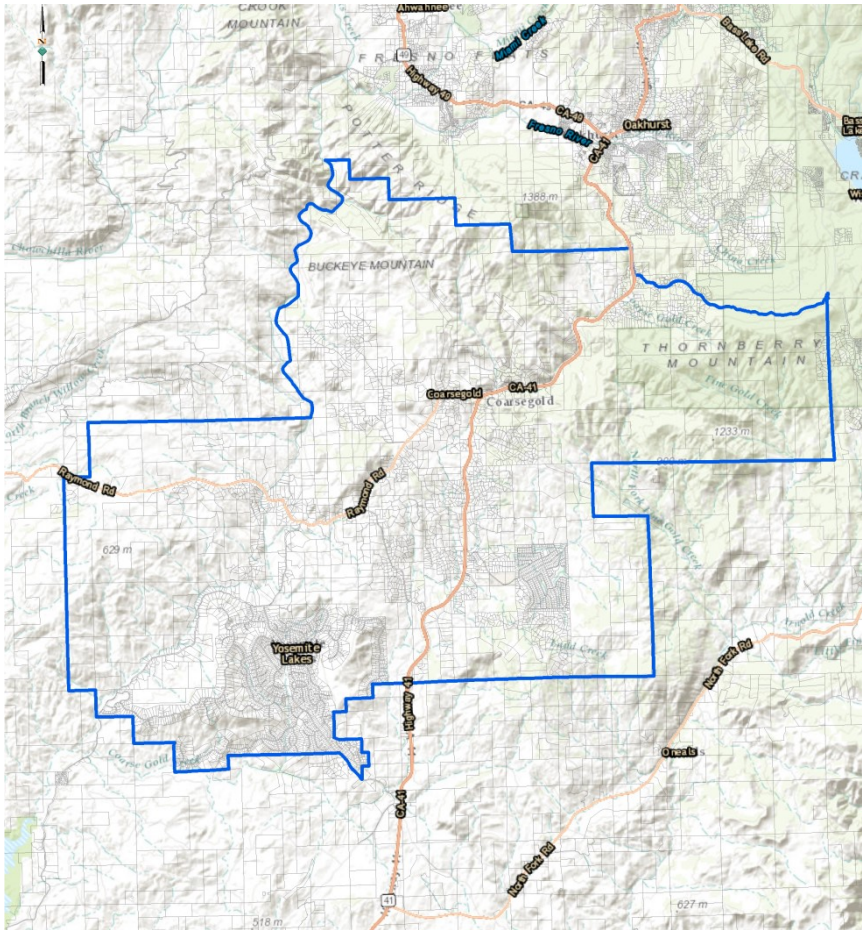

MADERA LOCAL AGENCY FORMATION COMMISSION

COARSEGOLD MUNICIPAL SERVICES REVIEW



ADOPTED MARCH, 28 2017



COARSEGOLD MUNICIPAL SERVICES REVIEW

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Adopted March 28, 2017

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SECTION 1 - INTRODUCTION

1.1 - Municipal Service Review Purpose

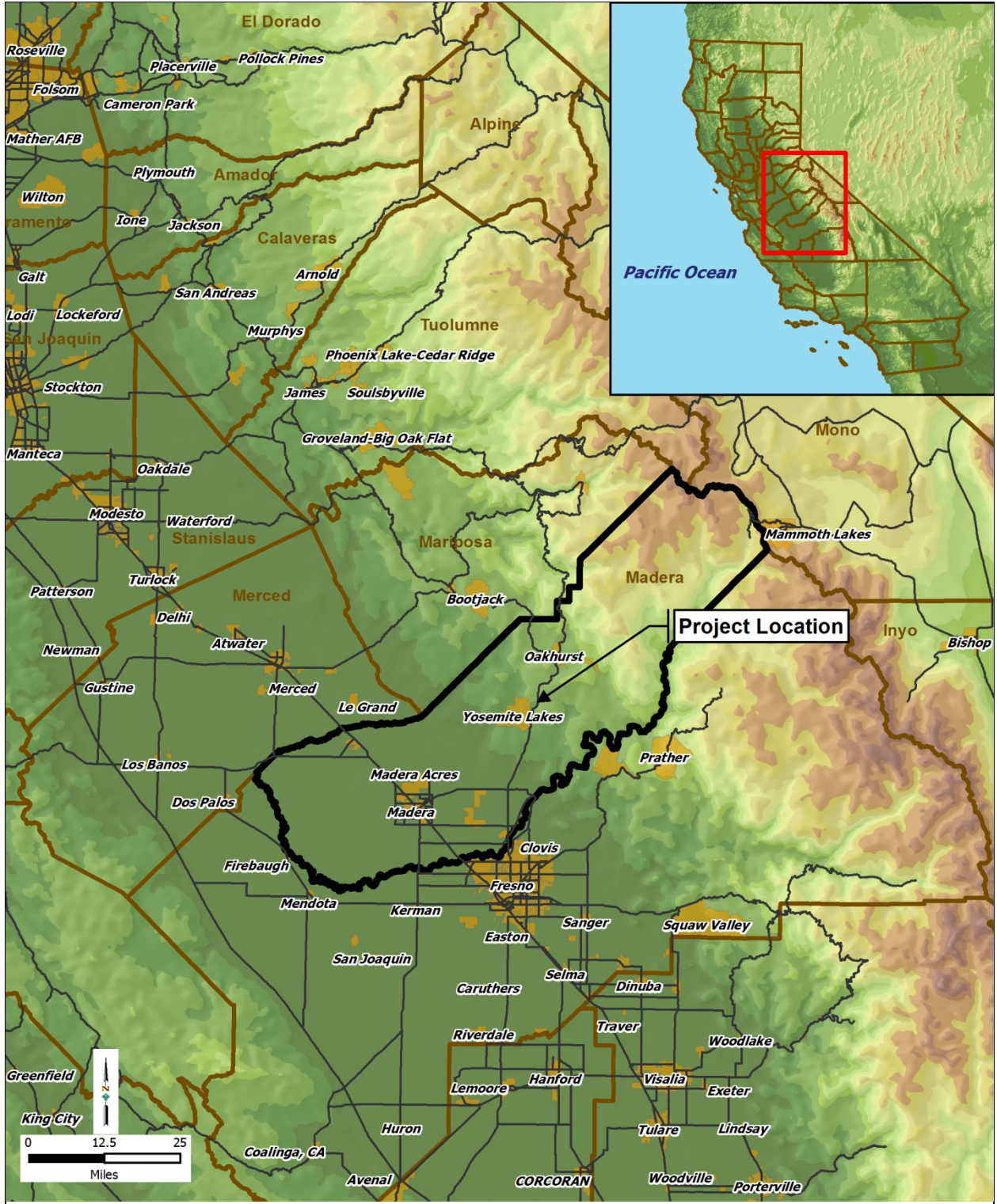
A Municipal Service Review (MSR) is a comprehensive assessment of the ability of existing local government agencies to effectively and efficiently provide municipal services to residents and users. The form and content of an MSR is specified by requirements in the Cortese-Knox-Hertzberg Local Government 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 SOI (SOI) or before LAFCo initiates any reorganization of the boundaries of a special district.

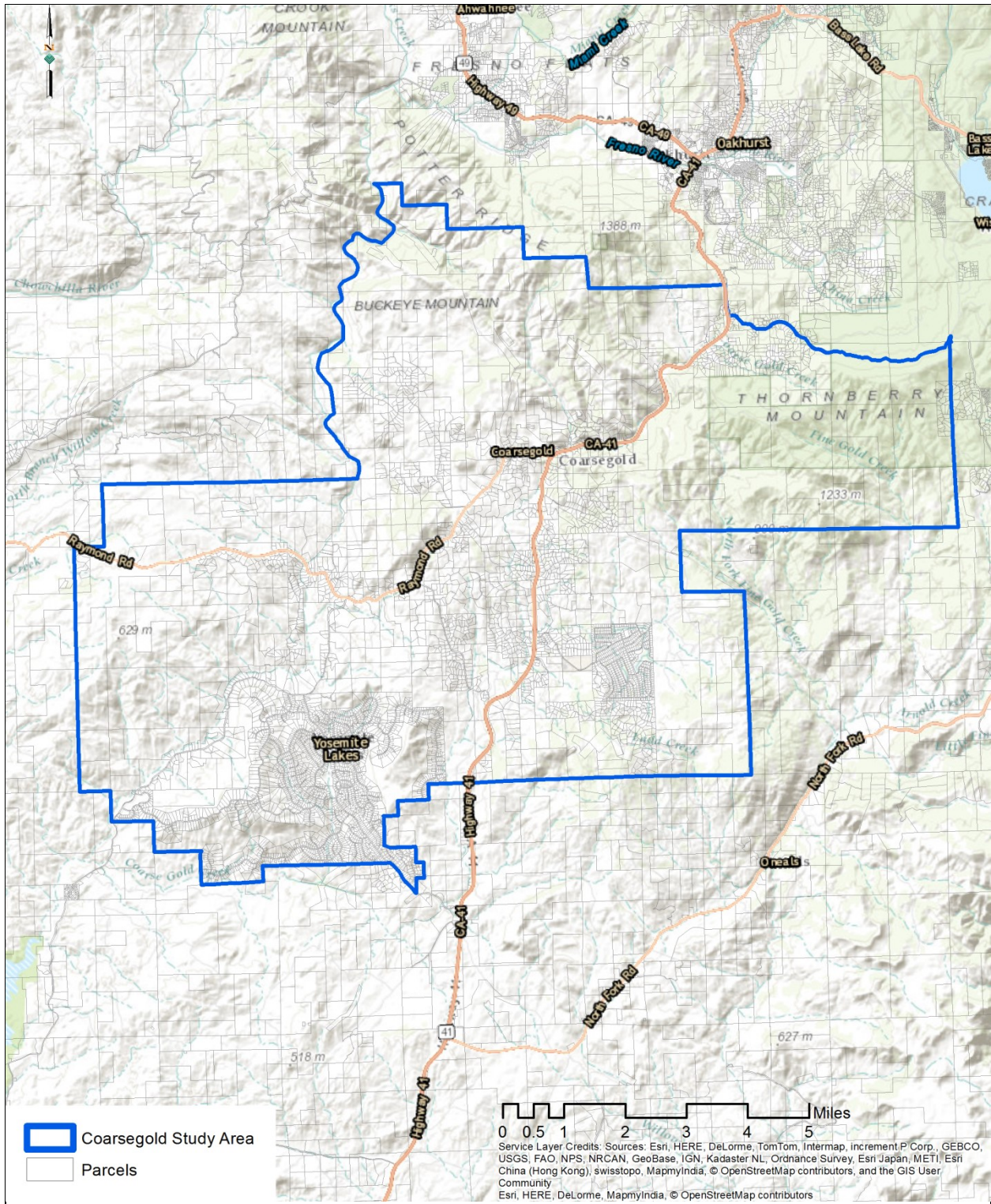
This MSR was initiated by Madera LAFCo in the summer of 2015, and is intended to provide Madera LAFCo with the necessary and relevant information related to the operations and management of the municipal service providers within the broader Coarsegold area in eastern Madera County. Madera LAFCo desires to define a "roadmap" to implement long range goals making the local government structures that provide municipal services in the Coarsegold area more efficient.


1.2 - Summary of Issues

Coarsegold is a foothill community located off of State Highway 41 approximately 35 miles northeast of the City of Madera (See Figure 1-1 and Figure 1-2). The 2010 U.S. Census estimated approximately 1,840 residents in the Coarsegold area. Rural residential development of Coarsegold is concentrated in two areas: Yosemite Lakes Park beginning one mile northwest of Highway 41 on Yosemite Springs Parkway; and Indian Lakes estates beginning approximately 1.3 miles east of Highway 41 on Picayune Road. The main business district of Coarsegold is located along a 1.5 mile stretch of Highway 41 north and east of its intersection of Raymond Road. This report focuses on water provision and road maintenance in the Coarsegold area. These are the only municipal services currently provided by these special districts.



 **Figure 1-1**
Regional Location



 **Figure 1-2**
Project Study Area

1.3 - Scope of this MSR

This MSR covers two county service areas, 24 maintenance districts, and two of the privately operating water companies, Hillview Water Company and Yosemite Springs Public Utility Company. 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. There are a number of other private water companies and systems that are identified in Section 3, but they are not studied in detail due to limited availability of information being released by each entity. The Coarsegold MSR study area is outlined on the map in Figure 1-2.

Each of these service entities provides one or more urban services in the Coarsegold community. They are listed below, grouped by the type of service they provide:

Water Service only

- County Service Area 1 – Indian Lakes
- Maintenance District 40A – Sunset Ridge
- Maintenance District 63A – Coarsegold South
- Maintenance District 73A – Quartz Mountain
- Hillview Water Company (a privately owned company)
- Yosemite Springs Public Utility Company (a privately owned company)

Road Maintenance only

- County Service Area 10 – Spinelli Road/Road 416
- Maintenance District 23 – Coarsegold Highlands
- Maintenance District 30 – Trabuco Road
- Maintenance District 40 – Meadow Ridge Road
- Maintenance District 41 – Twin Pines
- Maintenance District 45 – River Knolls Road
- Maintenance District 50 – Morava
- Maintenance District 54 – Happy Hollow
- Maintenance District 56 – River Crest
- Maintenance District 62 – Jennifer Lane
- Maintenance District 63 – Coarsegold South
- Maintenance District 65 – Coarsegold West
- Maintenance District 73 – Quartz Mountain
- Maintenance District 78 – San Ramon
- Maintenance District 80 – City View
- Maintenance District 81 – Blue Oak
- Maintenance District 84 – Mill Creek
- Maintenance District 88 – Safari World
- Maintenance District 96 – Garnet Creek
- Maintenance District 100 – Cattle Creek

- Maintenance District 101 – Old Corral
- Maintenance District 103 – Rodeo

It should be noted that County Service Areas 7 and 9 and Maintenance Districts 48, 71, 79 and 94, although within the study area (Coarsegold Area Plan boundary) were not included because they are not generally considered part of the greater Coarsegold area and may be more closely related to the Oakhurst area.

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 the County and outside sources. A public meeting was held at the Coarsegold Community Center on July 19, 2016, to receive feedback regarding the Draft MSR. No comment letters were received by staff prior to the workshop, therefore only verbal comments received at the meeting were incorporated in the Final MSR. The Final MSR was prepared that took into account the verbal comments at the July 2016 meeting in Coarsegold.

A noticed hearing was scheduled at the Coarsegold Community Center on October 10, 2016, where comments from the public and adoption/acceptance of the Final MSR, including its Determinations and Recommendations, could be considered. After significant input and comment from the public, the Commission requested additional dialogue and minor corrections to the Final MSR. A revised version of the Final MSR was presented and subsequently adopted on March 28, 2017 by the Commission

1.5 - Required Topic Areas of Analysis

This MSR contains analysis and conclusions, referred to as determinations, regarding five 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 Coarsegold 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 need of a city 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 §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 5 -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 is found in Section 3.7 -for water services and Section 4.5 -for road services.

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. Compliance with existing State requirements relative to financial reporting and management is also discussed. This is found in Section 3.6 -for water services and Section 4.4 -for road services

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 is found in Section 3.7 -for water services and Section 4.5 -for road services

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 is found in Section 3.9 -for water services and Section 4.7 -for road services.

In this MSR, Growth and Population Projections are covered in Section 2. The other four topic areas are covered in Sections 3, 4, and 5, and are organized by service type (i.e. water, roads). Final determinations and recommendations are made in Section 6.

1.6 - Assumptions Regarding Local Agency Structure

Every unincorporated community provides municipal services a little differently. There are different types of special districts 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 some have many. Sometimes the districts overlap each other. The way districts were set up years ago may not be the best way for today or the future. 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 CKH Section 56001 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 Coarsegold 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 Sphere of Influence (SOI) for each of the existing county service areas. 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 district'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 district to eventually be consolidated into another district. The preparation of an MSR is required prior to the amendment of a 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 Coarsegold 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% or more of the registered voters provide LAFCo with a written protest of the reorganization, then it fails to be adopted. If 25% to 50% 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% 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 Coarsegold 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 municipal services to the Coarsegold area.
2. **Adequate revenue sources.** The ability to provide municipal 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 (e.g., municipal incorporations, major annexations, etc.) 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 municipal 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.

1.9 - Services Comparison

The services that state law allows each special district to provide vary by district type. 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 special district in the Coarsegold area can provide. For information and comparison purposes, the matrix also includes the services that can be provided by a community services district (CSD).

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 district 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 district 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 district 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.

Available – is used to describe the services that a community services district can provide. If a community services district were to be formed, those services would become latent unless LAFCo authorizes them.

A **blank box** - this means that state law does not allow that type of special district to provide that service. These services, if needed, would have to be provided directly by Madera County or by another overlapping special district that is authorized to provide the service.

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

Municipal Service Provided	CSA 1	CSA 10	MD 40, 63, 73	MD 23, 30, 41, 45, 50, 54, 56, 62, 65, 78, 80, 81, 84, 88, 96, 100, 101, 103	Hillview Water Co., Yosemite Springs PUC, Mutual Water Companies	Potential Future Community Services District
Water supply	Provides	Latent	Provides	Latent	Provides	Available
Water distribution	Provides	Latent	Provides	Latent	Provides	Available
Sewer collection & disposal	Latent	Latent	Latent	Latent		Available
Storm drainage	Latent	Latent	Latent	Latent		Available
Street maintenance	Authorized	Provides	Provides	Provides		Available
Street lighting	Latent	Latent	Latent	Latent		Available
Street sweeping	Latent	Latent				Available
Street landscaping	Latent	Latent				Available
Street construction	Latent	Latent				Available
Flood control	Latent	Latent				Available
Solid waste collection, transfer, & disposal	Latent	Latent				Available
Fire protection	Latent	Latent				Available
Police protection	Latent	Latent				Available
Ambulance service	Latent	Latent				Available
Emergency medical service	Latent	Latent				Available
Heat and power	Latent	Latent				Available
Undergrounding of overhead electrical & communication facilities	Latent	Latent				Available
Parks / recreation	Latent	Latent				Available
Community facilities	Latent	Latent				Available
Vector & pest control	Latent	Latent				Available
Funding for land use planning	Latent	Latent				Available

Municipal Service Provided	CSA 1	CSA 10	MD 40, 63, 73	MD 23, 30, 41, 45, 50, 54, 56, 62, 65, 78, 80, 81, 84, 88, 96, 100, 101, 103	Hillview Water Co., Yosemite Springs PUC, Mutual Water Companies	Potential Future Community Services District
Funding for a municipal advisory council	Latent	Latent				Available
Graffiti abatement	Latent	Latent				Available
Weed & rubbish abatement	Latent	Latent				Available
Soil conservation	Latent	Latent				Available
Animal control	Latent	Latent				Available
Transportation	Latent	Latent				Available
Cemeteries	Latent	Latent				Available
Airports	Latent	Latent				Available
Open space habitat conservation	Latent	Latent				Available

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 Coarsegold

The community of Coarsegold is located in the eastern unincorporated area of Madera County at the border between Oakhurst and the Sierra National Forest to the north and northeast. It is located primarily in rolling foothills of the Sierra Nevada Mountains. State Highway 41 provides the main access to the area with Raymond Road 415 providing secondary access. Nearby communities include Indian Lakes Estates (5.3 miles away), Oakhurst (7 miles away), and Yosemite Lakes Park (8.5 miles away). The City of Madera is approximately 35 miles away.

Native Americans, primarily the Chukchansi Yokut tribe, have lived in the area of present day Coarsegold for many years. Western settlement began with discovery of gold in 1849. Miners quickly populated the area that was known as Coarse Gold Gulch, the name describing the texture of the gold that was found. Placer mines were most numerous, but lode mines, such as the Texas Flat yielded more consistently and substantially. The first Post Office, called Coarse Gold Gulch, opened in 1878. In 1895, the name was changed to Gold Gulch and in 1899, to Coarsegold.

The diminishing returns at the placer mines by 1866 was not disastrous for the community due to trade with visitors on their way to Yosemite National Park. In 1876, a wagon road that passed through Coarsegold was extended to Yosemite National Park. The completion, in 1880, of a more direct route through Raymond and Ahwahnee spelled the temporary end of the tourist business. It was not until the completion of Highway 41 to Yosemite National Park when the tourist industry again became important to the area.

After World War II, with the "rediscovery of the foothills" for recreation and resort developments, as well as retirement and commuter residences, the population of Eastern Madera County began to grow rapidly.

During the 30 plus years since 1970 (when the population of Madera County was 41,500), County population growth has continued at rates exceeding the Statewide average to nearly triple, resulting in a 2000 census count of 123,019. Unincorporated areas in the County in the year 2000 comprised approximately 56 percent of the total county population, whereas the 1990 census showed that unincorporated areas made up approximately 60 percent of the population (Planning Department, 2006).

Coarsegold continues to benefit economically from pass-through tourism due to its location along State Highway 41, which connects Fresno and all of Southern California with the south gate of Yosemite National Park. More than one million people enter the Yosemite south gate each year, most of them passing through Coarsegold on the way.

The main business district of Coarsegold is located along a 1.5 mile stretch of Highway 41 north and east of its intersection of Raymond Road (Road 415).

2.3 - Planning and Growth Projections

The Coarsegold Area Plan was adopted in 2006 by the Madera County Board of Supervisors to provide land use development decision-making guidance in the Coarsegold area, and to provide a planning framework for the development of more detailed implementation plans and measures. An element of the County General Plan, the Coarsegold Area Plan provides general land use designations and densities to determine the amount of growth that will occur. A map depicting these planned land use patterns is shown in Figure 2-1.

More coordinated, semi-rural residential development of Coarsegold is concentrated in two areas: Yosemite Lakes Park and Indian Lakes Estates. Other individual residences are located in other areas such as along Trabuco Road north of Raymond Road, and the Mudge Ranch area located off Thornberry Road, east of Highway 41.

