

PROPERTY OWNERS MEETING SEWER SERVICE RATES

**Fair Oaks Sewer Maintenance District
(District)**

May 16, 2023

6:30 PM

Via Zoom

Department of Public Works



ZOOM MEETING **GENERAL HOUSEKEEPING**

Live interpretation of this entire meeting will be provided in Spanish. To access live interpretation services, click the interpretation globe icon in your Zoom meeting/webinar controls and select Spanish.

Interpretación en vivo de toda esta reunión será proveída en español. Para acceder a los servicios de interpretación en vivo, haga clic en el globo de interpretación en los controles de su reunión/seminario de Zoom y seleccione Spanish/Español.

ZOOM MEETING **GENERAL HOUSEKEEPING**

For those attending the meeting on the Zoom videoconference, during the public comment or question period, we will use the “raise hand” feature in order to organize any public comments or questions.

You may click the “raise hand” feature to raise your hand to speak. When you hear your name called, you will receive a request to unmute your microphone and you may begin speaking.

For those joining by phone, please press *9 to raise your hand, and press *6 to toggle mute/unmute.

DEPARTMENT OF PUBLIC WORKS
STAFF IN ATTENDANCE TONIGHT

Ann M. Stillman, Director

**Krzysztof Lisaj, Deputy Director, Engineering and Resource
Protection**

**Mark Chow, Principal Civil Engineer, Utilities-Flood Control-
Watershed Protection**

**Julie Young, Senior Civil Engineer, Utilities-Flood Control-
Watershed Protection**

**Anna Mui, Associate Engineer, Utilities-Flood Control-
Watershed Protection**

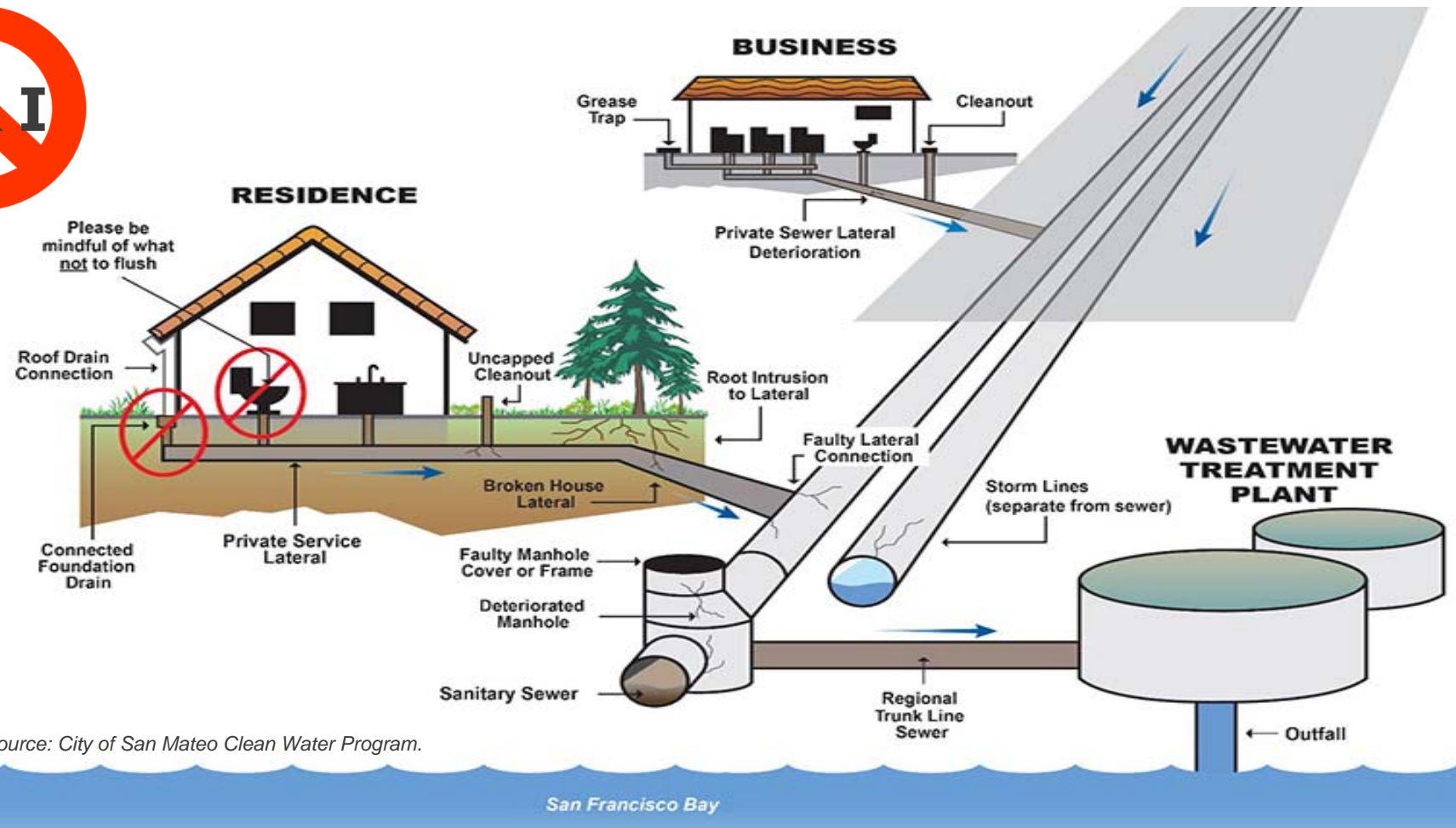


AGENDA

- ***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 – HOW DOES A SEWER SYSTEM WORK?

