

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street, Suite #100
Sacramento, California 95814
(916) 874-6458

December 3, 2003

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: **PROPOSED SPHERE OF INFLUENCE AMENDMENT**
SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT
[Inclusion of City of West Sacramento]
(04-01) [CEQA: Negative Declaration]

Recommendation

- (1) Find the Initial Study/ Negative Declaration (01-LFE-0818) adequate and complete for the proposed project, which includes Amending the Sphere of Influence of Sacramento Regional County Sanitation District (SRCSD) to include the City of West Sacramento, adopting a Waste Water Treatment Services Agreement between SRCSD and the City of West Sacramento, and annexing the City of West Sacramento to the SRCSD service area.
- (2) Amend the Sphere of Influence for Sacramento Regional County Sanitation District to include the City of West Sacramento.
- (3) Direct staff to set the annexation proposal for public hearing before the Commission after the City of West Sacramento and the Sacramento Regional County Sanitation District approve the Waste Water Services Agreement which includes terms and conditions to be imposed by the Commission.

Project Applicant

Board of Directors, Sacramento Regional County Sanitation District, 10545 Armstrong Avenue, Suite 101, Mather, CA 95655.

On January 10, 2001, the City Council of the City of West Sacramento adopted Resolution that concluded that it would be in the City's best interest to obtain

wastewater conveyance and treatment services from Sacramento Regional County Sanitation District.

On November 14, 2001, the Sacramento Regional County Sanitation District adopted a Resolution Making Application to LAFCo requesting the annexation of the City of West Sacramento into the District boundaries.

Project Description

The City of West Sacramento currently provides sanitary sewer service to the residents of the City. The service provides for both the collection and treatment of the wastewater generated within the City. The application pending before LAFCo, if approved, would amend the Sphere of Influence of SRCSD (District) to include the City of West Sacramento. Annexation will be processed as a separate project after adoption of a Waste Water Services Agreement between the District and the City of West Sacramento.

After annexation, the City will continue to operate and maintain the local collector system. After connecting to the District, the City of West Sacramento will decommission its existing treatment plant. The District will only provide interceptor and treatment services to the City of West Sacramento. This agreement is very similar to the District's agreements with the Cities of Folsom and Sacramento.

The District has approved the Lower Northwest Interceptor pipeline project and it will be constructed over the next several years. The City of West Sacramento will connect, or tie into, this line after it is constructed. The Lower Northwest Interceptor will pass through the City of West Sacramento and portions of Yolo County. This route is preferred by the District. Consequently, it benefits both the District and the City.

The interceptor is designed and sized to accommodate the existing flow and future flow based on build out of the current City of West Sacramento General Plan. In addition, the size and design of this pipeline is based on many other variables and flows from other urbanizing areas. But the pipeline capacity for the City of West Sacramento is limited to build out of its current General Plan, per the Principles of Agreement executed between the City and the District. If the City of West Sacramento annexes territory, it will also need to annex that area into Sacramento Regional County Sanitation District, subject to treatment and pipeline capacity constraints as well as other issues to be reviewed by LAFCo.

LAFCo Project Sequence and Proposed Time Line For Sphere of Influence and Annexation Process

1. On October 31, 2003, LAFCo recirculated, for 30 days, an Initial Study/ Negative Declaration addressing the proposed project. The Initial Study/ Negative Declaration was previously circulated in Spring, 2002. It was recirculated to reflect SRCSD's recent adoption of the Interceptor Master Plan and the Lower Northwest Interceptor Project. Additionally, the project description was revised to include adoption of a Wastewater Treatment Services Agreement between SRCSD and the City of West Sacramento, and the timing for annexation of the City of West Sacramento to the SRCSD service area.
2. On December 3, 2003, LAFCo conducts a public hearing on the Initial Study/ Negative Declaration and Sphere of Influence Amendment.
3. **If your Commission approves the Initial Study/ Negative Declaration, and amends the Sphere of Influence, SRCSD and the City of West Sacramento will use the LAFCo Certified Negative Declaration as responsible parties to approve a Waste Water Services Agreement setting forth terms and conditions of the service agreement.**
4. LAFCo incorporates terms and conditions of the Waste Water Services Agreement into the LAFCo Resolution Making Determinations Approving the Annexation of the City of West Sacramento to Sacramento Regional County Sanitation District.
5. LAFCo prepares staff report, resolutions, and sets the public hearing on the annexation proposal.
6. Commission takes action based on written and oral testimony.
7. If approved by the Commission, LAFCo holds Conducting Authority hearing.

SRCSD Related Projects

The proposed Sphere of Influence and annexation of the City of West Sacramento to SRCSD affects a number of SRCSD projects.

- SRCSD Interceptor Master Plan
FEIR Certified on March 26, 2003.
Master Plan approved on April 9, 2003.

- Lower Northwest Interceptor (LNWI)
FEIR for LNWI was certified on June 11, 2003.
LNWI project approved July 23, 2003.
- SRCSD Treatment Plant Master Plan
DEIR issued on August 11, 2003.
Adoption anticipated mid-2004.

Project Location

Sacramento Regional County Sanitation District currently provides interceptor service (large transmission pipelines) and sanitation treatment facilities to the cities of Sacramento, Folsom, Citrus Heights, Rancho Cordova, Elk Grove and the urban areas of the unincorporated portion of Sacramento County. The District's Master Plan anticipates serving the City of West Sacramento.

City of West Sacramento

The City of West Sacramento is located in Yolo County between the Sacramento River on the east and by the east levee of the Yolo Bypass on the west. It lies immediately across the Sacramento River from the City of Sacramento.

