

COMMUNITY MEETING

AMENDMENT TO THE SANITARY SEWAGE AGREEMENT AND MEMORANDUM OF AGREEMENT WITH CITY OF SAN MATEO FOR POTENTIAL SEWER SERVICE EXTENSION

**Crystal Springs County Sanitation District
(District)**

June 6, 2023

6:30 PM

Via Zoom

Department of Public Works

COUNTY OF SAN MATEO



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.

COUNTY AND DEPARTMENT OF PUBLIC WORKS STAFF IN ATTENDANCE TONIGHT

Justin W. Mates, Deputy County Executive

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**

CRYSTAL SPRINGS COUNTY SANITATION DISTRICT

Information on:

- 1) Proposed Amendment to the 4-Party Sanitary Sewage Agreement
- 2) Memorandum of Agreement with City of San Mateo to Evaluate Feasibility of Potential Sewer Service Extension

To be Considered by the County of San Mateo Board of Supervisors
during a regularly scheduled meeting on:

Tuesday, June 13, 2023 at 9:00 a.m.

Visit

<https://bos.smcgov.org/board-supervisors-agenda-information>

For

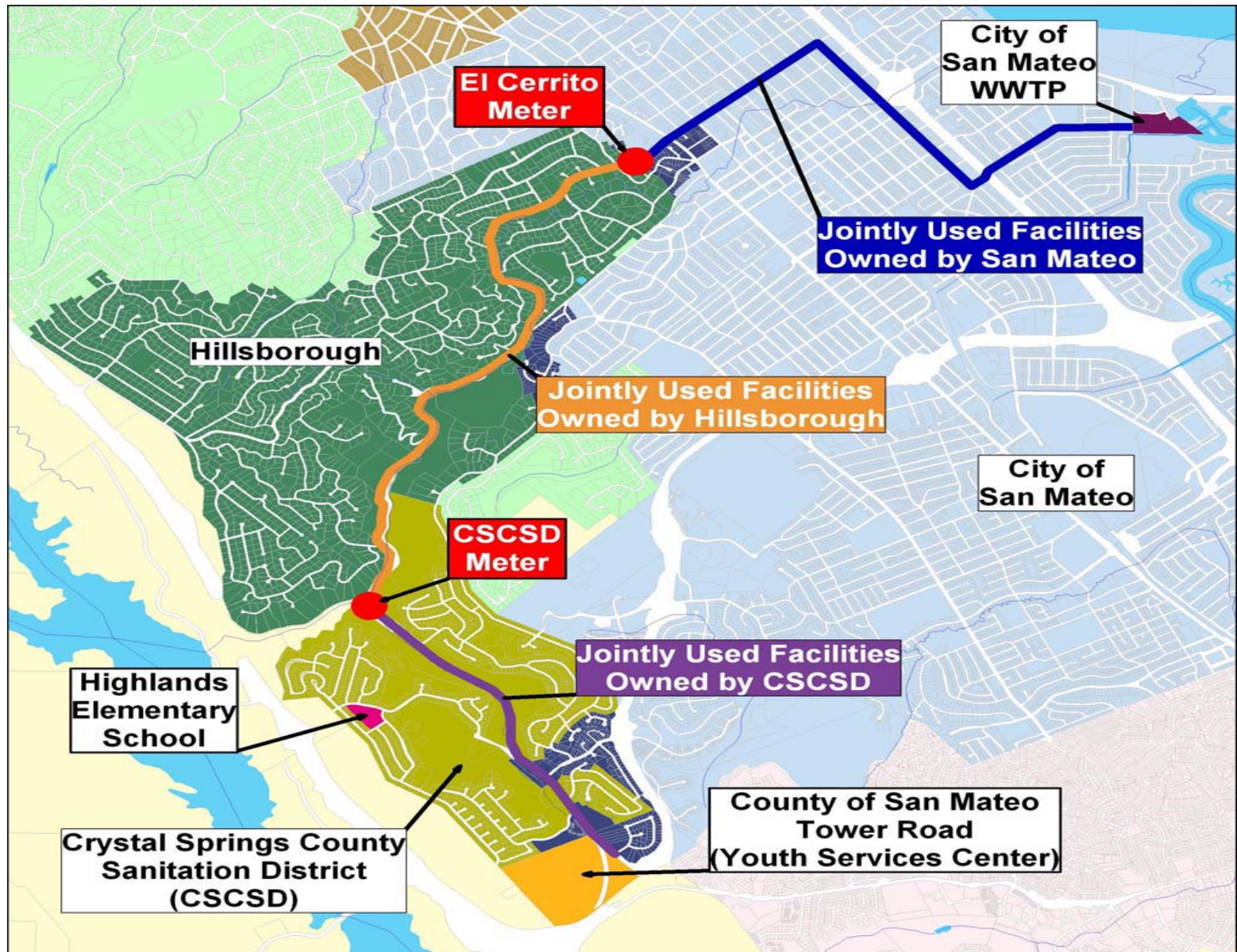
Meeting Agenda and details for how to participate in the meeting

