

# CITY OF WATERFORD MUNICIPAL SERVICE REVIEW



PREPARED FOR THE  
STANISLAUS LOCAL AGENCY FORMATION COMMISSION  
(LAFCO)

JULY 2007

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**City of Waterford Municipal Service Review**

**CITY OF WATERFORD MUNICIPAL SERVICE REVIEW**

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**Document prepared by the City of Waterford on behalf of the Stanislaus Local  
Agency Formation Commission (LAFCO)**

# City of Waterford Municipal Service Review

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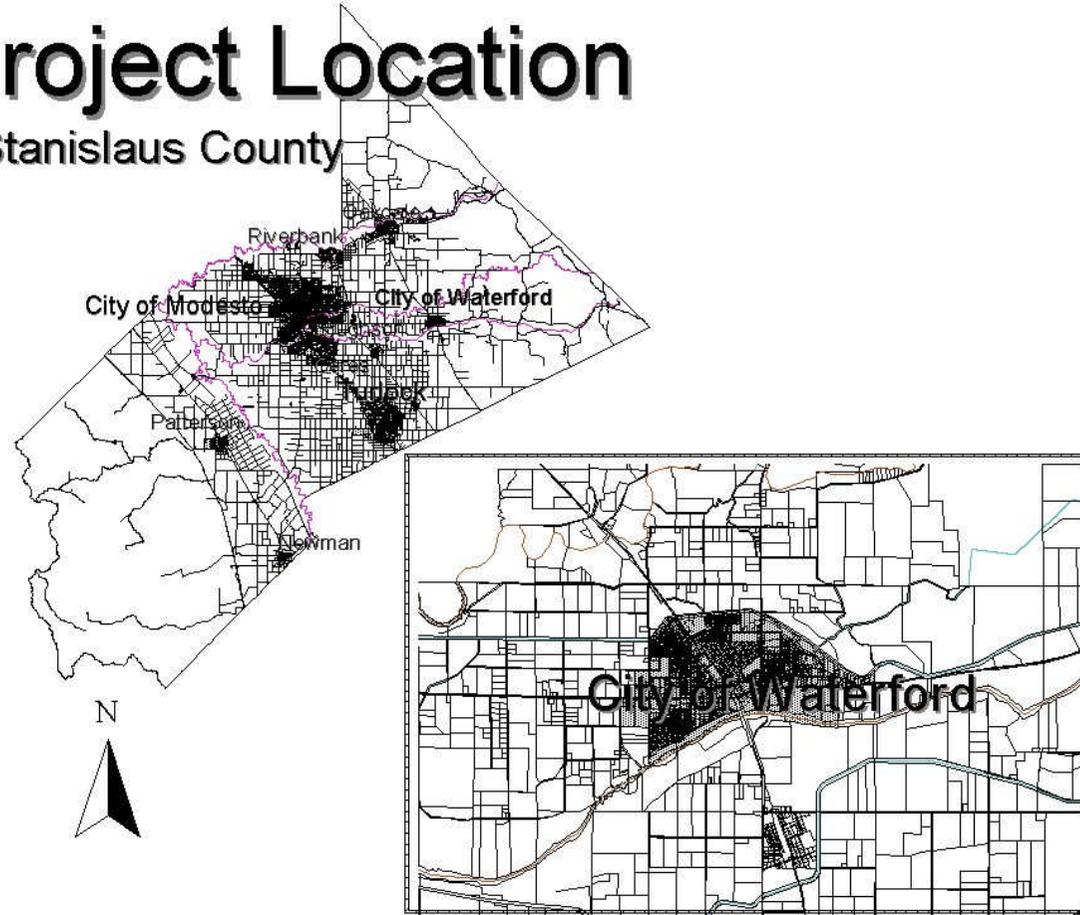
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Figure 1

# Project Location

Stanislaus County



## City of Waterford Municipal Service Review

### 1. EXECUTIVE SUMMARY

This service review has been prepared in accordance with Section 56430 of the California Government Code as a means of identifying and addressing the relationships among regional issues, goals and objectives and various service options associated with the City of Waterford's sphere of influence. A sphere of influence is defined by Government Code §56425 as "... a plan for the probable physical boundary and service area of a local agency or municipality ...". The City has initiated an amendment to its planning area and sphere of influence.

Waterford lies in the heart of a fertile agricultural region in the eastern San Joaquin Valley about ten miles east of the City of Modesto. The fertile soils surrounding the city support a diverse assortment of crops sold in markets around the world. Although Waterford was incorporated as a city in 1969 as an agricultural service center supporting the surrounding farming operations, the City has experienced considerable residential growth in recent years and is evolving into a more urban community.

The City of Waterford's present sphere of influence includes approximately 1,086 acres which also serves its corporate City Limits. The City's recently adopted "*Vision 2025 General Plan*" designates an additional 1,638-acre area for urban development with land uses that will accommodate a 'build-out' population of nearly 30,000 residents. Future growth of the area is forecasted to approach 30,000 people by the year 2040. The City's General Plan identified a long-term growth scenario to assure the development of cost-effective infrastructure.

The City has enacted policies and implementation programs to ensure that necessary infrastructure to support the future population will be provided concurrently or in advance of such development. Among the strategies and funding programs being pursued are:

- Landscaping and lighting districts for new large scale projects;
- Partnerships with the County and others to provide funding for public facilities;
- The execution of development agreements which require the payment of up-front infrastructure costs and/ or the construction of infrastructure to serve new development;
- Redevelopment;

Table 1 summarizes the public services provided by the City, their present capacities, and the capacities necessary to accommodate build-out of the City's sphere of influence in accordance with its 2006 General Plan. Where applicable, Table 1 also identifies the adopted and/ or planned infrastructure master plan(s) and financing strategies that will enable services to be provided concurrently or in advance of proposed SOI expansion and development.

## City of Waterford Municipal Service Review

**Table 1**  
**Summary of Services Provided by the City of Waterford & Capacities Needed to Serve Build-out Of the Sphere of Influence**  
**As Proposed to be Amended**

<b>Municipal Service</b>	<b>Current (2006) Capacity/Level of Service</b>	<b>Capacity Needed to Serve Build-out of Proposed Sphere of Influence</b>	<b>Plan for Improvement/Increased Capacity in Place?</b>	<b>Primary Funding Source</b>
Wastewater Collection	Capacity Available to Serve Existing SOI	Expansion Necessary as per City Wastewater System Infrastructure Plan.	City Adopted City Wastewater Collection Master Plan in 2006. (1)	Connection Fees, Monthly Service Fees & Public Finance Options.
Wastewater Treatment	Capacity Available to Serve Existing SOI	Expansion Necessary as per City Wastewater Treatment System Infrastructure Plan.	City Adopted City Wastewater Treatment Master Plan in 2006. (1)	Connection Fees, Monthly Service Fees & Public Finance Options
Water Supply & Distribution	Capacity Limited Within Existing SOI Served by Modesto Water. City System under Development with Excess Capacity Potential	City of Modesto System not proposed to serve proposed Expanded SOI. City System Expansion Necessary as per City Water System Infrastructure Plan.	City Adopted City Water Supply and Distribution Master Plan in 2006. (1)	Connection Fees, Monthly Service Fees & Public Finance Options
Police Protection	Level of Service Available to Serve Existing SOI	Expansion Necessary as per City Facility Fee Study	City in process of updating its Development Impact Fee Plan to provide for increased Police Protection Facilities.	Development Impact Fees, Public Facilities and Services District Formation
Storm Water Drainage	Capacity Available to Serve Existing SOI	Expansion Necessary as per City Storm Water System Infrastructure Plan.	City Adopted Storm Water Drainage Master Plan in 2006. (1)	Connection Fees, Monthly Service Fees & Public Finance Options
Circulation	Level of Service At "C" or Better to Serve Existing SOI	Expansion Necessary as per City Facility Fee Study	City Adopted City Adopted the Circulation Element of the General Plan in 2006. (2)	Development Impact Fees, Public Facilities District Formation
Public Services & Facilities	Level of Service Available to Serve Existing SOI	Expansion Necessary as per City Facility Fee Study	City in process of updating its Development Impact Fee Plan to provide for increased Police Protection Facilities.	Development Impact Fees, Public Facilities and Services District Formation

**Note 1.** City Infrastructure Plans were developed to provide a comprehensive plan for the provision of sewer treatment, wastewater collection, water supply and distribution and storm water collection and disposal for the existing City and proposed expansion areas.

## City of Waterford Municipal Service Review

The City provides a range of municipal services to its residents. Table 2 provides a summary of the services that will be provided to newly annexed land within its proposed Sphere of Influence.

**Table 2  
Summary of Existing and Proposed Services and Agency Providers**

<b>Service In Expansion Area</b>	<b>Existing Agency Provider</b>	<b>Proposed Agency Provider</b>
Government ( including land use planning, finance, tax collection, public works, etc.	Stanislaus County	City of Waterford
Water Supply & Distribution-Future Urban Growth Areas	None-Private Systems.	City of Waterford
Water Supply & Distribution-Existing City (Del Este System	City of Modesto	City of Modesto
Wastewater Collection & Treatment	None-Private Systems	City of Waterford
Irrigation Water-Urban Water Wholesaler	Modesto Irrigation District	Modesto Irrigation District
Storm Water Drainage	Stanislaus County	City of Waterford
Circulation & Roads	Stanislaus County	City of Waterford
Law Enforcement	Stanislaus County Sheriff's Department	City of Waterford-Stanislaus Co. SO Contract
Fire Protection	Stanislaus Consolidated Fire Protection District	Stanislaus Consolidated Fire Protection District
Solid Waste	Waste Management	Waste Management
Parks and Recreation	Stanislaus County	City of Waterford
Eastside Mosquito Abatement	Stanislaus County	Stanislaus County
Schools	Waterford USD	Waterford USD
Health Care	Stanislaus County	Stanislaus County
Telephone	SBC	SBC
Cable Service	Charter Communications	Charter Communications
Electricity	Modesto Irrigation Dist.	Modesto Irrigation Dist.
Natural Gas	PG & E	PG & E
Library Services	Stanislaus County	Stanislaus County
Animal Control	Stanislaus County	Stanislaus County

### ***Summary & Conclusions***

The preceding analysis supports the following findings and conclusions:

- The City's population is expected to grow from its present (2007) level of 8,000 to over 20,000 residents by the year 2025 as lands within the City's sphere of influence are annexed and developed in accordance with the City's General Plan.
- City infrastructure planning encompasses an area that can

## City of Waterford Municipal Service Review

accommodate a population of around 30,000 people and anticipated growth through the year 2040.

- The City provides (directly or by contract) the range of public services necessary to accommodate build-out of the City's sphere of influence, as envisioned by the City's General Plan.
- The City utilizes best practices of fiscal management and complies with all federal, state and local regulations with respect to financial management and fiscal reporting.
- The City has adopted infrastructure improvement master plans and a Development Fee program that includes a program identifying a range of financing mechanisms to fund the improvements necessary to accommodate build-out of the sphere of influence as proposed.
- The City continues to explore ways to provide public services in an efficient, equitable and cost effective manner.
- The City continues to welcome the participation of its citizens in the ongoing management of public resources.

### 1.1 Introduction

This service review has been prepared in accordance with Section 56430 of the California Government Code as a means of identifying and addressing the relationships among regional issues, goals and objectives and various service options associated with the City of Waterford's sphere of influence. A sphere of influence is defined by Government Code §56425 as "... a plan for the probable physical boundary and service area of a local agency or municipality ...". The City has initiated an amendment to its planning area and sphere of influence in conjunction with a cooperative planning effort with Stanislaus County to foster economic development in the Waterford area. The expanded sphere is intended to accommodate residential along with commercial, light industrial and business park development.

Public participation played a key role in the preparation of the City's urban expansion plan. Representatives of the City conducted numerous public workshops, meetings and hearings with both residents and land owners in areas proposed for inclusion within the City's Boundaries. City staff met with service providers, property owners, elected officials, County staff and LAFCo staff to ensure the General Plan update, and its proposed urban expansion chapter, accurately reflects the present and future circumstances with respect to the City's potential sphere of influence.

### 1.2 Legislative History

- In 2000, amendments were enacted to provisions of the California Government Code relating to the responsibilities of Local Agency Formation Commissions (LAFCOs) in deciding local government reorganizations. Renamed the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act), the law now requires that service reviews be conducted in order to prepare

# City of Waterford Municipal Service Review

**Figure 2**  
**City of Waterford Existing City Limits, Proposed Primary Sphere of Influence and Future Urban Growth Area**

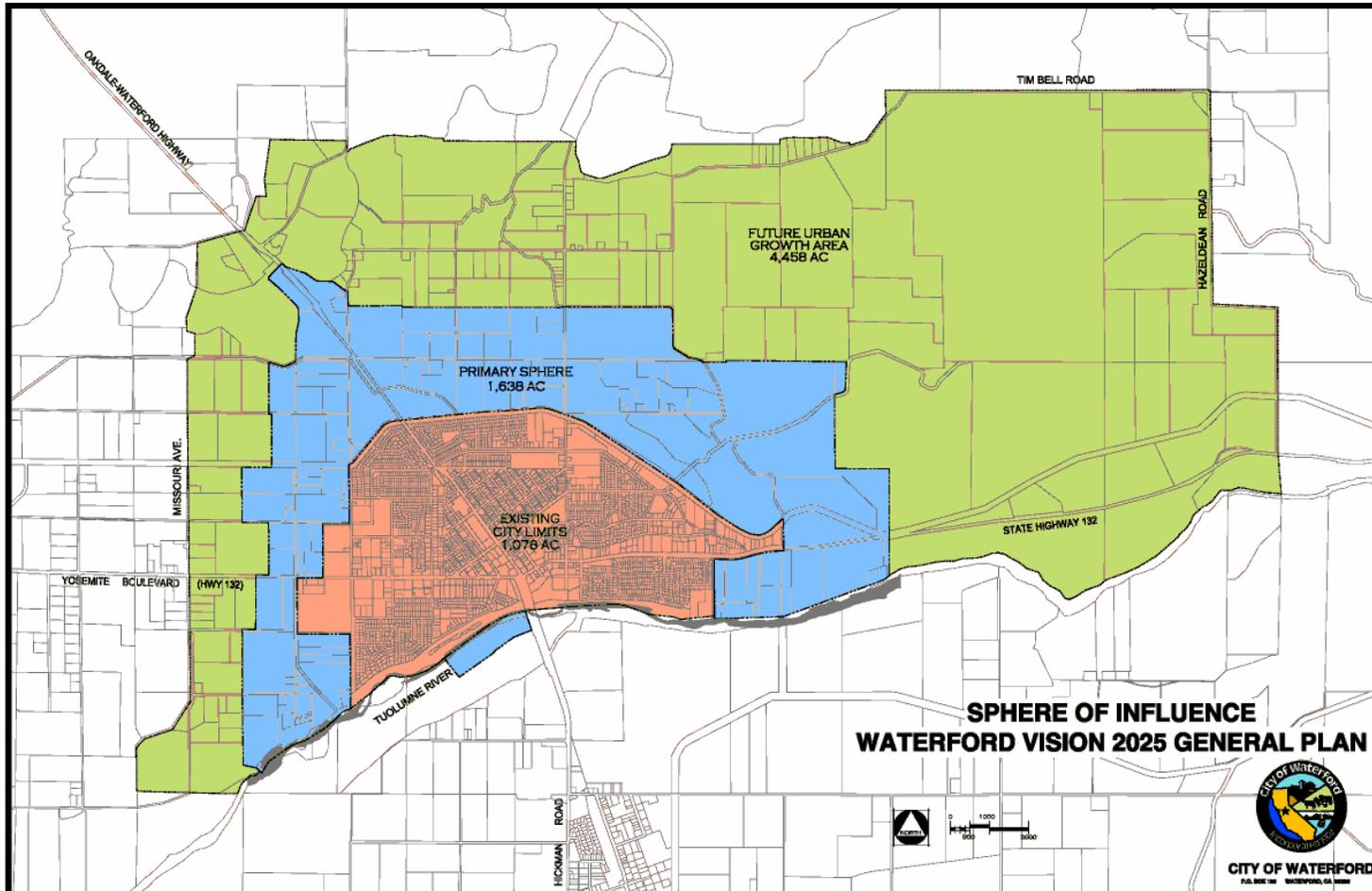
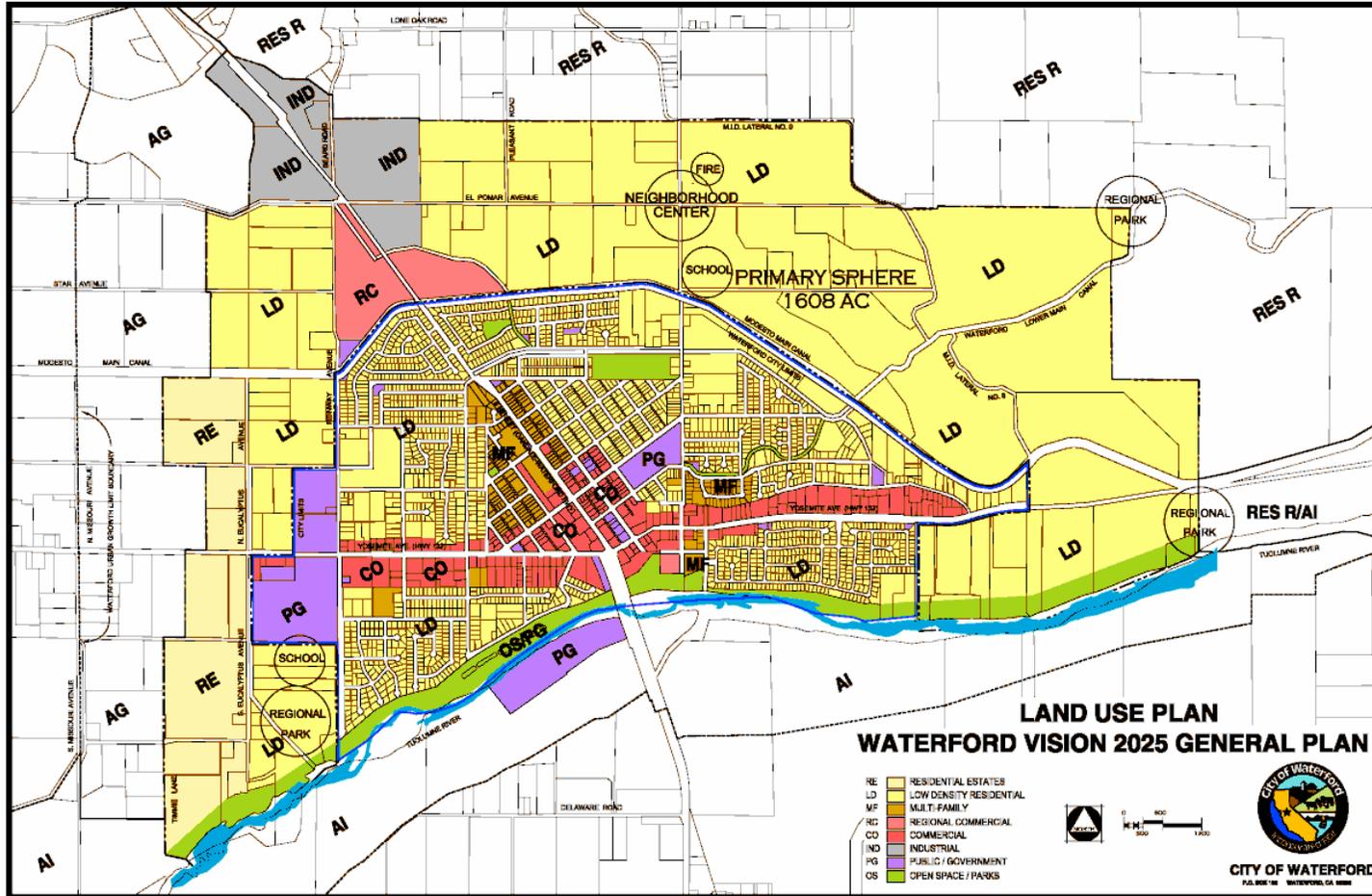


Figure 3  
City of Waterford General Plan Land Use Element Map



## City of Waterford Municipal Service Review

and update spheres of influence. The service review is intended as a decision-making tool that includes an evaluation of existing and future service conditions and a review of the advantages and disadvantages of various government service options. Government Code §56430 requires the preparation of a service review concurrently or in advance of the establishment or update of a sphere of influence.

In conducting the service review, §56430 requires that LAFCOs adopt a written statement of determination with respect to each of the following factors:

- Infrastructure needs and deficiencies
- Growth and population projections for the affected areas
- Financing constraints and opportunities
- Cost avoidance opportunities
- Rate restructuring
- Opportunities for shared facilities
- Government structure options Evaluation of management efficiencies
- Local accountability and governance

### **1.3 The City of Waterford Sphere of Influence**

Following adoption of a comprehensive update of the City's General Plan in 2006, the City of Waterford is petitioning the Stanislaus Local Agency Formation Commission (LAFCo) to amend the City's sphere of influence to be consistent with the areas proposed to be governed by the new Plan's Urban Expansion Chapter and its proposed "Primary Sphere of Influence".

#### ***Urban Planning Area /SOI Expansion***

With this general plan, the City has defined its Future Urban Growth area to include approximately 4,458-acres and its intention to expand its proposed Primary Sphere of Influence (SOI) to include an area of approximately 1,638 acres. There are approximately 1,086 acres in the City of Waterford's city limits. (see **Figure 2**)

#### ***Land Use Development Capacity***

Within the Waterford Urban Planning area sufficient land has been set aside to accommodate the City's projected growth needs well beyond the year 2025. Additional growth capacity has been accommodated in the Urban Planning area to minimize the potential adverse effects of creating a limited urban land inventory and to provide for the necessary infrastructure necessary to accommodate future urban growth in the City.

When projecting growth needs in future years, it is recognized that circumstances may arise which could not reasonably be predicted. Growth may occur at a more rapid pace or at a much slower pace than projected. The Waterford City General Plan, and its urban expansion strategy, has been prepared to accommodate the most optimistic growth projections to assure that adequate infrastructure can be planned for ultimate build-out of

## City of Waterford Municipal Service Review

the City.

The City of Waterford has population forecasting techniques to determine a range of expected population levels that will occur within the community within the 2025 planning horizon and beyond. Additionally, the City has set a threshold population level of 30,000 to provide a benchmark for planners and engineers to design major infrastructure elements for the City (sewer, water, storm-drain and street and highway system).

At the same time, proposed SOI expansion of unincorporated areas within the Urban Planning area are proposed to reflect the standards of state law and LAFCO policies in light of available/planned infrastructure such as streets, sewer collection lines and treatment/disposal capacity, water system capacity, storm water drainage systems and other necessary infrastructure needs.

***Location; The San Joaquin Valley & Stanislaus County*** The city of Waterford is located in the eastern portion of Stanislaus County. To the west of the city is the City of Modesto metropolitan area. To the east are the foothills of the Sierra Nevada. The County of Stanislaus is bounded on the north by San Joaquin county, on the east by Tuolumne county, on the south by Merced county, and on the west by Santa Clara county.

Stanislaus County contains about 1,494 square miles of land area. With a 2005 population estimated at 504,482, the overall population density of the county is approximately 338 people per square mile.

***Regional Location.*** The city of Waterford is located on the eastern side of semi-rural portion of Stanislaus County in the heart of the central San Joaquin Valley. The city is located along the Tuolumne River and Highway 132, which leads to Yosemite National Park and the Sierra Nevada mountains. It is approximately 15 minutes driving distance to the east of the City of Modesto, and in close proximity to the communities of Oakdale and Turlock. Known as the "Gateway to Recreation" the city plays host to the thousands of people who travel through on their way to the many recreational opportunities in the area.

***The City of Waterford.*** Waterford is the eighth largest city in Stanislaus County with a population that has grown steadily from 2,683 in 1980 to over 8,000 in 2006. Originally settled in 1857 by William W. Baker the town was originally named Bakersville. Mr. Baker homesteaded 160 acres just south of the river near the Appling Road Bridge.

In 1870 the post office was apparently having trouble delivering the mail as the name was being confused with other places (at the time the only other similarity was Bakersfield) so the post office suggested the name be changed. So in 1870 the name was changed to Waterford. Winter temperatures range from the mid 40's to the high 60's; summer temperatures range from the 50's to the 90's. The county's average rainfall is 12.00 inches per year.

## **City of Waterford Municipal Service Review**

***General Physical Setting*** The city of Waterford is located in the eastern portion of Stanislaus County, approximately 13 miles east of Modesto and 11 miles northeast of Turlock. The city is bordered on the south by the Tuolumne River, on the north by the Modesto Irrigation District (MID) Modesto Main Canal, on the west by Eucalyptus Avenue, and on the east by a parcel boundary south of MID Lateral Connection No. 8.

The urban expansion area for the city comprises approximately 1,638 acres of agricultural land surrounding the city's existing boundary to the north, east, and west. Terrain in the western half of the study area is flat, with the exception of the southwestern corner of the study area that is bounded by a bluff overlooking the Tuolumne River. Terrain in the eastern half of the area is more varied, rising from 160 feet above sea level to around 200 feet above sea level in the eastern and northeastern sections of the study area.

***Growth Setting*** The Waterford General Plan is being proposed in response to growth demands in the region. The city of Waterford could grow in population to a level between 14,500 and 18,600 people by 2025 and between 19,000 and 28,200 people in 2040. At the same time, total population in Stanislaus County could approach one million people by 2040. Most of that population growth is expected to occur in the established urban (municipal) areas; some growth is expected to occur in the unincorporated portions of the county.

Along with this population growth will be corresponding growth in commercial and industrial development along with the infrastructure (streets, highways, utilities, and public support facilities) to support this residential growth.