The City of West Sacramento follows a 12-mile stretch along the west bank of the Sacramento River. The bulk of the City is downriver from the confluence of the Sacramento and American Rivers. The northwest portion of the City is predominately industrial and substantially developed. The northeast portion of the City is predominately residential and is also substantially developed. The southern portion of the City is mostly undeveloped but has seen rapid growth since 2000. The current population of the City of West Sacramento is 36,000; the City is also the locale of approximately 36,000 jobs.

Growth will occur primarily in the southern portion of the City. Population is expected to double (77,000) in the next twenty-five years; jobs, likewise, are expected to double in the next twenty-five years.

The City of West Sacramento was incorporated in 1987. The incorporation included the communities of Broderick, Bryte, Southport, and West Sacramento. The city encompasses 22.2 square miles. The existing City General Plan was adopted in May 1990 and updated in 2000.

West Sacramento General Plan and Land Use

The City of West Sacramento contains approximately 14,584 acres. The major land uses are summarized as follows:

<u>Land Use</u>	<u>Acres</u>	<u>Percent of Total</u>
Residential	1,802	14.6%
Commercial	484	3.9%
Institutional	1,407	11.4%
Industrial	861	7.0%
Agricultural	2,935	23.9%
Open Space/Public	784	6.4%
Vacant	<u>4,039</u>	<u>32.8%</u>
Total	12,312	100.0%

The City of West Sacramento is a full service city, i.e. at the current time it does not contract for the municipal services it provides. The City provides parks, fire, police, water, sewer, planning, solid waste, transportation, and public works.

Summary of Data

Incorporated:	1987
Population 2003:	36,000
Jobs 2003:	36,000
Estimated Population 2025:	77,100 ¹
Estimated Jobs 2025:	75,000
Median Household Income 1995	\$23,287
Average Home Price:	\$112,132
Typical rent for 2-bedroom apt.	\$500 to \$800
Dwelling Units	17,500

The City of West Sacramento previously had a strong industrial character. There is still a strong industrial image, however, a significant transition is occurring towards mixed uses and it is developing into a diverse City with commercial, residential, industrial and river front developments. Except for a County

¹ SACOG states 66,990 in 2020 and 77,100 in 2025; see population section.

boundary, the City of West Sacramento is already part of the urban core of the Sacramento region.

Existing and proposed developments within the City of West Sacramento:

- Raley Field
- Port of Sacramento
- Triangle Business Area
- Possible site for Governor's mansion
- Southport Business Park (office and industrial)
- Bridgeway Island (residential)
- Southport Keys (residential)
- Pheasant Hollow (residential and commercial)
- River Ranch (residential)
- Newport Estates (residential)
- Southport Gateway (residential)
- Linden West (residential)
- Seaway International Trade Center (commercial, industrial and residential)
- The Classics (residential)
- Rivermont (residential)

City of West Sacramento Sphere of Influence

The City of West Sacramento Sphere of Influence is coterminous with its current City limit. At this time, no Sphere of Influence Amendment for the City of West Sacramento is either pending or proposed.

City of West Sacramento Annexation Applications

Since its incorporation, the City of West Sacramento has annexed no territory to its corporate boundary; it does not have an adopted annexation policy. The City of West Sacramento has no annexation applications pending. However, there has been some interest along the southern border of the current City limit, but annexation of this area has not been supported by Yolo County and, to date, no formal application has been made. This area is not part of this proposal. As discussed, future City annexations will also require annexation to SRCSD.

Population

SACOG indicated that the population for the City of West Sacramento as of 2002 was 32,250 with 12,100 equivalent single family dwelling units. The population is projected to grow to 77,100 by 2025. The population is projected to more than double during the next 25 years. The average growth rate is estimated to be 3.6 percent. SACOG also indicates that there are about 2.6 persons per household. This density per household is very typical throughout the Sacramento region.

Registered Voters

City of West Sacramento: 13,774.

The City of West Sacramento Existing Sewer Treatment and Capacity

Currently, the City of West Sacramento provides sanitary sewer collection and treatment services for all residential, commercial, and industrial developments within its City limits. The sanitary sewer collection and treatment facilities were formerly owned and operated by the East Yolo Community Service District, until the City's incorporation on January 1, 1987.

The City's sanitary sewer system consists of a network of pipelines, lift stations, and a wastewater treatment plant that provides secondary treatment prior to discharging effluent to the Sacramento River upstream from Clarksburg.

City of West Sacramento Collection System

The collection system consists of collector lines, main interceptor lines, sewage; lift stations and force main lines. The collector lines are typically vitrified clay pipes ranging in size from 6 to 8 inches. Wastewater is conveyed by gravity flow in the collector lines to the main interceptor lines.

The main interceptor lines generally consist of concrete pipes that are 10 inches and larger in diameter. The interceptors convey the wastewater under gravity flow conditions to the lift stations, which, in turn, pump the wastewater to the treatment plant through 6 to 27 inch diameter force main lines.

There are 10 sewer lift stations currently in operation. The force main lines vary in type of material, including asbestos, cement, steel, and cast iron. The existing collection system and lift stations are considered to be in relatively good condition.

The primary issue related to the collection system relates to infiltration and inflow of water into the system. The estimated infiltration is estimated to be 1 million gallons per day. Old, cracked, and corroded pipes and pipe connections and occasional high water ground water levels cause inflow and infiltration.

City of West Sacramento Treatment Plant

The wastewater treatment plant was constructed in 1951 as a primary treatment facility. Secondary treatment facilities were added in 1967 and the plant was expanded over the years to provide the current treatment capacity of 7.5 mgd. From 1995 to 1998, the plant averaged about 5.72 MGD with 3,134,200 lbs/yr of suspended solids and 2,664,000 lbs/yr biochemical oxygen demand. The plant

site is sufficiently large to accommodate expansion to an ultimate capacity of 16 MGD.

