

FAIR OAKS SEWER MAINTENANCE DISTRICT

**Information on Proposed Sewer Service Rate Increases
for Fiscal Years 2020-21 through 2022-23**

**To be Considered by the County of San Mateo Board of
Supervisors during a Public Hearing on:**

**Tuesday, July 21, 2020 at 9:00 a.m.
Board of Supervisors Chambers
Hall of Justice and Records
400 County Center, Redwood City**

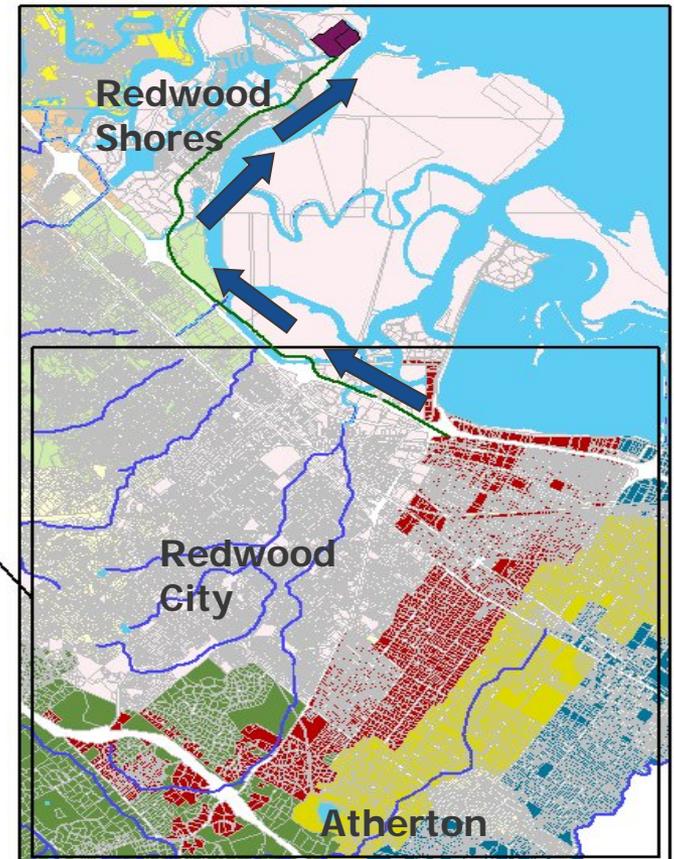
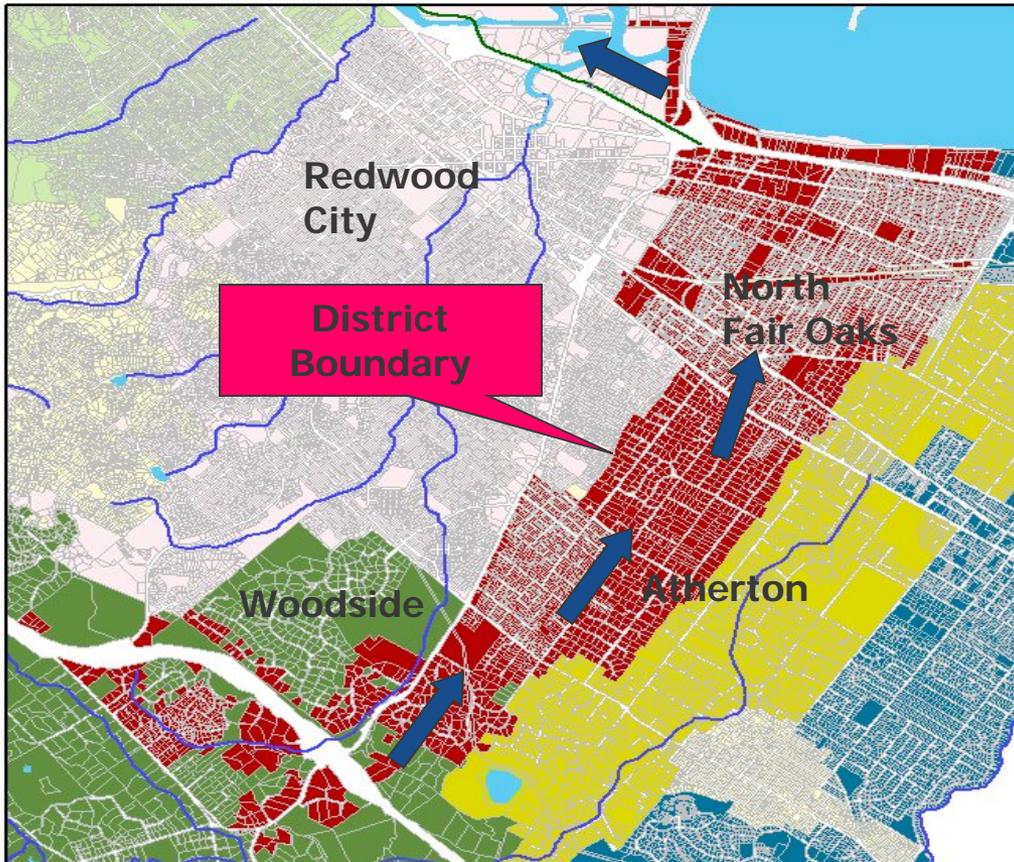


OVERVIEW

- ***District Information***
- ***District Funding***
- ***Programs, Services and Compliance***
- ***Elements of the Sewer Service Rates***
 - ***In District Costs***
 - ***Out of District Costs***
- ***Proposed Rates for Consideration***
- ***Rate Setting Timeline***

