

RIVERDALE PUBLIC UTILITY DISTRICT

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE REVISION

Report to the
Fresno Local Agency Formation Commission

MSR-18-01 / SOI-186

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RIVERDALE PUBLIC UTILITY DISTRICT

Street lighting, water, sewer, storm drainage, waste disposal, fire protection

Contact Information

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Management Information

District formation: 1935
Principal act: Public Utilities Code 15501 *et seq.* (*The Public Utility District Act*)
Special district powers: Prescribed in Public Utilities Code sections 16401-16682

LAFCo

Authorized services:¹ Street lights, water, sewer, storm drainage, solid waste disposal, and fire protection
Governing body: Five-member board of directors, elected at large (General Election / Even)
Board members:

	Elected	Expire
Effie Harrison – Da Costa	01/03/2017	12/07/2018
Tom Fitz	03/09/1993	12/08/2020
Tristan E. Mauger	02/08/1977	12/08/2020
Lorne Pine	01/03/2017	12/08/2020
Roger Harrison	12/05/2014	12/07/2018

Board meetings: Held on the first Tuesday of each month at 4:00 p.m. at Riverdale Fire Station Annex Building

Staffing: Five full-time employees

Service Information

Population served: 4,081, estimate
Acres served: 424 acres
District SOI: 534 acres
Proposed SOI Revision: add 82 acres

Infrastructure: Public water distribution system, two active groundwater wells, a wastewater collection system and a wastewater treatment plant, two fire trucks, a fire station, and an administration building

Fiscal Information

Budget: \$1,535,293
Sources of funding: Annual property taxes, utility service fees, federal and state grants, and development impact fees.
Rate structure: Fee schedule

Administrative Policies

Adopted Policies/Procedures: Yes
SOI Revision: February 14, 2018
By-laws: None
SOI formed: 1977
Other: Member of California Special Districts Association
Special District Risk Management Authority

¹ Pursuant to Government Code sec. 56425(i).

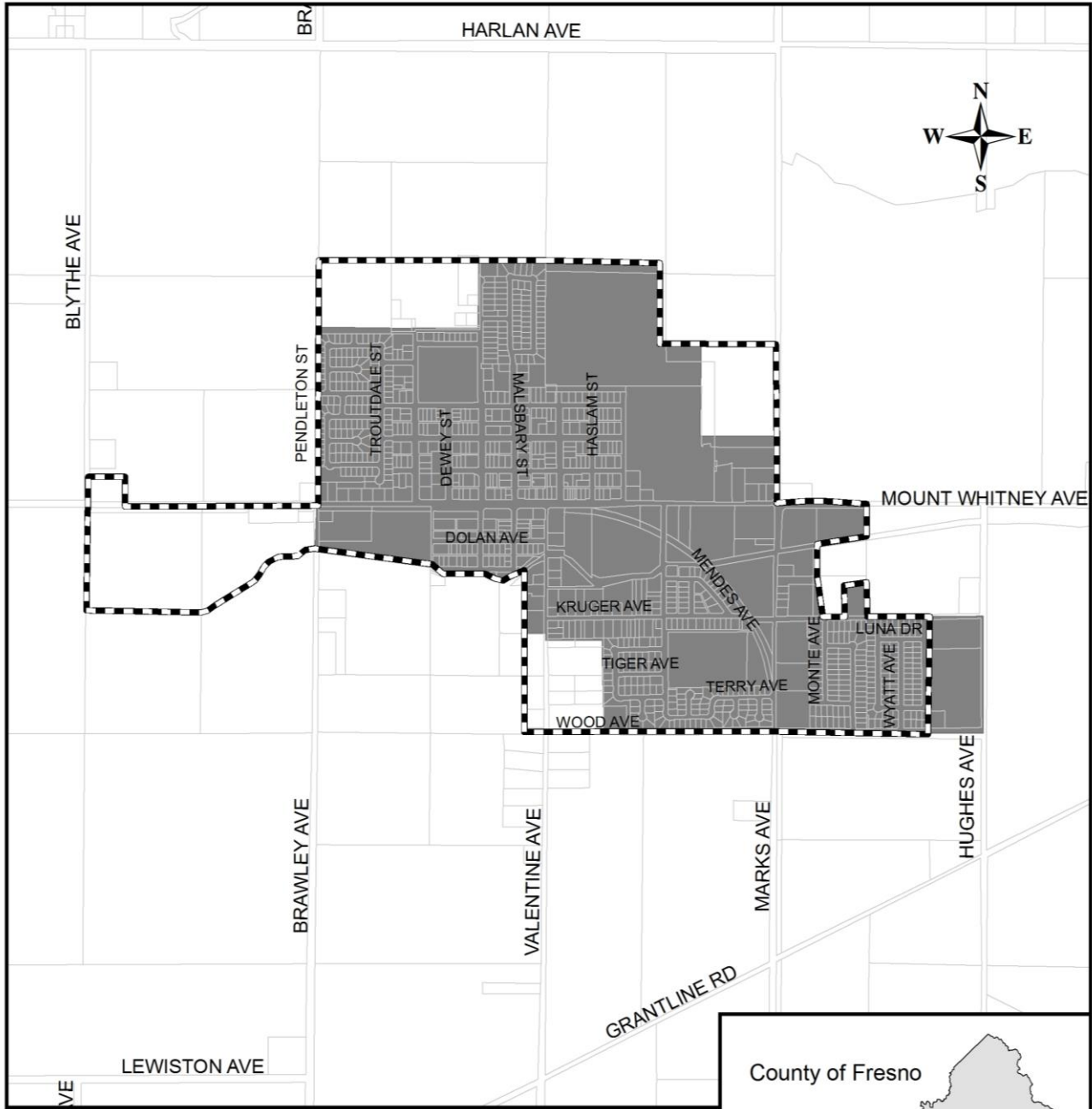
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Figure 1 – District Map

Riverdale Public Utility District

Authorized services: Street lighting, water, sewer, storm drainage, solid waste disposal, and fire protection



Fresno Local Agency Formation Commission

 District sphere of influence
 District service area

Formation: 1935
 Sphere updated: 08/22/2007
 District area: 424 acres
 Sphere area: 534 acres

Map prepared: 06/19/2017

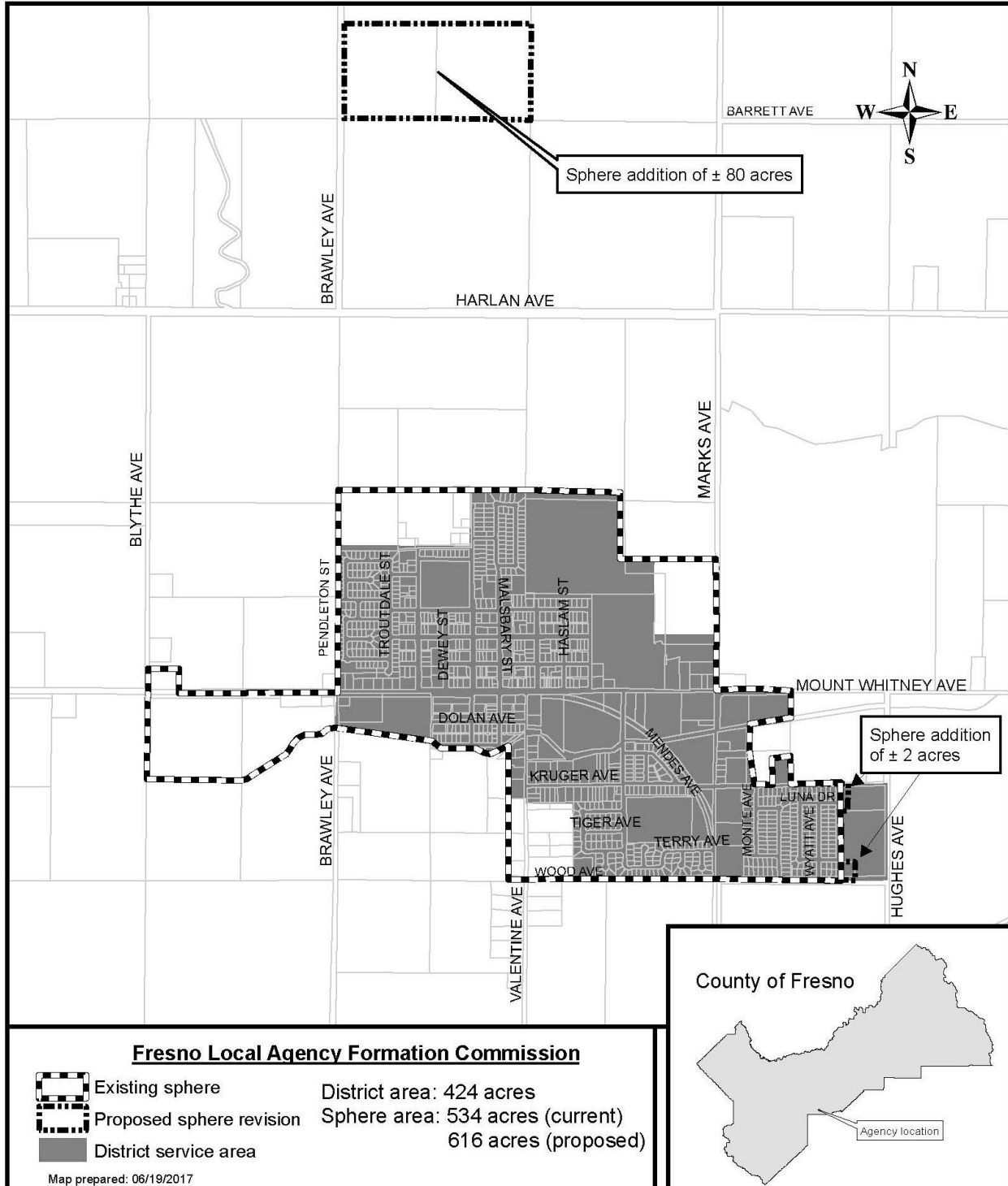


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Figure 2– Proposed SOI Revision

Proposed Sphere of Influence Revision

Riverdale Public Utility District



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1. MUNICIPAL SERVICE REVIEW

PRINCIPAL ACT

The Riverdale Public Utility District (“District”) was formed in 1935 under the Municipal Utility District Act of 1921 for the specific purpose of providing water service and wastewater service within the unincorporated community of Riverdale.

