

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

August 13, 2008 (Agenda)

LAFCO 08-18 **Delta Diablo Sanitation District (DDSD) Sphere of Influence (SOI) Amendment (Northeast Antioch)**

PROPONENT City of Antioch

ACREAGE & LOCATION The City proposes to add 481± acres to DDSD's SOI. The area is bounded to the north by the San Joaquin River, to the east by Highway 160, and to the south and west by the City of Antioch.

PURPOSE: To allow for the eventual annexation of the property in order to extend wastewater and other municipal services to the site.

SYNOPSIS

The City filed an application with LAFCO to amend DDSD's SOI boundary to include 481± acres including 234± acres of industrial uses (i.e., PG&E Gateway Generating Station and various other power generation and manufacturing uses); 170± acres of vacant, undeveloped land; and 77± acres of protected habitat areas. The City also submitted a corresponding application to annex the same properties to both the City and DDSD; the reorganization proposal is currently pending.

The DDSD SOI and service boundary are coterminous (except for the southern portion of Roddy Ranch). The purpose of the proposed SOI expansion is to allow for the future annexation to DDSD (and the City), provide for a logical boundary, and bring the PG&E and other current and proposed industrial uses into the DDSD service area.

The area proposed for inclusion in the District's SOI is contiguous to the District's existing SOI and service boundary, is located within the City of Antioch's SOI and inside the City and County Urban Limit Lines.

The City's General Plan identifies several focus areas, including the Eastern Waterfront Employment Focus Area, which includes the subject territory (Area 1) and adjacent areas (Areas 2a and 2b) as depicted in the attached map (Attachment 1).

The proposal covers only Area 1 (481± acres). In conjunction with the SOI and reorganization proposals, the City conducted an informal poll of landowners and registered voters in Areas 2a and 2b to gauge the level of interest in annexation to the City of Antioch and DDSD. With regard to Area 2a, the results of the poll were inconclusive. With regard to Area 2b, 189 surveys were mailed, and 54 (29%) were returned. Of those surveys returned, over 50% of the respondents opposed annexation to the City and to DDSD.

The City has given consideration to inclusion of Areas 2a (94± acres) and 2b (103± acres). The Northeast Antioch Annexation Feasibility Study (July 2005) and the Northeast Antioch Reorganization Initial Study/Negative Declaration (March 2008) address the potential annexation of all three areas to the City and DDSD. In addition, the City recently retained a consultant to conduct a fiscal analysis of annexing Areas 2a and 2b. This study is currently underway.

The LAFCO staff report and analysis below addresses inclusion of all three areas in DDSD's SOI.

BACKGROUND

The Cortese-Knox-Hertzberg Act (CKH Act) empowers LAFCO with the responsibility for developing and determining the SOI of each local agency within the county, and for enacting policies designed to promote the logical and orderly development of areas within the spheres.

An SOI is defined as a plan for the probable physical boundaries and service area of a local agency, as determined by LAFCO. The intent of an SOI is to identify the most appropriate areas for an agency's extension of services in the foreseeable future (e.g., 10-20 year horizon). Accordingly, territory included in an agency's sphere is an indication that the probable need for service has been established, and that the subject agency has been determined by LAFCO to be the most logical service provider for the area.

The CKH Act requires that LAFCO decisions regarding boundary changes be consistent with SOIs of local agencies. LAFCO is prohibited from approving annexations that are not within the annexing agency's SOI. Once an SOI is established, annexations must still be individually weighed and evaluated on their own merit.

State law requires LAFCO to review and update, as necessary, the SOI of each local agency not less than every five years. In conjunction with an SOI update, LAFCO must prepare a Municipal Services Review (MSR). In December 2007, the Commission accepted the MSR report covering water and wastewater services in East County. The MSR included a review of DDSO services along with SOI options and recommendations, including a recommendation to expand the DDSO SOI to coincide with the voter approved ULL. The District's SOI update is currently pending completion of a supplemental environmental review. The proposed SOI expansion area currently under review includes Area 1, 2a and 2b.