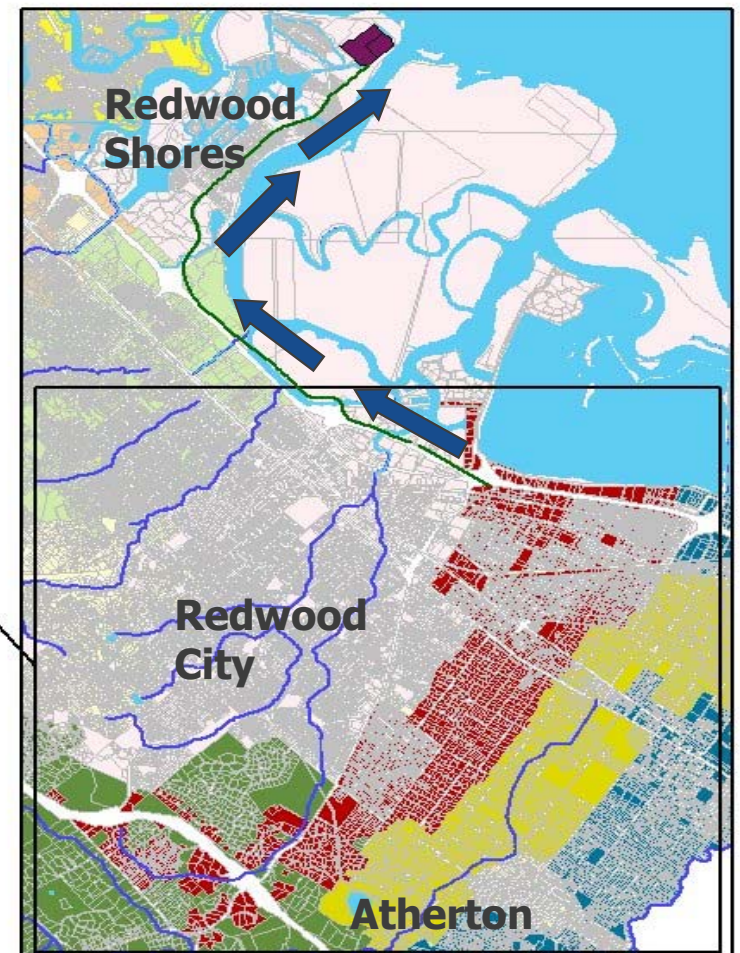
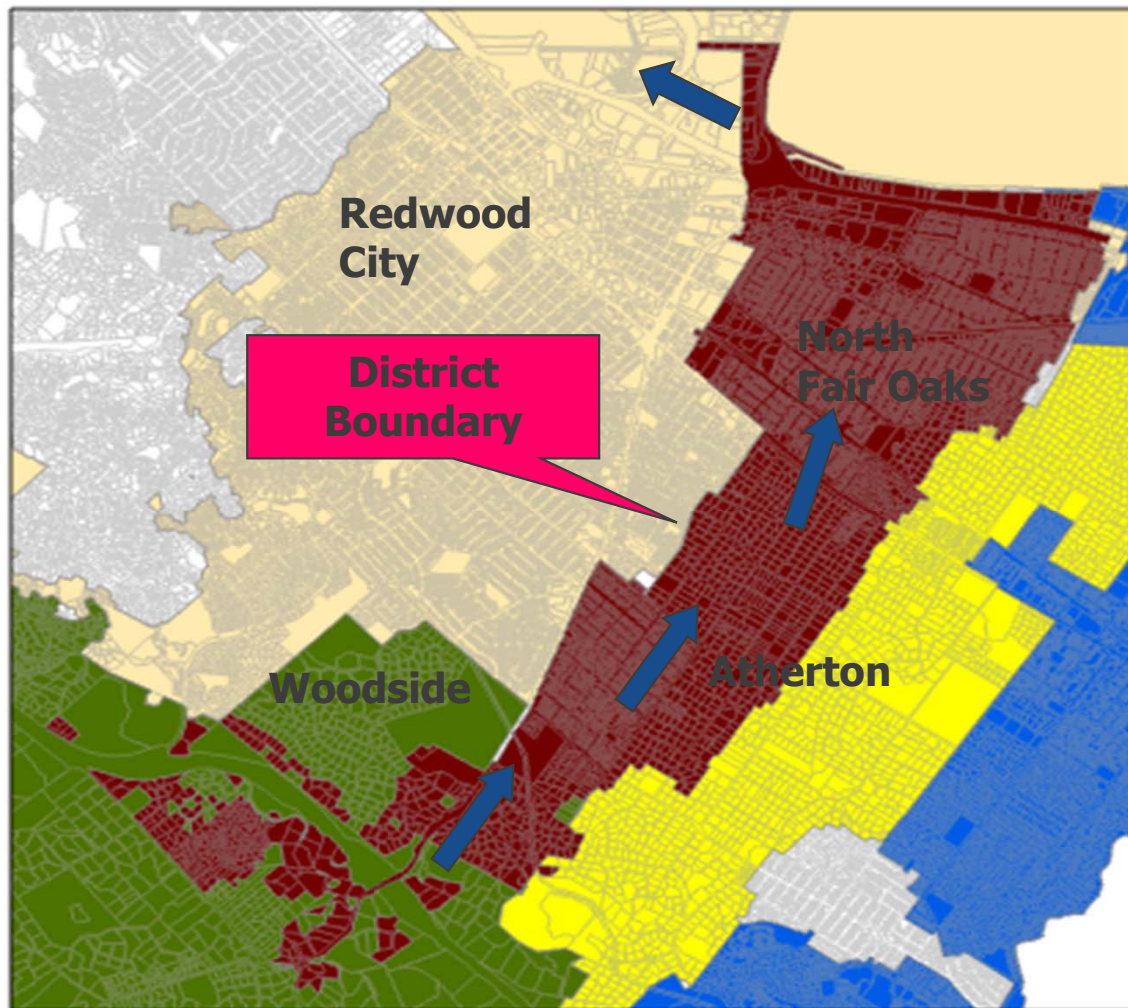
EACH DISTRICT RELIES ON DOWNSTREAM AGENCIES TO TRANSPORT SEWAGE COLLECTED BY THE DISTRICT TO THE TREATMENT PLANT



Source: City of San Mateo Clean Water Program.

