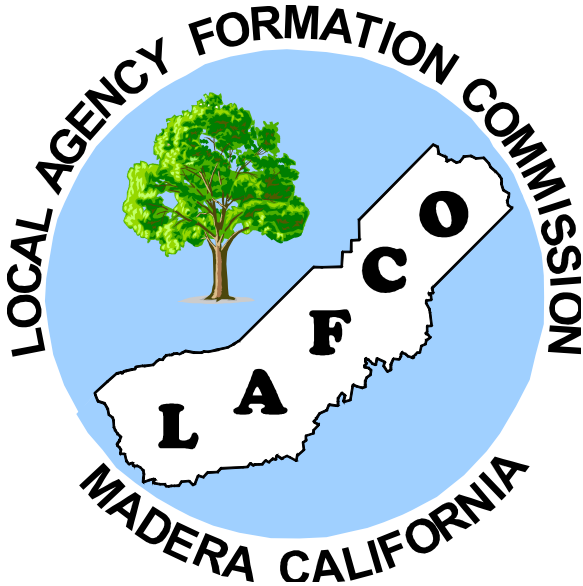


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**MADERA  
LOCAL AGENCY FORMATION COMMISSION**

**OAKHURST  
MUNICIPAL SERVICE REVIEW**



July 2012

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# **OAKHURST MUNICIPAL SERVICE REVIEW**

**Prepared for:**

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**July 2012**

# MADERA LOCAL AGENCY FORMATION COMMISSION

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## **SECTION 1.0 - 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 MSR Guidelines, published in August 2003.

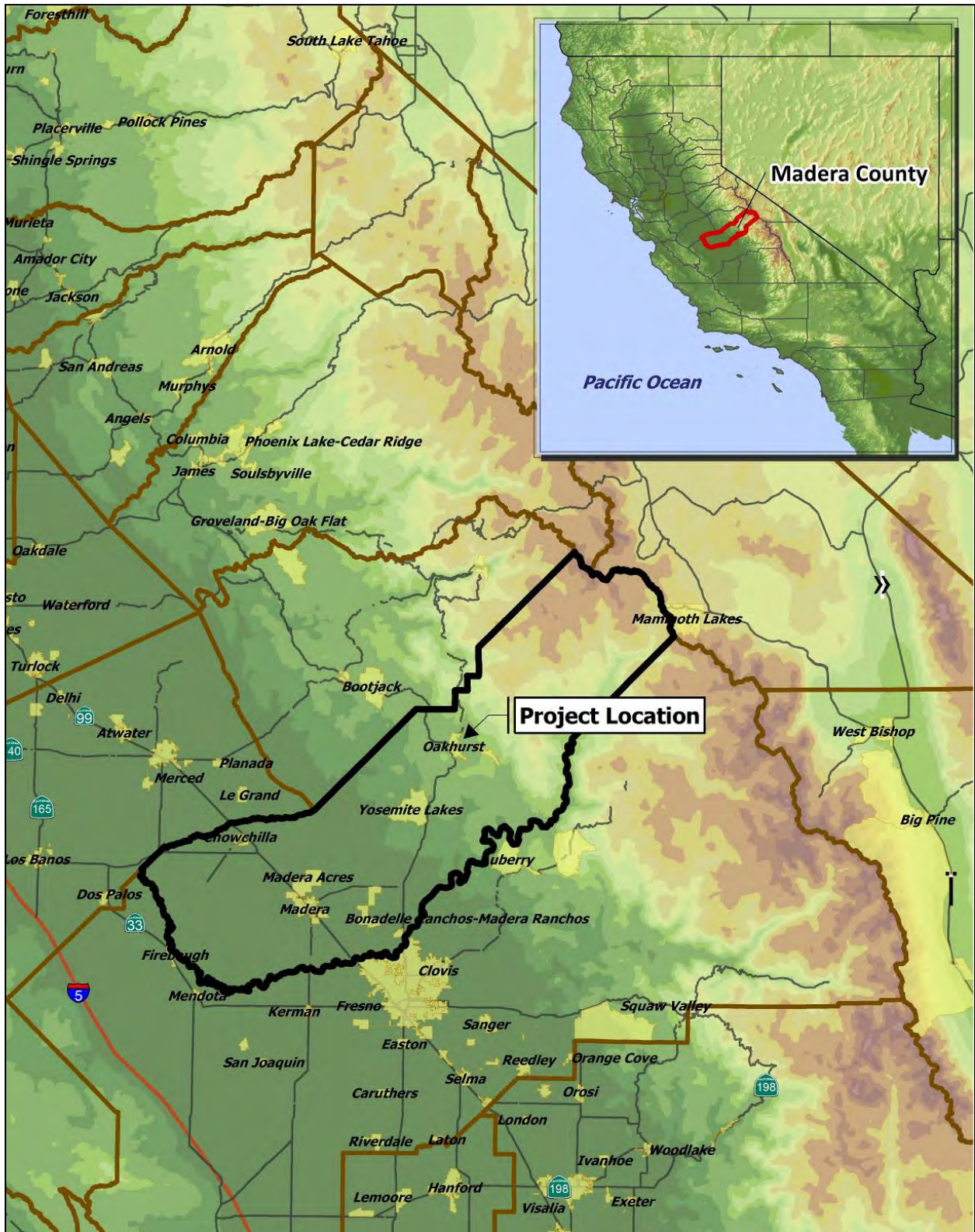
The CKH Act requires all LAFCoS, including Madera LAFCo, to prepare an MSR for each of its incorporated cities and its special districts. The fundamental role of LAFCo is to implement the CKH Act, which was adopted into State law to encourage the logical, efficient, and most appropriate formation of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


This MSR was initiated by Madera Local Agency Formation Commission (Madera LAFCo) in the summer of 2011, and is intended to provide Madera LAFCo with all necessary and relevant information related to the operations and management of the municipal service providers within the unincorporated community of Oakhurst 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 Oakhurst area more efficient.

### **1.2 *Summary of Issues***

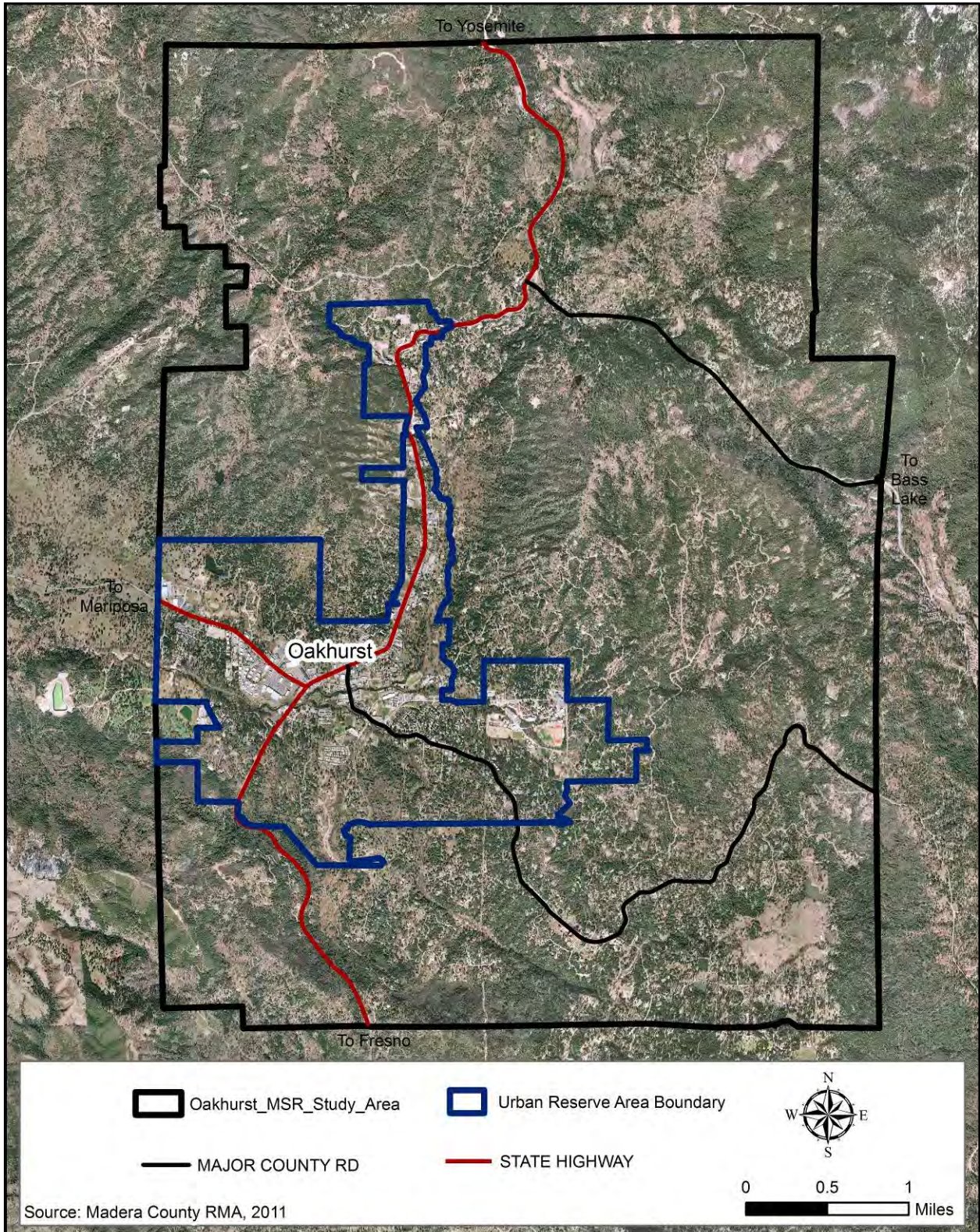
Oakhurst is a foothill community located at and around the intersection of State Highway 41 and State Highway 49. (See Figures 1-1 and 1-2). There are estimated to be around 7,000 residents in the Oakhurst area. While the community was born during the Gold Rush era before larger nearby cities like Madera and Fresno existed, most of the existing residential and commercial development occurred between 1960 and 1990. This new development was built mostly with individualized infrastructure systems that provided water, sewer, and road maintenance service on a project-by-project basis. Therefore, municipal services are now fragmented among 22 separately identified service providers, all either operated by Madera County, or privately run. This report focuses on water provision, sewer collection and disposal, and road maintenance in the Oakhurst area. These are the only municipal services currently being provided by special districts.

In 2008, an incorporation measure was defeated by the voters after being approved by Madera LAFCo. In the aftermath of the vote, it became Madera LAFCo's general observation that incorporation into a city was too big of a step for the Oakhurst community to take all at once, and that future attempts to reorganize the districts for greater governmental efficiency will likely take multiple, small steps over many years.



 <p>Quad Knopf</p>	<p>AREA LOCATION</p>	<p>Figure 1-1</p>
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<p>Quad Knopf</p>	<h2 style="margin: 0;">AERIAL PHOTO OF PROJECT AREA</h2>	<h2 style="margin: 0;">Figure 1-2</h2>
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### **1.3 Scope of this MSR**

There are a number of parks and recreation facilities in Oakhurst (such as Oakhurst Community Park, Oakhurst Community Center, Little League Park and Fresno Flats Historical Center) that are owned, operated, and supported by non-profit community organizations. None are run by municipal agencies. While a desire has been expressed for greater police, fire, and emergency medical services, there may not be an equivalent willingness to pay additional assessments to fund the increased service. With many separately run special districts each covering only a portion of the community, it would not be feasible to add these additional services to the responsibilities of the existing districts in their current configuration. Therefore, this MSR will focus mainly on the urban services of water, sewer and road maintenance.

This MSR covers five county service areas, sixteen maintenance districts, and two of the privately operating water companies, Hillview Water Company and Broadview Terrace Water 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. The Oakhurst 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 Oakhurst community. They are listed below, grouped by the type of service they provide:

#### Water Service only

- Hillview Water Company (a privately owned company)
- Broadview Terrace Water Company (a privately owned company)

#### Water Service and Road Maintenance

- Maintenance District 42 – Meadowview Drive

#### Sewer Collection and Disposal only

- Maintenance District 22 – Oakhurst Sunnydale

#### Road Maintenance only

- County Service Area 6 - Pierce Lakes Estates
- County Service Area 8 - Still Meadow Ranch
- County Service Area 12 - West Oak & Boulder Creek
- County Service Area 18 - Ponderosa Knolls Victoria Lane
- County Service Area 20 - Yosemite Pines Estates

- Maintenance District 16 - Mountain View
- Maintenance District 20 - Hidden Oak Estates
- Maintenance District 29 - Oak Creek - Indian Springs
- Maintenance District 32 - West Road
- Maintenance District 35 - Yosemite Forks Estates
- Maintenance District 38 - Maples Lane
- Maintenance District 44 - Stillmeadow Road
- Maintenance District 47 - Spook Lane
- Maintenance District 51 - Quail Ridge
- Maintenance District 72 - North Oakhurst
- Maintenance District 76 - River Falls Road
- Maintenance District 77 - Whittenburg Road
- Maintenance District 98 - Pine Meadow

#### **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. A preliminary report, prepared by the consulting firm, Quad Knopf, was presented to Madera LAFCo at their October 26, 2011, meeting.

A public meeting was held on January 26, 2012, at the Oakhurst Community Center. Roughly 100 persons attended the meeting and were given the opportunity to provide input about the current provision of municipal services and the districts through the use of handheld electronic clickers that tallied their votes to a number of questions. The results of that survey can be found in Appendix B. Quad Knopf and LAFCo Staff then prepared a draft of the Municipal Service Review, which was released to the public in early May 2012.

A public meeting was held at the Oakhurst Community Center on May 24, 2012, to receive feedback regarding the draft MSR. A public comment period was set with a date of June 26, 2012, for receipt of comment letters from the public. After comment letters were received the final MSR was prepared that took into account the comments made by letter and at the May 24<sup>th</sup> meeting in Oakhurst.

A noticed hearing was held at the Oakhurst Community Center on July 24, 2012, where Madera LAFCo listened to the comments from the public and considered adoption/acceptance of the MSR, including its Determinations and Recommendations.

#### **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 Oakhurst area. The five 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 future need while meeting existing service demands. A service provider must meet current customer needs, and also be able to determine where future demand may occur. This section reviews demand projections and service needs based upon existing and anticipated growth patterns and population projections.

### *2. 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.

### *3. 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.

### *4. 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 facilities sharing are listed and assessed for efficiency, and potential sharing opportunities, so as to better deliver services, are also examined in this section.

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

This section addresses the adequacy and appropriateness of the district's existing boundaries and spheres 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 district with public meeting and records laws.

In this MSR, Growth and Population Projections are covered in Chapter 2. The other four topic areas are covered in Chapters 3, 4, and 5, and are organized by service type (i.e. water, sewer, roads). Final determinations and recommendations are made in Chapter 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 Oakhurst 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 Sphere of Influence (SOI) and boundary change recommendations can be answered.

## **1.7 LAFCo Powers**

LAFCo has the power to determine the SOI for each of the existing county service areas. A Sphere of Influence 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 a Sphere of Influence 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 Oakhurst area.

After the MSR is complete, and any Spheres of Influence 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 Oakhurst 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 Oakhurst 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 Oakhurst 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 is 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**

<b>SERVICE</b>	<b>CSA 6, 8, 12, 18, 20</b>	<b>MD 22</b>	<b>MD 42</b>	<b>MD 16, 20, 29, 32, 35, 38, 44, 47, 51, 72, 76, 77, 98</b>	<b>Hillview Water Co., Broadview Terrace Water Co. (private)</b>	<b>Potential Future Community Services District</b>
Water supply	Latent	<b>Authorized</b>	<b>Provides</b>		<b>Provides</b>	Available
Water distribution	Latent	<b>Authorized</b>	<b>Provides</b>		<b>Provides</b>	Available
Sewer collection & disposal	Latent	<b>Provides</b>	Latent			Available
Storm drainage	Latent	Latent	Latent			Available
Street maintenance	<b>Provides</b>	Latent	<b>Provides</b>	<b>Provides</b>		Available
Street lighting	Latent	Latent	Latent			Available
Street sweeping	Latent					Available
Street landscaping	Latent					Available
Street construction	Latent					Available
Flood control	Latent					Available
Solid waste collection, transfer, & disposal	Latent					Available
Fire protection	Latent					Available
Police protection	Latent					Available
Ambulance service	Latent					Available
Emergency medical service	Latent					Available
Heat and power	Latent					Available
Undergrounding of overhead electrical & communication facilities	Latent					Available
Parks / recreation	Latent					Available
Community facilities	Latent					Available
Vector & pest control	Latent					Available
Funding for land use planning	Latent					Available
Funding for a municipal advisory council	Latent					Available
Graffiti abatement	Latent					Available
Weed & rubbish abatement	Latent					Available
Soil conservation	Latent					Available
Animal control	Latent					Available
Transportation	Latent					Available
Cemeteries	Latent					Available
Airports	Latent					Available
Open space habitat conservation	Latent					Available



## **SECTION 2.0 - 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 Oakhurst**

The community of Oakhurst is located on the Fresno River in the Sierra Nevada foothills of Madera County, 2,274 feet above sea level. The region was initially inhabited by Native Americans of the Mono, Mi Wok, and Chukchansi nations. When gold was discovered in 1850 in nearby Coarsegold, new settlers moved into the area and it became known as Fresno Flats. This was roughly two decades before the establishment of the San Joaquin Valley town known as Fresno. Most settlers came not as gold seekers, but to raise families while becoming farmers or merchants.

