

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
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Sacramento, California 95814
(916) 874-6458

June 2, 2004

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: **SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT**
SPHERE OF INFLUENCE AMENDMENT AND
ANNEXATION OF THE COUNTY SANITATION DISTRICT NO. 1;
ANNEXATION OF THE UNINCORPORATED COMMUNITIES
OF WALNUT GROVE, LOCKE AND COURTLAND TO
SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT
(09-03) [CEQA: Exempt]

CONTACT: Donald J. Lockhart, AICP, Assistant Executive Officer, (916) 874-2937.

RECOMMENDATION

1. Find the environmental analysis is adequate and complete and that the Notice of Exemption [General Rule 15061(b)(3)] satisfies the California Environmental Quality Act requirements for this project.
2. Amend the Sphere of Influence for County Sanitation District No. 1 to include the unincorporated community of Locke and the Wilson Parcel Map.
3. Approve the annexation of Locke, including the Wilson Parcel Map, to County Sanitation District No. 1.
4. Direct staff to work with affected parties to detach several agricultural parcels from CSD No. 1 and provide service to Walnut Grove Marina area via contract.
5. Amend the Sphere of Influence for the Sacramento Regional County Sanitation District to include the unincorporated communities of Walnut Grove, Locke and Courtland.
6. Approve annexation of Walnut Grove, Locke and Courtland to Sacramento Regional County Sanitation District.

7. Direct the Executive Officer to act as the Conducting Authority for this matter and to set the hearing on the proposed Reorganization for July 7, 2004, after the required 30-day reconsideration period.
8. Authorize your Chair to sign the resolution making these determinations.

BACKGROUND

The rural river villages of Walnut Grove, Locke and Courtland are located in south Sacramento County on the banks of the Sacramento River. Walnut Grove and Courtland each have their own wastewater treatment plant, owned and operated by the County Sanitation District No. 1 of Sacramento County (CSD No. 1). County Sanitation District No. 1 staff have been operating and maintaining the collection systems and facilities since annexation into CSD No.1 in 1995. Locke was a privately owned community and its sanitary sewer system was privately owned and operated. In order to address Locke's failing sanitary sewer system, between 1997-2000, SHRA acquired the townsite of Locke from a single ownership entity, to facilitate federal grant funding. Locke's sewer system was rehabilitated and is now connected to the Walnut Grove Treatment Plant.

The Sacramento Local Agency Formation Commission has received a resolution of application from the Board of Directors of the Sacramento Regional County Sanitation District requesting that LAFCo amend the Sphere of Influence of SRCSD to include the communities of Walnut Grove, Locke and Courtland. Also, it does not appear that the town of Locke was annexed into County Sanitation District No. 1. Therefore, it is recommended that Locke also be annexed to CSD No. 1 at this time.

PROJECT PROPONENTS

Board of Directors, Sacramento Regional County Sanitation District

PROJECT DESCRIPTION

Sacramento Regional County Sanitation District (SRCSD) seeks to annex the unincorporated communities of Walnut Grove, Locke and Courtland to facilitate compliance with regulations recently imposed by the Central Valley Regional Water Quality Control Board (CVRWQCB), through enhanced wastewater treatment services and expertise.

CSD No. 1 owns, maintains and operates the sewer pipes that collect wastewater from the communities, and conveys it to the respective town wastewater treatment plants. These plants were built in the 1970s for the predecessor sanitation districts that served the communities. SRCSD staff operates the treatment plants via contract and CSD No. 1 operates and maintains the collection system. This structure is similar to other communities in Sacramento County.

The project consists of a request to amend the SRCSD Sphere of Influence to include the current service area and facilities of the town of Locke and the former Walnut Grove and Courtland Sanitation Districts.

PROJECT LOCATION

Walnut Grove, Locke and Courtland are located in the Sacramento – San Joaquin Delta. Walnut Grove and Locke are located 25+/- miles south of Sacramento, Walnut Grove is on both sides of the Sacramento River; both are adjacent to the confluence of the Delta Cross Channel and Georgiana Slough. Walnut Grove's service area includes portions of both Grand Island and Tyler Island, near the intersection of Walnut Grove Road (County Route J11), River Road (County Route E13), and the Victory Highway (State Route 160, aka "River Road").

