

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

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Staff Report

March 11, 2026

To: LAFCo Commissioners
From: Rob Bartoli, Executive Officer
 Sarah Flamm, Management Analyst

Subject: Adoption of Provisional Sphere of Influence for the Fair Oaks Sewer Maintenance District

Summary

There are three types of municipal agencies that provide sewer service in the County of San Mateo: cities, independent districts, and dependent districts. LAFCo is the agency to review and make determinations about proposed boundary or governance changes for these providers, including San Mateo County governed “dependent” districts.

The County has two governance structures for dependent sewer districts: County Sanitation Districts (i.e. Crystal Springs, Devonshire, and Scenic Heights) and Sewer Maintenance Districts (i.e. Burlingame Hills, Edgewood, Emerald Lake Heights, Fair Oaks, Harbor Industrial, Kensington Square, and Oak Knoll). Historically, LAFCo has only processed changes and established Spheres of Influence for the County Sanitation Districts and not the Sewer Maintenance Districts, even though both types of agencies provide similar services, and both are considered districts under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. For Sewer Maintenance District changes, these historically have been processed by the San Mateo County Department of Public Works (DPW), with the San Mateo County Board of Supervisors as the reviewing body.

Over the last year, LAFCo and DPW staff met to discuss possible changes to the approval process related to Sewer Maintenance Districts. DPW and LAFCo have agreed to have LAFCo process boundary and governance changes related to Sewer Maintenance Districts as this allows for a more streamlined process for applicants, enhanced review authority for the County, consistency with LAFCo law, and efficiency gains for County staff time.

Each of the Sewer Maintenance Districts requires the establishment of a Sphere of Influence (SOI) from LAFCo, as these Districts currently lack any SOI designation. The item before the Commission today is the adoption of a Provisional SOI for the Fair Oaks Sewer Maintenance

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ALTERNATES: NOELIA CORZO, COUNTY • KATHRYN SLATER-CARTER, SPECIAL DISTRICT • GREG WRIGHT, CITY • COLLEEN YOU PUBLIC •
STAFF: ROB BARTOLI, EXECUTIVE OFFICER • SARAH FLAMM, MANAGEMENT ANALYST • TIM FOX, LEGAL COUNSEL • DIANE ESTIPONA, CLERK

District (FOSMD). The proposed SOI for FOSMD would include territory that already has been identified by the Town of Woodside and FOSMD as being eligible for sewer services.

Background

Previous Annexation Process

San Mateo County currently operates ten sewer districts (i.e. Dependent Districts). Three of these districts were formed as County Sanitation Districts¹ and seven were formed as Sewer Maintenance Districts².

The County Sanitation Districts include: the Crystal Springs County Sanitation District (est. 1947), Scenic Heights County Sanitation District (est. 1949), and the Devonshire County Sanitation District (est. 1956). These districts provide sewer services to properties in the unincorporated bayside area and have agreements with neighboring cities for transmission and treatment of wastewater generated within the District boundaries.

Historically, San Mateo LAFCo has reviewed County Sanitation District actions the same as cities and other districts under LAFCo jurisdiction; establishing Spheres of Influence (SOIs) and processing boundary changes.

The seven other sewer districts operated by San Mateo County were formed as Sewer Maintenance Districts: the Burlingame Hills Sewer Maintenance District (est. 1935); Fair Oaks Sewer Maintenance District (est. 1938); Emerald Lake Heights Sewer Maintenance District (est. 1947); Harbor Industrial Sewer Maintenance District (est. 1951); Kensington Square Sewer Maintenance District (est. 1956); Oak Knoll Sewer Maintenance District (est. 1957); and Edgewood Sewer Maintenance District (est. 2004). These districts provide sewer services to properties in the unincorporated bayside area (and in the case of FOSMD, four incorporated cities), and have agreements with neighboring cities for the transmission and treatment of wastewater generated within the District boundaries.

Historically, Sewer Maintenance District boundary changes were processed by the County Department of Public Works (DPW) and then acted upon by the County Board of Supervisors as the governing body. In the case of Sewer Maintenance District annexations, the County required two noticed public hearings and DPW was required to prepare the application materials, including a map and geographic description of the annexation area.