In 1951, the California Legislature adopted the Public Utilities Code, which incorporated a substantial number of previous general-purpose district enabling acts into various code sections. Since then, the Public Utility District Act of 1953 (Public Utilities Code sec. 15501 *et seq.*) governs the operation of the Riverdale Public Utility District.

The District is authorized to provide public street lighting, municipal water, sewer, storm drainage, solid waste disposal, and fire protection. The District is an independent special district governed by a five-member board of directors, and functions independently from the County of Fresno. The District is not governed by another legislative body (either a city council or a county board of supervisors). Members of the board are elected at large and eligible candidates must be a registered voter and resident within the district boundaries. Board members are responsible for exercising powers granted by statute and their independent judgement on behalf of the interests of residents, property owners, and the community as a whole.

DISTRICT SERVICE AREA

The District is located in the south central portion of Fresno County approximately 29 miles south of the City of Fresno. The District and the unincorporated community of Riverdale that it serves are located along Mt. Whitney Avenue approximately three miles west of the intersection of State Route (SR) 41 and Mt. Whitney.

The District’s jurisdictional boundaries are generally West Harlan Avenue to the north, South Pendleton Street to the west, West Wood Avenue to the south, and South Hughes to the east, as shown on **Figure 1**. The District’s service area and sphere of influence (SOI) are not coterminous: the District’s service area encompasses 424 acres, while the SOI encompasses approximately 534 acres.

Two service area anomalies were found with this MSR update. The first is an 80-acre area north of the East Barrett alignment east of South Brawley Avenue. These two 40-acre parcels (APN 053-090-36ST and 053-090-11ST) owned by the District and used for its wastewater treatment plant and treated water disposal. These parcels are neither in the District service area nor in its SOI.

The second anomaly is an 18-acre area bounded by West Kruger Avenue to the north, South Lafayette Avenue to the west, South Hughes Avenue to the east, and West Avenue to the south that is within the District service area but lies outside of its SOI.² Additional information will be provided Chapter 3 – Sphere of Influence Revision.

² SOI Revision encompasses Assessor Parcel Numbers: 055-200-06S, 055-200-07S, and 055-200-04ST.

Main roads within the community of Riverdale include Mount Whitney Avenue, South Marks Avenue, South Hayes Avenue, and South Feland Avenue.

MAPPING DISCREPANCY

During the MSR preparation, the Fresno County Assessor-Recorders Division and LAFCo learned that mapping data held by both agencies were not consistent with each other. LAFCo's 2007 MSR and District map did not include approximately 80 acres of land that was purchased by the District for its wastewater treatment plant. LAFCo records do not reflect any action taken by the commission to annex this property by (Application No. and year) recognized in the District's service area, as depicted by Fresno County Assessor-Recorders Division.

The subject territory is not contiguous to the District's service area located north of Riverdale near the East Barrett alignment east of South Brawley Avenue.³ Approximately 40 acres of the subject territory contain the District's sewer treatment facility, while the remaining 40 acres are fallow agricultural land. LAFCo observes that the two subject parcels have been in the District's ownership since 1994, however not depicted in LAFCo's 2007 maps. New LAFCo maps for this MSR now depict APNs 053-090-36ST and 11ST inside the District's SOI, and consist of public facility use.

AUTHORIZED DISTRICT SERVICES

Under Government Code (GC) section 56425(i), "when adopting, amending, or updating a sphere of influence for a special district, the commission shall establish the nature, location, and extent of any functions or classes of services provided by existing districts."

Public Utility Districts are granted powers by statute to do all things necessary to provide its residents and ratepayers with reliable utility services.⁴ Under State law, PUDs are authorized to provide public lighting, water, power, heat, transportation, telephone service, or other means of communication, or means for the disposition of garbage, sewage, or refuse matter.⁵ PUD's powers are categorized in eight sections, which are as follows: corporate powers, property, utility works and services, purchase of supplies and advertising, indebtedness and financing, receipts accounts and audits, taxation, and payments and claims against districts.⁶ In addition, PUDs could also provide or manage fire protection departments, street lighting systems, public parks, public playgrounds, golf courses, public swimming pools, public recreation buildings, and buildings to be used for public purposes.

LAFCo observes that the Riverdale Public Utility District provides the following utility services:

- public street lighting,
- municipal water,
- sewer and wastewater treatment,
- storm drainage,
- solid waste disposal, and

³ Assessor Parcel Numbers: 053-090-36ST and 053-090-11ST.

⁴ PUC sec. 16401-16682.

⁵ PUC sec. 16461.

⁶ PUC section 16401 *et. seq.*

- fire protection.

All other services, facilities, functions or powers enumerated in the District’s principal act are determined to be “latent,” meaning that though they are authorized by the principal act under which the District is formed these services are not being exercised or provided by the District at the time this service review report was prepared.⁷ Activation of these latent powers and services not currently provided by the District requires LAFCo authorization as indicated in Government Code section 56021(m).

FRESNO LAFCo MSR POLICY

A Municipal Service Review (MSR) is required in order to prepare or update a local agency’s sphere of influence.⁸ It is LAFCo’s observation that many special districts within Fresno County typically do not request or experience modifications to their service area or request an update or revisions to the Commission’s adopted SOI for the subject agency.

While the Commission is not required by law to make any changes to a SOI, the Commission may, at its discretion, opt to reaffirm, expand, delete a SOI, or approve, deny, or approve with conditions any changes of organization or reorganization impacting the governmental agency as a result of the information gathered during the MSR update process.⁹

In accordance with GC sec. 56066, Fresno County is the principal county. Fresno LAFCo is responsible for updating the SOI for the District consistent with GC sec. 56425(g). In order to update the agency’s SOI, Fresno LAFCo has prepared this service review consistent with GC sec. 56430.

DISTRICT GROWTH AND POPULATION PROJECTIONS

In this section of the MSR, demographic information gathered from the 2010-2014 US Census - American Community Survey (ACS) and land use policy documents adopted by the land use authorities, as well as, growth projection reports were used to estimate population growth within the District’s service area.

The District’s service area encompasses only unincorporated land within Fresno County. The County of Fresno is the land use authority for all territory inside the District’s service area. The Fresno County General Plan designates the majority of the land within the District as rural residential, central trading-commercial, and light manufacturing. Land outside of the District is designated for agricultural uses. Fresno County maintains the Riverdale Community Plan to guide future growth within the plan area and the District’s boundaries. Fresno County last updated the Riverdale Community Plan in 2013.

The Community of Riverdale is located approximately 29 miles south of the City of Fresno, and approximately nine miles northwest of the City of Lemoore. Riverdale is recognized as a Census

⁷ GC section 56050.5.

⁸ GC section 56430.

⁹ Fresno Local Agency Commission – Policy 107 – Municipal Service Review Policy.

Designated Place by the U.S. Census Bureau.¹⁰ According to the U.S. Census, Riverdale has a population estimate of 4,081 people and a housing stock of 960 units.¹¹

According to the 2016 Fresno County housing element the District serves 965 water and sewer connections.¹² Fresno County anticipates that the District's water and sewer systems have sufficient capacity to be expanded to accommodate future development depicted in the Fresno County housing element and the Riverdale Community Plan. The housing element site inventory estimated that the vacant land inside the existing Riverdale Community Plan could accommodate 221 new residential units, of which 154 units can be multi-family units up to 18 units per acre on C-4 and R-2 properties.¹³

The housing element also referenced the *Fresno County 2050 Growth Projection* prepared by the Fresno Council of Governments (COG) to estimate additional growth projections and housing characteristics in Fresno County. COG compiled multiple jurisdictional information about planned development projects that will drive regional growth in the short term. The study estimated growth projections for Fresno County between years 2015 and 2050, and forecasts a 0.4 percent annual population growth rate in unincorporated areas of the County outside of the 15 cities SOIs.¹⁴

Another source of information referenced in this report is the *Riverdale Joint Unified School District's (RJUSD) School Facility Fee Justification Report* for residential, commercial & industrial development projects for areas within the Riverdale Joint Unified School District's boundaries. The purpose of RJUSD's Report is to show that the school district meets pertinent requirements of State law regarding the collection of developer fees. State law authorizes school districts to charge fees on new residential and commercial/industrial developments if those developments generate additional students and cause a need for additional school facilities.¹⁵

The RJUSD currently serves over 1,600 students and operates two elementary, one high school and one continuation high school. The RJUSD report estimates 86 new residential units to be built in the District over the next five years, 2016 to 2021, based on a review of Fresno County Assessor Data.¹⁶

¹⁰ Census Designated Places (CDPs) are the statistical counterparts of incorporated places, and are delineated to provide data for settled concentrations of population that are identifiable by name but are not legally incorporated under the laws of the state in which they are located. The boundaries usually coincide with visible features and have no legal status,. There are no population size requirements for CDPs. Source:https://www.census.gov/geo/reference/gtc/gtc_place.html.

¹¹ U.S. Census, American Fact Finder – American Community Survey 5 year estimates, 2010-14, Riverdale CDP, California. Accessed, May 31, 2017.

¹² Fresno Multiple-Jurisdictional Housing Element, Adopted March 15, 2016, Appendix 2A: County of Fresno, page 2A-137.