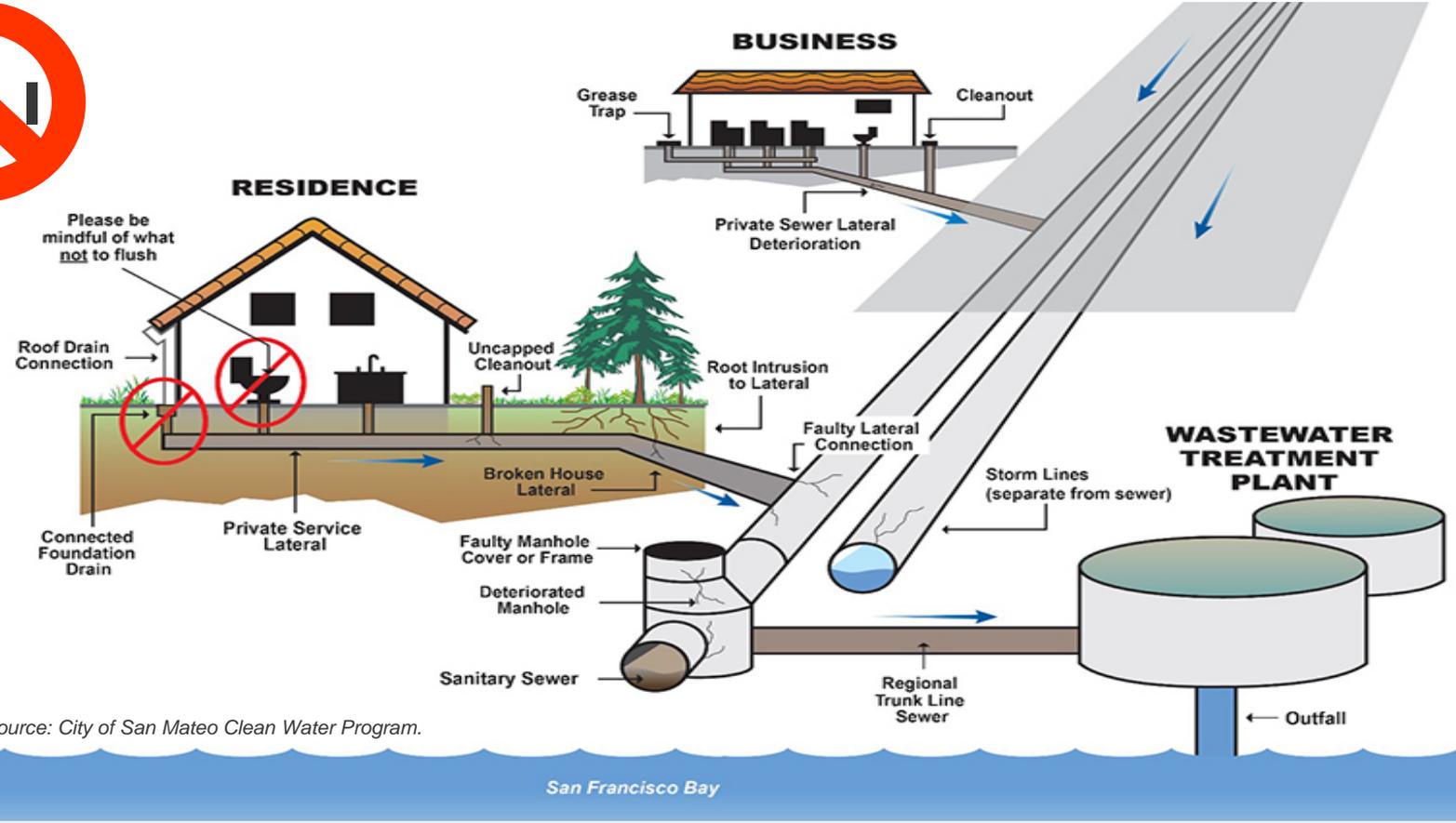
DISTRICT INFORMATION – FAIR OAKS SEWER MAINTENANCE DISTRICT

SEWAGE FLOWS THROUGH CITY OF REDWOOD CITY TO THE SILICON VALLEY CLEAN WATER (SVCW) SEWAGE TREATMENT PLANT IN REDWOOD SHORES FOR TREATMENT



DISTRICT INFORMATION – HOW DOES A SEWER SYSTEM WORK?

EACH DISTRICT RELIES ON DOWNSTREAM AGENCIES TO TRANSPORT SEWAGE COLLECTED BY THE DISTRICT TO THE TREATMENT PLANT



Source: City of San Mateo Clean Water Program.

DISTRICT SPECIFIC STATISTICS

District	Age (yrs) *	Number of Connections **	Equivalent Residential Units (ERU) **	Downstream Transport Agency	Treatment Facility
Fair Oaks SMD	90	7,118	11,688	City of Redwood City	Silicon Valley Clean Water (SVCW)

**Age based on District formation date*

*** Based on 2019-20 Sewer Service Charge Report*

District	Miles of Pipe (Feet)	Percentage in Easements	Percentage in Streets
Fair Oaks SMD	81.3 (429,000 feet)	17.30%	82.70%

SEWER/SANITATION DISTRICTS IN COUNTY GOVERNMENT

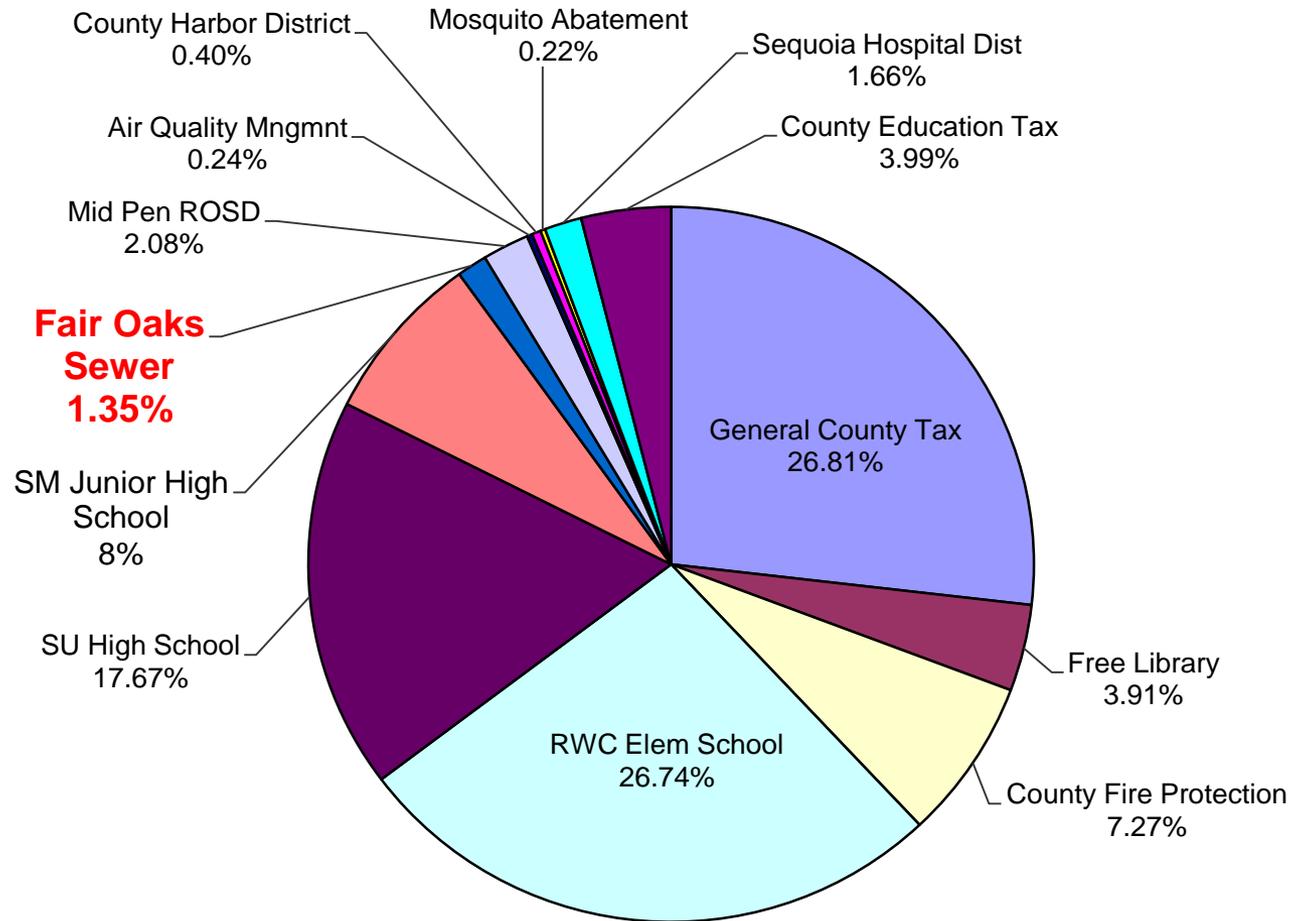
EACH DISTRICT IS AN INDEPENDENT ENTITY WITH ITS OWN SEPARATE BUDGET

- Each District's Governing Board is the Board of Supervisors
- The District receives Sewer Service Charges and limited property taxes within the District boundaries to fund sewer service
- The Sewer Service Charges are a Fee For Service, Not a Tax
- The District collects Sewer Service Charges on the Tax Bill because it is least costly way to collect the fee

WHERE DOES MY PROPERTY TAX MONEY

GO?

FOSMD Sample Property Tax Allocation (TRA 073-026)



Note: FOSMD allocation of a portion (1.35%) of the property tax is \$537,970 for FY 2018-19.



PROGRAMS, SERVICES AND COMPLIANCE

REGULATION COMPLIANCE:

- ***State Water Resources Control Board***
 - ***Development and continuous updating of Sewer System Management Plan (SSMP)***
 - ***Reporting to State Office of Emergency Services certain types of SSO's within 2 hours***
 - ***Sampling of water within 48 hours when SSO enters a creek or stream***
 - ***Training maintenance staff on SSO response***

- ***San Francisco Bay Regional Water Quality Control Board (Regional Board)***
 - ***Inspecting restaurants and food service establishments for proper fats, oils, and grease (FOG) disposal***



PROGRAMS, SERVICES AND COMPLIANCE

- Purchased shared maintenance equipment (Vac-Con flusher-vacuum truck)
- Sanitary Sewer Overflow (SSO) Response, Reporting, Water Quality Monitoring, and Public Awareness Program
- Development and continuous updating of Sewer System Management Plan (SSMP)
- Continue to provide 24/7 emergency response to clear blockages in private laterals and services during COVID-19 pandemic



PROGRAMS, SERVICES AND COMPLIANCE

SANITARY SEWER OVERFLOWS (SSO)

District	2015	2016	2017	2018	2019	2020 (to date)
FOSMD	10	11	15	17	17	6

Primary Causes of SSOs: Roots, Paper Towels and Rags, Grease, Feminine Products and Insufficient Pipe Capacity

Preventative maintenance on District sewer mains is being performed at frequencies ranging from 3 to 18 months, depending on conditions.