The wastewater treatment plant located on South River Road provides secondary treatment. The treated effluent is transported south via a 30-inch steel pipe where it is discharged into the Sacramento River at a point upstream from Clarksburg. After dewatering, sludge is disposed of by a private contractor as a soil amendment and fertilizer to Merced and Solano Counties. Between 1995 and 1998, 4,225 tons of solids were hauled instead of deposited into a landfill.

Analysis of City of West Sacramento Treatment Facility

The current treatment facility for the City of West Sacramento is expected to reach capacity in 2006; it cannot accommodate projected growth. The City of West Sacramento operates its treatment facility under a Discharge Permit from the Regional Water Quality Control Board. The present permitted capacity for West Sacramento is 7.5 million gallons per day (mgd); the existing discharge averages 5.2 mgd.

The City's system is aging and without expansion, does not have the capacity to accommodate approved growth. The estimated capacity required to accommodate approved growth (existing General Plan an build-out) is 15 mgd.

5.2 mgd	Current Use
7.5 mgd	Permitted Capacity
15.0 mgd	Required Capacity at Build-out

In 1996, the City began public discussions to consider options for upgrading the system and increasing capacity. The City examined eight options to provide additional wastewater treatment capacity to serve planned development and projected growth. The basic options included expansion of the treatment plant, construction of a new or additional treatment facility or connecting to the SRCSD treatment facility.

The current Discharge Permit for the City of West Sacramento treatment facility expires in 2006. It was issued with the understanding that the plant would be taken out of service at that time.

Proposed Project

The proposed annexation of the City of West Sacramento to the Sacramento Regional County Sanitation District will allow the City to decommission its treatment plant. The City of West Sacramento will continue to operate and maintain the collector system. There will be no change in the combined discharge rates. The total outflow of both systems before and after connection will be the same. It will only increase based on growth and build-out of the

existing General Plans of all communities that are connected to the treatment plant. The projected population growth is based on General Plan projections.

The project before LAFCo is similar to a proposal for the reorganization of two similar special districts. Basically, two separate sewer districts will be combined into one district. In this case, the City of West Sacramento will no longer provide wastewater treatment services.

As mentioned earlier, during the 1970's, the Sacramento Regional County Sanitation District was formed through the combination of many individual sewer districts and multiple treatment plants located within Sacramento County. Today, the District provides both interceptor and treatment services to the City of Folsom, the City of Citrus Heights, the City of Elk Grove, the City of Rancho Cordova, the City of Sacramento and the County of Sacramento.

Consolidation History of Sanitary Sewer Service in Sacramento County

“As a long-range health measure, a strong case can be made for sanitary sewer service to the entire 247 square miles of urban territory in Sacramento County. As this urban area expands and population density increases, the case for extensions of service becomes progressively stronger.

A total of 35 governmental jurisdictions provides, or are authorized to provide, sewer service in the County. The federal government provides this service on its bases, and the State at Folsom State Prison. All of the cities, except Galt and 29 special districts, are legally empowered to provide sewer service. The cities and districts cover 90 square miles.

The cities of Folsom, Isleton, and Sacramento have sewage treatment plants; North Sacramento contracts with the City of Sacramento for treatment of its sewage. In February, 1957, the county had 5 treatment plants in operation and 5 under construction to serve special districts that are under its jurisdictions; it contracts with the City of Sacramento for use of treatment facilities for the districts under its control that do not have facilities. Each of the five active sewer districts governed by elective boards has its own treatment plant.

The current arrangements for providing sewer service in the Sacramento area have several disadvantages. The spot-by-spot approach is both cumbersome and costly. As the number of independent units providing this service increases, the problems of planning, coordination, and efficient construction becomes more complicated. Sewage collection and disposal systems are expensive to construct; they need to be planned to meet present and future needs. Future needs must be anticipated in planning the size of interceptors and the location and capacity of disposal plants. Bypassed areas hemmed in by new housing developments may find it impossible to build their own sewer system, and at the same time may discover that neighboring facilities are incapable of serving

additional territory. Small districts have difficulty in finding low-interest financing; strict limits on their borrowing powers also diminish their ability to serve properly.

*Every consideration indicates that proper sewer service for a vast urban area requires over-all planning and construction, and that a large governmental unit could provide better and cheaper service than the existing system”.*³

During the 1970's, the existing treatment plants and systems were consolidated into the Sacramento Regional County Sanitation District with the assistance of federal funding. The same arguments that support consolidation exist today.

The proposed annexation would be effective upon filing the Notice of Completion, however, the District will not provide services immediately. The City of West Sacramento will continue to operate its treatment plant until an interceptor line is constructed and operational.

The Environmental Impact Report for the LNWI was approved by Sacramento Regional County Sanitation District on July 23, 2003. Construction of the initial phase of the LNWI Interceptor line is anticipated to begin in April 2004 and to be completed in 2006.

Sacramento Regional County Sanitation District Master Service Element and Master Plan

The Executive Summary of the 2020 Master Plan for the Sacramento Regional Wastewater Treatment Plant is currently undergoing environmental review. This document assumes, and has factored into it, the provision of treatment services for the City of West Sacramento.

Currently, the District serves more than 91 percent of the population of Sacramento County. It provides wastewater services for residential, commercial, and industrial uses in the metropolitan areas. The treatment plant serves over one million residents within a 435 square mile area.

The 2020 Master Plan sets the goals and establishes the strategies in order to make policy decisions that protect the public health, and balance the social, environmental, and financial impacts of both existing and projected growth within the District boundary.

