
MADERA
LOCAL AGENCY FORMATION COMMISSION

CLAYTON WATER DISTRICT
MUNICIPAL SERVICE REVIEW



January 2017

CLAYTON WATER DISTRICT MUNICIPAL SERVICE REVIEW

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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, contents, and requirements of an MSR are specified in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 200 (CKH Act) and in the State of California's Local Agency Formation Commission MSR Guidelines, published in August 2003.

The CKH Act requires all Local Agency Formation Commissions (LAFCo), 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 law in order 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 or before LAFCo initiates any reorganization of the boundaries of a special district.

This MSR was initiated by the Madera Local Agency Formation Commission (Madera LAFCo) in the Fall of 2015, and is intended to provide Madera LAFCo with all necessary and relevant information related to the operation and management, as well as the change of boundaries, of the Clayton Water District (the "**District**") as a result of the detachment of Triangle T Ranch from the District.

1.2 Background

The District was formed pursuant to Division 13 of the California Water Code in the early 1980s. The District was formed to serve irrigation water to an area consisting of approximately 1,200 acres of territory located immediately adjacent to the Madera/Fresno County boundary (San Joaquin River), east of Newcomb Avenue (Township 11 South /Range 13 East) in western Madera County. The District is a landowner-voter district that was formed to:

- Provide water to the landowner(s) in the District.
- Facilitate contracting with the United States Bureau of Reclamation for delivery of water from the San Joaquin River.
- Obtain surplus waters, if any, from the San Joaquin River and the Fresno River, for use on District lands.

The District was originally formed for the purpose of contracting with the US Bureau of Reclamation for a surface water entitlement. Sometime in the mid-1980s the District attempted to secure surface water rights to serve the landowners in the territory. When this request was denied the District became inactive. It appears that the District has been inactive for over 30

years.

In the 2007 MSR for the District, the District's attorney (Arthur Godwin, Attorney at Law, Mason, Robbins Gnass & Browning) reported that the District provides groundwater for agricultural uses and distributes it to its landowners on District lands, and that the District also seeks to obtain seasonal flood waters from the San Joaquin River and the Fresno River, and to provide quality groundwater (from wells) to the landowners in the District. Lands within the District currently rely exclusively on groundwater for irrigation. As of 2016, there has been no change to these reports by the District's attorney in the 2007 MSR for the District.

While groundwater supplies within the District are adequate, conditions in the surrounding areas require the District to develop ways to maintain the quality and quantity of its water supplies for District lands. The lowering of groundwater tables in Madera County, the uncertainty regarding reliable future surface water supplies, and the operation and development of the Madera Groundwater Bank are some of the events that could affect the District's water supplies.

As of 2007, the Madera Irrigation District and several other water districts in Madera County were exploring potential opportunities for groundwater banking and groundwater recharge as a means to increase dry year supplies, improve groundwater quality, and prevent ongoing subsidence. Located adjacent to the San Joaquin River and the Sack Dam, the District is ideally situated to participate in these programs. However, as of 2016 no groundwater banking or recharge facilities have yet been planned within the Clayton Water District.

1.3 The Issue

In November 2015, LAFCO was approached by the owner of Triangle T Ranch, a 13,269.15 acre ranch within Madera County, with a request to form the Triangle T Water District encompassing the boundaries of the ranch. Currently, approximately 2,567.4 acres of the Triangle T Ranch are within the boundaries of the Clayton Water District. In order to form a new California Water District encompassing the entire Triangle T Ranch, the landowner has petitioned the Madera County Local Agency Formation Commission to detach this approximately 2,567.4 acres from the District. This MSR was required by the Madera LAFCo, because an MSR must be completed prior to or in conjunction with an update or amendment of a special district's Sphere of Influence or before LAFCo initiates any significant reorganization of the boundaries of a special district.