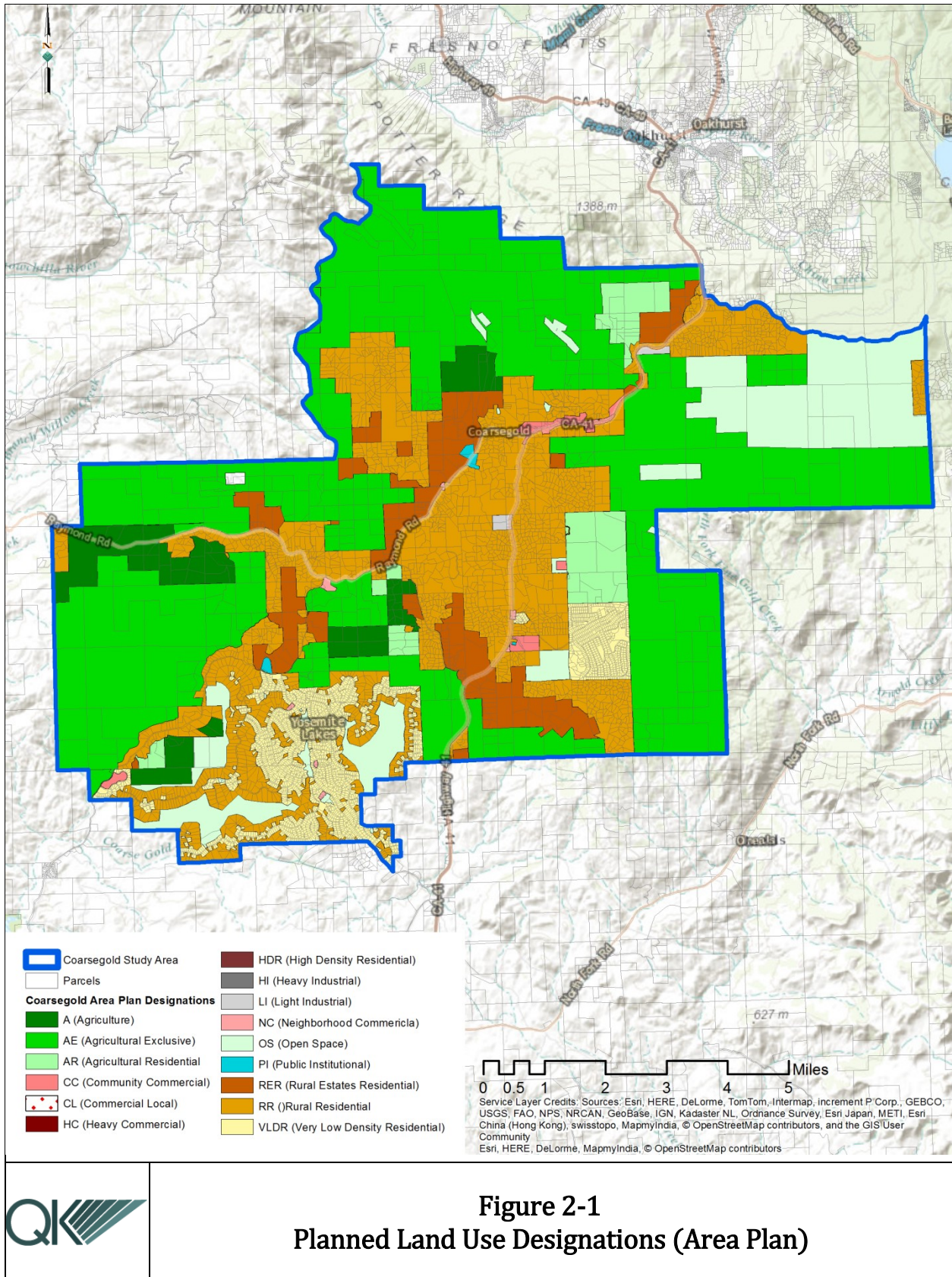


Figure 2-1
Planned Land Use Designations (Area Plan)

According to the 2006 Coarsegold Area Plan, the population within the Coarsegold Planning Area in the year 2000 was approximately 9,100. Because of the discrepancies between demographic-study boundaries and planning area boundaries, establishing long-term growth rates for the Coarsegold Planning Area has proven difficult. However, analysis of Census data from 1990 indicates that the population during that year was approximately 5,428. Using these figures, the planning area grew by approximately 67 percent during that 10 year period. This figure translates to an annual growth rate of approximately 5.3 percent. Table 2-1 illustrates population projections for the Planning Area using a range of growth rates.

The growth rate illustrated by the Census figures appears to correlate with building activity on single-family homes within the planning area. Within residential subdivisions¹, 700 permits for new single-family homes were issued between April of 1990 and April of 2000. This figure does not include homes developed on lots created through the parcel map process. The growth rate within the Coarsegold planning area between 1990 and 2000 more than doubled the rate for Eastern Madera County as a whole during the same period, which was about 2.6 percent.

Table 2-1
Coarsegold Area Plan Growth Estimates

Forecast Year	3% Annual Growth	4% Annual Growth	5% Annual Growth	6% Annual Growth
2000 Census	9,100	9,100	9,100	9,100
2010 Census	12,229	13,470	14,822	16,296
2020 Census (Projected)	16,435	19,939	24,145	29,184

Source: Coarsegold Area Plan

Based on actual data currently available from the Census Bureau from 2000 to 2010, population growth in the Coarsegold Area increased by almost 24 percent, or approximately 1.8 percent annually. However, from 2010 to 2013, growth actually declined approximately 2.6 percent within the area (see Table 2-2). Therefore, the aggregate growth over the 13-year period from 2000 to 2013 was 21 percent, with an annual growth average of about 1.3 percent.

There could be a variety of reasons for the decline in population growth in more recent years within the area. Water availability would be the most prominent as California is struggling with the most extreme drought it has ever faced. As the area is solely reliant on groundwater resources, residences that are not within an area of service provider, such as special district or private water company, are left to deepen wells within an aquifer that is somewhat unpredictable in terms of availability, quantity, and quality. Additionally, the average age of

¹ Subdivisions included within this calculation are Yosemite Lakes Park, Indian Lakes, Coarsegold Highlands, Kennedy Estates, Quartz Mountain Heights, Quartz Mountain Meadows, Sunset Ridge Estates, Thornberry Knolls, Thorngrove Knolls, and Twin Pines.

the population has increased which means that children may have left the home or that attrition may have led to the decline of the population as well. In any event, the population growth of the area has stagnated and been below the estimates of the Coarsegold Area Plan.

Table 2-2
Coarsegold Area Plan Actual Growth Statistics

Year	Population
2000	9,718
2010	12,089
2013	11,781
2020 (estimated 1.3% Annual Growth)	12,937

Source: American Community Survey (2013), Decennial Census (2000, 2010, 2013)

The 1995, nor the later updated 2005 Area Plan, does not include population projections for the Coarsegold Planning Area or for specific unincorporated communities. However, the Coarsegold Area Plan used the density and population criteria found in the 1995 General Plan, the adopted land use designations to determine that the Coarsegold planning area would accommodate nearly 35,000 persons at full build-out, which would be almost three times the existing populations. The build-out capacity probably does not appear to adequately consider current conditions, as it was written over ten years ago, which are highlighted the physical and resource limitations of the area and its ability to sustain this projected level of development, nor does it possibly reflect the residents' desire to maintain their existing quality of life.

Based on this information, some of the most basic planning problems for the Area Plan to address are the existing and potential development constraints within the planning area, including physical constraints such as topography and the presence of sensitive biological resources, as well as public service constraints, including the ability to provide adequate roads, water, and police and fire protection.

Therefore, in terms of significant population growth within the Coarsegold Area, it would appear that the area would likely encounter population growth closer to one and half percent annually which would create an additional 1,300 residents, approximately.

2.4 - Anticipated Service Needs

The Coarsegold community, like other eastern Madera County communities, requires typical local services, such as water service, sewer service, police and fire protection, street maintenance, schools, communication infrastructure, solid waste collection, and others. Parks and recreation is not necessarily a highly requested or needed service as many parcels are adequate in size to accommodate open space needs of residents as well as the community being in close proximity to the Yosemite National Park and Sierra National Forest areas, both of which are open to the public for recreational activities.

With the study area, approximately 75 percent of the total parcels have been developed with some sort of residential use (Figure 2-2 and Table 2-3). Residential parcels within the study area average over approximately 5 acres in size and likely can accommodate their own essential services (water and sewer disposal). There are only eight existing parcels with a residential use within the study area that are below half an acre (0.1 percent) and 237 parcels below an acre in size (5.6 percent). Depending on topography of the property, there may be multiple opportunities to attempt to drill a well for water service. However, as previously stated, the groundwater resources, being a fractured rock system, are typically highly variable from area to area, which means some lots may be unable to find adequate water sources for domestic use.

**Table 2-3
Existing Residential Use Breakdown**

Residential Use	Parcel Count	Percentage	Average Parcel Acreage
1 Dwelling only	3,744	88.83%	4.94
2+ Dwellings	149	3.53%	24.16
2+ Mobile Homes	33	0.78%	7.83
5 to 15 units	1	0.02%	4.93
Cabin Structure	9	0.21%	25.00
Fourplex	1	0.02%	15.71
One Mobile Home	278	6.60%	7.86

Source: Madera County Assessor's Office, GIS

Madera County Code also allows residential properties to construct secondary single family dwellings as long as the parcel meets specific criteria, mainly size and proof of adequate sewer and water facilities. Most parcels, if not all the parcels with only a single residential unit (95.6 percent of all residentially developed parcels), will likely be able to meet the minimum size and proof of sewer requirements through use of septic tanks in order to be able to construct a second dwelling unit. But, property owners will likely have some difficulty providing proof of adequate water facilities to support a second dwelling given the current conditions of drought as well as added scrutiny in regards to extracting groundwater resources through the adoption of recent statewide legislation, mainly the Groundwater Sustainability Act. Therefore, future growth within the area is likely limited. However, given the significant costs of providing individual water resources existing and future development, expansion of existing water systems or establishment of new water systems may be more cost effective for future development within the Coarsegold Area.

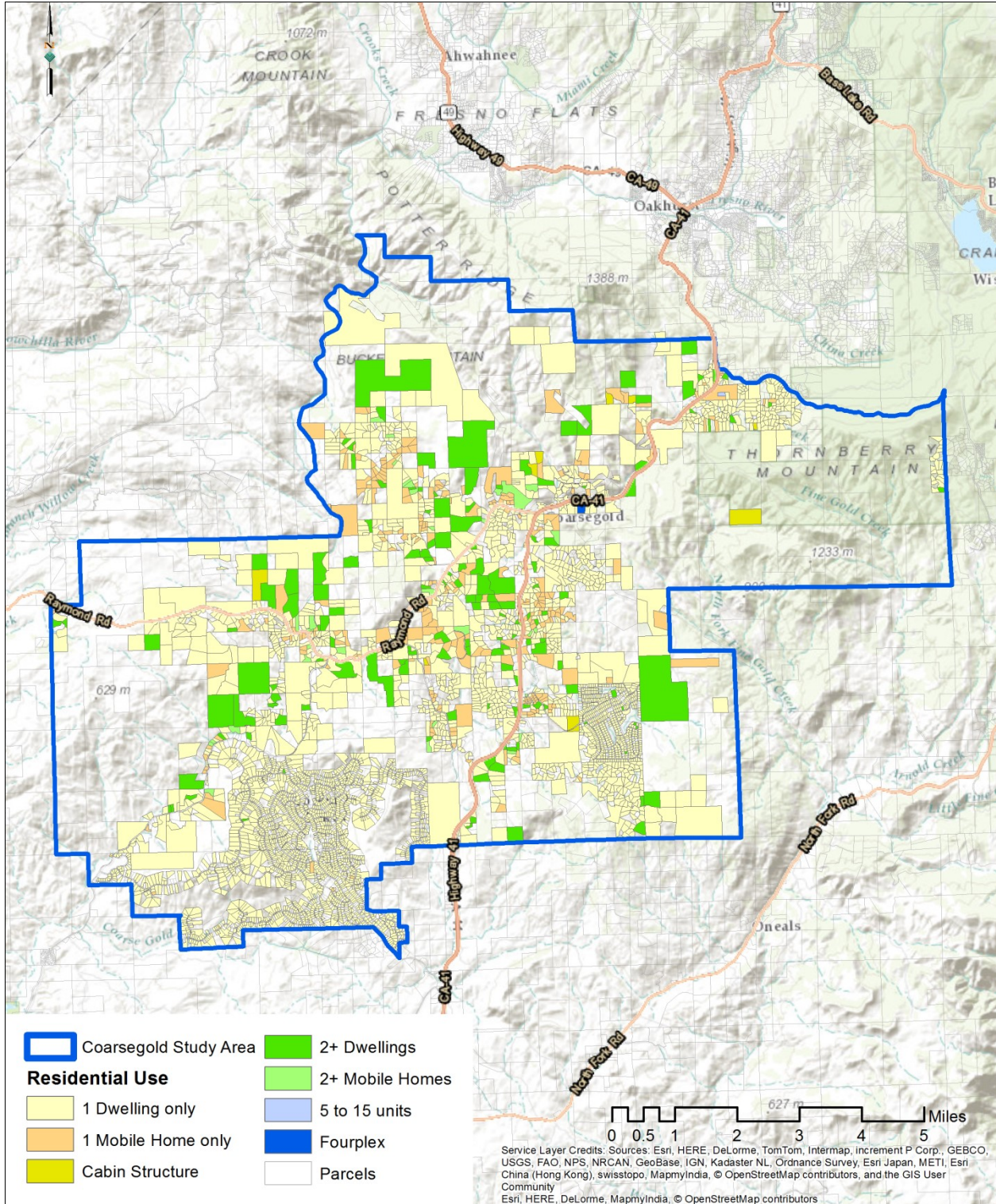


Figure 2-2
Residentially Developed Parcels by Use

2.5 - Population and Growth Determinations

There are in excess of 100 Maintenance Districts and County Service Areas located throughout all of Madera County. They were formed for the purpose of providing water, sewer, and/or road maintenance services at a time when piecemeal organization of service districts was considered acceptable. The Board of Supervisors acts as the Board of Directors for, and on behalf of each property owner in the district. The County Road Department oversees districts providing road maintenance. The Special Districts Division within the County Public Works Department – Municipal Services Division oversees the daily operations of sewer and water districts.

The Municipal Services Division, formerly known as the Special Districts Department, is overseen by the Public Work Department. It has approximately 20 field employees working throughout the County to maintain approximately 30 water systems and 15 sewer systems. Districts vary in size from as few as 6 connections to nearly 1,000 connections.

As illustrated in Table 2-4, services are provided by a number of public and private providers. Except for the elementary and high school districts, the local community does not have the power to directly elect a board of directors to serve their community in any of these entities.

Table 2-4
Coarsegold Municipal Service Providers

Service	Local Providers	Notes
Water Supply And Distribution	Hillview Water Co., CSA 1, Yosemite Springs PUC, MD 40A, 63A, 73A	Developed parcels outside a providers' service area utilize individual private water systems with private wells
Sewer Collection & Disposal	None	It is likely that all parcels within the Coarsegold area utilize individual septic systems as there is no sewer provider identified in the region.
Storm Drainage/Flood Control	County	Most drainage is handled through on-site retention, if at all.
Street Maintenance (Excluding State Highways)	MD 23, 30, 41, 45, 50, 54, 56, 62, 65, 78, 80, 81, 84, 88, 96, 100, 101, 103 MD 40, 63, 73 CSA 10	Roads located outside a district boundary are likely maintained as part of the County Maintained Mileage System or by the property owners who abut roads that have not been accepted by the County.
Street Lighting	None	n/a
Street Sweeping	County	Includes snow removal
Street Landscaping	None	n/a

Service	Local Providers	Notes
Street Construction	County, MDs, CSAs, CalTrans	Done on a project by project basis as funding permits.
Solid Waste Collection, Transfer, & Disposal	Eastern Madera County Disposal Co.	Franchise hauler provides this service. under contract with Madera County
Fire Protection	County/State	Coarsegold Volunteer Fire Dept, State of California Forestry and Fire Protection Department
Police Protection/Law Enforcement	County	Highway Patrol substation in Oakhurst, on Redbud Drive, south of HWY 49
Ambulance Service	Sierra Ambulance	Private non-profit organization
Emergency Medical Service	Community Hospital of Fresno	Medical clinic at Hwy 41/ Victoria Lane
Heat And Power	PG&E	Natural gas, electricity
Undergrounding Of Overhead Electrical & Communication Facilities	PG&E	Advisory Councils may be established for any of the special districts within the area
Parks / Recreation	County, private non-profits	Coarsegold Historic Village
Community Facilities	Private non-profits	Coarsegold Community Center on Morava Road operated by the Yosemite Lake Homeowners Association
Telephone/Telecommunications	Sierra Telephone	Private utility company
TV Translator Stations	Northland Cable Television	Private company
Vector & Pest Control	County Health Dept.	Coarsegold is within the SOI of the Madera County Mosquito Abatement and Vector Control District
Funding For Land Use Planning	County	Overseen by Community and Economic Development Department. Adopted Coarsegold Area Plan in 2006
Funding For A Municipal Advisory Council	None	A Coarsegold Advisory Council that originally was established with the Coarsegold Area Plan has since been dissolved. It was not funded by the County or a special assessment.
Graffiti Abatement	None	n/a
Weed Abatement	None	Property owners required to comply with fire requirements for weed abatement

Service	Local Providers	Notes
Soil Conservation	Coarsegold Resource Conservation District	The Coarsegold RCD does soil and other natural resources protection in the eastern Madera County Area
Animal Control	County	County General Fund supported department that responses to service calls
Public Transportation	Madera County Connection Eastern Madera County Senior Bus Eastern Madera County Escort Service Yosemite Area Rapid Transit	Intercity fixed route system Volunteer Demand/Response Services Fixed route services from Yosemite National Park to the City of Fresno along Highway 41
Cemeteries	Madera Cemetery District	Oakhill Cemetery
Airports	None	Nearest – Madera Nearest commercial - Fresno
Open Space Habitat Conservation	None	
Public Schools (K-8)	Yosemite Union School District	Coarsegold Elementary School, Rivergold Elementary School
Public Schools (9-12)	Yosemite Union School District	Yosemite High School
Community College	State Center Community College District	Oakhurst Community College Center

SECTION 3 - WATER SERVICE

3.1 - Introduction

Most large scale water services provided in the Coarsegold area are privately operated, with most of the larger, rural parcels receiving water from their own individual wells or from privately maintained water systems. The Madera County Environmental Health Department maintains records on 22 private water systems. In the urban area, the privately run Hillview Water Company and Yosemite Springs Park Utility Company provide and distribute domestic water to a significant amount of residents within the Coarsegold area.

The only public water service providers are CSA 1, MD 40A, MD 63A, and MD 73A. The maintenance districts are zones of benefits within their corresponding road maintenance district. All of these entities are overseen by the Madera County Board of Supervisors who act as the Board of Directors of each individual district. However, only CSA 1 and CSA 10 are subject to Madera LAFCo's oversight as only County Service Areas are classified as "special districts" under Government Code Section 56036.

Currently, according to County Staff, no advisory committees exist for any of the water service providers. The County staff reach out to private homeowner associations (HOAs) or other self-elected persons as points of contact regarding district issues. However, it should be noted that all of the aforementioned districts would be eligible to establish an advisory committee. An advisory committee is generally comprised of residents within the district that provide insight and recommendations regarding operations of their service provider to the Board of Directors. Furthermore, all the districts identified within SECTION 4 - do not have advisory committees but could also have one established by the Board of Directors, if it is the desire of the residents.

The two private water companies both operate with their own Board of Directors that hold business meetings to discuss their individual operations. However, they are regulated only by their Board of Directors and CPUC and not by locally elected officials like special districts.

Figure 3-1 illustrates the areas where a private or public water purveyors exist within the Coarsegold area. It can be assumed that other residential properties outside these areas are likely supported by individual, private well facilities.

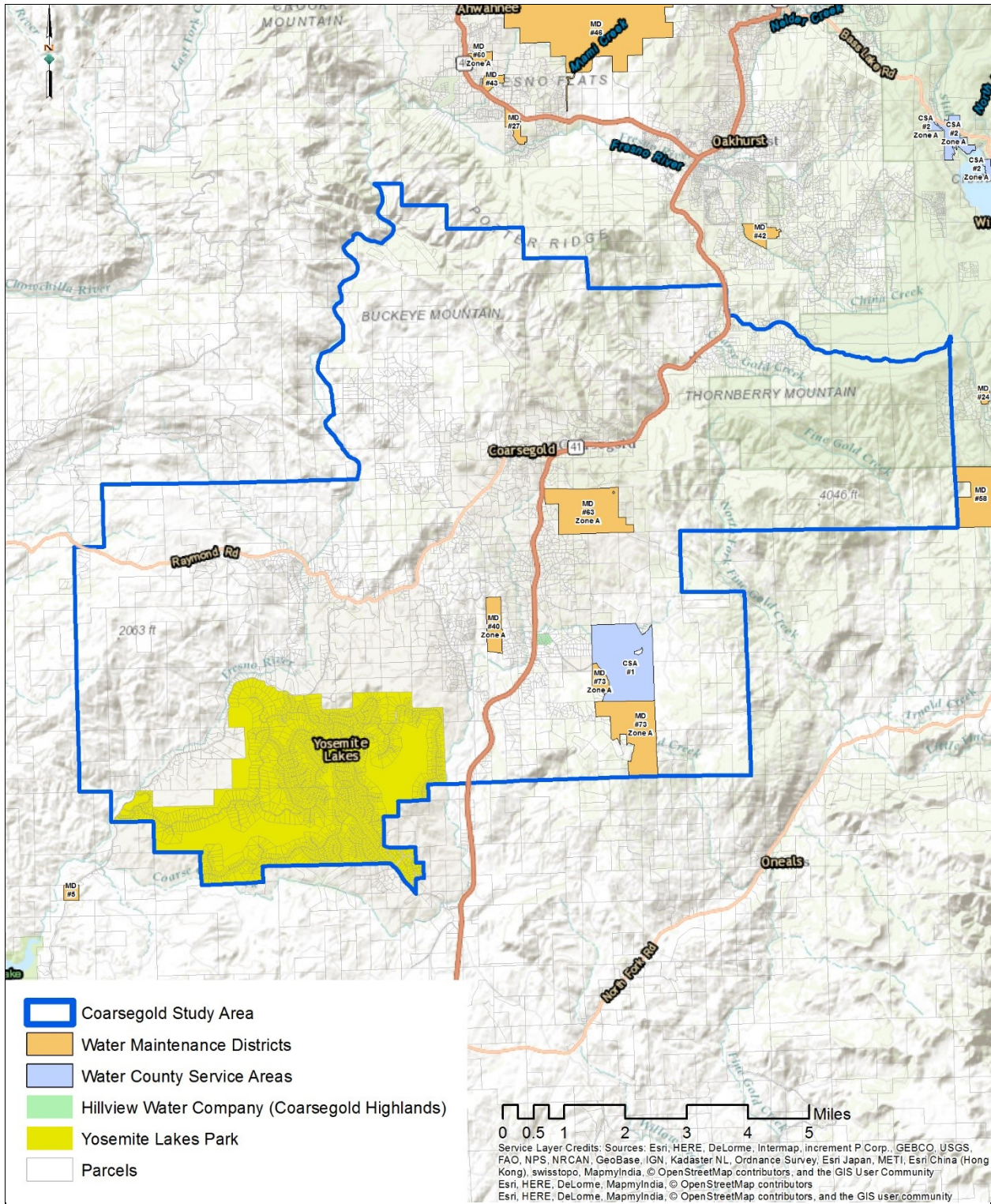


Figure 3-1
Special District and Private Utility Water Providers



3.2 - Existing Facilities and Assets

3.2.1 - HILLVIEW WATER COMPANY

Hillview Water Company (HWC), a privately owned company authorized and regulated by the California Public Utilities Commission (CPUC), provides water to customers in four water service areas. Coarsegold Highlands, one of the service areas, has 25 connections serving approximately 55 customers who use about 255,000 gallons of water per year. The service area includes two individual wells with depths between 110 and 218 feet. Water is conveyed to properties piping consisting of cast iron, cement-asbestos, welded steel, HDPE and PVC (California Public Utilities Commission, 2015). The overall length of the piping within the Coarsegold-Goldside portion of the HWC system is unknown as it was not specifically delineated within the 2014 Annual Report to the CPUC.

