

The Economics of Land Use



Final Report

City of Dos Palos Municipal Service Review

Prepared for:

Merced County Local Agency Formation Commission

Prepared by:

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As approved by LAFCO March 25, 2010

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Note: A version of this report titled "Draft" was approved by LAFCO on March 25, 2010. No changes have been made to this version other than updating the report's title to "Final Report" and revising figure labels.

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1. INTRODUCTION

This Report presents the findings and conclusions for a Municipal Service Review for the City of Dos Palos. Preparation of a Municipal Service Review (MSR) for cities and special districts is a responsibility of the Local Agency Formation Commission in accordance with state law. This Municipal Service Review addresses the City of Dos Palos, including the required data and analysis and linking this to organizational issues facing the City. In general these organizational issues involve the City's Sphere of Influence, the potential annexation of unincorporated territory into the City, and the City's ability to provide adequate and efficient governmental services to 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 Local Agency Formation Commissions (LAFCOs), established in 1965 by the Knox-Nisbet 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 updated law endows LAFCO with both more responsibilities and more influence to direct growth in California.

One of LAFCO's responsibilities requires regional studies of municipal services (Municipal Service Reviews, or MSRs) every five years, in conjunction with reviews of city and district spheres of influence (SOIs). Government Code Section 56425 directs LAFCOs to review and update agencies' SOIs, as necessary, every five years. Section 56430 requires MSRs to be conducted before or in conjunction with the sphere updates. A recent change to the Local Government Reorganization Act reduced the number of factors to be addressed in MSRs from nine to six. According to current state law, this MSR addresses the following six factors:

1. Growth and population projections for the affected area.
2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
3. Financial ability of agencies to provide services.
4. Status of, and opportunities for, shared facilities.
5. Accountability for community service needs, including governmental structure and operational efficiencies.
6. Any other matter related to effective or efficient service delivery, as required by commission policy.

Merced LAFCO retained Economic & Planning Systems, Inc. (EPS) to develop the MSRs for Cities in Merced County. Each service provider within the City was contacted to request information and documents such as master plans, budgets, and maps. EPS used the information obtained from the jurisdictions to write provider profiles and the six determinations required by law for each provider. The profiles and determinations will be submitted to each city for review and comment.

Approach and Methodology

Economic & Planning Systems, Inc. (EPS) has been retained under contract to LAFCO to conduct the MSRs for the six cities in Merced County. All city MSRs are separate documents, and MSRs have been completed for four cities: Gustine, Livingston, Los Banos, and Merced. The current MSR was delayed in order to obtain supplemental information specific to the City of Dos Palos.

EPS first requested a range of data from each City regarding municipal services, and prepared an initial draft Report. The initial draft Report was reviewed by LAFCO staff. After LAFCO review and resulting modifications the report will be reviewed by the City and subsequently published for public comment and approved by the Commission at a public hearing. The Report format presents "Reorganization and Service Issues" in the introductory section and provides details of each service later in the Report. The six State-mandated issue areas are reviewed for each service category examined in the Report.

City of Dos Palos Governance

The City of Dos Palos was incorporated May 24, 1935 as a General Law City, under the California Government Code and the Constitution of the State of California. The City is governed by a Council-Manager form of government with five elected council members, one of whom is elected by the public as mayor. The mayor serves a four-year term, council members serve four-year terms. The council selects the City Manager who is also the chief executive officer and police commissioner for the city.¹

City of Dos Palos Contact Information:

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¹ City of Dos Palos website, accessed September 2004.

Reorganization and Service Issues

1. Land Use Planning

The City of Dos Palos General Plan was adopted in 1991, and the Housing Element was updated in 2003. The City is considering an update to the General Plan to reflect current conditions. The current document pinpoints areas identified for future development, which are a combination of areas to the south and west of the community. Other areas are identified as having development potential; however, the City is focusing on those areas with some development and infrastructure in place, rather than predominantly agricultural lands. The outcome of the planning process may influence future service provision, especially any desire to annex land to the east which was formerly part of Fresno County.

2. Contract Service Provision

In April 1988, the City entered into the "Water Quality Improvement Joint Powers Agency for the Dos Palos Area" for the provision of potable water supplies and the "Wastewater Disposal Joint Powers Agency for the Dos Palos Area" for the provision of sewer service. In addition to the City, the Water Quality Joint Powers Authority (JPA) involves Merced County, Midway Community Services District, North Dos Palos Water District, and South Dos Palos County Water District. The Wastewater Disposal JPA involves the City, the Midway Community Services District and the South Dos Palos County Water District.

Key Municipal Service Issues

1. Future Infrastructure Planning

The "Water Quality Improvement Joint Powers Agency for the Dos Palos Area" and the "Wastewater Disposal Joint Powers Agency for the Dos Palos Area" have updated master plans that describe the system expansion necessary to serve the growth identified in the General Plan. However, due to the slow economy, the revenue from developer fees has fallen. As a result, the City's ability to fund expansion along with its JPA partners is questionable at this time.