Fresno Flats functioned as a service center along existing transportation routes, first for mining and hunting activities, and later for the lumber trade. In 1876, a 50-mile long lumber flume was completed from the Fresno Flats area down into the San Joaquin Valley to a new lumber mill located along the barely 4-year old Southern Pacific Railroad line. That rail stop became the town of Madera. The California Lumber Company and later the Madera Sugar Pine Lumber Company harvested lumber and operated the flume until 1933.

The town's name was officially changed to Oakhurst in 1912. After World War II, the rediscovery of mountain recreational activities resulted in a number of new rural resort developments. Tourism replaced lumber as the primary economic base for the community. Subdivision activity for new rural residential homes used for recreation or retirement substantially increased beginning in 1971 and continuing for 20 years. There were 2,200 residential lots created between 1971 and 1990, most with maps of four or less parcels. Almost all were designed with dead-end roads branching from the main roadways. Many were designed with private wells and individual septic systems. Planning for the provision of adequate infrastructure and public services was rarely achieved on a comprehensive basis.

Oakhurst continued 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 Oakhurst on the way. Oakhurst is also the southerly terminus of State Highway 49, the historic highway running through the California Gold Country. The junction of these two highways attracted two large shopping centers, making it the community's physical center.



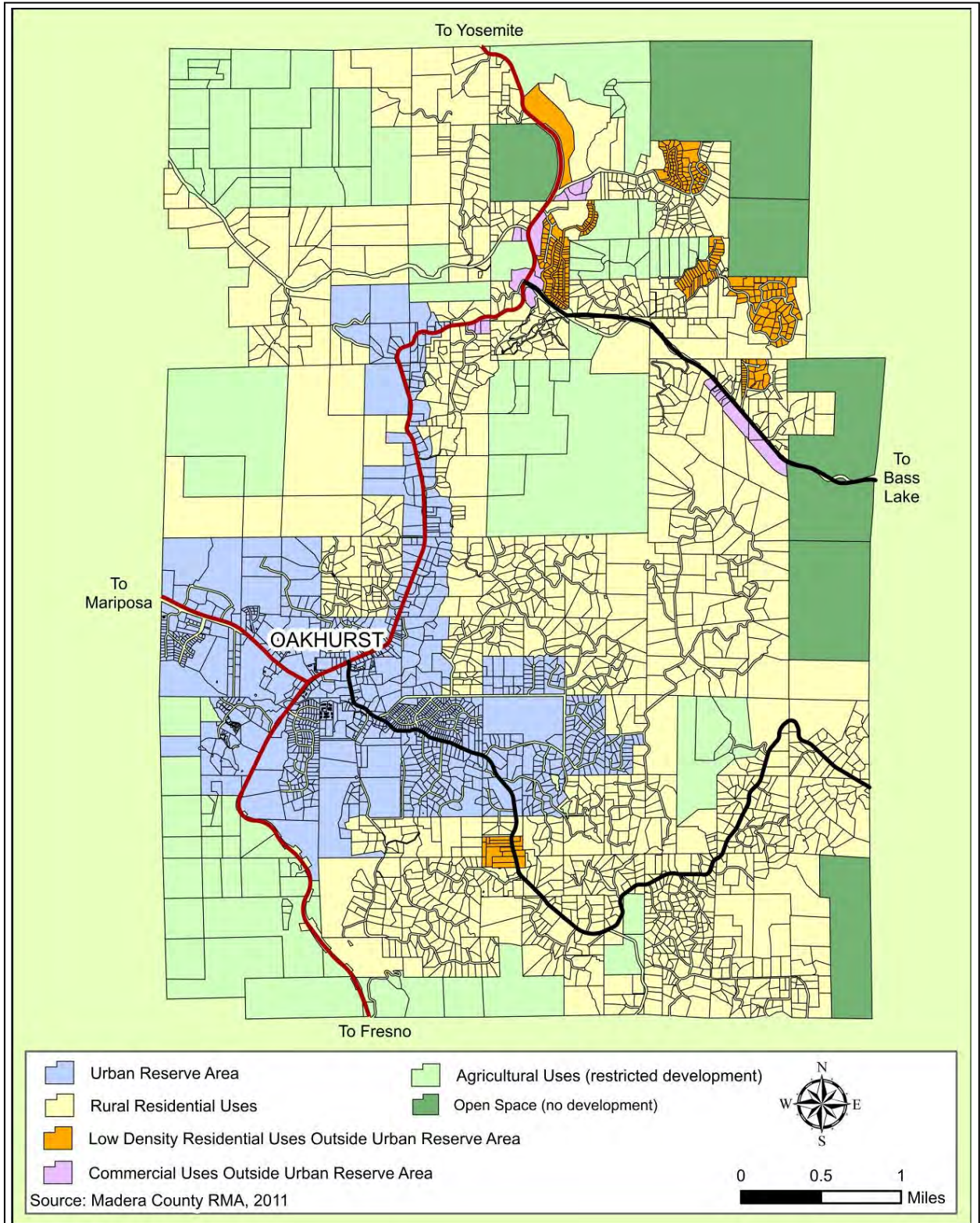
**Bird's eye view of Oakhurst at the intersection of State Highway 41 and State Highway 49**

Oakhurst earned the nickname "birthplace of computer gaming" for being the home office to the pioneering computer gaming developer Sierra On-line from 1981 to 1999. The family-run company achieved a number of computer gaming industry firsts, including the development of "King's Quest" in 1984, the first ever computer animated '3D' adventure game.

Erna's Elderberry House Restaurant opened in 1984 and has become nationally known for its award-winning cuisine and its discriminating wine list. The Picayune Rancheria of the Chukchansi Tribe opened the Chukchansi Resort and Casino just south of Oakhurst in 2003, further solidifying Oakhurst's recreation and tourism emphasis. There are now at least 16 hotels located in the community.

### **2.3 Planning and Growth Projections**

The Oakhurst Area Plan was adopted in 2005 by the Madera County Board of Supervisors to provide land use development decision-making guidance in the Oakhurst 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 Oakhurst 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. The Urban Reserve Area is planned for denser, concentrated growth. The rural residential areas are planned at very low densities that would usually be served by private wells for one to five homes and individual septic systems. The areas designated agricultural allow for very limited development that would definitely be served by private wells and individual septic systems.



PLANNED LAND USE PATTERN

Figure 2-1

The U.S. Census Bureau established an Oakhurst Census Designated Place (CDP) for the 1980 Census and it has remained unchanged since then. The area within the Oakhurst CDP is shown in Figure 2-2. The population was recorded at 1,959 that year. In 1990, the population rose to 2,549. It then leveled off, being 2,868 in 2000 and 2,839 in 2010. The Oakhurst CDP does not cover a large number of the rural residential homes that extend out from the core area of the town, so the actual population of the entire Oakhurst area is much higher. In 2005 the Oakhurst Area Plan estimated that there were 6,900 permanent residents in the Oakhurst area in 2000. Due to the high number of part-time residences, both sets of statistics have limited usefulness for projecting future populations. The data in Table 2-1 is taken from the County's Oakhurst Area Plan and from the US Census.

**Table 2-1  
Oakhurst Area Plan Growth Statistics**

2005 Oakhurst Planning Area 6,904

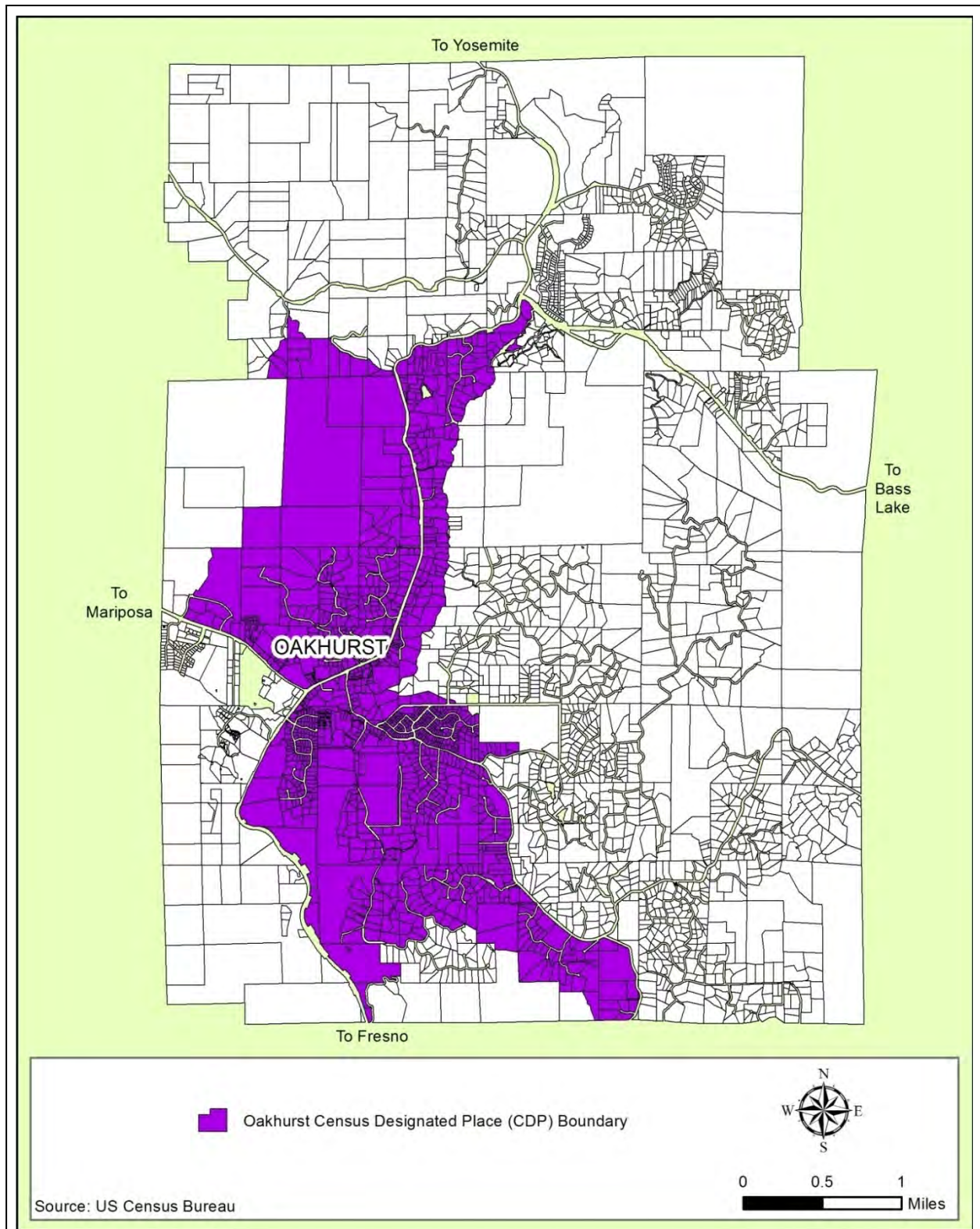
1980 Oakhurst CDP	1,959
1990 Oakhurst CDP	2,602
2000 Oakhurst CDP	2,868
2010 Oakhurst CDP	2,829

The Oakhurst area grew quickly in the 1970's and 1980's. From 1971 to 1990 over 2,000 new residential lots were created. More than 1,800 of these lots were comprised of individual parcel maps that created parcels of four or fewer lots at a time. It was during this period that many of the existing maintenance districts and county service areas were established. Comprehensive planning for public services and infrastructure was rarely achieved. The focus was on each individual development. Since 1990, the pace of new lot creation has slowed considerably. From 1991 to 2001, only 201 new lots were created, a pace of 10 lots per year compared to the pace of over 100 per year in the 1970's and 1980's.



**Oakhurst's Talking Bear Statue**

The Oakhurst Area Plan estimates that there is land designated to support a population of just under 22,000 persons if all land was developed at 100% of its allowed density. Since it is not likely that 100% of maximum densities will be achieved, the estimated population at 70% of maximum density would be 15,400. This means there is enough properly zoned land available to roughly double the size of the community. Based on the land use designation buildout estimates described in the Oakhurst Area Plan, approximately 60% of the population would be housed on land at a density that typically requires both community water and sewer service.



## OAKHURST CENSUS DESIGNATED PLACE BOUNDARY

Figure  
2-2

## **2.4 Anticipated Service Needs**

The Oakhurst community, like all Madera County communities, requires all typical local urban services, such as water service, sewer service, police and fire protection, parks and recreation services, street maintenance, schools, communication infrastructure, solid waste collection, and others. Parcels around the perimeter of the community are typically large enough to support a private well and an individual septic system. However, the smaller urban-sized lots in the middle of the community required shared community systems. These water and sewer systems will require expansion to accommodate future growth that is allowed in accordance with the Oakhurst Area Plan.

At the community meeting held at the Oakhurst Community Center on January 26, 2012, water service and road maintenance ranked highest among existing municipal services that people were least satisfied with. Parks and recreation services ranked highest amongst new services that were desired.

## **2.5 Summary of Existing Service Providers**

As illustrated in Table 2-2, 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.

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 Engineering Department oversees the daily operations of sewer and water districts.

The Special Districts Division has approximately 20 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.



**Table 2-2  
Oakhurst Municipal Service Providers**

SERVICE	SERVICE PROVIDERS	NOTES
Water supply and distribution	<b>Hillview Water Co., Broadview Terrace Water Co., MD 42,</b>	Many parcels utilize private water systems with private wells
Sewer collection & disposal	<b>MD 22</b>	Many parcels have private septic systems
Storm drainage	none	
Street maintenance (excluding State highways)	County, <b>5 CSAs, 14 MDs,</b> private	
Street lighting	none	
Street sweeping	County	Includes snow removal
Street landscaping	none	
Street construction	County	
Flood control	none	
Solid waste collection, transfer, & disposal	Eastern Madera County Disposal Co.	Private Co. under contract with Madera County
Fire protection	County	Station at Hwy 41/Civic Circle
Police protection	County	Oakhurst and Bass Lake sheriff substations
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	
Parks / recreation	County, private non-profits	Leased community park, ball field, museum
Community facilities	Private non-profits	Oakhurst Community Center
Telephone/Telecommunications	Sierra Telephone	
TV translator stations	Northland Cable Television	
Vector & pest control	County Health Dept.	
Funding for land use planning	County	Adopted Oakhurst Community Plan in 2005
Funding for a municipal advisory council	County	There is a citizen's advisory committee for MD 22.
Graffiti abatement	none	
Weed & rubbish abatement	County	
Soil conservation	none	
Animal control	County	
Public Transportation	Madera County Transportation Commission	Fixed Intercity Route and Demand/Response Service
Cemeteries	Madera Cemetery District	Oakhill Cemetery
Airports	none	Nearest – Madera Nearest commercial - Fresno
Open space habitat conservation	none	
Public Schools (K-8)	Bass Lake Elementary School District	Oakhurst Elementary and Oak Creek Intermediate
Public Schools (9-12)	Yosemite Union High School District	Yosemite High School
Community College	State Center Community College District	Oakhurst Community College Center

Note - Service Providers discussed in Sections 3, 4, and 5 are shown in **Bold**.

## SECTION 3.0 - WATER SERVICE

### 3.1 Introduction

Almost all of the water service provided in the Oakhurst area is privately operated. Most of the rural parcels receive water from their own individual wells or from privately maintained water systems. The Madera County Environmental Health Department maintains records on 32 private water systems. In the urban area, the privately run Hillview Water Company provides and distributes the majority of domestic water. Broadview Terrace Water System is another of the larger private water systems. The one public water service provider is Maintenance District 42 (Meadow View Drive), which provides water for 34 residences.

### 3.2 Existing Facilities and Assets

Hillview Water Company provides water to the majority of the community of Oakhurst. Crass Mutual Water Company, Yosemite Forks Mutual Water Company, and the Broadview Terrace Water System also provide water to much smaller areas. Figure 3-1 illustrates the areas where a private or public water company provides water, and where private wells or small water systems (between 5 and 100 connections) are utilized.