Current (2015) monthly fees for a 3/4" meter are \$32.46 plus a General Rate Case (GRC) surcharge of \$3.65 for a per meter per month total of \$36.11. Water rates are currently (2015) \$3.29 per 100 cubic feet (ccf) (a ccf is equal to 748 gallons). HWC's total service area is slowly growing and expects to add about 10 new customers in 2015 throughout its entire service area. HWC does not expect to add any additional customers for fire protection water services during 2015.

HWC does not hold regularly scheduled meetings that are open for public participation. The public is allowed to participate in all CPUC proceedings (Hillview Water Company, Inc, 2015).

3.2.2 - YOSEMITE SPRINGS PARK UTILITY COMPANY

The Yosemite Springs Park Utility Company (YSPUC) operates within the boundaries of the Yosemite Lakes Park Subdivision, located to the west of Highway 41 off of Yosemite Springs Parkway. The YSPUC took control of the water system from the original developer of the subdivision in 1987 as a subsidiary of the Yosemite Lakes Owners Association. YSPUC is considered a Class C utility by the CPUC, as it maintains between 500 to 2,000 connections/customers (Yosemite Springs Park Utility Company, n.d.).

YSPUC owns and operates 13 individual wells that draw from deep hard rock below the Yosemite Lakes Park Subdivision area. The water system services 1,886 active connections, which includes approximately 1,879 homes and some commercial or recreational lots (Yosemite Springs Park Utility Company, 2015). Water is conveyed to properties through 274,687 linear feet of piping consisting of cast iron, cement-asbestos and PVC (California Public Utilities Commission, 2015).

Fees for the district were not made available at the time of this report by the General Manager of the YSPUC and were not posted on the YSPUC website.

Regularly scheduled Board Meetings are held at 5:30pm on the 3rd Tuesday every month in the Yosemite Lakes Clubhouse located at 30250 Yosemite Springs Parkway where public participation is permitted (Yosemite Springs Park Utility Company, 2015).

3.2.3 - MAINTENANCE DISTRICT 40A – SUNSET RIDGE

Maintenance District 40A serves 27 improved units and 4 standby units. The district is located south of central Coarsegold, west of State Route 41 along Sunset Ridge Road.

The system has three active wells with a combined production of 70 gallons per minute. Two of the wells pump directly into the distribution system and back feed two 6,000 gallon storage tanks. The third (as well as the storage tanks) feed the bottom portion of the distribution system which is a different pressure zone. This well is run off a pressure switch and feeds three hydro-pneumatic tanks. The distribution piping consists of 450 feet of 3-inch and 8,900 feet of 2-inch PVC pipe. The system does have consumer meters but no fire hydrants.

Water rates were last updated in 1995. Service rates are \$38.33 for improved lots and \$30.00 for unimproved lots. The current monthly rate of \$38.33 is meant to cover operations and maintenance (Department of Public Works, Municipal Services Division, 2015). The District's budget is shown in Table 3-1.

Table 3-1
Maintenance District 40A Budget

	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$12.46	\$819.66	\$1,413.68
Revenues	\$13,771.60	\$13,634.55	\$14,515.00
Expenses	\$(12,851.06)	\$(12,366.77)	\$(15,264.00)
Ending Cash Balance	\$819.66	\$1,413.68	\$-

Source: Department of Public Works, Municipal Services Division, 2015

3.2.4 - MAINTENANCE DISTRICT 63A – COARSEGOLD SOUTH

Maintenance District 63, Zone A serves 82 improved units and 20 standby units. The district is located south of central Coarsegold, off of State Route 41 along Veater Ranch Road.

The water is furnished by the District's two hard rock wells with a combined production of 250 gallons per minute. This water is pumped directly into an iron and manganese removal plant. After treatment, the water is pumped up to two storage tanks with a combined capacity of 250,000 gallons. The distribution system is gravity fed through 6, 8, and 10-inch diameter PVC water mains. There are five pressure zones within the system. The system also consists of consumer water meters and fire hydrants. The treatment plant uses oxidation, by chlorination, and filtration to remove the iron and manganese from the source water.

Service rates for improved lots are \$88.21/month and \$.00592/gallon for water used in excess of 78,540 gallons per quarter. Service rates for standby lots are \$68.75/month (Department of Public Works, Municipal Services Division, 2015). The District’s budget is shown in Table 3-2.

Table 3-2
Maintenance District 63A Budget

	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$414,007.18	\$450,763.65	\$199,887.05
Revenues	\$108,802.13	\$107,667.35	\$111,721.00
Expenses	\$(72,045.66)	\$(358,543.95)	\$(311,608.05)
Ending Cash Balance	\$450,763.65	\$199,887.05	\$-

Source: Department of Public Works, Municipal Services Division, 2015

3.2.5 - MAINTENANCE DISTRICT 73A – QUARTZ MOUNTAIN

The Quartz Mountain Water System, State Identification Number 2000690, serves 127 improved units and 13 standby units. The District is located south of central Coarsegold, east of State Route 41 along Road 417.

Water is furnished by 3 hard rock wells with a combined production of 145 gallons per minute. The wells supply a 125,000 gallon storage tank through a dedicated fill line. The distribution system is gravity fed through 21,800 feet of 2 ½, 3, 4, 6 and 10 inch PVC water mains. There are consumer water meters and fire hydrants.

The current water fees are based on a tiered structure. The rates last went into effect in January 1, 2010 per Resolution No. 2009-357 with an annual Consumer Price Index adjustment. Improved parcels are allocated 10,500 cubic feet per quarter for a base fee of \$44.67 per month. Usage in excess of 10,500 cubic feet is charged at a rate of \$0.0269 per cubic feet. The standby rate is \$20 per month (Department of Public Works, Municipal Services Division, 2015). The District’s budget is shown in Table 3-3.

Table 3-3
Maintenance District 73A Budget

	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$9,509.13	\$130.90	\$5,858.51
Revenues	\$81,206.54	\$78,686.10	\$74,531.00
Expenses	\$(90,584.77)	\$(72,958.49)	\$(80,389.51)
Ending Cash Balance	\$130.90	\$5,858.51	\$-

Source: Department of Public Works, Municipal Services Division, 2015

3.2.6 - COUNTY SERVICE AREA 1 – INDIAN LAKES

The CSA 1 was formed June 14, 1996 by Resolution No. 66-168. The water system was private until operations were handed over to County Special Districts in 1990. The water system, State Identification No. 2010011, provides water service to 473.5 improved units and 44 standby units. The system usually consists of 4 wells (only 3 of which are active) with a combined production of approximately 600 gallons per minute, an Iron and Manganese removal plant, a 750,000 gallon storage tank, boost pumps, a hydro pneumatic tank, distribution mains and fire hydrants.

Due to the unprecedented drought conditions this year and sole reliance on groundwater to meet the foothill and mountain water demands, the water supply around the Coarsegold area has been greatly diminished. The SA-1 water system normally relies on 4 wells. One of the wells went dry at the onset of the drought, another well is breaking suction and the largest producing well had a major equipment failure in mid July. This left the system the ability to only produce about 33% of its normal capacity. As a result, the system is unable to meet current demands and fire flow is placed on a Stage 4 Conservation Notice (Department of Public Works, Municipal Services Division, 2015).

The current water fees are \$21.34 a month for operations and maintenance and \$2.66 a month for debt service. The standby rate is \$2.00 per month (Department of Public Works, Municipal Services Division, 2015). The District's budget is shown in Table 3-4.

Table 3-4
County Service Area 1 Budget

	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$55,547.44	\$32,856.83	\$32,024.99
Revenues	\$185,727.82	\$187,892.52	\$187,044.36
Expenses	\$(221,358.81)	\$(188,724.36)	\$(219,069.35)
Ending Cash Balance	\$19,916.45	\$32,024.99	\$-

Source: Department of Public Works, Municipal Services Division, 2015

3.2.7 - PUBLIC WATER SYSTEMS

Besides the major water providers, there are a number of public water systems that are regulated by the Madera County Environmental Health Division. Those water systems are listed in Table 3-5. As shown in the table, there are 8 County regulated water systems that have less than five service connections. Madera County Environmental Health Department regulates all commercial uses with water systems that serve 25 or more customers, regardless of the number of connections. Among these water systems are public systems (MDs 40, 63 and 73), mutual water companies (Bluff view Water Company), and commercial businesses such as bed and breakfasts, hotels, restaurants and convenience stores.

Table 3-5
Public Water Systems Regulated by the Madera County Environmental Health Department

Map ID	Name of Water System Operator	Address	Population Served	Number of Connections
1	Black Hawk Lodge	27694 Highway 41	40	14
2	Bluff View Water Company	33597 Bluff Dr	12	6
3	Coarsegold Inn	35300 Highway 41	30	14
4	Coarsegold Market	37203 Highway 41	100	5
5	Coarsegold School	45426 Road 415	464	1
6	Coarsegold Self Serv		40	1
7	Hillside Market	28420 Yosemite Springs Pkwy	100	3
8	MD#40 Sunset Ridge Estates	Shah Ln	150	27
9	MD#63 Meadow Springs Ranch	Veater Ranch Rd	300	82
10	MD#73 Quartz Mountain	n/a	375	127
11	Oakcreek Mobile Home Park	46041 415 Rd	370	198
12	Oakhurst Christian Conf Center	36611 Mudge Ranch Rd	280	8
13	Quick Serve (Chevron)	32019 Meadow Ridge Rd	100	2
14	Ravensbrook Bed & Breakfast	37621 Ravensbrook Wy	n/a	n/a
15	Rivergold School	31800 Road 400	533	1
16	Sand Castle Day Care	43875 Patrick Ave	50	1
17	The Old Nugget	35364 Highway 41	35	3
18	The Village	46777 Oonay Nation Rd	40	21
19	Turtle Creek	35234 Highway 41	35	5
20	Yosemite Lakes Community Church	43840 Patrick Ave	51	9
21	Yosemite South Koa Coarsegold Ranch	34094 Highway 41	350	3

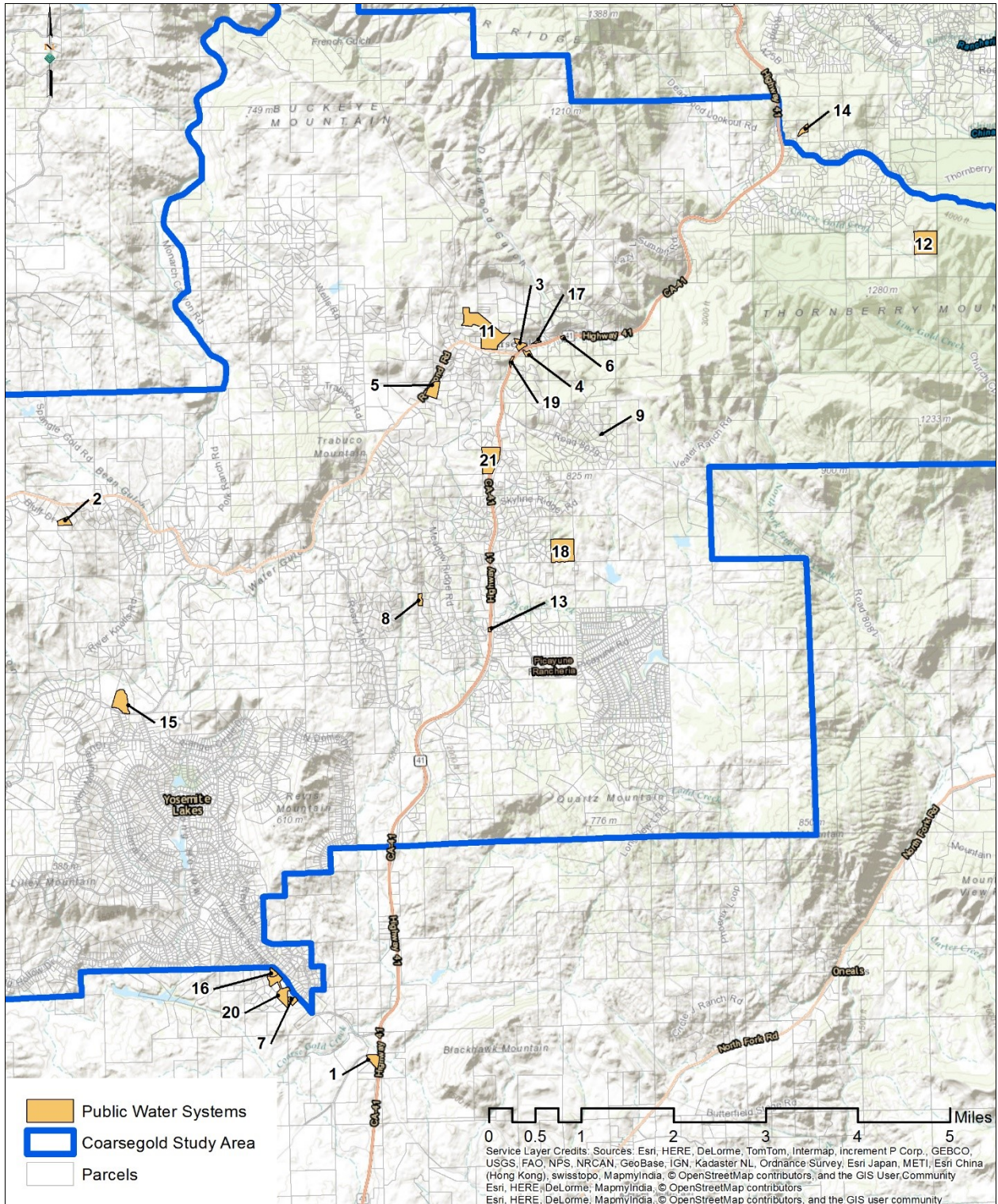


Figure 3-2
Public Water Systems

3.3 - Groundwater Quantity

According to the 2014 Madera Integrated Regional Water Management Plan (IRWMP) (Provost & Pritchard Consulting Group, 2014), groundwater resources in foothill and mountain areas are generally developed in hard rock aquifers. In these situations traditional groundwater contours cannot be accurately developed and groundwater storage is difficult to assess (Provost & Pritchard Consulting Group, 2014).

In addition, Kenneth D. Schmidt & Associates performed groundwater evaluations as part of the 2007 IRWMP for several foothill/mountain communities including Oakhurst, North Fork, Coarsegold, and Raymond and Daulton Ranch-Hensley Lake Areas. According to the 2007 IRWMP, precipitation on the watershed of Coarsegold Creek is the primary source of recharge to groundwater in the Coarsegold area. Average annual precipitation ranges from less than 16 inches near the confluence of Coarsegold Creek with the Fresno River to about 30 inches at Mudge Ranch. The majority of the precipitation is consumed by evapotranspiration of plants on the watershed, and the remainder runs off as streamflow. Groundwater generally flows toward Coarsegold Creek or the Fresno River. Evapotranspiration is estimated to range from about 14 inches per year near the southwest corner of the Coarsegold area to about 22 inches at Mudge Ranch.

Some of the residual water between precipitation and evapotranspiration is available to recharge pumped groundwater. Water systems are predominant in the south part of the Coarsegold area and individual wells are predominant in the central and northern parts of the area. Depths of some water system wells exceed 1,000 feet. A number of deep wells have been drilled by the Yosemite Spring Park Utility. Two deep wells have been drilled at Indian Lakes, one at the Chukchansi Casino, and one at the Al Miki Ranch. Substantial water production has been found at depths below 700 feet. Relatively large hardrock well yields have been demonstrated at Yosemite Lakes.

In 2005, Kenneth D. Schmidt and Associates (KDSA) completed a hydrogeologic evaluation of the area in the vicinity of the Picayune Rancheria/Indian Lakes. This report discusses the results of the Coarsegold area hydrogeologic evaluation. According to the 2007 IRWMP, Depth to water in the Coarsegold area has been less than 100 feet in water from four of the wells. The deeper water levels are for wells in higher topographic areas or for deeper wells. Water levels in these wells also slightly fell through November, in the absence of significant precipitation. The water level in one well rose after mid-March 2007, likely due to recharge from precipitation in February 2007 (Boyle Engineering Corporation, 2008).

3.4 - Groundwater Quality

According to the 2014 IRWMP, groundwater quality in the foothill and mountain portion of the region is also of generally-acceptable quality for domestic and municipal uses without treatment, though many wells do require wellhead treatment to remove naturally-occurring iron, manganese, arsenic and uranium (gross alpha radiation) resulting from granitic decay (Provost & Pritchard Consulting Group, 2014).

Additionally, the 2007 IRWMP notes that water levels in areas where individual wells are used have relatively small seasonal changes and well interference problems are limited. In contrast, in some areas where large-capacity wells are used, there are seasonal water-level variations of more than 100 feet. In such areas, well interference can be a problem if large-capacity wells are sited too close to other wells. The lateral extent of the cones of depression associated with pumping of deep wells in the Coarsegold area has not been determined. This is important, because deep well pumping could draw groundwater from beneath adjoining lands, and limit future pumping of deep groundwater beneath other lands.

The most limited groundwater available appears to be in the southwest part of the Coarsegold area, where the average annual precipitation is less than about 22 inches. Groundwater recharge is less in this area because the residual between precipitation and stream flow is less.

Identified groundwater quality problems in parts of Coarsegold area include high iron, manganese, nitrates and uranium concentrations. These occurrences are all indicated to be due to natural factors and may require treatment for domestic use. There is no known stream gaging in the Coarsegold Creek watershed. Streamflow records (particularly during low flow periods) at key locations would provide more understanding of the groundwater (Boyle Engineering Corporation, 2008).

3.5 - Plans for Future Services

The private water companies do not appear to have any plans to expand as their service areas are well defined currently. The HWC's coverage area is adopted by the State Public Utilities Commission (PUC), and it only needs to plan for the capacity to serve new development within that service area, which is currently built out. According to HWC, it only anticipates approximately 10 new connections in 2015 throughout its entire service area, which would likely be outside the Coarsegold-Highlands system (Aldinger, Christain L.; Peasley, Alinder & O'Bymachow, 2015).

YSPUC has a service area that is completely within the Yosemite Lakes Park Subdivision. The entire subdivision includes approximately 2,299 total lots available for development. With 1,870 homes serviced by YSPUC, that leaves approximately 420 other lots to be developed in the future. Therefore, the YSPUC should plan future infrastructure improvements to accommodate the eventual development of these lots while taking into consideration availability of water quantity and quality.

All the County run special districts, CSA 1, MD 40A, MD 63A and MD 73A, have water systems that were all originally established to provide water service to this subdivision only. There are some residences within proximity of the districts that may, at some point, require service in the event that a private well goes dry. However, there have not been many requests for service extensions as parcels along the periphery of the districts are relatively larger than the parcels within the subdivision and can likely accommodate new wells. Extension of services for adjacent parcels would likely be the extent which each district would need to plan in the future.

However, with water quantity becoming more of a issue given the current drought conditions present though out the County, it may be prudent for the districts to conduct feasibility studies to identify areas that may be able to be served given the available water sources as well as estimated costs to construct infrastructure needed to serve new parcels.

3.6 - Financial Ability to Provide Services

The current quarterly rates for CSA 1 are \$21.34/month for operations and maintenance, \$2.66/month for debt service, and \$2.00/month for unimproved or standby by lots.

MD 40A service rates for improved lots are \$38.33 and \$30.00 for unimproved lots. The current monthly rate of \$38.33 is meant to cover operations and maintenance.

MD 63A service rates for improved lots are \$88.21/month and \$.00592/gallon for water used in excess of 78,540 gallons per quarter. Service rates for standby lots are \$68.75/month.

MD 73A service rates for improved parcels are allocated 10,500 cubic feet per quarter for a base fee of \$44.67 per month with usage in excess of 10,500 cubic feet being charged at a rate of \$0.0269 per cubic feet. The standby rate is \$20 per month.

The Board of Directors of these districts annually adopts budgets for each of these districts as proposed by Public Works Department. All of these districts' budgets reflect general operations and maintenance. All the districts at some point over the last three years have utilized their beginning fund balance to supplement their revenues in order to balance with expenditures. These expenditures varied from year to year as they likely reflected scheduled or planned improvement projects that were needed for the corresponding water system. Therefore it appears that all the districts have a rate structure that includes fixed and planned costs.

The private water companies' rates are dictated and regulated through the review of the CPUC which allows for specific amounts in relation to fixed and variable costs. Therefore, their rates undergo direct scrutiny prior to their adoption so it can be assumed that there is significant financial reporting and review done annually that would ensure that the utility is sustaining fiscal levels. However, users have limited ability to protest or vote for or against rate increases other than at CPUC hearings.

Hillview Water Company monthly fee for a 3/4" meter are \$32.46 plus a GRC surcharge of \$3.65 for a per meter per month total of \$36.11. Water rates are \$3.29 per 100 cubic feet (ccf) (a ccf is equal to 748 gallons).

