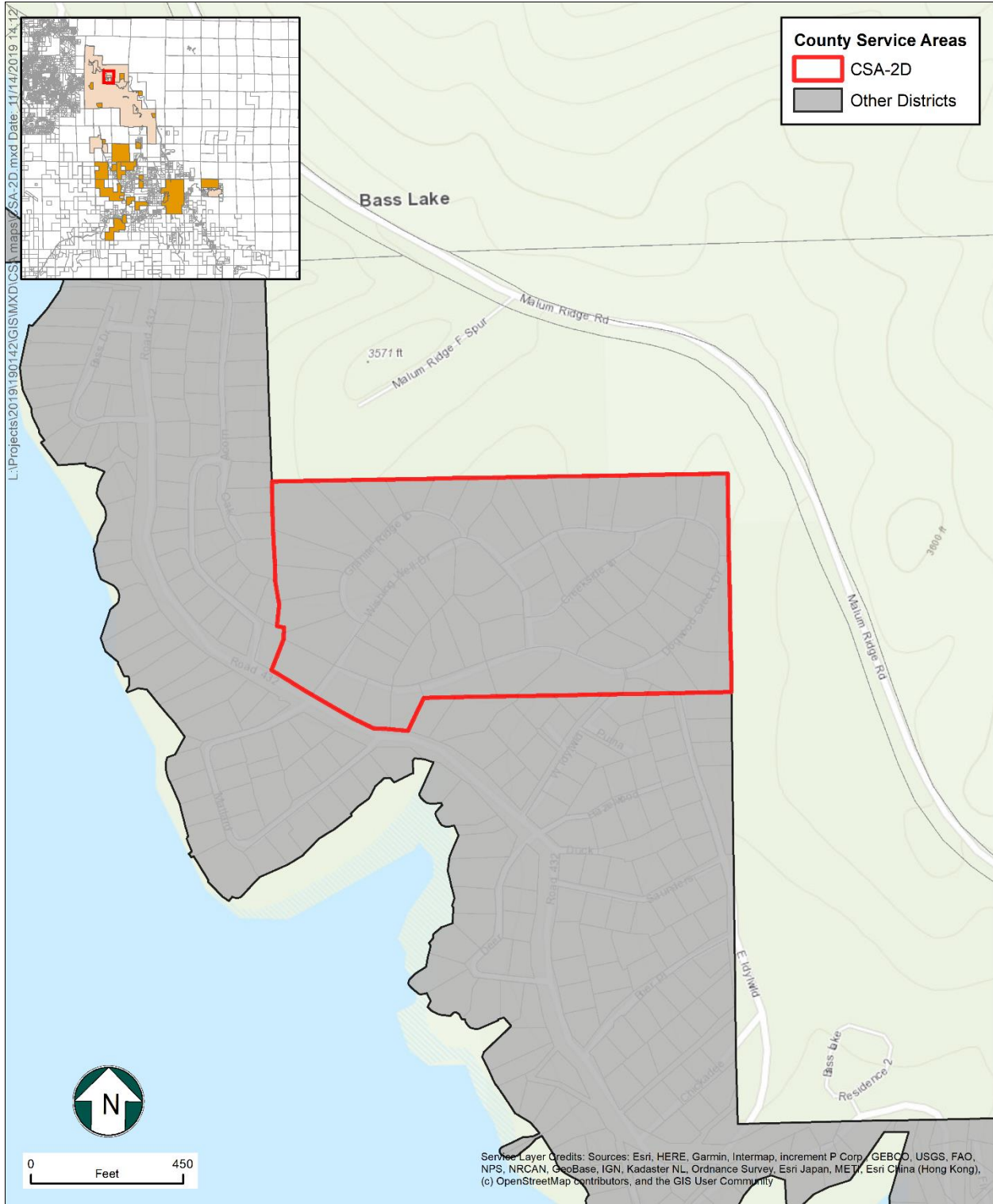



Figure 4-3
County Service Area 2B – Bass Lake/Wishon Cove



 **Figure 4-4**
County Service Area 2C – Bass Lake



 **Figure 4-5**
County Service Area 2D – Bass Lake

4.1.2 - BUDGET

As previously stated, services within CSA-2A are also provided to CSA-2B. Sewer rates for the District were set in 2009 by Resolution No. 2009-363. The total monthly utility charge for improved lots is \$422.34 per sewer unit. As of September 10, 2013, both improved and standby units have an added ACO charge per sewer unit of \$60.

CSA-2A also maintains two additional funds. The ACO Fund was established to accommodate for nonroutine operating expenses in the future. The Assessment District Debt Service and Assessment District Reserve Fund was established to provide the required payments on debt for past improvements.

Sewer rates within CSA-2A are set at \$422.34 per improved unit in accordance with CSA-2A fees, plus the ACO charge of \$60 per sewer unit per year. Similarly, these sewer charges are included on the annual property tax bill (Department of Public Works, Municipal Services Division, 2015).

**Table 4-1
CSA-2A (Sewer) Budget**

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$175,562.56	\$254,264.23	\$206,457.81
Revenues	\$623,414.31	\$620,563.42	\$768,238.00
Expenses	\$544,712.64	\$668,369.84	\$974,695.81
Ending Cash Balance	\$254,264.23	\$206,457.81	\$---

Source: (Department of Public Works, Municipal Services Division, 2019)

**Table 4-2
CSA-2A (ACO) Budget**

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$390,459.99	\$499,567.06	\$610,695.98
Revenues	\$109,107.07	\$111,128.92	\$114,052.00
Expenses	\$---	\$---	\$724,747.98
Ending Cash Balance	\$499,567.06	\$610,695.98	\$---

Source: (Department of Public Works, Municipal Services Division, 2019)

**Table 4-3
CSA-2A (Bond Fund) Budget**

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$5,648.58	\$5,827.46	\$5,897.07
Revenues	\$178.88	\$69.61	\$65.00
Expenses	\$---	\$---	<u>\$5,962.07</u>
Ending Cash Balance	\$5,827.46	\$5,897.07	\$---

Source: (Department of Public Works, Municipal Services Division, 2019)

**Table 4-4
CSA-2A (Prepay & Improvement Fund) Budget**

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance (Prepay)	\$3,373,927.34	\$998,009.27	\$---
Revenues (Prepay)	\$36,393.75	\$5,600.21	\$17,478.91
Revenues (Improvement)	\$---	\$4,822,700.33	6,000,000.00
Expenses (Improvement)	<u>\$2,412,311.82</u>	<u>\$5,826,309.81</u>	<u>\$6,017,478.91</u>
Ending Cash Balance (Improvement)	\$998,009.27	\$---	\$---

Source: (Department of Public Works, Municipal Services Division, 2019)

**Table 4-5
CSA-2A (Debt Service) Budget**

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$1,330,733.49	\$2,025,231.40	\$307,357.67
Revenues	\$694,497.91	\$694,183.50	\$853,530.00
Expenses	\$---	<u>\$386,825.83</u>	<u>\$853,530.00</u>
Ending Cash Balance	\$2,025,231.40	\$307,357.67	\$---

Source: (Department of Public Works, Municipal Services Division, 2019)

CSA-2B provides road maintenance to its customers. Funding for road maintenance within the zone comes from a direct assessment of \$100 per parcel, per year. This assessment was set on April 12, 1994, when the District was formed. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

Table 4-6
CSA-2B (Road) Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$49,115.69	\$48,646.77	\$48,749.06
Revenues	\$3,390.54	\$3,230.59	\$3,535.00
Expenses	<u>\$3,859.46</u>	<u>\$3,128.30</u>	<u>\$52,284.06</u>
Ending Cash Balance	\$48,646.77	\$48,749.06	\$---

Source: (Department of Public Works, Municipal Services Division, 2019)

CSA-2B and C receive water services from the Wishon Cove Water System. The rate for the area was set in 1996. Rates include a monthly \$40 fee per improved water unit and \$16.66 per unimproved parcel (Department of Public Works, Municipal Services Division, 2019).

Table 4-7
CSA-2B & C (Water) Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$61,714.92	\$48,139.79	\$19,836.49
Revenues	\$39,185.54	\$35,971.04	\$39,407.00
Expenses	<u>\$52,760.67</u>	<u>\$64,274.34</u>	<u>\$59,243.49</u>
Ending Cash Balance	\$48,139.79	\$19,836.49	\$---

Source: (Department of Public Works, Municipal Services Division, 2019)

CSA-2D provides road maintenance services to its customers. Funding for road maintenance within the District Zone comes from a direct assessment of \$100 per parcel, per year. This assessment was set on January 3, 1995, when the District was formed. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

Table 4-8
CSA-2D (Road) Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$66,889.64	\$70,921.16	\$76,825.61
Revenues	\$6,952.93	\$6,726.70	\$6,260.00
Expenses	<u>\$2,921.41</u>	<u>\$822.25</u>	<u>\$83,085.61</u>
Ending Cash Balance	\$70,921.16	\$76,825.61	\$---

Source: (Department of Public Works, Municipal Services Division, 2019)

4.1.3 - EXISTING FACILITIES AND ASSETS

CSA-2A holds assets within the sewer plant, collection system and disposal system. The Bass Lake Sewer System provides sewer collection, treatment, and disposal services to 1,570.10 improved sewer units and 251.9 standby units in CSA-2A and CSA-2B. The treatment plant is operated under WDR 5-00-232, limiting sewage treatment to a maximum daily flow of 0.65 million gallons. Due to the fluctuations in populations in a resort community, the flows in the system vary widely. The average daily winter flow is only 0.092 MG where the average daily summer flow is 0.272 MG. The flows during summer holidays and weekends are considerably higher, with the Fourth of July holiday having flows nearing the limit (Department of Public Works, Municipal Services Division, 2019).

One of CSA-2B's main assets are the roads. The zone provides road maintenance to 33 residential parcels with 0.70 miles of paved roads and 2.50 miles of unpaved roads.

Both CSA-2B and CSA-2C contain assets within the Wishon Cove Water System. The Wishon Cove Water System, State Identification Number 2000542, serves CSA-2B and CSA-2C for a total of 76 improved units and 6 standby units. The system is classified as a Transient Non-Community Water System. The surface water is pumped from Bass Lake by submersible pumps and is treated by a 100 gallons per minute (gpm) capacity conventional filtration surface water treatment plant built in 1990. The water is chlorinated then pumped to a 43,000-gallon storage tank in which gravity feeds the system. The distribution system delivers water to the residents and the campgrounds through a combination of 2- to 6-inch pipes. There is also a combination of wharf hydrants and fire boxes throughout the system (Department of Public Works, Municipal Services Division, 2019).

CSA-2D's main assets are the roads themselves. CSA-2D provides road maintenance to 61 residential parcels with 0.80 miles of paved roads.

4.1.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

CSA-2 is divided into four main areas that are assessed differently. While Zone A receives sewer services, Zone B receives sewer, water and road maintenance, Zone C receives water, and Zone D only receives road maintenance. Within these zones, separate rates have been established in order to cover the costs of the services being provided.

Much of the CSA receives sewer services through CSA-2A. The Bass Lake Sewer System provides sewer collection, treatment, and disposal services to 1,570.10 improved sewer units and 251.9 standby units in CSA-2A and CSA-2B. The sewer rates were last set on September 10, 2019, by Resolution No. 2019-141 and include an annual Consumer Price Index adjustment. The current rate for improved lots is \$422.34 per sewer unit, per year. There are no standby rates. An additional ACO charge of \$60 per sewer unit for both improved and standby units was approved on September 10, 2013, by Resolution 2013-140. All charges are included on the annual property tax bill (Department of Public Works, Municipal Services Division, 2019). However, the rate has not been updated within the past

five years which could affect their accuracy. Sewer rates within CSA-2A should be reevaluated in order to determine the true cost of service.

Road maintenance within CSA-2B serves 33 parcels with 0.70 miles of paved roadway and 2.50 miles of unpaved roadway. CSA-2B was formed on April 12, 1994, by Resolution 94-155 and is approximately 48 acres in size. When the CSA was formed a direct assessment of \$100 per parcel per year for road maintenance was approved. These are non-County roads and not included in the County's maintained system (Department of Public Works, Municipal Services Division, 2019). The rate of \$100 per parcel was not based on an engineering study and has not been adjusted for inflation. Therefore, revenues are likely deficient to provide an appropriate level of maintenance for the residents that receive the service. The service area may have been established without utilizing proper techniques to establish what the true costs of providing the service actually are and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, CSA-2B should reconsider setting a direct assessment rate and attempt to establish a funding mechanism appropriate for providing this service.

County Service Area 2, Zone B receives sewer services from CSA-2A. The zones are also provided water services through the Wishon Cove Water System. The monthly rates for the water system were set in 1996 and remain at the rate of \$40 per improved water unit and \$16.66 per unimproved parcel. The sewer rates are the same as in CSA-2A of \$422.34 per improved unit plus the ACO charge of \$60 per sewer unit per year. The sewer charges are included on their annual property tax bills (Department of Public Works, Municipal Services Division, 2019). However, the rate has not been updated within the past five years which could affect their accuracy. Water rates for the Wishon Cove Water System should be reevaluated in order to determine the true cost of service.

Road maintenance within CSA-2D serves 61 parcels with 0.80 miles of paved roadway. CSA-2D was formed on January 3, 1995, by Resolution 95-5 and is approximately 20.39 acres in size. When the CSA was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County's maintained system (Department of Public Works, Municipal Services Division, 2019). The rate of \$100 per parcel was not based on an engineering study and has not been adjusted for inflation. Therefore, revenues are likely deficient to provide an appropriate level of maintenance for the residents that receive the service. The service area may have been established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, CSA-2D should reconsider setting a direct assessment rate and attempt to establish a funding mechanism appropriate for providing this service.

4.1.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

It is not possible to share road assets between districts, but maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system.

There are no nearby CSAs to the service area; However, Maintenance Districts 6, 7, 11, 86, and 92 are within the boundaries of the service area. Due to the close proximity of various districts to one another, it may be possible to consolidate services in order to streamline providers and create an economy of scale. District reorganization can be completed through a variety of methods.

In order to streamline services, the County should work with LAFCo to create new County service areas and community service districts from nearby districts to achieve an economy of scale to help with rates and costs for residents.

The northern and southeastern portion of Bass Lake includes the Pines Tract and resort areas (Pines Area), County Service Area 2, Maintenance Districts 6, 7, and 92, and the Bass Lake Water Company. If possible, these entities could be consolidated to form a community services district capable of accommodating all desired service needs.

Bass Lake Water Company (BLWC) operates in the same location as CSA-2A. As the BLHMC is a private company, LAFCo has no jurisdiction to regulate or compel consolidation or annexation between BLWC and other agencies. However, coordinated municipal service delivery is the overarching goal of LAFCo. Should the time arise where BLWC ceases operation or is willing to consider annexation to another agency, LAFCo and the County should coordinate in order to develop feasibility recommendations for the best results. If possible, the BLWC should also be included in the new potential Bass Lake Community Services District (CSD).

Although Maintenance Districts 11 and 86 lie in the southwestern portion of the Bass Lake area and within the SOI of CSA-2, they are not adjacent to zones of benefit and therefore will not be considered for consolidation or combination with the existing CSA-2.

Consolidating County Service Area 2 with nearby maintenance districts, mainly MDs 6 and 7, and private water companies would streamline service providers and create a much greater economy of scale. The County Public Works Department worked with the district to investigate possibly consolidating the districts' water systems within BLWC in order to better service the neighborhoods. However, due to high capital costs of improvements and lack of grant revenues, the consolidation of the systems did not garner neighborhood support with the Proposition 218 vote failing. Consolidation of these areas currently is on hold with County staff as they reinvestigate funding sources and other revenues to make the cost of the improvements more viable to the neighborhood residents (Wagner, 2019).

4.1.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

As stated in Section 4.1.4, rates have been established for the sewer and water service, as well as road maintenance throughout the District. Water and sewer rates for Zones A and C were last set in 2009 and 1996, respectively. The rates have not been updated within the past five years and should be revisited in order to provide the most accurate level of service representing true costs.

Zones B and D handle road maintenance and contain established rates of \$100 per parcel, which is likely deficient to provide the needed levels of service for road maintenance. Therefore, an opportunity for rate restructuring would be the establishment of new rates, or the addition of a yearly inflation multiplier for proper road maintenance. This would require a successful vote of the property owners involved.

4.1.7 - GOVERNANCE

All of the CSAs and MDs are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.

4.1.8 - DETERMINATIONS

Determination 4.1-1 – The County provides services including water, sewer, and road maintenance through four zones of benefit in County Service Area 2 (Bass Lake), utilizing rates set by the County Board of Supervisors.

Determination 4.1-2 – The County adopts a budget annually for County Service Area 2 (Bass Lake).

Determination 4.1-3 – The sewer and water rates established for County Service Area 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 County Service Area 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 County Service Area 2 to form 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 BLWC ceases operation or is willing to consider annexation to another agency, the County could consider consolidating BLWC. Dependent on conditions and whether districts have been combined, BLWC 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 Bass Lake Water Company desires consolidating systems, the County shall coordinate with LAFCo to conduct feasibility and rate studies to determine the most appropriate option.

4.2 - County Service Area 15 – Teaford Meadows**4.2.1 - INTRODUCTION**

County Service Area 15 (Teaford Meadows) is located in Madera County Supervisory District 5, five miles northwest of North Fork and accessed from Road 223. The District has approximately 98 parcels with 3.89 miles of paved roads. A map of the CSA is shown in Figure 4-6.

CSA-15 was formed on January 24, 1984, by Resolution 84-25 and is approximately 437.5 acres in size. When the CSA was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. Pine Hill Lane is a privately maintained fire access road. These are non-County roads and not included in the County’s maintained road system. (Department of Public Works, Municipal Services Division, 2019).

4.2.2 - BUDGET

As previously stated, there funding for road maintenance within CSA-15 from a direct assessment of \$100 per parcel. These are minor rural County roads and included in the County’s maintained road system (Department of Public Works, Municipal Services Division, 2019).

Table 4-9
CSA-15 (Road) Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$77,303.08	\$84,853.51	\$93,200.20
Revenues	\$11,595.45	\$10,221.69	\$89,560.00
Expenses	\$4,045.02	\$1,875.00	\$182,760.20
Ending Cash Balance	\$84,853.51	\$93,200.20	\$---

Source: (Department of Public Works, Municipal Services Division, 2019)

4.2.3 - EXISTING FACILITIES AND ASSETS

CSA-15’s only assets are the roads themselves. CSA-15 provides road maintenance to 98 residential parcels with 3.89 miles of paved roads.

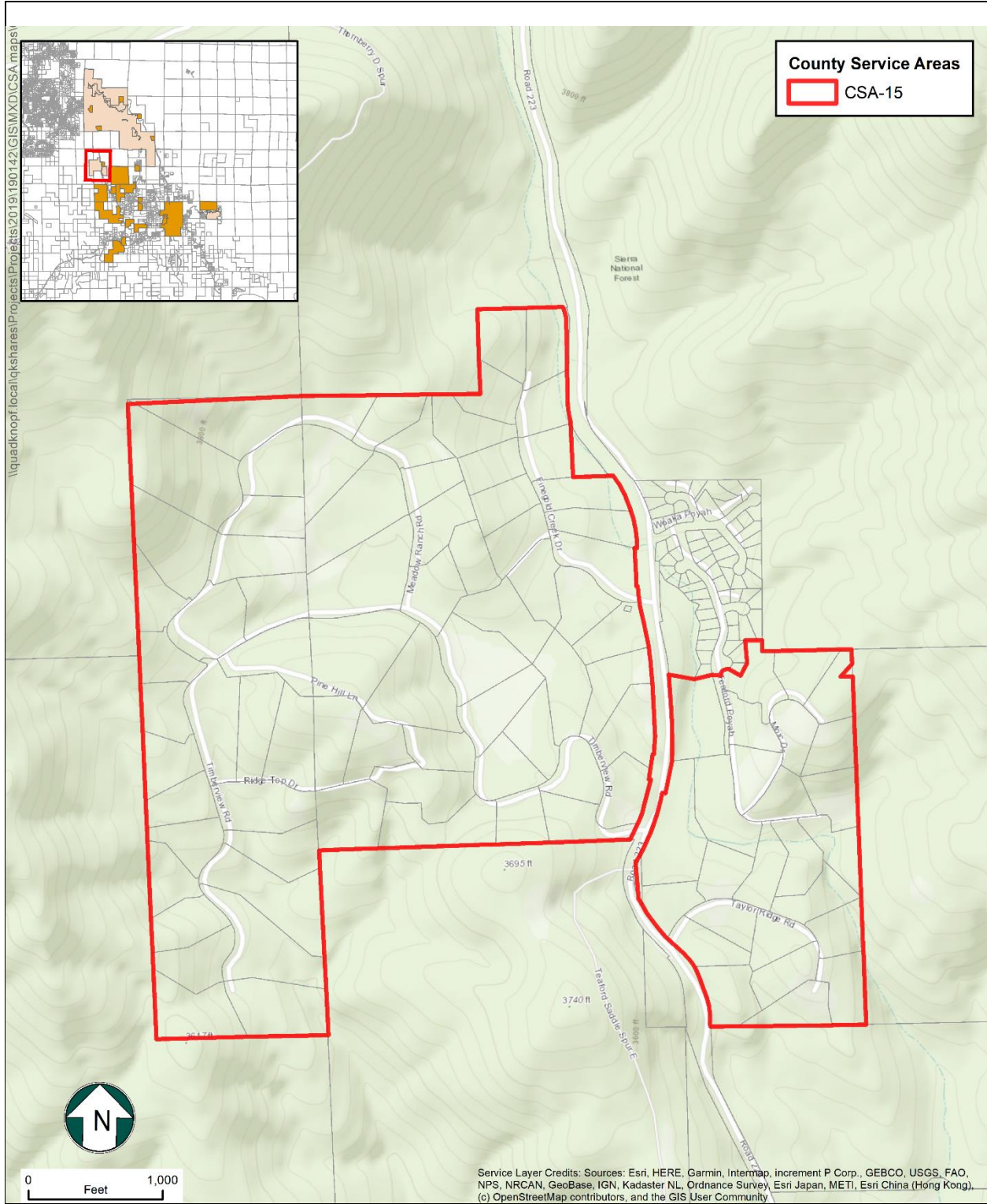


Figure 4-6
County Service Area 15 – Teaford Meadows

4.2.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

Road maintenance within CSA-15 serves 98 parcels with 3.89 miles of paved roads. When the District was formed in 1984, there was a direct assessment set for road maintenance of \$100 per parcel. These roads are non-County roads which are not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019). Therefore, revenues are likely deficient to provide an appropriate level of maintenance for the residents that receive the service. As has been the case historically throughout Madera County, road maintenance districts may have been established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, CSA-15 should attempt to establish a funding mechanism appropriate for providing this service.

4.2.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

Maintenance is provided by the Madera County Road Department (Madera County Public Works- Maintenance & Operations , n.d.). It is not possible to share road assets between districts, but maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system.

There are no adjacent County service areas to CSA-15. However, County Service Area 15 (Teaford Meadows) is adjacent to MD-24. If possible, CSA-15 should be consolidated with the MD-24 system to form a new district. This would streamline service providers and create an economy of scale.

County Service Area 15 has multiple options that can be considered in order to organize service delivery. One way to combine services would be to create a new maintenance district. However, maintenance districts do not contain spheres of influence, and thus inhibit the County from revising the boundaries of the service area in order to meet future service needs. Therefore, it may prove viable to create a County service area or community services district, which do contain spheres of influence and can be adjusted on a regular basis.

In order to determine the most appropriate path for the districts, the County should enter discussions with LAFCo in order to study current conditions and the feasibility of the proposed options.

4.2.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

CSA-15 has an established flat rate of \$100 per parcel annually, which is likely deficient to provide the needed level of service for road maintenance. Therefore, one opportunity for rate restructuring would be 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.

4.2.7 - GOVERNANCE

All of the CSAs and MDs are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.

4.2.8 - DETERMINATIONS

Determination 4.2-1 – The County provides road maintenance to 1.80 miles of minor rural County roadway within County Service Area 15 (Teaford Meadows). 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 County Service Area 15 (Teaford Meadows).

Determination 4.2-3 – The percentage of property tax established for County Service Area 15 (Teaford Meadows) 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 County Service Area 15 (Teaford Meadows) with neighboring MD-24, which also provides road maintenance, into a new MD, CSA, or CSD to minimize the presence of unnecessary districts and streamline services.

Determination 4.2-6 – The County should coordinate with LAFCo to consider consolidating County Service Area 15 (Teaford Meadows) with Maintenance District 24 by conducting feasibility and rate studies.

4.3 - County Service Area 21 – Cascadel Woods

The discussion regarding CSA-21 – Cascadel Woods was removed from this MSR due to action by the Board of Supervisors on January 7, 2020, to initiate the possible dissolution and formation of a new special district within the Cascadel area. Therefore, analysis for this district will be made in an upcoming MSR that will review the delivery of services to this neighborhood.

SECTION 5 - COUNTY MAINTENANCE DISTRICTS

5.1 - MD-6 – Lakeshore Park

5.1.1 - INTRODUCTION

Maintenance District 6 (Lakeshore Park) is located in Madera County Supervisory District 5 along Bass Lake’s northeast shore and is accessed south from County Road 274. The District has approximately 40 parcels with 0.35 miles of paved roads. This District provides road, water, and sewer service for a small residential development. The District was formed on February 26, 1963, by Resolution No. 63-109 and is approximately seven acres in size.

When the District was formed there was no direct assessment set for road maintenance. This area receives a portion of the one percent property tax allocation to assist in road maintenance. These roads are minor rural County roads which are included in the County’s maintained road system. This District is pre-Proposition 13 funded by a percentage of the property taxes received by the District and included in the MD-6 Water and Sewer budget (Department of Public Works, Municipal Services Division, 2019).

The funding for the water and sewer system operations comes from a combination of assessments and property taxes, while the funding for road maintenance comes only from a portion of property tax.

The Lake Shore Water System, State Identification Number 2000550, provides water service to 47 improved units and five standby units. The water is furnished by two hard rock wells producing a total of 55 gpm. The distribution system consists of three storage tanks with a total capacity of 65,000 gallons, two pressure zones, and 5,025 feet of 4- and 6-inch asbestos-cement (AC) pipe water mains.

The Lake Shore Wastewater Plant provides sewer service for 42 improved and four standby units and is operated under the State Water Resources Control Board’s (SWRCB) Monitoring and Reporting Program (MRP) Number 85-158. The sewer collection system is made up of 7,461 feet of 4-, 6- and 8-inch AC sewer mains.

Water and sewer rates were last set on November 5, 2007, by Resolution No. 2007-238 and are based on a flat rate structure with an annual Consumer Price Index adjustment. There are no standby rates or customer water meters. The District is operating under Compliance Orders for Arsenic and Uranium MCL (Department of Public Works, Municipal Services Division, 2019).

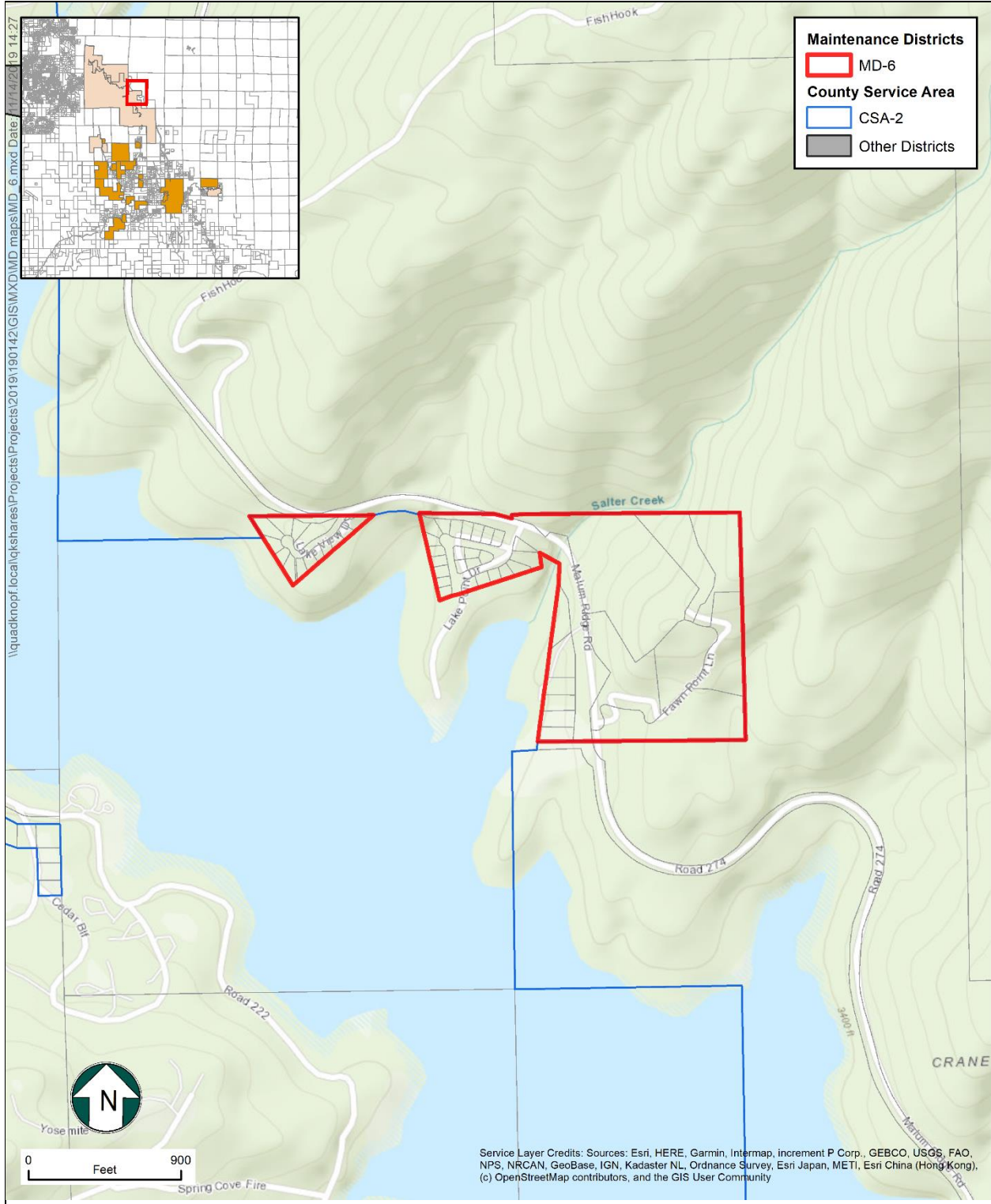


Figure 5-1
Maintenance District 6- Lakeshore Park

5.1.2 - BUDGET

The water and sewer rates for the District were set on November 5, 2007, by Resolution 2007-238. The total monthly utility charge for an improved lot in MD-6 is \$149. The \$149 breakdown includes a monthly fee of \$52.33 for water services and \$96.67 for sewer services.

As previously stated, there is no direct assessment rate for road maintenance within MD-6. This was decided on February 26, 1963 when the District was formed. These are minor rural County roads and included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

**Table 5-1
MD-6 Budget**

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$623,591.57	\$740,932.92	\$825,566.13
Revenues	\$200,409.70	\$192,382.25	\$264,879.00
Expenses (Roads)	<u>\$240.73</u>	<u>\$560.56</u>	<u>\$15,907.57</u>
Expenses (Water)	<u>\$43,607.95</u>	<u>\$43,198.40</u>	<u>\$1,291,254.55</u>
Expenses (Sewer)	<u>\$38,216.34</u>	<u>\$62,988.26</u>	<u>\$76,185.00</u>
Ending Cash Balance	\$740,932.92	\$825,566.13	\$---

Source: (Department of Public Works Municipal Services Division, 2019)

5.1.3 - EXISTING FACILITIES AND ASSETS

MD-6 contains assets within the road, water, and sewer systems. MD-6 provides road maintenance to 40 residential parcels with 0.35 miles of paved roads.

Water for MD-6 is supplied by two deep wells drawing from rock fractures approximately 450 feet below the surface. The wells supply three storage tanks with a combined capacity of 105,000 gallons. The system supplies water by gravity from the storage tanks to supply the District. The water system is not chlorinated and is not recommended for drinking due to the exceedance of the MCLs for arsenic and uranium. The County sends out quarterly notices advising property owners that the water supply from MD-6 exceeds the established maximum contaminant levels for gross alpha, uranium, arsenic, and manganese.

Test Well A has the capability to produce approximately 50 to 75 gpm of groundwater with manganese concentrations ranging between 0.09 and 0.10 milligrams per liter (mg/L) (exceeding the recommended MCL of 0.05 mg/L), uranium concentrations ranging from 35 to 36 picocuries per liter (exceeding the MCL of 20 picoCuries per liter (pCi/L)), and arsenic concentrations ranging from 0.052 to 0.076 mg/L (exceeding the MCL of 0.01 mg/L). These

values will be verified if it is decided to test pump the well for seven to 14 days (AECOM, 2014).

The County is conducted a survey of residents to determine if the water system could be converted to a Transient Water System, which has different regulatory thresholds which may prevent the system from becoming non-compliant with current Water Board regulations and standards. The results of the survey certified the residency of the district does qualify for a change in classification to Transient Water System. This change allowed for a current water violation to be lifted for the district (Wagner, 2019).

5.1.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by the Public Works Department. All of these districts' budgets reflect general operations and maintenance.

Road maintenance within MD-6 serves 40 parcels with 0.35 miles of paved roadway. When the District was formed there was no direct assessment set for road maintenance. This area receives a portion of the property tax to assist in road maintenance. These roads are minor rural County roads which are included in the County's maintained road system. This District is pre-Proposition 13 funded by a percentage of the property taxes received by the District and included in the MD-6 Water and Sewer budget (Department of Public Works, Municipal Services Division, 2019). Therefore, revenues are likely deficient to provide an appropriate level of maintenance for the residents that receive the service. As has been the case historically throughout Madera County, road maintenance districts may have been established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, MD-6 should revisit the idea of setting a direct assessment rate and attempt to establish a funding mechanism appropriate for providing this service.

The District provides water to 47 improved units and five standby units through the Lake Shore Water System. Sewer service is provided for 42 improved and four standby units by the Lake Shore Wastewater Plant. Water and sewer rates were last set on November 5, 2007 by Resolution No. 2007-238 and are based on a flat rate structure with an annual Consumer Price Index adjustment. The current rate for improved lots is \$52.33 per month for water and \$96.67 per month for sewer. There are no standby rates or customer water meters (Department of Public Works, Municipal Services Division, 2019). The rate has not been updated within the past five years and should be revisited in order to provide the most accurate level of service representing the true cost.

5.1.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

There are no adjacent districts to MD-6. However, the District lies on the northeastern side of Bass Lake within the sphere of influence of CSA-2. Due to the close proximity of various districts to one another, it may be possible to consolidate services in order to streamline

providers in a logical manner and create an economy of scale. District reorganization can be completed through a variety of methods.

Shared Facilities Option 1

Infrastructure is the District’s main asset. Most of this infrastructure cannot be moved, but some can be shared. The MD-6 and MD-7 water systems are two primary candidates for consolidation alongside the Bass Lake Water Company (BLWC). In collaboration with AECOM, the County undertook the preparation of a Feasibility Study Report and a Rate Increase Analysis that analyzed the existing infrastructure within MD-6, in addition to MD-7 and BLHMWC, to determine current conditions and whether it was feasible for the systems to be consolidated. The study identified the potential benefit of consolidation for the districts as well as the issues that would need to be addressed prior to consolidation.

Findings from the two reports differed slightly. The Feasibility Study Report concluded that the most cost-effective solution would be to connect the MD-6 water system with that of the BLWC system. However, the County has no jurisdiction to regulate or compel consolidation or annexation between BLWC and other agencies, so determinations were made that more accurately reflected the County’s authority as a government entity. Therefore, the MD-6 Lake Shore Park Rate Increase Analysis concluded that the most effective and possible solution would be to consolidate MD-6 with MD-7.

In the event that these facilities were to be consolidated, a future water treatment plant would need to be constructed. This is pursuant to the order of Madera County Environmental Health (MCEH) which recognizes the District as exceeding the maximum contaminant level (MCL) for arsenic, gross alpha, manganese, and natural uranium (County of Madera Public Works Department, 2018).

On May 22, 2018, the Madera County Board of Supervisors held a regular meeting with an objective to adopt a resolution that increases water service rates within MD-6. The proposed increase in rates was depicted within the MD-6 Lake Shore Park Rate Increase Analysis and Feasibility Study Report. The County, in agreement with the Division of Drinking Water (DDW), concluded that consolidating the water system with neighboring MD-7 (Marina View) is the most cost-effective approach, primarily due to the fact that the capital cost and ongoing operations and maintenance (O&M) costs for a consolidated system will be more widely shared.