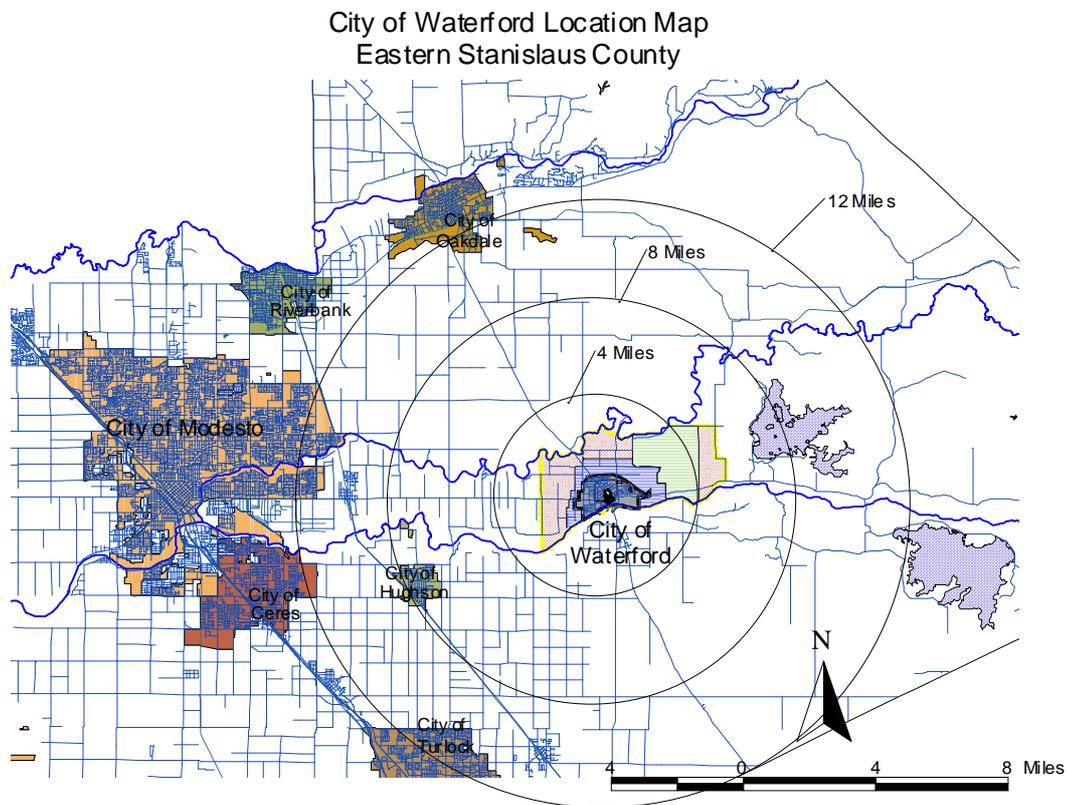
### ***Service Providers Within the Existing and Proposed Sphere of Influence***

The unincorporated area within the proposed sphere of influence lies within the service area of a number of agencies that provide water, fire and police protection, ambulance service and health care, among others. Existing and proposed public services and the respective agency providers for the City's existing and proposed expanded sphere area are summarized on Table 2.

Note that many of the agency providers are expected to maintain existing services to the area; the demand for such services will, in most cases, increase as a result of urban development. Accordingly, the service review that follows will focus on the capacity of services provided by the City and other agencies where service demand is expected to increase as a result of the expanded sphere.

## City of Waterford Municipal Service Review

**Figure 4**  
**Stanislaus County-Waterford Regional Map.**



## 2. INFRASTRUCTURE NEEDS AND DEFICIENCIES

The analysis of service capacity required by Government Code §56430(b) shall include the basic services necessary to support growth and development within the sphere as proposed by the City's General Plan. These services include:

- Water supply and distribution
- Wastewater collection and treatment
- Storm drainage
- Roads and circulation systems
- Police and fire protection
- Gas & Electricity

As part of the Waterford Vision 2025 General Plan Update and in response to growth that was occurring in and around the Waterford Planning Area, the City of Waterford commissioned a series of infrastructure and engineering Plans.

## City of Waterford Municipal Service Review

These studies include the *Waterford 2005 Urban Water Management Plan*, *City of Waterford Water Master Plan*, *City of Waterford Drainage Master Plan*, *City of Waterford Sewer Master Plan* and the *City of Waterford Wastewater Treatment Master Plan*. These Plans are incorporated by reference and available for review at Waterford City Hall. These Plans are dynamic documents and will be revised, updated and amended from time to time to reflect updated information and or technology.

Implementation of these master plans will be an integral part of the implementation of the city's general plan and therefore are included in this analysis in detail. These utility master plans are incorporated by reference and available for review at the City of Waterford. It should be noted that these plans are dynamic in nature and subject to amendment and update from time to time, subject to CEQA.

### 2.1 Waterford Service System Descriptions

The City of Waterford has recently completed several documents that address the infrastructure needs of the existing City and its proposed Sphere of Influence. The following summarizes the conclusions of these studies.

#### ***Regional Surface Water Hydrology***

The Modesto Irrigation District (MID) is the principal surface water supplier in the region. The district supplies approximately 210,000 acre-feet per year of water to its customers. The district's service area covers approximately 160 square miles. The Stanislaus and San Joaquin rivers define the district's service area boundaries on the north and west, the Main Canal and a line parallel and north of Dry Creek define the northeast boundary, and the Tuolumne River defines the southern boundary of the district.

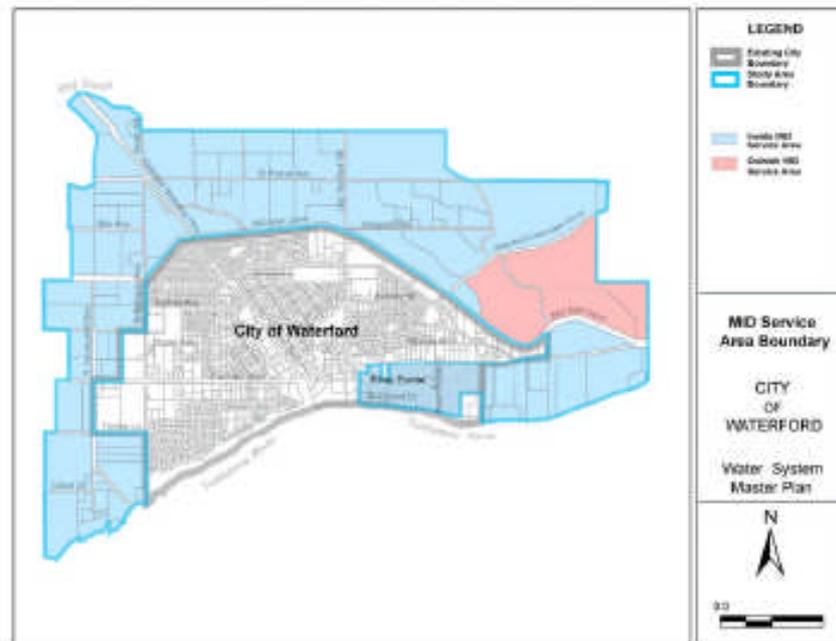
The district system includes Don Pedro Reservoir, La Grange Diversion Dam, Modesto Reservoir, and a extensive canal network. The irrigation season generally extends from March 15 to October 15 and maximum canal flows occur in June and July.

### 2.2. Water Supply Infrastructure

*History of Waterford's Water System* Waterford's water distribution system was founded in approximately 1913 by the Waterford Land and Development Company. This system was purchased by the Del Este Water Company (DEWC) in 1938. The system was originally permitted by the State Department of Health Services in 1956. The permit (No. 50-006) was amended twice, in 1964 and 1993. In 1996 the City of Modesto purchased the water systems owned by DEWC, including the system serving the City of Waterford, and Modesto currently owns and operates the system. In accordance with Section 9(a) of Article 11 of the California State Constitution, the City of Waterford consented to allow the City of Modesto to provide water service in the City of Waterford in accordance with Waterford City Council Resolution 95-38 on June 5, 1995. (See Appendix "C")

## City of Waterford Municipal Service Review

**Figure 5**  
**Study Area and Modesto Irrigation District Service Area**



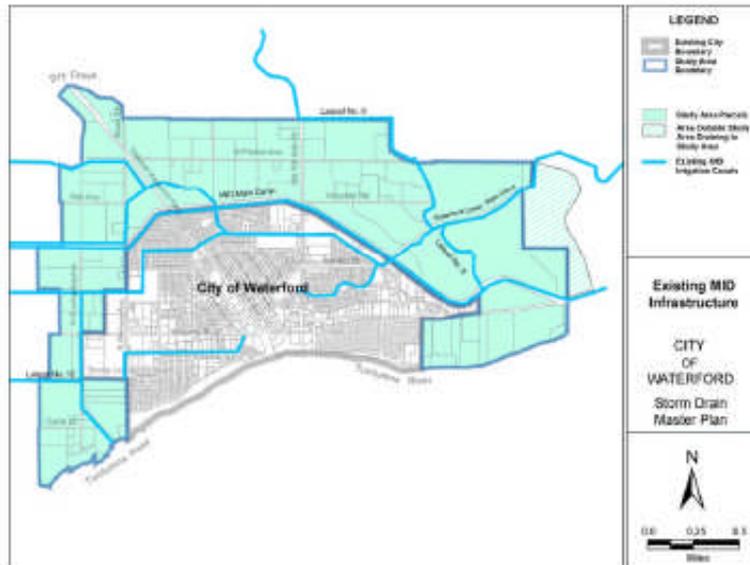
The Modesto Irrigation District has developed numerous water rights and facilities to provide agricultural irrigation water from the Tuolumne River and has also developed groundwater supplies for agricultural uses. In the early 1990s the city, MID and the Del Este Water Company formed a partnership and executed a Treatment and Delivery Agreement to use MID's surface water rights for domestic purposes. The Modesto Domestic Water Project (MDWP) was the result of this partnership and the agreement obligates MID to deliver 30 million gallons per day of treated domestic water from its regional water treatment plant located at the Modesto Reservoir. The plant and storage and delivery facilities were completed in January 1995.

With the purchase of the Del Este system, the City of Modesto is now MID's only domestic water customer. The implementation of the water treatment facility allowed the City of Modesto to cut its groundwater pumping in half but with new growth, ground water demand has increased in recent years. The city currently supplies approximately 60 percent of its water use in its overall service area from the 118 city owned and operated wells. In the year 2000, the city produced 45,273 acre-feet of water from these wells.

The population of the Modesto/MID joint service area is expected to be 244,000 by 2005 and 315,900 by 2010. The corresponding water demand will increase from the 2000 demand of 72,840 acre-feet per year to 102,390 ac-ft/year by 2010. The total municipal safe yield of the Stanislaus and Tuolumne River Groundwater Basin is estimated at 50,000 ac-ft/year with the portion of the safe yield allocated to the joint service area being 42,625 ac-ft/year. This basin provides the vast majority of the groundwater to the city's system. Currently, the Turlock Groundwater basin provides roughly nine percent of the groundwater to the system.

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**Figure 6**  
**Study Area and Modesto Irrigation District Canal System**



Surface water supplied by MID's Modesto Regional Water Treatment Plant is supplementing the groundwater supplies. The current design capacity of the treatment plant is 33,607 ac-ft/year. By 2005, the joint service area will require an additional 33,450 ac-ft/year from the treatment plant, and by 2010, an additional 10,000 ac-ft/year will be required, assuming that the full safe yield can be obtained from the groundwater supplies.

The *Final 2000 Urban Water Management Plan*, prepared for the City of Modesto and MID by Black & Veatch Corporation, concluded that in order to assure a safe and reliable water supply for the residents and business owners in the joint service area MID should proceed with plans to construct Phase II of the water treatment plant for start-up in 2005. This expansion would roughly double the capacity of the treatment facility. The report also concluded that the City of Modesto should immediately investigate current and potential groundwater quality issues that could impair the basin's safe yield amounts.<sup>1</sup>

### ***Del Este (City of Modesto) Water System Description***

***Distribution System:*** The original system for Waterford went into service before the 1920s utilizing 2-inch to 8-inch dipped and wrapped steel pipe. New subdivision tracts in the city install 4-inch to 12-inch PVC pipe, and it is not known how much of the original pipe has been replaced.

<sup>1</sup> According to the City of Modesto updated 2005 UWMP. These updated numbers were not available at the time that the City's water studies were prepared. (communication from William Wong, Associate Civil Engineer-City of Modesto -5/31/07)

## **City of Waterford Municipal Service Review**

The system is operated as a single pressure zone with design pressures ranging from 45 to 60 pounds per square inch (psi). Reports indicate that there are serious problems in maintain these pressures and some instances of water pressure falling below 20 psi during periods of peak demand. The system does not include storage reservoirs, but all wells have chlorination facilities.

When it purchased the Del Este Water Company in 1995, the City of Modesto became the retail water purveyor to Waterford, Hickman, Del Rio, Salida, Grayson, and parts of Ceres and Turlock. At the time of the purchase, the Del Este Water Company served approximately 30 percent of the municipal customers in the Modesto area.

*System Water Production Capacity:* The City of Waterford is supplied potable water by six (6) groundwater wells which draw water from the underlying deep confined aquifer of the San Joaquin Valley. Two of the wells (Well No. 302 and 303) were constructed in 1991 while the other four wells were constructed and put into operation in the early 1940s and 1960s. The wells produce about 4,080 gallons per minute (gpm), according to production information provided by the City of Modesto.

### ***The City of Waterford's Water System:***

Based on the fact that the a development proposal (River Pointe) was located outside of the Modesto Water service area and the City of Modesto's position regarding the cost of water system expansion, the City authorized the Grupe Development Company to develop a water system for their project. This system was to be developed to City of Waterford standards and given to the City for operation and maintenance. This system is presently owned and operated by the City of Waterford and forms the core of the City's future water service plan. The system is served by two wells on the property with storage and treatment infrastructure located at one of the well sites adjacent to Highway 132.

### ***Water Supply***

The city currently supplies water only to the River Pointe project area from two wells located on the project site. The general plan proposed SOI expansion area is currently supplied by MID for agricultural uses and private wells for residential uses. As part of the proposed SOI expansion process, the city has prepared an Urban Water Management Plan (UWMP). The plan addresses current and future water demands for the city with respect to both surface water and ground water resources. The UWMP concludes that growth in the proposed SOI expansion area will increase water demand for urban uses. However, the conversion of agricultural land to urban uses is expected to decrease the total demand for water due to a reduction in agricultural consumption. The UWMP estimates the current agricultural water usage for the proposed SOI expansion area at approximately 4,500 acre-feet per year (afy).

Currently, surface water supplied by MID's Modesto Regional Water Treatment Plant is supplementing existing groundwater supplies to the City of Modesto. The Waterford system, operated by the City of Modesto, is solely supplied by groundwater. Waterford has no connections to the City of Modesto/MID system. There is the potential for the city to connect to this system in the future. However, the City of Modesto has no current plans

## City of Waterford Municipal Service Review

to connect Waterford to the system.

### ***Present and Future Water Supply and Demand***

The peak hour demands, for the Modesto system's service area (roughly the existing Waterford City limits less the Grupe "Riverpointe" development, is approximately equal to 5.23 mgd (3,632 gpm). An analysis of the system indicated that head-losses in existing pipelines exceed the criteria of < 7 ft/kft, but was able to meet the velocity criteria of < 7 fps. Therefore, since these pipelines did not exceed both criteria, these pipelines were not recommended to be rehabilitated or upsized. In order to remedy the pressure deficiency an engineering study recommends that the City of Modesto install a new well in the service area, with a minimum pumping capacity of approximately 800 gpm.

As of its formation in 2005, the City of Waterford Water Department is responsible for supplying all urban water demands within the River Pointe subdivision, which is located outside of the Del Este (City of Modesto) service area. Consistent with the City's newly adopted Water Service Plan, the City will expand this system to serve the proposed 1,610-acre SOI.

Currently, drinking water for the City of Waterford's system is supplied solely by groundwater wells. In accordance with City plans and discussions with MID, treated surface water from MID the soonest that treated surface water can become available is 2018. When the Phase III expansion of MID's existing surface water treatment plant (WTP) is completed in 2018, the city plans to begin purchasing treated surface water to supply a majority of the study area. When this occurs total groundwater production will decrease rapidly, and will thereafter meet only a percentage of study area demands. After the transition to surface water, groundwater will be used to meet seasonal demands that exceed the city's entitlement to the WTP's capacity.

At complete General Plan build-out, the residential, commercial and industrial demand for water is projected to be approximately 3,606 acre-feet-per-year (afy). It is expected that the city and developers will supply the new development with new private groundwater wells. In addition, the city will need to examine the construction of water tanks and/or reservoirs for storage.

### ***Waterford's "Urban Water Management Plan"***

The 2005 *Urban Water Management Plan*, developed for the city by RMC, provided water demand estimates for the city's proposed Primary Sphere and River Pointe development. Until such time as the Cities of Modesto and Waterford agree to terms of the Del Este system being integrated into the City of Waterford's water system, this is considered to be the city's primary area of service. Within the City's service area, existing land use is primarily agricultural with a few associated residences. Current demand in this new area is supplied by MID and private groundwater wells. It is assumed that MID will continue to serve the agricultural demands within its service area until the land is converted for residential development and municipal service standards are met.

## City of Waterford Municipal Service Review

### ***Water Supply Plan***

The city plans to supply new development within the service area with groundwater until 2018 when the anticipated expansion of the Modesto Reservoir water treatment plant (MRWTP) is complete. The City is working with MID to participate in the development of this treatment plant to provide surface water to the City in 2018. At this time the city plans supply the area within the MID service area (approximately 86% of the service area) with treated surface water from the MRWTP. The areas outside of the MID service area will be supplied by the city with groundwater.

**Table 3  
Residential Water Demand – Current and Projected**

	2000 <sup>1</sup>	2005 <sup>2</sup>	2010	2015	2020	2025	2030
Water Demand Total (AFY)	355	355	654	1273	1893	2512	3132
Water Demand within MID Service Area (AFY)	350	350	562	1095	1628	2161	2694
Water Demand outside of MID Service Area (AFY)	5	5	92	178	265	352	438

<sup>1</sup> 2000 water demands were met by MID surface water and private wells.

<sup>2</sup> Waterford Water Park demands are included in the 2000-2005, but are zero in subsequent years. The Park closed before 2005

**Table 4  
Industrial/Commercial Water Demand – Current and Projected**

	2000	2005	2010	2015	2020	2025	2030
Industrial (AFY)	0	0	67	134	200	267	334
Commercial (AFY)	0	0	28	56	84	112	140
Total (AFY)	0	0	95	190	284	379	474

### ***Water System Expansion Projects***

The following is a summary of the future well expansion projects, future MID treated water expansion projects, and future water distribution system expansion projects, as well as the costs, phasing, and other issues associated with implementation of the recommended projects as contained in the *City of Waterford Water System Master Plan* (March 2006).

### ***Future Well Expansion Projects***

Figure 7 presents the locations of the existing and proposed groundwater wells for the future water system, and identifies individual well siting and expansion projects (Projects 2 and 3). For the purposes of the Master Plan, it was assumed that the centralized groundwater treatment facility will consist of three duty wells and one standby well, each with a production capacity of approximately 1,200 gallons per minute (gpm), or 1.73 million gallons per day (mgd). The spacing between wells should ensure that the operation of any well will not significantly impact the production capacity of another; for the Master Plan, it was assumed that all wells will be separated by a distance of at least 0.33 miles.

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The decision to recommend pressure filters for the new wells was based upon the existing groundwater treatment facilities in River Pointe. Prior to the completion of a hydro-geological and well siting study, it will be difficult to determine if treatment is necessary or the type and number of groundwater treatment modules.

### ***Future MID Treated Surface Water Expansion Projects***

Figure 7 provides callouts for two recommended surface water expansion and delivery projects. Project No. 1 features the installation of pressure gauges at two locations along MID's existing treated water pipeline. Project No. 4 features a 4.0 mgd expansion of MID's existing surface water treatment plant (WTP) east of the existing city, as well as a turnout and booster pump station along the treated water pipeline. The treated water pipeline, of the Waterford system, will convey treated surface water to a centralized groundwater treatment facility where surface water and groundwater will be mixed and stored before entering the distribution system. Figure 8 provides a schematic of the proposed centralized treatment facility.

### ***Future Water Distribution System Expansion Projects***

Figure 7 presents the locations of 14 individual expansion projects, including nine proposed water distribution system expansion projects.

### ***Project Descriptions***

A total of 14 projects have been developed and recommended for the future water distribution system in the study area. Figure 8 provides the diameters of all pipes in the recommended distribution system. Descriptions, costs, and phasing of the recommended projects, as well as any associated implementation issues, are presented in the subsequent sections. The proposed projects include one pressure monitoring project, three well and water treatment/storage projects, one WTP expansion project, and nine water main projects

### ***Proposed Phasing***

Project No. 1 should be constructed first in order to collect data that will be necessary to design the MID turnout facility (Project No. 4). The data collected will determine if a pump station will be necessary to pump treated water from the MID treated water pipeline up into the storage tank. Initial calculations show that the available pressure may or may not be sufficient. Consideration should be given to constructing a portion of the turnout facility at the same time as the construction of Project No. 1. The proposed MID turnout and centralized groundwater treatment facility (Project Nos. 3 and 4) will need to be constructed prior to development demands exceeding the capacity of the current groundwater facilities. Project Nos. 5 and 6 are main transmission projects which move water east and west and together will form the 'backbone' of the distribution system.





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As such, they should be constructed early to allow the existing groundwater supply facilities to work in conjunction with the groundwater facilities that will come on-line first. Project No. 4 (WTP Expansion and MID turnout) is a key project for Waterford. Early discussions with MID will be necessary to keep this project on schedule. Distribution projects should be constructed as development occurs. Additionally, it is recommended that the hydraulic model developed for this master plan is run as new developments come on-line.

### ***Implementation Issues***

A variety of issues may affect the implementation of the future water distribution system improvement projects presented in this master plan. These issues may include changes in road alignments, permitting issues for canal crossings or surface and groundwater treatment facilities, refinement of study area land uses (including school and park parcels), and future developer plans, among others. The proposed water distribution system layout in this master plan is intended to offer a conceptual solution to the city's future needs; more rigorous analyses will be required, including the analysis of existing and future road alignments, geotechnical analyses of proposed pipeline alignments, and environmental permitting analyses, before design and construction phases can begin.

### ***Additional Recommendations***

The following sections provide recommendations for projects that will improve maintenance of the city's water system. These projects and programs should be implemented to enhance the existing and future water system and provide the city with an improved understanding of customer water use.

The city's *Wastewater Treatment Plant Assessment Report (RMC, 2006)* presents recommendations for two possible long-term improvement options for the city's wastewater treatment facilities. Based on the outcome of those recommendations, the city may soon be in possession of a reliable supply of recycled water. Recycled water is defined in the California Water Code as "water which, as a result of treatment of waste [water], is suitable for a direct beneficial use or a controlled use that would not otherwise occur." Recycled water can be safely used for many applications that do not require drinking water quality, including landscape irrigation (e.g., golf courses, parks, roadway medians, and cemeteries), cooling towers and other industrial uses, toilet flushing, environmental enhancement, and decorative fountains.

It is recommended that the city prepare a Recycled Water Master Plan (RWMP). The purpose of the RWMP will be to identify where and how the city could most feasibly develop recycled water in the city, and provide a strategy for implementing the recycled water projects identified. Implementing recycled water projects will:

- Promote efficient use of potable water resources by supplying non-potable recycled water for uses such as park and golf course irrigation, commercial and industrial uses, and environmental enhancements;
- Provide a new "drought-resistant" and locally produced water source that

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will reduce potential water use restrictions and preserve landscape value during extended dry weather periods;

- Uphold state goals and regulations encouraging the use of recycled water; and,
- Reduce treated wastewater discharges into the city's percolation ponds.

Planning and implementing significant recycled water projects in the city could take several years. In preparation for drought periods, however, and in meeting long-term water supply reliability goals, it is prudent for the city to begin planning and implementing recycled water projects in the near future.

### ***Dual Plumbing for All New Parks***

As a corollary to the recommendation for a RWMP, it is recommended that the city require all new parks in the study area be plumbed to receive recycled water in the future. Drinking fountains, restrooms, and hose bibbs will be permanently connected to the potable water system, while sprinklers and other irrigation equipment can be connected to a dedicated recycled water distribution system. Configuration of sprinklers and other recycled water devices should comply with all California (Title 22) regulations for reuse of non-potable water (i.e., drinking fountains and hose bibbs should not be within the spray zone of sprinklers, recycled water application shall not occur within 50 feet of any domestic well, etc.).

Until such time as a RWMP is developed for the city, both potable and recycled water facilities in all new parks will be connected to the city's potable water system. An interim measure may include use of MID irrigation water in the system. Once a recycled water supply becomes available, appropriate non-potable facilities can be connected to the dedicated recycled water piping system (purple pipe system).

## **2.3 Wastewater Collection and Treatment**

### ***The City's Wastewater System***

The city's wastewater treatment system currently operates and maintains a wastewater collection, treatment and disposal system with a capacity of one mgd. The current average flow is approximately 0.585 mgd generated by the current population, or 75 gallons per person per day. Build-out of the current city limits will result in an estimated flow of 0.780 mgd.

The system meets existing requirements of the Central Valley Regional Water Quality Control Board (RWQCB). However, the system does not meet secondary treatment standards, nor will it meet future discharge standards if not upgraded. The existing system is a "one-pass" biological treatment system, which reduces the strength of the sewage by using aerated ponds followed by percolation basins.

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**Figure 9**  
**City of Waterford Existing Wastewater Treatment System Ponds**



The City's General Plan anticipates the proposed SOI expansion and development of 1,610 acres. Build-out population with this added development will be roughly 19,000 producing a flow of approximately 1.6 mgd average dry weather flow for the study area alone. Projected industrial and commercial development in the proposed SOI expansion area will create an additional 0.37 mgd for a total flow of 1.97 mgd average dry weather flow. Peak dry-weather flow is projected to be 6.81 mgd in the proposed SOI expansion area. When the capacity of 1.0 millions per day treatment threshold is reached, and due to the fact that the current site is space limited for both a treatment plant expansion and land for percolation, a new WWTP site will need to be selected.

With treatment modifications the existing site is expected to accommodate the city for 10 or more years. Beyond this period, the city will need to consider a new wastewater treatment plant or the possibility of joining a regional treatment system such as the City of Modesto's. This option would require a new pipeline that would have to be constructed to a regional connection point, possibly up to 20 miles, to connect to a regional system.

The city has recently completed a *Wastewater Treatment Master Plan (WWTP)*. The plan states that the current system meets existing standards, but will not meet new anticipated standards set by the Regional Water Quality Control Board. With some minor improvements and modifications, the existing system will allow for growth anticipated within the current city boundaries. However, the plan also states that, "*the existing system is a 'one-pass' biological treatment system with reduces the strength of the sewage but not to the level that will be required by future discharge standards. The existing system does not meet typical secondary treatment standards.*" The plan suggests different options available to the city, however each method of disposal or water reuse will determine the necessary standards. If the wastewater is to be used for irrigation of parks or playgrounds the treatment requirements are the highest. Irrigation of greenbelts or roadway medians requires a lower level of treatment; and crop irrigation for animals requires an even lower level. The existing system is adequate for field crop irrigation.

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The existing wastewater treatment system is located along the Tuolumne River west of the Hickman Road Bridge. Wastewater is collected throughout the city and then treated in four reinforced concrete aeration ponds (approximately 128,000 square feet), before being pumped to storage ponds. Effluent from the storage ponds is then pumped to four drying beds across the Tuolumne River.