YSPUC's rates were not made available to LAFCo at the time of this report.

3.7 - Facilities and Opportunities for Shared Facilities

All of the special districts within the Coarsegold Area are operated and maintained by Madera County. Therefore, there is already a sharing of facilities by these districts occurring. Each of the districts pays a prorated share of the costs for staff, equipment and other services. The collaborative approach to financing these resources lends itself to savings for the customer. However, it should be noted that each of these districts may have different overall needs infrastructure-wise due to the technical difference of each system. But, besides this fact, staff and equipment likely is reused on a regular basis to service these districts, as well as other districts throughout the County.

Public water systems may be an opportunity to share additional resources such as wells in the event that the private land owner needs additional capacity or fire flow for an expansion of their development or business. It should be noted these systems are individually and privately operated therefore they operate under different regulations than publicly governed special district's and additional consideration should be given to investigate the potential benefits each provider could actually present to the other entity.

The special districts could also look to share facilities with the private utility companies as there may be systems which are similar in size (HWC) or that have ample area immediately within Coarsegold to conveniently store equipment and other materials needed to operate and maintain the districts. MOU's or other agreements could be investigated with HWC and YSPUC in order to facilitate relationships that could lead to other sharing of facilities or other resources by the County run districts.

3.8 - Opportunities for Rate Restructuring

The rates for the County operated districts were last updated as follows:

- CSA 1 – January 1, 2000
 - No inflation adjustment
- MD 40A – January 1, 1995
 - No inflation adjustment
- MD 63A – June 15, 2004
 - Includes inflation adjustment
- MD 73A – January 1, 2010
 - Includes inflation adjustment

Ideally, rates should be reviewed every five years in accordance with a capital improvement program in order to allow for adjustments for any needed enhancements or other needed

improvements. Additionally, when the rates are adopted, they should include an inflation adjuster in order to insure that the money collected always represents a true amount needed in future years. Without an inflation adjustment, money collected would typically be less than the total cost of the needed improvement in future years.

Of the four previously listed districts, only one of the districts was updated within the last five years, MD 73A. Additionally, only two currently include inflation adjustments as part of their fee structure. Using these two criteria, it would suggest that MD 73A likely has the most up-to-date fee structure as it take into account inflation while utilizing more current data and financial factors to determine its rates.

The other three districts have not been update for as many as 20 years. By having such a long period between rate adjustments, a district may not be considering certain factors that may have changed over time, such as construction costs, salary adjustments for district staff or administrative overhead costs. By not updating the rate structure, the following issues may arise:

- Reduced overall solvency of the district
- Misled residents regarding the financial stability of the district
- Difficulty implementing a new rate in the future due to the drastic spike needed to meet present day costs of maintenance and operation
- Hindrance to future development

Consideration of each of these factors are extremely important in terms of encouraging ongoing sustainability of these districts. Therefore, it is should be noted that three of the County operated water districts and possibly all four should have their rates reviewed and likely restructured in order to accommodate the changes that have occurred overtime to various factors since their original establishment.

The private utility companies' rates are established through the CPUC and take into account factors that public districts do not consider, such as profit. Among the fees that a private utility company may collect besides service rate fees include: user fees paid to the CPUC, franchise fees, utility taxes, connection charges, deposits for equipment, facilities fees, and reconnection charges (California Public Utilities Commission - Water Division, 2006).

Currently, HWC is considering a rate increase through all of its water systems, including Coarsegold-Highlands. At the current rate, HWC shows that the "fair" rate of return of the current rates necessitate an adjustment at this time. According to the CPUC, Class C utilities, such as HWC, showed a range of between 10.2 to 11.2 percent for return on equity. The rate increase therefore is based on meeting the 11.2 return on equity, resulting in an increase of approximately 46.3 percent for fire only services and approximately 69.7 percent increase for domestic service. However, as previously noted, these rates are subject to the review of

the CPUC only and not any local agency (Aldinger, Christain L.; Peasley, Alinder & O'Bymachow, 2015).

At this time, the YSPUC rates are not in the process of being updated or adjusted. According to the CPUC Annual Report for 2014, YSPUC's Income Statement (Schedule B) showed a net income loss of over \$200,000. However, in prior years, YSPUC showed positive net income between 2010 and 2013 which would suggest that the current rate structure is likely adequate to support YSPUC operations in accordance with CPUC regulations (California Public Utilities Commission, 2015).

3.9 - Governance

The maintenance districts are administered by the Madera County Board of Supervisors, which has the power to establish or dissolve it without LAFCo approval. The Public Works Director manages the budget, handles day-to-day operations, and determines the necessary maintenance costs. Billings are prepared by the County Auditor's Office on a quarterly basis.

Conversely, the county service areas are also administered by the Board of Supervisors in a manner very similar with respect to budgeting and operations as the maintenance districts, but, are subject to LAFCo oversight as it relates to reorganizations. As a result, reorganization proposal would need to be reviewed in accordance with CKH and involve what could be perceived as stricter scrutiny when evaluating proposals since LAFCo is independent of the County Board of Supervisors.

These water providers are not directly adjacent to each other so consolidation could be difficult and impractical. However, they are adjacent to other special districts that provide road maintenance. Future consolidation of these districts could be beneficial in the event that these adjacent district wish to have water service expanded to their area. Management of a single district rather than multiple entities would be exceedingly easier to manage as it would create less fiscal reporting, reduce duplication of administrative tasks, capitalize on economies of scale and allow for a coordinated planning of infrastructure for residents within the region.

The private utilities companies identified are not mandated to hold open meetings, although YSPUC does on a regularly scheduled basis before the Board of Directors. The open meetings allow YSPUC to be directly accountable to its residents and consider comments from their customers to improve service delivery.

Conversely, the HWC states that they do not hold public meetings and residents may only participate in regarding the HWC hearings before the CPUC in the event they wish to express any comments or concerns regarding operations.

3.10 - Water Service Determinations

- Determination 3.1** *There are currently six (6) total potable service providers within the Coarsegold area, four public special district and two private utility companies.*
- Determination 3.2** *Outside of the water service providers, property owners receive water service through the use of private individual wells that pump groundwater.*
- Determination 3.3** *Some wells in the area have been drilled as deep as 1,000 feet in order to find adequate quantities of water. In the future, if water levels drop, the cost to drill or re-drill an individual well may not be as cost effective as connecting to a water system.*
- Determination 3.4** *Discussion with adjacent residents and/or consideration of inclusion of adjacent properties to the special districts should be considered in order to promote more efficient use of water resources within the Coarsegold area.*
- Determination 3.5** *Any future SOI should be expanded to include adjacent residential development that is currently being serviced by private wells in order to allow the opportunity for those property owners to connect to existing water systems.*
- Determination 3.6** *Consolidation of neighboring districts should be considered and/or studied in order to determine if an economy of scale can be realized for various infrastructure improvements, such as water tanks, booster pumps, or new wells.*
- Determination 3.7** *Water rates for all the special districts should be reviewed in order to ensure that they are operating in a solvent manner while also providing adequate funding for capital improvements and repairs.*
- Determination 3.8** *In the event that the districts are unable to provide adequate levels of service, discussions with either of the private utility providers should take place to determine the feasibility of either utility assuming control of a special district.*

SECTION 4 - ROAD MAINTENANCE SERVICES

4.1 - Introduction

As the need to provide a funding source for the maintenance of new county roads in the Coarsegold area became evident, the County set up districts to assess property owners a yearly fee for road maintenance. A new district, either a maintenance district or a county service area, was set up with each new subdivision. The number of districts grew, and there are now 23 separate districts in the Coarsegold area that provide road maintenance. All are governed and managed by Madera County.

4.2 - Existing Facilities and Assets

Table 4-1 shows the size of each district by its acreage, lot count, and miles of paved and unpaved roadways. Figure 4-1 shows each district's location within the study area.

Table 4-1
Coarsegold Road Districts (CSAs and MDs)

District	Name	Year Formed	Lots	Miles Paved	Miles Unpaved
CSA 1	Indian Lakes Estates	1966	504	11.02	0
CSA 10	Spinelli Road/Road 416	1982	143	4.38	1.92
MD 23	Coarsegold Highlands	1967	26	0.29	0
MD 30	Trabuco Road	1974	266	11.24	2.01
MD 40	Meadow Ridge Road	1989	83	3.61	0.03
MD 41	Twin Pines	1989	36	1.12	0.03
MD 45	River Knolls Road	1991	85	3.43	1.50
MD 50	Morava	1991	16	0	0.14
MD 54	Happy Hollows	1992	16	0.56	0.25
MD 56	River Crest	1992	26	0.39	0.21
MD 62	Jennifer Lane	1992	32	0.98	0.41
MD 63	Coarsegold South	1992	149	5.38	3.24
MD 65	Coarsegold West	1992	50	1.12	0.23
MD 73	Quartz Mountain	1992	221	7.93	4.67
MD 78	San Ramon	1993	8	0.28	0.07
MD 80	City View	1993	6	0.32	0
MD 81	Blue Oak	1993	25	1.08	0.44
MD 84	Mill Creek	1994	9	0.32	0
MD 88	Safari World	1994	4	0.05	0.23
MD 96	Garnet Creek	1995	6	0.19	0
MD 100	Cattle Way	1996	5	0.14	0
MD 101	Old Corral	1996	41	1.39	0
MD 103	Rodeo	1998	7	0.04	1.58
TOTALS			1764	55.26	16.96

Source: Department of Public Works, Municipal Services Division, 2015

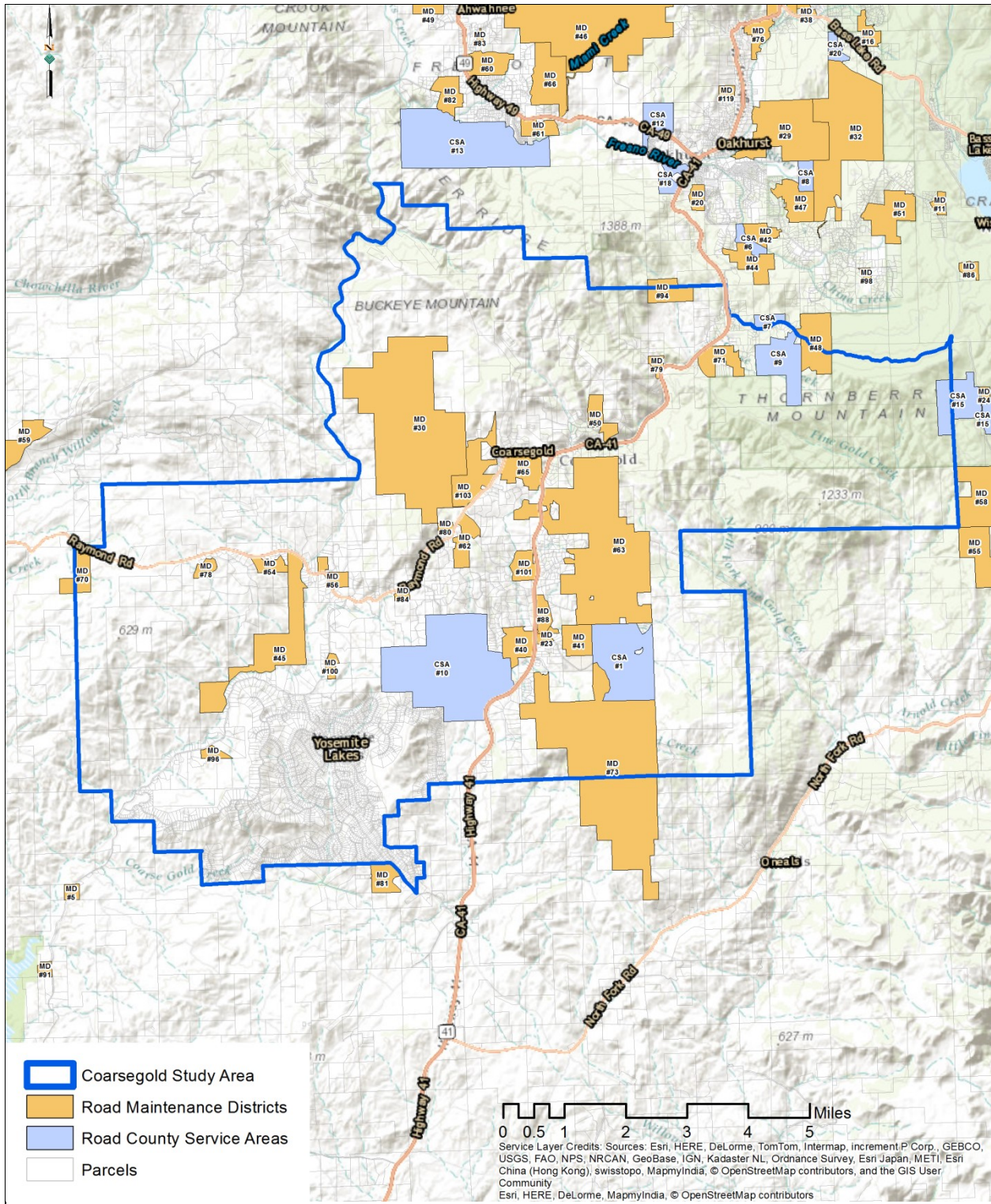


Figure 4-1
Coarsegold Road Districts

4.2.1 - CSA 1 – INDIAN LAKES ESTATES

Indian Lakes Estates was formed on June 14, 1966 by Resolution 66-168 and is approximately 684 acres in size. The District serves approximately 504 parcels with 11.02 miles of paved roads.

When the District was formed there was no direct assessment set for road maintenance. This area at one time received a portion of the property tax to assist in road maintenance; however in 1999-2000 fiscal years the District received approval from the Rural Utilities Services of the U.S.D.A. for loans and grants totaling \$912,240.00 to finance improvements to the water system. In order to receive this funding the County had to allocate all of the property tax revenue to the water operations. However, there are no appropriations for road maintenance to be budgeted.

These roads are minor rural County roads which are included in the County’s maintained road system.

4.2.2 - CSA 10 - SPINELLI ROAD/ROAD 416

CSA 10 was formed on March 16, 1982 by Resolution 82-153 and is approximately 1,728 acres in size. The District contains 143 parcels with approximately 4.38 miles of paved roads and 1.92 miles of unpaved roads.

When the District was formed, a direct assessment of \$150.00 per parcel, per year was approved. As a condition of Conditional Use Permit number 88-13, Assessor’s Parcel Number 054-174-025 was assessed \$3,683.33 (\$14.388 X 256 units) for use as an R.V. park. Spinelli Road (Road 416) is in the District but also receives funds for maintenance from the Road Department’s General Fund, as it is also a County maintained road.

Road 416 is not solely utilized by the R.V. Park and is considered a major connector for traffic from the community of Raymond as well as Madera and Chowchilla. Therefore, the entire maintenance cost is not directed to CSA 10 but instead supplemented by the General Fund. The balance of the roadways within CSA 10 is non-maintained County roads and, therefore, not included in the County’s maintained road system.

**Table 4-2
CSA 10 Budget**

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$194,228.20	\$219,847.07	\$239,962.61	\$73,654.66
Revenues	\$27,110.28	\$25,916.28	\$25,901.72	\$26,000.00
Expenses	<u>\$1,491.41</u>	<u>\$5,800.74</u>	<u>\$192,209.67</u>	<u>\$99,654.66</u>
Ending Cash Balance	\$219,847.07	\$239,962.61	\$73,654.66	\$---

Source: Department of Public Works, Municipal Services Division, 2015

As shown in Table 4-3, according to the County Public Works Department, the following improvements were made to during the 14/15 and 15/16 Fiscal Years (Toler, 2016)

Table 4-3
CSA 10 Improvements

Road	Treatment	Fiscal Year
Savage Road	Double Chip Seal and Fog	2014/15
Springhill Road	Double Chip Seal and Fog	2014/15
Springhill Court	Double Chip Seal and Fog	2014/15
Oak Springs Lane	Double Chip Seal and Fog	2014/15
Person Loop South	AC Overlay	2014/15
Person Court	AC Overlay	2014/15
Woodhill Lane	AC Overlay	2014/15
Person Loop North	Cape Seal	2015/16
Cutting Horse Lane	Cape Seal	2015/16
Lucian Drive	Cape Seal	2015/16
Bobcat Court	Cape Seal	2015/16

Source: Department of Public Works, Municipal Services Division, 2016

4.2.3 - MD 23 - COARSEGOLD HIGHLANDS

MD 23 was formed on November 14, 1967 by Resolution 67-352 and is approximately 37 acres in size. The District has approximately 26 parcels with 0.29 miles of paved roads.

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 roadways which are included in the County's maintained road system.

To date, no direct assessment exists as this district is pre-Prop 13 funded through a percentage of the 1.0 percent property taxes allocation collected by the County.

Table 4-4
Maintenance District 23 Budget

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$12,511.70	\$13,813.61	\$15,235.95	\$16,659.47
Revenues	\$1,348.91	\$1,464.52	\$1,470.52	\$1,437.50
Expenses	<u>\$47.00</u>	<u>\$42.18</u>	<u>\$47.00</u>	<u>\$18,096.97</u>
Ending Cash Balance	\$13,813.61	\$15,235.95	\$16,659.47	\$---

Source: Department of Public Works, Municipal Services Division, 2015

4.2.4 - MD 30 - TRABUCO ROAD

MD 30 was formed on March 26, 1974 by Resolution 74-177 and is approximately 2,348 acres in size. The District has approximately 266 parcels with 11.24 miles of paved road, 0.11 miles of chip sealed road, and 2.04 miles of unpaved roads.

After the District was formed, there was a direct assessment of \$100.00 per parcel, per year for road maintenance approved on August 19, 1997 by Resolution 97-203. In addition to the direct assessment, MD 30 receives a portion of the 1 percent, property tax allocation to assist in road maintenance due to its status as a pre-Proposition 13 district.

These roads are designated minor rural County roads which are included in the County's maintained road system. To date the District has performed all of its road repairs and routine maintenance, they have a Road Maintenance Committee that monitors their budget prepared by the County and oversees all maintenance procedures and projects.

Table 4-5
Maintenance District 30 Budget

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$143,046.10	\$194,933.07	\$113,727.86	\$53,221.50
Revenues	\$53,289.91	\$103,888.58	\$52,041.42	\$52,830.00
Expenses	<u>\$1,402.94</u>	<u>\$185,093.79</u>	<u>\$112,547.78</u>	<u>\$106,051.50</u>
Ending Cash Balance	\$194,933.07	\$113,727.86	\$53,221.50	\$ ---

Source: Department of Public Works, Municipal Services Division, 2015

As shown in Table 4-6Table 4-3, according to the County Public Works Department, the following improvements were made to during the 13/14 and 14/15 Fiscal Years (Toler, 2016)

Table 4-6
Maintenance District 30 Improvements

Road	Treatment	Fiscal Year
Wells Road	Fabric and Overlay	2013/14
Franklin Road	AC Overlay	2014/2015

Source: Department of Public Works, Municipal Services Division, 2016

4.2.5 - MD 40 - MEADOW RIDGE ROAD

MD 40 was formed on November 21, 1989 by Resolution 89-255 and is approximately 142 acres in size. The District has approximately 83 parcels with 3.61 miles of paved roads and 0.03 of unpaved roads.

When the District was formed, a direct assessment of \$100.00 per parcel, per year for road maintenance was set on November 13, 1990 by resolution 90-290.

These are non-County roads and not included in the County's maintained road system.

Table 4-7
Maintenance District 40 Budget

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$30,093.81	\$31,153.58	\$37,344.98	\$41,416.22
Revenues	\$8,530.86	\$8,646.59	\$8,492.03	\$8,605.00
Expenses	<u>\$7,471.09</u>	<u>\$2,455.19</u>	<u>\$4,420.79</u>	<u>\$50,021.22</u>
Ending Cash Balance	\$31,153.58	\$37,344.98	\$41,416.22	\$ ---

Source: Department of Public Works, Municipal Services Division, 2015

4.2.6 - MD 41 - TWIN PINES

MD 41 was formed on March 21, 1989 by Resolution 89-64 and is approximately 153 acres in size. The District has approximately 36 parcels with 1.12 miles of paved roads and 0.03 of unpaved roads.

A direct assessment of \$100.00 per parcel, per year for road maintenance was set on November 13, 1990 by resolution 90-291.

These are non-County roads and not included in the County's maintained road system.

Table 4-8
Maintenance District 41 Budget

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$64,233.02	\$67,994.31	\$71,132.53	\$74,825.08
Revenues	\$4,045.53	\$3,703.61	\$3,743.55	\$3,855.00
Expenses	<u>\$284.24</u>	<u>\$565.39</u>	<u>\$51.00</u>	<u>\$78,680.08</u>
Ending Cash Balance	\$67,994.31	\$71,132.53	\$74,825.08	\$---

Source: Department of Public Works, Municipal Services Division, 2015

4.2.7 - MD 45 - RIVER KNOLLS ROAD

MD 45 was formed on January 15, 1991 by Resolution 91-20 and is approximately 673 acres in size. The District has approximately 83 parcels with 3.43 miles of paved roads and 1.50 miles of unpaved roads for a total of 4.93 miles of road.

When the District was formed, a direct assessment of \$100.00 per parcel, per year for road maintenance was approved.

These are non-County roads and not included in the County's maintained road system.

Table 4-9
Maintenance District 45 Budget

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$51,489.00	\$7,207.07	\$12,807.67	\$21,442.36
Revenues	\$8,788.11	\$9,212.57	\$9,456.28	\$9,125.00
Expenses	<u>\$53,070.04</u>	<u>\$3,611.97</u>	<u>\$821.59</u>	<u>\$30,567.36</u>
Ending Cash Balance	\$7,207.07	\$12,807.67	\$21,442.36	\$---

Source: Department of Public Works, Municipal Services Division, 2015

4.2.8 - MD 50 – MORAVA

MD 50 was formed on June 18, 1991 by Resolution 91-197 and is approximately 117 acres in size. The District has approximately 16 parcels with 0.83 miles of chip sealed roads and 0.14 miles of unpaved roads.

When the District was formed, a direct assessment of \$100.00 per parcel, per year for road maintenance was approved. The Coarsegold Community Center is assessed \$1.00 per year.

These are non-County roads not included in the County's maintained road system.