**Hillview Water Company Office**

Maintenance District 42 currently serves 34 residences and is available to serve three more vacant lots in the Meadow View Drive neighborhood. It is the only publicly operated water system in the Oakhurst Area.

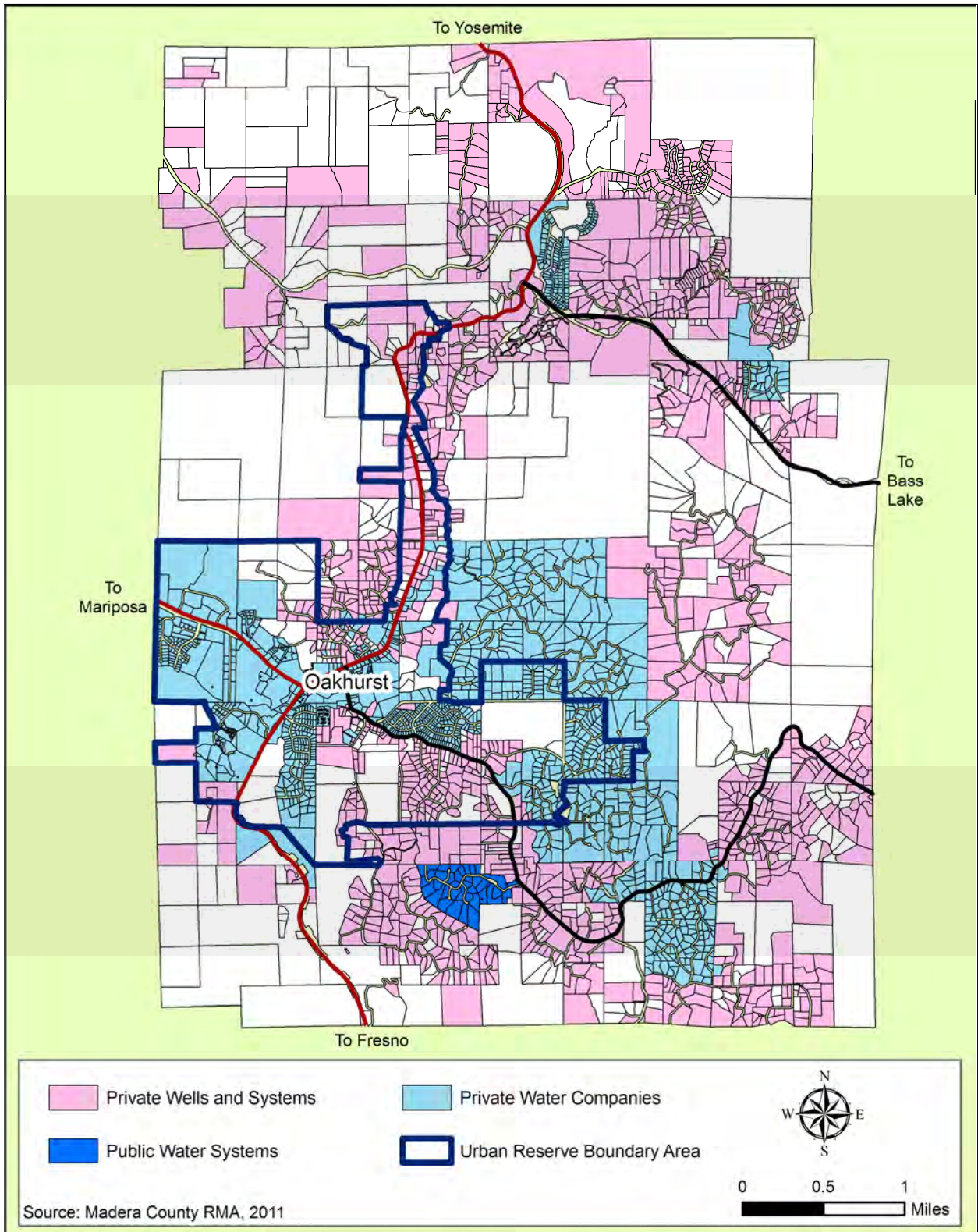
The District was formed in 1989 to serve the Still Meadow residential development. Facilities consist of two wells with a combined production of 55 gallons per minute that supply two storage tanks with a combined capacity of 50,000 gallons. Residences have water meters, although the districts bills at a flat rate. The distribution system consists of 6,400 feet of PVC mains, five fire hydrants, and water meters. Figure 3-2 illustrates the location of MD 42, as well as the private water systems within the Urban Reserve Area Boundary, Hillview Water Company and Broadview Water System.

Besides the major water providers, there are a number of private water systems that are regulated by the Madera County Environmental Health Department. Those systems that have five or more service connections are listed in Table 3-1. There are estimated to be another 20 County regulated private water systems that have less than five service connections. Most of these are commercial establishments that have their own private well. Madera County Environmental Health Department regulates all water systems serving commercial uses, regardless of the number of connections.



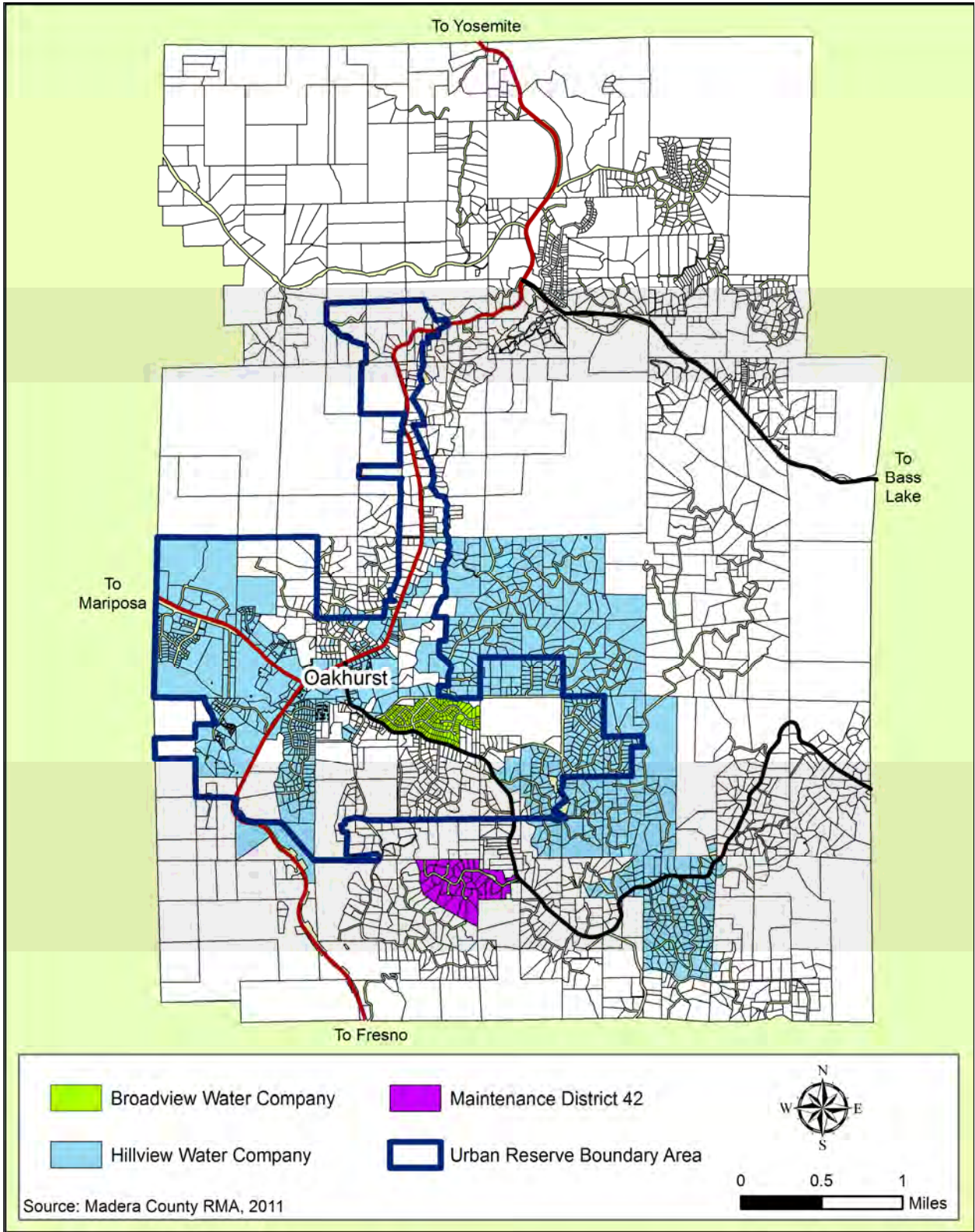
**Table 3-1  
Private Water Systems Regulated by Co. Environmental Health Department**

<b>APN</b>	<b>NAME</b>	<b>SERVICE CONNECTIONS</b>	<b>POPULATION SERVED</b>
066-370-012	Oakhurst Mobile Home Estates	114	114
057-020-062	Yosemite Forks Estates Mutual Water Company	99	110
064-620-034	Oakhurst Lodge Inc.	61	120
057-350-025	Sky Acres Mutual Water Corp.	50	90
057-180-048	E.C.C.O	43	100
066-450-029	MD #42 - Still Meadow	37	100
065-200-035	Crass Mutual Water Company	26	80
065-210-001	Bruce and Virginia Hibberd	18	41
057-600-015	Yosemite Bible Camp	16	200
057-170-071	Liz's Apartments	10	20
065-070-010	Times Square	8	30
065-061-011	Oak Creek Intermediate School	7	190
064-041-029	Silver Spur Center/Gallery Row	6	30
065-030-023	Old Barn Tech Center	6	26
066-380-042	Creekside Apartments	5	21
057-570-013	Hounds Tooth Inn	3	30
065-020-028	El Cid Mexican Restaurant	3	100
057-180-043	Sierra Sky Ranch Water System	2	26
066-010-041	A & J Water	2	500
057-170-055	Snowline Water System	1	200
057-180-030	Batterson Work Center	1	30
065-062-013	Indian Springs Children Center	1	48
064-062-008	Katie's County Kitchen	1	100
065-080-054	McLean Water System	1	25
065-070-015	New Jade Gazebo/Dirty Donkey	1	100
057-200-054	Oakhurst Elks Lodge #2724	1	300
066-010-032	Pete's Place	1	150
066-320-005	PG&E Oakhurst Service Center	1	40
065-040-026	Queen's Inn by the River	1	50
065-050-065	Silver Creek Center	1	64
065-040-005	Sweetwater Steakhouse & Saloon	1	600
065-050-043	The Oak Room	1	65
065-140-014	Yosemite High School	1	796



MAP OF WATER PROVISION BY TYPE

Figure 3-1



LARGE WATER SYSTEMS IN AND NEAR THE URBAN RESERVE BOUNDARY AREA

Figure 3-2

## **GROUNDWATER QUANTITY**

In 2005 a study entitled “Groundwater Conditions in the Oakhurst Basin” was prepared by Ken D. Schmidt and Associates for Madera County RMA. The study analyzed both groundwater quantity and quality and made recommendations for future water policy in the Oakhurst area.

According to the Schmidt study, most water used in the Oakhurst area comes from hardrock wells tapping fractures in the granitic rocks. The rest of the water, a small amount, is supplied by springs and other water is supplied by shallow wells pulling water from decomposed rock that overlays the hardrock. The report estimates that approximately 2,350 acre-feet of water is pumped from the ground each year. This groundwater is recharged by precipitation and stream flow. While there is limited space in the hardrock for groundwater, water levels respond relatively quickly to recharge sources, especially in the winter.

Based upon local well driller records and anecdotal references, it is assumed that future wells will need to be drilled much deeper than the existing wells that were drilled years ago. This will make individual wells a less economically viable option for future development.

## **GROUNDWATER QUALITY**

According to the Schmidt report, groundwater quality problems were first reported by the California Department of Water Resources in 1966. At that time, water quality was generally excellent, but there were localized occurrences of high nitrate and iron concentrations. Today there are significant concentrations in certain subareas of chloride (salt water), uranium, iron, and manganese. Arsenic is also a concern. While its level has been relatively stable, the Federal and State minimum levels were lowered a few years ago, and its concentration is now over this new minimum level.

Chloride concentrations can be mitigated by mixing water with other water from different wells with lower concentrations. Iron and manganese concentrations can be mitigated with removal treatments. Uranium concentrations can also be treated, although its effectiveness is lessened in summer months. Broadview Terrace has sent out health notices for uranium in summer months.

### **3.3 Plans for Future Services**

The three smaller private water companies do not have plans to expand. The Hillview Water Company’s coverage area is adopted by the State Public Utilities Commission (PUC), and it has the capacity to serve new development within that service area.

Maintenance District 42 also provides road maintenance services. There are currently no plans for future services or expansion of the Maintenance District 42 into new developing areas.

In 2005 the Madera County Board of Supervisors formed Maintenance District 22F as a special Zone of Benefit for the purpose of providing water service to the Oakhurst community. The District was established specifically to acquire the Hillview Water Company and assume its operations through the County. The citizens of the area believed that a county owned and

operated water treatment facility and distribution system result in better quality water. However, the Hillview Water Company system was unable to meet County of Madera minimum fire flow standards, and the acquisition stalled. Since 2005 the momentum to acquire the water system from Hillview has slowed. District 22F remains in name only and has not had a budget allocated to it for the past four years.

### **3.4 Financial Ability to Provide Services**

The current quarterly rates for Maintenance District 42 are \$100 for improved residential service and \$66 for standby service. The County has determined that current rates are insufficient to meet operational costs. Meetings to discuss the system’s challenges and the need for a rate increase began in 2009. According to County staff, rates will need to be increased this year in order to maintain service at current levels

**Table 3-2  
Maintenance District 42 Budget**

	Actual 2007-2008	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budgeted 2011-2012
Beginning Cash Balance	\$ 68,458.96	\$ 59,207.11	\$ 44,340.95	\$ 37,050.47	\$ 31,272.78
Revenues	\$ 16,949.67	\$ 16,067.00	\$ 14,780.84	\$ 14,701.79	\$ 23,753.00
Expenses	<u>\$ (26,337.38)</u>	<u>\$ (30,933.16)</u>	<u>\$ (22,071.32)</u>	<u>\$ (20,383.58)</u>	<u>\$ (55,025.78)</u>
Ending Cash Balance	\$ 59,071.25	\$ 44,340.95	\$ 37,050.47	\$ 31,272.78	\$ -

### **3.5 Facilities and Opportunities for Shared Facilities**

As stated above, at one time there was an interest by the County is purchasing the Hillview water system and combining its operations into Maintenance District 22 (which currently only provides sewer service). Informal discussions have taken place over the years between the County and Hillview, but no formal plans have been proposed.

There had been a proposal at one time for Hillview Water Company to acquire and operate the MD 42 water system in order to increase water pressure. However, concerns about water quality in the Hillview system have stalled the idea.

### **3.6 Opportunities for Rate Restructuring**

Rate increases for MD 42 will require a vote of the property owners within that district. If a vote fails, the County has to find ways to cut costs by reducing its level of service.

### **3.7 Governance**

MD 42 is administered by the Madera County Board of Supervisors, which has the power to establish or dissolve it without LAFCo approval. The County Engineer 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.

## SECTION 4.0 - SEWER COLLECTION AND DISPOSAL SERVICE

### 4.1 Introduction

Maintenance District 22 (Oakhurst) provides the majority of sewer collection and disposal in the Oakhurst area. However, many of the homes in the Oakhurst area have their own private septic systems.

### 4.2 Existing Facilities and Assets

Maintenance District 22 (Oakhurst) provides wastewater collection treatment and disposal to business and residents within the district's boundary. The system provides sewer service to 16,030 commercial and 5,178 residential improved equivalent dwelling units (EDU) and 4,140 standby EDUs. The collection system is made up of over seven miles of sewer mains and eight sewer pumping stations. The plant consists of headworks with a mechanical screen, a 0.55 mgd oxidation ditch, two 40-foot secondary clarifiers, chlorine disinfection facilities, 0.25mg of aerobic digesters, a belt filter press, septage receiving, and effluent pumps. There are 149 acre feet of effluent storage, 84 acres of spray fields, and four runoff pumping stations. There is a radio telemetry, supervisory control and data acquisition (SCADA) system that monitors the lift stations levels in the plant, ponds, irrigation pumps, and runoff stations. The area served by the District is shown in Figure 4-1.