Revised Annexation Process

LAFCo staff, LAFCo Counsel, and County DPW staff reviewed the current process for County Sanitation Districts and Sewer Maintenance Districts and concluded that LAFCo assuming the responsibility of processing boundary changes for Sewer Maintenance Districts would be beneficial to the County and to applicants. DPW still reviews and comments on actions affecting sewer maintenance districts via the LAFCo referral process, following a similar process for reviewing engineering documents. The DPW review is important, as DPW must determine if it has sufficient treatment capacity to allocate to any additional development (i.e. annexations),

¹ Enabling act: Section 4700 et seq. of the CA Health and Safety Code

² Enabling act: Section 4860 et seq. of the CA Health and Safety Code or Section 5820 et seq. of the CA Streets and Highways Code

and whether any action is aligned with pertinent district principle act guidelines. DPW still sends any required agreements to the BOS for approval.

Sewer service has been a part of many recent LAFCo discussions and reports over the last few years. Cities and towns, such as Woodside and Portola Valley are determining how to achieve their state-mandated Regional Housing Needs Allocation (RHNA) numbers. As identified in the Municipal Service Reviews for these agencies, sewer service will likely be needed to meet service demand for many of the potential housing developments. Typically, private onsite septic systems are unable to accommodate increased density as they have restrictive capacity limits, require valuable lot space, and also experience failure.

Given the need to coordinate between multiple agencies regarding expanding public sewer services in San Mateo County, LAFCo staff and legal counsel reviewed CKH and determined it was appropriate and within LAFCo authority³ to systematically review all proposed boundary changes to both County Sewer Districts and Sewer Maintenance Districts.

Under the new process, LAFCo is the conducting authority for boundary changes (e.g. annexations, detachments, etc.) to the following sewer agencies:

The Burlingame Hills Sewer Maintenance District (est. 1935); Fair Oaks Sewer Maintenance District (est. 1938); Emerald Lake Heights Sewer Maintenance District (est. 1947); Harbor Industrial Sewer Maintenance District (est. 1951); Kensington Square Sewer Maintenance District (est. 1956); Oak Knoll Sewer Maintenance District (est. 1957); and Edgewood Sewer Maintenance District (est. 2004)

Annexations must be consistent with an agency's SOI —the probable physical boundaries of a service area—in reviewing application for annexation to the district, or any other actions, to ensure sewer services are logically extended.