AGENDA

- ***District Information***
- ***District Funding***
- ***District Sewer Service Rates***
 - ***Out of District Costs***
 - ***Clean Water Program (CWP), etc.***
 - ***In District Costs***
- ***District Financial Outlook***
- ***4th Amendment to the 4-Party Agreement***
- ***Memorandum of Agreement for Evaluation of Feasibility of Potential Sewer Service Extension***
- ***Questions and Comments***

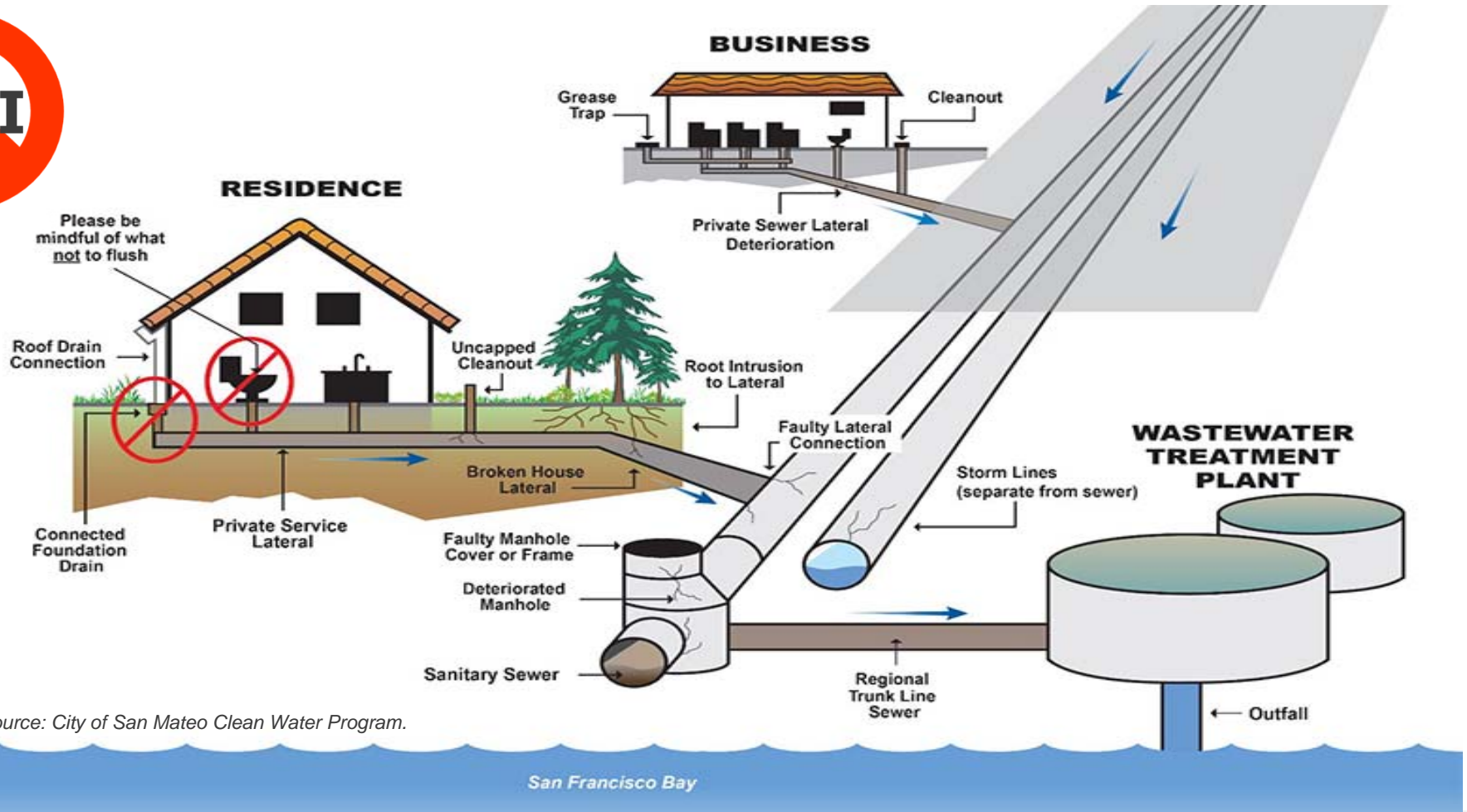
DISTRICT INFORMATION

SEWAGE FLOWS THROUGH TOWN OF HILLSBOROUGH AND CITY OF SAN MATEO TO THE CITY'S SEWAGE TREATMENT PLANT AT 2050 DETROIT DRIVE FOR TREATMENT



DISTRICT INFORMATION – HOW DOES A SEWER SYSTEM WORK?

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 Agencies	Treatment Facility
Crystal Springs County Sanitation District (CSCSD)	76	1,432	1,536	Town of Hillsborough & City of San Mateo	City of San Mateo

**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
Crystal Springs County Sanitation District (CSCSD)	18 mi (95,100 ft)	15%	85%

DISTRICT FUNDING

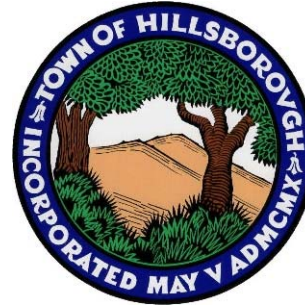
DISTRICT IS AN INDEPENDENT ENTITY WITH ITS OWN SEPARATE BUDGET

- The 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

DISTRICT SEWER SERVICE RATES AND WHAT THEY PAY FOR

OUT OF DISTRICT COSTS:

- ***The Clean Water Program (CWP)***
- ***Sewage Transport and Treatment***
- ***Downstream Agency Capital Improvement Projects***



IN DISTRICT COSTS:

