



LOCAL AGENCY FORMATION COMMISSION

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June 8, 2022

To: LAFCo Commissioners
From: Rob Bartoli, Executive Officer
Subject: Adoption of a Municipal Service Review for the City of East Palo Alto, the East Palo Alto Sanitary District, and the West Bay Sanitary District

Summary and Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) is LAFCo's governing law and outlines the requirements for preparing periodic Municipal Service Reviews (MSRs) and Sphere of Influence (SOI) updates. MSRs and SOIs are tools created to empower LAFCo to satisfy its legislative charge of "discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances".

State law requires that LAFCo review and update SOIs every five years "as necessary" and prepare an MSR as a basis for the SOI review. An MSR evaluates the structure and operations of district services and includes a discussion of the capability and capacity of the district to ensure the provision of municipal services to the existing service area and any future growth of the district's boundaries. The SOI indicates the probable future physical boundaries and service area of a district and lays the groundwork for potential future annexations.

LAFCo initiated the current MSR at their meeting May 19th, 2021. The request for this MSR was initiated by developers and residents of the City of East Palo Alto in response to their inability to obtain sewer connections for pending development projects in the City of East Palo Alto. The Commission authorized a contract with Berkson Associates in association with Policy Consulting Associates, LLC to complete this MSR. This Municipal Service Review (MSR) is the second MSR for the City of East Palo Alto (EPA), East Palo Alto Sanitary District (EPASD), and West Bay Sanitary District (WBSD). The previous MSR for these three agencies was completed in 2008.

EPASD and WBSD both provide sewer service to different areas of the City of East Palo Alto. The MSR provides an overview of the three agencies, makes determinations and recommendations for each agency, and describes possible governance options.

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STAFF: ROB BARTOLI, EXECUTIVE OFFICER ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK

The Draft Circulation MSR was presented to the Commission at the April 20, 2022 LAFCo.

Updates to Final MSR

Several minor updates were made between the Draft Circulation MSR and the Final MSR based on comments from agencies, the public and Commission. These changes include:

- Additional information regarding the governance option of annexation of the EPASD service area to WBSD
- An example of the next steps for the creation of a subsidy district
- Statement regarding the lack of published policies or documents regarding for calculation of charges for collection system upgrades other than its standard capacity charges
- Statements that strengthen the linkage between the importance of cities' land use planning and need for special districts to coordinate and that also identifies special districts to adopt certain policies and procedures for affordable housing according to California law.
- Amendment of the recommendation for the City and East Palo Alto Sanitary District regarding the Intergovernmental Relations meeting to include the following:
The meetings could be focused on specific topics such as development projects and infrastructure finance to help the agencies to allow for more directed discussions. These meetings should also be conducted with equal support and staff time from both the City and EPASD.
- Updates to WBSD data regarding fees and charges for service, peaking factor flow and the date for the District's master plan update
- The City's partnership with San Mateo County Flood and Sea Level Rise Resiliency District and the San Francisquito Creek Joint Powers Authority to address flooding and sea level issues
- Additional information regarding annual depreciation and replacement costs for EPASD. An assessment management plan is also recommended for the EPASD
- Minor corrections addressing typos and numbering

All edits and changes are shown redlined in the attached MSR.

Current Key Issues

The following key issues were identified in the preparation of this MSR:

City of East Palo Alto

1. Past population growth has been relatively static but pending development proposals support projections of future resident growth and new commercial development.
2. Lack of EPASD sewer collection system capacity is an impediment to development in the City. Developers have indicated concerns that the costs to connect are prohibitively expensive and that EPASD has been unwilling to discuss financing options to make connection more feasible. Efforts to-date to resolve this issue have been largely unsuccessful.

3. Reorganization of EPASD as a subsidiary district to the City of EPA is a potential governance option that could improve coordination between land use planning and implementation of needed sewer capacity. A potential contract between the City of EPA and WBSD to manage sewer operations would provide the specialized expertise required.

East Palo Alto Sanitary District

1. EPASD, managed by a locally elected Board of Directors, has provided sewer services continuously for over 80 years and its sewer rates are nearly the lowest in the County at half the median sewer rate for sewer service providers in the region.
2. EPASD's engineering consultants, working under the direction of the EPASD General Manager, predict sanitary sewer overflows (SSOs) could occur at 38 manholes due to surcharge conditions in many of its pipes during a peak storm event under existing land use conditions.
3. The Capital Improvement Program proposed in the 2021 Addendum does not identify improvement priorities, timing or methods of funding; the absence of implementation planning could pose a future risk to existing residents in the event of a major storm event.
4. Funding options exist to upgrade EPASD infrastructure to reduce sewer overflow risks.
5. Lack of EPASD capital improvement implementation stalls the City of East Palo Alto's General Plan, effectively blocking needed new housing, commercial development and new tax revenues to improve City services.
6. New development should fund the cost of increased system capacity required by increased flows. This funding should be phased with implementation of EPASD-funded improvements.
7. Governance options exist that could align provision of sewer services with other community interests and municipal functions, increase representation, transparency and public outreach, result in potential cost savings to ratepayers, and improve sewer infrastructure and services.

West Bay Sanitary District

1. WBSD is considered well managed with a high level of transparency and accountability as demonstrated by its compliance with legal requirements and efforts to exceed its minimum obligations.
2. WBSD has faced a relatively high level of infiltration and inflow in its system in the past, but it has made, and continues to make, improvements to address those issues.
3. WBSD's Master Plan is outdated and in need of a comprehensive update. The District recognizes the necessity of maintaining up-to-date planning documents and is in the midst of compiling a new Master Plan in 2022.
4. Governance options other than 1) status quo, include WBSD as a potential service provider; 2) contract services by WBSD to the City of EPA following reorganization of EPASD as a subsidiary district to the City of EPA; and 3) WBSD annexation of EPASD following dissolution of EPASD.

Proposed MSR Determinations and Recommendations by Agency

LAFCo has the following determinations and recommendations:

City of East Palo Alto

Growth and Population Determinations

- The City of East Palo Alto's population has remained fairly static over the last two decades, fluctuating minimally from year to year. Most recently, there has been a slight decline in population from 2018 to 2020. The Census 2020 estimates that the population of the City was 30,034 as of April 2020.
- Over the period from 2020 to 2040, Association of Bay Area Governments (ABAG) projects 17.7 percent population growth, which equates to 0.8 percent compound annual growth. Based on the City's Census 2020 population and ABAG's projected growth rate, the City is projected to have a population of 35,363 in 2040.
- As of December 2021, the City had 20 unconstructed development projects in some phase of the application and construction process consisting of 1,469 dwelling units and 4,244,139 square feet of nonresidential building space. A majority of the larger developments are located in the Ravenswood/4 Corners TOD Specific Plan area. There are several mixed-use proposals, the largest of which are Four Corners, the Landing, and East Palo Alto Waterfront.
- Regional Housing Needs Allocation mandates have an impact on the City's new development and intensification of density contributing to population growth. ABAGs most recent Regional Housing Needs Allocation (RHNA) for the City of East Palo Alto for the period from 2023-2031 is 829 units, almost double the previous allocation.
- In addition to the substantial number of sizeable developments, the City is experiencing intensification of uses on properties with existing dwelling units where a number of accessory dwelling units are being added. SB 9, which streamlines the permitting process for accessory dwelling units, will likely prompt a greater number of ADU additions.
- Lack of EPASD sewer collection system capacity is an impediment to development in the City. Developers have indicated concerns that the costs to connect are prohibitively expensive and that EPASD has been unwilling to discuss financing options to make connection more feasible. Efforts to-date to resolve this issue have been largely unsuccessful. Constrained development and growth deprive the City and its residents of increased tax revenues to maintain and improve public services, reduces future affordable housing and ability to meet RHNA housing allocations, and limits growth in job opportunities.

Disadvantaged Unincorporated Communities Determination

- According to the Department of Water Resource's Disadvantaged Communities mapping instrument, there are no communities within or contiguous to the City's SOI that meet the definition of a disadvantaged unincorporated community. However, there is a single Block Group (060816121002) within the City's incorporated territory to the west of Highway 101

that meets the definition of disadvantaged. The area has an estimated population of 2,232 with a median household income of \$45,731.

Capacity and Adequacy of Public Facilities and Services Determination

- Based on ratings, response times, and stations per 1,000 population served, Menlo Park Fire Protection District's service provided within East Palo Alto appear to be adequate. Additionally, the City of East Palo Alto indicates it is satisfied with Menlo Park Fire Protection District's response times and that the District meets its outlined service goals.
- Law enforcement services are marginally adequate given the low clearance rate of property crimes within the City, which is likely attributable to staffing constraints within the Police Department. Additionally, the two police facilities are considered to some extent sufficient as identified by Police Department staff; however, no specific infrastructure needs were identified.
- The City has indicated that the current availability of parks and open space is not sufficient to meet demand. No parks exist in the Weeks, Kavanaugh, and Westside neighborhoods within EPA, despite having a higher population density that primarily consists of younger families residing in multi-family structures without backyards. With current and projected population estimates, service adequacy will not be sufficient unless an estimated 79 acres of parkland is added to the cityscape.
- The City provides adequate solid waste management services as indicated by per capita and per employee disposal rates that are well within its target disposal rates as dictated by the State. However, waste management services face challenges throughout the County, including 1) a decline in the recyclables market from contaminated sources, 2) new organics diversion requirements that will require major new programs, and 3) dwindling capacity at the Ox Mountain landfill.
- There are deficiencies in the City of East Palo Alto's stormwater collection system. There are two significant challenges to implementing planned improvements—lack of funding for \$37.5 million in infrastructure needs and location constraints limiting system expansion and rerouting alternatives. Improvements are necessary in order to reduce the risk of flooding.
- The City's pavement management report has described pavement conditions as very good, with an average PCI of 71 out of 100. However, congestion and conditions that impact other modes of transportation continue to be a concern. In particular, there are areas without walkable sidewalks and many areas lacking sufficient capacity for bike lanes leading to high incidents of accidents.
- Wastewater services provided by EPASD and WBSD within City of EPA appear to be adequate based on the analysis in this report; however, as described in the Growth and Development section of this chapter, availability of wastewater capacity for new development is a critical issue for the City. Necessary capacity enhancements are making connection to EPASD's collection system exceptionally costly, which is deterring potential developers and preventing some approved developments from being completed. Several options exist for financing of necessary capacity enhancements that may be agreeable to all parties.

- Indicators of water distribution service adequacy, including the State Water Resources Control Board system evaluation, drinking water quality, and distribution system integrity demonstrate that the City provides adequate service levels. While the City has been able to address water supply capacity constraints that were preventing development, there continue to be needs for water storage for emergency backup supply and pipeline expansions to meet industry standards.

Financial Ability Determination

- The City of East Palo Alto is in good financial position; however, the City is experiencing structural budget deficits that will deplete reserves over time.
- Development projects delayed by lack of sewer infrastructure capacity obstructs the ability to pursue economic development as one means to improve financial conditions and help achieve the City's fiscal resiliency goals.

Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies Determinations

- The City generally meets legal requirements intended to ensure transparency and accountability; however, there appears to be room for improvement in City Council compliance with ethics training requirements and timely filing of Form 700s.
- The City of East Palo Alto should consider taking on EPASD as a subsidiary district to enable funding of capital projects to address deficiencies and capacity constraints that encourages development. In order to limit demands on city staff, the City may wish to contract with West Bay Sanitary District for operations and maintenance of the system.

Recommendations

1. **Ethics Training** - It is recommended that the City make City Council ethics training information readily available on its website.
2. **Form 700** – It is recommended that the City ensure its Council Members comply with Form 700 filing requirements.
3. **Intergovernmental Relations** – Restart and continue regular public meetings between representatives of the City of East Palo Alto and the East Palo Alto Sanitary District. While staff level cooperation related to development planning is ongoing, involvement by board and council members assure efficient and effective coordination between the City and District related to infrastructure financing and other matters. These meetings should be live streamed, recorded and promptly posted to facilitate public outreach and transparency. *These meetings could be focused on specific topics such as development projects and infrastructure finance. The meetings should be conducted with equal support and staff time from both the City and EPASD.*
4. **Development Environmental Review** - Include analysis regarding impacts on the wastewater collection system, in addition to the wastewater treatment system, in CEQA review documents associated with new developments.
5. **Budget Forecasting** – Prepare and periodically update a long-term budget forecast to assist with financial planning, including projected pension obligations.

6. **Infrastructure improvements** – It is recommended that the City continue to work towards addressing identified needed infrastructure improvements for both stormwater and drinking water, including identifying potential funding mechanisms.
7. **Park Planning** – The City should continue its effort to develop a Parks Master Plan for recreation, parks and open space in the City and work to address the lack of these facilities in many areas of the City.

East Palo Alto Sanitary District

Growth and Population Determinations

- As of 2020, based on the number of residential connections served and the average household size in the cities served, it is estimated that EPASD's population is approximately 26,622.
- It is assumed that EPASD's growth will closely mirror that of the City of East Palo Alto. Based on the current population estimate within the District and ABAG's growth projections through 2040, it is projected that there will be 31,335 residents within the EPASD in 2040, an increase of approximately 4,700 residents.
- As of December 2021, there were 20 unconstructed development projects within EPASD in some phase of the application and construction process consisting of 1,469 dwelling units and 4,244,139 square feet of nonresidential building space. A majority of the larger developments are located in the Ravenswood/4 Corners TOD Specific Plan area.
- In addition to the substantial number of sizeable developments, the City is experiencing intensification of uses on properties with existing dwelling units where a number of accessory dwelling units are being added. Recent changes in state law allowing a streamlined permitting process for accessory dwelling units (ADUs) will likely prompt a greater number of ADU additions. However, 12 ADUs have been stalled as they have been unable to get approval for connection to EPASD's system.
- Lack of EPASD sewer collection system capacity is an impediment to development in the City. Developers have indicated concerns that the costs to connect are prohibitively expensive and that EPASD has been unwilling to discuss financing options to make connection more feasible. Efforts to-date to resolve this issue have been largely unsuccessful. Constrained development deprives the City and its residents of increased taxes and other revenues to maintain and improve public services, reduces future affordable housing and ability to meet RHNA housing allocations, and limits growth in job opportunities.

Disadvantaged Unincorporated Communities Determination

- According to the Department of Water Resource's Disadvantaged Communities mapping instrument, there are no communities within or contiguous to the District that meet the definition of a disadvantaged unincorporated community, as the District only serves incorporated portions of the City of East Palo Alto and the City of Menlo Park. However, there is a single Block Group (060816121002) within District's territory to the west of Highway 101 that meets the definition of disadvantaged. The area has an estimated population of 2,232 with a median household income of \$45,731.

Capacity and Adequacy of Public Facilities and Services Determination

- While sufficient treatment capacity exists to meet the needs of current and a portion of future demand, EPASD reports an inadequate collection system capacity to serve increased flows expected from pending development applications. EPASD faces significant financial challenges to fund capacity enhancements to eliminate the potential for sewer overflows that are compounded by proposed new connections. Large-scale capacity enhancements are costly and difficult to complete in a piecemeal fashion as development occurs.
- Based on overflow rates, infiltration and inflow, regulatory compliance, preventative maintenance practices, speed of response times to customer reports of issues, and the number and type of complaints related to wastewater services, EPASD provides an adequate level of wastewater collection services to existing ratepayers.
- Infrastructure capacity needs are appropriately identified in EPASD's 2021 Addendum to the 2015 Master Plan Update. EPASD focuses on assessing the current condition of the piping and replacing or relining pipe as needed, and EPASD asserts that current collection system capacities are adequate to serve existing ratepayers; this position appears contrary to the results of the 2021 Addendum that predict surcharging and sewer overflows under peak wet weather flows. EPASD states that the 2021 Addendum is a theoretical model and EPASD has not experienced a sewer overflow in the past ten years.

EPASD budgets \$1 million annually towards "Construction Replacement" (not including developer contributions); actual capital expenditures have been less. The 2021 Addendum identifies 110 segments to be upsized to ensure that the system is not operating at a surcharge or at risk of overflows during a storm event.

- Information on the age of the collection infrastructure conflicts, as identified by the State Water Resources Control Board in its most recent inspection; this data was not provided by EPASD when requested for the preparation of this MSR. It is recommended that the District document the age of its system and conduct comparative analysis to determine what percentage of the effective life of the segment has been used as input to develop long-term CIP priorities and schedule.
- There is a need to comprehensively update EPASD's primary planning documents, such as the Master Plan, Sewer Rate Study, and Capacity Charge Study to meet the current needs of EPASD, taking into consideration existing circumstances that have surfaced, and enhancing transparency for rate payers, members of the community, developers, and others regarding the full extent of current and future infrastructure needs and associated financing requirements and funding sources. These updates can document and communicate plans to cost-effectively manage EPASD infrastructure maintenance and replacement, address the potential for sewer overflows from existing uses during storm events, and assure that existing ratepayers do not subsidize costs incurred to serve new development.

Financial Ability Determination

- EPASD's strong financial position and healthy reserves are the outcome of property tax revenues that supplement services charges, and a relatively low-cost structure. This

financial position enables EPASD to maintain low annual charges to ratepayers compared to other sanitary districts.

- However, the District's priority to maintain low rates can adversely affect services and infrastructure by hampering the District's ability to implement best practices and address existing system capacity deficiencies to reduce risks of sewer overflows from existing uses. Low rates that do not account for the need to address projected surcharging and potential sewer overflows can adversely affect ratepayers financially in the long run. Lack of staff resources contributes to an inability to provide clear, up-to-date, and transparent information to ratepayers, the City of East Palo Alto, property owners and developers, and other stakeholders; and produces insufficient financial planning to establish cost-effective and equitable infrastructure financing to facilitate plans adopted by the City of EPA which represents a majority of EPASD residents.
- The lack of future development capacity indirectly affects ratepayers who are also residents of the City of East Palo Alto, as the inability to serve new development reduces growth in City revenues for services and financial resiliency, provides fewer affordable housing opportunities, and constrains the community's commercial base and job growth.

Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

- EPASD generally complies with legal requirements to ensure accountability and transparency. Improvements include ensuring Board Members are up-to-date on ethics training and that all policies and procedures are readily available on its website. Staff reports for District meetings are often not provided, or the narrative for agenda items provides minimal information about the proposed meeting topic or recommended action by the Board.
- The compensation and benefits offered to EPASD's governing body is exceptional compared to neighboring sanitary districts and even compared to compensation of the City of EPA's Council Members. EPASD should consider aligning board compensation with that of similar service providers.
- Transitioning EPASD into a subsidiary district of the City of East Palo Alto is a governance structure option that may benefit the City and its residents by facilitating funding of capital projects to address existing risks of sewer overflows during storm events, and capacity constraints that impede City of EPA planning and achieving City objectives that also benefit most EPASD residents as citizens of the City of EPA.

Recommendations

1. **Ethics Training** - It is recommended that EPASD ensure that board members receive the required ethics training every two years.
2. **Policies and Procedures** - These policies are not readily accessible on EPASD's website, and in order to ensure transparency, it is recommended that the District make available all policies on its website.
3. **Update Capacity Charges** - The update should reflect current development trends and recent Capital Improvement Plan cost updates to assure that development pays its share of

expansion costs without burdening existing ratepayers. The capacity charges can help fund required infrastructure and provide a mechanism for developer reimbursement if oversizing is required that benefits other developers.

4. **Develop Capital Improvement Plan (CIP) Financing Plan** – Consistent with best practices EPASD should prioritize improvements and identify financing mechanisms to fund existing deficiencies and future capacity needs over time. The Plan should create a standard, transparent approach for new development applications that does not require time-consuming, costly individual negotiations and custom agreements for each development.
5. **Pursue Grants and Low-Interest Loans** – A revised CIP will be essential to pursuing grants and low-interest loans. Infrastructure Act funds may provide opportunities to implement the CIP at a lower cost to ratepayers. EPASD should collaborate with other districts, the City of EPA, and/or affordable housing developers to improve prospects for obtaining funds.
6. **Evaluate and Consider Using Revenue Debt for Major Long-Term Capital Improvements** – Major improvements can be funded more cost-effectively, and costs spread to future ratepayers rather than entirely existing ratepayers. Debt payments and potential impacts on rates should be carefully considered as part of an overall funding plan to pay for improvements that serve existing ratepayers. The use of debt, and/or other funding sources, must respect the principle that existing ratepayers do not subsidize new development.
7. **Facilitate New Development without Burdening Existing Ratepayers** – A 2021 Addendum to the District approved CIP provided an allocation between existing system capacity constraints during a storm event, and expansion required for new development that can dictate an equitable allocation and financing plan consistent with legal requirements.
8. **Improve Transparency of Budget and Financial Documents** – A clear, well-documented budget with explanations of changes, risks, and activities would improve financial transparency. The budget should better correlate with annual audited financial reports, for example, by including depreciation. Financial reports should correlate with funds reported in budgets. Annual debt obligations should be clearly documented in the budgets and should correlate with information in audited financial reports.
9. **Budget Forecasting** – Periodically update the long-term budget forecast most recently prepared in the 2019 Rate Study to reflect changing financial conditions and projections of costs and revenues.
10. **Intergovernmental Relations** – Restart and continue regular public meetings between representatives of the City of EPA and EPASD. While staff level cooperation related to development planning is ongoing, involvement by board and council members is essential for efficient and effective coordination between the City of EPA and EPASD related to infrastructure financing and other matters, including the Ravenswood Specific Plan. These meetings should be live streamed, recorded and promptly posted to facilitate public outreach and transparency. *These meetings could be focused on specific topics such as development projects and infrastructure finance. The meetings should be conducted with equal support and staff time from both the City and EPASD.*

11. **Update Sewer Rates** – The update should reflect the costs “needed to fund projected operating expenses, help fund high priority improvements to the District’s aging sewer collection system, pay for the District’s share of operating and capital improvement costs for the regional wastewater treatment plant, and support safe and reliable service” as outlined in the 2019 Rate Study. The update should balance the need to maintain affordable sewer rates against the importance of maintaining and improving services and infrastructure for the health and well-being of EPASD ratepayers.
12. **Independent Review of EPASD Hydraulic Analysis and Proposed Improvements** – EPASD states that the hydraulic analysis of the 2021 Addendum only indicated that the system is adequate for existing customers, however it cannot serve future developers. This statement appears to contradict the 2021 Addendum that predicts sanitary sewer overflows (SSOs) could occur at 38 manholes due to surcharge conditions in many of its pipes during a peak storm event under existing land use conditions and existing customers. An independent engineering analysis should be conducted to review the hydraulic analysis and assumptions to reconcile the apparent inconsistencies between predicted sewer overflows under existing conditions and EPASD’s position that the system currently is adequate. The analysis would include an update of hydraulic assumptions including flows from ADUs and residential units.

West Bay Sanitary District

Growth and Population Determinations

- Based on the number of residential connections served and the average household size in the cities served, it is estimated that WBSD has a population of approximately 55,701.
- Based on the current population estimate within the District and ABAG’s growth projections extended through 2040, it is projected that there will be 65,029 residents within the District in 2040.
- Growth within WBSD is primarily located in the Bayfront Area of Menlo Park. Recently approved developments under review are all located within the City of Menlo Park. Existing development projects propose a total of 3,522 dwelling units and 3,927,394 in nonresidential building square feet, indicating potential for substantial growth.

Disadvantaged Unincorporated Communities Determination

- According to the Department of Water Resource’s Disadvantaged Communities mapping instrument, there are two communities within or contiguous to the District’s SOI that, while not unincorporated, meet the definition of a disadvantaged community. Block Group (060816117003) within the City of Menlo Park east of Highway 101 meets the definition of disadvantaged. The area has an estimated population of 1,237 with a median household income of \$45,481. Block Group (060816117001) is also within the City of Menlo Park east of Highway 101. It has an estimated population of 2,272 and has a median household income of \$51,150.

Capacity and Adequacy of Public Facilities and Services Determination

- WBSD reported that there is generally sufficient collection capacity to serve existing demand; however, some basins are at capacity. Because the District’s Master Plan is almost

10 years old and many improvements have been made since the hydraulic assessment was conducted, it is unclear the degree to which flows are at or nearing capacity and which segments are most impacted. The District is compiling a new Master Plan in 2022 to identify existing conditions after capital improvements, any areas of concern, and capital projects to address these areas.

- Similarly, because WBSD's flow projections are outdated it is unclear what infrastructure needs are necessary to meet projected demand. The Master Plan *Update in 2023* is anticipated to provide up-to-date flow projections and recommended capital improvements to meet future demand *and serve as a planning tool for the next 10 years to 2033. The new master plan will consider the prior pipeline replacement and rehabilitation work and will include a new hydraulic model study.*
- Based on overflow rates, infiltration and inflow, regulatory compliance, preventative maintenance practices, speed of response times to customer reports of issues, and the number and type of complaints related to wastewater services, WBSD provides an adequate level of wastewater collection services.
- WBSD appropriately plans for infrastructure needs in its Capital Improvement Program. Resources for capital improvement of the system are determined by field evaluations performed on an on-going basis. The objective of the CIP is to systematically replace and or rehabilitate approximately 1.5 percent of system pipelines every year, in addition to completing already planned pump station and pipeline improvements. The District has planned funding for Capital Improvement Program projects of approximately \$3.5 million each fiscal year.

Financial Ability Determination

- WBSD's financial condition is sound with a significant positive net position, adequate reserves, and financial planning based on long-term financial planning and capital improvement programs that are annually reviewed, prioritized and updated.

Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

- WBSD complies with all legal requirements aimed at ensuring accountability and transparency of public agencies. Additionally, WBSD has gone beyond the legal requirements and is a recipient of the District Transparency Certificate of Excellence from the Special District Leadership Foundation (SDLF) for the period January 2020 to March 2023.

Recommendations

1. **Funding of Reserves** – Continue to fund reserves consistent with adopted policies, including allocations to the recently created Treatment Plant Reserve which has not been fully funded.
2. **Master Plan and CIP** – Update the WBSD Master Plan and CIP *beginning* in 2022 in accord with current anticipated scheduling.

Sphere of Influences

The Sphere of Influence is a plan for the probable physical boundaries and service area of a local agency. LAFCo sets the Sphere of Influence for each city and special district in the county. The purposes of the SOI include the following: to ensure the efficient provision of services, discourage urban sprawl and premature conversion of agricultural and open space lands, and prevent overlapping jurisdictions and duplication of services.

The Sphere of Influences for the agencies currently are:

- City of East Palo Alto - Coterminous with current City boundaries (Established in 1983, reaffirmed in 2009)
- East Palo Alto Sanitary District – Dissolution (Established in 1985, reaffirmed in 2009)
- West Bay Sanitary District - District current boundaries plus portions of Menlo Park, Atherton, Woodside, Portola Valley, East Palo Alto, and portions of unincorporated San Mateo and Santa Clara Counties (Established in 1985, reaffirmed in 2009)

No changes to the Sphere of Influence for the three agencies. The MSR recommends that the Sphere of Influence for the City of East Palo Alto, East Palo Alto Sanitary District, and West Bay Sanitary District be reaffirmed.

LAFCo is required to make five written determinations when establishing, amending, or updating an SOI for any local agency. These determinations can be found as Exhibit D to the Resolution for the MSR.

Governance Options

In 2009, EPASD's sphere of influence was reaffirmed as a "dissolution" (zero) SOI as adopted in 1985. Several governance structure options for EPASD were extensively analyzed at that time but no recommendation was made. The governance options identified in this MSR continue to be substantially similar to those identified and analyzed in 2009. The current MSR update builds upon that evaluation and reaffirms the dissolution designation. Alternatives, as identified In both the 2009 and 2022 MSR include the following:

1. Status quo (continued existence of EPASD with no boundary changes)
2. Establishing EPASD as a subsidiary district of the City of East Palo Alto with sewer service becoming a public works function of the City and the City Council acting as the governing board.
3. Dissolution of the District and annexation of the service area to West Bay Sanitary District, or a variation which would reorganize both EPASD and WBSD to align boundaries of the districts with city boundaries.

Public/Agency Involvement

The primary source of information used in this MSR has been information collected from agency staff and adopted plans, budget, reports, policies, etc.

On April 5, 2022, a Notice of Availability of the Draft MSR was released by LAFCo that requested written comments from the public and stakeholders by May 5, 2022. In addition, notices were sent to every “affected agency”, meaning all other agencies with overlapping service areas.

LAFCo staff and consultant held a community workshop to present a summary of the report and the recommendations. LAFCo staff also presented the MSR to the City of East Palo Alto City Council on April 19 and to the West Bay Sanitary District on 27.

On May 25, 2022, a Notice of Public Hearing for the Final MSR was released by LAFCo and published in both the San Mateo County Time and the Almanac. On June 6, 2022, interested parties received a Notice of Availability of the Final MSR.

Comments on MSR Circulation Draft

San Mateo LAFCo requested comments on the circulation draft MSR from interested parties and agencies. Fourteen comments were received during the comment period. These include comments from the City of East Palo Alto, East Palo Alto Sanitary District, West Bay Sanitary District, developers, housing non-profit organizations, community groups, environmental groups, and residents of East Palo Alto.

Comments from the City of East Palo Alto focused on responses to the recommendations from the Circulation MSR and efforts that the City has made toward working with EPASD. The EPASD PowerPoint and letter from Mark Williams on behalf of EPASD focus on the concerns that the District has regarding the report, including the potential impact of governance option changes on the East Palo Alto residents. WBSD’s comment letter provided requested updates to the MSR regarding fees and charges for service, peaking factor flow and the date for the District’s master plan update.

The comment letter from Holland & Knight LLP provided testimonies and background information regarding several developers’ interactions with EPASD in relationship to proposed projects.

Attachment B includes the responses to each comment letter received.

California Environmental Quality Act

The MSR is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 6, which allows for the of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. The MSR collects data for the purpose of evaluating municipal services provided by an agency. There are no land use changes or environmental impacts created by this study.

The MSR is also exempt from CEQA under the section 15061(b)(3), the commonsense provision, which state that CEQA applies only to projects which have the potential for causing a significant effect on the environment and where it is certain that the activity will have no possible significant effect on the environment, the activity is exempt from CEQA.

The MSR and SOI update will not have a significant effect on the environment as there are no land use changes associated with the documents.

Recommendation

1. Open the public hearing and accept public comment; and
2. Accept the Final Municipal Service for City of East Palo Alto, East Palo Alto Sanitary District, and West Bay Sanitary District; and
3. Adopt the Municipal Service Review Determinations and Recommendations contained in this report; and
4. Reaffirm the Sphere of Influences for City of East Palo Alto, East Palo Alto Sanitary District, and West Bay Sanitary District

Attachments

- A. Final Municipal Service Review for the City of East Palo Alto, East Palo Alto Sanitary District, and West Bay Sanitary District
- B. Response to comments and copies of comment letters
- C. LAFCo Resolution
 - a. Exhibit B - Municipal Service Review determinations
 - b. Exhibit C - Inventory of active services for East Palo Alto Sanitary District and West Bay Sanitary District
 - c. Exhibit D - Sphere of influence determinations for East Palo Alto Sanitary District and West Bay Sanitary District



FINAL REPORT

SAN MATEO LAFCO

MUNICIPAL SERVICE REVIEW UPDATES:

City of East Palo Alto

East Palo Alto Sanitary District

West Bay Sanitary District

Accepted by LAFCo June 15, 2022

Prepared by BERKSON ASSOCIATES

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June 6, 2022

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1. EXECUTIVE SUMMARY

This document contains Municipal Service Reviews (MSRs) for the City of East Palo Alto (“City of EPA”), East Palo Alto Sanitary District (EPASD), and West Bay Sanitary District (WBSD). The document includes the three agencies because EPASD and WBSD both provide sewer service to different areas of the City of EPA (and to portions of other adjacent cities). An independent consulting team, Berkson Associates and Policy Consulting Associates LLC (PCA), prepared the MSRs for San Mateo Local Agency Formation Commission (LAFCo) in accordance with State law.¹

State law requires that LAFCo review and update Spheres of Influence (SOIs)² every five years “as necessary” and prepare an MSR as a basis for the SOI review. LAFCo initiated the current MSRs at their meeting May 19th, 2021. LAFCo staff indicated at that meeting that the preparation of the MSRs “...responds to a request for a prioritized MSR by various developers and the City of East Palo Alto because of the inability to obtain will-serve letters from the District for new developments in the City.”³

The previous 2008 MSR for EPASD⁴ evaluated potential successor agencies to EPASD, which included the City of EPASD and WBSD, to take over services from EPASD in the event of its dissolution. The current MSR for EPASD re-affirms the current “dissolution” (zero) Sphere of Influence originally adopted by LAFCo for EPASD in 1983 and affirmed by the 2008 MSR. A “dissolution” (zero) Sphere of Influence means that LAFCo anticipates future dissolution of EPASD and provision of sewer services by a successor agency.

This chapter summarizes key findings from the reviews of the three agencies. Subsequent chapters describe the reviews in greater detail along with MSR determinations and recommendations. The MSRs are based on compilation and review of agency documents, responses to requests submitted to agencies and agency interviews, research into industry practices, and experience with LAFCo municipal service reviews, financial and governance analysis of other agencies. Draft versions of MSR sections were reviewed by the three agencies and their comments incorporated as appropriate into the current document.

¹ Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000, California Government Code §56000 et seq.

² “Sphere of Influence” (SOI) means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission (Gov. Code §56076).

³ Action Minutes, San Mateo Local Agency Formation Commission Meeting, May 19, 2021, Item 4, pg. 2.

⁴ Municipal Service Review and Sphere of Influence Update East Palo Alto Sanitary District February 16, 2009.

CITY OF EAST PALO ALTO

The City of East Palo Alto (City of EPA) is a general law city incorporated in 1983 covering approximately 2.6 square miles.⁵ The City provides a range of services to a population of about 30,000. Sewer services are provided to the City by EPASD.

1. Past population growth has been relatively static but pending development proposals support projections of future resident growth and new commercial development.

As of December 2021, the City had 20 unconstructed development projects in some phase of the application and construction process consisting of 1,469 dwelling units and 4.6 million square feet of nonresidential building space. A majority of the larger developments are located in the Ravenswood/4 Corners TOD Specific Plan area. The City has received applications for a significant number of Accessory Dwelling Units (ADUs), and the General Plan and recent State legislation allows for further increases in development.

2. Lack of EPASD sewer collection system capacity is an impediment to development in the City. Developers have indicated concerns that the costs to connect are prohibitively expensive and that EPASD has been unwilling to discuss financing options to make connection more feasible. Efforts to-date to resolve this issue have been largely unsuccessful.

Constrained development deprives the City of EPA and its residents, approximately ninety percent of whom live in EPASD service area, of increased municipal and other revenues to maintain and improve public services, reduces future affordable housing and ability to meet RHNA housing allocations, and limits growth in job opportunities.

3. Reorganization of EPASD as a subsidiary district⁶ to the City of EPA is a potential governance option that could improve coordination between land use planning and implementation of needed sewer capacity. A potential contract between the City of EPA and WBSD to manage sewer operations would provide the specialized expertise required.

The majority of EPASD ratepayers are also residents of the City of EPA. This governance option could align provision of sewer services with other community interests and municipal functions, increase community representation in sewer services, improve transparency and public outreach, result in potential cost savings to ratepayers, and improve sewer infrastructure and services.

⁵ Correspondence from San Mateo LAFCo, 3/21/2022; represents total area including roads.

⁶ See Cal. Gov. Code §57105 re: subsidiary districts.

EAST PALO ALTO SANITARY DISTRICT (EPASD)

EPASD was formed in 1939 to provide sewer services to increased development in what is now the City of EPA and portions of the City of Menlo Park.⁷ EPASD boundary covers 1.84 square miles⁸ and serves approximately 26,622 residents and a range of office, retail, public/institutional, and other uses.

- 1. EPASD, managed by a locally elected Board of Directors, has provided sewer services continuously for over 80 years and its sewer rates are nearly the lowest in the County at half the median sewer rate for sewer service providers in the region.**

EPASD sewer rates are low partially due to 1) property tax which helps fund expenses; 2) EPASD has used contract staff but is shifting to District employees; 3) the District has not implemented its 2015 CIP or its 2021 Update Addendum to address predicted peak storm event sewer overflows under existing land use conditions; and 4) capital improvements have proceeded at a slower pace than planned.

