



LOCAL AGENCY FORMATION COMMISSION

Dave Braun, Executive Officer

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

DATE: August 28, 2024 **ITEM #4**

TO: LAFCO Commissioners

FROM:  Dave Braun, Executive Officer

SUBJECT: Greater Rio Mesa Area Municipal Service Review

SUMMARY

This is a noticed public hearing to consider the Final Greater Rio Mesa Area Municipal Service Review. At a public workshop on July 24, 2024, the Commission was presented with a Draft Municipal Service Review of the Greater Rio Mesa Area. The Commission and the public were encouraged to provide comments for staff to review and possibly incorporate into the final document. Staff believes the Final Municipal Services Review addresses the comments made at the public workshop and reflects the comprehensive views and needs of existing and futures residents within the Greater Rio Mesa Area.

BACKGROUND

The Greater Rio Mesa Area consists of approximately 37,200 acres and is located on the northerly side of the San Joaquin River on both sides of Highway 41 extending easterly to Millerton Lake. The largest concentration of residential population is located within the emerging Riverstone and Tesoro Viejo communities. The Greater Rio Mesa Area currently represents the largest growth area within Madera County.

INTRODUCTION

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

This MSR covers three county service areas, two maintenance districts, a public utility district, a public water district, and three privately-owned water companies. While LAFCO is not required to analyze private companies or maintenance districts (which are not considered special districts by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH), Madera LAFCO chose to review them to get a full picture of how services are being provided within the study area.

Below is a list of the service entities that were studied in the MSR. Each of these service entities provides one or more urban services in the Greater Rio Mesa Area except for the Sierra Foothills Public Utility District, which is currently latent.

County Service Area No. 16- Sumner Hill
County Service Area No. 19 – Rolling Hills
County Service Area No. 22- Table Mountain
Maintenance District No. 14 – Bonadelle Ranchos No. 9
Maintenance District No. 57 – Adobe
Sierra Foothills Public Utility District
Root Creek Water District
Tesoro Viejo Master Mutual Water Company
North Millerton Water Company
Bakman Water Company

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

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 Greater Rio Mesa Area. These Determinations do not initiate or approve any action. If accepted by LAFCO, they serve to guide LAFCO in the future as issues surface and requests for changes of organization are brought before LAFCO for its review and approval. These Determinations also provide the public with an explicit statement of LAFCO's position on these issues.

Population and Growth

Determination 3.1 - Based upon the existing Madera County General Plan, the Rio Mesa Area Plan, and existing and proposed development projects, the Greater Rio Mesa Area is projected

to have a population of 90,000 to 100,000 persons, approximately 33,000 residential units, and 10.5 to 11 million square feet of commercial space at build out.

Determination 3.2 - The future Rio Mesa Area will require all the typical local urban services including, but not limited to, water, sewer service, police and fire protection, parks and recreation services, street maintenance, and solid waste collection.

Determination 3.3 - Given the anticipated number of future residents, and the amount of land dedicated to commercial use, it is likely that at some point the area will be financially able to incorporate as a city.

Determination 3.4 - Prior to incorporation as a city, the most efficient government structure to effectively provide local urban services is a single, independent, multipurpose special district such as a Community Service District.

Determination 3.5 - Local voters should be given the opportunity to establish an independent special district. Future consideration of an independent district in the Greater Rio Mesa Area such as a Community Service District should require the following:

1. A minimum total population of 10,000 in the Greater Rio Mesa Area, located in several of the existing neighborhoods and proposed subareas of the planning area.
2. A detailed plan of services and the cost of desired infrastructure for the entire district and any zones of benefit.
3. An analysis of the financial viability of the proposed independent district and its services plan.

The above requirements shall be in addition to the requirements of the Cortese Knox Hertzberg Act and other applicable State law. Prior to service by an independent special district, a dependent special district governed by the County Board of Supervisors is the most appropriate form of local government for the area.