The Delta town of Courtland is on the east side of the Sacramento River and the Victory Highway (State Route 160) about 18 miles south of Sacramento, on Randall Island, about two miles west of Lambert Road and Snodgrass Slough.

Walnut Grove, Locke and Courtland are surrounded by tracts of reclaimed land. These are unincorporated rural, river towns. Both the former Walnut Grove and Courtland Sanitation Districts were designed and developed to provide sanitary sewer service to the existing unincorporated communities. The community of Locke was, prior to 1997-2000, a privately owned community and had a private sanitary sewer system.¹ The primary land uses include general commercial, marine and river oriented recreation, residential and agricultural.

Project Characteristics

TOWN	POPULATION	REGISTERED VOTERS	ASSESSED VALUATION	ZONING
Courtland	325	144	\$9,575,119	RD-20, RD-5 RD-10, GC AR-10, M-1
Walnut Grove/ Locke	1,062 ²	615	\$58,023,757	RD-1, RD-3, RD-5, RD-20, AR-1, AR-2(F), LC, GC, DW-R, M-1, SPA

Sphere of Influence Amendment/ Municipal Services Review

The attached exhibits illustrate the existing service area and proposed Sphere of Influence Amendment for Sacramento Regional County Sanitation District.

Sacramento Regional County Sanitation District and County Sanitation District No. 1 of Sacramento County have "baseline" Master Services Elements on file.

¹ Locke's private sanitary sewer system (dating back to 1915) did not annex into CSD No. 1 in 1995 at the time Walnut Grove and Courtland annexed.

² SACOG population estimates were provided by analyzing Census 2000 data in conjunction with the current parcel file and aerial photography.

The staff of the SCRSD have provided adequate information to clarify that the Sphere Amendment and subsequent annexation of Walnut Grove, Locke and Courtland will not significantly impact the existing operations of Sacramento Regional County Sanitation District. The SRCSD has the means and capacity to provide service to the affected territory, without adversely impacting the service delivery to existing ratepayers.

PURPOSE OF ANNEXATION

The Walnut Grove Sewer Maintenance District was established in December, 1964, the Courtland Sanitation District was established in February, 1969. Both were established pursuant to Sections 4860-4927 of the Health and Safety Code. The authorized powers include sewer facility construction, operation and maintenance of sewer and treatment facilities. Since 1995, both service areas [Walnut Grove/ Courtland] were annexed into and have been maintained and operated by the County Sanitation District No.1. In fact, it would have been appropriate to have also annexed these areas into Sacramento Regional County Sanitation District at that time. However, only CSD No. 1 made application. The Locke system was privately owned and operated, dating to 1915.

The systems have operated under separate “Waste Discharge Requirements” (WDR) issued in 1996 (Walnut Grove) and 1994 (Courtland,) issued by the CVRWQCB.

The Walnut Grove WDR was revised in June 2003, to incorporate new facilities for the adjacent town of Locke. In light of the complexities of issues and associated costs involved to comply with the effluent, receiving water, and groundwater limitations contained in the CVRWQCB NO. R-5-2003-0084 for Walnut Grove (Attached), SCRSD has initiated this annexation request.

The Courtland Wastewater Treatment facility is the subject of a “Cease and Desist Order” (NO. R-5-2003-0056 Attached) issued April 2003, for groundwater degradation and discharge to surface waters. In response, SRCSD requested that the Courtland system be included in the Walnut Grove feasibility study. The “Feasibility Study Report” will evaluate alternatives to the current wastewater facilities, and present the most cost effective and environmentally feasible system solution. The full implementation of the yet to be approved “Wastewater Facilities Plan” is required by May, 2008.

The community of Locke does not have a treatment plant but is now connected to the Walnut Grove treatment plant by a force sewer main. The annexation will not result in any changes to service capacity or allow adjacent areas to urbanize.

Walnut Grove has 383 connections, and Courtland has 109 connections, with 254,413 connections for CSD No.1. [CSD-1 is the local sewer service provider and responsible for those facilities with a capacity of up to 10 million gallons per day (mgd). SRCSD is responsible for the interceptors (facilities with a capacity of greater than 10 mgd) and for the treatment and disposal facilities. SRCSD has no service connections.]