DISTRICT 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 SPECIFIC STATISTICS

District	Age (yrs) *	Number of Connections **	Equivalent Residential Units (ERU) **	Downstream Transport Agency	Treatment Facility
Fair Oaks SMD	93	7,116	11,603	City of Redwood City	Silicon Valley Clean Water (SVCW)

**Age based on District formation date*

*** Based on 2022-23 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

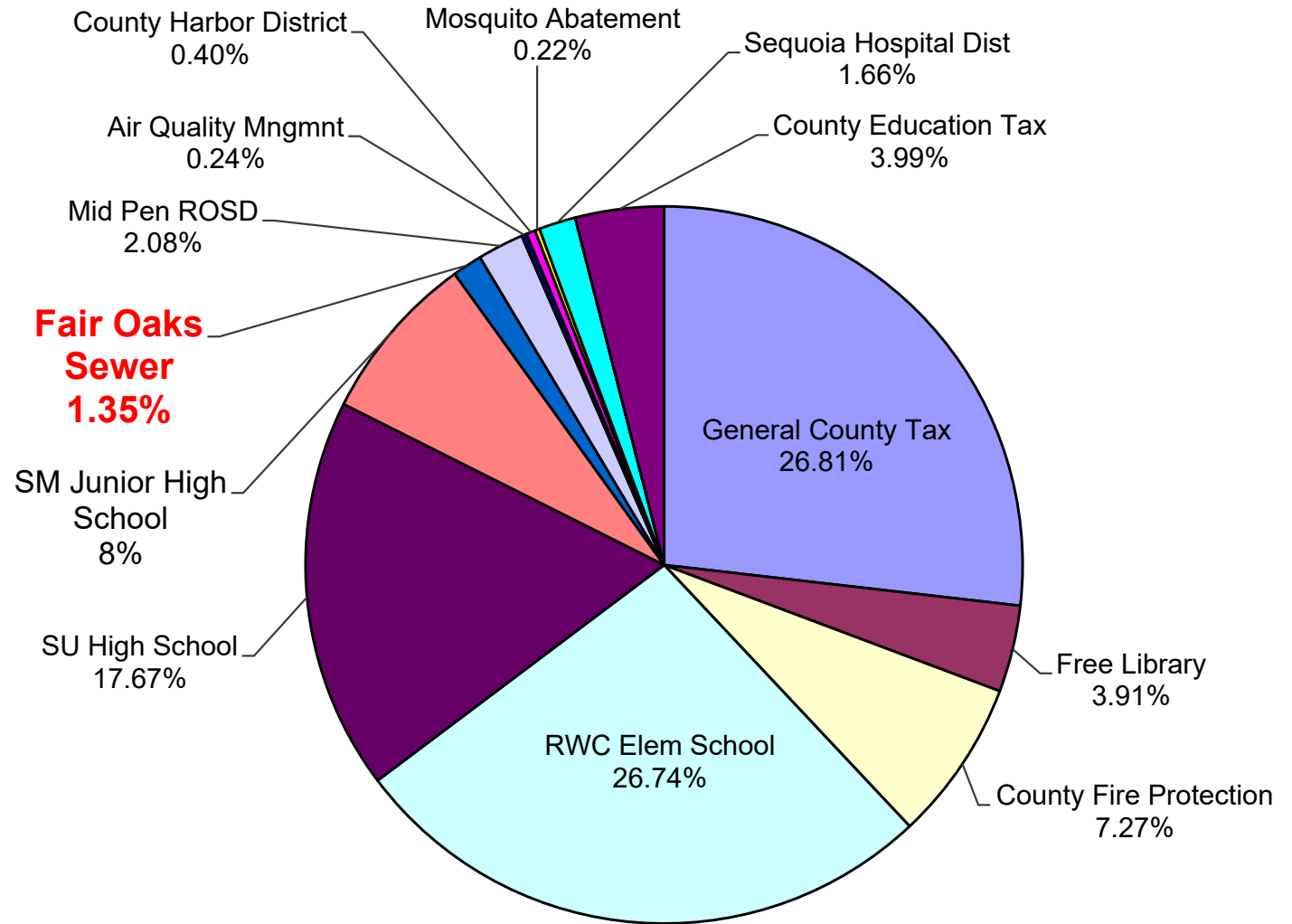
EACH DISTRICT IS AN INDEPENDENT ENTITY WITH ITS OWN SEPARATE BUDGET

- 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 \$713,300 for FY 2021-22.

PROGRAMS, SERVICES AND COMPLIANCE

- 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
- Purchased shared maintenance equipment since the last rate increase (CCTV main line camera and van, lateral camera, and air compressor)
- Inspecting restaurants and food service establishments for proper fats, oils, and grease (FOG) disposal

PROGRAMS, SERVICES AND COMPLIANCE

POLLUTION PREVENTION/PUBLIC AWARENESS PROGRAM



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!

Image sources: County of San Mateo and Central Contra Costa Sanitary District

PROGRAMS, SERVICES AND COMPLIANCE

POLLUTION PREVENTION/PUBLIC AWARENESS PROGRAM

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

Items shown: Tampons, maxi pads & their applicators/wrappers; Cotton swabs & makeup pads; Kitty litter; Syring; 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 (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.
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!

Awareness brochures were developed and being 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>

PROGRAMS, SERVICES AND COMPLIANCE

SANITARY SEWER OVERFLOWS (SSO)

District	2018	2019	2020	2021	2022	2023 (to date)
FOSMD	17	17	13	6	7	15

Over 12,300 feet of sewer pipes were replaced since the last rate increase.

Preventative maintenance on District sewer mains is being performed at frequencies ranging from 3 to 36 months, depending on conditions.



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

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 – REGULATORY COMPLIANCE

COMPLIANCE WITH CALIFORNIA RIVER WATCH (CRW) SETTLEMENT

Settlement Requirements	Due Date
<i>Payment of \$50,000 for CWR attorney costs and fees</i>	Completed
Complete CCTV inspection and condition assessment of all gravity sewer mains and manholes (entire District)	Jan. 2027
Repair/replace significantly defective pipes and manholes	2 years after discovery
Cease use of root control chemicals	Immediate