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

OUT OF DISTRICT COSTS



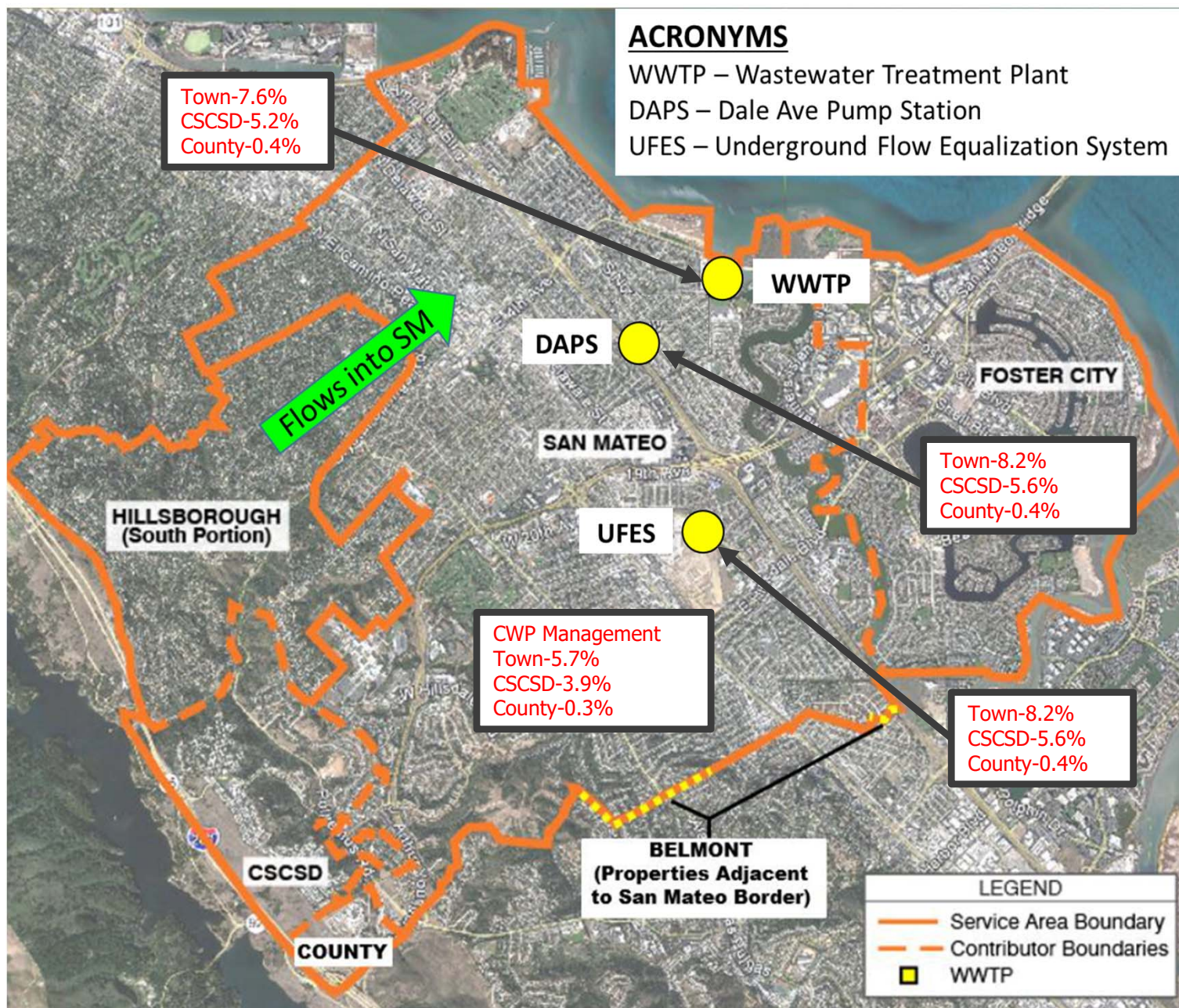
What is the Clean Water Program?

- A comprehensive plan to upgrade the wastewater collection system and wastewater treatment plant.
- **\$1 billion initiative** launched in 2015 to modernize the sewer system is a response to a Cease and Desist Order from the State of California.
- Goals:
 - To replace the aging pipes and facilities that have reached or are nearing their lifespan; and
 - To meet current and future regulatory requirements and increase system capacity during heavy rains; and
 - To align with long-term sustainability goals.