DISCUSSION

In determining a sphere, LAFCO is required to consider and prepare a written statement of determinations with respect to certain factors prior to making a decision, as discussed below (Government Code §56425).

1. *The present and planned uses in the area, including agricultural and open space lands.*

The present land uses are summarized in the table below.

Land Use	Area 1 (acres)	Area 2a (acres)	Area 2b (acres)	Description
Developed nonresidential	253	18	14	-Mirant and PG&E power plants, Domtar Gypsum America, and Gaylord Container Corp. -Other industrial uses along Wilbur Ave and the Burlington Northern Santa Fe Railroad
Vacant nonresidential	87	0	16	-Undeveloped or cleared property
Underdeveloped nonresidential	64	73	0	-Open storage or inactive enclosed uses
Developed residential	0	3	71	-Neighborhoods along Viera Ave and north of East 18 th St

Underdeveloped residential	0	0	2	-Scattered lots located within two neighborhoods north of East 18 th St
Protected land	77	0	0	-Antioch Dunes National Wildlife Refuge (U.S. Fish and Wildlife Service)
Total	481	94	103	

The area is located within the County's East County General Plan Area. Current County General Plan designations include H1 - Heavy Industrial (Areas 1 and 2a); and A2 – General Agricultural, CM – Controlled Manufacturing, D1 – Two Family Residential, L1 - Light Industrial, and R-10 and R-40 - Single Family Residential (Area 2b). Approximately 12 acres within Area 1 are currently used for the cultivation of wine grapes. In addition, Area 1 is included in the East Contra Costa County Habitat Conservation Plan and Natural Community Conservation Plan (ECCCHCP/NCCP). The ECCCHCP/NCCP identifies the area as an urban development area. Thus, the proposed SOI change would have no effect on the ECCCHCP/NCCP.

County zoning designations include: Heavy Industry, Open Space and Parks and Recreation (Area 1); Delta Recreation, Heavy Industry, Parks and Recreation and Public/Semi-Public (Area 2a); and Heavy Industry, Light Industry, Parks and Recreation, Public/Semi-Public, Single Family Residential – High and Single Family Residential - Medium (Area 2b).

The area is located with the City's Eastern Waterfront Employment Focus Area. The City's General Plan contains a "Focused Policy Area" applicable to the SOI expansion area and surrounding areas. The City's General Plan designations include General Industrial and Rail Serviced Industrial (Areas 1 and 2a), and Medium Low Density Residential (Area 2b).

The City indicates that it will prezone Area 1 as M-2 Heavy Industrial for the area north of Wilbur Avenue, OS Open Space for the Antioch Dunes National Wildlife Refuge, and Rail Served Industrial uses (included in the definitions of both the Heavy and Light Industrial designations) south of Wilbur Avenue. Plans to prezone Areas 2a and 2B are pending further research by the City.

The City indicates that land use and rezoning will be consistent with the current General Plan designations and zoning of adjacent areas; thus no impacts to prime agricultural or open space lands will result from this proposal.

2. The present and probable need for public facilities and services in the area.

Area 1 is primarily occupied by power generation, manufacturing and other industrial uses. In addition, there are approximately 150 acres of vacant and underdeveloped nonresidential land and 77 acres of open space land (Antioch Dunes National Wildlife Refuge) in the western portion of Area 1.

Area 2a is primarily developed and underdeveloped nonresidential, with some residential development. There are 18 parcels within Area 2b which support industrial and commercial uses, including marina uses. Several marinas and yacht clubs are located in Area 2b. In addition, there are an estimated 37 residents housed in mobile dwellings in the marina area.

Area 2b is primarily developed residential, developed non residential and vacant nonresidential. There are 118 parcels located in Area 2b that comprise light industrial, agricultural and residential neighborhoods. There are an estimated 272 residents in Area 2b.

The majority of homes and businesses in these three areas rely on individual septic systems and wells, or do not otherwise have municipal utility services. Many of these septic tanks are older and prone to failure. The Contra Costa County Environmental Health Department reviewed the conditions, specifically for properties in Area 2b, and noted that 50 to 75 percent of the septic systems are on the verge of failure.