Table 4-10
Maintenance District 50 Budget

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$22,962.20	\$24,258.89	\$25,261.90	\$25,618.25
Revenues	\$1,691.15	\$1,691.84	\$1,721.18	\$1,721.00
Expenses	<u>\$394.8463</u>	<u>\$688.83</u>	<u>\$1,364.83</u>	<u>\$27,339.25</u>
Ending Cash Balance	\$24,258.89	\$25,261.90	\$25,618.25	\$---

Source: Department of Public Works, Municipal Services Division, 2015

4.2.9 - MD 54 - HAPPY HALLOWS

MD 54 was formed on April 28, 1992 by Resolution 92-151 and is approximately 76 acres in size. The District has approximately 16 parcels with 0.56 miles of paved roads and 0.25 miles of unpaved roads.

When the District was formed, a direct assessment of \$100.00 per parcel, per year for road maintenance was approved.

These are non-County roads and not included in the County's maintained road system.

Table 4-11
Maintenance District 54 Budget

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$25,458.67	\$26,830.53	\$28,486.16	\$29,756.27
Revenues	\$1,399.86	\$1,805.81	\$1,434.83	\$1,555.00
Expenses	<u>\$28.00</u>	<u>\$150.18</u>	<u>\$164.72</u>	<u>\$31,311.27</u>
Ending Cash Balance	\$26,830.53	\$28,486.16	\$29,756.27	\$---

Source: Department of Public Works, Municipal Services Division, 2015

4.2.10 - MD 56 - RIVER CREST

MD 56 was formed on April 14, 1992 by Resolution 92-125 and is approximately 82 acres in size. The District has approximately 26 parcels with 0.39 miles of paved road and 0.21 mile of unpaved roads.

When the District was formed, a direct assessment of \$100.00 per parcel, per year for road maintenance was approved.

These are non-County roads and not included in the County's maintained road system.

Table 4-12
Maintenance District 56 Budget

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$44,812.07	\$47,575.00	\$48,875.14	\$52,553.76
Revenues	\$2,776.93	\$2,777.69	\$2,786.43	\$2,800.00
Expenses	<u>\$14.00</u>	<u>\$477.55</u>	<u>\$107.81</u>	<u>\$55,353.76</u>
Ending Cash Balance	\$47,575.00	\$49,875.14	\$52,553.76	\$---

Source: Department of Public Works, Municipal Services Division, 2015

4.2.11 - MD 62 - JENNIFER LANE

MD 62 was formed on April 14, 1992 by Resolution 92-126 and is approximately 138 acres in size. The District has approximately 32 parcels with 0.98 miles of paved road and 0.41 miles of unpaved roads.

When the District was formed, a direct assessment of \$100.00 per parcel, per year for road maintenance was approved.

These are non-County roads and not included in the County's maintained road system.

Table 4-13
Maintenance District 62 Budget

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$77,296.82	\$50,891.40	\$52,931.08	\$56,020.42
Revenues	\$3,340.43	\$3,190.13	\$3,301.13	\$3,375.00
Expenses	<u>\$29,745.85</u>	<u>\$1,150.45</u>	<u>\$211.79</u>	<u>\$59,395.42</u>
Ending Cash Balance	\$50,891.40	\$52,931.08	\$56,020.42	\$---

Source: Department of Public Works, Municipal Services Division, 2015

4.2.12 - MD 63 - COARSEGOLD SOUTH

MD 63 was formed on April 07, 1992 by Resolution 92-110 and is approximately 1,345 acres in size. The District has approximately 149 parcels with 5.38 miles of paved road and 3.24 miles of unpaved roads.

When the District was formed, a direct assessment of \$100.00 per parcel, per year for road maintenance was approved. On August 19, 2003 by resolution 2003- 234, an increase in the assessment roll for road maintenance was approved for each parcel within the District. This resolution also included an inflation mechanism for each subsequent year to come and is based on the Engineering News Record Construction Cost index using the twenty city average.

These are non-County roads not included in the County's maintained road system.

Table 4-14
Maintenance District 63 Budget

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$371,202.20	\$427,944.45	\$488,090.26	\$373,282.77
Revenues	\$67,171.01	\$64,739.23	\$64,828.18	\$65,510.00
Expenses	<u>\$10,428.76</u>	<u>\$6,593.42</u>	<u>\$179,635.67</u>	<u>\$438,792.77</u>
Ending Cash Balance	\$427,944.45	\$488,090.26	\$373,282.77	\$---

Source: Department of Public Works, Municipal Services Division, 2015

As shown in Table 4-15, according to the County Public Works Department, the following improvements were made to during the 14/15 and 15/16 Fiscal Years (Toler, 2016)

Table 4-15
Maintenance District 63 Improvements

Road	Treatment	Fiscal Year
Veater Ranch Road	AC Overlay	2014/15
Oonay Nation Road	AC Overlay	2015/16
Sunshine Terrace Drive	Cape Seal	2015/16
Morning Sky Trail	Cape Seal	2015/16
Oakdell Lane	Cape Seal	2015/16
Lavender Lane	Cape Seal	2015/16
Summerhill Lane	Cape Seal	2015/16
Buggywhip Drive	Cape Seal	2015/16
Enchanted Oaks Drive	Cape Seal	2015/16
Treetops Lane	Cape Seal	2015/16
Serendipity Lane	Cape Seal	2015/16

Source: Department of Public Works, Municipal Services Division, 2016

4.2.13 - MD 65 - COARSEGOLD WEST

MD 65 was formed on July 07, 1992 by Resolution 92-228 and is approximately 227 acres in size. The District has approximately 50 parcels with 1.12 miles of paved road and 0.23 miles of unpaved roads.

When the District was formed, a direct assessment of \$100.00 per parcel, per year for road maintenance was approved.

These are non-County roads and not included in the County's maintained road system.

Table 4-16
Maintenance District 65 Budget

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$21,763.39	\$25,365.55	\$25,205.78	\$27,637.68
Revenues	\$4,996.54	\$4,989.28	\$5,810.30	\$5,195.00
Expenses	<u>\$1,394.38</u>	<u>\$5,149.05</u>	<u>\$3,378.40</u>	<u>\$32,832.68</u>
Ending Cash Balance	\$25,365.55	\$25,205.78	\$27,637.68	\$---

Source: Department of Public Works, Municipal Services Division, 2015

4.2.14 - MD 73 - QUARTZ MOUNTAIN

Quartz Mountain was formed on May 05, 1992 by Resolution 92-161 and is approximately 2,148 acres in size. The District has approximately 221 parcels with 7.93 miles of paved road, 1.27 miles of chip sealed road and 4.67 miles of unpaved road.

When the District was formed, a direct assessment of \$100.00 per parcel, per year for road maintenance was approved. This assessment is in addition to the rates paid by residents within MD 73 for water services (MD 73A).

These are non-County roads and not included in the County's maintained road system.

Table 4-17
Maintenance District 73 Budget

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$34,642.57	\$56,038.18	\$65,356.38	\$79,268.41
Revenues	\$22,572.12	\$24,187.96	\$21,580.68	\$22,625.00
Expenses	<u>\$1,176.51</u>	<u>\$14,869.76</u>	<u>\$7,668.65</u>	<u>\$101,893.41</u>
Ending Cash Balance	\$56,038.18	\$65,356.38	\$79,268.41	\$---

Source: Department of Public Works, Municipal Services Division, 2015

4.2.15 - MD 78 - SAN RAMON

MD 78 was formed on April 06, 1993 by Resolution 93-119 and is approximately 53 acres in size. The District has approximately 8 parcels with 0.28 miles of chip sealed road and 0.07 miles of unpaved road.

When the District was formed, a direct assessment of \$100.00 per parcel, per year for road maintenance was approved.

These are non-County roads and not included in the County's maintained road system.

Table 4-18
Maintenance District 78 Budget

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$16,762.41	\$14,757.07	\$15,312.75	\$16,113.28
Revenues	\$862.71	\$854.46	\$822.53	\$875.00
Expenses	<u>\$2,868.05</u>	<u>\$298.78</u>	<u>\$22.00</u>	<u>\$16,988.28</u>
Ending Cash Balance	\$14,757.07	\$15,312.75	\$16,113.28	\$---

Source: Department of Public Works, Municipal Services Division, 2015

4.2.16 - MD 80 - CITY VIEW

MD 80 was formed on August 10, 1993 by Resolution 93-240 and is approximately 21 acres in size. The District has contains 6 parcels with 0.32 miles of paved roadway.

When the District was formed, a direct assessment of \$100.00 per parcel, per year for road maintenance was approved.

These are non-County roads and not included in the County's maintained road system.

Table 4-19
Maintenance District 80 Budget

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$13,368.59	\$14,396.60	\$14,915.56	\$15,473.03
Revenues	\$1,041.01	\$653.17	\$570.47	\$595.00
Expenses	<u>\$13.00</u>	<u>\$134.21</u>	<u>\$13.00</u>	<u>\$16,068.03</u>
Ending Cash Balance	\$14,396.60	\$14,915.56	\$15,473.03	\$---

Source: Department of Public Works, Municipal Services Division, 2015

4.2.17 - MD 81 - BLUE OAK

MD 81 was formed on September 07, 1993 by Resolution 93-274 and is approximately 125 acres in size. The District has approximately 25 parcels with 1.08 miles of paved road and 0.44 miles of unpaved roadway.

When the District was formed, a direct assessment of \$100.00 per parcel, per year for road maintenance was approved.

These are non-County roads and not included in the County's maintained road system.

Table 4-20
Maintenance District 81 Budget

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$45,408.08	\$19,723.70	\$22,967.66	\$25,414.60
Revenues	\$2,501.08	\$3,360.33	\$2,509.94	\$2,500.00
Expenses	<u>\$28,185.46</u>	<u>\$116.37</u>	<u>\$63.00</u>	<u>\$27,914.60</u>
Ending Cash Balance	\$19,723.70	\$22,967.66	\$25,414.60	\$---

Source: Department of Public Works, Municipal Services Division, 2015

4.2.18 - MD 84 - MILL CREEK

MD 84 was formed on January 4, 1994 by Resolution 94-24 and is approximately 29 acres in size. The District has approximately 9 parcels with 0.32 miles of paved road.

When the District was formed, a direct assessment of \$100.00 per parcel, per year for road maintenance was approved.

These are non-County roads and not included in the County's maintained road system.

Table 4-21
Maintenance District 84 Budget

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$17,170.26	\$18,095.63	\$18,881.31	\$4,985.55
Revenues	\$967.59	\$867.37	\$1,055.09	\$935.00
Expenses	<u>\$42.22</u>	<u>\$81.69</u>	<u>\$14,950.85</u>	<u>\$5,920.55</u>
Ending Cash Balance	\$18,095.63	\$18,881.31	\$4,985.55	\$---

Source: Department of Public Works, Municipal Services Division, 2015

4.2.19 - MD 88 - SAFARI WORLD

MD 88 was formed on December 06, 1994 by Resolution No. 94-389 and is approximately 79 acres in size. The District serves 7 parcels with 0.05 miles of paved road and 0.23 mile of unpaved roadway.

When the District was formed, a direct assessment of \$100.00 per parcel, per year for road maintenance was approved.

These are non-County roads and not included in the County's maintained road system.

Table 4-22
Maintenance District 88 Budget

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$11,070.69	\$24,775.76	\$25,727.58	\$26,237.02
Revenues	\$13,717.07	\$959.82	\$521.44	\$500.00
Expenses	<u>\$12.00</u>	<u>\$8.00</u>	<u>\$12.00</u>	<u>\$26,737.02</u>
Ending Cash Balance	\$24,775.76	\$25,727.58	\$26,237.02	\$---

Source: Department of Public Works, Municipal Services Division, 2015

4.2.20 - MD 96 - GARNET CREEK

MD 96 was formed on December 12, 1995 by Resolution 95-297 and is approximately 40 acres in size. The District contains 6 parcels with 0.19 miles of paved road.

When the District was formed, a direct assessment of \$100.00 per parcel, per year for road maintenance was approved.

These are non-County roads and not included in the County's maintained road system.

Table 4-23
Maintenance District 96 Budget

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$11,275.74	\$11,911.86	\$12,551.36	\$13,202.79
Revenues	\$644.12	\$644.50	\$659.43	\$655.00
Expenses	<u>\$8.00</u>	<u>\$5.00</u>	<u>\$8.00</u>	<u>\$13,857.79</u>
Ending Cash Balance	\$11,911.86	\$12,551.36	\$13,202.79	\$---

Source: Department of Public Works, Municipal Services Division, 2015

4.2.21 - MD 100 - CATTLE WAY

MD 100 was formed on May 21, 1996 by Resolution 96-142 and is approximately 40 acres in size. The District serves 5 parcels with 0.14 miles of paved road.

When the District was formed, a direct assessment of \$100.00 per parcel, per year for road maintenance was approved.

These are non-County roads and not included in the County's maintained road system.

Table 4-24
Maintenance District 100 Budget

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$9,403.98	\$9,934.98	\$10,468.03	\$11,011.66
Revenues	\$537.00	\$537.05	\$549.63	\$545.00
Expenses	<u>\$6.00</u>	<u>\$4.00</u>	<u>\$6.00</u>	<u>\$11,556.66</u>
Ending Cash Balance	\$9,934.98	\$10,468.03	\$11,011.66	\$---

Source: Department of Public Works, Municipal Services Division, 2015

4.2.22 - MD 101 - OLD CORRAL

MD 101 was formed on April 16, 1996 by Resolution 96-143 and is approximately 119 acres in size. The District has approximately 41 parcels with 1.39 miles of paved road. The district has an advisory committee that oversees actions related to the maintenance projects of the district.

When the District was formed, a direct assessment of \$200.00 per parcel, per year for road maintenance was approved. In 1999, the assessment was increased to \$370.00 through fiscal year 2004-2005 where at the end of this period it returned to \$200.00 per parcel per year.

These are non-County roads and not included in the County's maintained road system.

**Table 4-25
Maintenance District 101 Budget**

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$26,478.04	\$34,886.34	\$43,001.40	\$50,682.19
Revenues	\$8,604.61	\$8,155.06	\$7,808.55	\$8,215.00
Expenses	<u>\$196.31</u>	<u>\$40.00</u>	<u>\$127.76</u>	<u>\$58,897.19</u>
Ending Cash Balance	\$34,886.34	\$43,001.40	\$50,682.19	\$---

Source: Department of Public Works, Municipal Services Division, 2015

4.2.23 - MD 103 - RODEO

MD 103 was formed on March 03, 1998 by Resolution 98-49 and is approximately 304 acres in size. The District has approximately 7 parcels with 0.04 miles of paved road and 1.58 miles of unpaved road.

When the District was formed, a direct assessment of \$100.00 per parcel, per year for road maintenance was approved.

These are non-County roads and not included in the County's maintained road system.

**Table 4-26
Maintenance District 103 Budget**

	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Budgeted 2015-2016
Beginning Cash Balance	\$5,193.68	\$5,796.99	\$6,281.89	\$7,287.50
Revenues	\$621.31	\$622.11	\$1,023.61	\$625.00
Expenses	<u>\$18.00</u>	<u>\$137.21</u>	<u>\$18.00</u>	<u>\$7,912.50</u>
Ending Cash Balance	\$5,796.99	\$6,281.89	\$7,287.50	\$---

Source: Department of Public Works, Municipal Services Division, 2015

4.3 - Plans for Future Services

The districts were established to only provide maintenance service 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.

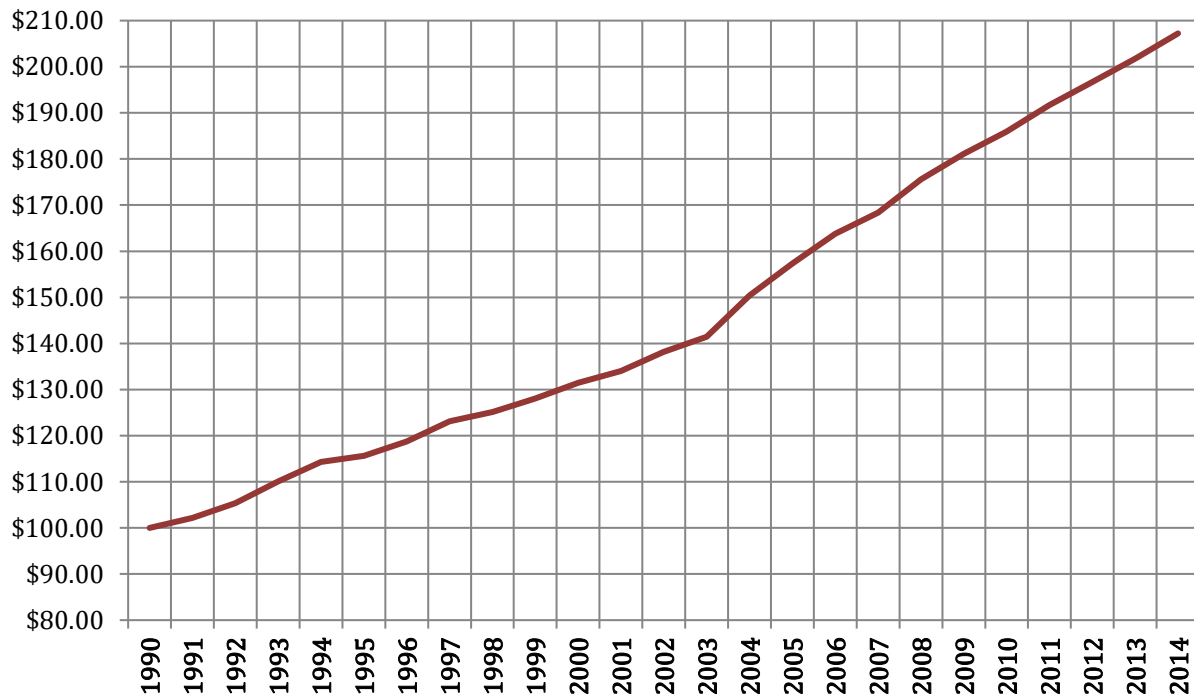
However, it would appear that although there are districts that serve a specific community, some developments may have been able to have been annexed to an existing district with an established rate structure in order to eliminate a duplication of service. There are multiple districts that service less than ten (10) parcels and others that have less than one (1) linear mile or road.

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 policy of assessment \$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 the district as money in 1992 dollars is not equivalent to 2015 dollars.

As shown in Chart 4-1, according to the Engineering News Record Construction Index (CNRCI), which was the basis for inflation costs for MD 63, \$100 was originally used in 1990 for the base assessment for MD 40. Due to lack of an inflation escalator, the \$100 that was established in 1990 would need to be an assessment of approximately \$207.23 to have the same purchasing power, an increase of approximately 107.2 percent (Engineering New Record, 2015).

Chart 4-1
Inflation of Construction Costs from 1990-2014 of \$100



In comparison, construction costs for foothill and 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. As represented in Chart 4-1, all these costs which go into maintenance and repair of roadways have increased over time. Based on engineering estimates from other rural, foothill areas available, estimates per linear foot of roadway are approximately:

- 2" Overlay: \$455,607 per mile
- Pulverize and Reconstruct: \$676,223 per mile
- Total Reconstruction: \$961,901 per mile

Based on current assessments and roadway lengths, it is evident that the level of service being provided by each of the districts is below the industry standards for repair and maintenance. Table 4-24 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 Coarsegold 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 4-3, 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.

Table 4-27
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 1	\$5,020,789	\$996	\$7,451,977	\$986	\$10,600,149	\$1,052
CSA 10	\$1,995,559	\$1,395	\$2,961,857	\$1,381	\$4,213,126	\$1,473
MD 23	\$132,126	\$508	\$196,105	\$503	\$278,951	\$536
MD 30	\$5,121,023	\$1,925	\$7,600,747	\$1,905	\$10,811,767	\$2,032
MD 40	\$1,644,741	\$1,982	\$2,441,165	\$1,961	\$3,472,463	\$2,092
MD 41	\$510,280	\$1,417	\$757,370	\$1,403	\$1,077,329	\$1,496
MD 45	\$1,562,732	\$1,839	\$2,319,445	\$1,819	\$3,299,320	\$1,941
MD 50	\$0	\$0	\$0	\$0	\$0	\$0
MD 54	\$255,140	\$1,595	\$378,685	\$1,578	\$538,665	\$1,683
MD 56	\$177,687	\$683	\$263,727	\$676	\$375,141	\$721
MD 62	\$446,495	\$1,395	\$662,699	\$1,381	\$942,663	\$1,473
MD 63	\$2,451,166	\$1,645	\$3,638,080	\$1,628	\$5,175,027	\$1,737
MD 65	\$510,280	\$1,021	\$757,370	\$1,010	\$1,077,329	\$1,077
MD 73	\$3,612,964	\$1,635	\$5,362,448	\$1,618	\$7,627,875	\$1,726
MD 78	\$127,569	\$1,595	\$189,342	\$1,578	\$269,332	\$1,683
MD 80	\$145,794	\$2,430	\$216,391	\$2,404	\$307,808	\$2,565
MD 81	\$492,056	\$1,968	\$730,321	\$1,948	\$1,038,853	\$2,078
MD 84	\$145,794	\$1,620	\$216,391	\$1,603	\$307,808	\$1,710
MD 88	\$22,780	\$570	\$33,811	\$564	\$48,095	\$601
MD 96	\$86,565	\$1,443	\$128,482	\$1,428	\$182,761	\$1,523
MD 100	\$63,785	\$1,276	\$94,671	\$1,262	\$134,666	\$1,347
MD 101	\$633,294	\$1,545	\$939,950	\$1,528	\$1,337,042	\$1,631
MD 103	\$18,224	\$260	\$27,049	\$258	\$38,476	\$275

Source: Quad Knopf, Inc. (Makmur, 2015)

Notes: 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.

Therefore, if there are future plans for development within the Coarsegold 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.

4.4 - Financial Ability to Provide Services

The annual assessment rate for the majority of the road districts is \$100 per parcel. There are a few exceptions per parcel, as CSA 1 collects no assessment, CSA 10 collects \$150, MD 101 collects \$200, and MD 23 receives a portion of the 1 percent property tax allocation.

The Board of Directors of these 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.

These expenditures varied from year to year as they likely reflected scheduled or planned improvement projects that were needed for the corresponding road system. Therefore, it appears that all the districts have a rate structure that may include fixed and planned costs from the time the district was established, but, fail to account for inflation in future years. However, without an engineering study to establish and study the rate needed to provide maintenance and reconstruction, it seems that most assessments are below what may be needed to provide an acceptable level of service based on a typical industry standard of practice.