Determination 3.6 - Madera LAFCO's long-term strategy for the government structure of the Greater Rio Mesa Area is to encourage transitions from the current multiple districts to a single special district, and subsequently to an incorporated city.

County Service Area (CSA) No. 16 – Sumner Hill

Determination 4.1 – County Service Area 16 is authorized for water supply and distribution, and sewer collection and disposal services. These services are currently being provided to the developed lots within the district territory. All other service options are latent.

Determination 4.2 – County Service Area 16 rate structure is not adequate for everyday operations of its facilities. The district has more expenditure than revenues and is in a deficit of approximately \$112,000.

Determination 4.3 - As the area surrounding County Service Area 16 develops, there will be an opportunity to share the new water and sewer facilities that will be constructed with new development. The feasibility of consolidation of sewer and water facilities should be studied during the County approval process of the surrounding development projects. Annexation/Consolidation of CSA 16 with another nearby service provider will allow the sharing of costs and benefits of these municipal services.

Determination 4.4 - As the Greater Rio Mesa Area develops into an urban area, the demand for municipal services will increase within CSA 16, and there will be a need for improved police and fire protection. In addition, community facilities such as parks within the new development areas could be utilized by the District's residents. Annexation/Consolidation of CSA 16 into CSA 22 will allow the sharing of costs and benefits of these municipal services and community facilities.

County Service Area (CSA) No. 19 - Rolling Hills

Determination 5.1 - County Service Area 19 is authorized for water supply and distribution, and roadway maintenance services. Road maintenance services are currently being provided to the areas within the district territory. Water supply and distribution services are now being provided by Bakman Water Company. All other service options are latent.

Determination 5.2 - County Service Area 19 rate structure is adequate for everyday operations of its facilities.

Determination 5.3 - As the area surrounding County Service Area 19 develops, there will be an opportunity to share the new water facilities that will be constructed with new development. The feasibility of consolidation of water facilities, as well as the possible addition of sewer collection facilities, should be studied during the County approval process of surrounding development projects.

Determination 5.4 - As the Greater Rio Mesa Area develops into an urban area, the demand for municipal services will increase within CSA 19, and there will be a need for improved police and fire protection. In addition, community facilities such as parks within the new development areas could be utilized by the District's residents. Annexation of CSA 19 into CSA 22 will allow for the sharing of costs and benefits of these municipal services and community facilities:

Bakman Water Company (BWC)

Determination 6.1 – The Bakman Water Company (BWC) is a private utility that provides water to approximately 350 residents within the Rolling Hills Development.

Determination 6.2 – BWC is a privately-owned company not subject to the oversight or jurisdiction of LAFCO.

Determination 6.3 - The County shall continue to coordinate with the Bakman Water Company (BWC) to determine the best feasible method to provide consolidated services with existing agencies or creation of a community services district.

County Service Area (CSA) No. 22 – Table Mountain

Determination 7.1 - County Service Area 22 is authorized for an array of services that include water treatment and distribution, storm drain collection, sewer collection and treatment, police and fire protection, parks and recreation, among others.

Determination 7.2 - County Service Area 22 currently has three Zones of Benefits: Gunner Ranch (Zone C), Riverstone (Zone D), and Tesoro Viejo (Zone E).

Determination 7.3 - County Service Area 22 rate structure is adequate for everyday operations of its current facilities.

Determination 7.4 - As the Greater Rio Mesa Area develops, there will be an opportunity to share the infrastructure that will be constructed with new developments. The feasibility of consolidation of these facilities should be studied during the County approval process of new development projects.

Determination 7.5 - As the Greater Rio Mesa Area develops into an urban area, the demand for municipal services will increase and there will be a need for improved police and fire protection. In addition, community facilities such as parks within new development areas could be utilized by nearby district's residents. The annexation of other districts into CSA 22 will allow the sharing of costs and benefits of these municipal services and community facilities.

