

# SACRAMENTO Business Journal

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## The roots of growth

**The region's sewer mains provide a rough map of future development. Watch for the fight over that map to heat up fast**

Mike McCarthy

The agency that builds and maintains the wastewater treatment system for most residents of the Sacramento region is headed into turbulent waters during the next few months, with nearly \$1.6 billion tied up with the politics of sewage and growth.

The agency is the Sacramento Regional County Sanitation District. An assessment district that covers Sacramento County, it is run by local county and city elected officials. It is planning \$1.57 billion in new sewer construction through 2020. Most of that money, \$900 million, would be spent on pumps and "interceptors" — the concrete pipes that carry sewage to the district's treatment plant near Freeport.

It's not just an engineering job. Sewers, water and energy are the basic infrastructure needed for growth, and growth can be controversial.

For instance, the district is in talks to provide service to a huge project in west Placer County that is already pushing the hot buttons of environmentalists. Another potential powder keg is the district's plan to serve the portion of North Natomas that the city of Sacramento wants to annex and develop. Those who don't want the land developed don't want the sewer system extended there.

Additionally, if the city and county do not agree on Natomas' future soon, there is a good chance that future homeowners in Natomas and west Placer will have to foot an extra \$63 million to ensure that the toilets in their new homes are connected to the regional wastewater treatment plant.

The district will also decide on whether to provide service to the 13,000-acre Aerojet property that GenCorp Inc. and Elliott Homes want developed. More volatile is the pending decision on whether to build interceptors for the 30,000-acre east county — a tract that is supposed to be beyond the bounds of development. These and other issues are supposed to be decided in January.

Taking the long view: The district was formed in 1974 by Sacramento County, the city of Sacramento and Folsom. Since then, it has added the county's other cities. Between 1974 and 1982, the district spent \$460 million building its huge treatment plant on 3,200 acres near Freeport, along with an interceptor system and pumps. The construction created a state-of-the-art operation, and eliminated 13 less-effective

local treatment plants that were dumping effluent into the local river system.

Today, the district serves 1.1 million people. But the 1974-82 construction was calculated to accommodate just 20 years of growth, because the U.S. Environmental Protection Agency, which funded the construction, wanted that limit, said Wendell Kido, the district's manager.

In the late 1990s, the district began to plan for the next 20 years, and came up with a master plan in the year 2000. The master plan has been undergoing an environmental impact study and some tweaking, including the addition of West Sacramento to the district. The study and the changes are slated for review by the district board in January.

Some changes will likely be of interest to developers, environmentalists and others who watch urban growth.

Setting the table for development: One of the district's biggest planned projects is the "Northwest Interceptor." This \$300 million project would begin in North Natomas near the Sacramento County line and cross the river on its way to West Sacramento. After leaving West Sac it would go under the river again to the district's wastewater treatment plant.

The plan is drawing fire.

One target is Placer Vineyards. Landowners in west Placer County propose building the 14,000-home community on 5,200 acres just north of the Sacramento County line. Placer County in its 1994 general plan made the area eligible to become a new community. The county is conducting an environmental impact report on the project and land-use entitlements could come by next summer, said Fred Yeager, the county's planning director.

One of the landowners in the project is one of the most powerful and astute local land developers, Angelo Tsakopoulos' AKT Development Corp.

The project needs to get water and sewer service. The water may come from the Sacramento River in the long run and from other agencies in the short term, Yeager said.

For sewer service, Placer County has asked the district to arrange a contract for serving Placer Vineyards, Yeager said.

The district's staff plans to hold a workshop in November with the district board on the contract, Kido said.

The district is being watched. "Regional San keeps saying 'we're not in the land-use business,' and here they're saying they're going to supply service to Placer County development," said Mary Brill, coordinator of the Sierra Club's Challenge to Sprawl. "The first infrastructure to go in for growth is water and sewer lines."

Her club and the Environmental Council of Sacramento (ECOS) do not favor "green field development" such as Placer Vineyards until the older urban areas are revitalized and used as sites for infill housing, she said.

At least one of the district's own directors also is leery of Placer Vineyards. "At the last board meeting, I asked that we be provided with information on whether Placer Vineyards is in a jurisdiction that follows smart-growth policies," said Dave Jones, a Sacramento City Councilman. "I think we should have that

information before we make this decision."

Smart growth is usually defined as higher-density, transit-oriented development, preferably in existing urban areas.

Yeager said such opposition is "expected." He declined any comment on it.

North North Natomas: Just to the south and west of Placer Vineyards, the sewer segment known as the Upper Northwest Interceptor would serve a huge area in the unincorporated portion of North Natomas, north of the existing Sacramento city limits.

City and county officials have reached a tentative accord on the future of that area. Under the pact, much of the land would become part of the city's sphere of influence (land which may be annexed). It would ultimately be largely urbanized, and the county would get half of the future tax revenues.