The Master Plan factors in the annexation of the City of West Sacramento. “The planned wastewater flows and loads from West Sacramento have been included in the projected flows and loads. Similarly, future facilities needs reflect the future annexation of West Sacramento. In addition, West Sacramento currently discharges approximately 5 mgd average dry weather flow (ADWF) of treated wastewater and associated loads to the Sacramento River. **This flow capacity**

³ The Government of Metropolitan Sacramento, Public Administration Service, 1957, pages 66-68.

will be conveyed to SRWTP after annexation, completion of the Lower Northwest Interceptor and connection of West Sacramento, subject to approval by regulatory bodies.

After the City of West Sacramento is connected to the Sacramento Regional County Regional Sanitation District interceptor system and treatment plant, the total combined flow into the Sacramento River will be the same as before connection. There will be no net increase of discharge. The City of West Sacramento's actual flow is approximately 3.2 percent of the treatment plant's flow, or about 2.8 percent of the treatment plant's permitted capacity.

Master Planning Objectives

Capacity

- Provide sufficient capacity to meet planned growth within the District's service area and through the year 2020.
- Provide for orderly and cost-effective expansion of plant facilities.

Water Quality

- Comply with current water quality standards and provide flexibility in the Master Plan to address changes in standards and regulations.

Economic Feasibility

- Provide for the most cost-effective facilities and programs from a water-shed perspective.
- Share costs of facilities and programs with the benefited stakeholders.

Community Relations

- Be sensitive to community concerns in relation to the planning, design, construction and operation of District facilities and programs.

Master Plan Concept

The Master Plan examines several different scenarios based on a number of factors.

The need for and timing of future wastewater facilities are driven by:

- Need to accommodate planned growth.
- Need for improved treatment to meet existing and anticipated regulatory requirements.
- Timing and rehabilitation to extend the useful life of existing facilities and optimization to maximize cost-effectiveness.

“As flows increase in the future, the amount of pollutants discharged to the Sacramento River will increase proportionately to flow. Future regulations and beneficial uses may prohibit or limit the amount of pollutants of concern discharged to the Sacramento River. Therefore, in planning future wastewater facilities, the 2020 Master Plan addressed the concepts of no net increase and no net loading. No net increase refers to not increasing the amounts of pollutants of concern discharged to the river above that currently discharged or permitted. No net loading means not discharging any pollutants of concern.

In 2000, wastewater flows averaged approximately 154 mgd for ADWF conditions for SRWTP, and approximately 5 mgd ADWF for West Sacramento, for a combined total of 159-mgd ADWF. The existing SRWTP permitted capacity is 181-mgd ADWF. The projected average dry weather flow in the year 2020 is 218 mgd. Therefore, the increase in flows and associated loadings from today’s actual discharge conditions to 2020, are approximately 37 percent. The increase from today’s permitted flows to the projected year 2020 flow condition is 20 percent. If SRCSD were to be limited to their existing or permitted level of wastewater loads, they would be required to reduce projected loadings by 20 to 37 percent in the year 2020.

No-net-loading would require that the District either cease discharge to the river, or find reductions in loadings to the river that would be certified by the State or federal government to fully offset the existing and projected increase in loadings in pollutants of concern.

In response to these regulatory and watershed impacts, the 2020 Master Plan provides a space layout, or footprint, of advanced treatment facilities needed to meet the new toxic pollutant requirements. The advanced treatment facilities are planned for potential implementation as add-on to future conventional facilities. The most cost-effective treatment processes have been sequenced first, with the most expensive processes added last, if needed.

The 2020 Master Plan recommends implementation of cost-effective programs including improvements in source control, evaluation of watershed offsets and an expanded water-recycling program.

Please note that population projections do not dictate a specific calendar timeframe for implementation of any portion of the 2020 Master Plan. Future treatment facilities will be constructed in incremental stages over the planning period. Therefore, if growth is slower than projected, the construction of the next increment of treatment capacity can be delayed until it is required. Conversely, if the growth is faster than projected, the next increment of treatment capacity can be constructed earlier than anticipated. Using this approach, planning and facility construction is not tied to long range growth projection, but instead designed to respond to the actual growth rate and associated wastewater flows. However, growth projections are used as guidelines.”⁴

Existing Governance Structure

The District’s Board of Directors is composed of the members of the Sacramento County Board of Supervisors, and the mayor, or his/her designated appointee, of the Cities of Sacramento, Citrus Heights, Elk Grove, Rancho Cordova and Folsom. Basically, each agency is represented by one vote per agency. State law provides that upon annexation, the City of West Sacramento will have a permanent seat and Yolo County will have a temporary seat on SRCSD Board until the LNWI is constructed. In addition, the District is currently reviewing other policy options such as on the allocation of votes predicated on population.

Lower Northwest Interceptor Pipeline Project

The Lower Northwest Interceptor has been planned for a number of years and for a number of reasons. The District’s Master Plan previously identified that this line was proposed to be constructed through the City of Sacramento. A previous program EIR analyzed a proposed route through the City of Sacramento. Recently, the preferred route of this line has been realigned through the City of West Sacramento and Yolo County to minimize construction impacts. The LNWI will be used to connect the City of West Sacramento into the District treatment system.

The proposed annexation of the City of West Sacramento is not driving the need to construct the LNWI. While these projects are interrelated, they are not dependent upon one another. However, there is a mutual benefit to the District and the City to construct the interceptor through the City of West Sacramento.

⁴ 2020 Master Plan, Final Draft Executive Summary, Sacramento Regional County Sanitation District, Carollo Engineers, May 2001.