- 2. EPASD’s engineering consultants, working under the direction of the EPASD General Manager, predict sanitary sewer overflows (SSOs) could occur at 38 manholes due to surcharge conditions in many of its pipes during a peak storm event under existing land use conditions.⁹**

EPASD’s 2021 Addendum to its Master Plan predicts potential sewer overflows during peak storm events under existing land use conditions. The 2021 Addendum estimated a total cost of \$23.9 million to replace and upsize pipe sections to eliminate potential surcharging and SSOs under existing land use conditions. EPASD states that the hydraulic analysis of the 2021 Addendum only indicated that the system is adequate for existing customers, however it cannot serve future developments.¹⁰ EPASD has not reported any sewer overflows in over ten years.

- 3. The Capital Improvement Program proposed in the 2021 Addendum does not identify improvement priorities, timing or method of funding; the absence of implementation planning could pose a future risk to existing residents in the event of a major storm event.**

The pipe replacement and increased pipe sizes recommended in the prior 2015 Master Plan Update have not been implemented. EPASD states that it targets \$1.2 million to \$1.5 million annually to repair and replace failing pipes as needed; however, the District’s financial reports only show an average of about \$500,000 annually of new capital assets added to its balance sheet. EPASD indicates that it repairs and replaces its collection system as needed based on annual inspections.

⁷ Referenced 2022-01-12 at <https://www.epasd.com/about-epasd/who-we-are/history>

⁸ Correspondence from San Mateo LAFCo, 3/21/2022; represents total area including roads.

⁹ Addendum to the March 2015 East Palo Alto Sanitary District Master Plan Update, Freyer & Laureta Inc., Final – April 28, 2021, Tables 3-5.

¹⁰ EPASD comments on 2021-12-17 admin. draft EPASD MSR financial section (rec’d 2021-01-12).

4. Funding options exist to upgrade EPASD infrastructure to reduce sewer overflow risks.

EPASD’s reserved funds could be programmed towards specific priority improvements serving existing ratepayers in combination with other sources such as State and federal loans and grants, and debt secured by existing revenues without rate increases. Significant funds may be available from the recently enacted federal infrastructure act, but EPASD should have “shovel-ready” projects. Balancing continued low sewer rates with proposed infrastructure improvements over time will require a funding plan that taps all possible sources.

Funding opportunities could be improved through collaboration with other agencies, for example, by restarting interjurisdictional committee meetings with the City of East Palo Alto. Continued lack of planning, implementation and inter-agency cooperation by EPASD could result in the potential loss of significant funds to the detriment of its ratepayers who are also largely City of EPA residents.

5. Lack of EPASD capital improvement implementation stalls the City of East Palo Alto’s General Plan, effectively blocking needed new housing, commercial development and new tax revenues to improve City services.

EPASD is not responsible for funding infrastructure required solely to serve new development; however, EPASD currently requires that new development fund the \$23.9 million cost to eliminate potential surcharging and overflows from existing land uses in addition to \$8.8 million or more cost to upsize collection capacity for new sewer flows. This financial burden effectively prevents small projects such as parcel subdivisions creating a few new units, as well as large-scale development.

6. New development should fund the cost of increased system capacity required by increased flows. This funding should be phased with implementation of EPASD-funded improvements.

EPASD’s engineers estimated the additional cost to mitigate increased sewer flows from new development at \$8.8 million in addition to an allocation of costs required for future treatment plant capacity. Developer funding could include a combination of capacity charges and additional funding of any oversized improvements to be reimbursed from capacity charges paid by future development. EPASD capacity charges should be revised to reflect the 2021 Addendum improvements and costs required by new development.

The feasibility of developer funding depends on EPASD’s implementation of improvements that address existing potential sewer overflows. Feasibility also depends on a phasing plan that coordinates EPASD-funded improvements and development-funded expansion, EPASD pursuit of grants and other low-cost funding, and collaboration with the City of EPA.

- 7. Governance options exist that could align provision of sewer services with other community interests and municipal functions, increase representation, transparency and public outreach, result in potential cost savings to ratepayers, and improve sewer infrastructure and services.**

LAFCo designated an EPASD “dissolution” (zero) sphere of influence after formation of the City of East Palo Alto. This designation means that LAFCo anticipates future dissolution of EPASD and provision of sewer services by a successor agency. Governance options considered in this report include: 1) “status quo”, or no change; 2) reorganization as a subsidiary district to the City of EPA and potential contract with WBSD to manage sewer operations; 3) dissolution and annexation to WBSD. Governance options depend on and require actions by elected board and council members; City and district residents; and LAFCo analysis, review and approval.

WEST BAY SANITARY DISTRICT (WBSD)

Formed in 1902, WBSD is the regional sanitary sewer provider for City of Menlo Park and portions of Atherton, East Palo Alto, Portola Valley, Redwood City, Woodside, south county unincorporated areas and several parcels in Santa Clara County near Los Trancos Creek. WBSD’s 216 miles of collection system pipes serve approximately 55,700 residents.

- 8. WBSD is considered well managed with a high level of transparency and accountability as demonstrated by its compliance with legal requirements and efforts to exceed its minimum obligations.**

WBSD complies with all legal requirements aimed at ensuring accountability and transparency of public agencies, such as maintaining a website, timely ethics training, adoption of and compliance with required policies and bylaws, and filing of Form 700 by appropriate individuals.

Additionally, WBSD has gone beyond the legal requirements and is a recipient of the District Transparency Certificate of Excellence from the Special District Leadership Foundation (SDLF) for the period January 2020 to March 2023. In order to receive this recognition, WBSD was required to complete all transparency program requirements “designed to promote transparency in their operations and governance to the public and other stakeholders.” WBSD has also established the Open Government Section, which is charged with ensuring transparency and easy access to the public.

- 9. WBSD has faced a relatively high level of infiltration and inflow in its system in the past, but it has made and continues to make improvements to address those issues.**

While WBSD had a peaking factor of approximately 5 in 2020, infiltration and inflow (I/I) has reportedly not been identified as an issue for its system. Pipes reportedly demonstrate sufficient capacity during wet weather, and hydraulic models do not show bottle necks. However, a few pipes and manholes in specific areas are slightly affected by wet weather. WBSD completed two significant capital projects in 2010 and 2011 that greatly reduced I/I in areas of concern. WBSD continues a regular capital program of continual rehabilitation and replacement aimed at

I/I reduction. By repairing 1.5 percent of the system or three miles of pipe per year, and replacement of 1.5 percent of the system, it is predicted that the District can achieve 0.75 percent I/I reduction annually.

10. WBSD’s Master Plan is outdated and in need of a comprehensive update. The District recognizes the necessity of maintaining up-to-date planning documents and is in the midst of compiling a new Master Plan in 2022.

WBSD reported that there is generally sufficient collection capacity to serve existing demand; however, some basins are at capacity. Because the District’s Master Plan is almost 10 years old and many improvements have been made since the hydraulic assessment was conducted, it is unclear the degree to which flows are at or nearing capacity and which segments are most impacted. The new Master Plan is anticipated to identify existing conditions after capital improvements, any areas of concern, and capital projects to address these areas.

Similarly, because WBSD’s flow projections are outdated it is unclear what infrastructure needs are necessary to meet projected demand. The 2022 Master Plan is anticipated to provide up-to-date flow projections and recommended capital improvements to meet future demand. The District changed the program name to “Sustainability Plan” to better reflect the ongoing assessments of the system which will be completed soon.

This update is essential given the degree of improvements and changes in land use assumptions that have occurred since the previous Master Plan. Additionally, it is vital to plan for necessary capacity given the degree of anticipated development.

11. Governance options other than 1) status quo, include WBSD as a potential service provider: 2) contract services by WBSD to the City of EPA following reorganization of EPASD as a subsidiary district to the City of EPA; and 3) WBSD annexation of EPASD following dissolution of EPASD.

WBSD has indicated a willingness and ability to provide sewer services to the community but is not willing to initiate a reorganization, for example Option #3 above, in the absence of EPASD concurrence. Option #2, contract services to a City subsidiary district, depends on action by the City, LAFCo and area residents to reorganize EPASD as a subsidiary district. A longer-term option, if a subsidiary district is formed as in Option #2, could involve future dissolution of the City subsidiary district and annexation to WBSD.

Another option discussed in the MSR involves the annexation of parcels proposing new development to WBSD, and corresponding detachment from EPASD. The MSR does not consider this a viable option due to its reduction of future EPASD operating and capital revenues, and the resulting irregular service area boundaries.

2. BACKGROUND

This report is prepared pursuant to legislation enacted in 2000 that requires LAFCo to conduct a comprehensive review of municipal service delivery and update the spheres of influence (SOIs) of all agencies under LAFCo's jurisdiction. This chapter provides an overview of LAFCo's powers and responsibilities. It discusses requirements for preparation of the municipal services review (MSR), and describes the process for MSR review, MSR approval and SOI updates.

LAFCo OVERVIEW

LAFCo regulates, through approval, denial, conditions and modification, boundary changes proposed by public agencies or individuals. It also regulates the extension of public services by cities and special districts outside their boundaries. LAFCo is empowered to initiate updates to the SOIs and proposals involving the dissolution or consolidation of special districts, mergers, establishment of subsidiary districts, and any reorganization including such actions. Otherwise, LAFCo actions must originate as petitions or resolutions from affected voters, landowners, cities or districts.

MSR LEGISLATION

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCo review and update SOIs not less than every five years and to review municipal services before updating SOIs. The requirement for service reviews arises from the identified need for a more coordinated and efficient public service structure to support California's anticipated growth. The service review provides LAFCo with a tool to study existing and future public service conditions comprehensively and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are provided efficiently.

Government Code §56430 requires LAFCo to conduct a review of municipal services provided in the county by region, sub-region or other designated geographic area, as appropriate, for the service or services to be reviewed, and prepare a written statement of determination with respect to each of the following topics:

- Growth and population projections for the affected area;
- The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI;
- Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies (including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence);

- Financial ability of agencies to provide services;
- Status of, and opportunities for shared facilities;
- Accountability for community service needs, including governmental structure and operational efficiencies; and
- Any other matter related to effective or efficient service delivery, as required by commission policy.

MSR PROCESS

The MSR process does not require LAFCo to initiate changes of organization based on service review findings, only that LAFCo identify potential government structure options. However, LAFCo, other local agencies, and the public may subsequently use the determinations to analyze prospective changes of organization or reorganization or to establish or amend SOIs. Within its legal authorization, LAFCo may act with respect to a recommended change of organization or reorganization on its own initiative (e.g., certain types of consolidations), or in response to a proposal (i.e., initiated by resolution or petition by landowners or registered voters).

MSRs are exempt from California Environmental Quality Act (CEQA) pursuant to §15306 (information collection) of the CEQA Guidelines. LAFCo's actions to adopt MSR determinations are not considered "projects" subject to CEQA.

SPHERE OF INFLUENCE UPDATES

The Commission is charged with developing and updating the sphere of influence (SOI) for each city and special district within the county. SOIs must be updated every five years or as necessary. In determining the SOI, LAFCo is required to complete an MSR and adopt the determinations previously discussed.

An SOI is a LAFCo-approved plan that designates an agency's probable future boundary and service area. Spheres are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage efficient provision of organized community services and prevent duplication of service delivery. Territory cannot be annexed by LAFCo to a city or a district unless it is within that agency's sphere.

The purposes of the SOI include the following: to ensure the efficient provision of services, discourage urban sprawl and premature conversion of agricultural and open space lands, and prevent overlapping jurisdictions and duplication of services.

LAFCo cannot regulate land use, dictate internal operations or administration of any local agency, or set rates. LAFCo is empowered to enact policies that indirectly affect land use decisions. On a regional level, LAFCo promotes logical and orderly development of communities as it considers and decides individual

proposals. LAFCo has a role in reconciling differences between agency plans so that the most efficient urban service arrangements are created for the benefit of current and future area residents and property owners.

The Cortese-Knox-Hertzberg (CKH) Act requires LAFCo to develop and determine the SOI of each local governmental agency within the county and to review and update the SOI every five years. LAFCo is empowered to adopt, update and amend the SOI. They may do so with or without an application and any interested person may submit an application proposing an SOI amendment.

LAFCo may recommend government reorganizations to particular agencies in the county, using the SOIs as the basis for those recommendations.

3. REGIONAL GROWTH AND POPULATION

The Bay Area region is a large and economically diverse area consisting of nine counties and multiple subregions. Each subregion is characterized by its own unique economic activity. San Francisco is characterized by its finance sector and increasingly tech social media sector, biotech in San Mateo, computers and software in Silicon Valley, shipping and government services in Alameda and the expansive wine and hospitality industries in the North Bay counties.¹¹

Strong growth in housing demand, high housing prices, and housing mandates underscore the importance of cities' land use planning and need for special districts to coordinate with and support cities' planning efforts to provide affordable housing. Despite slower than expected growth rates in the near term due to the pandemic, longer-term growth in regional housing demand is likely.

Given the Regional Housing Needs Allocations (RHNA) applicable to East Palo Alto, as well as other developmental pressures described in this chapter, the City and other local jurisdictions in the Bay area must engage in planning to accommodate the demand for housing and related municipal services and public facilities. Sewer capacity must be adequate not only to serve existing residents, but also to accommodate anticipated development, achieve State requirements, and meet demand for affordable and market-rate housing. California law requires that special districts grant priority status to affordable housing developments and adopt written policies and procedures with specific objective standards for provision of services in conformance with this requirement.¹²

This chapter summarizes growth factors that affect public services and infrastructure needs. APPENDIX A describes these factors in more detail.

HISTORICAL POPULATION TRENDS & PROJECTIONS

Since the 1970s, the annual population growth rate in the Bay Area has been around one percent. The 1980s saw a slightly higher growth rate, while the 2000s experienced lower growth as the region was affected first by a housing boom and then the Great Recession. As of 2010, the total population of the Bay Area was just over 7,150,000, with roughly 2.6 million households. By 2015, the population had increased by some 425,000, to 7,574,000, an annual growth rate of 1.2 percent.¹³

Between now and 2050, estimates suggest the Bay Area's population will rise from nearly eight million to over 10 million residents and that the number of jobs within the nine counties will climb from four

¹¹ ABAG and MTC, Plan Bay Area Projections 2040, November 2018, p. 13.

¹² Government Code 65589.7.

¹³ ABAG and MTC, Plan Bay Area Projections 2040, November 2018, p. 16.

million to more than five million.¹⁴ Technology and social media sectors have been critical forces of change to the county’s economy and level of urbanization. The Facebook campus in Menlo Park continues to expand the County’s already diverse employment base.¹⁵

Despite being one of the nation’s most resilient regions for the past fifty years, the nine-county Bay Area similarly experienced unprecedented changes to the regional economy during the COVID-19 pandemic.¹⁶ As of January 2021, the Bay Area’s labor force (defined as those employed and those looking for work) shrank by over six percent, more significantly than many other peer metros, the U.S. and California.¹⁷ Many households that fall into the bottom 10% rely on employment in industries that have experienced sizable job losses over the past year in the Bay Area.¹⁸

Distribution of Jobs and Housing

Generally, there is more housing than jobs in Alameda, Contra Costa, Solano and Sonoma counties, while there are more jobs than housing in Marin, Napa, San Francisco, San Mateo and Santa Clara counties. This creates a number of associated problems, such as traffic congestion and transit overcrowding in major commute corridors. The imbalance also reinforces other challenges, such as the displacement of longtime residents from neighborhoods where home values and rents have spiked.¹⁹

The Bay Area is generally known as one of the least affordable areas to live in the country. Housing growth in cities with growing high-wage workforces — notably those in Silicon Valley — has not kept pace with job growth resulting in spillover demand for homes and higher housing costs throughout the region. Every day, Bay Area workers of all income levels struggle to find housing close to their workplaces, though this trend is particularly challenging for workers with low incomes.²⁰

Work from Home

One of the most identifiable effects of the COVID-19 pandemic was the acceleration of the work-from-home trend. This trend is especially relevant in the Bay Area as remote work possibility increases with

¹⁴ ABAG and MTC, Plan Bay Area 2050, October 21, 2021, vi.

¹⁵ ABAG and MTC, Plan Bay Area Projections 2040, November 2018, p. 112-113.

¹⁶ Bay Area Council Economic Institute, Tracking Impacts of the COVID-19 Recession on the Bay Area Economy, 2020, p. 1.

¹⁷ Bay Area Council Economic Institute, Tracking Impacts of the COVID-19 Recession on the Bay Area Economy, 2020, p. 5.

¹⁸ ABAG and MTC, Plan Bay Area 2050, October 21, 2021, pp. 51-52.

¹⁹ ABAG and MTC, Plan Bay Area 2050, October 21, 2021, p. 48.

²⁰ ABAG and MTC, Plan Bay Area 2050, October 21, 2021, p. 13.

the rise in average income. The eligibility to work remotely further deepened the income disparity across the region, however.²¹

If remote workers begin to prefer housing in suburban locations, remote work could also alleviate some of the pressure on urban housing markets while simultaneously shifting affordability concerns to other parts of the region.²²

Housing Needs

California, and the Bay Area in particular, face an affordable housing crisis that has built up over decades. The Bay Area faces a shortfall of over 220,000 homes affordable to its poorest residents.²³

These dynamics have led to an increasingly segregated region, with low-income residents and people of color often pushed to the peripheries of the Bay Area if they are able to remain in the region at all. As briefly mentioned before, the Bay Area’s inability to adequately house all its residents, especially close to job centers, has led to a host of other challenges such as crippling traffic, attendant greenhouse gas emissions, and labor shortages that affect all Bay Area residents.²⁴

Since 1969, the State of California has required each local government to plan for its share of the state’s housing needs for people of all income levels.²⁵ Every eight years, ABAG develops a Regional Housing Needs Allocation (RHNA) that allocates state-mandated expected growth at the jurisdictional level and across the income spectrum.²⁶ On December 16, 2021, ABAG adopted the RHNA Plan for the period of 2023-2031.²⁷ Once it receives its allocation, each local government must update the Housing Element of its General Plan and its zoning to show how it plans to accommodate its RHNA units and meet the housing needs in its community. The housing element addresses specific housing needs within a jurisdiction such as homelessness, meeting the needs of specific populations, affirmatively furthering

²¹ Bay Area Council Economic Institute, Remote Work in the Bay Area: An Initial Evaluation of the Data and Implications for Public Policy, December 2020, <http://www.bayareaeconomy.org/report/remote-work-in-the-bay-area/>.

²² Bay Area Council Economic Institute, Remote Work in the Bay Area: An Initial Evaluation of the Data and Implications for Public Policy, December 2020, <http://www.bayareaeconomy.org/report/remote-work-in-the-bay-area/>.

²³ Bay Area Housing Finance Authority, Momentum for Lasting Solutions, 2021.

²⁴ Bay Area Housing Finance Authority, Momentum for Lasting Solutions, 2021.

²⁵ Association of Bay Area Governments, Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area 2023-2031, 2021, pp. 4-6.

²⁶ Bay Area Housing Finance Authority, Momentum for Lasting Solutions, 2021.

²⁷ <https://abag.ca.gov/our-work/housing/rhna-regional-housing-needs-allocation>

fair housing, or minimizing displacement.²⁸ State law provides the California Department of Housing and Community Development (HCD) with authority to enforce requirements that cities ensure development opportunities (i.e., adequate, appropriately zoned sites with infrastructure) to fulfill its RHNA obligations.²⁹

The City of East Palo Alto has been assigned a total of 829 RHNA units that include 165 very low income, 95 low income, 159 moderate income, and 410 above moderate income.³⁰ The unincorporated San Mateo county got assigned 2,833 units including 811 very low income, 468 low income, 433 moderate income, and 1,121 above moderate income.³¹ It will result in the growth rate of 11 percent in East Palo Alto and 13 percent in unincorporated San Mateo County from 2020 households.³²

Accessory Dwelling Units (ADUs)

ADUs have been one of the major strategies in addressing the housing crisis. State legislators are pursuing zoning reform to allow more small-scale housing types, particularly in low density neighborhoods. ADUs, commonly known as secondary units, backyard cottages, and in-law units, are one such housing type. Over the past few years, state legislators reduced parking requirements, lot size minimums and setback requirements, and development fees to incentivize construction of ADUs.³³

Since the Bay Area Council partnered with Senator Bob Wieckowski to pass the first significant Accessory Dwelling Unit (ADU) reform legislation in 2016 (SB 1069), ADU permits have soared across the state.³⁴

An analysis by the Bay Area Council Economic Institute using data from the California Department of Housing and Community Development (HCD) shows ADUs accounted for 13.4 percent of all housing permit types in the Bay Area in 2020, a significant jump from 3.2 percent in 2016.³⁵

²⁸ Association of Bay Area Governments, Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area 2023-2031, 2021, pp. 4-6.

²⁹ For example, see Assembly Bill (AB) 72 (Chapter 370, Statutes of 2017) and related laws.

³⁰ ABAG, Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area 2023-2031, 2021, p. 27.

³¹ ABAG, Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area 2023-2031, 2021, p. 27.

³² ABAG, Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area 2023-2031, 2021, p. 30.

³³ Center for Community Innovation, ADUs in CA: A Revolution in Progress, October 2020, p. 5.

³⁴ Bay Area Council Economic Institute, New Analysis of Housing Permits Shows Prominence of ADUs in the Bay Area, <http://www.bayareaeconomy.org/new-analysis-of-housing-permits-shows-prominence-of-adus-in-the-bay-area/>.

³⁵ Bay Area Council Economic Institute, New Analysis of Housing Permits Shows Prominence of ADUs in the Bay Area, <http://www.bayareaeconomy.org/new-analysis-of-housing-permits-shows-prominence-of-adus-in-the-bay-area/>.

Other Provisions of SB 9

California Senate Bill (SB) 9 requires ministerial (staff-level) approval of certain housing development projects containing up to two dwelling units (i.e., duplexes) on a single-family zoned parcel. The legislation also requires ministerial approval of certain lot splits to allow property owners to construct up to two units on the newly created lots. SB 9 was passed by the California Legislature on September 1st and took effect January 1, 2022. These provisions could increase development beyond levels currently projected in the City of EPA, EPASD and WBSD.

4. CITY OF EAST PALO ALTO

The City of East Palo Alto (EPA) is a general law city incorporated in 1983 and situated half-way between San Francisco and San Jose in the County of San Mateo.

EPA originated in 1956 as an unincorporated area. The City experienced several demographic and industrial shifts in subsequent years, and eventually incorporated as a city. After incorporating, the City struggled to remain financially viable, particularly because it had previously been reliant on County resources. However, EPA assumed responsibility for those services including the East Palo Alto County Water District, Ravenswood Highway Lighting District, and East Palo Alto Drainage Maintenance District. Municipal services are also performed by other agencies including fire protection and emergency response, which is carried out by the Menlo Park Fire Protection District, residential water service by two mutual water companies to two neighborhoods, and sanitary sewer service performed primarily by the East Palo Alto Sanitary District with the remainder provided by the West Bay Sanitary District.

A municipal service review of the City of East Palo Alto was last conducted in 2009. Refer to the 2009 MSR for more detail on the history of the City.³⁶

BOUNDARIES AND SPHERE OF INFLUENCE

The City of East Palo Alto originated as an unincorporated area within the County of San Mateo. Before EPA incorporated, a portion of its land was annexed by Palo Alto and Menlo Park. This reduced the area to approximately 2.6 square miles, which is the area the City encompasses today. EPA is bound by the San Francisco Bay to the east, Menlo Park to the north and west, and the San Mateo- Santa Clara County Line (the City of Palo Alto) to the south and west.

The City's SOI was adopted upon the City's incorporation in 1983. The SOI is coterminous with the City's boundaries; therefore, annexations would not be considered without an amendment of a neighboring city's SOI.

³⁶ City of East Palo Alto Municipal Service Review, San Mateo LAFCo, Oct. 15, 2009.

Figure 4-1: City of East Palo Alto Boundaries and SOI



ACCOUNTABILITY AND GOVERNANCE

Accountability of a governing body is signified by a combination of several indicators. The indicators chosen here focus on 1) agency efforts to engage and educate constituents through outreach activities, in addition to legally required activities such as agenda posting and public meetings, 2) a website with required content and other useful information, 3) timely ethics training for board members and an adopted reimbursement policy, 4) a defined complaint process designed to handle all issues to resolution, 5) adopted bylaws that provide a framework and direction for governance and administration, 6) adoption of a conflict of interest code as required by law, 7) proper filing of Form 700 by the governing body members, and 8) transparency of the agency as indicated by cooperation with the MSR process and information disclosure at meetings, in documents and on a website.

Figure 4-2: City of East Palo Alto Profile

City of East Palo Alto Profile			
Contact Information			
<i>Contact:</i>	Patrick Heisinger – Assistant City Manager		
<i>Address:</i>	2415 University Ave. East Palo Alto, CA 94303	<i>Website:</i>	www.ci.east-palo-alto.ca.us
<i>Phone:</i>	650-422-4698	<i>Email:</i>	info@cityofepa.org
Governing Body			
<i>Governing Body:</i>	City Council	<i>Members:</i>	5
<i>Manner of Selection:</i>	Elected at large	<i>Length of term:</i>	4 years
<i>Meetings Location:</i>	2415 University Ave. East Palo Alto, CA 94303	<i>Meeting date:</i>	1 st and 3 rd Tuesday of the month at 6:30 pm

The City of East Palo Alto is governed by an elected, five-member City Council to serve four-year terms. The Council Members nominate and elect the mayor, who serves a one-year term. The City Manager and City Attorney are selected and appointed by the City Council. Currently, the Council has no

vacancies. Other City boards and commissions include the Planning Commission, Rent Stabilization Board, Oversight Board, Public Works and Transportation Commission, and the Senior Advisory Committee.

The City Council members receive a salary of \$600 monthly.³⁷ In addition, all Council Members are eligible for health insurance coverage similar to that of a full-time, regular city employee, and supplemental life insurance. Council members may also be reimbursed for travel and other actual and necessary expenses.

City Council meetings are open to the public and are held on the first and third Tuesday of each month at 6:30 pm. These meetings take place in the Council chamber of the East Palo Alto Government Center. In addition, regular meetings are broadcast on local television Channel 29 at the same time. Agendas are posted throughout the City in such places as City Hall, the library, and on the City's website a minimum of 72 hours before regular meetings occur. Agendas are linked online and also distributed to members of the press, residents, and other interested parties. Minutes are likewise available on the City's website.

In 2016, the State Legislature enacted Assembly Bill 2257 (Government Code §54954.2) to update the Brown Act with new requirements that govern the location, platform and methods by which an agenda must be made accessible on an agency's website for all meetings occurring on or after January 1, 2019. Although the City does not have a direct link to meeting agendas posted on the homepage of its website, the "City Meetings" link that is listed does directly send users to EPA's integrated agenda management system which displays agenda links associated with meetings on the calendar. This indicates the City is in compliance with AB 2257. Other links that are made available on this webpage include agenda packets, minutes, and links to video recordings of meetings.

The City's website is also their primary tool for constituent outreach. It makes available adopted budgets, annual audits, press releases, and hiring notices as well as information on committees and boards, licenses, permits, and paying bills. Furthermore, the City of EPA hosts a webpage for its constituents specifically dedicated to community resources for items such as food, health and housing, as well as immigration, jobs, and small businesses. There is a weekly newsletter available. Voter participation is another form of outreach that EPA encourages. The City partners with local non-profits and also utilizes its website to support voter registration.

If a customer is not satisfied with services provided by EPA, there are multiple ways to file complaints. This may be done via the City's website, email, or phone calls which are directed to the appropriate

³⁷ East Palo Alto City Code 2.08.150.

department's executive. People are also able to attend public meetings to directly express concerns to the City Council. When a complaint is addressed, staff is expected to update the City Manager. Complaints are tracked using a basic spreadsheet. In 2020, the City estimated fifty complaints were received. Of these, EPA reports that the majority were related to time it takes to process planning and building permits, as well as parking enforcement and the illegal dumping of garbage and debris.

EPA operates its agency in accordance with the City's Municipal Code and Bylaws. This documentation outlines rules and regulations, as well as ordinances that guide the governance and administration of the City. Examples of policies that are defined in the Municipal Code are how elections are held, administrative penalties, protections for housing services, procedures for animal control, traffic, and other planning and public services.

The Political Reform Act (Government Code §81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (California Code of Regulations §18730), which contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. As indicated in its municipal code, the City of East Palo Alto does follow conflict of interest laws as indicated by the State of California. Resolution OB 2012-07 also adopted a conflict of interest code.

Two hours of ethics training at least once every two years is required for governing body members, commission members, and committee members if they are provided compensation or reimbursement of expenses, according to Government Code §53235, and a written policy on reimbursements is required by law. The City's municipal code does indicate the reimbursement and compensation policy for council members. It is currently not known, however, when EPA's council members last received ethics training. It is recommended that the City make this information readily available on its website.

Government Code §87203 requires persons who hold office to disclose their investments, interests in real property and incomes by filing appropriate forms with the appropriate filing agency (i.e., the County or the Fair Political Practices Commission) each year. In 2021, three council members filed Form 700 in accordance with the government code for filing year 2020. One council member last completed the form for filing year 2019 and one council member does not have a Form 700 on file for the Statement of Economic Interest for filing year 2020. It is recommended that the City ensure its Council Members comply with Form 700 filing requirements.

The City of East Palo Alto has demonstrated transparency and accountability throughout the MSR process by responding promptly and thoroughly to requests for information, participating in an interview, and reviewing draft reports comprehensively.

SERVICE PROVIDERS

The City of EPA provides municipal services through a combination of direct services from City staff, contract service providers, and special district providers. Refer to Figure 4-3 for a detailed description of the service structure for each municipal service offered within the city limits and SOI.

Figure 4-3: City of East Palo Alto Municipal Service Structure

Municipal Service	Responsible Agency in City Limits/SOI
<i>Public Safety</i>	
Law Enforcement	City of East Palo Alto
Traffic Enforcement	City of East Palo Alto
Parking Enforcement	City of East Palo Alto
Code Enforcement	City of East Palo Alto
Animal Control	Peninsula Humane Society (via contract with San Mateo County)
Fire Protection	Menlo Park Fire Protection District
Emergency Medical	Menlo Park Fire Protection District
<i>Utilities</i>	
Water Retailer – Domestic	Veolia by contract with the City of East Palo Alto, Palo Alto Park Mutual Water Company, and O’Connor Tract Co-op Water Company
Wastewater Collection	East Palo Alto Sanitary District, West Bay Sanitary District
Wastewater Treatment	EPASD via Palo Alto Regional Water Quality Control Plant, WBSD via Silicon Valley Clean Water
Electricity	Peninsula Clean Energy
Natural Gas	PG&E
Solid Waste Collection	South Bay Waste Management Authority (via Recology of San Mateo County)
Solid Waste Disposal	South Bay Waste Management Authority (via Recology of San Mateo County)

<i>Public Works</i>	
Stormwater/Drainage	City of East Palo Alto, San Mateo Water Pollution Prevention Program by membership
Street Maintenance	City of East Palo Alto
Street Lighting	City of East Palo Alto
<i>Community Services</i>	
Parks	City of East Palo Alto
Recreation	City of East Palo Alto
Library	San Mateo County
Mosquito Abatement	San Mateo County Mosquito & Vector Control
Vector Control	San Mateo County Mosquito & Vector Control
Resource Conservation	City of East Palo Alto
Public Transportation	San Mateo County Transportation District - SamTrans

GROWTH AND POPULATION PROJECTIONS

The purpose of this section is to evaluate growth and population projections in relationship to the City of East Palo Alto’s boundaries and sphere of influence (SOI) in order to anticipate the future service needs of the City. Additionally, the anticipated growth patterns of the City are evaluated in order to determine the impact and compatibility of such growth on land use plans, infrastructure availability, and local government structure. Refer to Chapter 3 of this report for a description of regional growth trends and planning.

Land Use

The City of East Palo Alto, which is 2.5 square miles, is a mostly built out city with the exception of open space and marshlands and vacant land in the Ravenswood industrial area. Of the developed areas, residential uses are the most common land use in the City. Approximately 665 acres in the City (just over 50 percent of land) are residential uses.³⁸ Most residential land is single family residential, along with multifamily residential of five or more units, and duplexes, triplexes, condos or fourplexes.

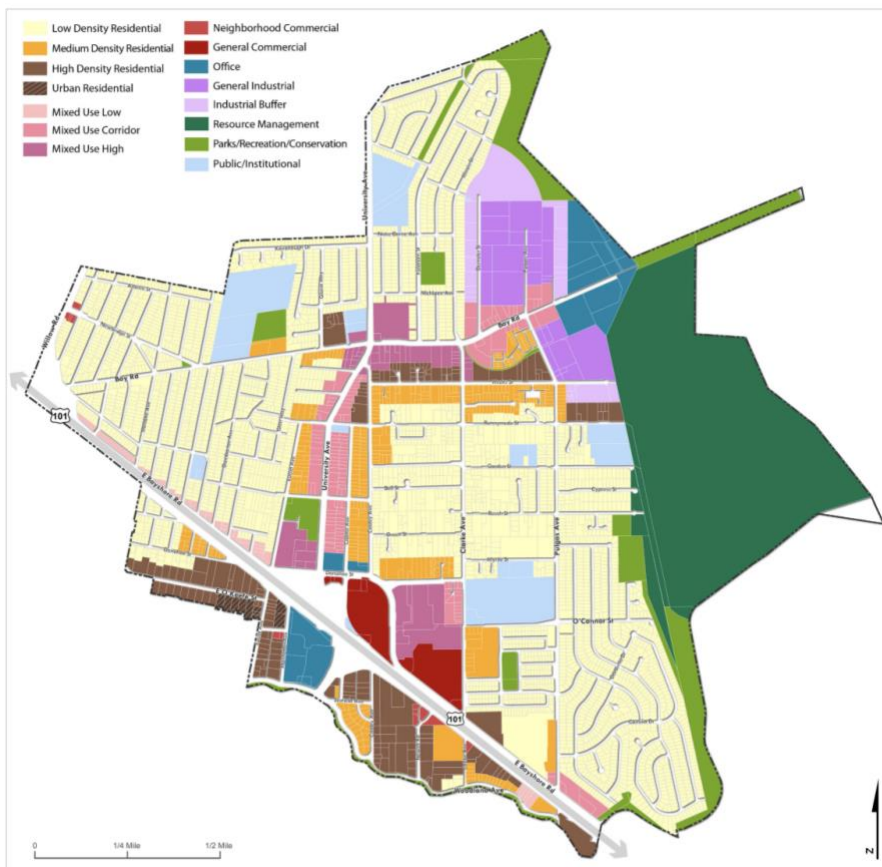
³⁸ City of East Palo Alto, General Plan 2035, 2016, p. 4-1.

Figure 4-4: City of East Palo Alto Land Uses, 2015

Land Use Designation	Acres	%
Residential – Mobile Home	8	0.6%
Residential – Single Family	546	41.4%
Residential – Duplex/Triplex/4plex	41	3.1%
Residential – 5 or more Units	71	5.4%
Commercial	61	4.6%
Lodging	3	0.3%
Office	14	1.1%
Institutional or Public Facilities	110	8.3%
Light Industrial	69	5.3%
Baylands and Marshland	247	18.8%
Parks and Recreation Facilities	23	1.8%
Parking	1	0.1%
Vacant	124	9.4%
Total	1,319	100.00%

The City’s General Plan land use designations are shown in Figure 4-5.

Figure 4-5: City of East Palo Alto Land Use Designations



Vacant land is concentrated in the Ravenswood Employment District, which is located along Bay Road between University Avenue and the Cooley Landing open space. The area is the former home of heavy industrial development and now contains much vacant land, some retail and services (including the Ravenswood Health Clinic) and some small-scale industrial and storage facilities. The Ravenswood Employment District is regulated by the 2013 Ravenswood TOD Specific Plan, which is under review/revision.³⁹ The City’s Housing Element estimates that vacant properties as of 2015 have capacity for approximately 491 dwelling units.⁴⁰ In addition to the vacant lots, there are areas that are available for redevelopment and increased density within the city limits. The City estimates that these properties located within the Ravenswood/4 Corners TOD Specific Plan area have space for 532 additional dwelling units.⁴¹ There are currently several development applications under review that propose to make use of the vacant properties.