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

HIGH PRIORITY CIPS IDENTIFIED THROUGH HYDRAULIC MODEL AND CONDITION ASSESSMENTS

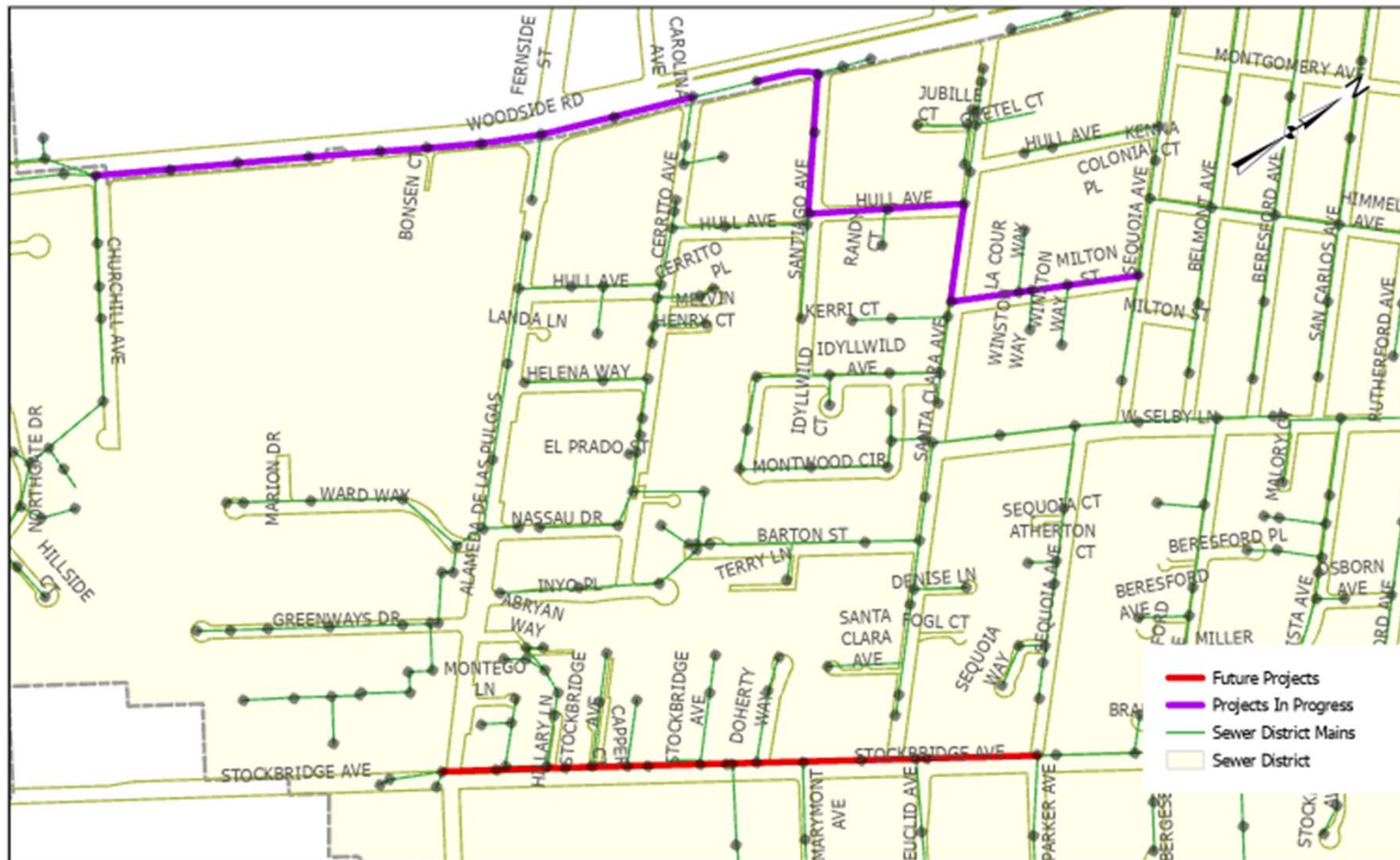
- *Improvements are recommended based on the following:*
 - *Lack of capacity in pipe*
 - *Excessive maintenance costs*
 - *Structural defects in pipe*

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

ELEMENTS OF THE SEWER SERVICE RATES – FUTURE PROJECTS AND ESTIMATED COSTS

Construction In Progress - Woodside Road, **\$3,200,000**
Santiago Ave, Hull Ave, Santa Clara Ave, Milton
St, Himmel Ave, Nimitz Ave (~5,800 ft)

