

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
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February 4, 2004

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: **SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT**
ANNEXATION OF CITY OF WEST SACRAMENTO (04-01)
[CEQA: Negative Declaration]

RECOMMENDATION

1. Adopt Resolution No. LAFC 1265, attached, approving the annexation of the City of West Sacramento to Sacramento Regional County Sanitation District.
2. Direct the Executive Officer to hold the Conducting Authority hearing on the proposed annexation after the mandated 30-day reconsideration period.
3. The effective date of annexation will be upon filing of the Certificate of Completion by the Executive Officer after the Waste Water Services Agreement has been executed by both the City of West Sacramento and Sacramento Regional County Sanitation District provided the Agreement is executed by the date of **October 1, 2004**. If the Agreement is not executed by that date, the project will be deemed abandoned by the Sacramento Local Agency Formation Commission.

DISCUSSION

On December 3, 2003, your Commission Certified the attached Negative Declaration as adequate and complete for a Sphere of Influence Amendment and Annexation of the City of West Sacramento to the Sacramento Regional County Sanitation District. At that meeting, your Commission approved the Sphere of Influence Amendment.

Yolo County

LAFCo has not received any comments from Yolo County. Yolo County will not be granted access to the interceptor line or any other service line constructed as a result of this annexation. Therefore, there are no impacts upon the County (unincorporated area) or upon growth in the unincorporated area of Yolo County.

Yolo County will have representation on the Sacramento Regional County Sanitation District Board until the Lower Northwest Interceptor is constructed. Sacramento Regional County Sanitation District will provide sanitary sewer service ONLY to the City of West Sacramento.

Regional Benefits Related to the Proposed Annexation

There were numerous anticipated environmental and service benefits associated with the Sphere of Influence Amendment. Those benefits outlined below should be realized upon annexation.

Beneficial project impacts related to water quality, service delivery and other issues include:

- Elimination of the West Sacramento discharge into the Sacramento River near Clarksburg and the overflow outfall near the existing City wastewater treatment plant site. These discharges will cease upon completion of construction of the proposed SRCSD Lower Northwest Interceptor and connection of the City of West Sacramento.
- The SRCSD Regional Treatment Plant has the capability to store treated secondary effluent in emergency Storage Basins during low Sacramento River flow or when a 14:1 dilution with the river cannot be attained. West Sacramento does not have this capability.
- The SRCSD 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.
- The SRWTP waste discharge requirements/ limitations are higher than those imposed by West Sacramento; especially for metals and contain mass limits for mercury and lindane.

- The proposed Sphere of Influence Amendment is consistent with the County of Sacramento General Plan, the City of West Sacramento General Plan and also the County and Sacramento Regional County Sanitation District policy to increase boundaries for efficiency and environmental benefit.
- A decrease in per customer service/ operational costs due to recognized economies of scale are anticipated consistent with LAFCo policies of increasing service efficiencies.
- Economic benefit to Sacramento Regional County Sanitation District because of the proximity of West Sacramento to the alignment of the LNWI and the SRWTP has the effect of reducing the average cost for conveyance for the region as a whole.
- The project is not considered growth inducing since it would allow accommodation of growth already planned for under the City of West Sacramento General Plan and specific plans.
- Provide regional economic development opportunities.

Waste Water Services Agreement

On January 21, 2004, the City of West Sacramento authorized the City Manager to execute a Waste Water Services Agreement with Sacramento Regional County Sanitation District. Likewise, on January 28, 2004, the Sacramento Regional County Sanitation District authorized its director to execute a Waste Water Services Agreement. This Agreement, and other Agreements, have been incorporated by reference into LAFCo's Resolution No. 1265 Making Determinations for the Approval of Annexation of the City of West Sacramento to Sacramento Regional County Sanitation District.

The Waste Water Services Agreement addresses the detailed operational and transition issues surrounding the proposed annexation of the City of West Sacramento to the District. The Waste Water Services Agreement sets forth the specific terms and conditions regarding the roles and responsibilities between the respective parties.

Waste Water Services Agreement
Summary of Key Issues

- The District's Lower Northwest Interceptor (LNWI) will provide conveyance capacity and services as necessary to provide for the full growth and development of the City of West Sacramento's General Plan updated and revised as of June 14, 2000.
- District will design, construct, operate and maintain the LNWI and all associated appurtenances, including the gravity transition structures.

- City will continue to own and operate its local collection system and all existing pumping stations. The City shall be responsible for any improvements to existing City pumping stations.
- City will continue to own and operate its Waste Water Treatment Plant until connection is made to the LNWI. Decommissioning of the City Wastewater Treatment Plant will be the sole responsibility of the City.
- District will design and construct the LNWI facilities and the connecting facilities, including all of the pipes and valves needed to connect the City to the LNWI.
- District will coordinate the construction of the LNWI with the City as specified in the Waste Water Services Agreement.
- Up to 16 City employees may be transferred to the District based upon a jointly agreed upon Employee Transition Plan.
- The City will collect and remit to the District its service charges as agreed upon.
- The City agrees to absorb:
 1. Administrative costs incidental to collection and transmittal of District service charges.
 2. Costs attributable to uncollectible debts on service billings.
 3. Costs attributable to unbilled District service charges that should reasonably have been billed.
- The present and future costs of providing District services shall be primarily recovered through the levy and collection of fair and reasonable user service charges, taxes, and fees for connection to the system, all based upon rates determined and established by the District.
- The District will adopt a schedule of user service charges specifying the classes or categories of system users and provide a rate or rates for each class or category of user.
- The City shall establish a billing system for the collection of user service charges for District services that conforms to the classification and categorization of regional user rates established and adopted by the District.

