



**Berkson
Associates**

Urban Economics
Policy Forensics & Forecasting
Planning & Policy Analysis

MUNICIPAL SERVICE REVIEW UPDATES

City of East Palo Alto

East Palo Alto Sanitary District

West Bay Sanitary District



San Mateo LAFCo

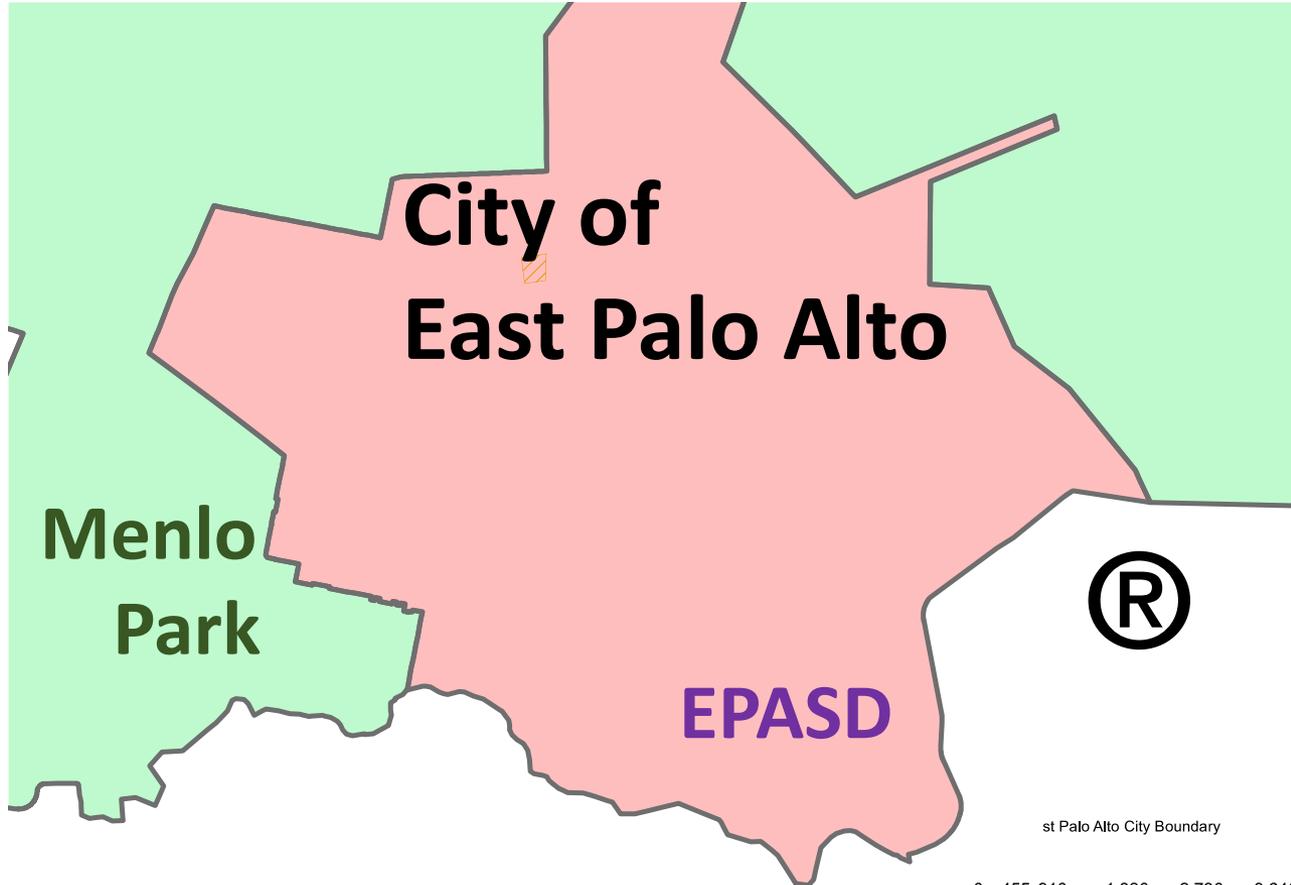
Workshop April 6, 2022

INTRODUCTION



- Spheres of Influence (SOIs)
- Municipal Services Reviews (MSRs)
- Approach and Methodology
 - Compile/evaluate agency information
 - Agencies review preliminary chapters
 - Admin. draft report revised
 - Public distribution and review

City of East Palo Alto



Population:
30,034

Area:
2.6 sq.mi.

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City of East Palo Alto



- Past growth static, but pending development supports GP growth
- Lack of sewer capacity impedes new projects
- Efforts to resolve this issue largely unsuccessful
- EPASD as a subsidiary district could better align public services & land use planning
- City could contract with WBSD for sewer operations

East Palo Alto Sanitary District



Population:
26,622

Area:
1.84 sq.mi.