¹³ Ibid.

¹⁴ Table 21- Projection of Total Population: Fresno County and Local Jurisdictions: 2015-2050, Fresno County 2050 Growth Projections, Fresno Council of Governments
http://www.fresnocog.org/sites/default/files/publications/RTP/2018_RTP/Fresno_COG_2050_Projections_Final_Report_050417.pdf.

¹⁵ Riverdale Joint Unified School District: July 2016, School Facility Fee Justification Report for Residential, Commercial, and Industrial Development Projects, Pg.2. Accessed September 11, 2017.

¹⁶ Ibid.

Although the school district’s boundaries are substantially larger than Riverdale PUD, planned development that will require District municipal services is anticipated to occur only within the area depicted within the Riverdale Community Plan.

The District has approximately 110 acres within its SOI that are vacant or underutilized and therefore available for future development. New development within the community of Riverdale will require land use entitlement or building permit approvals by Fresno County. New development proposals require ministerial or discretionary approval and consist of new construction, land subdivision, parcel maps. Such development proposals would also require Fresno County Public Works and Planning to prepare an analysis demonstrating the District’s capacity to extend service and consistency with the Fresno County General Plan and the Riverdale Community Plan. For new developments outside the District’s jurisdiction, LAFCo recommends the District to conduct early consultation with Fresno County Public Works and Planning and LAFCo to determine whether annexation or an amendment of the District SOI is necessary prior to the extension of new services.

According to the Fresno County General Plan, rural settlement areas surrounded by agriculture and open space have historically experienced little growth since their establishments. Substantial population growth in unincorporated communities is not anticipated.¹⁷ The Fresno County General Plan directs urban growth to the cities, the nearest of which are Kingsburg, Selma, or Fowler. The projected growth within the Riverdale PUD SOI is consistent with the Commission’s 20 to 25-year planning horizon for SOIs.

DISADVANTAGED UNINCORPORATED COMMUNITIES

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) requires LAFCo to make determinations regarding "disadvantaged unincorporated communities" ("DUCs") when considering a change of organization, reorganization, SOI expansion, and when conducting municipal service reviews.¹⁸

For any updates to a SOI of a local agency (city or special district) that provides public facilities or services related to sewer, municipal and industrial water, or structural fire protection, the Commission shall consider and prepare written determinations regarding the present and planned capacity of public facilities and adequacy of public services, and infrastructure needs or deficiencies for any disadvantaged unincorporated community within or contiguous to the SOI of a city or special district.

GC sec. 56033.5 defines a DUC as: i) all or a portion of a “disadvantaged community” as defined by sec. 79505.5 of the Water Code (territory with an annual median household income (MHI) that is less than 80 percent of the statewide annual median household income and as defined in GC sec. 56046 and WC sec. 79505.5); and a status of ii) “inhabited territory” (12 or more registered voters), as defined by GC sec. 56046, or as determined by Commission policy. Fresno LAFCo policy further refines the definition of a DUC as having at least 15 dwelling units at a density not less than one unit per acre.

¹⁷ County of Fresno, General Plan Agriculture and Land Use Element, page 2-26.

¹⁸ GC sections 56375 (a)(8)(A), section 56425(e)(5), and section 56430 (a) (2).

Geographic Information System (GIS) files were derived from the US Census Bureau's American Community Survey (ACS) compiled for the five-year period 2010-2014 to identify the demographic composition for the various census geographies. Although the ACS provides annual and three-year estimates, the five-year reports between years 2010-2014 provide more precise data and mapping information for analyzing small populations. The five-year reports are the most reliable form of information generated by the US Census bureau.¹⁹ The statewide MHI reported for years 2010 through 2014 was \$61,489. Hence, the calculated threshold for a DUC is any geographic unit with a reported MHI that is less than \$49,191. The census block group data was utilized to provide the economic and population backgrounds for this section of the MSR.

The District service area and SOI encompass various census tracts and block groups that meet the Water Code definition of Disadvantaged Communities based on reported MHI levels. In addition, the community of Riverdale satisfies at least two DUC criteria as defined by Commission policy (density and number of residences).

Riverdale is located within U.S. census tract 77.00-block group 1 and 3. According to the US census data, census tract 77.00-block group 1 had a MHI of \$44,219 and block group 3 had an MHI of \$41,321 between years 2010-2014. This area of concern meets two DUC indicators identified by Commission Policy 106, MHI threshold and at least 15 dwelling units. LAFCo presumes that, for the purpose of this MSR, the District boundaries are inhabited in the absence of a complete application filed with Fresno LAFCo.

As mentioned earlier in this report, residents inside the District boundaries receive public street lighting, municipal water, storm drainage, solid waste disposal, and fire protection from Riverdale Public Utility District. Public safety and Police protection is provided by Fresno County Sheriffs and California Highway Patrol. Fire preventions, protection, and suppression is provided by the District and Fresno County Fire Protection District, Cal Fire.

DISTRICT INFRASTRUCTURE

The District offers a number of municipal services to its customers. The District owns and operates public facilities and infrastructure necessary to provide public street lighting, municipal water, storm drainage, solid waste disposal, and fire protection. This section of the MSR will summarize the District's infrastructure and future needs.

District Administrative Offices

The District owns its administrative building located at 20986 Malsbary Street, Riverdale, Ca 93656. The District also owns a fire station adjacent to the District's office that houses firefighting personnel, equipment, machinery, and vehicles. The fire station is located at 20868 Malsbary Street, Riverdale, Ca 93656.

¹⁹ US Census Bureau, http://www.census.gov/acs/www/guidance_for_data_users/estimates/.

Public Street Lighting

The District provides public street lighting services through a contract with Pacific Gas and Electric Company (PG&E). PG&E leases streetlights, poles, fixtures, and the necessary equipment required to power the street lighting network within Riverdale to the District. The District makes a monthly payment to PG&E for the utility and maintenance bill. PG&E maintains and services all the public streetlights within the District upon request of either the District or the community residents. Street light fixtures within the District service area are fixed onto pressure treated wood posts, approximately 20 feet above ground level, and powered by overhead utility lines.

During the preparation of this report, the District informed LAFCo that approximately 130 public streetlights are leased to the District. The District informed LAFCo that PG&E is working with the District to update the existing streetlights, which consists of replacing the existing high-pressure-sodium-vapor (HPSV) bulbs with efficient, long-lasting light-emitting diode (LED) fixtures. The District anticipates that the new LED streetlights will be installed during 2018-19; no disruption to electric service is anticipated by the District.

Public Water Distribution System

The District delivers municipal water supply through a public water distribution system connected to wells dispersed throughout the District service area. The District owns the public water system that supplies water to approximately 984 water connections.²⁰ The District informed LAFCo that it currently provides water service to 19 out-of-district customers.²¹ Majority of the water connections are metered and customers billed a flat rate if users stay within the allotted water amount. The District informed LAFCo that there are a few unmetered connections that are also billed a flat rate. The District plans to install meters on all connections with the assistance of available grant funding.

The District is authorized as a domestic water supplier and regulated by the California State Water Resources Control Board, Division of Drinking Water under permit order number 03-23-17P-014.

The District owns seven wells of which two are active, two are on standby, and three wells are inactive and not in use. The District obtains its domestic water supply from two active underground water wells: Well 06 and Well 07; Well 04 and Well 05 are active but in standby due to arsenic levels above the maximum contaminant level (MCL) of 10 ppd.

The District obtains its primary groundwater supply from Well 06, which was constructed and activated in 2014. Chlorination is not provided at Well 06. Well 06 is drilled at a depth of 1,870 feet, features a 16-inch diameter steel casing to a depth of 1,860 feet. Well 06 is equipped with a vertical turbine pump rated with a 200 horsepower US motor. The maximum capacity of the pump is 1,500 gallons per minute (gpm). Estimated yield for Well 06 is 2,000 gpm based on an

²⁰ CA Drinking Water Watch, Riverdale Public Utilities District, https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=892&tinwsys_st_code=CA&wsnumber=CA1010028

²¹ District Response to LAFCo Municipal Service Review Questionnaire.

8.5-hour constant rate pumping test conducted by the State Water Resources Control Board on March 17, 2014. Well 06 is currently designed to meet the District's maximum day demand, this well directly pumps groundwater into the existing distribution system.

In addition, the District obtains groundwater supply from Well 07. The District completed construction of Well 07 and surface features in October 2017. The construction of Well 07 was funded by the State Water Resources Control Board, Division of Financial Assistance. Well 07 is located northwest of the District's service area near the intersection of Alva Avenue and Earl Street. Well 07 was drilled at a depth of 2,010 feet, and its completed depth is at 1,840 feet. Well 07 is equipped with American March model 11HCZ-7 vertical turbine pump with 150 horsepower US Motor. The maximum capacity of the pump is 1,000 gpm, the estimated yield of Well 07 was 2,000 gpm based on a 9-hour constant rate pumping test conducted by the State Water Resources Control Board on July 8, 2016. Well 07 is equipped with an emergency 500-kilowatt diesel generator as backup power supply.²²

Secondary groundwater supply is obtained from Well 05 and 04, both on standby. Well 05 was built in 2000 and equipped with a continuous chlorination facility at the wellhead. Well 05 was drilled at a depth of 510 feet, and features a 16-inch diameter stainless steel casing from 0 to 505 feet. Well 05 is equipped with a 150 horsepower variable speed drive motor that powers a water lubricated vertical turbine pump. Well 05 flow ranges from 0 and 1,200 gpm based on system demand. There are two 500 gallon double contained chemical storage tanks and an eye wash station are located at the Well 05 site. However, since Well 05 is on standby both storage tanks are not in current use, and are used on an as needed basis. Well 05 consists of a standby towable 200 KVA diesel generator and a diesel storage tank. A chlorine injection assembly and metering pump was located in and enclose to provide emergency chlorination as needed.