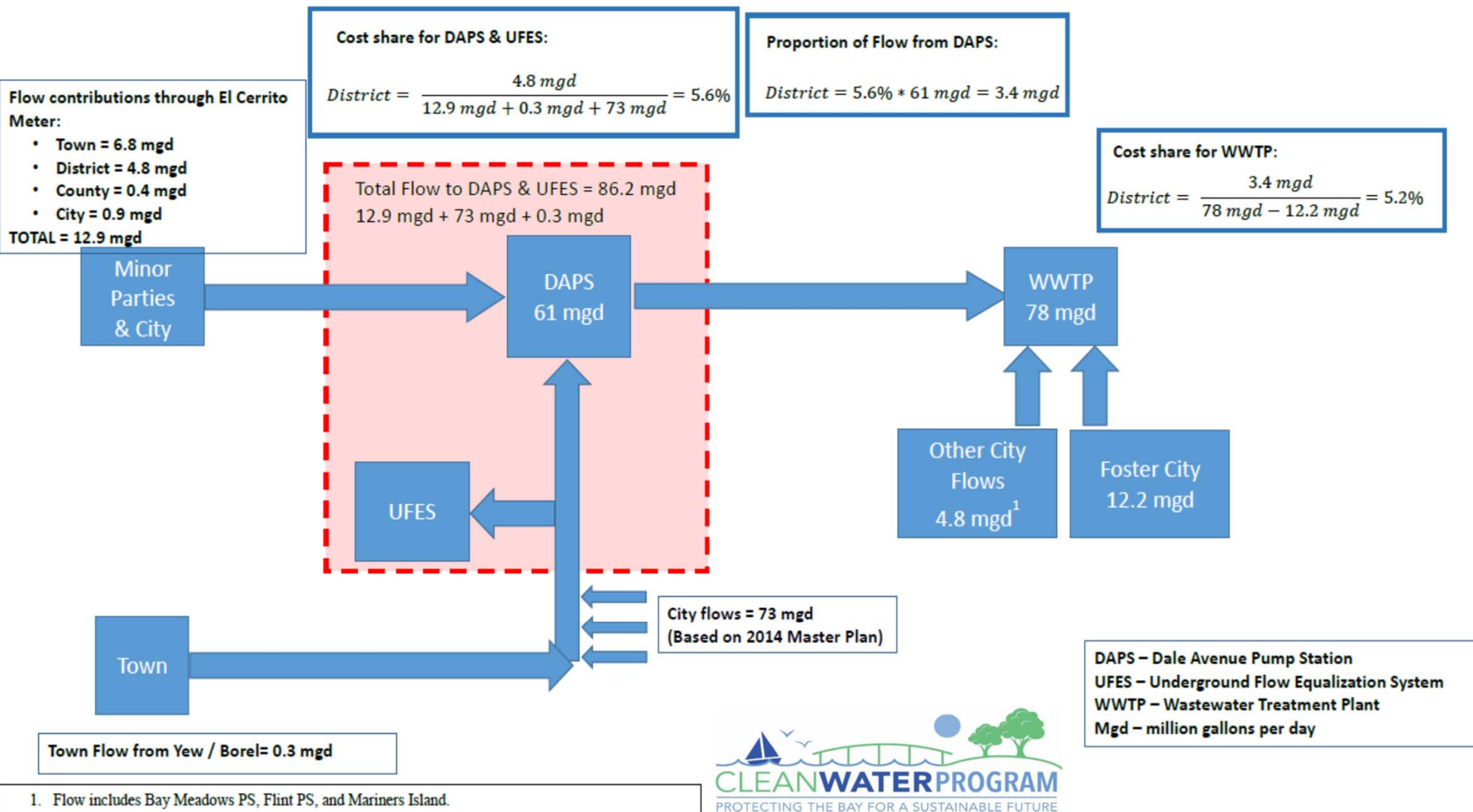
Components of the Clean Water Program

Source: City of San Mateo Clean Water Program.

- City of San Mateo receives, conveys and treats wastewater from CSCSD and other regional customers in service area boundary.
- CSCSD's wastewater is conveyed through the Town of Hillsborough and City of San Mateo collection systems and Dale Ave Pump Station to the WWTP
- San Mateo, Foster City, Hillsborough, San Mateo County, and CSCSD each have a financial responsibility for the capital projects



District Cost Share of the Clean Water Program



District Cost Share of the Clean Water Program and Other Past Capital Improvement Projects

➤ *Clean Water Program Projects*

- *Current estimate of CSCSD's share of costs is estimated to be approximately \$32.6 million, of which the District has contributed over \$7.1 million since FY 2014-15 on pay-as-you go*
- *Remaining \$25.4 million or \$1.12 million each year for 30 years (2023-2052) with various City financing exclusively for the CWP expenses.*

➤ *Past Downstream Agency Capital Improvement Projects*

- *Annual loan payment of \$476,208 to County General Fund for District's share of the Crystal Springs/El Cerrito Sewer Trunk Line projects completed by the Town of Hillsborough and City of San Mateo (\$7.3M loan) (ongoing until FY 2034-2035)*

IN DISTRICT COSTS

- Administration and operation of the District (budgets, customer service, equipment purchase and maintenance)
- Preventative maintenance on District sewer mains (Monthly hotspots, 3-month, and 9-month frequencies)
- Annual loan payment of \$119,231 to the State Revolving Fund for the completed 1999 Master Plan Capital Improvement Projects (\$1.95M loan) (ongoing until FY 2034-35)
- Sanitary Sewer Overflow (SSO) Response, Reporting, Water Quality Monitoring, and Public Awareness Program
- Provide 24/7 emergency response to clear blockages in private laterals