SECTION 2.0 Growth and Population Projections for the Affected Area

Purpose: *To evaluate service needs based on existing and anticipated growth patterns and population projections.*

The territory within Clayton Water District is not urbanized; all properties within the District are

zoned AG-40 and the District territory contains only one single-family farm. In the 2007 MSR, the District's attorney reported that the District is not going to grow in terms of population. The landowners within its boundary are committed to agriculture for the long term. As of 2016, there has been no change to this report from the District's attorney in the 2007 MSR.

Determination: The territory within Clayton Water District is not urbanized and consists of a single-family farm. The District is not going to grow in terms of population and the landowners within its boundary are committed to agriculture for the long term.

SECTION 3.0 Disadvantaged Unincorporated Communities

Purpose: *To evaluate and determine the location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.*

Disadvantaged unincorporated communities (DUCs) are defined as inhabited territory (containing 12 or more registered voters) that constitutes all or a portion of a community with an annual median household income that is less than 80 percent of the statewide annual household income (MHI). The MHI data is derived from the U.S. Census Bureau – American Community Survey 2010-2014. The State MHI for this period was \$61,489. The qualifying income for a DUC is 80% of that figure, or \$49,191.

The United States Census Bureau, based on the 2013 census, reports that most of the property within the district falls within a census tract with a median household income of \$35,238—which is below the \$49,191 threshold for a DUC. However, due to the rural nature of District and surrounding area, there are not 12 or more registered voters in any inhabited territory within the District. Since there is not 12 or more registered voters living within, or contiguous to, the District service boundary or sphere of influence, there are no disadvantaged unincorporated communities located within, or contiguous to, the District service boundary or sphere of influence.

Determination: There are no disadvantaged unincorporated communities located within, or contiguous to, the Clayton Water District service boundary or sphere of influence.

SECTION 4.0 Present and Planned Capacity of Public Facilities, Services, and Infrastructure in any Disadvantaged Unincorporated Communities

Purpose: *To determine the present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.*

There are no disadvantaged unincorporated communities located within, or contiguous to, the

District service boundary or sphere of influence. As of 2007 the District reported that the District Board meets to discuss the groundwater and surface water needs of the lands serviced by the District and that the District was exploring the feasibility of groundwater recharge opportunities within the District. As of 2016, there has been no change to this report from the District's attorney in the 2007 MSR and the District has not constructed nor participated in any groundwater recharge facilities.

Determination: There are no disadvantaged unincorporated communities located within, or contiguous to, the Clayton Water District service boundary or sphere of influence and the District has no present or planned capacity for services.

SECTION 5.0 Financial ability of the District to Provide Services

Purpose: *To determine the financial ability of the District to provide services to lands within the District after the detachment of Triangle T Ranch.*

The District's has no costs for its current operations or management and the District has no paid employees as it is currently in an inactive status. When the Board does meet, Board Members volunteer their time to study and carry out the objectives of the District, at no cost. The District has no current plans to return to active status, but if the District does return to active status and begins providing services as some point in the future, the installation, operation, and insurance costs of any infrastructure that may be installed on District lands will be financed by land assessments allocated among the remaining landowners, pro rata. The detachment of Triangle T Ranch will not affect the District's ability to provide services to lands within the District because the District is inactive and does not provide any services. There are no available financial records for the District because the district has not prepared any financial records during its extended period of inactivity.

Determination: The detachment of Triangle T Ranch will not affect the Districts financial ability to provide services; the district does not currently provide any services as it is currently in an inactive status and therefore the detachment of Triangle T Ranch will not affect the District's financial ability to provide services.

SECTION 6.0 Status of and Opportunities for Shared Facilities

Purpose: *To identify the status of any shared facilities and any opportunities for jurisdictions to share facilities and resources to create a more efficient service delivery system.*

The District's does not currently share any facilities with any other jurisdictions. All of the equipment, turn-out facilities and water conveyance facilities enjoyed by or used by the District

in terms of having water delivered to its boundaries are already in place. Future opportunities for shared facilities include potential projects undertaken by the District in conjunction with adjacent water districts to install and operate groundwater recharge facilities pursuant to Proposition 1 and/or the Sustainable Groundwater Management Act of 2014. However, currently there are no such plans and the District will remain in an inactive status.