### *Projected Wastewater Flow*

RMC developed a *Sewer System Master Plan* to determine future sewer treatment and disposal needs for the city of Waterford's proposed SOI expansion area.

**Table 5**  
**Study Area Wastewater Flow Projections**

Land Use Category	Gross Acreage	Unit Flow Factor		Build-out ADWF (mgd)	Build-out PDWF (mgd)
Low Density Residential	1,316	1,215	gpad	1.60	5.59
Industrial	126	2,000	gpad	0.25	0.83
General Commercial	48	2,500	gpad	0.12	0.39
<b>TOTAL</b>				1.97	6.81 <sup>a</sup>

<sup>a</sup> Does not include approximately 1.07 mgd of non-study area wastewater flows (i.e., from schools, residential areas, homes currently on septic tanks, flows from River Pointe, etc.) from adjacent areas of the existing city system that in the future may be conveyed through the new sewers recommended in this master plan.

### *Wastewater Treatment Plant Capacity Analysis*

RMC developed a *Wastewater Treatment Plant Assessment Report* dated March 2006. This report further refined wastewater flow projections based on gallons of flow per capita per day (gpcd). Population growth in the study area will come from a combination of buildout (maximum utilization of available space) within current city limits and growth in the proposed SOI expansion area. The study projected residential flow projections based on per capita flow rates and projected population estimates.

The study factored industrial and commercial flow projections. There is land that is slated for industrial and commercial use in the proposed SOI expansion area. These commercial and industrial projections were combined with residential projections to yield the total wastewater flow projections in the following table.

This report states that the current WWTP is rated to accommodate flows up to 1.0 mgd. It is anticipated that the existing treatment and disposal capacity will be exceeded between 2010 and 2015, depending on the growth rate and flow rate assumptions used.

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**Table 6  
Total Wastewater Flow Projections**

Year	Wastewater Flow Projections (mgd)			
	Low Growth		High Growth	
	75 gpcd	90 gpcd	75 gpcd	90 gpcd
2005	0.59	0.70	0.59	0.70
2010	0.83	0.99	0.85	1.00
<b>2015</b>	<b>1.00</b>	<b>1.17</b>	<b>1.11</b>	<b>1.31</b>
2020	1.15	1.35	1.35	1.59
2025	1.31	1.52	1.61	1.88
2030	1.45	1.69	1.86	2.18
2035	1.63	1.90	2.21	2.59
<b>2040</b>	<b>1.80</b>	<b>2.08</b>	<b>2.49</b>	<b>2.91</b>

While both the aeration basins and percolation ponds currently have a capacity limited to 1.0 mgd, the previous WWTP Master Plan prepared by DJH Engineering indicated that the capacity of the percolation ponds could be increased to 1.5 mgd by constructing two new basins east of the existing ones. The table below presents the estimated year of occurrence for when these treatment and disposal thresholds are exceeded under the four wastewater flow projections scenarios.

**Table 7  
Timing for Exceeding Capacity Thresholds**

Milestone Event	Year of Occurrence			
	Low Growth @ 75 gpcd	Low Growth @ 90 gpcd	High Growth @ 75 gpcd	High Growth @ 90 gpcd
Exceed 1.0 mgd Treatment Capacity	2015	2011	2013	2010
Exceed 1.5 mgd Capacity Of Expanded Percolation Ponds	2032	2025	2023	2019

***Expanded Wastewater Treatment Facility***

As shown in Table 7 three of the four wastewater projection scenarios indicate that the existing treatment capacity will be exceeded prior to the 10-year planning horizon (2015). The site cannot accommodate additional aeration basins, and the existing process will not achieve future discharge requirements, so a new treatment system will be required. The city can still use percolation ponds for effluent disposal, but will need to add two new ponds (as suggested by the DJH report) to increase the capacity to 1.5 mgd.

While there are some recent directives from the Water Resources Control Board that require filtration and disinfection prior to land application of effluent, these permits are typically for wastewater discharges that also discharge to surface waters during a portion

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of the year. However, given that Waterford's percolation ponds are located adjacent to the Tuolumne River, there is a possibility that the Central Valley RWQCB will impose more stringent limitations for effluent disposal.

### *Site Constraints*

In addition to capacity limitations and water quality requirements there are other considerations that will impact future WWTP planning. The present site layout possesses a unique geometry. The aeration basins, which overlook the Tuolumne River are situated down a steep slope from the south edge of town and are contained in a long narrow site that is approximately 100 feet wide. Any significant expansion of the aerations basins is prohibited by presence of the slopes on either side – rising to the north towards the city and dropping to the south to meet the Tuolumne River. Since there is no room for expansion of the treatment ponds, any capacity expansion must be done within the current area occupied by the aeration basins (roughly 100 ft. x 1300 ft.).

### *Wastewater Treatment System Expansion Alternatives*

*Use Alternate Site Analysis* The *Wastewater Treatment Assessment Report* examined phasing out the existing WWTP and utilizing a new site to meet the capacity and treatment requirements for a new WDR. This has the advantage of providing a WWTP design that can accommodate flow well into the future. The disadvantage will be higher up front costs incurred to construct an entirely new facility including the high conveyance costs to the new site.

The *Wastewater Treatment Plant Assessment Report* provided an analysis of improvements to the treatment system that will be needed in the near-term planning horizon, which is described as being the year 2015. This date corresponds to a ten-year timeframe for assessing the city's ability to serve the proposed SOI expansion area. Five potential treatment alternatives were evaluated for near-term improvements. They are:

- Conventional Activated Sludge treatment
- Oxidation Ditch
- Biolac® Process
- Sequencing Batch Reactors (SBR)
- Membrane Bioreactor

These alternatives will generally use an extended aeration activated sludge process with a similar biological nutrient removal (BNR) process approach to nitrogen removal. Nitrification of ammonia is achieved with longer retention times in the aeration cycle. De-nitrification of the nitrate is achieved through anoxic zones with a recycle of activated sludge.

The report concludes that, in general, the activated sludge options are simple systems that can achieve the water quality objectives with comparatively low costs – the primary constraint is that the existing WWTP site is not large enough to accommodate any of these treatment systems, with the exception of the SBR. The MBR, on the other hand, can produce excellent quality water within a very small footprint – but the capital and

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operation costs are much higher.

The percolation pond capacity will need to be expanded to accommodate the additional effluent flows. This can be addressed by constructing two additional percolation ponds to the east of the existing ponds. The report states that the city has expressed a preference for continuing to utilize the existing WWTP site for wastewater treatment and disposal through the 2015 planning horizon. To this end, an SBR or an MBR system would need to be pursued. The report compared the two alternatives with respect to water quality, ease of operation, ease of expansion, ease of implementation and cost.

The report states that the MBR system will produce higher quality effluent than the SBR system. With respect to ease of operation, the MBR system is more complex than the SBR system. The small footprint of the MBR system allows for expansion up to 3.0 mgd at the current site, providing more flexibility for long term options than the SBR. With respect to ease of implementation, the construction of the MBR system will have less of an impact than the construction of the SBR system due to its smaller footprint size. However, the MBR system is more costly to construct and to operate and maintain.

### ***Sewer System (Collection) Expansion***

The *City of Waterford Sewer System Master Plan (February 2006)*, as adopted by the City in April 2006, contained plans and specifications for the expansion of the existing sewer collection system to serve the city's urban growth area. The following provides an overview of some specific design and constructability considerations that were used in developing the recommended projects.

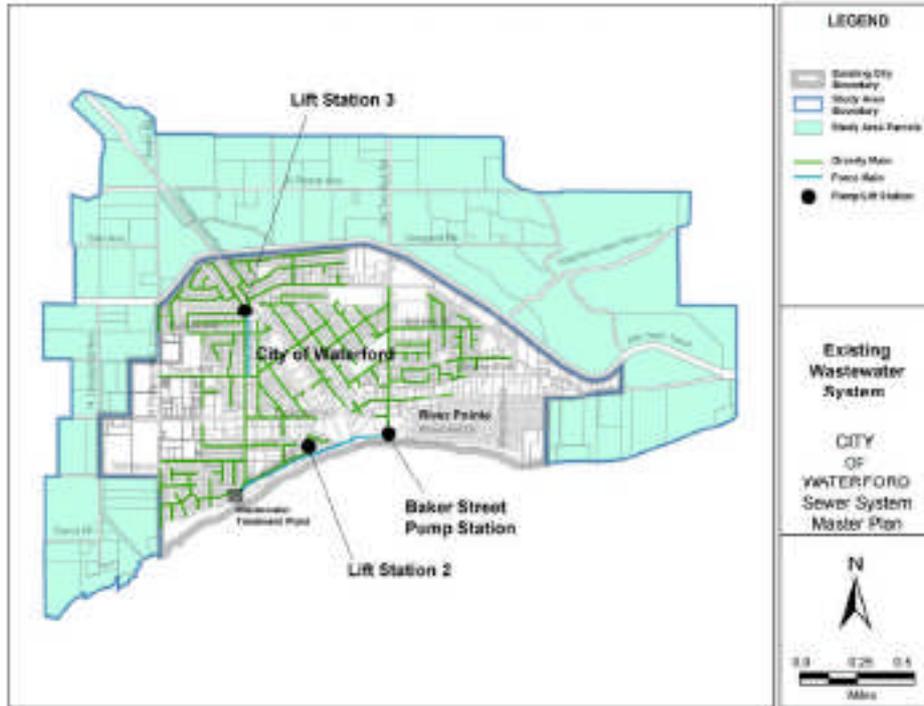
### ***Project Descriptions***

A total of 17 projects, which include the trunk sewer system only (i.e., small collector sewers are not included), have been developed and recommended for the future sewer collection system in the study area. Figure 11 presents the 17 recommended projects. Figure 12 gives the diameters for all pipes in the recommended sewer system. Descriptions, costs, and phasing of the recommended projects, as well as any associated implementation issues, are presented in the subsequent sections.

The proposed projects for improvements to the city's sewer collection system include four combined pump station and force main projects and thirteen gravity sewer projects.

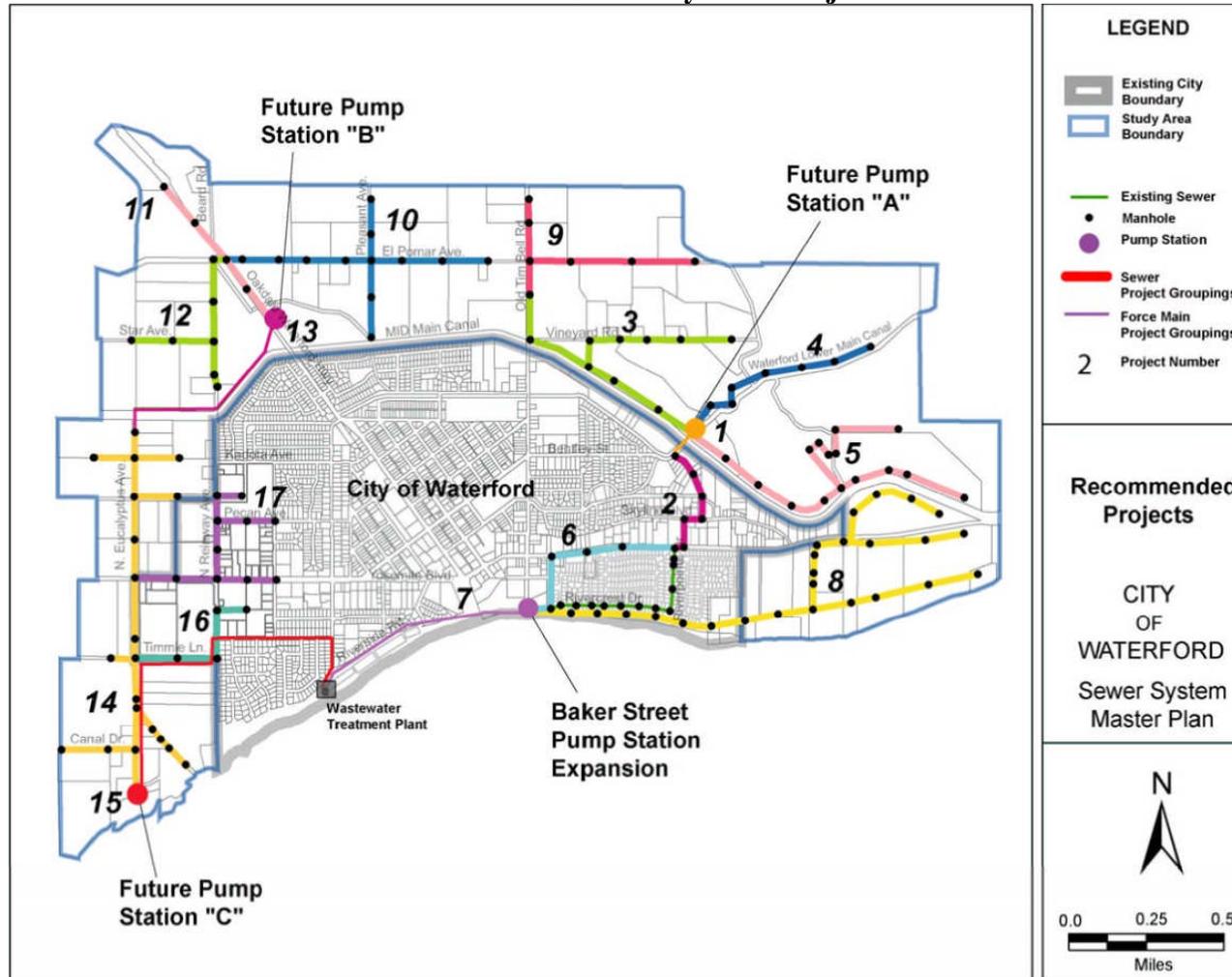
# City of Waterford Municipal Service Review

## Figure 10 City of Waterford Existing Sewer System



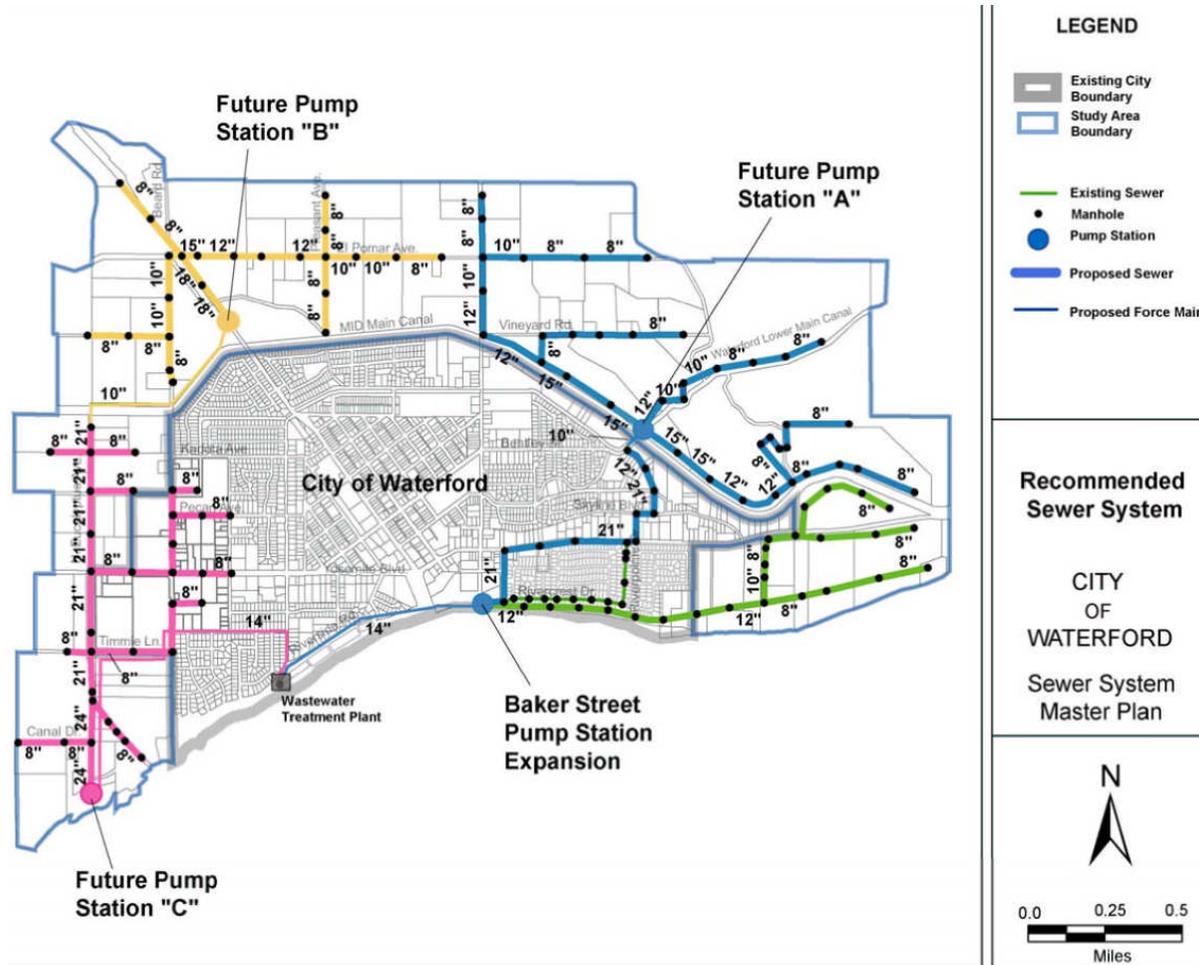
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Figure 11  
Recommended Sewer System Projects



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Figure 12  
Pipe Diameters for Recommended Sewer System



## **2.4 Storm Water Infrastructure**

### ***Storm-Water Discharges:***

As part of revisions to the CWA in 1987, EPA issued requirements for storm water discharges associated with construction activity to obtain a National Pollution Discharge Elimination System (NPDES) General Construction Activity Permit. This general permit requires developers of projects equal to or greater than 5 acres to file a notice of intent, develop and implement a storm water pollution prevention plan, and conduct site inspections for facilities. The goal of the permit is to reduce or eliminate surface storm water pollution from construction activities. This NPDES permit, which is administered by SWRCB and overseen locally by the Central Valley RWQCB, is separate from the treatment plant discharge permit.

### ***Existing Drainage and Irrigation Facilities:***

There are a number of MID irrigation canals and drainage ditches in the study area and city as shown in Figure 6. The district's facilities have historically been used for irrigation and drainage purposes. The MID Modesto Main Canal acts as a natural drainage boundary because water cannot flow from one side to the other without being intercepted by the canal.

The canal system's primary purpose is to provide irrigation water to area orchards, pastures and other farmlands. For this reason the canal system is typically dry during the winter months. Management of these canals includes restricted access to the canal banks within urban areas for safety reasons, and strict control of vegetation to control weeds and limit the amount of "weed" seeds that are transported to irrigated farmland.

The principal drainage basins in the Waterford Planning Area are the Tuolumne River, Dry Creek and the MID Canal. All runoff from the Planning Area flows to one of these basins. The Tuolumne River flows through the southern portion of the Planning Area, while MID Canal and Dry Creek flow through the north portion of the Planning Area. These local basins all flow to the San Joaquin Valley regional drainage basin. The San Joaquin regional drainage basin extends from near the city of Stockton to the north to near the city of Fresno to the south, and from the Sierra Nevada on the east to the coastal ranges on the west. The basin encompasses approximately 11,000 square miles. The principal tributaries to this basin include the Tuolumne, Stanislaus and Merced rivers.

Waterford has historically been subject to localized flooding and a number of improvements have been installed and future improvements are being planned within the Planning Area. Waterford's existing system consists of storm sewers and pump stations that discharge runoff primarily into the Tuolumne River and the main MID lateral canal.

### ***Drain Plan***

To decrease dependence on the Tuolumne River, Dry Creek and MID Canal, and to unify Waterford's different storm drainage systems, the city has prepared a comprehensive storm drain master plan. The plan identifies where major arterial lines will connect the different storm drainage systems. When complete, the system will connect all of the city's storm water facilities and include storm water treatment that will meet or exceed storm water discharge standards as established by state and federal water quality regulations.

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Recent amendments to the Federal Clean Water Act have tightened regulations with respect to storm water discharge. With continued growth in Waterford expected, new regulations will require some degree of treatment for all storm water discharge. By consolidating its flows to the waste water treatment facility the city will be better prepared to deal with these regulations.

The city has recently encouraged the use of detention basins in new development areas. Most detention basins will be designed to also be used as parks.

### ***Watersheds and Sub-sheds***

As shown in 13 the Storm Drain Master Plan divided the watershed into sub-sheds and sub-basins based on topographic barriers such as the Modesto Main Canal, planned development, parcel information and proximity to the two outlets, Tuolumne River and Dry Creek. Sub-shed boundaries are also based on regional topographic information collected from an aerial survey, aerial photography, and USGS maps. For the proposed SOI expansion area, there are 29 sub-sheds in total with an average area of 58 acres per sub-shed. The sub-sheds are shown in Figure 13 of the master plan.

There is one planned residential development in the eastern study area. The developer has designed the development around a storm water detention/retention basin. The basin was initially designed to contain all the storm runoff from the development. According to the developer, the total storage of the basin is approximately 129 acre-feet. The basin also functions as a recreation pond for the surrounding homes and has aesthetic benefits.

### ***Best Management Practices***

The city will be required to reduce the discharge of pollutants to the maximum extent practicable (MEP) through implementation of Best Management Practices (BMPs) as part of its Storm Water Management Plan.

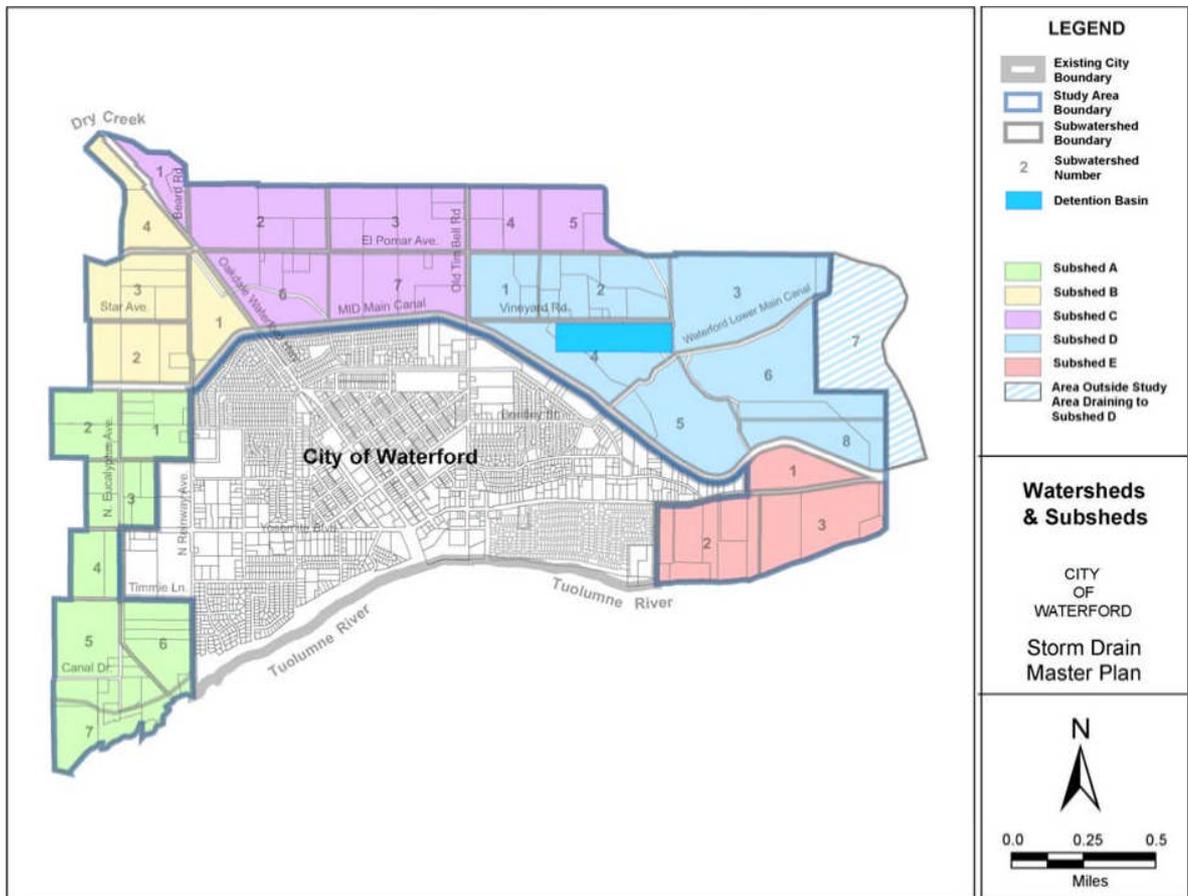
The State General Permit describes the MEP standard as an ever-evolving, flexible, and advancing concept, which considers technical and economic feasibility. As knowledge about controlling urban runoff continues to evolve, so does that which constitutes MEP.”

The master plan does recommend the installation of pollution prevention devices at the tail end of the main laterals prior to discharge into the receiving water bodies (i.e. Tuolumne River and Dry Creek). These devices should be designed to be either in-line or off-line units capable of handling flows in the range of a 25-year event. The devices should be able to operate given the following minimum standards:

- Gravity driven
- No moving parts
- Large sump storage capacity
- All metal shall be stainless steel
- 80% TSS removal, 90% floatables and neutrally buoyant material removal
- Have the ability to remove grease and oil

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Figure 13  
Waterford Storm Drain System Watersheds and Sub-sheds



**Detention Basins**

The proposed storm drain system incorporates detention basins at locations where the runoff exceeded the capacity of a reasonably sized main lateral. Although there is a corresponding loss of land associated with using detention basins, this is a more cost-effective alternative than using large diameter and dual pipe combinations. The detention/retention basins are strictly used for temporary storage of storm water in excess of the carrying capacity of the pipe network; however they can be planned to utilize recreation activities as well.