For some districts, it would appear that money collected simply finances administration record keeping and reporting to the State of California. However, due to the fact that the County oversees all these districts, some cost savings is realized for this work. But, due to the fact assessments have not been adjusted or reviewed for some time, it would suggest that many of these districts may not be collecting enough funds to provide much more than minimal repair and some administrative work.

4.5 - Facilities and Opportunities for Shared Facilities

The main assets for these districts are the roads themselves. It is obviously not possible to share roads. However, the maintenance equipment, County staff, materials, storage yards, budgeting, and accounting procedures can be coordinated into a combined system. There are also a number of County roadways that are not within any district, and therefore must be maintained from the County General Fund. The roads maintenance status within the study area is illustrated in Figure 4-2.

As shown in Figure 4-2, there are many roads within existing districts that are maintained with aid from the General Fund. Additionally, there are many roads which are listed as being non-maintained throughout the study area.

The County, as the maintenance provider of these roads, is able to coordinate construction crews in a manner in order not to duplicate mobilization of construction crews. Further, the County has much of the equipment needed to cover all work that would otherwise be needed by these districts.

It would seem the major opportunity would be more to have adjacent districts share in cost for projects that would benefit both areas. However, due to the fact that funds collected are

segregated and not able to be spent outside the district, it creates some hurdles to realizing this opportunity. A possible solution would be consolidate some districts that have longer road systems in an effort to create a larger pool of funds and capitalize on economies of scale for construction projects.

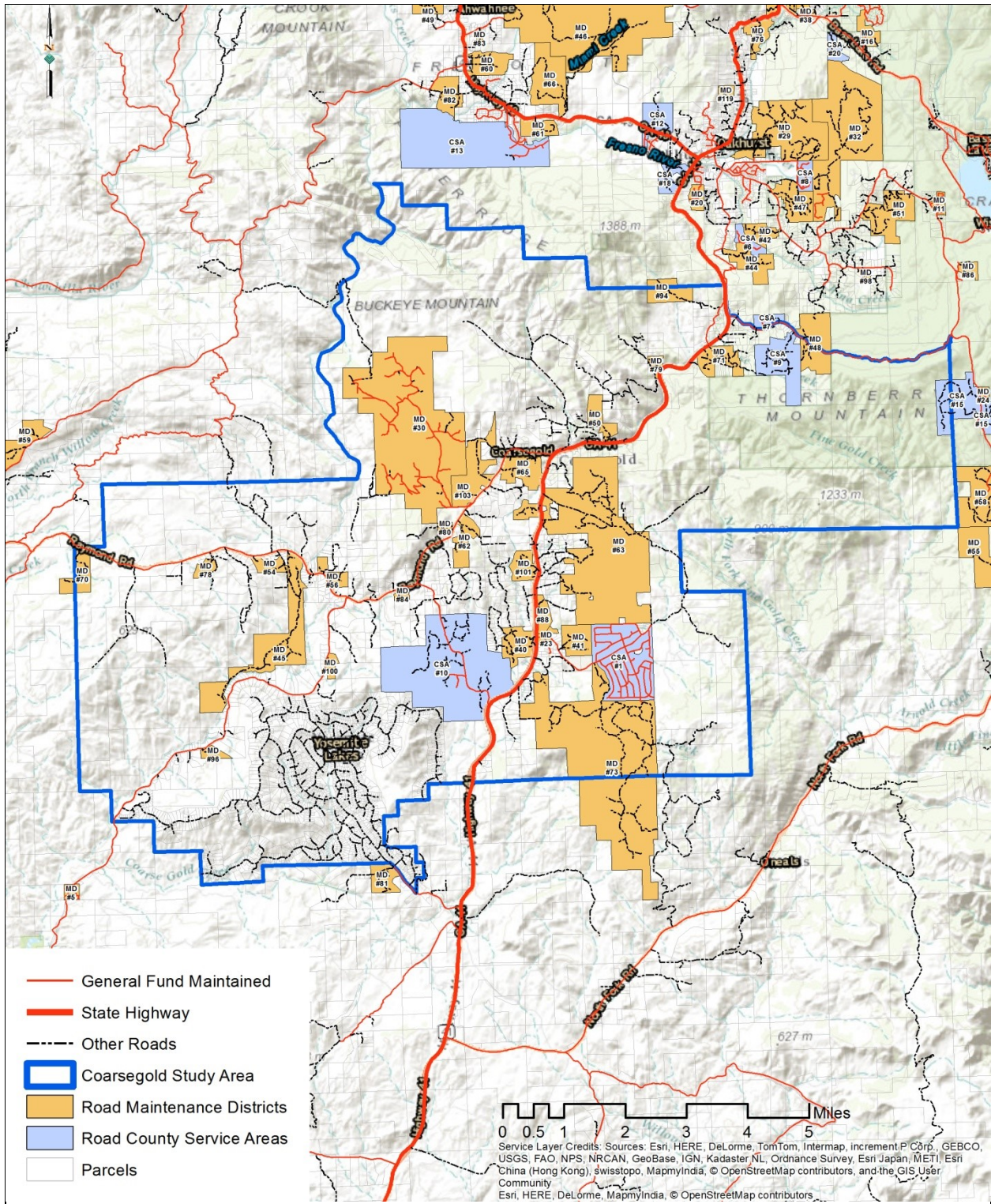


Figure 4-2
Maintained Roads within Coarsegold Area

Apart from consolidation, the State of California, Department of Transportation oversees the repair of Highway 41 through Coarsegold. There is a maintenance facility that is located along Highway 41, just north of Yosemite Lakes Park, in Coarsegold. The County may be able to discuss storage of equipment within the area to lower mobilization costs for Coarsegold area projects, as the nearest facilities are in the town of Oakhurst.

4.6 - Opportunities for Rate Restructuring

The rates charged by each maintenance district and county service area vary from district to district. Many of the districts were formed at the same time and charge the same assessment of a flat fee of \$100 per parcel annually.

If separate accounts are to remain for each neighborhood, then one possible restructuring arrangement could be to seek a vote for a yearly inflation multiplier. This could be accomplished with a successful vote of the property owners just once, and then it would be automatically carried forward.

A more comprehensive approach would be to obtain approval to combine the assessments into a single larger account. This would provide greater financial flexibility for the County and would begin to treat the community as a single entity instead of separate groups of neighborhoods.

Further, the combining of funds for a wider range of roads would allow for greater economy of scale in order to repair and maintain a wider range of roads as part of one project rather than multiple projects, each of which incur various costs that would otherwise be able to be absorbed if there was a single project.

4.7 - Governance

All of the CSAs and MDs are governed by the Madera County Board of Supervisors. Staff from Madera County Road Department operates and maintains the roads within the Districts, as well as providing 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. Road maintenance requests can be made by the public through the County website and also through a downloadable Smartphone application.

4.8 - Road Determinations

Determination 4.1 *The County maintains roadways within the Coarsegold area utilizing the General Fund as well as funds collected through the existing 21 special districts (2 County Service Areas and 19 Maintenance Districts).*

Determination 4.2 *The County adopts budgets annually for all of the road special districts within the Coarsegold area.*

- Determination 4.3** *The rates established for the road special districts 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.*
- Determination 4.4** *The level of service that is able to be provided by the special districts is limited to due to the lack of an adequate rate structure to provide a funding source for maintenance and repairs of roadways.*
- Determination 4.5** *Each District should review its existing rate structure to identify what the appropriate funding levels should be for providing road maintenance service to residents within each special district.*
- Determination 4.6** *Consolidation of neighboring districts should be considered and/or studied in order to determine if an economy of scale can be realized to fund road maintenance, repairs, and improvements throughout areas served by existing special districts.*
- Determination 4.7** *Formation of a new district should only be considered by LAFCo and/or the Board of Supervisors if there is an Engineer's Report that includes an assessment that would make the district financially solvent. The assessment should include multiple options for roadway construction, repair and maintenance.*

SECTION 5 - DISADVANTAGED UNINCORPORATED COMMUNITIES

5.1 - 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 that is less than 80 percent of the statewide annual median household income, which was \$49,191 as of 2014 (United States Census Bureau, 2014). 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 an existing special district or potentially included during the consideration of any special district formation in the future.

Within the Coarsegold area, the aforementioned four special districts and private utility providers are the only entities which are currently providing potable water service. Wastewater service is not provided within the Coarsegold area as all homes are serviced by private septic tanks. Fire protection is provided by Madera County Fire Department and supported by the California Department of Forestry and Fire Protection (CALFIRE). Therefore, the only service required to be reviewed under the law is water service because the other two services either do not exist or there is only a single service provider already providing that service and inclusion in an SOI of a special district would not improve the level of service within the area.

There are four Census Block Groups which have a median household income that would qualify based solely on income levels (Figure 5-1). Those block groups include some existing districts as well as rural residential areas outside of the special districts' boundaries. The community of Yosemite Lakes Park is completely excluded as a DUC and therefore would not meet the criteria under CKH.

Within those block groups, there are areas that likely consist of areas of 12 or more registered voters that are not currently within an SOI or boundaries of an existing water special district. Additionally, Madera LAFCo currently does not have a policy regarding the definition of a "community." Therefore, for purposes of this report, a community is a group of contiguous parcels that would be a logical extension of an existing special district. All these parcels are within the "community" of Coarsegold, as defined by multiple factors such as their zip code as well as the area plan boundary itself.

In Figure 5-2, parcels have been identified that should be included within a future SOI or formation of a new district that provides water service. However, it should be noted that all these parcels may be annexed or included within a new district incrementally as an individual neighborhood desires to be added. Inclusion within the SOI is the first step towards extending services to residents who may require potable water. However, an SOI

simply identifies the future service provider pending affirmation from the residents through the annexation and subsequent protest hearing process. It should also be noted that SOIs only apply to county service areas and not maintenance districts, as maintenance districts are not subject to LAFCo oversight and only analyzed as potential service providers in the study area.

Therefore, as it relates to DUCs, there are areas within proximity of the existing special districts that should be considered a DUC. Additionally, these areas should be considered within the formation of a new SOI for any of these districts or included in the SOI of a newly formed district that provides water services. Sewer and fire protection services are not present within the area or would not change with annexation to a district in the area and therefore are not required to be analyzed under CKH.

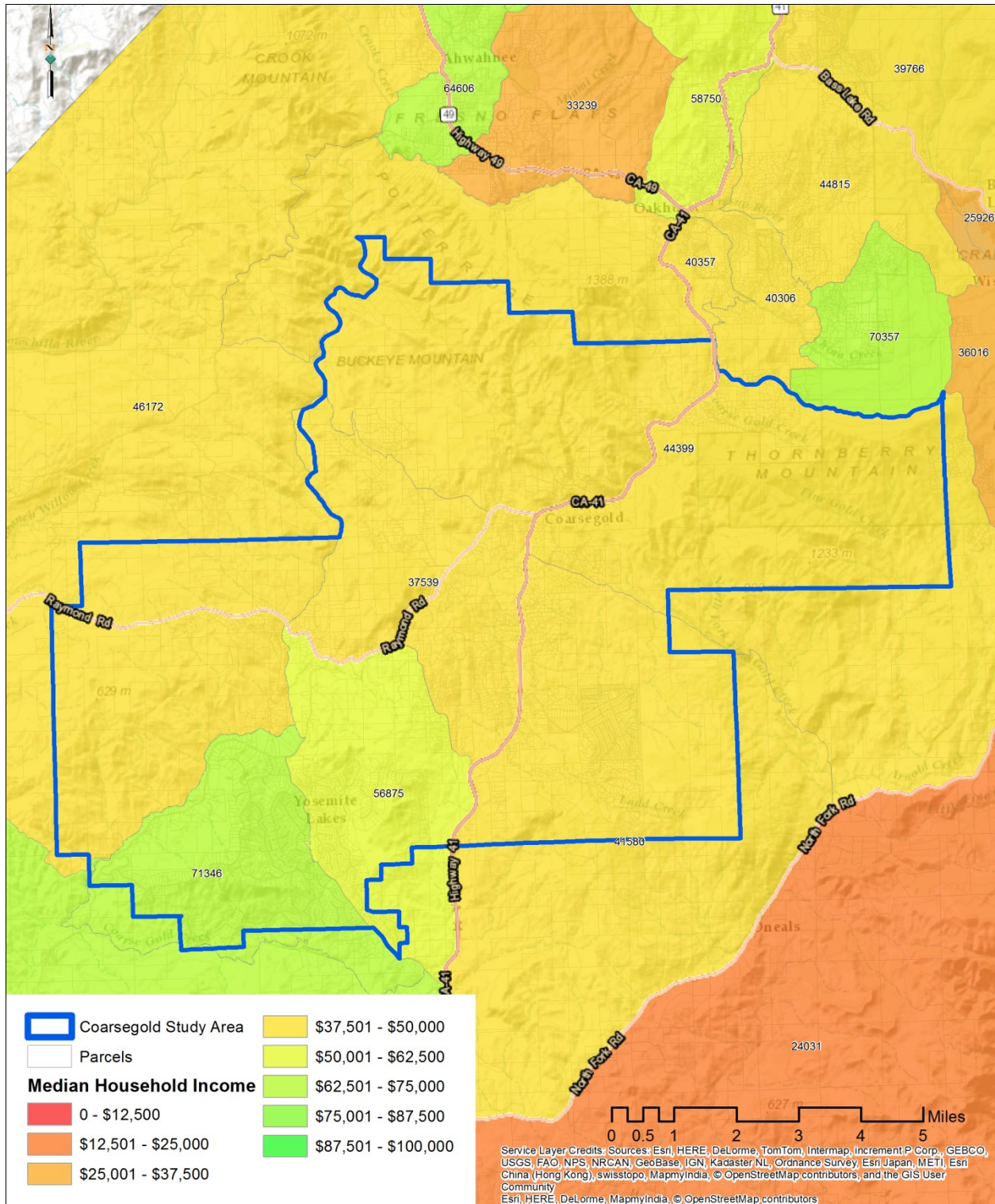


Figure 5-1
Median Household Income (2014)

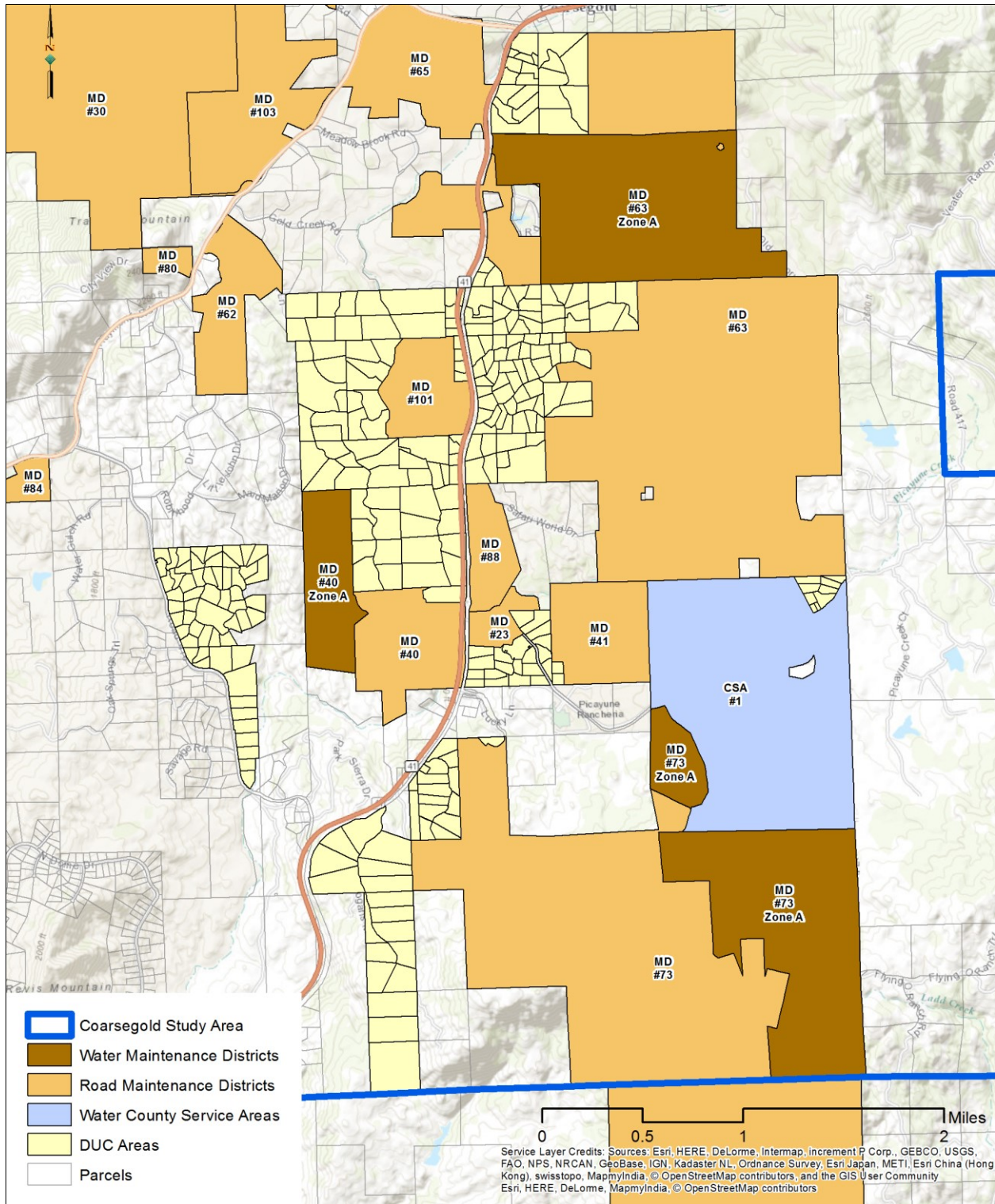


Figure 5-2
DUC Areas

5.2 - Determinations

- Determination 5.1** *Within the Coarsegold area, there are currently multiple special districts which provide potable water service; CSA #1, MD #40A, MD #63A and MD #73A.*
- Determination 5.2** *Within the Coarsegold area, there is not a special district that currently provides wastewater services.*
- Determination 5.3** *The Madera County Fire Department, along with support from CALFIRE, is the fire protection service provider for the Coarsegold area. All areas including areas that could be considered DUCs are serviced by these providers.*
- Determination 5.4** *There are Census Block Groups within the Coarsegold area that have a median household income below \$49,191 (80 percent of the statewide median household income).*
- Determination 5.5** *If an SOI is expanded within the area, depending on the district, the SOI should include the parcels identified within Figure 5-2 in order to allow for these DUCs the ability to have water service extended to them, pending appropriate annexation and protesting hearings.*

SECTION 6 - PROPOSED STRATEGY FOR DISTRICT RESTRUCTURING

6.1 - Introduction

As the preceding sections have described, Coarsegold is presently served with municipal services by a combination of dependent special districts and privately owned and operated companies. These entities have been established at various points in time in response to needs for specific municipal service delivery of water, and road maintenance. As shown in the “Current, Authorized and Latent Powers Matrix,” (Table 1-1) there are a number of municipal services that the numerous maintenance districts do not have the power to provide. This gives maintenance districts a disadvantage as a long term option for governance of the area if the community begins to demand a greater variety of services.

If LAFCo were to allow the continuation of the status quo, as new properties are subdivided for new development, the County of Madera will likely establish new, additional maintenance districts. This would add to the already large number of districts that is becoming increasingly difficult to manage at the regional level of the Coarsegold area, and at the County-wide level. The provision of services would continue to be fragmented, and opportunities to limit increases in costs through consolidation would be lost.

6.2 - Reorganization Strategy

It is generally accepted that the high number of districts and private service companies within the Coarsegold area results in inefficiencies in administration, maintenance, and governance. However, in contrast to the Oakhurst area, Coarsegold does not have a downtown, core area with municipal services being provided by a district. The core area of Coarsegold, generally located around Road 426 and Highway 41, is served by private facilities for both water and sewer that are maintained on an individual basis.

Therefore, a different strategy for consolidation is needed for Coarsegold as all the service providers are located only within the rural, residential areas around the downtown, core area. Additionally, the districts are much more dispersed, making the creation of only one district much less feasible as there would be a multiple mile disconnect between areas in a single service providing agency.

A more logical strategy would be to group districts by geography and service needs (present and future) in order to provide more of efficient service clusters within the Coarsegold area. Encouraging consolidation geographically would be more politically viable as neighboring districts can likely find common issues to address and overall needs of their area more easily than other districts that are miles away. As shown in Figure 6-1, the districts which are physically abutting each other or in close proximity should be targeted for consolidation.

The type of district to be created is solely dependent on the service needs, both present and future, of the residents within the area being consolidated or reorganized. Community meetings or surveys should be conducted to determine if any additional services are desired by the residents of districts that have been identified for consolidation.

Furthermore, rate studies should be conducted for each district to determine the true cost of providing a level of service to meet community needs, meet appropriate safety standards, and ensure solvency of operations and maintenance of the district's infrastructure.

Feasibility of extending existing service systems to new residents should be investigated, with water being the highest priority to extend. Water should be included within any feasibility study for consolidation in order to promote conservation by customers through a defined rate structure.

Taking into account these factors, the service needs and geography play probably the largest role in determining the most logical and efficient method for consolidation of districts. As stated in LAFCo's legislative findings, a single, multi-purpose entity is considered the best choice for service delivery. This would include County Service Areas, which are able to provide a wide range of services that includes, in addition to water and road maintenance, sewer/wastewater, parks, and fire protection services.

Therefore, within each of the identified consolidation areas, if there is a County Service Area, it should be used as the primary mechanism for promoting consolidations, either through annexations or formation of a new CSA that encompasses multiple small existing districts. The following sections have breakdowns of each proposed consolidation area and a strategy that could be utilized by residents or the County to encourage consolidation of service entities.

6.2.1 - POTENTIAL RESULTS AND BENEFITS OF CONSOLIDATION

Consolidation of all or a portion of the existing special districts into a single county service area or other special district would keep governance with the County Board of Supervisors, but it would eliminate the individual reports and budgets that have to be created individually for each district. A combined district means a combined budget. As County Service Areas are allowed to be non-contiguous, areas not currently serviced by an existing district could be omitted from the boundaries if they so desired.

It is generally easier to plan maintenance expenditures from a large single budget than small multiple budgets. This is because an expensive project in one part of the community can have access to a larger funding source and utilize it for that year, and then another project in another part of the community can do the same the following year. If these projects were operating with separate individual budgets, they would both have to wait until there was enough money built up in the fund to pay for the project.