Determination: The District's does not currently share any facilities with any other jurisdictions, and due to its inactive status, the District does not have any plans for shared facilities.

SECTION 7.0 Accountability for Community Service Needs

Purpose: *To determine the District's accountability for community service needs, including governmental structure and operational efficiencies after the detachment of Triangle T Ranch.*

In 2007 the District's attorney reported that all District landowners are involved on the Board of the District and it has 100% participation in all decisions affecting the District. However, because the District has been in an inactive status for an extended period of time, the District has not conducted a regular board meeting in many years. While the District is currently inactive, the District would be efficient if activated as it would likely have no cost for operations or management because Board Members volunteer their time to study and carry out the objective of the District, at no cost. The detachment of Triangle T Ranch would not affect the District's accountability for community service needs, because the District does not currently provide any services to the community.

Determination: The detachment of Triangle T Ranch would not affect the District's accountability for community service needs, because the District does not currently provide any services to the community.

SECTION 8.0 Any Other Matter Related to Effective or Efficient Services

Purpose *To identify any other matter related to effective or efficient service delivery, as required by commission policy.*

No additional issues have been identified.

Determination: No additional issues have been identified.

SECTION 9.0 Written Determinations for Sphere of Influence

9.1 Present and Planned Land Uses

The territory within the District is not urbanized and is entirely comprised of, and surrounded by, agricultural farm land. All properties within the District's are zoned AG-40 and the District territory contains only one single-family farm. The sole present and planned land use within the District is agricultural production. The landowners within the District are committed to agriculture for the long term.

9.2 Present and Probable Need for Public Facilities and Services

The District has no present need for public facilities as it is currently in an inactive status. The District has no probable need for public facilities as the District does not foresee a change to its inactive status.

9.3 Present Capacity of Public Facilities and Adequacy of Services

The District currently has no present capacity or service needs as it is in, and will likely remain in, an inactive status. Therefore, the present capacities of public facilities are adequate to serve the needs of those lands within the proposed sphere of influence boundaries, because the District is not performing any services or operating any public facilities.

9.4 Existence of Social or Economic Communities of Interest

As identified above, the District contains no disadvantaged unincorporated communities within, or contiguous to, the District service boundary or sphere of influence.

Review of Agency Sphere of Influence

The primary purpose in reviewing the District's Sphere of Influence (SOI) was to determine the District's boundaries and SOI if the detachment of approximately 2,567.4 acres of Triangle T Ranch is approved, and to evaluate whether this ultimate boundary is appropriate and necessary, as well as determining whether the District can feasibly provide well planned efficient services in this territory, and if the current location of the SOI (or other location) will be a benefit to residents and those that receive services from the District.

Madera LAFCo has the statutory authority and obligation to establish and adopt a sphere of influence for each city and special district within the county (Government Code Section 56425). A sphere of influence is a planning boundary outside of an agency's legal or "service" boundary that designates the agency's probable future boundary and service area. State law also requires LAFCO to review and update, as necessary, the adopted spheres of influence of agencies once

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every five years (Government Code Section 56425 (f)). Pursuant to state law, the Clayton Water District sphere of influence was reviewed in conjunction with the service review presented in this report.

Review of the District's SOI involved detailed research, involving the following resources:

- Madera County LAFCO -official agency records.
- Madera County Recorder/ Assessor records.
- Correspondence from the District's legal counsel.
- SOI maps from the District, Assessor's office, Water Resources Board.
- Personal communications with District officials.