**Recommended Projects**

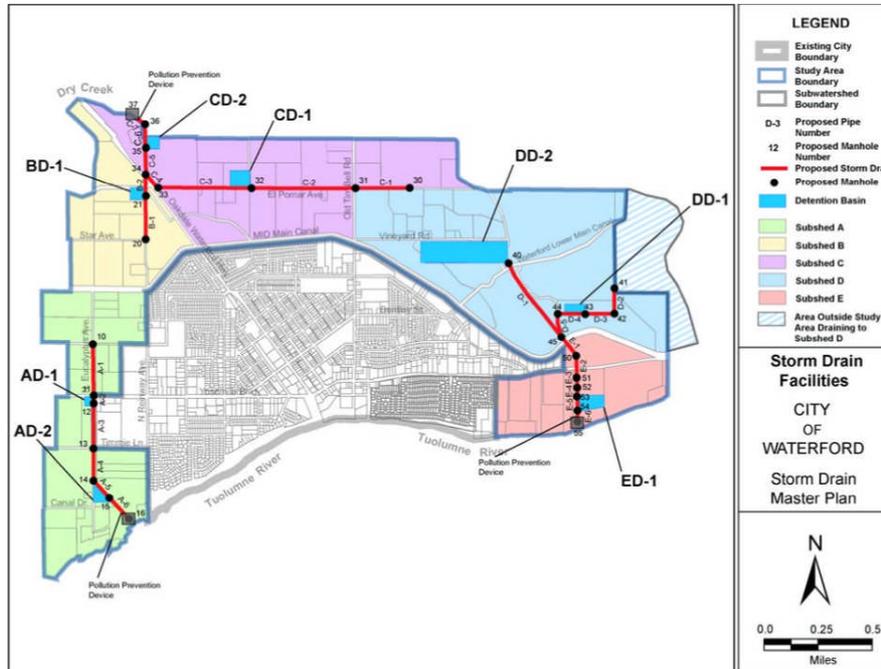
The master plan provides recommended projects for the proposed SOI expansion area. Figure 14 of the master plan shows the proposed locations of the five sub-shed areas and the locations for storm drains, manholes, and detention basins.

Because the area in sub-sheds A, B and C is predominately flat, it is not anticipated that development will result in a significant change from the existing ground surface elevations; hence the profiles in these sub-sheds should not change at the time of development. It is more likely that the area in sub-sheds D and E will face significant modifications to the existing terrain due to the undulating topography in that area. Fortunately there is plenty of elevation change between the upstream pipes and the outlet.

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As development occurs, the profile for this area will likely need to be adjusted.

**Figure 14**  
**Waterford Storm Drain System**  
**Watersheds and Sub-sheds Recommended Projects**



### 2.5 Streets and Roads

#### *Circulation*

**Existing Circulation System:** The City of Waterford has regional access via Highway 132 (east west) and the Oakdale-Waterford Highway & Hickman Road (northwest-southeast). Streets in the older part of town are aligned with the old railroad grade that passed through town and has since been removed. Other streets are on a north-south/east-west grid with newer subdivision streets characterized by extensive use of cul-de-sacs without through streets. The system uses as street designation system of arterial, collector and local streets.

**Arterials.** Arterials are moderate-speed through streets with an Average Daily Traffic (ADT) of about 10,000 vehicles per day. Arterials usually have four to six travel lanes and left turn pockets or lanes. Examples of arterials within the City include (State Route 132) and the Oakdale-Waterford Highway.

**Collector.** Collectors are intended to transfer traffic from collector and local streets to an arterial. Average daily traffic on a collector is usually less than 10,000 trips per day.

**Local Streets.** Local streets serve individual residences. Average daily traffic is usually less than 1,000 vehicles per day. Local streets are typically two-lanes with a right-of-way of between 46 to 60 feet.

For regional travel, the City of Waterford relies primarily on Highways 132 and Highway 99 is a major north-south freeway to west of Modesto and. Highway 132 is the primary

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east-west connector to Highway 99. Another regional roadway is the Oakdale-Waterford Highway that provide access via the Stanislaus County road system with area communities of Oakdale, Modesto, Riverbank, Hughson, Turlock, Ceres and ultimately south to the City of Merced and U.C. Merced.

### ***Planned Roadway Improvements***

The Circulation Element of the General Plan recommends a number of improvements to maintain the desired level of service on the City's road segments and intersections through build-out of the General Plan. These improvements are intended to be funded through the collection of traffic impact fees from new development and from other sources and include the following:

In addition to new roadway improvements recommended by the General Plan, the Plan recommends a number of intersection improvements to mitigate traffic impacts associated with development of the City's sphere of influence.

The roads in the Waterford planning area serve different purposes for various land uses. Local and collector streets provide low-volume routes for residents to travel to and from their residential neighborhoods. Arterial and state highways are used to distribute goods and products, provide high-volume traffic routes for employees traveling to industrial and commercial areas, and route regional traffic.

The city uses a functional road classification system together with the general plan land uses to make up its circulation plan. The city's current traffic volumes are within the carrying capacity of the city's streets.

### ***Proposed Street and Highway Improvements***

The circulation system plan for projected new growth areas to the north of Waterford will provide for one-mile grids formed by major arterial and arterial roadways relying on El Pomar (east-west), Eucalyptus, Tim Bell and Hazeldine roads (north-south) as key alignments for this future system. This system will, however, create key congestion points at the present intersections of:

- Highway 132 and Oakdale-Waterford Highway
- El Pomar and Oakdale-Waterford Highway

Other key intersections are:

- Eucalyptus and Highway 132
- Reinway and Highway 132
- Pasadena and Highway 132
- Tim Bell and Highway 132
- Tim Bell and Highway 132
- Tim Bell and El Pomar
- Bentley and Oakdale-Waterford
- Bentley and Tim Bell
- Bonnie Brea and Oakdale-Waterford

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**Table 8  
Needed Major Improvement Transportation Projects**

<i>Project #</i>	<i>Project Type</i>	<i>Location</i>
1	Four+ Turn Lanes	Yosemite Blvd. From Urban Limit to Eucalyptus.
2	Four+ Turn Lane	Yosemite Blvd. From Eucalyptus to Reinway
3	Four+ Turn Lane	Yosemite Blvd. From Reinway to Western Ave.
4	Four+ Turn Lane	Yosemite Blvd. From Western Ave. To "F" Street
5	Four+ Turn Lane	Yosemite Blvd. From "F" Street to Tim Bell Rd.
6	Four+ Turn Lane	Yosemite Blvd. From Tim Bell Road to Skyline Blvd.
7	Four+ Turn Lane	Yosemite Blvd. From Skyline Blvd. to Rorabaugh Rd.
8	Four+ Turn Lane	Yosemite Blvd. From Rorabaugh Rd. to Urban Limit
9	Four+ Turn Lane	"F" Street From Urban Limit (south) to Yosemite Blvd.
10	Four+ Turn Lane	"F" Street From Yosemite Blvd. to Urban Limit (north)
11	Two+ Turn Lane	Eucalyptus From Yosemite Blvd. to Star Ave.
12	Two+ Turn Lane	Reinway from Yosemite Blvd. to Star Ave.
13	Two+ Turn Lane	Tim Bell From Yosemite Blvd. to El Pomar
14	Two+ Turn Lane	Rorabaugh Rd. from Yosemite Blvd. to El Pomar (new)
15	Two+ Turn Lane	El Pomar from Oakdale-Waterford to Urban Limit (E)
16	Two+ Turn Lane	Star Ave. from Eucalyptus to Oakdale-Waterford
17	New Inters/Link	El Pomar to Star Ave. (across Oakdale-Waterford)
18	Signal/Inters. Imp.	Yosemite Blvd. and Eucalyptus
19	Signal/Inters. Imp.	Yosemite Blvd. and Reinway
20	Signal/Inters. Imp.	Yosemite Blvd. and Pasadena
21	Signal/Inters. Imp.	Yosemite Blvd. and Tim Bell
22	Signal/Inters. Imp.	Yosemite Blvd. and Rorabaugh Rd.
23	Signal/Inters. Imp.	Bentley and Oakdale-Waterford
24	Signal/Inters. Imp.	Bentley and Tim Bell
25	Signal/Inters. Imp.	Bonnie Brea and Oakdale-Waterford
26	Signal/Inters. Imp.	El Pomar and Oakdale-Waterford
27	Add Bridge 2-Lane	"F" Street Bridge-Tuolumne River

***Tuolumne River Bridge (Hickman Road River Crossing)*** The Tuolumne River bridge is a two-lane bridge that will need to be upgraded to a four-lane crossing. At present, there is capacity on this structure to handle forecasted traffic loads through the year 2020 or 2025 operating at a Level of Service (LOS) of "E" or "F". Programs need to be put in place that will assure funding for this structure by the year 2020.

***Tim Bell Road*** The improvement of Tim Bell Road, as a major roadway within the city's north-south grid system, includes many of the difficulties of planning over time. In the city's grid of major north-south streets, Tim Bell is the link between Highway 132 and the planned city growth areas to the north and northeast. This roadway connects these population centers to downtown Waterford via Bentley and Welch streets. Significant improvements to this roadway will be required to permit it to function at its planned level of service.

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***Eucalyptus Avenue*** Improvements to Eucalyptus will require a complete reconstruction of this roadway, from Highway 132 to its planned connection to the Oakdale-Waterford Highway, including a new bridge across the MID Main Canal. As a rural roadway that accommodates normal and low density development, full curb and sidewalk improvements will only be required on the eastern side of the roadway.

***Star Avenue*** Improvements to Star will require improvement to a two-lane collector standard with limited curb improvements to accommodate drainage needs along the roadway.

***El Pomar Road*** Improvements to El Pomar will require a complete reconstruction of this roadway from its connection with Eucalyptus Avenue near the Oakdale-Waterford Highway to the edge of the city's proposed Sphere of influence boundary to the east. Ultimately this roadway is planned to extend to Hazeldine Road. An intermediary connection to Highway 132 is planned along the eastern boundary of the Sphere. As this roadway will be expected to carry some truck traffic by-passing the downtown area of Waterford, it should be constructed to a standard to support heavy trucks.

***Rorabaugh Road*** Development of this new roadway as a "collector" will provide connection between El Pomar and Highway 132. As this roadway will be expected to carry some truck traffic by-passing the downtown area of Waterford, it should be constructed to a standard to support heavy trucks.

***MID Main Canal Bridges*** Currently there are 3 bridges for local traffic over the Modesto Irrigation District's Main Canal in the Waterford urban area: They traverse Reinway Avenue, the Oakdale-Waterford Highway and Tim Bell Road. All serve north-south bound traffic and are critical circulation points in a community that is planning for extended north-south growth. As traffic increases substantially with future growth, the bridge locations will become increasing bottlenecks. Because of size and cost constraints, expansion of these bridges could be difficult.

Completion of the El Pomar (east-west) arterial, which includes an additional crossing at Eucalyptus and to the east toward Hazeldine Road, would assist in distributing north-south traffic more evenly across the MID Main Canal and reduce congestion throughout the urban area.

### ***Intersections Improvements***

Both street segments (the portion of a street between two specified points) and street intersections (the point of meeting or intersection between a minimum of two streets) can be used to measure traffic impacts on a street circulation system. LOS measures how well traffic is moving on a road segment or at a street intersection in relation to the capacity of that portion of the circulation system.

Other yardsticks for measuring/comparing intersections are accident rates or length of waiting time per driver. Accidents can be generally classified into two main groupings for traffic purposes; those that are related to driver error that may have some chance of being addressed through a physical modification of the intersection, and those caused by external factors such as drug/alcohol use.

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It is anticipated that a significant upgrading of city streets in proximity to Highway 132 will be required in order to keep the state highway operating at a viable LOS in the future. This is possible if large numbers of short or local trips can be kept off the highway by offering efficient options.

### ***Regional Transportation System***

The Stanislaus County Regional Transportation Plan is adopted by the Stanislaus County Council of Governments (StanCOG). The policy board of StanCOG is composed of sixteen voting members (each with one vote), including five members of the Stanislaus County Board of Supervisors, three council representatives for the City of Modesto, and one council representative from each of the other cities in the county. A Caltrans District 10 representative serves in an "ex-officio" capacity on the policy board and actively participates in the discussions. Caltrans is provided time on each policy board agenda for a report on transportation issues that could affect StanCOG.

State law requires the Regional Transportation Plan (RTP) to be:

“directed at the achievement of a coordinated and balanced regional transportation system. The plan shall be action oriented and pragmatic considering both the short term and long term future and shall present clear, concise policy guidelines to local and state officials.”

The RTP is required to contain a Policy Element, Action Element, Financial Element, and reference environmental and air quality documentation. The completed RTP is to be adopted by the StanCOG governing board, then submitted to Caltrans and the California Transportation Commission. Federal regulations issued by the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) also require the development and adoption of an RTP.

The RTP is a twenty-year plan that outlines the regional goals, transportation improvements, and funding sources. The RTP is the first step in the regional transportation planning process. The Regional Transportation Improvement Program (RTIP) is each region's four year program of state and federally funded transportation projects. The RTIP also nominates projects to the California Transportation Commission (CTC) for funding in the State Transportation Improvement Program (STIP). The RTIP must be consistent with the Regional Transportation Plan.

A federal version of the RTIP is the Federal Transportation Improvement Program (FTIP) which contains all federally funded surface transportation projects at the state and regional level. Projects in the RTIP that are programmed by the CTC into the STIP and local projects become the basis for the FTIP. The difference between the FTIP and the RTIP is that the FTIP is financially constrained, meaning it includes only approved and funded projects, whereas the RTIP nominates projects for funding.

Regional transportation agencies must insure that projects in the RTP and FTIP conform to all federal air quality standards. The conformity finding must be based on the most recently approved State Implementation Plan (SIP).

Stanislaus County has recently amended its general plan Circulation Element. Like the RTP, Stanislaus County's General Plan Circulation Element is a county-wide plan and

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it addresses interstate and state highways as well as local streets and roads. The circulation element defines the types of transportation facilities and policies that the county has determined are required within the unincorporated area of the county to achieve the goals and policies established for the county by the board of supervisors.

The recent Stanislaus County General Plan Amendment (No. 2004-03), also known as the Focused General Plan Update of the county's Circulation Element, was initiated in 2002 and adopted by the County Board of Supervisors in 2006.

**Table 9  
Waterford Regional Street System  
Traffic Volume Model Forecast 2030**

<i>Seg. No.</i>	<i>Name</i>	<i>Segment</i>	<i>county Design Standard</i>	<i>2030 ADT</i>
	<b><i>North South Segments</i></b>			
1	Oakdale-Waterford Hwy	Waterford N. to Milnes Rd.	Major 4-Lane	20,926
2	Oakdale-Waterford Hwy	Milnes Rd. N. to Claribel Rd.	Major 4-Lane	16,369
3	Oakdale-Waterford Hwy	Claribel Rd. N. to Albers Rd.	Major 4-Lane	5,469
4	Hickman Road	Waterford S. to Lake Rd.	Major 4-Lane	19,890
5	Hickman Road	Lake Rd. S. to Whitmore Ave.	Major 4-Lane	17,033
6	Hickman Road	Whitmore Ave. S. to Keyes Rd.	Collector	5,553
7	Albers Rd.	Yosemite Blvd (132) N. to Milnes Rd.	Expressway 6-Lane	15,967
8	Albers Rd.	Milnes Rd. N. to Claribel Rd.	Expressway 6-Lane	15,459
9	Geer Rd	Yosemite Blvd. (132) S. to Whitmore	Expressway 6-Lane	20,282
10	Downie	Whitmore Rd. S. to Service Rd.	Local	6,765
11	Downie	Service Rd. S. to Grayson Rd.	Local	3,960
12	Downie	Grayson Rd. S. to Keyes Rd.	Local	2,524
13	Gratton	Whitmore Rd. S. to Service Rd.	Collector	1,493
14	Gratton	Service Rd. S. to Grayson Rd.	Collector	4,045
15	Gratton	Grayson Rd. S. to Keyes Rd.	Collector	2,468
16	Berkeley	Whitmore Rd. S. to Service Rd	Local	1,785
17	Berkeley	Service Rd. S. to Grayson Rd.	Local	3,572
18	Berkeley	Grayson Rd. S. to Keyes Rd.	Local	3,782
19	Santa Fe	Geer Rd. S. to Berkeley Rd.	Expressway 4-Lane	16,637
20		.		
21	<b><i>East-West Segments</i></b>			
22	Claribel Rd.	Oakdale-Waterford Hwy. W. to Albers Rd.	Expressway 6-Lane	15,335

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**Table 9-Continued  
Waterford Regional Street System Traffic Volume Model Forecast 2030**

<i>Seg. No.</i>	<i>Name</i>	<i>Segment</i>	<i>county Design Standard</i>	<i>2030 ADT</i>
23	Claribel Rd.	Albers Rd. to W. Bentley Rd.	Expressway 6-Lane	24,069
24	Claribel Rd.	Bently W. to Langworth	Expressway 6-Lane	30,747
25	Milnes Rd.	Oakdale-Waterford Hwy. W. to Albers Rd.	Major 4-Lane	4,783
26	Yosemite Blvd. (132)	Waterford E. to Hazeldine Rd.	Expressway 4-Lane	10,747
27	Yosemite Blvd. (132)	Waterford W. to McEwen Rd.	Expressway 4-Lane	17,999
28	Yosemite Blvd (132)	McEwen Rd. W. to Albers Rd.	Expressway 4-Lane	19,766
16	Yosemite Blvd. (132)	Albers Rd. W. to community of Empire	Expressway 4-Lane	15,018
17	Whitmore Ave.	Hickman Rd. W. To Downie	Major 4-Lane	14,328
29	Whitmore Ave.	Downie Rd. W. to Gratton Rd.	Major 4-Lane	7,654
30	Whitmore Ave.	Gratton Rd. W. to Berkeley Rd.	Major 4-Lane	3,903
31	Whitmore Ave.	Berkeley Rd. W. to Geer Rd.	Major 4-Lane	4,207
32	Service Rd.	Downie Rd. W. to Gratton Rd.	Local	6,374
33	Service Rd.	Gratton Rd. W. to Berkeley Rd.	Local	2,819
34	Service Rd.	Berkeley Rd. W. to Geer. Rd.	Local	4,767
35	Grayson Rd.	Downie Rd. W. to Gratton Rd.	Local	942
36	Grayson Rd.	Gratton Rd. W. to Berkeley Rd.	Local	613

The purpose of the amendment was to incorporate key elements of the Stanislaus Council of Governments' Regional Transportation Plan adopted in 2002 and improve consistency of the county general plan with the transportation system designations and standards adopted by the nine cities in Stanislaus County in their respective general plans. This amendment was adopted by Stanislaus County.

The City of Waterford supports and participates in the development of the Stanislaus County RTP and its policies and programs. The city utilizes data developed by StanCOG to create its local and regional traffic model.

**2.6 Fire Protection Infrastructure Needs and Deficiencies**

The city is located within the Stanislaus Consolidated Fire Protection District (SCFPD) for fire protection services. The SCFPD also serves the city of Riverbank, the communities of Empire, Hickman, La Grange and the Beard Industrial Tract. In all, the SCFPD serves 195 square miles of Stanislaus County out of (5) staffed stations and (1) reserve/volunteer station. The SCFPD also provides reciprocating services with Salida FPD, Escalon FPD, Oakdale Rural FPD, Denair FPD, Hughson FPD, Ceres Emergency Services, City of Modesto, City of Oakdale, and the California Department of Forestry and Fire Protection (CalFire).

The SCFPD provides fire suppression, emergency first responder, rescue services, as

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well as public education programs for schools, community organizations and other members of the community. In addition, the SCFPD works with the City of Waterford to adopt and enforce codes and ordinances relative to fire and life safety, and reviews development projects within the city for potential impacts on fire protection services.

The district's seven fire stations are staffed by (50) professional fire personnel, and (30) volunteer firefighters. The fire district also employ's (3) fire investigators, (2) fire inspectors, (1) staff person and the fire marshal with Stanislaus County.

The Waterford fire station, Station 34, is located at 321 "E" Street in the city of Waterford. The station houses (1) type 1 district engine, (1) type 3 district engine, (1) district water tender, (1) rescue and a water rescue boat. This fire station has a service area of 105 square miles, which includes the city of Waterford, and the community of Hickman. Station 34 also provides a strong response into the community of La Grange, which is within the district, but is staffed with reserves. SCFPD also is providing reciprocating services with surrounding fire districts and the city of Oakdale.

The SCFPD has established service goals and response times for emergency calls of 5 minutes, 80% of the time within the city. The response times within the city currently meet this SCFPD goal.

The district has experienced some financial difficulties. During the 2004-2005 fiscal year SCFPD needed to secure a \$1 million tax revenue anticipation note to continue its daily operations. With fire district property owners voting to increase their fire assessment fees, the district was able to pay off the note in July 2005. These financial problems stem from a shrinking pool of volunteers, costly training requirements, insurance, a growing demand for emergency first responder incidents, and limited revenue. Additionally, regulations at the state and federal level are being implemented that mandate the number of firemen that must be present before a fireman can enter a burning structure.

The SCFPD has become concerned recently regarding the increasing demand for services within the city and the region. The SCFPD projects this increased demand will require additional staff. The SCFPD will continue to closely monitor the emergency fire and life safety services needs of the city. With growth in the City and the region, the District has concerns over the adequacy of the Waterford Fire Station.

A future fire station is to be located to the east of the City as growth is planned and approved. The exact location of the station will be determined by the growth pattern planned and approved by the City.

### **2.7 Police Protection Infrastructure Needs and Deficiencies**

The City of Waterford contracts with the Stanislaus County Sheriffs Department for police services. This department has a workforce of 631 personnel, 199 of which are sworn deputy sheriff-coroner officers and 182 of which are deputy sheriff-custodial (jail) officers.

The sheriffs department breaks Stanislaus County into six "area commands" and the city of Waterford is located in the Southeast Area Command area, which also includes the unincorporated cities of Hickman and La Grange. This area is approximately 250 square

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miles in size. In the Waterford police substation, located at 320 "E" Street in the city, there are six sworn officers, one sergeant, one lieutenant, and one clerk, in addition to the city's police chief who is also the Southeast Area commander. There are an additional two deputies per shift that patrol the Southeast Area Command area from the main sheriffs office, one who is assigned to the southeast area and the other beat covers a portion of the southeast area. There is one deputy per shift in the city of Waterford with an overlap during the hours of 2:00 p.m. to 2:00 a.m. Deputies work 12-hour shifts from 7:00 a.m. to 7:00 p.m. There is a swing shift from 2:00 p.m. to 2:00 a.m., but no main sheriffs office coverage during that shift.

Telephone calls for police services are classified by four priority levels. Priority 1 is an emergency call and Priority 4 is a total non-emergency. The department maintains statistics on response times for Priorities 1-3. Times are from when the call is received by 911 to when the deputies arrive at the scene. The following are the response times:

Priority 1	11.75 minutes
Priority 2	16.41 minutes
Priority 3	23.29 minutes

These response times are well within the sheriffs department standards.

The total number of calls for service received by the Sheriffs Department in 2004 was 51,136. Calls for service in the Southeast Area Command totaled 6,483 in 2004.

The sheriffs department has experienced staffing shortages in the past, but the near-term goal is to fill the current unfilled staffing needs for 24-hour coverage in the Southeast Area. The department is developing plans to add a deputy to the community of Hickman and the surrounding area. A new sheriff substation is being planned in the new city administrative offices that would serve Waterford in addition to other southeastern Stanislaus County communities.

### **2.8 Parks and Recreation Needs and Deficiencies**

The Waterford park system consists of both active and passive recreational areas, including a variety of park types. The city of Waterford has approximately 14.8 acres of active and passive parkland, more than 3 acres of linear strip parks and more than 7 acres of undeveloped parkland, which includes the recently acquired parks along the Tuolumne River corridor.

In Waterford, the inventory of recreation facilities such as sports fields used by the public is relatively low. The city itself provides only one facility, Beard Park. The city relies heavily on the local school district for athletic fields and gymnasiums.

The city has the basis for an excellent park system, however to accomplish this goal the city will need to develop a comprehensive parks and recreation plan. This plan should address the existing system needs and improvements as well as development and expansion to meet the expected population growth.

The City of Waterford has acquired and is presently attempting to acquire property and/or easements along its southern boundary abutting the Tuolumne River. The goal of

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the Tuolumne River Parkland Acquisition Program is to protect an important environmental resource along the river. The river provides habitat corridors for fish and wildlife. It also serves the functional purpose of carrying off storm water runoff during the rainy season. An additional goal of the Tuolumne River Parkland Project is to preserve and enhance existing passive recreational uses along the riverfront area and provide for development of new public recreational uses.

The city of Waterford has a comprehensive park system and there are plans for a substantial expansion of this system within the foreseeable future. At present, existing and planned facilities include approximately 14.8 acres of formal parkland as described on Table 10.

Maintenance of all parks and recreational facilities is provided by the Waterford Public Works Department, which is managed by the Director of the Department of public works.

The city has wisely pursued the acquisition of several future park sites to meet the needs of its current and future residents, thereby charting the direction of Waterford's park and recreational needs.

The city of Waterford has approximately 14.8 acres of active parkland, more than 3 acres of linear strip parks and more than 6 acres of undeveloped parkland, which includes the recently acquired Caro and River Pointe parks along the Tuolumne River corridor.

**Table 10  
Existing and Proposed Parks and Planned Improvement Facilities**

<b>Name</b>	<b>Location</b>	<b>Acres</b>	<b>Type</b>	<b>Status</b>	<b>Ownership</b>
Beard Park	Between Tim Bell Road and North "C" Street, and south of the MID canal	11.6	Community	Existing	City of Waterford
Skyline Park	Northeast corner of Skyline Blvd. and Bentley Street	1.2	Mini	Existing	City of Modesto
Basin Park	Goldmine Ave. between Magnetite Way and Cinnibar Way	2.0	Mini	Existing	City of Waterford
Caro Park	Southwest corner of Hickman and Appling Road	2.5	Neighborhood	Undeveloped	City of Waterford
Riverpointe Trail	North of the Tuolumne River and east of Appling Road	3.1	Mini/Linear Natural Corridor	Undeveloped	City of Waterford
Bretheren Park	Northeast corner of Dorsey Street and "H" Street	0.4	Mini	Undeveloped	City of Waterford

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Welch Strip Park #1	Welch Street, between Tim Bell Road and Baneberry Crt.	1.1	Linear - Greenway	Existing	City of Waterford
Welch Strip Park #2	Welch Street, between Baneberry Court and Amy Ln.	0.9	Linear - Greenway	Existing	City of Waterford
Welch Strip Park #3	Welch Street, between Amy Lane and Bentley Street	1.0	Linear - Greenway	Undeveloped	City of Waterford
Bonnie Brae Strip Park	Between Bonnie Brae and MID Canal	1.2	Linear - Greenway	Existing	City of Waterford
APN 080-035-009	Tuolumne Corridor Northeast corner of Hickman Road Bridge and Tuolumne River	7.5	Neighborhood / Natural Corridor	city currently pursuing	City of Waterford
APN 080-041-007	Tuolumne Corridor North of the Tuolumne, southeast of South Reinway Avenue	9.1	Neighborhood / Natural Corridor	city currently pursuing	City of Waterford

Table 10 shows the existing and proposed new park facilities. The general plan designates “floating” parks to plan for community and neighborhood parks but that will fit most effectively with new residential subdivisions. In addition, the future school site is proposed as a floating site to most effectively utilize future development patterns and allow for flexibility.