The City’s General Plan describes that the urban design character of East Palo Alto is defined by its history as an unincorporated area of San Mateo County, the varied residential neighborhoods that were developed during that time, and its position in a larger, regional circulation network. The regional transportation network largely defines the boundaries of the residential neighborhoods, with University Avenue bisecting the City east/west and Highway 101 separating the western portion territory from the rest of the City. The intersection of these major thoroughfares has become the Ravenswood 101 Shopping Center that primarily serves regional clientele. The residential structure of East Palo Alto is made up of individual neighborhoods, the boundaries of which are generally defined by their development pattern. Some of the neighborhoods developed as distinct communities, while others developed incrementally over time. Many of these neighborhoods developed under County jurisdiction prior to the incorporation of the City in 1983.⁴²

Growth Strategies

The City of East Palo Alto utilizes a variety of tools to plan for future growth, including the General Plan, Specific Plans, and Zoning Code. Additionally, the City has other plans that are used to guide development in specific areas of East Palo Alto. Among these are the Bay Access Master Plan and the Climate Action Plan.

³⁹ City of East Palo Alto, General Plan 2035, 2016, p. 4-35.

⁴⁰ City of East Palo Alto, General Plan 2035 Housing Element, 2015, p. 4-10.

⁴¹ City of East Palo Alto, General Plan 2035 Housing Element, 2015, p. 4-11.

⁴² City of East Palo Alto, General Plan 2035, 2016, p. 4-2.

The goals, policies, and actions outlined in the General Plan 2035 (2016) are intended to direct and characterize growth within the City’s boundaries. The Land Use Element is the primary instrument that presents regulatory and policy land use tools to guide trends throughout the City and in specific neighborhoods. Goals adopted in the Land Use Element consist of the following:

- LU-1: Maintain an urban form and land use pattern that enhances the quality of life and meets the community’s vision for its future.
- LU-2: Revitalize the City’s nonresidential areas to diversify the tax base and improve the jobs-housing balance.
- LU-3: Expand the number, types and diversity of housing within East Palo Alto.
- LU-4: Expand multi-family housing.
- LU-5: Preserve the character of existing single-family neighborhoods.
- LU-6: Improve residential parking in neighborhoods.
- LU-7: Consolidate a multitude of public and private institutional uses, spaces and services that serve East Palo Alto’s diverse population.
- LU-8: Improve the City’s image and physical appearance through quality design and key interventions.
- LU-9: Provide an urban environment that is tailored to the pedestrian.
- LU-10: Transform University Avenue into a mixed-use corridor with a diversity of residential, mixed use and commercial development in a walkable urban fabric.
- LU-11: Encourage the transformation of the surface parked retail shopping center into a mixed use office and shopping district (Gateway District).
- LU-12: Foster the creation of a “main street,” centered on University Avenue and along Bay Road to enhance the City’s image and identity.
- LU-13: Enable the vision and planned redevelopment of the area (Ravenswood Employment District) as described in the Specific Plan.

- LU-14: Encourage compact infill development that enhances the community (Weeks neighborhood), improves walkability and enhances neighborhood identity.
- LU-15: Preserve and enhance the character and identity of the Kavanaugh neighborhood.
- LU-16: Enable new pedestrian connections, improve safety, and provide guidelines for incremental improvements to the neighborhood (Gardens neighborhood).
- LU-17: Preserve the single-family character of the University Village area.
- LU-18: Enhance the character of the existing single-family residential areas and foster the development of neighborhood retail and services (Palo Alto Park neighborhood).

The City’s General Plan envisions that the City will evolve as new jobs and housing are added to complement the City’s strong neighborhoods and diverse housing stock, while aiming for a more sustainable jobs-housing balance. Ultimately, the Ravenswood area will be transformed from empty lots into a thriving business, research & development, and commercial center. Bay Road will become a new “main street” that serves as the City’s downtown with a City Hall and a variety of locally-owned neighborhood retail stores, restaurants and services. University Avenue will be transformed from a cut-through corridor into a beautiful mixed-use boulevard with high-density housing, neighborhood-serving businesses and offices that capitalize on the City’s proximity to Silicon Valley. New housing will be added throughout the City along with neighborhood shopping areas, and existing housing will be renovated and improved. The Gateway 101 Shopping Center will evolve into a dense retail and office district. The Westside of the City will become a beautiful residential area with high quality affordable housing, parks, community facilities and enhanced connections to the rest of the City.⁴³

A General Plan’s Housing Element is a key component to a land use authority’s planning process to ensure adequate space to meet housing needs. The City’s current housing element was adopted in 2015. It will be updated to incorporate the updated State mandated Regional Housing Needs Allocations by January 31, 2023, as described further below. The Housing Element is consistent with the Ravenswood/4 Corners TOD Specific Plan.

The City has adopted two specific plans to provide a more detailed vision and guide for the study areas — the Gateway 101 Specific Plan (1993) and the Ravenswood/4 Corners Transit Oriented Development (TOD) Specific Plan (2013). The project area in the Gateway 101 Specific Plan is 145 acres in the northeast quadrant of the intersection of University Avenue and Highway 101. The area is generally

⁴³ City of East Palo Alto, General Plan 2035, 2016, p. 1-1.

bounded by Highway 101 and East Bayshore Road on the south; Pulgas Avenue on the east; Donohoe and Bell Streets on the north; and University and Capitol Avenues on the west. The plan identifies the need for redevelopment in the area and the availability of redevelopment opportunities that led to it being the focus of the plan. The Specific Plan concept for the Gateway area calls for the development of a mixed-used neighborhood that will be an economically and socially vital urban environment where people can live, work, shop, play, and interact in a manner that fosters a greater sense of community. In order to provide an attractive and secure environment, the Plan provides design guidelines and development standards that will ensure that proposed changes to the physical environment at this important gateway will enhance the image of both the neighborhood and the City as whole. The centerpiece of the plan is a new promotional retail center located at the University Avenue/U.S. 101 interchange where it can take advantage of its visibility and convenience to attract regional traffic that flows through the area. In addition to improving the City's tax base, the retail center will also significantly increase community opportunities for both local employment and retail and commercial services.⁴⁴

The Ravenswood/4 Corners Transit Oriented Development (TOD) Specific Plan (2013) is a vision that guides development in the plan area to redevelop an area once used primarily for industrial uses. The plan area encompasses approximately 350 acres and is generally bounded at the west by University Avenue; at the north by a rail line, where future Dumbarton Rail passenger service is planned; at the east by the baylands along the San Francisco Bay; and at the south by Weeks Street. Bay Road is envisioned as an active and vibrant spine that serves as a focal point for Ravenswood and 4 Corners, as well as for East Palo Alto as a whole. Vibrant storefronts and other active ground-floor uses are envisioned to stretch down most of Bay Road within the Plan Area, bookended by the University Avenue/ Bay Road intersection on the west and Cooley Landing on the east. The plan concept shows multi-family residential uses in several locations south of Bay Road. These locations relate to and extend the existing residential neighborhoods south of the Plan Area. Multifamily development is allowed in several different forms under the Specific Plan. For example, townhouses, duplexes, four-plexes, and a wide range of multi-family apartment buildings are all permitted on residentially designated land in the Plan Area. New single-family residential development is also possible in this designation, but it must consist of small-lot single-family houses. The plan assumes up to 825 residential units, 816 of which will be multi-family housing. The City is currently undertaking a targeted update to the Ravenswood Business District / 4 Corners TOD Specific Plan. This update aims to refresh the existing plan to address

⁴⁴ City of East Palo Alto, Gateway 101 Specific Plan, 1993, 3-1.

new and emerging challenges, such as wastewater collection capacity constraints, while also responding to opportunities within the area.

Additionally, because the Ravenswood Business District borders the Bay and as it develops the City wants to ensure that its residents' access to the Bay is improved and expanded, the Bay Access Master Plan (2007) was developed. Also, as the Ravenswood area is developed, the Bay Conservation and Development Commission (BCDC), a State Regulatory Agency charged with protecting the Bay, will require the development projects along the Bay to provide the maximum feasible public access to the Bay. The purpose of the East Palo Alto Bay Access Plan is to create a vision for Bay access that will guide East Palo Alto policy makers and the BCDC. The vision created by the BAMP consists of a series of pocket parks along the Bay that are connected by pedestrian trails. In addition, the BAMP includes opportunities to connect the Woodland neighborhood to the Bay along the San Francisquito Creek corridor.⁴⁵

The Ravenswood Area could represent up to 80 percent of remaining development capacity in the City and has encouraged EPASD to participate in planning updates to the Specific Plan to assure adequate sewer capacity is available from EPASD.⁴⁶

Regional Housing Needs Allocation

Regional Housing Needs Allocation mandates have an impact on the City's new development and intensification of density contributing to population growth. Since 1969, the State of California has required each local government to plan for its share of the State's housing needs for people of all income levels. The Regional Housing Needs Allocation (RHNA) process assigns every local jurisdiction a number of housing units representing its share of the State's housing needs for an eight-year period. State Housing Element Law requires the Association of Bay Area Governments (ABAG) to develop a methodology for distributing the Bay Area's portion of the state housing needs to local governments within the nine-county region, including San Mateo County.⁴⁷ For the period 2014 to 2022, the City of East Palo Alto's RHNA share was 467 units.⁴⁸ ABAG has since developed new allocation shares. Figure 4-6 indicates ABAG's most recent Regional Housing Needs Allocation for the City of East Palo Alto for the period from 2023-2031 adopted November 2021. In total, the City of East Palo Alto has been allocated

⁴⁵ City of East Palo Alto, Bay Access Master Plan, 2007, p. 3.

⁴⁶ Comments by Kamal Fallaha, City of East Palo Alto Public Works Director, at EPASD Board Meeting 2022-01-06.

⁴⁷ ABAG, Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area, 2023-2031, November 2021, p. 4.

⁴⁸ City of East Palo Alto, General Plan 2035 Housing Element, 2015, p. 4-1.

829 units, almost double the previous allocation. The role of local governments is to participate in the development of the allocation methodology and to update their Housing Elements to show how they will accommodate their share of the RHNA by the availability of developable sites; consequently, the City’s Housing Element must include an inventory of sites that have been zoned for sufficient capacity to accommodate the jurisdiction’s RHNA allocation for each income category with adequate infrastructure.⁴⁹ The allocations, adopted in November 2021, have not been incorporated into the City’s Housing Element yet. Updated Housing Elements will be due January 31, 2023, to the State HCD.

Figure 4-6: City of East Palo Alto Final RHNA Allocation, 2023-2031

Very Low Income (<50% of Area Median Income)	Low Income (50-80% of Area Median Income)	Moderate Income (80-120% of Area Median Income)	Above Moderate Income (>120% of Area Median Income)	Total
165	95	159	410	829
Source: ABAG, Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area, 2023-2031, November 2021, p. 27.				

Regional planning documents, such as the Plan Bay Area, that affect the City’s growth and development are described in greater detail in Chapter 3 of this report.

Historical Population Trends

The City of East Palo Alto’s population has remained fairly static over the last two decades, fluctuating minimally from year to year between 28,155 and 30,747 residents. Population growth during that time based on California Department of Finance population estimates in combination with Census 2000, 2010 and 2020 data is shown in Figure 4-7. In 2000 and 2001, the City experienced positive growth of 1.83 percent and 2.47 percent respectively. From 2002 to 2009, the City experienced consistent population decline of 8.6 percent during that period. Between 2010 and 2018, the City had positive growth in population from 28,155 to 30,747 or 9.2 percent during the eight-year period. Recently population declined slightly from 2018 to 2020. The Census 2020 estimates a City population of 30,034.

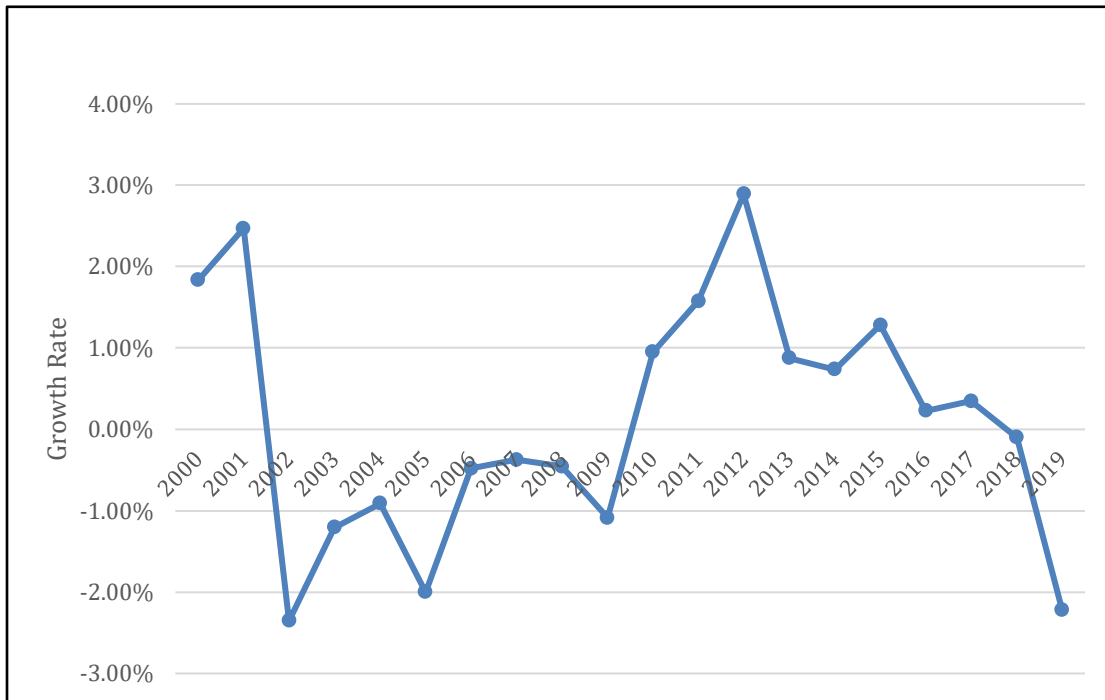
Households in the City of EPA historically are larger compared to households statewide. In 2018, the average household size in the City was 4.01 people compared to 2.95 throughout the State.^{50 51}

⁴⁹ ABAG, Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area, 2023-2031, November 2021, p.6.

⁵⁰ ABAG, Plan Bay Area Projections 2040, November 2018.

⁵¹ United States Census Bureau, Quick Facts 2015-2019, <https://www.census.gov/quickfacts/CA>, accessed December 12, 2021.

Figure 4-7: City of East Palo Alto Historical Population Growth Trends, 2000-2021



Projected Population

Multiple sources project population for the City of East Palo Alto. The most recent projections are the Association of Bay Area Governments (ABAG) projections prepared for the Plan Bay Area.

ABAG is in the process of developing the Plan Bay Area 2050. The Final Blueprint for Plan Bay Area 2050 from January 2021 makes projections by region, indicating that the South San Mateo⁵² area, including the City of East Palo Alto, will experience an increase in population of 32 percent and 29 percent job growth over the period from 2015 to 2050.⁵³ Projections are not yet available at the city level for Plan Bay Area 2050. The most recent city-specific projections are for Plan Bay Area 2040 from November 2018. Over the period from 2020 to 2040, ABAG projects 17.7 percent population growth for the City, which equates to 0.8 percent compound annual growth. Based on the City’s Census 2020 population and ABAG’s projected growth rate, the City is projected to have a population of 35,363 in 2040.

⁵² Atherton, Menlo Park, Redwood City, Woodside, East Palo Alto, Portola Valley, and San Carlos.

⁵³ ABAG, Plan Bay Area 2050: The Final Blueprint, January 2021, p.6.

Figure 4-8: ABAG City of East Palo Alto Population Projections (2020-2040)

2020	2025	2030	2035	2040
30,034	31,286	32,590	33,948	35,363
Source(s): ABAG, Plan Bay Area Projections 2040, November 2018 adjusted with Census 2020 population.				

The City developed its own population projections, based on ABAG and Department of Finance projections, as part of the General Plan and Urban Water Management Plan process in 2015. These projections are consistent in the two documents and anticipate 22 percent population growth or one percent compound annual growth between 2020 and 2040.⁵⁴ Based on the City’s Census 2020 population and the City’s projected growth rate, the City is estimated to have a population of 36,648.

Proposed Developments

Similar to other parts of the State and the country, East Palo Alto’s development activity was slow during and following the housing market collapse, as is clear from Figure 4-9. More recently there has been a moratorium on new connections to water services, impeding development in the City. With the repeal of the moratorium in 2018, development was finally able to proceed.

Figure 4-9: City of East Palo Alto Building Permits, 2000-2020

Permits	Single-Family		2-Family		3 & 4 Family		5 or More Family		Total	
	Bldgs	Units	Bldgs	Units	Bldgs	Units	Bldgs	Units	Bldgs	Units
2020	14	14	0	0	0	0	1	91	15	105
2019	18	18	0	0	0	0	0	0	18	18
2018	18	18	0	0	0	0	0	0	18	18
2017	16	16	0	0	0	0	1	41	17	57
2016	30	30	0	0	0	0	0	0	30	30
2015	22	22	0	0	0	0	0	0	22	22
2014	2	2	0	0	0	0	0	0	2	2
2013	1	1	0	0	0	0	0	0	1	1

⁵⁴ City of East Palo Alto, Urban Water Management Plan, 2015, p. 12.

Permits	Single-Family		2-Family		3 & 4 Family		5 or More Family		Total	
	Bldgs	Units	Bldgs	Units	Bldgs	Units	Bldgs	Units	Bldgs	Units
2012	0	0	0	0	0	0	0	0	0	0
2011	1	1	0	0	0	0	0	0	1	1
2010	2	2	0	0	0	0	0	0	2	2
2009	Unknown		0	0	0	0	0	0		
2008	Unknown		0	0	0	0	0	0		
2007	Unknown		0	0	0	0	0	0		
2006	Unknown		0	0	0	0	0	0		
2005	Unknown		0	0	0	0	1	75	1	75
2004	Unknown		0	0	0	0	1	32	1	32
2003	Unknown		0	0	0	0	0	0		
2002	Unknown		0	0	0	0	0	0		
2001	Unknown		0	0	0	0	1	129	1	129
2000	Unknown		0	0	0	0	1	94	1	94

Source: City of East Palo Alto

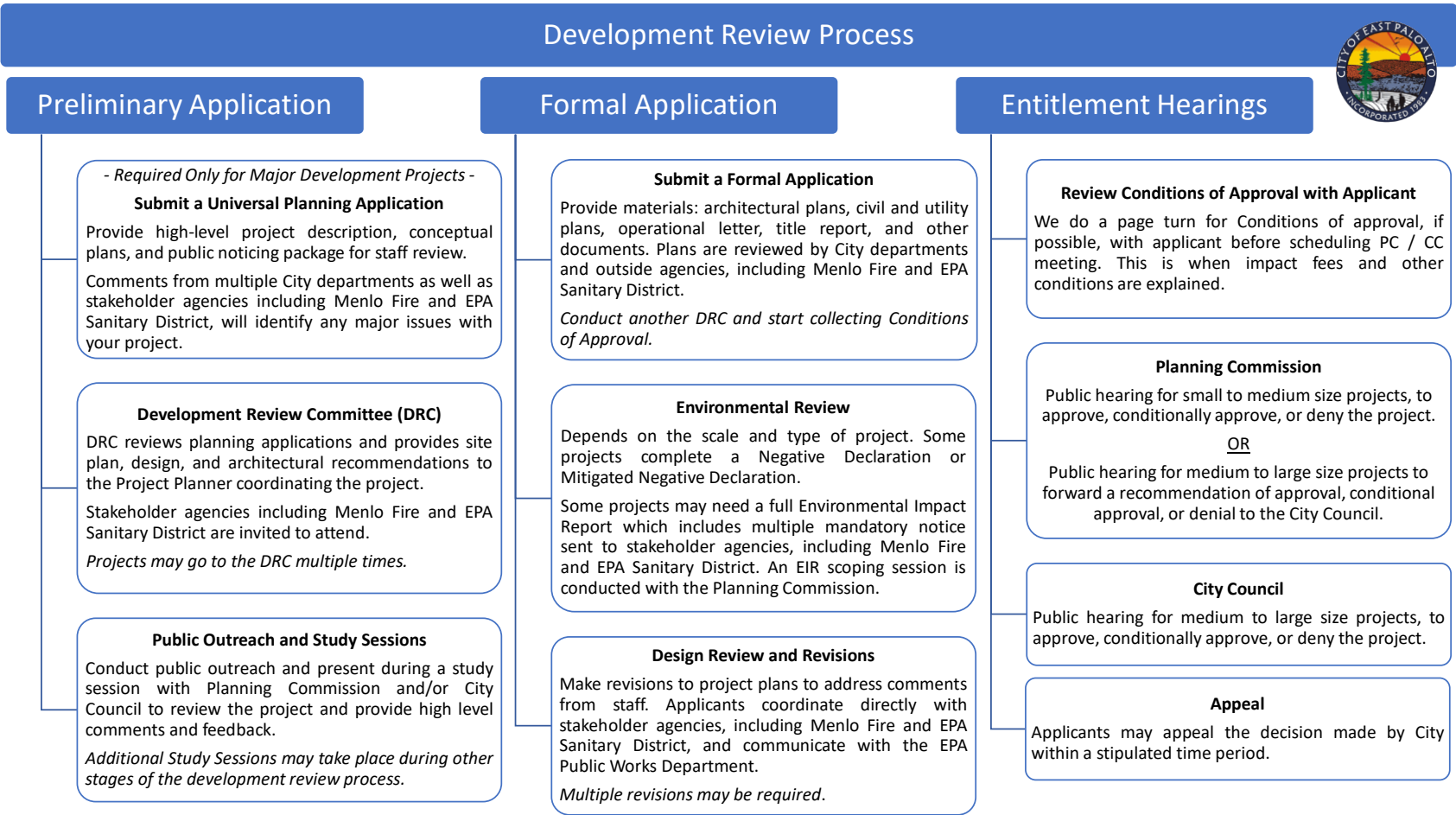
However, impediments to development in the City continue to exist. In particular, East Palo Alto Sanitary District reports that it lacks collection capacity to serve new construction, and necessary capacity enhancements required by the District connecting to the system are exceptionally costly, deterring potential developers and preventing some approved developments from being completed. Developers have indicated concerns that the costs to connect are prohibitively expensive and that EPASD has been unwilling to discuss financing options to make connection more feasible.⁵⁵ In an effort to address this issue, the City of EPA and EPASD formed an intergovernmental committee that met regularly; however, a solution was not identified, and the meetings were put on hold after the September 2020 meeting as the members were at an impasse and further meetings were not perceived

⁵⁵ Developer narratives provided to LAFCo, Aug. 26, 2021, and resubmitted as comments on the Draft MSR.

as productive. Consequently, although the two agencies continue to meet at a staff level, the City, the District, and developers have not been able to develop a financing plan satisfactory to all parties, and development continues to be constrained. It is recommended that the intergovernmental committee continue meetings in an effort to steward greater communication and collaborative solutions to this challenge.

The City’s development review process is shown in Figure 4-10. Affected agencies, including East Palo Alto SD and Menlo Fire Protection District, are included from the beginning of the application process during preliminary application, when stakeholder agencies are invited to comment and “identify any major issues with the development.” Stakeholder agencies are also invited to comment on proposed developments during meetings of the Development Review Committee, throughout the formal application review, environmental review, and design review process.

Figure 4-10: City of East Palo Alto Development Review Process



The City has historically struggled with blighted conditions and has actively sought redevelopment, in particular on the property where the former Romic Waste Management Facility was located in the Ravenswood/4 Corners TOD Specific Plan area. There are substantial benefits of growth and redevelopment to the City, community, and its residents, including social and economic revitalization and environmental and sustainability benefits. Examples of benefits include:⁵⁶

- Job retention and creation,
- Enhanced revenues for the City via tax base expansion,
- Efficient use and improvement of existing infrastructure,
- Removal of blight,
- Transformation of vacant brownfield properties,
- Increase in property values,
- Greater availability of housing, which facilitates the City in meeting its affordable housing allocation,
- Compact urban development preventing urban sprawl,
- Promotion of walkable communities reducing energy consumption and emissions,
- Provision of urban green space, and
- Improvements to water quality and reduced runoff.

Preventing development and growth from occurring is depriving the City and its residents of these benefits.

Given that the City of East Palo Alto is empowered as the sole land use authority for the territory within the city limits, it appears de facto that EPASD is overstepping its approved powers by not actively addressing the capacity issues that are impeding proposed and approved development within the City.

⁵⁶ LA Sanitation and Environment, https://www.lacitysan.org/san/faces/home/portal/s-lsh-es/s-lsh-es-si/s-lsh-es-si-b/s-lsh-es-si-b-bf101/s-lsh-es-si-b-bf101-brd?_adf.ctrl-state=c1w3ueift_5&_afLoop=13363420721791269 website accessed on 12/27/21.

The Sanitary District Act (California Health and Safety Code §6400 - 6982) does not grant sanitary districts the power to make land use decisions. Other utility service providers around the State typically have expressed their viewed role being to accommodate and support development demands planned for by the designated land use authority. For example, Napa Sanitation District expressed that it recognizes it is not a land use authority and strives to plan appropriately to meet the development planning of the City of Napa, which its service area overlaps.⁵⁷ This deference and support of the land use authority are appropriately not to the detriment of existing sanitation district constituents nor funded by current sanitation customers.

Financing options to accommodate new development connections and capacity enhancements are discussed in the EPASD Capital Improvement Funding and Financing section of EPASD’s chapter in this report.

The City has several planned and proposed developments that are in various stages of the permitting process. As of December 2021, the City had 20 unconstructed development projects in some phase of the application and construction process consisting of 1,469 dwelling units and 4,635,139 square feet of nonresidential building space. Details of each project and their location are shown in Figure 4-11. A majority of the larger developments are located in the Ravenswood/4 Corners TOD Specific Plan area. There are several mixed-use proposals, the largest of which are Four Corners, the Landing, and East Palo Alto Waterfront. Additionally, the City has approved a large multi-family residential development at 965 Weeks Street.

Four Corners is a mixed-use development located at the intersection of University and Bay Streets. proposes a mixed-use “downtown” on a long-vacant site in the heart of East Palo Alto. The proposal includes up to 40,000 square feet of retail, restaurants, and community space, 180 units of mixed-income housing, and 500,000 square feet of life science/laboratory space. The development also includes a community building with the potential to be a new EPA library.

The Landing is proposed to be located at 1990 Bay Road, 1175 Weeks Road, and 1250 Weeks Road. The parcels proposed for development are presently vacant with an abandoned building. The project proposes a mixed-use design of 922,000 square feet of office space, R&D, civic, and retail space. Additionally, the project proposes 90 multi-family dwelling units. The project is in the pre-application process.

The East Palo Alto Waterfront is a mixed-use development in the Ravenswood Business District. the applicant intends to develop with a focus on wetland restoration, jobs, and residential uses. The

⁵⁷ Napa Sanitation District, staff interview 4/2/2019.

proposal includes plans for 260 dwelling units and 1,390,000 square feet of office, R&D, and community building space. The site area is 52 acres, of which the plan proposes building on 16 acres and the remainder is proposed to be open space with recreational, street scape and wetland uses. The project is in the pre-application process.

965 Weeks Street is a city-owned property that is approved for development of 136 units of multi-family housing for low-income households with unit sizes ranging from studios to four-bedrooms. The project was approved in August 2019; however, the project is still awaiting approval from EPASD to connect to the wastewater system.

These proposed developments do not include intensification of uses on properties with existing dwelling units. Specifically, a number of accessory dwelling units (ADUs) are being added to properties throughout the City, typically to properties with single family dwelling units. According to newly approved State legislation (SB 9), permits for ADUs are required to be considered only ministerially by the land use authority, without discretionary review or hearing. Generally, the legislation streamlines and simplifies the process by which to get a permit for an ADU.⁵⁸ Plans for about 12 ADUs are presently stalled as they have been unable to get approval for connection to EPASD's system. Additionally, the number of ADU proposals have increased since the legislative changes. Accordingly, 33 zoning clearances were granted in 2021 for proposed ADUs within the City, and 25 ADUs were issued building permits for construction in 2021. It is likely that future years will also result in a similar number of applications.

⁵⁸ California Senate Bill No. 9, approved by the Governor September 16, 2021.

Figure 4-11: Planned and Proposed Projects, December 2021

Name of Development	Developer	Project Type	Dwelling Units	Nonresidential Square Feet	Location	Status
2020 Bay Road	Three Cities Research	Mixed use	0	1,343,200	2020 Bay Road	Design Review
Four Corners	Sand Hill	Mixed use	180	540,000	1675 Bay Road	Full App/Review
The Landing	Harvest Props	Mixed use	90	922,025	1990 Bay Road	Pre-App
EPA Waterfront	Emerson Collective	Mixed use	260	1,390,000	2555 Pulgas Ave	Pre-App
965 Weeks Street	Mid Pen Housing / EPA Can Do.	Multi-family Residential	136		965 Weeks Street	Approved
1201 Runnymede St	Village One, LLC	Multi-family Residential	37		1201 Runnymede St	Full App
1804 Bay Road	EPA Bay LLC.	Mixed use	66	1,320	1804 Bay Road	Pre-App
Job Train Office	Emerson Collective	Office building	0	50,000	2535 Pulgas Ave	Pre-App
1062 Runnymede St.	Kent Yu	Single Family Residential	4 with 4 attached ADUs		1062 Runnymede St.	Under review
120-124 Maple Lane Townhomes	Bhartia Saurabh Trust	Multi-family Residential	4		120-124 Maple Lane	Under review

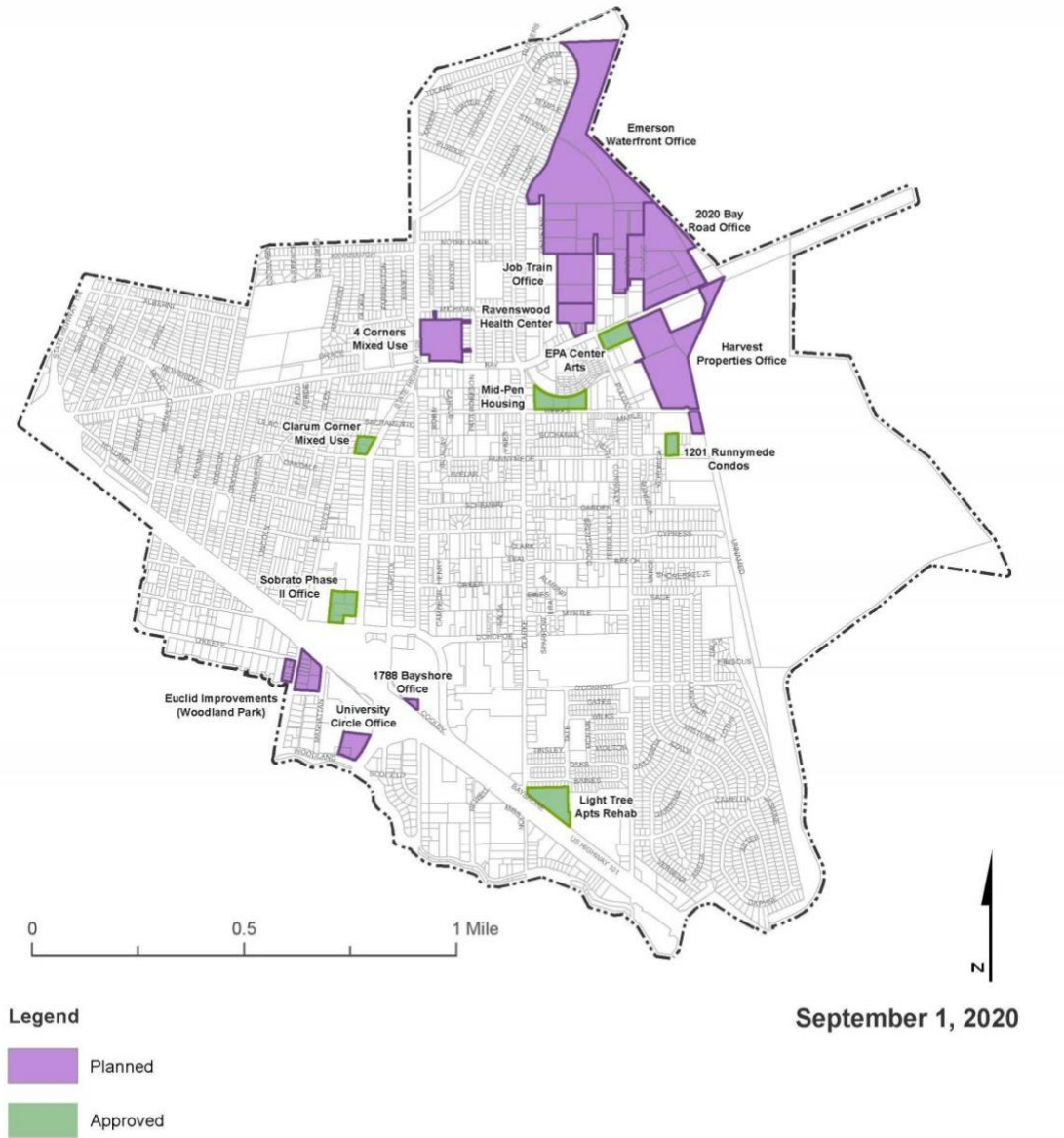
Name of Development	Developer	Project Type	Dwelling Units	Nonresidential Square Feet	Location	Status
2340 Cooley Avenue	Jim Goring	Multi-family Residential	7		2340 Cooley Avenue	Under review
547 Runnymede condominiums	Susan Chen / Yanhua Zhu	Multi-family Residential	8		547 Runnymede	Under review
717 Donohoe Street	8M Property-4, LLC	Multi-family Residential	14		717 Donohoe Street	Under review
807 E Bayshore Ave. Residential development	Reid Lerner Architects / Alvin L. Silver	Multi-family Residential	6		807 E Bayshore Ave.	Under review
990 Garden Street	Garden Place LLC. / Abha Nehru / Tony Carrasco	Single Family Residential	7 with ADUs		990 Garden Street	Under review
Clarum University Corner	Clarum University Corner, LLC.	Mixed use	33	47,594	2331 University Ave.	Approved and Inactive
KIPP Esperanza School	KIPP School	Conditional use permit / Education	0		1039 Garden Street	Approved
Majd Residence	Javad Majd / Guillermo Prado Jr	Multi-family Residential	2		919 Runnymede St.	Approved

Name of Development	Developer	Project Type	Dwelling Units	Nonresidential Square Feet	Location	Status
Weeks Street Townhomes	760 Weeks Street	Multi-family Residential	10		760 Weeks Street	Approved
Woodland Park Euclid Improvements	Sand Hill Properties/Woodland Park Communities	Multi-family Res. GP Amend., Zoning Amendment and Design Review	605		2001 Manhattan Avenue	Under review
University Circle Phase II	Seven Bridges Properties on behalf of Columbia Realty Trust	Office building	0	180,000	1950-2050 University Avenue	Approved
University Square	The Sobrato Company	Office building	0	211,000	2111 University Avenue	Approved
Total			1,469	4,635,139		

Sources: City of East Palo Alto,
https://www.cityofepa.org/projects?term_node_tid_depth=All&field_project_status_value=All&field_project_type_tid=37&keys=
 accessed on December 12, 2021.

Figure 4-12: City of East Palo Alto Map of Planned and Proposed Projects

Major Development Projects in East Palo Alto



Source: 2015 General Plan, 2010 U.S. Census, San Mateo County GIS Enterprise Database and Santa Clara County, 2012.

FINANCIAL ADEQUACY

The City of East Palo Alto is in good financial position; a State Auditor’s review of fiscal risk rated the city highly in all categories except pension obligations and revenues.⁵⁹ As noted in the City budget documents and described below, the City is experiencing structural budget deficits; although the City has sufficient reserves, they will be depleted if cost growth continues to outpace revenues. The City’s ability to increase tax revenues is limited given that “East Palo Alto has a relatively low commercial base.”⁶⁰ Major anticipated projects can take several years before they generate needed revenue “to further stabilize current services, and to address any priority Council may want to prioritize, i.e., affordable housing, better parks, better roads, better services for seniors, etc.”⁶¹

Specifically, the planned development projects noted in the FY18-19 budget that have received City approvals continue to be delayed due to their inability to receive “will serve” letters from EPASD. At a January 2021 Council workshop, the Council discussed a priority to “identify ways to address Sanitary District capacity issues that impact City’s development”⁶² however no direction was reached on a related goal or action item.