**The toilet is only meant
to flush the three P's—
pee, poop and paper.**
toilet

PROGRAMS, SERVICES AND COMPLIANCE

POLLUTION PREVENTION/PUBLIC AWARENESS PROGRAM



Home > Services > Projects > Permits > Info for Residents > About Us >

For health-related coronavirus updates, go to smchealth.org/coronavirus. Questions about the Shelter in Place Order? Go to our [Shelter in Place FAQs](#). For the latest updates from the County, go to: www.smcgov.org.

Home > Services > Utilities

Sewer Services



"FLUSHABLE" DOES NOT MEAN FLUSHABLE

Cleaning wipes, baby wipes, facial wipes, and paper towels are some of the biggest causes of (or contributors to) sewer back-ups in the County of San Mateo Sewer Districts. That's right - even if the package says "flushable" or "disposable", they should NEVER be flushed. They belong in the trash.

Flush only toilet paper, put trash in the trash can. Help prevent costly sewer problems and keep our environment safe from sanitary sewer backups and overflows!

FLUSH ONLY THE "3 P'S":

- Pee
- Poop
- toilet Paper
- No Wipes. No Paper Towels.

To report a sewer backup, call: (650) 363-4100 (24hr/day)

[FIND MORE INFORMATION HERE »](#)

In May 2020 due to COVID-19 shelter-in-place orders and to increase awareness about not flushing cleaning and sanitizing "flushable wipes" the above message was added to the sewer district website: <http://www.smcgov.org/sewers>

PROGRAMS, SERVICES AND COMPLIANCE

POLLUTION PREVENTION/PUBLIC AWARENESS PROGRAM

AVOID SEWER BACKUPS AND OVERFLOWS BY KEEPING TRASH OUT OF YOUR TOILET

CLOG

Items shown causing clogs: Cotton swabs & makeup pads, Tampons, maxi pads & their applicators/wrappers, Kitty litter, Syringes, Paper towels and shop towels, Diapers, Dental Floss, Plastics and food wrappers, Condoms and their wrappers, Hair, Prescription and OTC medications.

Did you know?
Cleaning wipes, baby wipes and facial wipes are one of the biggest causes for contributors to sewer back-ups in the County of San Mateo Sewer Districts. That's right- even if the package says "flushable" or "disposable", they should NEVER be flushed. They belong in the trash.

Flush ONLY toilet paper. Put trash in the trash can.
For more information please visit our website at www.smcgov.org/sewers or call us at 650-363-4100.

Be Sewer Savvy:
Notes, tips & tricks to help keep your sewer pipes in tip-top shape.

- ✓ Protect your home
- ✓ Protect your business
- ✓ Avoid costly repairs

And prevent water pollution, too!

Beginning in 2012, brochures have been distributed to customers during service calls and mailed to customers upstream of a sanitary sewer overflow. Copies are also available on website at <http://www.smcgov.org/sewers>

DISTRICT EXPENSES

IN DISTRICT COSTS:

- ***Operation and Maintenance***
- ***Regulation Compliance***
- ***District Projects***



OUT OF DISTRICT COSTS:

- ***Sewage Transport and Treatment***
- ***Downstream Agency Capital Improvement Projects***



ELEMENTS OF THE SEWER SERVICE RATES **– CAPITAL IMPROVEMENT PROJECTS (CIP)**

HIGH PRIORITY CIPs IDENTIFIED THROUGH HYDRAULIC MODEL AND CONDITION ASSESSMENTS

- ***Improvements are recommended based on the following:***
 - ***Lack of capacity in pipe***
 - ***Excessive maintenance costs***
 - ***Structural defects in pipe***

- ***Portions of your Sewer Service Charges collected are used to pay for improvements.***



ELEMENTS OF THE SEWER SERVICE RATES – FUTURE PLANNING

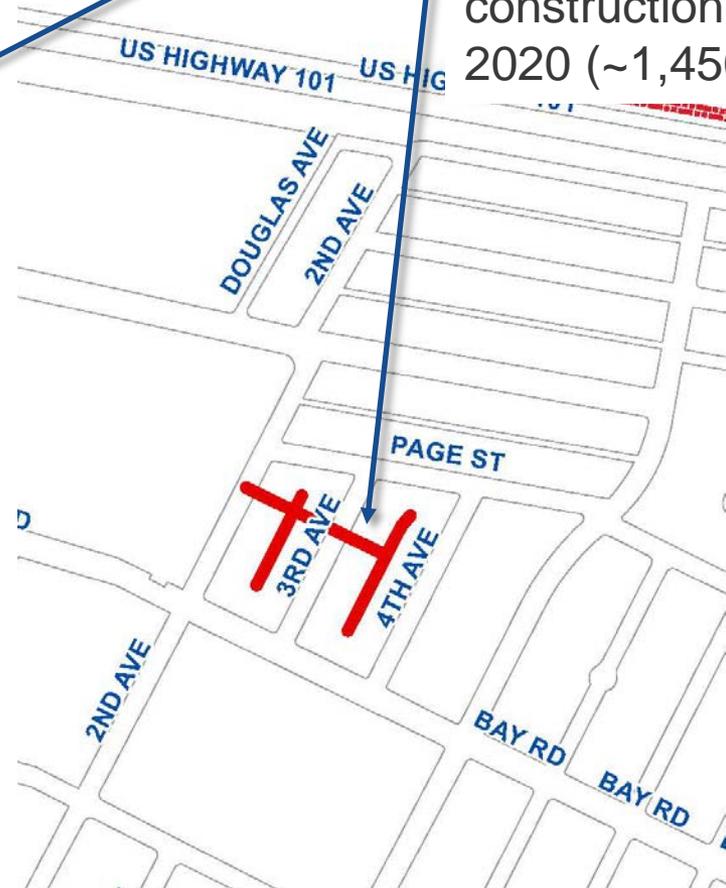
SHORT-TERM CAPITAL IMPROVEMENT PROJECTS

Currently in Design:

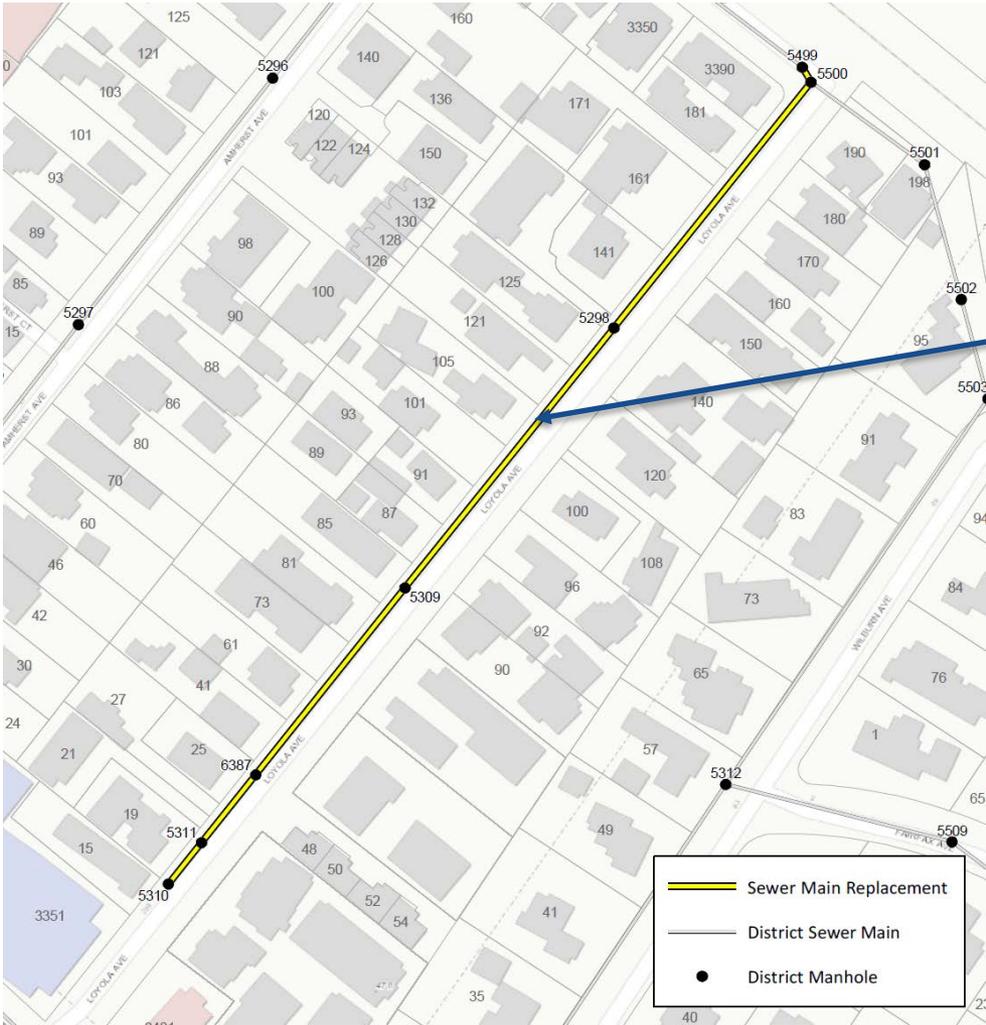
<u>Project Location</u>	<u>Estimated Cost</u>
2 nd / 3 rd Ave. Area/Alexander Ave. Sewer Rehabilitation (~1,450 ft)	\$1,000,000 <i>(2020-21)</i>
Loyola Avenue Sewer Rehabilitation (El Camino Real to Glendale Ave.) (~1,210 ft)	\$550,000 <i>(2020-21)</i>
Lloyd Park Lane Easement Line Relocation (~800 ft)	\$1,000,000 <i>(2020-21)</i>
Middlefield Road Sewer Rehabilitation (Douglas Ave. to 7 th Ave.) (~6,600 ft)	\$5,834,000 <i>(2020-21)</i>
Repair access road along Redwood Creek easement to facilitate maintenance	\$1,900,000 <i>(2021-22)</i>
Woodside Road, Santiago Ave., Hull Ave., Santa Clara Ave., Milton St., Himmel Ave., Nimitz Ave. (~6,200 ft)	\$2,517,000 <i>(2021-22)</i>

SHORT-TERM CAPITAL IMPROVEMENT PROJECTS

2nd / 3rd Aves.
Area & Alexander
Ave. currently in
design for
construction in
2020 (~1,450 ft)

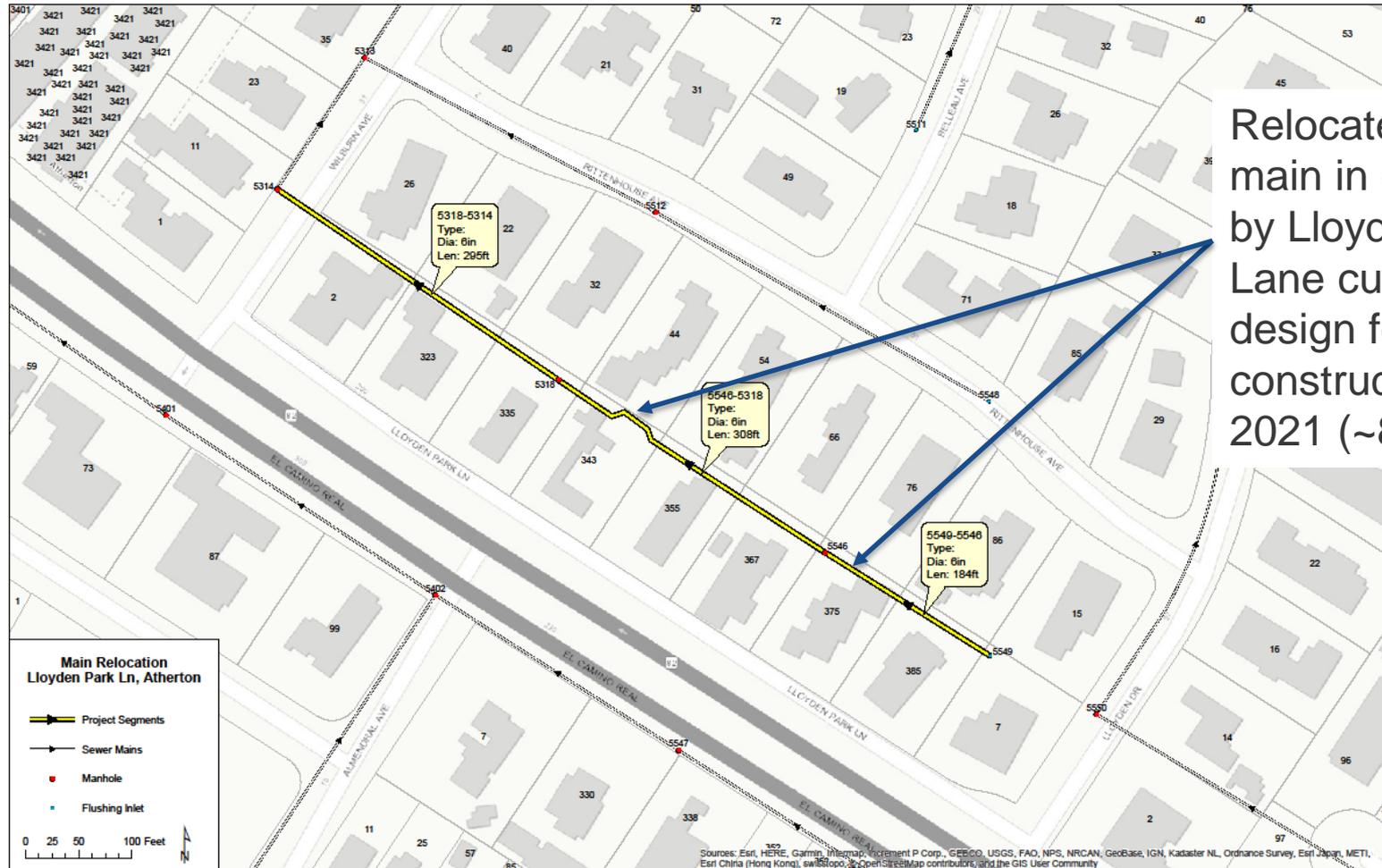


SHORT-TERM CAPITAL IMPROVEMENT PROJECTS



Loyola Avenue currently in design for construction in 2020 (~1,210 ft)

SHORT-TERM CAPITAL IMPROVEMENT PROJECTS

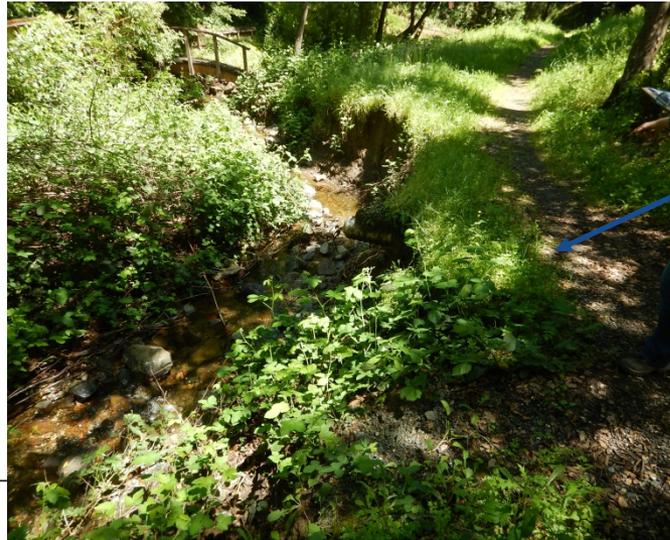


Relocate sewer main in easement by Lloyd Park Lane currently in design for construction in 2021 (~800 ft)

