

FINAL REPORT

CITY OF GUSTINE MUNICIPAL SERVICE REVIEW

Prepared for:

Merced County Local Agency Formation Commission

Prepared by:

Economic & Planning Systems, Inc.

As approved by LAFCO April 28, 2005

EPS #12125





**Economic &
Planning Systems**

*Real Estate Economics
Regional Economics
Public Finance
Land Use Policy*

Note: A version of this report titled "Administrative Draft" was approved by LAFCO on April 28, 2005. No changes have been made to this version other than updating the report's title to "Final Report" and revising table and figure labels.

BERKELEY
2501 Ninth St., Suite 200
Berkeley, CA 94710-2515
www.epsys.com

Phone: 510-841-9190
Fax: 510-841-9208



SACRAMENTO
Phone: 916-649-8010
Fax: 916-649-2070

DENVER
Phone: 303-623-3557
Fax: 303-623-9049

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I. INTRODUCTION

This Report presents the findings and conclusions along with underlying research of a Municipal Service Review (MSR) for the City of Gustine. Creation of an MSR for cities and special districts is a new responsibility of the Local Agency Formation Commission (LAFCO). This MSR addresses the City of Gustine, including the required data and analysis and linking this to organizational issues facing the City. In general, these organizational issues involve the City's proposed annexation of unincorporated territory to the City, and the City's ability to provide adequate and efficient governmental services for existing and future residents.

BACKGROUND AND PURPOSE

In 1997, the State Legislature convened a special commission to study and make recommendations about how to accommodate California's rapidly accelerating growth. The Commission on Local Governance for the 21st Century focused on empowering the already existing County LAFCOs, established in 1985 by the Cortese-Knox Local Government Reorganization Act. The Commission's final report, *Growth within Bounds*, recommended various changes to local land use laws and LAFCO statutes to allow LAFCOs more influence in shaping California's growth. Assembly Speaker Robert Hertzberg encompassed the recommendations of the Commission in Assembly Bill 2838, which passed into the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The new law endows LAFCO with both more responsibilities and more influence to direct growth in California.

One of the major new responsibilities of LAFCO conferred by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 is to determine the most feasible patterns of growth in their region by conducting comprehensive, regional studies of municipal services (or MSRs). These service reviews must be conducted every five years in conjunction with reviews of city Spheres of Influence (SOIs), which generally represent the region's 20-year growth boundary. Municipal service agencies must update their SOIs, according to Government Code Section 56425, every five years to plan for orderly future outward growth. Section 56430 requires MSRs to be conducted previous to, or in conjunction with, SOI reviews to ensure that services can be provided to areas with potential for annexation. In the service review, LAFCO must address at least the following nine issues:

- (1) Infrastructure needs or deficiencies
- (2) Growth and population projections for the affected area
- (3) Financing constraints and opportunities
- (4) Cost avoidance opportunities
- (5) Opportunities for rate restructuring
- (6) Opportunities for shared facilities
- (7) Government structure options, including advantages and disadvantages or consolidation or reorganization of service providers

- (8) Evaluation of management efficiencies
- (9) Local accountability and governance

AB 2838 went into effect in January 1, 2003, so all LAFCOs must finish their first MSRs within five years, by January 1, 2006. Service reviews require written determinations in each category listed above. The written determinations must be based on factual information gathered during the research phase of the service reviews, and must be presented to the public for a review period.

APPROACH AND METHODOLOGY

Merced LAFCO is approaching its MSRs in a phased approach, beginning with the cities in the County. Subsequently, the special districts will be considered. Beginning in summer 2003 LAFCO staff and its Consultant began gathering data and conducting related analysis. As this is the first round of drafting MSRs for the cities, gathering the basic data and information from each City has taken much longer than anticipated.

