



James C. Porter
Director

County Government Center
555 County Center, 5th Floor
Redwood City, CA 94063
650-363-4100 T
650-361-8220 F
www.smcgov.org

April 13, 2021

Dear Property Owner:

Re: Proposed Sewer Service Rates and Virtual Community Meeting

We are sending this letter to property owners in the Crystal Springs County Sanitation District (District) to provide important information regarding proposed sewer service rate adjustments for the next three fiscal years (2021-2022 through 2023-24 fiscal years) that would begin on July 1, 2021. We are proposing an annual sewer service rate increase of approximately 5%. As explained in a letter to the District property owners last year and as described below, these are stepped increases 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 virtual neighborhood meeting to discuss these proposed increases. At this meeting we will discuss updates to the financial implications of the City of San Mateo's Clean Water Program, and other infrastructure and operational challenges facing the District. The Zoom meeting will be held on:

Date: Thursday, April 22, 2021

Time: 6:30 PM to 7:30 PM

Meeting Platform: Zoom

To join online: Please visit <https://publicworks.smcgov.org/rates2021> for Zoom instructions.

To Join by phone:

Phone Dial-In: (669) 900-9128

Meeting ID: 920 3089 7178

Passcode: 214049

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 \$1,585 per year per equivalent residential unit was adopted for your District in July 2020. 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

City of San Mateo's Clean Water Program

The City of San Mateo's Clean Water Program (CWP) is estimated to cost approximately \$1 billion in total and the District has a financial responsibility to pay approximately \$32.6 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 direct financial impact on the District's sewer service rate in future years. The District's rates will need to support the portions of the CWP projects that benefit the District. Construction of the City of San Mateo's CWP projects are expected to extend into FY 2025-26.

Proposed Sewer Service Rates

We are proposing to set the new sewer service rates for a three-year period (2021-22 through 2023-24 fiscal years), as shown in the table on below:

	Sewer Service Rate (\$/Year Per Residential Unit)			
	Current Rate 2020-21	Proposed Rates		
		2021-22	2022-23	2023-24
Crystal Springs County Sanitation District	\$1,585	\$1,664	\$1,747	\$1,834
<i>\$ increase per Residential Unit</i>		(+\$79/yr or \$6.58/mo)	(+\$83/yr or \$6.92/mo)	(+\$87/yr or \$7.25/mo)
<i>% increase</i>		4.98%	4.99%	4.98%

The proposed rates will help support the costs for the District's portion of the City of San Mateo's CWP and to pay for future maintenance and capital improvements in the District. The District and City of San Mateo are working on an agreement that will outline the District's financial obligations for the CWP to minimize future rate adjustments and allow payments over time.

Seneca Lane Landslide Damage

The District's sewer system below Seneca Lane damaged by a mudslide during the 2017 winter storms has been repaired. The District has been working with the Federal Emergency Management Agency (FEMA) for reimbursement of damages sustained by the District. The majority of the costs to repair the damage will be paid by FEMA. The proposed rates for the District have been calculated with the expectation that FEMA will reimburse the District based on the District's funding request.

Community Meeting Date

As noted above, we have scheduled a virtual neighborhood meeting for the Crystal Springs County Sanitation District at 6:30 PM on Thursday, April 22, 2021.

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, 5th Floor
 Redwood City, CA 94063
 or
 e-mail: 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