Discussion and Findings

The precise SOI boundaries for the Clayton Water District needed to be verified because of the pending detachment of approximately 2,567.4 acres of Triangle T Ranch from the District. The actual sphere of influence boundaries after the detachment were verified using LAFCO records, with confirmation by the District (see Figure 2). The District's SOI and service boundaries (i.e., boundary of the District) are coterminous.

Recommendations

1. Adopt the "Written Determinations" for the Clayton Water District presented in this service review pursuant to California Government Code Section 56430.
2. Change the Clayton Water District boundaries and adopt the updated sphere of influence to account for the detachment of approximately 2,567.4 acres of Triangle T Ranch.

Reevaluate in five years to confirm productive activity or consider dissolution.

FIGURE 1

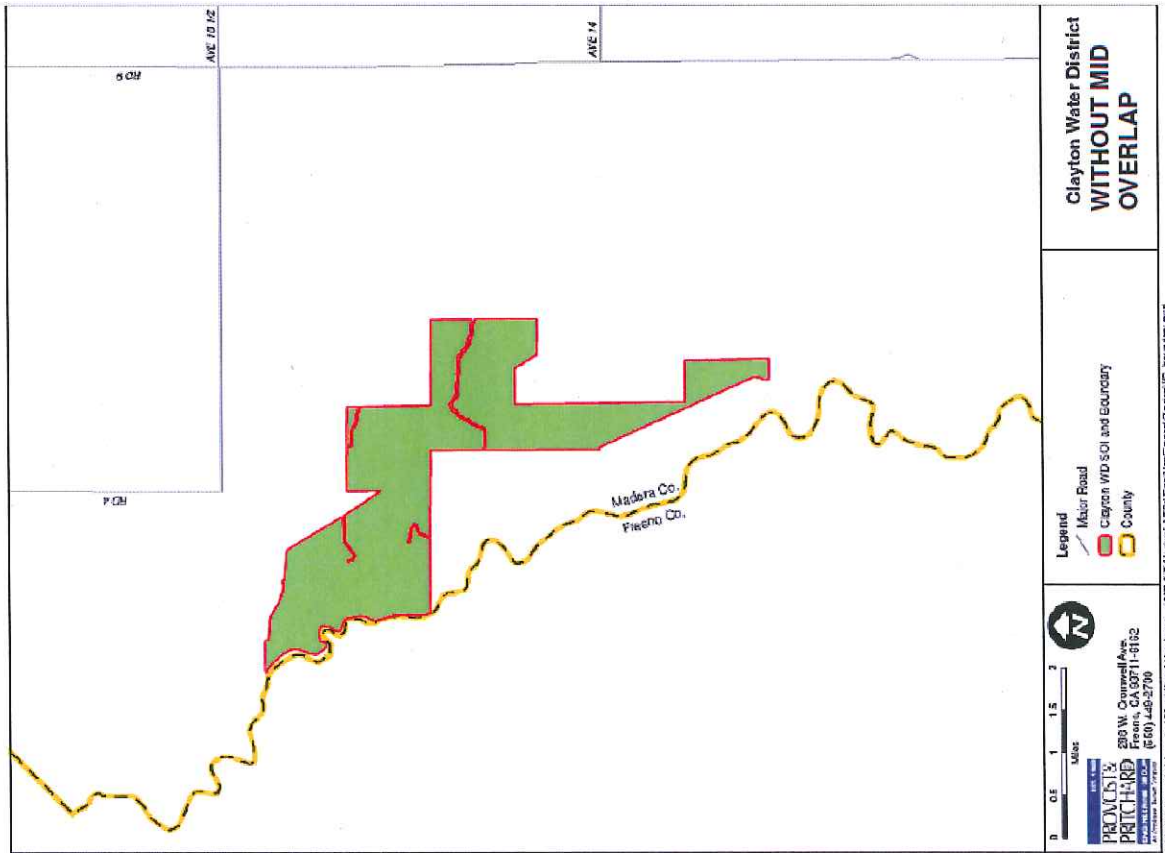


FIGURE 2