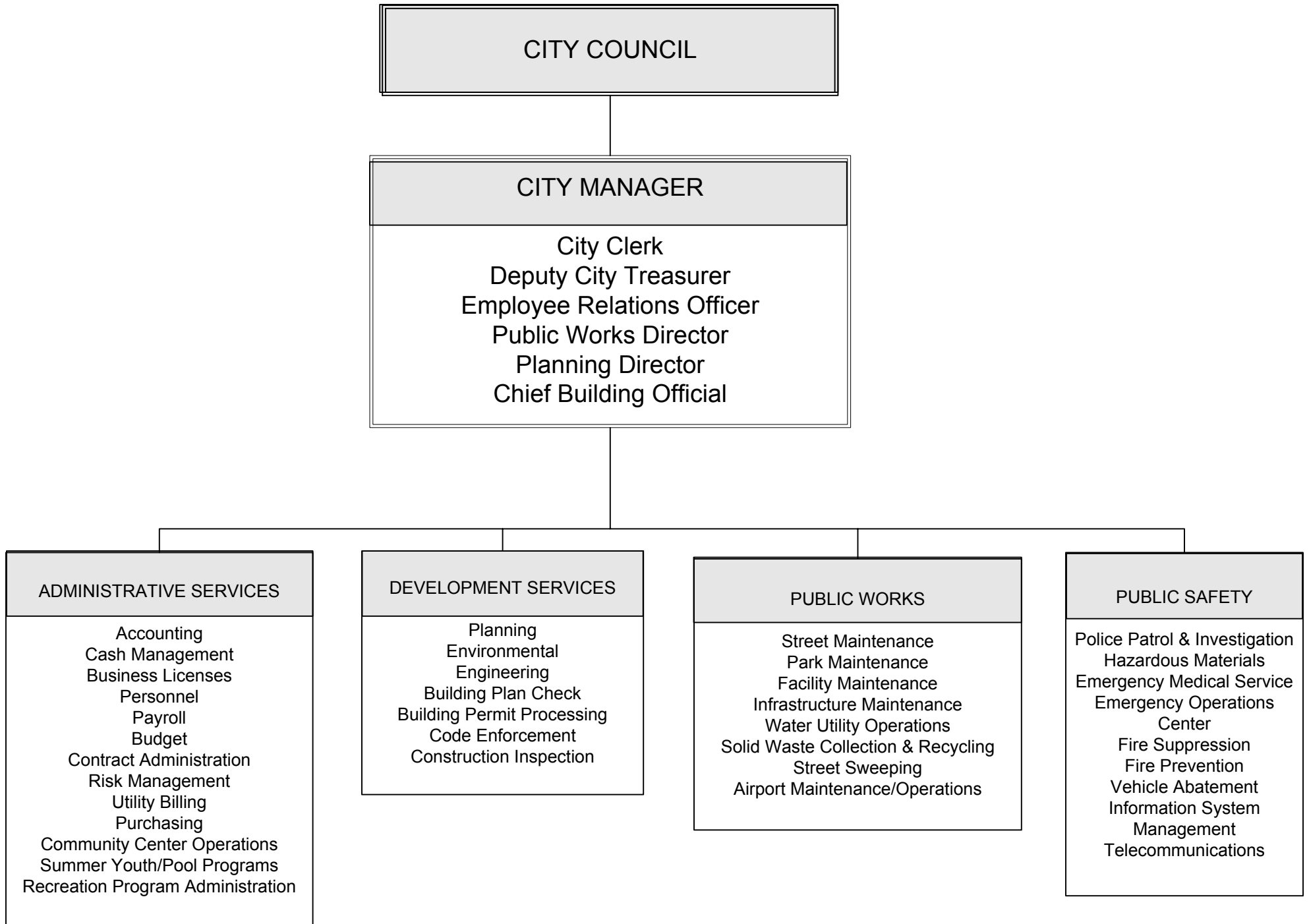
CITY OF GUSTINE GOVERNANCE

The City of Gustine was incorporated in 1915 and operates under a Council-Manager form of government. The five-member City Council appoints the City Manager, the City Attorney, the City Clerk and the City Treasurer. The City Manager is the chief administrative officer of the City and is accountable to the City Council for the day-to-day operations of the City and its departments. The City Manager appoints the department heads and manages the City's operating departments, and is responsible for ensuring that City services are performed in accordance with Council policies and within the City's resources.

Gustine employs 21 full-time equivalents and administers a General Fund of \$1.1 million. The City's organizational chart is shown in **Figure 1**.

The City Manager advises the City Council on policy options concerning the organization and activities of the departments under her/his supervision. The City Manager is responsible for submission of the City's budget and Capital Improvement Plan and is responsible for their administration and implementation after Council adoption. The City Manager advises the Council on the City's financial condition and the future needs of the City.

Figure 1: City of Gustine Organizational Chart



CITY OF GUSTINE REORGANIZATION ISSUES

The City of Gustine is expecting a number of annexation applications from potential developers/property owners. Prior to approval of the proposed annexation requests, Gustine must complete its negotiations with Merced County for tax revenue sharing, and must secure LAFCO's approval of its General Plan with respect to proposed changes to its Sphere of Influence.

KEY SERVICE PROVISION ISSUES

- 1) The City's Planning Commission will be re-reviewing Gustine's Housing Element and changes to the General Plan by mid-2005. City staff anticipates a final update and approval of the Housing Element by September 2005.
- 2) Gustine's Waster Master Plan, completed in 2002, estimates that Gustine's water supply could double over 2002 demand without any serious water quality problems. However, at General Plan buildout, water demand is expected to almost triple.
- 3) Gustine's Sewer Master Plan, completed in 2003, projects adequate sewer capacity through 2010 due to the expansion of the treatment plant's capacity in 1999. However, buildout of the General Plan will require another treatment plant expansion within the next 10 to 15 years.
- 4) Gustine is evaluating a curbside recycling program through its waste provider, Gilton Solid Waste. In addition, the City is working with Merced Council of Associated Governments to improve and expand its existing commercial recycling program, has installed recycling bins at the public parks with funding from a new grant, and is enhancing its residential recycling program.

II. SUMMARY OF SERVICE ISSUES AND TRENDS

GROWTH AND DEVELOPMENT

In 2004, Gustine was home to 5,226 residents, based on Department of Finance estimates. This represents a 1 percent increase over the 2003 population of 5,171. The Merced County Association of Governments projects a growth of 1,500 people in the next five years, at an annual rate of 2.5 percent. The growth rate is expected to decrease to 2.2 percent between 2010 and 2015, and to 2 percent through 2020.¹

Year	Population Projection
2005	5,400
2010	6,100
2015	6,800
2020	7,500

Source: Merced County Association of Governments

Gustine, located in west Merced County, is located near the crossroads of three major trucking routes: State Route 33, Interstate 5, and State Route 152 (which connects to both Highway 99 to the east and Highway 101 to the west). Based on the 2002 General Plan, the City of Gustine encompassed 1.55 square miles, or 993.1 acres, while the City's SOI encompassed 1.7 square miles, or 1,088.7 acres.² At buildout, the City will be more than double its current geographical size. **Figure 2** shows the City's surrounding SOI and, **Figure 3** (see last page) shows the City's General Plan map.

Approximately 42 percent of the City is dedicated to residential uses (primarily single-family dwellings). As of 2002, approximately 6.2 acres of vacant residentially-designated land remained in Gustine.³ The majority of residential building permits in the 1990s were issued on Sullivan Rd., in the southern part of the City.⁴ The rest of the City is composed of commercial and industrial land, which encompasses approximately one square mile (640 acres).⁵

Gustine's predominant industries are agriculture, manufacturing, and food processing, although a large percentage (40 percent) of residents commute to various areas in the valley and in the South Bay. The high percentage of commuting residents demonstrates that Gustine has already become home to the spillover Bay Area population. The housing crisis in the Bay Area is causing prospective home buyers to consider outlying areas, and recent transportation improvements (Highway 152 over Pacheco Pass has