2. Future Growth

The City's current General Plan identifies growth areas to the south and west. Other areas are identified as having development potential; however, the City is focusing on those areas with some development and infrastructure in place, rather than predominantly agricultural lands.

In 2007, the boundary between Merced and Fresno Counties was modified through the annexation of 6.5 square miles into Merced County located southeast of the Dos Palos city limits. This area would now qualify for annexation although it is not reflected in the City's current General Plan. The City should update their General Plan to indicate plans for future growth and annexation given this County boundary change.

2. SUMMARY OF SERVICE ISSUES AND TRENDS

Growth and Development

The City of Dos Palos is responsible for the full range of municipal services and provides storm drainage services as well as police, fire, and general government services. As mentioned earlier, the City entered into the "Water Quality Improvement Joint Powers Agency for the Dos Palos Area" for the provision of potable water supplies and the "Wastewater Disposal Joint Powers Agency for the Dos Palos Area" for the provision of sewer service.

The City of Dos Palos is located in western Merced County near the Fresno County border along State Route 33. The existing jurisdiction covers approximately 954 acres or 1.49 square miles. See **Figure 1** for the City of Dos Palos General Plan map. The City of Dos Palos' General Plan encompasses the City and the unincorporated communities of Midway and South Dos Palos.² The City's Sphere of Influence is shown in **Figure 2**.

The majority of the land in Dos Palos consists of residential development. The areas identified for future development in the General Plan are primarily in agricultural use and located in the periphery of the community to the south and east.

The City of Dos Palos had a population of approximately 5,010 people in January 2009.³ As shown below, the City of Dos Palos is projected to have a population of approximately 7,500 by 2020, an increase of 2,490 or nearly 50 percent. Not taking into consideration the recent economic downturn, according to the Merced County Association of Governments, the City's population was projected to grow by approximately 225 people per year between 2009 and 2020, or an average annual growth rate of just below 4 percent.

Year	Population Projection
2005	4,900
2010	6,700
2015	7,100
2020	7,500

Source: Merced County Association of Governments.

² Storm Drainage Master Plan for the City of Dos Palos, September 2009

³ California Department of Finance, 2009.