Walnut Grove and Courtland both remain “stand alone” wastewater collection and treatment systems. After annexation, these systems will remain physically independent and separate from existing County Sanitation District No. 1 facilities and the SRCSD Treatment Plant.

However, the annexation to the SRCSD will allow the Feasibility Study to consider alternatives for sanitary sewer service for the existing communities.

In the short term, the proposed annexation will further enhance the service level previously achieved with the 1995 CSD No.1 annexation, which combined the two districts for administrative and operational efficiencies, with marginal improvement to wastewater treatment processes. The annexation will allow SRCSD staff to apply the economic and technical resources necessary to study and implement the most effective, and environmentally feasible means to provide for enhanced wastewater treatment systems in an environmentally responsible manner. The annexation will permit needed maintenance, and operational wastewater treatment improvements to successfully operate under current state and federal regulations.

The implementation of any future system improvements (capital construction project) will constitute a project, subject to the California Environmental Quality Act (CEQA.)

Existing Facilities

The new Locke sewer system consists of approximately 1500 feet of 1 1/2" to 3" polyvinylchloride pipe, and approximately 53 individual grinder simplex pump stations and four individual grinder duplex pump stations and connection of all existing services to the new system. (The small pipes are connected to Walnut Grove via 6,050 feet of 4" PVC main installed roughly along the Union Pacific Railroad right-of-way.)

The Walnut Grove system consists of collector facilities located on each side of the Sacramento River, including a six inch collector line system on the west side of the river discharging by a lift station and a six inch force main into the system on the east side of the river. The east side collection system consists of six, eight and twelve inch sewer lines that connect to a lift station which uses an eight inch force line to deliver sewage to the treatment plant. The treatment plant is operating at about 70% capacity. The treatment plant consists of a treatment pond and percolation/ storage ponds. The discharge is pumped into Snodgrass Slough.

The Courtland system includes 1 +/- miles of 6-inch and 8-inch sewer lines and related disposal facilities. The treatment plant is located on the east side of town. Presently, the treatment plant utilizes a land disposal system that includes operation, percolation, and evaporation ponds; the plant does not discharge into the Sacramento River. Courtland's plant has a permitted capacity of 0.07 million gallons per day (mgd) and discharges treated wastewater to evaporation and percolation ponds for disposal. Walnut Grove's plant is permitted for 0.5 mgd and disposes treated wastewater in summer to percolation ponds and in winter to an agricultural drainage ditch.

CVRWQCB, SRCSD & CSD No. 1 CONSIDERATIONS

In April 2003, the Regional Water Quality Control Board (RWQCB) issued the plant at Courtland a Cease and Desist (C&D) for groundwater degradation and discharge to surface waters. In June 2003, the Walnut Grove plant was issued a new permit by the CVRWQCB requiring (for continuation to discharge at its current location) the wastewater to be

oxidized, coagulated and filtered, or that an equivalent level of treatment be provided by June 2008. To achieve this level of treatment, tertiary and possibly post-tertiary processes may be needed. As documented in the Petition for Review filed by CSD-1 on July 7, 2003, CSD-1 does not agree with the new permit limits adopted at the June 6, 2003 Regional Board hearing. CSD-1 contends the strict limits are a result of the inappropriate application of the federal Clean Water Act, beneficial uses and narrative water quality objectives in the basin plan, as well as an inadequate consideration of Water Code Section 13241. By proceeding with Feasibility Studies, CSD-1 or SRCSD do not waive their rights to pursue challenges to the Waste Discharge Requirements or concede any of the arguments raised within the Petition for Review and currently pending before the State Board.

Both the Courtland Cease and Desist Order, and the new permit for Walnut Grove require CSD-1 to conduct a feasibility study of alternatives for achieving compliance with new permit requirements. The objectives of the study are to fulfill the requirements of the CVRWQCB for a feasibility study and to identify a system that provides sanitary sewer service to Courtland, Walnut Grove and Locke at the lowest net present value cost and environmental impact at an acceptable level of risk. The study includes a business case evaluation based on life cycle costs and regulatory trends. The methodology led to the evaluation of scenarios that CSD-1 does not believe are actually necessary to comply with existing regulations, but which respond to trends in the regulatory policy currently being pursued by the CVRWQCB. Note: Annexation into SRCSD will transfer responsibility from CSD No. 1 to SRCSD. SRCSD is the appropriate entity to operate treatment plants. The annexation allows this organization change to occur.