¹ MCAG Growth Projections

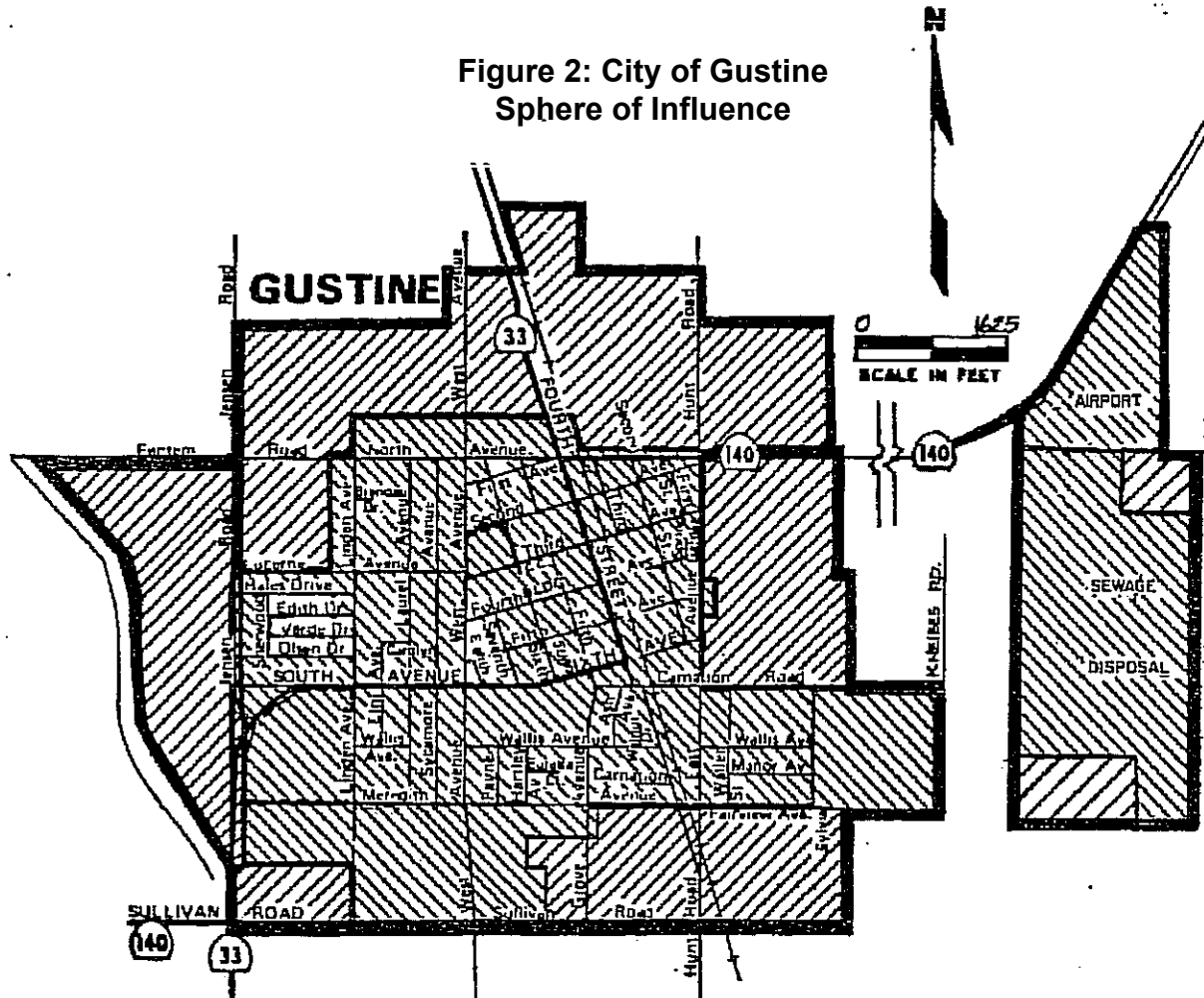
² City of Gustine General Plan 2002, p. 4-4.

³ City of Gustine General Plan 2002, p. 1-2.

⁴ City of Gustine General Plan 2002, p. 1-12.

⁵ City of Gustine web site, accessed 9/1/04.

Figure 2: City of Gustine
Sphere of Influence



MERCED COUNTY LAFCO
APPROVED
 Date 1/25/90 *RB*

**SPHERE
 OF
 INFLUENCE**

LEGEND



GUSTINE CITY LIMITS



AREA TO BE INCLUDED WITHIN
 GUSTINE SPHERE OF INFLUENCE



SPHERE BOUNDARY RES. 70647A

undergone extensive widening to connect Highway 101 near the coast with Interstate 5 in the Central Valley with four lanes) have improved the commute for this type of overflow.

FISCAL CONDITIONS

Since the passage of Proposition 13 in 1978, California's cities have had difficulty raising needed revenues to finance capital improvements necessary for community growth. Cities can no longer simply adjust property taxes to fund municipal facilities. Instead, cities like Gustine have had to develop revenue enhancements to generate funds to provide facilities associated with rapid population growth. The funding of bridges, roads, and parks has been an especially difficult challenge for Gustine. Capital facilities costs have been financed by the City's General Fund, grants from state and federal sources, developer contributions, sewer and water user fees, and other miscellaneous sources. The City's General Fund is under increasing pressure, and Gustine, like most California cities, has reduced basic City operations to protect its fund balances. Grant monies are generally restricted to specific types of improvements, and are often one-time funding opportunities with no allocation for future operations or maintenance. Furthermore, state and federal grant sources are diminishing, and developer contributions cannot finance past deficiencies.

SERVICES

As illustrated in **Table 1**, Gustine provides basic municipal services to its residents, and contracts for services such as water, wastewater, and refuse.