Planned Capital Improvement Projects:

<u>Project Location</u>	<u>Estimated Cost</u>
<u>Planned for FY 2024-25</u>	
Easement along Billy Goat Hill	\$1,066,000
<u>Future Projects</u>	
Easement between Parrott and Randall	\$888,900
Easement from Bel Aire to Rainbow	\$709,200
Easement from Roxbury to Polhemus	\$298,800
Ticonderoga (Upper Portion)	\$1,168,500
Lexington-Yorktown East	\$801,300
Easement from Ascension to Polhemus	\$666,500
Lexington-Yorktown West	\$1,259,200
Easement between Lexington and PG&E	\$1,126,400
Total Cost for Future Projects ~ 15,625 feet of Pipe (16% of District mains)	\$7.985 M

DISTRICT FINANCIAL OUTLOOK

- As a small sanitary sewer district that must contract for downstream transportation and treatment services, the District and its ratepayers are subject to a higher degree of rate variability
- District is completing a system-wide CCTV inspection project to assess the conditions of pipelines and manholes to identify defects
- Sewer service rates are most likely required to be increased in the near future to pay for other capital improvement projects in addition to the planned projects mentioned on the previous slide

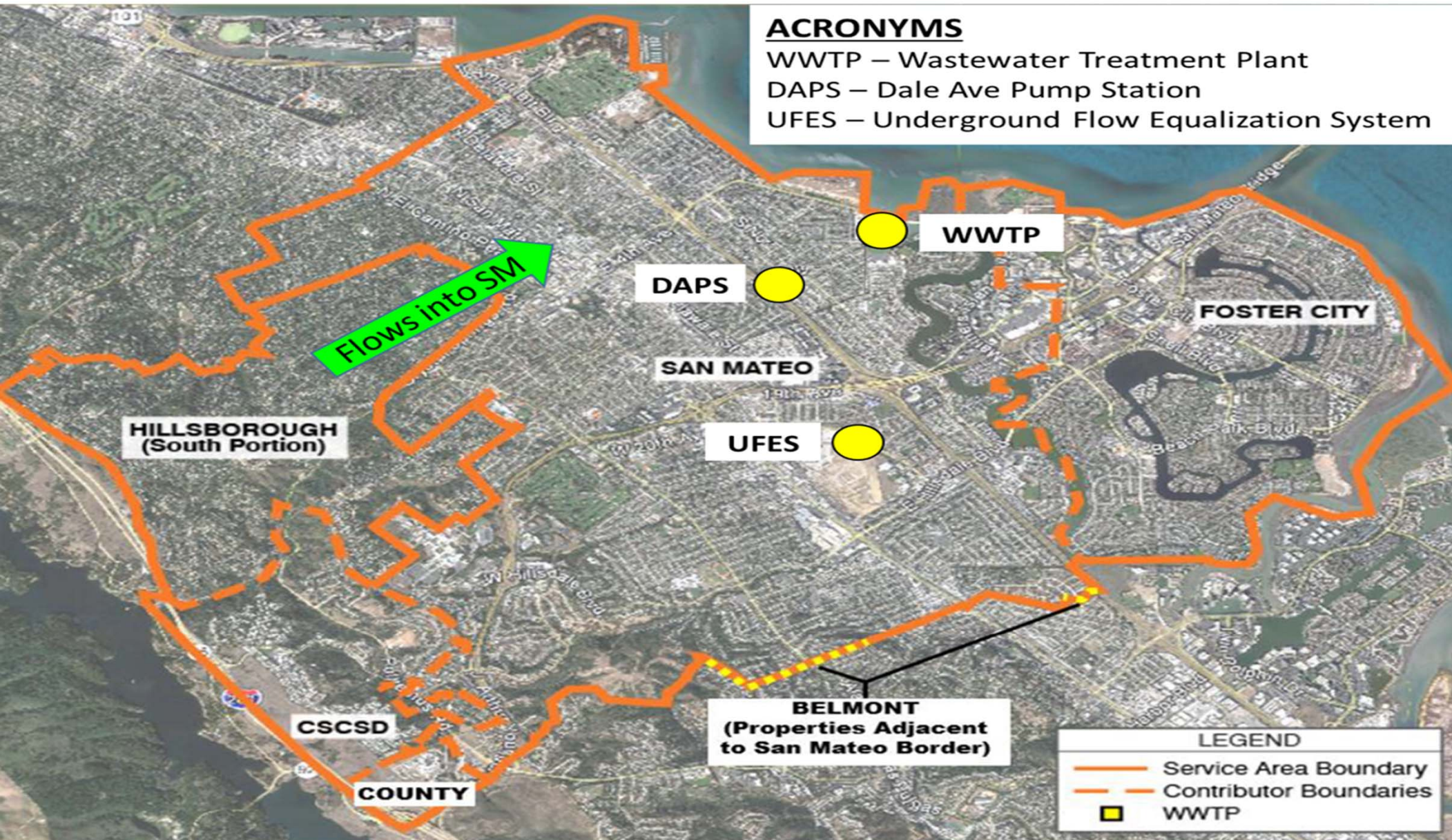
FOURTH AMENDMENT TO THE 4-PARTY AGREEMENT

- *Ensure compliance with State Water Board Cease and Desist Order*
- *Participation in City financial arrangement to be able to pay District's share of \$32.6 million over 30 years*
- *Annual installment payments of \$1.12 million instead of pay-as-you-go*
- *Sewer rates set in 2021 (approximately \$1,040 per ERU per year) for the three fiscal years (2021-22, 2022-23 & 2023-24) support the anticipated annual payments for the CWP*
- *An alternate (reduced) allocation if flow measured at the District Meter never exceeds the rolling average rate of 3.06 MGD for a two-hour period. This was exceeded last winter.*

MEMORANDUM OF AGREEMENT FOR EVALUATION OF FEASIBILITY OF POTENTIAL SEWER SERVICE EXTENSION

- *District and City staff have held numerous discussions in the last few years to explore ways to achieve long-term rate stability for District ratepayers including specifically the potential extension of City sewer services to the District service area*
- *Geographic proximity of the City service area to the District's service area and economies of scale may allow the City to provide more cost-effective and efficient services to the District's service area*