City of Dos Palos General Plan Map

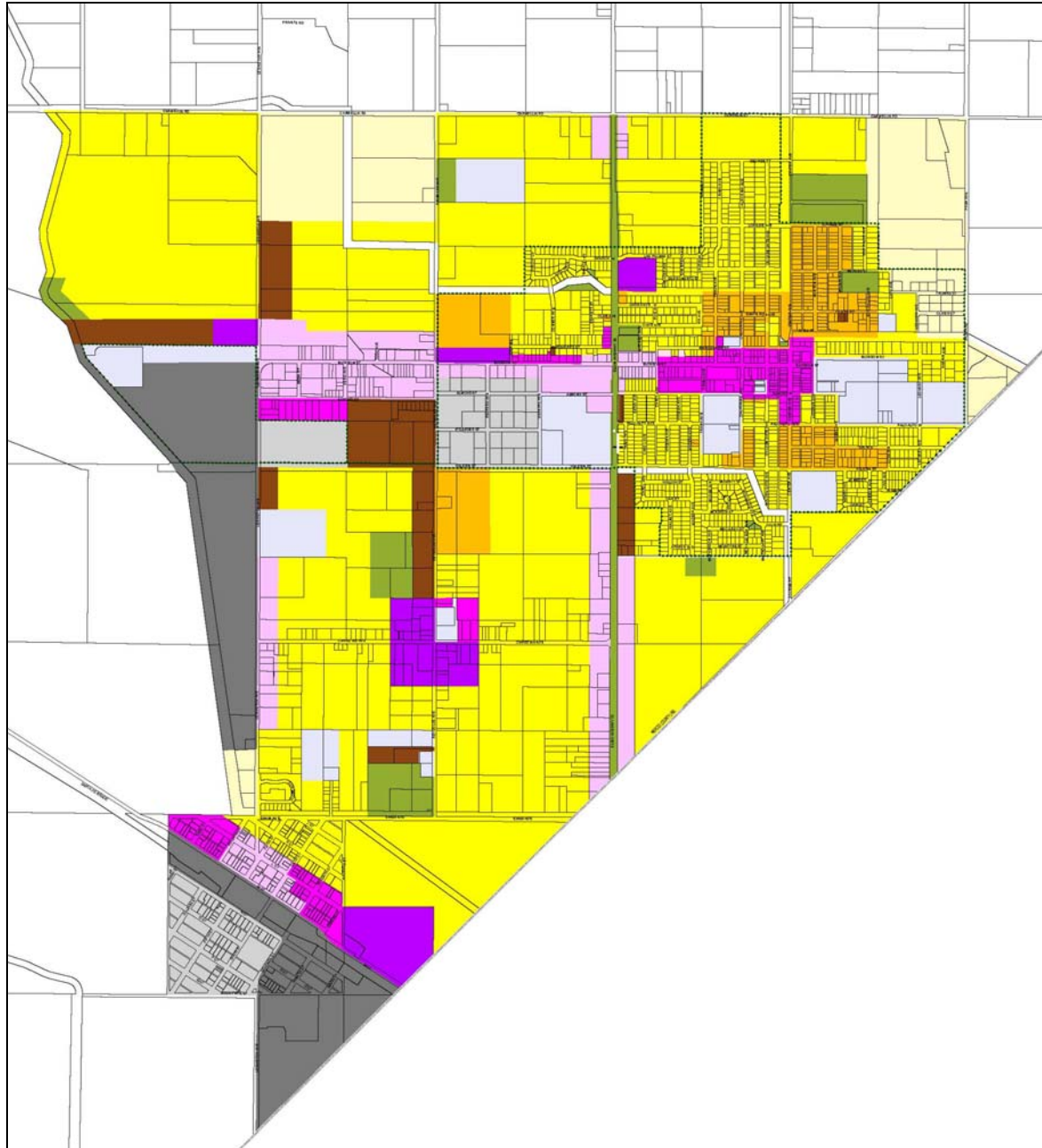


Figure 1

City of Dos Palos Sphere of Influence

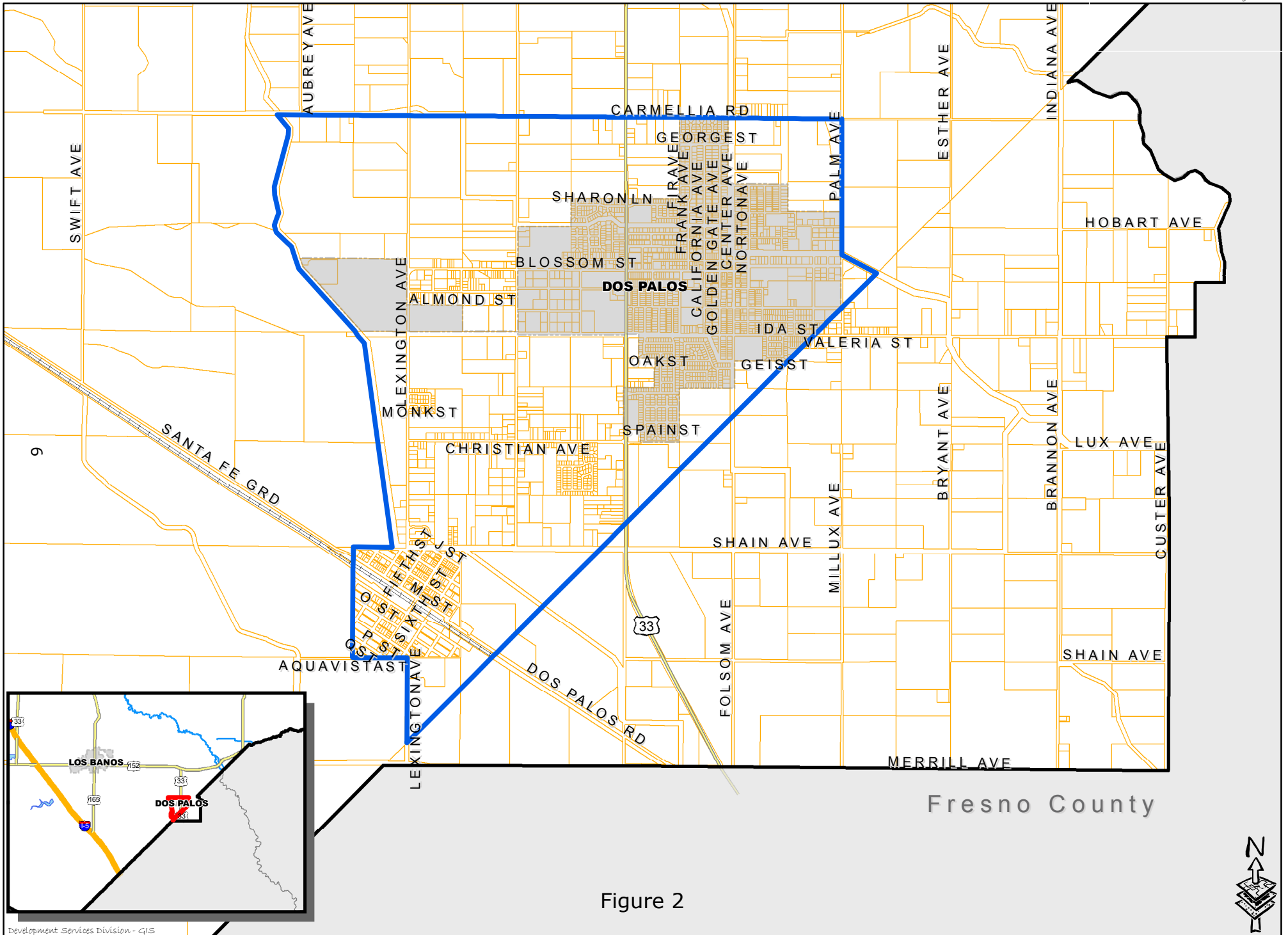
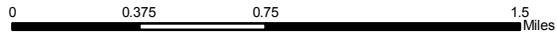