The City, in its environmental document, reviewed the provision of water and wastewater services to Area 1. The City indicates that the only project that is currently underway and in need of service is the PG&E Gateway Generating Station (Area 1).

PG&E intends to run its facility approximately 16 hours per day, six days a week and estimates an annual water demand of 23 million gallons or 71 acre-feet. The estimated water demand for the remainder of Area 1, Areas 2a and 2b was not provided.

Given the existing and proposed land uses in the area, there is a present and probable need for municipal services and facilities in Areas 1, 2a and 2b. Inclusion of all three areas on DDS's SOI would provide property owners an opportunity to connect to municipal sewer, and could reduce or eliminate the use of older septic systems.

3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

The City of Antioch provides wastewater collection services, discharging the wastewater into to the DDS conveyance system for treatment, disposal and the production of recycled water. The present capacity of DDS's existing wastewater facility is 16.5 million gallons per day (mgd); the existing use is 14.2 mgd. DDS's existing wastewater collection system consists of 49 miles of sewer main and five pump stations. The District's average dry weather flow is 14.2 million gallons per day (mgd), and the wastewater treatment plant capacity is 16.5 mgd (current design) and 22.7 mgd (ultimate capacity).

With regard to infrastructure, the subject property is located in northeast Antioch. The conveyance system serving this area includes the Bridgehead Pump Station which is undergoing construction to increase capacity from 5.5 mgd to 11.75 mgd. Projected flow in the eastern portion of the City through 2015 is 11.6 mgd. The DDS wastewater treatment facility has a capacity of 16.5 mgd, which is expected to be increased to 22.7 mgd by 2015.

As shown in the City's application, there are existing wastewater lines, as well as potential future lines within Areas 1, 2a and 2b.

The City of Antioch provides treated water and distribution to areas within the City boundaries and part of its SOI. The City's principal sources of untreated water are supply are Contra Costa Canal and the San Joaquin River; canal water is purchased from the Contra Costa Water District (CCWD).

The current water treatment capacity is 28 mgd. The water treatment plant is currently being upgraded to increase capacity to 36 mgd; with an ultimate capacity of 48 mgd and a delivery capacity of 60 mgd. Average demand is approximately 18 mgd, and peak demand is approximately 31 mgd.

With regard to infrastructure, an existing water supply pipeline runs along the perimeter and through the eastern portion of the subject territory. According to the City's application, there are existing raw water mains within Areas 1, 2a and 2b; treated water distribution lines and related infrastructure would be needed to serve these areas.

DDSD has provided a letter agreeing to provide wastewater conveyance and treatment services to Area 1 following annexation. Service to the PG&E facility will be extended upon completion of the Bridgehead Pump Station expansion, currently in final start-up testing; and upon completion of the new City sewer which is currently underway. The District indicates that service to other parcels in Area 1 will be extended once specific projects are identified and development occurs.

The District collects Capital Facility Capacity Charges to build conveyance and treatment capacity as it is consumed by new connections. Capacity is provided through facilities constructed by DDSD as prescribed in the District's Conveyance and Treatment Plant Master Plans. These master plans rely on city and County General Plans for information on future service needs. The District indicates that it has both constructed and planned capacity in its conveyance and treatment systems to serve Area 1.

Both the City and DDSD are planning for a population increase of one percent through 2025 in their respective service areas. The addition of Areas 1, 2a and 2b would be included in the planned population increase.

The recently completed East County Water and Wastewater Municipal Service Review (MSR)/Sphere of Influence (SOI) Updates concludes that the City of Antioch and DDSD have adequate water supply and wastewater capacity to meet the projected service demands though build out, including Areas 1, 2a and 2b.

4. *The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.*

The primary social or economic communities of interest that are relevant to the SOI amendment are the Antioch community and the DDSD customer base. The SOI amendment is consistent with the Antioch voter approved ULL, and would be a logical extension of the DDSD boundary.

The exclusion of Area 2a would result in the creation of an island and would perpetuate the existing public health problems with inadequate sewer and water services. The exclusion of Area 2b would result in the creation of an illogical boundary and again would perpetuate the public health situation.