### 4.3 Plans for Future Services

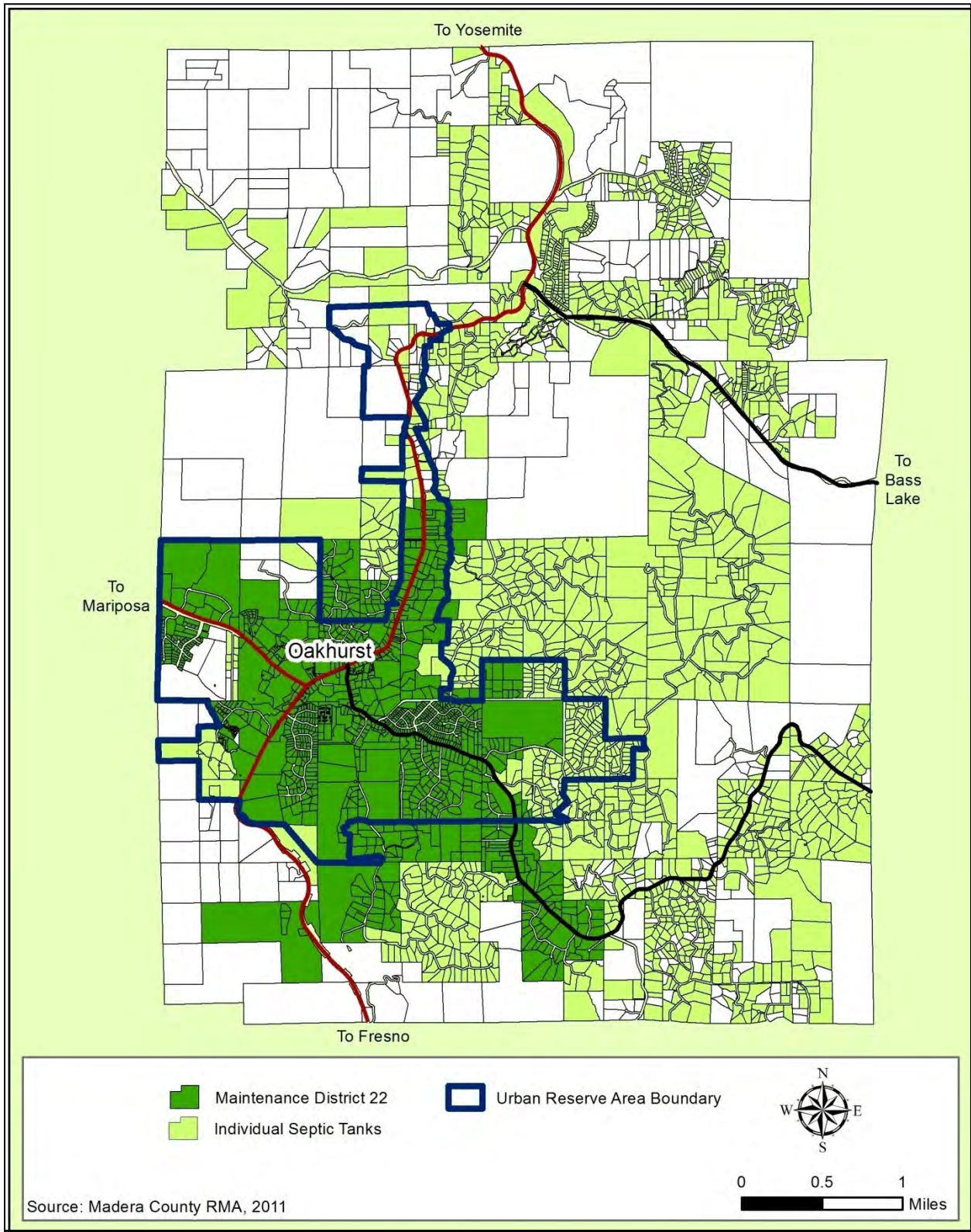
The sewer system management plan (SSMP) calls for expansion of the spray field. This project has begun and should be completed in fiscal year 2013-2014.

### 4.4 Financial Ability to Provide Services

The District charges \$139 per EDU per quarter plus an additional \$24 per quarter for two years to repay the costs of the sewer master plan. The fee increases every year based on the Consumer Price Index.

**Table 4-1  
Maintenance District 22 Budget**

	<b>Actual 2007-2008</b>	<b>Actual 2008-2009</b>	<b>Actual 2009-2010</b>	<b>Actual 2010-2011</b>	<b>Budgeted 2011-2012</b>
Beginning Cash Balance	\$ 283,157.55	\$ 413,898.58	\$ 614,587.36	\$ 612,711.07	\$ 618,420.62
Revenues	\$ 896,996.96	\$1,020,311.44	\$ 1,150,093.84	\$ 969,384.16	\$ 1,131,586.00
Expenses	<u>\$(766,255.93)</u>	<u>\$(819,622.66)</u>	<u>\$(1,157,057.03)</u>	<u>\$(959,937.21)</u>	<u>\$(1,750,006.62)</u>
Ending Cash Balance	\$ 413,898.58	\$ 614,587.36	\$ 612,711.07	\$ 618,420.62	\$ -



**MAP OF SEWER PROVIDERS**

**Figure 4-1**

#### **4.5 Facilities and Opportunities for Shared Facilities**

Maintenance District 22 recently took over operation of the privately owned Wilkins system and has incorporated it into the overall system. There are now no other sewer systems besides Maintenance District 22. All other developed sites utilize individual septic systems.

#### **4.6 Opportunities for Rate Restructuring**

There are a number of methods for assessing fees for sewer service. Fees can be paid monthly or quarterly, and charged as a flat rate or per EDU. Larger commercial or industrial users could be metered and pay a per gallon rate. County staff is currently reviewing its costs and rates.

#### **4.7 Governance**

MD 22 is governed by the Madera County Board of Supervisors. The County Engineer operates and maintains the system, and provides 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.





## SECTION 5.0 - ROAD MAINTENANCE SERVICE

### 5.1 Introduction

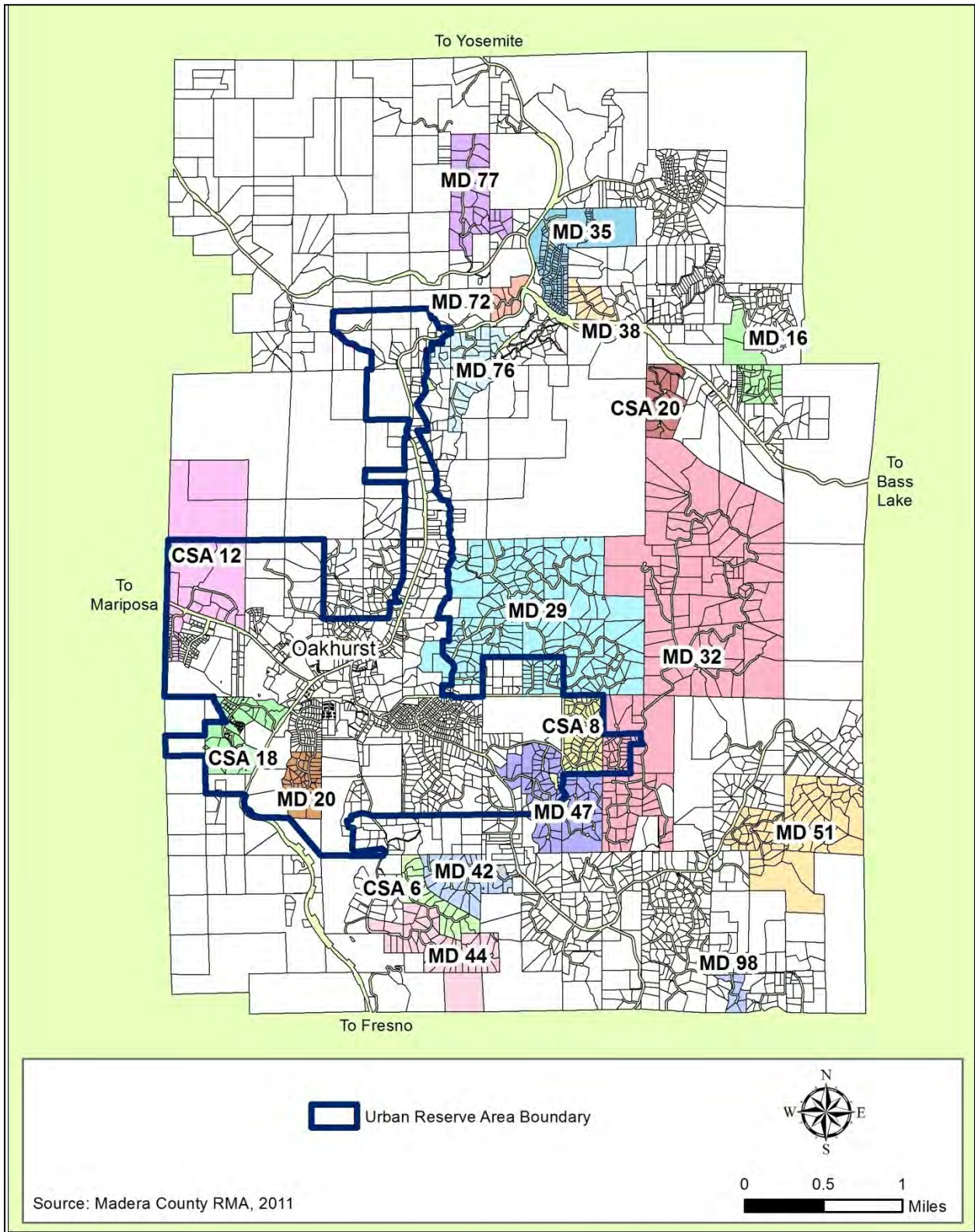
As the need to provide a funding source for the maintenance of new county roads in the Oakhurst area became evident, the County set up districts to assess property owners a yearly fee for road maintenance. A new district, either a maintenance district or a county service area, was set up with each new subdivision. The number of districts grew, and there are now 19 separate districts in the Oakhurst area that provide road maintenance. All are governed and managed by Madera County. Except for MD 42, road maintenance is the only service provided in these districts.


### 5.2 Existing Facilities and Assets

Table 5-1 shows the size of each district by its acreage, lot count, and miles of paved and unpaved roadways. Figure 5-1 shows each district's location within the study area.

**Table 5-1  
Oakhurst Roadway Districts (CSAs and MDs)**

District	Acres	Lots	Miles Paved	Miles Unpaved
CSA 6 Still Meadow Ranch	62	18	0.62	0
CSA 8 Pierce Lakes Estates	80	62	1.16	0
CSA 12 W. Oak & Boulder Creek	169	38	0.75	0.39
CSA 18 Ponderosa Knolls Victoria Lane	105	52	1.38	0.14
CSA 20 Yosemite Pines Estates	57	16	0.73	0
MD 16 Mountain View	79	39	0.55	0.08
MD 20 Hidden Oak Estates	60	45	0.83	0
MD 29 Oak Creek - Indian Springs	709	194	6.49	0.74
MD 32 West Road	297	159	8.21	0.20
MD 35 Yosemite Forks Estates	134	114	1.68	0
MD 38 Maples Lane	33	13	0.46	0.06
MD 42 Meadow view Drive	96	37	1.09	0
MD 44 Stillmeadow Road	182	47	1.35	0.10
MD 47 Spook Lane	195	72	2.15	0.54
MD 51 Quail Ridge	301	66	2.17	1.25
MD 72 North Oakhurst	27	8	0.33	0
MD 76 River Falls Road	107	38	0.80	0.19
MD 77 Whittenburg Road	125	32	0.98	0
MD 98 Pine Meadow	17	7	0.22	0
<b>TOTAL</b>	<b>2,835</b>	<b>1,057</b>	<b>31.95</b>	<b>3.69</b>



	<p><b>MAP OF ROAD MAINTENANCE DISTRICTS (CSAs and MDs)</b></p>	<p><b>Figure 5-1</b></p>
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### 5.3 Plans for Future Services

The districts were established to only provide maintenance service to their own neighborhood. The County's current policy is to establish a new district when a new development occurs, even if the new development is adjacent to an existing district.

### 5.4 Financial Ability to Provide Services

Table 5-2 provides the budgets of each district between 2007 and 2012.

**Table 5-2  
Road Maintenance District Budgets (CSA and MD)**

	Actual 2007-2008	Actual 2008-2009	Actual 2009-2010	Actual 2010-2011	Budgeted 2011-2012
<b>CSA 6 Still Meadow Ranch</b>					
Beginning Cash Balance	\$ 37,980.57	\$ 41,509.44	\$ 47,070.70	\$ 51,705.07	\$ 55,358.82
Revenues	\$ 6,320.10	\$ 5,665.55	\$ 4,831.55	\$ 5,198.19	\$ 5,200.00
Expenses	<u>\$ 2,791.23</u>	<u>\$ 104.29</u>	<u>\$ 197.18</u>	<u>\$ 1,544.74</u>	<u>\$ 60,558.52</u>
Ending Cash Balance	\$ 41,509.44	\$ 47,070.70	\$ 51,705.07	\$ 55,358.52	\$ ---
<b>CSA 8 Pierce Lakes Estates</b>					
Beginning Cash Balance	\$ 78,081.29	\$ 88,210.98	\$ 89,549.99	\$ 96,236.14	\$ 103,289.48
Revenues	\$ 10,520.84	\$ 9,229.48	\$ 6,906.31	\$ 7,119.64	\$ 7,450.00
Expenses	<u>\$ 391.15</u>	<u>\$ 7,890.47</u>	<u>\$ 220.16</u>	<u>\$ 66.30</u>	<u>\$ 110,739.48</u>
Ending Cash Balance	\$ 88,210.98	\$ 89,549.99	\$ 96,236.14	\$ 103,289.48	\$ ---
<b>CSA 12 W. Oak &amp; Boulder Creek</b>					
Beginning Cash Balance	\$ 28,109.68	\$ 32,669.89	\$ 35,225.07	\$ 39,203.86	\$ 37,697.99
Revenues	\$ 4,745.66	\$ 5,310.08	\$ 4,318.95	\$ 3,955.94	\$ 4,200.00
Expenses	<u>\$ 185.45</u>	<u>\$ 2,754.90</u>	<u>\$ 340.16</u>	<u>\$ 5,461.81</u>	<u>\$ 41,897.99</u>
Ending Cash Balance	\$ 32,669.89	\$ 35,225.07	\$ 39,203.86	\$ 37,697.99	\$ ---
<b>CSA 18 Ponderosa Knolls Victoria Lane</b>					
Beginning Cash Balance	\$ 71,306.78	\$ 84,972.99	\$ 99,776.94	\$ 108,120.44	\$ 119,215.65
Revenues	\$ 16,633.10	\$ 15,423.62	\$ 13,216.67	\$ 13,263.44	\$ 13,500.00
Expenses	<u>\$ 2,966.89</u>	<u>\$ 619.67</u>	<u>\$ 4,873.17</u>	<u>\$ 2,168.23</u>	<u>\$ 132,715.65</u>
Ending Cash Balance	\$ 84,972.99	\$ 99,776.94	\$ 108,120.44	\$ 119,215.65	\$ ---