Much of the land is the so called "Northern Territories," some 6,500 acres east of Sacramento International Airport and north of Elkhorn Boulevard. Deep-pockets land developers Brookfield California Land Holdings Inc. and Richland Communities Inc. own land in the area. Tsakopoulos' AKT owns another key holding in the area, Greenbriar Farms.

Not surprisingly, some landowners within the proposed sphere of influence favor extension of service. "The growth study being done by the Sacramento Area Council of Governments shows a huge shortfall of land for housing, especially near the urban core," said Cameron Doyel, a spokesman for the Northern Territories Inc. group. "It only makes sense for Regional San to prepare to serve the area."

Not only is Regional Sanitation building interceptors to Northern Territories' "front door" anyway, but the land is logically next in line after North Natomas for development, he said.

Moreover, a major transit line is planned from downtown Sacramento to Natomas that could serve the area, he added.

The city and county are working toward a final agreement for urbanization, but the process hasn't exactly been a consensus builder. Environmentalists are fighting it, as are landowners who were not included in the future sphere of influence.

The environmentalists, especially, are fuming. "That area has no 'incidental take' permit and the proponents should not count on getting one because of the impact of development on wildlife," said James Pachl, attorney for Friends of the Swainson's Hawk, a member of ECOS.

Natomas is home to the threatened hawk and the giant garter snake, species that ECOS is determined to protect. Pachl's organization was part of a group that brought a successful lawsuit against the City of Sacramento for not providing adequate species protection in the Habitat Conservation Plan for Natomas.

Also hanging over the Natomas sewer plan is the problem of scheduling. The district aims to get its updated master plan approved in January, so that it can keep to its schedule, which calls for starting the project in September 2003 and finishing in 2006, said Mike Maggi, the district's principal civil engineer.

The schedule must be kept because the new line would relieve the already hard-pressed interceptor system for ongoing North Natomas development south of Elkhorn Boulevard.

The construction schedule is also vital to West Sacramento. The city wants to be annexed into the

Regional Sanitation system and splice its system into the Lower Northwest Interceptor, Kido said.

But West Sacramento expects its wastewater volume will surpass the capacity of its existing treatment plant by 2007, making it all the more imperative to start construction on schedule.

**Sphere and loathing:** There is yet another political landmine in Natomas. It stems from the fact that the district can expand its interceptor system only into areas that have been formally designated by municipalities for growth.

In this case, the city and county of Sacramento must reach final agreement on the city's future sphere of influence and other terms in order for the district to serve the sphere area, Kido said.

If the two municipalities somehow fail to make a final deal by September — when construction is to begin — the district will not be able to even build pipes with sufficient capacity for future development in the proposed sphere area.

If construction starts on the smaller system and the city and county later reach agreement, the district would have to build a separate pipe system to accommodate the sphere area and Placer Vineyards.

The new system would run parallel to the Upper Northwest Interceptor, and it would cost another \$63 million. The extra charge would fall to future rate payers in the sphere and Placer Vineyards areas.

Jones, the district board member, said the city and county are on schedule to reach accord by January, although it's hard to predict the result of negotiations with absolute certainty.

Yet, it seems possible that opposition to the pact could at least delay completion.

**Sewers beyond the boundary:** Also potentially controversial is the layout of a planned pipeline, the Deer Creek Interceptor, that would serve future development in the east portion of Sacramento County inside the county's limit to growth, the urban services boundary.

But the line as designed crosses that boundary.

That could raise fears that the district is getting ready to serve the roughly 30,000-acre block of oak grassland in Sacramento's east county between Folsom and Rancho Murieta.

Environmentalists don't want to see those green fields developed, Brill said.

The line was planned as it was purely for engineering reasons, because of the lay of the land in that area, Kido said.

Aware of the potential for controversy over the growth border, the district's board has asked that staff members draft plans for an alternative interceptor system, one that does not cross the boundary, Jones said.

Under the proposed plan, the line is not scheduled for construction until after 2020.

**Aerojet and Mather:** Likely to be less controversial are the plans to extend the district's interceptor system to the Aerojet and Mather Field properties. Neither was included in the district's existing plans but both are inside the urban services boundary.

Mather Field is obviously developing as a private project, and it can be hooked into the Bradshaw

Interceptor line that is under construction between Folsom and the treatment plant, Maggi said.

GenCorp's 13,000-acre Aerojet tract also is headed for development. The company has sold or optioned some 3,900 acres to Elliott Homes, and is negotiating to sell off the first leg of another 2,600 acres to commercial developers.

The company's handling of its water purification duties has drawn criticism and lawsuits. But there has been no attack on the interceptor plan.

The interceptor line to Folsom, by the way, won't help the city's now-infamous sewer problems, which are entirely a product of the city's own wastewater system, not the regional system.

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