Stockbridge Ave (~5,700 ft) **\$3,800,000**



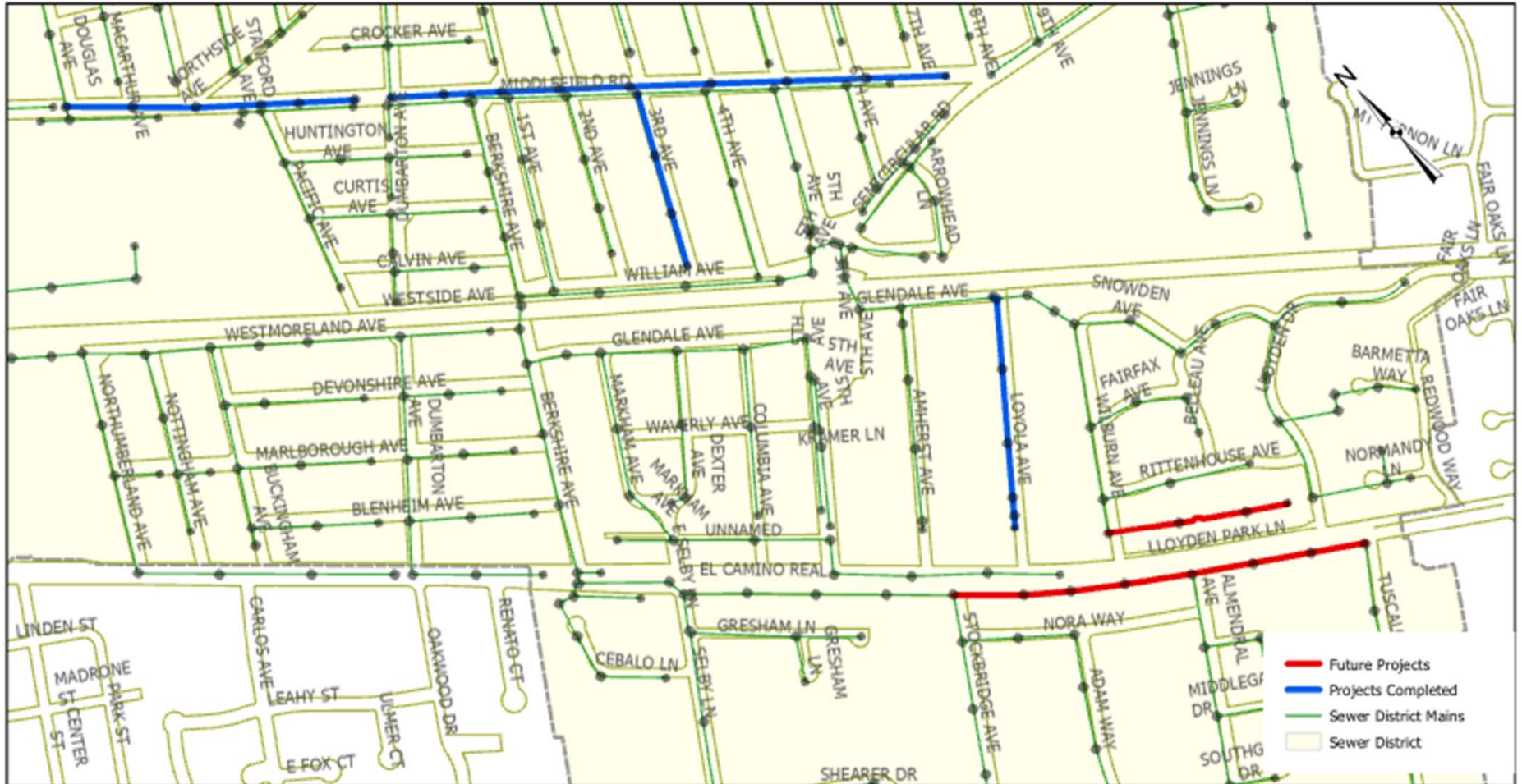
ELEMENTS OF THE SEWER SERVICE RATES – FUTURE PROJECTS AND ESTIMATED COSTS

Lloyd Park Lane Easement Line
Relocation (~900 ft)

\$800,000

El Camino Real #1 (~1,900 ft)

\$1,300,000



ELEMENTS OF THE SEWER SERVICE RATES – FUTURE PROJECTS AND ESTIMATED COSTS

Edison Way to Bay Road (~2,400 ft)

\$1,400,000

Page Street (~1,300 ft)

\$800,000



ELEMENTS OF THE SEWER SERVICE RATES – FUTURE PROJECTS AND ESTIMATED COSTS

Trunk Line Replacement (~ 1,400 ft)

\$15,000,000

Bay Road #3 (~2,500 ft)

\$1,600,000