Accounting and Financial Policies

The City’s codes establish financial controls.⁶³ A reserve policy was adopted at its meeting September 2021 (see “Reserves” below).

Budgets and Financial Reports

The City prepares a Comprehensive Annual Financial Report (CAFR) and completed its FY19-20 CAFR within 6 months after the end of the fiscal year. The CAFR provides detailed historical statistical information in addition to other supplementary materials.

The City of East Palo Alto prepares a budget that thoroughly documents, summarizes and details budget estimates and compares to prior years’ actual results. The budget provides an informative narrative

⁵⁹ Auditor of the State of California, Fiscal Health of California Cities, https://www.auditor.ca.gov/local_high_risk/dashboard-csa

⁶⁰ City of EPA Adopted Budget 2018-2019, pg. CM-2.

⁶¹ City of EPA Adopted Budget 2018-2019, pg. CM-2.

⁶² Summary of the Results of the City Council’s 2021-2022 Priority Setting Retreat (held Jan. 23, 2021), Feb. 2021, Management Partners, pg. 2.

⁶³ https://library.municode.com/ca/east_palo_alto/codes/code_of_ordinances?nodeId=TIT3REFI_CH3.16FICO

explaining changes, future risks, and actions to address fiscal challenges. The budget does not include a long-term budget forecast as recommended by a recent Grand Jury report,⁶⁴ however, one is being prepared (see below).

In 2021 City staff recommended the preparation of a revised General Fund Forecast (updated for COVID recovery projection, lower CalPERS discount rate and other cost pressures) and determine the potential “deficit” gap over a seven-year to ten-year period.⁶⁵

Balanced Budget

The City of East Palo Alto’s FY21-22 adopted General Fund budget shows an annual projected deficit of approximately \$480,000.⁶⁶ The prior year also projected a deficit after several years of annual surpluses. Declines in property tax revenue and licenses, fees, and permits were not offset by State and Federal relief funds. From FY2018-19 through FY2021-22 General Fund revenues grew an average of approximately 0.5 percent annually compared to expenditure growth of 3.1 percent. While the City currently has healthy fund balances and reserves, continuing shortfalls will reduce available funds over time.

The City’s current budget indicate significant concern about its structural budget imbalance; the addition of new staff diverges from the City’s desired “fiscal resiliency framework” by increasing the City’s long-term costs offset temporarily by COVID relief funds.

The City establishes water rates sufficient to fully fund water operations.

General Fund Revenues

The City of East Palo Alto’s General Fund revenues jumped in FY18-19 due to increases in voter-approved sales taxes and growth in property tax. The City receives approximately 34 percent of every tax dollar paid within its boundary.

However, recent COVID-related revenue declines and constraints on new development have contributed to a slowing and decline in total General Fund revenues, including declines in “Licenses, Fees and Permits” due to office closures and delays in construction due to COVID.⁶⁷ Some revenues, including

⁶⁴ Soaring City Pension Costs – Time for Hard Choices, 2017-18 San Mateo County Civil Grand Jury.

⁶⁵ City of EPA Staff Report to Council re: Reserve Management Policy, Sept. 21, 2021, Packet pg. 53.

⁶⁶ City of EPA Adopted Budget 2021-2022, pg. CM-2, FS-3.

⁶⁷ Correspondence from Tomohito Oku, City of EPA Finance Director, 2021-12-09.

business licenses, are showing a slight rebound as re-openings occur⁶⁸. From FY2018-19 through FY2021-22 adopted budget General Fund revenues grew an average of approximately 0.5 percent annually, a “low” rate of growth⁶⁹ and less than a long-term 3.0 percent inflation benchmark.

City voters have supported a number of additional revenues and taxes to improve City services and infrastructure. East Palo Alto’s residents approved Measure HH in November 2018, which is projected to provide the City with approximately \$1.67 million of additional revenues to help pay for housing and job training.⁷⁰ In November 2016, residents of East Palo Alto also approved Measures O and P.⁷¹ Measure O increased the City’s business license tax for landlords with five or more residential units and was expected to increase City revenues by approximately \$0.6M annually.⁷² Measure P increased the City’s sales tax by a half-cent and was expected to increase City revenues by approximately \$1.8M annually.⁷³

Other sales tax measures dedicated to road-related improvements (Measure A, Measure W) are deposited to separate funds.

In June 2021 the City Council’s Finance Committee considered workplan measures to pursue local ballot measures for November 2022 to increase revenues, including a possible business tax, utility users tax, increase in hotel tax to support housing, and other potential revenues.⁷⁴ The City of East Palo Alto will vote on a measure amending Chapter 3.68 of the East Palo Alto Municipal Code, to increase the Transient Occupancy Tax (TOT) rate from 12% to 14% by 2023.

⁶⁸ T. Oku, 2021-12-09.

⁶⁹ “Low” level indicated by growth above zero but less than long-term inflation rate (assumed 3 percent); see <https://www.micropolicypress.com/revenue-indicators---overview/>

⁷⁰ The Stanford Daily, East Palo Alto Passes Measure to Tax Large Companies. Ballotpedia, Local Ballot Measures, East Palo Alto, California, Measure HH, Commercial Office Space Parcel Tax.

⁷¹ Ballotpedia, Local Ballot Measures, East Palo Alto, California, Measure O, Landlord Tax (November 2016). Ballotpedia, Local Ballot Measures, East Palo Alto, California, Measure P, Sales Tax (November 2016).

⁷² East Palo Alto, Staff Report for July 19, 2016, City Council Meeting re: increasing business license tax, p. 3. East Palo Alto, Staff Report for February 19, 2019, City Council Meeting, p.4.

⁷³ East Palo Alto, Staff Report for July 19, 2016, p. 4. East Palo Alto, Staff Report for February 19, 2019, City Council Meeting, p. 4.

⁷⁴ Finance Committee Staff Report, meeting date 6/15/2021.

General Fund Expenditures

The City of EPA’s adopted budget General Fund expenditures grew at a “moderate” rate of growth⁷⁵ of approximately 3.1 percent annually from FY2018-19 through FY2021-22, slightly exceeding a long-term 3.0 percent inflation benchmark and growing faster than 0.5 percent average revenue growth. Increasing staff levels “support strategic and community demands” but the funding commitment “diverges significantly from the City’s desired fiscal resiliency framework.”⁷⁶

Reserves

The City Council adopted a reserve policy at its meeting September 2021; the policy establishes a Contingency Reserve target level of thirty percent of adopted General Fund expenditures⁷⁷ based on risk analysis conducted by the GFOA for the City.⁷⁸ The intent of the reserve policy is to (1) promote improved long-term strategic decisions; (2) clarify and institutionalize good financial practices; and (3) manage risks to the City’s financial condition.

The City’s FY21-22 General Fund ending balance is projected to total \$19.125 million⁷⁹ or about 65 percent of General Fund expenditures, a “high” level⁸⁰. The City’s recently adopted reserve policy allocated a minimum of 30 percent of expenditures (approximately \$9 million), a “moderate” level, to operating and emergency reserves. The remaining fund balance is available for services, infrastructure, and other uses.

The City’s balances total a projected \$60.8 million at the end of FY21-22 including \$11.9 million in its enterprise funds.⁸¹ The total reserves are net of a \$15.8 million negative balance in the Successor Trust Fund; the negative balance includes \$8.3 million of loans repayable to the City’s General Fund.

⁷⁵ “Moderate” level indicated by growth at or slightly above long-term inflation rate (assumed 3 percent); see <https://www.micropolicypress.com/expenditure-indicators-overview/>

⁷⁶ City of EPA Adopted Budget 2021-2022, pg. CM-2.

⁷⁷ Resolution adopted Sept. 21, 2021.

⁷⁸ A Risk based Analysis and Stress-test of General Fund Reserve Requirements for the City of East Palo Alto, September 29, 2020, GFOA.

⁷⁹ City of EPA Adopted Budget 2021-2022, pg. FS-3.

⁸⁰ “Moderate” level indicated by 17%-40% reserves and a “high” level exceeds 40%; see <https://www.micropolicypress.com/reserve-indicators-overview/>

⁸¹ City of EPA Adopted Budget 2021-2022, pg. FS-3.

The City of East Palo Alto General Fund’s unrestricted net position of \$34.2 million is an indicator of a strong financial position.⁸² A 2020 report ranked the city in the top ten percent of all cities statewide based its substantial net position per resident.⁸³

Pension and Other Post-Employment Benefits (OPEB) Liabilities

As of June 30, 2020, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$11,507,754.⁸⁴ According to a 2021 actuarial report⁸⁵ the Plan was 74.9 percent funded at the start of FY19-20, which can be considered “moderately” funded.⁸⁶ The City does not provide Other Post-Employment Benefits (OPEB).

The City is investigating options to manage its pension liabilities; in establishing a reserve policy, City staff recommended that the Council “determine a CalPERS pre-funding strategy to reduce long-term retirement costs”⁸⁷ and commissioned the 2021 actuarial report to identify options.

As noted previously (see “Balanced Budget”), City staff recommended to Council that the City’s long-term budget forecast be updated to include pension liability estimates. This forecast will comply with Grand Jury recommendations for inclusion of pension liability estimates in long-term budget forecasts that should be integral to each annual budget.⁸⁸

Leases and Long-Term Debt

The City has no long-term debt, other than a Community Development Block Grant (CDBG) Program assistance loan in the amount of \$700,000 for the Gloria Way Well Rehabilitation project which is forgivable annually if it continues to meet certain conditions including the continued use for its original purpose. The City has entered into a number of long-term operating leases for four major building facility sites including two police facilities, the maintenance corporation yard, and City Hall offices.⁸⁹

⁸² 2020 City of EPA CAFR, Balance Sheet, pg. 30; excludes “unspendable” and “restricted” net position.

⁸³ California Sen. John M. W. Moorlach’s 2019 Financial Soundness Rankings for California’s 482 Cities, Edition: January 16, 2020

⁸⁴ 2020 Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2020, East Palo Alto, CA, pg. 70.

⁸⁵ CalPERS Actuarial Issues – 6/30/19 Valuation Final Results, March 17, 2021, Bartel Associates, pg. 50.

⁸⁶ “Moderate” level indicated by 71-80% funded; see <https://www.micropolicypress.com/pension-indicators-overview/>

⁸⁷ City of EPA Staff Report to Council re: Reserve Management Policy, Sept. 21, 2021, Packet pg. 54.

⁸⁸ Soaring City Pension Costs – Follow-up on Grand Jury Report of 2017-2018.

⁸⁹ 2020 City of EPA CAFR, Note 6-7, pg. 65-66.

As described in the City’s financial reports “historically, the City has engaged in limited debt-financing activity due to reliance on outside grant and former redevelopment funding for major infrastructure improvements. This is due to several factors, including that the City owns minimal property assets that are easily debt leveraged, and has not engaged in ad valorem or assessment district funding or other parcel tax-related capital funding since Redevelopment dissolution.”⁹⁰

The City is in the process of completing analysis of potential State Revolving Fund (SRF) and other low-interest loans for improvements to its water system (EPA was awarded Economic Development EDA funding⁹¹ in FY20-21); the City noted the potential to work with EPASD to apply for low-interest infrastructure loans with required minimum loan amounts that EPASD would otherwise have difficulty meeting.⁹² Successfully applying for grants and large loans depends, in part, on a well-justified use of funds and an analytically supported and documented capital improvement program. East Palo Alto’s status as a Disadvantaged Community improves the community’s competitive prospects for grants and low-interest loans; partnerships with affordable housing providers further enhance opportunities.

Debt Service Documentation

The City’s CAFRs clearly describe and provide background on its past debt practices, and documents its CDBG grant, its long-term leases and required payments.⁹³

Infrastructure and Facility Assets

The City of East Palo Alto’s FY19-20 financial report shows a value of depreciable assets (excluding land) totaling \$93.4 million. After deducting depreciation, which represents the portion of initial value “used up” over the assets’ lifespan the remaining depreciation value equals a net value of \$48.4 million, or slightly more than half the total initial value.⁹⁴ This net value as a percent of total is in the range of “moderate”⁹⁵ which is an increase compared to 44 percent the prior year due to the addition of nearly \$14 million of road assets in FY19-20.

⁹⁰ 2020 City of EPA CAFR, pg. 16.

⁹¹ For example, see <https://www.eda.gov/funding-opportunities/>

⁹² Interview with the City of EPA, 2021-12-09.

⁹³ 2020 City of EPA CAFR, Note 6-7, pg. 65-66.

⁹⁴ 2020 City of EPA CAFR, Note 5, pg. 63.

⁹⁵ “Moderate” level indicated by 40-70% of depreciable value; see <https://www.micropolicypress.com/infrastructure-and-facility-assets-indicators-overview/>

Capital Improvement Program (CIP)

The City prepares and annually updates its ten-year CIP. The document includes detailed costs, timing and funding, and shows unfunded projects.⁹⁶ The City of EPA’s unfunded infrastructure in its CIP totals nearly \$320 million.⁹⁷ To address this problem, the City is preparing an “order of criticality” prioritization of improvements.⁹⁸

Development Impact Fees (DIF)

The City prepares an annual report documenting its development impact fees (DIF) and assuring compliance with AB1600.⁹⁹ The DIF are charged to new development to pay for needed infrastructure and public facilities including affordable housing, parks and trails, public facilities (public safety, community buildings, city hall, etc.), transportation infrastructure and storm drainage.

The City requests that new development projects construct required infrastructure; the City provides credits against fee requirements and time-limited reimbursements from other benefitting development where applicable.¹⁰⁰

Water Capacity Fees

The purpose of the City water capacity fee is to recover the costs of water system infrastructure and water supply to ensure that future development does not place a burden on existing customers, and to provide new or increased water system infrastructure capacity due to new or intensified development. In addition to a buy-in to the existing system and increased capacity, a water supply component is charged separately for the purchase of additional supply for new development.¹⁰¹

⁹⁶ City of East Palo Alto Ten-Year Capital Improvement Program Update, FY2020-21 Capital Budget.

⁹⁷ City of EPA FY2020-21 CIP, pg. 29.

⁹⁸ City of EPA Staff Report to Council re: Reserve Management Policy, Sept. 21, 2021, Packet pg. 54

⁹⁹ City of EPA, Development Impact Fee Report, Fiscal Year Ended June 30, 2020.

¹⁰⁰ Interview with the City of EPA, 2021-12-09.

¹⁰¹ City of EPA, DIF Report 2020, pg. 5.

FIRE AND EMS SERVICES

Service Overview

Fire protection and emergency services are provided to the City of East Palo Alto by the Menlo Park Fire Protection District (MPFPD). An MSR was last completed on MPFPD in 2007. Refer to the full MSR for further detail on the District.¹⁰²

MPFPD was originally established in 1915 but was reorganized in 1951.¹⁰³ It is governed by an elected five-member board of directors who serve four-year terms.¹⁰⁴ The District is located in the southern most portion of San Mateo County to aid communities across 33 square miles including Menlo Park, East Palo Alto, Atherton, and other unincorporated areas of the county.¹⁰⁵ The approximate population of the District at this time is 90,000.¹⁰⁶

MPFPD is responsible for delivering the following services: fire prevention, fire inspection, fire investigation, firefighting, hazardous materials response, search and rescue, and paramedic services. It also partakes in public outreach and education for the advancement of fire safety. The District operates out of seven strategically placed stations, with Station 2 providing services to the City of East Palo Alto. Station 2 completed seismic upgrades in 1996 and completed reconstruction in 2016. This station is considered an essential service building, which indicates it is capable of withstanding and operating throughout any type of major emergency.¹⁰⁷

Each station houses at least one heavy fire engine and is staffed continuously by a minimum of three personnel: a Captain and two firefighters. Of these three crew members, one will always be a licensed paramedic. Engine 2 is reported to be the busiest engine company in San Mateo County.¹⁰⁸ Station 2 also

¹⁰² Sant Mateo LAFCo, Menlo Park and Woodside Fire Protection Districts Municipal Service Review, adopted August 8, 2007, <https://lafco.smcgov.org/documents/menlo-park-and-woodside-fire-protection-districts-8-8-2007>.

¹⁰³ San Mateo LAFCo website <https://lafco.smcgov.org/menlo-park-fire-protection-district> accessed 12/23/21

¹⁰⁴ Menlo Park Fire Protection District website <https://www.menlofire.org/board-of-directors> accessed 12/23/21

¹⁰⁵ City of East Palo Alto, General Plan 2035, adopted 10/4/16, p. 10-9.

¹⁰⁶ Menlo Park Fire Protection District website <https://www.menlofire.org/district-history> accessed 12/23/21.

¹⁰⁷ City of East Palo Alto, General Plan 2035, adopted 10/4/16, p. 10-9.

¹⁰⁸ Menlo Park Fire Protection District, Community Risk Assessment: Standards of Cover, p.66.

houses a Pierce combination pumper. This equipment was designed by the District’s Apparatus Team and purchased in 2001 making it one of the newest within MPFPD.¹⁰⁹

Structural fires pose the greatest fire-related risk for the City, according to City’s General Plan, due to the prevalence of high-occupancy and industrial structures in the area. The City is not recognized as a high fire severity zone. Most wildfires occur outside of city limits and the risk is also minimized, in part, by the City’s long-standing weed abatement program.¹¹⁰

Service Area

MPFPD is in the metropolitan Bay Area, located on the peninsula in the southernmost part of San Mateo County. The District serves the City of East Palo Alto to the east, Menlo Park to the south, and Atherton to the west, as well as some unincorporated areas of San Mateo County. The service area is thirty-three square miles and is mostly considered a bedroom community, but it does have industrial areas on its eastern border.^{111 112} The City of East Palo Alto is the most densely populated section of the District and has required the most emergency response efforts.¹¹³

Planning

A number of planning documents are used by the City and MPFPD to be able to best serve the community. These documents include the City’s General Plan and its Environmental Impact Report, the Hazard Mitigation Plan, the 2016-2026 Development Plan, and a standards of coverage assessment.

In alignment with the goals set forth throughout these documents, the City is committed to meeting the needs of its residents in the following ways:¹¹⁴

1. Supporting MPFPD in maintaining adequate response times.
2. Implementing fuel reduction and weed abatement in high-risk areas.

¹⁰⁹ Menlo Park Fire Protection District website <https://www.menlofire.org/maps/location/Station2> accessed 12/23/21

¹¹⁰ City of East Palo Alto, General Plan 2035, adopted 10/4/16, p. 10-9

¹¹¹ Menlo Park Fire Protection District website <https://www.menlofire.org/about-the-fire-district>, accessed 12/23/21

¹¹² City of East Palo Alto, General Plan 2035, adopted 10/4/16, p. 10-9

¹¹³ Menlo Park Fire Protection District, Community Risk Assessment: Standards of Cover, p.27

¹¹⁴ City of East Palo Alto, General Plan 2035, adopted 10/4/16, p. 10-17

3. Placing essential services and facilities in areas more at risk of wildfire.
4. Supporting MPFPD’s participation in the Fire Safe San Mateo County Program.
5. Encouraging property owners near hazardous areas to implement and maintain buffer zones from the most at risk areas.
6. Coordinating with the MPFPD to examine an impact fee on new developments to ensure the provision of services despite any demand increases.

Demand

Service demand for fire protection and emergency medical services is measured by a number of markers. Annual reports tracking demand for services are submitted each year to the National Fire Incident Reporting System (NFIRS).

MPFPD’s emergency call dispatch is provided by the San Mateo County Public Safety Communications (PCS) Center, which is a countywide fire dispatch center. PCS is the primary public safety answering point (PSAP) within the City and District. Approximately 9,000 calls per year are reported by the District to the NIFRS through the dispatch center.¹¹⁵

The District’s workload has increased 17.9 percent between 2008 and 2018. Emergency medical responses accounted for the majority of incidents, represented by 65.3 percent of calls. Public assistance incidents were secondary, constituting 10.94 percent of call volume. Additionally, it should be noted that the utilization rate of the District’s services increased two percent over the same ten-year time period. As was previously mentioned, Engine 2 in EPA is consistently the busiest engine in the County. With performance being measured at the 90th percentile, it is stated that a response unit that has a 10 percent or higher utilization will not have the capability to meet its target of on-time response 90 percent of the time. Based on the 2018 report in the District’s Standards of Cover assessment, Engine 2 is on the cusp of breaching a 10 percent utilization rate.¹¹⁶

Workload can also be measured in relation to the number of reported incidents in several ways. It can be assessed by examining how many incidents occur during a particular time frame, how many times one or more response units are committed to incidents occurring during the same time period, the reliability rate which indicates the capability of a first-due unit to respond to an incident within its

¹¹⁵ Menlo Park Fire Protection District CAFR, 6/30/2020, p. xiii

¹¹⁶ Menlo Park Fire Protection District Community Risk Assessment: Standards of Cover, p. 1, 59, 66, 67

corresponding response area, and unit-hour utilization (UHU), or the amount of time a unit is not available because it is already committed to an incident.

Between FY16 and FY18, Engine 2 responded to roughly one thousand more incidents compared to any other station within the District. Similarly, Engine 2's UHU was nearly twice that of any other MPFPD unit. Still, the FY 18 percentage represented an improvement compared to FY 16 by nearly two percent and one percent compared to FY17. Incident concurrency and unit concurrency remained steady between FY17 and FY18, the majority of incidents having one concurrent unit response.¹¹⁷

There is potential for wildfires throughout the MPFPD. The majority of the District is considered at moderate risk, however, areas directly to the north and east of the City of East Palo Alto, which are adjacent to the bay, are at little to no risk of wildfire. There are mutual aid agreements in place for both the State and County to provide additional resources in the event of a wildland fire, yet the greatest demand for fire risk would come from structural fires within the urban area of the City.¹¹⁸

Staffing

Maintaining a consistent level of staff is essential in providing fire and emergency services, particularly because stations must be staffed by a minimum of three firefighters 24 hours each day. In FY 19-20, EPA listed 146 full-time equivalent employees. Of these employees, 103 provide fire services directly. There are also 43 Chief Officers and other staff throughout the District to provide administrative and financial services, maintenance of the District's vehicle fleet, and emergency preparedness duties. Command staff includes one Fire Chief, one Deputy Chief, four Division Chiefs, one Fire Marshal, and three Battalion Chiefs who also assist with training. Fire Station 2 specifically has a deployment of one engine with three personnel, as well as a truck with four personnel.¹¹⁹

The District ensures that staff has the resources needed to maintain a high-level of service through a succession planning program. Promotional tests and academies take place yearly to advance high performing firefighters while recruiting new firefighters to fill vacancies.¹²⁰

Facilities and Capacity

EPA's Fire Station 2 completed construction in 2016 and is rated in excellent condition. It is one of two stations in the District equipped with an earthquake warning system and is able to meet capacity needs

¹¹⁷ Menlo Park Fire Protection District Community Risk Assessment: Standards of Cover, p. 93, 94.

¹¹⁸ Menlo Park Fire Protection District Community Risk Assessment: Standards of Cover, p. 34.

¹¹⁹ Menlo Park Fire Protection District CAFR, 6/30/2020.

¹²⁰ Menlo Park Fire Protection District CAFR, 6/30/2020, p. xii.

for the foreseeable future. The station has three drive-through bays and is equipped with a workout room, training and meeting rooms, and is ADA compliant with a variety of safety security systems in place.¹²¹

The District’s success relies on dependable, functioning equipment. In preparation for future needs, MPFPD has an Apparatus and Equipment Replacement Plan in place to guarantee the availability of funds for replacing apparatus and equipment. Currently, MPFPD utilizes ten response apparatus in addition to reserve apparatus. As of 2018, Station 2 maintained an engine and a truck for its service region, and both were listed in excellent condition. Station 2 also houses a USAR 102 and a Tiller Ladder. In January of 2019, however, the District added a second truck at Station 2 to better meet demand.¹²²

Infrastructure Needs

In evaluating the efficiency and effectiveness of present operations for future growth, the most pressing need is to address the increasing congestion in relation to the City’s growing population.¹²³ There are currently traffic calming measures in use, such as speed bumps and hard medians, that are a detriment to rapid response travel times. It will be increasingly important to address matters of congestion to continue to meet service goals.¹²⁴

Going forward, another consideration will be to ensure funding remains adequate for fleet maintenance and apparatus needs since such large item purchases were suspended in FY 20 due to the Covid-19 pandemic.¹²⁵

Challenges

EPA reports the paramount obstacle facing the District is continual, increasing traffic throughout the City due to ongoing growth. Congestion along University Avenue and other major routes is a challenge, making it particularly difficult to access Belle Haven and the east side of EPA. Emergency responders must often drive against the flow of traffic.¹²⁶

¹²¹ Menlo Park Fire Protection District Community Risk Assessment: Standards of Cover, p. 122.

¹²² Menlo Park Fire Protection District Community Risk Assessment: Standards of Cover, p. 1, 66, 122.

¹²³ City of East Palo Alto, General Plan 2035, adopted 10/4/16, p. 10-9.

¹²⁴ Menlo Park Fire Protection District Community Risk Assessment: Standards of Cover, p. 4.

¹²⁵ Menlo Park Fire Protection District CAFR, 6/30/2020.

¹²⁶ City of East Palo Alto, General Plan 2035, adopted 10/4/16, p. 10-9.

Service Adequacy

Indicators of service adequacy discussed here include ISO ratings, response times, and stations per 1,000 population served.

Fire services are classified by the Insurance Service Office (ISO), a private advisory and rating organization for the property/casualty insurance industry to provide statistical and actuarial services, to develop insurance programs, and to assist insurance companies in meeting state regulatory requirements. This classification indicates the general adequacy of coverage, with classes ranking from 1 to 10. Communities with the best fire department facilities, systems for water distribution, fire alarms and communications, and equipment and personnel receive a rating of 1. The most recent ISO survey measured three primary elements of the District's fire protection system: emergency communications, fire department, and water supply. Points are also granted for community risk reduction activities. As of 2014, MPFPD received an ISO rating of Class 2.¹²⁷

The National Fire Protection Association (NFPA) has issued response time performance standards depending on the service structure of the agency. The response time is measured from the completion of the dispatch notification to the arrival time of the first responder at the scene. Though not a legal mandate, these standards provide a useful benchmark against which to measure fire department performance. For agencies with paid staff, such as Menlo Park Fire Protection District, NFPA 1710 identifies the response time guideline as six minutes at least 90 percent of the time. Accordingly, MPFPD reported first unit response times from notification by dispatch to the arrival of the first unit at the incident was within five minutes and 59 seconds 90 percent of the time as of 2018.¹²⁸

Stations per 1,000 capita is one of the statistical indicators collected and reviewed by NFPA, as well as benchmarked between fire departments nationally. The association emphasizes that rates are higher for departments protecting smaller communities (under 2,500 people). This is because it takes a minimum number of stations to operate a fire department regardless of the number of people protected. For communities with a population of 10,000 to 24,999 across the nation, the average ratio is 0.13 stations per 1,000 people. The standard for populations between 50,000 and 99,999, which reflects the District's estimated population of more than 90,000, is .08 stations per 1,000 residents. MPFPD's seven stations are, therefore, on par with the NFPA's standards for its population size.

At this time, the City of East Palo Alto indicates it is satisfied with MPFPD's response times and that the District meets its outlined service goals.

¹²⁷ Menlo Park Fire Protection District Community Risk Assessment: Standards of Cover, p. 57

¹²⁸ Menlo Park Fire Protection District Community Risk Assessment: Standards of Cover, p. 87

LAW ENFORCEMENT SERVICES

The East Palo Alto Police Department (EPAPD) provides law enforcement services to the City of East Palo Alto with a mission to preserve the peace through quality policing services and work in conjunction with the community to establish a safe environment through mutual trust and respect.¹²⁹

There are three organizational divisions, each with their own objectives, within the EPAPD: the Administration Division, Operations Division, and Criminal Investigation Division. An Administrative Services Manager directs the Administration Division, which is responsible for general administrative services, records, property and evidence, and the court liaison. The Operations Division consists of uniformed patrol and is headed by a Police Commander. A Police Commander also leads the Criminal Investigation Division, which consists of detectives, and parking control.

The Chief of Police is the commander of all department personnel.¹³⁰ In consultation with the City Council, the City Manager appoints the Chief of Police for the City.¹³¹

In addition to the Department's policing services and community outreach efforts, the EPAPD also works alongside the MPFPD to review and determine a joint emergency response and establishes an emergency preparedness response in the event of a large-scale or natural disaster.¹³²

Service Area

The City of East Palo Alto covers 2.5 square miles.¹³³ The Westside area is the most densely populated, housing one-fifth of the population across less than one-tenth of EPA's land area. The City is adjacent to the San Francisco Bay and the cities of Menlo Park, Atherton, and Palo Alto. EPAPD's services are provided within the City's boundaries, which are coterminous with its sphere of influence.

EPA reports crime in the area has decreased since early 2015 but that it still grapples with significantly more violent crime than the surrounding cities. EPA's crime rate is more than ten times higher than it is

¹²⁹ City of East Palo Alto, Adopted Budget FY20-21, p. DB-100

¹³⁰ City of East Palo Alto Police Department, Policies and Procedures, Organizational Structure and Responsibility, Policy 200, p. 1

¹³¹ City of East Palo Alto, Municipal Code 8.9.21, Title 2, Chapter 2.20

¹³² City of East Palo Alto, General Plan, 2015, p. 9-5.

¹³³ City of East Palo Alto, 2020 CAFR, p. vii

in Palo Alto and Menlo Park.¹³⁴ Persistent obstacles to reducing crime in EPA are the levels of unemployment, slow economic development, and the need for improved infrastructure.¹³⁵

The Westside poses unique issues to the City that can impact policing and need to be addressed in comparison to the remainder of EPA. The differences in the Westside include limited parking and retail options, no existing parks or community facilities, lower income levels along with lower levels of affordable housing, and a high proportion of multi-family housing units.

Planning

The City's central planning document is its General Plan, which has a planning horizon of 2035. The plan outlines specific goals and policies for EPA's policing services in alignment with its overall vision for the community. Other plans that guide the City's efforts regarding law enforcement services include the Emergency Management Plan, Ravenswood/4 Corners TOD Specific Plan, Bicycle Transportation Plan, East Palo Alto City Facilities Master Plan Report, East Palo Alto Police Department Crime and Violence Reduction Plan, and the Gateway/101 Corridor Specific Plan.

The priority of the EPAPD is to protect and improve the overall welfare and personal safety of the City's community from such things as crime, pollution, natural disasters and other threats and emergencies. The EPAPD is expected to contribute to this mission by working towards the following goals and policies¹³⁶:

1. Coordinating with MPFPD to safeguard public safety through the review of development projects to ensure available emergency transportation routes and that codes are enforced to allow for emergency access
2. Provide excellent emergency services to the community through these policies:
 - a. Crime-prevention through Environmental Design (CPTED)
 - b. Emergency preparedness
 - c. Coordinating with MPFPD to provide fire and emergency services
 - d. Excellent police service
 - e. Police-community relations

¹³⁴ City of East Palo Alto, General Plan adopted 10/4/2016, p. 9-5

¹³⁵ City of East Palo Alto, General Plan adopted 10/4/2016, p. 2-1

¹³⁶ City of East Palo Alto, General Plan adopted 10/4/2016, pgs. 6-19, 9-13, 11-26

- f. Data-driven policing
 - g. Policy refinement
3. Provide safe, sufficient, well-maintained infrastructure and services for the Westside area by following such policies as:
- a. Upgrading infrastructure
 - b. Sufficient public safety services

There are also planned programs that have been initiated by EPAPD that help augment their mission. These programs include enhancing community relations, developing and increasing officer training, maximizing internal and external communications, and increasing partnerships with community members, which lead to stronger relationships with police officers.¹³⁷

Collaboration

The EPAPD partners with the East Palo Alto Academy and Menlo Atherton High School for a Truancy abatement program to encourage students to improve their attendance.

Department members partner to provide youth mentoring through The Thiebault Method, which teaches children how to access their intrinsic passions to organize and carry out social good projects which benefit the community

The EPAPD partners with our schools during the holiday season and work together to identify families in need of services and collaborate to meet those needs.

Demand

There are a number of indicators that can reflect EPAPD's demand for service. Contributing factors that may influence demand within EPA include infrastructure status, population projections, legislation, and economic stability within a community. Calls for service, arrests, citations and crime rates are also indicators of demand for law enforcement services.

The City reports that overall crime has decreased by 33 percent since early 2015, including a 63 percent decrease in murders. Despite the overall decline in some crime indicators, EPA still holds a violent crime rate that is more than 10 times that of neighboring cities with 115.8 violent crimes per 10,000 people.¹³⁸

¹³⁷ City of East Palo Alto, General Plan adopted 10/4/2016, pgs. 7-4, 12-7

¹³⁸ City of East Palo Alto, General Plan adopted 10/4/2016, p. 9-5

Given the degree of anticipated growth through 2040, EPA’s Westside is a key component in demand for law enforcement services as it is the most densely populated area of the City and faces significant challenges to policing.

Figure 4-13: East Palo Alto Police Department Priority Calls, 2016-2021

Priority	Number of Calls
Priority 1	372
Priority 1P	1,573
Priority 2	12,154
Priority 2P	17,579
Priority 3	21,618
Priority 3P	7
Total	53,303
Notes:	
“P” designates crimes against persons.	
Source: As reported by City of East Palo Alto Police Department, January 25, 2022.	

Staffing

The EPAPD incorporates staff in a variety of ways to achieve its goals to reduce crime and preserve the welfare and public safety of the community. Staff is allocated across the Department’s three divisions and staffing levels have remained relatively constant since FY 18-19.

The City has funded nine positions in FY 21-22 for the Administrative Division, 11.5 positions for the Investigations Division, and 28 positions for the Operations Division. Within the Police Department, the Administrative Division has experienced the only increase in staffing levels since FY 20-21 with the addition of one part time management analyst.

Facilities and Capacity

The City operates two police facilities on leased land.¹³⁹ One is the police department station located at 141 Demeter Street and the other is the police detective bureau and evidence site at 219 Demeter

¹³⁹ City of East Palo Alto, General Plan adopted 10/4/2016, p. 9-5

Street in East Palo Alto. The property for both sites is leased from private owners. The station lease has a sunset date of 10/31/25 while the police evidence facility just expired on 11/1/21, however, EPA has the option to extend the lease for three additional one-year agreements, ending 11/1/24. Neither property is considered viable for meeting the Department’s long-term needs.¹⁴⁰ Additionally, a Police Department is designated as an “essential services building” according to the California Health and Safety Code §16007. Currently, the Police Department facility does not meet the mandated legal standards.

An EPAPD staff survey reports the vast majority of workers categorize the condition of the facilities as “ok”, which is defined as being between being insufficient and sufficient.

Infrastructure Needs

As stated in the City’s General Plan, guiding principles for growth and development include addressing community infrastructure which includes and affects public safety. A development impact fee nexus study was also done in 2019 to ensure funding of infrastructure needs, including public safety infrastructure, associated with new development.¹⁴¹

Firstly, EPAPD will need to address its facility needs within the next five years as the current leases expire. Site location depends on prioritized considerations, which have been identified as visibility/accessibility, community impact, quality of life, synergy, environment, and economic impact.¹⁴² The structure itself should be able to consolidate the Department’s three divisions to increase operational and environmental efficiency.¹⁴³

Infrastructure improvements on the Westside offer a great opportunity to directly affect policing in EPA by adding park space, improving parking availability, providing more retail options, and increasing the amount of affordable housing. Additionally, the City’s Bicycle Transportation Plan outlines ways in which the implementation of bicycle safety programs and adding bike racks are other steps to address traffic infractions and security within the community.