Well 04 was drilled in 1997 at a depth of 510 feet, and features a 16-inch diameter steel casing from 0 to 500 feet and is screened from a depth of 370 feet to 490 feet. Well 04 is equipped with a 100 horsepower variable frequency drive motor that powers a water lubricated vertical pump. Well 04 flow ranges from 0 to 1,200 gpm based on system demand. Well 04 discharges supply through a flow control valve, and is connected to the hydro-pneumatic tank located at the well five site.

Groundwater from both Wells 05 and 04 is pumped into the 15,000 gallon above ground horizontal hydro-pneumatic tank, where it is pressurized to 50 pounds per square inch before discharging into the District's water distribution system. Majority of the water distribution system consists of PVC and asbestos-cement piping ranging in diameter from 4 to 8 inches. There is some steel and cast iron pipe in the older portions of the distribution system. The distribution system contains 125 fire hydrants, one (1) dead-end and one (1) blow-off valve.

According to California Drinking Water Watch information, District Wells 01, 02, and 03 have current inactive status reports filed with the State Water Resources Control Board. The

²² Riverdale PUD 1010028, Well 07 Technical Report, November 22, 2017.

California Drinking Water Watch website does not provide additional information regarding inactive well sites.²³

The District maintains adequate separation distance between sewer and water lines on all new system connections. The District installs its water distribution pipelines in conformance with the California Waterworks Standards.²⁴ According to reports prepared by the State Water Resources Control Board, Division of Drinking Water, no water shortage or outage problems have occurred since 2016, the District's previous system inspection.

The District has an on-going improvement plan that addresses the agency's infrastructure maintenance program. The District identifies and replaces aging water mains as part of its capital improvement program. The District informed LAFCo that it regularly seeks grants that could fund necessary infrastructure improvements. The District notes that its on-going improvement plans allow for its water system to operate at adequate levels and continue providing water service to its customers. During 2015, the District upgraded its infrastructure to include two new water wells, a new water storage tank, installation of water meters, and a new lift station.

Public Sewer System

The District owns and operates a public wastewater collection system and a treatment plant located approximately 1.5 miles north of the District service area located east of South Brawley Avenue and south of West Cerini Avenue (APN 053-090-11ST). The District serves approximately 923 sewer treatment connections, including 864 residential services, 47 commercial businesses, nine churches, a library, and three schools.²⁵ There are no significant industrial land uses served by the District.

The District's wastewater treatment plant is an aerated lagoon system designed to remove biochemical oxygen demand (BOD) and suspend solids from the community's wastewater. The District's wastewater collection system is tied to three lift stations that convey wastewater from the source to the District's wastewater treatment plant. The lift station is equipped with two 420 gallons per minute submersible pumps, with room for a future third pump. Each pump is designed and sized to handle the existing peak hour flow.²⁶ The District's treatment facility consists of a comminutor, an aeration pond, and six stabilization ponds operated in series.

Sewage is collected from throughout the community in a network of gravity sewers which come together at a lift station located at the corner of Valentine and Stahem Avenues. All sewage from the community passes through the lift station through a 10-inch sewer force main. The existing force main was installed in 1958. Its condition is unknown.

²³ California Drinking Water Watch, https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=892&tinwsys_st_code=CA&counter=0.

²⁴ Waterworks Standard section 64570 - Material and Installation, and section 64572 - Water Main Separation.

²⁵ RPUD, Preliminary Engineering Report Wastewater Treatment Plant Improvement Project, January 24, 2017.

²⁶ Ibid.

Treated wastewater is disposed of on 33 acres of pasture west of the wastewater treatment plant. The District sewage disposal process is regulated by the California Environmental Protection Agency, Central Valley Regional Water Quality Control Board, Wastewater Reclamation Order No. 85-252.

The wastewater treatment facility's design capacity is 0.25 million gallons per day (mgd). The facility presently operates at approximately 0.22 mgd (average daily flow), or 88% of the treatment capacity.²⁷ The Central Valley Regional Water Quality Control Board requires planning for capacity expansion to occur when a system reaches 80% of the design capacity.

The District is in the process of updating its existing wastewater treatment facility operation permit with the Regional Water Quality Control Board, Central Region. According to the RWQCB, the District is running near capacity (0.25 mgd) and historically has had numerous violations for standing water in the land application area (disposal) and for submittal of late and/or incomplete monitoring reports to the RWQCB. In response, the District's requested permit update proposed a two-phased enlargement of the wastewater treatment facility to meet the estimated growth of the community of Riverdale. To accommodate projected growth and development, the District plans an expansion of its wastewater treatment plant to an average daily flow rate of 0.325 mgd.

According to the District's January 24, 2017 *Preliminary Engineering Report Wastewater Treatment Plant Improvement Project*, the District projected a total of 1,243 to 1,372 sewer service connections by 2035, an increase of 320 to 449 new connections.²⁸ Based on the District's estimates, the wastewater treatment plant would have capacity to add approximately 383 new home connections within a 20-year planning horizon.²⁹

The District has an on-going improvement plan that addresses the agency's wastewater treatment infrastructure needs and maintenance program. The District identifies and replaces aging sewer mains as part of its capital improvement program. At the time this report was prepared, the District completed various improvements that updated the sewer treatment process and conveyance systems. The treatment facility improvements enable the District to continue providing sewer treatment services within the community of Riverdale.

Storm Drainage System

The District maintains the storm drainage system within the community of Riverdale. The District informed LAFCo that maintenance of the storm drainage system is relatively low maintenance. Similar to the water and wastewater collection systems, the District's storm water collection system relies on natural topographic drainage ways connected to piping located under existing developed areas. The storm drain facilities are designed to carry flows from the paved portions of the District and convey the storm water runoff to the District's wastewater

²⁷ RPUD, Preliminary Engineering Report Wastewater Treatment Plant Improvement Project, January 24, 2017.

²⁸ Ibid.

²⁹ Based on California Department of Finance, report P-1 (total population) state and county population projections, 2010-2060 (December 2014) estimated average growth rate for Fresno County over 20 years is approximately 1.5 %.

treatment facility for treatment. The District informed LAFCo that the storm drainage system is expanded with each new approved development within the District.

Solid Waste Service

The District provides solid waste collection services through a contract with Waste Connections doing business as Riverdale Allied Disposal. Solid waste pick up is performed once per week and consists of solid waste refuse, yard waste and recyclables. Solid waste is transferred to the Cedar Avenue Recycling and Transfer station located at 3457 S. Cedar Avenue in Fresno. The District's solid waste customers are primarily residential and incidental commercial customers.

Fire Protection Service

Fire protection within the community of Riverdale is provided by a Riverdale volunteer fire company. The volunteer firefighters are not direct employees of the District but are assigned to operate the District's fire company. The District's fire station houses two fire trucks, its training facility, and a residential unit available for volunteer firefighters. The District also shares and leases a portion of the facility to American Ambulance.

The District is surrounded by—but not within the jurisdiction of—the Fresno County Fire Protection District (FCFPD), though it has an automatic aid agreement and an emergency dispatch agreement with the FCFPD. The automatic aid agreement allows both agencies to provide mutual support outside of their boundaries in case of a major emergency.³⁰ The emergency dispatch agreement enables FCFPD to receive all emergency calls, and dispatch the appropriate agency to the reported emergency.

The District's volunteer fire company consists of 18 volunteers, several of whom are tasked with various responsibilities within the company. The District generally has three to five volunteers on call and available for emergency response at any given time. Volunteers not scheduled for duty are not typically on-call, unless there is a critical emergency. District volunteers average 20-35 hours of service per month depending on their availability and commitment to serve within the community.

The District requires that each volunteer continue their emergency response education by attending fire protection and prevention training activities. The District appears to assume that its firefighters are all up-to-date with training requirements, adhere to training standards, and are familiar with the industries best practices. However, during the preparation of this MSR, LAFCo could not determine whether the District monitored its volunteers' training requirements nor whether the fire company was organized pursuant to Health and Safety Code sec. 14825 *et seq.*³¹

In an effort to learn about training information, LAFCo staff contacted the chief of the FCFPD to enquire about training opportunities within the Fresno County area. Chief Mark Johnson

³⁰ Fresno County Fire Protection District, Riverdale Dispatch Agreement, <https://www.fresnocountyfire.org/wp-content/uploads/2017/06/BP-Riverdale-Dispatch-Agreement.pdf>. Accessed September 29, 2017.

³¹ Fire Companies in Unincorporated Towns – Organization, Powers and Duties, Exemptions.

informed LAFCo that FCFPD/Cal Fire regularly conduct training events, and invites all local firefighting personnel to attend the various training courses. Upcoming training courses are noticed on the FCFPD's website, and courses are primarily held at the Mid Valley Regional Fire Training Center.³²

During the MSR process, LAFCo could not determine the District's most recent Insurance Service Office (ISO) rating, which is issued through the Public Protection Classification (PPC) Program, Fire Suppression Rating Schedule.³³ ISO collects information on municipal fire-protection efforts in communities throughout the United States. In each of those communities, ISO analyzes the relevant data using the Fire Suppression Rating Schedule (FSRS). The PPC Program assigns a Public Protection Classification from 1 to 10. Class 1 generally represents superior property fire protection, and Class 10 indicates that the area's fire-suppression program does not meet ISO's minimum criteria.