Figure 2

Merced County Census Tract 24, which includes the City of Dos Palos plus the unincorporated County area surrounding the City, had a total of 7,477 persons, according to the 1990 Census. By 2000, the population in this census tract had grown to 8,194, an increase of 9.5 percent. The population of the City of Dos Palos has increased during the same time period from 4,080 in 1990 to 4,647 in 2000, a 14 percent increase.⁴

Fiscal Conditions

Like other cities in the state of California, Dos Palos has faced a challenging fiscal environment in recent years. Revenues from property taxes, motor vehicle fees, and development-related fees have declined since the recent economic downturn, which is primarily attributable to reductions in property values, tightening credit capacity, and lower consumer demand in the face of reduced consumer confidence and increasing unemployment.

Additionally, 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 Dos Palos have had to resort to different methods of revenue generation to fund the facilities associated with rapid population growth. The funding of bridges, roads, and parks has been an especially difficult challenge for Dos Palos. Capital facilities costs have been financed by the City's General Fund, grants from state and federal sources, developer contribution, sewer and water user fees, and other miscellaneous sources. However, the City's General Fund is under increasing pressure and Dos Palos, like most California cities, has had to make cuts to basic City operations. 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 are often small in comparison to the size of the overall need.

Total General Fund revenues for FY 08-09 are estimated to be about \$1.4 million, which is a reduction of just under 10 percent from total General Fund revenues in FY 07-08. Property tax revenues fell by 2.2 percent from \$230,020 in FY 07-08 to \$225,000 in FY 08-09.⁵

Additional property tax revenues from property annexed into the City is limited by the Property Tax Sharing Agreement between the City of Dos Palos and the County of Merced. Pursuant to this agreement, made in 2003, the County will share the incremental tax rate for the County General Fund based upon the year of the increment. In FY 08-09, the County retained 70 percent of the increment and apportioned 30 percent to the City of Dos Palos. In FY 09-10, the County retains 75 percent of the increment and will apportion 25 percent to Dos Palos.

⁴ U.S. Census 1990 and 2000.

⁵ City of Dos Palos FY 2008-09 Budget.

In FY 12-13, the proportion that the county retains increases to 80 percent with 20 percent apportioned to Dos Palos. In FY 15-16 and thereafter, the County will retain 85 percent and will apportion 15 percent to Dos Palos.⁶

⁶ Property Tax Sharing Agreement between the City of Dos Palos and County of Merced, February 25, 2003.

POLICE DEPARTMENT

Description

The Police Department employs seven sworn officers, five reserve officers, four part-time dispatchers and two part-time animal control officers.⁷ The department headquarters is housed in the City's municipal building at 1546 Golden Gate Avenue in Dos Palos. Both Fire and Police dispatch units include recording systems utilizing 911-enhanced calling, and the systems are linked with county emergency services for efficient delivery and backup.

The City provides police protection with a ratio of 1.4 sworn police officers per 1,000 residents.⁸ This ratio currently exceeds the City's policy of 1 officer per 1,000 residents⁹. A typical service standard in an urban setting can range from 1.0 to 1.5 sworn offers per 1,000 residents. The Dos Palos Police Department responds to approximately 5,500 calls for service annually with an average response time of two minutes.¹⁰

Determinations

1. Growth and Population Projections

With a projected population in 2020 of 7,500,¹¹ Dos Palos will need to add about three new sworn officers to maintain their current ratio of police officers to population. Only one additional officer would be needed to achieve the City's policy of 1 officer per 1,000 population.

2. Infrastructure Needs and Deficiencies

Growth will likely require the addition of staff. Further analysis is necessary to determine whether this relatively small addition will require an expansion of facilities.

3. Financing Constraints and Opportunities

The Police Department's budget for the FY 08-09 is \$750,000. The majority of police costs are funded through the City's General Fund. In addition, the Police Department is budgeted to

⁷ Communication from Dewayne Jones, Director of Public Safety, June 29, 2009.

⁸ Ibid.

⁹ Per LAFCO interview with Darrell Fonseca, City of Dos Palos.

¹⁰ Ibid.

¹¹ Merced County Association of Governments, Growth Projections, April 2007.

receive \$100,000 in Community Oriented Policing Services (COPS) grant revenue to fund personnel costs.¹²

Police Service Subdivision Fee revenue was \$1,000 in FY 08-09. The Police Impact Fee is \$100 per residential unit. The City's residential impact fees were adopted in December 1991 and have not been updated since. Currently, City staff are considering revising the fee schedule. Staff report that impact fee revenues have sufficiently funded improvements to date.¹³ These fees should be revised continuously to assure rates are consistent with changes in costs.