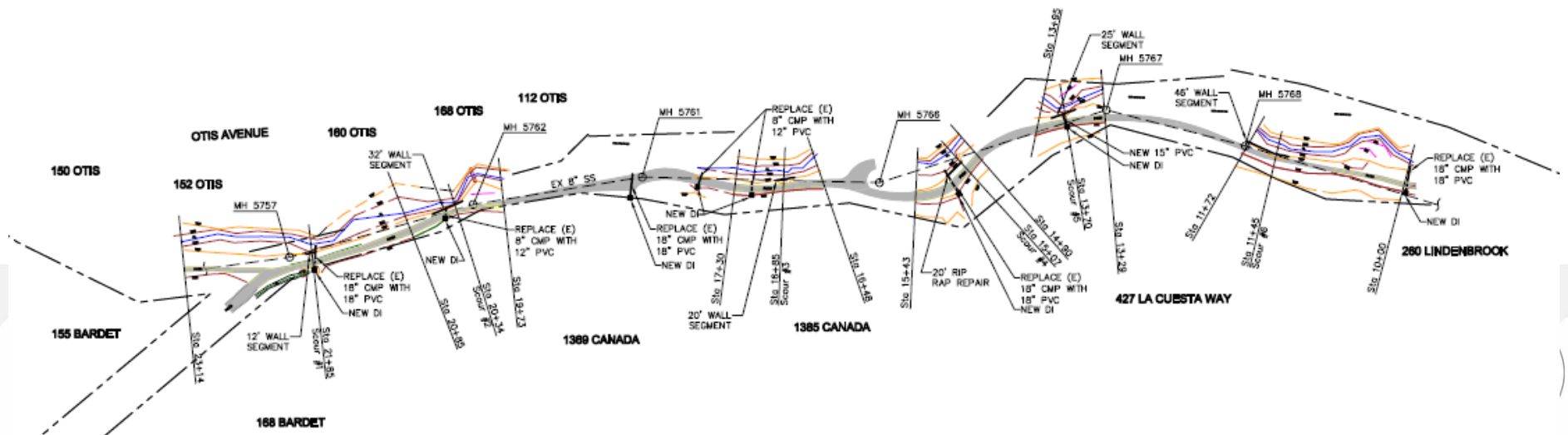
ELEMENTS OF THE SEWER SERVICE RATES – FUTURE PROJECTS AND ESTIMATED COSTS

Redwood Creek Access

\$2,000,000



Restore
Maintenance
Vehicle Access
along Redwood
Creek



ELEMENTS OF THE SEWER SERVICE RATES – OUT OF DISTRICT COSTS

SEWAGE TRANSPORT, TREATMENT, AND DISPOSAL

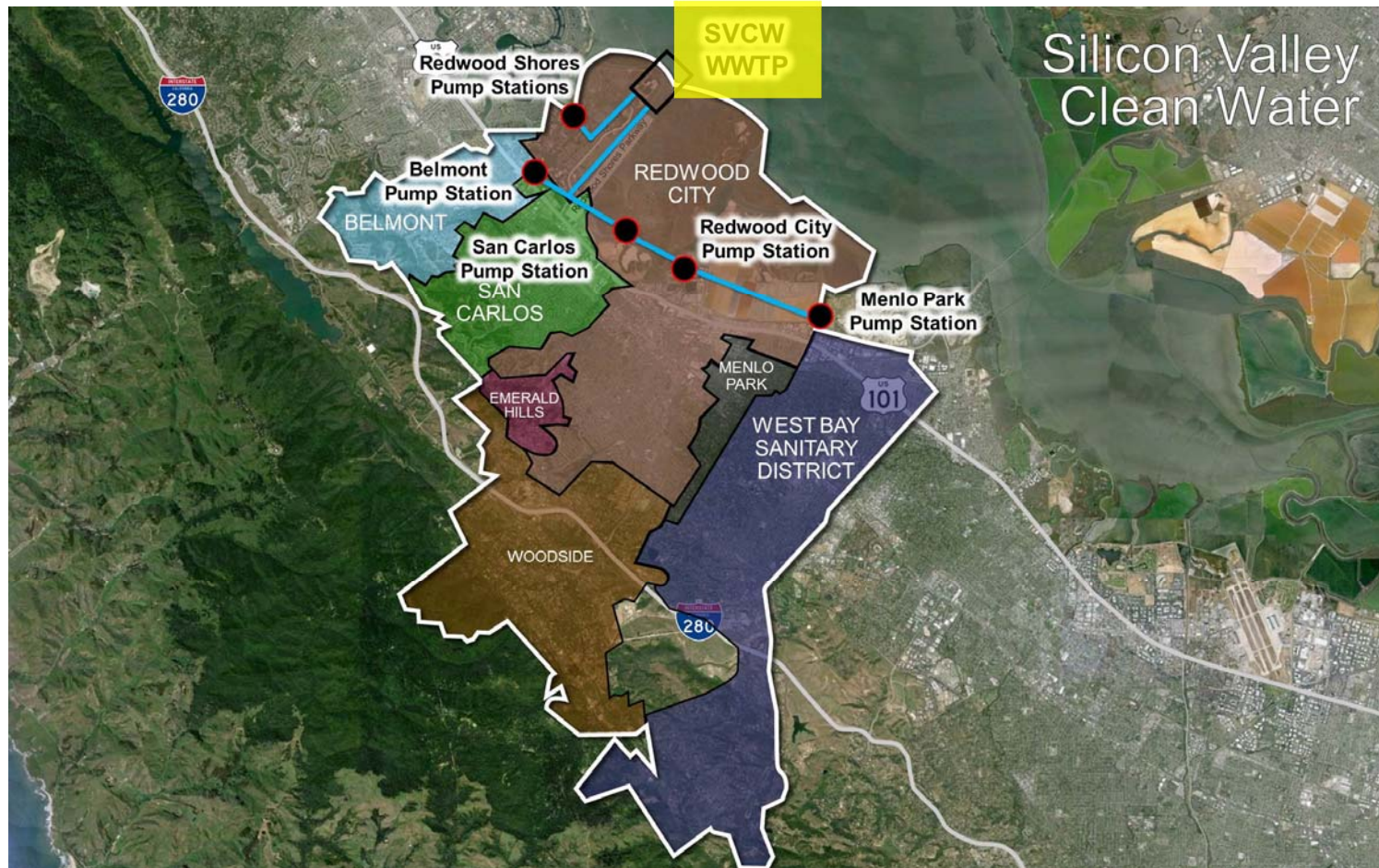
- ***District has an Agreement with the City of Redwood City for sewage transport through City pipes with treatment and disposal at the SVCW***
- ***Fair Oaks SMD pays City sewage treatment and disposal fees based on volume of sewage (gallons per day)***