Primarily this pipeline is needed to relieve current capacity and proposed new development in the northern portion of Sacramento County, including the Cities of Citrus Heights and Sacramento. Specifically, construction of the LNWI will provide relief for the existing Northeast trunk system and Dry Creek Interceptor, as well as the Arden Pump Station. The LNWI will also provide capacity for future planned growth in Rio Linda and the Natomas area. The interceptor will convey flows from the Northeast, Dry Creek, Gibson Ranch, Rio Linda, McClellan, Natomas and a portion of the North Highlands drainage basins. The attached map illustrates the route of the LNWI. The LNWI has a total pipeline length of approximately 20 miles and will vary in diameter from 60 to 120 inches. This route minimizes disruption that would be caused by construction through urbanized areas located in both the City and County of Sacramento.

Regional Water Quality Board

The current permit for SRCSD expires on August 1, 2005. The permit and plant capacity is sufficient to accommodate the annexation of the City of West Sacramento. Since SRCSD is not taking over the West Sacramento Treatment Plant, SRCSD does not need to obtain approval for the annexation from the Regional Board. However, the Regional Water Quality Control Board will have to consider these changes when issuing a new permit. The City of West Sacramento Discharge Treatment Permit expires 2006.

Benefits of Combining Sanitary Treatment Operations

- The annexation is consistent with LAFCo policies which encourage regional planning and cooperation between neighboring jurisdictions.
- The project is not considered growth inducing since it will only allow accommodation of growth which is already planned for under the General and Specific Plans for the City of West Sacramento.
- Two service providers will be combined into one entity and one treatment plant will be closed. Regulatory oversight by Regional Water Quality Control Board will be consolidated. This should result in a slight efficiency for the Board.
- The projected wastewater flows and loads from the City of West Sacramento have been included in the SRWTP 2020 Master Plan. In 2000, the SRWTP wastewater flows averaged approximately 154 mgd under ADWF conditions. The City of West Sacramento flows averaged 5 mgd, for a combined total of 159 mgd. The existing SRWTP permitted capacity is 181 mgd. (Note: There will be no change in total combined outflow into the Sacramento River after annexation and the consolidation of services.)

- There will only be a single discharge point into the Sacramento River. After closure of the City of West Sacramento Treatment Plant, the discharge near Clarksburg and the overflow outfall near the West Sacramento treatment plant will not be needed.
- The District's Regional Treatment Plant has the capability to store treated secondary effluent in the emergency storage basins during low Sacramento River Flow or when a 14:1 dilution with the river cannot be attained. The City of West Sacramento does not have the capability to store treated secondary effluent.
- The District's plant has a history of fewer violations of waste discharge requirements.
- The proposed discharge for an expanded West Sacramento facility near the Barge Canal may be seen as problematic with the proposed Freeport Regional Water Project intake to be located approximately 6000 feet upstream of the Freeport Bridge.
- Improved water quality for urban recreational users because the City of West Sacramento's discharge will be discontinued.
- The SRWTP waste discharge requirements/limitations are more strict; especially for metals and also contain mass limits for mercury and lindane.
- Improved habitat protection due to increased ability to lower temperature of wastewater discharge.
- The proposed project is consistent with all of the general plans of the District's affected agencies and with the City of West Sacramento General Plan.
- Centralized regulation. Annexation will allow for more effective and efficient regulation due to the fact that there are fewer facilities to monitor.
- The District has a policy to increase boundaries for efficiency and environmental benefits.
- It is expected that operational costs per customer will decrease due to improved economy of scale.
- There is likely to be an economic benefit to the District because of the proposed LNWI may be constructed through the City of West Sacramento. The cost-effective construction of this line could reduce the average cost for conveyance for the region as a whole.

Rates

The proposed annexation of the City of West Sacramento will not have a significant impact on the existing or proposed rates of the District.

Effective October 1, 2001, the current residential monthly rate for the District is \$13.40 per month. The rate consists of an operation and maintenance charge of \$8.70 and a capital component of \$4.70. The capital component covers projects that benefit existing residential, industrial, and commercial users (approximately 500,000 ESD's). The operations and maintenance component covers operational expenses for both the treatment plant and interceptors.

The operations and maintenance charge has not increased since July 1, 1994. The capital charge increased from \$3.20 to \$4.70 effective October 1, 2001. This increase was implemented to complete projects related to the existing Master Plan. Over the last 10 years, rates increased by 64 percent or an average of 6.4 percent per year. Rates are projected to increase by 8 percent over the next five years.

Sewer impact fees or connection fees to fund new treatment plant capacity and interceptors to serve new development are charged to new customers. Currently, these fees are \$5,255 per ESD and have increased 250 percent over the last 10 years, or 25 percent annual increase. Impact fees for development in infill areas are \$2,314 per ESD.

In addition, the District anticipates a change in policy on sewer impact fees. Development in new areas would be charged \$4,500 per ESD while development in infill areas would be charged \$2,300 per ESD. It is anticipated that this new policy will become effective April 1, 2002.

LAFCo Process

Sacramento LAFCo is the principal county for processing the proposed annexation because all of the majority of Sacramento Regional County Sanitation District is within Sacramento County. Government Code Section 56066 defines principal county as the county having all or the greater portion of the entire assessed value as shown on the last equalized assessment role of the county or counties, of all taxable property within a district or districts for which a change of organization or reorganization is proposed.

In addition, Government Code 56658 (c) states:

If a special district is, or as a result of a proposal will be, located in more than one county, the executive officer of the principal county shall immediately give the executive officer of each other affected county mailed notice that the application

has been received. The notice shall generally describe the proposal and the affected territory.

Mailed notice of the project was given to Yolo LAFCo and affected agencies, at the opening of the file. The notice solicited information and comment affected agencies may have. Notice of the March 6, 2002, hearing was published in The Sacramento Bee, Sunday, February 10, 2002, and in The Daily Recorder and The [West Sacramento] News Ledger on February 1, 2002. Notice of the December 3, 2003 meeting was published in The Daily Recorder on November 3, 2003 and in The Sacramento Bee on October 31, 2003.