¹⁴⁰ City of East Palo Alto, Facilities Master Plan Report, 5/25/21, p. 7

¹⁴¹ City of East Palo Alto, Development Impact Fee Program Nexus Study City Council Study Session, 1/29/19, p. 24

¹⁴² City of East Palo Alto, Facilities Master Plan Report, 5/25/21, p. 26

¹⁴³ City of East Palo Alto, Facilities Master Plan Report, 5/25/21, p. 8

The Gateway/101 corridor continues to present issues that will need to be addressed over time as well. This would involve a larger police presence as housing, shopping, and recreational areas increase and connectivity across the highway continues to expand.¹⁴⁴

Challenges

EPAPD faces unique challenges in relation to surrounding cities. Most notably, issues exist throughout the City due to population density as affordable housing is lacking. In areas with the greatest amount of multi-family housing, such as the Westside, the infrastructure and sustainability of the City has not grown proportionately to be able to support a thriving community. There is a need for parks, sufficient lighting and visibility, parking, noise-mitigation, and improved traffic flow. Unemployment and insufficient economic opportunities that generate tax revenue to benefit the City continue to be roadblocks to the overall welfare of the residents of EPA as well.¹⁴⁵ These social and environmental factors all pose obstacles for law enforcement. The economic instability and high crime rates within parts of the City particularly effects mental health of residents, including higher occurrences of substance abuse, which each impact public safety within EPA. For example, University Avenue and Bayshore Road have a higher percentage of liquor stores versus food stores overall and they are known to be linked to more criminal activity.¹⁴⁶

Developing sufficient police facilities is also a challenge to the EPAPD. As previously stated, the Department currently leases multiple spaces rather than having a consolidated working environment that improves efficiency, however, there are limited opportunities for new developments in the higher populated sections of EPAPD. Facilities are not currently based on accessibility to or visibility of policing services, particularly in areas with the most need, such as the Westside, the Ravenswood Business District, and the 4 Corners areas. It will be necessary for the EPAPD to expand its personnel and its structural presence as the population continues to increase. As is, the current facilities will not be adequate to meet future demand for crime prevention, fostering working relationships with constituents, and encouraging a positive community policing environment.

Service Adequacy

Service adequacy can be gauged by a variety of factors, such as crime and clearance rates, response times, and staffing ratios.

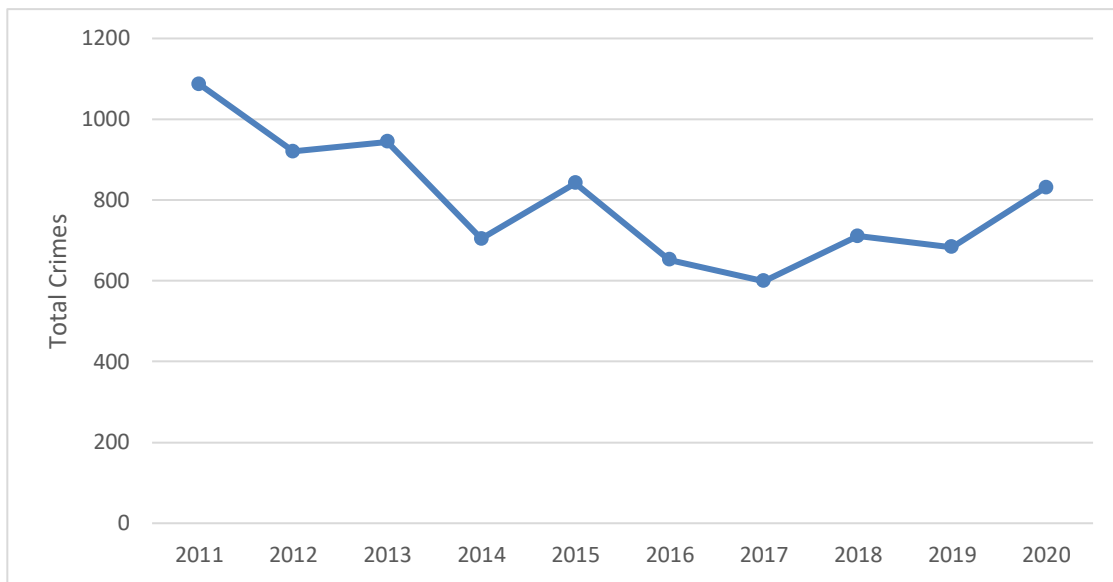
¹⁴⁴ City of East Palo Alto, General Plan adopted 10/4/2016, p. 1-1

¹⁴⁵ City of East Palo Alto, General Plan adopted 10/4/2016, p. 2-1

¹⁴⁶ City of East Palo Alto, General Plan adopted 10/4/2016, p. 7-3

The rates of crimes as reported by California’s Department of Justice indicate trends over time for various types of crimes. In its database, violent crimes are categorized as murder, rape, robbery, and aggravated assault. Property crimes are categorized as burglary, motor vehicle theft and larceny-theft. Arson is a third crime type. Property crime constitutes the largest portion of the crimes that take place in East Palo Alto. In 2020, there were 673 total property crime incidents reported compared to 146 violent crimes and 12 arson related incidents. There was a significant downward trend in crime within the City through 2017, and since then crimes, specifically property crimes are rebounding.

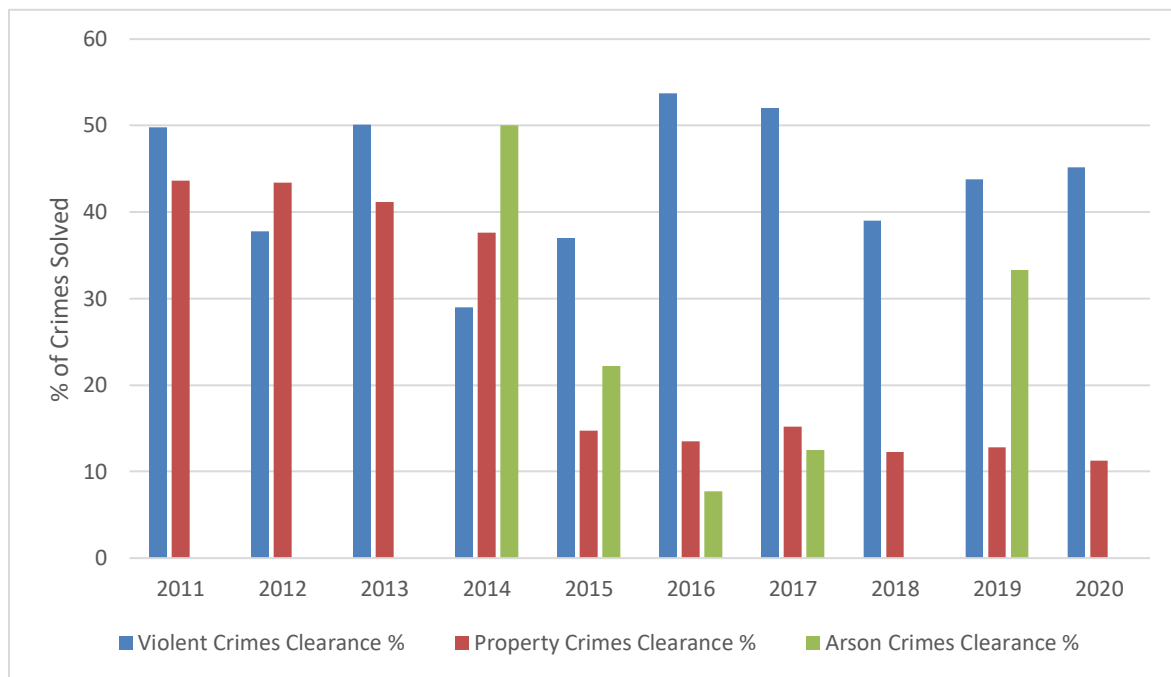
Figure 4-14: East Palo Alto Crime Trend, 2011-2020



Cleared crimes refer to offenses for which at least one person was arrested, charged with the offense, and turned over to the district attorney for prosecution. A crime is also considered cleared by exceptional means if the offender dies, the victim refuses to cooperate, or extradition is denied. There are no standards or guidelines on the proportion of crimes that should be cleared. Clearance rates for property crimes within East Palo Alto have generally declined over the last decade, with 44 percent cleared in 2011 and 11 percent cleared in 2020. Conversely, clearance rates of violent crimes have remained relatively high with some fluctuation over the 10-year period. In 2020, 45 percent of violent crimes were cleared.¹⁴⁷

¹⁴⁷ California Department of Justice, <https://openjustice.doj.ca.gov/exploration/crime-statistics>, accessed January 3, 2022.

Figure 4-15: East Palo Alto Crime Clearance Rates, 2011-2020



Police response times have traditionally been used to measure effectiveness. The modern approach to response time—differential response—is to ensure quick response to serious crimes (Priority I) in progress, when there are opportunities to save a victim and/or to apprehend the criminal, and to inform lower-priority callers (Priority II through VI) that response time may be lengthy. Response times are dependent on the agency’s staffing level and size of the jurisdiction served. In 2021, EPAPD responded on average to Priority 1 incidents within 4 minutes and 15 seconds between the time of dispatch to the arrival on scene. Priority 2 calls had an average response time of 5 minutes and 49 seconds, while Priority 3 calls had an average of 6 minutes and 30 seconds. EPA does not have an identified goal or established response time standard for law enforcement services.

Figure 4-16: EPAPD Response Times, 2021

	Number of Calls	911 Call to Dispatch	Dispatch to On Scene	911 Call to On Scene
Priority 1	491	203	4:15	7:45
Priority 2	4,923	2,248	5:49	11:56
Priority 3	4,660	854	6:30	16:16
Total/Averages	20,763	4,198	6:30	16:29

The number of sworn officers per capita is a traditional indicator of service level. There are no universally recognized staffing standards for law enforcement. However, for comparison purposes, the Federal Bureau of Investigations Uniform Crime Report annually compares per capita staffing levels in law enforcement agencies throughout the nation based upon geographic region and population served. For communities the size of East Palo Alto, in this part of the country, the average per capita staffing levels are 1.5 sworn police officers per 1,000 population and 0.5 non-sworn employees per 1,000 population.¹⁴⁸ By comparison EPAPD had 1.2 sworn police officers per 1,000 residents and 0.38 non-sworn employees per 1,000 population.

COMMUNITY SERVICES – RECREATION, PARKS, OPEN SPACES, AND FACILITIES

Service Overview

The City’s recreation, parks, open spaces, and facilities services are operated through the Department of Community Services, which is an underlying programmatic function for the Administrative Services Department. According to the City, Community Services was established in 2019 and oversees its own divisions. Parks, Open Spaces and Facilities, and Recreation are two collaborative but distinct divisions within the Department and will be the focus of this review.

As a whole, Community Services is tasked with shaping the visual appeal of the City and using recreational opportunities to connect people through the use of city parks, programs, and facilities. Some of the services include hosting classes, birthday parties, sports games and practices, youth programs, senior services, and cultural and community events. These services are intended to offer safe and accessible resources that enhance the overall health and wellbeing of people of all ages within the EPA community.

Community Services’ responsibilities extend across city departments to ensure optimal operations and efficiency within its divisions. This includes working cooperatively with the EPA Public Works Department to maintain its parks, open spaces, and facilities, and prioritizing strategies for crime prevention through environmental design that augment the City’s law enforcement capabilities. The Department must also concentrate its efforts on the physical development, conservation, and sustainability of its parks and open spaces.

There are five public parks in the City which account for an estimated 33 acres of usable parks and open space in addition to the Don Edwards San Francisco Bay National Wildlife Refuge, and the Cooley

¹⁴⁸ <https://ucr.fbi.gov/crime-in-the-u.s/2018/crime-in-the-u.s.-2018/topic-pages/tables/table-71>

Landing Nature Preserve.¹⁴⁹ The location of EPA, abutting the San Francisco Bay, makes its natural, environmental assets, such as its shoreline, wetlands, and other open spaces like San Francisquito Creek, valuable resources.

Service Area

EPA encompasses 2.5 square miles, on which it has developed five parks throughout its boundaries, including a pocket-park in the northwest corner of the City, as shown in Figure 4-17. The nine-acre Cooley Landing Nature Preserve is situated in the Baylands area, which is in the easternmost portion of EPA and adjacent to the San Francisco Bay. Figure 4-17 describes each of the City’s parks and its amount of usable space.

Figure 4-17: Map of City of East Palo Alto Parks



¹⁴⁹ EPA, General Plan, 2016, p. 8-1.

Figure 4-18: City Park Infrastructure

Park and Recreation Facilities within the City of East Palo Alto				
Park Name	Park Type	Location	Description	Acres
Pocket Park	Mini Park	Bay Road and Newbridge Street	A pocket park in a residential setting providing landscaping, benches, and lights.	.15
Bell Street Park	Neighborhood Park	2159 University Avenue	Provides mature landscaping, a skateboard park, children’s play area and playground. Close to the YMCA and senior center.	5
Jack Farrell Park	Neighborhood Park	2509 Fordham Street	Features a baseball diamond and play structures.	5.5
Joel Davis Park (formerly University Square Park)	Neighborhood Park	1960 Tate Street	Features play structures, barbeque grills, green space, and proximity to the Community and Economic Dev. Department.	2.8
Martin Luther King Park	Neighborhood Park	435 Daisy Lane	Features soccer and baseball fields, bleachers, concession stands, jungle gym, picnic tables, and barbeque grills.	5.7
Cooley Landing Nature Preserve	Neighborhood Park	2100 Bay Road	A nature park and bay front park.	9
Don Edwards San Francisco Wildlife Preserve/Baylands Nature Preserve	Regional Park	East side of East Palo Alto	Connectivity to the Bay Trail linking other Bay Area open spaces, running the length of the Baylands Nature Preserve.	5.5
			Total Acres:	33.65

Planning

Future development, goals, and priorities for parklands and recreational facilities are determined through a variety of planning documents including the City’s General Plan. Additional planning tools include the Gateway/101 Corridor Specific Plan, Nexus Study, Bicycle Transportation Plan, Ravenswood/4 Corners TOD Specific Plan, and a forthcoming Parks Master Plan which will be the City’s first and is expected to be completed in 2022.

EPA’s 2035 General Plan provides many details on the current status of open space and facilities with policies that should be followed. The following goals are outlined as priority items that directly affect Community Services and demonstrate the range of responsibilities within the Department:

1. Create new parks and open spaces throughout the City.
2. Improve and enhance existing parks and trails.
3. Expand funding for park improvements and maintenance.
4. Protect and preserve the City’s natural habitat and wildlife.
5. Expand use of the Cooley Landing Nature Preserve.
6. Preserve and expand the urban forest on public and private property.
7. Promote sustainable energy.
8. Adaption to and mitigation of climate change impacts.
9. Protect historic, natural, mineral, and cultural resources.

Policies to support these goals range from creating reciprocal agreements with school districts to establish shared use arrangements for facilities, park incentives that encourage developers to include open space and recreational areas, volunteering opportunities, and archiving and education of the City’s history.¹⁵⁰

Collaboration

There are no known formal collaborative agreements between the Community Services Department and other entities. As previously mentioned, however, the Department does work in conjunction with Public Works and EPAPD to facilitate efficient operations.

¹⁵⁰ EPA, General Plan, 2016, p. 8-11.

Demand

There are several indicators that can measure the demand for park and recreational services. The number of program registrations and facility requests are some examples. Usage of park space is generally challenging to track. There are also standards set for the amount of park and/or open space per resident.

According to the Quimby Act (Government Code §6647), that standard is presently a maximum of five acres of open space per 1,000 residents. Based on EPA's current population, its 33 acres of usable parks and open space equates to one acre of parkland per 1,000 residents. The Quimby Act also requires residential developers to provide land or in lieu fees to develop or rehabilitate existing parks or recreational facilities for new residents. That City's dedication/in lieu fee standard is currently three acres per 1,000 residents.¹⁵¹

Population density is currently higher in certain sections of EPA that do not have access to parks and open spaces in their neighborhoods, such as the Westside, therefore exceeding demand for available recreational facilities and spaces. In addition to the project increase in population at least through 2040, the City recognizes that there is a significant need to continue development of its recreational facilities and green space. It is expected that 79 acres of parkland will need to be added to meet the current standards for the amount of parkland per 1,000 residents.¹⁵² The General Plan outlines ways to implement its vision for parks and open spaces, and the upcoming Parks Master Plan will further consider a long-term vision for these areas.

Staffing

The Community Services Department adopted budget allocated funding for 5.15 full-time equivalent (FTE) positions for FY 21-22. This represents ten staff, three of which are part-time recreation leaders. This is an increase of 1 FTE position from the actual FY 19-20 budget and 1.5 more than the adopted budget for FY 20-21, largely due to a budget increase of 2.9 percent for personnel that was offset by reduced purchased services in the prior year.¹⁵³

Facilities and Capacity

As stated in the service area section, there are five parks throughout EPA as well as the Cooley Landing Nature Preserve and the Don Edwards San Francisco Wildlife Preserve/Baylands Nature Preserve. EPA

¹⁵¹ EPA, General Plan, 2016, p. 8-1.

¹⁵² EPA, General Plan, 2016, p. 8-1.

¹⁵³ EPA, Adopted Budget FY 21-22, p. db-40.

reports that the parks are well-equipped with Martin Luther King Jr. Park and Jack Farrell Park containing amenities such as sports fields, seating, and restrooms while Joel Davis Park has a play structure and barbeque grills. The Pocket Park and Bell Street Park are landscaped open spaces.¹⁵⁴ Still, the availability of parks and open spaces does not exist in certain sections of the City or accessibility is limited. According to demand needs, mentioned previously, the amount of parkland will need to be significantly increased to align with the standard of three acres per 1,000 residents in order to meet capacity.

Amongst other resources available to the City, the Cooley Landing Nature Preserve provides accessibility to the Bay Trail and San Francisco Bay. Plans have also been implemented to build an education center at this site.¹⁵⁵

Likewise, the Don Edwards San Francisco Wildlife Preserve/Baylands Nature Preserve also links residents to the Bay Trail, which follows the shoreline, thereby connecting people to other locations along the Bay shore. However, these areas reportedly do not adequately support needed accessibility and are therefore underutilized. There is also an intertidal zone which is either above water at low tide or under water at high tide and thus, limits the usable space to less than six acres.¹⁵⁶

Infrastructure Needs

There are concerns about the City's park facilities that the City recognizes must be addressed. Importantly, crime and crime prevention are long-standing issues in need of attention. Because many parks were constructed after EPA was built-out, the view of many parks is impeded by structures, fencing, and even embankments. This not only detracts from the beautification of the City, but it also prohibits a sense of natural surveillance and accessibility. Joel Davis Park and Bell Street Park are exceptions with sufficient visibility and access. Nonetheless, with the majority of parks being affected by poor sight lines, following the EPA's goal of crime prevention through environmental design is a priority.¹⁵⁷

Additionally, none of the City's parks/fields are considered safe for use due to rodent degradation of the fields. This issue is the primary driver for the Parks Master Plan. As part of the plan, the City intends to redo all of the fields with turf to prevent degradation and injury by users of the fields.

¹⁵⁴ EPA, General Plan, 2016, p. 8-2.

¹⁵⁵ EPA, General Plan, 2016, p. 8-2.

¹⁵⁶ EPA, General Plan, 2016, p. 8-2.

¹⁵⁷ EPA, General Plan, 2016, p. 8-2.

The number of facilities and spaces, including parks and trails, is not sufficient to meet capacity based on both the current and projected population of EPA. For this reason, there are planned and potential expansions indicated in various planning documents, including the Ravenswood/4 Corners TOD Specific Plan. For example, a new park at Cooley Landing Nature Preserve is impending, and a proposed 30 acres of parks and trails would increase park spaces by approximately 200 percent.¹⁵⁸

There are also connectivity issues to shoreline assets such as the Bay trail, the Faber-Laumeister Tract wildlife refuge, and Cooley Landing. There is a need for formalized entry points, which would also benefit from public safety features.

Challenges

The City indicated there are no challenges for the Community Services that have been described, however, over the course of this review certain challenges to providing adequate services were identified.

In particular, there are two noteworthy challenges facing the Community Services Department. The first is the accessibility and availability of space to expand and enhance parklands, and facilities. Again, the City was built out prior to the addition of parks and open spaces. This lack of available land outside of the shoreline, is also exacerbated by more densely populated areas of the City that already reflect an imbalanced demand in currently underserved locations like the Weeks and Kavanaugh neighborhoods.¹⁵⁹

Another challenge affecting recreation services, park, and open spaces is financing. The City has reported that economic growth has been stagnant, but it also has not had a standard impact fee structure.¹⁶⁰ This makes charging fees impractical and labor intensive, particularly with the amount of projected population growth in the coming years. Collecting impact fees will be essential to helping fund parks and open spaces.

Service adequacy

The City has indicated that the current availability of parks and open spaces is not sufficient to meet demand. In fact, no parks exist in the Weeks, Kavanaugh, and Westside neighborhoods within EPA despite having a higher population density that primarily consists of younger families residing in multi-family structures without backyards. Moreover, the location of existing parks in other neighborhoods

¹⁵⁸ EPA, Ravenswood/4 Corners TOD Specific Plan, 2013, pgs. 34, 48

¹⁵⁹ EPA, General Plan, 2016, p. 8-2.

¹⁶⁰ EPA, Development Impact Fee Program Nexus Study, Amended 2019, p. 4

often exceeds the standard of a ¼ mile walkshed, which is the acceptable walking distance for a resident to be able to access a park.¹⁶¹

Also, as was previously mentioned in the demand section, there is a standard of five acres of open space per 1,000 residents per the Quimby Act. However, EPA’s ratio currently represents one acre per 1,000 residents. With current and projected population estimates, service adequacy will not be sufficient unless an estimated 79 acres of parkland are added to the cityscape.

SOLID WASTE SERVICES

Service Overview

EPA’s Public Works Department handles solid waste and recycling services for the City of East Palo Alto through the South Bayside Waste Management Authority (SBWMA), also known as RethinkWaste. SBWMA is a joint powers authority (JPA) in cooperation with Atherton, Belmont, Burlingame, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, San Mateo, West Bay Sanitary District, and San Mateo County. Its mission is to provide member agencies with cost effective waste reduction, recycling, and solid waste programs through franchised services and other recyclers that result in 50 percent of waste diverted from landfills, which is a State mandated diversion goal described in California’s AB 939, otherwise referred to as the Integrated Waste Management Act. East Palo Alto is served by Recology of San Mateo County to fulfill collection services through a franchise agreement.

SBWMA has agreed to provide the following services through both exclusive and non-exclusive rights to the location types described here.¹⁶²

1. The collection of solid waste generated at residential and commercial premises and agency facilities (exclusive).
2. Sourcing separated targeted recyclable and organic materials generated from residential premises (exclusive).
3. Sourcing separated targeted recyclable and organic materials generated at commercial premises (non-exclusive).

¹⁶¹ EPA, General Plan, 2016, p. 8-2.

¹⁶² EPA, Recology Franchise Agreement with 2020 sunset date, p. 6

4. The collection of major appliances and specialty recyclable or reusable materials generated at residential premises (non-exclusive).
5. The collection of non-putrescible wastes placed in drop boxes (non-exclusive).

Planning

Several planning documents are utilized in order to align with the EPA’s best practices for the reduction and management of solid waste and goals surrounding the City’s diversion rates, recycling targets, and efforts to address factors associated with climate change. The City’s General Plan highlights the policies in place to achieve these goals. Other planning tools are also used, such as the Climate Action Plan.

According to the City’s General Plan, a number of policies should be implemented to meet its waste reduction goals. Examples of these measures include waste reduction through the rate of disposal per capita and increased diversion rates for recycling and green waste, striving for zero waste government operations, offering on-street recycling, and encouraging the use of compost friendly packaging materials.

Additionally, there is legislation in place to augment the City’s plans and combat decreased landfill capacity, an increase in waste stream, and greenhouse gas (GHG) emissions. These mandates include:

1. AB 939 - Enacted in 1989, this is intended to reduce waste disposal through required facilities and programs. Known as the Integrated Waste Management Act, it established the California Integrated Waste Management Board (CIWMB), which oversees a disposal reporting system and requires jurisdictions to meet diversion goals.
2. AB 341 - Specifically addresses reducing GHG emissions by requiring mandatory commercial recycling in order to divert solid waste from landfills. This applies to businesses that generate four cubic yards, or more, of commercial solid waste per week or multi-family residential dwellings of five or more units.
3. AB 1826 - Mandates organics recycling and hauling for businesses and commercial establishments, including multi-family units. Organic waste includes food waste and food soiled paper waste, landscaping and pruning waste, and non-hazardous wood waste. Currently, the threshold for businesses and multi-family residences to provide waste recycling services is when disposal meets or exceeds two cubic yards of solid waste per week.
4. SB 1383 - In 2016, this set methane emissions reduction targets for California. These targets must reduce organic waste disposal by 75 percent by 2025 and rescue for people to eat a minimum of 20 percent disposed surplus food by 2025.

Collaboration

As mentioned in the overview section, SBWMA is a JPA that uses franchised services to fulfill its service obligations. Recology holds the franchise agreement with the City of East Palo Alto for the collection of solid waste and recyclables. The current contract expired on December 31, 2035.

Once solid waste and recyclables are collected, they are processed by the Shoreway Environmental Center (SEC) and transferred to the Ox Mountain Landfill.¹⁶³

Demand

A number of indicators can identify demand for solid waste and recycling services, such as disposal rates and landfill capacity.

EPA has reported that the Ox Mountain Landfill, which has a capacity of 60.5 million cubic yards, is expected to reach capacity sometime between 2028 and 2039. For its part, the City only contributes 40 tons per day (TPD) of solid waste and recyclables despite SBWMA's permitted capacity of 3,000 TPD.

The latest disposal rates for the City are still awaiting review as far back as 2015; however, per capita disposal (PPD) rates are listed as 2.6 in 2020 and have been consistently near 2.5 since 2015 while PPD per employee was listed as 18.4 in FY 20. This rate is a reduction from the reported 21.9 PPD in 2019 but with very few exceptions it has been near 18 since 2012. Still, both of these rates are within their target range.^{164 165}

The City of East Palo Alto implements numerous waste diversion programs. In 2020, 44 programs were reported. Since reporting began in 2007, the number of these programs has routinely been between 41 and 44 and include options for food waste composting, electronic waste, as well as economic incentives and education initiatives.¹⁶⁶

Staffing

The City's waste disposal programs are managed through its Public Works Department in cooperation with SBWMA and Recology. Recology's staff is responsible for the removal and transferring of solid waste and has indicated staffing responsibilities in its agreement with EPA. The contract also indicates

¹⁶³ EPA, Genera Plan, 2016, p. 9-3.

¹⁶⁴ <https://www2.calrecycle.ca.gov/LGCentral/DiversionProgram/JurisdictionDiversionPost2006>

¹⁶⁵ <https://www2.calrecycle.ca.gov/LGCentral/AnnualReporting/DisposalRateCalculator>

¹⁶⁶ <https://www2.calrecycle.ca.gov/LGCentral/DiversionProgram/JurisdictionDiversionPost2006>

Recology will offer employment to vehicle drivers and other qualified employees who would become unemployed due to a change in contractor based on a prior franchise agreement.

Facilities and Capacity

The City does not own or maintain any facilities or equipment related to solid waste collection, as all services are provided by Recology.

EPA's generated waste is brought to the SEC in San Carlos, California, before being transferred to the Ox Mountain Landfill in Half Moon Bay, CA. This landfill has a maximum capacity of 60.5 million cubic yards. SBWMA, however, permits a capacity of 3,000 TPD. The landfill is nearing maximum capacity.¹⁶⁷

The most recent inspection of SEC was in December of 2021 and no violations were reported. However, the facility received its second consecutive notice for not providing daily records of incoming and outbound loads for review.¹⁶⁸ Likewise, the December 2021 monthly inspection of the Ox Mountain Landfill also indicated no violations. Continued facility maintenance was the only recommendation.¹⁶⁹

CalRecycle, California's Department of Resources Recycling and Recovery, reports that the City of East Palo Alto also operates a closed landfill at Cooley Landing on Bay Rd. The last reported inspection took place in October of 2021 and mentioned no violations or areas of concern.¹⁷⁰

Infrastructure Needs

The City did not report any solid waste or infrastructure needs in its survey; however, the General Plan does suggest EPA is making efforts to enhance waste reduction and facilitate additional recycling options. Adding on-street recycling access and building recycling centers are two infrastructure options that would increase diversion rates, for instance.

Also, as mentioned, the Ox Mountain Landfill is expected to reach capacity in 2028. An alternative landfill will need to be identified for disposal purposes.

Challenges

The City of East Palo Alto has not reported any challenges related to its efforts to implement waste reduction strategies; however, based on the amount of multi-family housing in the City and projected

¹⁶⁷ EPA, Genera Plan, 2016, p. 9-3.

¹⁶⁸ <https://www2.calrecycle.ca.gov/SolidWaste/SiteInspection/Details/336358>

¹⁶⁹ <https://www2.calrecycle.ca.gov/SolidWaste/SiteInspection/Details/336424>

¹⁷⁰ <https://www2.calrecycle.ca.gov/SolidWaste/SiteInspection/Details/332475>

population growth, EPA will need to stay vigilant to continue meeting its diversion rates, reducing emission rates, and provide ample opportunities to reduce waste throughout the service area.

The County Grand Jury conducted a review of waste management services in 2018 entitled *Planning for the County's Waste Management Challenges* that highlighted three challenges to solid waste service provision in San Mateo County and throughout the State.¹⁷¹

Firstly, there is a decline in international markets for recyclables collected by curbside programs due to contamination by the mixing of paper, glass, metals, plastics and food particles. International markets have raised their standards to reduce contamination, which are challenging to meet. As a result, some recyclables collected in San Mateo are now being landfilled instead. Further, selling recyclables in those remaining markets that still accept high levels of contamination has led to lower buying prices and large revenue losses for local recycling programs.

A second challenge is meeting the statewide goal to reduce the tonnage of organic waste that is landfilled by 75 percent by the year 2025. Anaerobic decomposition of organics in landfills generates emissions of methane, a potent greenhouse gas. Organics make up about 71 percent of all waste landfilled by this county and reducing this will require major new or expanded organics diversion programs and facilities.

Finally, a longer-term challenge is dwindling capacity at the only active landfill in the San Mateo, the privately-owned Ox Mountain facility near Half Moon Bay. Between 2012 and 2018, annual waste disposal at Ox Mountain increased by 20 percent and, at the current rate of fill, the landfill was estimated to reach capacity in the year 2034; although more recent estimates indicate capacity will be reached in 2039. A new or expanded landfill could easily take 10 to 15 years to secure required approvals and permits.

Service Adequacy

Service adequacy for the City of East Palo Alto's solid waste disposal and recycling is measured in several ways, including diversion and disposal rates.

The demand section indicated the latest disposal rates for the City's per capita disposal (PPD) rates per resident were 2.6 in FY 20 and have been consistently near 2.5 since FY 15 with a target PPD of 8.5. On

¹⁷¹ San Mateo County Grand Jury, *Planning for the County's Waste Management Challenges*, 2018, p. 1.

the other hand, PPD per employee was listed as 18.4 in FY 20 with a target of 119.4, demonstrating that the City is well within its target disposal rates and in compliance State requirements, at present.^{172 173}

STORMWATER SERVICES

Service Overview

Stormwater services in EPA are provided by the City's Public Works Department. The Department strives to reduce dangers from flooding, protect property and community safety, and provide well-maintained infrastructure while reducing the negative impacts of storm run-off on creeks and the Bay. The Public Works Department's Maintenance Division is responsible for maintenance of storm drains. This includes clearing blocked drains, removing debris from storm drain structures, and cleaning and repairing drainpipes throughout the City.¹⁷⁴

The 2009 MSR described the stormwater related assets that were transferred to the EPA Redevelopment Agency (RDA) when the County transferred the East Palo Alto Drainage Maintenance District to EPA. This included a 10,000-square foot parcel, the O'Connor Street Pump Station, and various financial balances. As of 2011, however, the State of California dissolved all redevelopment agencies and the City was named the successor agency and successor housing agency of the RDA.

With East Palo Alto being situated next to the San Francisco Bay, it is a natural end point for the City's storm drains which either drain directly into the San Francisco Bay or to the San Francisquito Creek and then to the Bay.¹⁷⁵ The coastline, however, is also subject to a number of concerns due to the ongoing effects of climate change. In particular, there is a known risk for rising sea-levels and storm surge, jeopardizing the well-being of the area due to the coast's likelihood of erosion and flooding.¹⁷⁶

Stormwater drainage has been part of a larger conversation around stormwater capture and reuse as ways to augment water supply in the EPA area. Although the City's natural location alongside the Bay shore seems ideal for drainage and capture, there are significant obstacles to implementing plans to use

¹⁷² <https://www2.calrecycle.ca.gov/LGCentral/DiversionProgram/JurisdictionDiversionPost2006>

¹⁷³ <https://www2.calrecycle.ca.gov/LGCentral/AnnualReporting/DisposalRateCalculator>

¹⁷⁴ EPA, <https://www.cityofepa.org/publicworks/page/utilities>, accessed 1/14/22

¹⁷⁵ EPA, MSR, 9/2009, p. 16

¹⁷⁶ EPA, Climate Action Plan, 2011, p. 8

the Bay area in this way, particularly with regard to additional infrastructure needs this would create (i.e., water treatment plants) and the substantial cost involved to improve these systems.¹⁷⁷

Service Area

Stormwater services are provided throughout the City’s incorporated territory. Manmade flood protection systems discharge rainfall runoff into the San Francisquito Creek and San Francisco Bay.

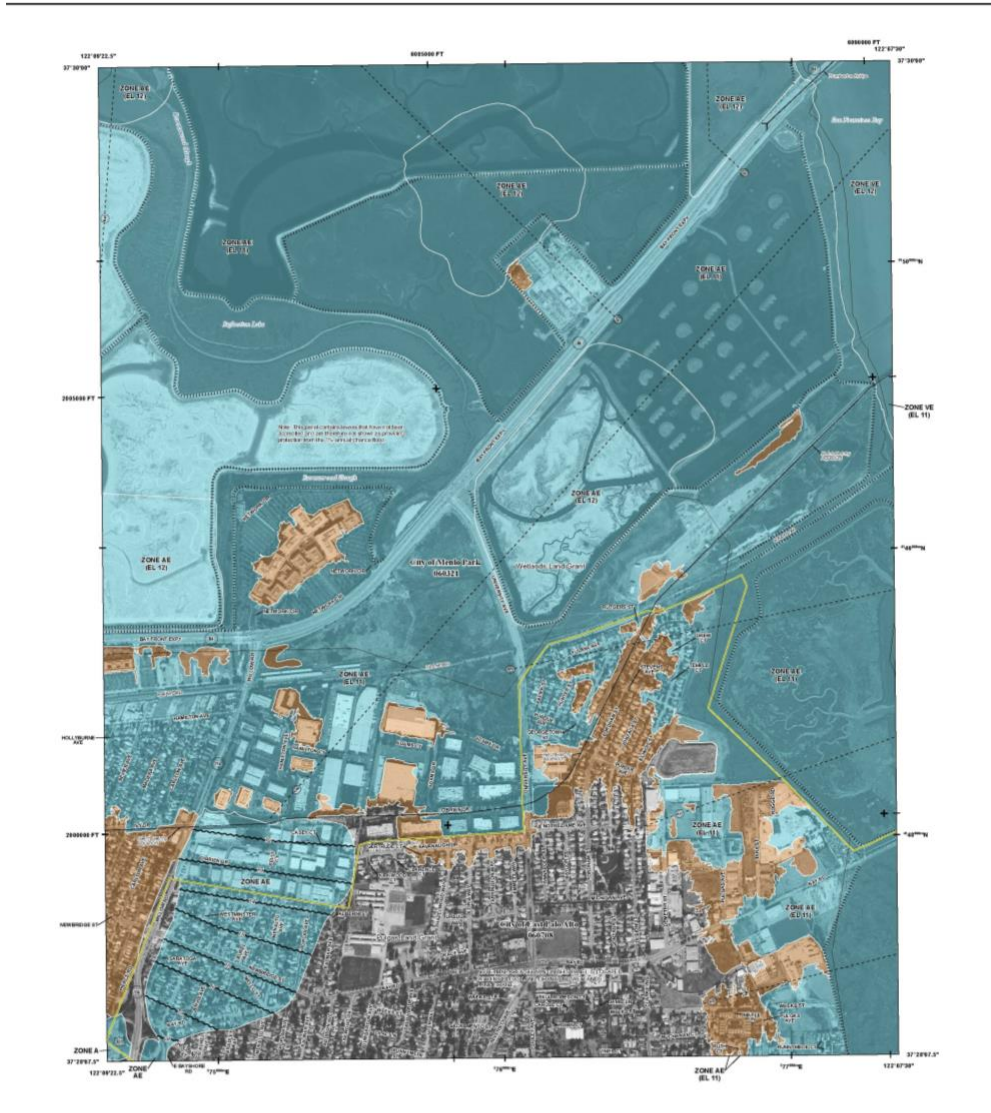
Flooding is a concern facing the City. Most of EPA is considered low lying with 56 percent of the City designated as having an elevated risk for flooding.¹⁷⁸ Because of its proximity to the San Francisco Bay, segments of the City’s drainage system are impacted by tide. Additionally, heavy winter rainfalls and 100-year storm events compound the likelihood of flooding. FEMA identified two primary areas in EPA that are most vulnerable. These areas are shown in the figure below in zones A and AE.¹⁷⁹

¹⁷⁷ EPA, Climate Action Plan, 2011, p. 32

¹⁷⁸ EPA, General Plan, 2016, p. 9-1.