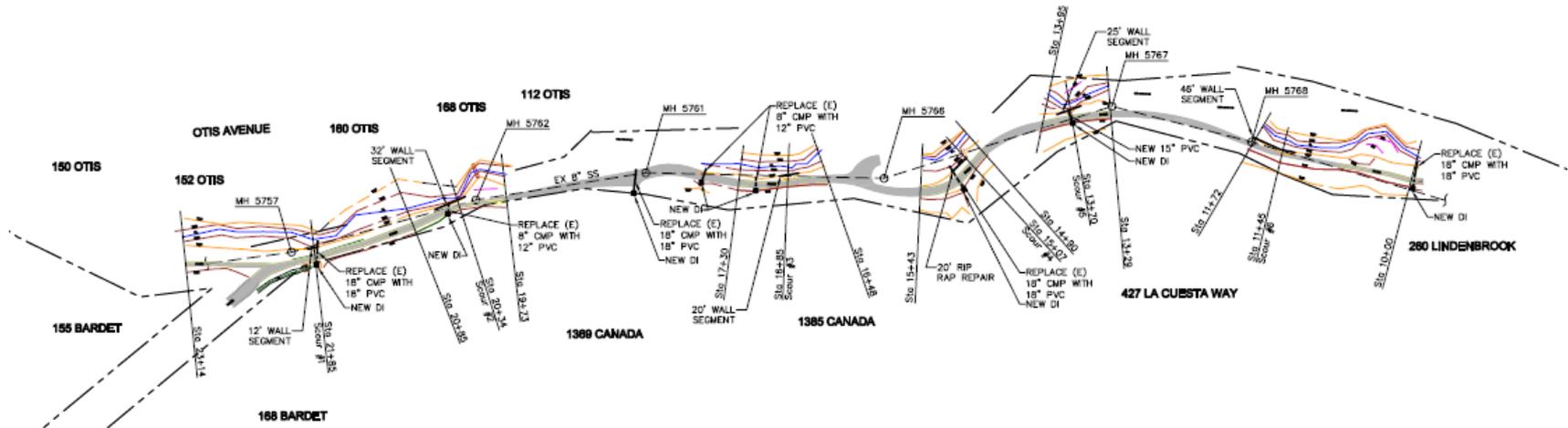
SHORT-TERM CAPITAL IMPROVEMENT PROJECTS



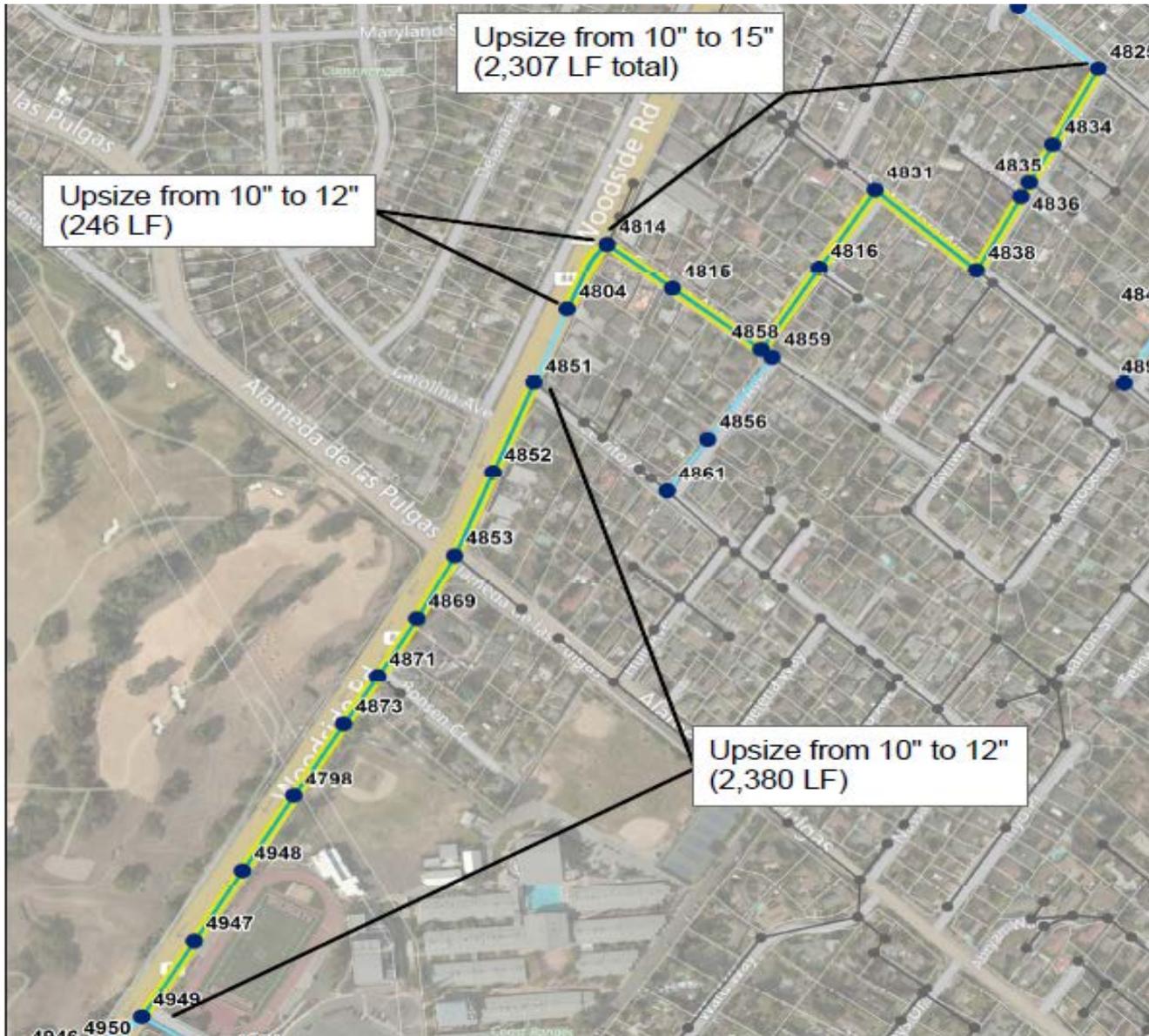
SHORT-TERM CAPITAL IMPROVEMENT PROJECTS



Restore
Maintenance
Vehicle Access
along Redwood
Creek



SHORT-TERM CAPITAL IMPROVEMENT PROJECTS



Capacity Improvement Project (Woodside Road, Santiago Ave., Hull Ave., Santa Clara Ave., Milton St.)

SHORT-TERM CAPITAL IMPROVEMENT PROJECTS



Capacity Improvement Project (Himmel Ave., Nimitz Ave.)