### 2.9 Library and Cultural Services

The city of Waterford relies on the Stanislaus County Public Library for library services. The Waterford branch of the Stanislaus County Public Library is located at 324 “E” Street. The Waterford branch has .27 square feet of building space per capita, and 2.8 volumes per capita. The American Library Association’s standard is two to four volumes per capita, of 0.5 square feet per capita.

Currently, the Waterford branch is 2,170 square feet, but according to the American Library Association, the branch should be at least 6000 square feet. Waterford has approximately 22,000 volumes. The nearest library outside of Waterford is in Empire and the Waterford Library is part of the Oakdale region of libraries.

The Stanislaus County public library system has more than 753,000 books, books on tape/cd, videotapes, magazines, newspapers and premium online databases. These items may be requested at any branch and can be transferred to the preferred locations by the library’s delivery system, usually within a few days.

The Waterford branch offers weekly *Story-Times* to children and families. Last year 84 programs were offered and 1,514 children and families attended *Story-Times* and other events.

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### 2.10 General Public Facilities

The City of Waterford owns and operates several community facilities to serve the needs of its citizens. Community facilities include city Hall, located at 320 “E” Street, the city corporation yard, the city waste Water Treatment Facility and the community center, located at Beard Park.

In partnership with the county of Stanislaus, the City of Waterford has acquired a site to develop new City of Waterford administrative offices, a new east county sheriff’s substation, and an expanded county branch library. Several locations were explored, and the chosen site is located along “E” Street between Yosemite Boulevard (Hwy 132) and Welch Street. The City of Waterford has purchased the site and Stanislaus County is a potential partner in this project. Preliminary estimates are \$5,410,151 (2005 dollars) with both the city and county each paying roughly half.

### 2.11 City Facilities

In 2007, the City expects to break ground on a 24,000 square foot Government Center Project, jointly financed with Stanislaus County. This floor area in this facility has been allocated as follows:

**Table 11  
Floor space allocation in Government Center Project**

	Total SF	City	County
Community Meeting and Shared Use space	1,250	1,250	
Library	6,000		6,000
Sheriff’s Substation	4,000		4,000
Waterford Police	5,000	5,000	
Waterford Administration	5,000	5,000	
Shared Use/Common Areas	2,750	1,456	1,294
<b>Total</b>	<b>24,000</b>	<b>12,706</b>	<b>11,294</b>

Source: City of Waterford 3-1 -07

This new center will meet most of the City’s current needs for administration, meeting and police space. Space for growth will be needed to serve administration, public works, and police. Police Facilities are described in the next section. In addition, the City will need to participate in the cost of a County-funded Animal Control Shelter.

Of some concern is the uncertainty on the County’s final commitment to finance the library portion of the project. This is in spite of the fact that a portion of the County’s CFF is earmarked for library facilities. However, the County has said that the library component of financing may be dependent on voter endorsement of a sales tax override. If the County is unable to finance the library portion of the project, Waterford should consider whether it desires to proceed with its own financing. If it decides to participate in all or a portion of financing of library facilities, the City should update its capital program to incorporate a fair allocation of such facilities to city growth.

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Included in the cost of future City facilities is an expansion to the corporation yard and public works facilities. While the scope of this expansion is only programmatic, its scope includes covered parking, capital equipment and maintenance facilities.

### 2.12 Schools

School students in the city of Waterford attend schools that are part of the Waterford Unified School District. This district serves 2,000 students in pre-kindergarten through the 12<sup>th</sup> grade. The district encompasses the city of Waterford, but extends to outlying rural areas. The district's boundaries border Oakdale to the north, Roberts Ferry to the east, Hickman to the south, and Empire and Modesto to the west.

The district office is located near the intersection of Highway 132 and Reinway in the city of Waterford. The district is comprised of the Richard M. Moon Elementary School, the Waterford Middle School, and Waterford High School, which contains a secondary-level independent study program. The high school was opened in the fall of 2001. The district employs approximately 200 people, 102 classified and 100 certified, and has used the services of about 50 substitute teachers.

Waterford High School is located at 121 S. Reinway Ave. in the city. Richard M. Moon Elementary provides K-4 services and is located at 219 N. Reinway. Waterford Middle School, which serves grades 5-8 students, is located at 12916 Bentley.

**Table 12  
Existing and Proposed School Facilities**

<b>Name</b>	<b>Location</b>	<b>Acres</b>	<b>Type</b>	<b>Ownership</b>
Waterford High School	121 South Reinway Avenue	40+	High School	District
Waterford Middle School	12916 Bentley Street	10.1	Middle School	District
Richard M. Moon Elementary School	219 North Reinway Avenue	9.6	Elementary	District
(Proposed) Richard M. Moon Elementary School -Expansion	Southeast corner of Yosemite Blvd. (Hwy 132) and South Reinway Avenue	8+	Elementary (Expansion)	District

The district granted a charter to Connecting Waters Charter School in 2002 making it the 477<sup>th</sup> charter school in California. Its office is located at 219 N. Reinway and operates two schools, one in Ceres and the other in Manteca. The school provides K-12 services and had 1,198 students. The school enrolls students residing in an eight-county area including Stanislaus, San Joaquin, Alameda, Calaveras, Mariposa, Merced, Santa Clara and Tuolumne counties.

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The district is currently planning on expanding the Richard Moon Elementary School. The existing school accommodates approximately 870 students. After the completion of the new expansion, the school is projected to house approximately 1,200 students. The new site, approximately 8-acres, will enable the district to adequately house existing and future student enrollments projected in the proposed SOI expansion.

As part of the general plan and proposed SOI expansion study process, the Waterford Unified School District has recently prepared a Comprehensive Master Plan in order to determine the projected district need for new facilities. The number of new schools required is based upon student capacities for elementary, middle and high schools. The district and the city will continue to work closely together to identify future school sites in the project area to accommodate future student growth. This master plan is presently being updated with newer enrollment forecasts.

Like all school districts in the state, the Waterford Unified School District collects developer impact fees on new development and construction projects to be used for the purpose of construction and reconstruction of school facilities. These impact fees are authorized by Government Code Section 65995. State law provides for the payment of school fees as adequate mitigation to any impacts to schools (the amount is set by State law), and, Government Code section 65996(b) precludes local governments from denying projects based on the inadequacy of school facilities

The critical issue is the limits to mitigating impacts to school facilities under the requirements of state law. Unlike other impact fee systems, school impact fees have established limits.

The state imposed fee system on schools is based on a formula that included conventional school (developer impact) fees, local effort and state (bond) financial participation. It should be noted that a school district has the option to impose higher fees levels, based upon demonstrated need.

In November 2006 the Waterford Board of Education of the Waterford Unified School District approved new school impact fees for the District. The action changed the Districts raised the Level 2 and Level 3 Statutory Facilities Fees. This change increased the level 2 fees from \$3.09 per square foot to \$3.84 per square foot and increased the level 3 fees from \$6.18 to \$7.67 per square foot.

### **2.13 Electric Power and Gas**

Pacific Gas and Electric (PG&E) Company provides gas to the city. State-wide, PG&E currently has 3.7 million gas customers. Through 35,000 miles of distribution pipelines, PG&E delivers gas to homes and business throughout a service area that stretches from Eureka in the north to Bakersfield in the south, and from the Pacific Ocean in the west to the Sierra Nevada in the east.

Electricity is provided by MID. The district's current electricity delivery system serves over 105,000 customers. Major electrical substations and transmission lines exist in the city. There is an electric substation in Waterford, major (60 KV) electric transmission lines run through the planning area. These transmission and pipelines run parallel with existing transportation corridors minimizing the effects on land use activities. Between

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2002 and 2006, MID will have invested \$156 million in close-to-home power plants that can, if needed, operate independently of California's electric grid. MID plans to build three more new substations, two in north Modesto and one in Waterford, between 2006 and 2008.

### **2.14 Solid Waste**

The city contracts for all refuse pick-up services within the city limits with Waste Management Company. The city of Waterford is served by landfill facilities operated by the county of Stanislaus. The Sanitary Landfill division operates the county's landfills. Currently, there is only one landfill in operation. This complex is located at 4000 Fink Road, Crows Landing, CA. Fink Road landfill, a 219-acre disposal site, is located in western Stanislaus County, three and a half miles west of the town of Crows Landing and twenty-five miles to the southwest of the City of Modesto. Stanislaus County owns and operates this facility, the successor to the closed landfill at Geer Road.

Active since 1973, Fink Road has been operating under the Waste Discharge Requirements No. 94-257, issued by the California Regional Water Quality Control Board, (RWQCB), Central Valley Region.

In the corner of the Fink Road site, is the Waste To Energy (WTE) cogeneration facility. Under a separate permit, Ogden Martin operates the WTE plant, owned by Modesto and Stanislaus County. The



plant is considered separate from the landfill. The Fink Road Landfill is currently at approximately 50 percent capacity with a projected closing date of 2023 and an overall capacity of 12 million cubic feet.

## **3. GROWTH AND POPULATION PROJECTIONS FOR THE PROJECT AREA**

### **3.1 Population and Job Projections**

Population and growth potential for the proposed "primary Sphere of Influence for the City of Waterford has been evaluated from several different perspectives. The first, the City's General Plan, looked at growth from the perspective of having sufficient area to grow without creating an artificially constrained land market that would inflate land values. Secondly, the City desires to provide adequate park and open space lands to meet the needs of a growing population.

Within the City forecasted growth area, large tracts of land have been dedicated for MID irrigation and utility facilities, roadways and other public facilities. For this reason, a total of approximately 1,600 Gross acres of land has been set aside to accommodate future growth needs within the City.

This report considers several different sources of information to determine the appropriate projections of population, dwelling units, jobs, and commercial absorption for purposes of calculating a Capital Facilities Fee Schedule, specifically:

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- The Wastewater, Water, Sewer and Drainage Capital Plans by RMC Water and Environment Co.,
- The City’s newly adopted General Plan
- The General Plan EIR
- The 2004 Waterford General Plan Economic Analysis by Applied Development Economics (the 2004 ADE report), which is fully reflected in the General Plan EIR.

This report uses a 30 year time horizon for projecting population and jobs which matches the time period during which the proposed capital facilities will be needed. A considerable amount of effort was put into insuring that the population and jobs projections match the 30 year planning horizon for the capital facilities.

The planning documents show two population projections: a High Growth and a Low Growth Scenario. This report uses a population projection that is mid-way between these two scenarios. Table 13 shows the Mid-point scenario and projects an increase in population over the next 30 years of 13,550.

**Table 13**  
**Mid-point population projection is used for capital fee calculation**

<b>Population</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>	<b>2030</b>	<b>2035</b>	<b>Increase From 2005 to 2035</b>
High Growth	7,800	10,600	13,300	15,900	18,600	21,300	25,200	17,400
<b>Mid-point</b>	<b>7,800</b>	<b>10,500</b>	<b>12,550</b>	<b>14,550</b>	<b>16,600</b>	<b>18,600</b>	<b>21,350</b>	<b>13,550</b>
Low Growth	7,800	10,400	11,800	13,200	14,600	15,900	17,500	9,700

The Wastewater Capital Plan projects population growth within the Existing City Limits by 2035 of approximately 18% of the total growth. On examination, this projection seems to attribute too much growth and new service demand to the existing city limits compared to that of the new Proposed SOI expansion Area.

The General Plan documents project residential dwelling units at the current occupancy of 3.47 persons per dwelling unit. This assumption, while based on historic census data, does not reflect the societal trend toward smaller households and, particularly, the type of housing likely to be developed in the future in Waterford.

Consequently, this report lowers the occupancy assumption to 3.0 per dwelling unit. Based on this reduction in occupancy the residential EDU projection for 2035 is almost 1,000 housing units or about 25% higher than with the lower occupancy, as shown in Table 14 below:

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**Table 14  
Dwelling Units Are Projected Using a 3.0/House Occupancy Ratio**

<b>Dwelling Units</b>	<b>2005</b>	<b>2035</b>	<b>Increase From 2005 to 2035</b>
<b>Mid-point @ 3.0</b>	<b>2,248</b>	<b>7,120</b>	<b>4,870</b>
Mid-point @ 3.47	2,248	6,150	3,900

**3.2 Jobs and Commercial Development Projections**

Commercial growth prospects in Waterford are extremely uncertain. The 2004 ADE report projects a very modest 216 new jobs generated in Waterford through 2020, a 1.3% annual increase. Projecting this rate out to 2035 results in only another 200 jobs, a total increase over the 30 year planning period of less than 420 jobs. With this projection the jobs/housing ratio would actually fall from .35 jobs per household to .14 jobs per household.

Such a projection seems too conservative, so this report projects non-residential growth that results in maintaining at least the .35 jobs/household ratio. This projection results in almost 2,500 jobs in 2035, an annual increase of 3.8%, and over 1,300 more jobs than with the ADE projection. Table 15 compares the ADE job projection to the “constant jobs/housing ratio” projection used for purposes of calculating fees.

Even a jobs projection that is more than double that used in the General Plan documents does not absorb a significant portion of the land in the Proposed SOI expansion area set aside for non-residential development.

**Table 15  
A “Constant Jobs/Housing Ratio” Is Used To Project Commercial Development Resulting In A Higher Projection Than The ADE Economic Analysis**

	<b>2003</b>		<b>2010</b>		<b>2020</b>			<b>2035</b>	<b>Increase from 2003 to 2035</b>	<b>Percent Change</b>	<b>Annual Percent Change</b>
ADE Employment	746		846		962			1,166	420	156%	1.3%
Jobs-Housing ratio High Growth	0.35		0.24		0.18			0.14			
Job-Housing ratio Mid-point	0.35		0.24		0.20			0.16			
Jobs-Housing ratio Low Growth	0.35		0.24		0.22			0.20			
<i>Projection using 2003 jobs/housing ratio</i>	<i>0.35</i>	<i>746</i>	<i>1,225</i>		<i>1,698</i>			<i>2,492</i>	<i>1,746</i>	<i>234%</i>	<i>3.8%</i>

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Table 16 compares the two 2035 projections in non-residential growth to the land development capacity of the proposed SOI expansion area. It shows that the two projections are 28% to 30 % below the total growth capacity of the city at build-out. For commercial growth, the projections are 72% to 87% below build-out capacity.

**Table 16  
Commercial Projections Do Not Absorb All The Land Set Aside In The General  
Plan for Commercial Development During The Next 30-Years**

<b>Different commercial and residential projections and % of absorption of Proposed Sphere Area</b>						
	<b>ADE % Projection</b>		<b>Constant Jobs Ratio Projection</b>		<b>Build-out of entire Area</b>	
<b>Increase in:</b>	<b>EDU</b>	<b>% of buildout</b>	<b>EDU</b>	<b>% of buildout</b>	<b>EDU</b>	<b>% of buildout</b>
Residential	4,749	80%	4,749	80%	6,152	104%
Commercial	137	13%	308	28%	859	100%
<b>TOTAL</b>	4,886		5,057		7,011	
<b>% below build-out</b>	30%		28%		0%	

This excess land dedicated to industrial and commercial development, will be necessary to accommodate land use needs beyond the 30-year time horizon. Given the need to preserve the industrial and commercial areas, and protect them from conversion to non-commercial and residential uses, excess land must be allocated at this level of planning to assure future availability of job creating development capacity.

**Table 17  
Growth & Population Projections for the Project Area**

<b>Category</b>	<b>Discussion</b>
Historic and expected land use absorption trends.	Over the past ten years the City of Waterford has experienced sustained residential growth; recently the City has experienced an increase in the rate of commercial and service business expansion. Current economic trends have slowed development but it is expected that the rate of development activity will increase in 2008 and continue at a rate equal to or exceeding the normal growth rate of the eastern side of the Central Valley.
Relationship between an agency's boundary and SOI with the projected growth in the study area.	The present SOI of the City is co-terminus with the Waterford City limits. Most residentially developable land in the City has an approved development entitlement or not available for development.

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### 4. FINANCING CONSTRAINTS AND OPPORTUNITIES

#### 4.1 City-County Master Property Tax Agreement (1996)

In 1996, the City and Stanislaus County entered into a property tax sharing agreement that allocates the distribution of property taxes attributable to new development on properties annexed to cities. The goal of the agreement is to achieve some measure of fiscal neutrality between the County and the affected city that may result from a change in jurisdiction.

In summary, the agreement states that the County will retain the property tax revenue attributable to the assessed value of the property at the time of proposed SOI expansion. After proposed SOI expansion, the City will receive 30% of the County's share of property tax attributable to an increase in assessed value above the base value. In addition, the City will receive 100% of the property taxes attributable to any special districts serving the area to be annexed, so long as the property is detached from such district(s). Lastly, the County agrees not to contest future jurisdictional changes (e.g., proposed SOI expansions) on the grounds of fiscal impacts during the term of the agreement.

#### *Tax Sharing Agreements*

The City and the County has entered into an agreement regarding the collection and expenditure of public facilities fees from development within the City's planning area and proposed sphere of influence. Under the agreement, the City agrees to require the payment of the County's public facilities fee. The agreement also contains provisions for revenue sharing from new development within the City for transient occupancy taxes and sales taxes.

#### 4.2 Constraints and Opportunities

Collectively, the mechanisms used by the City to finance infrastructure improvements is designed and intended to accommodate build-out of the City's planning area and sphere of influence in accordance with the adopted General Plan, in addition to the area proposed to be added to the City's sphere of influence. Each of these mechanisms has limitations that must be supplemented by other sources. For example, development impact fees may only be charged to new development and may only provide infrastructure necessary to serve such development. The balance of costs must be borne by other sources.

Risk is another factor. The Mello-Roos financing district being pursued in the western portion of the City must be structured to generate revenues for needed infrastructure in such a way that it does not render new development economically infeasible. Moreover, it requires new development to be more or less continuous over time so that bonds sold to finance the infrastructure improvements may be repaid in timely manner without jeopardizing the City's bond rating.

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**Table 18  
Funding Options, Limitations and Risks**

<b>Funding Source</b>	<b>Limitations</b>	<b>Risk To City</b>
Impact fees	May only be charged to new development to benefit new development.	Low
Conditions of approval	May only be charged to new development to benefit new development.	Low
Development agreements	Requires agreement by developer and guaranteed approval for development by City.	Moderate
Public facilities assessment districts	Must be structured to make development economically feasible; requires ongoing development.	High
General fund expenditures	Infrastructure expenditures must compete with other municipal expenditures.	Low

The City of Waterford relies on a variety of financing tools afforded by State and federal laws to pay for needed infrastructure and public services. These include:

- Impact fees charged to new development (so called AB1600 fees);
- Requiring the installation of facilities as a condition of approval for new development;
- Development agreements through which new development provides up-front financing of ‘backbone’ infrastructure improvements that are re-paid over time by subsequent development;
- Public facilities assessment districts;
- General fund expenditures;

The City has documented the infrastructure and services needs necessary to serve build-out in accordance with the Vision 2025 General Plan. This documentation is provided in a number of sources, including:

- The Waterford Vision 2025 General Plan
- The Waterford Redevelopment Plan
- Master Infrastructure Plans for water, wastewater collection and treatment and storm water drainage.
- Waterford Capital Plan Report.

**4.3 Financing Strategies**

The financing of the City’s capital program can not rely on Capital Facilities Fees alone because many of the facilities will need to be installed before growth occurs. The City develops a funding program for a development using several approaches.

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- **Developer advances and reimbursement agreements:** Under this approach, developers would construct facilities in the Capital Program in return for an exemption from paying CFF for the category of facilities built up to the amount of the advance. Where these improvements benefit other property owners the City needs to insure that the developer advancing funds is repaid when the other benefiting properties develop. Such financing will need to be managed carefully through Developer Advance Agreements.
- **Bond financing using utility revenue bonds supported by the revenues of the entire utility:** Under this approach, the utility would advance costs from a bond issue sized so that projected CFF revenues are sufficient to repay the advance.
- **Community Facilities Districts (CFD) or assessment district bonds:** Under this approach *land secured bonds* would be issued with repayment to occur through annual special tax payments or assessment installments. Properties participating in these districts would be exempt from paying all or a portion of the CFF for the capital category for which bonds have been issued.
- **Lease revenue financing:** For some facilities such as parks, city or police facilities, the City may wish to issue bonds secured by a general fund lease with repayment to occur from CFF revenues.

Utilizing these approaches will require that the City clearly lay out a phasing plan and work closely with the development community to plan out how this phasing will be accomplished.

***Policy for credits and reimbursements:*** The City has adopted policy, as part of the City's updated fee ordinance and subdivision ordinance, for implementing a consistent process for providing fee credits and reimbursements to developers who install public improvements that are included in the Capital Facilities Fees capital programs. These provisions will be implemented on a case-by-case basis through the used of Development Agreements.

As development occurs in new areas of the City, the developer must install infrastructure necessary to serve the development. Some of this infrastructure is identified in the Capital Facilities Fee (CFF) program and, therefore, should be eligible for reimbursement from the CFF program. However, often the desire to develop the land outstrips the availability of CFF funds so the City needs to adopt policies that fairly reimburse developers without threatening the viability of the overall CFF capital program.

The Council has adopted the following policy for reimbursing developer advances to CFF eligible improvements:

1. The City will record all reimbursement liabilities in its annual Capital Improvement Program. This programming shall guide the rate and schedule of any reimbursements.
2. A developer who wishes to develop an area that has fronting CFF work or

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which requires CFF work off-site will be required to provide these improvements, subject to reimbursement.

3. All work and reimbursement shall be subject to a Reimbursement Agreement (RA) to be completed prior to start of work. Developers may not claim credits or reimbursement for any work that is not addressed in a RA.
  - a. The RA shall stipulate the cost of the improvements, their completion date, the method of acceptance by the City and the method of reimbursements by the City, which shall be a combination of fee credits and, if credits are insufficient, cash reimbursements from the City over time.
  - b. The City shall be under no obligation to reimburse the developer for the cost of a public improvement for amounts in excess of fee credits.
  - c. Reimbursement Agreements up to (\$100,000) may be approved by the City Manager. Amounts above that figure will require City Council approval.
  - d. A developer may receive credits for fees to be paid on units from the development itself only for fees payable for the category of the improvement and only up to the total amount of fee liability of the development in that category.
  - e. Credits shall be enumerated in terms of the number of units for which credits shall be given and the developer shall be entitled to receive credits for this number of units regardless of the amount of escalation for inflation that the fees experience during the time that it takes for these units to be built.
  - f. Cash reimbursements by the City in excess of credits generated by the development itself shall be over a period of up to 7 years at no interest.
  - g. If reimbursement from credits and cash payments by the City is not completed in the time period of the agreement, no further reimbursements are due.
  - h. All reimbursements shall be subject to availability of funds.
  - i. The City Council may waive any of the terms of this reimbursement agreement policy for a specific improvement based on a finding that the community-wide value of the improvement is sufficient to justify other terms of reimbursement.
4. Rate of reimbursement:
  - a. Reimbursement shall be the amount of the actual cost as documented, not to exceed the engineer's estimate as stipulated in Agreement.
5. Timing of reimbursement:
  - a. Reimbursement schedules shall be specified in the RA, but shall be specifically conditioned on the City actually receiving its projected revenues.
6. Method of reimbursement:

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- a. Reimbursements shall be paid from the relevant CFF fund according to the schedule established in the RA.

**Utility Revenue bonds:** The City will conduct an analysis of its water and sewer utilities to evaluate their ability to assist with the financing of some of the capital plan costs. Such financing should be sized so that debt service is paid from CFF revenues.

**Land secured bonds:** For the CFD and assessment bonds, the City will need to insure that bonds are authorized by the property owner well before development occurs. CFD's require a 2/3 vote of the property value on unoccupied property and the developer can meet this requirement while property is still vacant. Assessment bonds are subject to majority protest which means that the developer will need to authorize the bonds before it is subdivided among many owners.

Land secured financing will require the City to insure that the debt load created on the property does not exceed its ability to secure that load. The City will need to engage the services of consultants specializing in these financing programs to insure they are properly structured. In addition, to the extent that these financing programs pass the repayment burden on to purchasers of homes or business in the financing districts, the City should insure that the disclosure process adequately informs buyers of the additional tax burden they are assuming.

**Lease revenue bonds:** The City is already familiar with lease revenue financing or Certificates of Participation (COPS). Such financing can be a useful tool for building some facilities sooner than they would otherwise be built and repaying the financing with CFF revenues.

### **Accountability**

Section 66006 specifies that fees shall be deposited "with the other fees for the improvement in a separate capital facilities account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the local agency, except for temporary investments, and expend those fees solely for the purpose for which the fee was collected." Interest earned on the fee revenues must also be placed in the capital account and used for the same purpose. The law does not specify any requirement to segregate funds for individual projects. The most common practice is to maintain separate funds or accounts for impact fee revenues collected for each type of facility but not for individual projects.

**Reporting:** Section 66006 requires that once each year, within 60 days of the close of the fiscal year, the local agency must make available to the public an income and expenditure statement for each separate account established to receive fee revenues. The governing body is required to review those statements at the next regularly scheduled public meeting not less than 15 days after the statements are made public.

**Annual Update of Capital Improvement Plan:** Section 66002 provides that if a local agency adopts a capital improvement plan to identify the use of impact fees, that plan must be adopted and annually updated by a resolution of the governing body at a noticed public hearing. The alternative is to identify improvements in other public documents.

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**Annual Update of Impact Fee Rates:** The fees recommended in this report are stated in current (2006) dollars. The fees should be adjusted annually to account for construction cost escalation. The Engineering News-Record Construction Cost Index (CCI) is recommended as the basis for indexing construction costs.

Table 19 provides a summary of the Financing-Constraints and Opportunities for Governance available to the City of Waterford.

**Table 19**  
**Financing-Constraints and Opportunities and Governance**

Category	Discussion
Potential for shared financing and/or joint funding applications	The City participates with various City County programs for jointing funding applications such as Street and Road improvement programs, CDBG applications, etc The City will continue these program efforts as opportunities present themselves.
Combination of enterprise and/or non-enterprise financing functions	Sewer and Water service is operated as an enterprise fund where user fees are paid for the operation and maintenance of the systems.
Bond rating(s).	The City is not rated.
Ability to obtain financing.	The City has participated in several financing programs in the past and expects to continue this practice.
Existing and/or proposed assessment district(s).	Assessment districts, such as landscape and lighting districts, are part of the normal development approval process in the City. Future use of special assessment districts are being reviewed by the City to support other public service programs in newly developing areas.
Opportunities for additional revenue streams, including joint agency grant applications, untapped resources, or alternative government structures.	The City participates in join-funding programs for transportation facility improvements and CDBG programs.
Methods to pay down existing debt(s), including using excess revenues	Existing debts are paid down either through the use of General Fund revenues or special funds designated for specific debt service programs.