Sphere of Influence for County Sewer Maintenance Districts

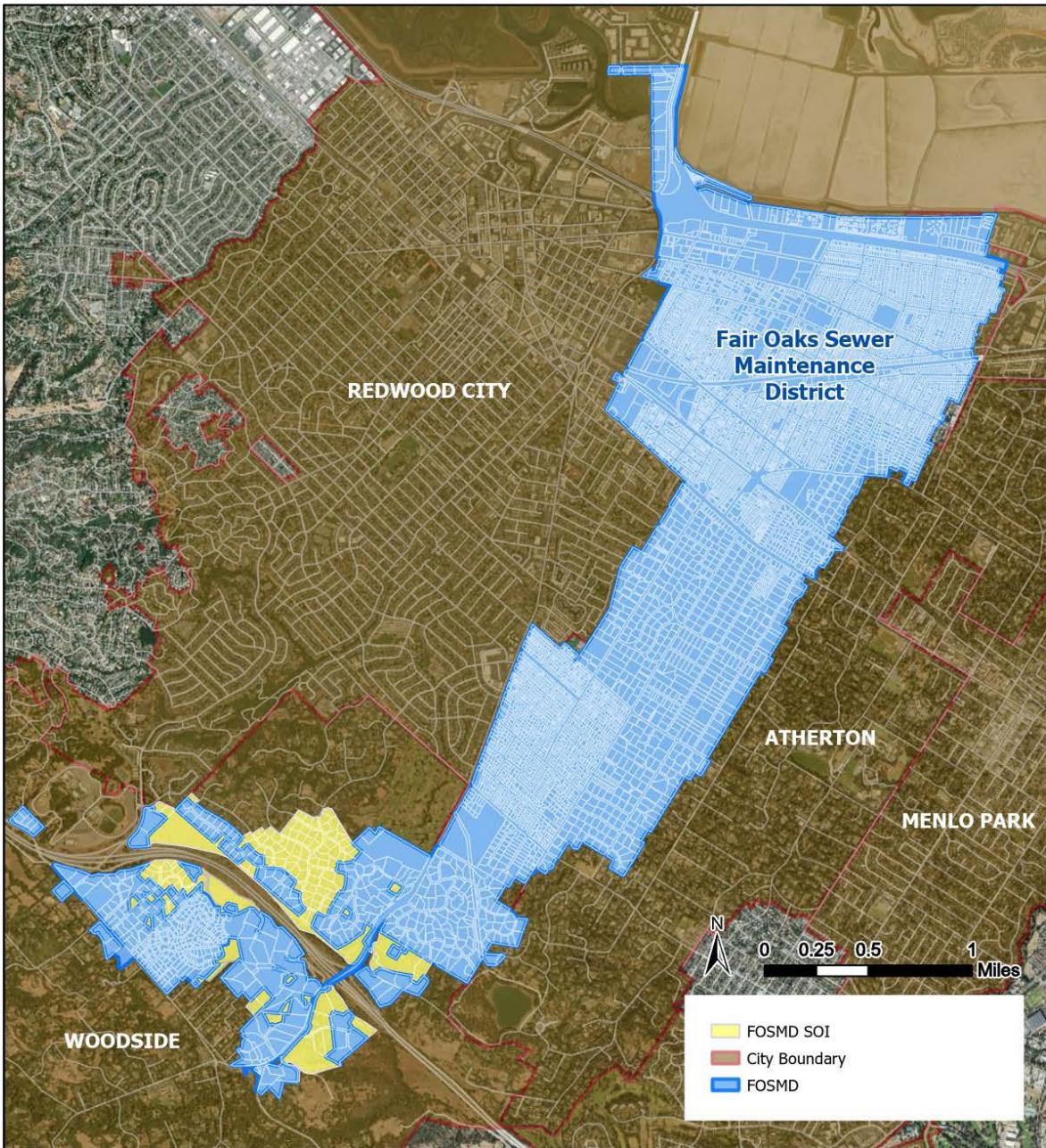
With the revisions to the annexation process, LAFCo will be the conducting authority for annexation applications into County Sewer Maintenance Districts (i.e. dependent districts). It is necessary to assign Spheres of Influence for each District. Today, we consider a provisional⁴ SOI for FOSMD, the largest of the ten County-governed sewer districts.

The existing boundaries of FOSMD include portions of Woodside, Atherton, Menlo Park, Redwood City, and unincorporated County.

³ Relevant CKH chapters include: **56036.5**. (a), **56036.6**. (a-b), **56100**. (a-b), and **56119**.

⁴ "Provisional" because the Town of Woodside and the County are in ongoing conversation regarding existing and future capacity to treat any new sewer connections. The Town of Woodside is preparing a sewer study. See San Mateo LAFCo's January 2026 Municipal Service Review for the Town of Woodside for more discussion on this topic.

Figure 1. Fair Oaks Sewer Maintenance District SOI Map



Fair Oaks Sewer Maintenance District Sphere of Influence

In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following:

- (1) The present and planned land uses in the area, including agricultural and open-space lands.
- (2) The present and probable need for public facilities and services in the area.
- (3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- (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.
- (5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Establishment of a Provisional Sphere of Influence: The current boundaries of the Fair Oaks Sewer Maintenance District (FOSMD) encompass portions of Woodside, Atherton, Menlo Park, Redwood City, and unincorporated County.

In 1968, the Town of Woodside formed an assessment district, the Redwood Creek Trunk Assessment District (RCAD). Per the Town's General Plan, the RCAD was primarily formed because of health and safety concerns that existed within Woodside Glens, which had a history of failing septic systems dating back to 1959. RCAD is not an operational sewer district but instead is a funding mechanism for the construction of a sewer system within the Redwood Creek and Glens areas of the Town. To provide sewer services to parcels within the RCAD, the Town of Woodside and FOSMD entered into an agreement in 1968 that would allocate 150,000 gallons per day of treatment and flow capacity to RCAD. The capacity was based upon an estimated 250 gallons per day per household use. Approximately 573 assessments were originally levied, with 182 in the Glens and 391 outside of the Glens. The Town-constructed facilities are maintained and operated by the FOSMD, and parcels that are serviced by FOSMD within the RCAD area are annexed to FOSMD.

