



# LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

January 13, 2023

**TO:** City of East Palo Alto  
 Patrick Heisinger, Interim City Manager  
 2415 University Avenue  
 East Palo Alto, CA 94303

**RE:** Comment Letter for LAFCo File No. 22-09 – Proposed Establishment of the East Palo Alto Sanitary District (EPASD) as a subsidiary district of the City of East Palo Alto

Thank you for the submittal of the Response to the LAFCo Incomplete letter, which was received by this office on December 22, 2022. In review of this Response letter, LAFCo has the follow comments and questions:

- 1) Response 3b notes that the EPASD General Manager's employment agreement ends on October 23, 2022. Please review the ending date of the contract and update if needed.
- 2) Regarding Response 3c, LAFCo would like the City to explore the creation of an advisory commission, or similar entity, to the governing board should the formation of a subsidiary district is approved by the Commission. The size and scope of the advisory commission can be determined by the City, but LAFCo would recommend the inclusion of at least one advisory position allocated to EPASD ratepayers who reside in the Menlo Park area of the district.
- 3) Response 3d states that the City would address the net pension liability of the District through pre-funding and long-term budget forecasting. The response also states that expenditures could be allocated for reserves. Please show the CalPERS pension costs in the proposed project budget of the subsidiary district that was prepared by Freyer & Laureta for FYs 2022-23 to 2026-27. These costs should also be shown in expense category tables as well (e.g. Table 7 of the Freyer & Laureta memo showing the estimated annual operating and maintenance expenses) or in a separate table showing pension liability and costs.
- 4) Does the City have information regarding any existing surcharging with the EPASD system? Response 3g states that the 2015 EPASD Master Plan allowed for

**COMMISSIONERS:** ANN DRAPER, CHAIR, PUBLIC ▪ RIC LOHMAN, VICE CHAIR, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY ▪ KATI MARTIN, SPECIAL DISTRICT

**ALTERNATES:** VACANT, SPECIAL DISTRICT ▪ VACANT, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK

at least four feet of freeboard while preventing sanitary sewer overflows. Is the sewer system currently operating within this parameter?

LAFCo File 22-09 remains in an incomplete status.

In addition, LAFCo anticipates comments from EPASD on the City's Response to the LAFCo Incomplete letter by January 20, 2023. LAFCo may have additional comments and questions for the City in response to comments from EPASD. These comments will be transmitted by LAFCo to the City as timely as possible.

If you have any questions regarding this letter, please feel free to contact me. I can be reached at 650-363-4224 or via e-mail at [rbartoli@smcgov.org](mailto:rbartoli@smcgov.org).

Sincerely,

*Rob Bartoli*

Rob Bartoli  
Executive Officer