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**City Development Fee Updates:**

As a means of financing the City’s Capital Facilities Plan, the City of Waterford has adopted a new development impact fee program.

**Table 20  
City of Waterford Development Impact Fees**

<b>Comparison of Old Fees to New</b>					
	<b>Old Fee</b>	<b>New Fees Entire City</b>	<b>Change for Entire City</b>	<b>New Fees for expanded SOI Area</b>	<b>Change for expanded SOI Area</b>
Roads and Traffic Circulation	\$1,218	\$5,773	\$4,555	\$5,773	\$4,555
Parks	\$1,750	\$5,268	\$3,518	\$5,268	\$3,518
Water (Note 1)	\$2,590	\$0	-\$2,590	\$9,049	\$6,459
Wastewater	\$2,500	\$3,311	\$811	\$3,311	\$811
City Facilities (Note 2)	\$508	\$1,023	\$515	\$1,023	\$515
Police service	\$372	\$911	\$539	\$911	\$539
Sewer Collection	\$0	\$0	\$0	\$4,157	\$4,157
Drainage System (Note 3)	\$515	\$0	-\$515	\$2,499	\$1,984
Adminstration and Planning	\$0	\$712	\$712	\$712	\$712
	<b>\$9,454</b>	<b>\$16,998</b>	<b>\$7,544</b>	<b>\$32,703</b>	<b>\$23,250</b>

Note 1: Old fee based on Waterford 2005 Water Financing Report. City of Modesto water service area will continue to pay Modesto fees. All growth outside of Modesto system will pay new water connection fee

Note 2: Old Fee combines City Administration and Public Works

Note 3: Old Drainage Fee is for Zone 3

The newly adopted Capital Program is based upon the newly updated General Plan and comprehensive infrastructure and service plans that have been recently adopted by the City. These fees are similar to other cities in the region as shown on Table 21.

**5. COST AVOIDANCE OPPORTUNITIES**

The cost of providing an urban levels of service is typically higher than that provided to rural properties, ranches and farms. However, proposed SOI expansion to a city enables urban-intensity development with a considerably higher value per acre than farming and other rural land uses. Thus, although the service costs are higher, they are associated with correspondingly higher property values that are largely attributable to the availability of urban services. Moreover, newly developed areas within the City are served with new infrastructure which is less costly to maintain and service than older facilities. Thus, operating costs per customer served are much lower than in the City for rural service providers.

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**Table 21  
Capital Fees for all Jurisdictions in Stanislaus County  
Shown in Fee per EDU**

	Stanislaus County	Ceres	Hughson	Modesto	Newman	Oakdale		Patterson	Riverbank		Turlock		Waterford/ Old fees
						Low	High		Lo	Hig	Lo	High	
Roadways**	2,030.31	2,382.00	3,191.00	9,878.38	2,917.47	5,338.00	5,338.00	3,879.00	4,165.14	6,427.00	5,207.62	16,237.40	
Admin. - City		7		261.02	164.69	526	64		10.21	10.31	266.03	706.93	242.26
Storm Drain		2,586.00	1,233.0		732.93	2,061.00	7,810.00	5,379.00	1,701.66	2,970.00	8,529.53	12,025.71	515.27
Parks - City		4,521.00	4,267.00	6,726.13	4,163.72	8,324.00	8,324.00	4,116.00	2,054.23	3,541.00	1,144.95	1,144.95	1,750.00
Fire		1,070.0		321.25	374.63	1,005.00	1,005.00	457					
Police				963.74	713.27	678	678	70	1,125.75	2,232.00	5,702.95	6,472.77	372.38
Air Mitigation (Non Mo				1,264.91									
Transit				100.39									1,218.43
Gen. Gov't. Buildings		663	3,882.00	562.18	958.75	564	564	3,386.00					
Services Impact Fee								500					
Wildlife					36.68								
Public Works Fee		48											265.41
Wastewater Treatment		1,767.00	2,357.00	4,876.00	299.51	3,608.00	3,608.00	4,307.00	1,139.35	3,498.00	2,179.74	3,806.96	2,500.00
Water		2,215.00	1,097.00	5,000.00	440.87	4,741.00	4,741.00	13,505.00	1,731.13	6,686.00	4,599.38	7,363.64	2,590.00
Sewer Collection													
PFF (City)	2,030.31	15,761.00	16,027.00	\$29,954.00	10,802.52	\$26,845.00	32,709.00	35,599.00	\$11,927.47	\$25,364.31	\$27,630.20	\$47,758.36	\$9,453.75
PFF (County)	6,007.42	5,731.61	5,702.61	5,702.61	5,702.61	5,491.45	5,491.45	5,702.61	5,759.56	5,759.56	\$5,702.61	5,702.61	5,702.61
TOTAL PFF (per unit)	8,037.73	\$21,493	\$21,730	\$35,657	\$16,505	\$32,336	\$38,200	\$41,302	\$17,687.03	\$31,123.87	\$33,333	\$53,461	\$15,156

Source: City of Modesto, with corrections for Waterford and some Modesto fees. Shows proposed Modesto Wastewater Treatment Fee.

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**Table 22  
Summary of Waterford Capital Program Allocations by Area of Benefit and Resulting  
Capital Facilities Fees**

Cost Category	Total recommended Capital	Allocation of Facilities Costs			CFF for Growth Entire City		Additional CFF for SOI Expansion Area Only		Notes
		Existing Population	Growth-related Entire City	Growth-Related SOI Expansion Area Only	\$/Residential EDU	\$/Commercial EDU	\$/Residential EDU	\$/Commercial EDU	
Traffic	\$29,206,688	\$0	\$29,206,688	\$0	\$5,773	\$5,773	\$0	\$0	MCR Engineers recommended Current Facilities in April 2007 report
Parks and Recreation	\$32,258,724	\$7,241,464	\$25,017,260	\$0	\$5,268	\$0	\$0	\$0	Based on adopting a park standard of 5 acres per 1,000 of population. Includes community center and trails. City needs to complete detailed recreation facilities plan
Water	\$44,223,440	\$0	\$0	\$44,223,440	\$0	\$0	\$9,049	\$9,049	Based on RMC Master Plan: Updated January 15, 2007. Includes Riverpointe water facilities. Fee calculated with inclusion of Riverpointe units.
Wastewater Treatment	\$16,750,000	\$0	\$16,750,000	\$0	\$3,311	\$3,311	\$0	\$0	Based on RMC Master Plan: Updated January 16, 2007 with additional scope April 2007.
City Facilities	\$6,208,176	\$1,033,420	\$5,174,756	\$0	\$1,023	\$1,023	\$0	\$0	New capital program providing for Administration, Library and Public Works facilities.
Police	\$4,609,000	\$0	\$4,609,000	\$0	\$911	\$911	\$0	\$0	New capital program providing for police station and equipment based on adopting a standard of 2.0 sworn officers per 1,000 population.
Sewer Collection	\$18,925,000	\$0	\$0	\$18,925,000	\$0	\$0	\$4,157	\$4,157	Based on RMC Master Plan
Drainage	\$11,379,000	\$0	\$0	\$11,379,000	\$0	\$0	\$2,499	\$2,499	Based on RMC Master Plan
Administration and planning	\$3,600,000	\$0	\$3,600,000	\$0	\$712	\$712	\$0	\$0	Includes annual administration and periodic comprehensive updates.
<b>TOTAL</b>	<b>\$167,160,029</b>	<b>\$8,274,884</b>	<b>\$84,357,705</b>	<b>\$74,527,440</b>	<b>\$1 6,998</b>	<b>\$11,730</b>	<b>\$15,705</b>	<b>\$15,705</b>	

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The majority of new development within the City’s proposed sphere of influence will likely occur within a Municipal Facilities Financing District which will fund necessary infrastructure improvements that will serve the lands within the District and beyond.

Municipal services within the City’s proposed sphere of influence will be provided exclusively by the City. At present, these areas are not served with municipal level services. Agencies, such as Stanislaus County Consolidated Fire Protection District, the Mosquito Abatement District, School District etc., will continue to provide services to newly annexed properties as before. In this fashion, the duplication of services will be avoided.

As part of its ongoing efforts to provide the highest level of service for the lowest cost to its residents, the City has contracts with Stanislaus County for police protection service. Under the contract, the City pays the cost of staffing and maintains the police station and related facilities. Table 20 provides a summary of the Cost Avoidance Opportunities available to the City of Waterford.

**Table 23  
Cost Avoidance Opportunities**

<b>Category</b>	<b>Discussion</b>
Availability of outsourcing for financial and administrative duties, and cost-benefits of outsourcing versus in-house management	The City of Waterford presently out sources various administrative services including accounting, planning, legal services, and engineering. The City continually reviews its service programs and makes administrative changes as necessary and possible.
Duplication of services	Water service is duplicated in the City as Modesto serves the old Del Este Water Service District customers and the City serves all others within the City. These services do not overlap and efforts are on-going to resolve this duplication.

**6. OPPORTUNITIES FOR RATE RESTRUCTURING**

**6.1 Fee and User Rate Establishment:**

The City of Waterford’s utility and service user rates are determined on the basis of operating cost with reserves set aside for future equipment replacement and modernization in accordance with standard government service practice. All City utility services are operated and maintained by the Waterford Public Works Department with some specialized or technical support services contracted out to professional service

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providers. The City's municipal service rates are comparable to other communities with similar characteristics and the City works to improve operating efficiencies through use of technological innovation.

The purpose of reviewing service cost related data is to identify opportunities to minimize rate increases without adversely impacting service quality.

### ***6.2 Water and Wastewater Collection and Treatment***

The City of Waterford requires new development on annexed properties to connect to the City's water and wastewater collection systems. The City charges a water service connection fee which varies with the size of the service is used to pay for the capital costs of the service system.. The City's sewer and water systems are operated as "enterprise funds" in which the cost of service charged to customers covers the cost of providing the service.

To provide water and sewer service to the expanded sphere of influence area will require the expansion of these facilities concurrently or in advance of such new development. The cost of the initial improvements will be borne by new development consistent with the City's newly adopted Capital Plan and Fee Report.

### ***6.3 Garbage Collection***

Refuse collection is mandatory for all properties within the City. The cost is negotiated between the service provider and the City.

### ***6.4 Fire Protection***

The Stanislaus County Consolidated Fire Protection District (SCCFPD) provides fire protection within the Project Area. The District is financed through assessments and fees.

## **7. OPPORTUNITIES FOR SHARED FACILITIES**

Continued development of the City as it annexes territory from its proposed sphere of influence, with urban uses, will present opportunities for the sharing of facilities and a corresponding reduction in facility and operating costs. The City of Waterford does not duplicate the services of other service providers in the City with the exception of police protection and water service. While there is some overlap of services, with respect to police protection, the City and Stanislaus County work closely together to provide coordinated law enforcement services between the to jurisdictions.

The City of Waterford is in the process of developing a City Water System to serve areas outside the City of Modesto's Water Service Boundary. The City of Modesto owns and operates the "Del Este" water system which was the exclusive water service provider for Waterford until 2005 when the City began the process of establishing its own water system. At present Waterford's Municipal Water System, does not have "excess" capacity to supplement the water sources of the Modesto system and the City of Modesto has resisted requests to supplement its own system's resources with treated surface water which is readily available.

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### **7.1 Storm Drainage/Parks**

The City has endeavored to incorporate shared facilities into the design of new residential neighborhoods, primarily through the use of parks that double as storm drainage detention basins. The storm drainage portion of a joint use park/ drainage facility is maintained by the property owners; the park facilities are maintained by the city. The maintenance costs for such parks may also be shared in whole or part through a landscaping and lighting assessment district consisting of properties within the project. The City, through cooperative agreements with the Modesto Irrigation District, uses MID's irrigation canal system for storm water disposal.

### **7.2 School Sites for Recreation**

The City has also pursued the joint use of school facilities operated by the Waterford Unified School District as parks. The joint use of school facilities for parks and recreation programs provides income to the district and helps reduce the cost of providing parkland to serve city residents.

### **7.3 Police Protection**

The City contracts with Stanislaus County for the provision of police services. This was determined to be a more cost-effective way of providing police protection compared with the cost of the City staffing and maintaining its own police force. The annual contractual amount of the service reflects the actual cost of providing the service. While this not strictly speaking a sharing of facilities, it demonstrates that the City continues to explore the most cost effective strategies for providing public services.

## **8. GOVERNMENT STRUCTURE OPTIONS**

The City of Waterford is a general law city with all corporate powers available to a city under California State law. In general, cities are the primary means of providing urban services to urban populations. In some instances, such as the City of Waterford, urban services can be provided in a more cost effective manner by a regional service provider. The Stanislaus Consolidated Fire Protection District provides urban fire service in the City of Waterford and is an example of an alternative to providing urban services at a regional level.

The purpose of considering options for the structure of governance, when reviewing a sphere of influence, is to identify opportunities for increased efficiency in the provision of services which lead to savings to both the service provider and the consumer.

As described on Table 2 in the Introduction section of this report, the land within the City's sphere of influence and outside the city limits is currently served by a variety of providers. As properties are annexed, they will be detached from the jurisdiction of any overlapping service providers who provide the same services as the City. In the case of the City of Modesto, they are unable to provide water service outside of the historic Del Este Water System's service boundaries. Properties typically remain within the jurisdiction of providers of services not offered by the City, such as mosquito abatement, Consolidated Fire and Waterford Unified School District. Table 24 provides a

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summary of the Government Structure Options available to the City of Waterford.

**Table 24  
Government Structure Options**

<b>Category</b>	<b>Discussion</b>
Available government options to provide more logical service boundaries to the benefit of customers and regional planning goals and objectives.	Given the City’s present population, the present structure of urban services is best suited meet the needs of the residents of Waterford.
Anticipated proposals to LAFCO that will affect the service provider.	The City of Waterford is anticipating several development proposals, mostly residential in nature, for land located outside the present City boundaries but within the proposed SOI.
Availability of government options that allow appropriate facilities to be shared and avoid the construction of extra and/or unnecessary infrastructure.	Consolidation of the Del Este and Waterford municipal water systems could reduce costs of water service by integrating infrastructure. An issue involved in this consolidation is the combination of old and deteriorated infrastructure with new infrastructure that is constructed to a higher standard than the older system. Integration costs will most likely exceed the cost-saving benefit of combined operations and maintenance.
Opportunities to improve the availability of water rights and/or supplies (surface, reclaimed or groundwater) to a larger customer base through a change in government organization.	This issue must be addressed by LAFCO upon update and review of the City Of Modesto’s MSR for water service in the City of Waterford triggered by expansion of service enabled by expansion plans of the surface water treatment in partnership with Modesto Irrigation District.
Potential successor agencies.	The County of Stanislaus is the only potential successor to the City of Waterford in meeting its present services.

**9. EVALUATION OF MANAGEMENT EFFICIENCIES**

As part of the Municipal Service Review process, it is important to review and evaluate the management practices to determine where improvement might be achieved. Historically, the City of Waterford has undergone some stressful times during the years following incorporation. As a new City, lack of resources created severe hardships for the City’s elected officials and managers. Over the years since 1969, the City has established polices and programs, mostly documented in the City’s Municipal Code, that provides guidance and direction for sound governmental management.

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One of LAFCo's primary goals is to ensure that services are provided for the logical, orderly expansion of cities at the highest quality for the lowest necessary public expenditure. Efficiently managed organizations maximize the quality and use of human and operational resources. When considering management efficiency, LAFCo must focus on the quality of the service provided within the available resources.

The City of Waterford is a full-service city with a full-time professional staff of 11 full-time employees (excluding police protection, which is provided by contract with the County). The services the City provides (or provides through contract) include, but are not limited to, the following:

Police protection	Water supply
Wastewater collection and treatment	Parks and recreation
Public works, street maintenance	Storm drainage
Building inspection	Planning and zoning

The City contracts for solid waste collection and cable television. Library service is provided by Stanislaus County. Waterford is served by the Stanislaus County Consolidated Fire Protection District. Fees for library facilities and fire protection are paid as part of the development impact fee system.

### **9.1 Waterford's capacity to assist with and/or assume services provided by other agencies.**

The City of Waterford has opted to use Contract Staff in specialized areas of service such as legal services, building code compliance, engineering and planning. The City contracts with the Stanislaus County Sheriff's Office for police services. Fire service is provided by Stanislaus Consolidated Fire Protection District and Water Service within most of the incorporated City limits is provided by the City of Modesto.

The City could assume fire protection service within its City limits and form a City Fire Department. This is not seen as a cost-effective action, however, and there is no current interest on the part of the City to pursue this course.

With respect to water service, it has been the stated goal of the City to acquire the Del Este water system, owned and operated by the City of Modesto. There have been discussions with the City of Modesto over the acquisition of this system but there are several problems that need to be resolved before acquisition can proceed:

- There are significant identified deficiencies in the water system that create a concern to City officials regarding cost and operating liability (inadequate water supply, lack of storage capacity, low pressure zones and deteriorated water lines).
- There is an issue regarding surface water availability that was developed under the Del Este system owners and are not considered by the City of Modesto as a system asset available for transfer.
- There is a disagreement between the City of Modesto and the City of Waterford as to the monetary value of the system.
- The City of Modesto and the City of Waterford disagree as to how transfer of the

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system should benefit the residents of Waterford who, theoretically, have paid for the system through fees and service charges beyond ordinary maintenance costs.

These issues and concerns will, in all likelihood, be resolved in time and the City would then merge its water system with the Del Este system in accordance with an engineered plan that would be prepared by the City of Waterford prior to system transfer..

### **9.2 Availability of master service plan(s).**

As discussed in previous sections of this Municipal Service Review, the City has prepared utility master plans for sewer, water, storm drainage and wastewater treatment. The City has also prepared street and road plans and park and facility plans contained in the City's recently updated General Plan.

A recently adopted Capital Facilities Plan and Report has looked at several aspects of municipal service and facilities costs and identified strategies for the achievement future operating efficiencies. Among the recommendations of this report are:

1. The City should develop financing strategies that address the timing issues associated with providing the components of the capital plan that must be in place prior to development occurring.
2. This City should engage the County to establish which road facilities in the Waterford capital program can be financed through the County Capital Facilities Fee program.
3. The City should continue and enhance work with regulatory and other agencies to resolve uncertainties that will affect the final expenditure programs for Water and Wastewater Treatment. Specifically, the City will need to:
  - a. Develop groundwater treatment capacity to serve City growth outside the Modesto Irrigation District Service Area.
  - b. Work with Modesto Irrigation District concerning the timing of development of the surface water treatment plant.
  - c. Work with the City of Modesto to transfer the City's water system in Waterford to the City of Waterford.
  - d. Monitor the requirements of the Regional Water Quality Control Board to insure that the treatment level required with Wastewater Treatment Plant expansion is anticipated.
4. The City should begin a community based process for detailed Park and Recreation Facilities Planning. It also needs to develop more specific capital plans for expanded City and Police Facilities.
5. The City should implement procedures for routinely reporting on the use of Capital Facilities' Fees in accordance with the requirements of State law and for

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routinely updating the Capital Plan in accordance with good budgetary practices.

These recommendations are being implemented by the City. Table 22 provides a summary of the Management Efficiencies afforded by the City of Waterford.

**Table 25**  
**Evaluation of Management Efficiencies**

<b>Category</b>	<b>Discussion</b>
Evaluation of agency's spending on mandatory programs	The City complies with all state and federal programs with respect to mandatory spending. This program is implemented through the annual City budget process.
Comparison of agency's mission statement and published customer service goals and objectives.	The City of Waterford conducts periodic public goal setting sessions with the City Council, Planning Commission and various community groups and organizations. This process provides the "vision" upon which the City establishes its goals and priorities that drives the City Budget process. The City does not have a formal "mission statement".
Contingency plans for accommodating existing and planned growth.	The City's capital facilities master plans are geared to growth thresholds. When growth occurs, funds generated by growth (fees) are used to construct capital facilities and provide services to support that growth.
Evaluation of publicized activities.	Information regarding City programs and activities are accessible to the public through various actions and through different sources. The City's website contains information about programs and activities including schedules, fees, services, etc.
Implementation of continuous improvement plans and strategies for budgeting, managing costs, training and utilizing personnel, and customer service and involvement.	The City maintains an on-going education and training program for its staff and the elected and appointed representatives of the City.
Evaluation of personnel policies.	The City complies with all laws and regulations regarding personnel policies and procedures. The City has a published personnel policies and procedures manual and merit and incentive programs for employees.
Availability of resources (fiscal, manpower, equipment, adopted service or work plans) to provide adequate service.	The annual budget process establishes service standards and set priorities for providing financing, manpower and equipment to accomplish established service goals.
Available technology to conduct an efficient business.	The City uses up-to-date technology that has a demonstrated capability to improve operating efficiency in various aspects of the City's operations including street and road

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	maintenance, sewer and water service, police protection, accounting and budget management, planning and building services and general governmental operations.
Collection and maintenance of pertinent data necessary to comply with state laws and provide adequate services.	The City complies with all State and Federal standards for data collection and record keeping.
Opportunities for joint powers agreements, Joint Powers Authorities, and/or regional planning opportunities.	The City works with multiple jurisdictions to coordinate services and achieve cost savings where feasible.
Capital improvement projects as they pertain to GC §65401 and §65103c.	The City complies with Government Code Section 665401 and 65103c with respect to capital improvement projects.
Evaluation of accounting practices.	The City complies with state standards with respect to accounting practices and is subject to an annual audit of its financial record keeping and accounting practices. This annual audit, by an independent financial auditor is made available to the public for review.
Evaluation of maintenance of contingency reserves	The City maintains an annual contingency reserve in accordance with the limits of state law.
Written policies regarding the accumulation and use of reserves and investment practices.	The City complies the requirements of state law with respect to accumulation and use of reserves and investment practices.
Impact of agency's policies and practices on environmental objectives and affordable housing.	The City's programs and policies with respect to cost recovery do not compromise the City's stated goals with respect to environmental preservation and enhancement or affordable housing.
Review of environmental and safety compliance measures.	City projects are undertaken in compliance with the Environmental Quality Act (CEQA) and other federal and state regulations with respect to environmental and safety compliance.
Current litigation and/or grand jury inquiry involving the service under LAFCO review.	The City is not involved with any litigation or grand jury inquiry involving the service under LAFCO review.

### 10. LOCAL ACCOUNTABILITY AND GOVERNANCE

The City of Waterford incorporated in 1969. Waterford is a general law city operating under a council/ manager form of government. The City Council includes the mayor, who is directly elected to a two-year term, and four city council members who are elected at large for staggered four-year terms. Council meetings are held on the first and third Thursdays of every month at 6:30 PM. All council meeting are televised on the local cable network.

The City has created two advisory commissions and committees with specific

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decision making responsibilities.

- Planning Commission – Five member body appointed by the City Council which advises the City Council on land use and zoning matters. The Planning Commission meets once a month on the fourth Tuesday, or as necessary, at 6:30 PM.
- Recreation Commission – Five member body appointed by the City Council which advises the City Council on the development and operation of park and recreational facilities and on the management of recreation programs.

The Council and Planning Commission meeting agendas are posted at City Hall and on the City’s website. All Council and Commission meetings are conducted in compliance with the Ralph M. Brown Act. Table 23 provides a summary of the accountability opportunities afforded by the City of Waterford.

**Table 26  
Opportunities for Local Accountability and  
Governance**

<b>Category</b>	<b>Discussion</b>
Official Agency Name	City of Waterford
Type of Government	General Law City
Governing Body	City Council (four council members and mayor) Council/manager
Method of Selection of City Council Representation	Elected at large-Citywide by residents of the City who are registered voters, in accordance with State and Federal Law
Agency Representation.	The City of Waterford has five duly elected City Council Members and a Mayor. City staff includes a City Administrator, City Clerk, City Finance Officer, Public Works Director and various administrative and other support personnel. The City contracts for law enforcement services, building inspection services, planning services and engineering services
Meeting Frequency	Twice Monthly, 1st and 3rd Thursday, 6:30 PM
Days/ Hours of Operation of City Government	City Hall, Monday - Friday 8:00 AM - 5:00 PM
Brown Act Compliance	All public meetings, by the City Council, Planning Commission and Parks and Recreation Commission, etc., conform to the rules and regulations of the State of California as they apply to the Brown Act in the City of Waterford

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Current Provision of Service(s)	The City of Waterford has the ability to provide a full range of governmental services under state law. The City contracts with the Stanislaus County Sheriff's Office for police protection. The Stanislaus Consolidated Fire Protection District provides fire protection service for the City and the unincorporated area surrounding. The City has the ability and the authority to expand its present service programs to include fire protection.
Access to Program Progress Reports	The City of Waterford conforms to all public information laws and regulations. Copies of program progress reports, that are provided to the Waterford City Council or any of its other advisory bodies (Parks and Recreation Commission, Planning Commission, etc.) are available to the general public at the cost of reproduction. Furthermore, most City documents are maintained and available on the City's website ( <a href="http://www.cityofwaterford.org">www.cityofwaterford.org</a> ).
Level of Public Participation	The City of Waterford's business is conducted in open public meetings conducted primarily in the City Hall; the site is accessible to the public and all meetings are noticed and televised for broadcast on the local cable channel. The city maintains a website ( <a href="http://www.cityofwaterford.org">www.cityofwaterford.org</a> ) where meeting schedules, agendas and minutes are maintained. The City maintains regular office hours from 8:00 a.m. to 5:00 p.m.
Public Outreach Efforts	The City of Waterford occasionally includes a city information publication in utility bills and all City Council meetings are televised on the local cable channel. The city maintains a website ( <a href="http://www.cityofwaterford.org">www.cityofwaterford.org</a> ) where a broad range of City information is accessible. Additionally, the City conducts study sessions and workshops on issues of general public interest.
Media Involvement	The City of Waterford maintains a website ( <a href="http://www.cityofwaterford.org">www.cityofwaterford.org</a> ) where City meetings are publicized. Some study session and workshops are held on weekends to facilitate public participation in the City of Waterford. All Council and Planning Commission meetings are held in the early evenings so as to facilitate public access and involvement. Both local and regional newspapers regularly report of the activities of the City.
Accessibility of Meetings	All public meetings are duly noticed in accordance with public meeting laws and held in facilities that are accessible to the public. Typically the City Council Chambers are used for all public meetings.
Annual Progress Reports or Status Reports	General Plan implementation; Housing Element implementation; Capital Improvements Program; Water quality; Utility rates
Published Budget	The City of Waterford publishes the annual budget in accordance with the requirements of state law.