**Table 5-2 (continued)**  
**Road Maintenance District Budgets (CSA and MD)**

	<b>Actual 2007-2008</b>	<b>Actual 2008-2009</b>	<b>Actual 2009-2010</b>	<b>Actual 2010-2011</b>	<b>Budgeted 2011-2012</b>
<b>CSA 20 Yosemite Pines Estates</b>					
Beginning Cash Balance	\$ 14,626.57	\$ 16,649.14	\$ 10,681.70	\$ 11,455.45	\$ 12,784.61
Revenues	\$ 2,335.48	\$ 2,077.65	\$ 1,571.71	\$ 1,709.61	\$ 1,750.00
Expenses	<u>\$ 312.91</u>	<u>\$ 8,045.09</u>	<u>\$ 797.96</u>	<u>\$ 380.45</u>	<u>\$ 14,534.61</u>
Ending Cash Balance	\$ 16,649.14	\$ 10,681.70	\$ 11,455.45	\$ 12,784.61	\$ ---
<b>MD 16 Mountain View</b>					
Beginning Cash Balance	\$ 39,754.20	\$ 48,187.03	\$ 54,930.93	\$ 60,113.83	\$ 63,984.94
Revenues	\$ 9,063.23	\$ 8,253.70	\$ 6,149.89	\$ 5,966.53	\$ 7,285.00
Expenses	<u>\$ 630.40</u>	<u>\$ 1,509.80</u>	<u>\$ 966.99</u>	<u>\$ 2,095.42</u>	<u>\$ 71,269.94</u>
Ending Cash Balance	\$ 48,187.03	\$ 54,930.93	\$ 60,113.83	\$ 63,984.94	\$ ---
<b>MD 20 Hidden Oak Estates</b>					
Beginning Cash Balance	\$ 1,507.22	\$ 2,296.35	\$ 2,806.72	\$ 3,545.70	\$ 4,556.73
Revenues	\$ 908.00	\$ 920.85	\$ 801.98	\$ 1,118.62	\$ 872.00
Expenses	<u>\$ 118.87</u>	<u>\$ 410.48</u>	<u>\$ 63.00</u>	<u>\$ 107.59</u>	<u>\$ 5,398.73</u>
Ending Cash Balance	\$ 2,296.35	\$ 2,806.72	\$ 3,545.70	\$ 4,556.73	\$ ---
<b>MD 29A Oak Creek - Indian Springs</b>					
Beginning Cash Balance	\$ 44,287.07	\$ 60,195.14	\$ 77,550.26	\$ 93,785.10	\$ 88,463.85
Revenues	\$ 21,636.14	\$ 22,165.32	\$ 22,434.84	\$ 20,753.23	\$ 21,535.00
Expenses	<u>\$ 5,728.07</u>	<u>\$ 4,810.20</u>	<u>\$ 6,200.00</u>	<u>\$ 26,074.49</u>	<u>\$ 109,998.84</u>
Ending Cash Balance	\$ 60,195.14	\$ 77,550.26	\$ 93,785.10	\$ 88,463.84	\$ ---
<b>MD 32 West Road</b>					
Beginning Cash Balance	\$ 27,846.48	\$ 28,783.46	\$ 21,833.83	\$ 25,139.32	\$ 24,584.38
Revenues	\$ 16,983.58	\$ 16,607.42	\$ 15,716.79	\$ 16,739.94	\$ 16,145.00
Expenses	<u>\$ 16,046.60</u>	<u>\$ 23,557.05</u>	<u>\$ 12,411.30</u>	<u>\$ 17,294.88</u>	<u>\$ 40,729.38</u>
Ending Cash Balance	\$ 28,783.46	\$ 21,833.83	\$ 25,139.32	\$ 24,584.38	\$ ---
<b>MD 32A West Road Zone of Benefit A</b>					
Beginning Cash Balance	\$ 32,845.90	\$ 35,660.11	\$ 21,371.05	\$ 25,857.42	\$ 31,566.80
Revenues	\$ 17,698.00	\$ 18,247.71	\$ 17,179.69	\$ 19,064.26	\$ 18,275.00
Expenses	<u>\$ 14,884.00</u>	<u>\$ 32,536.77</u>	<u>\$ 12,693.32</u>	<u>\$ 13,354.88</u>	<u>\$ 49,841.80</u>
Ending Cash Balance	\$ 35,659.90	\$ 21,371.05	\$ 25,857.42	\$ 31,566.80	\$ ---

**Table 5-2 (continued)**  
**Road Maintenance District Budgets (CSA and MD)**

	<b>Actual 2007-2008</b>	<b>Actual 2008-2009</b>	<b>Actual 2009-2010</b>	<b>Actual 2010-2011</b>	<b>Budgeted 2011-2012</b>
<b>MD 35 Yosemite Forks Estates</b>					
Beginning Cash Balance	\$ 59,135.20	\$ 68,917.06	\$ 74,574.98	\$ 50,101.96	\$ 59,358.60
Revenues	\$ 13,896.82	\$ 13,325.33	\$ 11,593.78	\$ 11,517.04	\$ 12,470.00
Expenses	\$ <u>4,114.96</u>	\$ <u>7,667.41</u>	\$ <u>36,066.80</u>	\$ <u>2,260.40</u>	\$ <u>71,828.60</u>
Ending Cash Balance	\$ 68,917.06	\$ 74,574.98	\$ 50,101.96	\$ 59,358.60	\$ ---
<b>MD 38 Maples Lane</b>					
Beginning Cash Balance	\$ 32,908.82	\$ 37,521.84	\$ 42,013.12	\$ 28,791.30	\$ 32,465.94
Revenues	\$ 4,718.22	\$ 4,596.38	\$ 3,590.91	\$ 3,697.64	\$ 4,200.00
Expenses	\$ <u>105.20</u>	\$ <u>105.10</u>	\$ <u>16,812.73</u>	\$ <u>23.00</u>	\$ <u>36,665.94</u>
Ending Cash Balance	\$ 37,521.84	\$ 42,013.12	\$ 28,791.30	\$ 32,465.94	\$ ---
<b>MD 42 Meadow View Drive</b>					
Beginning Cash Balance	\$ ---	\$ 39,347.05	\$ 41,073.66	\$ 46,100.14	\$ 51,086.65
Revenues	\$ ---	\$ 6,642.49	\$ 5,832.83	\$ 5,984.69	\$ 6,450.00
Expenses	\$ <u>---</u>	\$ <u>4,915.88</u>	\$ <u>806.35</u>	\$ <u>998.18</u>	\$ <u>57,536.65</u>
Ending Cash Balance	\$ ---	\$ 41,073.66	\$ 46,100.14	\$ 51,086.65	\$ ---
<b>MD 44 Stillmeadow Road</b>					
Beginning Cash Balance	\$ 42,281.76	\$ 44,495.23	\$ 54,772.90	\$ 63,723.29	\$ 70,971.35
Revenues	\$ 11,071.54	\$ 10,526.87	\$ 9,633.63	\$ 9,799.83	\$ 10,200.00
Expenses	\$ <u>8,858.07</u>	\$ <u>249.20</u>	\$ <u>683.24</u>	\$ <u>2,551.77</u>	\$ <u>81,171.35</u>
Ending Cash Balance	\$ 44,495.23	\$ 54,772.90	\$ 63,723.29	\$ 70,971.35	\$ ---
<b>MD 47 Spook Lane</b>					
Beginning Cash Balance	\$ 23,532.46	\$ 28,841.68	\$ 36,139.21	\$ 49,228.63	\$ 49,228.63
Revenues	\$ 8,305.91	\$ 8,349.16	\$ 7,278.73	\$ 7,401.16	\$ 7,550.00
Expenses	\$ <u>2,996.69</u>	\$ <u>1,051.63</u>	\$ <u>1,213.60</u>	\$ <u>376.87</u>	\$ <u>56,778.63</u>
Ending Cash Balance	\$ 28,841.68	\$ 36,139.21	\$ 42,204.34	\$ 49,228.63	\$ ---
<b>MD 51 Quail Ridge</b>					
Beginning Cash Balance	\$ 35,587.09	\$ 42,576.56	\$ 45,635.70	\$ 48,995.43	\$ 31,885.40
Revenues	\$ 7,902.17	\$ 6,868.80	\$ 7,582.27	\$ 6,836.52	\$ 6,900.00
Expenses	\$ <u>912.70</u>	\$ <u>3,809.66</u>	\$ <u>4,222.54</u>	\$ <u>23,946.55</u>	\$ <u>38,785.40</u>
Ending Cash Balance	\$ 42,576.56	\$ 45,635.70	\$ 48,995.43	\$ 31,885.40	\$ ---

**Table 5-2 (continued)**  
**Road Maintenance District Budgets (CSA and MD)**

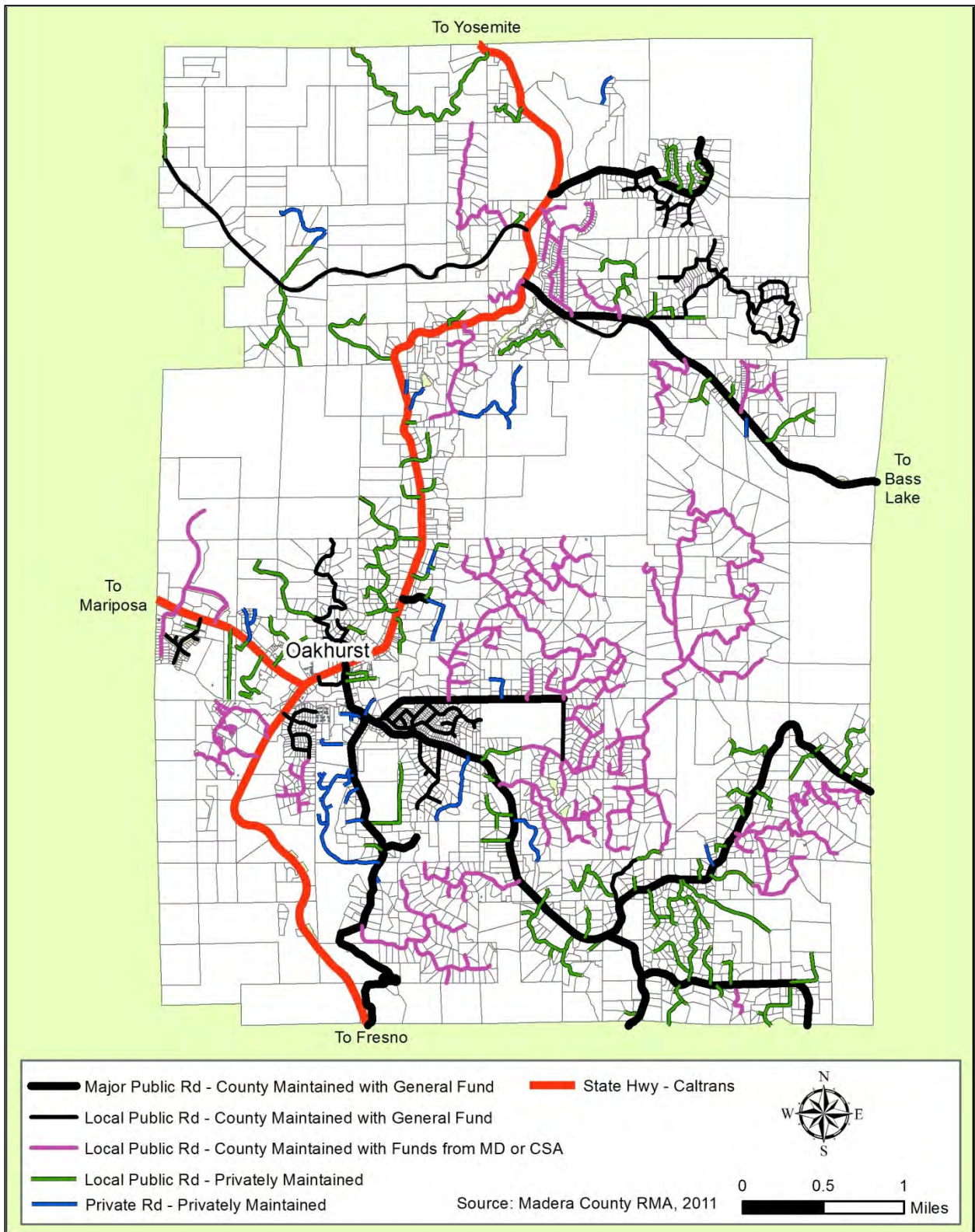
	<b>Actual 2007-2008</b>	<b>Actual 2008-2009</b>	<b>Actual 2009-2010</b>	<b>Actual 2010-2011</b>	<b>Budgeted 2011-2012</b>
<b>MD 72 North Oakhurst</b>					
Beginning Cash Balance	\$ 14,996.12	\$ 16,741.95	\$ 18,318.89	\$ 19,332.40	\$ 20,538.22
Revenues	\$ 1,866.74	\$ 1,592.94	\$ 1,028.51	\$ 1,220.82	\$ 1,350.00
Expenses	\$ <u>120.91</u>	\$ <u>16.00</u>	\$ <u>15.00</u>	\$ <u>15.00</u>	\$ <u>21,888.22</u>
Ending Cash Balance	\$ 16,741.95	\$ 18,318.89	\$ 19,332.40	\$ 20,538.22	\$ ---
<b>MD 76 River Falls Road</b>					
Beginning Cash Balance	\$ ---	\$ 27,374.75	\$ 30,209.94	\$ 21,255.57	\$ 24,390.82
Revenues	\$ ---	\$ 5,052.02	\$ 3,731.24	\$ 4,135.95	\$ 4,200.00
Expenses	\$ <u>---</u>	\$ <u>2,216.83</u>	\$ <u>12,685.61</u>	\$ <u>1,000.70</u>	\$ <u>28,590.82</u>
Ending Cash Balance	\$ ---	\$ 30,209.94	\$ 21,255.57	\$ 24,390.82	\$ ---
<b>MD 77 Whittenburg Road</b>					
Beginning Cash Balance	\$ 20,252.49	\$ 19,536.47	\$ 18,467.42	\$ 21,661.59	\$ 23,875.87
Revenues	\$ 4,101.08	\$ 3,733.94	\$ 3,382.04	\$ 3,303.74	\$ 3,550.00
Expenses	\$ <u>4,817.10</u>	\$ <u>4,802.99</u>	\$ <u>187.87</u>	\$ <u>1,089.66</u>	\$ <u>27,425.67</u>
Ending Cash Balance	\$ 19,536.47	\$ 18,467.42	\$ 21,661.59	\$ 23,875.67	\$ ---
<b>MD 98 Pine Meadow</b>					
Beginning Cash Balance	\$ 7,559.66	\$ 8,514.04	\$ 9,588.85	\$ 10,331.43	\$ 11,118.31
Revenues	\$ 1,022.44	\$ 1,085.81	\$ 752.58	\$ 796.88	\$ 850.00
Expenses	\$ <u>68.06</u>	\$ <u>11.00</u>	\$ <u>10.00</u>	\$ <u>10.00</u>	\$ <u>11,968.31</u>
Ending Cash Balance	\$ 8,514.04	\$ 9,588.85	\$ 10,331.43	\$ 11,118.31	\$ ---

### **5.5 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, and 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 jurisdiction and funding of the roads within the study area is illustrated in Figure 5-2.

### **5.6 Opportunities for Rate Restructuring**

The rates charged by each maintenance district and county service area vary from district to district. Most charge a flat fee of \$100 per lot per year. MD 42 charges \$150 per lot per year.



## ROADWAY JURISDICTION AND MAINTENANCE RESPONSIBILITY

Figure 5-2

CSA 6 charges \$200 per lot per year. MD 16 and 20 do not charge any rates, but instead receive a portion of the 1% property tax revenues because they were established prior to the enactment of Proposition 13 in 1976.

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.

## **5.7 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.





## **SECTION 6.0 – PROPOSED ROADMAP FOR DISTRICT RESTRUCTURING**

### **6.1 Introduction**

As the preceding sections have described, Oakhurst 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, sewer, and road maintenance. There are currently no independent special districts in the Oakhurst area, so the community does not have an independently elected body that can make municipal service decisions specifically for Oakhurst. 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.

Oakhurst’s attempt to incorporate will not likely be its last one, although another incorporation attempt is probably many years away. The failed incorporation attempt illustrated the difficulty in consolidating so many diverse districts of the community into one organization in a single step.

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 Oakhurst 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 Options for Reorganization**

It is generally accepted that the high number of districts and private service companies within the Oakhurst area results in inefficiencies in administration, maintenance, and governance. Orderly, accountable and efficient municipal service delivery in the Oakhurst area may be accommodated through one, or a combination of, the following options:

- 1A. Consolidation of districts into a single County Service Area in the core area
- 1B. Formation of an Independent Community Services District in the core area
2. Consolidation of Road Maintenance Districts in the outlying areas

Options 1A and 1B are different versions of Option 1. Only one can be chosen at a time. Option 2 could be implemented separately or in conjunction with Options 1A or 1B.

## **CONSOLIDATION OF DISTRICTS INTO A SINGLE COUNTY SERVICE AREA IN THE CORE AREA (OPTION 1A)**

Consolidation of all or a portion of the existing special districts into a single county service area 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. 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 two 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.

## **FORMATION OF AN INDEPENDENT COMMUNITY SERVICES DISTRICT IN THE CORE AREA (OPTION 1B)**

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 Oakhurst 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 the proposed CSD territory sign the petition and submit it to LAFCo.

## **CONSOLIDATION OF ROAD MAINTENANCE DISTRICTS IN THE OUTLYING AREAS (OPTION 2)**

The needs of the outlying areas that do not require community water and sewer service are very different from the core area of the community. While the core area may need additional services in the future like street lighting and parks, the outlying areas probably will continue to only need road maintenance. At this time, it appears that there are no complaints with the current private

wells or private water systems for water, and the private septic systems. Therefore, it may not be of benefit to include the outlying areas in the single, consolidated district described above. However, the existing numerous road maintenance districts could be consolidated together into larger, more comprehensive road districts. This would allow a combined road maintenance district the benefits of the combined funding source to better service the area.

This two pronged strategy recognizes the differing needs between the two areas. In the core area (where densities require community water and sewer) the separate districts could be combined districts into one full service district that could be governed either by the Board of Supervisors or an independent board of directors directly elected by the registered voters in the community. In the outlying areas where private wells and septic tank systems are satisfactory, the road districts could be combined to reduce the total number and benefit from shared funding sources. Either or both strategies could be implemented if there is support of the registered voters in the affected portion of the community.

