



LOCAL AGENCY FORMATION COMMISSION

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REVISED December 13, 2022

- TO:** City of East Palo Alto
Patrick Heisinger, Interim City Manager
2415 University Avenue
East Palo Alto, CA 94303
- RE:** Revised Incomplete 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 above referenced application, which was received in this office on November 10, 2022. LAFCo staff has reviewed the application and related items in order to determine if the application is complete and contains the information necessary to process the request. The application has been deemed incomplete at this time due to the following reasons:

- 1) The San Mateo County Controller's Office has not yet made a determination regarding the need for a property tax exchange for the submitted proposal.
- 2) On November 17, 2022, EPASD received notice of the proposal to establish EPASD as a subsidiary district of the City. As allowed for Government Code Section 56861, EPASD may elect to either consent to the proposal or adopt a resolution of intention to file an alternative proposal to the subsidiary district proposal within 35 days of receiving the notice. If a district files a resolution of intention to file an alternative proposal, LAFCo shall take no further action on the original proposal to form a subsidiary district for a period of 70 days. The 35-day period concludes on December 22, 2022.
- 3) The following information is needed for the proposal:
 - a) A general timeline for the initiation of sanitary sewer services overseen by the City, including the timing of when the City may seek proposals for contracting services for the subsidiary district. Provide information about the timing of when the City would start the contracting process and when a contract would be entered into.

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- b) The City's staffing plan for the subsidiary district and what would occur with existing District employees and employment contracts upon the establishment of EPASD as a subsidiary of the City.
- c) The City's plan to ensure that Menlo Park residents who reside in the District can ***provide input and engage with the subsidiary district***. This can be a condition of approval of the proposal.
- d) The City's plan to address the long-term pension liability of existing and past employees and the inclusion of these costs in the project budget of the subsidiary district.
- e) The plan for service notes that EPASD has recently completed an assessment for over 22 miles of the existing collection system to determine if there are existing deficiencies (CCTV Survey Evaluation and Pipeline Replacement Priorities Area 1, 3, and 4, September 29, 2022, by Sierra West Consultants). While the plan for service has included proposed capital improvements from the District's 2015 Master Plan and 2021 Master Plan Addendum, does the plan for service take into account the recent assessment by the District? Please also expand on what is classified as a priority repair pipeline and why the replacement is considered a high priority.
- f) For the existing identified deficiencies of the sewer system, would these improvements be needed to be made in the absence of new development? If they are needed, provide an explanation in the plan for service and technical memo from Freyer & Laureta.
- g) Provide additional explanation regarding surcharging conditions for the sewer system. Include examples of other agencies systems or industry best practices regarding surcharging. Is the proposed surcharging consistent with the 2015 Master Plan or 2021 Addendum for EPASD?
- h) The 2021 Master Plan Addendum identified the construction of a parallel trunk sewer between the down stream end of the dual siphons and discharge point to the PARWQCP. Is this project proposed in plan for service? Per EPASD public meetings, the District has not yet completed a review of the existing sewer trunk line. If improvements to the line are identified during the review of this proposal, will the proposed budget be updated with these costs?
- i) The plan for service proposes estimated annual operating and maintenance expenses based on West Bay Sanitary District costs. Provide a comparison of this estimate to other sewer providers in San Mateo County and the Bay Area.

This project will remain in an incomplete status until the above items have been received and deemed adequate by San Mateo LAFCo.

In addition, LAFCo anticipates comments from EPASD on the proposal by December 15, 2022. LAFCo may have additional comments and questions for the City in response to comments from EPASD. These comments for the City will be transmitted by LAFCo 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.

Sincerely,

Rob Bartoli

Rob Bartoli
Executive Officer