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Budget Consistent With State Law	The City of Waterford files annual budget reports to the State Controller's Office in accordance with the requirements of state law.
Budget Understandable to the Public	The budget is part of a City Council annual budget public hearing presentation and action. The budget typically includes a City Manager's report that describes major elements of the budget for public information and assistance in understanding the public budget process and Council actions.
Budget/Finance Audits.	The City of Waterford conducts annual audits of City operations in accordance with the requirements of state law and good city management practices.

### References

City of Waterford General Plan and Final EIR, 2006  
City of Waterford Storm Drain Master Plan, 2006  
City of Waterford Wastewater Treatment Master Plan, 2006  
City of Waterford Water System Master Plan, 2006  
City of Waterford Sewer Master Plan, 2006  
City of Waterford Urban Water Management Plan, 2006  
City of Waterford Development Impact Fee Program, 2007

### Appendix

- A. City of Waterford MSR Questionnaire
- B. City of Waterford Fee Ordinance
- C. Waterford Water Service Consent Resolution to the City of Modesto

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### Appendix A

#### City of Waterford Municipal Service Review INFORMATION QUESTIONNAIRE MARCH 2007

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THE FOLLOWING QUESTIONS ARE DESIGNED TO HELP AGENCIES AND LAFCO COMPILE INFORMATION NEEDED TO COMPLETE THE MUNICIPAL SERVICE REVIEW. ANSWERS TO THESE QUESTIONS WILL BE USED BY LAFCO TO PREPARE THE SERVICE REVIEW WHICH WILL BE USED TO UPDATE THE AGENCY'S SPHERE OF INFLUENCE.

#### A. INFRASTRUCTURE NEEDS AND DEFICIENCIES

**Purpose:** To evaluate the infrastructure needs and deficiencies of an agency in terms of capacity, condition of facility, service quality and levels of services and its relationship to existing and planned services users.

Identify and discuss the following as they relate to the service(s) provided by your agency.

1. Are the agency's resources and facilities adequate to meet the existing needs of the community and to serve the area in the existing boundaries? What about future growth or expansion? What are the plans for the future?

Although the City has some concerns regarding the ongoing resources needed to adequately maintain its existing streets and infrastructure, this should not be the case in the new expansion area where we will establish Special Improvement Districts to provide the resources necessary to adequately maintain this infrastructure. In addition the City is establishing Community Facility Fees and is projected to have the resources to maintain the streets and routes in the new areas. The Special Improvement Districts established will also be used to provide more resources for law enforcement.

Other than that, the City of Waterford is projected to have adequate resources and facilities to meet the existing needs of the Community of Waterford and to serve growth within its existing boundaries. This assessment includes plans for the future expansion of City Hall at the Corner of Highway 132 and "E" Street. Beyond these immediate facility development plans, and the City's on-going Capital Improvement program, the City has developed several major infrastructure studies and a "Capital Plan Report" which identifies the strategies available to the City for financing needed facility expansion. These infrastructure studies address sewer, wastewater treatment, water and storm drainage collection, treatment and disposal. It should be noted that these facility plans do not apply to the water system serving a large portion of the incorporated City that is owned and operated by the City of Modesto.

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2. What are the age and/or condition of the agency's facilities?  
With the exception of the City of Modesto's water system, the City of Waterford's sewer, storm drain and water system are in good to excellent condition. There are deficiencies in the City's street system that are being improved, repaired or reconstructed as part of a comprehensive street improvement program. More resources are needed in this area but fortunately increased per capita tax revenue should be of future assistance. In addition the City will again put a ½ cent sales tax on the ballot to assist with streets and public safety issues.

Most of the City's infrastructure dates back to a period preceding 1969 when the City was first incorporated. There have been major improvements to the City's sewer collection system and the wastewater treatment system since 1969 that have kept the City of Waterford in compliance with state rules and regulations and provided substantial capacity.

3. Does the agency have plans to acquire new property, facilities, and/or equipment within the next 5 years?  
The City of Waterford will acquire new and/or replacement equipment to support all departmental needs as those needs are identified and funded in the City's annual budget. The City is presently undertaking major planning for street improvements, parkland improvements and curb-gutter and sidewalk improvements in various sections of the City. Perhaps the most important improvement in the foreseeable future is the construction of the new Government Center building at the corner of Highway 132 and "E" Street. This complex is presently in the design phase and construction could begin in 2008.

As part of the SOI implementation plan, the City could be undertaking expansion of the existing wastewater treatment plan and constructing new water facilities in the SOI expansion areas. Additionally, in accordance with the City's infrastructure master plans, development of new roadways, storm drains, water and wastewater infrastructure will be constructed in the SOI expansion areas as conditions of possible approval of several major development proposal in the area.

The City has adopted a Development Fee program, discussed later in this document, that funds the Capital Program for the City in both the existing City limits and the proposed SOI area.

4. Does the agency have a Reserve Capacity policy?  
The City of Waterford designs its water systems to follow the American Waterworks guidelines which typically exceeds state standards. Where State standards are more rigid than the American Water Works guidelines the City uses the more rigid state standards. In regards to the City's waste

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water systems, planning for a new facility expansion is initiated when usage is 80% of existing capacity. At 90% the City would plan to have a new plant and/or expansion designed and be putting the work out for bid.

5. How would the agency rank the condition of existing equipment and/or infrastructure? New, good, substandard, deteriorating?  
The City of Waterford's existing equipment and infrastructure is in overall good condition. The present City Hall facility has been under review for demolition and replacement for many years. It is not until the past few years that the City has had the resources to undertake the replacement of this facility. Land for the new Government Center was acquired during 2004-05 and construction is expected to commence in 2008.

**Information Sources:** Water Master Plans, Urban Water Management Plans, Department of Water Resources Annual Reports, Wastewater Master Plans, Storm Drainage Plans, General Plan, EIR's Capital Improvement Plans, Master Service Plans/Studies, Insurance Service Office PPC rating, Websites, Questionnaires, and Interviews.

### B. GROWTH AND POPULATION

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

1. How does the projected growth of the proposed SOI areas compare with present city/county land use designations?  
The City of Waterford has recently updated its General Plan which identifies future growth areas (proposed SOI) and land use designations for these areas. Within the City, there are minor modifications to proposed land uses, mostly with respect to the designated commercial areas within the City. These changes provide a more refined set of standards for commercial development.  
  
Outside the existing City limits (proposed SOI boundary) the growth area is under the land-use jurisdiction of the County of Stanislaus and designated for "agricultural" use and zoned accordingly.
2. How have surrounding city/county land use patterns evolved and what impacts have they caused on infrastructure, i.e. water, sewer, drainage, fire, police?  
Development of County areas around the City of Waterford have developed with "rural" agricultural types of uses including orchards, row-crop and large animal grazing. There are a few scattered poultry farms and dairy farms in the area along with some agricultural product processing facilities such as almond, and other nut hulling operations. Across the Tuolumne River, a large commercial nursery ranch has been established. Immediately adjacent to the City limits, to the west, north of Highway

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132, a small mobile-home park has been established and is proposed to be included in the City's SOI expansion.

To the south of the City is the unincorporated community of Hickman with urban services provided by the County of Stanislaus (law enforcement and general government services), Stanislaus Consolidated Fire Protection District (fire service) and the City of Modesto (water service). To the east of the City, along Highway 132, there are several County approved sand and gravel mining operations which contribute a high volume of large trucks to the City's road system. The overall development of area surrounding the City of Waterford can be generally characterized as "rural" with no large residential or commercial developments.

Development in these areas, however, has an impact on the City with respect to maintenance of streets and roadways within the City. The Stanislaus County Consolidated fire station, located near downtown Waterford, will most likely need to be expanded to accommodate growth within the City and maintain its current level of service to surrounding rural areas of the County. At present, the Stanislaus County Sheriff's Office coordinates its rural patrol service through the City of Waterford's facilities provided for by the City Police Service Contract with the Sheriff's Department. This facility is proposed to be expanded with the development of the new City-County building proposed to be located at the corner of Highway 132 and "E" Street in Waterford.

3. Will changes as proposed in the SOI increase pressure to develop surrounding county lands causing an increase in growth potential?  
The City of Waterford's General Plan was proposed with development policies that are intended to minimize growth pressure on surrounding farm lands. These policies promote higher density and mixed use "urban" style development that increases overall density of development. The City development policies were designed to compliment the County's policies to promote "urban" scale development within the incorporated communities of the county. Infrastructure is sized to serve development within the proposed growth areas of the City and no provisions have been made to project these facilities beyond the City's proposed SOI or designated future growth area at this time.
4. What is the size of current area served by the agency (e.g., acres, miles, parcels)?  
The City of Waterford presently occupies approximately 1,086 acres (1.7 square miles). The proposed SOI for the City occupies an area of approximately 1,638 acres (2.55 square miles)
5. Does the agency have plans for serving territory outside of existing SOI?

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The City of Waterford has designated a future “growth” area in its General Plan Urban Expansion Chapter. This area, involves approximately 4,458 acres of land. This “future urban expansion area” establishes an “urban limit line to the west of the City that limits the possible future expansion of the City into “prime” farmland in this area. The City has limited its utility service planning efforts to the area within its proposed Sphere of Influence.

6. What is the agency's existing population (e.g. residents, landowners)?  
 The City of Waterford’s population was estimated by the State Department of Finance to be 7,911 people in 2005 and increased by 3.9 % to an estimated 8,216 in 2006.

7. Has the agency developed and/or adopted population projections for the next 5, 10, 15, 20 years?  
 For purposes of infrastructure and service planning, the City uses a 30 year time horizon for projecting population and jobs. To maintain maximum flexibility with public improvements, infrastructure assumptions are based on a population threshold of 30,000 people unless otherwise stated.

The City of Waterford’s planning documents show two population projections: a High Growth and a Low Growth Scenario. The City’s impact fee study used a population projection that is mid-way between these two scenarios. The following table shows the mid-point scenario and projects an increase in population over the next 30 years of 13,550.

### Mid-point population projection is used for capital fee calculation

<b>Population</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>	<b>2030</b>	<b>2035</b>	<b>Increase From 2005 to 2035</b>
High Growth	7,800	10,600	13,300	15,900	18,600	21,300	25,200	17,400
<b>Mid-point</b>	<b>7,800</b>	<b>10,500</b>	<b>12,550</b>	<b>14,550</b>	<b>16,600</b>	<b>18,600</b>	<b>21,350</b>	<b>13,550</b>
Low Growth	7,800	10,400	11,800	13,200	14,600	15,900	17,500	9,700

The City uses a conservative population forecast to assure that adequate resources are available to support the construction of new infrastructure. The City expects that, over the next twenty years, average household population will decline from over 3.47 people per household unit to a number approaching 3.0 or fewer people per unit. This will increase the dwelling unit count needed to support a future population. It is forecasted that this reduction in household size will increase the projected housing need count by approximately 1,000 units by 2035.

8. Has the agency identified possible significant growth areas (and/or expansion of SOI)?

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As noted above, the City of Waterford's General Plan contains an "Urban Expansion" Chapter that defines the future pattern of growth for the City over the next forty years and beyond.

**Information Sources:** General Plans-County and City, EIR's, Local and Regional Land Use Maps, US Census Website, State Department of Finance, Planning Departments, and Council of Government.

### C. FINANCING CONSTRAINTS & OPPORTUNITIES

**Purpose:** To evaluate factors that affect the financing of needed improvements.

1. What is the current fiscal status of the agency? What are the indicators?  
The City of Waterford is currently in good financial condition as documented in the annual City Budget and Audit Reports for the past five years. With continued prudent management it should have no trouble maintaining this position.

The City's Revenue sources, as discussed in the MSA, are sufficient to fund existing levels of service and provides sufficient revenue to fund necessary Capital Improvement Projects. The City has adopted new development impact fees designed to maintain the City's quality of services and facilities with anticipated new growth. Infrastructure is being designed and constructed to high standards to assure compliance with future regulations and standards and minimize future operating and maintenance costs.

2. Will the fiscal impacts of the proposed changes to the SOI be greater or lesser than the fiscal benefits?  
The City of Waterford's policy is that growth and development must support itself within the City; that is the costs of new development, in terms of new service and facility needs, shall be provided through a combination of fees and assessments so as to be fiscally neutral to the overall City budget. To this end, the City has commissioned the preparation of a study of necessary fees to support major infrastructure and facilities improvements needed to support new growth, both within the existing City and the proposed expansion area. Additionally, new development in the SOI expansion areas are expected to provide a "fiscal impact study" that identifies new growth service needs and anticipated new revenues resulting from growth. Again, it will be new development's responsibility to assure that new growth is self supporting.
3. Does the agency have financial reserves? If so, what percent of the general fund do the reserves represent?  
The City's budgeted General Fund reserve for the 06/07 Budget year is 39.52% of the gross General Fund Budgeted Expenditures, which include a significant amount of "non recurring" expenses. This percentage is

## City of Waterford Municipal Service Review-2007

higher than the informal budget policy at this time for several reasons. One is that it is felt that the City may be entering into an economic slowdown period which could impact the rate of future revenue increases. The second reason is that the City has committed to some substantial infrastructure projects and want to assure that, if unanticipated problems occur, the City has enough resources to meet all its obligations and commitments. If these resources are not needed in the current project budgets, they will be budgeted for future City projects at the discretion of the City Council.

4. How will the agency fund needed capital improvement projects, i.e. bonds, loans, other?  
The financing of this capital program can not rely on Capital Facilities Fees alone because many of the facilities will need to be installed before growth occurs. The City will develop a funding program using several approaches.
- **Developer advances and reimbursement agreements:** Under this approach, developers would construct facilities in the Capital Program in return for an exemption from paying CFF for the category of facilities built up to the amount of the advance. Where these improvements benefit other property owners the City needs to insure that the developer advancing funds is repaid when the other benefiting properties develop. Such financing will need to be managed carefully through Developer Advance Agreements.
  - **Bond financing using utility revenue bonds supported by the revenues of the entire utility:** Under this approach, the utility would advance costs from a bond issue sized so that projected CFF revenues are sufficient to repay the advance.
  - **Community Facilities Districts (CFD) or assessment district bonds:** Under this approach *land secured bonds* would be issued with repayment to occur through annual special tax payments or assessment installments. Properties participating in these districts would be exempt from paying all or a portion of the CFF for the capital category for which bonds have been issued.
  - **Lease revenue financing:** For some facilities such as parks, city or police facilities, the City may wish to issue bonds secured by a general fund lease with repayment to occur from CFF revenues.
5. Does the agency have financing plans in place for service upgrades, capacity improvements within the next 5 years? What are the revenue sources to implement these plans?  
The City of Waterford has just completed a comprehensive Capital Plan that addresses forecasted capital needs through the year 2035.

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The new Capital Plan incorporates the major capital plans recommended over the past year as well as new programs not previously considered. The City has previously considered capital programs recommended by RMC Water and Environment for Wastewater Treatment, Water, Sewer Collection and Drainage. MCR Engineers has recently proposed a new capital program of Traffic improvements. Finally, the Capital Plan itself proposes new capital programs for Parks and Recreation, City Facilities, Police and Administration and Planning.

The new capital program totals \$156.5 million allocated among three areas of benefit:

A. Existing deficiencies: These facilities serve the existing population and the City will need to find non-fee financing sources to pay for them. Total costs in this category are approximately \$7.6 million.

B. Growth-related Facilities benefiting the Entire City: These facilities serve growth of the entire city and will be paid for with new CFF levied on growth anywhere in the City. Costs in this allocation are approximately \$78 million.

C. Growth-related Facilities benefiting the Proposed SOI expansion Area Only: These facilities serve growth outside the existing city limits, primarily in the new Proposed SOI expansion Area and will be paid for by a CFF levied only in the area outside the existing city limits, except the CFF for Water, which will be levied outside the service area of the City of Modesto water system. Total costs in this allocation are approximately \$70.9 million.

6. Does the agency have (written) investment policies? If so, what are the policies?

The City has investment policies in conformance with State law. At this time the City Council has authorized City Funds to be placed in Commercial Bank Accounts and the Local Agency Investment Fund that is managed by the State Treasurer. Any other investments would have to be authorized by City Council and in conformance with State Law. City funds deposited in Commercial Bank Accounts are required to be collateralized by State Law.

7. Is the agency participating in any joint financing projects?

The City does have some existing debt (Certificates of Participation) that was originally issued in the late 1980s to mid 1990s. This debt is issued by the Waterford Public Financing Authority which is a separate legal entity. This debt also has lease/lease purchase agreements that include the Waste Water Fund and the Redevelopment Agency. That is the extent of the City's debt obligations.

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8. What is the agency's existing source of revenue (e.g. property tax, special assessment, developer fees, entitlements, fundraisers, etc.)  
 The City's sources of revenue consist of all the revenue sources that most cities in the State of California traditionally use including property tax, sales tax, special assessments, fees and income from cash deposit interest and income from other public agencies such as grants.
9. When were rates/fees last adjusted?  
 The City of Waterford's present fee system was adopted in 1995. The City is in the process of adopting a new development impact fee program as discussed and described in the MSR.
10. Does the agency have an adopted budget?  
 The City of Waterford has an adopted annual budget.

### Waterford Budget 2002-03 and 2003-04

Revenue Source	FY 2002-03			FY 2003-04		
	Receipts	Per Capita	Percent	Receipts	Per Capita	Percent
Taxes:						
Property Tax	\$223,705	\$29.16	4.64%	\$267,422	\$34.04	5.51%
Sales Tax	\$253,928	\$33.10	5.27%	\$294,197	\$37.45	6.07%
Other	\$942,574	\$122.87	19.57%	\$1,369,395	\$174.33	28.23%
<i>Total</i>	<i>\$1,420,207</i>	<i>\$185.14</i>	<i>29.49%</i>	<i>\$1,931,014</i>	<i>\$245.83</i>	<i>39.81%</i>
Special Assessment	\$374,109	\$48.77	7.77%	\$47,367	\$6.03	0.98%
Licenses & Permits	\$39,512	\$5.15	0.82%	\$142,352	\$18.12	2.93%
Fines & Forfeitures	\$191,789	\$25.00	3.98%	\$29,571	\$3.76	0.61%
Money & Property	\$50,748	\$6.62	1.05%	\$83,832	\$10.67	1.73%
Inter-Governmental	\$1,788,234	\$233.12	37.13%	\$1,644,907	\$209.41	33.91%
Current Service Charges	\$887,876	\$115.74	18.43%	\$769,243	\$97.93	15.86%
Other Revenue	\$98,250	\$12.81	2.04%	\$240,828	\$30.66	4.96%
Other Financing	\$0	\$0.00	0.00%	\$0	\$0.00	0.00%
<b>Total Functional &amp; General Revenue</b>	<b>\$4,850,725</b>	<b>\$632.35</b>	<b>100.71%</b>	<b>\$4,889,114</b>	<b>\$622.42</b>	<b>100.00%</b>

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### Waterford Budget 2002-03 and 2003-04 *Continued*

<b>Expenditure Category</b>						
General Government	\$392,181	\$51.13	10.93%	\$325,556	\$41.45	9.40%
Public Safety	\$1,082,217	\$141.08	30.16%	\$1,026,101	\$130.63	29.63%
Transportation	\$451,407	\$58.85	12.58%	\$1,003,776	\$127.79	28.98%
Community Development	\$859,739	\$112.08	23.96%	\$273,450	\$34.81	7.90%
Health	\$559,927	\$72.99	15.61%	\$575,822	\$73.31	16.63%
Culture & Leisure	\$242,574	\$31.62	6.76%	\$258,480	\$32.91	7.46%
Public Utilities	\$0	\$0.00	0.00%	\$0	\$0.00	0.00%
Other	\$0	\$0.00	0.00%	\$0	\$0.00	0.00%
<b>Total Expenditures</b>	<b>\$3,588,045</b>	<b>\$467.74</b>	<b>100.00%</b>	<b>\$3,463,185</b>	<b>\$440.89</b>	<b>100.00%</b>

**Source:** California State Controller's Office; Cities Annual Report Fiscal Years 2002-03 and 2003-04.

11. If applicable, has the agency submitted its annual (audit) report to the appropriate review body? (e.g. districts - county auditor, city's - state auditors office)

The City is in compliance with State Law in regards to its required annual audit and has submitted its audit report to the required entities.

**Information Sources:** Budgets for last 3 years, City/District Manager, State Cities, Special District Annual Reports, Department of Finance, Retail Sales, Transient Occupancy Tax (TOT), City/District Fiscal Policies, Development Impact Fees Information, Debt Information, and Joint Financing efforts.

#### D. COST AVOIDANCE OPPORTUNITIES

**Purpose:** To identify practices or opportunities that may help eliminate unnecessary costs.

1. What cost avoidance measures does the jurisdiction currently use to minimize costs to citizens? (budget process, bidding policies, etc.)  
The City of Waterford employs prudent management policies to maximize efficiency and effectiveness. This includes, but is not limited to, budgeting, bidding policies and appropriate financial controls.
2. Are their joint agency practices, such as shared insurance, that the agency uses to reduce costs?  
The City belongs to insurance pools for liability, property damage and workers compensation. We bid our employees health and other coverage on a periodic basis.
3. Does the level of service provided by the agency meet or exceed customer needs and preferences?

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At the present time the City of Waterford meets most of its customers needs in regards to traditional municipal services. The City Council meetings have adequate opportunities for the public to voice concern regarding services. The City Council works diligently with staff to meet the community's expectations within the limits of the law and the resources available to a small city.

4. Are there services provided to the SOI areas that are duplicative between the Agency and other public service agencies?  
There are no duplicative services between the services provided by the City of Waterford within its existing City Limits and those areas outside the City in the proposed SOI. Note that police protection, within the City of Waterford is provided under contract to the Stanislaus County Sheriff's Office and that service will be extended to the SOI areas upon proposed SOI expansion and thereby reduce some of the costs of law enforcement coverage for the County Sheriff's Department.
5. Are Growth Management strategies utilized by the agency for directing growth, in-fill, conservation, and proposed SOI expansions?  
The City of Waterford's General Plan contains policies for supporting development within the existing City limits while conserving land and resources. These policies discourage urban sprawl and the premature conversion of agricultural land to urban uses. Additionally, the City's new Capital Facilities Plan makes a distinction between the existing City limits and areas within the proposed SOI with respect to costs for needed capital improvements. Because of existing infrastructure within the incorporated urban limits of the City, fees are less for urban in-fill projects.
6. Does the agency rely on other agencies for administrative functions, grant management, etc.  
The City often engages consultants to help with various City functions and contract with many agencies for technical and service support. The City also contracts for law enforcement services with the Stanislaus County Sheriff's Department.
7. Does the agency participate in the competitive bid process?  
Participation in a competitive bid process is required by City of Waterford's ordinance code. Furthermore, many of the City's Federal and State funding sources also require competitive bidding requirement that must be complied with and these projects are typically audited to assure compliance.

<b>Information Sources:</b> Budget Process, Special Purchasing Contracts, Bidding Policies, Service Studies, Interviews.
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### E. OPPORTUNITIES FOR RATE RESTRUCTURING

**Purpose:** To identify opportunities to positively impact rates without decreasing service levels.

1. How does the agency analyze and establish rates and fees?  
The City of Waterford attempts to periodically review its rates so that it recovers its cost consistent with state law. In some of the City's rates, there is built in cost of service escalators so that rates stay reasonably current costs and indexed to reflect the Consumer Price Index (CPI).
2. How will the SOI action impact the rates and fees within the agency?  
Generally there should not be much change in existing rates and fees, with the possible exception of the water system. If significant growth occurs, the City of Waterford expect to have better economies of scale which could result in a reduction of user fees. The formation of special assessment districts in the new growth areas is contemplated for streets maintenance and law enforcement purposes if justified. These would be potential new fees.
3. How will the SOI territories pay their share of the agency's costs for services?  
The Sphere territories will pay the newly adopted development impact fees, service fees and taxes that are applicable for the services they receive. In addition the City of Waterford anticipates forming special assessment districts in the new areas to meet the on-going costs of street maintenance and law enforcement if justified on the basis of fiscal studies conducted for such new development.
4. Are comparable rates (year-to-date) tracked by the agency with respect to use of consumer price index or other such comparison mechanism?  
The City of Waterford has adopted a fee ordinance that establishes standards for the use appropriate fee escalators.
5. Does the agency utilize rate comparisons (for similar services & conditions)?  
The City of Waterford utilizes utility rate comparisons, where applicable, to assure that the City is providing cost effective service. Costs, however, are the ultimate criteria for establishment of utility rates. Comparable rates must be analyzed context of the utility system (i.e. special treatment requirements, etc.). Recent studies indicate that the City's newly established rates are comparable to other similar cities in the region.

<b>Information Sources:</b> Rates and Fee Studies, EIR's, Interviews, Cost of Services Studies, and Rate and Fee Policies.
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## City of Waterford Municipal Service Review-2007

### F. OPPORTUNITIES FOR SHARED FACILITIES

**Purpose:** To evaluate the opportunities for an agency to share facilities and resources to develop more efficient service delivery systems.

1. Does the agency share facilities with other agencies?  
The City of Waterford shares irrigation lateral easements with the Modesto Irrigation District that are used as a system of public strip-parks. Additionally, the City owns and maintains a system of parks that contain baseball and soccer fields that can be used by both school and community based youth sports programs. The proposed New Government Center anticipates a sharing arrangement with Stanislaus County for the Sheriff's Department and Library. Our current police facility provides office resources for Sheriff Department staff serving the east-side of Stanislaus County which also includes the Turlock Lake and Modesto Reservoir recreation areas.
2. Are there presently any shared relationships for services between agencies in the SOI areas? Are there opportunities for the future?  
The City of Waterford has standards and goals within its General Plan for the cooperative operation and maintenance of youth sports facilities between the City of Waterford and the Waterford Unified School District. In the past the City has participated in the County Overlay (COPS) program and hope to continue that relationship. Currently the City has a mutual aid agreement for law enforcement with Stanislaus County.
3. Is there any, or will there be duplication of facilities in the SOI area?  
There are no duplication of facilities in the existing or proposed SOI of the City of Waterford. It should be noted that the City of Modesto, however, provides water service to areas within the older incorporated portions of the City of Waterford that were previously served by the "Del Este Water Company" and the City provides water service to areas outside of this Modesto ( Del Este) water service area.
4. Is there excess capacity available to outside customers?  
The City of Waterford does not provide sewer, water or storm drain service to areas outside of the City limits. The City does, however, have capacity in sewer treatment, water and storm drain facilities to serve some limited growth in the proposed expansion of the City's Sphere of Influence. The City has adopted Capital Facilities Master Plans for Sewer, Wastewater Treatment, Water and Storm Drainage, and new corresponding Capital Fee Plan for the expansion of these facilities to accommodate approved growth and development inside the City's proposed SOI.