Before a community can receive an ISO Public Protection Classification, the community must have at least have the following items in place:

- one fire chief;
- at least four firefighters respond on the initial alarm to all reported structure fires, one of the four may be the chief;
- fire department must conduct training for active members at least 3 hours every 3 months;
- communication facilities and arrangements must operate without delay; and
- department must have at least one fire apparatus meeting the general criteria of National Fire Protection Association (NFPA) 1901, Standard for Automotive Fire Apparatus

Based on the lack of fire protection information, LAFCo could not determine the District's ISO status, average emergency response time, or whether District meets the minimum facilities and practices criteria per the PPC rating program.³⁴

DISTRICT FINANCES

This section of the MSR includes financial information provided by District management. The District provided financial data to LAFCo to determine if the District has sufficient revenues and financial systems to continue its provision of services to its customers. The following information and analysis is based on the district independents auditors report and supportive documents made available by the District.

The District prepares and adopts an annual budget for all of its funds on or before July 1st of each year. The Special Revenue Fund budget is presented on the modified accrual basis consistent with generally accepted accounting principles ("GAAP"). According to the Audit, the District accounts are organized on the basis of fund accounting, and it utilizes a "general fund" structure for its appropriations. Under fund accounting, different types of District operations

³² Fresno County Fire Protection District, Training, <https://www.midvalleyregionalfiretrainingcenter.org/>

³³ ISO Mitigation, PPC Program, <https://www.isomitigation.com/ppc/iso-s-public-protection-classification-ppc-program.html>

³⁴ <https://www.isomitigation.com/fsrs/minimum-facilities-and-practices-to-get-a-ppc-rating.html>

are accounted for in different funds, each with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures as appropriate by each service provided.

The District's budget projects anticipated revenues and expenditures using detailed line items for the upcoming year. Once a budget is adopted by the board, it can only be amended by action of the District's board. All budget appropriations lapse at the end of the fiscal year.

The District's primary source of revenue is water and sewer user fees charged to all District customers. The District also collects revenues from annual property taxes charged to all parcels within the District. Additionally, the District receives its share the 1% property tax based on its pre-Proposition 13 level of taxation through the Fresno County Auditor-Controller/Treasurer-Tax Collector. The District also levies annual tax assessments for its public lighting system and fire protection. At the time this service review was prepared, the District showed its total operating revenues greater than its anticipated total operating expenditures. The District reported to LAFCo that it has debt, which will be described later in this section.

The District provided LAFCo a copy of its independent auditor's report for the Fiscal Year (FY) ending June 30, 2014. The District's financial audit was reviewed to determine the District's fiscal status, assess financial practices, and review pertinent management findings.

During FY 2013-14, the District's total revenue amounted to \$1,535,293. Of which approximately \$1,118,240 was generated from customer service fees, \$286,451 from state grants and contributions, \$126,422 from annual property taxes, and \$4,080 from investment earnings.

During the same year, the District's total expenditures amounted to \$1,107,847. The auditor's report indicates that the following figures represent the expenditures for each type of District service:

- \$94,482 - fire protection
- \$31,574 - public street lighting
- \$543,434 - water
- \$229,292 - sewer
- \$197,716 - solid waste.
- The District paid approximately \$11,349 of interest from its long-term debt.

According to the District financial statements, the District does not have an investment policy that contains limitations on the amount of money that can be invested in any one issuer beyond what is that stipulated in California Government Code. The District had a money market account in the amount of \$1,073,218 that represents more than 5% of total District investments as of June 30, 2014.

The District voluntarily participates in the Fresno County and the State of California Local Agency Investment Fund that is regulated by California Government Code under the oversight of the State office of the Treasury Oversight Committee. As of June 30, 2014, the District's balance in the Fresno County and California Local Agency Investment Fund was \$6,775 and \$37,715, respectively.

As of the end of June 2014, the District showed over \$2,404,563 in cash within its various bank accounts, Bank of the West, Rabo Bank, Rabo Bank Money Market, Fresno County Treasurer, and California Local Agency Investment Fund.

At the end of June 30, 2014, the District secured a federal loan for the new construction of Well 06 in the amount of \$1,477,000. During the same year, the District also secured a federal grant in the amount of \$383,000, of which \$182,675 was received by the District at the end of June 30, 2014.

The District has two long-term loans, and the District is making a good faith effort to repay its debt. According to the auditor's report, the District has one \$164,465 with a 7.73% per annum interest rate through March 2031. The District has a monthly payment of \$1,466 that goes toward the loan. The District's second loan amounts to \$1,457,000, which was borrowed to perform various water system improvements. The District has a loan repayment plan with the United States Department of Agriculture, due in annual installments of \$20,000 to \$54,000 plus interest due semiannually at 2.125% per annum. The District's overall long-term debt amounts to \$1,590,107.

The District has user rates for each of the services provided to its constituents. The District charges its users \$14.25 per month for solid waste disposal, \$12.10 for residential wastewater, and \$16.15 for residential water, and street lighting is financed through a \$14.70 property tax assessment. New connection fees are charged as Development Impact Fees on any new approved development within the District. The impact fee accounts for the increased costs for expansion of facilities to provide service. The Development Impact Fees are annually reviewed and when necessary are updated to adequately finance the expansion of existing facilities and to finance new facilities.

At the time this service review update was prepared, the District appeared to have the necessary financial resources to fund its ongoing operation costs. Based on available financial information, the District is financially sound and demonstrates characteristics an agency that appropriately monitors its finances and adjust rates when the District board deems it necessary.

PUBLIC FACILITIES, OPPORTUNITIES FOR SHARED FACILITIES

This section of the MSR considers the use of shared facilities, and their potential to offset costs or promote greater efficiency in provision of services within the region.

Shared Facilities – Fire Station

The District benefits from its shared facilities with American Ambulance. The District leases one of the fire company's bays to American Ambulance for storage of an ambulance that primarily serves the rural areas of south central Fresno County. The adjacent residential facility is also shared with American Ambulance, and is available for EMS personnel to use as its rural standby station.

Shared Facilities – Wastewater Collection and Treatment

The 2013 California Department of Water Resources *Disadvantaged Communities Pilot Project Study*³⁵ determined that an issue of concern in western Fresno County communities was the lack of wastewater collection and treatment systems. The *Pilot Study* noted problems with residential wastewater disposal in the unincorporated community of Lanare, 3.5 miles west of the District and the community of Riverdale. Lanare residents rely on individual septic systems for wastewater treatment. The *Pilot Study* noted that the community of Lanare currently relies on individual septic systems for wastewater treatment. There have been several reported septic system failures and possible sewage overflows, creating a potential public health concern in the community of Lanare. A secondary concern is groundwater quality. Groundwater is the sole source of water supply for Lanare and other nearby communities, and is therefore a critical resource to protect.³⁶

The *Pilot Study* presented three alternative solutions for Lanare’s wastewater problems:

- develop a Lanare Collection System that would interconnect directly to Riverdale PUD’s wastewater treatment facility,
- develop a Lanare Collection System that would connect to Riverdale PUD’s collection system near Mount Whitney and Valentine Avenues, or
- construct a Wastewater Treatment Plant for Lanare.

LAFCo notes that the *Pilot Study* did not conclude with a definitive alternative scenario recommendation, nor did it conduct further feasibility, engineering, or cost studies. Nevertheless, the *Pilot Study* anticipated that 150 connections in Lanare would need a capacity of 0.053 million gallons per day (MGD).³⁷ The *Pilot Study’s* estimated capacity numbers for Lanare uses the existing wastewater production trends of Riverdale PUD and suggested that two of the three alternatives would require an expansion of Riverdale PUD’s existing wastewater treatment plant.

The *Pilot Study’s* preliminary engineering and technical analysis was performed as a foundation for a later grant application to be prepared by either the Lanare CSD or Riverdale PUD to fund a more thorough feasibility study with the Kings Basin Water Authority via Integrated Regional Water Management Plan. LAFCo notes that at the time of this report Self-Help Enterprises is assisting the Lanare CSD to prepare a grant application to fund an evaluation of the three alternatives presented in the *Pilot Study*.

According to the State Regional Water Quality Control Board, the District is in the process of updating its existing wastewater treatment facility-operating permit with the RWQCB, Central Region. However, the District’s 2017 capacity engineering analysis filed with the RWQCB does not address connecting Lanare to the RPUD system.³⁸

³⁵ California Department of Water Resources, Division of Integrated Regional Water Management, Kings Basin Water Authority, *Disadvantaged Community Pilot Project Study*, August 2013. http://www.water.ca.gov/irwm/grants/docs/p1DACinvolvement/Reports_Studies/KingsBasinDACPilotProjectStudy.pdf.

³⁶Ibid, page 81.

³⁷ Ibid.

³⁸ State Regional Water Quality Control Board, Engineer Geologist, Electronic Email. September 29, 2017.

Shared Facilities – Public Water System

During the preparation of this service review, LAFCo learned that the State Water Resources Control Board (State) requested that the District consider taking on the managerial responsibility of Lanare CSD's public water system. The following narrative summarizes the issues associated with the Lanare CSD water system, elaborates on the State's request and explores potential opportunities for possible staff augmentation between Riverdale PUD and Lanare CSD.

Lanare CSD provides water to approximately 150 water connections, approximately 21 parcels outside of the Lanare CSD SOI are served without authorization from LAFCo. In August 2010, a Fresno County Superior Court judge placed Lanare CSD's public water system in receivership by petition from California Department of Public Health, Drinking Water Program. Department of Public Health cited that Lanare CSD had multiple administrative violations, including but not limited to, unreliable drinking water supply, water reported elevated arsenic levels, selling municipal water for irrigation use, and frequent reported water outages. Lanare CSD's public water system has since been managed by several private utility companies. Since 2013, California Water Services - Tito Balling Inc., has been the Court-appointed receiver assigned to Lanare CSD. LAFCo anticipates that the receiver's contract could terminate by mid-late 2018, and the State is in search for a new receiver whether it is a private company or, based on its proximity to the Lanare CSD, the Riverdale PUD, the nearest existing water service provider near the community of Lanare.