In addition to the above determinations, the Commission, when adopting, amending, or updating an SOI for a special district, shall establish the nature, location, and extent of any functions or classes of services provided by existing districts.

DDSD provides wastewater conveyance, treatment, disposal, recycled water, street sweeping, household hazardous waste collection to the cities of Antioch and Pittsburg, the Bay Point community, and adjacent unincorporated areas.

Environmental Impact of the Proposal

The City of Antioch, as Lead Agency, prepared and adopted an Initial Study/Negative Declaration (IS/ND) associated with the proposed SOI amendment and pending Northeast Antioch reorganization proposal (March 2008). The IS/ND evaluated the impacts of including the project area (Area 1) in both the City of Antioch and DDSD boundaries. In addition, the environmental review provides a summary of findings and conditions relating to Areas 2a and 2B, as well as environmental justice analysis and additional supplemental analyses. Copies of this document were previously provided the Commission and are available in the LAFCO office.

The City's IS/ND concluded that no significant environmental impacts would occur as a result of the proposed boundary change.

It should also be noted that in December 2007, the Commission accepted the East County Water and Wastewater MSR, which included a review of services provided by a number of East County agencies including the City of Antioch and DDSD. In April 2008, the Commission accepted the Central County Water and Wastewater MSR, which included a review of services provided by various Central County agencies including CCWD.

These MSR reports included various SOI options and recommendations relating to subject agencies. Included among these options was expansion of the SOIs of CCWD and DDSD to correspond to the City of Antioch and City of Pittsburg voter approved urban limit lines. The proposed expansion area includes northeast Antioch (Areas 1, 2a and 2b).

In July 2008, the Commission authorized LAFCO staff to enter into a service agreement with a qualified environmental consulting firm to prepare an Initial Study relating to the proposed SOI expansions. This study is currently underway.

ALTERNATIVES FOR COMMISSION ACTION

After consideration of this report and any testimony or additional materials that are submitted the Commission should consider taking one of the following actions:

Option 1 Given the existing and proposed land uses for the area, and the present and probable need for public services to the project site, it is recommended that the Commission approve the SOI expansion to include Areas 1, 2a and 2b, totaling 678± acres. (Attachment 2)

The City's application and corresponding environmental review, and the recently completed LAFCO MSR provide adequate information to support this action.

- A. Determine that the City of Antioch, as Lead Agency, prepared and certified the *Northeast Antioch Reorganization – Initial Study and Negative Declaration* (March 2008).
- B. Certify that the Commission has reviewed and considered the information contained in the CEQA documents prepared by the City of Antioch.
- C. Adopt this report and amend the Sphere of Influence of the Delta Diablo Sanitation District to include a total of 678± acres as described herein and shown on the attached map.

Option 2 Approve the DDSO sphere expansion to include only Area 1 (481± acres) as proposed by the City of Antioch. (Attachment 3)

- A. Determine that the City of Antioch, as Lead Agency, prepared and certified the *Northeast Antioch Reorganization – Initial Study and Negative Declaration* (March 2008).
- B. Certify that the Commission has reviewed and considered the information contained in the CEQA documents prepared by the City of Antioch.
- C. Adopt this report and amend the Sphere of Influence of the Delta Diablo Sanitation District to include a total of 481± acres comprised of Areas 1 as described herein and shown on the attached map.

Option 3 Adopt this report and DENY the proposal.

Option 4 If the Commission needs more information, CONTINUE this matter to a future meeting.