**Table 1
Municipal Service Providers for the City of Gustine
County of Merced Municipal Service Reviews**

Municipal Service	Service Provider
General Government	
Governing Board	City Council
Manager	City of Gustine
Attorney	Contract with Berliner Cohen
Finance/Clerk/Administrative Services	City of Gustine
Public Protection	
Traffic Control/Accident Investigation	City of Gustine
Law Enforcement	City of Gustine
Fire Protection	County of Merced; Gustine Volunteer Fire Department
Animal Control	City of Gustine
Land Use and Planning	
Regulation & Planning	City of Gustine/Contract, as needed, for new development
Building Inspection	Contract with Precision Inspection
City Engineering	Contract with Stoddard Associates
Community Services	
Local Parks/Recreation Facilities	City of Gustine
Library	County of Merced
Public Works	
Roads, Local Drainage, Bridges, Signals	City of Gustine
Domestic Water	Contract with Environmental Management Services
Wastewater Treatment/Disposal	Contract with Environmental Management Services
Solid Waste Management/Disposal	Contract with Gilton Solid Waste
Flood Control	Contract with Environmental Management Services
Street Lighting	City of Gustine
Street Tree Maintenance	Grover Landscaping
Public Education	
K-12 Grade Levels	Gustine Unified School District
College	Merced Community College and CSU Stanislaus
Other Services	
Electricity	Pacific Gas & Electric
Gas	Pacific Gas & Electric
Cable Television	Comcast
Public Transit	Transit Joint Powers Authority (1)

(1) The Transit JPA consists of five members from the Merced County Board of Supervisors, and one member from each of the six incorporated cities within Merced County.

POLICE

DESCRIPTION

Gustine has ten sworn police personnel, including a chief, two sergeants, and seven patrol officers, as well as a 1.5 administrative staff. The Police Department occupies approximately 1,000 square feet of Gustine's City Hall. Equipment includes five patrol cars, one animal control vehicle, one school resource officer vehicle, and one command vehicle. This equipment is adequate to meet current demand.⁶

The City's General Plan estimates that by 2010, the City will need a total of 22 officers, as well as 8 additional fully-marked patrol cars.⁷ This projected staff and equipment is not included in the existing Police Department budget, 70 percent of which is supported by the City's General Fund and 30 percent from state and other grants.

A joint subcommittee has been formed to examine the possibility of sharing facilities, such as vehicle maintenance yards or office space, with the Gustine School District. However, no formal plan for joint use facilities or operations has been developed.⁸

DETERMINATIONS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

Based on growth projections, it is anticipated that the Police Department will require eight new patrol vehicles by 2010. The cost of new equipment may be partially funded by impact fees, currently being revised by the City, for adoption in 2005.

2. GROWTH AND POPULATION PROJECTIONS

Gustine's projected growth will create a demand for additional police administrative staff and equipment in order to maintain existing service levels.

3. FINANCING CONSTRAINTS AND OPPORTUNITIES

The Police Department receives the majority of its funding from the City's General Fund. The costs of new staff and vehicles may be covered by future development impact fees.

⁶ Personal communication with Gustine Police Department Chief Donald Hutchins, 27 Dec. 2004.

⁷ City of Gustine General Plan 2002, p. 9-8.

⁸ Ibid.

4. COST AVOIDANCE OPPORTUNITIES

Possible joint facility arrangements between the City and the School District could eliminate some future facilities costs.

5. OPPORTUNITIES FOR RATE RESTRUCTURING

An impact fee established in 1989 generates a very small amount of revenue for the Police Department. New impact fees may be established as a result of negotiations currently taking place.

6. OPPORTUNITIES FOR SHARED FACILITIES

The Gustine Police Department operates from City Hall. The Department and the Gustine Unified School District are investigating the possibility of shared maintenance yards or office space, though no formal action has been taken.

7. GOVERNMENT STRUCTURE OPTIONS

No government structure changes are pending or proposed.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

No changes to the management of the Police Department are pending or proposed. Staffing shortages may prevent the Department from operating at maximum efficiency if staff numbers do not keep pace with population growth.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The Police Chief is responsible to the City Manager, who is in turn responsible to the City Council. No changes to the accountability or governance of the Police Department are pending or proposed.

FIRE

DESCRIPTION

Fire protection service in Gustine is provided by the Gustine Volunteer Fire Department (GVFD) and the County of Merced, which together operate under an informal joint response agreement.⁹ (The County Fire Department, in turn, contracts with the California Department of Forestry for its administration and suppression personnel.¹⁰) According to the recommendations of a fire services report commissioned by the City in 2004, this agreement needs to be renegotiated as a Joint Powers Authority (JPA) or other contract in order to establish more formally each agency's role and responsibilities.¹¹

The GVFD has a staff of 20 volunteers, including a volunteer chief, assistant chiefs, and captains.¹² This volunteer force receives administrative support from the City Manager and City Council. The County provides the City with a single staff member, either a Captain or Fire Engineer, 24 hours a day. In addition, a County Battalion Chief responds to fires within the City of Gustine. Emergency medical transport and paramedic services are provided by the Westside Health Care District in cooperation with the GVFD and the County.¹³

While current staffing levels are generally adequate, the GVFD anticipates that it may become necessary to hire paid staff in the future.¹⁴ The City's 2004 fire services study underscored the difficulty of recruiting, training, and maintaining a volunteer force large enough to serve a growing population. It recommended the creation of a full-time executive fire officer position and the possible addition of a part-time administrative position. The study also recommended that the City foster improved cooperation among existing fire employees; possible strategies for doing so include professional

⁹ Robert Olson Associates, "Final Report on the City of Gustine's Emergency Response System as Provided by the Gustine Volunteer Fire Department and the County of Merced/ California Department of Forestry and Fire Protection," Nov. 26, 2004.

¹⁰ County of Merced web site, accessed 12/27/04.

¹¹ Robert Olson Associates, "Final Report on the City of Gustine's Emergency Response System as Provided by the Gustine Volunteer Fire Department and the County of Merced/ California Department of Forestry and Fire Protection," Nov. 26, 2004.

¹² Personal communication with Department Volunteer Chief Gary O'Rear, 10 Jan. 2005. Robert Olson Associates, "Final Report on the City of Gustine's Emergency Response System as Provided by the Gustine Volunteer Fire Department and the County of Merced/ California Department of Forestry and Fire Protection," Nov. 26, 2004.

¹³ Robert Olson Associates, "Final Report on the City of Gustine's Emergency Response System as Provided by the Gustine Volunteer Fire Department and the County of Merced/ California Department of Forestry and Fire Protection," Nov. 26, 2004.