¹⁷⁹ <https://www.ci.east-palo-alto.ca.us/econdev/page/flood-zone-map>

Figure 4-19: East Palo Alto Flooding Zones



FLOOD HAZARD INFORMATION

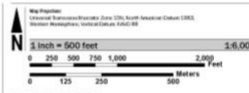
SEE THIS REPORT FOR THE LINES AND AREA SHOWN FOR THIS PANEL LAYOUT
 THE INFORMATION SHOWN ON THIS MAP AND SUPPORTING
 DOCUMENTATION ARE ALSO AVAILABLE IN DIGITAL FORMAT AT
[HTTP://MSC.FEMA.GOV](http://msc.fema.gov)

- SPECIAL FLOOD HAZARD AREAS**
 - Without Base Flood Elevation (BFE) (Zone AE)
 - With BFE or Depth (Zone AE, AE-1, AE-2, AE-3)
 - Regulatory Floodway
 - 0.2% Annual Chance Flood Hazard, Area of 1% Annual Chance Flood with average depth less than one foot or with average area of less than one square mile (Zone XE)
 - Future Conditions 1% Annual Chance Flood Hazard (Zone XE)
 - Area with Reduced Flood Risk due to Levee (See Notes) (Zone VE)
- OTHER AREAS OF FLOOD HAZARD**
 - Areas of Minimal Flood Hazard (Zone M)
 - Area of Unincorporated Flood Hazard (Zone U)
 - Channel, Culvert or Storm Sewer
 - Accumulated or Potentially Accumulated Levee, Dike or Floodwall
 - Channel, Culvert or Storm Sewer
 - Cross Sections with 1% Annual Chance Water Surface Elevation (BFE) (Zone CE)
 - Canal or Inlet
 - Canal or Inlet Baseline
 - Profile Baseline
 - Hydrographic Feature
 - Base Flood Elevation Line (BFE) (Zone AE)
 - Limit of Study
 - Jurisdiction Boundary

NOTES TO USERS

The information on this map was prepared by the City of East Palo Alto in cooperation with the FEMA Flood Hazard Mapping Program. The information on this map was prepared by the City of East Palo Alto in cooperation with the FEMA Flood Hazard Mapping Program. The information on this map was prepared by the City of East Palo Alto in cooperation with the FEMA Flood Hazard Mapping Program.

SCALE



PANEL LOCATOR



FEMA
 National Flood Insurance Program

NATIONAL FLOOD INSURANCE PROGRAM
 FLOOD INSURANCE RATE MAP
 SAN MATEO COUNTY, CALIFORNIA
 PRELIMINARY FLOOD INSURANCE RATE MAP
 PANEL 0307 OF 510

PRELIMINARY
 8/13/2015

VERSION NUMBER: 2.3.2.0
 MAP NUMBER: 0608100307
 MAP REVISED

Planning

The General Plan is EPA's central planning document that informs the overall vision for the City. It identifies various strengths and weaknesses and ways of addressing areas in need of attention. The current General Plan was adopted in 2016 and has a horizon date of 2035.

The City also relies on other, more focused planning tools that highlight particular issues and their potential solutions. In this case, the City adopted the Storm Drain Master Plan in 2015, which provides an in depth overview of EPA's storm drain systems and areas of concern. It also highlights priorities for repairs, infrastructure needs, and opportunities to enhance stormwater operations. With the challenges facing EPA's storm drain operations, its establishment of a Storm Drain Master Plan has been a proactive measure taken to identifying issues, needs, and best practices to improve stormwater systems moving forward.

Lastly, the City follows a Climate Action Plan that was established in 2011 to discuss the impacts of climate change and responses to it. In the context of stormwater, it highlights increasing severe storms, issues with runoff, and immediate and longer-term effects on the coastline.

Collaboration

The City operates under a common National Pollutant Discharge Elimination System (NPDES) permit with other land use authorities in the County, and as such is a member agency of the San Mateo Water Pollution Prevention Program (SMCWPPP). SMCWPPP is a partnership of the City/County Association of Governments (C/CAG), each incorporated city and town in the county, and the County of San Mateo, which share a common NPDES permit, also referred to as the Municipal Regional Permit (MRP). The Federal Clean Water Act and the California Porter-Cologne Water Quality Control Act require that large urban areas discharging stormwater into the San Francisco Bay or the Pacific Ocean have an NPDES permit to prevent harmful pollutants from being dumped or washed by stormwater runoff, into the stormwater system, then discharged into local waterbodies. The County and the 20 cities and towns in San Mateo County are all permittees under one regional urban stormwater NPDES permit, which also regulates municipalities in Contra Costa, Alameda, and Santa Clara Counties, as well as the cities of Fairfield, Suisun City, and Vallejo.

The MRP outlines the State's requirements for municipal agencies in San Mateo County to address the water quality and flow-related impacts of stormwater runoff. Some of these requirements are implemented directly by municipalities while others are addressed by the SMCWPPP on behalf of all the municipalities. The MRP is a comprehensive permit that requires activities related to construction sites, industrial sites, illegal discharges and illicit connections, new development, and municipal operations. The permit also requires a public education program, implementing targeted pollutant reduction

strategies, and a monitoring program to help characterize local water quality conditions and to begin evaluating the overall effectiveness of the permit’s implementation.

The San Mateo County Flood and Sea Level Rise Resiliency District (OneShoreline) encompasses the entirety of San Mateo County and its cities. The District was originally known as the San Mateo County Flood Control District in 1959. Its mission, geographic reach, and Board composition were expanded by State legislation that took effect January 1, 2020. OneShoreline was developed to address sea level rise, flooding, coastal erosion, and regional stormwater infrastructure. OneShoreline partners with the County of San Mateo and the twenty cities and towns within the County, including the City of East Palo Alto, all of which are contributing start-up funding to the District.

After a serious flooding event in 1998, the San Francisquito Creek Joint Powers Authority (JPA) was formed in 1999 to lead projects that mitigate the risk of flooding along the San Francisquito Creek and the Bay. The cities of East Palo Alto, Palo Alto, Menlo Park, and the San Mateo County Flooding and Sea Level Resiliency District and the Santa Clara Valley Water District formed the JPA. The JPA was created to address flood management, tidal and sea level flooding, and ecosystem and recreational enhancements to the San Francisquito Creek to the adjacent bay shoreline.

Demand

Periods of highest demand are during the winter months from November to March when precipitation is at the highest. EPA experiences approximately 17 inches of rain annually.

Throughout City planning documents, it has been repeatedly noted that many repairs and improvements need to be made to EPA’s storm drains and stormwater network to better meet the demands of the system. The Storm Drain Master Plan outlines priority improvements to achieve a 10-year level of service through alleviating or minimizing flooding in EPA.

The City of East Palo Alto’s collection system consists of 430 nodes, such as manholes and inlets, 15 outlets, and one pump station. There are 101,400 linear feet of storm drainpipes that are a minimum of 12 inches in diameter. Based on this data, modeled analysis of the area showed some level of flooding occurred at 68 of 430 nodes. Of the 68 nodes expected to experience flooding, 33 of those nodes would flood at a depth of one foot or more if no improvements are made to the infrastructure based on the 2014 Storm Drain Master Plan.¹⁸⁰

¹⁸⁰ EPA, Storm Drain Master Plan, 2014, p. 4-2

Staffing

Stormwater services are carried out by the City’s Public Works Department and its three divisions: administrative, maintenance, and engineering. The Maintenance Division is most actively involved in the operation and management of stormwater services. That said, the Maintenance Division staffs the most personnel with 12 full-time equivalent (FTE) positions, according to the FY 21-22 adopted budget.¹⁸¹ The number of staff for the Engineering Division is five FTEs, which has also remained consistent since FY 18.¹⁸² In FY 21, the Administrative Division increased its personnel power by two FTE positions to 4.45 compared to the previous three years.¹⁸³

Facilities and Capacity

Presently, there are two primary drainage systems for EPA stormwater: the Runnymede Storm Drain System and the O’Connor Storm Drain System.

East Palo Alto utilizes one pump station, the O’Connor Street Pump Station. The station has an accessible concrete wet well and houses pumps and electrical controls. There are four, 225 horsepower diesel engine driven axial flow pumps and one, 40 horsepower electric motor driven low flow pump. Pump discharge pipes are present with flap gates that prevent back flow to the station when each pump discharges to a discharge box at the bank of the San Francisquito Creek. The station also houses fuel for the diesel engines in a 2,000-gallon storage tank, which is located below grade level. Since its construction in 1984, it was reported that this station has received little attention beyond minor repairs thus labeling it as an urgent priority for improvements.¹⁸⁴

The wet well at the O’Connor station is reportedly not compliant with Hydraulic Institute guidelines. It was constructed with one 54-inch pipe inlet and one 60-inch reinforced concrete pipe, yet only the 60-inch pump on the southern side was completed and has flow entering the station. The pumps housed here are not separated by divider walls which is known to help distribute inflow and reduce possible vortex formation.¹⁸⁵

Additionally, pump capacity is not sufficient. It is recommended that large storm water stations have pumps that start no more than six times per hour, yet the O’Connor station pumps start 12-14 times per

¹⁸¹ EPA, Adopted Budget FY21-22, p. DB-93

¹⁸² EPA, Adopted Budget FY21-22, p. DB-88

¹⁸³ EPA, Adopted Budget FY21-22, p. DB-80

¹⁸⁴ EPA, Storm Drain Master Plan, 2014, p. 4-6

¹⁸⁵ EPA, Storm Drain Master Plan, 2014, p. 4-8

hour. Further, in the event of a 10-year storm, station capacity requires pumping 230 cubic feet of water per second (CFS) and 290 CFS for a 100-year storm. However, the O'Connor pumps measure 49 CFS each, or 200 CFS total.¹⁸⁶

It is also noted that the electrical capacity of the pump station is not sufficient. This includes poor outlets, power panels, and equipment connections.¹⁸⁷

Various other deficiencies exist that effect demand as well. Notably, there are an insufficient number of storm drains throughout City streets. This has contributed to a history of flooding in the area, with eight major flood events having occurred since 1940.¹⁸⁸ The Storm Drain Master Plan also identified that there are 93,292 linear feet of pipe and 430 nodes within EPA and 160,200 linear feet of pipe and 759 nodes in the report's GIS hydraulic model, but only 85 percent of pipe diameters could be identified, and the nodes shapefile is missing approximately 30 percent of invert depths.

Infrastructure Needs

Planning documents and professional analyses have identified several infrastructure needs for EPA's stormwater system. Steps have been taken to start the work required to address these issues, however this will be an ongoing effort.

Since the Storm Drain Master Plan was adopted in 2014, the City has completed the Runnymede channel storm drain project phases 1 and 2, improvements at O'Connor pump station with a new pump and shaft, improvements at San Francisquito Creek, Pulgas Avenue storm drain and Bay Road storm drain improvement project. The O'Connor pump station is planned to have significant additional improvements enabled by Community Project Funding grant funds of \$800,000 that were awarded to the City in March 2022. Additionally, a number of drainage improvements on residential streets were performed to address low spots and create positive drainage to existing storm drains.

As identified in the facilities and capacity section, the vast majority of stormwater infrastructure needs relate to significant facility improvements. Most notably, pump stations ultimately need to be replaced, however, to maintain the existing pump station capacity, a variety of imminent improvements are needed.¹⁸⁹

¹⁸⁶ EPA, Storm Drain Master Plan, 2014, p. 4-8

¹⁸⁷ EPA, Storm Drain Master Plan, 2014, p. 4-10

¹⁸⁸ EPA, General Plan, 2016, p. 9-1

¹⁸⁹ EPA, General Plan, 2016, pgs. 9-1, 9-2

Other capital improvements consist of pipe improvements, system cleaning, the expansion and realignment of drainage systems, and enhanced monitoring and data collection.¹⁹⁰ Additional storm drains are a need within the City as many streets throughout the service area are lacking these features which contribute to increased flooding potential.¹⁹¹

Ideally, stormwater would be captured and reused as a method of augmenting the City's water supply. However, the location of watersheds, blocked flow from land development, the quality of the water collected, and a lack of water treatment plants indicates this is not feasible without extensive infrastructure improvements which are cost prohibitive.¹⁹²

On a smaller scale, one step that has been implemented but needs to be continued, is the addition of trees throughout the City of East Palo Alto. Aesthetics aside, trees are a simple way to reduce stormwater runoff that has been an issue for the City.¹⁹³ While progress has been made on this front with roughly 1,200 trees added to EPA's urban forest since 2006, there were still 1,480 vacant tree locations identified for use in 2011. The City is in the process of developing an Urban Forest Master Plan, which is anticipated to be adopted by the City Council in Spring 2022. The Plan is intended to further enhance EPA's urban forest.

Challenges

There are two significant challenges to implementing planned improvements to EPA's stormwater services. The first is funding. The City reported that an estimated \$37.5 million dollars is required to enhance its storm drain systems. Largely, this relates to substantial facility needs as previously discussed.¹⁹⁴

The second major obstacle to the improvements outlined in the City's General Plan is the location of EPA. Due to the location of the City adjacent to the shoreline on the east and containing major transportation arteries through the area like Highway 101 and a rail system on its western border, there is not a simple solution to be able to expand pipelines and reroute drainage systems.

¹⁹⁰ EPA, General Plan, 2016, p. 9-2

¹⁹¹ EPA, General Plan, 2016, p. 9-1

¹⁹² EPA, Water System Master Plan, 2010, p. 32

¹⁹³ EPA, Climate Action Plan, 2011, p. 56

¹⁹⁴ EPA, General Plan, 2016, p. 9-2

Service Adequacy

As was identified in the demand section, there are deficiencies in the City of East Palo Alto’s collection system. Most notably, the 68 of 430 nodes that allow for significant flooding must be addressed.

Having one pump station servicing EPA has been detrimental to flooding potential as well. Without routine maintenance, the O’Connor Street Pump Station has fallen into disrepair and the equipment it houses, such as its five pumps, have been unable to sustain the levels of service needed. One pump and shaft were recently replaced by the City at the O’Connor pump station. Additional improvements to the existing pumps and equipment are scheduled for FY 22-23, which is to be funded with CIP funds.

Without steps taken to mitigate spills from the San Francisquito Creek, this is another roadblock to reaching efficient levels of service. In combination with a lack of other infrastructure, flooding from spillage will continue to present a great risk to the City.¹⁹⁵ Phase 1 of the San Francisquito Creek flood improvements was recently completed, and the City is working on phase 2 of the creek improvements, both of which are grant funded.

STREET MAINTENANCE AND STREETLIGHTS

Service Overview

The City of East Palo Alto provides for the maintenance, management, and improvement of its street system through its Public Works Department. These services include the upkeep of streets and potholes, streetlights, signalized lights, and sidewalk maintenance. Other considerations for the maintenance of streets and sidewalks are the water supply and storm drainage systems, which can impact roads and walkways if there is flooding or blockages due to debris.

The successful operation of this division also relies on coordination of traffic management methods to ensure the safety and accessibility of streets and sidewalks for residents. Some strategies used are following policies that address traffic concerns, and the addition of speed humps and speed radars.

Service Area

Across the City of East Palo Alto’s 2.5 square miles are a series of roadways and pathways connecting its neighborhoods and the surrounding cities from the San Francisco Bay shoreline to Highway 101 on its westernmost boundary. It is comprised of two connector roads, Highway 101/Bayshore Road and Demeter Street, that run northwest and southeast, and three main thoroughfares. Two of these main

¹⁹⁵ EPA, General Plan, 2016, p. 9-2

thoroughfares run north and south, University Avenue and Willow Road, while one —Donohoe Street— primarily flows west and southeast. The majority of the service area is linked by residential streets.¹⁹⁶

Planning

The City relies on several plans to guide its capital improvements and services related to its streets, pathways, street lighting, and sidewalks.

The City’s Circulation Element in its General Plan (2015) is the primary planning document for the City’s roadway related services. The Circulation Element focuses on the provision of a multimodal transportation network that has adequate capacity to meet the needs of all users of streets, roads and highways safely and conveniently across rural, suburban, or urban landscapes.

The Residential Streets Traffic Management Policy of 2021 and the Pavement Management System Update Data Collection & Quality Management Report that was revised in May 2017 are also significant planning documents that outline guidance and procedures related to city streets and traffic safety issues. These tools offer important information about the evaluation of EPA paths and roadways and supporting data to inform potential enhancements and infrastructure needs.

Other plans that address particular areas that are affected by policies and visions for streets, sidewalks, and paths within the City of East Palo Alto are the Bicycle Transportation Plan, the Ravenswood/4 Corners TOD Specific Plan, the Gateway/101 Corridor Specific Plan, and the 2019 Development Impact Fee Program Nexus Study. Each of these documents discuss focused plans for creating additional connectivity, streetscapes, and access to pedestrian walkways and traffic safety.

Collaboration

The Public Works Department works hand in hand with other city services, in particular, the Transportation Division, but also the EPAPD and Planning Departments to ensure the public has safe and accessible streets, streetlights, and sidewalks.

Demand

There are a number of indicators for service demand relating to streets, streetlights, and sidewalks in the City of East Palo Alto. Traffic volume, pavement conditions, and need for and requests for repairs are some measurable guides.

Most important to note, overcrowding is a consistent issue in EPA and effects many areas of service. Generally speaking, 32 percent of housing units in the City are considered overcrowded and many

¹⁹⁶ EPA, General Plan, 2016, p. 6-13.

garages have been converted to living space.¹⁹⁷ It is also worth noting that although EPA residents are generally less likely to own cars compared to the county average (9 percent of households with no vehicles vs. 6 percent across the County), 12 percent of EPA households also have four or more cars versus eight percent of households in San Mateo County as a whole.^{198 199} With this in mind, in regards to street services, this population density significantly impacts the level of available parking, cut-through traffic, pedestrian safety, multi-modal transportation routes, and bicycle pathways.²⁰⁰

There is significant demand for an improved sidewalk system throughout EPA, especially in the Ravenswood Business District area where most streets have either no sidewalks or sidewalks only on one side of the street.

As of 2017, EPA ranked third out of 97 for pedestrian collisions per daily vehicle miles traveled.²⁰¹ The addition of traffic calming measures such as speed humps, radar, and bump-outs, as well as lane and sidewalk expansion have all been suggested as potential preventative measures to counteract this safety issue.

Cut-through traffic is substantial within much of EPA and reflects utilization and, in turn, the potential need for maintenance needs and increased or improved traffic flow measures. This is especially the case on University Avenue, Highway 101, and other streets like Bay Road, Cooley Avenue. In 2015, it was reported that University Avenue, in particular, carried approximately 25,000 vehicles, 84 percent of which was cut-through traffic.²⁰²

Staffing

Three divisions of EPA's Public Works Department are directly responsible for the care of the City's streets, sidewalks, and streetlights. These divisions are the Administrative Division, Maintenance and Engineering Divisions. Of these, the Maintenance Division staffs the most personnel with 12 full-time equivalent (FTE) positions, according to the FY 21-22 adopted budget.²⁰³ The number of staff for the

¹⁹⁷ <https://www.cityofepa.org/publicworks/page/mobility-study>

¹⁹⁸ EPA, General Plan, 2016, 6-1.

¹⁹⁹ <https://www.cityofepa.org/publicworks/page/mobility-study>

²⁰⁰ <https://www.cityofepa.org/publicworks/page/mobility-study>

²⁰¹ EPA, General Plan, 2016, p. 10-11.

²⁰² EPA, General Plan, 2016, p. 6-2.

²⁰³ EPA, FY 21-22, p. db-93.

Engineering Division is five FTEs which has also remained consistent since FY 18.²⁰⁴ In FY21, the Administrative Division increased its personnel power by two FTE positions to 4.45 compared to the previous three years.²⁰⁵

Facilities and Capacity

There are 250 pavement sections or 38.83 centerline miles of networked roads across City boundaries. Four additional sections are unmanaged, meaning they have not been inspected or maintained. These unmanaged sections include gravel surfaces, and roads classified as proposed, private, and non-county.²⁰⁶

The City uses pavement management system (PMS) software called StreetSaver Online Pavement Management Program for its PMS update project. This 2016 update indicated the City's managed road network consists of four types of functional classes: arterial, collector, residential, and unmanaged sections. Of these, the vast majority of EPA's roads are residential and local streets, representing 177 sections and 25.24 centerline miles.²⁰⁷ In 2017, the PMS report identified that the weighted average pavement condition index (PCI) for the City was 71, which is considered "very good". More specifically, a 35 percent sample area was studied across all class sections. Arterial and Collector functional classes were considered in "very good" condition with a PCI rating of 77 and 79 respectively while the Residential functional class received a 68 PCI rating which is considered "good."²⁰⁸ This is an improvement over the reported PCI rating of 56, historically, which indicates the roadways were in fair condition.²⁰⁹

The City reported that a 2009 survey indicated many streets lacked sidewalks on one or both sides. In the Ravenswood/4 Corners area particularly, the sidewalks that do exist were largely in basic or poor condition.²¹⁰ With the limited number of sidewalks or gaps in walkways and path systems, street lighting is also lacking throughout EPA without the needed spaces to place them.²¹¹

²⁰⁴ EPA, FY 21-22, p. db-88.

²⁰⁵ EPA, FY 21-22, p. db-80.

²⁰⁶ EPA, Pavement Management System, 2017, p. 1.

²⁰⁷ EPA, Pavement Management System, 2017, p. 3.

²⁰⁸ EPA, Pavement Management System, 2017, p. 7.

²⁰⁹ EPA, 10 Year Capital Improvement Plan Update, FY20-21, p. 32

²¹⁰ EPA, Ravenswood/4 Corners TOD Specific Plan, 2013, p. 29

²¹¹ EPA, General Plan, 2016, p. 11-10.

EPA’s network of bicycle paths is also modest despite this transportation mode being four times the countywide average. Gaps are present largely across Highway 101 and the University Avenue corridor where most vehicle-bicycle collisions occur.²¹²

Infrastructure Needs

As expressed in previous sections of this chapter, there are numerous infrastructure needs throughout the City in terms of services that are provided for streets, streetlights, and sidewalks.

Addressing parking availability, connectivity issues on streets and pedestrian ways, and traffic flow are paramount for the health and safety of residents. This is especially the case in areas of the City like the Westside, the Ravenswood Business District and 4 Corners where overcrowding is a continual issue. University Avenue and the Highway 101 corridor are particularly a focus due to being primary access roads and because of the sheer volume of multi-modal traffic they support. Traffic calming measures are needed to enhance safety and lessen the potential for collisions and speeding violations.

Based on the pavement condition index rating from the pavement management system, it appears the condition of roadways are satisfactory, however, many sidewalks throughout EPA need to be repaired or improved, having been listed in poorer than average condition.²¹³

Sidewalks are also needed in many areas on either one side or both sides of the streets. It will also be important, especially as the networks of streets expand, to ensure roadways and pedestrian pathways are compliant with the Americans with Disabilities Act. This can be a mobility concern, particularly due to parking challenges, which results in vehicles blocking sidewalks and curbs.²¹⁴

Implementing new signage and striping has also been identified as a tool to improve the safety of bicyclists and pedestrians.²¹⁵

Challenges

One of the primary challenges facing the City of East Palo in regard to its network of streets is parking availability. In sections of the City that are highly dense in population like the Westside and Gardens neighborhoods, this has been a repeated complaint, however, limited street parking and little off-street parking options exist. Coupled with narrow streets that prevent parking on both sides, curb cuts that

²¹² EPA, General Plan, 2016, p. 6-6.

²¹³ EPA, Ravenswood/4 Corners TOD specific Plan, 2013, p. 29

²¹⁴ EPA, General Plan, 2016, p. 6-2.

²¹⁵ EPA, 10 Year Capital Improvement Plan Update, FY20-21, p. 56

reduce on-street parking, and prohibited overnight parking in Menlo Park, adjacent to the Willows neighborhood, alternatives must be considered to improve this situation.

The population density along with high volume of traffic also presents challenges to street, streetlight, and sidewalk design since the City aims to maintain housing affordability and availability despite the need for infrastructure to support certain areas that are already overcrowded.²¹⁶

Funding is a concern for all the needed improvements. Currently, the City reports it is funding little more than routine maintenance.²¹⁷

Service Adequacy

This section reviews indicators of street maintenance service adequacy and congestion. The level of street services provided is primarily signified by the pavement conditions as defined in the PMS report and the Level of Service (LOS) categorization.

The condition of street pavement is typically evaluated by local agencies using a Pavement Management System (PMS), which regularly evaluates pavement condition and establishes a cost-effective maintenance strategy. Each segment of pavement is rated for distress (i.e., cracks and potholes) and the extent and severity of distress. Having an up-to-date PMS allows the local agency to gauge road maintenance needs quickly and efficiently and efficiently allocate resources. The City updated its Pavement Management Program (PMP) in 2017. The Pavement Condition Index (PCI) is an overall measure of the condition of the road surface based on a scale of zero (failed) to one hundred (excellent). The PCI allows for the assignment of a road restoration technique to the distressed road section. The City's PMS report has described pavement conditions as very good, with an average PCI of 71 out of 100. The 70-89 range is considered very good and describes conditions as having low levels of weathering (deterioration of the fine asphalt matrix) and raveling (the loss of coarse aggregate). By comparison, in 2018, the State of California average PCI for cities was 65, which is a reflection of a statewide road maintenance problem.

Traditionally, traffic congestion is measured based on the daily number of vehicle hours of delay due to congestion. Historically, Level of Service (LOS) analysis has relied upon a conventional perspective of the primary use of public streets by motor vehicles rather than considering all modes of travel, including public transportation, bicycling and walking. The LOS on streets and highways is rated on a scale of A-F, where "A" is the best rating and "F" the worst. LOS "E" means significant delays, unstable traffic flow,

²¹⁶ EPA, General Plan, 2016, p. 1-5.

²¹⁷ EPA, 10 Year Capital Improvement Plan Update, FY20-21, p. 32

and rapidly fluctuating speeds and flow rates; LOS “F” means considerable delay with forced traffic flow and speeds dropping to zero. The performance criterion for evaluating volumes and capacities of the East Palo Alto roadway system is LOS D. At a signalized intersection, an impact is considered significant if it causes operations to degrade from LOS D or better to LOS E or F; or exacerbates LOS E or F conditions. There are approximately seven intersections along University Avenue and Donohoe Street that operate at LOS E or F conditions in the peak hour (pre-covid).

With a higher percentage of households who have four or more vehicles in EPA compared to the remainder of the County, traffic flow is a concern, especially near Highway 101 and University Avenue, which is a major “spine” for traffic throughout the City. While capacity of University Avenue is reported to be adequate, even in light of significant automobile traffic volume, the road must also accommodate cyclists and traffic flow from Highway 101. The General Plan proposes that there be a shift from University Avenue to Bay Road, deeming it the new main street so it will be able to adequately accommodate the development of the downtown area.²¹⁸

The primary limitation with the LOS approach is that it does not account for the level of service experienced by people using other modes of travel (bicyclists, pedestrians, and transit riders). Sidewalks are critical to other modes of travel. City sidewalks were previously reported to not exist or only exist on one side of the street. It was also said that the conditions of these walkways were not adequate and in need of repair or enhancement.²¹⁹ Likewise, the bike-ability of the City has sufficient north-south and east-west connectivity, however, there are deficiencies, especially across Highway 101. The University Avenue corridor also is the site of the most bicycle-vehicle collisions within the City.²²⁰

WASTEWATER SERVICES

Wastewater collection services in the City of East Palo Alto are primarily by East Palo Alto Sanitary District and in certain areas by West Bay Sanitary District. Descriptions of each of these districts and the services they provide can be found in Chapters 5 and 6 of this report. Chapter 7 offers comparative analysis regarding wastewater services provide by both agencies.

Wastewater and City Development

Wastewater services provided by EPASD and WBSD within City of East Palo Alto appear to be adequate based on the analysis in this report, although EPASD’s engineering analysis predicts potential

²¹⁸ EPA, General Plan, 2016, p. 1-1.

²¹⁹ EPA, Ravenswood/4 Corners TOD Specific Plan, 2013, p. 29

²²⁰ EPA, General Plan, 2016, p. 6-6.

surcharging and sewer overflows in their collection system in the event of a 10-year storm event. As described in the Growth and Development section of this chapter, availability of wastewater capacity for new development is a critical issue for the City.

The City has understood that there is sufficient wastewater capacity to serve planned development. The City’s Housing Element assessed that “The City has sufficient water and sewer capacity, either current or planned, to meet its RHNA need and beyond.”²²¹ These erroneous statements are likely due to a focus on treatment capacity, which is sufficient to meet projected demand through 2035. However, collection system capacity to accommodate additional flow is constrained. Developers are required to finance necessary capacity improvements to connect to the system, but it is challenging because of the degree of capacity enhancements needed downstream from the proposed new connections and large-scale capacity enhancements, required to serve existing development as well as increased flows from new development, that cannot be completed in a piece meal fashion as development occurs.

Necessary capacity enhancements dictate that connection to the collection system is costly, which deters potential developers and prevents construction of City-approved developments. Several options exist for financing of necessary capacity enhancements that protect existing ratepayers while facilitating new development. The financing options are discussed in the EPASD Capital Improvement Funding and Financing section of EPASD’s chapter in this report.

Development is beneficial to the City, community, and its residents in many ways. Precluding development and growth from occurring deprives the City and its residents of many benefits such as additional tax revenues to improve City services, affordable housing, and additional commercial development and job opportunities. This MSR recommends that the intergovernmental committee, comprised of City of EPA and EPASD staff, continue meetings to steward greater communication and collaborative solutions. Additionally, to ensure all parties involved in the city building permit application process are well informed about available collection system capacity, this MSR recommends that EIRs and other environmental and planning documents include analysis regarding impacts on the wastewater collection system, not just the treatment system.

WATER SERVICES

Service Overview

Most of the City’s water connections (about 80 percent) are served by the City of East Palo Alto water system that is operated by Veolia. The remaining connections are served by either Palo Alto Park Mutual

²²¹ City of East Palo Alto, General Plan Housing Element, 2015, p. 3-32.

Water Company or the O'Connor Tract Co-op Water Company. The mutual water companies are not under the jurisdiction LAFCo, and are therefore not the subject of this section, but are included for service structure context purposes.

Veolia began services to East Palo Alto on June 1, 2020, and is under a five-year agreement with the City. In this agreement with the City of East Palo Alto, Veolia provides all operations and maintenance work for the water system that continues to be owned by the City. Veolia reads all meters, provides customer service and billing, and payment collection.

Veolia supplies water to the City from the San Francisco Public Utilities Commission (SFPUC). The San Francisco Regional Water System's (SFRWS) major drinking water supply consists of surface water and groundwater that are well protected and carefully managed by the SFPUC. These sources are diverse in both the origin and the location with the surface water stored in reservoirs located in the Sierra Nevada, Alameda County and San Mateo County, and groundwater stored in a deep aquifer located in the northern part of San Mateo County.

Service Area

The service area of the City's water system, shown in Figure 4-20, consists of the city incorporated territory less the areas served by Palo Alto Park MWC and the O'Connor Tract Co-op Water Company.

The O'Connor Tract Mutual Water Company is located on the central-west portion of the City of East Palo Alto. Only a portion of the service territory is located within city limits. The remaining portion is located in Menlo Park. The O'Connor Tract consists of approximately 340 connections, of which many are for multifamily residences. About 35 of these connections are metered.

The Palo Alto Park Mutual Water Company is located on the central-west portion of the City of East Palo Alto. The Palo Alto Mutual Water Company consists of approximately 677 unmetered residential connections, 20 unmetered commercial connections, and two metered residential connections.

Figure 4-20: East Palo Alto Water Service Area



Planning

The City relies on three planning documents to guide its water services—the City’s General Plan (2016), the Urban Water Master Plan (2020), and the Water System Master Plan (2010).

The City’s Urban Water Master Plan (UWMP) provides the most up-to-date assessment of the water system and related infrastructure needs. The UWMP is a foundational document and source of information about the City’s historical and projected water demands, water supplies, supply reliability and potential vulnerabilities, water shortage contingency planning, and demand management programs. The City’s 2020 UWMP has been developed to be consistent with the City’s 2016 General Plan by incorporating information related to future land use changes and the associated water demand and supply impacts.

Collaboration

The City’s water system is operated through a public-private partnership with Veolia. Additionally, as the primary water source for the City’s system, EPA practices collaboration and facility sharing with SFPUC via three SFPUC service connections (turnouts).

The City currently also has three metered interties with other water systems: two one-way interties with Palo Alto Park MWC and O'Connor Tract Co-operative Water Company and one intertie with the City of Menlo Park. The City previously had an intertie with the City of Palo Alto and is exploring the option of constructing an intertie in the future.²²²

The City is a member of the Bay Area Water Supply and Conservation Agency (BAWSCA). BAWSCA provides regional water supply planning, resource development, and conservation program services for 26 cities, water districts, and private utilities in San Mateo, Santa Clara, and Alameda County.

Demand

As of 2020, the City served 4,058 connections within its service area with a total demand for water of 552 million gallons (MG) per year on average between 2016 and 2020.

Taking into account historical water use, expected population increase and other growth, climatic variability, and other assumptions, water demand within the City is projected to increase to 1,078 MG by 2045, a projected increase of 89 percent compared to the water demand of 572 MG in 2020.²²³

Conservation programs offered by the City have aided in driving down demand by minimizing water use in order to meet required water use targets. These conservation programs and policies include: (1) water waste prevention ordinances, (2) metering, (3) conservation pricing, (4) public education and outreach, (5) distribution system water loss management, and (6) water conservation program coordination and staffing support. Additionally, the City participates in water conservation programs offered by BAWSCA.²²⁴

The City has been successful at meeting its per capita water use target for the year 2020. The Water Conservation Act of 2009 (Senate Bill X7-7) requires a 20 percent reduction in urban per capita water use by December 31, 2020. The City is in compliance with its 2020 water use target of 124 gallons per capita per day (GPCD), having reduced its water use in 2020 to 60 GPCD.²²⁵

Staffing

Veolia employs seven California certified operators and professional customer service representatives to serve the EPA water system.

²²² EPA, UWMP, June 2021, p. 26.

²²³ EPA, UWMP, June 2021, p. 5.

²²⁴ EPA, UWMP, June 2021, p. 6.

²²⁵ EPA, UWMP, June 2021, p. 5.

Facilities and Capacity

Water Supply

The City gets its water supply from two sources: (1) purchased water from the SFPUC RWS and (2) one groundwater well. The City's contractual allocation of SFPUC supplies (known as its Individual Supply Guarantee [ISG]) is 3.46 MGD, or approximately 1,264 MG per year. During normal years, the City expects to produce 7 MG per year from groundwater, which has historically been used by the City for street cleaning and median irrigation. However, in 2018, the City completed construction of an iron and manganese treatment facility at well so it could be used as a potable water source.

EPA's ISG has historically been 1.963 MGD or approximately 717 MG per year; however, this water supply allocation was not sufficient to meet demand of existing and projected water users within the City. EPA has in the past experienced overages of its ISG. Additionally, new development was limited given the lack of water supply to the City to serve even existing water customers. As a result, in 2018, the Cities of Mountain View and Palo Alto, committed to transferring some of their surplus to East Palo Alto, thereby increasing the City's ISG to 3.46 MGD and allowing new development to proceed.

Based on this analysis in the 2021 UWMP, the City expects the available supplies to be sufficient to meet projected demands in normal years. However, significant shortfalls are projected in dry year conditions, which if realized would require the City to enact its Water Shortage Contingency Plan. Numerous uncertainties exist in the assumptions that drive the projected dry year shortage estimates, and the City anticipates revising its water service reliability assessment within the next five years as some of these uncertainties are resolved.²²⁶

The City maintains a Water Shortage Contingency Plan (WSCP) to be engaged in the case of a water shortage event, such as a drought or supply interruption, and defines specific policies and actions that will be implemented at various shortage level scenarios. Consistent with Department of Water Resources requirements, the WSCP includes six levels to address shortage conditions ranging from 10 percent to greater than 50 percent shortage.