When considering merging the services of the districts, if it is possible, consolidation may be favored over dissolution and annexation given the way in which dedicated property tax allocations would be handled in a consolidation versus other options.

However, within Coarsegold, there is limited ability for LAFCo to oversee the consolidation of some districts because they are maintenance districts. They would need to be dissolved and annexed to either the new County Service Area or an existing County Service Area.

It should also be noted that there are aspects of consolidation that would need to be addressed related to assets and revenue collection. First, as part of a dissolution, all assets and/or allocation of the one (1) percent property taxes (if applicable) would need to be transferred to the new governing entity. Second, any districts that are proposed to be consolidated that have different rates may need to remain separated due to variables within the rates that prohibits pure consolidation of the two entities. In those cases, a zone of benefit could be utilized to put the entities into a single district but allow for different rates to be charged. This would also allow areas wishing to have additional services added to be separated from other neighborhoods who do not wish to pay an added fee.

6.2.2 - CONSOLIDATION WITHIN AREA A

Consolidation Area A (Area A) could be better defined as the downtown of Coarsegold. It includes the primary commercial corridor along Highway 41 and the secondary connection from western Madera County, along Road 415 (Figure 6-2). Area A contains the following districts:

- MD 63 Zone A (water)
- MDs 30, 50, 62, 63, 65, 79, 80, 84, 101, 103 (roads)

Within this area, there are not any existing CSAs that could be used as a primary mechanism for a consolidation under the purview of LAFCo. Therefore, it would be recommended that if consolidation were to occur, a new CSA be created to encompass districts that have resident support for consolidation. As part of that new CSA, a rate study should be conducted in order to establish costs for providing services to residents within the district.

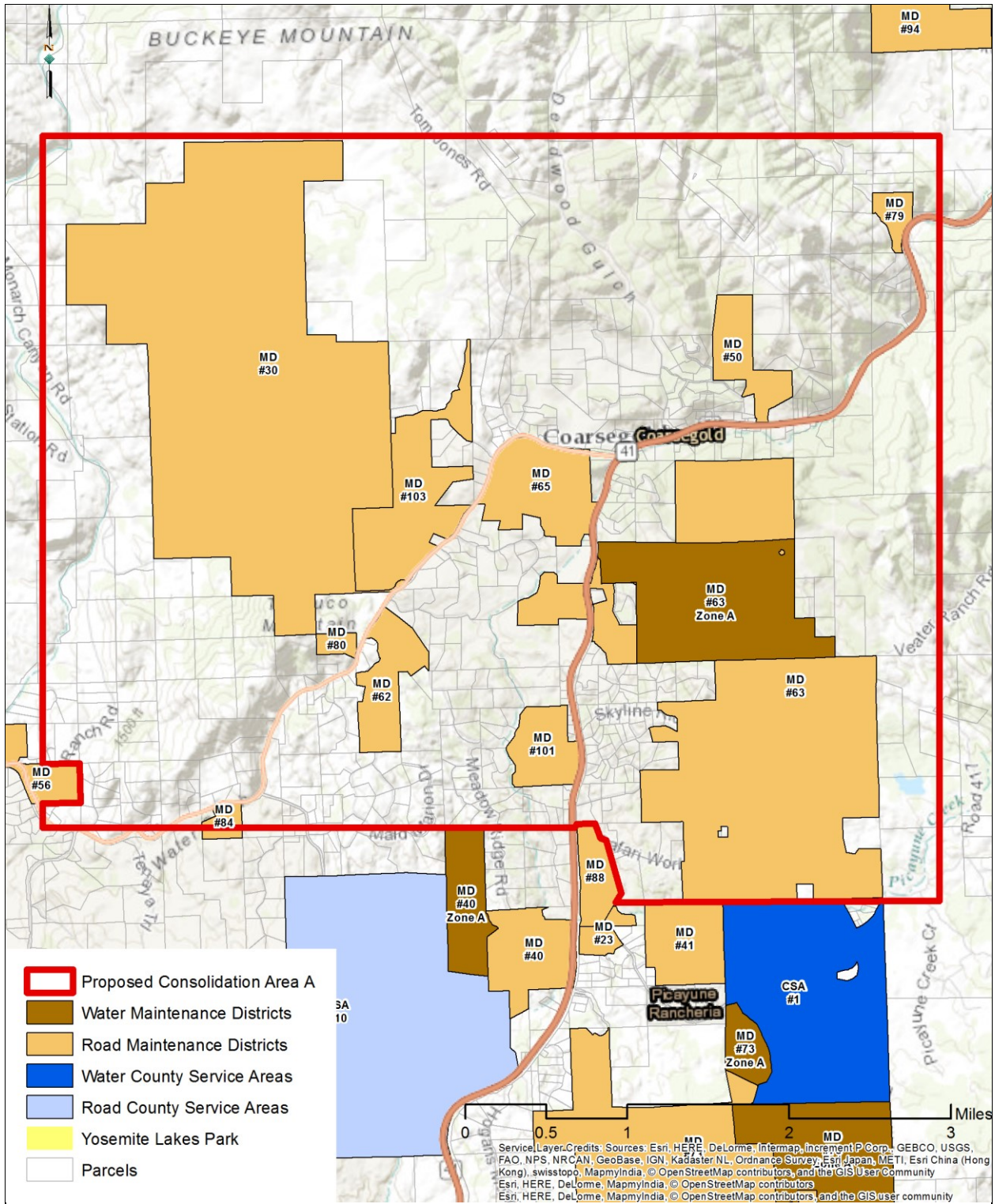


Figure 6-2
Consolidation Area A

In the event that there is potentially limited support, the Board of Directors (County Board of Supervisors) could consolidate the maintenance districts in proximity to each other simply by adopting identical resolutions supporting consolidation.

The resolutions must contain identical language and identify the transfer of assets from one district to the other. This course of action would be more of an administrative and paperwork action, but could potentially reduce the amount of reporting needed to be conducted by County staff while also potentially encouraging future comprehensive planning of projects throughout the district.

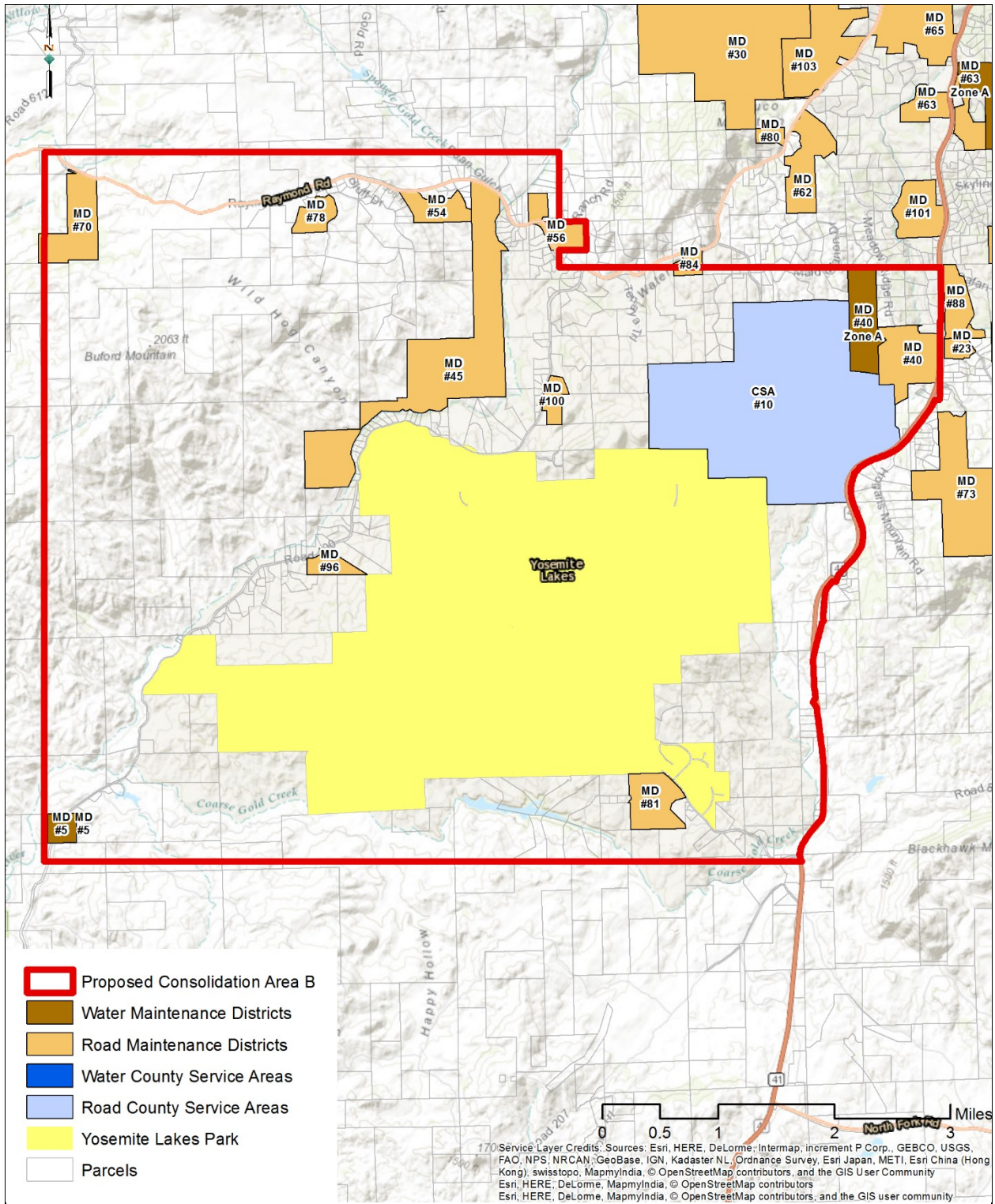
6.2.3 - CONSOLIDATION WITHIN AREA B


Consolidation Area B (Area B) is better defined as the greater Yosemite Lakes Park area, predominantly west of Highway 41 and south of Road 600 (Raymond Road). It includes the entry to Yosemite Lakes Park subdivision as well as contains an alternate route to the valley floor along Road 400. It is the most populated area of Coarsegold, mostly due to the population from Yosemite Lakes Park. (Figure 6-3). Area B contains the following districts:

- MDs 5, 40 Zone A (water)
- CSA 10; MDs 40, 45, 54, 56, 70, 78, 81, 84, 96, 100 (roads)
- Yosemite Springs Park Utility Company (private water utility)

Within this area, there is a single CSA that could be used as a primary mechanism for a consolidation under the purview of LAFCo, CSA 10. CSA 10 provides road maintenance service but is adjacent to MD 40, which includes Zone A that provides potable water service. The use of CSA 10 as a vehicle for consolidation would be logical in this immediate area adjacent to Highway 41.

The other water special district, MD 5, is located at the extreme southwest portion of Area B. It is not in close proximity to any other special district within the Coarsegold area. Therefore, MD 5 does not have a logical community partner for which to consolidate. However, it could be consolidated with any district in the area for the purpose of minimizing administrative reporting requirements due to the fact that Maintenance Districts and County Service Areas are not required to be contiguous throughout its boundaries.



 **Figure 6-3**
Consolidation Area B

The other districts in the area are all road maintenance districts that are distributed throughout Area B, with seven (7) districts being located directly along Road 600. All these districts service specific residential neighborhoods. However, they could be consolidated into a single road special district in order to minimize administrative costs. Moreover, other parcels along Road 600 and other local roads could also be included if they have similar needs for their respective neighborhoods. Road 600 is a county maintained road that receives funding from the General Fund; however, if the residents would like it to be maintained to higher standard, it could be included as a road within a newly created district. Therefore, by creating a larger district, a larger economy of scale could be realized that would allow for more improvements and/or road projects to take place along local roads as well as along Road 600, if desired by residents, at a possibly lower per parcel rate when compared to rates charged within smaller, individual districts.

Lastly, the Yosemite Springs Park Utility Company occupies the largest portion of Area B. It abuts CSA 10 to the northeast, MD 81 to the south and MD 98 to the west. The utility company is a private entity that is not subject to the County Board of Supervisors or LAFCo. But, discussion between these entities could take place in the future in the event that the County is unable to efficiently provide services to any of these districts or there is a local desire for extended water service.

The County could discuss with the local utility provider about assuming control of these systems since they already provide service in the area. These negotiations would obviously require significant dialogue between the two sides to determine overall feasibility. However, the Yosemite Springs Park Utility Company should still be identified as a potential service provider in the event that any of these districts begin to fail or require assistance.

6.2.4 - CONSOLIDATION WITHIN AREA C

Consolidation Area C (Area C) is better defined as the developed residential areas including and surrounding the Picayune Rancheria of the Chukchasi Indians to the east of Highway 41. It includes the Indian Lakes Estates, Quartz Mountain Estates and Willow Pond Estates subdivisions as well as contains parcels that were created through a series of parcel maps (Figure 6-4). Area C contains the following districts:

- CSA 1, MD 73 Zone A (water)
- CSA 10, MDs 23, 41, 73, 88 (roads)
- Hillview Water Company (private water utility)

Within this area, there is a single CSA that could be used as a primary mechanism for a consolidation under the purview of LAFCo, CSA 1. CSA 1 provides water service but has also been authorized to provide road maintenance services, but is not currently collecting an assessment for that services. It also directly abuts two other special districts, MDs 41 and 73, which also provides water and road maintenance services. The use of CSA 10 as a

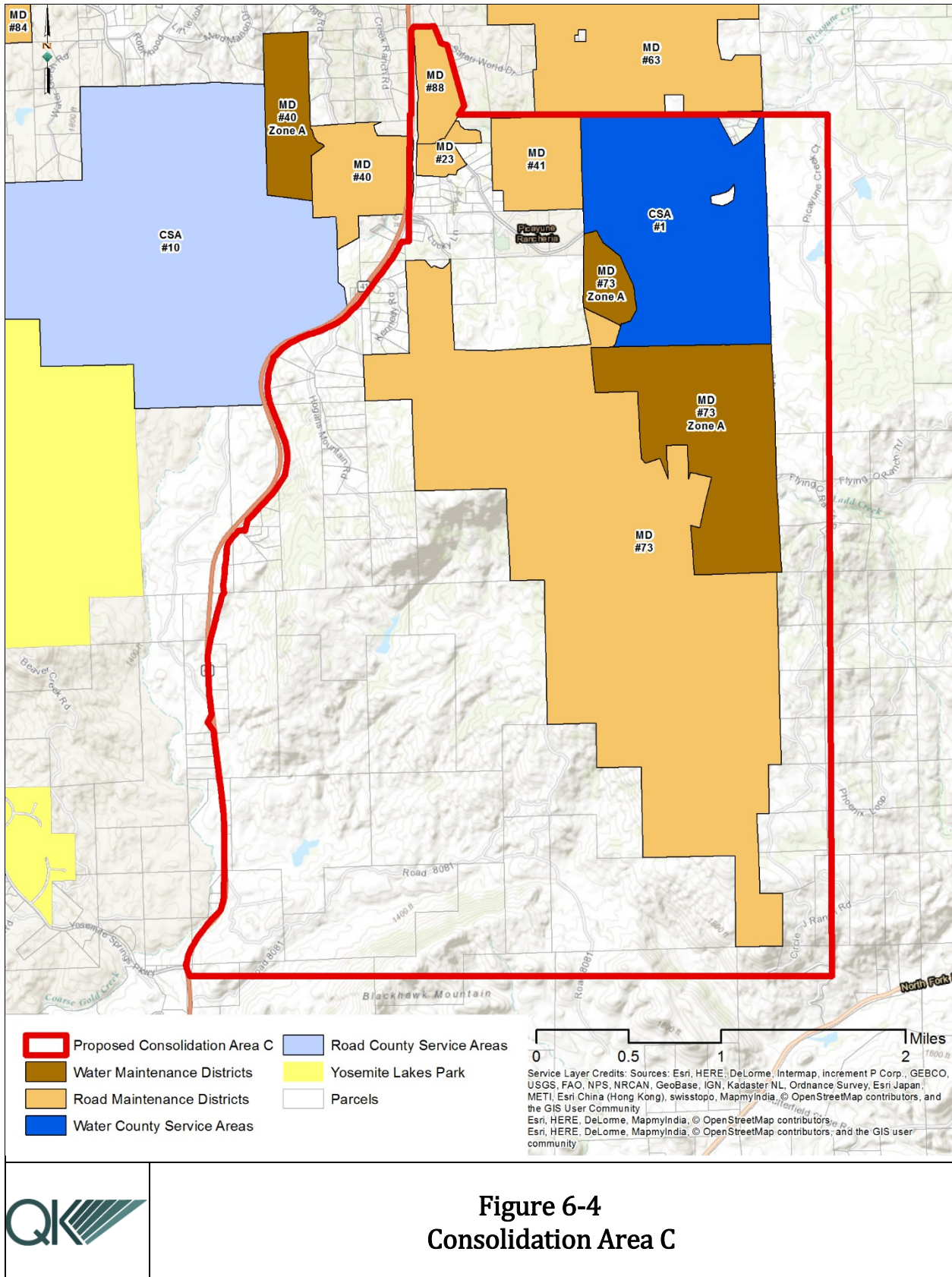


Figure 6-4
Consolidation Area C

vehicle for consolidation would be logical in this immediate area adjacent to Highway 41.

The other two districts within Area C are solely road districts, MD 23 and 88. MD 23 completely overlaps the Hillview Water Company's service area for the Coarsegold Highlands subdivision. MD 88 services approximately four homes along Safari World Drive, which continues eastwards to where there is other developed rural residential properties that are not included within the district. Other properties within MD 88 include properties owned by the Chukchansi Economic Development Authority totaling approximately 60 acres, over half of the total area of MD 88.

Collaboration between the water providers in the area may allow for a comprehensive water system to be developed that may better serve the residents within Area C. CSA 1, MD 73 and MD 23 all service existing subdivisions and could combine their resources in order to capitalize on economies of scale for improvements, repairs and general operations. A consolidation of these districts could also allow for a similar financial benefit for road services as well.

However, feasibility and subsequent rate studies conducted by a licensed engineer would be needed in order to support a consolidation and establish a financial sustainable rate structure to provide services to residents of this area. But, if feasible, Area C could provide services to all the developed residential subdivisions within a single service provider with a viable rate structure, which would be consistent with the primary ideals of LAFCo.

6.2.5 - FORMATION OF AN INDEPENDENT COMMUNITY SERVICES DISTRICT

Authorized by state law, Community Services Districts (CSDs) have broad authority for municipal service provision. A single CSD would provide the same benefits as those described above for a County Service Area. CSDs are independent special districts governed by a board of directors elected by the registered voters within the district. This would give the power directly to the community of Coarsegold to make the day-to-day and the long range decisions for providing services within the district. A community services district has the broadest powers of any of the types of districts established in state law.

An independent CSD would be a separate entity from the County. However, that would not preclude the board of directors of the newly formed CSD from contracting with Madera County for certain services. This would give the community control via its board of directors, and also maintain the existing County staff that is familiar with the day-to-day workings of the systems. Such an arrangement could be for whatever length of time is contracted for between the Supervisors and board of directors.

Formation of a CSD could be initiated by a resolution of the Board of Supervisors or a petition of the registered voters to LAFCo. The Board can initiate a resolution on their own, but it would likely only be initiated by them if there was strong evidence that there was support in the community for CSD formation. The registered voter petition would require that at least 25% of the registered voters within a proposed CSD territory to sign the petition and submit it to LAFCo.

An independent CSD may be non-contiguous in terms of areas included within its boundaries. Therefore, if there are multiple districts or neighborhoods that wish to be a part of an independent district and oversee the administration of their services, a new CSD could be formed that only includes their areas while leaving out neighborhoods or residents that wish to be excluded.

The Yosemite Lakes Park area previously had a CSD formed for administration of their various services. However, a funding mechanism (i.e., assessment or rate structure) was never established through the Proposition 218 process. The district remained inactive and was eventually dissolved by LAFCo, as it was basically non-operative without a funding resource.

It is recommended that if an area wished to establish a CSD that would be independent from the County that LAFCo only support the proposal if that area has had experience in operation of service or utilities for a period of at least five years. Experience running the district would be needed in order to ensure that the new district formed would be sustainable. An alternative would be to have the County Board of Supervisors act as the Board of Directors for an initial period and transition to a resident-run board that would need to have training and other direction to run a special district.

As it stands currently, the Yosemite Springs Public Utility Company and the area it serves would, again, be the only area where LAFCo could likely support the creation of a CSD for the delivery of municipal services. All other districts would need to provide a plan for transitioning to independent status from the County prior to LAFCo approval of a CSD formation proposal.

6.3 - Future Spheres Of Influence

A SOI is a tool that LAFCo can use to define the ultimate future boundary of a special district. Because maintenance districts and private companies do not fall under LAFCo's jurisdiction for boundary changes, LAFCo can only officially adopt SOIs for the two special districts that are County Service Areas. Since these districts would be used as the catalyst for consolidation with the Coarsegold area, expansion of their SOIs would be warranted in order to facilitate annexations with adjacent Maintenance Districts, which will need to be dissolved as part of the "consolidation".

6.3.1 - CSA 1 SPHERE OF INFLUENCE (SOI)

CSA 1 currently has the ability to provide water and road services. However, it is currently only collecting funds from customers for the provision of water services. The fact that it is a County Service Area allows it to have an SOI compared to the existing Maintenance Districts in the area, which are prohibited from having an SOI under state law.

As identified in Section 6.2.4 -, CSA 1 directly abuts at least two service providers (MDs 41 and 73) while also being in proximity to two others. CSA 1 would be the mechanism for which these other districts would annex to and become a zone of benefit.

Establishment of an SOI that encompasses, at minimum, MDs 41 and 73 would give these districts the ability to consolidate if there was a concurrence from the residents, as an annexation can only be finalized subject to a protest hearing. Furthermore, any annexation must transfer the assets of the dissolving district while also establishing a sustainable rate structure for operations of maintenance within CSA 1.

The expansion of the SOI will also allow CSA 1 to consider feasibility of consolidation with adjacent water systems as well as plan potential expansions, if needed, to adjacent neighborhoods.

A proposed SOI for CSA 1 is shown in Figure 6-5.