The County’s approach to establishing the O&M rate was to insure that the new rate would allow for proper O&M of the current infrastructure and a future water treatment plant that is needed in order to satisfy the compliance order that is currently imposed on the District by the MCEH. With the consolidation of the MD-6 and MD-7 water systems, the cost of O&M of the future water treatment plant would be evenly divided by the total number of customers of both MD-6 and MD-7.

The O&M cost for the future water treatment plant was determined by an engineer’s Feasibility Study Report that was completed by AECOM in January of 2014. AECOM

recommended a treatment plant that would cost \$75,000 annually for O&M. Converting this amount into 2018 dollars by adding approximately 3.1 percent annually for CPI. The O&M would increase by \$7,141 from \$75,000 to \$82,141 annually.

Consolidation with MD-7 would result in a higher final monthly rate of \$98.51. The final rate was calculated by combining the future water treatment plant rate of \$53.06 with the operation and maintenance rate needed of \$45.45 (County of Madera Public Works Department, 2018). This proposal was ultimately voted down during the Proposition 218 process by the residents.

In the event that the water systems are consolidated, there could be some potential cost savings to customers through the economy of scale gained. However, the initial costs to improve the system appear to be prohibitive in order to bring the infrastructure to a level that would make it efficient for the districts to take on service delivery and provide water that meets MCEH standards. Therefore, if the districts were to be consolidated, the districts should investigate opportunities for additional funding options that can help the districts create the new treatment plant and make the necessary infrastructural improvements without significantly increasing rates or assessments to residents.

Shared Facilities Option 2

As previously stated, one way to combine services would be to create a new maintenance district. However, maintenance districts do not contain spheres of influence, and thus limit the County from revising the boundaries of the District in order to meet future service needs. Therefore, it may prove viable to create a community services district, which does contain spheres of influence and can be adjusted on a regular basis.

The northern portion of Bass Lake includes the Pines tract and resort areas (Pines Area), County Service Area 2, Maintenance Districts 6, 7, and 92, and the Bass Lake Water Company. If possible, these entities could be combined to form a community service district capable of accommodating all desired service needs.

Bass Lake Water Company (BLWC) operates in the same location as CSA-2A. As the BLWC is a private company, LAFCo has no jurisdiction to regulate or compel consolidation or annexation between BLWC and other agencies. However, coordinated municipal service delivery is the overarching goal of LAFCo. Should the time arise where BLWC ceases operation or is willing to consider annexation to another agency, LAFCo and the County should coordinate in order to develop feasibility recommendations for the best results. If possible, the Bass Lake Heights Mutual Water Company should also be included in the new potential CSD.

5.1.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

As stated in Section 5.1.4, there is not established direct assessment fee for road maintenance within the District. The portion of property tax is likely deficient to provide the needed level

of service. Therefore, the only opportunity for rate restructuring would be to establish a rate that includes a yearly inflation multiplier for proper road maintenance.

Water and sewer rates were last set on November 5, 2007. The rate has not been updated within the past five years and should be revisited in order to provide the most accurate level of service representing the true cost.

5.1.7 - GOVERNANCE

All of the CSAs and MDs are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website or through a downloadable Smartphone application.

5.1.8 - DETERMINATIONS

Determination 5.1-1 – The County maintains 0.35 miles of minor rural County roadway within Maintenance District 6 (Lakeshore Park). 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 47 units, and sewer to 92 units with a flat rate based on an annual Consumer Price Index adjustment.

Determination 5.1-2 – The County adopts a budget annually for Maintenance District 6 (Lakeshore Park).

Determination 5.1-3 – The percentage of property tax established for Maintenance District 6 (Lakeshore Park) 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 Maintenance District 6 (Lakeshore Park) 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 Maintenance District 6 (Lakeshore Park) 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 proposals 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.

5.2 - MD-7- Marina View

5.2.1 - INTRODUCTION

Maintenance District 7 (Marina View) is located in Madera County Supervisory District 5 along Bass Lake's northeast shore and is accessed east from County Road 274. The District has approximately 94 parcels with 0.68 miles of paved roads. This District provides road, water, and sewer service for a small residential development. Marina View was formed on June 25, 1963 by Resolution No. 63-286 and is approximately 35 acres in size.

When the District was formed there was no direct assessment set for road maintenance. This District receives a portion of property tax to assist in road maintenance. These roads are minor rural County roads which are included in the County's maintained road system. This District is pre-Proposition 13 funded by a percentage of the property taxes received by the District and included in the MD-7 Water and Sewer budget (Department of Public Works, Municipal Services Division, 2019).

The funding for the water and sewer system operations comes from a combination of assessments and property taxes, while the funding for road maintenance comes only from a portion of property tax.

The Marina View Water System, State Identification Number 2000551, serves 83 improved units and nine standby units. The water is furnished by two hard rock wells producing a total of 38 gpm. The distribution system consists of two storage tanks with a total capacity of 125,000 gallons and 4,250 feet of AC water mains.

The Wastewater Plant provides sewer service for 83 improved and nine standby units and is operated under the SWRCB's MRP Number 85-058. The plant is an extended aeration plant designed to receive a maximum dry weather daily flow of 0.03 million gallons. The secondary treated and disinfected effluent is disposed of in a spray field next to the District on Forest Service lands. The collection system is made up of 7,285 feet of 2-, 4-, 6-, and 8-inch gravity AC sewer mains. There is also one lift station that serves a portion of the system.

Water and sewer rates were last set on May 27, 2008 by Resolution No. 2008-130 and are based on a flat rate structure with an annual Consumer Price Index adjustment. The current rate for improved lots is \$40.33 per month for water service and \$78 per month for sewer service. Unimproved lots are charged a water and sewer standby fee of \$6.66 per month. Additional revenues come from property taxes, however the amount varies based on the District's needs and priorities related to the water system, sewer system, and/or road maintenance (Department of Public Works, Municipal Services Division, 2019).

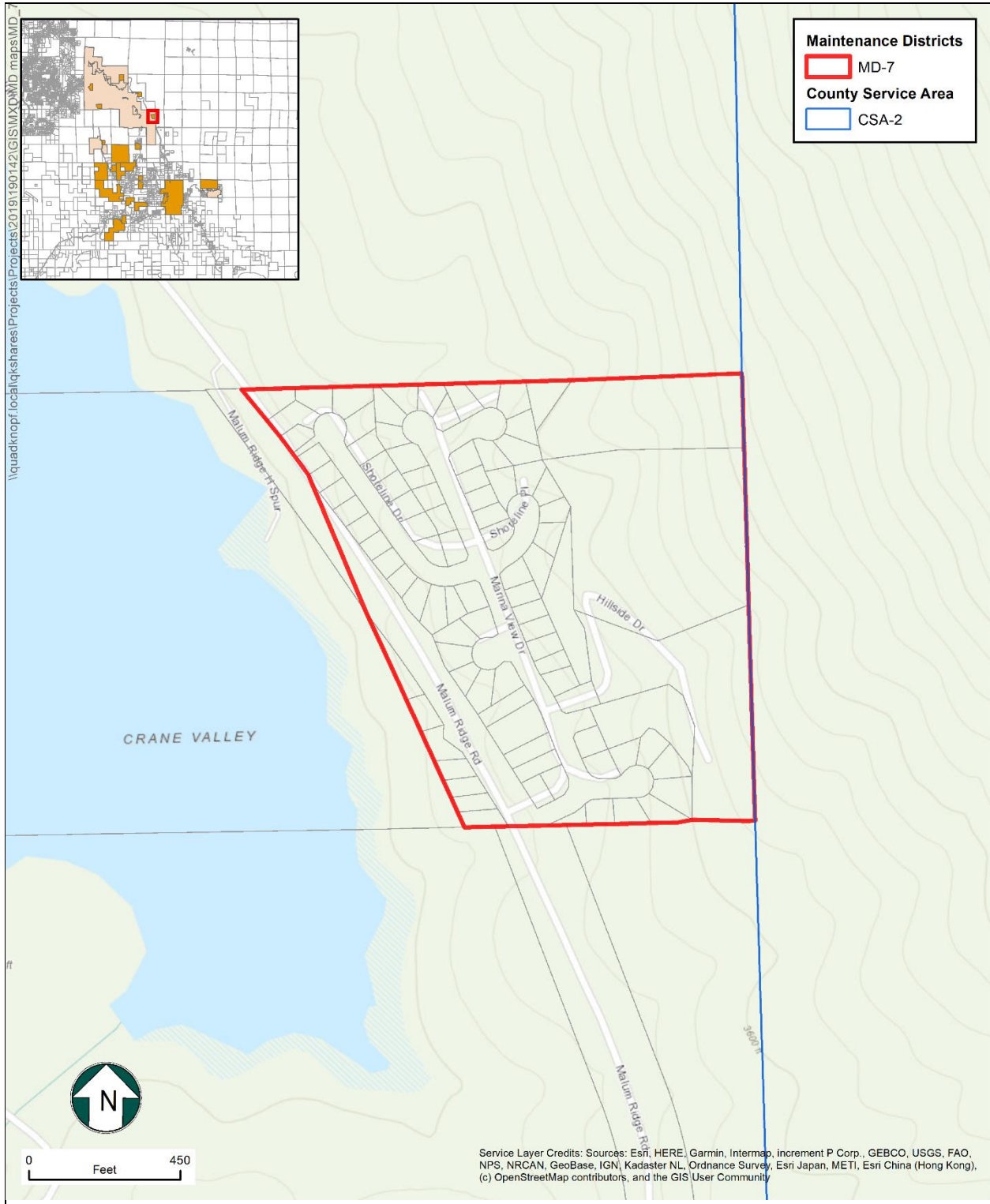


Figure 5-2
Maintenance District 7 – Marina View

5.2.2 - BUDGET

The water and sewer rates for the District were set on May 27, 2008, by Resolution No. 2008-130. The total monthly utility charge for an improved lot in MD-7 is \$124.99. The \$124.99 breakdown includes a monthly fee of \$40.33 for water service, \$78 for sewer service, and \$6.66 for a water and sewer standby fee for unimproved lots (Department of Public Works, Municipal Services Division, 2019).

As previously stated, there is no direct assessment fee for road maintenance within MD-7. This was decided on June 25, 1963 when the District was formed. These are minor rural County roads and included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

**Table 5-2
MD-7 Budget**

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$594,359.27	\$634,980.11	\$664,163.86
Revenues	\$190,987.26	\$181,396.69	\$1,593,520.00
Expenses (Roads)	\$3,326.45	\$9,492.24	\$17,707.77
Expenses (Water)	\$71,852.77	\$93,782.18	\$1,757,563.45
Expenses (Sewer)	\$75,187.20	\$58,430.76	\$482,412.64
Ending Cash Balance	\$634,980.11	\$664,163.86	\$---

Source: (Department of Public Works Municipal Services Division, 2019)

5.2.3 - EXISTING FACILITIES AND ASSETS

MD-7's only assets are the roads themselves. MD-7 provides road maintenance to 94 residential parcels with 0.68 miles of paved roads.

Water for MD-7 is supplied from two deep wells drawing from rock fractures approximately 200 feet to 550 feet below the surface. Both wells are out of compliance with current drinking water regulations. These wells are known as the Lower Well (Well 1) and the Upper Well (Well 2). Well 1 has a capacity of approximately 15 gpm and presently exceeds the MCLs for gross alpha and uranium. Well 2 has a capacity of approximately 45 gpm and currently exceeds the MCLs for manganese, arsenic, gross alpha, and uranium. Well 2 produces water with lower levels of uranium but higher levels of arsenic and manganese than Well 1. The wells supply two storage tanks with a combined capacity of 125,000 gallons. The County sends out quarterly notices advising property owners that the water supply from MD-7 exceeds the established maximum contaminant levels for gross alpha, uranium, arsenic, and manganese.

Test Well A, drilled in October 2013 and test pumped in December 23, 2013, has the capability to produce approximately 40 gpm of groundwater with manganese

concentrations ranging between 0.052 and 0.062 mg/L (exceeding the recommended MCL of 0.05 mg/L), uranium concentrations ranging from 14.7 to 447 picocuries per liter (exceeding the MCL of 20 pCi/L), and arsenic concentrations ranging from non-detect to 0.033 mg/L (exceeding the MCL of 0.01 mg/L).

The County has conducted a survey of residents to determine if the water system in MD-7 could be converted to a Transient Non-Community Water System. A Transient Non-Community Water System has different regulatory thresholds which may prevent the system from becoming noncompliant with current State Water Board Regulations and standards. The results of the survey indicated that the residency of the district does not qualify for a change of classification to a Transient Non-Community Water System.

In order to bring their water system into compliance with State Drinking Water Standards, the residents then requested installation of a Reserve Osmosis Point of Use devices. The County received approval from the State Water Resources Control Board to install reverse osmosis (Point of Use Devices in each home in MD-7. On November 19, 2019m the Madera County Board of Supervisor's approved a water rate increase of \$58.60a month to fund the Reserve Osmosis Project. These devices have been installed and the compliance order for MD-7 has been removed.

The Reserve Osmosis Project is intended to be a temporary measure to meet Drinking Water Standards, the use of the Reserve Osmosis Project is condition upon MD-7 pursuing state financing for a water treatment facility or upgrade.

Madera County fire standards require a flow of 1,000 gpm for a two-hour duration for a total volume of 120,000 gallons. MD-7 currently has 125,000 gallons of storage. Presently, the system complies with County fire standards.

The MD-7 distribution system provides water to 83 currently connected lots and nine standby lots (Department of Public Works, Municipal Services Division, 2019).

5.2.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts' budgets reflect general operations and maintenance.

Road maintenance within MD-7 serves 94 parcels with 0.68 miles of paved roadway. When the District was formed there was no direct assessment set for road maintenance. This area receives a portion of property tax to assist in road maintenance. These roads are minor rural County roads which are included in the County's maintained road system. This District is pre-Proposition 13 funded by a percentage of the property taxes received by the District and included in the MD-7 Water and Sewer budget (Department of Public Works, Municipal Services Division, 2019). Therefore, revenues are likely deficient to provide an appropriate level of maintenance for the residents that receive the service. As has been the case historically throughout Madera County, road maintenance districts may have been

established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, MD-7 should reconsider setting a direct assessment rate and attempt to establish a funding mechanism appropriate for providing service.

The District provides water to 83 improved units and nine standby units through the Marina View Water System. Sewer service is provided to 83 improved and nine standby units by the wastewater plant. Water and sewer rates were last set on May 27, 2008 by Resolution No. 2008-130 and are based on a flat rate structure with an annual Consumer Price Index adjustment. The current rate for improved lots is \$40.33 per month for water service and \$78 per month for sewer service. Unimproved lots are charged a water and sewer standby fee of \$6.66 per month. Additional revenues come from property taxes; however, the amount varies based on the District's needs and priorities related to the water system, sewer system, and/or road maintenance. The rate has not been updated within the past five years and should be revisited in order to provide the most accurate level of service representative of the true cost.

5.2.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

There are no adjacent districts to MD-7. However, Maintenance District 7 (Marina View) lies on the northeastern side of Bass Lake within the sphere of influence of CSA-2. Due to the close proximity of various districts to one another, it may be possible to restructure services in order to streamline providers in a logical manner. District reorganization can be completed through a variety of methods.

Shared Facilities Option 1

Infrastructure is the District's main asset. Most of this infrastructure cannot be moved, but some can be shared. The MD-7 and MD-6 water systems are two primary candidates for consolidation alongside the BLWC. In collaboration with AECOM, the County thus undertook the preparation of the Feasibility Study Report and the MD-7 Marina View Rate Increase Analysis. These studies review existing infrastructure within MD-7, in addition to MD-6 and the BLHMWC, to determine current conditions and whether it is feasible for the systems to be consolidated. The study identified the potential benefit of consolidation for the districts as well as the issues that would need to be addressed prior to consolidation.

Findings from the two reports differed slightly. The Feasibility Study Report concluded that the most cost-effective solution would be to connect the MD-7 water system with that of the BLHMWC system. However, the County has no jurisdiction to regulate or compel consolidation or annexation between BLHMWC and other agencies, so determinations were made that more accurately reflected the County's authority as a government entity. Therefore, the MD-7 Marina View Rate Increase Analysis concluded that the most effective and possible solution would be to consolidate MD-7 with MD-6.

In the event that these facilities were to be consolidated, a future water treatment plant would need to be constructed. This is pursuant to the order of MCEH which recognizes the District as exceeding the MCL for arsenic, gross alpha, manganese, and natural uranium (County of Madera Public Works Department, 2018).

On May 22, 2018, the Madera County Board of Supervisors held a regular meeting with an objective to adopt a resolution that increases water service rates within MD-7. The proposed increase in rates was depicted within the MD-7 Marina View Rate Increase Analysis and Feasibility Study Report. The County, in agreement with DDW, concluded that consolidating the water system with neighboring MD-6 Lakeshore Park is the most cost-effective approach, primarily due to the fact that the capital cost and ongoing operations and maintenance (O&M) costs for a consolidated system will be more widely shared.

The County's approach to establishing the O&M rate was to insure that the new rate would allow for proper O&M of the current infrastructure and a future water treatment plant that is needed in order to satisfy the compliance order that is currently imposed on the District by the MCEH. With the consolidation of the MD-6 and MD-7 water systems, the cost of O&M of the future water treatment plant would be evenly divided by the total number of customers of both MD-6 and MD-7.

The O&M cost for the future water treatment plant was determined by an engineer's Feasibility Study Report that was completed by AECOM in January of 2014. AECOM recommended a treatment plant that would cost \$75,000 annually for O&M. Converting this amount into 2018 dollars by adding approximately 3.1 percent annually for CPI. The O&M would increase by \$7,141 from \$75,000 to \$82,141 annually.

Consolidation with MD-6 would result in a higher final monthly rate of \$98.51. The final rate was calculated by combining the future water treatment plant rate of \$53.06 with the operation and maintenance rate needed of \$45.45 (County of Madera Public Works Department, 2018). This proposal was voted down during the proposition 218 process by the residents.

In the event that the water systems were consolidated, there could be some potential cost savings to customers through the economy of scale gained. However, the initial costs to improve the system could be prohibitive in order to bring the infrastructure to a level that would make it efficient for the districts to take on service delivery and provide water that meets MCEH standards. Therefore, if the districts were to be consolidated, the districts should investigate opportunities for additional funding options that can help the districts create the new treatment plant and make the necessary infrastructural improvements without significantly increasing rates or assessments to residents.

Shared Facilities Option 2

As previously stated, one way to consolidate services would be to create a new maintenance district. However, maintenance districts do not contain spheres of influence, and thus inhibit the County from revising the boundaries of the District in order to meet future service needs.

Therefore, it may prove viable to create a community services district, which does contain spheres of influence and can be adjusted on a regular basis.

The northern portion of Bass Lake includes the Pines tract and resort areas (Pines Area), County Service Area 2, Zones A and D, Maintenance Districts 6, 7, and 92, and the Bass Lake Water Company. If possible, these entities could be consolidated to form a community service district capable of accommodating all desired service needs.

BLWC operates in the same location as CSA-2A. As the BLWC is a private company, LAFCo has no jurisdiction to regulate or compel consolidation or annexation between BLWC and other agencies. However, coordinated municipal service delivery is the overarching goal of LAFCo. Should the time arise where BLWC ceases operation or is willing to consider annexation to another agency, LAFCo and the County should coordinate in order to develop feasibility recommendations for the best results. If possible, the BLWC should also be included in the new potential CSD.

5.2.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

As stated in Section 5.2.6 – there is no direct assessment fee established for road maintenance throughout the District. The portion of property tax is likely deficient to provide the needed level of service. Therefore, the only opportunity for rate restructuring would be to establish a rate that includes a yearly inflation multiplier for proper road maintenance.

Water and sewer rates were last set on May 27, 2008. The rate has not been updated within the past five years and should be revisited in order to provide the most accurate level of service representing the true cost.

5.2.7 - GOVERNANCE

All of the CSAs and MDs are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website or through a downloadable Smartphone application.

5.2.8 - DETERMINATIONS

Determination 5.2-1 – The County maintains 0.68 miles of minor rural County roadway within Maintenance District 7 (Marina View). 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 Maintenance District 7 (Marina View).

Determination 5.2-3 – The percentage of property tax established for Maintenance District 7 (Marina View) 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 Maintenance District 7 (Marina View) 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 Maintenance District 7 (Marina View) 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 approval for consolidation must be supported by the residents of 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.

5.3 - MD-8 – North Fork/Amber Lane

5.3.1 - INTRODUCTION

Maintenance District 8, Zone A (North Fork) is located in Madera County Supervisorial District 5 in the town of North Fork. The District was formed on February 1, 1966 by Resolution No. 66-35. This District provides water and sewer service for both residential and commercial properties. The funding for the water and sewer system operations comes from a combination of assessment and property taxes.

The North Fork Water System, State Identification Number 2000561, provides water service to 116.26 improved units and 33.7 standby units. The water is furnished by a hard rock well producing a total of 270 gpm. The distribution system consists of a 204,000-gallon storage tank, 8,950 feet of 6-, 8- and 10-inch C-900 PVC water mains, 15 fire hydrants, commercial and residential meters.

The North Fork Wastewater Plant provides sewer service for 150.96 improved units and 44 standby units. The plant is operated under the State Water Resources Control Board's (SWRCB) Monitoring and Reporting Program (MRP) Number 94-353. The wastewater plant is extended aeration and designed to receive a maximum dry weather daily flow of 0.06 million gallons but is limited in capacity to 38,000 gallons per day due to its effluent disposal capacity. The secondary treated and disinfected effluent is pumped to a 23-acre-foot effluent pond before being disposed of on a 20-acre spray field.

Water and sewer rates were last set on November 5, 2007, by Resolution No. 2007-241 and are based on a flat rate structure with an annual Consumer Price Index adjustment. The current rates for improved lots are \$50 per month for water service and \$86 per month for residential sewer or \$92 per month for commercial sewer service. The standby rate for sewer is \$5.95 per month; and there is no standby rate for water. The District is operating under a Compliance Order for Arsenic MCL (Department of Public Works, Municipal Services Division, 2019).

Maintenance District 8, Zone B (North Fork/Amber Lane) is located in Madera County Supervisory District 5 in the town of North Fork and accessed north from County Road 225. The District contains seven parcels served by 0.36 miles of paved roads with curb and gutter. North Fork Zone "B," Amber Lane was formed on June 27, 1995 by Resolution 95-163 and is approximately seven acres in size. "B" is for the zone of benefit within County Maintenance District 8, Zone A (water and sewer district). The creation of Zone "B" allowed for lands to be divided and other services to be provided other than sewer and water, such as roads and the maintenance of said roads. A direct assessment of \$100 per parcel, per year was set for road maintenance during the formation. These are non-County roads and are not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

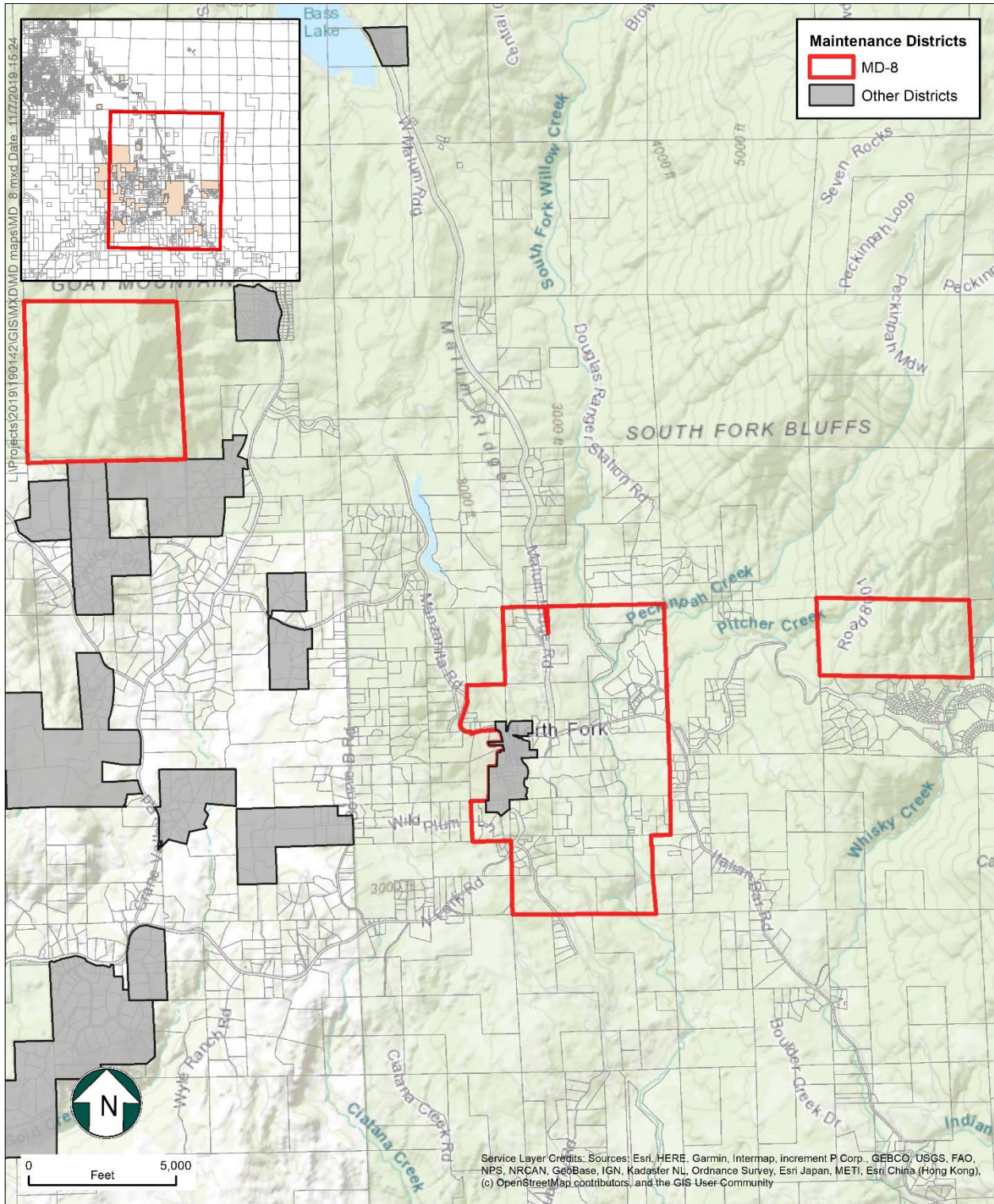


Figure 5-3
Maintenance District 8 – North Fork/Amber Lane

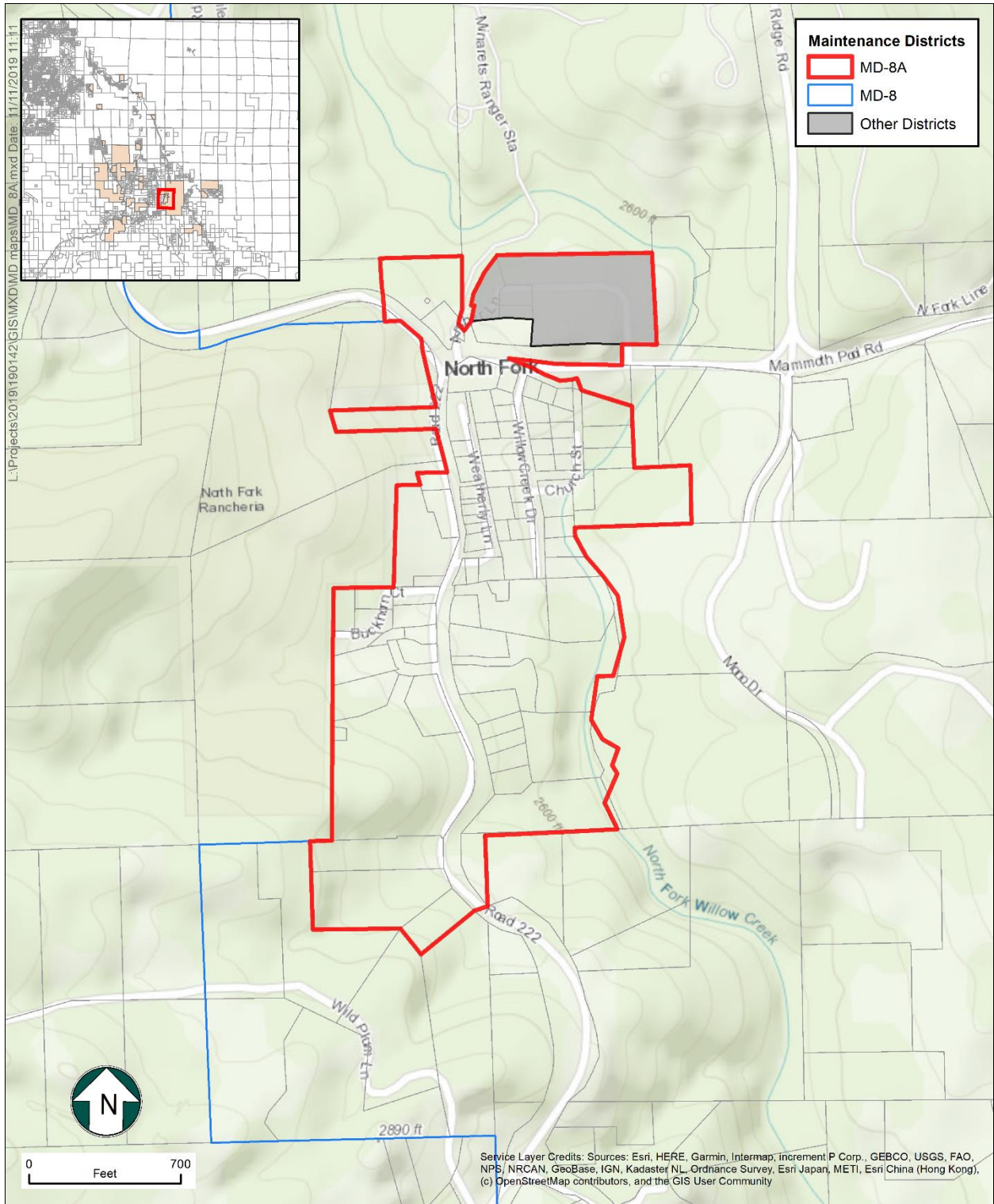


Figure 5-4
Maintenance District 8A

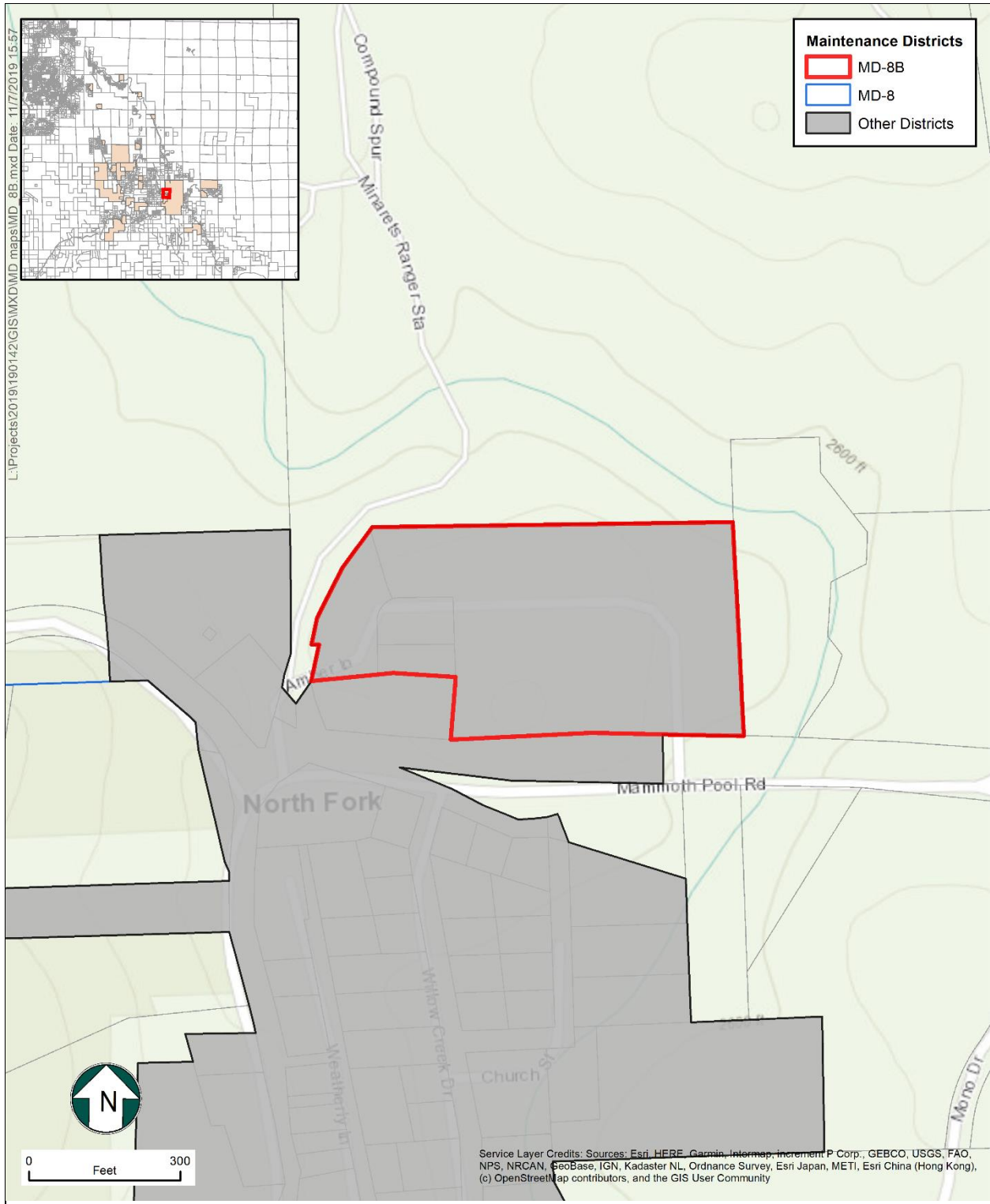


Figure 5-5
Maintenance District 8B

5.3.2 - BUDGET

The water and sewer rates for the District were set on November 5, 2007 by Resolution No. 2007-241. The total monthly utility charge for a residential lot in MD-8A is \$141.95, and \$147.95 for a commercial lot. The breakdown includes a monthly fee of \$50 for water service, \$86 for sewer service, \$92 for commercial sewer service, and \$5.95 for a sewer standby fee (Department of Public Works, Municipal Services Division, 2019).

Funding for road maintenance within MD-8B comes from a direct assessment of \$100 per parcel, per year. This assessment was set on June 27, 1995 when the District was formed. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

**Table 5-3
MD-8A Budget**

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance (Water)	\$37,290.72	\$17,562.34	\$12,950.83
Revenues (Water)	\$77,721.49	\$77,529.07	\$119,656.30
Expenses (Water)	<u>\$57,993.11</u>	<u>\$72,917.56</u>	<u>\$106,705.47</u>
Ending Cash Balance (Water)	\$17,562.34	\$12,950.83	\$---
Beginning Cash Balance (Sewer)	\$359,760.99	\$477,360.62	\$494,703.09
Revenues (Sewer)	\$240,817.42	\$194,817.92	\$225,937.00
Expenses (Sewer)	<u>\$123,217.79</u>	<u>\$177,475.45</u>	<u>\$720,640.09</u>
Ending Cash Balance (Sewer)	\$477,360.62	\$494,703.09	\$---

Source: (Department of Public Works, Municipal Services Division, 2019), (Department of Public Works, Municipal Services Division, 2019)

**Table 5-4
MD-8B Budget**

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance (Roads)	\$13,134.14	\$13,506.89	\$13,601.77
Revenues (Roads)	\$429.75	\$421.88	\$780.00
Expenses (Roads)	<u>\$57.00</u>	<u>\$327.00</u>	<u>\$14,381.77</u>
Ending Cash Balance (Roads)	\$13,506.89	\$13,601.77	\$---

Source: (Department of Public Works, Municipal Services Division, 2019), (Department of Public Works, Municipal Services Division, 2019)

In addition to the regular budgets for the District, MD-8A maintains additional budgets. First of which is the 1560 Sewer budget. One hundred percent of the District's share of property tax supports the Sewer System Operations and Maintenance. In March 1988, \$147,000 of

revenue bonds was sold to Farmers Home Administration to help construct the wastewater treatment plant. The interest rate is five percent with a term of 40 years. Final payment is due July 1, 2027. The District has \$62,541 in the Construction Fund (1563), which provides a reserve.

The District also maintains a 1563 Construction budget. This fund is being used for the improvements of the sewer system and was created as a capital project fund to account for costs of constructing a new plant or other major improvements. This should not be confused with a capital improvement fund, which would accumulate money for future plant expansion. The capital project fund accumulates the actual construction costs because they are not part of normal operations that are accounted for in Fund 1560 and because the total costs of the project must be capitalized, and the cost depreciated of the life of the improvement. Only the annual depreciation amount is to be recorded as part of the normal operations.