<p><b>Information Sources:</b> Capital Improvement Plans, Shared Facility Construction Plans, Open Space Preservation Plans, Shared Wastewater Facilities, Water Storage and Distribution Facilities, Police and Fire Facilities, etc.</p>
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## City of Waterford Municipal Service Review-2007

### G. GOVERNMENT STRUCTURE OPTIONS

**Purpose:** To consider the advantages and disadvantages of various government structures to provide public services.

1. What government structure actions could be taken to enhance the effectiveness of the agency's ability to provide services?  
The City of Waterford will most likely need to increase staff to accommodate new growth outside its present Sphere of Influence. The City has an on-going recruitment process to fill new and vacant positions to adequately meet its staff commitments. With increased growth, it is expected that the City will improve its service effectiveness and expand the level of municipal service that the City can provide.
  
2. How will services to the SOI areas be enhanced by the agency?  
The services provided by a municipality are typically more intensive than the services rendered by the county in those specific areas. Additionally, there is a greater level of governmental accountability in a city as opposed to a County Government or even a regional service district.  
  
The City of Waterford will provide municipal services to areas they annex within the proposed SOI. The City has extensively studied manpower, service infrastructure and facility needs of the proposed SOI and adopted fees, programs and policies to implement the plans to meet these needs..
  
3. Will services to the SOI areas proposed for exclusion from the SOI be enhanced, decreased, or remain the same?  
The City of Waterford is not aware of any services that are proposed to be excluded from the areas proposed to be included in the expanded City of Waterford SOI that are otherwise available to the other residents by the City of Waterford. Areas not proposed to be included within the City's SOI will not be affected by the SOI proposal or its implementation.
  
4. Has the agency experienced previous consolidations/reorganizations within the past 5-10 years? If so, were there any hurdles experienced?  
The City of Waterford proposed an SOI expansion to include the new Waterford High School site. There were no hurdles experienced in this SOI expansion.

<b>Information Service:</b> Interviews, Public Works Departments, Redevelopment Agencies, Consolidation of Districts, Creation of New Districts, Mello-Roos Districts, and Utilities Districts, and Independent Studies.
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## City of Waterford Municipal Service Review-2007

### H. EVALUATION OF MANAGEMENT EFFICIENCIES

**Purpose:** To evaluate the quality of public services in comparison to cost.

1. Does the agency have the administrative capabilities to serve the SOI area (e.g. adequate staffing levels)?  
The City of Waterford has adequate administrative capabilities to serve its present SOI, which currently matches the boundary of the City Limits. City administrative services will need to expand to serve the proposed SOI expansion area. The needed expansion of staff and facilities is documented in the City's Capital Plan Report.
3. Does the agency have a customer-oriented service philosophy, including written goals and mission statements, master service (long-term) plans, outreach programs for its customers, an active Quality-Control program  
As stated in the General Plan, the City strives to create a "livable" and "sustainable" community. The City Council holds periodic goal setting sessions and have adopted long term capital improvements plans for water, waste water, storm drainage and public facilities. As a part of the City's periodic goal setting efforts the City has established future public works projects, especially in the areas of streets and roadway improvements. While informal, the City employs a teamwork concept with customer service and employee empowerment as its major components. City management embraces the concepts of "Total Quality Management" and "Continuous Quality Improvement" in everyday practices.
3. Does the agency maintain sound accounting principles and best practice fiscal management programs?  
The City of Waterford complies with a complex set of State laws regarding accounting principals. The City uses Best Management Practice and Principals with respect to fiscal management including the use of "top of the line" fiscal management computer software.
4. How does the agency measure success?  
The City of Waterford's elected officials are in regular communication with the City's residents, both in an informal and formal level. The City considers the high level of public support for its public involvement efforts, long-term planning "vision" process, and its strong fiscal policies as measures of success.
5. Has the agency been involved in investigations, violations, litigation or governmental enforcement actions? (APCD and Regional Water Quality Control Board)?  
The City of Waterford has not been involved in investigations, violations, litigation or government enforcement actions within the past seven years. Prior to that, the City had some difficulties similar to the difficulties

## City of Waterford Municipal Service Review-2007

experienced by any newly formed small city. None of the difficulties, however, are relevant to the City of Waterford's present circumstances.

6. Are annual budget and audit reports available to the public?  
The City of Waterford's annual budget and audit report are available in City Hall, on-line ([www.cityofwaterford.org](http://www.cityofwaterford.org)) and at the Waterford Public Library for public inspection.
7. Does the agency have written rules and regulations for employees?  
The City of Waterford has, and maintains, a City employment policy hand book that is available to employees. The City has an Employees Merit System and Memorandum of Understanding which include normal policies and procedures one would expect in a modern organization.
9. Is the public involved in the preparation and/or review of the agency's budget?  
The City of Waterford's budget is discussed, adopted and reviewed in open public meetings before the City Council. The public is provided an opportunity at these meetings to discuss and ask questions about the budget process, the actual proposed/adopted budget, or items contained within the budget. In addition the City maintains a website that has an "Ask the City" function which is also supported by our community newspaper. This is in addition to the State-mandated disclosures regarding revenue limits, COPS funding and Federal Programs.

<b>Information Sources:</b> Last 3 years of Budgets, Customer Surveys, Mission-Goals-Strategic Plan, Organizational Charts, Lawsuits Filed, Fiscal Management Policies, and Indicator Reports
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### I. LOCAL ACCOUNTABILITY/GOVERNANCE

**Purpose:** To evaluate the accessibility and levels of public participation associated with the agency's decision-making and management processes.

1. How does the agency strive to involve the public in decision-making?  
The City of Waterford maintains a website ([www.cityofwaterford.org](http://www.cityofwaterford.org)) where City meetings are publicized. Some study session and workshops are held on weekends to facilitate public participation in the City of Waterford. All Council and Planning Commission meetings are held in the early evenings so as to facilitate public access and involvement.
2. How does the agency facilitate public access to their services? (e.g., hours of operation, media coverage, newsletters, website, cable/public access, public information programs/events).  
The City of Waterford maintains a website ([www.cityofwaterford.org](http://www.cityofwaterford.org)) where access and availability of City Services are posted. The City Council and Planning Commission Agendas provide time and an opportunity for members of the community, and others, to comment on

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various topics and/or ask questions of their elected and appointed officials. All public offices operate during normal 8:00 to 5:00 work week hours except for public holidays.

3. Are the elected and/or appointed representatives made accessible to their constituents?  
The City of Waterford, through its website, provides direct e-mail communications with its public officials, both elected and appointed, as well as other means of contact.
4. How does the agency respond to customer complaints?  
The City of Waterford maintains a complaint form system that can be accessed via a paper form or through the telephone, where in people may identify issues of concern or complain about some aspect of City service. With respect to questions and concerns over code violations, the City has a Community Service Officer and a Code Enforcement Committee comprised of various City department heads, the City Manager and the Community Service Officer.
5. With regards to agency operations, what is the number of paid staff vs. volunteers?  
As of March 19, 2007, the City of Waterford had 14 paid staff. Additionally, there are numerous volunteers who serve in the capacity of elected and appointed officials or serve on advisory committees to the City Council. Depending on community events, the City often has more volunteers than paid staff. This varies based on what is happening in the community.
6. Are the agency's files records available for public review?  
The City of Waterford maintains all public records at the City Hall and these records are generally accessible to the public. Certain documents, such as Municipal Codes, applications, or special documents (General Plan, Environmental Documents, Agendas and Minutes) are maintained on the City's website and are available at the City Library.
7. How is the public and/or interested parties notified of meetings?  
The City of Waterford posts all meeting agendas at the City Hall and at the City Council Chambers.
8. Are the meetings open to the public?  
As required by good management practices in any public agency and State law, all City Council and Planning Commission, Parks and Recreation Commission meetings are noticed, publicized and open to the public. All meetings have minutes and Council meetings are televised.
9. Does the agency prepare mid-year progress reports (major projects, change in operational costs)? Are they made available to the public?

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Within the City of Waterford significant events and changes are brought to the attention of City Council at their regular meetings. Depending on workload, mid-year reports may be done. Updates are given to the City Council at their meetings on significant projects and events.

10. Who runs the agency's day-to-day operations (e.g. on-site manager)?  
The Waterford City Administrator is responsible for the City of Waterford's day-to-day operations and is generally available on site during normal business hours.
11. Does the agency employ contractual (consultants) services?  
The City of Waterford employs several consultants to provide municipal support services. They include building inspection services, legal council, planning services and City Engineering services. Additionally, the City contracts with the Stanislaus County Sheriff's Office for the provision of police services. As the City grows and the workload increases, it will most likely be more cost-effective for the City to move some of the part-time contract positions into full-time City staff positions. This is currently under review with respect to the contract planning position.

<b>Information Sources:</b> Public Involvement Policies, Website, Public Information Programs, Customer Complain Process, and Customer Surveys.
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**Appendix B  
City of Waterford  
Municipal Fee Ordinance**

(Adopted by the Waterford City Council on May 17, 2007)

**ORDINANCE NO. 2007-04**

**AN ORDINANCE OF THE WATERFORD CITY COUNCIL  
AMENDING TITLE 3 BY ADDING CHAPTER 3.60  
TITLED PUBLIC FACILITIES FEES  
OF THE WATERFORD MUNICIPAL CODE**

**WHEREAS**, the City of Waterford is amending Title 3 by adding Chapter 3.60 to the Waterford Municipal Code in order to implement the goals and objectives of the City's general plan, and consistent with the exercise of its police powers, and to mitigate impacts caused by new development within the City, capital facility fees are necessary.

**THE CITY COUNCIL OF THE CITY OF WATERFORD, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, DOES ORDAIN AS FOLLOWS:**

**SECTION 1:** Title 3 of the Waterford Municipal Code, titled "REVENUE AND FINANCE", is amended by adding Chapter 3.60 as follows:

**Title 3**

**REVENUE AND FINANCE 13**

**Chapters:**

- 3.04 Property Assessment**
- 3.08 Purchasing**
- 3.12 Special Gas Tax Street Improvement Fund**
- 3.16 Real Property Transfer Tax**
- 3.20 Sales and Use Tax**
- 3.28 Police Department Special Project Fund**
- 3.32 Facilities and Equipment Fees**
- 3.36 Maintenance Districts**
- 3.40 Police Service Fees**
- 3.44 Uniform Transient Occupancy Tax**
- 3.60 Public Facilities Fees**

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### Chapter 3.60

#### PUBLIC FACILITIES FEES

##### Sections:

- 3.60.010 Purpose/Findings.
- 3.60.020 Definitions.
- 3.60.030 Collection of public facilities fees.
- 3.60.040 Authority for adoption.
- 3.60.050 Conditions for collection.
- 3.60.060 Annual reports.
- 3.60.070 Fee payment
- 3.60.080 Public facilities fee account
- 3.60.090 Public hearing – Fee resolution.
- 3.60.100 Fee adjustments and waiver.
- 3.60.110 Natural disaster fee exemption.
- 3.60.120 Construction.
- 3.60.130 Capital improvement plan.
- 3.60.140 Severability.
- 3.60.150 Violations and enforcement.

3.60.010 Purpose/Findings. In order to implement the goals and objectives of the City general plan, and consistent with the exercise of its police power, and to mitigate impacts caused by new development within the City, capital facility fees are necessary. The fees are needed to finance public facilities and to assure that new development pays its fair share for these necessary improvements.

A. The City's general police power, Article 11, section 7, of the California Constitution, and the "Mitigation Fee Act" set forth in Government Code section 66000 *et seq.*, provide that public facilities fees may be enacted and imposed on development projects. The City Council finds and determines that:

1. New development projects cause the need for construction, expansion or improvements of public facilities within the City of Waterford;
2. Funds for construction, expansion or improvement of public facilities are not currently available, nor are likely to be available, to accommodate needs caused by development projects and this has, and will, result in inadequate facilities within the City of Waterford.

B. The City Council finds that the public health, safety, peace, morals, convenience, comfort, prosperity and general welfare will be promoted by the adoption of public facilities fees for construction, expansion or improvement of public facilities.

C. The City Council finds that the failure to enact public facilities fees will

## City of Waterford Municipal Service Review-2007

subject City residents to conditions perilous to their health and/or safety and their general welfare.

D. The City retained the consulting firms of MCR Engineers, RMC Water and Environment and Charles Long Associates to study the fiscal impacts of growth in the City of Waterford and to study the capital facilities needed to serve the projected growth (“the studies”).

E. The studies determined facilities needs of the City that include needs generated and needed by, residents of the existing city limits and the prospective new Proposed SOI expansion area of the City.

F. The City Council finds that this chapter properly limits the use of all fees collected to public facilities and improvements attributable to new development, and further limits use of fees to specific categories of facilities and improvements until and unless subsequent evidence justifies reallocation.

G. The City Council finds that pursuant to the express policies set forth in the Waterford City General Plan, new development is to pay its fair share for new public facilities generated as a result of the new development, otherwise the cost of these facilities or the failure to provide such facilities will be disproportionate, and unfairly borne, by other City taxpayers, or will unfairly reduce the level of service provided to present City residents.

H. Even though development projects for the purpose of affordable housing and projects that are for secondary dwelling units on existing single-family lots may also contribute to the need for certain public facilities, the City Council will not impose fees for these development projects and finds that affordable housing units and secondary dwelling units provide a cost-effective means of providing housing necessary for low and moderate income households without public subsidy.

I. The City Council finds that the provisions of this chapter are consistent with the requirements set forth in Government Code section 66007(b), and the California Constitution, Article 11, section 7. (Ord. 07-04, §1, 2007.)

3.60.020 Definitions. For the purposes of this chapter, the following definitions shall apply:

A. “City Council” means the City Council of the City of Waterford.

B. “City” means the City of Waterford, a general law City organized and existing under the Constitution and laws of the state of California, and a political subdivision of the state of California.

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- C. “Development project” means any project undertaken for the purpose of development. “Development project” includes a project involving the issuance of a permit for construction or reconstruction, but not a permit to operate.
- D. “Fee” means a monetary exaction, other than a tax or special assessment which is charged to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project.
- E. “Capital facility or public facility” includes public improvements, buildings, systems, fixtures, and associated capital needs required to provide public services and community amenities. (Ord. 07-04, §1, 2007.)

3.60.030 Collection of capital facilities fees. The capital facility fees enacted pursuant to this chapter are to be collected prior to the issuance of building permits or at the earliest time possible permitted by law as determined by the Planning Director or the City building official. (Ord. 07-04, §1, 2007.)

3.60.040 Authority for adoption. The ordinance codified in this chapter is adopted under the authority of the laws of the state of California, including the provisions of the Mitigation Fee Act set forth in Government Code sections 66000 *et seq.*, and as that Act may be amended from time to time, and pursuant to the California Constitution, Article 11, section 7. (Ord. 07-04, §1, 2007.)

3.60.050 Conditions for collection. In establishing and imposing a fee as a condition of approval of a development project, the following shall be done:

- A. Identify the purpose of the fee.
- B. Identify the use to which the fee is to be put. When the use is for financing public facilities, the facilities shall be identified by reference in a capital improvement plan, pursuant to general plan or specific plan requirements, or in other public documents, such as a resolution by the City Council that identifies the public facilities for which the fee is charged.
- C. Determine how there is a reasonable relationship between the fee’s use and the type of development project on which the fee is imposed.
- D. Determine that there is a reasonable relationship between the need for the capital facility and the impacts caused by the type of development project on which the fee is imposed.
- E. The City shall, prior to establishing a capital facility fee as a condition of approval of development projects, determine that there is a reasonable relationship between the amount of the fee and the cost of the public facility or facilities attributable to the development on which the fee is imposed.

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F. Upon receipt of a fee subject to this chapter, the City shall deposit, invest, account for, and expend the fees pursuant to Government Code section 66006. (Ord. 07-04, §1, 2007.)

### 3.60.060 Annual reports.

A. The City administrative officer, or his/her designee, shall report to the City Council once each fiscal year a summary of the fees collected, the status of any fee account, and the uses made of the fees deposited in the fee account. This report shall be in conjunction with the reporting requirements set forth in Government Code section 66006.

B. Commencing with the fifth fiscal year following the first deposit into the account fund, and every five (5) years thereafter, the City Council shall make the following findings with respect to any fees in the fee account that remain unexpended, whether committed or uncommitted.

C. Identify the purpose to which the fee is to be put.

D. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

E. Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements previously identified.

F. Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

G. A refund of unexpended or uncommitted fees for which a need cannot be demonstrated, along with any accrued interest, may be made to the current owner(s) of a development project on a prorated basis. The City Council may refund unexpended and uncommitted fees that have been found to be no longer needed, by direct payment or by off-setting other obligations owed to the City by the current owner of the development project(s).

H. If the administrative costs of refunding unexpended and uncommitted revenues collected pursuant to this chapter exceed the amount to be refunded, the City, following a public hearing for which notice has been published pursuant to Government Code section 6061 and posted in three prominent places within the area of the development project, may determine that the revenues shall be allocated for some other purpose for which fees are collected subject to this chapter and which serves the project on which the fee was originally imposed. (Ord. 07-04, §1, 2007.)

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### 3.60.070 Fee payment.

- A. Prior to the issuance of any building permit, or permit for development subject to this chapter, the project applicant shall pay to the City the fees adopted by resolution pursuant to this chapter.
- B. The amount of the fee shall be determined by the fee schedule in effect as of the date of the filing of the completed application.
- C. When an application is made for a new permit following the expiration of a previously issued permit for which fees were paid, the fee payment shall not be required.
- D. In the event that the project changes in some manner, any additional fees that become due as a result of the project change shall be required at the time of the application for the amended project.
- E. When a fee is paid and the project is reduced, a refund may be applied for.
- F. When a fee is paid for a project that is subsequently abandoned, the applicant may request a refund of the fee paid, minus the administrative portion of the fee.
- G. No fee shall be assessed pursuant to this article for the reconstruction of any project, except to the extent that the reconstruction application is for square footage greater than the original development, and in that case the fee shall be based on the additional square footage. (Ord. 07-04, §1, 2007.)

3.60.080 Capital facilities fee account. Fees paid under this article shall be held in a separate capital facility account to be expended for the purpose for which the fees were collected by the City. The City shall retain any interest accrued and allocate it to the account for which the original fees were imposed. The City shall deposit, invest, account for and expend the fees in accordance with Government Code section 66006, and as that section may be amended from time to time. (Ord. 07-04, §1, 2007.)

### 3.60.090 Public hearing – Fee resolution.

- A. The adoption of public facilities fees is a legislative act and the specific fee amount authorized pursuant to this article shall be adopted by resolution after a noticed public hearing before the City Council. The fees adopted shall be based upon and reflect the need for public facilities as identified in the comprehensive facilities master plan for the City of Waterford, and the City facilities needed to serve growth set forth in the studies. (Charles A. Long Associates, 2007.)
- B. All fees shall be automatically adjusted annually for inflation by the City administrative officer. The adjustment shall occur on March 1 of each year in accordance

## City of Waterford Municipal Service Review-2007

with an annual increase in the Engineering News Record Index for the twelve (12) month period ending in the preceding December. (Ord. 07-04, §1, 2007.)

### 3.60.100 Fee adjustments and waiver.

A. The project proponent and/or applicant for any project subject to the fee described in this chapter may apply to the City administrative officer or his/her designee for relief from imposition of the fee, reduction of the fee, or waiver of the fee, based on the alleged absence of any reasonable relationship or nexus between the impacts of the development and either the amount of the fee charged or the type of facilities to be financed, or other alleged legal basis for exemption. Such application shall be made in writing and filed with the City administrative officer or his/her designee not later than ten (10) days prior to the public hearing on the development permit application for the project, or if there is no permit requiring a public hearing, the time of filing shall be at the time the application for a building or other permit is submitted to the City. The City administrative officer or his/her designee shall respond in writing within fifteen (15) working days from the submission of the request. Failure to take action within that time shall mean that the request has been denied. If the project proponent desires to appeal this administrative determination, the project proponent must apply in writing within ten (10) working days of the date of the denial to the City Council together with the set appeal fees. The City Council shall consider the application for appeal within forty-five (45) days after the filing of the appeal and fee. The City administrative officer or his/her designee shall prepare a staff report and recommendation for consideration of the appeal to the City council. The decision of the City Council shall be final. If a reduction, adjustment, or waiver is granted by the City Council, any subsequent material change in use regarding the project shall subject such waiver, adjustment or reduction of the fee to reevaluation by the City.

B. Reimbursement agreements, or credit against fees required pursuant to this chapter, shall be considered for any project which, as a condition of approval, requires the project to develop or fund any capital facilities included in the capital improvement plan. Such credit shall be subject to the approval of the community development director and/or the City administrative officer in accordance with guidelines established by the City Council. The City administrative officer shall determine the basis for calculating the amount of credit for any public improvements developed a condition of the project's approval. For all improvements, such credit shall be limited to the amount of the fee that would be assessed to the development project and may not be extended to any other project. (Ord. 07-04, §1, 2007.)

3.60.110 Natural disaster fee exemption. No fee shall be required for the reconstruction of any residential, commercial or industrial development project that has been damaged or destroyed as a result of a natural disaster as declared by the Governor of the state of California. (Ord. 07-04, §1, 2007.)

3.60.120 Construction. This chapter and any subsequent amendment to the public facilities fee program shall be read together. With respect to any public facilities fee

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enacted by resolution pursuant to this chapter, any provision of such a public facilities fee which is in conflict with this article shall be void. (Ord. 07-04, §1, 2007.)

### 3.60.130 Capital improvement plan.

A. The City will adopt a capital improvement plan which indicates the approximate location, size, time of availability and estimates of costs for public facilities or improvements to be financed with public facilities fees.

B. The City administrative officer shall annually submit the capital improvement plan to the City Council for adoption at a noticed public hearing.

C. The public facilities fee schedule adopted by the City Council shall be annually reviewed by the City Council for consistency with the capital improvement plan. (Ord. 07-04, §1, 2007.)

3.60.140 Severability clause. The provisions of this chapter are intended to be severable, and in the event any provision or requirement provided for under this chapter is determined to be invalid or unenforceable, the remainder of the chapter shall remain in effect. (Ord. 07-04, §1, 2007.)

3.60.150 Violations and enforcement. Violations shall subject the violator to placement of a lien on the subject real property in the amount of the fees, accrued interest, and collection costs, including attorney's fees. Violators shall be provided a written notice and given thirty (30) days to cure the violations. Any person charged with violation of this chapter may have a hearing before the City Council. The procedure for such an appeal is the same as that set forth in Section 3.60.100 above. The decision of the City Council shall be final. (Ord. 07-04, §1, 2007.)

**SECTION 2, Validity:** If any section, subsection, sentence, clause, word, or phrase of this ordinance is held to be unconstitutional or otherwise invalid for any reason, such decision shall not affect the validity of the remainder of this ordinance. The City Council hereby declares that it would have passed this ordinance, and each section, subsection, sentence, clause, word, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, words, or phrases be declared invalid or unconstitutional.

**SECTION 3, Enactment:** This ordinance shall become effective and be in full force on and after thirty (30) days of its passage and adoption, and prior to the expiration of fifteen (15) days from the passage and adoption thereof, shall be published in the City of Waterford, County of Stanislaus, State of California, together with the names of the members of the City Council voting for and against the same.

The foregoing ordinance was passed and adopted by the City Council of the City of Waterford, County of Stanislaus, State of California, at a regular meeting thereof held on the 17th day of May, 2007.

**AYES:**

**NOES:**

**ABSENT:**

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**ABSTAIN:**

CITY OF WATERFORD

\_\_\_\_\_  
WILLIAM BRODERICK, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
LORI MARTIN, CMC, City Clerk  
City Attorney

\_\_\_\_\_  
CORBETT J. BROWNING

**City of Waterford Municipal Service Review-2007**

**Appendix C  
Waterford Water Service Consent Resolution  
To the City of Modesto**

**WATERFORD CITY COUNCIL  
RESOLUTION 95-38**

**A RESOLUTION CONSENTING TO CITY OF MODESTO  
PROVIDING WATER SERVICE**

**WHEREAS**, the Del Este Water Company furnishes water service to portion of the residents of the City of Waterford; and,

**WHEREAS**, the City of Waterford furnishes municipal water service to its residents; and,

**WHEREAS**, the City of Modesto has initiated an eminent domain action against the Del Este Water Company to acquire the Company's water service system within the City of Modesto; and,

**WHEREAS**, the City of Modesto and the Del Este Water Company have recently entered into an agreement to settle the eminent domain litigation; and,

**WHEREAS**, pursuant to said settlement agreement to City of Modesto will acquire Del Este Water Company's entire system including that portion of the system within the City of Waterford; and,

**WHEREAS**, Section 9(a) of Article 11 of the California State Constitution provides that a municipal corporation may establish, purchase, and operate public works to furnish its inhabitants with light, water, power, heat, transportation or means of communication. It may furnish those services outside its boundaries, except within another municipal corporation which furnishes the same service and does not consent; and,

**WHEREAS**, the City of Modesto has requested, that upon its successful acquisition of the assets of the Del Este Water Company, that the City of Waterford consent to allow that portion of its residents currently receiving water service from the Del Este Water Company to continue to be served by the City of Modesto, in full satisfaction of Section 9(a) of Article 11 of the California State Constitution.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Waterford that upon the City of Modesto having successfully acquired the assets of the Del Este Water Company, that the City of Waterford hereby consents to allow that portion of its residents currently receiving water service by the City of Modesto, said consent being in full satisfaction of Section 9(a) of Article 11 of the California State Constitution.

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The foregoing resolution was introduced at a regular meeting of the Council of the City of Waterford held on the 5th day of June, 1995, by Councilmember Davis who moved its adoption, which motion being duly seconded by Councilmember Speakman, was upon roll call carried and the resolution adopted by the following vote:

AYES: MAYOR RORABAUGH, VICE MAYOR DAVIS, COUNCILMEMBERS SPEAKMAN & YOUNG

NOES: NONE

ABSENT: COUNCILMEMBER WINTER

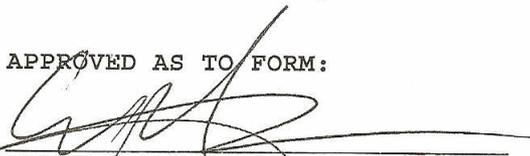
ABSTAIN: NONE

ATTEST:

  
Sue Michaelson, City Clerk

  
William L. Rorabaugh, Mayor

APPROVED AS TO FORM:

  
William E. Ghass, City Attorney