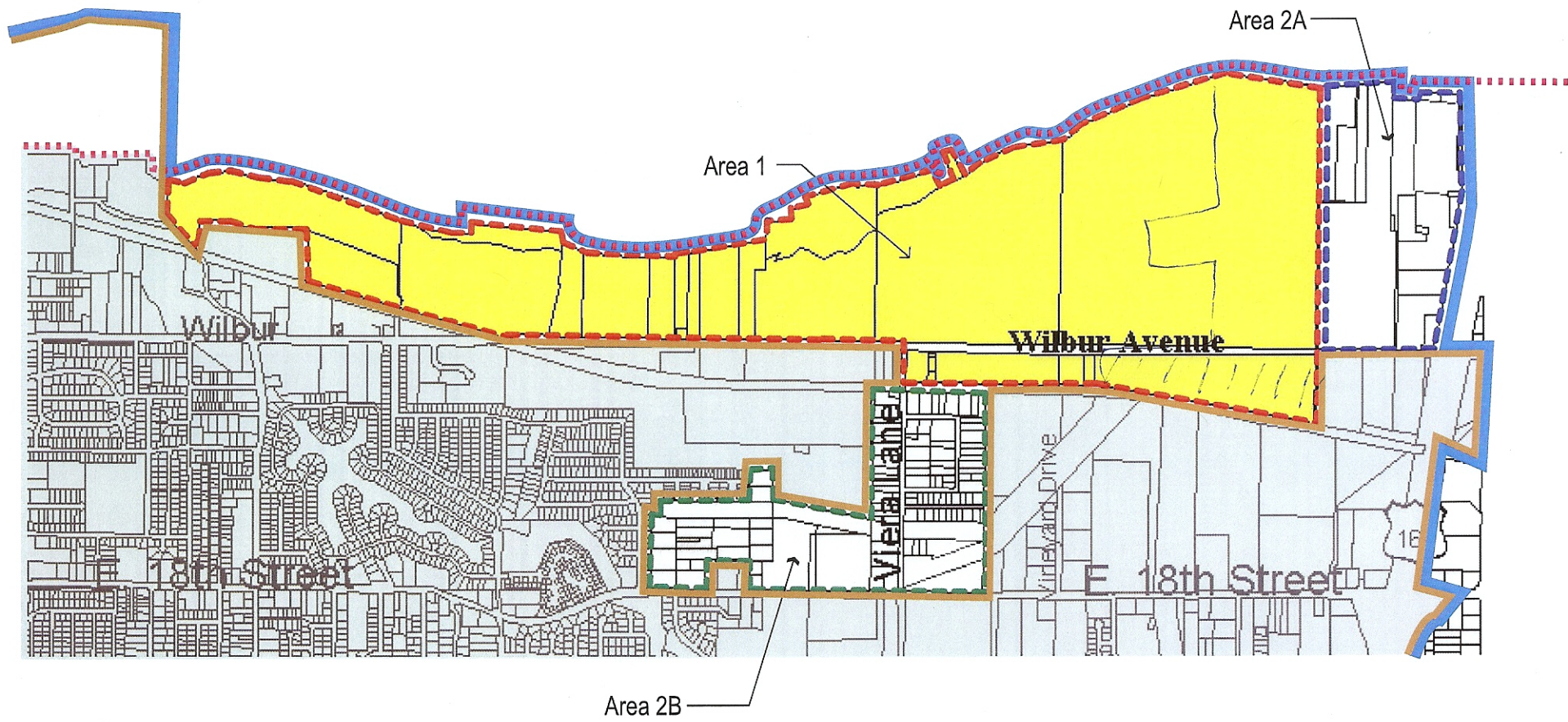
RECOMMENDED ACTION:

Approve Option 1.