In recent years, parcels that were not within the original boundaries of the RCAD have been included in the service area and annexed to FOSMD. In order for these parcels to receive service, the Town transferred sewer capacity rights from parcels that are owned by the Town within the RCAD to privately owned parcels requesting service. These Town-owned parcels have multiple sewer connection assessments which allows for the transfer of these connections to other parcels seeking to connect to the FOSMD system.

The Provisional Sphere of Influence for FOSMD is proposed to include parcels in the Town of Woodside that are within the RCAD but have not yet been annexed to FOSMD. The SOI in the rest of FOSMD would be coterminous with the FOSMD boundaries. The Provisional SOI would be reviewed in the FY2028-29 MSR/SOI review cycle.

In adopting a SOI amendment, Section 56425(e) of the Cortese-Knox-Hertzberg Act requires that the Commission consider the following factors and prepare a written statement of determination:

1) The present and planned land uses in the area, including agricultural and open-space lands: Land uses within the FOSMD are varied and include residential, commercial, and industrial uses. The existing boundaries, including highly urbanized uses and no open space or agricultural lands are within the boundaries.

2) The present and probable need for public facilities and services in the area: There will be continued need to provide sewer service within the boundaries of FOSMD and in the SOI. Within the proposed SOI there are 18 vacant parcels and approximately 100 developed properties with single family homes. These areas are within the Redwood Creek Assessment District and FOSMD, the County, and the Town of Woodside have identified these areas for annexation to FOSMD. The County Department of Public Works staff has confirmed that FOSMD is able to provide sanitary sewer services to the parcels within its boundary and the proposed SOI.

3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide: The County Department of Public Works staff has confirmed that FOSMD is able to provide sanitary sewer services to the parcels within its boundary and the proposed SOI. The District's present capacity for public facilities and services is adequate.

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: None.

5) Present and probable need for water, wastewater, and structural fire protection facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence: There are no disadvantaged unincorporated communities (DUCs) within the proposed FOSMD sphere of influence.

Nature, Extent and Location of Services Provided by the District: A Sphere of Influence amendment requires that LAFCo establish the nature, extent and location of services provided by the District. FOSMD is administered by the County of San Mateo Public Works Department and governed by the San Mateo County Board of Supervisors.

The District was formed in 1939 and includes territory in portions of Woodside, Atherton, Redwood City, Menlo Park and unincorporated areas including North Fair Oaks. The district has 81 miles of pipelines and over 7,000 connections. Effluent flows to the Silicon Valley Clean Water wastewater treatment plant in Redwood City under an agreement between the District and the City of Redwood City for both sewer treatment capacity and for transmission of effluent through the City's sewer system.

As an enterprise district, the primary revenue source is sewer fees that are assessed on the property tax bill of parcels within the District. FOSMD has an agreement with the City of Redwood City for 2.5 million gallons per day of wastewater generated by FOSMD to be treated at the Silicon Valley Clean Water wastewater treatment plant.

California Environmental Quality Act: The establishment of a Sphere of Influence is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 6, which allows for basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or

major disturbance to an environmental resource. The Sphere of Influence collects data for the purpose of evaluating municipal services provided by an agency. There are no land use changes or environmental impacts created by this study. Any future annexation proposals will be reviewed when they come before LAFCo.

The Sphere of Influence is also exempt from CEQA under the section 15061(b)(3), the common-sense provision, which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it is certain that the activity will have no possible significant effect on the environment, the activity is exempt from CEQA.

Recommended Commission Action

By resolution, approve the Provisional Sphere of Influence for the Fair Oaks Sewer Maintenance District.