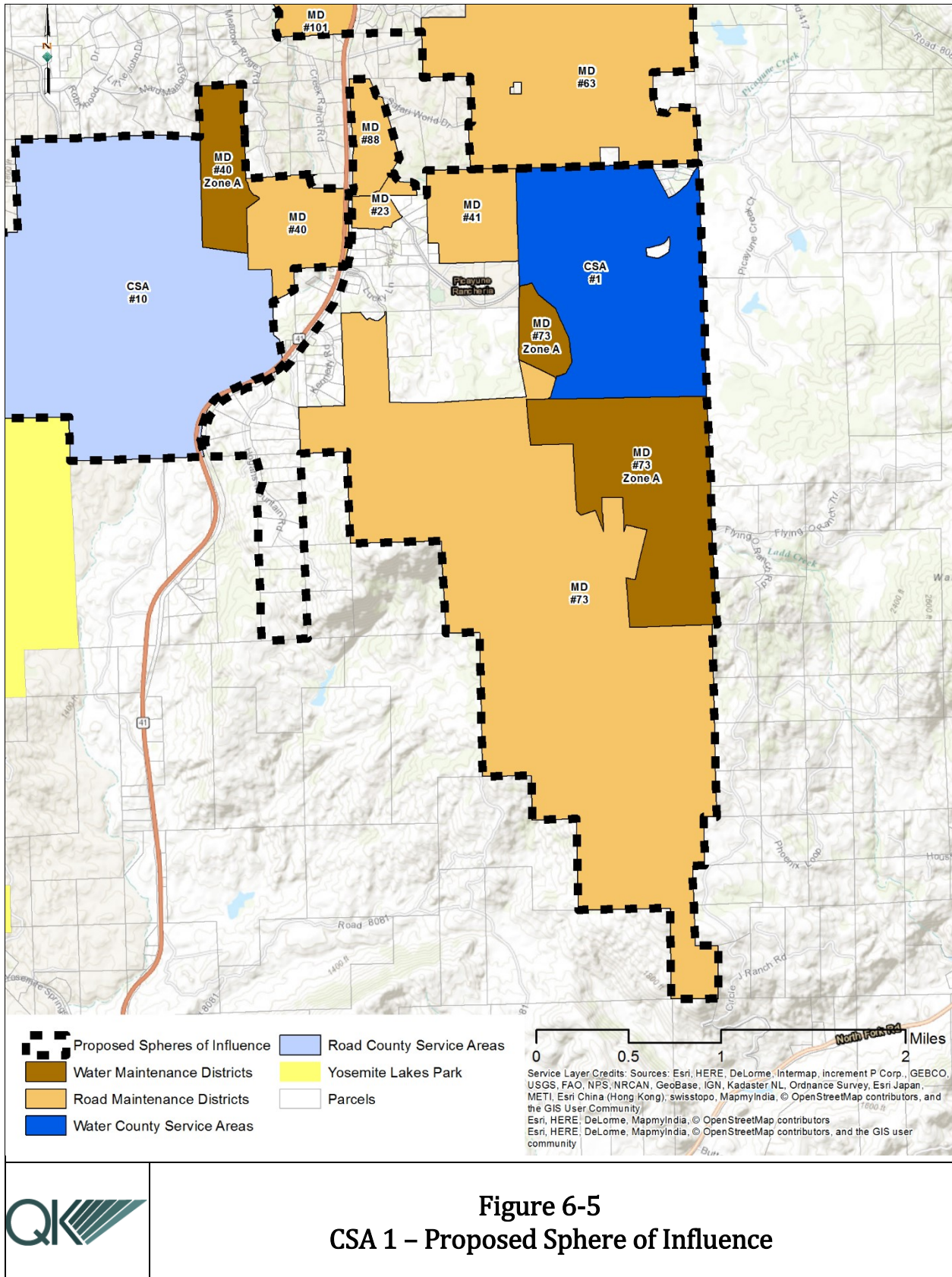


Figure 6-5
CSA 1 – Proposed Sphere of Influence

6.3.2 - CSA 10 SPHERE OF INFLUENCE

CSA 10 has the ability to provide water and road services. However, it is currently only collecting funds from customers for the provision of road maintenance services. The fact that it is a County Service Area allows it to have an SOI compared to the existing Maintenance Districts in the area, which are prohibited from having an SOI under state law.

As identified in Section 6.2.3 -, CSA 10 directly abuts one other service providers (MDs41) while also being in proximity to three others. CSA 10 would be the mechanism for which these other districts would annex to and become a zone of benefit.

Establishment of an SOI that encompasses, at minimum, MD 40 in its entirety, which includes Zone A which provides water service, would give the ability of these districts to consolidate if there was a concurrence from the residents, as an annexation can only be finalized subject to a protest hearing. Furthermore, any annexation must transfer the assets of the dissolving district while also establishing a sustainable rate structure for operations of maintenance within CSA 10.

The expansion of the SOI will also allow CSA 10 to consider feasibility of consolidation with adjacent water systems as well as plan potential expansions, if needed, to adjacent neighborhoods.

A proposed SOI for CSA 10 is shown in Figure 6-5.

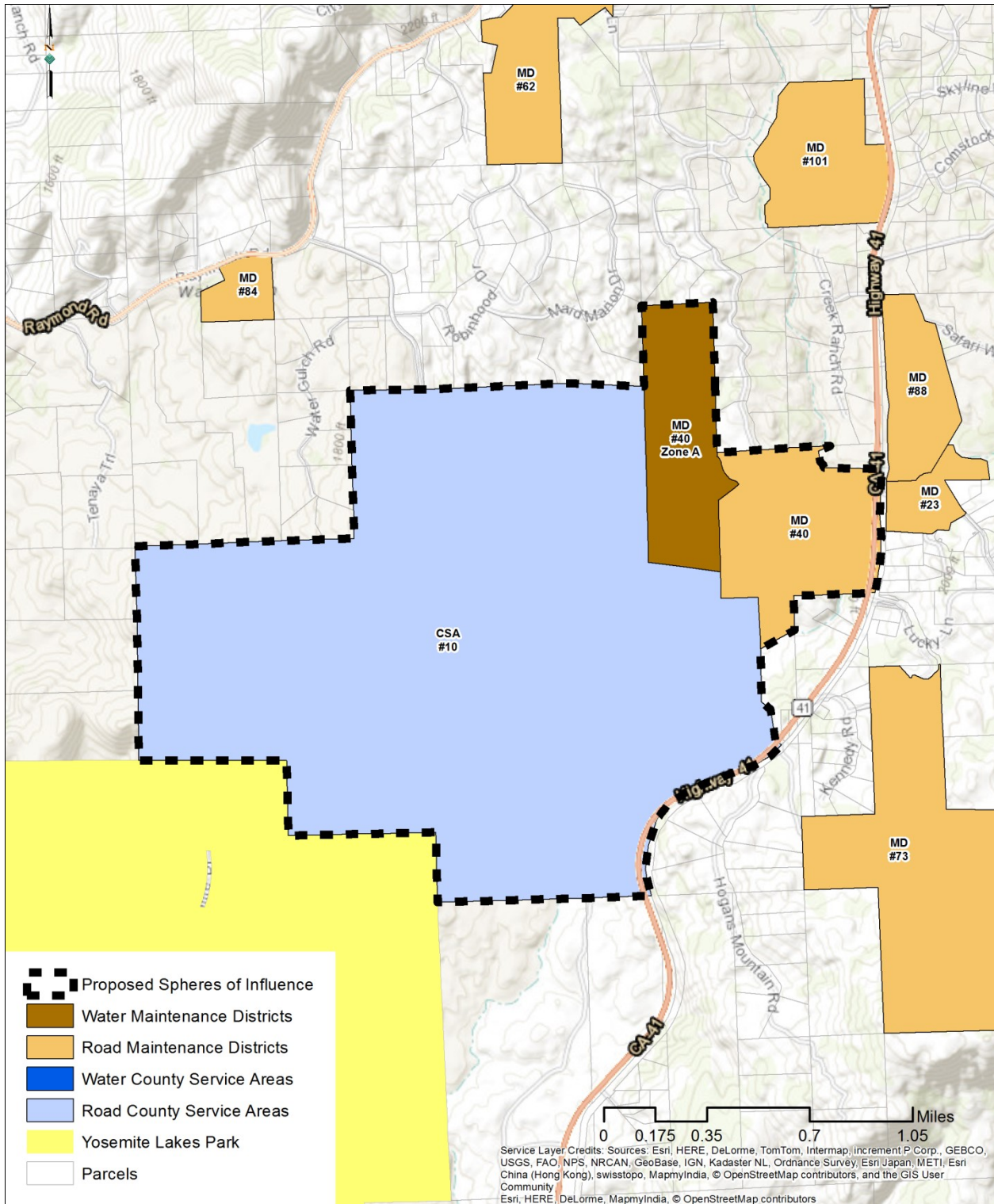


Figure 6-6
CSA 10 – Proposed Sphere of Influence

6.3.3 - OTHER SPHERES OF INFLUENCE

In terms of the establishment of a future SOI for the Coarsegold area, it would seem that until the area has consolidated and become more cohesive in terms of establishment of a concentrated core area, it would be premature. To compare, Oakhurst and Coarsegold are much different in terms of how their downtown core area is serviced. Oakhurst has a sewer maintenance district (MD 22 Zone A) and is serviced by Hillview Water Company in the downtown core which has allowed for a more comprehensive and organized growth pattern whereas Coarsegold predominantly operates on independent wells and septic tanks. The service areas are much more fragmented throughout what is considered the Coarsegold area, leaving little ability to establish an SOI for a future town or city of Coarsegold.

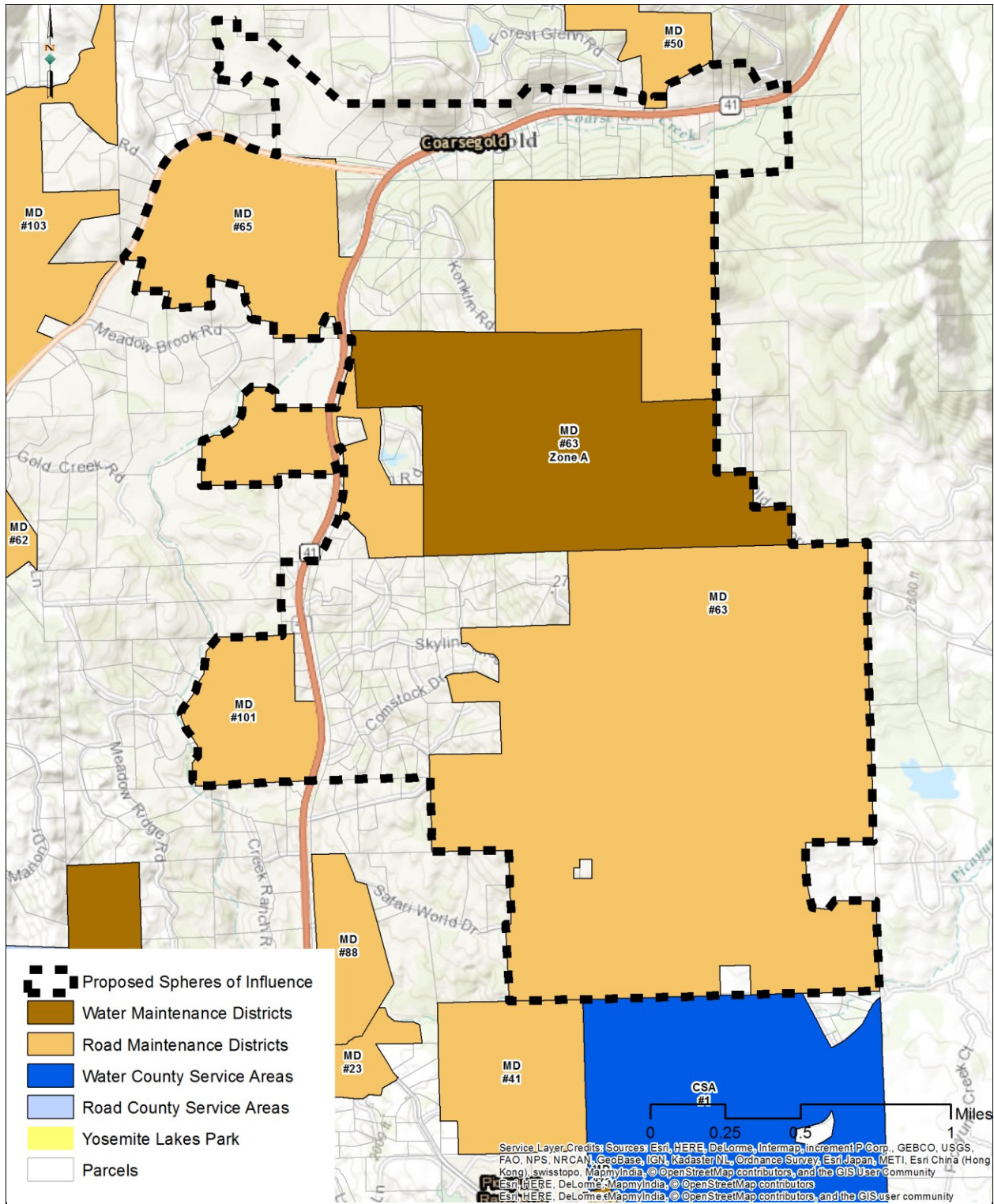
As stated previously, there are not any other special districts within the Coarsegold area that are subject to LAFCo purview and therefore would not be able to have an SOI established accordingly. But, there are opportunities to establish concepts or guidelines for how any new district is established and its corresponding SOI.


Within Consolidation Area A, there are multiple maintenance districts present surrounding the intersection of Road 416 and Highway 41, which is commonly considered the main intersection or “center” of Coarsegold. However, the main business district along Highway 41 is serviced through private systems for the most part and not by municipal service providers. These districts are located more on the periphery of the core area.

But, for the purposes of identifying logical consolidating partners, a logical SOI could be suggested if a new district is considered for formation. MD 63 Zone A provides water services to a large area directly south of the core area. It also abuts rural residential parcels to the west that have been developed through a series of parcels maps over a period of decades. This potential SOI should also include the parcels within MD 101, as they have also been developed in a similar rural residential fashion as other parcels in the area. It would make sense that if the parcels within these “neighborhoods” were to need water service that MD 63 would be the logical service provider to extend services rather than the establishment of a new district that would duplicate water service in the area.

Additionally, MD 63 is in proximity to the downtown parcels that abut Highway 41. These parcels are served by individual systems (water and septic) but extension of a water system to the area could expand potential for more intense uses in the area. Furthermore, MD 65 could also be included due to its location near downtown as well as its development pattern as a rural residential neighborhood.

Therefore, a potential SOI for a new district in this area should encompass an area, as shown in Figure 6-7, that provides a logical expansion of existing municipal services in the area, which would only be water service and road maintenance at this time. If the new district wishes to enable additional services, a plan for services and financing plan should be reviewed by LAFCo in accordance with CKH.



 **Figure 6-7**
Potential SOI for Core Area of Coarsegold

There are other maintenance districts within the Coarsegold Area that are present and that have not been included within a new or potential SOI. The reason for their exclusion is that they lack municipal services such as water or they are too large and/or isolated to be logically included within a SOI.

However, some cost savings could be gained by the County by simply consolidating the balance of these districts into a single district since both maintenance district and county service areas may be non-contiguous. This consolidation would eliminate the multiple reporting requirements and reduce bookkeeping duties of staff. This potential consolidation would include MDs 5, 30, 45 50, 54, 56, 62, 70, 78, 79, 80, 81, 84, 96, 100, and 103.

6.4 - Final Determinations

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

Determination A – (Population and Growth)

The projected population in 2020 is estimated to be approximately 16,435. This is determined using an estimated 1.3% annual growth rate.

Determination B – (Service Needs)

It is anticipated that at some point in the future the area within Coarsegold's Area Plan Boundary will desire many of the typical local municipal services that may include, but are not limited to, water, sewer service, police and fire protection, , street maintenance, and solid waste collection. Other services may be requested on an as needed basis through resident petition and establishment of a financing mechanism to fund the requested service.

Determination C – (Current Organization of Districts)

The large number of separately managed districts leads to inefficient service and generally higher costs for service. Consolidation of districts would provide for greater efficiency and eventually allow the community to govern themselves via an independently elected board of directors, if that is their desire.

Determination D – (Reorganization for Core Area)

Madera LAFCo's preferred outcome for the eventual reorganization of municipal services based on the proposed consolidation areas in the Coarsegold area is:

- 1) A strategic consolidation of special districts within the Coarsegold area utilizing any of the methods available (consolidation, dissolution and annexation or formation through reorganization of a new district).
- 2) The formation of a new county service area controlled by Madera Board of Supervisors, or
- 3) Independent community services districts controlled initially by either the Madera Board of Supervisors or permanently by a board of directors elected by the voters in the Coarsegold area.

Reorganization would preferably start in the central area of the community. It may only need to cover areas that need community water and road service.

Determination E – (Establishing Spheres of Influence)

The Spheres of Influence established by Madera LAFCo in the Coarsegold area for existing or future special districts should be consistent with the growth policies of Madera County's Coarsegold Area Plan and encourage a unified community and/or adjacent neighborhoods.

Proposed Spheres of Influences are included and supported within this document for CSA 1, CSA 10 and a future district overlaying the MD 63 area.

Determination F – (Future Spheres of Influence for Coarsegold Area)

In the future, when Madera LAFCo considers adoption of an SOI for a single, new county service area or community services district, those SOIs should be consistent with any proposed SOI in the Coarsegold MSR or should take into account existing neighborhoods and adjacent districts in an effort to consolidate as many similar districts as possible in order to minimize duplication of services.

Determination G – (Reorganization Outcome for Privately Serviced Areas)

Madera LAFCo's goal for district reorganization in the areas of Coarsegold that utilize private water wells or small water systems and private septic systems is the consolidation of the existing road maintenance districts and county services areas into larger, more comprehensive county service areas that could then provide road maintenance to more than one neighborhood.

Determination H – (Timeline for Reorganizations)

Efforts to reorganize special districts and maintenance districts in the Coarsegold area to reach the stated preferred outcomes could take a number of years. However, Madera LAFCo should work with the Madera County Public Works Department to identify where reorganizations would be favorable and work with those neighborhoods at a pace that is acceptable to residents. Reorganizations are favorable from both the agency and resident perspective and they should be encouraged at a pace that would not jeopardize their completion.

Determination I – (Support from the People)

Efforts to reorganize special districts and maintenance districts in the Coarsegold area should be initiated by the affected property owners or affected registered voters. However, the Madera County Board of Supervisors may also initiate consolidation of districts through adoption of identical resolutions. But, the County should attempt to provide outreach to the neighborhoods affected prior to consideration of such resolutions. Madera LAFCo will support special district reorganizations but will not initiate reorganizations on its own, and will not support efforts to reorganize without evidence of affected property owner or registered voter being notified of such a proposal and general support of the proposal.

Determination J – (County Service Areas for future Road Maintenance)

Efforts to establish new or to reorganize existing special districts and maintenance districts in the area of Coarsegold where only road maintenance services are provided should result in either the consolidation of existing maintenance districts or the reorganization into a county service area. Any future MDs should be considered only if part of their formation documents provides for joining a CSD or CSA when and if one becomes available.

Determination K – (Road Maintenance Financing)

In order to improve long-term road maintenance activity in the community, Madera LAFCo will encourage and support efforts by Madera County to modify road maintenance assessments to be subject to automatic annual adjustments based upon an independently established factor, such as a consumer price index or a construction cost index.

Determination L – (Water and Future Sewer Financing)

Madera LAFCo will encourage and support efforts by Madera County to maintain service fees for water service at a level that covers the cost of providing the municipal service. If in the future, the residents request sewer service within a special district, proposed sewer service fees should allow the special district to cover all costs associated with providing the new service to the district.

Determination M – (Latent Powers and New Future Powers)

Madera LAFCo considers all powers of the existing special districts that are currently not being provided to be latent. Activation of latent powers will not be granted by Madera LAFCo to any special district in the Coarsegold area before a reorganization proposal is first approved that results in the formation of a county service area or community service district covering a majority of the territory currently provided with community water.

Determination N – (Future Expansion of Community Water Service)

The priority for expansion of community water service should focus on the area within the proposed SOIs, as established by the Coarsegold MSR, before extending to other areas within the study area.

Determination O – (Water Quality)

Madera LAFCo recommends to Madera County to continue to implement recommendations of the Integrated Regional Water Management Plan as well as the Madera Regional Groundwater Management Plan.

Determination P – (Supportable Steps)

Madera LAFCo encourages the following types of efforts to reorganize special districts and maintenance districts in the Coarsegold area:

- The expansion or formation of a county service area or community services district consistent with the any of the Consolidation Areas outlined in the Coarsegold MSR.
- The consolidation of road maintenance districts with overlapping portions of a county service area or community services district within a consolidation.
- The acquisition of privately owned water systems by a newly formed county service area or a community services district, at such time as it is demonstrated to be financially viable.
- The reorganization or consolidation of existing road maintenance districts outside of consolidation areas into a single special district for administrative purposes.
- The annexation to existing county service areas (preferred) or the formation of new county service areas (acceptable) to provide new road maintenance services in new territories.

Determination Q – (Unsupportable Steps)

Madera LAFCo discourages the following types of efforts to reorganize special districts and maintenance districts in the Coarsegold area:

- any incorporation proposal, as the area is not financially viable as its own entity currently.
- the formation of an independent special district that does not initially have the Board of Supervisors as the board of directors for at least the first five years of operation due to the lack of experience in operating a district from local residents.
- the formation of new maintenance districts for road maintenance in new developments in the Coarsegold area.
- any reorganization, consolidation, or formation of districts that has not included input from property owners and/or registered voters within the subject areas.

6.5 - Recommended Actions

In order to implement these determinations, the following actions are recommended to the Madera Local Agency Formation Commission (LAFCo):

Recommendation No. 1

Accept this Municipal Service Review (MSR), including its Determinations from Section 6.4, as Madera LAFCo's policy regarding special districts and municipal services in the Coarsegold area.

Recommendation No. 2

Direct the Executive Officer of Madera LAFCo to present LAFCo's determinations regarding Coarsegold to the Madera County Board of Supervisors and the boards of directors of the Hillview Water Company and Yosemite Springs Public Utility Company.

Recommendation No. 3

Direct the Executive Officer to work with the Public Works Department to identify local neighborhood groups, such as Homeowners Associations, and begin organizing meetings to discuss possible reorganization or consolidation of special districts as outlined by the MSR.

SECTION 7 - BIBLIOGRAPHY

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