- *Aligning District rates with those of City rate payers for greater rate stability and predictability afforded by a larger sewer system*
- *Pertains only to sewer service and does not contemplate the transfer of any other municipal services or any other jurisdictional issues*
- *Develop a District Five-Year Rate Plan to implement the updated Capital Improvement Plan by December 31, 2023 to be approved by City*

MEMORANDUM OF AGREEMENT FOR EVALUATION OF FEASIBILITY OF POTENTIAL SEWER SERVICE EXTENSION



MEMORANDUM OF AGREEMENT FOR EVALUATION OF FEASIBILITY OF POTENTIAL SEWER SERVICE EXTENSION

- *Multi-year timeline for specific activities to occur*
- *September – December 2023:*
 - *District to complete the condition assessment of entire sewer collection system and update the District's current Capital Improvement Plan (CIP)*
 - *District to develop a Five-Year Rate Plan to provide funding needed to implement the CIP*
 - *City evaluates and formally accepts CIP and proposed Five-Year Rate Plan*



MEMORANDUM OF AGREEMENT FOR EVALUATION OF FEASIBILITY OF POTENTIAL SEWER SERVICE EXTENSION

- *January 2024 – June 2025*
 - *City staff to shadow District staff on maintenance of District sewer collection system*
 - *City begin planning process for hiring new staff and purchasing of equipment*
 - *District would go through a rate setting process to implement the proposed Five-Year Rate Plan by July 2024*

MEMORANDUM OF AGREEMENT FOR EVALUATION OF FEASIBILITY OF POTENTIAL SEWER SERVICE EXTENSION

- *July 2025 – December 2027*
 - *City staff gradual assumption of service responsibilities of District sewer system*
 - *City commence hiring of staff and purchasing of equipment*
 - *City take over of all sewer main repairs, Sewer System Management Plan audit, annual training, and planning for the eventual extension of the City service area and associated dissolution process through Local Agency Formation Commission (LAFCo)*
- *District would only pursue transfer to the City if it's in the best interests of the District and rate payers*

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!

Questions, Comments, and Input



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



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

COUNTY OF SAN MATEO