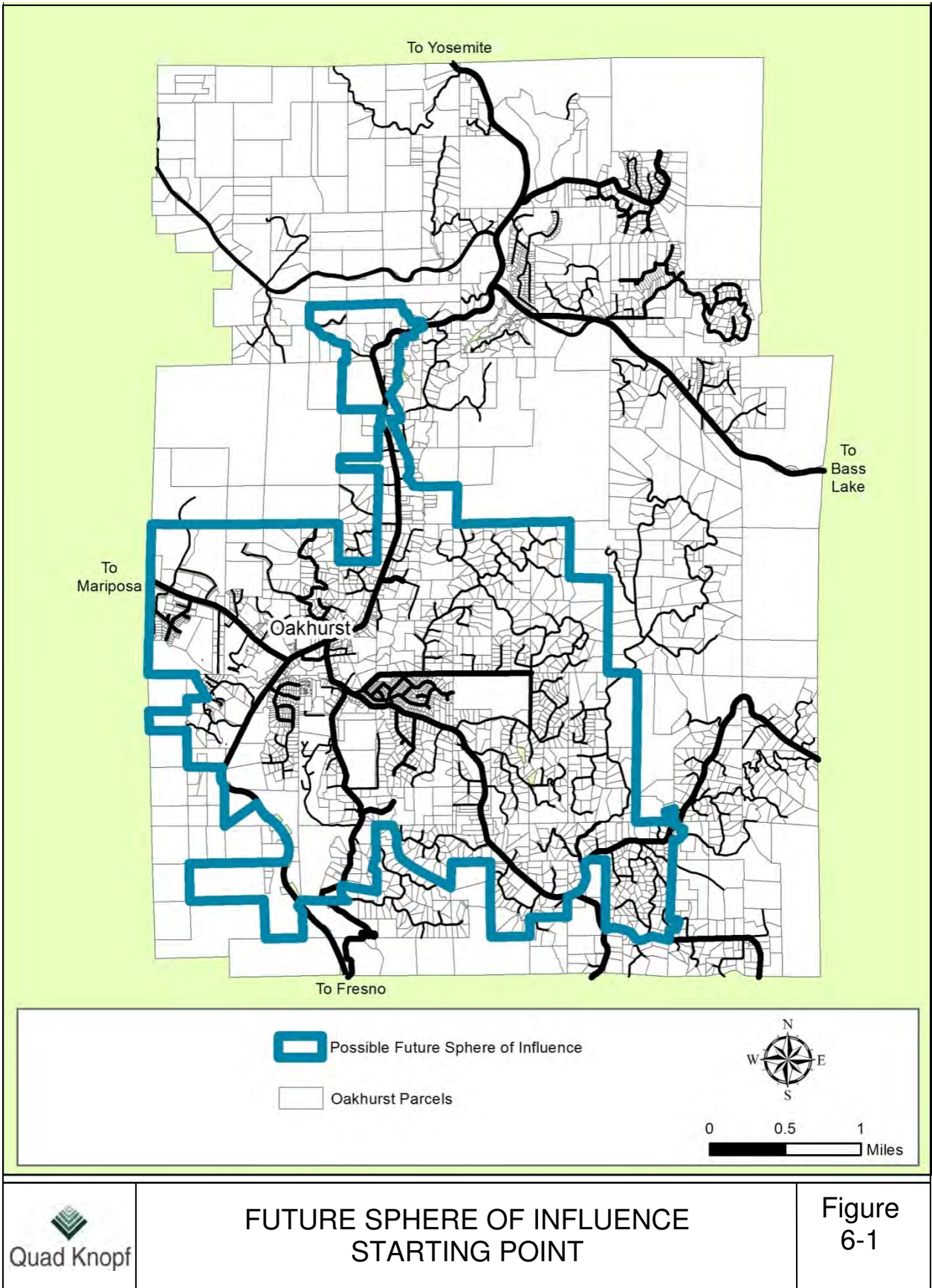
### **6.3 Future Spheres of Influence**

A Sphere of Influence (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 Spheres of Influence for the five special districts that are County Service Areas. There is really no need to expand their Sphere of Influence because they are only intended to serve the area that they already cover. So their SOI's can remain where they are.

However, a greater long term benefit may be derived from an unofficial establishment of a future sphere of influence for a future comprehensive district that would cover some or all of the core area of Oakhurst. It is recommended that this core area could be defined as any area that meets one or more of the following:

- The area is within the County's Urban Reserve Area
- The area is provided with water from Hillview Water Company
- The area is provided with water from Maintenance District 42
- The area is provided with sewer from Maintenance District 22

Drawing a boundary around this composite area would result in a starting point for future discussions on a Sphere of Influence when that future special district is formed. Such a boundary is illustrated in Figure 6-1. While this Sphere of Influence cannot officially be adopted, it can be tied to one of LAFCo's MSR Determinations so that LAFCo's position on a future Sphere of Influence can be officially established. This recommendation is intended to be a starting point for discussions regarding the determination of a sphere of influence when and if a new, comprehensive County Service Area or Community Services District described in Options 1A and 1B above are proposed.



**FUTURE SPHERE OF INFLUENCE  
STARTING POINT**

**Figure  
6-1**

## **6.4 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 Oakhurst area. These Determinations do not initiate or approve of 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)**

Based upon the existing Madera County General Plan and Oakhurst Area Plan, the Oakhurst area has a population of roughly 7,000 persons and has enough land currently designated to support a population of 15,000 to 22,000 persons.

### **Determination B – (Service Needs)**

It is anticipated that at some point in the future the area within Oakhurst's Urban Reserve Area Boundary will desire many of the typical local urban services, including, but not limited to, water, sewer service, police and fire protection, parks and recreation services, street maintenance, solid waste collection, and others.

### **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 Outcome for Core Area)**

Madera LAFCo's preferred outcome for the eventual reorganization of municipal services in the Oakhurst area is:

- 1) the formation of a single county service area controlled by Madera Board of Supervisors, or
- 2) an independent community services district controlled by a board of directors elected by the voters in the Oakhurst area.

Reorganization would preferably start in the central area of the community that is currently provided with community sewer service by Maintenance District 22. It may only need to cover areas that need community water and sewer service.

### **Determination E – (Future Spheres of Influence)**

Spheres of Influence established by Madera LAFCo in the Oakhurst area for existing or future special districts should be consistent with the policies of Madera County's Oakhurst Area Plan and encourage a unified community that begins in the core of town where water and sewer services are provided, expanding outward in response to requests from the residents.

**Determination F – (Future Sphere of Influence for Core Area)**

In the future, when Madera LAFCo considers adoption of a Sphere of Influence for a single, new county service area or community services district, a composite of all areas that are within either the Oakhurst Urban Reserve Area, the Hillview Water Company, Maintenance District 22, Broadview Water Company, or Maintenance District 42 should be used as a starting point for the discussion.

**Determination G – (Reorganization Outcome for Outlying Areas)**

Madera LAFCo’s goal for district reorganization in the areas of Oakhurst 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 Oakhurst area to reach the stated preferred outcomes will likely take a number of years. Madera LAFCo supports the general policy of “starting small and going slow”, and expects that it may take approval of a number of small reorganizations to accomplish LAFCo’s goals, rather than a single comprehensive reorganization.

**Determination I – (Support from the People)**

Efforts to reorganize special districts and maintenance districts in the Oakhurst area should be initiated by the affected property owners or affected registered voters. Madera LAFCo will not initiate special district reorganizations on its own, and will not support efforts to reorganize without clear evidence of affected property owner or registered voter support.

**Determination J – (Threshold prior to Incorporation)**

Madera LAFCo believes the community of Oakhurst needs to gain experience in self governance prior to incorporating as a city. One way to gain such experience would be to form an independent community services district and demonstrate effective governance by a board of directors elected by registered voters within the district for a minimum of five years. Madera LAFCo recognizes that formation of an independent community services district may still be many years away.

**Determination K – (Number of Future Independent Special Districts)**

Efforts to reorganize special districts and maintenance districts in the Oakhurst area should not result in the formation of more than one independent special district providing local municipal services.

**Determination L – (County Service Areas for future Road Maintenance)**

Efforts to establish new or to reorganize existing special districts and maintenance districts in the area of Oakhurst 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 M – (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 N – (Water and Sewer Financing)**

Madera LAFCo will encourage and support efforts by Madera County to maintain service fees for sewer and water service at a level that covers the cost of providing the municipal service.

**Determination O – (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 Oakhurst area before a reorganization 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 and/or community sewer.

**Determination P – (Future Expansion of Community Water and Sewer Service)**

The priority for expansion of community water and community sewer service should be confined first to the area within Oakhurst’s Urban Reserve Boundary, as defined in Madera County’s Oakhurst Area Plan, before extending infrastructure outside of the Urban Reserve Boundary.

**Determination Q – (Water Quality)**

Madera LAFCo recommends to Madera County that it take the lead in implementing the recommendations of the 2005 Groundwater Conditions Report on a comprehensive basis.

**Determination R – (Supportable Steps)**

Madera LAFCo encourages the following types of efforts to reorganize special districts and maintenance districts in the Oakhurst area, if they are initiated by affected property owners or registered voters:

- the formation of a county service area or community services district in all or a portion of the Oakhurst area that is currently served with community water service and/or community sewer service.
- the reorganization of Maintenance District 22 into a county service area or a community services district.
- the consolidation of road maintenance districts with overlapping portions of the county service area or community services district formed from Maintenance District 22.
- the acquisition of privately owned Hillview and/or Broadview Water Companies by a newly formed county service area or a community services district, at such time as it is demonstrated to be financially viable.
- the consolidation of existing road maintenance districts.
- the reorganization of road maintenance districts into county service areas
- 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 S – (Unsupportable Steps)**

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

- the incorporation of new city prior to the community acquiring experience in self governance through the operation of an independent community services district for at least 5 years.
- the formation of more than one independent special district in the Oakhurst area.
- the formation of new maintenance districts for road maintenance in new developments in the Oakhurst area.
- any reorganization, consolidation, or formation of districts that does not have strong evidence of property owner and/or registered voter support.

## **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 Section 6.4, as Madera LAFCo's policy regarding special districts and municipal services in the Oakhurst area.

### **Recommendation No. 2**

Direct the Executive Officer of Madera LAFCo to present LAFCo's Determinations regarding Oakhurst to the Madera County Board of Supervisors and the boards of directors of the Hillview and Broadview Water Companies.

### **Recommendation No. 3**

Direct the Executive Officer to continue working with the advisory committee from Maintenance District 22 and any other organized community group interested in reorganization of Oakhurst's districts.

### **Recommendation No. 4**

Direct the Executive Officer to implement and communicate to interested community groups LAFCo's Determination that changes of organization will not be initiated by LAFCo, and that evidence of strong registered voter support will be needed for any LAFCo approval of a change of organization in the Oakhurst area.



## APPENDIX A – GLOSSARY

The Cortese Knox Hertzburg Act (the State law that governs LAFCo procedures) uses many terms that have specific meanings when used in LAFCo context. The following glossary defines a number of these terms, as well as other terms that have specific meanings for Madera LAFCo. These definitions should be referred to when reading this Municipal Service Review.

TERM	DEFINITION
<b>Affected District</b>	A special district or a maintenance district whose boundaries would be affected by a proposed annexation, detachment, consolidation, dissolution, or reorganization.
<b>Affected Property Owner</b>	An owner of property within a special district or maintenance district whose boundaries would be affected by a proposed annexation, detachment, consolidation, dissolution, or reorganization.
<b>Affected Registered Voter</b>	A person registered to vote at an address within a special district or maintenance district whose boundaries would be affected by a proposed annexation, detachment, consolidation, dissolution, or reorganization.
<b>Annexation</b>	The inclusion, attachment, or addition of territory to a city or district.
<b>Board of Directors</b>	The legislative body or governing board of a district.
<b>Change of Organization</b>	With regard to special districts, a “Change of Organization” means any of the following: a district formation, an annexation to a district, a detachment from a district, a district dissolution, or a consolidation of special districts.
<b>CKH Act</b>	Cortese Knox Hertzburg Act (Section 56000 et seq. of the California Government Code)
<b>Community Services District</b>	A type of special district that can provide a wide variety of municipal services and levy assessments to pay for those services. It can be governed by the County Board of Supervisors as a dependent district, or by a Board of Directors elected by the registered voters within the district as an independent district.
<b>Consolidation</b>	The uniting or joining of two or more districts into a single new successor district.
<b>Core Area</b>	As used in this report, “core area” is a term used to generally describe parts of the Oakhurst area where development is served by Hillview Water Company for water, by Maintenance District 22 for sewer, or both.

<b>TERM</b>	<b>DEFINITION</b>
<b>Cortese Knox Hertzburg Act</b>	A California State law found in Section 56000 et seq of the Government Code that establishes procedures for local government changes of organization, including city incorporations, annexations to a city or special district, and city and special district consolidations.
<b>County Service Area</b>	A type of special district that can provide a wide variety of municipal services and levy assessments to pay for those services. It is governed by the County Board of Supervisors.
<b>CSA</b>	County Service Area
<b>CSD</b>	Community Services District
<b>Dependent Special District</b>	Any special district having a legislative body all of whose members are also officers of another agency, such as a County Board of Supervisors.
<b>Detachment</b>	The deannexation, exclusion, deletion, or removal from a city or district of any portion of the territory of that city or district.
<b>Dissolution</b>	The disincorporation, extinguishment, and termination of the existence of a special district and the cessation of its powers, except for the purpose of winding up the affairs of the district.
<b>District or special district</b>	An agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries. "District" or "special district" includes a county service area, but does not include maintenance districts.
<b>Enabling Act</b>	A division of California state law that governs the general provisions, formation, powers, services that can legally be provided, and financing provisions of a particular type of special district.
<b>Feasible</b>	Capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, legal, social and technological factors.
<b>Formation</b>	The incorporation, organization, or creation of a district.
<b>Function</b>	Any power granted by law to a local agency or a county to provide designated governmental or proprietary services or facilities for the use, benefit, or protection of all persons or property.
<b>FY</b>	Fiscal year
<b>General revenues</b>	Revenues not associated with specific services or retained in an enterprise fund.
<b>Independent special district</b>	Any special district having a legislative body all of whose members are elected by registered voters or landowners within the district, or whose members are appointed to fixed terms.

<b>TERM</b>	<b>DEFINITION</b>
<b>Infrastructure needs and deficiencies</b>	The status of existing and planned infrastructure and its relationship to the quality and levels of service that can or need to be provided.
<b>LAFCo</b>	Local Agency Formation Commission
<b>Latent Service, or Latent Powers</b>	A service (or the power to provide a service) that State law authorizes a district to provide, but which LAFCo has not authorized the district to provide.
<b>Local agency</b>	A city, county, special district or other public entity that provides municipal services.
<b>Maintenance District</b>	A type of district formed to levy assessments to fund a specific municipal service within the district. Maintenance districts are not special districts, as defined by the CKH Act. They are managed by the County Board of Supervisors.
<b>MD</b>	Maintenance District
<b>Municipal services</b>	The full range of services that a public agency provides, or is authorized to provide. As understood under the CKH Act, this includes all services provided by special districts under California law. (A comprehensive list of municipal services can be found in table 2-2.)
<b>Municipal Service Review</b>	A study and evaluation of municipal services by specific area, sub-region or region culminating in written determinations regarding six specific evaluation categories.
<b>Outlying areas</b>	As used in this report, outlying area is a term used to generally describe parts of the Oakhurst area where development is served by both private water systems and individual septic systems.
<b>Overlap, or Overlapping territory</b>	Territory which is included within the boundaries of two or more districts or within one or more districts and a city or cities.
<b>Powers</b>	The municipal services that a special district is allowed by State law to provide. Different types of districts are allowed to provide a different mix of services.
<b>Public agency</b>	The state or any state agency, board, or commission, any city, county, city and county, special district, or other political subdivision, or any agency, board, or commission of the city, county, city and county, special district, or other political subdivision.
<b>Reorganization</b>	Two or more changes of organization initiated in a single proposal.
<b>Oakhurst Area Plan</b>	A planning document adopted by Madera County in 2005 as part of its General Plan. The document provides goals and policies to guide future growth and development in the Oakhurst community.