92% is in
City of EPA

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East Palo Alto Sanitary District



- EPASD's sewer rates are among the lowest in County
- The Master Plan 2021 Addendum predicts sewer overflows for current ratepayers (existing conditions)
- The Addendum identifies pipeline expansion to address potential overflows from existing and new development
- The Addendum's Capital Improvement Program does not identify priorities, timing, or funding sources to equitably allocate improvement costs

East Palo Alto Sanitary District *cont'd*



EPASD Proposed Capital Improvement Program Costs

Item	TOTAL
<u>Collection System</u>	
Existing Capacity Deficiencies	\$23,877,600
Capacity for New Development (exc. trunk line)	8,769,600
Other CIP Improvements	<u>2,508,900</u>
Subtotal	\$35,156,100
<u>Trunk Line</u>	
Trunk Line Upgrade	Included in Collection System
Total, Collection System & Trunk Line	\$35,156,100
<u>Treatment Plant</u>	
Capacity for New Development	\$5,000,000
TOTAL	\$40,156,100
Ongoing Annual Repair/Replacement	\$500,000 - \$1 mill.

East Palo Alto Sanitary District *cont'd*



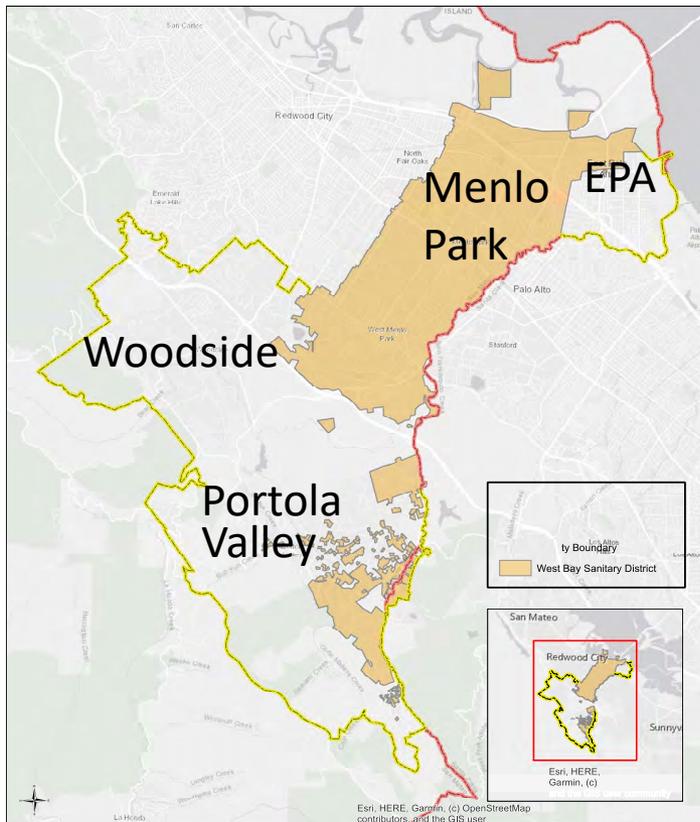
- Funding options can assure that existing ratepayers do not pay for new development
- Improvements to serve existing ratepayers can facilitate future planned growth
- Funding may include debt, capacity charges, fund balances & rate revenues, & developer funding
- EPASD needs an updated, effective Master Plan to identify improvements, priorities, costs & funding

East Palo Alto Sanitary District *cont'd*



- Lack of sewer capacity prevents EPASD from serving new development in City's Master Plan
- Stalled development adversely affects City residents, e.g.,
 - Lower public tax revenues & charges to fund services
 - Fewer affordable housing opportunities and commercial development planned by the City
 - Less economic development and jobs

West Bay Sanitary District



West Bay Sanitary District

Population:
55,701

Area:
13.5 sq.mi.

West Bay Sanitary District



- WBSD operates with a high level of transparency and accountability
- The District has experienced high levels of infiltration & inflow which it is addressing
- Its Master Plan is outdated and requires an update which is underway
- WBSD could manage sewer services if EPASD were dissolved – through contract to the City or by annexation

Governance Options



- LAFCo designated an EPASD “dissolution” (zero) sphere of influence when the City formed
- Governance options could align sewer services with other community needs & municipal functions
- The City could govern as the board of a subsidiary district (possible contract with WBSD)
- Another option: EPASD dissolution and alignment of service areas with Menlo Park & East Palo Alto
 - Requires multiple contractual arrangements for treatment

NEXT STEPS



Following this workshop

- Public review and comment on draft MSRs (until May 5)
- LAFCo Hearing April 20th for presentation, feedback
- Revisions to the draft MSRs
- LAFCo Hearing June 15th for adoption of final report
- Reorganization (subsidiary district) could be initiated by LAFCo, application by a public agency, or by resident petition

QUESTIONS?



- For more information or to submit comments to LAFCO, please email:

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