- The District in accordance with law and the intent expressed in the Waste Water Services Agreement establish Facility Impact Fees for the privilege of connecting a sewer service to any sanitary sewer within the District jurisdiction. Fees adopted by the District may be amended. The City shall collect the fee and remit it to the District as specified in the Waste Water Services Agreement. However, Facility Impact Fees for commercial, industrial and multi-family residential may be computed and collected by the District.

- All new users connecting to a sanitary sewer owned by the City or District shall pay an appropriate amount for their share of the capital investment in the District in accordance with a Connection Fee Ordinance. The Connection Fee Ordinance shall provide the following:
 1. All new users within the jurisdiction of the District, or having applied for annexation thereto, shall pay a Facility Impact Fee calculated to finance planning, design, construction, inspection, administrative, debt service, debt covenant, and other related costs for waste water conveyance, treatment, and disposal facilities for District System Expansion.
 2. For purposes of calculating District facility impact fees for development within the City, District shall define the area north of the barge canal as an "in-fill" development area and the area south of the barge canal as a "new development" area.
 3. New and existing industrial users who qualify under the provisions of waste minimization programs, as provided in the Connection Fee Ordinance, shall pay an Incremental Facility Impact Fee, calculated to finance planning, design, construction, inspection, administrative, debt service, debt covenant, and other related costs for waste water conveyance, treatment and disposal facilities for District system expansion required for qualifying industrial users.
 4. The actual rates to be established for these fees shall be in amounts and payable in the manner as determined by the District in its Connection Fee Ordinance.

- The City may agree to provide local services to an area not presently within its local service area or territorial jurisdiction. If the area is not within the territorial jurisdiction of the District, no local service shall be provided by the City to that area until it is also annexed to the District service area.

- District shall give no jurisdiction or contributing agency preference to the use of treatment or conveyance capacity in the District's treatment and conveyance facilities.

- A contributing Agency or the City of West Sacramento may enlarge its local service area with the prior consent of the District; provided, however, the District shall not consent to any such enlargement if the probable effect of said enlargement would materially affect the ability of any other contributing agency or the City to make reasonable use of District facilities to provide local service to its present system users or reasonably anticipated future users.
- Any area outside the City jurisdiction may be annexed to the District provided it has been designated for those classes of urban uses generally requiring public utility services in the adopted General Plan of the City as it exists at the time the annexation occurs.
- The present and future costs of providing regional services to users within the District shall be uniformly and equitably allocated among all users.
- District shall assume the sole responsibility to finance, construct, reconstruct, operate and maintain District facilities.
- City shall, at its sole expense, complete such corrective measures to eliminate excessive inflow and infiltration as are reasonably demonstrated to be cost effective by studies conducted jointly by the District and City.
- The City's obligations under Section 8 of the Master Interagency Agreement are payable from any legally available funds of the City. In addition, the City's obligations are also secured by the City's Sewer Enterprise Fund. However, the District's right to payment is subordinate to the payment of the outstanding East Yolo Community Services District Zone #1 Sewer Revenue Bonds of 1978-Series A and payment of an outstanding loan owed to State Water Resources Control Board as long as the bonds and loan are outstanding.
- No term, provision or condition of the Waste Water Services Agreement shall be altered, amended or departed from or be held or construed to have been waived except by the mutual agreement and consent of the City and District as evidenced by resolutions adopted by the City Council and District Board of Directors.

LAFCo Process

Commission Power and Authority

The Commission has the power 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. If the Commission approves the proposal, the law provides for a 30-day reconsideration period and a required protest, or conducting authority hearing.

Reconsideration Process (Government Code Sec. 56895)

When a Commission has adopted a resolution making determinations, any person or affected agency may file a written request with the Executive Officer requesting amendments to or a reconsideration of the resolution. The request shall state the specific modification to the resolution being requested and shall state what new or different facts that could not have been presented previously are claimed to warrant the reconsideration.

Notwithstanding Section 56106, the deadlines set by this section are mandatory. The persons or agency shall file the written request within 30 days of the adoption of the initial or superseding resolution by the Commission making determinations.

Upon receipt of a timely request, the Executive Officer shall not take any further action until the Commission acts on the request. Upon receipt of a timely request, the Executive Officer shall place the request on the agenda of the next meeting of the Commission for which notice can be given.

At that meeting, the Commission shall consider the request and receive oral or written testimony. The reconsideration request can be withdrawn at any time prior to the conclusion of the consideration by the Commission.

The Commission may approve or disapprove with or without amendment, wholly, partially, or conditionally, the request. The determination of the Commission shall be final and conclusive. Note the conducting authority hearing shall not be held prior to the expiration of the reconsideration period.

LAFCo Protest Provision
Conducting Authority Hearing

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. The protest process determines only whether or not an election will be required. The Commission, or Executive Officer if designated, cannot take any other action e.g., change terms and conditions or deny the proposal.

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, but not thereafter, any owner of land or any registered voter within the inhabited territory proposed to be annexed may file a written protest against the annexation.

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

1. Order the change of reorganization without an election if written protest has 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.
2. 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:
 - a. At least 25 percent but less than 50 percent of the registered voters.
 - b. 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. OR
3. Terminate the proceedings if a majority protest exists.

PB:Maf
(City of West Sac Annexation to SRCSD)