4. Opportunities for Shared Facilities

No opportunities for shared facilities have been identified.

5. Evaluation of Local Accountability, Government Structure, and Operational Efficiencies

No issues have been identified relating to local accountability, government structure, and operational efficiencies.

6. Other Matters Related to Effective Service Provision as Required by Commission Policy

No other matters related to effective service provision have been identified

¹² City of Dos Palos Fiscal Year 2008-09 Budget.

¹³ Communication from Director of Public Safety, Dewayne Jones, January 27, 2010.

FIRE DEPARTMENT

Description

The Fire Department provides fire protection and emergency medical service to areas within the City of Dos Palos. The Fire Chief reports to the City Manager and to the elected City Council. The City Council approves the Fire Department's budget annually. During FY 2008-09, the Fire Department's budget was \$53,000.¹⁴

The Dos Palos area is protected by two fire stations: Dos Palos Fire Station 76, located at 1540 Golden Gate Ave, and Dos Palos Wye Fire Station 75, located at 8047 W, Dairy Lane.¹⁵ The City shares Station 76 with Merced County while the Dos Palos Wye Station is operated by Merced County. The firefighting staff consists of two full-time personnel and twelve certified volunteer firefighters.¹⁶

The Dos Palos Fire Department has an Automatic Aid agreement with Merced County that provides one 24-hour firefighter and one fire engine. In addition, the Fire Department has an Automatic Aid agreement with Fresno County to provide fire protection services.¹⁷

In 2008, the Dos Palos Fire Department responded to 434 calls for service in the city limits. Response time within the city limits is generally within three to five minutes. Dos Palos currently has a Class 6 ISO rating.¹⁸ Dos Palos is also served by a countywide emergency response system, including ambulance service. The cities of Dos Palos, Livingston, and Gustine are dispatched by the county command center in Mariposa.

¹⁴ City of Dos Palos Fiscal Year 2008-09 Budget.

¹⁵ <http://www.co.merced.ca.us/BusinessDirectoryII.aspx?lngBusinessCategoryID=26>.

¹⁶ Communication from Director of Public Safety, Dewayne Jones, June 29, 2009.

¹⁷ Fire protection services is defined as firefighting capacity to contain, control, extinguish structure fires, and responses to unknown type fires, priority one and two medical emergencies, and special call emergency incidents. Source: Agreement for Fire Protection Services Between Fresno County Fire Protection District and County of Merced, April 26, 2005.

¹⁸ 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 its Fire Suppression Rating Schedule. Then, a Public Protection Classification between 1 and 10 is assigned. Class 1 generally represents superior property fire protection, and Class 10 indicates that the area's fire-suppression program doesn't meet ISO's minimum criteria. Source: Communication from Director of Public Safety, Dewayne Jones, January 6, 2010.

Determinations

1. Growth and Population Projections

City staff report that because the number of calls for service has remained relatively consistent in recent years, and the Fire Department can respond to the call volume adequately, facilities are adequate to continue current levels of service provision. There are no short-term plans for additional stations at this time.

Since 2005, the number of calls for service that the Fire Department responded to within the Dos Palos city limits remained relatively stable. The total number of calls for service peaked in 2007 with 469 calls and fell to 434 in 2008.

2. Infrastructure Needs and Deficiencies

The United States Department of Agriculture provided the City of Dos Palos Fire Department with a \$37,500 Community Facilities grant to purchase a command vehicle. The grant required the City to put \$12,500 towards the vehicle purchase. Funding came from the General Fund. The command vehicle will be used to replace the fire department's current command vehicle, a 1999 Ford Explorer.

Additionally, the Dos Palos Fire Department plans to replace its oldest fire engine by summer 2010. The new fire engine will be funded by grant money.

3. Financing Constraints and Opportunities

The Fire Department's budget for the FY 08-09 is \$53,000.¹⁹

Fire Service Subdivision Fee revenue was \$1,000 in FY 08-09.²⁰ The Fire Impact Fee is \$100 per residential unit. The City's residential impact fees were adopted in December 1991 and have not been updated since. Currently, City staff are considering revising the fee schedule. Staff report that impact fee revenues have sufficiently funded improvements to date.²¹ These fees should be revised continuously to assure rates are consistent with changes in costs.

4. Opportunities for Shared Facilities

The Dos Palos Fire Department shares Station 76 with the County of Merced. The City and County share the facility's maintenance costs. The County pays the station's water and sewer expenses, and the City pays the station's gas and electric expenses. If the City would like the

¹⁹ City of Dos Palos Fiscal Year 2008-09 Budget.

²⁰ Ibid.

²¹ Communication from Director of Public Safety, Dewayne Jones, January 27, 2010.