TERM	DEFINITION
<b>SOI</b>	Sphere of Influence
<b>Special District</b>	An agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries. For the purposes of LAFCo, the definition of "District" or "special district" includes a county service area, but does not include a maintenance district.
<b>Sphere of Influence</b>	A plan for the probable physical boundaries and service area of a local agency, as determined by the LAFCo.
<b>Stakeholder</b>	Any member of the public, affected or interested agency, LAFCo, or other entity interested in, or affected by, municipal services being reviewed.
<b>Zero Sphere, or Zero Sphere of Influence</b>	A sphere of influence that does not include any territory. LAFCo can adopt a "zero" sphere in a case where the ultimate plan for the local agency is to consolidate the district with another district or to dissolve the district.
<b>Zone of Benefit</b>	A specific area within the territory of a county service area (CSA) established by the Board of Supervisors to provide different authorized services, different levels of service, different authorized facilities, or to raise different revenues from the overall territory of the county service area.

**APPENDIX B – RESULTS OF JANUARY 2012 OUTREACH MEETING**

Oakhurst Municipal Services Review  
Oakhurst Community Meeting - January 26, 2012

**Turning Point Results by Question**

**Session Name: Oakhurst 2012-1-26**

**Created: 1/30/2012 8:17 AM**

**1.) Are you going to watch the Super Bowl? (multiple choice)**

	<b>Responses</b>	
Of course, my favorite team is playing.	11	11.70%
Yes. I always watch no matter who is playing.	34	36.17%
I don't like football, but I like the party.	9	9.57%
No. I'd rather do something else.	24	25.53%
Yes, I like the commercials and half-time entertainment.	11	11.70%
What's a Super Bowl?	5	5.32%
<b>Totals</b>	<b>94</b>	<b>100%</b>

**2.) What is LAFCo? (multiple choice)**

	<b>Responses</b>	
A State agency that controls local government.	8	10.67%
A Federal agency that controls local government.	0	0%
One of Madera County's departments.	11	14.67%
<i>An autonomous agency separate from State, Fed...</i>	<i>47</i>	<i>62.67%</i>
A venue for amateur comedians.	9	12%
<b>Totals</b>	<b>75</b>	<b>100%</b>

**3.) The purpose of LAFCo is... (multiple choice)**

	<b>Responses</b>	
<i>To coordinate logical and timely changes in local government and municipal services.</i>	<i>43</i>	<i>50%</i>
To have the final say in annexations and incorporations.	6	6.98%
Both 1 and 2.	37	43.02%
<b>Totals</b>	<b>86</b>	<b>100%</b>

**4.) I live... (multiple choice)**

	<b>Responses</b>	
Full time in Oakhurst	64	73.56%
Part time in Oakhurst	1	1.15%
I don't reside in Oakhurst, but I reside elsewhere	22	25.29%
I reside outside Madera County	0	0%
<b>Totals</b>	<b>87</b>	<b>100%</b>

Oakhurst Municipal Services Review  
Oakhurst Community Meeting - January 26, 2012

<b>5.) I own or operate a business in Oakhurst. (multiple choice)</b>	<b>Responses</b>	
Yes	22	22.68%
No	71	73.20%
I'm considering it.	4	4.12%
<b>Totals</b>	<b>97</b>	<b>100%</b>

<b>6.) I am registered to vote. (multiple choice)</b>	<b>Responses</b>	
In Oakhurst.	73	76.84%
Somewhere else in Madera County.	17	17.89%
Somewhere else outside Madera County.	2	2.11%
I am not registered. to vote	3	3.16%
<b>Totals</b>	<b>95</b>	<b>100%</b>

<b>7.) My understanding is that most municipal public services provided in Oakhurst are run by... (multiple choice)</b>	<b>Responses</b>	
State of California.	1	1.08%
Madera Board of Supervisors.	27	29.03%
Local Boards that are elected by Oakhurst voters.	4	4.30%
Privately owned companies.	8	8.60%
Both 2 and 3.	13	13.98%
<b>Both 2 and 4.</b>	<b>40</b>	<b>43.01%</b>
<b>Totals</b>	<b>93</b>	<b>100%</b>

<b>8.) How many municipal service providers (public district and private providers) do you think currently operate in Oakhurst? (multiple choice)</b>	<b>Responses</b>	
1 to 5	16	17.20%
6 to 10	17	18.28%
11 to 15	14	15.05%
16 to 20	7	7.53%
<b>More than 20</b>	<b>39</b>	<b>41.94%</b>
<b>Totals</b>	<b>93</b>	<b>100%</b>

Oakhurst Municipal Services Review  
Oakhurst Community Meeting - January 26, 2012

**9.) Overall, my existing level of service for sewer in my home or business is... (multiple choice)**

	Responses	
Above satisfactory	12	13.33%
Satisfactory	10	11.11%
No opinion or neutral.	6	6.67%
Below satisfactory	2	2.22%
I don't know / no opinion	60	66.67%
<b>Totals</b>	<b>90</b>	<b>100%</b>

Note: Persons with private septic service were advised to vote I don't know / no opinion.

**10.) Overall, my existing level of service for water in my home or business is: (multiple choice)**

	Responses	
Above satisfactory	11	11.70%
Satisfactory	12	12.77%
No opinion or neutral	6	6.38%
Below satisfactory	22	23.40%
I don't know/no opinion	43	45.74%
<b>Totals</b>	<b>94</b>	<b>100%</b>

Note: Persons with private water wells were advised to vote I don't know / no opinion.

**11.) Overall, my existing level of service for road maintenance around my home is: (multiple choice)**

	Responses	
Above satisfactory	7	7.53%
Satisfactory	31	33.33%
No opinion or neutral	6	6.45%
Below satisfactory	44	47.31%
I don't know/no opinion	5	5.38%
<b>Totals</b>	<b>93</b>	<b>100%</b>

**12.) Overall, the existing level of service for road maintenance overall in Oakhurst is: (multiple choice)**

	Responses	
Above satisfactory	0	0%
Satisfactory	30	34.48%
No opinion of neutral	7	8.05%
Below satisfactory	47	54.02%
I don't know/no opinion	3	3.45%
<b>Totals</b>	<b>87</b>	<b>100%</b>



Oakhurst Municipal Services Review  
Oakhurst Community Meeting - January 26, 2012

**13.) Overall, the Police and Fire Protection that is provided in Oakhurst is... (multiple choice)**

	<b>Responses</b>	
Above satisfactory	10	10.75%
Satisfactory	41	44.09%
No opinion or neutral	15	16.13%
Below satisfactory	26	27.96%
I don't know/no opinion	1	1.08%
<b>Totals</b>	<b>93</b>	<b>100%</b>

**14.) Overall, the Planning and Zoning that is established in Oakhurst is... (multiple choice)**

	<b>Responses</b>	
Above satisfactory	2	2.17%
Satisfactory	28	30.43%
No opinion or neutral	10	10.87%
Below satisfactory	40	43.48%
I don't know/no opinion	12	13.04%
<b>Totals</b>	<b>92</b>	<b>100%</b>

**15.) Overall, the solid waste disposal (trash and recycling) that is provided in Oakhurst is... (multiple choice)**

	<b>Responses</b>	
Above satisfactory	17	18.68%
Satisfactory	50	54.95%
No opinion or neutral	2	2.20%
Below satisfactory	7	7.69%
I don't know/no opinion	15	16.48%
<b>Totals</b>	<b>91</b>	<b>100%</b>

**16.) I think the most important local municipal service improvements we need is: (multiple choice)**

	<b>Responses</b>	
More local parks and recreation facilities	3	3.53%
Street lights in the commercial areas	4	4.71%
More reliable water service	17	20%
Cheaper water rates	6	7.06%
More homes to have sewer service instead of septic	1	1.18%
Cheaper sewer service rates	1	1.18%
Better police and fire protection	8	9.41%
Better storm water drainage	1	1.18%
An overhaul of planning and zoning	16	18.82%
Better road maintenance	28	32.94%
<b>Totals</b>	<b>85</b>	<b>100%</b>

Oakhurst Municipal Services Review  
Oakhurst Community Meeting - January 26, 2012

**17.) I think the least important local municipal service improvements we need is: (multiple choice)**

	<b>Responses</b>	
More local parks and recreation	20	33.33%
Street lights in the commercial areas	13	21.67%
More reliable water service	2	3.33%
Cheaper water rates	2	3.33%
More homes to have sewer service instead of septic	5	8.33%
Cheaper sewer service rates	4	6.67%
Better police and fire protection	2	3.33%
Better storm water drainage	4	6.67%
An overhaul of planning and zoning	6	10%
Better road maintenance	2	3.33%
<b>Totals</b>	<b>60</b>	<b>100%</b>

**18.) I would be willing to pay the fees, assessments, or taxes necessary to add more or improved services over and above what I am currently paying for existing services? (multiple choice)**

	<b>Responses</b>	
Yes, because it will improve my property valu...	2	2.86%
Yes. I don't like it, but it is necessary.	3	4.29%
Maybe, but I want to know how much before I d...	30	42.86%
Maybe, but wait until the overall economy imp...	3	4.29%
I don't want to pay anything more for any new...	32	45.71%
<b>Totals</b>	<b>70</b>	<b>100%</b>

**19.) How much more would you be willing to pay annually if improved municipal services benefited your property and your community in general? (multiple choice)**

	<b>Responses</b>	
\$0. I don't want to pay anything more than ...	34	52.31%
\$10 to \$50 per year ☐ (roughly \$1 to \$4)	7	10.77%
\$50 to \$100 per year (roughly \$5 to \$8)	8	12.31%
\$100 to \$200 per year (roughly \$8 to \$17)	7	10.77%
\$200 to \$300 per year (roughly \$17 to \$25)	9	13.85%
<b>Totals</b>	<b>65</b>	<b>100%</b>

Oakhurst Municipal Services Review  
Oakhurst Community Meeting - January 26, 2012

**20.) I think Oakhurst should have more local control of its municipal services. Oakhurst voters should get to vote for the people in charge of providing these services: (multiple choice)**

	<b>Responses</b>	
Yes, I agree. Our community is ready	15	28.30%
I agree, but I don't think we are ready yet	11	20.75%
No, I prefer the current arrangement	27	50.94%
<b>Totals</b>	<b>53</b>	<b>100%</b>

**21.) I believe that local municipal services could be more efficient if some or all of the local service providers were consolidated? (multiple choice)**

	<b>Responses</b>	
Yes, consolidate as many as possible	4	8%
I like the idea, but want to see the details first	27	54%
No, things are fine as they are, so why change	15	30%
I don't have an opinion at this time	4	8%
<b>Totals</b>	<b>50</b>	<b>100%</b>

# Community provides input about public services

## Residents voice issues with water, roads and planning ; review may open door to change

**Carmen George**

**(Updated: Thursday, February 02, 2012, 12:00 AM)**

The majority of about a hundred residents at an Oakhurst meeting last week said area public water and road services are below satisfactory along with Oakhurst planning.

The meeting was held Jan. 26 at the Oakhurst Community Center to gather public input and discuss quality, cost and overall effectiveness of Oakhurst area sewer, water and road maintenance systems as well as other related services.

Local input is being used to help inform an Oakhurst Area Municipal Service Review underway by the Madera County Local Agency Formation Commission (LAFCO), an autonomous agency outside of county government, to suggest ways to solve issues. Municipal service reviews are required periodically by state law.

Information was gathered through an electronic survey, with hand-held clickers given to those at the meeting to answer questions.

"The problem we have in Oakhurst is we are somewhere inbetween -- we are not a big urbanized area and we're definitely more than just a roadside collection of rural homes," said Dave Herb, LAFCO executive officer after the meeting. "We're starting to develop some of the issues that urbanized areas have and we're struggling with how to come up with a structure to help the community address these issues in a more efficient fashion, and trying to marry that with a very independent rural mind-set, which I totally respect."

The commission's job is only to open doors for residents in seeking possible solutions to problems -- not to cram ideas down anyone's throat, Herb said.

Results from the poll, what ranged from almost a hundred voters to about 50 near the end of the three-hour meeting, showed that a majority are interested in learning more about consolidating service providers to run more efficiently, or believe they should be consolidated. 30% voted that things are fine the way they are.

Half of the room said they believe the people of Oakhurst are ready, or may be ready in a few years, to take more local control of their public services by

electing local boards of Oakhurst residents to oversee services. The other half said they prefer the current arrangement of services.

Currently, most of the Oakhurst area's estimated 27 service providers are either run by the Madera County Board of Supervisors, with one of five seats elected by those in the Oakhurst area, or private companies.

Consolidation of public services would allow service providers to team up to tackle bigger-than-the-neighborhood issues, such as water contamination issues, or to widen the scope of services provided in an area, Herb said.

Many voiced concern that the review might be an attempt at the incorporation of Oakhurst, what LAFCO held meetings about several years ago. Herb said the review is simply a state requirement.

To implement any suggestions from the Oakhurst area review, Oakhurst voters would also have to push for and pass them, said Steve Brandt, a consultant with Quad Knopf working on the review with LAFCO.

Brandt posed some key questions to get the discussion going:

How satisfied are Oakhurst area residents with their public services? How much do residents want to do on their own, and how much do they want to do as a community?

Local agency formation commissions have been established in each of the state's counties with the charge of discouraging urban sprawl, encouraging orderly formation of local agencies and conducting special surveys to review the possibility of streamlining governmental structure and increasing cost effectiveness.

An update of the review will continue over the next couple months, and will be presented to LAFCO's five-member board of commissioners, including supervisors Tom Wheeler and Ronn Dominici, one member from Madera and Chowchilla city councils and one public member. Public input is still being taken, and the public will be able to respond to the updated review as well, Herb said.

Statewide, Madera County is second only to Los Angeles County in holding the record for the most maintenance districts, said Jerome Keene, county planner and LAFCO assistant executive director.

The majority of the Jan. 26 meeting was spent asking residents how they feel about their current levels of service. While some said they wanted to know more about the details related to the review, Brandt said questions about public satisfaction of services were being asked first in order to better steer LAFCO's review in the right direction.

One question presented was to choose the most important and least important things from a list of 10 things.

Based on the votes, the most important was providing better road maintenance, more reliable water, and overhauling area planning and zoning.

The least important included parks and recreation, street lights in community areas, and more of an ability to have sewer systems instead of septic tanks.

In overall satisfaction of services, road maintenance fared the worst, with about half stating maintenance is below satisfactory.

Water quality was a big concern for those connected to water systems, with the majority voting that water is below satisfactory. The other half of the room with private wells were asked to select "I don't know." Many with personal wells said their water quality is very good.

Those voting that water is below satisfactory said their water has higher than acceptable levels of arsenic and uranium, and that water is brown, smells like eggs and is so bad it's not drinkable -- even for the dogs.

Oakhurst area planning and zoning was also in question, with 43% below satisfied and 30% satisfied.

For those connected to sewers, the majority ranked service satisfactory or above. 67% chose "I don't know" because they have septic tanks not connected to a sewer system. Many said they are satisfied with their septic.

Solid waste disposal, police and fire services all fared well, with more than half satisfied or above satisfied with services.

Regarding whether residents were willing to pay extra fees or taxes if necessary to improve services, the room was split between not wanting to pay extra, and maybe paying extra, but needing more information first in order to decide.

Public input can be sent to [dherb@maderalafco.com](mailto:dherb@maderalafco.com) or mailed to LAFCO at 2037 W. Cleveland Ave. Madera, 93637.

A LAFCO meeting will be held at 6 p.m. Wednesday, Feb. 22 at the Resource Management Agency building in Madera.

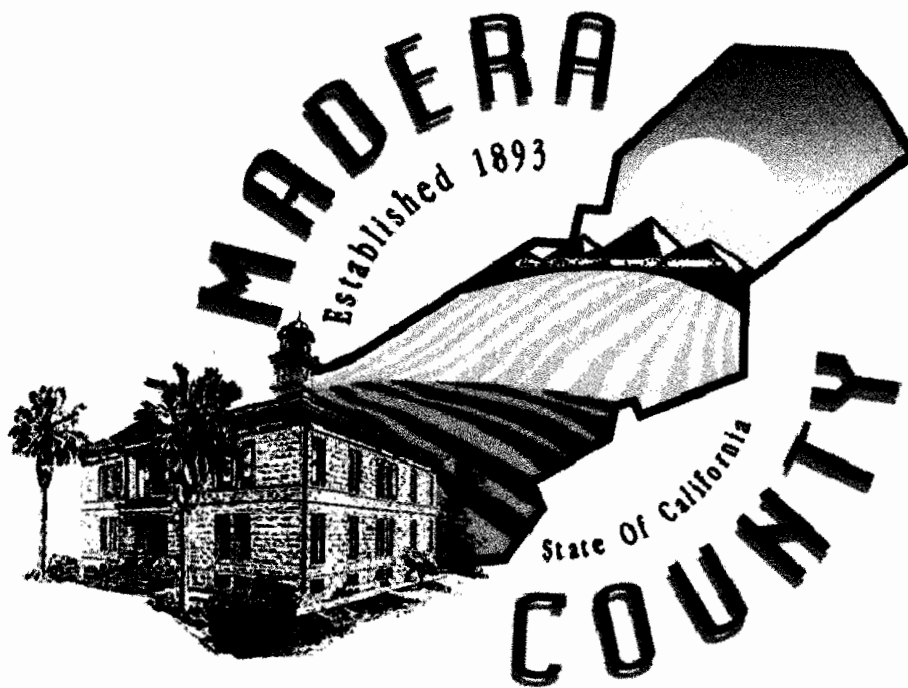
The preliminary review is available online at [madera-county.com/rma/lafco/lafco\\_agendas](http://madera-county.com/rma/lafco/lafco_agendas) and selecting "Oakhurst Municipal Service Review." Meeting minutes are planned to be posted on the LAFCO site.