ELEMENTS OF THE SEWER SERVICE RATES – FUTURE PLANNING

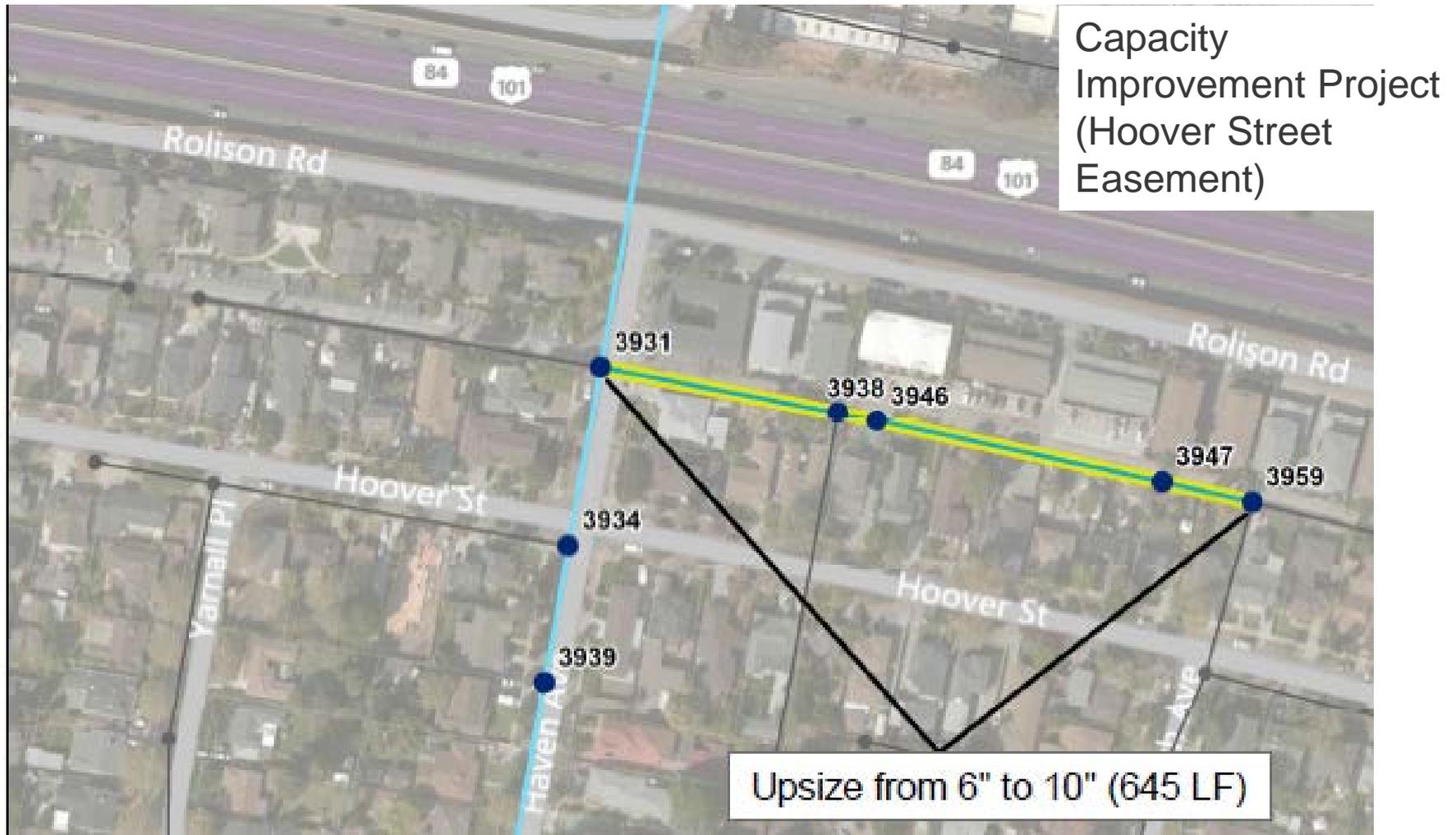
LONG-TERM CAPITAL IMPROVEMENT PROJECTS

Future Projects:

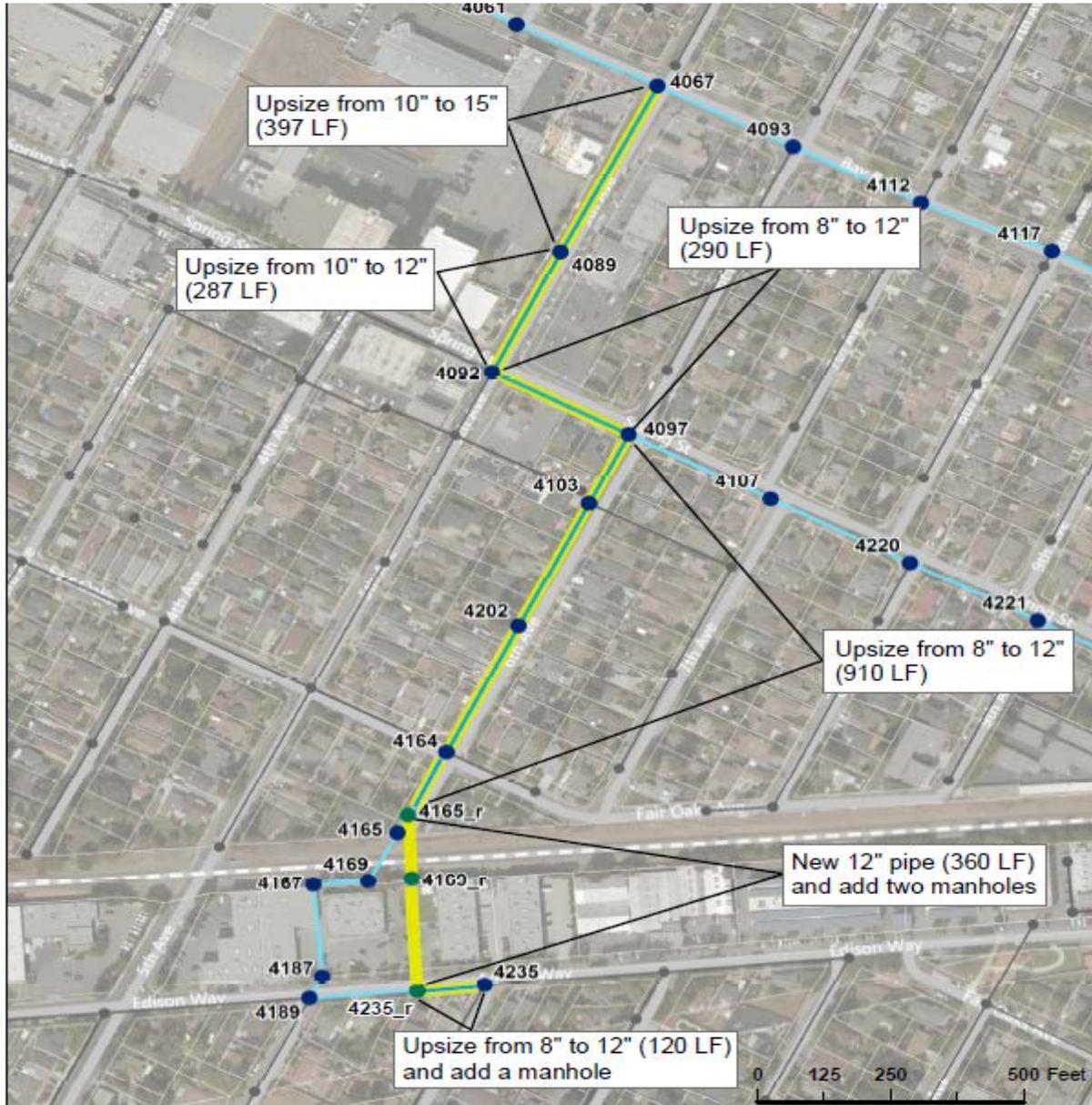
<u>Project Location</u>	<u>Estimated Cost</u>
Hoover St. Easement Sewer Rehabilitation (~645 ft)	\$329,000
6 th Ave., Spring St., 5 th Ave. Sewer Rehabilitation (~2,400 ft)	\$1,575,000
Future projects based on hydraulic modeling of sewer system and Closed Circuit Television (CCTV) inspection (~6,100 ft)	\$4,900,000



LONG-TERM CAPITAL IMPROVEMENT PROJECTS



LONG-TERM CAPITAL IMPROVEMENT PROJECTS



Capacity Improvement Project (6th Ave., Spring St., 5th Ave.)

ELEMENTS OF THE SEWER SERVICE RATES **– OUT OF DISTRICT COSTS**

PAYING FOR SEWAGE TRANSPORT, TREATMENT, AND DISPOSAL

- ***Sewage Transport, Treatment, and Disposal***
 - ***Agreement with the City of Redwood City for sewage transport through City pipes with treatment and disposal at the SVCW***
 - ***Fair Oaks SMD pays City sewage treatment and disposal fees based on volume of sewage (gallons per day)***