LAFCo observes that Lanare CSD's receivership status was planned to be an interim action to allow Lanare CSD to correct its administrative practices, or for the State to find a permanent solution to the lack of management of the Lanare CSD public water system.

While in receivership, several State-funded projects have been completed to improve Lanare CSD's water quality. The State has funded the construction and completion of two new wells and the installation of a new public water distribution system to serve the community of Lanare. During this time, the current receiver has informed the State and Court of its intent to request cancellation its relationship with Lanare CSD.

The Court's decision whether or not to dismiss the receivership and return the public water system to Lanare CSD will rely on a credible record of Technical, Managerial, and Financial (TMF) capacity demonstrated by Lanare CSD. In early 2016, the State began funding TMF training courses provide by Self-Help Enterprises so that Lanare CSD board members can build up the TMF capacity needed in order to retain its public water system. As of November 2017, Lanare CSD has not demonstrated credible progress that assures and demonstrates its ability to oversee a public water system in compliance with State regulations.

Riverdale PUD is the nearest agency to Lanare with a similar public water system; as such, the State is considering Riverdale PUD as the most feasible entity to replace the existing Court-appointed receiver. Under this consideration, the District informed LAFCo that the State and Riverdale PUD would need to assess and develop agreeable conditions to safeguard Riverdale PUD from becoming the permanent water receivership of the Lanare CSD water system.

LAFCo notes that the overarching variable in the fate of the Lanare public water supply hinges on Lanare CSD's ability to meet the operational standards set forth by the State.

Under one potential scenario, the District could provide administrative and technical staff for the day-to-day management and operation of the Lanare CSD public water system in compliance with State water regulations. Consultation with the Riverdale PUD indicates that a potential memorandum of understanding between the State, Lanare CSD, and Riverdale PUD would need to be drafted with terms and conditions that are acceptable to these parties. The Riverdale PUD General Manager informed LAFCo that the District board does not support this scenario if it would burden the Riverdale rate-payers or impact the District's operation.

Nonetheless, the District General Manager informed LAFCo that he has received preliminary operation-financial estimates, and the District is in process to identify existing and potential future costs to the Riverdale PUD to manage Lanare CSD's public water system.³⁹ The District informed LAFCo that the preliminary operation-financial estimates assist the District project operation and management costs, water line shut offs, water system inspection costs, administrative billing and accounting time, bookkeeping costs, metering system and maintenance costs, emergency repairs, anticipated revenues and development impact fees.

On November 7, 2017, the Riverdale PUD board of directors received a presentation from the State regarding Lanare CSD's receivership status and managerial consolidation options. However, Riverdale PUD board of directors have not made a formal decision regarding Lanare CSD.⁴⁰ As of the preparation of this service review, the District has made no formal decision, action, or recommendation.

Local Agency Boundary Overlaps

The District service area overlaps with the following of special districts:

- Kings River Conservation District
- Riverdale Irrigation District
- Riverdale Memorial District
- Consolidated Mosquito Abatement District
- West Fresno County Red Scale District
- Oak Grove Cemetery District
- Riverdale Memorial
- County Service Area 35BL (Road Maintenance)
- County Service Area 35BJ(Road Maintenance)
- County Service Area 35CN (Road Maintenance)
- County Service Area 35AF (Road Maintenance)

GOVERNMENT ACCOUNTABILITY

This section of the MSR considers various topics, such as compliance with state disclosure laws, the Brown Act, public participation, i.e. open meetings, accessible staff, election processes, and

³⁹ Vincent Romero, GM Riverdale PUD telephone communication with LAFCo, December 20, 2017

⁴⁰ Vincent Romero, GM Riverdale PUD telephone communication with LAFCo, November 15, 2017

the agency's governing structure. Additionally, this section of the MSR considers the agency's level of participation with the Commission's MSR program.

Public Utilities Code, section 15951 *et seq.* requires each public utility district to establish its own internal organization controls. Furthermore, PUC sections 15951-16196 outlines the PUDs election process, terms and compensation of directors, powers and duties of directors, board meetings and legislation, and officer roles.

The District is an independent special district with its separate board of directors, not governed by other legislative bodies (either a city council or a county board of supervisors). A body of five elected officials serves as the governing body of the District. The five members of the board are elected at-large by voters within the District boundaries to four-year terms or until their successor qualifies and takes office. All five District board seats are filled, two are set to expire late 2018, and three are set to expire late 2020. Active District board members receive a \$75.00 per diem for each board meeting attended.

The board of directors creates District policy by adopting resolutions and ordinances through duly-noticed public meetings. The District board meets on the first Tuesday of each month at 4:00 p.m. in the Fire Station Annex Building, located at 20868 Malsbary Street, Riverdale, Ca 93656. Meetings are noticed consistent with Brown Act requirements, which include postings in public places, such as the District office and the Fire Station. Public notices and agendas are displayed outside of the District office at least 72 hours before each meeting. District board meetings are open to the public and residents are invited to attend the monthly board meetings. Opportunity to address the District board on items not on the agenda is provided on each meeting agenda. If a public member desires to present to the board, the person is encourage to contact the District General Manager in advance.

The District informed LAFCo that board members are familiar with the Brown Act, and each director is provided a hard copy of the Brown Act. Each board member and District officer receives bi-annual training on the Brown Act and the Fair Political Practices Commission (FPPC). The District board members are encouraged to attend Brown Act and FPPC trainings provided by either California Special District Association, or any other certified agency or firm.

The District informed LAFCo that it recently unveiled an official District website, at <http://www.riverdalepublicutilitydistrict.com>. The District's website provides general district information, water information, special events, drought information, and bill paying options. The District plans to post additional District information such as District Board meeting agendas, hearing information, and local news items.

The District has one appointed full-time General Manager responsible for the daily operations of the District, and he/she is assisted by five full-time employees, and 18 volunteer firefighters. The District's office is open to the public Monday through Friday, 8:00 a.m. to 5:00 p.m. and closed during the noon lunch hour. The District's office assistant is available to handle customer questions, billing questions, service requests, and concerns in person.

The General Manager is responsible for the overall operation of the District, including oversight of the water, wastewater, storm drainage and street lighting systems. The General Manager is assisted by three facility maintenance operators and one office assistant. The General Manager

oversees and receives regular maintenance reports on scheduled water, wastewater, and street light facilities assessments. The General Manager also prepares the annual District budget and is responsible for financial accounts, billing books, and payroll.

The District is a member of the California Special Districts Association (CSDA) and the California Special Districts Risk Management Authority (SDRMA). The CSDA is the association that provides a strong voice for all independent special districts in the State by promoting legislative representation, educational resources, and special district support and collaboration. The SDRMA is a public agency formed under California GC section 6500 et seq. and provides a full-service risk management program for California's local governments. SDRMA provides local agencies with comprehensive coverage protection for workers' compensation, general liability, public officials errors and omissions, employment practices liability, auto, property, boiler and machinery, mobile equipment and crime and fidelity coverage. In addition, SDRMA provide local agencies with access to a health benefits program including medical, dental, vision, and life.

The District's government structure is appropriate to ensure adequate services are provided and managed. At the time preparing this MSR, the District's government structure appears to be adequately structured, operates, and fulfills its role as a services provider within the Riverdale Community.

ANY OTHER MATTERS RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY

Sustainable Groundwater Management Act

The District's service area, facilities and underground wells are solely within the North Fork Kings Groundwater Sustainability Agency (NFGSA).⁴¹ The District informed LAFCo that it participates in groundwater recharge programs, and has entered into a participation agreements with NFKGSA. Under State statute, a GSA is responsible for developing and implementing a groundwater sustainable plan (GSP) to meet the sustainability goal of the basin to ensure that it is operated within its sustainable yield, without causing undesirable results.⁴² As such, LAFCo anticipates that within the next five years the local GSAs will work with all Local Agency's that rely on groundwater pumping to establish recharge programs to offset and balance groundwater usage within the groundwater table.

The NFKGSA was created through California special act legislation (SB 564 Canella) for the specific purpose of implementing sustainable management. The NFKGSA is comprised of Clark's Fork Reclamation District, Laguna Irrigation District, Upper San Jose Water Company, Laton Community Services District, Riverdale Public Utility District, Lanare Community Services District, Crescent Canal Company, Stinson Canal and Irrigation Company, Riverdale Irrigation Company, Reed Ditch Company, Liberty Mill Race Company, Burrel Ditch Company, Liberty Water District, Liberty Canal Company.

⁴¹ California Department of Water Resources, SGMA Portal, <http://sgma.water.ca.gov/portal/gsa/print/211>.

⁴² California Department of Water Resources, SGM Sustainable Groundwater Management, <http://www.water.ca.gov/groundwater/sgm/gsa.cfm>.

2. MSR DETERMINATIONS

This portion of the report addresses the factors specified in the governing statute for Municipal Service Reviews and provides analysis in conformance with GC section 56425 and Fresno LAFCo policy. Pursuant to GC section 56430, the Commission has prepared the following written determinations.

1. GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

- The unincorporated community of Riverdale served by the District is located along Mount Whitney Avenue approximately three miles west of the State Route (SR) 41 and Mt. Whitney intersection.
- The County of Fresno is the land use authority for all territory inside the District's service area. Fresno County maintains the Riverdale Community Plan to guide future growth within the plan area and the District's boundaries.
- According to the U.S. Census, Riverdale has a population estimate of 4,081 people and a housing stock of 960 units.
- The Fresno County 2050 Growth Projection prepared by the Fresno Council of Governments estimated growth projections for Fresno County between years 2015 and 2050, and forecasted a 0.4 percent annual population growth rate in unincorporated areas of the County outside of the 15 cities' SOIs.
- The California Department of Finance, estimated average growth rate for Fresno County over 20 years is approximately 1.5 %.
- Communication with the District indicates that it has no plans annex land into the District. LAFCo expects that District growth will occur through private or market driven development interest.
- The District's service area and sphere of influence (SOI) are not coterminous. The District's service area encompasses 424 acres, while the SOI encompasses approximately 534 acres.
- The District has approximately 110 acres identified within the District's SOI available for future development. New development within the community of Riverdale would require land use entitlement or building permit approvals by the Fresno County Planning Commission and/or Fresno County Board of Supervisors.
- The 2016 Fresno County housing element the District serves 965 water and sewer connections. Fresno County anticipates that the District's water and sewer systems have sufficient capacity to be expanded to accommodate future development, per the Fresno County housing element.