The 1561 Assessment District Debt Service and 1562 Assessment District Reserve Fund are also maintained by Maintenance District 8, Zone A. The recent facilities improvements required the District to borrow funds in the form of bonds or Certificates of Participation (COP). In order to make the necessary semiannual payments on the debt, the County established the debt service fund to record the actual debt service payments and the reserve fund that accounts for the accumulation of funds dedicated to the debt service payments. The reserves are established according to the terms of the bond or COP financing agreements. Funds are transferred between these accounts as required for debt service payments.

An additional water budget has also been established. In 1994, a Safe Water Drinking Water Loan was obtained for \$114,450. The interest rate is 2.965 percent with a 25-year term. The final payment was due on April 2020.

Lastly, the 1564 Assessment District Debt Service and 1565 Assessment District Reserve Funds are maintained by MD-8A. The recent facilities improvements required the District to borrow funds in the form of bonds or COP. In order to make the necessary semiannual payments on the debt, the County established the debt service fund to record the actual debt service payments and the reserve fund that accounts for the accumulation of funds dedicated to the debt service payments. The reserves are established according to the terms of the bond or COP financing agreements. Funds are transferred between these accounts as required for debt service payments (Department of Public Works, Municipal Services Division, 2019).

5.3.3 - EXISTING FACILITIES AND ASSETS

MD-8 is split into two zones. MD-8A provides water and sewer for commercial and residential properties. Water for Maintenance District 8 is supplied from one deep well which draws from a water bearing fractured rock.

A source water assessment was conducted for the North Fork well in April 2002. One contaminant exceeding the current MCL was found for arsenic; the assessment identified several areas with potential for outside contamination. These areas include above ground

storage tanks, the hardware/lumber store, transportation corridors and road right of ways, other wells in the area, and the automobile repair shop. A copy of the complete assessment may be viewed at the Madera County Environmental Health Department or by requesting a summary of the assessment from the Environmental Health Department at (559) 675-7823 (Madera County, 2018). Madera County is currently evaluating different alternatives to address this issue.

MD-8B's other main assets are the roads themselves. MD-8 provides road maintenance to seven parcels with 0.36 miles of paved roads with curb and gutter.

5.3.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts' budgets reflect general operations and maintenance.

Water and sewer rates were last set on November 5, 2007, by Resolution No. 2007-241 and are based on a flat rate structure with an annual Consumer Price Index adjustment, a flat rate structure with an annual Consumer Price Index adjustment. The current rates for improved lots are \$50 per month for water service and \$86 per month for residential sewer or \$92 per month for commercial sewer service. The standby rate for sewer is \$5.95 per month; and there is no standby rate for water. The District is operating under a Compliance Order for Arsenic MCL (Department of Public Works, Municipal Services Division, 2019). The rate has not been updated within the past five years and should be revisited in order to provide the most accurate level of service representative of the true cost.

Road maintenance within MD-8B serves seven parcels with 0.36 miles of paved roadway including curb and gutter. A direct assessment of \$100 per parcel, per year was set for road maintenance during the formation. These are non-County roads and are not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019). The rate of \$100 per parcel was not based on an engineering study and has not been adjusted for inflation. Therefore, this rate is likely deficient to provide an appropriate level of maintenance for the residents that receive the service. As has been the case historically throughout Madera County, road maintenance districts may have been established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, MD-8B should revisit this rate and attempt to establish a funding mechanism appropriate for providing this service.

5.3.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

If possible, maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system between Maintenance District 8 and other nearby providers. However, there are no adjacent districts to the MD-8 zones of benefit, which limits the District's potential for possible consolidation. However, County Service Area 21 is adjacent to the District SOI, and Maintenance District 97 is nearby.

Because CSA-21 currently is unable to provide an appropriate level of service, the County should consider possibly consolidating the service area and MD-97 into the Maintenance District 8 system, dissolving the eastern portion of the SOI into a new CSA or CSD formed by CSA-21 and MD-97 separately.

Madera County Public Works has obtained grant funding to add multiple existing public water systems within the area and annex them to MD-8A. The inclusion of the Old Mill Site, Bass Lake Mobile Home Park, the Hovannisian development, and the North Fork School to the MD-8A system has been funded through grants in order to extend lines and treatment to these residents. The inclusion of these areas is already within the boundaries of MD-8 and would simply require annexation to Zone A for water system. If there is a different rate required for these areas, a new zone of benefit may be created. However, the consolidation of these systems with MD-8 is a goal of the State Water Board and ultimately is a better utilization of local resources (Wagner, 2019).

Cascadel Mutual Water System (CMWS) operates in the vicinity of these districts. As the CMWS is a private company, LAFCo has no jurisdiction to regulate or compel consolidation or annexation between CMWS and other agencies. However, coordinated municipal service delivery is the overarching goal of LAFCo. Should the time arise where CMWS ceases operation or is willing to consider annexation to another agency, LAFCo and the County should coordinate in order to develop feasibility recommendations for the best results. If possible, the Cascadel Mutual Water System should also be included in the new potential CSA or CSD.

In order to determine the most cost-effective approach for the community, the County should enter discussions with LAFCo in order to study current conditions and the feasibility of the proposed options.

5.3.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

As previously stated, water and sewer rates were last set on November 5, 2007, by Resolution No. 2007-241 and are based on a flat rate structure with an annual Consumer Price Index adjustment. The current rates for improved lots are \$50 per month for water service and \$86 per month for residential sewer or \$92 per month for commercial sewer service. The standby rate for sewer is \$5.95 per month; and there is no standby rate for water. However, the rate has not been updated within the past five years and should be revisited in order to provide the most accurate level of service representing the true cost.

MD-8B has an established flat rate of \$100 per parcel annually, which is likely deficient to provide the needed level of service for road maintenance. Therefore, one opportunity for rate restructuring would be 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.

5.3.7 - GOVERNANCE

All of the CSAs and MDs in Madera County are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.

5.3.8 - DETERMINATIONS

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 miles of non-County roadway within Maintenance District 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 Maintenance District 8 (North Fork/Amber Lane).

Determination 5.3-3 – The rate established for Maintenance District 8, Zone A (North Fork/Amber Lane) 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 Maintenance District 8, Zone B (North Fork/Amber Lane) 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 Maintenance District 8 (North Fork/Amber Lane) sphere of influence with the CSA-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-21, MD-97, and Maintenance District 8 (North Fork/Amber Lane) by conducting feasibility and rate studies.

Determination 5.3-8 – If ever the 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.

5.4 - MD-11 – Bass Lake Heights**5.4.1 - INTRODUCTION**

Maintenance District 11 (Bass Lake Heights) is located in Madera County Supervisory District 5, approximately five miles east of Oakhurst and accessed northeast from County Road 426. The District contains 108 parcels served by 0.98 miles of paved roads. This District provides road service for a small residential development. Bass Lake Heights was formed on June 3, 1964, by Resolution No. 64-253 and is approximately 44 acres in size.

When the District was formed there was no direct assessment set for road maintenance. This District is pre-Proposition 13 and receives a portion of property taxes to assist in road maintenance. These roads are minor rural County roads which are included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

5.4.2 - BUDGET

As previously stated, there is no funding for road maintenance within MD-11 from a direct assessment. This was decided on June 3, 1964 when the District was formed. These are minor rural County roads and included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

**Table 5-5
MD-11 (Road) Budget**

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$88,906.69	\$96,509.88	\$104,340.89
Revenues	\$9,728.25	\$9,805.01	\$9,025.00
Expenses	\$2,125.06	\$1,974.00	\$113,365.89
Ending Cash Balance	\$96,509.88	\$104,340.89	\$---

Source: (Department of Public Works Municipal Services Division, 2019)

5.4.3 - EXISTING FACILITIES AND ASSETS

MD-11's only assets are the roads themselves. MD-11 provides road maintenance to 108 residential parcels with 0.98 miles of paved roads.

5.4.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts' budgets reflect general operations and maintenance.

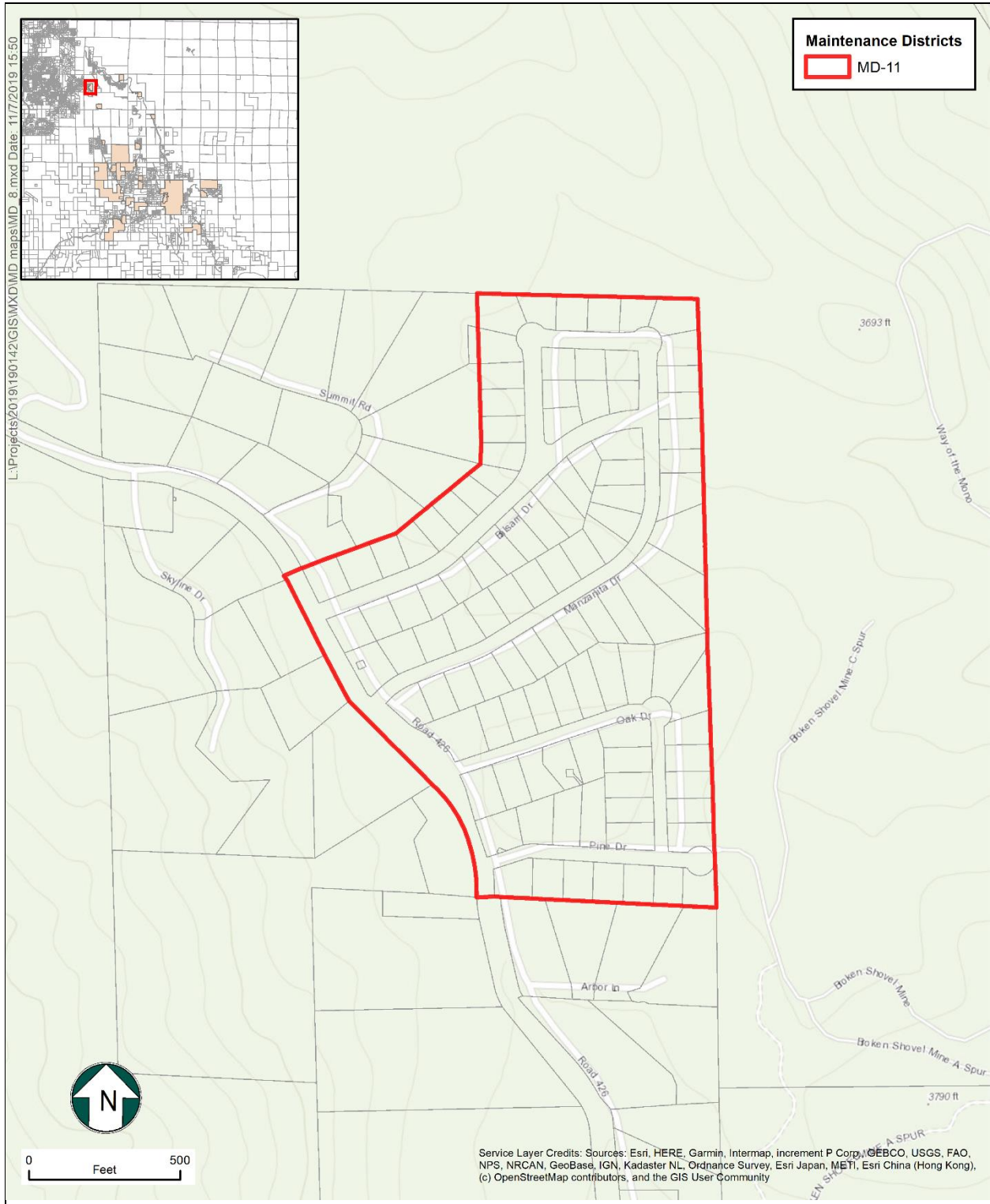


Figure 5-6
Maintenance District 11 – Bass Lake Heights 1-3

Road maintenance within MD-11 serves 108 parcels with 0.98 miles of paved roadway. When the District was formed there was no direct assessment set for road maintenance. This District is pre-Proposition 13 and receives a portion of property taxes to assist in road maintenance. These roads are minor rural County roads which are included in the County’s maintained road system (Department of Public Works, Municipal Services Division, 2019). These rates were last set in 1964. Therefore, revenues are likely deficient to provide an appropriate level of maintenance for the residents that receive the service. As has been the case historically throughout Madera County, road maintenance districts may have been established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, MD-11 should revisit the idea of setting a direct assessment rate and attempt to establish a funding mechanism appropriate for providing this service.

5.4.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

Maintenance is provided by the Madera County Maintenance and Operations Division (Madera County Public Works- Maintenance & Operations , n.d.). It is not possible to share road assets between districts, but maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system.

There are no adjacent districts to MD-11. However, Maintenance District 11 (Bass Lake Heights) lies on the southwestern portion of Bass Lake within the sphere of influence of CSA-2, alongside MD-86 and overlapping the Bass Lake Heights Mutual Water Company boundaries. Due to the close proximity of various districts to one another, it may be possible to consolidate services in order to streamline providers and create an economy of scale. District consolidation can be completed through a variety of methods.

Maintenance District 11 has multiple options that can be considered in order to organize service delivery. One way to combine services would be to create a new maintenance district. However, maintenance districts do not contain spheres of influence, and thus inhibit the County from revising the boundaries of the District in order to meet future service needs. It may prove viable to create a County service area or community service district, which do contain spheres of influence and can be adjusted on a regular basis. Therefore MD-11 and 86 could be consolidated and form a County service area or community services district.

Bass Lake Heights Mutual Water Company (BLHMWC) operates in the same location as MD-11. As the BLHMWC is a private company, LAFCo has no jurisdiction to regulate or compel consolidation or annexation between BLHMWC and other agencies. However, coordinated municipal service delivery is the overarching goal of LAFCo. Should the time arise where BLHMWC ceases operation or is willing to consider annexation to another agency, LAFCo and the County should coordinate in order to develop feasibility recommendations for the best results. If possible, the Bass Lake Heights Mutual Water Company should also be included in the new potential CSA or CSD.

Consolidating districts within the southern portion of Bass Lake would streamline service providers. Significant coordination and investigation of current conditions would need to take place prior to any actions being undertaken.

5.4.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

MD-11 has not established a direct assessment fee, which is likely deficient to provide the needed level of service for road maintenance. Therefore, one opportunity for rate restructuring would be 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.

5.4.7 - GOVERNANCE

All of the CSAs and MDs in Madera County are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.

5.4.8 - DETERMINATIONS

Determination 5.4-1 – The County maintains 0.98 miles of minor rural County roadway within Maintenance District 11 (Bass Lake Heights). 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 Maintenance District 11 (Bass Lake Heights) 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 Maintenance District 11 (Bass Lake Heights).

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 Maintenance District 11 (Bass Lake Heights) 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.

5.5 - MD-15 – Fine Gold Creek**5.5.1 - INTRODUCTION**

Maintenance District 15 (Fine Gold Creek) is located in Madera County Supervisory District 5, about three miles northwest of North Fork and accessed east from County Road 223. The District has approximately 50 parcels with 1.08 miles of paved roads, 0.72 miles of chipped sealed road and 0.09 miles of unpaved road. This District provides road service for a small residential development. Fine Gold Creek was formed on October 13, 1964, by Resolution 64-411 and is approximately 78.82 acres in size.

When the District was formed there was no direct assessment set for road maintenance. These roads are minor rural County roads which are included in the County's maintained road system. This District is pre-Proposition 13 and receives a portion of property tax to assist in road maintenance (Department of Public Works, Municipal Services Division, 2019).

5.5.2 - BUDGET

As previously stated, there is no funding for road maintenance within MD-15 from a direct assessment. This was decided on October 13, 1964, when the District was formed. These are minor rural County roads and included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

Table 5-6
MD-15 (Road) Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$2,196.26	\$3,094.99	\$3,731.24
Revenues	\$2,024.62	\$1,962.98	\$1,797.00
Expenses	<u>\$1,125.89</u>	<u>\$1,326.73</u>	<u>\$5,528.24</u>
Ending Cash Balance	\$3,094.99	\$3,731.24	\$---

Source: (Department of Public Works Municipal Services Division, 2019)

5.5.3 - EXISTING FACILITIES AND ASSETS

MD-15's only assets are the roads themselves. MD-15 provides road maintenance to 50 residential parcels with 1.08 miles of paved roads, 0.72 miles of chipped sealed road and 0.09 miles of unpaved road.

5.5.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts' budgets reflect general operations and maintenance.

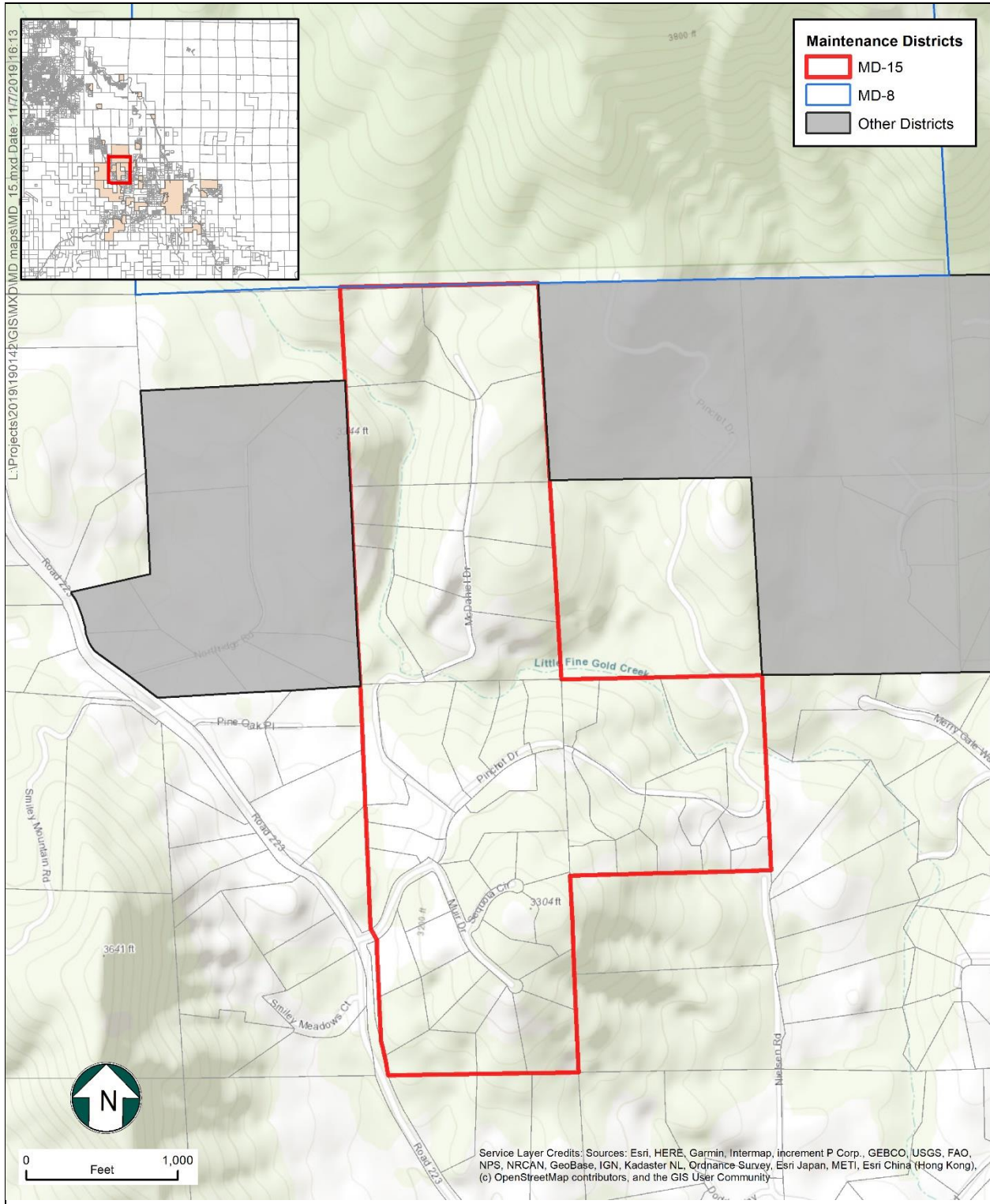


Figure 5-7
Maintenance District 15 – Fine Gold Creek

Road maintenance within MD-15 serves 50 parcels with 1.08 miles of paved roadway, 0.72 miles of chipped sealed road and 0.09 miles of unpaved road. When the District was formed there was no direct assessment set for road maintenance. These roads are minor rural County roads which are included in the County's maintained road system. This District is pre-Proposition 13 and receives a portion of property tax to assist in road maintenance (Department of Public Works, Municipal Services Division, 2019). These rates were last set in 1964. Therefore, revenues are likely deficient to provide an appropriate level of maintenance for the residents that receive the service. As has been the case historically throughout Madera County, road maintenance districts may have been established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, MD-15 should revisit the idea of setting a direct assessment rate and attempt to establish a funding mechanism appropriate for providing this service.

5.5.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

Maintenance is provided by the Madera County Maintenance and Operations Division (Madera County Public Works- Maintenance & Operations , n.d.). It is not possible to share road assets between districts, but maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system.

Maintenance District 15 (Fine Gold Creek) is adjacent to MD-74 and 104. Similarly, these districts are within a close proximity to MD-55 and MD-58. If possible, MD-15 should be consolidated with the MD-55, 58, 74 and 104 systems to form a new district. This would streamline service providers and create an economy of scale.

Maintenance District 15 has multiple options that can be considered in order to organize service delivery. One way to combine services would be to create a new maintenance district. However, maintenance districts do not contain spheres of influence, and thus inhibit the County from revising the boundaries of the District in order to meet future service needs. Therefore, it may prove viable to create a County service area or community services district, which do contain spheres of influence and can be adjusted on a regular basis.

In order to determine the most appropriate path for the districts, the County should enter discussions with LAFCo in order to study current conditions and the feasibility of the proposed options.

5.5.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

MD-15 has not established a direct assessment fee, which is likely deficient to provide the needed level of service for road maintenance. Therefore, one opportunity for rate restructuring would be 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.

5.5.7 - GOVERNANCE

All of the CSAs and MDs in Madera County are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.

5.5.8 - DETERMINATIONS

Determination 5.5-1 – The County maintains 1.89 miles of minor rural County roadway within Maintenance District 15 (Fine Gold Creek). 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 Maintenance District 15 (Fine Gold Creek) 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 Maintenance District 15 (Fine Gold Creek).

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 Maintenance District 15 (Fine Gold Creek) with the Maintenance District 55, 58, 74, and 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 Maintenance District 15 (Fine Gold Creek) with nearby districts by conducting feasibility and rate studies.

5.6 - MD-18 – Leisure Acres

5.6.1 - INTRODUCTION

Maintenance District 18 (Leisure Acres) is located in Madera County Supervisory District 5, about four miles southwest of North Fork and accessed south from County Road 200. The District contains 53 parcels with 1.76 miles of paved roads. This District provides road service for a small residential development. Leisure Acres was formed on March 23, 1965, by Resolution 65-86 and is approximately 464 acres in size.

When the District was formed there was no direct assessment set for road maintenance. This District is pre-Proposition 13 and receives a portion of property taxes to assist in road maintenance. These roads are minor rural County roads which are included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

5.6.2 - BUDGET

As previously stated, there is no funding for road maintenance within MD-18 from a direct assessment. This was decided on March 23, 1965, when the District was formed. These are minor rural County roads and included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

Table 5-7
MD-18 (Road) Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$213,320.64	\$226,495.85	\$237,255.91
Revenues	\$14,689.07	\$14,129.23	\$13,145.00
Expenses	\$1,513.86	\$3,369.17	\$250,400.91
Ending Cash Balance	\$226,495.85	\$237,255.91	\$---

Source: (Department of Public Works Municipal Services Division, 2019)

5.6.3 - EXISTING FACILITIES AND ASSETS

MD-18's only assets are the roads themselves. MD-18 provides road maintenance to 53 residential parcels with 1.76 miles of paved roads.

5.6.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts' budgets reflect general operations and maintenance.

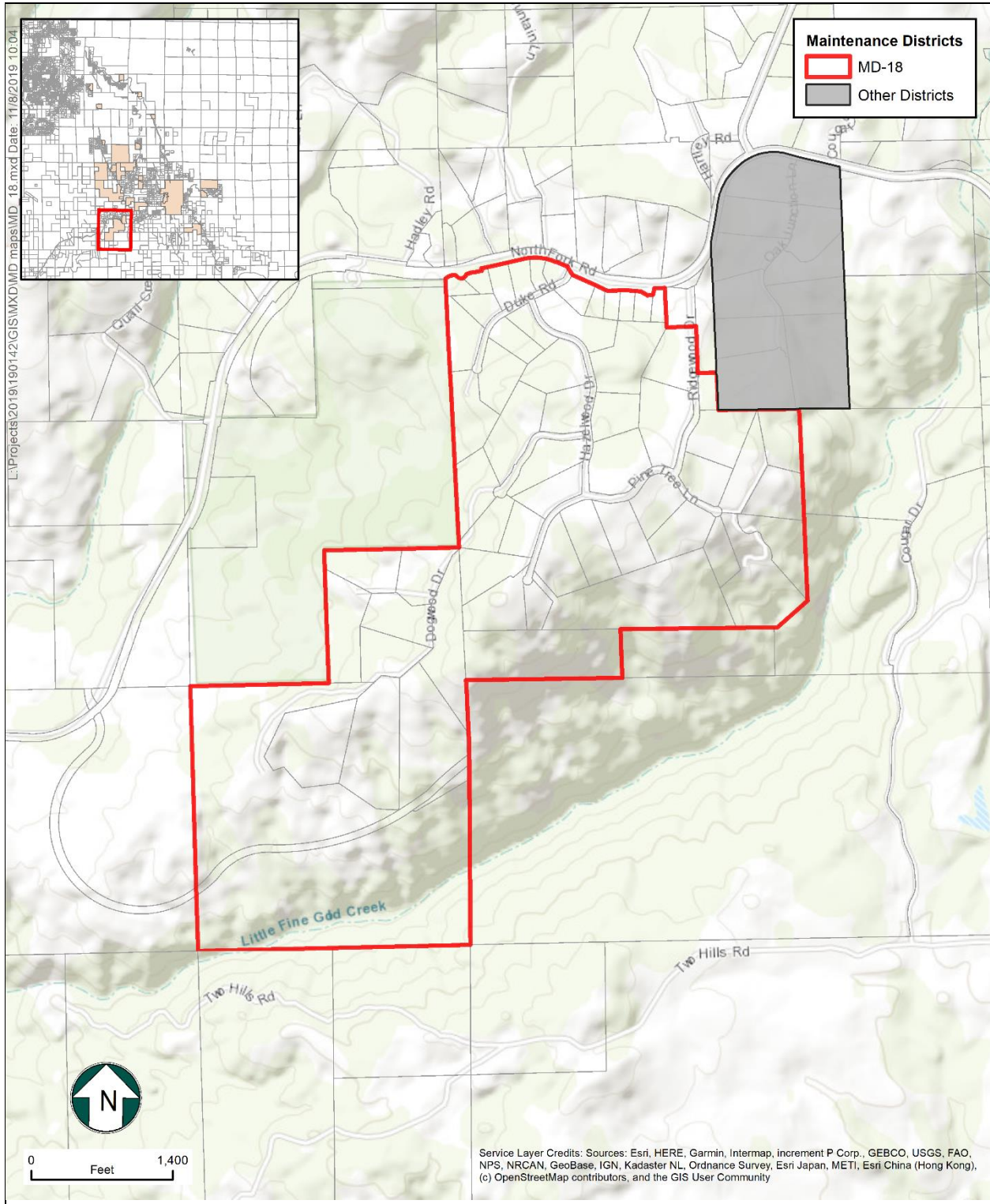


Figure 5-8
Maintenance District 18 – Leisure Acres

Road maintenance within MD-18 serves 53 parcels with 1.76 miles of paved roadway. When the District was formed there was no direct assessment set for road maintenance. This District is pre-Proposition 13 and receives a portion of property taxes to assist in road maintenance. These roads are minor rural County roads which are included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019). These rates were last set in 1965. Therefore, revenues are likely deficient to provide an appropriate level of maintenance for the residents that receive the service. As has been the case historically throughout Madera County, road maintenance districts may have been established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, MD-18 should revisit the idea of setting a direct assessment rate and attempt to establish a funding mechanism appropriate for providing this service.

5.6.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

Maintenance is provided by the Madera County Maintenance and Operations Division (Madera County Public Works- Maintenance & Operations , n.d.). It is not possible to share road assets between districts, but maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system.

Maintenance District 18 (Leisure Acres) is adjacent to MD-69, and Leisure Acres Mutual Water Company (LAMWC) services overlap with the boundaries of the District. If possible, MD-18 should be consolidated with the MD-69 system to form a new district. This would streamline service providers and create an economy of scale.

Maintenance District 18 has multiple options that can be considered in order to organize service delivery with MD-69. One way to consolidate services would be to create a new maintenance district. However, maintenance districts do not contain spheres of influence, and thus inhibit the County from revising the boundaries of the District in order to meet future service needs. Therefore, it may prove viable to create a County service area or community services district, which do contain spheres of influence and can be adjusted on a regular basis.

As LAMWC is a private company, LAFCo has no jurisdiction to regulate or compel consolidation or annexation between LAMWC and other agencies. However, coordinated municipal service delivery is the overarching goal of LAFCo. Should the time arise where LAMWC ceases operation or is willing to consider annexation to another agency, LAFCo and the County should coordinate in order to develop feasibility recommendations for the best results. If necessary, the LAMWC water system could be consolidated with the Maintenance District 18 system or the new potential Maintenance District 18 and 69 MD, CSA or CSD. This would streamline service providers and make it more efficient by offering road maintenance and water services through the same entity. Significant coordination and investigation of current conditions would need to take place prior to any options being undertaken.

In order to determine the most appropriate path for the districts and water company, the County should enter discussions with LAFCo in order to study current conditions and the feasibility of the proposed options.

5.6.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

MD-18 has not established a direct assessment fee, which is likely deficient to provide the needed level of service for road maintenance. Therefore, one opportunity for rate restructuring would be 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.

5.6.7 - GOVERNANCE

All of the CSAs and MDs are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.

5.6.8 - DETERMINATIONS

Determination 5.6-1 – The County maintains 1.76 miles of minor rural County roadway within Maintenance District 18 (Leisure Acres). 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 Maintenance District 18 (Leisure Acres) 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 Maintenance District 18 (Leisure Acres).

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 Maintenance District 18 (Leisure Acres) with neighboring Maintenance District 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 Maintenance District 18 (Leisure Acres) with Maintenance District 69 by conducting feasibility and rate studies.

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

Determination 5.6-8 – In the event that Leisure Acres Mutual Water Company desires consolidating systems with Maintenance District 18 or the potential MD, CSA or CSD, the County shall coordinate with LAFCo to conduct feasibility and rate studies.

5.7 - MD-24 – Teaford Meadows Lakes

5.7.1 - INTRODUCTION

Maintenance District 24 (Teaford Meadows Lakes) is located in Madera County Supervisory District 5, approximately six miles northwest of North Fork and accessed east from County Road 223. The District contains 64 parcels served by 0.46 miles of paved roads. This District provides road, water, and sewer service for a small residential development. Teaford Meadows Lakes was formed on May 21, 1968 by Resolution 68-211 and approximately 25 acres in size.

When the District was formed there was no direct assessment set for road maintenance. This area receives a portion of property tax to assist in road maintenance. These roads are minor rural County roads which are included in the County's maintained road system. These are pre-Proposition 13 funded by property taxes received by the District (Department of Public Works, Municipal Services Division, 2019).

The District was formed on April 9, 1968, by Resolution No. 68-164 to operate and maintain the water system, sewer system, and roads for a small residential community within its boundaries.

The Teaford Meadows Water System, State Identification Number 2000552, provides service to 59 improved units and five standby units. In addition, there are eight contract water service connections consisting of seven improved units and one standby unit. The system has four hard rock wells consisting of two active wells (#2 & #4) and two inactive wells (#1 & #3). The wells pump directly into the distribution system that consists of 6,300 feet of 4- and 6-inch AC water mains which back feed a 115,000-gallon storage tank.

The Teaford Meadows Sewer System, WDR #85-110, provides service to 59 improved units and five standby units. The sewer system consists of 4,330 feet of 4-, 6-, and 8-inch AC main collection system, 0.025 million gallons per day (MGD) extended aeration treatment plant and effluent disposal spray fields. Water and sewer rates are billed monthly and were last set on December 9, 2008 by Resolution No. 2008-273 with an annual Consumer Price Index adjustment. The District is operating under a Compliance Order for Arsenic MCL (Department of Public Works, Municipal Services Division, 2019).

5.7.2 - BUDGET

The water and sewer rates for the District were set on December 9, 2008, by Resolution No. 2008-273. The current rates are \$103 per month for improved parcels and \$11 for standby. The contract water rates are \$59.67 per month for improved and \$5.33 per month for standby (Department of Public Works, Municipal Services Division, 2019).

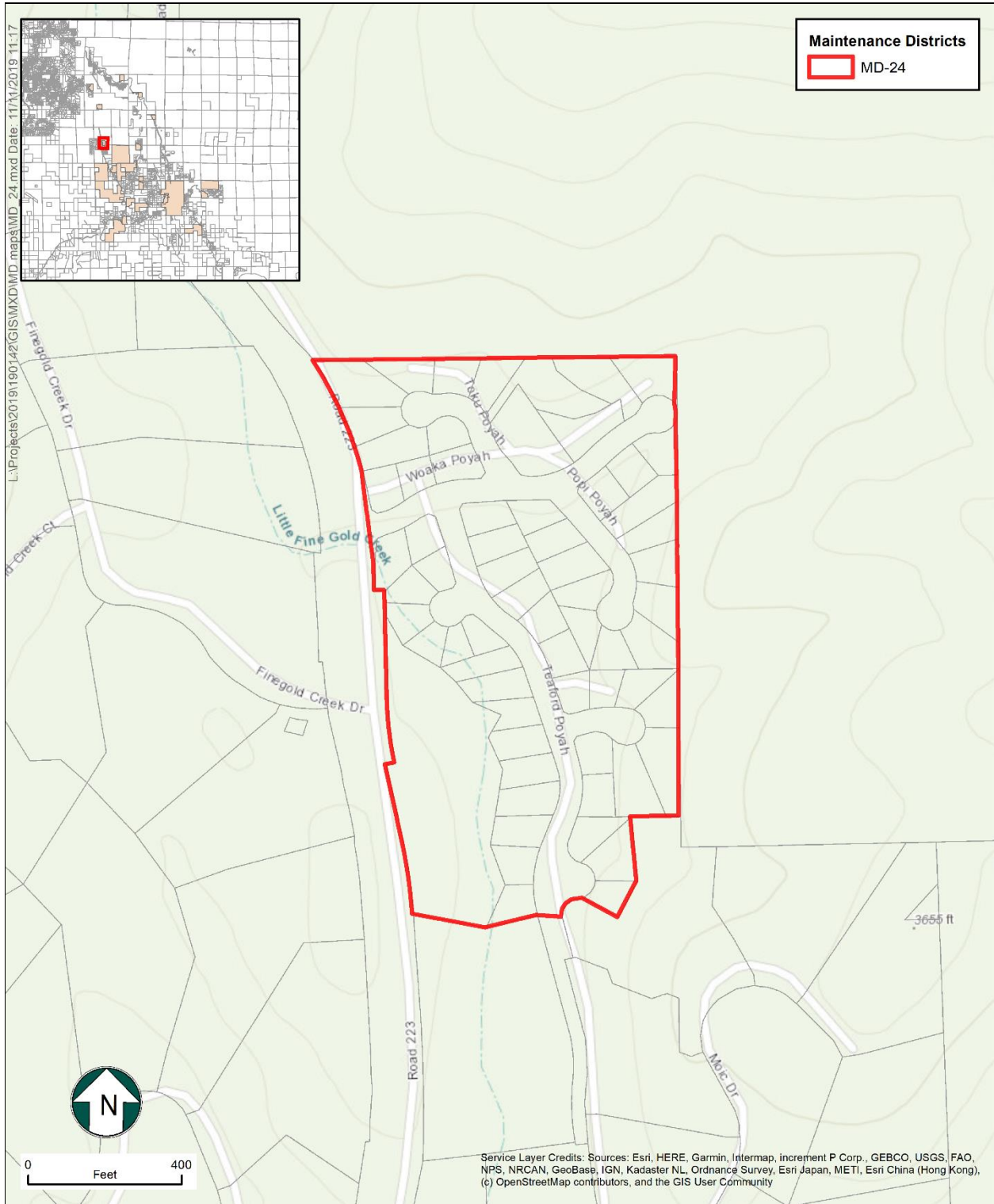


Figure 5-9
Maintenance District 24 – Teaford Meadows Lakes

As previously stated, there is no funding for road maintenance within MD-18 from a direct assessment. This was decided on May 21, 1968, when the District was formed. These are minor rural County roads and included in the County’s maintained road system (Department of Public Works, Municipal Services Division, 2019).