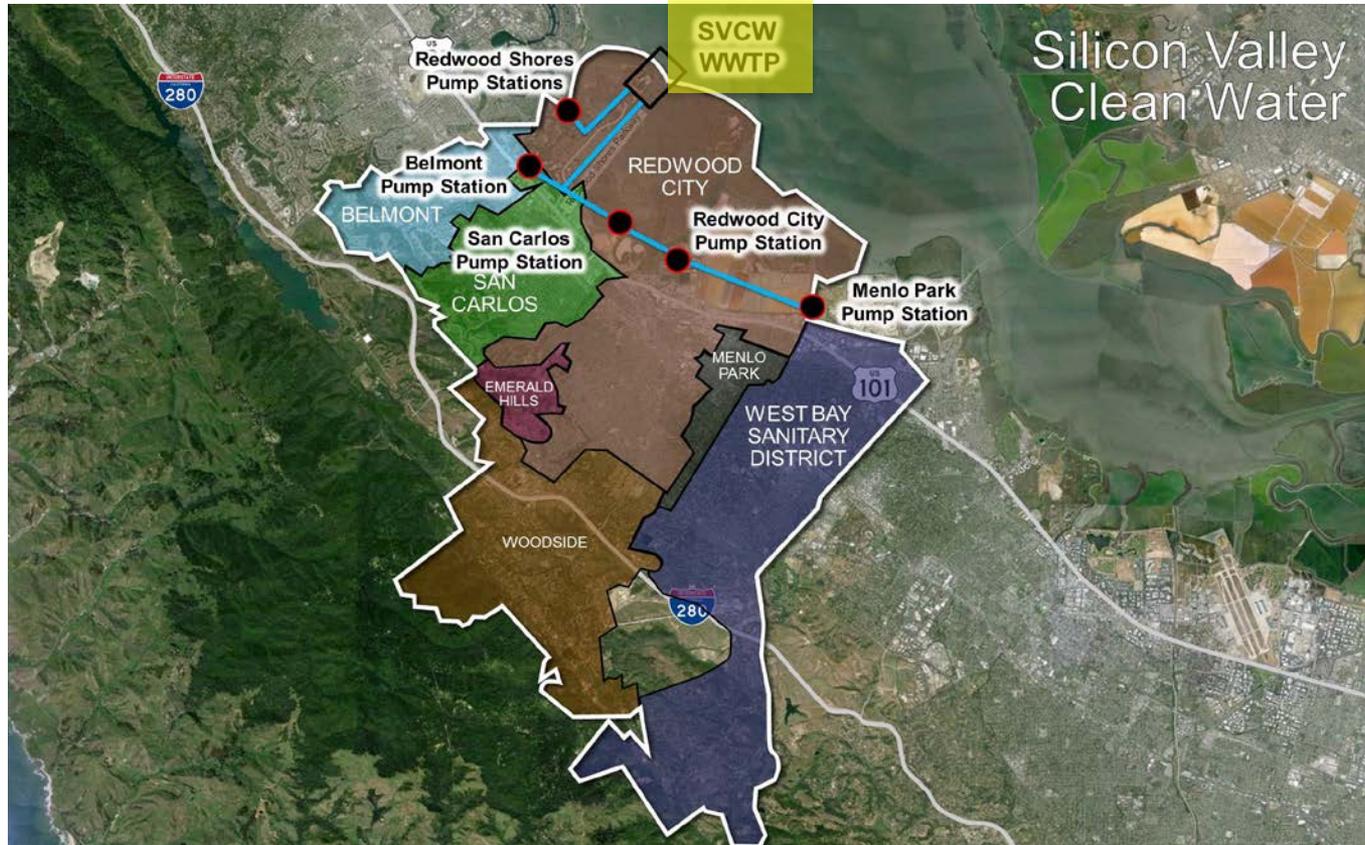
ELEMENTS OF THE SEWER SERVICE RATES **– OUT OF DISTRICT COSTS**

PAYING FOR SEWAGE TRANSPORT, TREATMENT, AND DISPOSAL

- ***SVCW charges member agencies (Redwood City, San Carlos, Belmont, and West Bay Sanitary District) for its improvements***
 - ***Capital improvements will replace equipment which have reached the end of their useful lives***
 - ***SVCW has spent \$455 million thru February 2020 (over 12 years) on Capital Improvement Projects (CIP)***
 - ***In March 2020, SVCW estimates \$477 million in CIP expenditures over the next 7 years***



ELEMENTS OF THE SEWER SERVICE RATES – OUT OF DISTRICT COSTS



See <https://svcw-rescu.org/> for updates about the RESCU Program

Source: Silicon Valley Clean Water

ELEMENTS OF THE SEWER SERVICE RATES – OUT OF DISTRICT COSTS

REDWOOD CITY AND DISTRICT SHARES OF SVCW EXPENDITURES

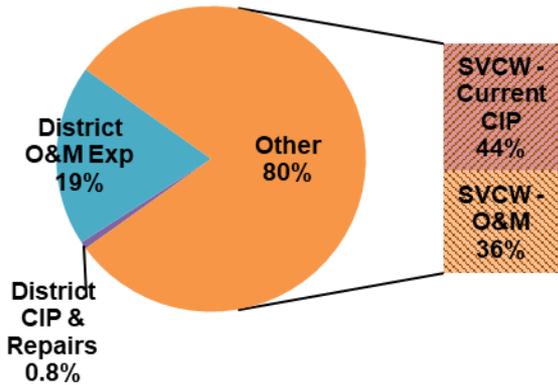
Redwood City's SVCW Payment	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
SVCW Operating Expense	\$11,999,297	\$12,676,627	\$12,117,333	\$12,597,563	\$12,580,921	\$12,479,916
SVCW Non-Operating Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Funded Capital	\$ 818,077	\$ 629,224	\$ 728,550	\$ 728,550	\$ 728,550	\$ 728,550
New Cash Reserves	\$ 511,240	\$ 740,628	\$ 728,550	\$ 971,400	\$ 1,214,250	\$ 1,457,100
Subtotal SVCW Transport and Treatment	\$13,328,614	\$14,046,479	\$13,574,433	\$14,297,513	\$14,523,721	\$14,665,566
SVCW Debt Service through City of RWC						
2008 SVCW Bond	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009 SVCW Bond	\$ 1,594,964	\$ -	\$ -	\$ -	\$ -	\$ -
2014 SVCW Bond	\$ 2,071,801	\$ 2,072,874	\$ 2,072,338	\$ 2,072,874	\$ 2,071,667	\$ 2,071,399
2015 SVCW Bond	\$ 1,455,312	\$ 2,795,250	\$ 2,789,000	\$ 2,790,000	\$ 2,783,125	\$ 2,783,250
2018 SVCW Bond	\$ 4,561,894	\$ 4,559,769	\$ 4,559,269	\$ 4,560,144	\$ 4,562,144	\$ 4,560,144
SRF Loan for Administration Building project	\$ 1,315,327	\$ 1,315,327	\$ 1,315,327	\$ 1,315,327	\$ 1,650,460	\$ 1,650,460
Repayment of Cash Contribution in lieu of Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proposed New Revenue Bonds	\$ -	\$ -	\$ 2,764,711	\$ 2,764,711	\$ 2,764,711	\$ 3,257,813
Proposed New SRF Loans	\$ -	\$ -	\$ -	\$ -	\$ 3,765,799	\$ 3,765,799
Proposed New WIFIA Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal SVCW Debt Service through City of RWC	\$10,999,298	\$10,743,220	\$13,500,645	\$13,503,056	\$17,597,906	\$18,088,865
Total Redwood City's SVCW Payment	\$24,327,912	\$24,789,699	\$27,075,078	\$27,800,569	\$32,121,627	\$32,754,431
FOSMD % of RWC flow	24.50%	24.50%	24.50%	24.50%	24.50%	24.50%
FOSMD portion of Redwood City's SVCW Payment	\$ 5,960,339	\$ 6,073,476	\$ 6,633,394	\$ 6,811,139	\$ 7,869,799	\$ 8,024,836

PROPOSED RATES

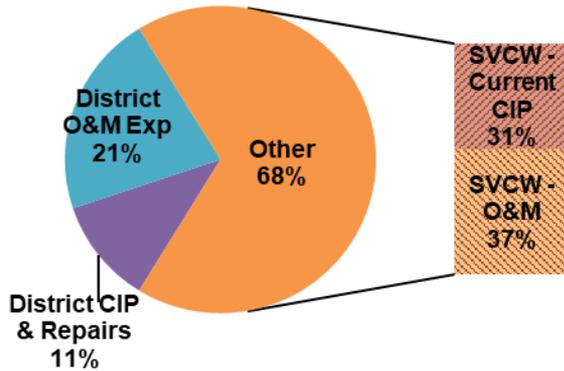
	Sewer Service Rates (\$/Year Per Equivalent Residential Unit)			
	Current Rate FY 2019-20	Proposed Rates		
		FY 2020-21	FY 2021-22	FY 2022-23
Fair Oaks SMD	\$935	\$955 <i>(+ \$30/yr or \$2.50/mo)</i>	\$985 <i>(+ \$30/yr or \$2.50/mo)</i>	\$1,015 <i>(+ \$30/yr or \$2.50/mo)</i>

