

April 26, 2019

Dear Property Owner:

**Re: Proposed Sewer Service Rates and Community Meeting**

We are sending this letter to property owners in the Crystal Springs County Sanitation District (District) to provide important information regarding a proposed sewer service rate adjustment for Fiscal Year 2019-20 that begins on July 1, 2019. **We are proposing a 4.95% sewer service rate increase of \$70/year per equivalent residential unit.** As explained in last year's letter and below, this is a stepped increase primarily due to the City of San Mateo's Clean Water Program, which includes reconstructing its sewer treatment plant and other system improvements relied upon by the District.

**We have scheduled a neighborhood meeting to discuss this proposed increase.** At this meeting we will discuss updates to the financial implications of the City of San Mateo's Clean Water Program, the status of the project to repair the damage caused by the Seneca Lane mudslide, and other infrastructure and operational challenges facing the District. Here are the meeting details:

**Monday, May 13, 2019 at 6:30 p.m.**  
**Highlands Recreation Center, Multipurpose Room**  
**1851 Lexington Avenue, San Mateo**

**Background**

The District is administered by the County of San Mateo Department of Public Works. The San Mateo County Board of Supervisors is the governing board of the District.

The City of San Mateo owns and operates the sewer treatment plant that treats sewage from the District. Sewage from your District flows through district-owned pipes to the downstream agencies (Hillsborough and the City of San Mateo) and to the sewage treatment plant. The District has an agreement with Hillsborough and the City of San Mateo that provides for the District to pay a portion of downstream improvement projects, both in the trunk lines and facilities used by the District including the City of San Mateo's sewer treatment plant.

The current sewer service rate of \$1,415 per year per equivalent residential unit was adopted for your District in July 2018. The current sewer service rate funds:

- Operation and maintenance of the District's sewer collection system
- Repairs to and replacement of the District's aging pipes
- Inspections of the District's pipes
- Emergency response and repairs
- A percentage of the operation and maintenance cost of the City of San Mateo's sewer treatment plant
- A percentage of the improvements to the City of San Mateo's sewer treatment plant
- A percentage of the improvements to the downstream agencies' (i.e. Hillsborough's and the City of San Mateo's) sewer system used by the District
- Compliance with local, state and federal health, safety and environmental protection regulations
- Payment on a State Revolving Fund Loan and other loan payments for completed downstream projects

The District continues to face the challenges of maintaining and replacing aging sewer infrastructure, meeting regulatory requirements imposed on the District and the downstream agencies, and reducing the peak wet weather flow by preventing the extraneous storm water introduced into the sewer system.

**City of San Mateo's Clean Water Program**

The City of San Mateo's Clean Water Program (CWP) will cost approximately \$1 billion in total and the District has a financial responsibility to pay approximately \$22.5 million of the costs that are attributed to the sewer treatment plant reconstruction and other system improvements relied



upon by the District. Information about the City's CWP is posted here:  
<http://CleanWaterProgramSanMateo.org/>

The City of San Mateo's CWP is being implemented to meet current and future regulatory requirements, replace aging infrastructure in the collection system and treatment plant, build wet weather system capacity to prevent sanitary sewer overflows, and align with sustainability goals. The CWP consists of a major upgrade to the wastewater treatment plant, improving capacity of specific sewer pipes, rehabilitating sewer pipes, upgrading pump stations, and construction of a 5.3 million gallon underground flow equalization system.

The City of San Mateo's CWP projects will have a significant and direct financial impact on the District's sewer service rate in future years. The District's rates will need to support its portions of the CWP projects. Construction of the City of San Mateo's CWP projects are expected to extend into FY 2025-26.

**Proposed Sewer Service Rate**

We are proposing to set the new sewer service rate for FY 2019-20, as shown in the table below:

	Sewer Service Rate (\$/Year Per Equivalent Residential Unit)	
	Current Rate FY 2018-19	Proposed Rate FY 2019-20
Crystal Springs County Sanitation District	\$1,415	\$1,485

The proposed rate includes a 4.95% increase of \$70/year per equivalent residential unit or \$5.83/month per equivalent residential unit. This rate will not be adequate to pay all of the District's portion of the City of San Mateo's CWP, but will help support these costs for the short term. District staff is working with the City of San Mateo to explore financing options for the District's share of the CWP costs to minimize future rate adjustments and allow payments over time. However, future rate increases will be needed to fully fund the District's portion of the City of San Mateo's CWP costs and to pay for future capital improvements in the District.

**Seneca Lane Landslide Damage**

During the 2017 winter storms the District's sewer system below Seneca Lane was damaged by a mudslide and must be repaired. The District has been working with the Federal Emergency Management Agency (FEMA) for reimbursement of damages sustained by the District. However, the level of financial assistance is uncertain at this time as FEMA has not completed processing our reimbursement request. Future rates for the District may need to be increased as a result of this damage should FEMA not reimburse the District for the repair project.

**Public Meeting Date**

As noted above, we have scheduled a neighborhood meeting for the Crystal Springs County Sanitation District at 6:30 p.m. on Monday, May 13, 2019 in the Multipurpose Room at the Highlands Recreation Center.

During this meeting we will discuss overall sewer system management, review what the previously set sewer service rate has supported, provide detailed information about the sewer service rate calculations, and discuss the City of San Mateo's CWP and its financial implications for the District. This information will also be posted on our website in advance of the meeting date. Most importantly, we want to hear your comments and input before we finalize our recommendations to the Board of Supervisors, and provide answers to any questions you may have.

If you are unable to attend the meeting, but would like to provide comments please direct them to:

James C. Porter, Director  
Department of Public Works  
County of San Mateo  
555 County Center, 5<sup>th</sup> Floor  
Redwood City, CA 94063  
or  
e-mail: [sewers@smcgov.org](mailto:sewers@smcgov.org)

Additional information about your District, frequently asked questions, and the timeline for rate setting can be found on our website at: [www.smcgov.org/sewers](http://www.smcgov.org/sewers)