Table 5-8
MD-24 Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$189,828.63	\$233,099.83	\$200,884.66
Revenues	\$113,052.16	\$123,227.23	\$525,064
Expenses (Roads)	\$1,995.23	\$1,778.55	\$3,282.76
Expenses (Water)	\$32,864.25	\$112,347.66	\$605,596.29
Expenses (Sewer)	\$36,916.71	\$43,094.74	\$120,352.37
Ending Cash Balance	\$233,099.83	\$200,884.66	\$---

Source: (Department of Public Works Municipal Services Division, 2019)

5.7.3 - EXISTING FACILITIES AND ASSETS

MD-24 contains assets within the road, water, and sewer systems. MD-24 provides road maintenance to 64 residential parcels with 0.46 miles of paved roads.

The Teaford Meadows Water System, State Identification Number 2000552, provides service to 59 improved units and five standby units. In addition, there are eight contract water service connections consisting of seven improved units and one standby unit. The system has four hard rock wells consisting of two active wells (#2 & #4) and two inactive wells (#1 & #2). The wells pump directly into the distribution system that consists of 6,300 feet of 4- and 6-inch AC water mains which back feed a 115,000-gallon storage tank.

The Teaford Meadows Sewer System, WDR #85-110, provides service to 59 improved units and five standby units. The sewer system consists of 4,330 feet of 4-, 6-, and 8-inch AC main collection system, 0.025 MGD extended aeration treatment plant and effluent disposal spray fields (Department of Public Works, Municipal Services Division, 2019).

5.7.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts’ budgets reflect general operations and maintenance.

Road maintenance within MD-24 serves 64 parcels with 0.46 miles of paved roadway. When the District was formed there was no direct assessment set for road maintenance. This area receives a portion of property tax to assist in road maintenance. These roads are minor rural County roads which are included in the County’s maintained road system. These are pre-

Proposition 13 funded by property taxes received by the District (Department of Public Works, Municipal Services Division, 2019). These rates were last set in 1968. Therefore, this rate is likely deficient to provide an appropriate level of maintenance for the residents that receive the service. As has been the case historically throughout Madera County, road maintenance districts may have been established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, MD-24 should reconsider implementing a rate and attempt to establish a funding mechanism appropriate for providing this service.

The District provides water to seven improved units and one standby through the Teaford Meadows Water System. Sewer service is provided for 59 improved units and five standby units by the Teaford Meadows Sewer System. Water and sewer rates are billed monthly and were last set on December 9, 2008 by Resolution No. 2008-273 with an annual Consumer Price Index adjustment. (Department of Public Works, Municipal Services Division, 2019). The rate has not been updated within the past five years and should be revisited in order to provide the most accurate level of service representative of the true cost.

5.7.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

Maintenance is provided by the Madera County Maintenance and Operations Division (Madera County Public Works- Maintenance & Operations , n.d.). It is not possible to share road assets between districts, but maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system.

There are no adjacent maintenance districts to Maintenance District 24. However, Maintenance District 24 (Teaford Meadows Lakes) is adjacent to CSA-15. If possible, MD-24 should be consolidated with the CSA-15 system to form a new district. This would streamline service providers and create an economy of scale.

Maintenance District 24 has multiple options that can be considered in order to organize service delivery. One way to consolidate services would be to create a new maintenance district. However, maintenance districts do not contain spheres of influence, and thus inhibit the County from revising the boundaries of the District in order to meet future service needs. Therefore, it may prove viable to create a County service area or community services district, which do contain spheres of influence and can be adjusted on a regular basis.

In order to determine the most appropriate path for the districts, the County should enter discussions with LAFCo in order to study current conditions and the feasibility of the proposed options.

5.7.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

MD-24 has not established a direct assessment fee for road maintenance, which is likely deficient to provide the needed level of service. Therefore, one opportunity for rate restructuring would be 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.

Water and sewer rates were last set on December 9, 2008. The rate has not been updated within the past five years and should be revisited in order to provide the most accurate level of service representing the true cost.

5.7.7 - GOVERNANCE

All of the CSAs and MDs are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.

5.7.8 - DETERMINATIONS

Determination 5.7-1 – The County maintains 0.46 miles of minor rural County roadway within Maintenance District 24 (Teaford Meadows Lakes). 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 and sewer services to 59 improved units, five standby units and eight contract units with an annual Consumer Price Index adjustment.

Determination 5.7-2 – The rate established for Maintenance District 24 (Teaford Meadows Lakes) 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 Maintenance District 24 (Teaford Meadows Lakes) 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 Maintenance District 24 (Teaford Meadows Lakes).

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 Maintenance District 24 (Teaford Meadows Lakes) with the neighboring County Service Area 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 Maintenance District 24 (Teaford Meadows Lakes) with County Service Area 15 by conducting feasibility and rate studies.

5.8 - MD-25 – Bass Lake Annex**5.8.1 - INTRODUCTION**

Maintenance District 25 (Bass Lake Annex) is located in Madera County Supervisory District 5, three and one-half miles northwest of North Fork and accessed from County Road 222. The District has 63 parcels with 0.86 miles of paved roads. This District provides road service for a small residential development. Bass Lake Annex was formed on October 7, 1969, by Resolution 69-338 and approximately 62 acres in size.

When the District was formed there was no direct assessment set for road maintenance. This area receives a portion of property tax to assist in road maintenance. These roads are minor rural County roads which are included in the County's maintained road system. These are pre-Proposition 13 funded by property taxes received by the District (Department of Public Works, Municipal Services Division, 2019).

5.8.2 - BUDGET

As previously stated, there is no funding for road maintenance within MD-25 from a direct assessment. This was decided on October 7, 1969, when the District was formed. These are minor rural County roads and included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

Table 5-9
MD-25 (Road) Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$63,657.36	\$68,337.43	\$72,786.97
Revenues	\$5,168.08	\$5,083.54	\$4,680.00
Expenses	<u>\$488.01</u>	<u>\$634.00</u>	<u>\$77,466.97</u>
Ending Cash Balance	\$68,337.43	\$72,786.97	\$---

Source: (Department of Public Works Municipal Services Division, 2019)

5.8.3 - EXISTING FACILITIES AND ASSETS

MD-25's only assets are the roads themselves. MD-25 provides road maintenance to 63 residential parcels with 0.86 miles of paved roads.

5.8.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts' budgets reflect general operations and maintenance.

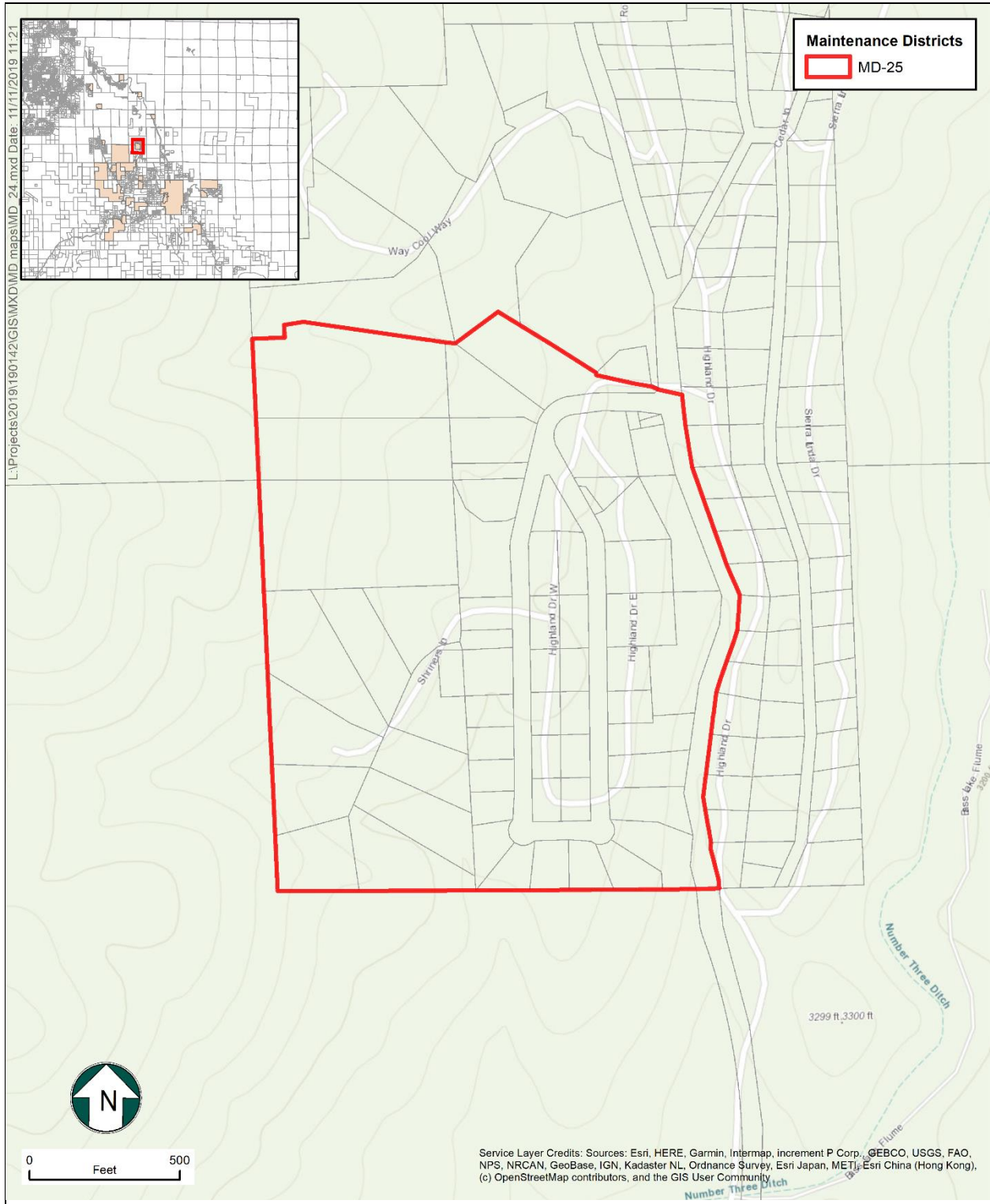


Figure 5-10
Maintenance District 25 – Bass Lake Annex

Road maintenance within MD-25 serves 63 parcels with 0.86 miles of paved roadway. When the District was formed there was no direct assessment set for road maintenance. This area receives a portion of property tax to assist in road maintenance. These roads are minor rural County roads which are included in the County's maintained road system. These are pre-Proposition 13 funded by property taxes received by the District (Department of Public Works, Municipal Services Division, 2019). Therefore, revenues are likely deficient to provide an appropriate level of maintenance for the residents that receive the service. As has been the case historically throughout Madera County, road maintenance districts may have been established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, MD-25 should revisit the idea of setting a direct assessment rate and attempt to establish a funding mechanism appropriate for providing this service.

5.8.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

Maintenance is provided by the Madera County Maintenance and Operations Division (Madera County Public Works- Maintenance & Operations , n.d.). It is not possible to share road assets between districts, but maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system.

Although there are no adjacent districts to MD-25, the District shares boundaries with the Sierra Linda Mutual Water Company (SLMWC). As the SLMWC is a private company, LAFCo has no jurisdiction to regulate or compel consolidation or annexation between the SLMWC and other agencies. However, coordinated municipal service delivery is the overarching goal of LAFCo. Should the time arise where the SLMWC ceases operation or is willing to consider annexation to another agency, LAFCo and the County should coordinate in order to develop feasibility recommendations for the best results. If possible, the SLMWC water system could be consolidated with the Maintenance District 25 system. This would streamline service providers and make it more efficient by offering road maintenance and water services through the same entity.

Maintenance District 25 has multiple options that can be considered in order to organize service delivery if combined with the Sierra Linda Mutual Water Company. One way to consolidate services would be to create a new maintenance district. However, maintenance districts do not contain spheres of influence, and thus inhibit the County from revising the boundaries of the District in order to meet future service needs. Therefore, it may prove viable to create a County service area or community services district, which do contain spheres of influence and can be adjusted on a regular basis. Significant coordination and investigation of current conditions would need to take place prior to any options being undertaken.

In order to determine the most appropriate path for the districts and water company, the County should enter discussions with LAFCo in order to study current conditions and the feasibility of the proposed options.

5.8.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

MD-25 has not established a direct assessment fee, which is likely deficient to provide the needed level of service for road maintenance. Therefore, one opportunity for rate restructuring would be 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.

5.8.7 - GOVERNANCE

All of the CSAs and MDs in Madera County are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.

5.8.8 - DETERMINATIONS

Determination 5.8-1 – The County maintains 0.86 miles of minor rural County roadway within Maintenance District 25 (Bass Lake Annex). 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 Maintenance District 25 (Bass Lake Annex) 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 Maintenance District 25 (Bass Lake Annex).

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 is unable to continue to provide services, for whatever reason, the SLMWC system could be consolidated with Maintenance District 25, either as an MD, CSA, or CSD.

Determination 5.8-6 – In the event that Sierra Linda Mutual Water Company desires consolidating systems with Maintenance District 25, the County shall coordinate with LAFCo to conduct feasibility and rate studies.

5.9 - MD-55 – Woodland Pond**5.9.1 - INTRODUCTION**

Maintenance District 55 (Woodland Pond) is located in Madera County Supervisory District 5, three miles west of North Fork and accessed south from Road 223. The District has approximately 26 parcels with 0.65 miles of paved roads and 4.16 miles of unpaved roads.

This District provides road service for a small residential development. Woodland Pond was formed on March 17, 1992, by Resolution 92-90 and is approximately 917 acres in size. When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

5.9.2 - BUDGET

Funding for road maintenance within MD-55 comes from a direct assessment of \$100 per parcel, per year. This assessment was set on March 17, 1992, when the District was formed. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

Table 5-10
MD-55 (Road) Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$42,210.87	\$43,451.64	\$44,718.20
Revenues	\$3,124.15	\$3,115.56	\$2,840.00
Expenses	<u>\$1,883.38</u>	<u>\$1,849.00</u>	<u>\$47,558.20</u>
Ending Cash Balance	\$43,451.64	\$44,718.20	\$---

Source: (Department of Public Works Municipal Services Division, 2019)

5.9.3 - EXISTING FACILITIES AND ASSETS

MD-55's only assets are the roads themselves. MD-55 provides road maintenance to 26 residential parcels with 0.65 miles of paved roads and 4.16 miles of unpaved roads.

5.9.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts' budgets reflect general operations and maintenance.

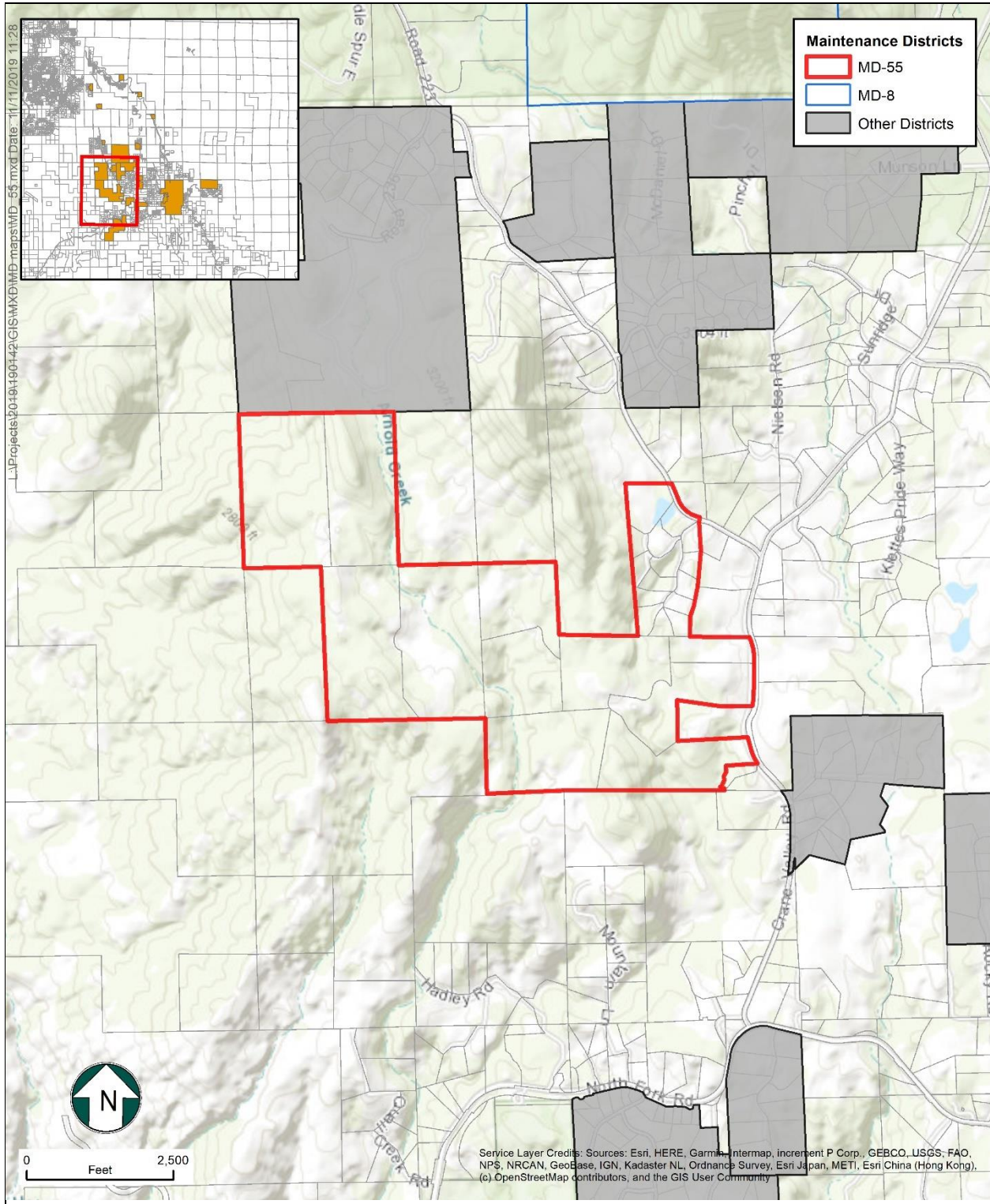


Figure 5-11
Maintenance District 55 – Woodland Pond

Road maintenance within MD-55 serves 26 parcels with 0.65 miles of paved roads and 4.16 miles of unpaved roadway. When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County’s maintained road system (Department of Public Works, Municipal Services Division, 2019). The rate of \$100 per parcel was not based on an engineering study and has not been adjusted for inflation. Similarly, these rates were last set in 1992. Therefore, this rate is likely deficient to provide an appropriate level of maintenance for the residents that receive the service. As has been the case historically throughout Madera County, road maintenance districts may have been established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, MD-55 should revisit this rate and attempt to establish a funding mechanism appropriate for providing this service.

5.9.5 - OPPORTUNITIES FOR RATE RESTRUCTURING

MD-55 has an established flat rate of \$100 per parcel annually, which is likely deficient to provide the needed level of service for road maintenance. Therefore, one opportunity for rate restructuring would be 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.

5.9.6 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

It is not possible to share road assets between districts, but maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system.

Maintenance District 55 (Woodland Pond) is adjacent to MD-58. Similarly, these districts are within a close proximity to Maintenance Districts 15, 74 and 104. If possible, MD-55 should be consolidated with the MD-15, 58, 74 and 104 systems to form a new district. This would streamline service providers and create an economy of scale.

Maintenance District 55 has multiple options that can be considered in order to organize service delivery. One way to combine services would be to create a new maintenance district. However, maintenance districts do not contain spheres of influence, and thus inhibit the County from revising the boundaries of the District in order to meet future service needs. Therefore, it may prove viable to create a County service area or community services district, which do contain spheres of influence and can be adjusted on a regular basis.

In order to determine the most appropriate path for the districts, the County should enter discussions with LAFCo in order to study current conditions and the feasibility of the proposed options.

5.9.7 - GOVERNANCE

All of the CSAs and MDs in Madera County are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.

5.9.8 - DETERMINATIONS

Determination 5.9-1 – The County maintains 0.65 miles of non-County roadway within Maintenance District 55 (Woodland Pond), utilizing a direct assessment of \$100 per parcel, per year.

Determination 5.9-2 – The rate established for Maintenance District 55 (Woodland Pond) 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 Maintenance District 55 (Woodland Pond).

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 Maintenance District 55 (Woodland Pond) with the Maintenance District 15, 58, 74, and 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 Maintenance District 55 (Woodland Pond) with nearby districts by conducting feasibility and rate studies.

5.10 - MD-58 – Sierra Highlands

5.10.1 - INTRODUCTION

Maintenance District 58 (Sierra Highlands) is located in Madera County Supervisory District 5, four miles northwest of North Fork and accessed south from County Road 223. The District serves 29 parcels with 1.19 miles of paved road and 2.50 miles of unpaved roads. This District provides road and water service for a small residential development. Sierra Highlands was formed on November 19, 1991, by Resolution 91-345 and is approximately 439 acres in size.

When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. On July 22, 2014, by Resolution 2014-112, the assessments were increased for road maintenance to \$300 for each parcel within the District. Every year thereafter this amount will be adjusted to reflect the inflation impact based on the Engineering News Record Construction Cost Index using the twenty-city average. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

The Sierra Highlands Water System, State Identification Number 2000865, serves 25 improved units and four standby units. The water is furnished by the District's hard rock well with a production of 52 gallons per minute that pumps to supply a storage tank with a capacity of 65,000 gallons. The system also contains a 900-gallon hydro-pneumatic tank and a single five hp 75 gpm boost pump. The water is distributed through 9,555 feet of 2¼-, 4- and 6-inch PVC water mains. There are consumer water meters and three fire hydrants.

The water rates were last set on September 10, 2013, by Resolution 2013-143 with an annual Consumer Price Index adjustment. The current water rates are \$66.27 per month for improved lots and \$30 per month for standby (Department of Public Works, Municipal Services Division, 2019).

5.10.2 - BUDGET

As previously stated, funding for road maintenance within MD-58 comes from a direct assessment of \$300 per parcel, per year. This assessment was set on July 22, 2014 and will be adjusted yearly to account for inflation. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

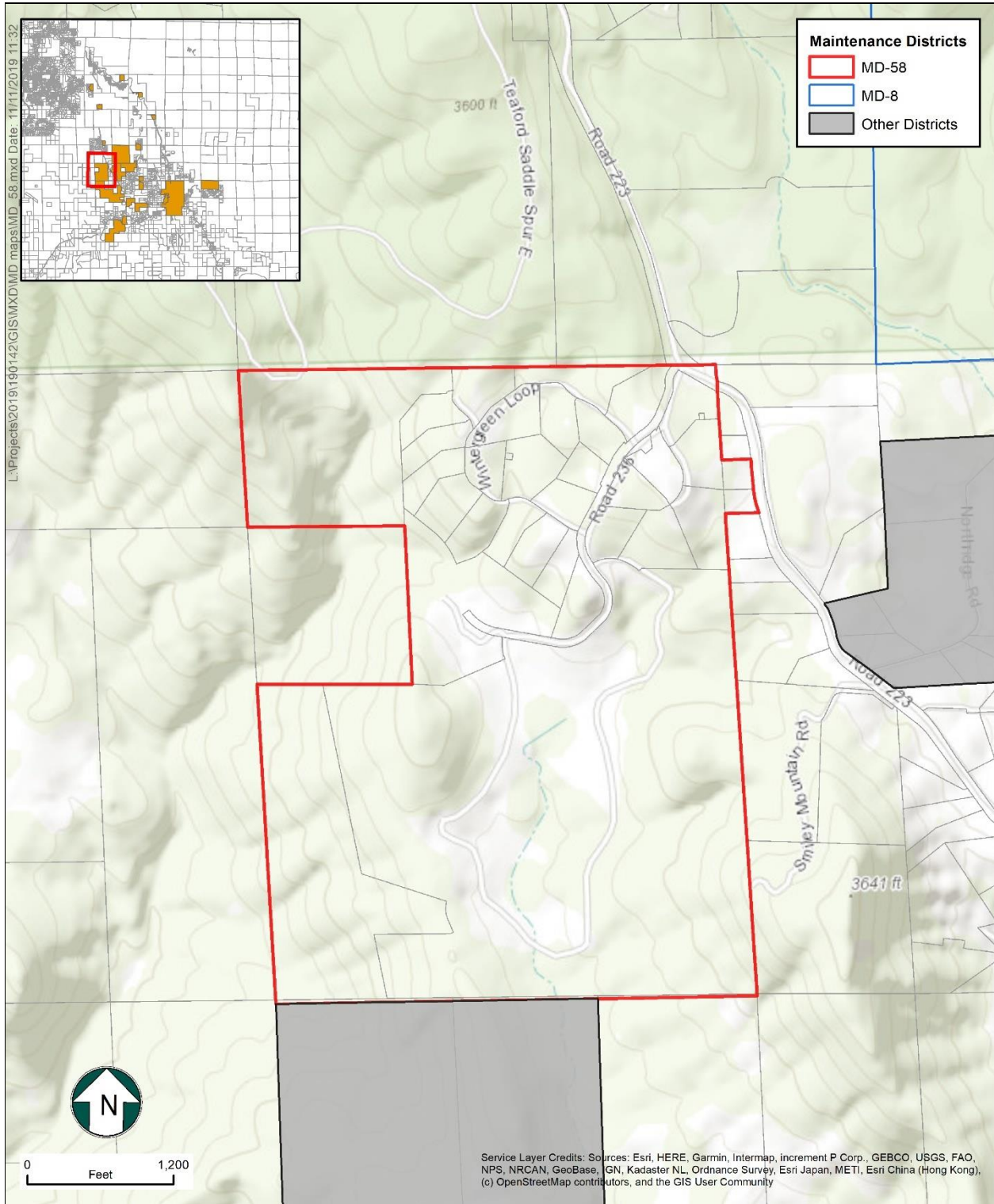


Figure 5-12
Maintenance District 58 – Sierra Highlands

Table 5-11
MD-58 Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$14,589.78	\$21,132.29	\$20,307.57
Revenues (Roads)	\$20,262.71	\$20,292.92	\$521,632.90
Expenses (Roads)	\$1,557.27	\$1,822.00	\$74,161.44
Ending Cash Balance (Roads)	\$55,652.99	\$64,481.44	\$---
Revenues (Water)	\$20,262.71	\$20,292.92	\$521,632.90
Expenses (Water)	<u>\$13,720.20</u>	<u>\$21,117.64</u>	<u>\$541,940.47</u>
End Cash Balance (Water)	\$21,132.29	\$20,307.57	\$---

Source: (Department of Public Works Municipal Services Division, 2019)

5.10.3 - EXISTING FACILITIES AND ASSETS

MD-58 contains assets within the road, and water systems. The District provides road maintenance to 29 residential parcels with 1.19 miles of paved roads and 2.50 miles of unpaved roads.

The Sierra Highlands Water System, State Identification Number 2000865, serves 25 improved units and four standby units. The water is furnished by the District's hard rock well with a production of 52 gallons per minute that pumps to supply a storage tank with a capacity of 65,000 gallons. The system also contains a 900-gallon hydro-pneumatic tank and a single 5-hp 75-gpm boost pump. The water is distributed through 9,555 feet of 2¼-, 4- and 6-inch PVC water mains. There are consumer water meters and three fire hydrants (Department of Public Works, Municipal Services Division, 2019).

5.10.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts' budgets reflect general operations and maintenance.

Road maintenance within MD-58 serves 29 residential parcels with 1.19 miles of paved roadway and 2.50 miles of unpaved roadway. On July 22, 2014, by Resolution 2014-112, a \$100 direct assessment was increased for road maintenance to \$300 for each parcel within the District. Every year thereafter this amount will be adjusted to reflect the inflation impact based on the Engineering News Record Construction Cost Index using the twenty-city average. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019). Therefore, this rate is likely able to provide an appropriate level of maintenance for the residents that receive the service.

The water rates were last set on September 10, 2013, by Resolution 2013-143 with an annual Consumer Price Index adjustment. The current water rates are \$66.27 per month for improved lots and \$30 per month for standby (Department of Public Works, Municipal Services Division, 2019). The rate has not been updated within the past five years and should be revisited in order to provide the most accurate level of service representative of the true cost.

5.10.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

Maintenance District 58 contains road and water services. It is not possible to share road assets between districts, but maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system.

Maintenance District 58 (Sierra Highlands) is adjacent to MD-55. Similarly, these districts are within a close proximity to MD-15, 74, and 104. If possible, MD-58 should be consolidated with the MD-15, 55, 74, and 104 systems to form a new district. This would streamline service providers and create an economy of scale.

Maintenance District 58 has multiple options that can be considered in order to organize service delivery. One way to combine services would be to create a new maintenance district. However, maintenance districts do not contain spheres of influence, and thus inhibit the County from revising the boundaries of the District in order to meet future service needs. Therefore, it may prove viable to create a County service area or community services district, which do contain spheres of influence and can be adjusted on a regular basis.

In order to determine the most appropriate path for the districts, the County should enter discussions with LAFCo in order to study current conditions and the feasibility of the proposed options.

5.10.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

MD-58 appears to be meeting the necessary funds to provide a needed level of service for road maintenance.

Water rates were last set on September 10, 2013. The rate has not been updated within the past five years and should be revisited in order to provide the most accurate level of service representing the true cost.

5.10.7 - GOVERNANCE

All of the CSAs and MDs in Madera County are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the

public through the County website and also through a downloadable Smartphone application.

5.10.8 - DETERMINATIONS

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

Determination 5.10-2 – The rate established for Maintenance District 58 (Sierra Highlands) has not updated 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 Maintenance District 58 (Sierra Highlands) 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 Maintenance District 58 (Sierra Highlands).

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

Determination 5.10-6 – The County should consider consolidating Maintenance District 58 (Sierra Highlands) with the Maintenance District 15, 55, 74, and 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 Maintenance District 58 (Sierra Highlands) with nearby districts by conducting feasibility and rate studies.

5.11 - MD-64 – Little Creek**5.11.1 - INTRODUCTION**

Maintenance District 64 (Little Creek) is located in Madera County Supervisory District 5, two miles west of North Fork and accessed east from Road 221. The District has approximately 18 parcels with 0.76 miles of paved road and 0.20 miles of unpaved roads. This District provides road service for a small residential development. Little Creek was formed on April 14, 1992, by Resolution 92-127 and is approximately 113 acres in size.

When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

5.11.2 - BUDGET

As previously stated, funding for road maintenance within MD-64 comes from a direct assessment of \$100 per parcel, per year. This assessment was set on April 14, 1992, when the District was formed. These are non-County roads and not included in the County's maintained road system.

Table 5-12
MD-64 (Road) Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$33,522.98	\$35,274.55	\$36,760.74
Revenues	\$1833.57	\$1,818.19	\$1,800.00
Expenses	<u>\$82.00</u>	<u>\$332.00</u>	<u>\$38,560.74</u>
Ending Cash Balance	\$35,274.55	\$36,760.74	\$---

Source: (Department of Public Works Municipal Services Division, 2019)

5.11.3 - EXISTING FACILITIES AND ASSETS

MD-64's only assets are the roads themselves. MD-64 provides road maintenance to 18 residential parcels with 0.76 miles of paved roads and 0.20 miles of unpaved roads.

5.11.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts' budgets reflect general operations and maintenance.

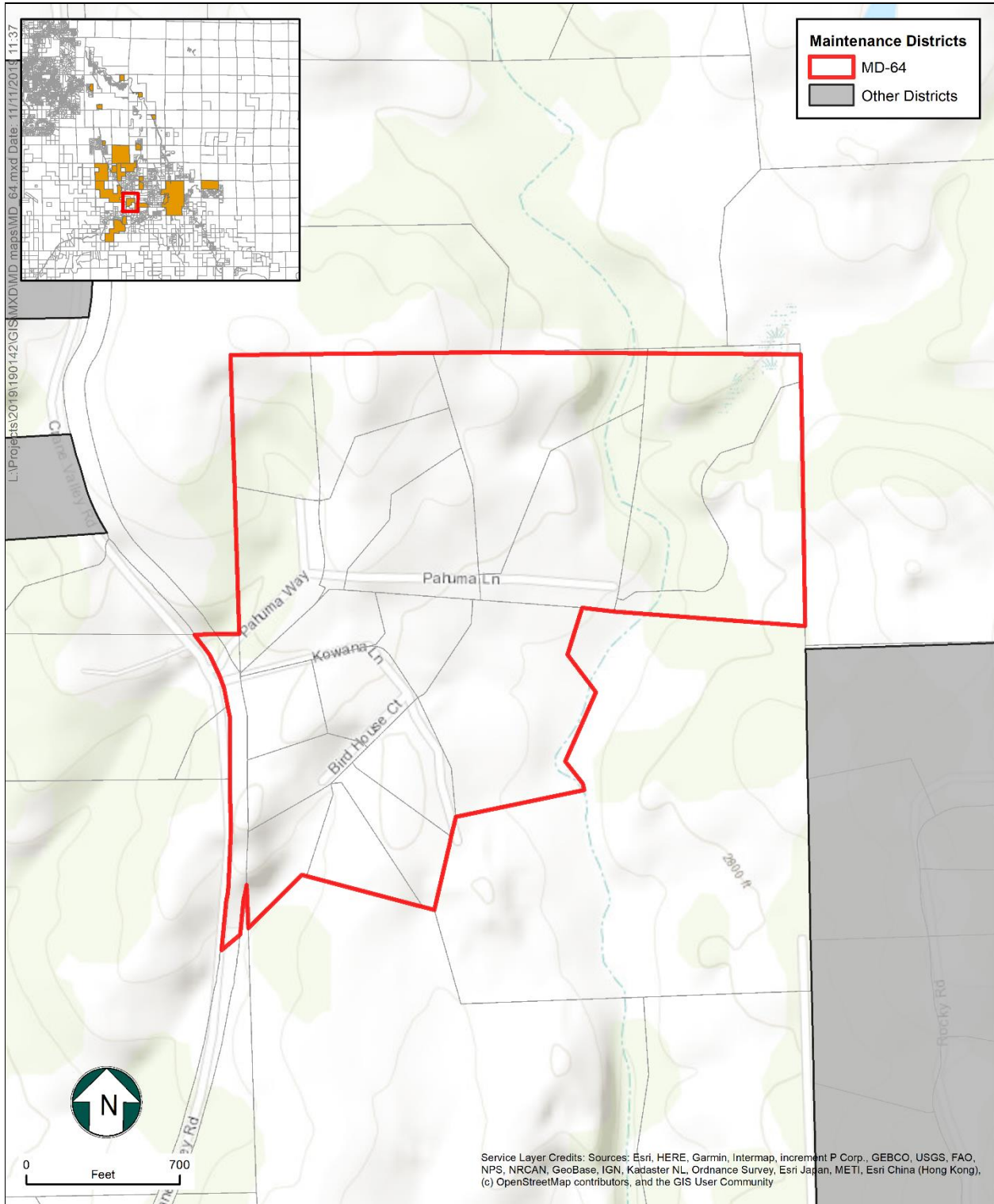


Figure 5-13
Maintenance District 64 – Little Creek

Road maintenance within MD-64 serves 18 parcels with 0.76 miles of paved roadway and 0.20 miles of unpaved roadway. When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County’s maintained road system (Department of Public Works, Municipal Services Division, 2019). The rate of \$100 per parcel was not based on an engineering study and has not been adjusted for inflation. Similarly, these rates were last set in 1992. Therefore, this rate is likely deficient to provide an appropriate level of maintenance for the residents that receive the service. As has been the case historically throughout Madera County, road maintenance districts may have been established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, MD-64 should revisit this rate and attempt to establish a funding mechanism appropriate for providing this service.

5.11.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

It is not possible to share road assets between districts, but maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system.

Maintenance District 64 (Little Creek) is not adjacent to any districts but is only 105 feet from the corner of MD-93. If necessary, Maintenance District 64 could consider consolidating with the MD-93 system. This would streamline service providers and could serve as a potential solution if the District faces problems financing necessary services in the future.

Maintenance District 64 has multiple options that can be considered in order to organize service delivery. One way to combine services would be to create a new maintenance district. However, maintenance districts do not contain spheres of influence, and thus inhibit the County from revising the boundaries of the District in order to meet future service needs. Therefore, it may prove viable to create a County service area or community services district, which do contain spheres of influence and can be adjusted on a regular basis.

In order to determine the most appropriate path for the districts, the County should enter discussions with LAFCo in order to study current conditions and the feasibility of the proposed options.

5.11.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

MD-64 has an established flat rate of \$100 per parcel annually, which is likely deficient to provide the needed level of service for road maintenance. Therefore, an opportunity for rate restructuring would be 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.