¹⁴ Personal communication with Department Volunteer Chief Gary O'Rear, 10 Jan. 2005.

leadership programs and the revision of a policy preventing County employees from driving GVFD vehicles.¹⁵

The majority of costs for both the County contract and the volunteer department are covered by the City's General Fund.¹⁶ Additional funding comes from a portion of the City's Utility Users Tax, a 2.5 percent tax on water telephone, gas, and electric charges.¹⁷ A small construction impact fee contributes funds to the City's Capital Fire Service Fund; this fee is charged at a rate of \$200 per single-family unit, \$100 per multifamily unit, \$400 per commercial unit, and \$1,000 per manufacturing unit. The City is in the process of updating both its permit processing and impact fees so a possibility exists that these rates will increase in the near future.¹⁸ The fee was expected to generate \$4,300 for the Fire Service Fund in FY 03-04, for a projected ending FY balance of approximately \$49,000 for the entire Capital Fire Service Fund.¹⁹

The Gustine fire station is located on Third Street, next to City Hall, in a building that is jointly owned and operated by the City and the County. While this station is currently considered adequate, the Department anticipates that another station may be necessary in the future, depending on population growth. The City's 2004 fire services study concluded that the existing station is not suitable for expansion or major improvements; the study concurred with the Department's prediction that this station may prove inadequate if annexations and development increase the demand for services.²⁰

The City equips the station with two pumpers and one rescue vehicle, as well as an older engine that is used primarily for parades and show purposes. The County maintains two additional engines and a water tender at the station. According to the Department, this equipment is adequate to meet current demand.²¹ However, the 2004 fire services study found that there was no apparatus replacement program to ensure that equipment remains current. The study also found the GVFD's reserve engine to be below current safety standards.²²

¹⁵ Robert Olson Associates, "Final Report on the City of Gustine's Emergency Response System as Provided by the Gustine Volunteer Fire Department and the County of Merced/ California Department of Forestry and Fire Protection," Nov. 26, 2004.

¹⁶ Personal communication with Department Volunteer Chief Gary O'Rear, 10 Jan. 2005.

¹⁷ City of Gustine, 2003 – 2004 Operating Budget.

¹⁸ Personal communication with City of Gustine Building Department, 18 Jan. 2005.

¹⁹ City of Gustine, 2003 – 2004 Operating Budget.

²⁰ Robert Olson Associates, "Final Report on the City of Gustine's Emergency Response System as Provided by the Gustine Volunteer Fire Department and the County of Merced/ California Department of Forestry and Fire Protection," Nov. 26, 2004.

²¹ Personal communication with Department Volunteer Chief Gary O'Rear, 10 Jan. 2005.

²² Robert Olson Associates, "Final Report on the City of Gustine's Emergency Response System as Provided by the Gustine Volunteer Fire Department and the County of Merced/ California Department of Forestry and Fire Protection," Nov. 26, 2004.

Inadequate water infrastructure presents particular challenges to Gustine's fire service providers. According to the 2004 fire services study, Gustine has a capacity of just 75,000 gallons, contained in an aging elevated tank. This amount is not sufficient to provide the fire flows required to meet National Fire Protection Association standards. In addition, hydrants in the City have not been adequately maintained. The 2004 study recommended that the City expand its water storage capacity, replace aging pipes, and design a hydrant maintenance program.²³ Such improvements might be covered through increased fees on new and existing development. However, the City has determined that allocating the costs of necessary fire service improvements would require annual fees of \$2,000 to \$3,000 per parcel for existing development. Projected fees for new development would also be extremely high in order to pay for needed improvements, so much so that they would be affordable only to very large developments. The City is exploring alternative funding mechanisms, such as bonds and assessment districts, in order to pay for improvements.²⁴

The Department responds to about 300 incidents per year and has an ISO rating of 5.²⁵ Response time from the fire station is approximately four minutes to all parts of the City, though this time may increase depending on the location of apparatus and volunteers, as well as other circumstances such as the need to respond to multiple simultaneous incidents.²⁶

DETERMINATIONS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

The City's fire station is adequate to meet current demand but not suitable for future expansion. Annexations and growth could create a need for a new station in the next ten years. The Department lacks an equipment replacement program to ensure that apparatus are kept up-to-date. The City's water storage capacity is not sufficient to provide adequate fire flows; a 2004 fire services study recommended significant improvements to Gustine's water infrastructure.

²³ Robert Olson Associates, "Final Report on the City of Gustine's Emergency Response System as Provided by the Gustine Volunteer Fire Department and the County of Merced/ California Department of Forestry and Fire Protection," Nov. 26, 2004.

²⁴ Personal communication with Gustine City Manager Ann Marie Gallant, 19 Jan. 2005.

²⁵ City of Gustine Fire Department.

²⁶ Robert Olson Associates, "Final Report on the City of Gustine's Emergency Response System as Provided by the Gustine Volunteer Fire Department and the County of Merced/ California Department of Forestry and Fire Protection," Nov. 26, 2004.

2. GROWTH AND POPULATION PROJECTIONS

Future growth will require the construction of a new station and the hiring of additional staff, as well as modifications to the City's water system. Due to the high cost of these improvements, it may be infeasible for growth to "pay for itself" entirely through development fees. The City is currently exploring alternative mechanisms for funding new infrastructure and staff.

3. FINANCING CONSTRAINTS AND OPPORTUNITIES

The Gustine Fire Department derives the majority of its funding from the City's General Fund, with some additional funding from the Utility Users Tax. A development impact fee of \$200 per unit was expected to generate around \$4,300 for the Fire Services Capital Fund in FY 03-04.

4. COST AVOIDANCE OPPORTUNITIES

The Department's use of volunteers provides support for County personnel without increasing costs. In addition, contracting with the County for both fire protection and administrative support may result in cost savings by reducing overhead and relief staff requirements.