California Environmental Quality Act

A previous Initial Study/ Negative Declaration for the Sphere of Influence and Annexation was issued on 29 January 2002. The document, which was circulated for a 30-day public review and comment period, was sent to the State Clearinghouse and affected agencies. At the end of the review period, 28 February 2002, staff had received no comments. No action was taken on this previously released Initial Study/ Negative Declaration. On October 31, 2003, a revised Initial Study/ Negative Declaration was recirculated for a 30-day review period to address changes in the proposed project. Project changes included SRCSD adoption of the Interceptor Master Plan and the Lower Northwest Interceptor Project. Additionally, the project description was revised to include adoption of a Wastewater Treatment Services Agreement between SRCSD and the City of West Sacramento, and timing for annexation of the City of West Sacramento to the SRCSD service area.

The Initial Study/ Negative Declaration addressed the environmental effects of the proposed project and found it to have no significant environmental impacts. The environmental analysis focused on the project's potential growth inducement and water quality impacts. The analysis found that the proposed project does not increase wastewater capacity of those areas approved for development in either Sacramento County or the City of West Sacramento, thus the project is not considered growth inducing. The analysis also concluded that the treatment of West Sacramento's wastewater at the Sacramento Regional Wastewater Treatment Plant will improve discharge permit compliance and reduce redundancy of regulatory oversight by the Regional Water Quality Control Board. Thus, the project would not adversely affect water quality.

If the annexation is approved, the LNWI will be sized to accommodate the projected growth under the current General Plan of the City of West Sacramento.

The Principles of Agreement between the District and the City of West Sacramento only permit the City of West Sacramento treatment capacity based on build out of the City's General Plan. Additional growth and annexations will be evaluated at a later date and approval will be dependent on both treatment plants

capacity and capacity within the interceptor system. Annexation to the City and District will be required prior to extending service to new growth areas.

Project Alternatives

- No. 1: Expand the existing treatment plant within the City of West Sacramento or construct a new treatment plant.
- No. 2 Contract with SRCSD pursuant to Government Code 56133. LAFCo approval is not required when two public agencies contract for service. Section (e) states: “this section does not apply to contracts or agreements solely involving two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.” **NOTE: This option does not provide representation by either the City of West Sacramento or Yolo County.**

LAFCo Commission Power and Authority

The Commission has the power and duty to review and approve or disapprove with or without amendment, wholly, partially, or conditionally, proposals for changes in organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the Commission.

LAFCo Protest Provisions

If the Commission, with or without amendment, approves the proposal wholly, partially, or conditionally, the Commission shall conduct proceedings as the conducting authority. The Commission may delegate this responsibility to the Executive Officer.

Basically, the Executive Officer will give public notice that a protest hearing will be conducted at a time and date certain. At any time prior to the conclusion of the protest hearing in the notice given by the Executive Officer, but not thereafter, and owner of land or any registered voter within the inhabited territory proposed to be annexed may file a written protest against the annexation.

Each written protest shall state whether it is made by a landowner or registered voter, it shall be signed and dated. Upon the conclusion of the protest hearing, the Commission or if delegated the Executive Officer shall determine the value of written protests filed and not withdrawn.

In the case of inhabited territories, one of the following actions must be taken:

Terminate proceedings if majority protest exists.

Order the reorganization subject to confirmation by registered voters residing within the affected territory if written protests have been filed and not withdrawn by either of the following:

At least 25 percent but less than 50 percent of the registered voters

At least 25 percent of the number of owners of land who also own at least 25 percent of the assessed value of the land within the affected territory.

Order the change of reorganization without an election if written protest have been filed and not withdrawn by less than 25 percent of the registered voters or less than 25 percent of the landowners owning less than 25 percent of the assessed value of the land within the affected territory.

LAFCo Policies

General Policies

LAFCo is charged with encouraging orderly development;

LAFCo is responsible for encouraging the logical formation and determination of boundaries;

LAFCo must exercise its authority to ensure that affected populations receive efficient governmental services; and

LAFCo is required to exercise its authority to guide development away from open space and prime agricultural land uses unless such actions would not promote planned orderly and efficient development.

Sacramento LAFCo Policies

LAFCo will favorably consider proposals that result in the provision of urban services in densely developed and populated areas.

LAFCo will favorably consider proposals that will provide urban services in areas with high growth potential rather than in areas with limited potential for future growth.

CEQA requires that LAFCo assess the environmental consequences of its actions and decisions, and take actions to avoid or minimize a projects

adverse environmental impacts if feasible, or approve a project despite significant effects because it finds overriding considerations exist. To comply with CEQA, LAFCo will take one or more of the following actions:

- At its discretion, approve a project without changes if environmental impacts are insignificant.
- Require an applicant to modify a project.
- Establish mitigation measures as a condition of its approval of the proposal.
- Deny the proposal because of unacceptable adverse environmental impacts.
- Approve the project despite its significant effects by making findings of overriding concern.

LAFCo will favorably consider those applications that do not shift the cost for services and infrastructures benefits to other service areas.

LAFCo will favorably consider those applications that improve the balance between jobs and housing.

LAFCo encourages the use of service providers that are governed by the citizens.

Community needs are met most efficiently and effectively by governmental agencies which:

- Are already in existence,
- Are capable of coordinating service delivery over a relatively large area, and
- Provide more than one type of service to the territory that they serve.