5.11.7 - GOVERNANCE

All of the CSAs and MDs in Madera County are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.

5.11.8 - DETERMINATIONS

Determination 5.11-1 – The County maintains 1.72 miles of non-County roadway within Maintenance District 64 (Little Creek), utilizing a direct assessment of \$100 per parcel, per year.

Determination 5.11-2 – The rate established for Maintenance District 64 (Little Creek) 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 Maintenance District 64 (Little Creek).

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 Maintenance District 64 (Little Creek) 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 Maintenance District 64 (Little Creek) with Maintenance District 93 by conducting feasibility and rate studies.

5.12 - MD-67 – Whisky Creek**5.12.1 - INTRODUCTION**

Maintenance District 67 (Whisky Creek) is located in Madera County Supervisory District 5, four miles southeast of North Fork and accessed west from Road 225. The District has approximately 13 parcels served by 0.42 miles of paved road.

Whisky Creek was formed on April 17, 1992, by Resolution 92-128 and is approximately 233 acres in size. When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County's maintained road system. (Department of Public Works, Municipal Services Division, 2019).

5.12.2 - BUDGET

As previously stated, funding for road maintenance within MD-67 comes from a direct assessment of \$100 per parcel, per year. This assessment was set on April 17, 1992, when the District was formed. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

Table 5-13
MD-67 (Road) Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$38,914.11	\$40,538.76	\$41,792.95
Revenues	\$1,686.65	\$1,666.19	\$1,500.00
Expenses	<u>\$62.00</u>	<u>\$412.00</u>	<u>\$43,292.95</u>
Ending Cash Balance	\$40,538.76	\$41,792.95	\$---

Source: (Department of Public Works Municipal Services Division, 2019)

5.12.3 - EXISTING FACILITIES AND ASSETS

MD-67's only assets are the roads themselves. MD-67 provides road maintenance to 13 residential parcels with 0.42 miles of roads.

5.12.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts' budgets reflect general operations and maintenance.

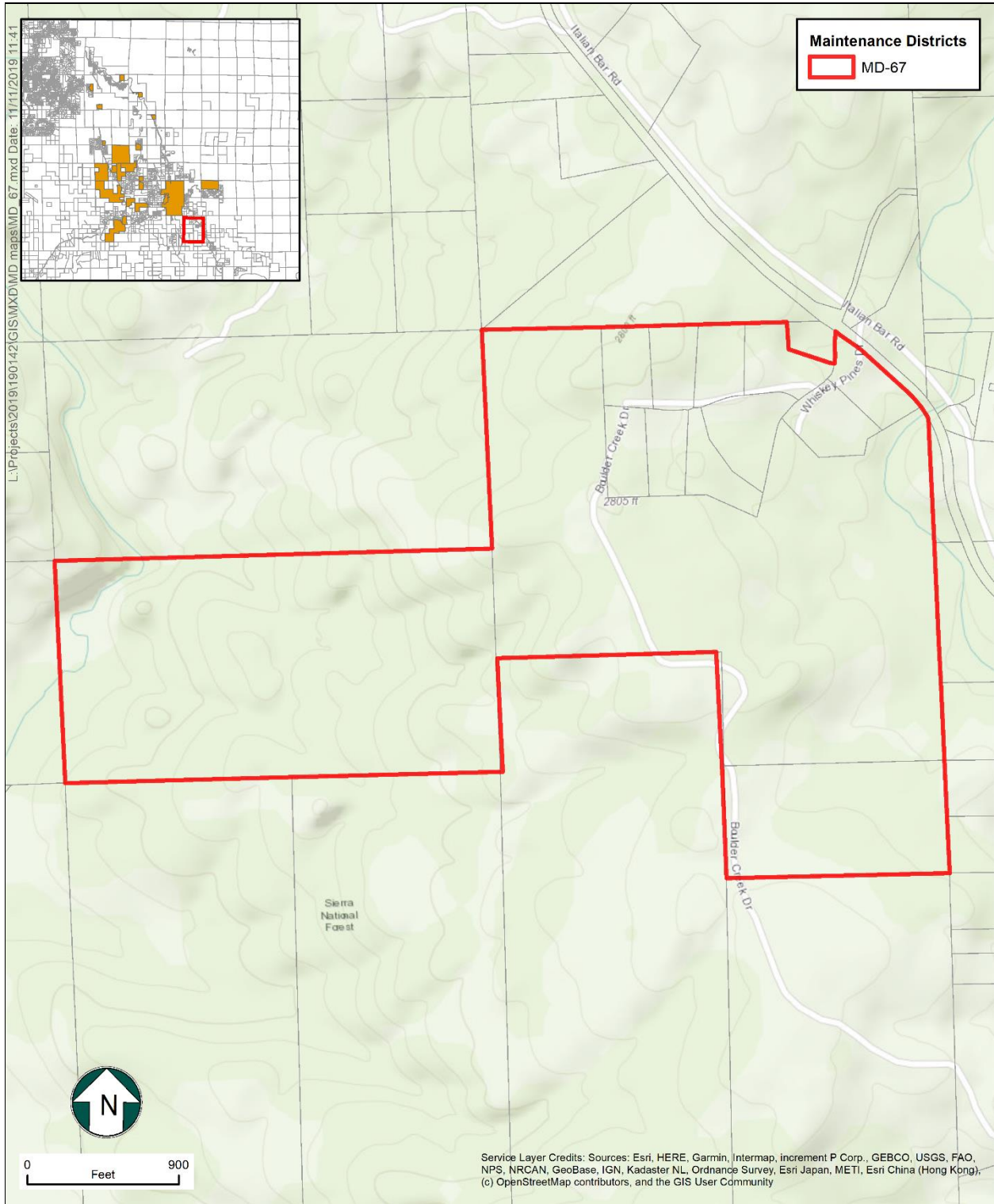


Figure 5-14
Maintenance District 67 – Whisky Creek

Road maintenance within MD-67 serves 13 parcels with 0.42 miles of roadway. When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County’s maintained road system (Department of Public Works, Municipal Services Division, 2019). The rate of \$100 per parcel was not based on an engineering study and has not been adjusted for inflation. Similarly, these rates were last set in 1992. Therefore, this rate is likely deficient to provide an appropriate level of maintenance for the residents that receive the service. As has been the case historically throughout Madera County, road maintenance districts may have been established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, MD-67 should revisit this rate and attempt to establish a funding mechanism appropriate for providing this service.

5.12.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

Road maintenance is provided to the District by the Madera County Public Works Department. Although it would be beneficial to share maintenance equipment, County staff, materials, storage yards, budgeting, and accounting between service providers, there are no adjacent or nearby services to do so with. Therefore, there is no possibility of consolidating services with Maintenance District 67 (Whisky Creek).

5.12.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

MD-67 has an established flat rate of \$100 per parcel annually, which is likely deficient to provide the needed level of service for road maintenance. Therefore, one opportunity for rate restructuring would be 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.

5.12.7 - GOVERNANCE

All of the CSAs and MDs in Madera County are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.er3

5.12.8 - DETERMINATIONS

Determination 5.12-1 – The County maintains 0.42 miles of non-County roadway within Maintenance District 67 (Whisky Creek), utilizing a direct assessment of \$100 per parcel, per year.

Determination 5.12-2 – The rate established for Maintenance District 67 (Whisky Creek) 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 Maintenance District 67 (Whisky Creek).

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 Maintenance District 67 (Whisky Creek) at this time.

5.13 - MD-69 – Oak Junction**5.13.1 - INTRODUCTION**

Maintenance District 69 (Oak Junction) is located in Madera County Supervisory District 5, two and one-half miles southwest of North Fork and accessed south from Road 200. The District has approximately 11 parcels with 0.31 miles of chip sealed road. This District provides road service for a small residential development. Oak Junction was formed on April 14, 1992, by Resolution 92-129 and is approximately 72 acres in size.

When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County's maintained road system. On December 7, 1999, by Resolution 99-257 an increase in assessment was approved for a shop warehouse to \$793 per year by condition of Use Permit (Department of Public Works, Municipal Services Division, 2019).

5.13.2 - BUDGET

As previously stated, funding for road maintenance within MD-69 comes from a direct assessment of \$100 per parcel, per year. This assessment was set on April 14, 1992, when the District was formed. An addition to a shop warehouse assessment fee was increased to \$793 per year in December of 1999. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

Table 5-14
MD-69 (Road) Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$23,474.82	\$25,351.86	\$28,633.59
Revenues	\$1,931.04	\$3,685.73	\$1,860.00
Expenses	<u>\$54.00</u>	<u>\$404.00</u>	<u>\$30,493.59</u>
Ending Cash Balance	\$25,351.86	\$28,633.59	\$---

Source: (Department of Public Works Municipal Services Division, 2019)

5.13.3 - EXISTING FACILITIES AND ASSETS

MD-69's only assets are the roads themselves. MD-69 provides road maintenance to 11 residential parcels with 0.31 miles of chip sealed roads.

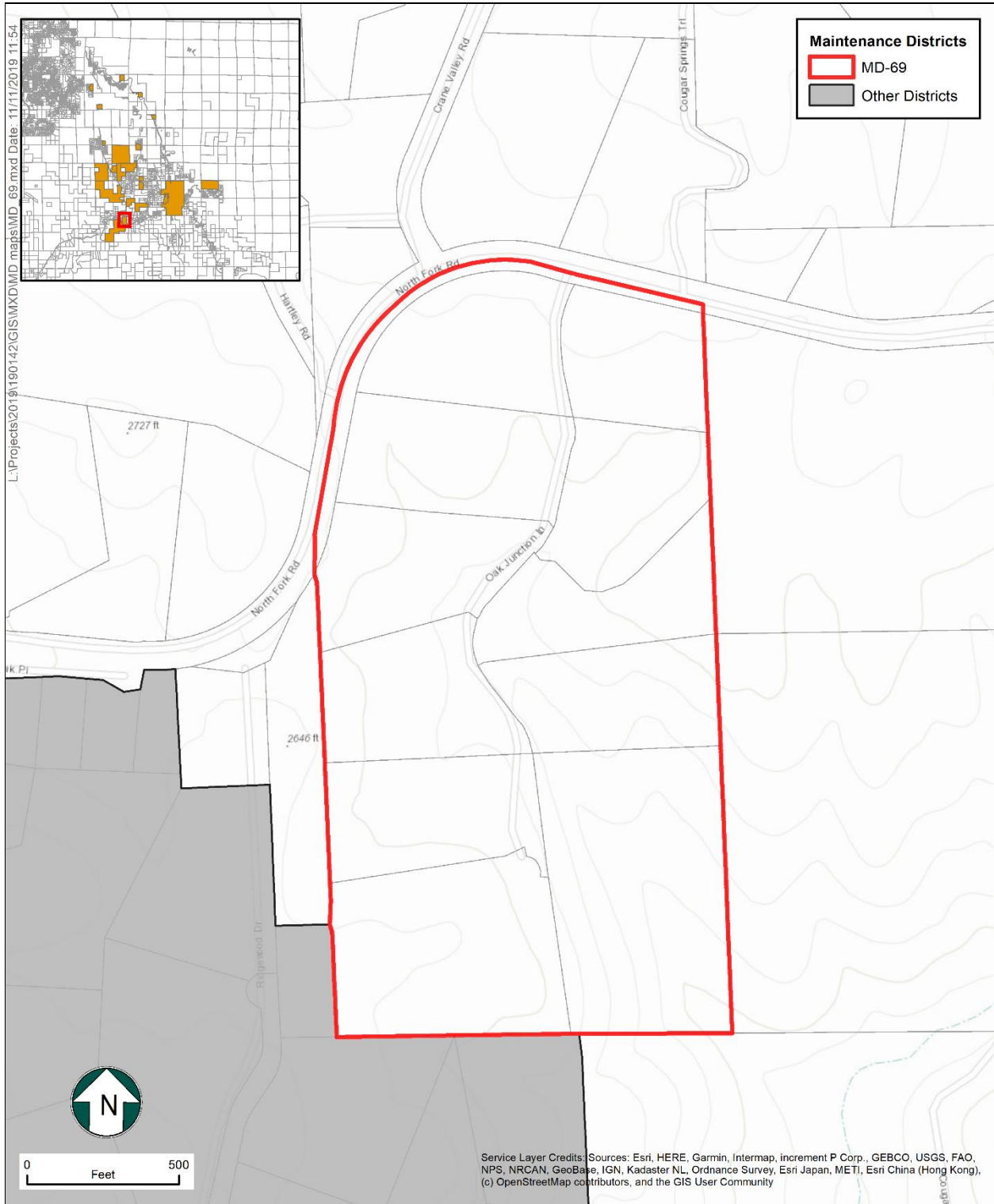


Figure 5-15
Maintenance District 69 – Oak Junction

5.13.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts' budgets reflect general operations and maintenance.

Road maintenance within MD-69 serves 11 parcels with 0.31 miles of chip sealed roadway. When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019). The rate of \$100 per parcel was not based on an engineering study and has not been adjusted for inflation. Similarly, these rates were last set in 1992. Therefore, this rate is likely deficient to provide an appropriate level of maintenance for the residents that receive the service. As has been the case historically throughout Madera County, road maintenance districts may have been established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, MD-69 should revisit this rate and attempt to establish a funding mechanism appropriate for providing this service.

5.13.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

It is not possible to share road assets between districts, but maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system.

Maintenance District 69 (Oak Junction) is adjacent to MD-18 and Leisure Acres Mutual Water Company (LAMWC). If possible, MD-69 should be consolidated with the MD-18 system to form a new district. This would streamline service providers and create an economy of scale.

Maintenance District 69 has multiple options that can be considered in order to organize service delivery with MD-18. One way to consolidate services would be to create a new maintenance district. However, maintenance districts do not contain spheres of influence, and thus inhibit the County from revising the boundaries of the District in order to meet future service needs. Therefore, it may prove viable to create a County service area or community services district, which do contain spheres of influence and can be adjusted on a regular basis.

As the LAMWC is a private company, LAFCo has no jurisdiction to regulate or compel consolidation or annexation between the LAMWC and other agencies. However, coordinated municipal service delivery is the overarching goal of LAFCo. Should the time arise where the LAMWC ceases operation or is willing to consider annexation to another agency, LAFCo and the County should coordinate in order to develop feasibility recommendations for the best results. If necessary, the LAMWC water system could be combined with the Maintenance District 69 system or the new proposed Maintenance District 69 and 18 MD, CSA, or CSD. This would streamline service providers and make it more efficient by offering road maintenance and water services through the same entity. Significant coordination and

investigation of current conditions would need to take place prior to any options being undertaken.

In order to determine the most appropriate path for the districts and water company, the County should enter discussions with LAFCo in order to study current conditions and the feasibility of the proposed options.

5.13.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

MD-69 has an established flat rate of \$100 per parcel annually, which is likely deficient to provide the needed level of service for road maintenance. Therefore, one opportunity for rate restructuring would be 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.

5.13.7 - GOVERNANCE

All of the CSAs and MDs in Madera County are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.

5.13.8 - DETERMINATIONS

Determination 5.13-1 – The County maintains 0.31 miles of non-County roadway within Maintenance District 69 (Oak Junction), utilizing a direct assessment of \$100 per parcel, per year.

Determination 5.13-2 – The rate established for Maintenance District 69 (Oak Junction) 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 Maintenance District 69 (Oak Junction).

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 Maintenance District 69 (Oak Junction) with neighboring Maintenance District 18 to minimize the presence of unnecessary districts and streamline services.

Determination 5.13-6 – The County and LAFCo should coordinate with LAFCo to conduct feasibility and rate studies in regard to consolidating the Maintenance District 69 and 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 Maintenance District 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 that the Leisure Acres Mutual Water Company desires consolidating systems, the County shall coordinate with LAFCo to conduct feasibility and rate studies to determine the most appropriate option.

5.14 - MD-74 – Munson Lane**5.14.1 - INTRODUCTION**

Maintenance District 74 (Munson Lane) is located in Madera County Supervisory District 5, three miles northwest of North Fork and accessed west from Road 221. The District has approximately 30 parcels with 1.24 miles of paved road and 0.18 miles of unpaved road. This District provides road service for a small residential development. Munson Lane was formed on January 4, 1994, by Resolution 94-21 and is approximately 233 acres in size.

When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

5.14.2 - BUDGET

As previously stated, funding for road maintenance within MD-74 comes from a direct assessment of \$100 per parcel, per year. This assessment was set on January 4, 1994, when the District was formed. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

Table 5-15
MD-74 (Road) Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$39,159.82	\$42,109.67	\$44,603.11
Revenues	\$3,394.52	\$2,981.44	\$3,060.00
Expenses	<u>\$444.67</u>	<u>\$488.00</u>	<u>\$47,663.11</u>
Ending Cash Balance	\$42,109.67	\$44,603.11	\$---

Source: (Department of Public Works Municipal Services Division, 2019)

5.14.3 - EXISTING FACILITIES AND ASSETS

MD-74's only assets are the roads themselves. MD-74 provides road maintenance to 30 residential parcels with 1.24 miles of paved roads and 0.18 miles of unpaved road.

5.14.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts' budgets reflect general operations and maintenance.

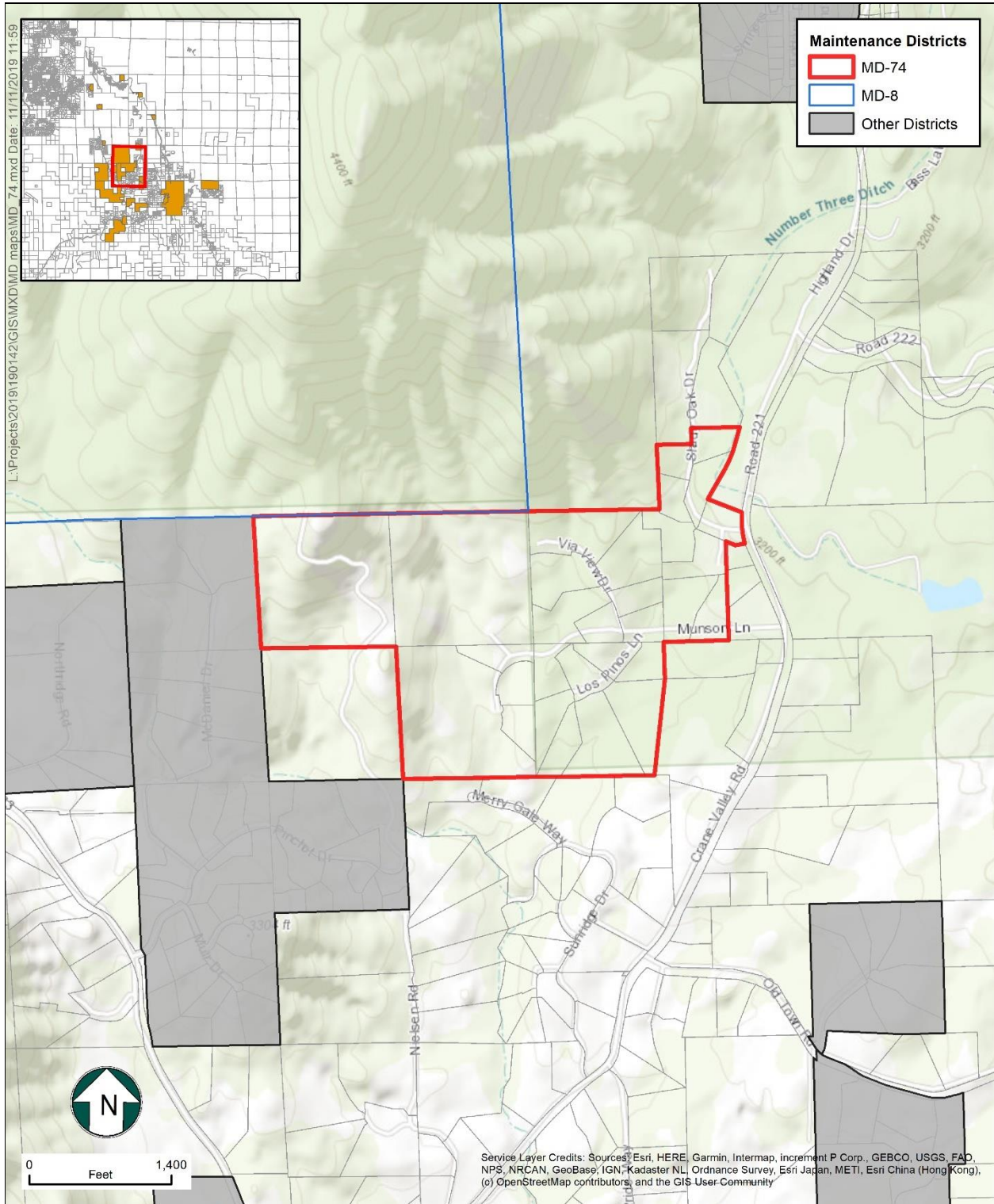


Figure 5-16
Maintenance District 74 – Munson Lane

Road maintenance within MD-74 serves 30 parcels with 1.24 miles of paved roads and 0.18 miles of unpaved road. When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County’s maintained road system (Department of Public Works, Municipal Services Division, 2019). The rate of \$100 per parcel was not based on an engineering study and has not been adjusted for inflation. Similarly, these rates were last set in 1994. Therefore, this rate is likely deficient to provide an appropriate level of maintenance for the residents that receive the service. As has been the case historically throughout Madera County, road maintenance districts may have been established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, MD-74 should revisit this rate and attempt to establish a funding mechanism appropriate for providing appropriate services.

5.14.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

It is not possible to share road assets between districts, but maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system.

Maintenance District 74 (Munson Lane) is adjacent to MD-15. Similarly, these districts are within a close proximity to MD-55, 58, and 104. If possible, MD-74 should be consolidated with the MD-15, 55, 58, and 104 systems to form a new district. This would streamline service providers and create an economy of scale.

Maintenance District 74 has multiple options that can be considered in order to organize service delivery. One way to combine services would be to create a new maintenance district. However, maintenance districts do not contain spheres of influence, and thus inhibit the County from revising the boundaries of the District in order to meet future service needs. Therefore, it may prove viable to create a County service area or community services district, which do contain spheres of influence and can be adjusted on a regular basis.

In order to determine the most appropriate path for the districts, the County should enter discussions with LAFCo in order to study current conditions and the feasibility of the proposed options.

5.14.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

MD-74 has an established flat rate of \$100 per parcel annually, which is likely deficient to provide the needed level of service for road maintenance. Therefore, one opportunity for rate restructuring would be 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.

5.14.7 - GOVERNANCE

All of the CSAs and MDs in Madera County are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.

5.14.8 - DETERMINATIONS

Determination 5.14-1 – The County maintains 1.42 miles of non-County roadway within Maintenance District 74 (Munson Lane), utilizing a direct assessment of \$100 per parcel, per year.

Determination 5.14-2 – The rate established for Maintenance District 74 (Munson Lane) 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 Maintenance District 74 (Munson Lane).

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 Maintenance District 74 (Munson Lane) with the Maintenance District 15, 55, 58, and 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 Maintenance District 74 (Munson Lane) with nearby districts by conducting feasibility and rate studies.

5.15 - MD-86 – Hidden Meadow**5.15.1 - INTRODUCTION**

Maintenance District 86 (Hidden Meadow) is located in Madera County Supervisory District 5, two miles southeast of Bass Lake and accessed east from Road 419. The District has approximately 25 parcels with 0.27 miles of paved road and 0.27 miles of unpaved road. This District provides road service for a small residential development. Hidden Meadow was formed on February 8, 1994, by Resolution 94-79 and is approximately 86 acres in size.

When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

5.15.2 - BUDGET

As previously stated, funding for road maintenance within MD-86 comes from a direct assessment of \$100 per parcel, per year. This assessment was set on February 8, 1994, when the District was formed. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

Table 5-16
MD-86 (Road) Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$25,259.21	\$24,085.05	\$25,096.90
Revenues	\$2,791.66	\$2,852.85	\$2,580.00
Expenses	<u>\$3,965.82</u>	<u>\$1,841.00</u>	<u>\$27,676.90</u>
Ending Cash Balance	\$24,085.05	\$25,096.90	\$---

Source: (Department of Public Works Municipal Services Division, 2019)

5.15.3 - EXISTING FACILITIES AND ASSETS

MD-86's only assets are the roads themselves. MD-86 provides road maintenance to 25 residential parcels with 0.27 miles of paved roads and 0.27 miles of unpaved road.

5.15.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts' budgets reflect general operations and maintenance.

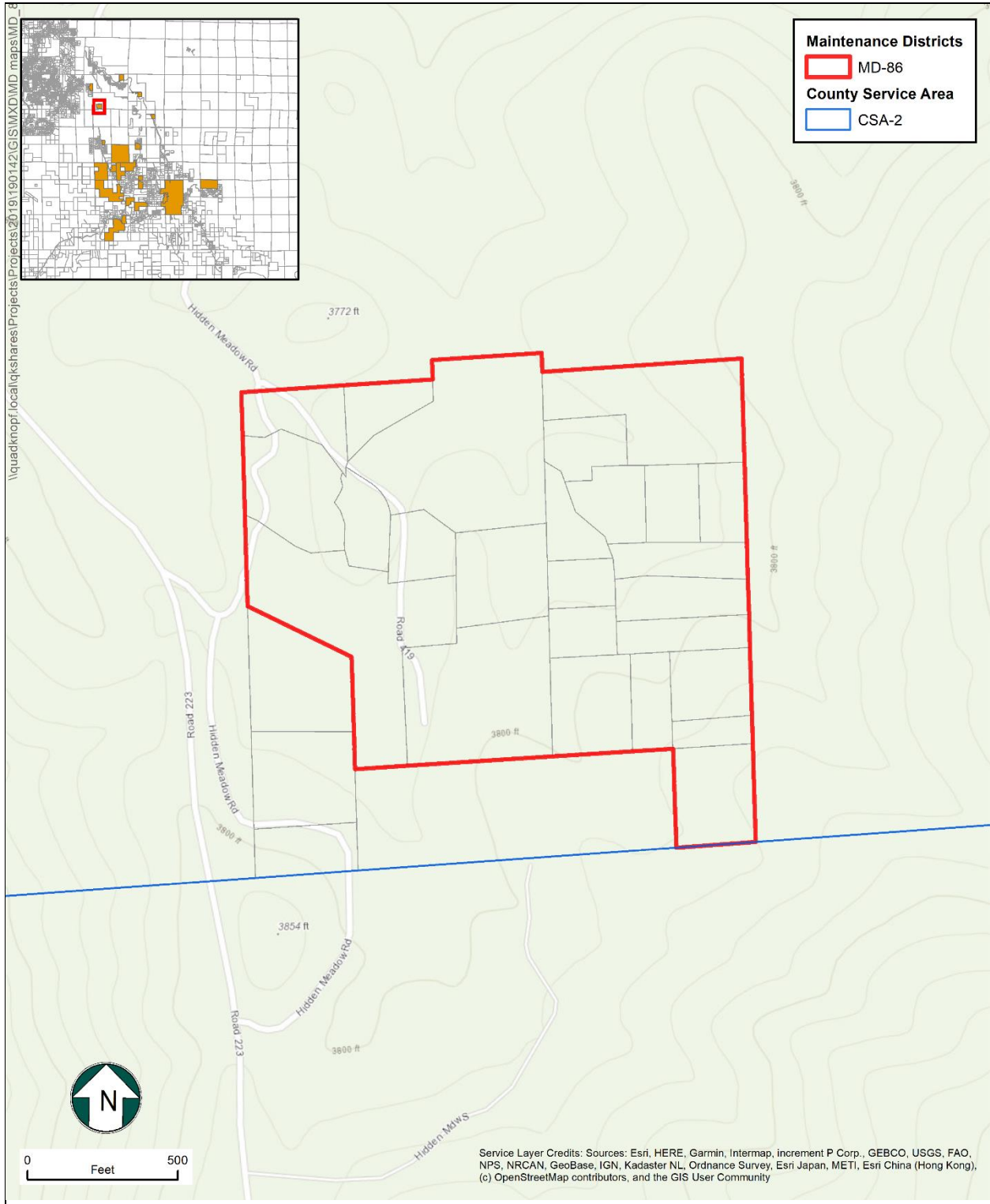


Figure 5-17
Maintenance District 86 – Hidden Meadow

Road maintenance within MD-86 serves 25 parcels with 0.27 miles of paved roads and 0.27 miles of unpaved road. When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019). The rate of \$100 per parcel was not based on an engineering study and has not been adjusted for inflation. Similarly, these rates were last set in 1994. Therefore, this rate is likely deficient to provide an appropriate level of maintenance for the residents that receive the service. As has been the case historically throughout Madera County, road maintenance districts may have been established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, MD-86 should revisit this rate and attempt to establish a funding mechanism appropriate for providing this service.

5.15.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

It is not possible to share road assets between districts, but maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system.

There are no adjacent districts to MD-86. However, Maintenance District 86 (Hidden Meadow) lies on the southwestern portion of Bass Lake within the sphere of influence of CSA-2, alongside MD-11 and the Bass Lake Heights Mutual Water Company. Due to the close proximity of various districts to one another, it may be possible to consolidate services in order to streamline providers and create an economy of scale. District reorganization can be completed through a variety of methods.

Maintenance District 86 has multiple options that can be considered in order to organize service delivery. One way to combine services would be to create a new maintenance district. However, maintenance districts do not contain spheres of influence, and thus inhibit the County from revising the boundaries of the District in order to meet future service needs. It may prove viable to create a County service area or community services district, which do contain spheres of influence and can be adjusted on a regular basis. Therefore MD-86 and 11 could be consolidated and form a County service area or community service district.

Bass Lake Heights Mutual Water Company (BLHMWC) operates nearby MD-86 and in the same location as MD-11. As the BLHMWC is a private company, LAFCo has no jurisdiction to regulate or compel consolidation or annexation between the BLHMWC and other agencies. However, coordinated municipal service delivery is the overarching goal of LAFCo. Should the time arise where the BLHMWC ceases operation or is willing to consider annexation to another agency, LAFCo and the County should coordinate in order to develop feasibility recommendations for the best results. If possible, the Bass Lake Heights Mutual Water Company should also be included in the new potential CSA or CSD.

Consolidating districts within the southern portion of Bass Lake would streamline service providers and make it more efficient by offering road services through the same entity.

Significant coordination and investigation of current conditions would need to take place prior to any actions being undertaken.

5.15.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

MD-86 has an established flat rate of \$100 per parcel annually, which is likely deficient to provide the needed level of service for road maintenance. Therefore, one opportunity for rate restructuring would be 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.

5.15.7 - GOVERNANCE

All of the CSAs and MDs in Madera County are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.

5.15.8 - DETERMINATIONS

Determination 5.15-1 – The County maintains 0.54 miles of non-County roadway within Maintenance District 86 (Hidden Meadow), utilizing a direct assessment of \$100 per parcel, per year.

Determination 5.15-2 – The rate established for Maintenance District 86 (Hidden Meadow) 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 Maintenance District 86 (Hidden Meadow).

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 Maintenance District 86 (Hidden Meadow) 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 Bass Lake Heights Mutual Water Company desires consolidating systems, the County shall coordinate with LAFCo to conduct feasibility and rate studies to determine the most appropriate option.

5.16 - MD-92 – Cedar Ridge**5.16.1 - INTRODUCTION**

Maintenance District 92 (Cedar Ridge) is located in Madera County Supervisory District 5 near Bass Lake and accessed north from Road 274. The District contains approximately 29 parcels with 0.38 miles of paved road. This District provides road service for a small residential development. Cedar Ridge was formed on February 6, 1996, by Resolution 96-28 and is approximately 54 acres in size.

When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

5.16.2 - BUDGET

As previously stated, funding for road maintenance within MD-92 comes from a direct assessment of \$100 per parcel, per year. This assessment was set on February 6, 1996, when the District was formed. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

Table 5-17
MD-92 (Road) Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$58,663.53	\$62,014.53	\$65,166.48
Revenues	\$3,546.72	\$3,360.95	\$3,150.00
Expenses	<u>\$195.72</u>	<u>\$209.00</u>	<u>\$68,316.48</u>
Ending Cash Balance	\$62,014.53	\$65,166.48	\$---

Source: (Department of Public Works Municipal Services Division, 2019)

5.16.3 - EXISTING FACILITIES AND ASSETS

MD-92's only assets are the roads themselves. MD-92 provides road maintenance to 29 residential parcels with 0.38 miles of paved roads.

5.16.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts' budgets reflect general operations and maintenance.

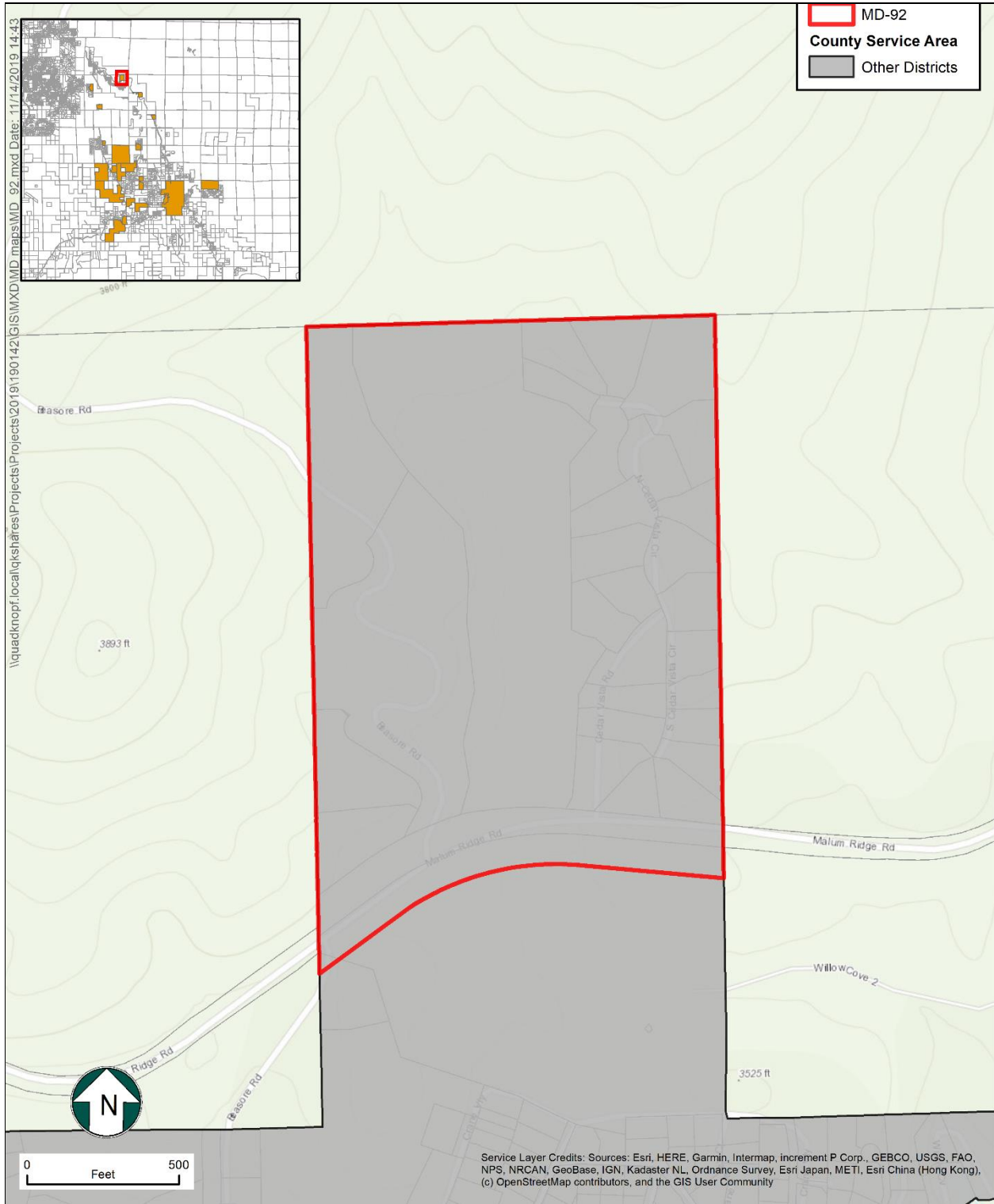


Figure 5-18
Maintenance District 92 – Cedar Ridge

Road maintenance within MD-92 serves 29 parcels with 0.38 miles of paved roadway. When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019). The rate of \$100 per parcel was not based on an engineering study and has not been adjusted for inflation. Similarly, these rates were last set in 1996. Therefore, this rate is likely deficient to provide an appropriate level of maintenance for the residents that receive the service. As has been the case historically throughout Madera County, road maintenance districts may have been established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, MD-92 should revisit this rate and attempt to establish a funding mechanism appropriate for providing this service.

5.16.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

It is not possible to share road assets between districts, but maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system.