Treatment and Distribution System

All surface water supplies from SFRWS undergo treatment before it is delivered to customers. Water from the Hetch Hetchy Reservoir is exempt from State and federal filtration requirements but receives ultraviolet light and chlorine disinfection, pH adjustment for optimum corrosion control, fluoridation for dental health protection, and chloramination for maintaining disinfectant residual and minimizing the

²²⁶ EPA, UWMP, June 2021, p. 6.

formation of regulated disinfection byproducts. Water from local Bay Area reservoirs in Alameda County and San Mateo County is delivered to Sunol Valley Water Treatment Plant (SVWTP) and Harry Tracy Water Treatment Plant (HTWTP), respectively, and is treated by filtration, disinfection, fluoridation, optimum corrosion control and taste and odor removal processes. In 2020, a small amount of groundwater from five of the eight recently completed wells was intermittently added to the SFRWS's surface water supply.

The City owns a groundwater well, Gloria Way Well, located at the corner of Bay Road and Gloria Way. The groundwater is treated on-site then conveyed into the City's water system.

The City has no storage capacity, other than the system pipes. The City water system relies primarily on water directly from the SFPUC system for storage and fire flow. The Gloria Way Well is able to supply some water to the City's system during an emergency.

The City obtains SFPUC Regional Water System (RWS) water through three turnouts off SFPUC Bay Division Pipelines 1 and 2. Treated water is supplied from the SFPUC RWS within one pressure zone. Pressure regulating valves at each turnout reduce the pressure to between 70 and 75 psi as it enters the distribution system. From the turnouts, water flows through the City's distribution system, which consists of a network of 66 miles of 1½-inch to 12-inch diameter pipes. The water system has nearly 300 fire hydrants.

It is unclear the degree of pipeline capacity that is in use. However, the City's 2010 Master Plan points out that the minimum standard pipeline diameter for the water distribution system should be eight inches. Presently, the water system has nearly 90,000 linear feet of six-inch pipelines. As part of upgrading the water distribution system, and to account for future system demands, pipelines will need to be replaced with larger-diameter pipes to maintain adequate system pressures. In addition, upgrading all pipe sizes will increase the available fire flow to the water system. Proposed pipeline replacements have been divided into five groups based upon the disparity between necessary fire flows, current fire flow availability, and size of pipe. The total pipeline replacement program includes approximately 201,000 LF of pipeline at a total estimated cost of \$32,100,000 in 2010 dollars.²²⁷ Since 2010, the City has performed over 4,000 linear LF of water main capital improvements along various streets including Jarvis Street, Laurel Street, Mello Street, Georgetown Street, Gonzaga Street, Lita Lane, Bay Road, and Pulgas Avenue. These improvements are in addition to emergency repairs performed by the water operator. Additionally, three water main projects have completed design packages and are awaiting construction funding.

²²⁷ EPA, Master Plan, 2010, p. 2.

Infrastructure Needs

The City is preparing the 2021 Water System Master Plan that will determine the necessary water infrastructure improvement projects to meet the demands of future development needs, including water storage tanks. The Plan includes a water rate study which calculate the water rates necessary to deliver the projects.

Because the City has no water storage facilities, it relies primarily on its SFPUC water source for continued supply. To meet water system demands for during an outage, it is estimated the City would need 4.2 MG of capacity for system equalization, fire flow, and emergency storage. Due to the area's topography, the system will need booster station facilities to boost water into the distribution system from the storage facility. The City is negotiating with developers regarding water storage needs and conducting the Water System Master Plan to identify other storage options.

The City is currently working on installing an emergency potable water supply well at the Pad D site to provide depth in emergency backup water supply for city customers.²²⁸ The Pad D well project design package is complete, and City staff is pursuing grant funds for this project.

Adjacent to the Pad D well site, is a water storage tank that is to be constructed by a Developer as a partnership project with the City of East Palo Alto. The storage tank will be constructed by the Developer for emergency water supply but will be transferred over to the City once the City is able to complete other water infrastructure projects to enhance its water pressure to meet fire demand.

Challenges

EPA has faced challenges with ensuring adequate water supply and meeting water supply needs of new developments; however, the recent increase in the SFPUC water supply allocation has addressed this issue. Water supply during dry years continues to be tenuous as identified in the City's UWMP.

Service Adequacy

This section reviews indicators of service adequacy, including the State Water Resources Control Board (SWRCB) system evaluation, drinking water quality, and distribution system integrity.

SWRCB Division of Drinking Water is responsible for the enforcement of the federal and California Safe Drinking Water Acts and the operational permitting and regulatory oversight of public water systems in California. Domestic water providers of at least 200 connections were subject to inspections. However, the City reported that an inspection had not been completed in several years.

²²⁸ EPA, UWMP, 2021, p. 26.

Drinking water quality is determined by a combination of historical violations reported by the EPA since 2015 and the percent of time that the City was in compliance with Primary Drinking Water Regulations in 2020. The City has not had any violations recorded since 2015. The City was in compliance with drinking water regulations 100 percent of the time in 2020.

Indicators of distribution system integrity are number of breaks and leaks in 2020 and rate of unaccounted for water loss. In 2020, the City experienced 13 main and service line breaks and leaks.

Distribution system water losses are the physical water losses from the water distribution system and the supplier storage facilities, up to the point of customer consumption. The total differential between water supply and metered water use is categorized as unaccounted-for-water; however, this category includes unbilled water uses such as system flushing, leak repair flushing, hydrant leaks, and street sweeping. In order to isolate the water loss attributed to the distribution system, the City has estimated water losses using the Department of Water Resources (DWR) Water Audit Method. Of the total demand of 550 MG in 2017, 477 MG were attributable to metered consumption and 73 MG were estimated to be the non-revenue water demand, which includes unmetered consumption and distribution system water loss. Of the 73 MG of non-revenue water in 2017, 50 MG was estimated to be attributed to water losses, which equates to water loss of 9.1 percent for the City's system.²²⁹ Water loss of under 10 percent is generally considered within industry standard for water systems.

SUMMARY OF CITY OF EAST PALO ALTO MSR DETERMINATIONS

Growth and Population Projections

- 4-1: The City of East Palo Alto's population has remained fairly static over the last two decades, fluctuating minimally from year to year. Most recently, there has been a slight decline in population from 2018 to 2020. The Census 2020 estimates that the population of the City was 30,034 as of April 2020.
- 4-2: Over the period from 2020 to 2040, ABAG projects 17.7 percent population growth, which equates to 0.8 percent compound annual growth. Based on the City's Census 2020 population and ABAG's projected growth rate, the City is projected to have a population of 35,363 in 2040.
- 4-3: As of December 2021, the City had 20 unconstructed development projects in some phase of the application and construction process consisting of 1,469 dwelling units and 4,635,139 square feet of nonresidential building space. A majority of the larger developments are located in the

²²⁹ EPA, UWMP, 2021, p. 34.

Ravenswood/4 Corners TOD Specific Plan area. There are several mixed-use proposals, the largest of which are Four Corners, the Landing, and East Palo Alto Waterfront.

- 4-4: Regional Housing Needs Allocation mandates have an impact on the City’s new development and intensification of density contributing to population growth. ABAGs most recent Regional Housing Needs Allocation (RHNA) for the City of East Palo Alto for the period from 2023-2031 is 829 units, almost double the previous allocation.
- 4-5: In addition to the substantial number of sizeable developments, the City is experiencing intensification of uses on properties with existing dwelling units where a number of accessory dwelling units are being added. SB 9, which streamlines the permitting process for accessory dwelling units, will likely prompt a greater number of ADU additions.
- 4-6: Lack of EPASD sewer collection system capacity is an impediment to development in the City. Developers have indicated concerns that the costs to connect are prohibitively expensive and that EPASD has been unwilling to discuss financing options to make connection more feasible. Efforts to-date to resolve this issue have been largely unsuccessful. Constrained development and growth deprive the City and its residents of increased tax revenues to maintain and improve public services, reduces future affordable housing and ability to meet RHNA housing allocations, and limits growth in job opportunities.

The Location and Characteristics of Disadvantaged Unincorporated Communities Within or Contiguous to the Agency’s SOI

- 4-7: According to the Department of Water Resource’s Disadvantaged Communities mapping instrument, there are no communities within or contiguous to the City’s SOI that meet the definition of a disadvantaged unincorporated community. However, there is a single Block Group (060816121002) within the City’s incorporated territory to the west of Highway 101 that meets the definition of disadvantaged. The area has an estimated population of 2,232 with a median household income of \$45,731.

Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies

- 4-8: Based on ISO ratings, response times, and stations per 1,000 population served, Menlo Park Fire Protection District’s serviced provided within East Palo Alto appear to be adequate. Additionally, the City of East Palo Alto indicates it is satisfied with Menlo Park Fire Protection District’s response times and that the District meets its outlined service goals.
- 4-9: Law enforcement services are marginally adequate given the low clearance rate of property crimes within the City, which is likely attributable to staffing constraints within the Police

- Department. Additionally, the two police facilities are considered to some extent sufficient as identified by Police Department staff; however, no specific infrastructure needs were identified.
- 4-10: The City has indicated that the current availability of parks and open space is not sufficient to meet demand. No parks exist in the Weeks, Kavanaugh, and Westside neighborhoods within EPA, despite having a higher population density that primarily consists of younger families residing in multi-family structures without backyards. With current and projected population estimates, service adequacy will not be sufficient unless an estimated 79 acres of parkland are added to the cityscape.
- 4-11: The City provides adequate solid waste management services as indicated by per capita and per employee disposal rates that are well within its target disposal rates as dictated by the State. However, waste management services face challenges throughout the County, including 1) a decline in the recyclables market from contaminated sources, 2) new organics diversion requirements that will require major new programs, and 3) dwindling capacity at the Ox Mountain landfill.
- 4-12: There are deficiencies in the City of East Palo Alto’s stormwater collection system. There are two significant challenges to implementing planned improvements—lack of funding for \$37.5 million in infrastructure needs and location constraints limiting system expansion and rerouting alternatives. Improvements are necessary in order to reduce the risk of flooding.
- 4-13: The City’s PMS report has described pavement conditions as very good, with an average PCI of 71 out of 100. However, congestion and conditions that impact other modes of transportation continue to be a concern. In particular, there are areas without walkable sidewalks and many areas lacking sufficient capacity for bike lanes leading to high incidents of accidents.
- 4-14: Wastewater services provided by EPASD and WBSD within City of East Palo Alto appear to be adequate based on the analysis in this report; however, as described in the Growth and Development section of this chapter, availability of wastewater capacity for new development is a critical issue for the City. Necessary capacity enhancements are making connection to EPASD’s collection system exceptionally costly, which is deterring potential developers and preventing some approved developments from being completed. Several options exist for financing of necessary capacity enhancements that may be agreeable to all parties.
- 4-15: Indicators of water distribution service adequacy, including the State Water Resources Control Board system evaluation, drinking water quality, and distribution system integrity demonstrate that the City provides adequate service levels. While the City has been able to address water supply capacity constraints that were preventing development, there continue to be needs for

water storage for emergency backup supply and pipeline expansions to meet industry standards.

Financial Ability of Agencies to Provide Services

- 4-16: The City of East Palo Alto is in good financial position; however, the City is experiencing structural budget deficits that will deplete reserves over time.
- 4-17: Development projects delayed by lack of sewer infrastructure capacity obstructs the ability to pursue economic development as one means to improve financial conditions and help achieve the City's fiscal resiliency goals.

Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

- 4-18: The City generally meets legal requirements intended to ensure transparency and accountability; however, there appears to be room for improvement in City Council compliance with ethics training requirements and timely filing of Form 700s.
- 4-19: East Palo Alto should consider taking on EPASD as a subsidiary district to enable funding of capital projects to address deficiencies and capacity constraints that encourages development. In order to limit demands on city staff, the City may wish to contract with West Bay Sanitary District for operations and maintenance of the system.

Recommendations

- **Ethics Training** - It is recommended that the City make City Council ethics training information readily available on its website.
- **Form 700** - It is recommended that the City ensure its Council Members comply with Form 700 filing requirements.
- **Intergovernmental Relations** – Restart and continue regular public meetings between representatives of the City of East Palo Alto and the East Palo Alto Sanitary District. While staff level cooperation related to development planning is ongoing, involvement by board and council members assure efficient and effective coordination between the City and District related to infrastructure financing and other matters. These meetings should be live streamed, recorded and promptly posted to facilitate public outreach and transparency. These meetings could be focused on specific topics such as development projects and infrastructure finance. The meetings should be conducted with equal support and staff time from both the City and EPASD.

- **Development Environmental Review** - Include analysis regarding impacts on the wastewater collection system, in addition to the wastewater treatment system, in CEQA review documents associated with new developments.
- **Budget Forecasting** – Prepare and periodically update a long-term budget forecast to assist with financial planning, including projected pension obligations.
- **Infrastructure improvements** – It is recommended that the City continue to work towards addressing identified needed infrastructure improvements for both stormwater and drinking water, including identifying potential funding mechanisms.
- **Park Planning** – The City should continue its effort to develop a Parks Master Plan for recreation, parks and open space in the City and work to address the lack of these facilities in many areas of the City.

5. EAST PALO ALTO SANITARY DISTRICT

East Palo Alto Sanitary District (EPASD) was formed in 1939 pursuant to the Sanitary District Act of 1923 (Health & Safety Code §6420) to provide sewer services to increased development in what is now the City of East Palo Alto and portions of City of Menlo Park. Services authorized under Section 6420 et seq. include collection, treatment and disposal of garbage, storm water and sewage. At present, the District provides wastewater collection services, and treatment services are provided by the City of Palo Alto.

The District’s initial sewer lines were installed as a Federal Works Progress Administration (WPA) project and construction began after the treatment contract with the City of Palo Alto was signed in 1940. District facilities were put into operation in 1942.

A municipal service review was last conducted on EPASD in 2009.²³⁰ Refer to the previous MSR for further detail on the history of the District.

BOUNDARIES AND SPHERE OF INFLUENCE

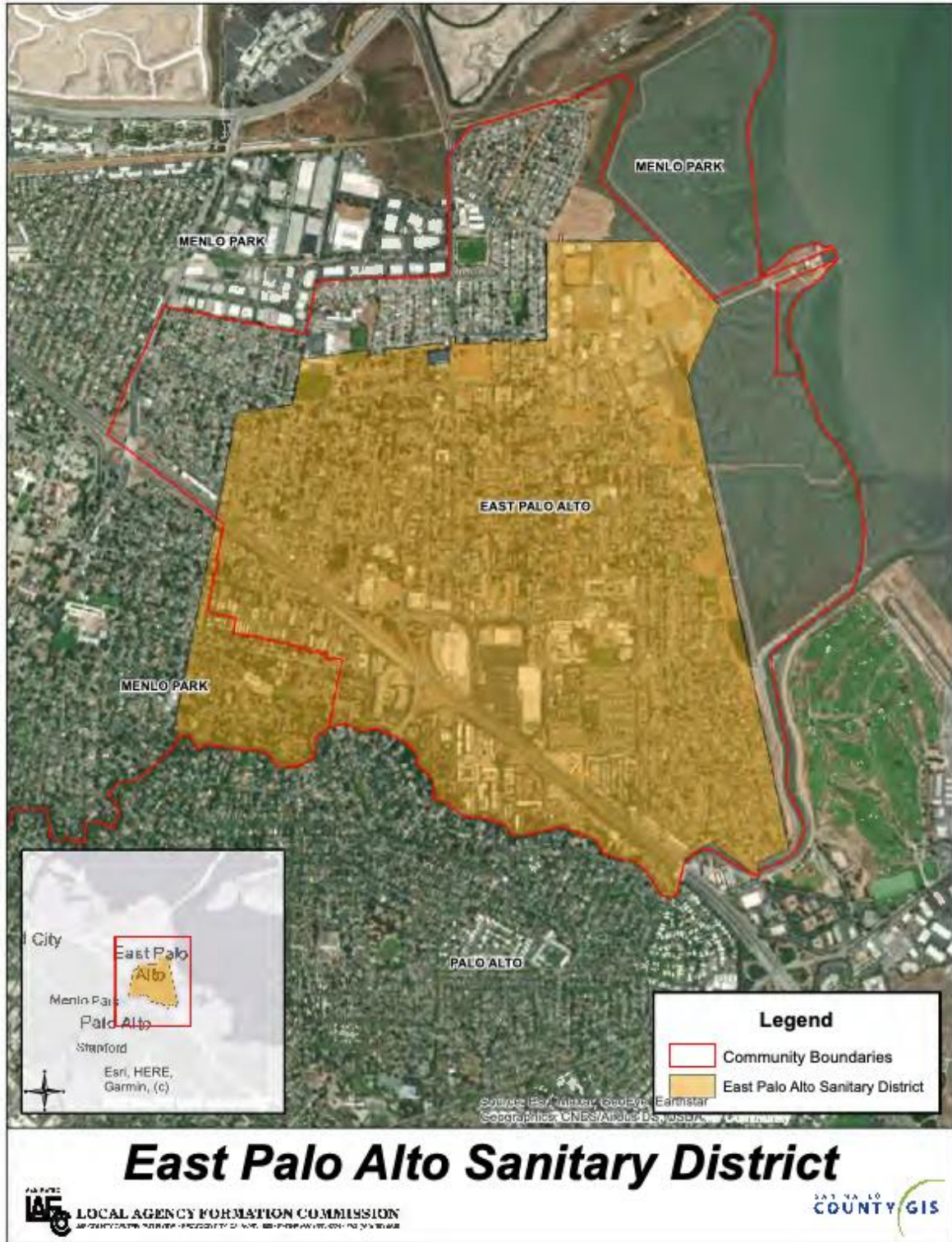
EPASD was formed to provide reliable sewer service to developing areas that were unincorporated at the time. Since then, in 1983, the City of East Palo Alto was incorporated. EPASD present-day boundaries include a majority of the City of East Palo Alto and a small portion of Menlo Park.

Following the formation of the City of East Palo Alto, LAFCo subsequently adopted a “dissolution” sphere of influence (also referred to as a “zero” SOI) for EPASD and included EPASD’s territory within WBSD’s SOI, indicating at the time that EPASD could be dissolved and West Bay Sanitary District could assume sanitary service via annexation. In 2009, EPASD’s sphere of influence was reaffirmed as a “dissolution” (zero) SOI as adopted in 1985. Several governance structure options for EPASD were analyzed at that time but no recommendation was made. Alternatives included the following:

- 1) Status quo (continued existence of the District),
- 2) Establishing the District as a subsidiary district of the City of East Palo Alto with sewer service becoming a public works function of the City,
- 3) Dissolution of the District and annexation of the service area to West Bay Sanitary District, or a variation that would reorganize both EPASD and WBSD to align boundaries of the districts with city boundaries.

²³⁰ Municipal Service Review and Sphere of Influence Update East Palo Alto Sanitary District February 16, 2009.

Figure 5-1: East Palo Alto Sanitary District Boundaries and SOI



ACCOUNTABILITY AND GOVERNANCE

Accountability of a governing body is signified by a combination of several indicators. The indicators chosen here focus on 1) agency efforts to engage and educate constituents through outreach activities, in addition to legally required activities such as agenda posting and public meetings, 2) a website with required content and other useful information, 3) timely ethics training for board members and an adopted reimbursement policy, 4) a defined complaint process designed to handle all issues to resolution, 5) adopted bylaws that provide a framework and direction for governance and administration, 6) adoption of a conflict of interest code as required by law, 7) proper filing of Form 700 by the governing body members, and 8) transparency as indicated by cooperation with the MSR process and information disclosure at meetings, in documents and on a website.

Figure 5-2: East Palo Alto Sanitary District Profile

East Palo Alto Sanitary District Profile			
Contact Information			
<i>Contact:</i>	Akin Okupe, General Manager		
<i>Address:</i>	901 Weeks Street East Palo Alto, CA 94303	<i>Website:</i>	www.epasd.com
<i>Phone:</i>	650-325-9021	<i>Email:</i>	info@epasd.com
Governing Body			
<i>Governing Body:</i>	Board of Directors	<i>Members:</i>	5
<i>Manner of Selection:</i>	Elected at large.	<i>Length of term:</i>	4 years
<i>Meetings Location:</i>	901 Weeks Street East Palo Alto, CA 94303	<i>Meeting date:</i>	First Thursday of the month at 7:00 pm

The EPASD Board is composed of five members that are elected at large to four-year terms. Currently, two terms end in 2022 and three terms end in 2024. There are no vacancies on the Board at this time. Board member compensation is set according to Ordinance 48 adopted in 2001. At present, Board members are paid \$307.93 per meeting day²³¹ with a maximum of six meeting days per month. At the

²³¹ Board member rates were recently increased 5% per A.Okupe, comment on admin. draft chapter 2022-01-25.

District’s most recent meeting on January 6, 2022, the Board approved a five percent increase in board member compensation. Additionally, Directors are compensated \$150 per committee meeting. Directors are reimbursed direct costs, such as travel expenses for conferences. Directors also receive dental, vision, health, wellness and fitness benefits. The wellness and fitness benefits for both Directors and staff were increased at the December 2, 2021, meeting to between \$500 and \$1,000.²³²

Board meetings are held on the first Thursday of each month at 7 pm in the Board room at the District’s office. Agendas are posted at the District’s office and on the District’s website at least 72 hours prior to a meeting. Meeting minutes are also made available on the District’s website.

The District primarily conducts outreach via its website, which makes available information on meetings, bill paying, rates and fees, wastewater services, and financial and planning documents. The District also distributes newsletters and informs the public through public notices. EPASD makes available any information needed at the District's office.

As mentioned, EPASD maintains a website with information readily available for the public. The Special District Transparency Act (SB 929) signed into law in 2018 requires special districts in California to have websites be set up by January 1, 2020, and holds special districts accountable to the Brown Act, which mandates transparency. WBSD’s website meets the requirements of SB 929. In 2016, the State Legislature enacted Assembly Bill 2257 (Government Code §54954.2) to update the Brown Act with new requirements governing the location, platform and methods by which an agenda must be accessible on the agency’s website for all meetings occurring on or after January 1, 2019. Although EPASD does not have a direct link to meeting agendas posted on the homepage of its website, the “Board Meeting and Agenda” link that is listed does directly send users to EPASD’s integrated agenda management system which displays agenda links associated with meetings on the calendar. This indicates EPASD is in compliance with AB 2257. Other links that are made available on this webpage include agenda packets. EPASD recently improved the appearance of its website although continued revisions are necessary to correct typographical errors and assure that all key agency documents (e.g., Master Plan updates, etc.) that were available previously continue to be available to the public.

If a customer is dissatisfied with the EPASD’s services, complaints may be submitted over the phone or via email. Complaints are tracked and managed by the front administrative office. Details of each complaint are recorded, information is gathered, and options are discussed at a staff level how to resolve the complaint. EPASD reported that it aims to resolve complaints as soon as possible. Once resolved, the District follows up with the customer to ensure satisfaction. EPASD reported that in 2020

²³² EPASD, Board Minutes, December 2, 2021.

no complaints were submitted to the District regarding wastewater services,²³³ notwithstanding concerns expressed about wastewater capacity planning, fees and charges to obtain will-serve letters, and communications on those topics.

The District’s Board of Directors has adopted and compiled a Policies Handbook for the District Board, the date of which it was last reviewed and updated is unknown, and an Employee Handbook last updated in 2018. These rules function similar to bylaws and provide a framework and direction for district governance and administration. Included in the Policies Handbook are policies on code of ethics and travel and expense reimbursement. Separate policies have been adopted regarding compensation, reserves, and conflict of interest. District policies are not readily accessible on EPASD’s website, and in order to ensure transparency, it is recommended that the District make available all policies on its site.

The Political Reform Act (Government Code §81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (California Code of Regulations §18730), which contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency’s code. As mentioned, EPASD has appropriately adopted a conflict of interest code.

Government Code §53235 requires that if a district provides compensation or reimbursement of expenses to its board members, the board members must receive two hours of training in ethics at least once every two years and the district must establish a written policy on reimbursements. EPASD reported that the District’s board members last received ethics training in 2014. This MSR recommends that EPASD ensure that board members receive the required ethics training every two years. The District has appropriately established a written policy on cell phone expense reimbursement,²³⁴ for travel expenses in its Travel Policy, and for training and education related expenses.²³⁵

Government Code §87203 requires persons who hold office to disclose their investments, interests in real property and incomes by filing appropriate forms with the appropriate filing agency (i.e., the County or the Fair Political Practices Commission) each year. The District reported that all members of the Board of Directors have submitted the required Form 700 for 2020.²³⁶

The District has demonstrated transparency and accountability throughout the MSR process by responding promptly to requests for information, participating in an interview, and reviewing draft

²³³ EPASD, Response to MSR Questionnaire, September 21, 2021.

²³⁴ EPASD, Resolution No. 801, Adopted September 9, 2004.

²³⁵ EPASD, Board of Directors Policy Handbook, Section 9.2.

²³⁶ A. Okupe, comment on admin. draft chapter 2022-01-25.

reports comprehensively. However, some incomplete responses required follow-up or were not made available and remain pending.

SERVICES PROVIDED

Operating pursuant to Health and Safety Code Section 6400 et seq., the District is an independently governed special district authorized to construct and operate works for collection, treatment and disposal of garbage, stormwater, recycled water, and sewage. At present, EPASD provides wastewater collection as a direct service by owning, operating, and maintaining the collection system and sewage treatment via a contract with the City of Palo Alto for capacity at its Regional Water Quality Control Plant.

Wastewater Services

This section provides a general description of the District’s wastewater services and related infrastructure. Further detail regarding capacity, infrastructure needs and deficiencies, level of services offered can be found in Chapter 7 “Regional Wastewater Services” of this report.

The District is responsible for the operation and maintenance of the sanitary sewer collection system. The District operates and maintains approximately 30 miles of gravity sewer lines,²³⁷ of which approximately 70 percent are 6 inches in diameter and the remainder range from 8 to 24 inches in diameter.²³⁸ Because the lines are powered by gravity, there are no pump stations in the system. The trunk line contains a siphon beneath San Francisquito Creek between manholes T15 and T14. The collection system is composed of 15 drainage basins. A letter from A-O designates each basin. The District is not responsible for maintenance of laterals but does offer property owners a program to assist financially with lateral replacement costs.

Sections of the system have been replaced; however, most of the original pipelines and manholes remain in service. The new manholes are precast, while the original manholes were mostly constructed of brick and mortar. The pipelines were constructed with vitrified clay pipe (VCP), but newer pipelines are being constructed with heavy wall plastic pipe such as PVC or HDPE.

The collection system drains to the Palo Alto Regional Water Quality Control Plant (RWQCP) where the District’s flows are treated and discharged to the San Francisco Bay by the RWQCP. RWQCP records total wastewater flow for the District. These flows are measured from the District’s meters. Typically,

²³⁷ A.Okupe, comment on admin. draft chapter 2022-01-25.

²³⁸ RWQCB, Compliance and Inspection Report, May 5, 2021, p. 3.

maximum daily flows in the District occur during the winter months between December and March. Daily flows are lowest during the months of September through November. The dry weather flow capacity of the RWQCP is 38 MGD. The District has an agreement with the RWQCP, which entitles the District to 7.63 percent of the average dry weather capacity of the RWQCP, which equates to 2.9 MGD. In 2020, EPASD recorded an ADWF of 0.61 MGD, which is approximately 21 percent of its allocated treatment capacity.

GROWTH AND POPULATION PROJECTIONS

The EPASD territory includes most of East Palo Alto and a small portion of Menlo Park; approximately 90 percent of EPASD parcels are also within the City of East Palo Alto. Because the boundaries encompass all types of city land uses, the District serves a wide variety of customers.

This section focuses on historical and projected growth within EPASD’s boundaries. A description of regional growth trends can be found in Chapter 3 and *Appendix A* of this report.

Planning Strategies

EPASD’s 15-year Master Plan forecasts service needs and proposes capital projects necessary to meet those needs in its Capital Improvement Program. The District supplements its capital planning with its rate studies and capacity charge studies. EPASD states that the master plan is a conceptual document “for investors to know what is involved to have development projects – it does not mandate the District to build the pipelines for them.”²³⁹

EPASD updated its Master Plan in 2015 and issued an Addendum in April 2021. The Addendum was completed to 1) identify areas prone to surcharging and SSOs, 2) evaluate the remaining capacity of the main trunk line, and to update demand assumptions based on the City of East Palo Alto’s most recent General Plan update.

EPASD proposed a Capital Improvement Program (CIP)²⁴⁰ in its 2021 Master Plan Addendum.²⁴¹ The CIP outlines system deficiencies for existing users and separately identifies deficiencies attributable to serve additional new development and estimates corresponding costs for both.

²³⁹ A.Okupe, comment on admin. draft chapter 2022-01-25.

²⁴⁰ Addendum to the March 2015 East Palo Alto Sanitary District Master Plan Update, Freyer & Laureta Inc., Final – April 28, 2021, Table 16.

²⁴¹ EPASD Master Plan Update Final Report, March 2015, Freyer Laureta, Inc.

EPASD states that its hydraulic analysis is designed to prevent surcharging (flows do not exceed the level of the pipes). The analysis of flows from existing uses recommends upsizing pipes to mitigate surcharging; however, also EPASD states that the restriction against surcharging only applies to new development, not to existing uses whose flows are allowed to exceed pipe capacity (“surcharge”); flows from existing uses are allowed to surcharge pipe capacity and to “move between the top of pipes and bottom of manhole cover.”²⁴²

Even with the more permissive standard allowing pipe capacity to be exceeded by flows from existing uses, EPASD’s hydraulic analysis shows multiple manhole locations where the flow levels (Hydraulic Grade Level, or “HGL”) not only exceed pipe capacity but also equal or exceed the level of the manholes which will result in sewer overflows during a storm event evaluated in the hydraulic analysis.²⁴³

No priorities, phasing or funding sources are identified in the CIP. The EPASD General Manager indicated that in his opinion the CIP does not provide a reasonable guide for determining infrastructure needs, costs and funding responsibility; he stated that the existing system was adequate for existing users but cannot handle additional flows from new development.²⁴⁴

Sewer fees were most recently updated in 2019 following the recommendations in a rate study. Prior to 2019, EPASD’s rates were last updated in 2015. The District’s 2019 Rate Study recommended rates and future increases intended to 1) support the District’s projected sewer system operating and maintenance expenses, 2) fund the District’s allocated share of RWQCP wastewater treatment operations, 3) fund the District’s contractual share of financing costs for rehabilitating and upgrading the RWQCP’s wastewater treatment facilities, 4) provide an ongoing funding stream for the repair, replacement, and/or increased flow capacity for the District’s aging sewer collection system infrastructure, and 5) maintain the long-term financial sustainability of EPASD.²⁴⁵ Since 2019, the District has not implemented annual rate increases as recommended in the Rate Study because revenues exceeded expenditures due to cost savings and capital investments less than recommended in the Rate Study.

In 2018, the District updated its capacity charges according to recommendations from the Capacity Charge Study from \$3,625 per equivalent dwelling unit to \$6,060. The capacity charge is intended to

²⁴² A.Okupe, comment on admin. draft chapter 2022-01-25.

²⁴³ Addendum to the March 2015 East Palo Alto Sanitary District Master Plan Update, Freyer & Laureta Inc., Final – April 28, 2021, Table 3.

²⁴⁴ Interview with Akin Okupe, EPASD General Manager, November 9, 2021.

²⁴⁵ EPASD, 2019 Sewer Rate Study, April 17, 2019, p. 2.

“recover the full costs of wastewater system infrastructure and assets benefitting new development to help ensure that growth pays its own way and does not place a financial burden on existing customers”²⁴⁶ as stated in the Capacity Charge Study. However, it is apparent the adopted capacity charges do not fully cover the capacity expansion needs of new development, as the Capacity Charge Study did not anticipate the significant capacity needs and costs and the number and size of new developments. The District indicated that it did not intend to update the capacity charge in the near future to reflect the capacity needs identified in the 2021 Master Plan Addendum.²⁴⁷

EPASD indicated that their staff work closely with City of East Palo Alto staff during the permit application process. EPASD and the City of East Palo Alto reported having regular staff meetings to discuss current and upcoming projects. The City and the District previously formed an Intergovernmental Committee composed of elected representatives to attempt to overcome existing challenges to new development, discussed further in this section. However, due to the lack of perceived progress by the Intergovernmental Committee, the meetings were paused awaiting the outcomes of the MSR update.

Developers are responsible for reaching out to EPASD to determine EPASD’s ability and willingness to serve the project and to negotiate an agreement. Once a developer has begun the application process with the City, EPASD generally processes requests for service in the following manner:

- 1) The City of East Palo Alto sends EPASD notification regarding an application.
- 2) The developer approaches EPASD to discuss the potential for service.
- 3) EPASD conducts a hydraulic impact assessment of the proposed project and drafts a technical memorandum summarizing findings. Developers are charged \$10,000 for EPASD’s consulting engineers to conduct analysis.
- 4) EPASD then prepares cost sharing analysis depending on the outcome of the hydraulic impact assessment. If the developer agrees to the costs and required funding, then the two entities enter into an agreement.
- 5) Once there is a will serve letter from EPASD it is shared with the City and the City finalizes the application.
- 6) EPASD constructs all necessary infrastructure for the new development.

²⁴⁶ EPASD, Capacity Charge Study, 2018, p. 1.

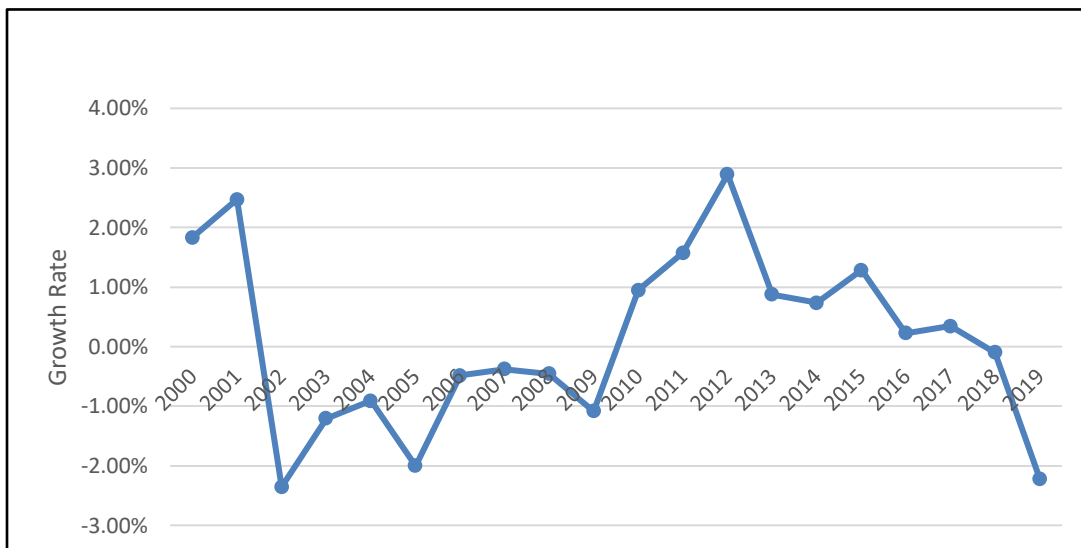
²⁴⁷ Interview with Akin Okupe, EPASD General Manager, November 9, 2021.

EPASD is reportedly generally satisfied with the process; however, project CEQA documentation usually does not sufficiently address impacts on the wastewater collection system, and instead only focuses on wastewater treatment capacity. The District recommends that environmental impact reports describe impacts on the collection system as well. Also, specific plans should be updated with collection system information, so that developers are well informed on the needs of the system.

Historical Population Trends

Similar to the City of East Palo Alto’s population, the population within EPASD has remained fairly static over the last two decades, fluctuating minimally from year to year. Population growth during that time based on California Department of Finance population estimates in combination with Census 2000, 2010 and 2020 data is shown in Figure 5-3. In 2000 and 2001, the City and District experienced positive growth of 1.83 percent and 2.47 percent respectively. From 2002 to 2009, the City and District experienced consistent population decline, with a combined decline in population of 8.6 percent during that period. Between 2010 and 2018, there was positive growth in population of 9.2 percent during the eight-year period. Most recently, there has been a slight decline in population from 2018 to 2020.

