



Board Agenda Item 61

DATE: August 5, 2025

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Second Reading of Proposed Ordinance Granting a Franchise to RT Diversified, Inc.

RECOMMENDED ACTION(S):

- 1. Conduct second reading of a proposed Ordinance granting up to a twenty-five (25) year non-exclusive franchise to RT Diversified, Inc., upon annual payment of a franchise fee to the County, to construct, maintain and use pipes and appurtenances for transmitting water and wastewater to service Clovis Unified School District's ("CUSD") Terry Bradley Education Center ("Bradley Center"), in, along, across, upon, and under approximately 4.8 miles of the following public streets and highways within the unincorporated area of Fresno County: from the existing City of Fresno water main at McKinley Avenue, east of Temperance Avenue, eastward on E. McKinley Avenue, and then Northward on N. Leonard Avenue, to Shields Avenue, westward on Shields Avenue to Shields and Locan terminus where the City is in the process of installing water and sewer mains, and along the streets surrounding the Bradley Center of Leonard, Weldon, Highland, and Princeton Avenues.**
- 2. Waive reading of the Ordinance in its entirety and adopt the Ordinance.**

The first recommended action will enable your Board to conduct the second reading of a proposed ordinance granting a non-exclusive franchise of up to twenty-five (25) years to RT Diversified, Inc. ("RTD") upon annual payment of a franchise fee of two percent (2%) of its gross annual receipts to the County to construct, maintain and use pipes and appurtenances for transmitting water and wastewater to service CUSD's Bradley Center under Division 3, Chapter 2 of the California Public Utilities Code.

The second recommended action will enable your Board to waive the reading of the ordinance in its entirety and adopt the proposed ordinance. This item pertains to a location in District 5.

ALTERNATIVE ACTION(S):

If the recommended actions are not approved, RTD will not be able to transmit water and wastewater through pipes within the County right-of-way. This would result in operable facilities that cannot be lawfully maintained, unless other direction has been given. Construction of the facilities was approved under the auspices that the City of Fresno would accept and incorporate the facilities into their operation's network, which would have circumvented the need for a franchise, however they have subsequently indicated that they will not take ownership of, operate, or maintain the facilities.

FISCAL IMPACT:

There will be no Net County Cost associated with the recommended actions. CUSD is reimbursing the County for all staff time and any other costs associated with the Bradley Center.

The recommended non-exclusive franchise requires that RTD shall annually, commencing upon final adoption of the ordinance, pay a franchise fee of two percent (2%) of its gross annual receipts (defined below) to the County, arising from the use, operation or possession of the franchise, plus any surcharges, if applicable, under successor legislation, or other legislation applicable to franchisee, water or wastewater enacted by the State of California. In the event such payment is not made, the non-exclusive franchise will be forfeited. The non-exclusive franchise will be for a term up to twenty-five (25) years, as discussed further below.

“Gross annual receipts” means all income received by RTD from operation of the franchise, and separate from other payments, reimbursements, or franchise fees payable or paid to the County.

The County currently deposits funds from grants of franchises into the General Fund as allowed by Government Code, section 26001.5, and the funds from the recommended non-exclusive franchise, if granted, will be deposited into the General Fund, unless otherwise directed by your Board.

DISCUSSION:

As stated above, the recommended non-exclusive franchise requires that RTD shall annually, commencing upon final adoption of the ordinance, pay a franchise fee of two percent (2%) of its gross annual receipts to the County, arising from the use, operation or possession of the franchise, under the Public Utilities Code, sec. 6231, or other legislation applicable to franchisee, water or wastewater enacted by the State of California. In the event such payment is not made, the non-exclusive franchise will be forfeited. The non-exclusive franchise will be for a term up to twenty-five (25) years, as discussed further below.

Under the proposed ordinance, RTD shall, if granted the non-exclusive franchise, be required to file a bond running to the County of Fresno in the penal sum of \$100,000.

The proposed ordinance provides that if RTD does not comply with any of the conditions of the franchise for more than thirty (30) days after written demand by County for compliance, then County, by your Board, in addition to all rights and remedies allowed by law, may terminate the franchise. Under the proposed ordinance, if RTD breaches any condition of the franchise, the bond is recoverable by the County.

If adopted, the ordinance will become effective thirty (30) days after its final passage, pending written acceptance of the non-exclusive franchise by RTD. The franchise, if granted, does not become effective until RTD files written acceptance of it with the Clerk of the Board and a copy thereof is filed with the Director of Public Works and Planning.

A copy of the proposed ordinance is on file with the Clerk of the Board and has been provided to RTD.

On June 10, 2025, your Board passed a Resolution of Intention to grant the non-exclusive franchise and set a public protest hearing date. On July 8, 2025, your board held a public hearing and conducted the first reading of the ordinance granting a franchise to RTD.

California Environmental Quality Act

The recommended actions comprise a component of a larger project, namely CUSD's Bradley Center project. Clovis Unified conducted an Initial Study, prepared an Environmental Impact Report, and adopted the resultant Mitigated Negative Declaration (MND) (SCH No. 2005101054) on February 2, 2024. The water and sewer facilities were contemplated within the scope of the project description and are consistent with any mitigation measures imposed on this project by the MND. Accordingly, the recommended action complies with the California Environmental Quality Act because they are part of a project which has already

undergone environmental review.

REFERENCE MATERIAL:

BAI# 12, July 8, 2025

BAI# 60, June 10, 2025

ATTACHMENTS INCLUDED AND/OR ON FILE:

Ordinance

On file with Clerk - Ordinance Summary

CAO ANALYST:

Maria Valencia