5. OPPORTUNITIES FOR RATE RESTRUCTURING

The City has a Fire Service Capital Fund with revenues derived from impact fees for new development. It is in the process of updating its development impact fee calculations.

6. OPPORTUNITIES FOR SHARED FACILITIES

The Gustine Volunteer Fire Department has an informal joint response agreement with Merced County, and some County equipment is kept at the City's fire station. Additional sharing of equipment could be facilitated by the revision of a policy that prohibits County staff from driving City-owned vehicles. The Westside Health Care District provides emergency medical transport and paramedic services in cooperation with the GVFD and the County.

7. GOVERNMENT STRUCTURE OPTIONS

A 2004 fire services study commissioned by the City recommended that the informal joint response agreement between the City and County be renegotiated as a JPA or other formal contract.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

Improved cooperation between City and County staff could increase the Department's efficiency. A 2004 fire services study commissioned by the City recommended the hiring of a paid, full-time fire department executive and a part-time administrator, possibly reporting through the City's Police/Public Safety Department, to more effectively manage the Department.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The Fire Department appears reasonably accountable and no changes to governance are pending or proposed at this time.

STORM DRAINAGE

DESCRIPTION

The City of Gustine completed its Storm Drain Master Plan in March 2003. The focus of this document is to plan the most cost-effective way to collect, convey and discharge storm water runoff from lands proposed to be developed by the City's 2002 General Plan, excluding agriculture/commercial land uses surrounding the City.

The existing storm drainage system conveys runoff via an agricultural pipeline east of Santa Fe Grade Road, and discharges to wetlands and Los Banos Creek near the Gustine airport. North of Highway 140, earthen ditches carry stormwater runoff to sloughs, which eventually run to the San Joaquin River.²⁷

Storm drainage needs for new development in the remaining 1,000 acres within the City's SOI will depend on the type and intensity of land uses; low- and medium-density residential development, for example, will result in lower rates and volumes of stormwater runoff than large paved surfaces associated with industrial development.

Under natural conditions, stormwater from the area to be developed would drain to Los Banos Creek. The City's Drainage Plan recommends collecting drainage from the project area in a system of underground pipelines. Major collection pipes will be constructed to convey runoff to points downstream of the project area. Minor collection pipelines will be constructed as development occurs and will connect to the major collection system. A preliminary cost estimate for the construction of both the southern and northern portions of the new collection system (including construction contingency, engineering, legal, and administrative costs) is \$3.24 million.²⁸

Collected runoff will need to be conveyed to Los Banos Creek for discharge at a point north of Highway 140. A new conveyance facility is planned between Santa Fe Road and Los Banos Creek, adjacent and parallel to Highway 140, in order to minimize ecosystem disruption. This system will be separate from the existing agriculture water conveyance canals. Three options for the conveyance of runoff were proposed and cost estimates were developed for each: a pipeline conveyance system, a concrete-lined channel conveyance system, and an earthen channel outfall conveyance system. The least expensive of the three options is the earthen channel option, at \$2.81 million.²⁹

The southern collection system will have the capacity to serve the Southport Subdivision and will eliminate the need for the existing detention basin. However, a new 140-acre-foot detention basin may be constructed to regulate the quality of discharge into Los Banos Creek. Runoff would flow by gravity from the earthen ditches into the basin and

²⁷ City of Gustine Storm Drainage Master Plan, p.1.

²⁸ City of Gustine Storm Drainage Master Plan, p.20.

²⁹ City of Gustine Storm Drainage Master Plan, p.28.

subsequently pumped back to the drainage channel for disposal, or for discharge into wetlands. This detention basin may not be needed, but it has been included in the facilities plan, if and when it is needed. A preliminary cost estimate for the detention basin is \$2.38 million.³⁰

The cost of the entire expansion project, including the collection and conveyance facilities and the detention basin, is \$7.53 million. The cost has been apportioned by land use type, with the majority of the cost to be born by residential development. At 4.5 units per acre, the cost of installing the new storm drain system is \$1,658 per residential unit.³¹

DETERMINATIONS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

To collect and convey the stormwater runoff created by development efficiently in the currently unimproved areas of Gustine will require the construction of new collection and conveyance facilities and a new detention basin. The cost for these improvements is estimated to be \$7.53 million.

2. GROWTH AND POPULATION PROJECTIONS

It is the type of development rather than the number of new residents that will affect Gustine's drainage system. Most of Gustine's population growth is expected to be located in low density residential development, which will create less runoff than paved surfaces like parking lots.

3. FINANCING CONSTRAINTS AND OPPORTUNITIES

The cost of the entire storm drain improvement project is \$7.53 million. The cost has been apportioned by land use type, with the majority of the cost to be born by residential development. At 4.5 units per acre, the cost of installing the new storm drain system is \$1,658 per residential unit.³²

4. COST AVOIDANCE OPPORTUNITIES

The City has chosen to pursue the least expensive option for the runoff conveyance channels. Earthen conveyance channels will cost less than the other two proposed

³⁰ City of Gustine Storm Drainage Master Plan, p.31.

³¹ City of Gustine Storm Drainage Master Plan, p.32.

³² Ibid.

solutions, a pipeline or a concrete-lined channel conveyance system. Additionally, the detention basin may not be required, so the City may avoid the \$2.38 million cost of its construction.

5. OPPORTUNITIES FOR RATE RESTRUCTURING

The City's development impact fee will be reviewed and updated in the future to ensure the adequate funding of storm drain improvements as development occurs.

6. OPPORTUNITIES FOR SHARED FACILITIES

Currently, Gustine utilizes existing agricultural channels for storm drainage. However, future plans call for separate stormwater pipes and channels to separate the stormwater from agricultural irrigation water for environmental protection reasons.

7. GOVERNMENT STRUCTURE OPTIONS

No government structure changes are pending or proposed.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

Gustine recently completed a Storm Drainage Master Plan which will improve efficiency in future planning efforts as the system expands.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

No changes are pending or proposed related to accountability or governance.