LOU ANN TEXEIRA
EXECUTIVE OFFICER
LOCAL AGENCY FORMATION COMMISSION

Attachments

- 1. SOI Maps
- 2. Draft LAFCO Resolution



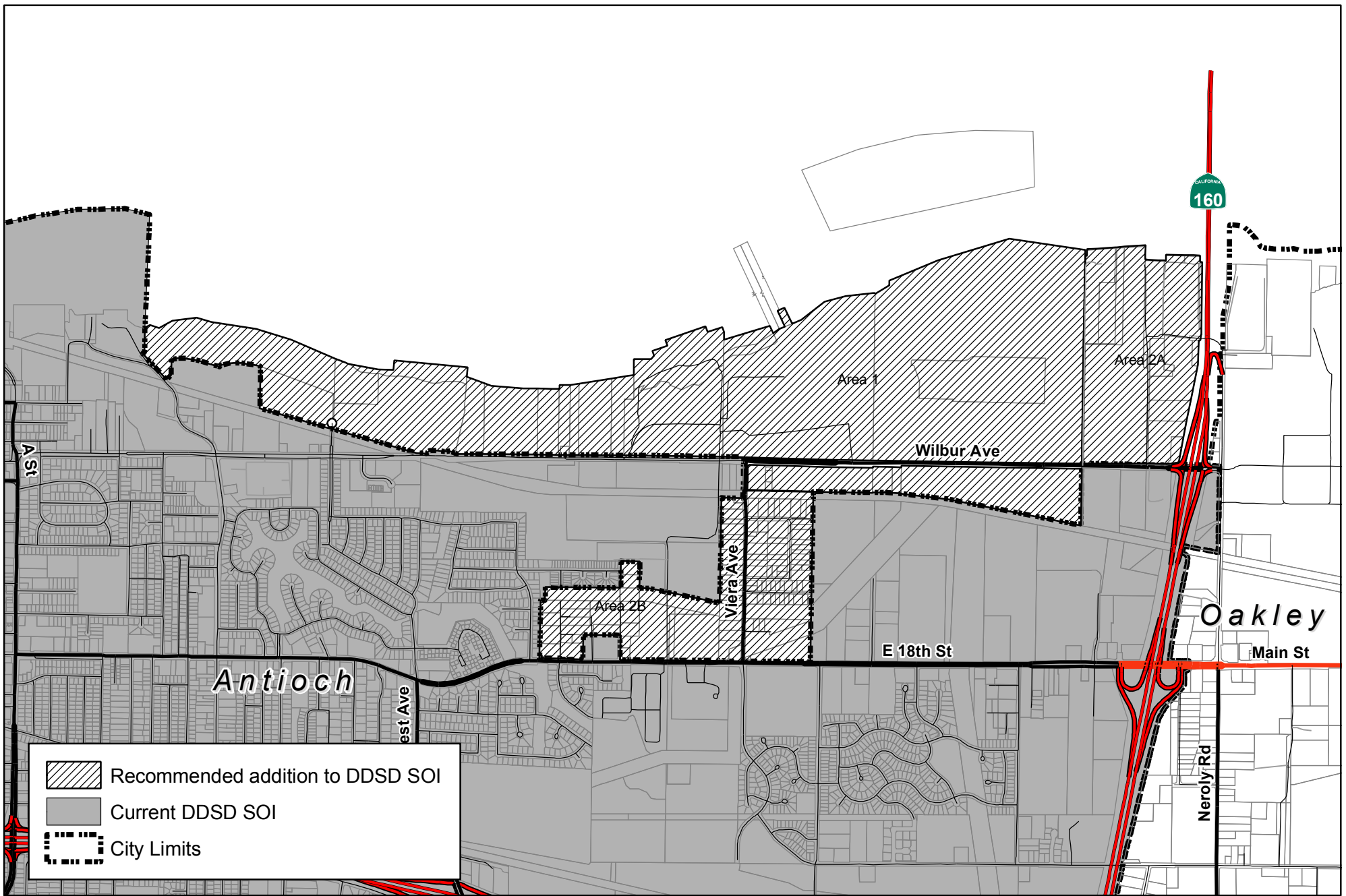
LEGEND




- Urban Limit Line
- City Sphere of Influence (SOI)
- City Boundary
- DDSD Service Boundary and SOI
- Area 1
- Area 2A
- Area 2B

Attachment 1

EXHIBIT 2
 Current Administrative Boundaries
 Industrial Areas Along Wilbur Avenue –
 Administrative Reorganization