Tesoro Viejo Master Mutual Water Company (TVMMWC)

Determination 8.1 – The Tesoro Viejo Master Mutual Water Company (TVMMWC) is a private utility company that provides water and sewer services to the Tesoro Viejo master planned community.

Determination 8.2 – The TVMMWC is a privately-owned company not subject to the oversight or jurisdiction of LAFCO.

Determination 8.3 – The County shall continue to coordinate with the Tesoro Viejo Master Mutual Water Company (TVMMWC) to determine the best feasible method to provide consolidated services with existing agencies or creation of a community services district.

Sierra Foothills Public Utility District

Determination 9.1 – The Sierra Foothills Public Utility District (SFPUD) is authorized for water provision and distribution, sewer collection and disposal, stormwater collection, street construction and maintenance, parks and recreation facilities and maintenance, street lighting, electrical power, solid waste collection and disposal, and cable TV services.

Determination 9.2 - SFPUD is no longer providing services to the properties within its boundary. Therefore, its powers are latent.

Determination 9.3 - The District's Sphere of Influence (SOI) has been dissolved.

Determination 9.4 - The District has not exercised its powers in recent years and should be dissolved.

Root Creek Water District

Determination 10.1 - Root Creek Water District is authorized for provision of water, sewer, reclaimed water, and flood control facilities for proposed residential, commercial, and institutional developments within the District boundaries.

Determination 10.2 - Root Creek Water District's rate structure is adequate for everyday operations of its current facilities.

Determination 10.3 - According to the California Water Code, Root Creek Water District does not provide fire protection, street lighting, or landscape services. These are services provided by CSA 22, Zone of Benefit D.

Maintenance District (MD) No. 14 – Bonadelle Ranchos No. 9

Determination 11.1 - Maintenance District 14 is not a special district as defined by the Cortese-Knox-Hertzberg Act and is not subject to LAFCO jurisdiction. The District currently provides a dedicated funding source for local road maintenance within the territory.

Determination 11.2 - Maintenance District 14 rate structure is adequate for everyday operations of its current facilities.

Determination 11.3 - As the Greater Rio Mesa Area develops, there will be an opportunity to share the infrastructure that will be constructed with new developments. The feasibility of consolidation of these facilities should be studied during the County approval process of new development projects.

Determination 11.4 - As the greater Rio Mesa area develops into an urban area, the demand for municipal services will increase within MD 14, and there will be a need for improved police and fire protection. In addition, community facilities such as parks within the new development areas could be utilized by the District's residents. Annexation of MD 14 into CSA 22 will allow the sharing of costs and benefits of these municipal services and community facilities.

Maintenance District (MD) No. 57 – Adobe

Determination 12.1 - Maintenance District 57 is not a special district, as defined by the Cortese-Knox-Hertzberg Act and is not subject to LAFCO jurisdiction. The District currently provides a dedicated funding source for local road maintenance within the territory.

Determination 12.2 - Maintenance District 57 rate structure is adequate for everyday operations of its current facilities.

Determination 12.3 - As the Greater Rio Mesa Area develops, there will be an opportunity to share the infrastructure that will be constructed with new developments. The feasibility of consolidation of these facilities should be studied during the County approval process of new development projects.

Determination 12.4 - As the Greater Rio Mesa Area develops into an urban area, the demand for municipal services will increase within MD 57, and there may be a need for improved police and fire protection. Annexation into CSA 22 will allow the sharing of costs and benefits of these municipal services.

North Millerton Water Company (NMWC)

Determination 13.1 – The North Millerton Water Company (NMWC) is a private utility that provides water and sewer services to The Preserve at Millerton Lake.

Determination 13.2 – The NMWC is a privately-owned company not subject to the oversight or jurisdiction of LAFCO.

Determination 13.3 – The County shall continue to coordinate with the NMWC to determine the best feasible method to provide consolidated services with existing agencies or creation of a community services district.