ELEMENTS OF THE SEWER SERVICE RATES – OUT OF DISTRICT COSTS

WHAT AFFECTS THE AMOUNT THE DISTRICT PAYS?

- ***Capital Improvement Projects at the SVCW:***
 - ***Capital improvements will replace equipment which have reached the end of their useful lives***
 - ***SVCW has spent \$620 million thru April 2022 (over 14 years)***
 - ***In April 2022, SVCW estimates \$330 million in CIP expenditures over the next decade***
 - ***SVCW will be charging the member agencies (Redwood City, San Carlos, Belmont, and West Bay Sanitary District) for cost of the capital improvements***

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

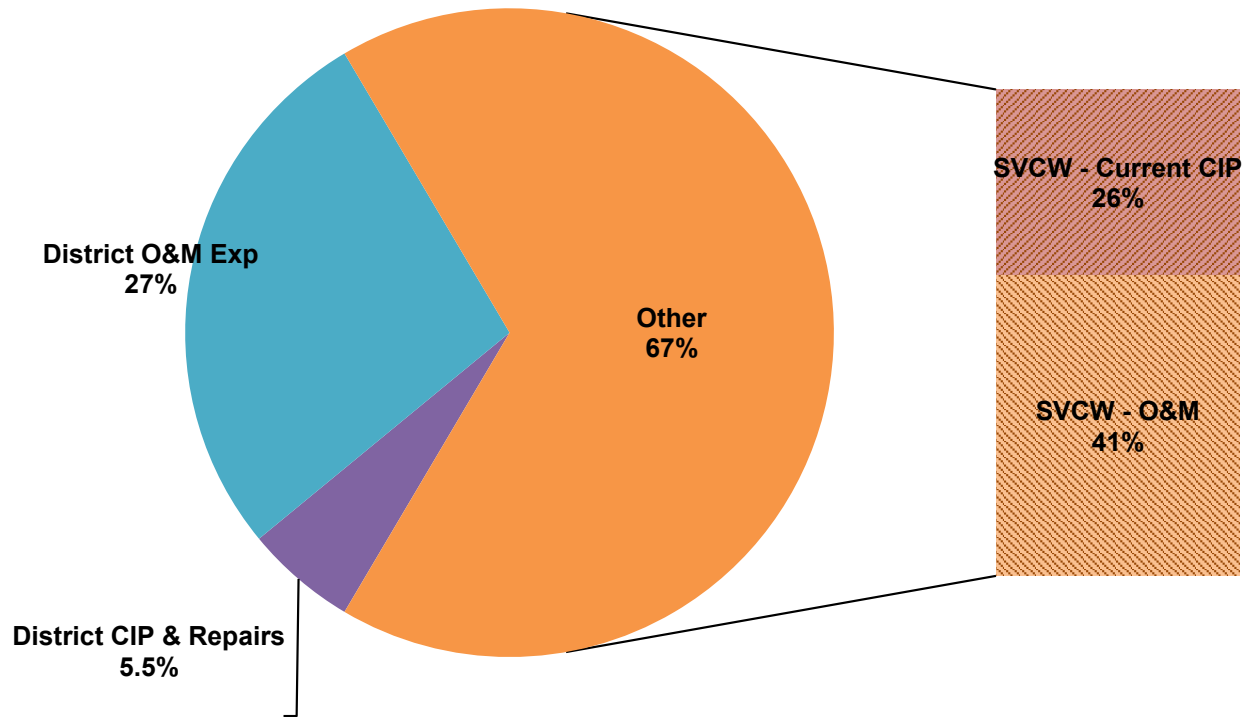
ELEMENTS OF THE SEWER SERVICE RATES – OUT OF DISTRICT COSTS

REDWOOD CITY AND DISTRICT SHARES OF SVCW EXPENDITURES

Redwood City's SVCW Payment	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
SVCW Operating Expense	\$14,859,965	\$16,312,500	\$16,965,000	\$17,643,600	\$18,349,344	\$19,083,318	\$19,846,650	\$20,640,516
SVCW Non-Operating Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Funded Capital	\$ 727,336	\$ 681,923	\$ 709,200	\$ 737,568	\$ 767,071	\$ 797,753	\$ 829,664	\$ 862,850
New Cash Reserves	\$ 971,400	\$ 1,276,232	\$ 1,327,281	\$ 1,380,373	\$ 1,435,587	\$ 1,493,011	\$ 1,552,731	\$ 1,614,841
Subtotal SVCW Transport and Treatment	\$16,558,701	\$18,270,655	\$19,001,481	\$19,761,540	\$20,552,002	\$21,374,082	\$22,229,045	\$23,118,207
SVCW Debt Service through City of RWC								
2008 SVCW Bond	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009 SVCW Bond	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2014 SVCW Bond	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015 SVCW Bond	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018 SVCW Bond	\$ 4,556,327	\$ 4,559,304	\$ 4,553,026	\$ 4,550,931	\$ 4,549,349	\$ 4,549,050	\$ 4,549,871	\$ 4,540,518
2021 SVCW Bond Series A	\$ 4,458,399	\$ 4,460,640	\$ 4,460,640	\$ 4,460,640	\$ 4,460,640	\$ 4,460,640	\$ 4,460,640	\$ 4,460,640
2021 SVCW Bond Series B	\$ 365,468	\$ 395,804	\$ 395,804	\$ 395,804	\$ 395,804	\$ 395,804	\$ 395,804	\$ 395,804
SRF Loan for Administration Building and WWTP Phase I	\$ 917,049	\$ 917,049	\$ 917,049	\$ 1,176,695	\$ 1,176,695	\$ 1,176,695	\$ 1,176,695	\$ 1,176,695
Proposed RESCU SRF Loan	\$ -	\$ -	\$ -	\$ 3,044,914	\$ 3,044,914	\$ 3,044,914	\$ 3,044,914	\$ 3,044,914
Proposed 2019 WIFIA Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,707,387	\$ 4,707,387
Proposed New 2021 WIFIA Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 687,970	\$ 687,970
Subtotal SVCW Debt Service through City of RWC	\$10,297,242	\$10,332,797	\$10,326,519	\$13,628,984	\$13,627,402	\$13,627,103	\$19,023,281	\$19,013,928
Total Redwood City's SVCW Payment	\$26,855,943	\$28,603,452	\$29,328,000	\$33,390,524	\$34,179,404	\$35,001,185	\$41,252,326	\$42,132,135
FOSMD % of RWC flow	23.00%	21.30%	21.30%	21.30%	21.30%	21.30%	21.30%	21.30%
FOSMD portion of Redwood City's SVCW Payment	\$ 6,176,867	\$ 6,092,535	\$ 6,246,864	\$ 7,112,182	\$ 7,280,213	\$ 7,455,252	\$ 8,786,745	\$ 8,974,145