- Riverdale Community Plan could accommodate 221 new residential units, of which 154 units can be multi-family units up to 18 units per acre on C-4 and R-2 properties.

2. THE LOCATION OF AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITY WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE

- The community of Riverdale satisfies at least two DUC criteria as defined by Commission policy. Riverdale is located within U.S. census tract 77.00-block group 1 and 3. According to the US census data, census tract 77.00-block group 1 had a MHI of \$44,219 and block group 3 had an MHI of \$41,321 between years 2010-2014.
- Residents inside the District boundaries are receive public street lighting, municipal water, storm drainage, solid waste disposal, and fire protection from Riverdale Public Utility District.
- Public safety and Police protection is provided by Fresno County Sheriffs and California Highway Patrol. Fire preventions, protection, and suppression is provided by the District and Fresno County Fire Protection District, Cal Fire.

3. PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND INFRASTRUCTURE NEEDS OR DEFICIENCIES

- The District owns the public facilities and infrastructure necessary to provide public street lighting, municipal water, storm drainage, solid waste disposal, and fire protection.
- The District owns its administrative building located at 20986 Malsbary Street, Riverdale, Ca 93656.
- Pacific Gas and Electric Company (PG&E) leases approximately 130 public streetlights to the District. The District and PG&E are working with the District to update the existing streetlights, which consists of replacing the existing high-pressure-sodium-vapor (HPSV) bulbs with efficient, long-lasting light-emitting diode (LED) fixtures.
- The District is authorized to as domestic water supplier and regulated by the California State Water Resources Control Board, Division of Drinking Water under permit order number 03-92-018.
- The District obtains its domestic water supply from two active underground water wells, well 06 and well 07. In total, the District owns seven wells, of which three are active and four wells are inactive and not in existing use. Secondary groundwater supply is obtained from Well 05 and 04, both wells are on standby. The District has an on-going improvement plan that addresses the agency’s infrastructure maintenance program.
- Well 06 is currently designed to meet the District’s maximum day demand, this well directly pumps groundwater into the existing distribution system.

- The District completed construction of Well 07 and surface features in October 2017. The construction of Well 07 was funded by the State Water Resources Control Board, Division of Financial Assistance.
- The District maintains the storm drainage system within the community of Riverdale. The storm drainage system is expanded with each new approved development within the District.
- The District owns and operates a public wastewater collection system and a treatment plant located approximately 1.5 miles north of the District service area located east of South Brawley Avenue and south of West Cerini Avenue.
- The District sewage disposal process is regulated by the California Environmental Protection Agency, Central Valley Regional Water Quality Control Board, Wastewater Reclamation Order No. 85-252.
- The wastewater treatment facility's design capacity is 0.25 million gallons per day (mgd). The facility presently operates at approximately 0.22 mgd (average daily flow), or 88% of the treatment capacity.
- The District is in the process of updating its existing wastewater treatment facility operation permit with the Regional Water Quality Control Board, Central Region.
- The District's permit update request proposed a two-phased enlargement of the wastewater treatment facility to meet the estimated growth of the community of Riverdale. The District plans for its wastewater treatment plant will be expanded to an average daily flow rate of 0.325 mgd.
- The District provides solid waste collection services through a contract with Waste Connections doing business as Riverdale Allied Disposal. Solid waste is transferred to the Cedar Avenue Recycling and Transfer station located at 3457 S. Cedar Avenue in Fresno, Ca 93725.
- The District owns a fire station adjacent to the District's office that houses firefighting personnel, equipment, machinery, and vehicles. The fire station is located at 20868 Malsbary Street, Riverdale, Ca 93656.
- Fire protection is provided by the Riverdale PUD - Volunteer Fire Department. The District's volunteer fire company consists of 18 volunteers, several of whom are tasked with various responsibilities.
- The District has an automatic aid agreement and an emergency dispatch agreement with Fresno County Fire Protection District.
- LAFCo could not determine the District's most recent Insurance Service Office (ISO) rating, which is issued through the Public Protection Classification (PPC) Program, Fire Suppression Rating Schedule.

- LAFCo could not determine whether the District monitored its volunteers' training requirements nor whether the fire company was organized pursuant to Health and Safety Code sec. 14825 et seq.
- The District informed LAFCo that its service provision all have adequate capacity to continue serving the District's needs.

4. FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES

- The District prepares and adopts an annual budget for all of its funds on or before July 1st of each year. The District's budget projects anticipated revenues and expenditures using line items for the upcoming fiscal year.
- During FY 2013-14, the District's total revenue amounted to \$1,535,293. During the same year, the District's total expenditures amounted to \$1,107,847.
- The District's primary source of revenue is water and sewer user fees charged to all District customers. The District also collects revenues from annual property taxes charged to all parcels within the District based on its pre-Proposition 13 level of taxation through the Fresno County Auditor-Controller/Treasurer-Tax Collector.
- The District has two long-term loans, and is making a good faith effort to repay its debt. The District's first loan amounts to \$164,465 with a 7.73% per annum interest rate through March 2031. The District's second loan amounts to \$1,457,000, which was borrowed to perform various water system improvements.
- The District has a Development Impact Fees program, and the program is annually reviewed and when necessary are updated to adequately finance the expansion of existing facilities and to finance new facilities.
- The District has annual audits performed by independent certified public accountants. The audits are submitted to the Fresno County Auditor and State Controller. Annual audits conclude that the District's financial practices conformed with generally accepted accounting principles (GAAP).
- Based on available financial information, the District is financially sound and demonstrates characteristics an agency that appropriately monitors its finances and adjust rates when the District board deems it necessary.

5. STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

- During the preparation of this report, LAFCo learned that the State Water Resources Control Board (State) requested that the District consider taking on the managerial responsibility of Lanare CSD's public water system.
- Riverdale PUD is the nearest agency to Lanare CSD with a similar public water system.

- Under the State’s scenario, the District could provide administrative and technical staff for the day-to-day management and operation of the Lanare CSD public water system in compliance with State water regulations.
- As of November 7, 2017, the Riverdale PUD board of directors received a presentation from the State regarding Lanare CSD’s receivership status and managerial consolidation options. However, Riverdale PUD board of directors have not made a formal decision regarding Lanare CSD.
- No other opportunities have been identified for shared facilities that would present a benefit to the Riverdale Public Utility District, or improve service provisions within the vicinity of Riverdale.

6. ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

- The District is governed by a five-member board of directors, voted at-large, and functions independently from the County.
- The board of directors creates District policy by adopting resolutions and ordinances through duly-noticed public meetings. Active District board members receive a \$75.00 per diem for each board meeting attended.
- The District board meets on the first Tuesday of each month at 4:00 p.m. in the Fire Station Annex Building, located at 20868 Malsbary Street, Riverdale, Ca 93656.
- District board meetings are open to the public and residents are invited to attend the monthly board meetings. Opportunity to address the District board on items not on the agenda is provided on each meeting agenda.
- The District recently unveiled an official District website: <http://www.riverdalepublicutilitydistrict.com>. The District’s website provides general district information, water information, special events, drought information, and bill paying options.
- The District has one appointed full-time General Manager responsible for the daily operations of the District, and he/she is assisted by five full-time employees, and 18 volunteer firefighters.
- The District is a member of the California Special Districts Association (CSDA) and the California Special Districts Risk Management Authority (SDRMA). The CSDA is the association that provides a strong voice for all independent special districts in the State by promoting legislative representation, educational resources, and special district support and collaboration.
- The District’s government structure is appropriate to ensure adequate services are provided and managed.

7. ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY COMMISSION POLICY

- The District's facilities and underground wells are in solely in the North Fork Kings Groundwater Sustainability Agency.
- During the preparation of this MSR, the District informed LAFCo that it actively engages in groundwater recharge programs, and has entered into a participation agreements with the NFKGSA.

3. SPHERE OF INFLUENCE REVISION

Fresno LAFCo has prepared this service review consistent with GC sec. 56430 in order to update the District's sphere of influence in accordance with GC sec. 56425. The purpose of the service review is to get a "big picture" of the public services provided by a local agency, determine service needs, and make recommendations in order to promote the orderly development of local agencies.

Chapter one of this Municipal Service Review was prepared in conjunction with this proposed sphere update. In summary, the service review found that the District is efficiently providing its various services within its existing service area, and has capacity to support additional growth within its existing SOI.

The District has approximately 110 acres identified within the District's SOI; Fresno County general plan and Riverdale Community Plan designates low-density residential and general industrial land uses for territory within the District's SOI. The District informed LAFCo that it does not actively plan to annex land currently designated within the District's SOI.

The District informed LAFCo that any substantial revisions to the SOI or annexation requests made to LAFCo would likely be initiated and funded by the development proponent. The District would look to the County of Fresno to process the appropriate permit review or environmental assessment analysis. The District board would also have an opportunity to evaluate whether new development proposals or extension of District services would create an impact on existing District service capacities.

