

SONOMA LOCAL AGENCY FORMATION COMMISSION

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Staff Report

Meeting Date: April 3, 2024

Agenda No. Item 5.1

Agenda Item Title: Authorization to Issue Request for Proposals for Municipal Service Review and Sphere of Influence Study for Windsor Water District and Sonoma Water (Airport/Larkfield/Wikiup Sanitation Zone)

Environmental

Determination: Exempt Pursuant to Section 15306 of the State CEQA Guidelines

Staff Contacts: Mark Bramfitt

Analysis

Staff is seeking approval from the Commission to issue a request for proposals (“RFP”) for consultant services to conduct a Municipal Service Review and Sphere of Influence Study for the Windsor Water District and for the Airport/Larkfield/Wikiup Sanitation Zone within Sonoma Water.

The study is intended to address a mutual proposal from the two districts that would enable a future reorganization. The reorganization would annex about half of the zone to Windsor Water, the balance would be served under contract.

The proposal addresses significant opportunities to avoid capital upgrade costs as well as ongoing operational costs, to the mutual benefit of both districts and their ratepayers.

Staff has included a letter from the Windsor Water District seeking the study (Attachment 1) and a draft of the RFP (Attachment 2).

The Districts are prepared to pay all costs for conducting the study and for subsequent processing of a reorganization proposal. In addition, the Districts have a reasonable expectation regarding the length of time to conduct this work.

Background

Two districts in the county have identified a significant opportunity to reduce capital and operating costs for wastewater collection and treatment that can be accomplished through a combination of the districts.

The Windsor Water District, a subsidiary district of the Town of Windsor, provides both water and sanitation service to Town residents and some additional territory outside of the Town limits.

Sonoma Water operates four sanitation zones, including the Airport/Larkfield/Wikiup Sanitation Zone (“ALWSZ”) north of the City of Santa Rosa and south of the Town of Windsor.

The Windsor Water District includes a modern treatment plant with a National Pollutant Discharge Elimination System Permit (NPDES) treatment capacity of 2.25 million gallons per day (MGD) of average dry weather flow, which is well beyond its current average dry weather flow of 1.19 MGD.

However, the plant is short of storage capacity for fully treated wastewater, and the District must make discharges of treated wastewater to the Laguna De Santa Rosa at Mark West Creek in winter when additional wet weather flow exceeds the storage

capacity. In order to do so, the District must acquire phosphorus credits to mitigate for phosphorus in the discharged water. These mitigation expenditures have been as high as \$250,000 annually.

The Airport/Larkfield/Wikiup Sanitation Zone is managed and operated by Sonoma Water. The system's treatment plant is outdated, with an identified need for capital improvements on the order of \$50 million. The plant does have an excess of storage capacity, and the wastewater collection system is in good operational order and condition.

Both districts recognize the opportunity to use Windsor's excess treatment plant capacity instead of upgrading the treatment plant at the Airport. Additionally, Windsor could use storage capacity at the treatment plant at the airport to avoid treated water discharges and their attendant costs.

In order to accomplish this plan, it is proposed that the Windsor Water District annex the territory of the ALWSZ that is west of Highway 101. This area includes the treatment plant.

The area of the ALWSZ east of Highway 101 will remain with Sonoma Water. The zone will receive wastewater collection services only, with wastewater treatment accomplished through a contract with the Windsor Water District.

This arrangement is necessary to comply with Cortese Knox Hertzberg Act limitations on the amount of territory a subsidiary district can serve beyond its "base" territory; in this case the "base" territory is the existing limits of the Town of Windsor.

A subsidiary district is held to the "70% land area and voters" rule (§57105) that requires that 70% of the land area of the district must be within the city; additionally, 70% of the voters must also be within the city. The proposed reorganization plan conforms to this rule.

Sphere Amendment Options

Prior to any proposed reorganization of the two agencies, LAFCO must undertake a sphere of influence study and potentially amend the sphere of influence of the Windsor Water District.

In the RFP, staff has identified four options that a consultant will evaluate for the report:

- No sphere amendment.
- A services contract between the two agencies
- A sphere amendment as envisioned by the two agencies.
- A sphere amendment that adds all of the ALWSZ territory to the Windsor Water sphere, with the understanding that a subsequent reorganization involving all of

the territory would require that Windsor Water become an independent special district.

Previous MSR and Sphere Studies

In 2019, the Commission conducted, through consultant services, a Municipal Service Review and Sphere of Influence Study for the Town of Windsor and its subsidiary Windsor Water District. The adopted study made a minimal change to the Sphere of Influence of both the Town and the District, but did not contemplate the scale of the current proposal. However, much of the “basic” analysis of the District can be reused.

The ALWSZ has not been recently reviewed by LAFCO.

Environmental Determination

The Municipal Service Review and Sphere of Influence Study is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15306 (Information Collection). This section exempts projects which consists of basic data collection, research, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. In that the purpose of the study is to gather information without specific action taken by the Commission, the project is exempt from CEQA.

Recommendation

Staff requests that the Commission authorize the Executive Officer to issue a Request for Proposals for completion of a Municipal Service Review and Sphere of Influence Study for the Windsor Water District and Sonoma Water (Airport/Larkfield/Wikiup Sanitation Zone).

Attachments

1. Letter from Windsor Water District Dated February 2024
2. Draft Request for Proposals