Maintenance District 92 provides service to residents within the same territory as County Service Area 2, Zone A. Similarly, CSA-2D, MD-6, and MD-7 lie in the northern portion of Bass Lake. Due to the close proximity of various districts to one another, it may be possible to consolidate services in order to streamline providers and create an economy of scale. District reorganization can be completed through a variety of methods.

In order to streamline services, the County could work with LAFCo to create new County service areas and community service districts from nearby districts.

Shared Facilities Option 1

The northern portion of Bass Lake including the Pines tract and resort areas (Pines Area), County Service Area 2, Maintenance Districts 6, 7, and 92, and the Bass Lake Water Company. If possible, these entities could be consolidated to form a community services district capable of accommodating all desired service needs.

Bass Lake Water Company (BLWC) operates in the same location as CSA-2A. As the BLWC is a private company, LAFCo has no jurisdiction to regulate or compel consolidation or annexation between BLWC and other agencies. However, coordinated municipal service delivery is the overarching goal of LAFCo. Should the time arise where BLWC ceases operation or is willing to consider annexation to another agency, LAFCo and the County should coordinate in order to develop feasibility recommendations for the best results. If possible, the Bass Lake Water Company should also be included in the new CSD.

Consolidating Maintenance District 92 with nearby maintenance districts and private water companies in the area to form a new CSD would streamline service providers and create an

economy of scale. Significant coordination and investigation of current conditions would need to take place prior to any actions being undertaken.

5.16.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

MD-92 has an established flat rate of \$100 per parcel annually, which is likely deficient to provide the needed level of service for road maintenance. Therefore, one opportunity for rate restructuring would be 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.

5.16.7 - GOVERNANCE

All of the CSAs and MDs in Madera County are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.

5.16.8 - DETERMINATIONS

Determination 5.16-1 – The County maintains 0.38 miles of non-County roadway within Maintenance District 92 (Cedar Ridge), utilizing a direct assessment of \$100 per parcel, per year.

Determination 5.16-2 – The rate established for Maintenance District 92 (Cedar Ridge) 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 Maintenance District 92 (Cedar Ridge).

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 Maintenance District 92 (Cedar Ridge) with nearby districts to form a CSD.

Determination 5.16-6 – The County should coordinate with LAFCo to consider consolidating Maintenance District 92 (Cedar Ridge) with other districts by conducting feasibility and rate studies.

5.17 - MD-93 – Wilcox**5.17.1 - INTRODUCTION**

Maintenance District 93 (Wilcox) is located in Madera County Supervisory District 5, one-and one-half miles west of North Fork and accessed west from Road 224. The District contains 19 parcels with 0.93 miles of paved road and 0.08 miles of unpaved road. This District provides road service for a small residential development. Wilcox was formed on June 6, 1995, by Resolution 95-138 and is approximately 156 acres in size.

When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

5.17.2 - BUDGET

As previously stated, funding for road maintenance within MD-93 comes from a direct assessment of \$100 per parcel, per year. This assessment was set on June 6, 1995, when the District was formed. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

Table 5-18
MD-93 (Road) Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$18,819.30	\$20,718.69	\$22,550.34
Revenues	\$2,149.16	\$2,088.65	\$1,965.00
Expenses	\$249.77	\$257.00	\$24,515.34
Ending Cash Balance	\$20,718.69	\$22,550.34	\$---

Source: (Department of Public Works Municipal Services Division, 2019)

5.17.3 - EXISTING FACILITIES AND ASSETS

MD-93's only assets are the roads themselves. MD-93 provides road maintenance to 19 residential parcels with 0.93 miles of paved road and 0.08 miles of unpaved roads.

5.17.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts' budgets reflect general operations and maintenance.

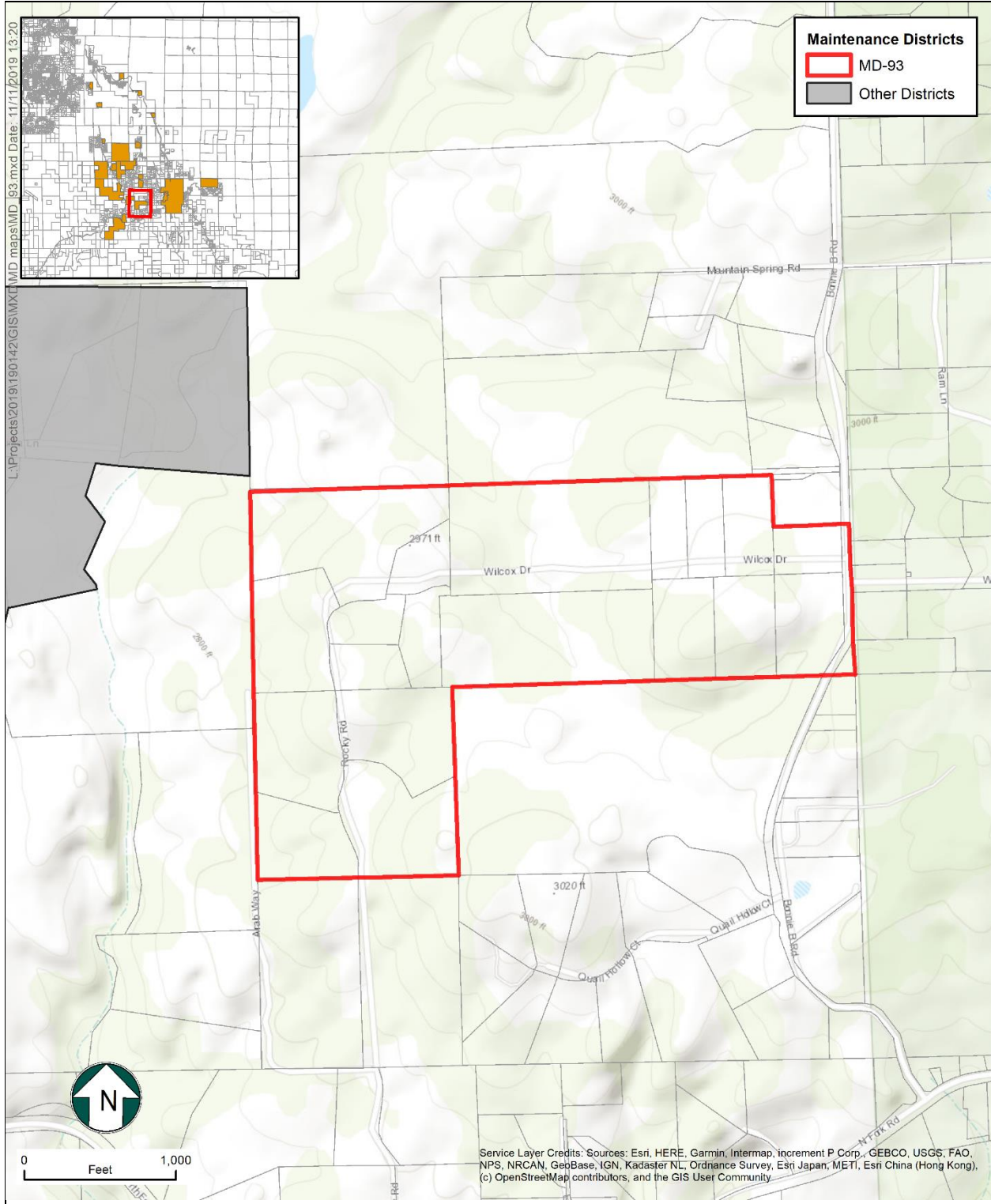


Figure 5-19
Maintenance District 93 – Wilcox

Road maintenance within MD-93 serves 19 parcels with 0.93 miles of paved roadway and 0.08 miles of unpaved road. When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019). The rate of \$100 per parcel was not based on an engineering study and has not been adjusted for inflation. Similarly, these rates were last set in 1995. Therefore, this rate is likely deficient to provide an appropriate level of maintenance for the residents that receive the service. As has been the case historically throughout Madera County, road maintenance districts may have been established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, MD-93 should revisit this rate and attempt to establish a funding mechanism appropriate for providing this service.

5.17.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

It is obviously not possible to share road assets between districts, but maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system.

Maintenance District 93 (Wilcox) is not adjacent to any districts but lies only 105 feet from the corner of MD-64. If possible, MD-93 should be consolidated with the MD-64 system to form a new district. This would streamline service providers and make it more efficient by offering road maintenance through the same entity.

Maintenance District 93 has multiple options that can be considered in order to organize service delivery. One way to combine services would be to create a new maintenance district. However, maintenance districts do not contain spheres of influence, and thus inhibit the County from revising the boundaries of the District in order to meet future service needs. Therefore, it may prove viable to create a County service area or community service district, which do contain spheres of influence and can be adjusted on a regular basis.

In order to determine the most appropriate path for the districts, the County should enter discussions with LAFCo in order to study current conditions and the feasibility of the proposed options.

5.17.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

MD-93 has an established flat rate of \$100 per parcel annually, which is likely deficient to provide the needed level of service for road maintenance. Therefore, one opportunity for rate restructuring would be 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.

5.17.7 - GOVERNANCE

All of the CSAs and MDs in Madera County are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.

5.17.8 - DETERMINATIONS

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

Determination 5.17-2 – The rate established for Maintenance District 93 (Wilcox) 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 Maintenance District 93 (Wilcox).

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 Maintenance District 93 (Wilcox) with the nearby Maintenance District 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 Maintenance District 93 (Wilcox) with Maintenance District 64 by conducting feasibility and rate studies.

5.18 - MD-97 – Cascadel Heights

The discussion regarding MD-97 – Cascadel Heights was removed from this MSR due to action by the Board of Supervisors on January 7, 2020 to initiate the possible dissolution and formation of a new special district within the Cascadel area. Therefore, analysis for this district will be made in an upcoming MSR that will review the delivery of services to this neighborhood.

5.19 - MD-104 – Northridge Meadows**5.19.1 - INTRODUCTION**

Maintenance District 104 (Northridge Meadows) is located in Madera County Supervisory District 5, four miles northwest of North Fork and accessed east from Road 223. The District serves six parcels with 0.20 miles of paved road and 0.22 miles of unpaved road. This District provides road service for a small residential development. Northridge Meadows was formed on September 2, 1997, by Resolution 97-210 and is approximately 65.99 acres in size.

When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

5.19.2 - BUDGET

As previously stated, funding for road maintenance within MD-104 comes from a direct assessment of \$100 per parcel, per year. This assessment was set on September 2, 1997, when the District was formed. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

Table 5-19
MD-104 (Road) Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$8,038.23	\$8,657.29	\$9,124.06
Revenues	\$681.06	\$778.77	\$635.00
Expenses	<u>\$62.00</u>	<u>\$312.00</u>	<u>\$9,759.06</u>
Ending Cash Balance	\$8,657.29	\$9,124.06	\$---

Source: (Department of Public Works Municipal Services Division, 2019)

5.19.3 - EXISTING FACILITIES AND ASSETS

MD-104's only assets are the roads themselves. MD-104 provides road maintenance to six residential parcels with 0.20 miles of paved road and 0.22 miles of unpaved roads.

5.19.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts' budgets reflect general operations and maintenance.

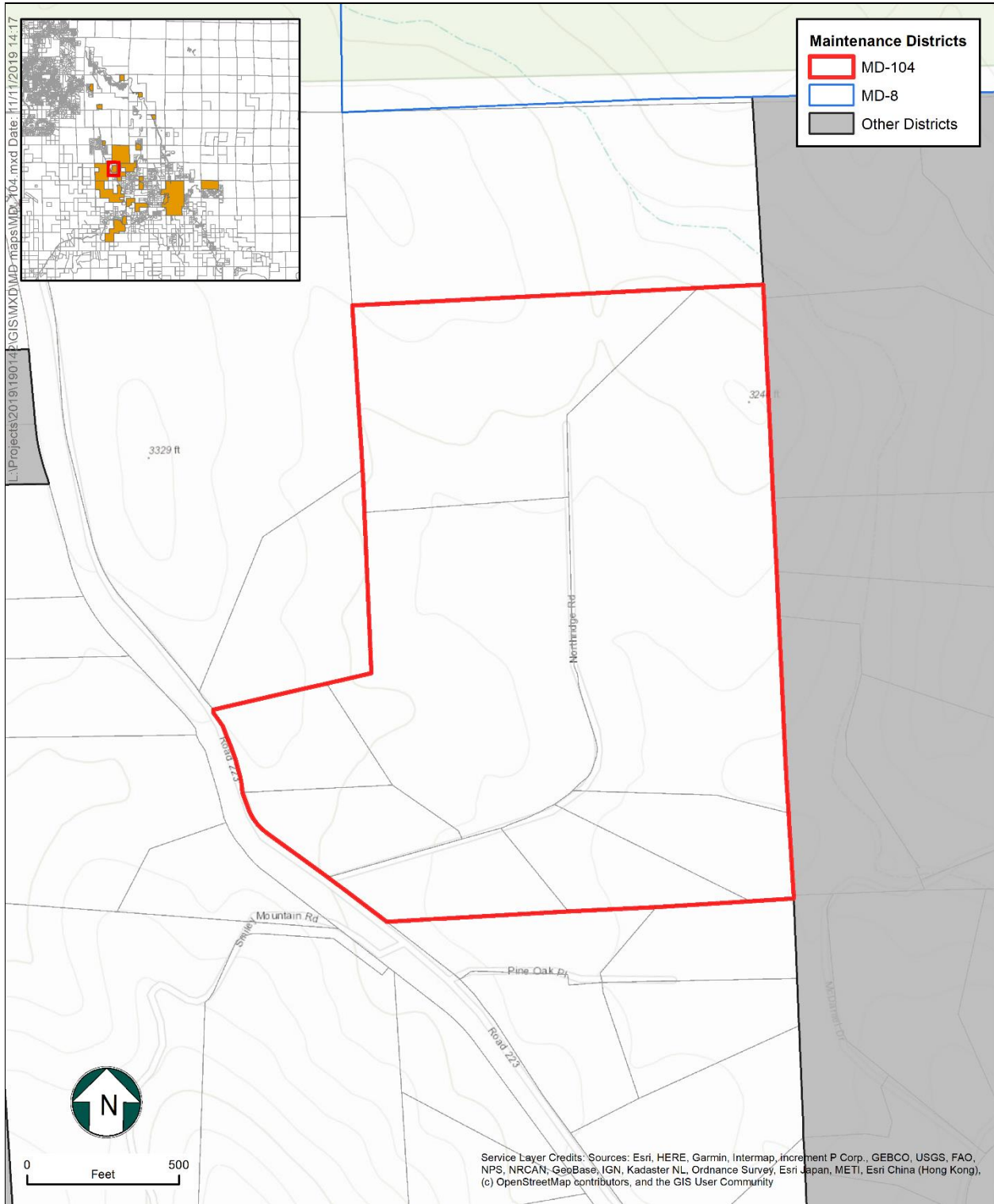


Figure 5-20
Maintenance District 104 – Northridge Meadows

Road maintenance within MD-104 serves six parcels with 0.20 miles of paved road and 0.22 miles of unpaved roadway. When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019). The rate of \$100 per parcel was not based on an engineering study and has not been adjusted for inflation. Similarly, these rates were last set in 1997. Therefore, this rate is likely deficient to provide an appropriate level of maintenance for the residents that receive the service. As has been the case historically throughout Madera County, road maintenance districts may have been established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, MD-104 should revisit this rate and attempt to establish a funding mechanism appropriate for providing this service.

5.19.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

It is not possible to share road assets between districts, but maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system.

Maintenance District 104 (Northridge Meadows) is adjacent to MD-15. Similarly, these districts are within a close proximity to MD-55, 58, and 74. If possible, MD-15 should be consolidated with the MD-15, 55, 58, and 74 systems to form a new district. This would streamline service providers and create an economy of scale.

Maintenance District 104 has multiple options that can be considered in order to organize service delivery. One way to combine services would be to create a new maintenance district. However, maintenance districts do not contain spheres of influence, and thus inhibit the County from revising the boundaries of the District in order to meet future service needs. Therefore, it may prove viable to create a County service area or community services district, which do contain spheres of influence and can be adjusted on a regular basis.

In order to determine the most appropriate path for the districts, the County should enter discussions with LAFCo in order to study current conditions and the feasibility of the proposed options.

5.19.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

MD-104 has an established flat rate of \$100 per parcel annually, which is likely deficient to provide the needed level of service for road maintenance. Therefore, one opportunity for rate restructuring would be 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.

5.19.7 - GOVERNANCE

All of the CSAs and MDs in Madera County are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.

5.19.8 - DETERMINATIONS

Determination 5.19-1 – The County maintains 0.42 miles of non-County roadway within Maintenance District 104 (Northridge Meadows), utilizing a direct assessment of \$100 per parcel, per year.

Determination 5.19-2 – The rate established for Maintenance District 104 (Northridge Meadows) 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 Maintenance District 104 (Northridge Meadows).

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 Maintenance District 104 (Northridge Meadows) with the nearby Maintenance District 15, 55, 58, and 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 Maintenance District 104 (North Meadows) with nearby districts by conducting feasibility and rate studies.

5.20 - MD-107 – Deer Springs**5.20.1 - INTRODUCTION**

Maintenance District 107 (Deer Springs) is located in Madera County Supervisory District 5, two miles northwest of North Fork and accessed east from Road 226. The District contains eight parcels with 0.19 miles of paved road. This District provides road service for a small residential development. Deer Springs was formed on April 21, 1998, by Resolution 98-87 and is approximately 39 acres in size.

When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

5.20.2 - BUDGET

As previously stated, funding for road maintenance within MD-107 comes from a direct assessment of \$100 per parcel, per year. This assessment was set on April 21, 1998, when the District was formed. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

Table 5-20
MD-107 (Road) Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$13,595.44	\$14,149.37	\$14,783.49
Revenues	\$935.11	\$928.12	\$855.00
Expenses	<u>\$381.18</u>	<u>\$294.00</u>	<u>\$15,638.49</u>
Ending Cash Balance	\$14,149.37	\$14,783.49	\$---

Source: (Department of Public Works Municipal Services Division, 2019)

5.20.3 - EXISTING FACILITIES AND ASSETS

MD-107's only assets are the roads themselves. MD-107 provides road maintenance to eight residential parcels with 0.19 miles of paved roads.

5.20.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts' budgets reflect general operations and maintenance.

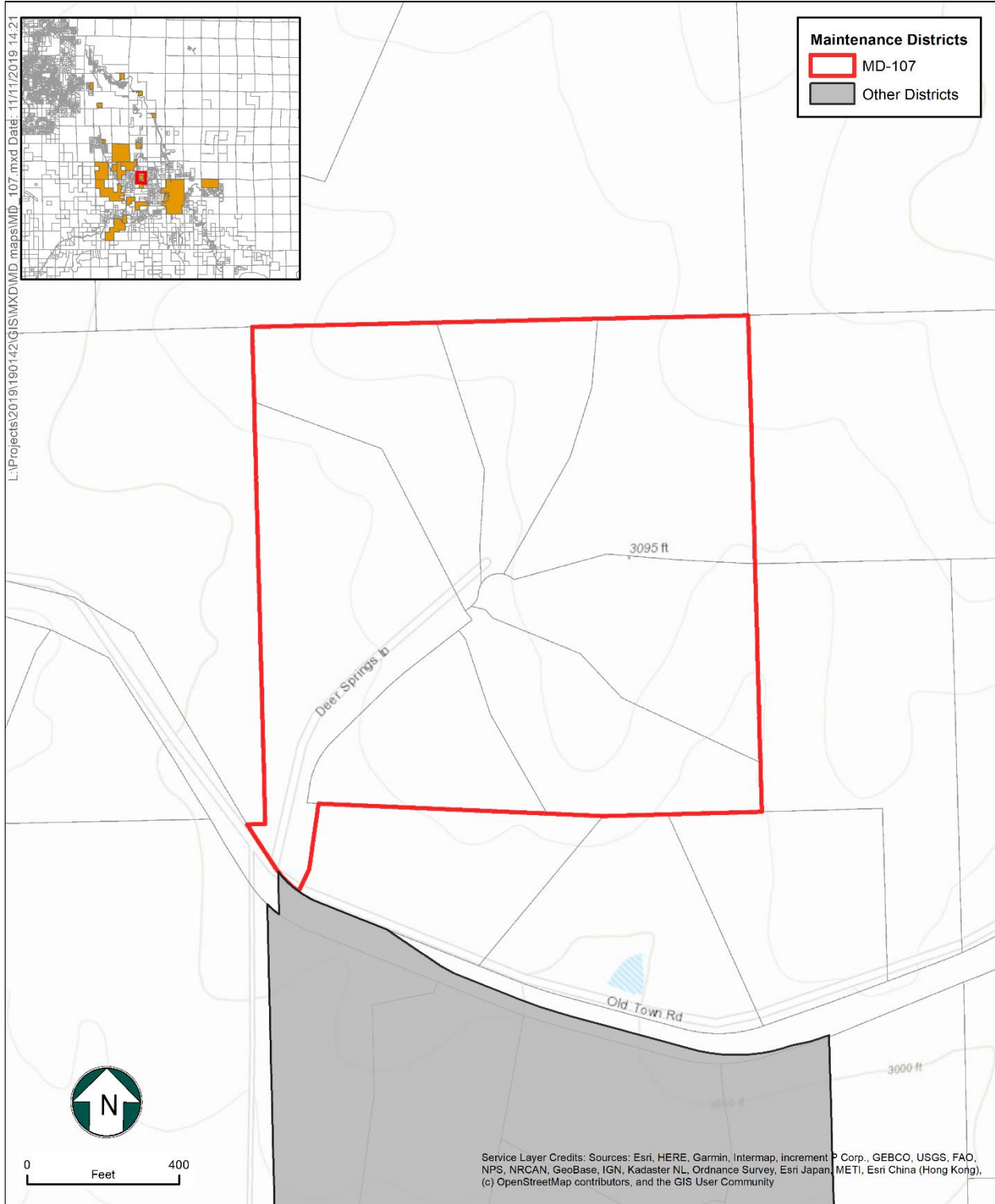


Figure 5-21
Maintenance District 107 - Deer Springs

Road maintenance within MD-107 serves eight parcels with 0.19 miles of paved roadway. When the District was formed a direct assessment of \$100 per parcel, per year for road maintenance was approved. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019). The rate of \$100 per parcel was not based on an engineering study and has not been adjusted for inflation. Similarly, these rates were last set in 1998. Therefore, this rate is likely deficient to provide an appropriate level of maintenance for the residents that receive the service. As has been the case historically throughout Madera County, road maintenance districts may have been established without utilizing proper techniques to establish what the true costs of providing the service actually is and as a result, the rates being utilized limit the ability of staff to provide typical and needed repairs. Therefore, MD-107 should revisit this rate and attempt to establish a funding mechanism appropriate for providing this service.

5.20.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

It is not possible to share road assets between districts, but maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system.

Maintenance District 107 (Deer Springs) is adjacent to MD-120. If possible, MD-107 should be consolidated with the MD-120 system to form a new district. This would streamline service providers and create an economy of scale.

Maintenance District 107 has multiple options that can be considered in order to organize service delivery. One way to combine services would be to create a new maintenance district. However, maintenance districts do not contain spheres of influence, and thus inhibit the County from revising the boundaries of the District in order to meet future service needs. Therefore, it may prove viable to create a County service area or community services district, which do contain spheres of influence and can be adjusted on a regular basis.

In order to determine the most appropriate path for the districts, the County should enter discussions with LAFCo in order to study current conditions and the feasibility of the proposed options.

5.20.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

MD-107 has an established flat rate of \$100 per parcel annually, which is likely deficient to provide the needed level of service for road maintenance. Therefore, one opportunity for rate restructuring would be 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.

5.20.7 - GOVERNANCE

All of the CSAs and MDs in Madera County are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the

infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.

5.20.8 - DETERMINATIONS

Determination 5.20-1 – The County maintains 0.19 miles of non-County roadway within Maintenance District 107 (Deer Springs), 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 Maintenance District 107 (Deer Springs).

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 Maintenance District 107 (Deer Springs) with the nearby Maintenance District 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 Maintenance District 107 (Deer Springs) with Maintenance District 120 by conducting feasibility and rate studies.

5.21 - MD-120- Old Town**5.21.1 - INTRODUCTION**

Maintenance District 120 (Old Town) is located in Madera County Supervisory District 5 northwest of the town of North Fork and accessed south from Road 226 on Hard Times Ranch Road. The District serves 10 parcels with 0.37 miles of paved road and 0.25 miles of unpaved road. This District provides road service for a small residential development. Old Town was formed on June 27, 2006, by Resolution 2006-148 and is approximately 69 acres in size.

When the District was formed a direct assessment of \$357.75 per parcel, per year for road maintenance was approved for each parcel. Each year after fiscal year 2007-2008, this amount will be adjusted to reflect the inflation impact based on the Engineering News Record Construction Cost Index using the twenty-city average. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

5.21.2 - BUDGET

As previously stated, funding for road maintenance within MD-120 comes from a direct assessment of \$357.75 per parcel, per year. This amount is adjusted yearly to reflect inflation impacts. This assessment was set on June 27, 2006, when the District was formed. These are non-County roads and not included in the County's maintained road system (Department of Public Works, Municipal Services Division, 2019).

Table 5-21
MD-120 (Road) Budget

	Actual 2016-2017	Estimated 2017-2018	Budgeted 2018-2019
Beginning Cash Balance	\$33,925.30	\$38,896.30	\$43,542.53
Revenues	\$5,001.00	\$4,926.23	\$4,320.00
Expenses	<u>\$30.00</u>	<u>\$280.00</u>	<u>\$47,862.53</u>
Ending Cash Balance	\$38,896.30	\$43,542.53	\$---

Source: (Department of Public Works Municipal Services Division, 2019)

5.21.3 - EXISTING FACILITIES AND ASSETS

MD-120's only assets are the roads themselves. MD-120 provides road maintenance to 10 residential parcels with 0.37 miles of paved road and 0.25 miles of unpaved road.

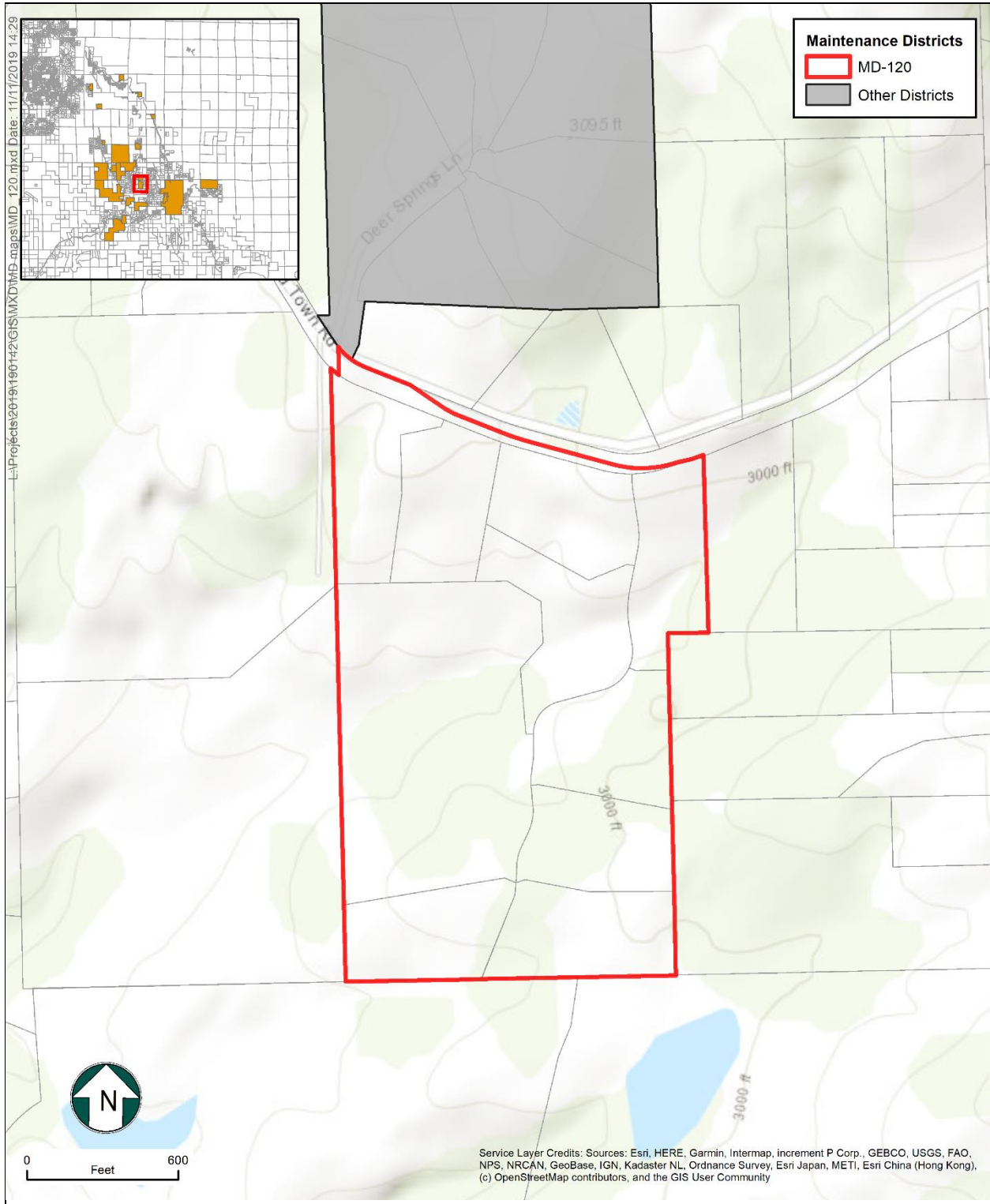


Figure 5-22
Maintenance District 120 – Old Town

5.21.4 - FINANCIAL ABILITY TO PROVIDE SERVICES

The Board of Directors of maintenance districts, which is the County Board of Supervisors, annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts' budgets reflect general operations and maintenance.

Road maintenance within MD-120 serves 10 parcels with 0.37 miles of paved roadway and 0.25 miles of unpaved roadway. When the District was formed a direct assessment of \$357.75 per parcel, per year for road maintenance was approved for each parcel. Each year after fiscal year 2007-2008, this amount will be adjusted to reflect the inflation impact based on the Engineering News Record Construction Cost Index using the twenty-city average. (Department of Public Works, Municipal Services Division, 2019). Therefore, this rate is likely able to provide an appropriate level of maintenance for the residents that receive the service.

5.21.5 - STATUS OF, AND OPPORTUNITIES FOR, COST AVOIDANCE AND SHARED FACILITIES

It is not possible to share road assets between districts, but maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system.

Maintenance District 120 (Old Town) is adjacent to MD-107. If possible, MD-120 should be consolidated with the MD-107 system to form a new district. This would streamline service providers and create an economy of scale.

Maintenance District 120 has multiple options that can be considered in order to organize service delivery. One way to combine services would be to create a new maintenance district. However, maintenance districts do not contain spheres of influence, and thus inhibit the County from revising the boundaries of the District in order to meet future service needs. Therefore, it may prove viable to create a County service area or community services district, which do contain spheres of influence and can be adjusted on a regular basis.

In order to determine the most appropriate path for the districts, the County should enter discussions with LAFCo in order to study current conditions and the feasibility of the proposed options.

5.21.6 - OPPORTUNITIES FOR RATE RESTRUCTURING

MD-120 appears to be meeting the necessary funds to provide a needed level of service for road maintenance. Therefore, there is not an opportunity for rate restructuring within the District.

5.21.7 - GOVERNANCE

All of the CSAs and MDs in Madera County are governed by the Madera County Board of Supervisors. Staff from Madera County Public Works Department operate and maintain the

infrastructure within the District, as well as provide the Board with recommended budgets and accounting reports. Based on self-reported information, it appears that the District maintains its financial and other records and conducts its required meetings in compliance with applicable laws governing public agencies. Maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.

5.21.8 - DETERMINATIONS

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

Determination 5.21-2 – The rate established for Maintenance District 120 (Old Town) 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 Maintenance District 120 (Old Town).

Determination 5.21-4 – The County should consider consolidating Maintenance District 120 (Old Town) with the nearby Maintenance District 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 Maintenance District 120 (Old Town) with Maintenance District 107 by conducting feasibility and rate studies.

SECTION 6 - PLAN FOR SERVICES

While County Service Area 2 (Bass Lake) was created for all areas nearby Bass Lake, most County service areas and maintenance districts within the study area were established to only provide services to their own neighborhood. The County's policy had been to establish a new district when a new development, such as a parcel map or subdivision occurs, even if the new development is adjacent to an existing district or serves a very small amount of area.

Land use within the study area aligns substantially with the jurisdictional boundaries of the districts. Because most CSA's and MD's were created specifically for neighborhoods or contain a large sphere of influence, there have not been requests for additional services or annexations of areas. For example, CSA-2 provides infrastructure for roads, water, and wastewater services. However, CSA-2 currently has not created any capital improvement plans to provide future services. All projects scheduled include improvements to existing services and facilities as well as rate restructuring.

The establishment of new districts that are adjacent, nearby, or overlapping within the area has led to irregular, disorganized district boundaries that may be less effective and cost-efficient.

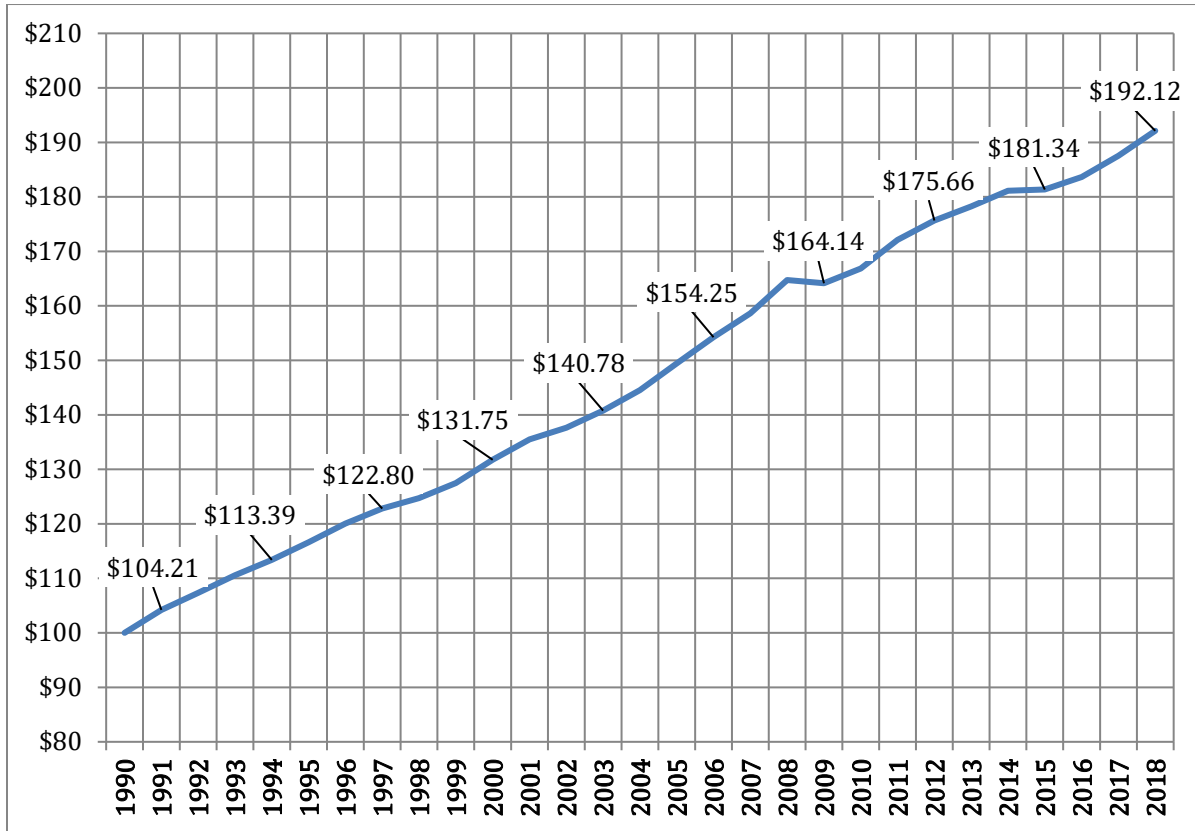
As previously mentioned, many districts have the opportunity to combine or consolidate services in order to better provide these needs in an organized manner. By reducing service providers, it may prove beneficial for cost sharing as well.

Along with duplication of services, some of these districts collect unsustainable amounts of revenues that likely would not be able to fund any sort of construction project. Administration costs for reporting to the State of California may also have actual costs that could dwindle revenues further.

It is apparent that the County had a standard policy of assessing \$100 per parcel for road maintenance. However, in many of the districts, this amount does not appear to be based on a standard engineering practice for establishing rates based on the work to be completed. Inflation escalators were also not included in most of the districts which further limits sustainability of maintenance for districts as money in 1960-1990 dollars is not equivalent to 2019 dollars.