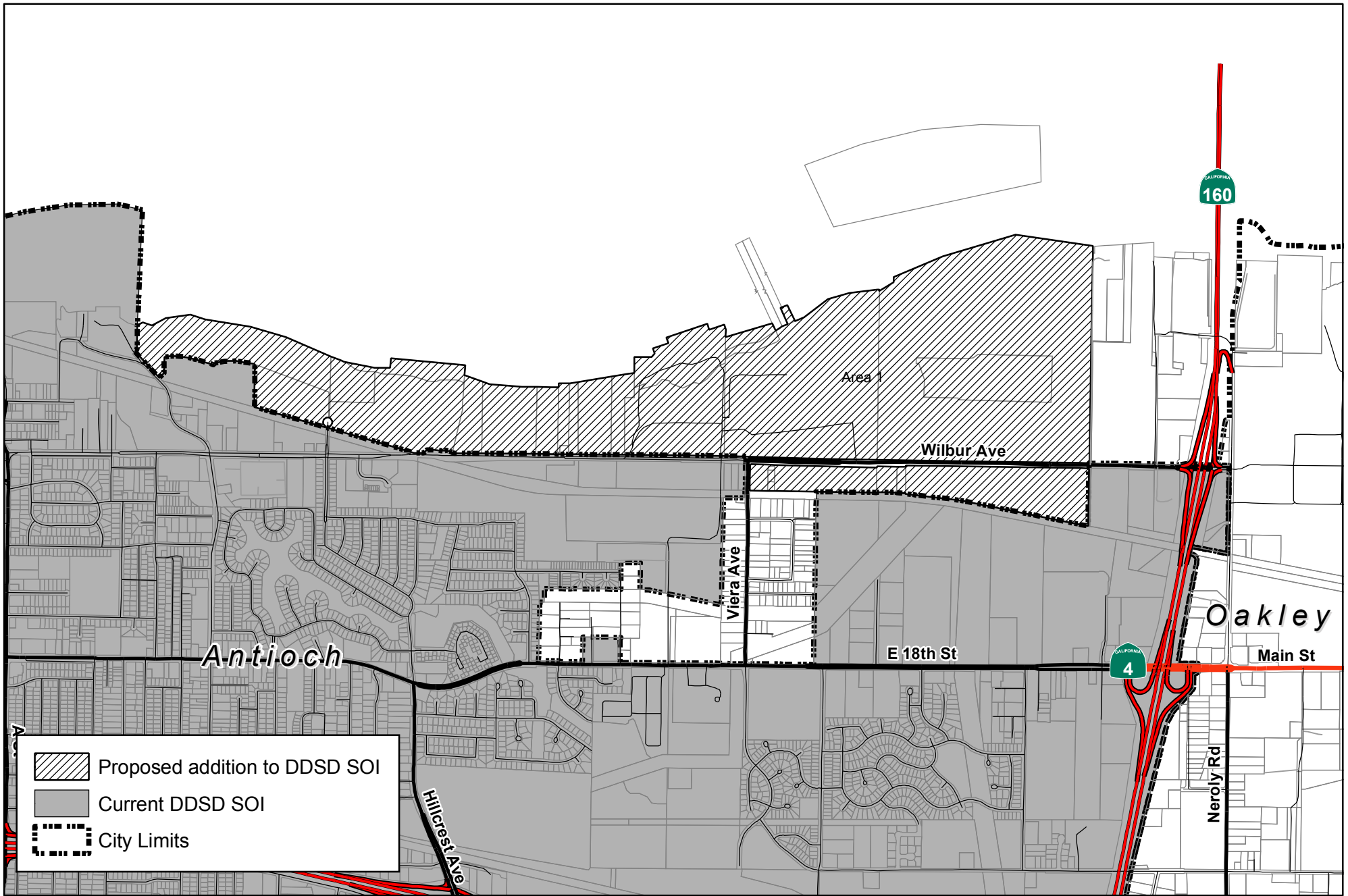
LAFCO 08-18: Delta Diablo Sanitation District Sphere of Influence Amendment (Northeast Antioch)--Recommended



	Recommended addition to DDSD SOI
	Current DDSD SOI
	City Limits

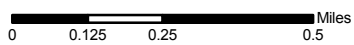


LAFCO 08-18: Delta Diablo Sanitation District Sphere of Influence Amendment (Northeast Antioch)--Proposed



Attachment 3

Map created 5/14/2008
 by Contra Costa County Community Development, GIS Group
 651 Pine Street, 4th Floor North Wing, Martinez, CA 94553-0095
 37.59:48.455N 122.06:35.364W



This map was created by the Contra Costa County Community Development Department with data from the Contra Costa County GIS Program. Some base data, primarily City Limits, is derived from the CA State Board of Equalization's tax rate areas. While obligated to use this data the County assumes no responsibility for its accuracy. This map contains copyrighted information and may not be altered. It may be reproduced in its current state if the source is cited. Users of this map agree to read and accept the County of Contra Costa disclaimer of liability for geographic information.