Delta Protection Commission Consistency

The Delta Protection Commission was established in 1992, pursuant to Public Resources Code Sections 29720-29734. The jurisdiction of the Commission includes portions of five counties: Solano, Yolo, Sacramento, San Joaquin, and Contra Costa, and is referred to as the Primary Zone of the Delta. The Primary Zone is a portion of the "Legal Delta", defined in Section 12220 of the Water Code. The towns of Walnut Grove, Locke and Courtland are within the Primary Zone.

The Commission is charged with preparation of a regional plan for the "heart" of the Delta. The plan is to address land uses and resource management for the Delta area. Key land uses are identified in the legislation and include agriculture, wildlife habitat and recreation.

The Commission adopted its Land Use and Resource Management Plan for the Primary Zone of the Delta (Plan) on February 23, 1995. In 2000, the policies within the Plan were adopted as regulations [See Title 14, California Code of Regulations, Chapter 3. Regulations Governing Land Use and Resources Management in the Delta]. The Plan was revised and reprinted in May 2002.

The Plan was forwarded to the five counties for incorporation into their General Plans and Zoning codes. The Counties carry out the Plan through their day to day activities.

The annexation is consistent with the criteria of the Commission which provides for the planning, approval, construction, operation, maintenance, reconstruction, or alteration, by a

state agency or local agency of any water supply facilities or mitigation or enhancement activities undertaken in connection therewith.

Staffing, Organizational and Operational Issues

The affected territory has been operated and maintained by CSD No.1 since being annexed in 1995. Staffing levels after the reorganization will be unchanged, however, there will be no need to enter into a separate contract with SRCSD to provide services. Ongoing operations will remain the same after reorganization. Enhanced wastewater treatment will be provided through the auspices of the SRCSD. The proposed annexation allows this organizational change.

Alternatives

There is no other economically viable alternative to continue to provide service to Walnut Grove/Locke and Courtland. There are no other districts or agencies that can provide this service. This solution permits the continuation of adequate services for these communities. It attempts to minimize the rate impacts for all users, while addressing overarching public health issues. Without annexation, the implementation of the wastewater treatment enhancements would be too costly to be borne only by the small communities.

Benefits to Walnut Grove, Courtland and Locke Ratepayers

The affected population will be able to have a safe, well maintained and functioning wastewater treatment system that operates in full compliance with environmental regulations at a reasonable cost.

Impact on Ratepayers

Courtland and Walnut Grove/Locke residents pay the same monthly rate that all County sewer customers pay. Costs for special studies and related upgrades to the system are spread across all ratepayers.

Future Growth/ Annexation

The proposed reorganization will not provide additional treatment capacity or facilities to accommodate future annexation outside the current areas designated for development in the Delta Community Plan and the County General Plan.

The Courtland facility currently serves about 300 residents. The system was designed to treat up to 70,000 gallons per day, (gpd) but currently averages 35,000 gpd. The Walnut Grove facility currently serves about 1,000 residents, including Locke. The system was designed to treat up to 500,000 gpd, but currently averages 226,000 gpd.

Public Outreach

SRCSD provided mailed notice of the proposal to interested parties in January, 2004. Two public meetings were held, one in each town--Walnut Grove on January 20, and Courtland

on January 21. The meetings were attended by approximately 25 people, in total. The staff explained the history of each facility and why the feasibility study was being undertaken. There were two major comments/ concerns that came out of each meeting:

- (Q) "Will this work affect my monthly sewer bill?
- (A) No, your bill will not be affected by this project.

- (Q) Will we have additional opportunities to discuss the project?
- (A) Yes, the chosen project will go through the CEQA process prior to being implemented. Built into the CEQA process and preparation of an EIR is the public outreach process."

Services

SRCS D does not anticipate any discernable change in existing sanitary sewer service. There will be no change in the availability of connections.