County to contribute to fixed asset purchases, these items must be budgeted and approved by the Merced County Board of Supervisors.²²

Additionally, the cities of Dos Palos, Livingston, and Gustine are dispatched by the county command center in Mariposa under contract with Cal Fire.

5. Evaluation of Local Accountability, Government Structure, and Operational Efficiencies

Nearly half of total departmental expenditures cover personnel costs, and the department employs a number of volunteer firefighters. The department appears to provide fire protection cost effectively, and no additional opportunities for management efficiency have been identified. The Fire Chief is hired and evaluated by the City Manager and the City Council. No changes to government structure or governance are pending or proposed at this time.

6. Other Matters Related to Effective Service Provision as Required by Commission Policy

No other matters related to effective service provision have been identified.

²² Joint Powers Agreement between the County of Merced and the City of Dos Palos, July 21, 1992.

STORM DRAINAGE

Description

The City of Dos Palos operates the storm drainage system in coordination with the Dos Palos Drainage District (DPDD) and the Central California Irrigation District (CCID).²³ The City of Dos Palos, DPDD, and CCID operate together to provide storm drainage service within the City's sphere of influence.²⁴ The City's General Plan encompasses the communities of Midway and South Dos Palos. The City and the Central California Irrigation District (CCID) formed an agreement regarding drainage service provision in August 1988.²⁵

The City's storm drainage system comprises multiple small networks that drain into a canal that is owned and operated by the CCID. Based on the existing system layout and flow paths, the Dos Palos area is divided into individual drainage sub-basins. The storm water runoff from each of these areas is either collected and pumped into a nearby canal, flows to a nearby ditch, or has no existing storm water collection/storage system.²⁶ Specifically, many developed areas in the older portions of the communities of Dos Palos, Midway and South Dos Palos do not have a drainage system. As development in these areas increases, the City will need to expand the storm drainage system to serve these areas.

Determinations

1. Growth and Population Projections

While growth has slowed over the last few years, it is anticipated that areas within the City's General Plan boundary will continue to be developed.²⁷ The Storm Drain Master Plan, which was completed in September 2009, reports that areas already built out are assumed to be operating properly and no recommendations or upgrades are suggested for these areas. The Master Plan recommends that a drainage basin be added in areas that are not built-out or partially built out.²⁸

²³ Communication from City Engineer Garth Pecchenino, January 6, 2010.

²⁴ Ibid.

²⁵ City of Dos Palos Storm Drainage Master Plan, prepared by Fremming, Parson, and Pecchenino, September 2009. Section 1.1.

²⁶ Ibid. Section 1.1.

²⁷ Ibid. Section 1.1.

²⁸ Ibid. Section 4.

2. Infrastructure Needs and Deficiencies

Currently, South Dos Palos is not served by a storm drainage system. On-site drainage comprises swales and roadside ditches that carry and store runoff. Because of the built out nature of the community, the Master Plan does not include recommendations for new facilities.²⁹

There are no known drainage problems in the rest of the service area. However, a large part of the study area lacks any kind of storm water collection system.³⁰ Specifically, many developed areas in the older portions of the communities of Dos Palos, Midway and South Dos Palos do not have a drainage system. As development in these areas increases, the City will need to expand the storm drainage system to serve these areas.³¹

For areas that are not built-out or partially built-out, the Storm Drainage Master Plan recommends adding drainage basins as these areas develop. The size of each basin will be based on the volume of storm water generated for each sub-area. Additionally, depending on each area's needs, either a new pump station may be required or new piping may be required to carry flow to a nearby pump station.³²

3. Financing Constraints and Opportunities

The Storm Drainage Impact Fee is \$1,500 per residential unit. The City's residential impact fees were adopted in December 1991. Currently, City staff are considering revising the fee schedule. Staff report that impact fee revenues have sufficiently funded improvements to date.³³ These fees should be revised continuously to assure rates are consistent with changes in costs.

4. Opportunities for Shared Facilities

The City of Dos Palos operates the storm drainage system in coordination with the Dos Palos Drainage District (DPDD) and the Central California Irrigation District (CCID).³⁴ No other opportunities for shared facilities have been identified.

²⁹ City of Dos Palos Storm Drainage Master Plan, prepared by Fremming, Parson, and Pecchenino, September 2009. Section 3.1.

³⁰ Ibid. Section 3.1.

³¹ Communication from City Engineer Garth Pecchenino, January 6, 2010.

³² City of Dos Palos Storm Drainage Master Plan, prepared by Fremming, Parson, and Pecchenino, September 2009. Section 3.2.

³³ Communication from Director of Public Safety, Dewayne Jones, January 27, 2010.

³⁴ Communication from City Engineer Garth Pecchenino, January 6, 2010.

5. Evaluation of Local Accountability, Government Structure, and Operational Efficiencies

No issues have been identified relating to local accountability, government structure, and operational efficiencies.