Sphere of Influence Background and Analysis

According to the LAFCo record, on February 24, 1993, the Commission updated the existing sphere of influence for Riverdale PUD to reflect Fresno County's amendments to the Riverdale Community Plan.⁴³

LAFCo staff reviewed the District's existing sphere boundary in light of the data collected during the MSR process, as well as from meetings with the District, a comprehensive review of previous LAFCo actions/resolutions, and County Assessor's office staff. Furthermore, LAFCo staff reviewed the County's General Plan, Riverdale Community Plan, and assessed the District's service area and SOI as it relates to the Fresno County Riverdale Community Plan. Based on analysis of these plans and policies, staff proposes the following SOI revision.

Proposed SOI Revision: (See Figure 2) This revision to the District's SOI is based on information developed during the course of this service review to correct District service area and SOI inconsistencies: one area in use by the district but neither in its service area nor its existing SOI, and two areas already in the District's service area that are not within the District SOI. The proposed SOI revision will add approximately 82.5 acres into the District SOI, and will not change the District service area.

⁴³ Fresno LAFCo File No. RSOI-91, Riverdale PUD SOI Revision, February 24, 1993.

- **SOI revision to include the WWTF (Area 1)** – takes in the land where the District’s 80-acre wastewater treatment facility is located. The land is not contiguous to the District’s service area and located north of Riverdale near the South Brawley Avenue and West Barrett Avenue alignment intersection.⁴⁴

During the preparation of the MSR, LAFCo found that the District’s 40-acre wastewater treatment facility was previously shown on LAFCo’s 1993 District maps. However, this territory was omitted from LAFCo’s 2007 District maps. LAFCo staff could find no record of LAFCo action approving the annexation of this territory to the District, nor of the LAFCo action that the County Assessor relied on to give the subject parcels a “T” (tax exempt) designation. However, because it is physically developed for the purpose of wastewater treatment and disposal, and given the District’s investment in this territory and its long-standing use of the property, it is important to depict this site within the District SOI. Further, by not having determined a SOI for this territory, it could appear that LAFCo is signifying the eventual detachment of land from the District, which is not the case.

Designating a SOI for Area 1 will also initiate action by LAFCo to work with the District and the County Assessor to resolve Area 1’s status as a tax-exempt parcel not within the boundaries of the RPUD and to plan for eventual annexation of this territory to the District.

- **SOI Area 2-** revises the existing District SOI by approximately one acre to encompass APN 055-200-04ST, which is already in the District service area. The subject territory is owned by the District and contains the District’s Well site 06. The subject parcel was created in 2010, and is under the ownership of the District.⁴⁵

LAFCo staff notes that the subject territory is designated for Agricultural uses by the Fresno County General Plan, and identified in the AE-20 Exclusive Agricultural zone district. Although the parcel is in the District service, the subject territory has not been included in Riverdale Community Plan.

- **SOI Area 3-** revises the existing District SOI by approximately 1.5 acres to encompass the existing five-farm housing units situated on the western portion of APN 055-200-06S. The subject parcel encompasses approximately 4.84 acres, of which approximately 3.34 acres are actively being farmed by the property owner. LAFCo notes that the entire parcel is in the District service area; however, the five farm housing units are located on the western portion of the land, and currently not in the District SOI.

The five farm housing units were constructed for farm employees in 1992 and front on to Lafayette Avenue. The subject land is designated for Agricultural uses by the Fresno County General Plan, and identified in the AE-20 Exclusive Agricultural zone district. Although the entire parcel is in District service area, the subject territory is not identified within the Riverdale Community Plan. LAFCo notes that Farm employee housing is a

⁴⁴ Assessor Parcel Numbers: 053-090-36ST and 053-090-11ST.

⁴⁵ Fresno County Plat book number 56, page 6

permitted use within Fresno County's AE-20 Exclusive Agricultural zone district. The SOI revision would recognize the existing housing units in the District SOI.

Approval of the SOI revision for Area 3 includes LAFCo's recommendations to the District and Fresno County Public Works and Planning Division to either evaluate the detachment of the balance of this area from the District or include parcels 055-200-06S, -07S, -4ST in the County's Riverdale Community Plan no later than the next scheduled Riverdale Community Plan update.

When Fresno LAFCO updates a sphere of influence for a local governmental agency within its purview, it must adopt specific determinations with respect to the following factors:

1. PRESENT AND PLANNED LAND USES, INCLUDING AGRICULTURAL AND OPEN-SPACE LANDS

- The District's service area lies completely in the unincorporated areas of Fresno County. The County of Fresno is the land use authority for land located within the District. Fresno County maintains the Riverdale Community Plan to guide future growth within the plan area and the District's boundaries.
- The District's service area and sphere of influence (SOI) are not coterminous. The District's service area encompasses 424 acres, while the SOI encompasses approximately 534 acres.
- Land outside of the District service area is designated for agricultural uses.
- New development within the community of Riverdale would require land use entitlement or building permit approvals by the Fresno County Planning Commission and/or Fresno County Board of Supervisors.
- The County's housing element site inventory estimated that the vacant land inside the existing Riverdale Community Plan could accommodate 221 new residential units, of which 154 units can be multi-family units up to 18 units per acre on C-4 and R-2 properties.
- According to the Fresno County General Plan, rural settlement areas surrounded by agricultural and open space, such as the unincorporated communities, have historically experienced little growth since their establishments. Substantial population growth in the unincorporated communities is not anticipated in the future.

2. PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES IN THE AREA

- The District is authorized to provide public street lighting, municipal water, sewer, storm drainage, solid waste disposal, and fire protection.
- The wastewater treatment facility's design capacity is 0.25 million gallons per day (mgd). The facility presently operates at approximately 0.22 mgd (average daily flow), or 88% of

the treatment capacity. The most critical need for the District at this time is complete the upgrade of the water treatment plant.

- The District is capable of addressing and adjusting its probable service needs for public facilities.
- The projected growth within the Riverdale PUD SOI is consistent with the Commission's 20 to 25-year planning horizon for SOIs.

3. PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES THAT THE AGENCY PROVIDES OR IS AUTHORIZED TO PROVIDE

- The District currently has sufficient capacity to meet existing demands for public street lighting, municipal water, storm drainage, solid waste disposal, and fire protection. However, based on the MSR, the District has indicated its plan to expand its wastewater treatment plant.
- LAFCo observed that the organization and certification of the District's fire company may not be in compliance with relevant Health and Safety codes. The District did not provide a record demonstrating that firefighters' training requirements have been maintained.
- LAFCo notes that the District should develop and maintain an administrative record that tracks volunteer fire personnel training attendance, demonstrates compliance to fire training standards, and demonstrates an adequate record of the volunteers' continued education.
- The District's wastewater treatment and disposal facility is not within the RPUD service area and both parcels have been designated as tax exempt by the County Assessor.

4. EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA IF THE COMMISSION DETERMINES THAT THEY ARE RELEVANT TO THE AGENCY

- As observed by LAFCo, there no social or economic communities of interest exist near the District relevant to the agency's service provisions.

5. THE PRESENT AND PROBABLE NEED FOR THOSE PUBLIC FACILITIES AND SERVICES OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN THE EXISTING SPHERE OF INFLUENCE

- The District service area and SOI encompass various census tracts and block groups that meet the Water Code definition of Disadvantaged Communities based on reported MHI levels. The community of Riverdale satisfies at least two DUC criteria as defined by Commission policy.

- Riverdale is located within U.S. census tract 77.00-block group 1 and 3. According to the US census data, census tract 77.00-block group 1 had a MHI of \$44,219 and block group 3 had an MHI of \$41,321 between years 2010-2014.

4. RECOMMENDATIONS

In consideration of information gathered and evaluated during the Municipal Service Review, it is recommended the Commission:

1. Receive this report and any public testimony regarding the proposed Municipal Service Review and proposed sphere of influence update.
2. Find that the Municipal Service Review is exempt from the California Environmental Quality Act pursuant to section 15306 (Information Collection).
3. Approve the recommended Municipal Service Review determinations, together with any changes deemed appropriate.
4. Acting as Lead Agency pursuant to California Environmental Quality Act (CEQA) Guidelines, find that the proposed SOI revision is Categorically Exempt from the provisions of CEQA under Section 15061(b) (3), "General Rule" where it can be seen with certainty that a revision of the District SOI will not have an effect on the existing environment.
5. Approve the recommended sphere of influence determinations, together with any changes deemed appropriate.
6. Approve a SOI revision, as described in Chapter 3, which will add 82.5 acres into the District SOI, and would not change the District service area.
7. Determine a new SOI to encompass the District's 80-acre sewer treatment and disposal facility located north of Riverdale near the South Brawley Avenue and West Barrett Avenue alignment intersection.
8. Recommend the District and Fresno County Public Works and Planning Division to evaluate the possible options to detach parcels 055-200-06S, -07S, -4ST or begin planning efforts to include these parcels in the County's Riverdale Community Plan no later than the next scheduled Riverdale Community Plan update.
9. That the District collect an administrative record that tracks volunteer fire personnel training attendance, demonstrates compliance to fire training standards, and demonstrates an adequate record of the volunteers' continued education.
10. Direct staff to work with the District and the County Assessor to resolve SOI Area 1's status as a tax-exempt parcels not within the boundaries of the RPUD and to plan for annexation of this territory to the District.

5. ACKNOWLEDGEMENTS

This Municipal Service Review update was prepared by Fresno LAFCO. Supporting documentation was made available through the effective partnership between District staff and LAFCo. LAFCo extends its appreciation to the District for their assistance in the development of this Municipal Service Review.

Available Documentation – documents used for the preparation of this report consist of public records and are available at the Fresno Local Agency Formation Commission Office located at:

Fresno Local Agency Formation Commission
2607 Fresno Street, Suite B
Fresno, California 93721

The Municipal Service Review is available on Fresno LAFCo's website, <http://www.fresnolafo.org/default.asp>

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