Consistency With County General Plan

The Delta Community Area Plan, and the County General Plan address growth management for the Delta. All growth within the existing Delta communities should occur consistent with the limitations of sewage disposal facilities and flood protection, adequate to support the agriculturally and recreational based economies of the Delta. Also, the County shall not provide urban services beyond the Urban Policy Area, except when it is determined necessary for health and safety purposes. Sewer treatment systems shall not provide for capacity greater than that authorized by the General Plan. The proposal is consistent with the County General Plan.

Boundary Issue

Improvements in available GIS mapping data now show that several agriculturally zoned parcels were inadvertently included in the 1995 CSD No. 1 annexation. It is not District policy to serve agricultural areas. These parcels should be detached from County Sanitation District No. 1. No agricultural parcels are included in this proposed Sacramento Regional County Sanitation District reorganization.

The town of Locke benefited from a sewer rehabilitation project in 1999-2000.³ A Negative Declaration was certified for the project. At that time it was anticipated that the town would annex to CSD No. 1. A review of records indicates that the necessary Sphere of Influence Amendment and annexation was not initiated. Also, in order to connect the Locke system to Walnut Grove, right-of-way was acquired which impacted an interceding property, known as the "Wilson Parcel Map" (APN 146 00160 039, 40, & 42).⁴ Staff recommends that Locke SOI Amendment and concurrent annexation to CSD No. 1, including the "Wilson Parcel Map," be included with these proceedings.

³ County Control No. 97-PWE-LFE-0378.

⁴ County Control No.03-PMR-0406.

LAFCo Policies

The proposed reorganization will not alter or expand the existing service capacity of either the Walnut Grove or Courtland sanitary sewer systems. Any subsequent annexation will be subject to LAFCo purview. The baseline Master Services Element for SRCSD indicates that the district has the means and capacity to provide the services needed, without adversely impacting existing ratepayers.

The proposal is consistent with the Sacramento LAFCo policies and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Environmental Consideration

The Sphere of Influence amendment and concurrent annexation will not have an impact on the environment. It will facilitate the provision of enhanced wastewater treatment services within the environmentally sensitive Delta region of Sacramento County

Staff has prepared a Notice of Exemption, pursuant to General Rule 15061(b)(3) of the California Environmental Quality Act. The activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment.

There are some parcels which are classified as having “prime soils.” These parcels are not included in this annexation. Also, staff recommends that those parcels be detached from CSD No.1.

Staff recommends the requested Sphere of Influence boundary of SRCSD be amended to include the unincorporated communities of Walnut Grove, Courtland and Locke.

Conducting Authority Proceedings

The affected territory is inhabited, with more than twelve registered voters. Notice has been provided to all affected agencies, landowners and residents in the project area.

No written protest of the Reorganization has been submitted.

When your 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 reconsideration of the resolution within 30 days of adoption. [56895 (a)(b)]

Staff recommends that your Commission designate the Executive Officer as the Conducting Authority, and set the Protest Hearing for a date after the close of the reconsideration period. At the hearing, the Executive Officer shall determine the value of any oral or written protests, filed and not withdrawn. [56666(a) & 57052]

CONCLUSION

The proposed project should ultimately improve the quality of sanitary sewer service and wastewater treatment to Walnut Grove, Courtland and Locke to meet existing water quality standards imposed by the State of California. In addition, residents will have the opportunity to address SRCSD and CSD No. 1 on rate and service related issues.

RECOMMENDATION

Staff recommends your Commission:

1. Find the environmental analysis is adequate and complete and that the Notice of Exemption [General Rule 15061(b)(3)] satisfies the California Environmental Quality Act requirements for this project.
2. Amend the Sphere of Influence for County Sanitation District No. 1 to include the unincorporated community of Locke and the Wilson Parcel Map.
3. Approve the annexation of Locke, including the Wilson Parcel Map, to the County Sanitation District No. 1.
4. Direct staff to work with affected parties to detach several agricultural parcels from CSD No. 1 and provide service to Walnut Grove Marina area via contract.
5. Amend the Sphere of Influence for the Sacramento Regional County Sanitation District to include the unincorporated communities of Walnut Grove, Locke and Courtland.
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7. Direct the Executive Officer to act as the Conducting Authority for this matter and to set the hearing on the proposed Reorganization for July 7, 2004, after the required 30-day reconsideration period.
8. Authorize your Chair to sign the resolution making these determinations.

DL:Maf
(SRCSD Annex Walnut Grove & Courtland)