WATER

DESCRIPTION

Gustine lies within the Gustine Watershed and Groundwater Recharge Area. The City's entire water supply is drawn from four wells approximately 200 feet deep.³³ These four wells combined have a production capacity of 4,400 gallons per minute (gpm). In 2001, the City's four wells pumped 1,371 acre-feet of water.³⁴ The City's one storage tank has a holding capacity of 750,000 gallons of water.³⁵

The quality of Gustine's groundwater is adequate in that it does not exceed specified maximum content levels set by the state. However, the water does contain high concentrations of salinity, nitrates, chlorides and sulfates. Gustine's drinking water is therefore treated with chlorine at the wellhead. Additionally, certain wells produce high quantities of sand into the distribution system.³⁶ Well No. 5 was recently found to have exceeded salinity standards and is no longer suitable as a long-term City water supply well.³⁷

Gustine completed a Water Master Plan in 2002. This Master Plan projects water demand through the General Plan build-out of the City. Future water demand was estimated based on the number of acres and the average amount of water usage of each type of land use. Future demand totals 2.3 million gallons a day (mgd), or 1,619 gpm. This is in addition to the City's current demand (as of the 2002 Water Master Plan) of 1.4 mgd, or 1,000 gpm.³⁸ At buildout, City residents and businesses are expected to demand 3.8 mgd of water.

The highest quality water is found in the west and southwest areas of the City. It is estimated that Gustine's water supply could double (to 2,400 acre-feet) without any serious water quality problems. However, at General Plan buildout, water demand is expected to almost triple. The Water Master Plan recommends that Gustine begin to plan for the design of a surface water system to supplement its groundwater system. The surface water supply will be taken into the distribution system near the southwest corner of the water distribution grid, in the same locality where the deep wells are planned.

³³ City of Gustine General Plan 2002, p. 1-26. Additionally, the Land-O-Lakes and Avocet Foods manufacturers operate their own industrial wells. City of Gustine 2002 Water Master Plan, p.11

³⁴ City of Gustine 2002 Water Master Plan, p.6

³⁵ City of Gustine General Plan 2002, p. 1-26.

³⁶ City of Gustine 2002 Water Master Plan, p.8

³⁷ City of Gustine 2002 Water Master Plan, p.10

³⁸ City of Gustine 2002 Water Master Plan, p.6

Immediate plans for the continued provision of groundwater to the Gustine community include the replacement of Wells No. 1 and 5; the construction of new wells, storage tanks, pipelines, and booster pumps; and a comprehensive water level and quality monitoring program. The estimated total cost of these water system improvements is \$9.2 million.³⁹

The eventual conversion from groundwater to surface water will be a lengthy and expensive process, involving permit modifications with the Department of Health Services, compliance with the National Environmental Policy Act and/or the California Environmental Quality Act, and arrangements for delivery via the Delta-Mendota Canal or the California Aqueduct. If the City converts to surface water in the future, it can still utilize the groundwater wells for fire emergencies or for drought years when the surface water supply may be inadequate. A portion of the cost (estimated at \$32.5 million) will be paid for by existing users and a portion will be paid for by new connections. The City will also solicit grants and low interest loans available to small communities in order to address water quality issues.⁴⁰

Gustine's irrigation water and storm drainage needs are met by the Central California Irrigation District canal (CCID Main canal) and two smaller canals: a community ditch that runs parallel to North Avenue and a CCID pipeline that runs parallel to Meredith Avenue. As agriculture land is converted to urban uses, less water will be needed for irrigation within the City's SOI, though more urban development will increase paved surfaces and reduce groundwater recharge areas.

DETERMINATIONS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

Gustine's Water Master Plan prioritizes the replacement of existing Wells No. 1 and 5 to secure a safe drinking water supply for existing users. The Master Plan also calls for the addition of three new municipal groundwater wells, three new storage reservoirs, three new booster pump stations, and additional pipelines. The Master Plan recommends the eventual conversion to surface water provision, in which case the groundwater wells will be utilized for fire and drought emergencies.

2. GROWTH AND POPULATION PROJECTIONS

Most growth in Gustine will be low-density residential development. Demand for drinking water in Gustine is expected to nearly triple by General Plan buildout. Some of this demand can be met by increased groundwater pumping, but the City will eventually have to convert to surface water to meet community water demand.

³⁹ City of Gustine 2002 Water Master Plan, p. 22

⁴⁰ City of Gustine 2002 Water Master Plan, p. 24

3. FINANCING CONSTRAINTS AND OPPORTUNITIES

New water facilities to serve future development will be funded in part by the development impact fee of \$3,810 (as of 2002) charged for each new dwelling unit.⁴¹

A portion of the cost of the conversion to surface water (estimated at \$32.5 million) will be paid for by existing users and a portion will be paid for by new connections. The City will also solicit grants and low interest loans available to small communities in order to address water quality issues.⁴²

4. COST AVOIDANCE OPPORTUNITIES

Gustine has the opportunity to reduce water leaks and associated costs by implementing a comprehensive water system monitoring program. All new homes will be metered, which will assist in reducing water loss and associated unrealized revenue.

The City is also evaluating refinancing its 2000 COPs as a cost-saving measure.⁴³

5. OPPORTUNITIES FOR RATE RESTRUCTURING

City staff is working with the City Engineer to revise both water usage fees and connection fees.⁴⁴

6. OPPORTUNITIES FOR SHARED FACILITIES

Gustine may utilize a portion of the capacity of the Delta-Mendota Canal or the California Aqueduct when the City converts to surface water provision. No other opportunities for shared facilities have been identified at this time.

7. GOVERNMENT STRUCTURE OPTIONS

No changes to government structure are pending or proposed at this time.

⁴¹ City of Gustine General Plan 2002, p. 7-21.

⁴² City of Gustine 2002 Water Master Plan, p. 24

⁴³ City of Gustine 2003-2004 Operating Budget, p. 3

⁴⁴ Ibid

8. EVALUATION OF MANAGEMENT EFFICIENCIES

Gustine recently completed a Water Master Plan for the future of City water provision. This Plan will help the City direct its planning efforts in a focused and efficient way toward ensuring a reliable supply of water for the City's growth.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

Gustine's City Council holds weekly public meetings. No changes to the governance of Gustine's water system are pending or proposed.