**APPENDIX C – SUMMARY EXCERPT OF *GROUNDWATER CONDITIONS  
IN THE OAKHURST BASIN* (2005) SHOWING RECOMMENDATIONS**

The following excerpt is pages 83 to 88, which describes the conclusions of the report. The full 345-page document is available from Madera County Resource Management Agency.

# GROUNDWATER CONDITIONS IN THE OAKHURST BASIN

(AB 303 STUDY)



Prepared for:  
Madera County  
Madera, California

By

Ken D. Schmidt and Associates  
Groundwater Quality Consultants  
Fresno, California

November 2005



will be selected to test the varying types of surface land and rock types evident in the subdivision. The Director may require additional wells at this selection stage if he deems it necessary in order to properly evaluate the subdivision. Additional wells, after the first selection, may be permitted by the Director to further test conditions in portions of the subdivision. Wells producing 2 gpm or less after two hour air test will be considered dry for purposes of establishing suitability.

Public Supply Wells. The same procedures should be followed as for the public supply wells previously discussed.

#### RECOMMENDATIONS

Recommendations are provided related to the following:

1. Enhanced guidelines for hydrogeologic evaluations and aquifer testing for new projects.
2. Hydrogeologic siting of new water system wells.
3. Required aquifer testing for new water system wells.
4. Consideration of larger lot sizes where individual domestic wells are used.
5. Consideration of development of well spacing criteria in densely developed areas.
6. Requiring chemical and radiological testing for all new water supply wells.

7. Depth sampling for new water system wells located in groundwater quality problem areas.
8. Maximize use of poor quality groundwater for irrigation and other non-potable uses.
9. Development of additional water, including surface water and pumping groundwater in winter to storage facilities.
10. Continued groundwater monitoring program, particularly for water levels.

#### Enhanced Water Supply Evaluations

Enhanced water supply evaluations and pump testing of new wells have already been discussed.

#### Siting of New Water System Wells

Water witching is commonly used to site new water system wells, or such wells are placed adjacent to existing wells. It is recommended that certified hydrogeologists recommend where new wells would be drilled, after fully considering well interference, locations of groundwater recharge, and other factors.

#### Aquifer Testing of New Water System Wells

New water system wells should be pump tested, following procedures previously recommended for new public supply wells. Once the test is completed, the hydrogeologist should recommend an optional pumping rate, after considering drawdowns in existing wells in the

area.

#### Lot Sizes for Individual Wells

Consideration should be given to increasing the minimal lot size to five acres in the Oakhurst Basin. Also, shared wells should not be allowed for new projects.

#### Well Spacing Criteria

Well spacing criteria could be developed to govern the distance between new public supply wells and existing wells in densely populated areas. The purpose would be to decrease drawdowns in existing wells due to pumping of the new well. Aquifer test results for wells would provide estimates of aquifer parameters, which would be used in the evaluation.

#### Water Analyses for New Supply Wells

Presently, there is an overall paucity of groundwater quality data outside of regulated water systems. It is recommended that when new water supply wells are constructed, a chemical analysis and radiological analysis be required, and results submitted to Madera County. The following constituents would be determined by a California certified laboratory:

Major cations and anions

pH, TDS, and electrical conductivity

Iron, manganese, and arsenic

Alpha activity.

#### New Water System Wells and Water Quality

Evidence indicates that some problem constituents may be present at different concentrations in groundwater from fractures at different depths at the same location. It is recommended that water from individual fracture zones be isolated in a pilot hole and subjected to chemical and radiological analyses, prior to completing the well. In this manner, better quality groundwater would be tapped. Once this information is available, groundwater at problem levels could be isolated (sealed off), and better quality groundwater produced. Such a procedure has been followed for decades in groundwater quality problem areas in the San Joaquin Valley.

#### WWTF Effluent

Presently, effluent from the Oakhurst WWTF is disposed by hillside irrigation, and not beneficially used. Because of the limited groundwater resources in the Oakhurst Basin, plans should be developed to reuse all of the water possible for non-potable uses, including golf course and landscape irrigation.

#### Groundwater Monitoring

The water-level monitoring and water-level elevation mapping instituted during the AB303 program should be continued on at least

a monthly basis. In addition, water-level data from water system monitoring (such as the Hillview Water Co. systems) should be incorporated into this program.

#### SUMMARY AND CONCLUSIONS

Groundwater tapped by water-supply wells in the Oakhurst Basin is primarily present in fractured granitic rocks. Water-budget data indicate that there is a large amount of potential recharge from precipitation and streamflow in the Oakhurst Basin. Water-level elevations indicate movement of groundwater from topographically higher areas toward the Fresno River. Recharge occurs in the topographically higher areas, and groundwater discharges to pumping wells, plants, and the Fresno River in the topographically lower areas. Water-level elevations indicate that the groundwater in the lower topographic areas is hydraulically connected to streams. Relatively shallow groundwater levels are present in the winter in most wells, indicating that the basin is essentially full of groundwater. Water levels in wells, including most deep wells, respond relatively quickly to winter recharge. However, there is a limited storage space for groundwater in the hardrock. Many water system wells are clustered in relatively small areas, and thus can't effectively tap much of the groundwater that is in storage in the basin.

Groundwater quality problems in the basin are significant,

including salt water, and high uranium, iron, and manganese concentrations. In addition, the lowering of the federal MCL for arsenic will present an additional concern. The salt (high chloride) water and uranium appear to be correlated with deep fractures, manifested by linears that have been mapped from aerial photographs.

A number of recommendations are provided in this report, including:

1. Hydrogeologic siting of new public supply wells.
2. Hydrogeologic evaluations for groundwater supplies for new development.
3. Enhanced pump testing procedures for new wells.
4. Revising minimum lot sizes and procedures for shared wells, to minimize well interference.
5. Obtaining water samples for more comprehensive water analyses from new supply wells.
6. Depth sampling programs for water quality when new water system wells are constructed.
7. Reuse of effluent from the Oakhurst WWTF.
8. Developing more water, such as surface water, and evaluating groundwater management alternatives such as to pump more groundwater in the winter and store it for use in summer months.
9. Continuation of the water-level monitoring started as part of the AB 303 program.

## **APPENDIX D – CORRESPONDENCE RECEIVED**

**LAW OFFICES OF  
JAMES H. WATKINS**  
49370 Road 426, P.O. Box 1793  
Oakhurst, California 93644-1793  
E-mail: barrister@sti.net  
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June 7, 2012

Madera County Local Agency Formation Commission  
Attn: Dave Herb, Executive Officer

**RE: Oakhurst Municipal Services Review-Draft Report**

Dear Mr. Herb:

As I believe you know, I am a resident of Coarsegold, at 30790 Willow Pond Lane. However, my office is in Oakhurst and my wife and I own several commercial and rental properties in Oakhurst. I am also the Chair of the MD22A Advisory Committee.

I have attended the public meetings held at the Oakhurst Community Center on January 26, 2012, and on May 24, 2012, as well as having discussed the pending the Review extensively with you at our Maintenance District 22A Advisory Committee Meetings. I have also reviewed the Draft Report of the Oakhurst Municipal Services Review presented at the recent May 24<sup>th</sup> meeting. At that meeting, I made several comments, and I would like to expand on those in this letter.

As I stated at that recent meeting, I certainly appreciate the work that you, the Commission, and the consultant, Steve Brandt put in to this review. Having said that, my specific comments will be addressed hereafter by reference to the particularly numbered Section or Subsection captioned items of the Draft Report.

**1.2. Summary of Issues:**

In the second full paragraph of this subsection, it was stated that, "in the aftermath of the vote (the failure of the Incorporation of Oakhurst) it became Madera LAFCO's general observation that incorporation into a city was too big of a step for the Oakhurst community to take all at once, and that future attempts to reorganize the districts for greater governmental efficiency will likely take multiple, small steps over many years."

This statement combined two separate and distinct concepts which are not necessarily dependent on each other. It may be that your opinion that incorporation was "too big of a step" is correct, but it is equally possible and, in my opinion, even more likely that the failure of incorporation was largely based upon two factors; a widely held belief that incorporation was not financially practical at that time, and, secondly, a lack of community leadership in support of incorporation.



June 5, 2012  
Madera County Local Agency Formation Commission  
Attn: Dave Herb, Executive Officer  
Page 2

As has been pointed out on various occasions, it has proven extremely difficult to get active responsible leadership from the residents and registered voters of the immediate Oakhurst area. The majority of community and business leaders of Oakhurst are residents of the more general Eastern Madera County area. For example, most of the membership of the Advisory Committee for MD22A would be ineligible for an elective position, if MD22A were to be converted into an MSA.

The third full paragraph of Subsection 1.2 correctly states that there are no municipal agencies providing parks and recreation Services in Oakhurst. However, the report totally ignores the fact that there are several community park and recreational areas, e.g., the Oakhurst Community Park, the Fresno River Trail, the Oakhurst Community Center and Little League Park, Fresno Flats Historical Center and others which are supported by non-profit and community based organizations, rather than governmental agencies. There may be valid criticisms of that arrangement, yet for many people it provides a perfectly satisfactory alternative to having a municipal agency.

The report further stated that a desire was expressed by many in attendance at the January meeting for greater police, fire, and emergency medical service. However, at that meeting there was an equal if not larger group strongly opposed to any increase of taxes that might result from those greater services.

Given the current political and economic climate not only locally, but statewide and nationally, it is very clear that an in-depth analysis must be made of the financial cost for increased services and a justification for those costs presented to the public before approval of those costs can be obtained. Unfortunately, the scope of this review seems to preclude such financial analyses.

***Table 1-1:***

This table indicates that MD22 provides water supply and water distribution. This is incorrect at present and is, in fact, contradicted by Table 2-2 later in the review. It may be that this was simply a typographical error, and that the Report intended to refer to ***MD-42***.

In any event, it is correct that the Madera County Board of Supervisors did establish a Maintenance District MD22-F for the purpose of creating an entity that could explore the possibilities of acquiring the Hillview Water System by a municipal agency, but because of the apparent unwillingness for the community to tax itself for the necessary amounts to acquire the Hillview Water System and the community's relative satisfaction with the Hillview Water System at present, MD22-F Advisory Committee has been largely inactive the last several years. Consequently, the description should probably be authorized rather than ***provides***.

#### **2.4 Anticipated Services Needs.**

This subsection states that water and sewer systems will require expansion to accommodate future growth that is allowed in accordance with the Oakhurst Area Plan. However, the rate of growth in the Oakhurst Area has slowed immensely in the last several years, partially, if not primarily, caused by the economic downturn that has existed over the last five years. In predicting the future, one must always tread cautiously, but given the lack of employment opportunities, the transportation difficulties and the general political climate, it seems questionable that any large amount of growth will be occurring in the Oakhurst area in the next several years.

#### **3.2 Ground Water Quantity.**

This subsection references the 2005 study of Ken D. Schmidt and Associates. Unfortunately while that study was quite useful for many purposes, it failed to take stock of much of the records kept by the local well drillers in the Eastern Madera County Area, as well as anecdotal references. Those records, I would submit, indicate that while there is a great deal of recharge by precipitation and stream flow of the hard rock wells, the history of the last fifty years of well drilling indicates that in order to obtain adequate water for the community, the wells have had to be drilled much deeper than fifty years ago.

#### **Groundwater Quality.**

In the third subsection under 3.2, again the Schmidt report was referenced to indicate concern for the quality of the groundwater. However, it should be noted that there appears to be a much more significant concentration of uranium and other mineral elements at the deeper strata which have become more and more common in recent years. I believe the study by Ken Schmidt was inconclusive on the reasons for the increased contamination at the deeper wells, except for the possibility that there was more leaching of those minerals from the rocks at the deeper levels.

#### **6.1 Introduction:**

The final paragraph of this sub-section makes the statement, "If LAFCO were to allow the continuation of the status quo..." since most of the preceding discussion in the Report indicates that the large majority of the services are being provided by maintenance districts which are not under the purview of LAFCO I am not sure what is intended by this phrase. In other words, LAFCO can hardly prohibit the continuation of the status quo at least under current laws. While I personally believe that a certain amount of consolidation would lead to greater efficiencies, I think to attempt to impose consolidation from the "top down" rather than developing community support for such consolidation would be met with obstacles and even possible law suits. I would, therefore, strongly urge the county or any agency that might use this review as a roadmap in the future to give emphasis to generating that necessary community support for the changes.

**6.4 Determinations:**

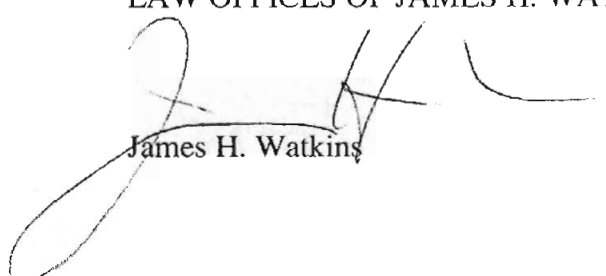
***Determination P - "Future Expansion of Community Water and Sewer Service"***

I addressed this item at the May Meeting and unfortunately did not have a satisfactory response. It would appear that the meaning of this one sentence "Determination" is that the community water and sewer services which would be primarily Hillview Water Company for water and MD22A for Sewer Service should not be extended outside the current Urban Reserved Boundaries unless and until all of the parcels within the Urban Reserved Boundary had joined in the systems. Since a great many parcels within the Urban Reserved Boundary are still on private wells or septic systems, the conclusion to be drawn is that those parcels would have to surrender their wells or septic systems, and join Hillview Water Company and/or MD22A Sewer System before those systems could be extended to other new developments. In other words, if there were to be a new development just outside the Urban Reserve Boundary, this Determination would appear to mandate that new development would have to have its own independent source of water and sewer rather than being annexed to the existing Oakhurst providers. Such a conclusion would seem to be in contradiction to the other Determinations arguing that multiple systems lead to inefficiencies. Perhaps a more detailed and clearer explanation of what is intended by this Determination P would remove this concern.

Again, I appreciate the work put into this by you and the consultant, and I thank you for your consideration of my comments.

Very truly yours,

LAW OFFICES OF JAMES H. WATKINS



James H. Watkins

From: **John Reed** <[jreed@mvpcommercial.com](mailto:jreed@mvpcommercial.com)>

Date: Sun, Jun 3, 2012 at 11:24 AM

Subject: Lafco commetnts

To: [dherb@maderalafco.com](mailto:dherb@maderalafco.com)

LAFCO wants to encourage the formation of CSAs or CSDs to provide services to replace the existing MDs. Their argument is the advantage of local control. That only applies to CSDs. Their is no advantage to the local residents of a CSA over a MD, so no change should be an option or CSD only.

The recommendation to advise the Board of Supervisors to form no more MDs seems to be an attempt to give more control to LAFCO over local operations, and add another level of governmental review to local operations. The need for such a change is not demonstrated, especially since the Board of Supervisors adopted their policy that each MD shall pay its own way. In lieu of some future CSD or City being available, the use of MDs allows development to proceed efficiently. Any future MDs should be considered only if part of their formation documents provides for joining a CSD when and if one is available.

The recommendation that LAFCO limit its approval authority of any future incorporation effort to a set of prerequisites (5 years CSD) seems unnecessary at best and punitive at worst.

The consolidation of road maintenance only MDs into a single district may have advantages, however those advantages are unclear or non-existent until and unless all the districts have agreed to a level of fee sufficient to cover their long term needs. The way it is now, any transfer (loans) between districts to cover immediate needs must come to the Board for approval. Those transfers must be tracked, and the districts repaid that loaned the money. That is a job for the Auditor. If the MDs were consolidated, and zones of benefits set up for each area with a different fee structure, then loans between Zones of Benefit would be something the Road Commissioner could approve. The responsibility for bookkeeping would fall to the Road Department, and there would be a need for oversight to protect the various well funded districts, and to protect the County from misuse of funds claims.

John R. Reed, CCIM

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**APPENDIX E – LAFCO RESOLUTION**