LAFCo will approve changes of organization or reorganization only if the proposal is consistent with the General Plan and relevant Specific Plans of the applicable jurisdiction. For applications for annexations to a district all of whose territory lies within an adopted Sphere of Influence of a city, the General Plans of the city.

Boundaries shall be definite, certain, and fully described.

Revenue Neutral: Not applicable.

Agricultural Land Conservation: Not applicable. Boundaries will only include all of the area within the City of West Sacramento's adopted General Plan.

Efficient Services and Orderly Development: LAFCo has determined that community needs for efficient services and orderly development are generally met most effectively by proposals which:

- Correct a threat to public health and safety,
- Consolidate the activities of public agencies in order to obtain economies from the provision of consolidated services,
- Consolidate services and service providers if such consolidation enhance the efficiency and quality of service, and
- Restructure agency boundaries and service areas to provide more logical, effective, and efficient local government services.

Need for Service: LAFCo will consider the following:

- The growth rate and density pattern indicate that the subject area will be developed for urban use within five years, or
- Subject territory has been pre-zoned, is designated for urban uses in the appropriate land use authorities General Plan and development at the site is not inconsistent with policies of the General Plan.

Project Analysis

This project is very similar to the consolidation of Arcade and Northridge Water Districts, and other similar reorganizations such as fire districts. One provider rather than two will supply the provision of sanitary sewer service.

Government Code Section 56668. Factors to be Considered.

Factors to be considered in the review of a proposal shall include, but not be limited to, all of the following:

- (a) Population, population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage

basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

- (b) Need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

“Services,” as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.

- (c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.
- (d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.
- (e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.
- (f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.
- (g) Consistency with city or county general and specific plans.
- (h) The sphere of influence of any local agency which may be applicable to the proposal being reviewed.
- (i) The comments of any affected local agency.
- (j) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

- (k) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.
- (l) The extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs as determined by the appropriate council of governments.
- (m) Any information or comments from the landowner or owners.
- (n) Any information relating to existing land use designations.⁵

Impacts

The proposed Sphere of Influence and proposed annexation will have no significant impacts on residents of Sacramento Regional County Sanitation District or residents of the City of West Sacramento. There are no significant impacts to other special districts or jurisdictions. The consolidation will benefit both the current and new customers within the City of West Sacramento through economy of scale, the allocation of fixed costs over a greater number of units, as well as improved water quality for the region.

Representation as Authorized by Assembly Bill 864

Legislation was adopted that provides both the City of West Sacramento and Yolo County representation on the District's Board of Directors. The seat for Yolo County is limited term and will expire on January 1, 2005 or upon completion of the interceptor that will service the City of West Sacramento, whichever is later.

Governance Benefits

Annexation at this time, prior to construction of the LNWI, will allow the City of West Sacramento and Yolo County official representation on the Board of Directors of the District. This representation will give the City and Yolo County a vote and voice on the approval process and construction of the interceptor (LNWI). This is a very important advantage for both Yolo County and the City of West Sacramento.

Existing Spheres of Influence

The proposed project does not increase either the existing service area of the District or the service delivery area of the City of West Sacramento. However, I recommend the Commission amend the Sphere of Influence for the District to

⁵ Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, added by Statutes, 2000, Chapter 761, [formerly Section 56841].

include the City of West Sacramento in anticipation of the City's annexation to the District after adoption of the Wastewater Service agreement.

Future Annexations Proposed by the City of West Sacramento

Prior to annexing new territory to the City of West Sacramento, the City will also be required to receive approval from both the District, per the Principles of Agreement, as well as from your Commission, or Yolo LAFCo, depending on which LAFCo is the principal county.⁶

Regional Planning and Coordination

The Sphere of Influence and proposed annexation of the City of West Sacramento into the District should help increase regional planning within the Sacramento Region.

In addition, the City of West Sacramento is posed to provide new housing opportunities relatively close to the City of Sacramento downtown employment centers. There appear to be many mutual benefits over the long term because of the proximity to the Sacramento downtown core.

General Benefits of Reorganization/ Consolidation

Over the years, LAFCo has supported reorganization of special districts that provide like services. The Commission has supported fire, water, and park district annexations, reorganizations, and consolidations. There are numerous benefits to the residents and citizens of the community and region as a whole.

Reasons often cited include cost-effectiveness, efficiency, economies of scale, provision of a standard level of service, savings by elimination of duplicative overhead and administrative expenses, reduction in the number of elected officials and better planning and coordination of services. In addition, capital intensive public services are many times better served by fewer providers because of the large expenses related to improvements and facility costs.

Regional Economic Vitality

The entire region should benefit if all communities within the region are successful and strong.

⁶ Any annexation proposal to the City of West Sacramento requires that proceedings for a City SOI Amendment and annexation to the City would be held before Yolo LAFCo. Any District Sphere of Influence Amendment and concurrent annexation to Sacramento Regional County Sanitation District requires that proceedings would be held before Sacramento LAFCo. However, Sacramento LAFCo has the discretion to grant Yolo LAFCo jurisdiction to process a SOI/ reorganization proposal concurrently, should it choose to adopt a resolution granting jurisdiction of the District's SOI amendment/ annexation process.

Sequential Approval Process and Projects Related to this Proposal

Delivery of sanitary sewer service to the City of West Sacramento by the District will require a number of different approvals by a number of agencies and the completion of several different interrelated projects. The Sphere of Influence Amendment is only one step of this process. The next steps include the execution of a Waste Water Services Agreement and then annexation of the City of West Sacramento into SRCSD and construction of related projects. This is a complicated process because of number of significant issues need to be addressed prior to actual connection of service.