As shown in Chart 6-1, according to the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (Bureau of Labor Statistic, 2019), which was the basis for inflation costs for road maintenance, \$100 was originally used in many districts as a base assessment fee. Due to lack of an inflation escalator, a \$100 fee established in 1990 would need to be an assessment of approximately \$192.12 today to have the same purchasing power, an increase of approximately 92 percent (Engineering New Record, 2015).

Chart 6-1
Inflation of Construction Costs from 1990-2018 of \$100



In comparison, construction costs for rural roads vary. The replacement timeframes also vary depending on the type of repair being done to the road. Typical practices include:

- 2" Overlay: 7-10 years
- Pulverize and Reconstruct: 10-15 years
- Total Reconstruction: 15-20 years

Other variable costs include mobilization of construction crews, survey, excavation, and compaction (Makmur, 2019)². As represented in Chart 6-1, all these costs which go into maintenance and repair of roadways have increased over time. Based on engineering

² This chart is illustrative purposes only based on costs from a similar community. A full engineering analysis that contains true costs should be conducted in order to determine true costs associated with each district's road maintenance needs.

estimates from other rural areas available, estimates per linear foot of roadway are approximately³:

- 2" Overlay: \$466,724 per mile
- Pulverize and Reconstruct: \$692,723 per mile
- Total Reconstruction: \$985,371 per mile

Based on current assessments and roadway lengths, it is evident that the level of service being provided by many of the districts is below the industry standards for repair and maintenance. Table 6-1 shows the cost to conduct the various road maintenance activities listed for each district's portions of paved road only. Unpaved portions would incur less costs but do comprise a far smaller percentage of the total roads within districts of the North Fork/Bass Lake area

These simple estimates, which still need to be verified through an engineering report commissioned by each district, utilize the maximum number of years to collect the money for each construction type listed above. Additionally, the costs are spread on a flat rate to each parcel within the District. As shown in Table 6-1, it would appear that most of the districts would need significant rate increases in order to allow for comprehensive construction activities consistent with industry practices for proper maintenance. At the current rates, roads could only incur very minor repairs, such as potholes, and would lead to overall deterioration of the local roadways within the districts.

Therefore, if there are future plans for development within the North Fork/Bass Lake area, any project should first annex to an existing district to prevent duplication of services that are already present. Additionally, an engineering study should be conducted to establish the true cost of maintaining the roads within the development. It should be the responsibility of the property owners who end up living in a development to fund the maintenance of roadways to an acceptable standard and not require subsidies from either the County General Fund or other sources, such as grants, since road maintenance is considerably easier to project over time than other services, such as sewer or water.

³ Construction estimates were projected using the Consumer Price Index increase from 2015 to 2018, as represented in Chart 6-1.

Table 6-1
Estimated Current Costs per Parcel for Construction (Paved Roads only)

District	2" Overlay Cost (10 yr)	Cost per Parcel (Annual)	Pulverize & Reconstruct (15 yr)	Cost per Parcel (Annual)	Total Reconstruct (20 yr)	Cost per Parcel (Annual)
CSA-2B	\$326,706	\$990	\$484,906	\$980	\$689,759	\$1,045
CSA-2D	\$373,379	\$612	\$554,178	\$606	\$788,297	\$646
CSA-15	\$1,815,556	\$1,853	\$2,694,692	\$1,833	\$3,833,095	\$1,956
MD-6	\$163,353	\$408	\$242,453	\$404	\$344,880	\$431
MD-7	\$317,372	\$338	\$471,052	\$334	\$670,053	\$356
MD-8B	\$168,021	\$2,400	\$249,380	\$2,375	\$354,734	\$2,534
MD-11	\$457,389	\$424	\$678,868	\$419	\$965,664	\$447
MD-15	\$504,062	\$1,008	\$748,141	\$998	\$1,064,201	\$1,064
MD-18	\$821,434	\$1,550	\$1,219,192	\$1,534	\$1,734,254	\$1,636
MD-24	\$214,693	\$335	\$318,653	\$332	\$453,271	\$354
MD-25	\$401,382	\$637	\$595,742	\$630	\$847,419	\$673
MD-55	\$303,370	\$1,167	\$450,270	\$1,155	\$640,491	\$1,232
MD-58	\$555,401	\$1,915	\$824,340	\$1,895	\$1,172,592	\$2,022
MD-64	\$354,710	\$1,971	\$526,469	\$1,950	\$748,882	\$2,080
MD-67	\$196,024	\$1,508	\$290,944	\$1,492	\$413,856	\$1,592
MD-69	\$144,684	\$1,315	\$214,744	\$1,301	\$305,465	\$1,388
MD-74	\$578,738	\$1,929	\$858,976	\$1,909	\$1,221,861	\$2,036
MD-86	\$126,015	\$504	\$187,035	\$499	\$266,050	\$532
MD-92	\$177,355	\$612	\$263,235	\$605	\$374,441	\$646
MD-93	\$434,053	\$2,284	\$644,232	\$2,260	\$916,395	\$2,412
MD-97	\$340,708	\$1,704	\$505,688	\$1,686	\$719,321	\$1,798
MD-104	\$93,344	\$1,556	\$138,545	\$1,539	\$197,074	\$1,642
MD-107	\$88,677	\$1,108	\$131,617	\$1,097	\$187,221	\$1,170
MD-107	\$172,688	\$1,727	\$256,307	\$1,709	\$364,587	\$1,823

6.1 - Determinations

Determination 6.1-1 – The County should examine the rate structures for all the districts within the study area to determine if the district’s assessment rate needs to be adjusted to provide the appropriate level of service.

Determination 6.1-2 – Given the recent failures with rate increases subject to Proposition 218, if the County cannot get rates approved that provide the appropriate funding to provide an adequate level of services, the County should consider dissolution of districts which do not pass increased rates.

SECTION 7 - PRIVATE UTILITY COMPANIES

Within the Bass Lake and North Fork communities, neighborhoods receive services from other entities besides public special districts. Many of these entities are operated within the community by residents or neighborhood representatives. These entities are referred commonly as mutual water or utility companies. Generally speaking, they are only authorized to provide water service and are under the jurisdiction and oversight of the California State Water Resources Control Board as well as the California Public Utilities Commission. These entities operate independently of the special districts although they could actually gain some benefit with the districts in regard to economy of scale if they were ever to work collaboratively.

Within the Bass Lake and North Fork area, there are five of these entities:

- Bass Lake Water Company
- Bass Lake Heights Mutual Water Company
- Cascadel Mutual Water System
- Leisure Acres Mutual Water Company
- Sierra Linda Mutual Water Company

7.1 - Bass Lake Water Company

The water system to serve the Pines and Falls tracts at Bass Lake began informally in the 1930's as an unregulated subsidiary of The Pines, Inc. who had developed residential lots for lease and a commercial area known as The Pines Village on the north shore of the lake.

In 1945, the Pines development and the water operation was acquired by Williams Resorts, Inc. On March 2, 1959, Bass Lake Water Company (BLWC) was incorporated as a separate company under their ownership. In 1974, The Pines Resort acquired the company. In 2007, the majority of the Pines Resort assets were sold except for some vacant land and the Bass Lake Water Company. The Water Company continues today to be operated as a wholly owned subsidiary of the Pines Resorts LLC and is under the jurisdiction of both the State Water Resources Control Board, Division of Drinking Water (DDW) and the California Public Utilities Commission (PUC).

Bass Lake Water Company serves a year-round population of approximately 500 customers and a seasonal population of about 3,000 customers. The system, operating under Domestic Water Supply Permit No. 86-029, is located generally along the north and northwest shores of Bass Lake in Madera County. The water is served through approximately 1,002 service connections, of which 958 are residential and 44 are metered commercial. Water is supplied by three ground water wells and one surface water treatment plant taking water from the North Fork of Willow Creek. Annually about 86 percent of the water used in the system comes from this source with the balance from the wells. Only 25 percent of the customers are full-time residents; of the remaining part-time customers, 32 percent are from the Central Valley, 21 percent are from Southern California, 10 percent are from the Bay Area, and 12 percent are from other parts of California.

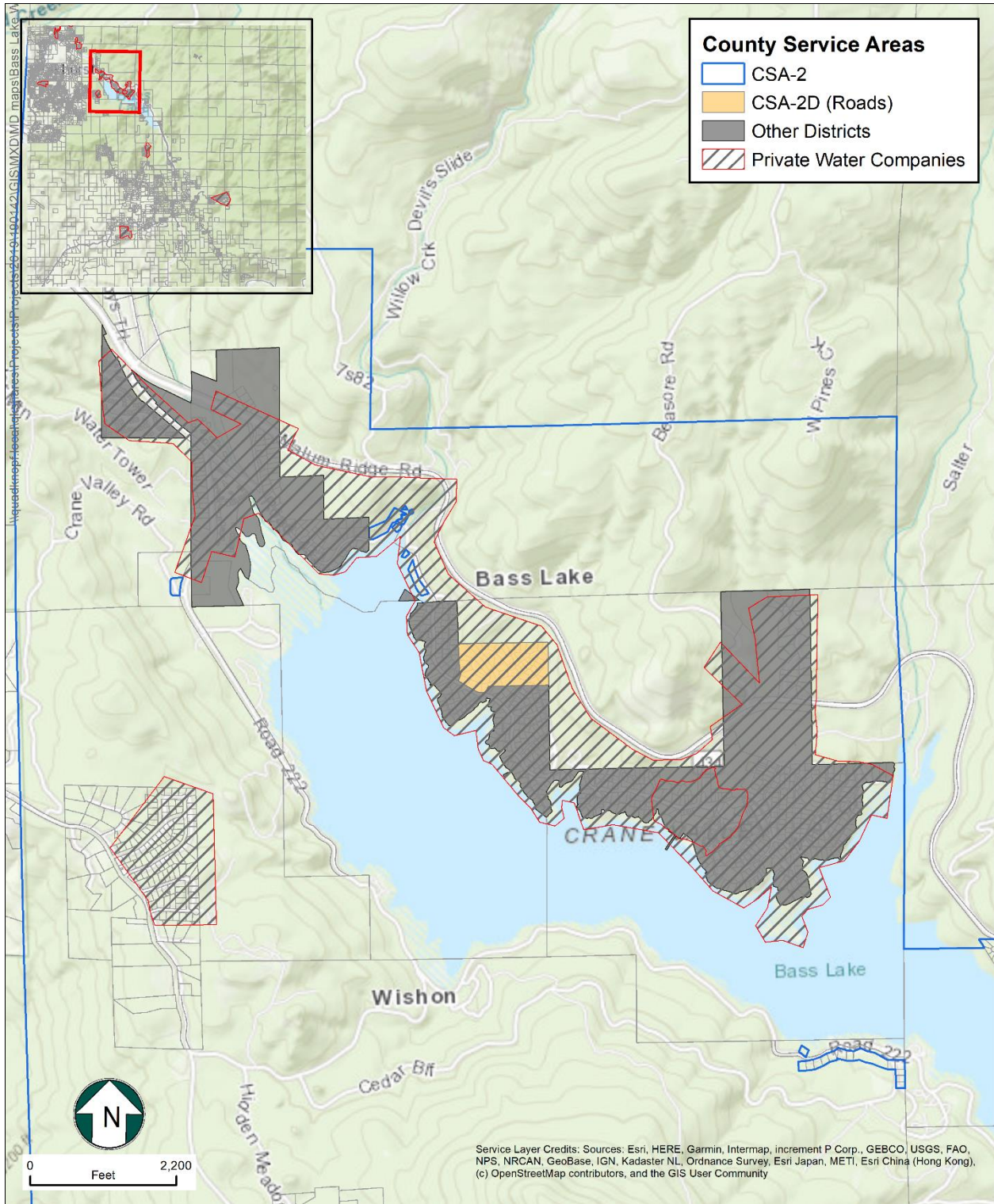


Figure 7-1
Bass Lake Water Company

Prior to 1984, water taken from Willow Creek was disinfected and passed through an 1,800-gallon single-chamber pressure filter prior to being introduced into the distribution system. No chlorine contact reservoir was provided. In 1984, the BLWC constructed an in-line filtration plant with four chambers located alongside Willow Creek approximately one-eighth mile north of County Road 274. Prior to 1994, the plant treated flows of 500 gpm. In 1994, in order to comply with the Surface Water Treatment Rule (SWTR) filter loading requirement, the plant capacity was reduced to 325 gpm. In 1997, as an additional result of the SWTR, a chlorine contact tank was added downstream of the filter unit.

Extensive improvements to the filter and distribution system were completed between 1979-1984. There have been no dividends or financial distributions made to the parent company since 1974. Between 1990-1996 the Pines Resort invested \$540,102 into operational needs and system improvements. From 1997-2012, an additional \$1,633,163 in system improvements have been made (Bass Lake Water Company, n.d.).

As the BLWC is a private company, LAFCo has no jurisdiction to regulate or compel consolidation or annexation between BLWC and other agencies. The inclusion of the BLHMWC is strictly for context and inclusion of all service providers within the Bass Lake area. The BLHMWC is critical to the local landscape of municipal service delivery as it provides domestic water service to over 3,000 people in the area.

The BLWC boundaries overlap with CSA-2A and MD-92. Because coordinated municipal service delivery is the overarching goal of LAFCo, deeper analysis of service provider efficacy is often considered. Should the time arise where the BLHMWC ceases operation or is willing to consider annexation to another agency, LAFCo and the County should coordinate in order to develop current feasibility recommendations for the best results. Ideally, the BLHMWC system should be consolidated with the CSA-2 water system, if possible. In the event that CSA-2 has consolidated with MD-6, 7, and 92, it can be considered for consolidation into that district. Although previously analyzed within the Feasibility Study Reports for the districts, significant coordination and investigation of current conditions would need to take place prior to any of these being undertaken.

7.1.1 - DETERMINATIONS

Determination 7.1-1 – The Bass Lake Water Company 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 – Bass Lake Water Company is a privately-owned company not subject to the oversight or jurisdiction of LAFCo.

Determination 7.1-3 – If ever the Bass Lake Water Company (BLWC) ceases operation or is willing to consider annexation to another agency, the County should consider consolidating BLWC with County Service Area 2, Zone A to minimize the presence of unnecessary districts and to streamline services.

7.2 - Bass Lake Heights Mutual Water Company

The Bass Lake Heights Mutual Water Company (BLHMWC) is located in Madera County Supervisory District 5, approximately five miles east of Oakhurst and accessed northeast from County Road 426. The Company overlaps Maintenance District 11 (Bass Lake Heights) and can be found at 52826 Balsam Drive in Oakhurst, California. The Company services 250 residents through 102 unmetered connections to residential zones. The water system facilities are comprised of three wells, a blended tank, an arsenic removal system, and a distribution system. The Company holds regular board meetings in which the public may participate once a year on the second Saturday of July.

A notice of violation for exceedance of the maximum contamination levels (MCL) for arsenic was recorded in October of 2017; however, compliance was achieved on March 16, 2018 and the Company has not been sited since (CA Drinking Water Watch, n.d.). Compliance with arsenic contamination levels has been maintained largely due to the addition of the arsenic removal system which monitors water contamination on a monthly basis (Protzman, 2019).

As the BLHMWC is a private company, LAFCo has no jurisdiction to regulate or compel consolidation or annexation between the BLHMWC and other agencies. The inclusion of the BLHMWC is strictly for context and inclusion of all service providers within the Bass Lake area. The BLHMWC is critical to the local landscape of municipal service delivery as it provides domestic water service to 250 people in the area.

Coordinated municipal service delivery is the overarching goal of LAFCo. Should the time arise where the BLHMWC ceases operation or is willing to consider annexation to another agency, LAFCo and the County should coordinate in order to develop feasibility recommendations for the best results. If possible, the BLHMWC water system should be consolidated with the Maintenance District 11. This would streamline service providers and make it more efficient by offering road maintenance and water services through the same entity. Significant coordination and investigation of current conditions would need to take place prior to any options being undertaken.

7.2.1 - DETERMINATIONS

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

Determination 7.2-2 – The Bass Lake Heights Mutual Water Company is a privately-owned company not subject to the oversight or jurisdiction of LAFCo.

Determination 7.2-3 – In the event the Bass Lake Heights Mutual Water Company (BLHMWC) is unable to continue to provide services, for whatever reason, the BLHMWC could be combined with Maintenance District 11.

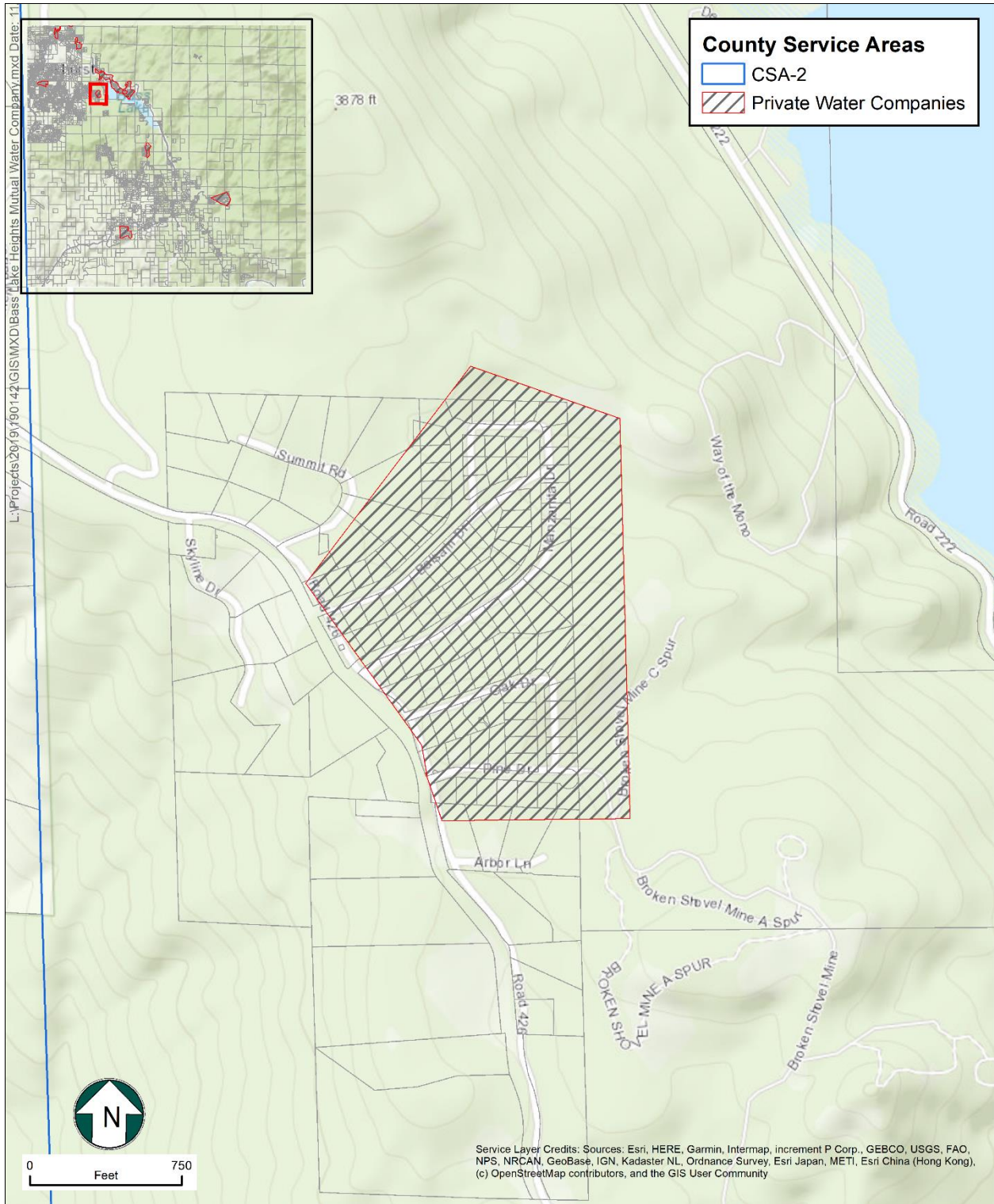


Figure 7-2
Bass Lake Heights Mutual Water Company

Determination 6.2-4 – The County shall coordinate with the 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.

7.3 - Cascadel Woods Mutual Water Company

The discussion regarding Cascadel Woods Mutual Water Company was removed from this MSR due to action by the Board of Supervisors on January 7, 2020 to initiate the possible dissolution and formation of a new special district within the Cascadel area. Therefore, analysis for this district will be made in an upcoming MSR that will review the delivery of services to this neighborhood.

7.4 - Leisure Acres Mutual Water Company

The Leisure Acres Mutual Water Company (LAMWC) is located in Madera County Supervisory District 5, about four miles southwest of North Fork and accessed south from County Road 200. The Company overlaps Maintenance District 18 (Leisure Acres) and can be found at PO Box 1183 in North Fork, California. The Company services 45 residents through 24 unmetered connections to residential zones. The water system facilities are comprised one well, and a distribution system.

A notice of violation for exceedance of the maximum contamination levels (MCL) of coliform was most recently recorded on March 6, 2019; however, compliance was achieved on the same day and the Company has not been sited since (CA Drinking Water Watch, n.d.).

As the LAMWC is a private company, LAFCo has no jurisdiction to regulate or compel consolidation or annexation between the LAMWC and other agencies. The inclusion of the LAMWC is strictly for context and inclusion of all service providers within the North Fork area. The LAMWC is critical to the local landscape of municipal service delivery as it provides domestic water service to 45 people in the area.

Coordinated municipal service delivery is the overarching goal of LAFCo. Should the time arise where the LAMWC ceases operation or is willing to consider annexation to another agency, LAFCo and the County should coordinate in order to develop feasibility recommendations for the best results. If necessary, the LAMWC water system could be combined with the Maintenance District 18 system or the new Maintenance District 18 and 69 MD, CSA or CSD. This would streamline service providers and make it more efficient by offering road maintenance and water services through the same entity. Significant coordination and investigation of current conditions would need to take place prior to any options being undertaken.

This would streamline service providers and make it more efficient by offering road maintenance and water services through the same entity. Significant coordination and investigation of current conditions would need to take place prior to any options being undertaken.

7.4.1 - DETERMINATIONS

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

Determination 7.4-2 – The Leisure Acres Mutual Water Company is a privately-owned company not subject to the oversight or jurisdiction of LAFCo.

Determination 7.4-3 – In the event the Leisure Acres Mutual Water Company (LAMWC) is unable to continue to provide services, for whatever reason, the LAMWC could be combined with Maintenance District 18 and 69 as a new CSA or CSD.

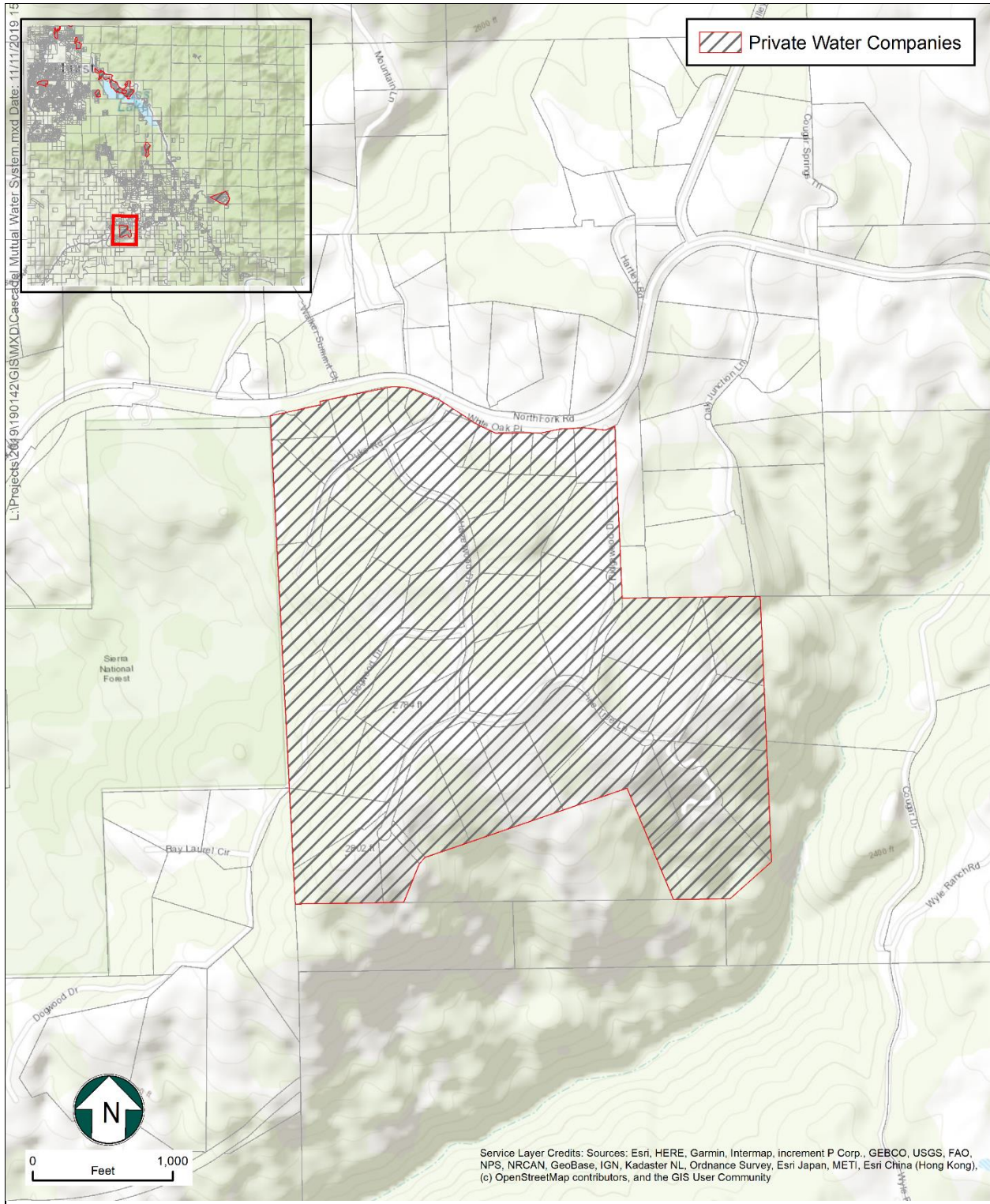


Figure 7-3
Leisure Acres Mutual Water Company

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

7.5 - Sierra Linda Mutual Water Company

The Sierra Linda Mutual Water Company (SLMWC) is located within North Fork in Madera County and can be found at PO Box 285 in North Fork, California. The Company services 180 residents through 89 unmetered connections to residential zones. The water system, comprised of three wells, a spring, and a distribution system, overlaps MD-25.

A notice of violation for exceedance of the maximum contamination levels (MCL) of gross alpha particle activity was recorded in 2015; however, the Company has not been sited since (CA Drinking Water Watch, n.d.).

As the SLMWC is a private company, LAFCo has no jurisdiction to regulate or compel consolidation or annexation between the SLMWC and other agencies. The inclusion of the SLMWC is strictly for context and inclusion of all service providers within the North Fork area. The SLMWC is critical to the local landscape of municipal service delivery as it provides domestic water service to 180 people in the area.

Coordinated municipal service delivery is the overarching goal of LAFCo. Should the time arise where the SLMWC ceases operation or is willing to consider annexation to another agency, LAFCo and the County should coordinate in order to develop current feasibility recommendations for the best results. Ideally, the SLMWC system should be consolidated with the MD-25 road maintenance system, if possible. This would streamline service providers and make it more efficient by offering road maintenance and water services through the same entity. Significant coordination and investigation of current conditions would need to take place prior to any options being undertaken.

This would streamline service providers and make it more efficient by offering road maintenance and water services through the same entity. Significant coordination and investigation of current conditions would need to take place prior to any options being undertaken.

7.5.1 - DETERMINATIONS

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

Determination 7.5-2 – The Sierra Linda Mutual Water Company 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 Maintenance District 25.

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

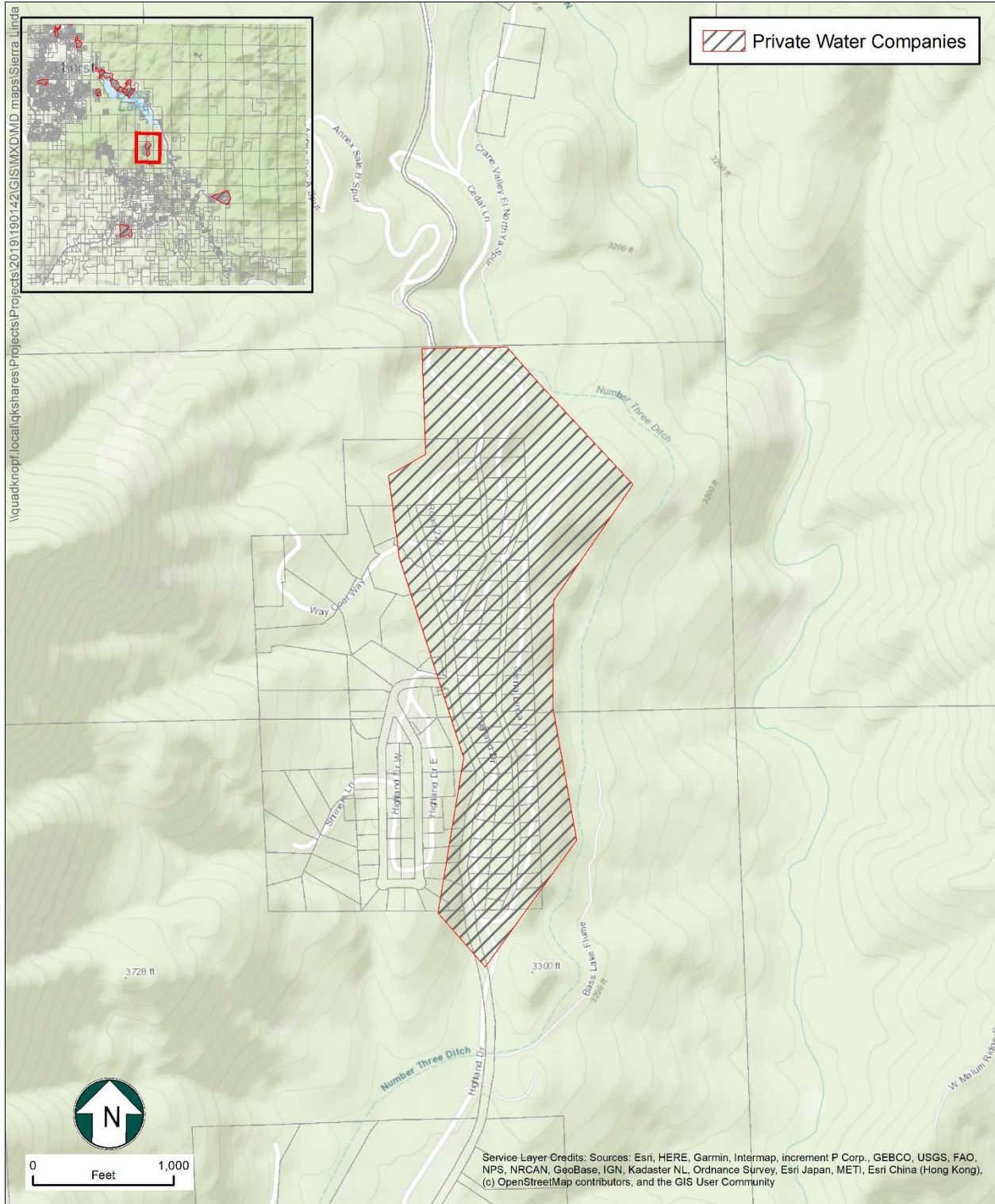


Figure 7-4
Sierra Linda Mutual Water Company

SECTION 8 - SPHERE OF INFLUENCE REVIEW

As part of any sphere of influence review, LAFCo is required to consider all of the information presented in the Municipal Service Review conducted for that agency. Additionally, LAFCo must also make written statement of its determinations for that agency regarding the following:

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

After a written determination has been made with respect to the aforementioned areas of review, LAFCo may adopt a sphere of influence (SOI) that is appropriate for the agency's provision of service.

This section of the report fulfills the requirements of Government Code Section 56425 and allows LAFCo to adopt an SOI that is consistent with the written determinations for the Madera area.

8.1 - Present and Planned Land Uses

The County has adopted a General Plan that dictates present and future land uses within its jurisdictional boundaries. Within the document, there is an area plan for the unincorporated community of North Fork. The Plan also reviews the various districts within the County, including those servicing the North Fork and Bass Lake areas. The County's General Plan reviews the services as well as deficiencies present within these areas over the period of the document, at least eight years and possibly beyond. However, it should be noted that SOI boundaries are reviewed every five years and generally considered a boundary of an identical timeframe.

The majority of the North Fork and Bass Lake areas are designated rural residential, with some commercial, open space and agricultural lands. Districts have typically been formed in the area based off of the need to service small residential communities that exist sporadically throughout the study area. These districts typically have boundaries that contain all developed areas within the vicinity, as they were created in accordance with the boundaries of current building locations.

Although the communities of North Fork and Bass Lake are unincorporated, spheres of influence exist for County Service Areas 2, 15, and 21. The SOI covers adjacent, existing

communities which may need services in the future in the event that their service provider is no longer able to operate.

As previously discussed, in the event that any districts form a new community service district or County service area, spheres of influence can be created that present the opportunity for nearby developments and unincorporated residential areas to be annexed into the territory, should the time arise in which they are unable to provide services.

8.2 - Present and Probable Need for Public Facilities and Services

The County provides a wide range of services to its residents. Services have been supplemented by creating secondary agreements to collaborate with neighboring agencies, such as special districts, to best provide services in a comprehensive manner.

The North Fork and Bass Lake areas are widely serviced by maintenance districts and County service areas. Similarly, according to Section 2.3 - Population Projections, the area is forecasted to maintain a very slow and steady growth rate into the future. However, district budgets have revealed that service provision is inconsistent with current rates. Many districts have not appropriately planned to fund district services, have not added inflation multipliers, or have not revisited rates within the past five years to confirm continued accuracy. This serves as the most immediate problem to districts in the North Fork/Bass Lake areas, as it may inhibit districts from meeting currently necessitated levels of service, regardless of growth.

Another potential concern of present and probable service needs would include orderly service provision of existing districts. Currently, although the jurisdictional boundaries of current districts are adequate, there is room for improvement. As previously mentioned for each district, there is an increasing potential for a mass combination of existing districts. Many lie close enough to one another that it is possible to create new County service areas or community service districts. The benefit would be a streamlining of service providers, an opportunity for improved cost sharing, as well as the ability to maintain a sphere of influence (SOI). In particular, SOI's would increase the ability to amend district boundaries with ease, should the population increase substantially in the future.

According to Section 2.3 - Population Projections, there is a slow increase in population expected within the North Fork and Bass Lake area which will not significantly affect current service provision. Similarly, there have not been submitted or proposed plans for expansion. As previously mentioned, many of the existing districts may not require any immediate growth to jurisdictional boundaries but would benefit from revisited rate studies. There is currently no need to expand SOI boundaries to County Service Areas 2, 15, or 21 because district jurisdictions have typically been formed coterminous with developed areas; However, there is the potential to combine pre-existing County service areas and maintenance districts in order to form larger and more orderly providers.

8.3 - Disadvantaged Unincorporated Communities

As further mentioned in Section 3.1, a disadvantaged unincorporated community (DUC) is classified based off of the income level within a particular area of the County. Some of these communities do not receive sewer or water through a provider, and therefore remain fully disadvantaged. However, a variety of districts within the North Fork/Bass Lake area provide water and wastewater services to many of the existing developments and communities. Some of these serviced areas are DUC's and therefore are only considered disadvantaged based on income, and not service provision.

The County in collaboration with CAL FIRE does provide structural fire protection to the study area. Therefore, in the event that districts are combined or consolidated to better service an area, there would be little to no change within DUCs as it pertains to fire services.

The districts within the study area that contain a DUC are analyzed in Section 3.1 to determine what level of water and sewer services they receive. The districts that contain a DUC and are discussed include parts or all of County Service Areas 2, as well as Maintenance Districts 8, 11, 64, 67, 92, 93, 107, and 120.

There are DUCs within the study area that may have alternative forms of service, such as wells or septic tanks. Therefore, alternatives for future service are reviewed on a case by case basis to determine if there is a neighborhood needing services that would warrant additional attention.

Once a determination is made on the level of water or sewer services, options are presented on possible ways to help improve the DUC service provision.

8.4 - Present Capacity of Public Facilities and Adequacy of Public Services

As previously stated in Section 6, a variety of road, water, and sewer services may be deficient to provide an adequate level of services to the study areas. This may be due to a lack of appropriately planned service funds, inflation multipliers, or revisits to the current rate structure within the past five years.