FUTURE FISCAL YEAR PROJECTED REVENUE REQUIREMENTS

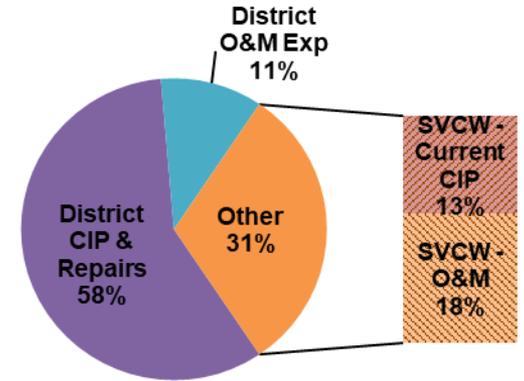
FY 2018-19 Actual



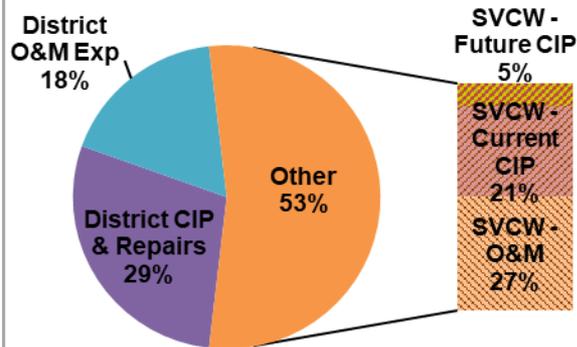
FY 2019-20 Estimated



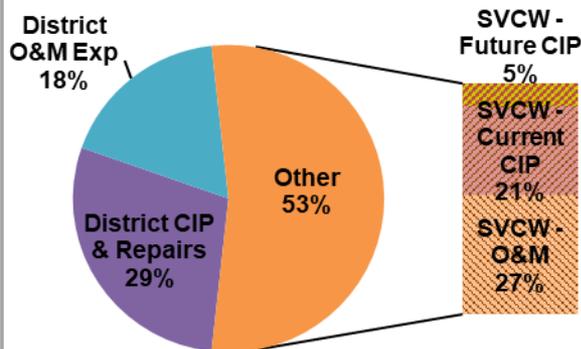
FY 2020-21 Estimated



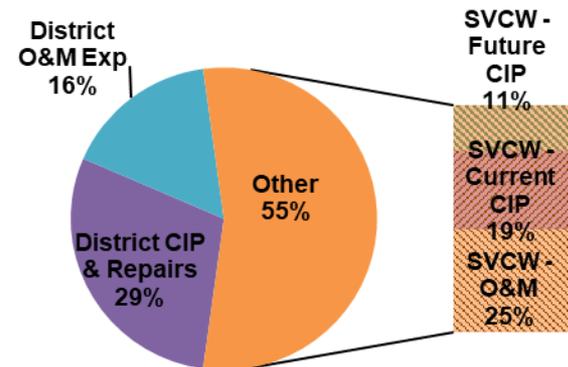
FY 2021-22 Estimated



FY 2022-23 Estimated

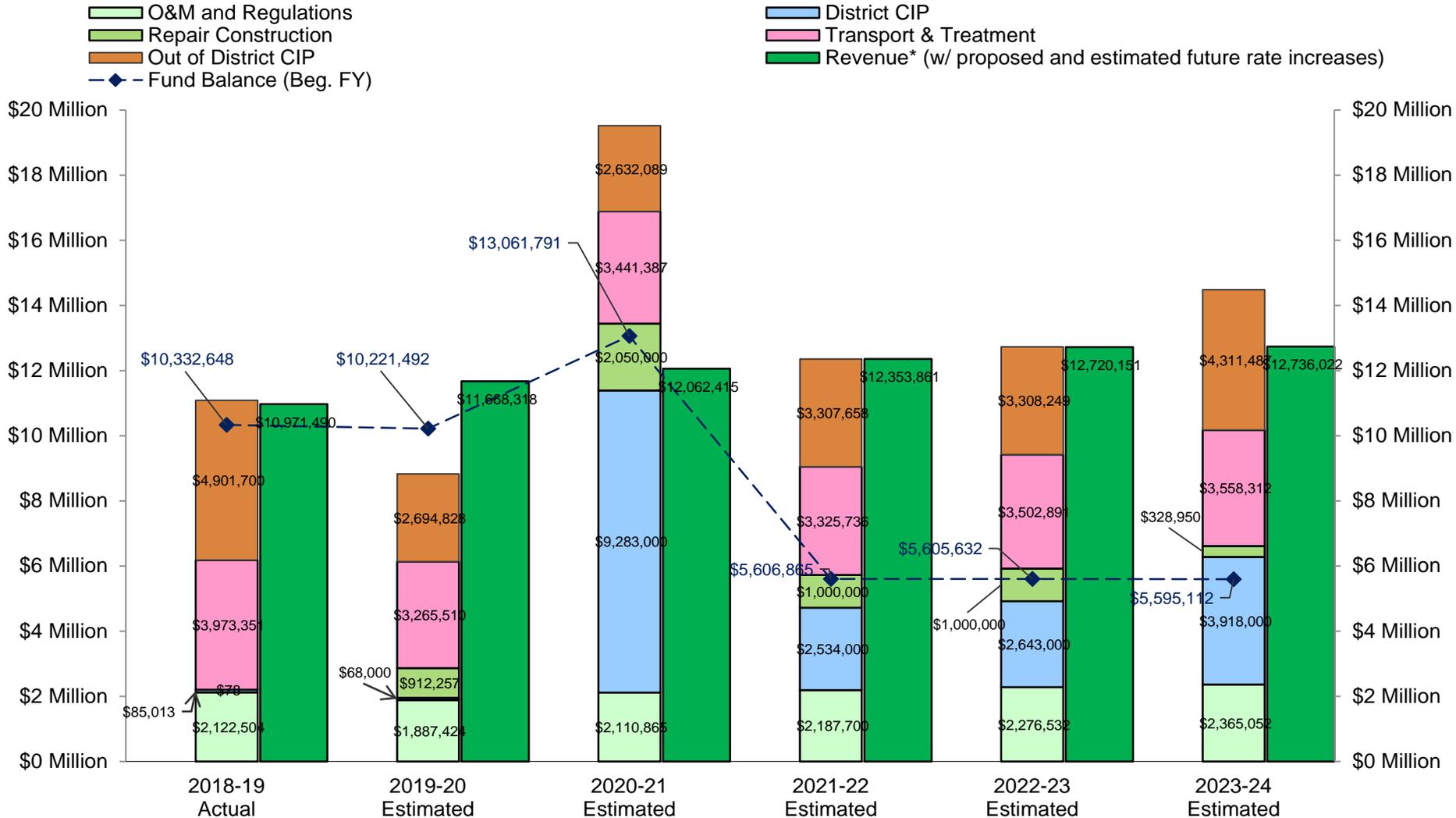


FY 2023-24 Estimated



ELEMENTS OF THE SEWER SERVICE RATES

Fair Oaks SMD Expenditure & Revenue Comparison



* Revenue may include: property taxes, interest, HOPTR, Sewer Service Charges, miscellaneous fees.

RATE SETTING TIMELINE

Key Dates	Actions
June 2, 2020	Introduce Ordinance with proposed sewer service rate and set Public Hearing for July 21, 2020.
June 5, 2020	Send Proposition 218 notice (45 days prior to public hearing) to property owners with proposed rate.
July 21, 2020	Hold public hearing, adopt Ordinance setting rate, and adopt FY 2020-21 Sewer Service Charges Report based on the adopted rate.



**Emergency Response
24 Hours a Day, 7 Days a Week**

Mainline (Blockage)

Customer Sewer Laterals

**Call (650) 363-4100 to Report
Sewer Overflows**



THANK YOU!

Please e-mail comments and questions to:
sewers@smcgov.org

Information is available on our website at:
<http://www.smcgov.org/sewers>



**The toilet is only meant
to flush the three P's—
pee, poop and paper.**
toilet