SEWER

DESCRIPTION

Gustine provides sanitary sewer collection and wastewater treatment for City residents and businesses, including three major agricultural and dairy processing operations. These three industrial users comprise 40 to 60 percent of the City's total wastewater flow.⁴⁵ The City's sewer collection system is composed of 22.3 miles of trunk and lateral sewers.⁴⁶ Environmental Management Services (EMS) is the contract operator of the sewer system for the City.

An expansion of the City's wastewater treatment plant was completed in 1999 to increase capacity to 1.5 million mgd.⁴⁷ This expansion is intended to support growth through 2010. An additional demand of 2.9 million gallons a day for both industrial and non-industrial users is projected within the next 10 to 15 years. This will require another treatment plant upgrade to a total capacity of 3.9 mgd.⁴⁸

A Sewer System Master Plan was completed in 2003. This Plan addresses the capacity of the City's sewer lines to meet current and future demand, based on General Plan Phase 1 and Phase 2 development. This Plan recommended more frequent cleaning and maintenance activities as well as the construction of new sewer lines. The new sewer lines are needed to serve planned residential development. The costs of expansion are estimated based on stage of development. Stage 1, through 2006, will cost \$487,000; Stage 2, through 2015, will cost \$1,967,000; and Stage 3, through 2020, will cost an additional \$1,907,000.⁴⁹ These capital costs will be offset partially by the City's \$3,525 per dwelling unit development fee.⁵⁰

Planned industrial development will not require additional sewer collection capacity because it is generally located downstream and impacts only a small portion of the system.

Planned manufacturing and commercial development will not require additional capacity because these areas are located where existing capacity is available. The developer of these areas may be required to construct some on-site sewer lines to connect to the City's sewer system.

⁴⁵ City of Gustine Final Revised Sanitary Sewer System Master Plan, April 2003. P. 1.

⁴⁶ City of Gustine Final Revised Sanitary Sewer System Master Plan, April 2003. P. 3.

⁴⁷ City of Gustine General Plan 2002, p. 1-9.

⁴⁸ City of Gustine General Plan 2002, p. 5-5.

⁴⁹ City of Gustine Final Revised Sanitary Sewer System Master Plan, April 2003. P. 19.

⁵⁰ As of 2002 (City of Gustine General Plan, p. 7-21).

DETERMINATIONS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

Gustine's sewer collection and treatment systems are adequate for current population, but will require expansion in the future. Gustine's Sanitary Sewer System Master Plan provides direction for future expansion of the City's sewer collection system to accommodate new residential development. New commercial and industrial development will not require significant changes to the sewer collection system.

The recent wastewater treatment plant upgrade is projected to be sufficient through 2010. In 10 to 15 years, the City anticipates the demand for an additional 2.9 mgd capacity at the wastewater treatment plant.

2. GROWTH AND POPULATION PROJECTIONS

Gustine's projected residential development is the primary driving force for sewer collection expansion and improvements. New residential developments are planned north and south of town, and will require the replacement of sewer lines, new connections between existing sewer lines and pumps, and construction of new sewer lines.

3. FINANCING CONSTRAINTS AND OPPORTUNITIES

The wastewater treatment plant upgrade and the sewer collection system improvements will be offset partially by Gustine's \$3,525 per dwelling unit development fee. Additionally, the developers of Gustine's manufacturing and commercial areas may be required to construct some on-site sewer lines to connect to the City's already existing sewer system. However, the City's General Plan states that funding for capital facilities has become increasingly difficult.

Gustine's 2003-2004 budget includes a 1.8 percent increase for the services provided by EMS.⁵¹

4. COST AVOIDANCE OPPORTUNITIES

Industrial development in the City of Gustine is expected to contribute a significant amount of wastewater flow (800,000 gpd by Phase 1 build-out)⁵², but will not require additional sewer lines as long as connection points are chosen correctly to optimize capacity. Manufacturing and commercial land use development will contribute

⁵¹ City of Gustine 2003-2004 Operating Budget, p. 3

⁵² City of Gustine Final Revised Sanitary Sewer System Master Plan, April 2003. P. 11.

significant flows to the system as well, but will occur in areas where existing capacity is available. Therefore, the City will avoid the costs of increasing capacity by constructing new sewer lines.

5. OPPORTUNITIES FOR RATE RESTRUCTURING

Gustine charges an average monthly sewer service fee of \$17.97 for a typical single-family home, which is slightly lower than the statewide average of \$21.48.⁵³ Gustine's monthly sewer charge is higher than Los Banos, but lower than both Atwater and Merced.

6. OPPORTUNITIES FOR SHARED FACILITIES

No opportunities for shared facilities have been identified.

7. GOVERNMENT STRUCTURE OPTIONS

No changes to government structure are pending or proposed.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

Gustine's sewer system and wastewater treatment plant are operated under contract by EMS. No changes to the operation of the system are pending or proposed.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

No changes to the accountability or governance of Gustine's sewer system are pending or proposed.

⁵³ Black & Veatch California Wastewater Charge Survey 2004.

Gustine General Plan

- Sphere of Influence
- City Limits

RESIDENTIAL

- Residential Estate
- Low Density
2.0 - 6.0 du/ac
- Medium Density
6.1 - 10.0 du/ac
- High Density
10.1 - 15.0 du/ac
- Mobile Home Park
- Planned Development

COMMERCIAL

- Retail Business District
- Office
- Neighborhood
- Mixed Use
- Highway
- General Service

PUBLIC USES

- Park
- School
- Greenway

INDUSTRIAL

- Manufacturing
- Controlled Industrial

AGRICULTURAL

- Agricultural-Commercial

ROADS

- 2 Lane Road
- 4 Lane Road
- Truck Route
- Railroad
- Railroad Hub
- Gateways

Prepared by the
Merced County
Association of Governments
369 West 18th Street
Merced CA 95340
209-723-3153