Similarly, it is difficult to accurately determine the financial conditions within many districts, as most do not have a rate study. Without this information, it must be concluded that there is a high likelihood that non-adjusted rates are insufficient to provide appropriate funds. Therefore, districts within the North Fork and Bass Lake areas should update their service rates in order to accommodate current community needs.

8.5 - Existence of Any Social or Economic Communities of Interest

As stated in Section 3, there are currently communities of social or economic interest within the study area denoted as DUCs. These areas have been identified and will need to be reviewed to determine next steps.

If mitigation measures are cost prohibitive, the County should attempt to bring the services through available funding sources, such as grants or interest loan programs.

8.6 - Sphere of Influence Recommendations

As shown in the MSR and throughout the determinations of this document, the County and districts in the North Fork/Bass Lake areas provide a varying level of services to their inhabitants. Some districts have adjusted rates for inflation and necessary services while others have not updated or improved their rates to meet a minimal level of service funding. Similarly, the areas of North Fork and Bass Lake contain a large quantity of service providers, some of which may have been formed for the benefit of a small community without considering the organization of the area at large.

In order to determine appropriate actions for the districts of the North Fork/Bass Lake areas, careful consideration must be paid to any and all possible options. There are multiple avenues that districts may take to reorganize. Similarly, reorganization may be recommended in order to accommodate financial insolvency, meet maximum contamination levels (MCL), or minimize the overabundance of service providers.

Although some options may appear difficult to achieve, coordinated municipal service delivery is the overarching goal of LAFCo. It is the job of LAFCo to present all possible options, and to bring forth these recommendations in order for the County to gain an increased factual knowledge, should the opportunity arise or be required later on to reorganize.

Recommendations for shared facilities were based on information provided by the County and LAFCo. This process included initial and more complex long-term recommendations.

One way to combine services would be to create new maintenance districts wherever possible. However, maintenance districts do not contain spheres of influence, and thus limit the County from revising the boundaries of districts in order to meet future service needs. This option would thus be a more short-term solution to district reorganization and may prove easier to accomplish initially.

However, it may prove viable to create new County service areas or community services districts which do contain spheres of influence and can be adjusted on a regular basis. Therefore, current districts can become zones of benefit within the sphere of influence of a CSA or CSD. Similarly, other zones of benefit can be created for communities or residential areas in the jurisdiction of districts wherever necessary. This would be recommended as a more complex long-term solution to address the future growth, organization, service provision, and financial structures of numerous districts.

Multiple recommendations have thus been offered with the assumption that certain options may be more difficult to accomplish than others.

For areas that present the opportunity to create very large CSAs or CSDs, it may then be necessary to first work on short term solutions that resolve immediate issues with district systems or service provision. As these districts grow, becoming more organized and capable of basic service provision, the provided recommendations can be used as a guideline in the study and creation of a larger, much longer-lasting solution such as a CSA or CSD.

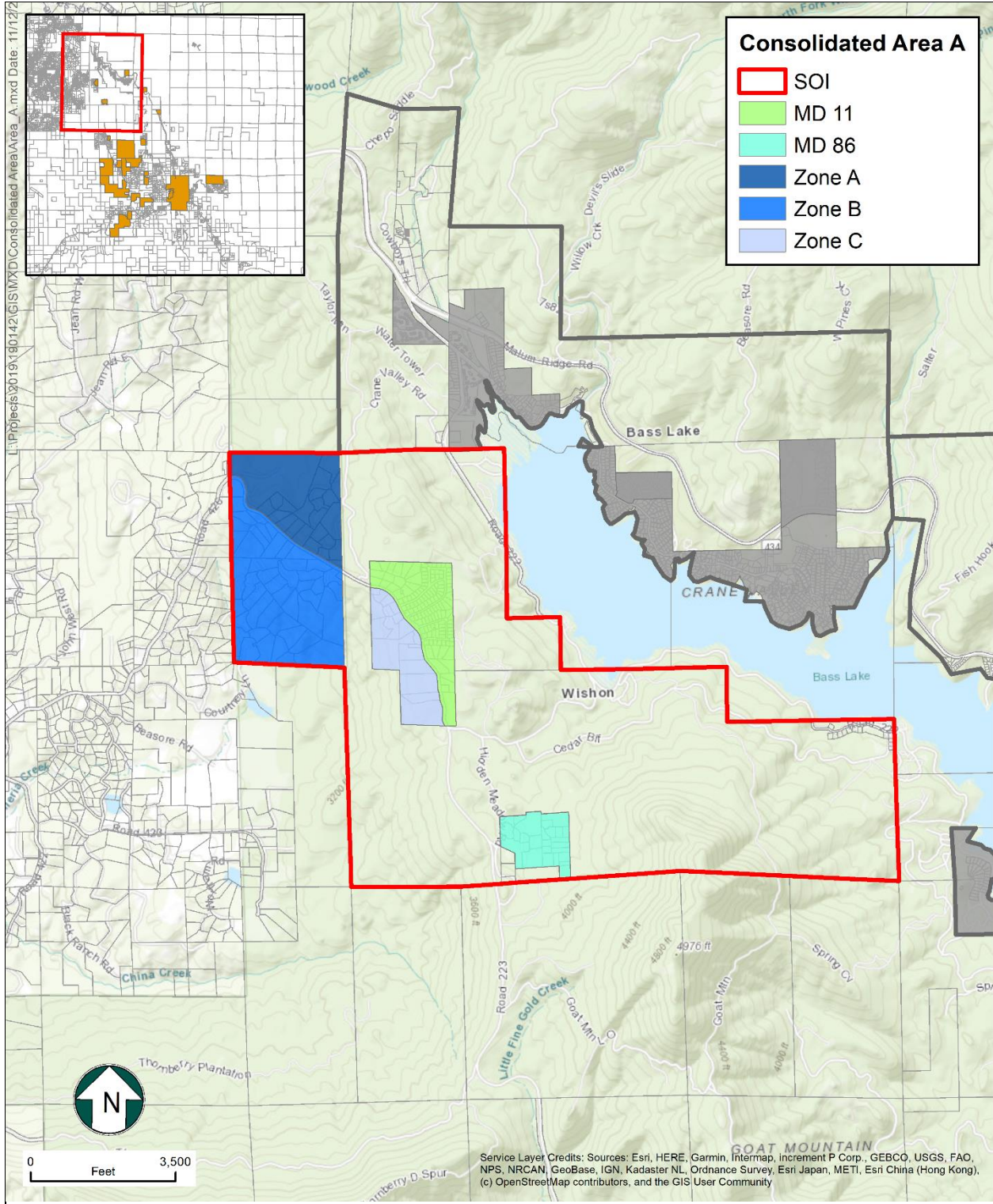
Furthermore, it is necessary to understand the rationale behind the necessity of additional zones of benefit within the proposed future CSAs and CSDs in the event that they may be carried out one day.


Some communities may have pursued alternative solutions for water or sewer, such as wells and septic systems while others may only be paying taxes to the County for road maintenance. Therefore, additional zones of benefit have been proposed to service communities that currently are unserved by a district. Proposed zone boundaries were determined further based on similar service needs between parcels. For example, some zones may be dedicated to access path road maintenance of only the roads within a particular community. This then eliminates the need of property owners to pay a percentage of tax for services not provided within a close proximity to their dwellings.

In conclusion, based on the analysis provided within this report, SOIs for proposed districts within the County of Madera may be amended or created to reflect orderly and logical boundaries that best yield effective service delivery. These spheres will also be created to accommodate existing residents as well as possible future growth needs of communities within it.

8.6.1 - CONSOLIDATION AREA A (MDs 11 AND 86)

The area that encompasses Maintenance District 11 and 86 lie on the southern portion of Bass Lake. It would be possible for this area to be consolidated into a new CSA or CSD. This would include a sphere of influence that would be able to be expanded to provide services to the entirety of the northwestern Bass Lake area. If possible, slight expansion to the area of MD-11 would service the entirety of the community that lies east of Road 426. West of Road 426, additional Zone of Benefit C could be created to provide necessary services to the remainder of the community. Another community lies northwest of existing MD-11, which could warrant the creation of two more additional Zones of Benefit (A and B). Zone A could be created to service the part of the community that lies north of Road 426, while Zone B can service the area south of the road. Lastly, MD-86 will be included in the southern portion of the proposed SOI, and would service its existing jurisdictional boundaries.



 **Figure 8-1**
Consolidated Area A Map

8.6.2 - CONSOLIDATED AREA B (MDS 18 AND 69)

Maintenance Districts 18 and 69 lie in the southern part of the study area. In order to better service the communities in the surrounding area, it would be possible to create a County service area or community services district. This would include a sphere of influence that would be able to encompass many communities south of North Fork. If possible, the new district could maintain the existing areas of MD-18 and 69 while adding additional zones of benefit to service nearby communities if desired. Zone A could be created to service the community that surrounds Quail Creek Road in the northwest of the District. Just north of that, Zone B would be able to service the remainder of the area within the SOI north of North Fork Road. This area would be classified as a potential road district that would maintain portions of Walker Summit Court, Hadley Road, as well as Rose Bud and Mountain Lanes. South of MD-18 and 69, another road maintenance district could be created to service many of the small communities in the area. This would be considered additional Zone of Benefit C, and would service the road system that includes Wyle Ranch Road and Cougar Drive. Finally, Zone D could be created in the northeastern portion of the proposed SOI. This would service many of the road systems to the north of North Fork Road.

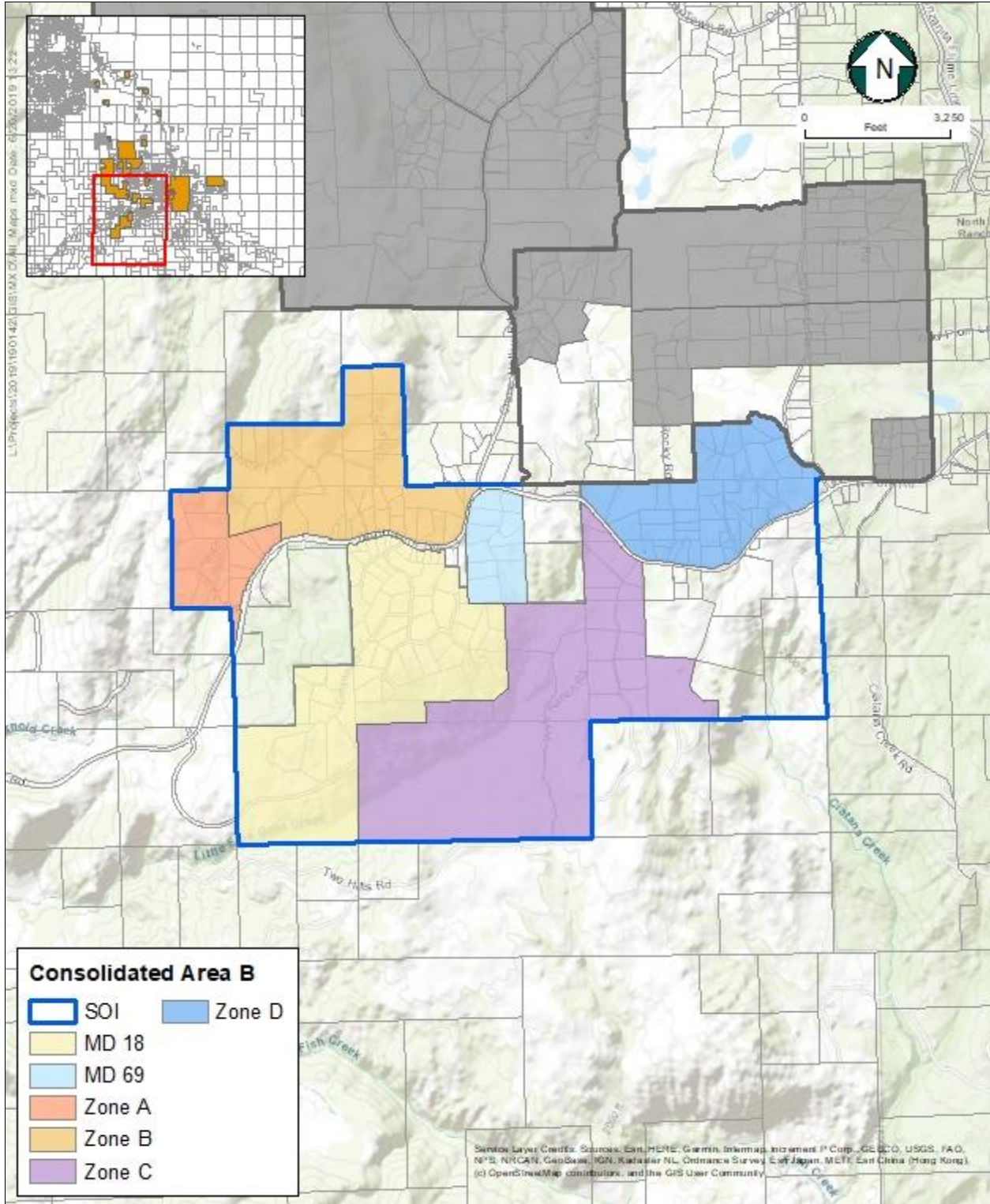


Figure 8-2
Consolidated Area B Map

8.6.3 - CONSOLIDATED AREA C (CSA-15 AND MD-24)

County Service Area 15 and Maintenance District 24 are adjacent road maintenance districts that service a small community south of Bass Lake. Because of their close proximity and similar community needs, it may be beneficial to create a County service area or community services district for the community. Although the community is isolated and fully serviced by the districts, a new CSA or CSD creation would allow the SOI to be expanded in the event that the area is developed further outwards.

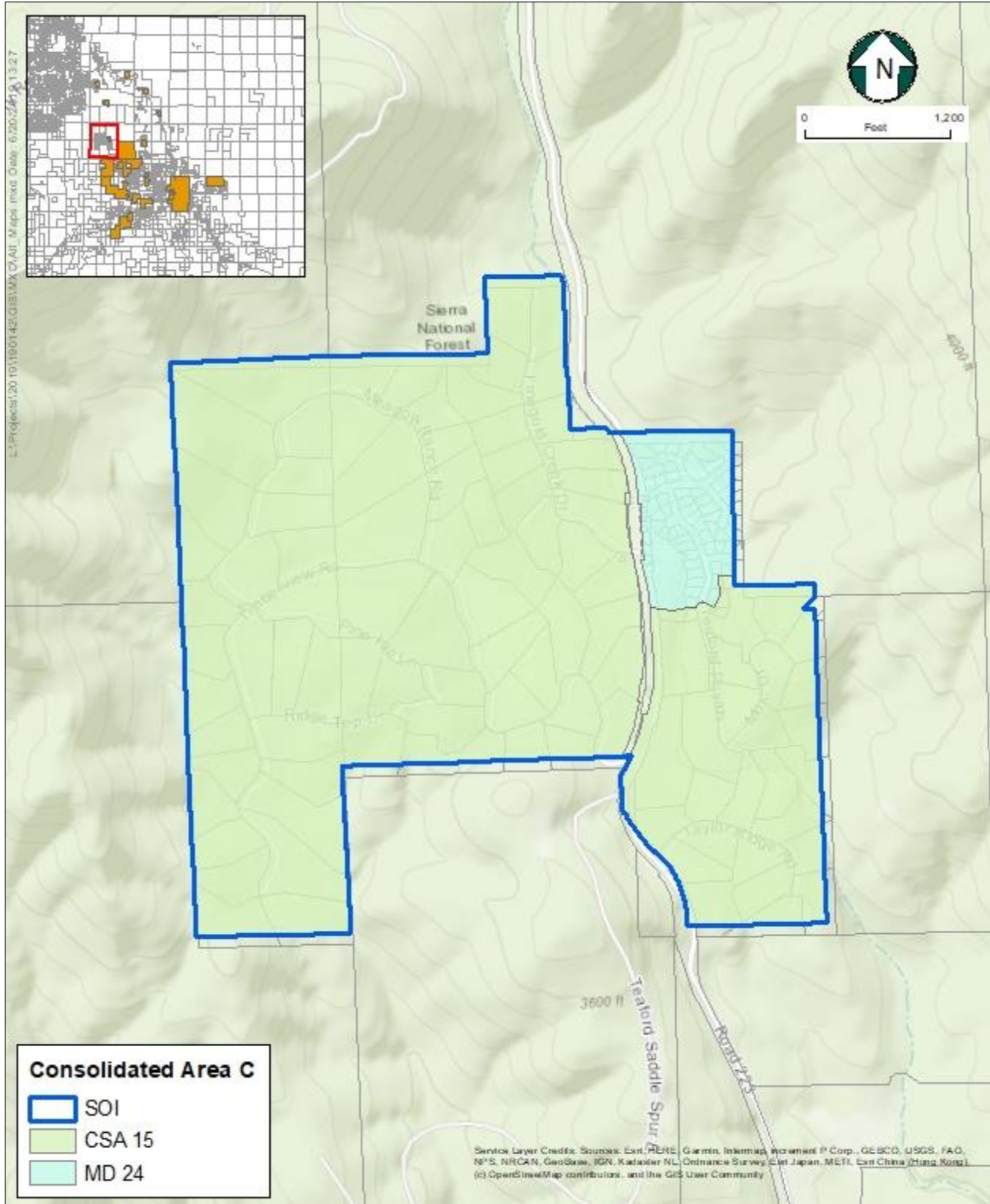


Figure 8-3
Consolidated Area C Map

8.6.4 - CONSOLIDATED AREA D (MDS 107 AND 120)

Just west of the center of North Fork, there are a variety of small communities that exist. Some of these communities are provided road maintenance by Maintenance Districts 107 and 120. Because of their adjacency and proximity to other unserved communities, it would be possible to consolidate the districts into a new County service area or community services district. This would include a sphere of influence that would be able to encompass many communities to the west of North Fork. If possible, the new district could maintain the existing areas of MD-107 and 120 while adding additional zones of benefit to service nearby communities. Zone of Benefit A could be created to service the small community to the west of the sphere of influence. This would include the small area to the east of Crane Valley Road that would include the community that surrounds Bishop Park Place. Zone B can be created to service the community in the far northeastern portion of the SOI to the north of Old Town Road. This area would service the community that is accessed through Keller Road. The final proposed road maintenance zone to the district would be Zone C. This area would include the majority of the southeastern portion of the SOI. This zone would fund service to Horn Road and Grandmas Place.

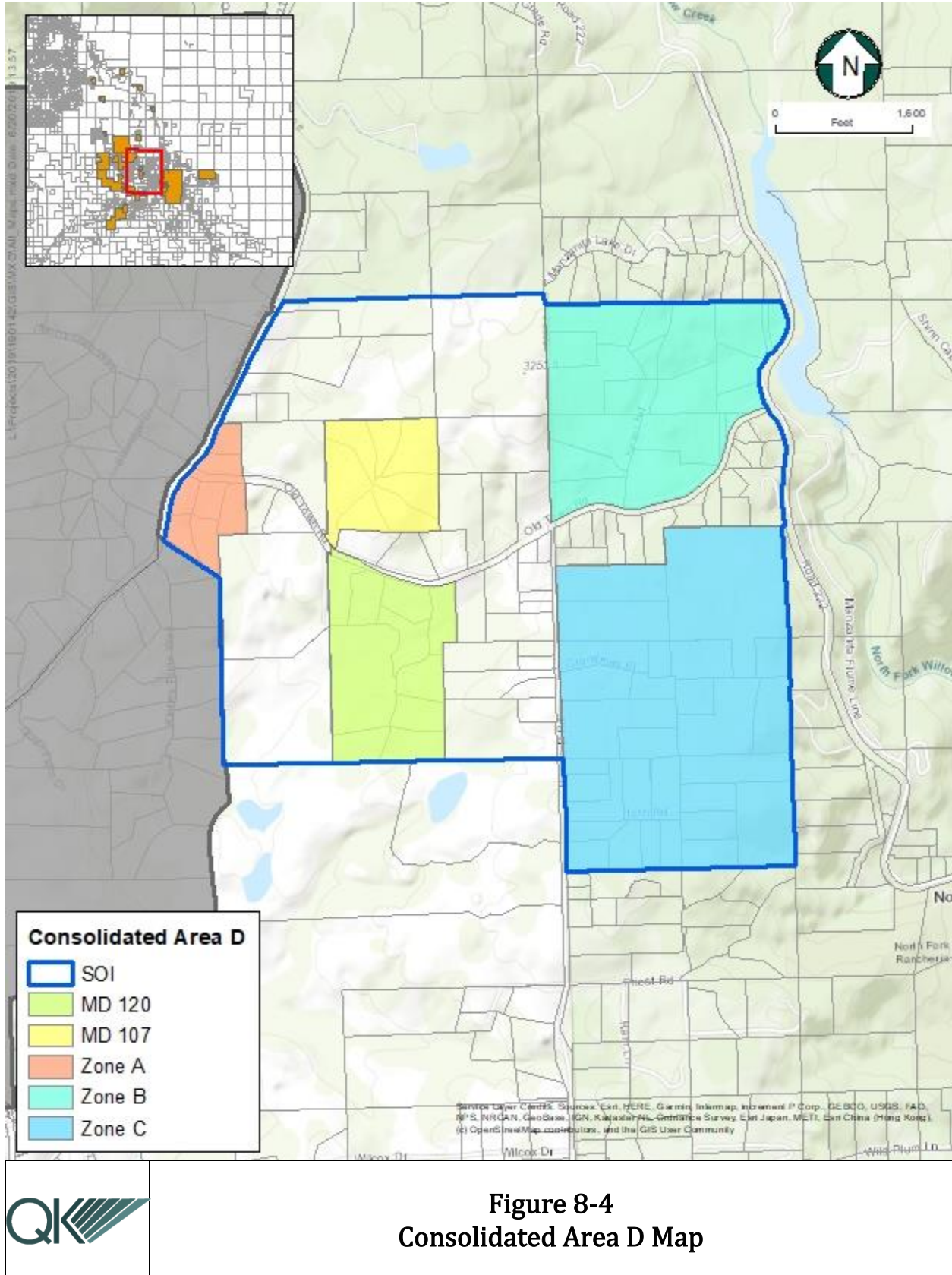


Figure 8-4
Consolidated Area D Map

8.6.5 - CONSOLIDATED AREA E (MDs 64 AND 93)

Another group of small communities lie to the west of the center of North Fork. Portions of the area are provided road maintenance by Maintenance Districts 64 and 93. Because of their close proximity to one another, as well as a variety of other unserved communities, it would be possible to consolidate the districts into a new county service area or community services district. This would include a sphere of influence that would be able to encompass many communities in the west of North Fork. If possible, the new district could maintain the existing area of MD-64, expand MD-93, and add additional zones of benefit to service nearby communities. Maintenance District 93 currently services a small community surrounding Wilcox Drive, to the west of Bonnie B Road. This district could be expanded to include a community east of Bonnie B Road in order to service a portion of Wild Plum Lane. Zone A could be created to the north of both MD-64 and 93 to service the remainder of the community within that portion of the SOI. This would provide road maintenance to Priest and Mountain Spring Roads, as well as Ram and Shamlock Lanes. The final addition would be Zone B, which would provide road maintenance to a small isolated community in the southeastern corner of the SOI. This area would service the communities that exist along Marantha and Tahoot Drives.

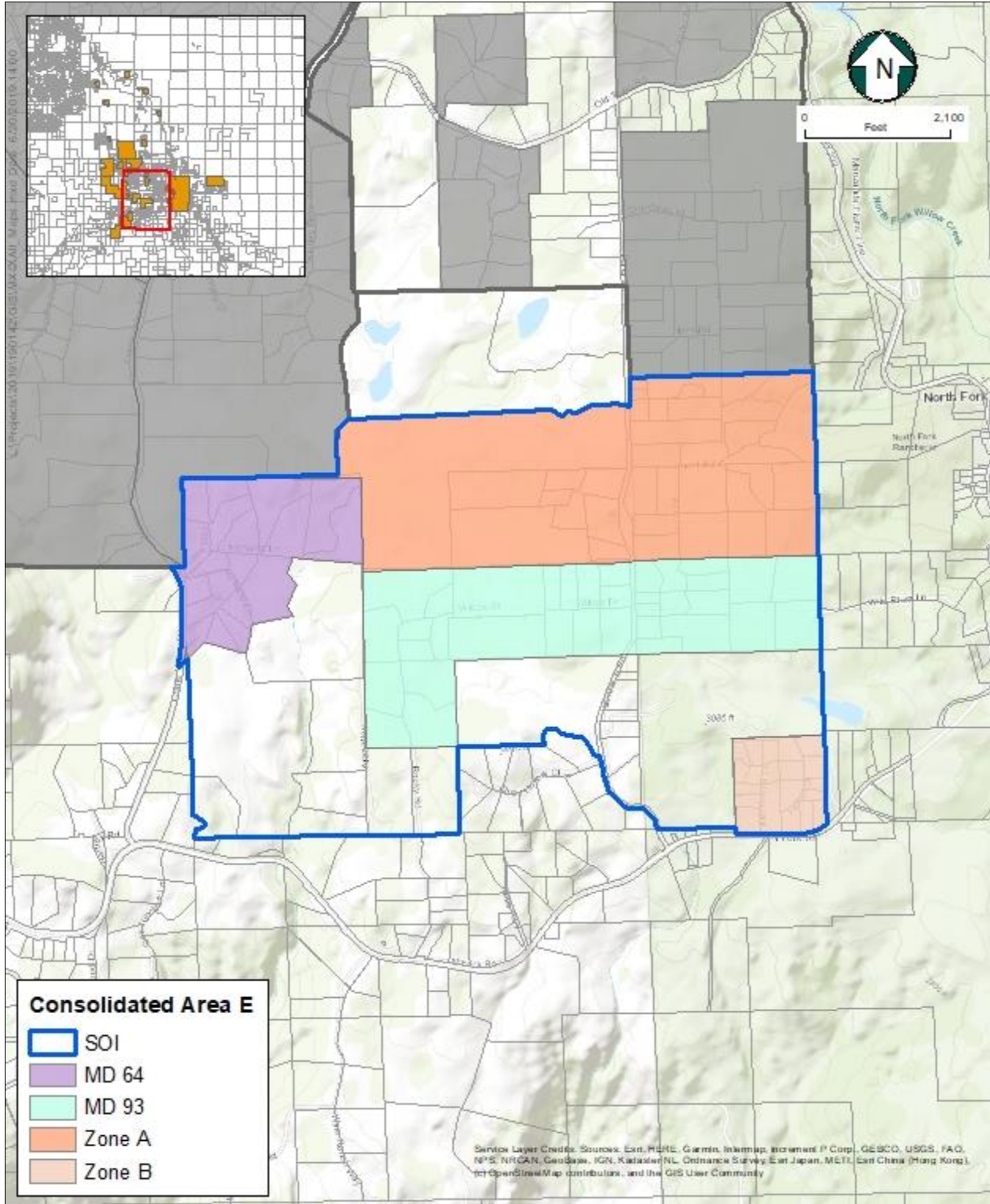


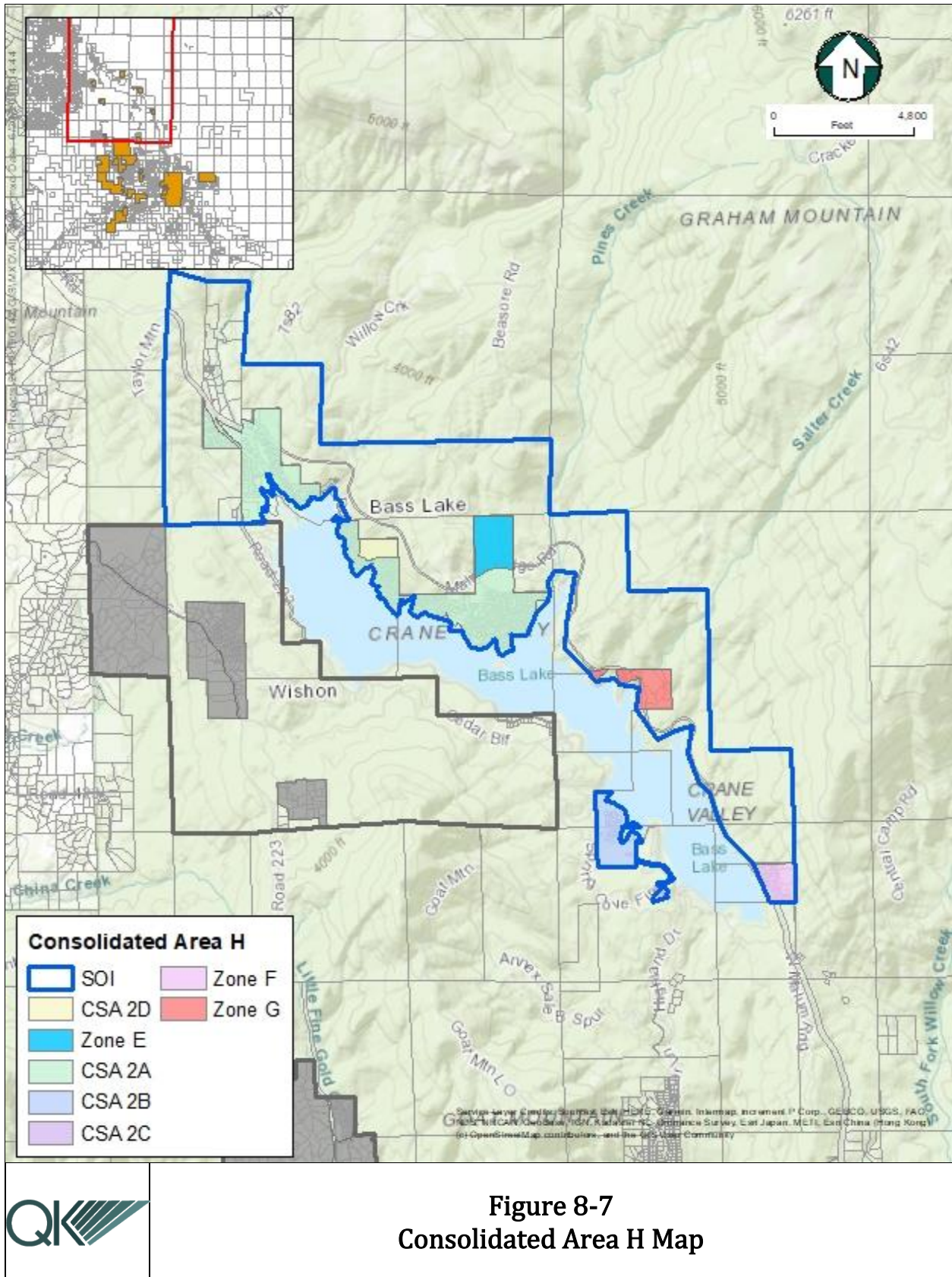
Figure 8-5
Consolidated Area E Map

8.6.6 - CONSOLIDATED AREA F (MDs 15, 55, 58, 74, AND 104)

Northwest of North Fork, there are a variety of small communities. Some of these areas are currently being provided road maintenance or water services through Maintenance Districts 55, 58, 15, 74, and 104. Because of their close proximity to one another, as well as a variety of other unserved communities, it would be possible to consolidate the districts into a new County service area or community services district. This would include a sphere of influence that would be able to encompass many communities to the northwest of North Fork. If possible, the new district could be reorganized into three primary zones of benefit. Zone of Benefit A would lie in the western portion of the District. The zone would include the entirety of the area within the SOI to the west of Road 223 and Crane Valley Road. This includes the areas of existing Maintenance Districts 55 and 58. Zone B would include all the area to the northeastern portion of the district. The zone would encompass the entirety of the area within the SOI to the east of Road 223, and west of Crane Valley Road. This includes the areas of existing Maintenance Districts 15, 74, and 104. Lastly, Zone C would include the remainder of the District in the southeastern corner. This area would include everything within the SOI and east of Crane Valley Road.

8.6.7 - CONSOLIDATED AREA H (CSA-2, MDS 6, 7, AND 92)

The area surrounding Bass Lake is home to a variety of small residential, commercial, and agricultural communities. Most of these communities are provided road maintenance, water, or sewer services by County Service Area 2, and Maintenance Districts 6, 7, and 92. Because these districts are within a close proximity to one another, it would be possible to consolidate the districts into a new community services district. This would include a sphere of influence that would be able to encompass the majority of the area of Bass Lake.



8.6.8 - CONSOLIDATED AREA I (ALTERNATIVE FOR MDS 6 AND 7)

As previously stated, in the event that Consolidated Area H is unable to fully combine all districts into its sphere of influence, it would be possible to make a second County service area or community services district on the northern half of Bass Lake. This possible CSA or CSD would include Maintenance Districts 6 and 7. A more detailed discussion of this possibility is discussed in Sections 5.1.5 and 5.2.5.

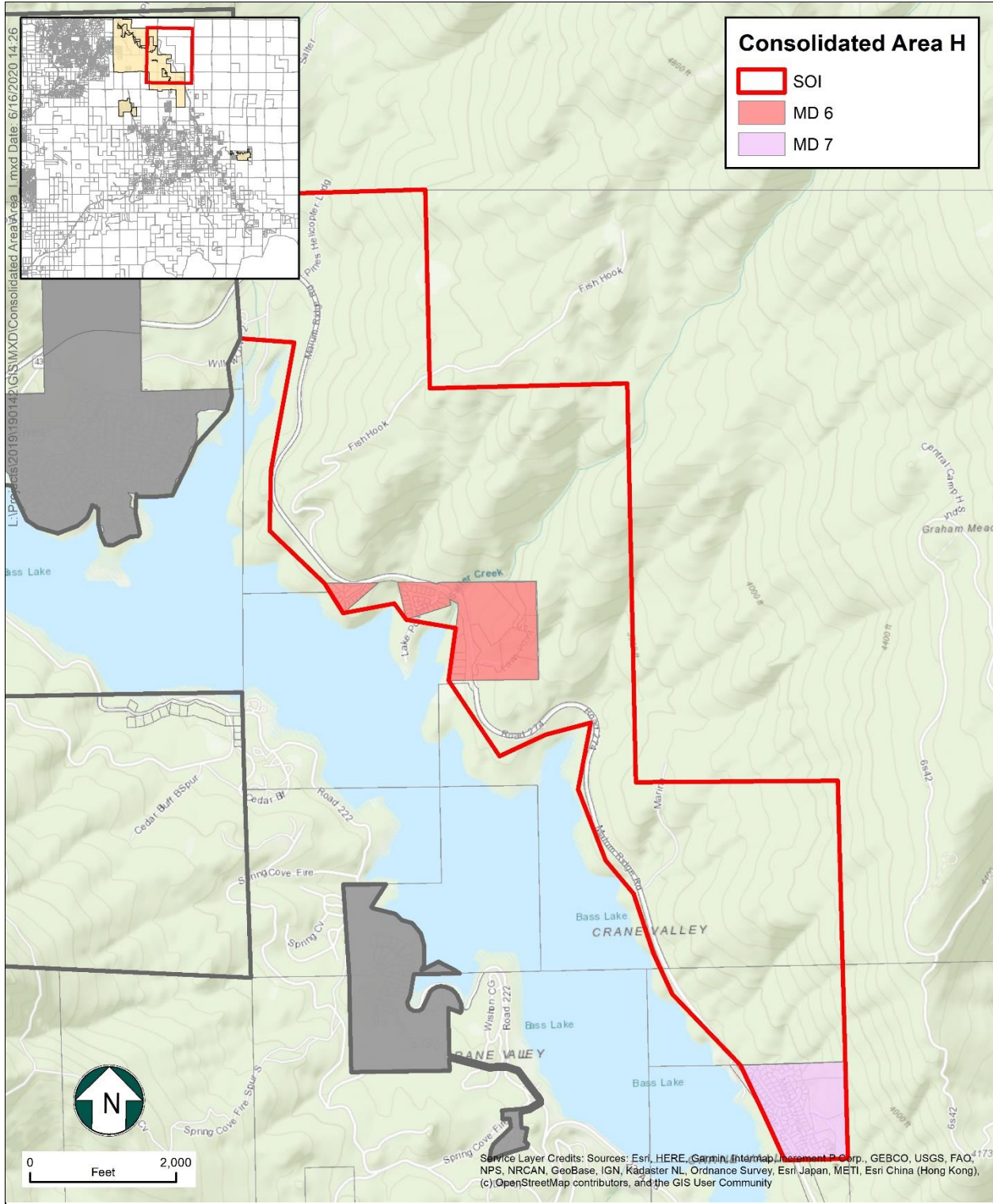


Figure 8-8
Consolidated Area I Map

8.6.9 - 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.

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APPENDIX A

LETTERS RECEIVED FROM MD-6 AND MD-7 WATER COMMITTEES

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

Dear Executive Officer Braun:

July 18, 2021

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

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Dr. Randy Haber

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Office text msg: 925-487-7078

Email: randyhaber@gmail.com

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 galloons 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