SPHERE OF INFLUENCE RESOLUTION NO. 08-18

RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND MODIFYING THE SPHERE OF INFLUENCE
OF THE DELTA DIABLO SANITATION DISTRICT (NORTHEAST ANTIOCH)

WHEREAS, a proposal to modify the sphere of influence (SOI) of the Delta Diablo Sanitation District (DDSD) was filed with the Contra Costa Local Agency Formation Commission (LAFCO) pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56425); and

WHEREAS, at the time and in the manner required by law the Executive Officer has given notice of the Commission's consideration of the proposal; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental document or determination, SOIs and applicable General and Specific Plans and all testimony, correspondence and exhibits received during the public hearing, all of which are included herein by reference;

NOW, THEREFORE, the Contra Costa LAFCO DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

1. The matter before the Commission is the proposed amendment of the SOI of the DDSD.
2. The City of Antioch, as Lead Agency, prepared and adopted a Negative Declaration in conjunction with the Northeast Antioch Reorganization and DDSD SOI. The Commission is a Responsible Agency under the California Environmental Quality Act (CEQA) and has reviewed and considered the information contained in the City's Negative Declaration.
3. The DDSD SOI is hereby modified to include the area shown on the attached map labeled "Exhibit A."
4. The Commission has considered the criteria set forth in Government Code §56425 and determines as follows:

The present and planned uses in the area, including agricultural and open space lands.

Approximately 678 acres located bounded to the north by the San Joaquin River, to the east by Highway 160, and to the west and south by the City of Antioch are proposed to be added to DDSD's SOI. The area proposed for inclusion in the District's SOI is comprised of three subareas. The existing land uses in Area 1 are primarily industrial, with some undeveloped and protected habitat areas. Area 2a includes industrial, commercial (marina) and residential uses. Area 2b is primarily residential with some light industrial uses. The area is within the County and City of Antioch respective Urban Limit Lines. There are no prime agricultural or Williamson Act Land Conservation Agreements within the site. The site contains 77± acres of open space land (Antioch Dunes National Wildlife Refuge) in the western portion of Area 1.

No changes in land uses are proposed, and the proposal is consistent with the existing land use and zoning designations.

The present and probable need for public facilities and services in the area.

Currently, the site is occupied by a 3,976 sq. ft. office and warehouse building and storage yard; plans are underway to expand the facility by approximately 2,103 sq. ft. The existing facility is served by a septic system. The proposed expansion will necessitate the need for increased sewer services and the removal and replacement of the existing septic system. Given the

location of the facility, the relatively high water table in the area, and the proximity of the project site to DDSD's existing service boundary, municipal sewer service is desirable.

The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

DDSD indicates it has the present capability and adequate facilities to serve the SOI proposal area, given existing land uses and potential service demand.

The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

The primary social or economic communities of interest that are relevant to the SOI amendment are the Pittsburg community and the DDSD customer base. The SOI amendment is consistent with these interests, and would be a logical extension of the DDSD boundary.

The nature, location, and extent of any functions or classes of services provided by the existing district.

DDSD provides wastewater conveyance, treatment, disposal, recycled water, street sweeping, and household hazardous waste collection to the cities of Antioch and Pittsburg, the Bay Point community, and adjacent unincorporated areas.

PASSED AND ADOPTED THIS 13TH day of August 2008, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

ROB SCHRODER, CHAIR, CONTRA COSTA LAFCO

I hereby certify that this is a correct copy of a resolution passed and adopted by this Commission on the date stated above

Dated: August 13, 2008

Lou Ann Texeira, Executive Officer