6. Other Matters Related to Effective Service Provision as Required by Commission Policy

No other matters related to effective service provision have been identified.

Description

For the provision of potable water supplies, the City of Dos Palos has entered into the “Water Quality Improvement Joint Powers Agency for the Dos Palos Area” (JPA) agreement involving Merced County; the Midway Community Services District; the North Dos Palos Water District and South Dos Palos County Water District. The purpose of the JPA is to establish a common water supply and delivery system for participating agencies.

Because of local groundwater quality limitations, the JPA now obtains surface water from the California Aqueduct. The water is delivered to the City by a 20-inch, 17.5-mile pipeline, and is treated at a plant owned by the City and operated by a private firm. The City and each district has an allotment of capacity from the system as part of the JPA agreement, but landowners within the district boundary must receive approval directly from the City or respective district for water connections. Monthly billing is paid directly to the City of Dos Palos which in turn reimburses the private firm operating and maintaining the treatment plant and water distribution system.³⁵

The Dos Palos Water Treatment Plant (WTP) was constructed in 1969 and upgraded in 1990. The treatment plant serves approximately 2,260 connections with a breakdown as follows:

- City of Dos Palos: 1,570 connections
- South Dos Palos County Water District: 255 connections
- Midway Community Services District: 225 connections
- North Dos Palos Water District: 50 Connections
- Merced County (formerly Fresno County Service Area 28, Zone A): 67 Connections
- Merced County (formerly Fresno County Service Area 38): 95 Connections³⁶

The system’s capacity is limited by its withdrawal allowance from the aqueduct. The maximum amount of water that the WTP may withdraw is 2.2 million gallons per day (mgd). The Water Distribution Study Guide reports that the capacity of the WTP was 3.3 mgd in May 2007, although the system’s the pipelines could handle up to 6 mgd. The City’s Water Distribution System Study estimates that the current maximum daily demand is about 1,670 gpm and the peak hourly demand is about 2,500 gpm.³⁷

³⁵ Draft Initial Study/Negative Declaration, Merced County and Fresno County Minor Boundary Change, January 2007.

³⁶ Water Distribution System Study for the City of Dos Palos, May 2007. Section 3.1.

³⁷ Water Distribution System Study for the City of Dos Palos, May 2007. Section 3.1.

Based on a hydraulic analysis, the Water Distribution System Study reports that the existing system is operating above recommended pressure at all system junctions for Peak Hour Demand, and the maximum daily demand would likely meet

Determinations

1. Growth and Population Projections

The Water Distribution System Study for the City of Dos Palos reports that buildout of the community is expected to occur between 2020 and 2025. At the time of the study, there was great interest in developing land within the community planning area, but the existing water and sewer systems were inadequate to serve newly developed areas. The improvements recommended in the Water Distribution System Study are discussed below.

2. Infrastructure Needs and Deficiencies

The Water Distribution System Study reports that some of the existing water lines are not large enough to meet existing demand plus the future demand. The study recommends that various water lines and three new pumping stations³⁸ be constructed to alleviate the existing system and serve future developed areas. In addition, certain existing pipes should be upgraded so that newly constructed improvements can connect to the existing system.

The Water Distribution System Study provides an estimate of the cost to provide all of the future improvements. The total cost of improvements is estimated to be about \$18.5 million, which includes a 20 percent contingency. This covers the cost of new pipes with varying diameters (\$3.8 million), ductile iron (\$4.8 million), three stations and three pumps (\$2.0 million), and three million gallon storage tanks (\$2.6 million), as well as other improvements. Improvements to the water system are funded through JPA fees, which are collected from each JPA participant.

The City recently applied for grant funding from the United States Department of Agriculture to fund the construction of a new water plant. The new water plant is expected to be constructed so that it will be upgradeable in the future. As a result, the plant will be expanded as the local population grows. Initial construction of the new plant will be funded with grant money, and developers will pay for the expansion of the facility.³⁹

3. Financing Constraints and Opportunities

The Water Connection Fee is \$1,900 per residential unit. The City's residential impact fees were adopted in December 1991. Currently, City staff are considering revising the fee schedule. Staff

³⁸ Each pumping station shall consist of three pumps and one million gallon storage tank. The preliminary design described in the Water Distribution System Study includes three pumps, each with a design discharge of 1,000 gpm and a design head of 115 feet. Source: Water Distribution System Study for the City of Dos Palos, prepared by Fremming, Parson, and Pecchenino, Section 4-1.

³⁹ Communication from Director of Public Safety, Dewayne Jones, January 27, 2010.

report that impact fee revenues have sufficiently funded improvements to date.⁴⁰ These fees should be revised continuously to assure rates are consistent with changes in costs.

4. Opportunities for Shared Facilities

The City of Dos Palos is a member of a Joint Powers Authority, which shares water treatment and distribution facilities. Other members of the JPA include the Midway Community Services District, North Dos Palos Water District, and South Dos Palos County Water District.