Attachments

- A. Sphere of Influence Map for Fair Oaks Sewer Maintenance District
- B. Resolution No. 1349

RESOLUTION NO. 1349

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF SAN MATEO
MAKING DETERMINATIONS PURSUANT TO GOVERNMENT CODE
SECTION 56425 ESTABLISHING A PROVISIONAL SPHERE OF INFLUENCE FOR THE FAIR OAKS
SEWER MAINTENANCE DISTRICT**

RESOLVED, by the Local Agency Formation Commission of the County of San Mateo, State of California, that:

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, set forth in Government Code Section 56000 et seq., governs the organization and reorganization of cities and special districts by local agency formation commissions established in each county, as defined and specified in Government Code Section 56000 et seq.,

WHEREAS, Government Code Section 56425 et seq. requires the Local Agency Formation Commission (LAFCo or Commission) to develop and determine the sphere of influence of each local governmental agency within the County; and

WHEREAS, the Executive Officer prepared a written report of the Establishment of a Provisional Sphere of Influence for the Fair Oaks Sewer Maintenance District that was provided to the Commission and affected agencies; and

WHEREAS, the Executive Officer set a public hearing date for March 18, 2026 for the consideration of the Establishment of a Provisional Sphere of Influence for the Fair Oaks Fair Oaks Sewer Maintenance District and caused notice thereof to be posted, published and mailed at the times and in the manner required by law at least twenty-one (21) days in advance of the date; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on March 18, 2026; and

WHEREAS, a public hearing by this Commission was held on the report and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and

be heard with respect to the proposal and the Executive Officer's report; and

WHEREAS, the Commission is required pursuant to Government Code Section 56425 and local Commission policy to make statement of written determinations with regards to the following factors:

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

Land uses within the FOSMD are varied and include residential, commercial, and industrial uses. The existing boundaries, including highly urbanized uses and no open space or agricultural lands are within the boundaries.

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

There will be continued need to provide sewer service within the boundaries of FOSMD and in the SOI. Within the proposed SOI there are 18 vacant parcels and approximately 100 developed properties with single family homes. These areas are within the Redwood Creek Assessment District and FOSMD, the County, and the Town of Woodside have identified these areas for annexation to FOSMD. The County Department of Public Works staff has confirmed that FOSMD is able to provide sanitary sewer services to the parcels within its boundary and the proposed SOI.

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

The County Department of Public Works staff, which operates FOSMD, has confirmed that FOSMD is able to provide sanitary sewer services to the parcels within its boundary and the proposed SOI. The District's present capacity for public facilities and services is adequate.

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.

None

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

There are no disadvantaged unincorporated communities (DUCs) within FOSMD service area.

WHEREAS, the establishment of a Sphere of Influence is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 6, which allows for basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. The Sphere of Influence collects data for the purpose of evaluating municipal services provided by an agency.

The Sphere of Influence also is exempt from CEQA under the section 15061(b)(3), the common-sense provision, which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment and where it is certain that the activity will have no possible significant effect on the environment, the activity is exempt from CEQA; and

NOW, THEREFORE, the Local Agency Formation Commission of the County of San Mateo DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. By Resolution, the Commission accepts the Executive Officer's Report dated March 18, 2026, Provisional Sphere of Influence for the Fair Oaks Sewer Maintenance District, and all written comments and attachments incorporated herein and contained in attached "Exhibit A."

Regularly passed and adopted this 18 day of March 2026.

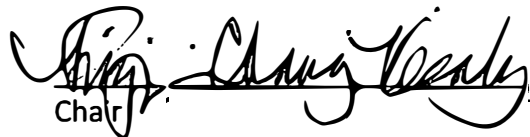
Ayes and in favor of said resolution:

Commissioners: Stephen Rainaldi
Ann Draper
Kati Martin
Greg Wright
Dave Canepa
Jackie Speier

Noes and against said resolution:

Commissioners Absent and/or Abstentions:

Commissioners: _____


Chair

Local Agency Formation Commission
County of San Mateo
State of California

ATTEST:



Executive Officer
Local Agency Formation Commission

Date: 3/18/2026

I certify that this is a true and correct copy of the resolution above set forth.

Date: 3/18/2026



Clerk to the Commission
Local Agency Formation Commission