Outreach Efforts and Public Hearings

Both the District and the City of West Sacramento have held numerous meetings discussing this annexation prior to submitting the application to LAFCo. LAFCo, the District, and the City of West Sacramento also met with the Land Use Subcommittee of the Environmental Council of Sacramento (ECOS) to explain this project. The primary concern raised by ECOS related to the LNWI pipeline project. Conceptually, the Subcommittee believes the annexation of West Sacramento to the District will benefit the region.

Comments and Issues

No comments have been received from customers or affected agencies regarding this proposal. Your Executive Officer is not aware of any outstanding issues or negative impacts from the proposed Sphere of Influence Amendment and anticipated Annexation. Note: Issues have been raised by concerned agencies regarding the approval and the route of the LNWI. However, construction of the LNWI is not a project within the purview of LAFCo. The LNWI will be constructed to benefit development primarily in Sacramento County.

Principles of Agreement

The City of West Sacramento and the District have entered into Principles of Agreement with respect to a number of issues. The Principles of Agreement is a living document. These principles will be incorporated into the LAFCo resolution of approval as well as subsequent documents, including contracts and agreements between the District and the City of West Sacramento.

Both entities have pressing needs for addressing their wastewater issues, and both commit to proceed as quickly as possible with the adoption of the following Principles of Agreement, introduction and passage of legislation providing for the City of West Sacramento representation on the District Board of Directors, signing the contract for service, annexation of the City of West Sacramento in the District and amending the Master Interagency Agreement (MIA).

1. Date of Actual Connection
2. Connection Fee for the City of West Sacramento
3. Services Provided to City of West Sacramento
4. Handling of Existing west Sacramento Wastewater Employees
5. Selected Route for Pipeline
6. West Sacramento Representation on the SRCSD Board
7. Honoring of Existing Sewer Impact Fee Agreements
8. Siting of District Facilities in the City of West Sacramento
9. Definition of District vs. City of West Sacramento Wastewater Facilities
10. Legislative Changes and Contingencies

General Policies Related to Growth

District Policy

The general policy of the District is to extend district boundaries to provide service to areas that are designated for urban use. In November 2001, the District Board of Directors amended their Master Plan (Master Service Element) to include the City of West Sacramento. The Master Plan is comprised of the Interceptor Master Plan 2000 and the Sacramento Regional Wastewater Treatment Master Plan. In addition, there is a Master Interagency Agreement (MIA) that governs policies and operating responsibilities of the District. If annexation is approved this agreement will be amended so that West Sacramento will be a Contributing Agency, as defined in the MIA. This status cannot become effective until annexation to the District is legally consummated.

City of West Sacramento Policy

The City of West Sacramento General Plan provides limited policy direction on growth and sewer capacity. Policies within the Land Use Section (Goal A, Policy 3) and the Public Facilities Section (Goal B, Policy 2) of the General Plan link planned growth with adequate sewer capacity. The current plan for the City of West Sacramento is generally to extend urban development to the City limits. The current sewer treatment facility cannot accommodate projected growth and is expected to reach capacity in 2006.

Sacramento County Policy

Sacramento County's General Plan policy (PF-12)⁷ supports annexations by the District outside the County provided that annexation extends a benefit to residents and that the service area expansion complies with conditions set forth in the Master Interagency Agreement. The annexation will comply with the MIA and will benefit residents by consolidating wastewater treatment services, reducing redundancy in regulatory oversight, and improving efficiency of the region's wastewater treatment system.

LAFCo Policies

LAFCo policies concur with the District and local government policies by encouraging regional planning and cooperation among neighboring jurisdictions where beneficial and allowing public agencies to consolidate services where efficient. In addition, LAFCo policy directs the District not to extend their service area beyond areas planned for urban development and that proposed annexation must be consistent with the District's Sphere of Influence and Master Services Element.

Employees of the City of West Sacramento will not be negatively impacted by this proposal. This issue will be addressed by the Waste Water Service Agreement between the City and the District.

Timing is a key consideration for the City of West Sacramento. Based on current projections, connection or expansion is not necessary for several years. However, approval of the proposed Sphere of Influence and subsequent annexation will allow the City of West Sacramento to avoid costly planning studies as well as allow the City to plan for current and future operations, maintenance and the capital improvements that are necessary prior to the date of connection. The City and the District will implement a transition plan. The District has plant capacity to handle the projected flow. The construction of the proposed pipeline will provide a nearly adjacent point of connection to the District's interceptor system.

CONCLUSION

The proposed Sphere of Influence and annexation represents a very significant step in regional cooperation. Both the City of West Sacramento and the District should benefit from this annexation. This is a win-win situation. The proposal is based on mutual agreement and should not result in any negative impact for the

⁷ Policy PF-12: Sacramento County will support extension of sanitary sewer services outside of Sacramento County by the Sacramento Regional County Sanitation District and its Contributing Agencies under the following guidelines: 1) That the residents of Sacramento County are benefited by such an extension, and 2) That such extension of sewer service complies with the conditions set forth in the Master Interagency Agreement which governs the policies and operation responsibilities of the Sacramento Regional County Sanitation District and its Contributing Agencies.

City, the District, or the region. There are many environmental benefits related to this proposal: the improvement of water quality, the elimination of one treatment plant, the reduction in the number of discharge points into the Sacramento River. The proposal will also result in representation for both the City of West Sacramento and Yolo County on the Board of Directors of the Sacramento Regional County Sanitation District. All agencies should be commended for the hard work and effort that was required to reach the agreements that resulted in this proposal.

RECOMMENDATION

I recommend your Commission find the Initial Study/ Negative Declaration as adequate and complete; and amend the Sacramento Regional County Sanitation District's Sphere of Influence to include the territory within the corporate boundary of the City of West Sacramento.

Respectfully submitted,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

Peter Brundage
Executive Officer

PB:Maf
Attachments