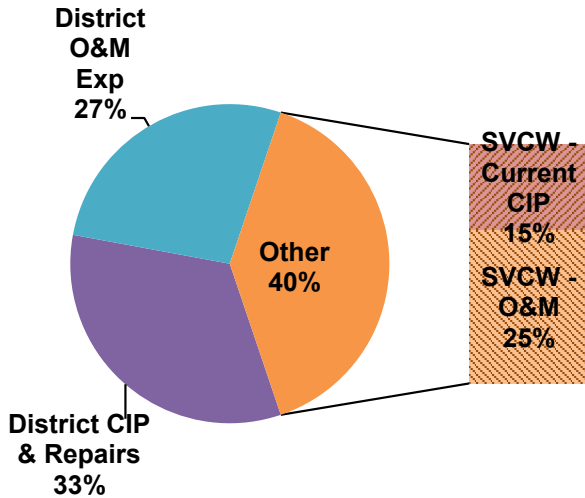
FUTURE FISCAL YEAR PROJECTED REVENUE REQUIREMENTS

FY 2021-22 Actual

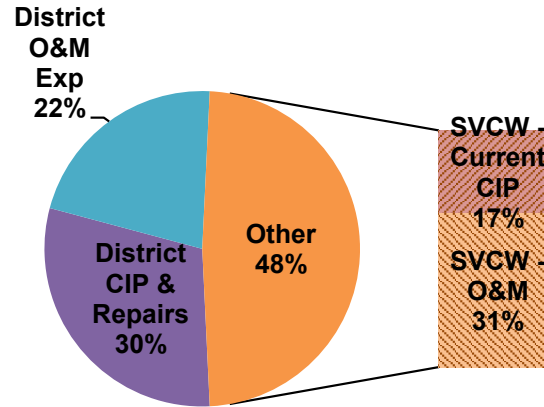


FUTURE FISCAL YEAR PROJECTED REVENUE REQUIREMENTS

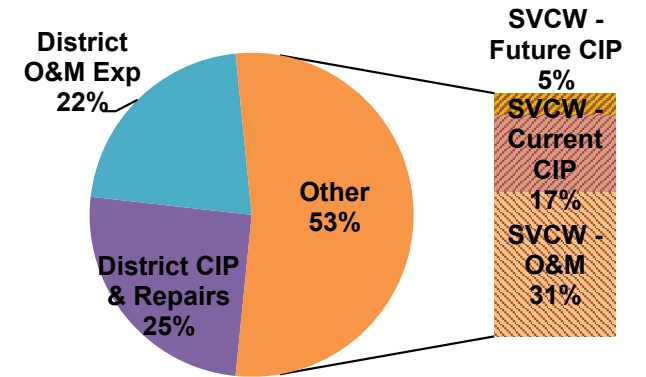
FY 2022-23 Estimated



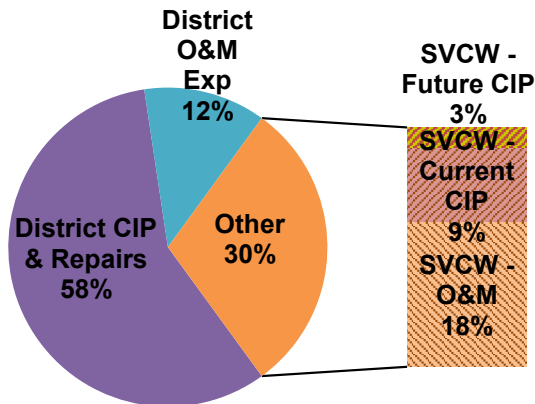
FY 2023-24 Estimated



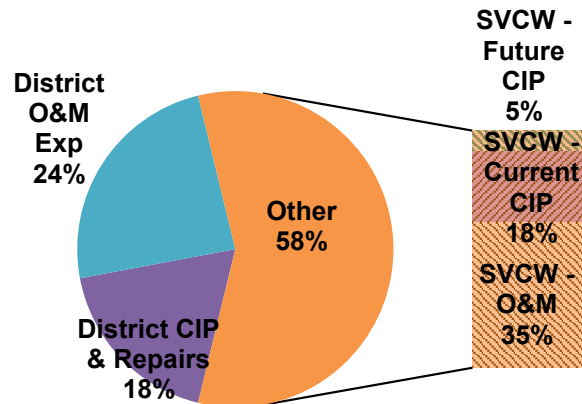
FY 2024-25 Estimated



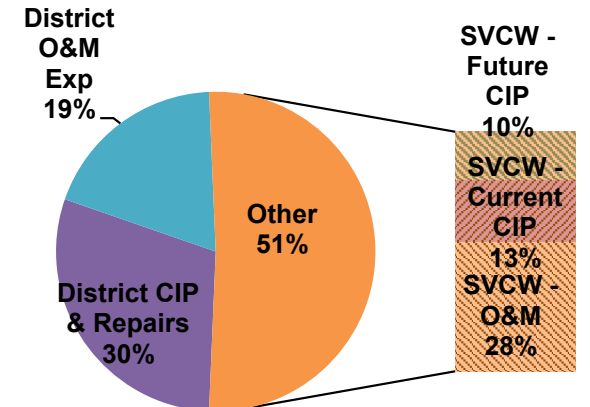
FY 2025-26 Estimated



FY 2026-27 Estimated

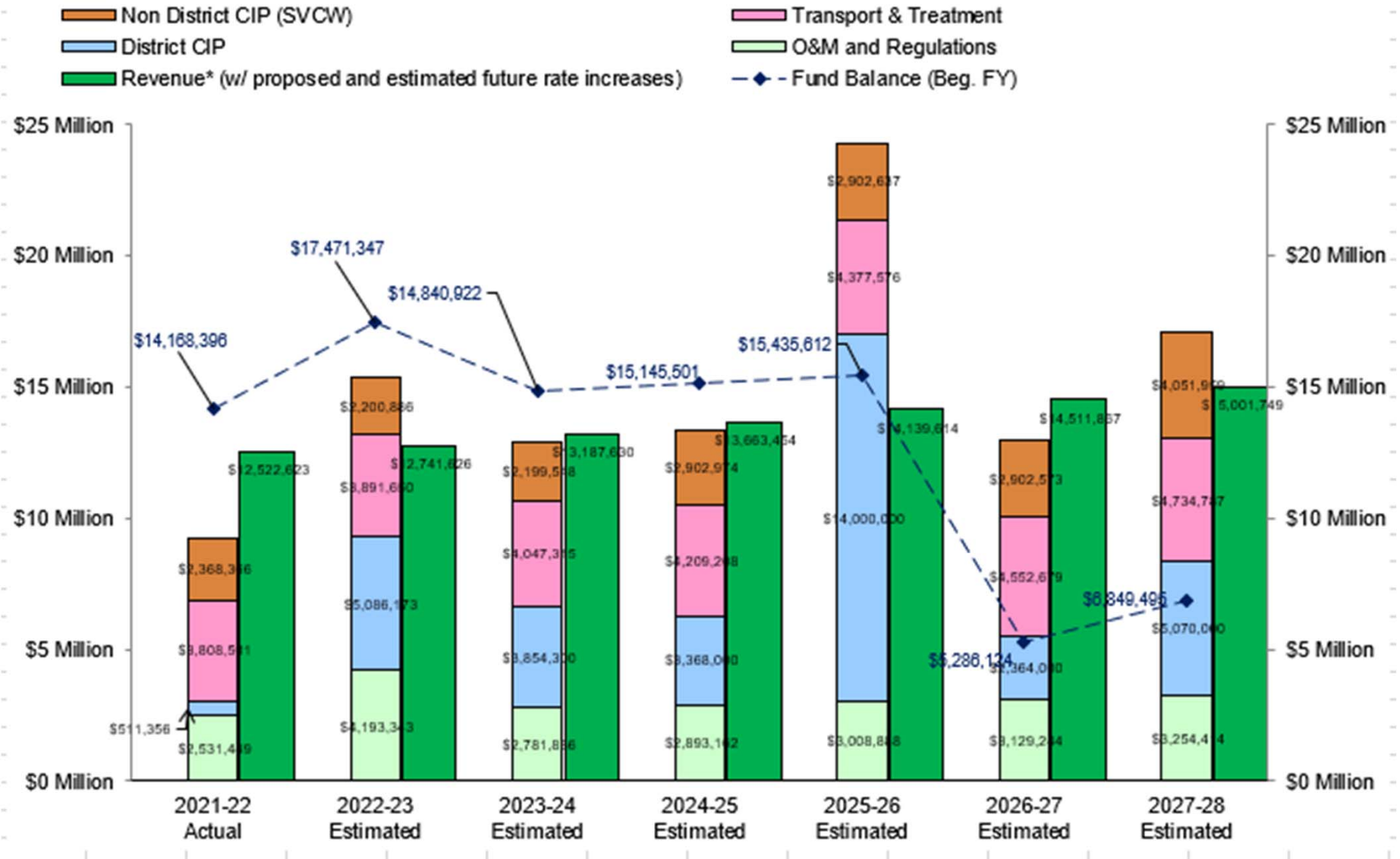


FY 2027-28 Estimated



ELEMENTS OF THE SEWER SERVICE RATES

Fair Oaks SMD Expenditure & Revenue Comparison



PROPOSED RATES

	Sewer Service Rates (\$/Year Per Equivalent Residential Unit)					
	Current Rate FY 2022-23	Proposed Rates				
		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Fair Oaks SMD	\$1,015	\$1,055 <i>(+ \$40/yr or \$3.33/mo)</i>	\$1,095 <i>(+ \$40/yr or \$3.33/mo)</i>	\$1,135 <i>(+ \$40/yr or \$3.33/mo)</i>	\$1,175 <i>(+ \$40/yr or \$3.33/mo)</i>	\$1,215 <i>(+ \$40/yr or \$3.33/mo)</i>

RATE SETTING TIMELINE

Key Dates	Actions
May 23, 2023	Introduce Ordinance with proposed sewer service rate and set Public Hearing for July 25, 2023.
June 5, 2023	Send Proposition 218 notice (45 days prior to public hearing) to property owners with proposed rates.
July 25, 2023	Hold public hearing, adopt Ordinance setting rates, and adopt FY 2023-24 Sewer Service Charges Report based on the adopted rates.

**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