RECOMMENDATION

The following actions are recommended:

- A. Make a finding pursuant to the California Environmental Quality Act (CEQA Guidelines Section 15000 et seq. and Public Resources Code Sections 21083 and 21084) that the Municipal Service Review presented in the Municipal Service Review report for the Greater Rio Mesa Area is exempt from CEQA under Section 15306 of the State CEQA Guidelines (Categorical Exemption, Information Collection, Class 6), which provides exemption for data collection, research, experimental management, and resource evaluation activities which will not result in a serious or major disturbance to an environmental resource, and that these studies are for information gathering purposes and are part of a report leading to an action which a public agency has not yet approved, adopted, or funded.
- B. Adopt the Determinations and Recommendations as presented in this Municipal Service Review as LAFCO's policy regarding special districts and municipal services in the Greater Rio Mesa Area, pursuant to California Government Code Section 56430.
- C. Adopt the attached Resolution approving the Final Municipal Service Review for the Greater Rio Mesa Area, finding that the MSR is accurate and deliberate in its evaluation of the identified services.
- D. Direct staff to conduct the follow-up actions to the recommendations contained within the Municipal Service Review.

Attachments:

- Resolution
- Greater Rio Mesa Municipal Service Review dated August 2024

BEFORE THE
MADERA LOCAL AGENCY FORMATION COMMISSION
STATE OF CALIFORNIA

In the Matter of

Resolution No. 2024-

GREATER RIO MESA AREA
MUNICIPAL SERVICE REVIEW

A RESOLUTION APPROVING
THE GREATER RIO MESA AREA
MUNICIPAL SERVICE REVIEW

WHEREAS, the Madera Local Agency Formation Commission (“Madera LAFCO”) is required, pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended, Government Code Sections 56000 et seq. (the “Act”) to periodically conduct municipal service reviews in conjunction with updating the Spheres of Influence for local governmental agencies; and

WHEREAS, the Madera LAFCO has caused a municipal service review to be prepared for the Greater Rio Mesa Area; and

WHEREAS, the Commission has received the Final Municipal Service Review for the Greater Rio Mesa Area; and

WHEREAS, The Madera LAFCO Executive Officer has recommended that the Commission adopt the Final Municipal Service Review for the Greater Rio Mesa Area; and

WHEREAS, the Commission has received and reviewed the Executive Officer’s recommendation and has itself reviewed the Municipal Service Review.

**NOW, THEREFORE, THE MADERA LOCAL AGENCY FORMATION
COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS
FOLLOWS:**

1. The Commission finds pursuant to the California Environmental Quality Act (CEQA Guidelines Section 1000 et seq. and Public Resources Code Sections 21083 and 21084) that the Municipal Service Review report for the Greater Rio Mesa Area is exempt from CEQA under Section 15306 of the State CEQA Guidelines (Categorical Exemption, Information Collection, Class 6).

2. The Commission adopts the Determinations and Recommendations as presented in this Municipal Service Review as LAFCO's policy regarding special districts and municipal services in the Greater Rio Mesa Area, pursuant to California Government Code Section 56430.

- 3.. The Commission adopts the Final Municipal Service Review for the Greater Rio Mesa Area finding that the Municipal Service Review is accurate and deliberate in its evaluation of the identified services.

4. The Commission hereby directs staff to conduct the follow-up actions to the recommendations contained within the Greater Rio Mesa Area Municipal Service Review.

The foregoing Resolution was adopted this 28th day of August 2024, by the following vote:

Chair Young Voted: _____

Chair Pro Tem Rodriguez Voted: _____

Commissioner Ahmed Voted _____

Commissioner Macaulay Voted: _____

Commissioner Poythress Voted: _____

Laura Young, Chair
Madera Local Agency Formation Commission

ATTEST:

Dave Braun, Executive Officer
Madera LAFCO

Approved as to Legal Form:

Laurie Avedisian-Favini, Legal Counsel
Madera LAFCO