5. Evaluation of Local Accountability, Government Structure, and Operational Efficiencies

No issues have been identified relating to local accountability, government structure, and operational efficiencies. The City is part of a multi-jurisdictional JPA.

6. Other Matters Related to Effective Service Provision as Required by Commission Policy

No other matters related to effective service provision have been identified.

⁴⁰ Communication from Director of Public Safety, Dewayne Jones, January 27, 2010.

Description

The City has entered into the “Wastewater Disposal Joint Powers Agency for the Dos Palos Area” (JPA) involving the Midway Community Services District and the South Dos Palos County Water District for the provision of sewer service. The JPA-funded sewer plant provides wastewater treatment, and a private firm is retained by the JPA to operate and maintain the treatment plant and sewer collection lines. The City and respective district have an allotment of connections for remaining capacity, and landowners within the jurisdictional boundaries must receive approval directly from the City or respective district for connections. All monthly billing is paid to the City of Dos Palos. Through the JPA, the City reimburses the private firm for operations and maintenance.

The existing sewer system is comprised of sewer lines with diameters between 4 and 15 inches.⁴¹ There are seven lift stations that help convey the wastewater to the WWTP for processing. For the most part, the existing sewer lines and lift stations are adequate for flows at the present time. The current average daily flow to the facility is about 700,000 gallons per day (gpd), and the maximum capacity of the wastewater treatment facility is 1.2 million gallons per day.⁴²

The City’s Wastewater Collection System Study reports that for the most part, the existing sewer lines and lift stations are adequate given current flow levels, although, there is one known problem area that begins at the lift station near the intersection of Christian Street and Lexington Avenue and continues north to the lift station where the canal intersects Lexington Avenue.⁴³ This area has problems with settlement because of the flat slope of the pipes. Upgrades to the existing system will improve the passage of existing flow as well as increase the system’s capacity to accommodate future flows.⁴⁴ These upgrades will be financed with developer fees or City funding.

⁴¹ The sewer material in the older part of town is mostly vitrified clay pipe (VCP) with some plastic pipe. Pipe materials used in the last 20 years include VCP and polyvinyl chloride pipe (PVC). Source: Wastewater Collection System Study for the City of Dos Palos, prepared by Fremming, Parson, and Pecchenino, May 2007, Section 3-1.

⁴² Wastewater Collection System Study for the City of Dos Palos, prepared by Fremming, Parson, and Pecchenino, May 2007. Section 3-3.

⁴³ Ibid. Pg. 3-4.

⁴⁴ Ibid. Pg. 3-5.

Determinations

1. Growth and Population Projections

Buildout of the City General Plan area is expected to occur between year 2020 and 2025. The Wastewater Collection System Study, issued in May 2007, reported that there was considerable interest in developing land within the General Plan area, although this demand has diminished with the slow economy. The existing sewer system is inadequate to service all the areas with plans for development. As a result, upgrades to the existing system will be necessary to serve future development.

2. Infrastructure Needs and Deficiencies

Because some of the existing lines and lift stations are not large enough to carry the existing flow plus the future flow, it is proposed that various sewer lines and at least three new lift stations be constructed to alleviate the existing system and to serve future developed areas. In order to tie into the existing system, certain pipes will need to be upgraded.

The Wastewater Collection System Study provides an estimate of the cost to provide all of the future improvements mentioned in the report. The total cost of improvements is estimated to be about \$6.1 million, which includes at 20 percent contingency. This covers the cost of dewatering (\$650,000), three lift stations (\$300,000), and shoring and sheeting (\$250,000) as well as the cost of manholes, new pipeline, and earthwork.⁴⁵ Improvements to the water system are funded through JPA fees, which are collected from each JPA participant.

Additionally, the City recently applied for grant funding from the United States Department of Agriculture to fund the construction of a pond expansion of the current wastewater facility.⁴⁶

3. Financing Constraints and Opportunities

The Wastewater Connection Fee is \$1,450 per residential unit. The City's residential impact fees were adopted in December 1991. Currently, City staff are considering revising the fee schedule. Impact fee revenues have sufficiently funded improvements to date.⁴⁷ These fees should be revised continuously to assure rates are consistent with changes in costs.

4. Opportunities for Shared Facilities

The City of Dos Palos shares sewer facilities as part of a Joint Powers Authority with the Midway Community Services District, and South Dos Palos County Water District.

⁴⁵ Wastewater Collection System Study for the City of Dos Palos, prepared by Fremming, Parson, and Pecchenino, May 2007. Section 5-2.

⁴⁶ Communication from Director of Public Safety, Dewayne Jones, January 27, 2010.

⁴⁷ Ibid.

5. Evaluation of Local Accountability, Government Structure, and Operational Efficiencies

No issues have been identified relating to local accountability, government structure, and operational efficiencies as the City shares governance as part of the JPA.

6. Other Matters Related to Effective Service Provision as Required by Commission Policy

No other matters related to effective service provision have been identified.