Figure 5-3: East Palo Alto Sanitary District/City of East Palo Alto Population Growth



As of 2020, based on the number of residential connections served and the average household size in the cities served, it is estimated that the population is approximately 26,622 within EPASD.

Projected Population

In regard to growth projections, it is assumed that EPASD’s growth will closely mirror that of the City of East Palo Alto. Over the period from 2020 to 2040, ABAG projects the City will experience 17.7 percent population growth, which equates to 0.8 percent compound annual growth. Based on the current

population estimate within the District and ABAG’s growth projections through 2040, it is projected that there will be 31,335 residents within the District in 2040.

Proposed Developments

Proposed developments within the City of East Palo Alto are almost all also within EPASD’s boundaries, with the exception of the EPA Waterfront development, which is partially within EPASD and partially within WBSD’s boundaries. Recently approved and developments under review, all of which are located within the City of East Palo Alto, are shown in Figure 5-4.

As discussed in the City of East Palo Alto chapter in the *Proposed Developments* section, there are challenges to these planned and proposed developments connecting to the EPASD system for services.

EPASD reports that it lacks collection capacity to be able to serve new construction, and necessary capacity enhancements required by the District when connecting to the system, which can include both the cost to upgrade pipes serving existing uses as well as the cost of expansion to serve new development, are exceptionally costly, deterring potential developers and preventing some City-approved developments from being completed.

Developers have indicated concerns that the costs to connect are prohibitively expensive and that EPASD has been unwilling to discuss financing options, such as cost sharing to help pay for a share of improvements benefitting existing uses, to make connection more financially feasible.²⁴⁸ In an effort to address this issue, the City and the District formed an intergovernmental committee that met regularly; however, a solution was not identified, and the meetings were put on hold after the September 2020 meeting as the members were at an impasse and further meetings were not perceived as productive. Consequently, although the two agencies continue to meet at a staff level, the City, the District, and developers have not been able to come to a financing plan that is satisfactory to all parties, and development continues to be constrained. It is recommended that the intergovernmental committee continue meetings in an effort to steward greater communication and collaborative solutions to this challenge. Financing options to accommodate new development connections and capacity enhancements are discussed in the *EPASD Capital Improvement Funding and Financing* section of EPASD’s chapter in this report.

These proposed developments do not include intensification of uses on properties with existing dwelling units. Specifically, a number of accessory dwelling units (ADUs) are being added to properties throughout the City, typically to properties with single family dwelling units. According to newly

²⁴⁸ Developer narratives provided to LAFCo, Aug. 26, 2021, and resubmitted as comments on the Draft MSR.

approved State legislation (SB 9), permits for ADUs are required to be considered only ministerially by the land use authority, without discretionary review or hearing. Generally, the legislation streamlines and simplifies the process by which to get a permit for an ADU.²⁴⁹ Addition of these units are not charged a capacity fee by the sanitary district as the properties are already connected to the collection system; however, plans for about 12 ADUs are presently stalled as they have been unable to get approval for connection to EPASD’s system. EPASD will charge fees to ADUs “on a proportional basis in accordance with new California Law.”²⁵⁰ Additionally, the number of ADU proposals have increased since the legislative changes. Accordingly, 33 zoning clearances were granted in 2021 for proposed ADUs within the City, and 25 ADUs were issued building permits for construction in 2021. It is likely that future years will also result in a similar number of applications.

²⁴⁹ California Senate Bill No. 9, approved by the Governor September 16, 2021.

²⁵⁰ A. Okupe, comment on admin. draft chapter 2022-01-25.

Figure 5-4: Proposed Developments in East Palo Alto Sanitary District’s Boundaries and SOI

Name of Development	Developer	Project Type	Dwelling Units	Nonresidential Square Feet	Location	Status
2020 Bay Road	Three Cities Research	Mixed use		1,343,200	2020 Bay Road	Design Review
Four Corners	Sand Hill	Mixed use	180	540,000	1675 Bay Road	Full App/Review
The Landing	Harvest Props	Mixed use	90	922,025	1990 Bay Road	Pre-App
EPA Waterfront ²⁵¹	Emerson Collective	Mixed use	260	1,390,000	2555 Pulgas Ave	Pre-App
965 Weeks Street	Mid Pen Housing / EPA Can Do.	Multi-family Residential	136		965 Weeks Street	Approved
1201 Runnymede St	Village One, LLC	Multi-family Residential	37		1201 Runnymede St	Full App
1804 Bay Road	EPA Bay LLC.	Mixed use	66	1,320	1804 Bay Road	Pre-App
Job Train Office	Emerson Collective	Office building		50,000	2535 Pulgas Ave	Pre-App

²⁵¹ Partially within EPASD and partially within WBSD.

Name of Development	Developer	Project Type	Dwelling Units	Nonresidential Square Feet	Location	Status
1062 Runnymede St.	Kent Yu	Single Family Residential	4 with 4 attached ADUs		1062 Runnymede St.	Under review
120-124 Maple Lane Townhomes	Bhartia Saurabh Trust	Multi-family Residential	4		120-124 Maple Lane	Under review
2340 Cooley Avenue	Jim Goring	Multi-family Residential	7		2340 Cooley Avenue	Under review
547 Runnymede condominiums	Susan Chen / Yanhua Zhu	Multi-family Residential	8		547 Runnymede	Under review
717 Donohoe Street	8M Property-4, LLC	Multi-family Residential	14		717 Donohoe Street	Under review
807 E Bayshore Ave. Residential development	Reid Lerner Architects / Alvin L. Silver	Multi-family Residential	6		807 E Bayshore Ave.	Under review
990 Garden Street	Garden Place LLC. / Abha Nehru / Tony Carrasco	Single Family Residential	7 with ADUs		990 Garden Street	Under review
Clarum University Corner	Clarum University Corner, LLC.	Mixed use	33	47,594	2331 University Ave.	Approved and Inactive

Name of Development	Developer	Project Type	Dwelling Units	Nonresidential Square Feet	Location	Status
KIPP Esperanza School	KIPP School	Conditional use /Education			1039 Garden Street	Approved
Majd Residence	Javad Majd / Guillermo Prado Jr	Multi-family Residential	2		919 Runnymede St.	Approved
Weeks Street Townhomes	760 Weeks Street	Multi-family Residential	10		760 Weeks Street	Approved
Woodland Park Euclid Improvements	Sand Hill Properties/Woodland Park Communities	Multi-family Res. GP Amend., Zoning Amendment and Design Review	605		2001 Manhattan Avenue	Under review
University Circle Phase II	Seven Bridges Properties, on behalf of Columbia Realty Trust	Office building		180,000	1950-2050 University Avenue	Approved
University Square	The Sobrato Company	Office building	0	211,000	2111 University Avenue	Approved
Total			1,469	4,635,139		

Sources: City of East Palo Alto, accessed on December 12, 2021. https://www.cityofepa.org/projects?term_node_tid_depth=All&field_project_status_value=All&field_project_type_tid=37&keys=

FINANCIAL ADEQUACY

The East Palo Alto Sanitary District (EPASD) provides sanitary sewer services to the majority of the City of East Palo Alto; approximately 90 percent of EPASD parcels are in the City of EPA. In recent years, tech industry growth in the Silicon Valley has increased pressure on housing price and availability in the region. Although the City of East Palo Alto has a limited supply of vacant land, its recent General Plan Update provides for increased density for new development in select areas.

The City is the planning authority responsible for allocating increased density by land use and by type of development to appropriate areas in the City, and for approving development projects subject to adequacy of infrastructure and facilities required to serve the new development. At the time it updated its General Plan, the City believed that sufficient sewer capacity existed for the increased development shown in its General Plan Update.

However, EPASD has been unable to provide “will serve” letters to developers given 1) EPASD’s constrained sewer system capacity to accommodate new development and 2) the unwillingness of developers to fund the entire cost necessary to accommodate new development including expanded system capacity to eliminate surcharge and potential sanitary sewer overflows from existing land uses. EPASD’s consulting engineers predict existing sewer lines will surcharge and overflow, even without new development, during a 10 year, 24-hour design storm event and EPASD;²⁵² EPASD requires that the total costs attributable to both existing and new development are primarily the responsibility of developers.

The EPASD system, originally designed to different standards, lacks a plan to fund sewer expansion to address potential surcharging and overflows from existing land uses. Also, a plan by which new development can fund additional capacity expansion to serve new development shown in the City’s General Plan Update has not been prepared by EPASD. As a result of the lack plans to identify adequate funding sources and fairly allocate the cost burden between existing and new development, new housing and expansion of the supply of affordable housing, and commercial projects in EPA planned by the City have been unable to proceed with construction.

This section reviews EPASD’s financial adequacy and current plans and programs for ongoing financial sustainability. The subsequent section “EPASD Capital Improvement Funding and Financing”, proposes a framework for a CIP Finance Plan, which currently does not exist, incorporating EPASD goals and policies and considering legal requirements and best practices of other agencies. The framework is intended to

²⁵² Addendum to the March 2015 East Palo Alto Sanitary District Master Plan Update, Freyer & Laureta Inc., Final – April 28, 2021, Table 3.

help create a path forward to resolve current bottlenecks blocking economic development, new affordable housing opportunities, and improved City fiscal sustainability for services to the East Palo Alto community. EPASD plays a critical role in planning for and providing infrastructure to support the City’s planning efforts, and a CIP Finance Plan is an important step that can only be initiated by EPASD, which is the agency with primary responsibility for sewer services to the majority of City residents.

Financial Conditions

EPASD appears to have adequate financial resources and unrestricted net position to continue current operations notwithstanding the absence of a plan to fund capacity improvements to eliminate predicted surcharging and sewer overflows from existing land uses. Estimated improvement costs to address existing deficiencies could significantly impact current fund balances; however, the impacts of capital funding draw on existing reserves, and the availability of various non-EPASD sources to help fund capital improvements, have not been evaluated by EPASD in a CIP Finance Plan. EPASD has been paying off long-term debt and unfunded pension liabilities using its fund balances, which reduces future interest costs to EPASD, without considering impacts on reserves and reserve targets.

The absence of a financing plan for its capital improvement program raises concerns about risks of future overflows attributable to existing uses, and the adequacy of EPASD financial resources to address services and infrastructure improvements. While EPASD has identified potential sewer overflows in the event of a major storm under existing land use conditions, the District has not prioritized specific improvements, developed a timeline, nor updated its financing mechanisms (e.g., capacity charges) to address these issues.

Similarly, EPASD lacks a plan to provide service to future development which could help build system improvements more cost-effectively; EPASD’s consultants have noted that building infrastructure sized to meet projected future demands results in a lower average cost per unit of capacity “than if infrastructure was built on a piecemeal basis as growth occurs.”²⁵³ A financing plan can explicitly allocate costs and funding between existing and new development to assure that existing ratepayers do not fund additional capacity not required by existing ratepayers.

²⁵³ EPASD, Capacity Charge Study, 2018, p. 3.

Accounting and Financial Policies

EPASD adopted accounting and financial policies in 2014.²⁵⁴ The policies deal with roles and responsibilities of directors, committees and staff; conduct and conflicts of interest; general ledger and chart of accounts; and other policies and procedures related to disbursements and expenses, payroll, asset and liability accounts, financial controls. The policies are not posted on EPASD’s website or available in the board meeting archives. The District provided the policy document upon request.

Budgets and Financial Reports

EPASD prepares an annual financial report consistent with Generally Accepted Accounting Principles (GAAP). The FY2020-21 financial report found “no indications or allegations of fraud, no difficulties with management, and no abuse or wasteful spending.”²⁵⁵

The GAAP require that the auditor assure that the financial statements “...are free from material misstatement, whether due to fraud or error;”²⁵⁶ the auditor’s opinion is specific to the financial position of EPASD based on financial statements prepared by EPASD management and does not explicitly address the transparency and clarity of EPASD’s budget format, presentation, and budget explanation which are reviewed in this MSR. The annual financial report for the FY19-20 year is dated February 25, 2021, almost eight months following the end of the fiscal year; typically, financial reports are produced within six months.

EPASD prepares an annual budget for Board review and adoption. The budget document does not provide a clear and transparent description of expenditures to inform the ratepayers about how their taxes and service charges are being spent. The budget does not provide any narrative explaining changes, future risks, and actions to address fiscal challenges. EPASD stated that “no risk exists, this [explanation] is not necessary. The Altman Z Score demonstrates that the District financial risk is negligible.”²⁵⁷ The “Altman Z Score” is a formula for determining whether a company, notably in the manufacturing space, is headed for bankruptcy.²⁵⁸ EPASD did not provide the analysis of its Altman Z Score during the preparation of this MSR.

²⁵⁴ EPASD Accounting & Financial Policies and Procedures Manual, Prepared by Jeanpierre & Co. CPAs, adopted April 3, 2014. The policies were provided by EPASD in response to a request during preparation of this MSR – no updates were included in the EPASD submittal.

²⁵⁵ Presentation by David Farnsworth to EPASD Board, Feb. 17, 2022, Financial Report EPASD FY 2021.

²⁵⁶ Independent Auditor’s Report, Feb. 25, 2021.

²⁵⁷ A.Okupe, EPASD General Manager, comments on EPASD MSR administrative draft financial section.

²⁵⁸ Investopedia, referenced 2022-02-21 at <https://www.investopedia.com/terms/a/altman.asp>

The EPASD budget describes the types of expenditures in various categories but without sufficient detail to allow the reader to understand their basis. For example, the line item “contractual services” for \$495,000 proposed in FY21-22 simply states that this account “includes the cost of outside services of a professional nature and not chargeable to another category.”²⁵⁹ “Planned Debt Services” for \$100,000 is unclear and unexplained in the detail page²⁶⁰ and does not appear to match debt service schedules or explanations shown in the EPASD financial audit.²⁶¹ Other items appear high in the absence of further explanation, for example, the description “professional accounting and audit services” budgeted at \$160,000 under Account 5872 likely includes more than accounting and audit services due to the magnitude of the amount. The EPASD Board reviews year-to-date expenditures compared to the annual budget, but the Board packets provide no staff report or written explanation, and minimal clarification in the form of footnotes to individual expenditure categories.²⁶²

The EPASD annual budget cannot be easily compared to the annual financial report. For example, beginning fund balances shown in the FY20-21 budget appear significantly lower than the ending cash reserves and unrestricted net position reported in the FY19-20 financial report (see discussion below in the section “Reserves”). The variance is difficult for the reader to reconcile, and the budget and financial report provide no explanation. Another example is the exclusion of depreciation from the budget, although it is included in the financial reports as an operating expense.²⁶³ Depreciation is typically shown as a budget expense (which sometimes may be shown separately as a non-cash expense) by utility agencies to help build cash balances for future capital expenditures. For example, WBSD transfers and accrues funds partially resulting from non-cash expenditures (e.g., depreciation) to its Capital Fund.

The budget does not include a forecast; however, EPASD prepared a budget forecast as a part of its 2019 Sewer Rate Study. The forecast has not been updated for changes since 2019; the EPASD General Manager indicated cost savings resulted in actual expenditures less than those projected in the forecast, eliminating the need to adopt the rate study’s proposed rate increases.²⁶⁴

²⁵⁹ EPASD Approved Budget FY2021-2022, Account 5858, pdf pg. 16.

²⁶⁰ EPASD Approved Budget FY2021-2022, Account 5858, pdf pg. 21.

²⁶¹ EPASD Annual Financial Report, June 30, 2020, Note 4.E, pg. 17.

²⁶² For example, see Board Agenda Packet for 2022-02-17.

²⁶³ For example, see the FY2019-20 financial report, Statement of Revenues, Expenses and Change in Net Position, pg. 8.

²⁶⁴ Interview with A. Okupe, EPASD General Manager, 2021-11-09.

Balanced Budget

EPASD’s budget generates revenues (including property tax) in excess of operating expenditures (excluding transfers); the net revenues enable EPASD to fund debt service, build reserves and transfer funds to its Capital Replacement Fund for infrastructure improvements. According to EPASD’s budgets, from FY17-18 through FY19-20 EPASD’s revenues exceeded expenditures (before depreciation and transfers) by an average of about \$1.5 million annually.²⁶⁵ Audited financial reports for FY17-18 through FY19-20 reported that revenues exceeded expenditures (before depreciation, principal, and transfers) by an average of about \$2.3 million.²⁶⁶

General Fund Revenues

EPASD General Fund revenues grew at a “moderate” rate of growth²⁶⁷ of approximately 4.3 percent annually over the past five years,²⁶⁸ which exceeded inflation but did not quite keep pace with expenditures (excluding capital, debt and transfers) growing 5.3 percent. Revenues include the following:

Service Charges – Service charges represent about 81.5% of total General Fund revenues in FY21-22,²⁶⁹ and in FY21-22, EPASD collected service charges from a total of 4,155 connections, including 3,356 single-family units.²⁷⁰ The change in total service charge revenue since FY17-18 is equivalent to an average increase of 1.3 percent annually.

The revenue is collected on property tax bills and is a fixed amount, currently \$600 per Equivalent Dwelling Unit (EDU). The charges were increased to \$600 per EDU in FY19-20 from \$575 per EDU consistent with a 2019 sewer rate study.²⁷¹ The sewer rate study recommended future year rate increases ranging from 4.3% to 5.0% per year. To-date the \$600 rate has not been increased. As noted in the rate study “Proposed rate increases are needed to fund projected operating expenses, help fund high priority improvements to the District’s aging sewer collection system, pay for the District’s share of

²⁶⁵ FY17-18 through FY19-20 are based on “actuals” from EPASD approved budgets; FY20-21 and FY21-22 are adopted budget estimates.

²⁶⁶ EPASD Financial Reports, Statement of Revenues, Expenses, and Changes in Net Position.

²⁶⁷ “Moderate” level indicated by growth at or slightly above long-term inflation rate (assumed 3 percent); see <https://www.micropolicypress.com/revenue-indicators---overview/>

²⁶⁸ EPASD Approved Budget FY2021-2022.

²⁶⁹ EPASD Approved Budget FY2021-2022.

²⁷⁰ EPASD Sewer Service Charges Fiscal Year 2021-2022, July 2021.

²⁷¹ EPASD 2019 Sewer Rate Study, April 17, 2019, prepared by Bartle Wells Associates.

operating and capital improvement costs for the regional wastewater treatment plant, and support safe and reliable service.”²⁷²

Rate Studies

EPASD commissioned a sewer rate study in 2019. The sewer rate study recommended future year rate increases ranging from 4.3% to 5.0% per year based on forecasted revenues and costs.²⁷³ The recommended rate increases were not implemented because of subsequent cost savings that eliminated the need for rate increases, according to EPASD.²⁷⁴ Since the 2019 rate study, significant new development has been proposed which could affect future operating expenditures and rates, and EPASD’s 2021 Addendum to the 2015 Master Plan Update identified collection system pipe expansions that would be needed to eliminate the predicted risk of surcharging and sewer overflows attributable to existing development.²⁷⁵ This MSR recommends that the EPASD budget forecast be updated consistent with future conditions.

Property Tax – Property taxes received by EPASD reduce the sewer revenue and corresponding sewer rates charged by the District; property tax growth contributes to limiting rate increases. Property taxes accounted for about 8.8 percent of total General Fund revenues in FY21-22 (not including additional property tax from ERAF and RDAF described below),²⁷⁶ an increase from 6.7 percent of the total in FY17-18. Substantial growth in property tax revenues, averaging 11.8 percent annually since FY17-18, accounts for property tax becoming a greater share of total revenues. EPASD receives approximately 4.1 percent of every property tax dollar paid within its boundary.²⁷⁷ Property tax growth has generally outpaced inflation as a result of increasing home sales prices. Property taxes can be used for any EPASD purpose, unlike capacity charges which are restricted to capital improvements.

Many utilities do not receive property taxes, which reduce the sewer rates that would otherwise be required. As noted by the San Mateo County Grand Jury, “the intent of property tax is to provide funds

²⁷² EPASD 2019 Sewer Rate Study, pg. 9.

²⁷³ EPASD 2019 Sewer Rate Study.

²⁷⁴ Interview with A. Okupe, EPASD General Manager, 2021-11-09.

²⁷⁵ Addendum to the March 2015 East Palo Alto Sanitary District Master Plan Update, Freyer & Laureta Inc., Final – April 28, 2021, Tables 3-5.

²⁷⁶ EPASD Approved Budget FY2021-2022.

²⁷⁷ Average Tax Increment Factor for all Tax Rate Areas within boundary (average is not weighted by assessed value), from San Mateo County Controller’s Office, transmitted by LAFCo 2021-10-21.

for services that cannot be allocated to a specific user, such as fire or parks...”²⁷⁸ The Grand Jury pointed out that the State Legislature, upon enacting Prop. 13, directed that enterprise agencies such as EPASD “are encouraged to begin the transition to user fees and charges.”²⁷⁹

ERAF Rebate/Former RDAF – Strong property tax growth contributed to a rebate of Educational Revenue Augmentation Funds (ERAF) enabling a shift of excess funds to EPASD and other agencies in the county.²⁸⁰ EPASD also receives a share of property tax funds previously captured by a former redevelopment agency. The redevelopment agency-related revenue should continue to grow as prior redevelopment obligations are paid off.

Other Revenues – EPASD’s budget benefits from interest earnings on its fund balances over the year. In FY21-22 the budget shows \$9.9 million General Fund beginning fund balance and \$249,000 in projected interest earnings. Interest earnings will change depending on interest rates and EPASD’s fund balances. Interest revenues also depend on the management of EPASD funds held in a multi-agency investment pool managed by San Mateo County.²⁸¹

General Fund Expenditures

EPASD’s General Fund expenditures (excluding capital, debt and transfers) grew at a “high” rate of growth²⁸² of approximately 5.3 percent over the past five years (FY17-18 through FY21-22), exceeding moderate revenue growth of 4.3 percent. The 5.3 percent growth rate is higher than increases projected by the EPASD 2019 sewer rate study largely due to operating expenses and treatment plant charges which grew at 5 percent or more while salaries and employee benefits grew at a 2.2 percent rate.

Debt service is projected by the EPASD rate study to increase by \$272,000 annually above a projected FY21-22 \$203,000 as a result of EPASD’s 7.65 percent share of planned treatment plant

²⁷⁸ San Mateo County’s Cottage Industry of Sanitary Districts, 2015-2016 Grand Jury, pg. 2.

²⁷⁹ 2015-2016 Grand Jury, pg. 29.

²⁸⁰ In a few counties, ERAF revenue is more than enough to offset all of the State’s General Fund allocated to schools and community colleges. In the mid-1990s, the Legislature enacted a law shifting the portion of ERAF not needed for schools and community colleges to other agencies in the county. The revenue shifted through this process is known as excess ERAF (Legislative Analysts Office LAO Report, March 6, 2020).

²⁸¹ Comments from Dennis Scherzer, EPASD Director, to A.Okupe, 1-31-22.

²⁸² “High” level indicated by growth greater than 5 percent annually; see <https://www.micropolicypress.com/expenditure-indicators-overview/>

improvements.²⁸³ The timing and magnitude of those future increases are not described in the EPASD budget except for a line item in the budget for “Planned Debt Services” of \$100,000 in FY20-21 and FY21-22; it is unclear in the budget documents whether this \$100,000 was expended during the budget year, or reserved for future debt, and if so, how much has been accumulated and for what specific purpose. Long-term obligations are further described below.

Reserves

EPASD provided its Reserve Policy, last updated in 2019,²⁸⁴ which establishes a number of separate reserves. As noted in the following descriptions and subsequent information, EPASD has substantial fund balances but has not specifically allocated the balances to separate reserves as required by the Reserve Policy or in conformance with the targets identified in the reserve policy.

Operating Reserves – EPASD policy calls for operating reserves equal to at least 12 months of operating expenses. As noted by EPASD, “the 12-month provision, included in EPASD’s annual budgets, assures enough operating capital in case there is a delay or disruption in San Mateo County’s scheduled ability to transfer revenues to EPASD.”²⁸⁵ Operating reserves of 80-100 percent or more are considered “high” levels, and help provide for cash flows highly dependent on annual tax collections.²⁸⁶ The EPASD budget and financial report do not separately identify an operating reserve, however, the FY20-21 budget shows an ending General Fund balance of \$9.9 million which represents about 236 percent compared to \$4.2 million projected operating expenditures (excluding capital, debt and transfers).

Rate Stabilization Reserve – The EPASD reserve policy establishes initial funding of \$3 million in FY20-21 and additions of \$100,000 annually plus other unspent balances.²⁸⁷ However, the budgets for FY20-21 and FY21-22 show only \$60,000 to \$70,000 balances respectively in the rate stabilization reserve.

Equipment Replacement Reserve – The EPASD reserve policy states that this reserve “should be initially funded with \$200,000 in FY2020-21.” The budgets for FY20-21 and FY21-22 do not show an equipment replacement reserve.

²⁸³ EPASD 2019 Sewer Rate Study, Table 4 - 10-Year Sewer Cash Flow Projections, pg. 12.

²⁸⁴ EPASD reserve policies and year of last update provided 2021-11-16 by N.Rahimi (note: no date indicating adoption or revision is shown on the reserve policy document).

²⁸⁵ Comments from Dennis Scherzer, EPASD Director, to A.Okupe, 1-31-22.

²⁸⁶ <https://www.micropolicypress.com/reserve-indicators-overview/>

²⁸⁷ The policy says that contributions will include “...unspent balances remaining in Non-Operating Expenses at year end after all the reserve have been fully funded. [sic] will be added to the reserve annually.”

Capital Reserves (Capital Asset Fund) – The EPASD reserve policy anticipates accumulating capital reserves to minimize borrowing and interest costs. The FY20-21 budget showed a beginning balance of approximately \$2.5 million in the Construction Replacement Fund expended for construction during the year. The Light Tree development project provided \$2.5 million for improvements required to serve the project which continued to appear in FY21-22 budget’s Construction Replacement Fund.

EPASD maintains a Connection Fee Fund that can be utilized for capital improvements to the system. These funds are restricted to the capital improvement purposes for which the fees are collected. The FY21-22 budget shows \$1.1 million projected ending balance. Other capital-related funds include its Capital Replacement Fund (including Light Tree Apartments’ payments), Lateral Replacement Fund, and Treatment Plant Fund. Amounts in those funds are listed below.

Emergency Capital Reserve -- The EPASD reserve policy targets \$2 million funding in the event of catastrophic or local disasters. The budgets for FY20-21 and FY21-22 do not show an Emergency Capital Reserve.

Pension and Other Post Employment (OPEB) Liability Reserves – As noted above, EPASD reserve policies indicate that “the District has established a Post-Employment Benefit (OPEB) trust program administered by PARS (Public Agency Retirement Services) for the purpose of pre-funding pension liabilities”²⁸⁸ but does not establish target contributions or balances, or policies for the withdrawal and use of the funds except to indicate they are limited to pension and OPEB costs. District financials also state the District’s participation in PARS is for the purpose of prefunding OPEB liabilities. EPASD’s financial reports includes required supplementary information regarding EPASD OPEB and net pension liabilities.

Fund Balances

With the exception of the “Rate Stabilization Fund”, the EPASD budget does not show specific reserves corresponding to the reserve policies described above, nor do the EPASD financial reports. However, the fund balances reported in the budget provide an indication of total available reserves. For comparison to recent EPASD financial statements, EPASD budgets report the following beginning fund balances:²⁸⁹

<u>Fund</u>	<u>FY2020-21</u>	<u>FY2021-22</u>
General Fund	\$ 10,950,619	\$ 9,949,132
Connection Fee Fund	\$ 939,489	\$ 1,020,489

²⁸⁸ EPASD reserve policies provided 2021-11-16 by N.Rahimi.

²⁸⁹ EPASD Approved Budget FY2020-2021 and FY2021-2022 Approved Budget Summary for All Funds.

Construction Replacement Fund	\$ 2,557,385	\$ 2,541,385
Lateral Replacement Fund	\$ 114,767	\$ 117,067
Treatment Plant Fund	\$ 1,573,882	\$ 1,606,882
Rate Stabilization Fund	\$ 67,934	\$ 69,334
TOTAL	\$16,204,076	\$15,304,289

The \$16.2 million EPASD balances reported in the FY20-21 budget are \$3 million less than the \$19.2 million of unrestricted net position (excludes net investment in capital assets) reported in the EPASD financial report as of June 30, 2020.²⁹⁰ The \$15.3 million total balances in the FY21-22 budget are \$4.7 million less than the \$22.0 million unrestricted net position in the financial report as of June 30, 2021.²⁹¹

Typically, fund balances are at least equal to or greater than unrestricted net position since cash fund balances do not reflect liabilities.

Pension and OPEB Liabilities

At the start of FY20-21 EPASD’s unfunded pension liabilities totaled \$1.98 million; the funded portion represented 67.5 percent²⁹² of total obligations which qualifies as a “low” level of funding (70 percent and below).²⁹³ At its board meeting December 15, 2021 EPASD authorized a payment not to exceed \$1.4 million towards EPASD’s unfunded accrued liability for its pension obligation managed by CalPERS.²⁹⁴ EPASD subsequently noted that its payment “completely resolved” EPASD’s unfunded pension liability.²⁹⁵ However, the payment of \$1.4 million approved at the 12/15/2021 EPASD board meeting

²⁹⁰ EPASD Annual Financial Report, June 30, 2020, Statement of Net Position, pg. 7. The District did not receive \$2.5 million from Light Tree until Sept. 2020 and so should not account for the apparent difference (see FY19-20 Financial Report, Note 10, pg. 25).

²⁹¹ Presentation by David Farnsworth to EPASD Board, Feb. 17, 2022, Financial Report EPASD FY 2021.

²⁹² Miscellaneous Plan of the EPASD, Annual Valuation Report as of June 30, 2020, CalPERS, July 2021, Plan’s Funded Status, pg. 6. Additional obligations attributable to the EPASD PEPRA plan are a minimal additional liability.

²⁹³ <https://www.micropolicypress.com/pension-indicators-overview/> based on the California State Auditor’s Fiscal Health Analysis.

²⁹⁴ EPASD board meeting 12/15/2021, Item 7, Reso. No. 1289.

²⁹⁵ Comments from Dennis Scherzer, EPASD Director, to A.Okupe, 1-31-22.

covered about 72 percent of the \$1.95 million liability projected as of 6/30/2022 leaving an unfunded liability of \$504,279 after the payment.²⁹⁶ This contribution improved pension funding to a “high” level.

Other Post-Employment Benefits (OPEB) net liability was slightly positive at the start of FY20-21, meaning that assets slightly exceeded liabilities.²⁹⁷ The EPASD General Manager noted recent annual reductions in OPEB payments due to review and revision of payment calculation methodologies.²⁹⁸

Pension and OPEB Liability Mitigations

As noted above, EPASD’s board approved a payment of \$1.4 million towards its unfunded pension liabilities.

The District participates in the California Employers’ Retiree Benefit Trust Fund Program (CERBT), an agent-multiple employer post-employment health plan, to prefund other post-employment benefits through CalPERS.²⁹⁹ The District’s reserve policy indicates a reserve for pension and OPEB liabilities, however no information was found in the District’s financial report regarding a pension trust (only the OPEB trust was described).

Leases and Long-Term Debt

At the start of FY20-21 EPASD principal obligations totaled \$1.065 million, and annual payments due equaled \$153,000. This level of debt is generally considered “low” relative to revenues for typical agencies.³⁰⁰ Public utilities often utilize debt, recognizing the costly, infrastructure-intensive nature of their services and the inherent long-term life of pipes providing benefit to residents over many years. As described in the section below, “Framework for a CIP Finance Plan”, this MSR identifies the use of debt as one way to help fund improvements to the existing collection system to reduce sewer overflows predicted by EPASD’s consulting engineers. The MSR does not recommend that existing ratepayers subsidize costs, including debt, attributable to serving new development.

²⁹⁶ CalPERS Actuarial Office letter to EPASD, Dec. 13, 2021, included in agenda packet to EPASD board meeting 12/15/2021.

²⁹⁷ EPASD Annual Financial Report, June 30, 2020, Note 6, pg. 23.

²⁹⁸ Interview with A. Okupe, EPASD General Manager, 2021-11-09.

²⁹⁹ EPASD Annual Financial Report, June 30, 2020, Note 6, pg. 21.

³⁰⁰ <https://www.micropolicypress.com/longterm-obligations-indicators-overview/>

Debt service obligations include a share of utility revenue bonds issued by the City of Palo Alto for the treatment plant; these bonds will be repaid by 2025, eliminating about \$74,000 of annual debt service by EPASD.³⁰¹

EPASD borrowed funds from the State to finance construction of the Cured in Place Siphoning Project as part of their participation in a multi-agency project that reconfigured San Francisquito Creek for flood control purposes. EPASD’s trunk line transits beneath the creek by means of a siphon. Without the multi-agency participation, EPASD would not have been able to secure these funds.³⁰²

The District also borrowed to fund the costs of the Ultraviolet Disinfection Project. The EPASD Board recently authorized that its loan from the State Water Resources Control Board at an interest rate of 2.6 percent be paid off in full in the amount of \$687,346, reducing annual debt service by about \$79,000.³⁰³ EPASD is a partner in the Palo Alto Regional Water Quality Control Plant (PARWQCP). The UV disinfection equipment is part of the wastewater treatment system at PARWQCP. EPASD is one of five partners in that plant. Due to the multi-agency participation at PARWQCP, State funding was made available. EPASD did not apply for or secure these funds, the City of Palo Alto did. EPASD payments to Palo Alto for wastewater treatment includes funds designated to resolve EPASD’s share of this debt.³⁰⁴

EPASD has a program to loan funds for property owners to repair and replace lateral sewer lines from their house to the collection system. According to the FY19-20 EPASD financial statements, the District’s notes receivable totaled \$20,158;³⁰⁵ of this amount, \$10,000 is an outstanding notes receivable from one board member.³⁰⁶ The note receivable was to repair a sewer lateral at the board member’s residence and will be paid over a period of 10 years.

As described by EPASD, its Lateral Replacement Program has been in effect since 1985. It is designed both to ensure public health and safety by assisting property owners in maintaining their sewer laterals. It has often facilitated emergency repairs due to lateral failures.

Property owners receive loans to cover lateral repair and replacement costs which, through contractual agreement, are then repaid through increased sewer service charge (SSC) assessments collected on the

³⁰¹ EPASD Annual Financial Report, June 30, 2020, Note 4.E, pg. 17; assumed shown in column labelled “Total”.

³⁰² Comments from Dennis Scherzer, EPASD Director, to A.Okupe, 1-31-22.

³⁰³ EPASD Board authorized the debt repayment at its Feb. 17, 2022, meeting. See also the EPASD Annual Financial Report, June 30, 2020, Note 4.E, pg. 17; SRF debt assumed shown as “Total Direct Borrowing”.

³⁰⁴ Comments from Dennis Scherzer, EPASD Director, to A.Okupe, 1-31-22.

³⁰⁵ EPASD Annual Financial Report, June 30, 2020, Statement of Net Position, pg. 7.

³⁰⁶ EPASD Annual Financial Report, June 30, 2020, Note 9, pg. 25.

San Mateo County property tax roll. Projected SSC revenues, identified by EPASD on their annual tax roll submissions are fully funded by San Mateo County under the Teeter Plan. San Mateo County, by agreement with EPASD, is then authorized to pursue delinquencies if they occur. The Lateral Replacement Program agreements also include a “Point of Sale” clause that requires that the unfunded remainder of these loans is paid whenever a property changes owners.³⁰⁷

Debt Service Documentation

Debt service payments shown in the EPASD budget document do not appear to be consistent with the schedules and payments shown in the EPASD financial reports. For example, the FY21-22 budget reports “Capital and Debts” of \$315,000 in the budget summary and includes \$100,000 of “Planned Debt Services”, \$25,000 of equipment expense, and \$190,000 to “Repay Treatment Plant”; the FY19-20 Financial Report shows debt service schedules for FY21-22 with principal of \$122,819 plus interest of \$29,946 for a total of \$152,765.

It is unclear in the budget document whether the debt payments include repaying the loan from the State Water Resources Control Board to finance the construction of the Cured in Place Siphoning Project, and other borrowing, which together total \$152,765. As noted previously, it is unclear how the \$100,000 of budgeted annual “Planned Debt Services” was expended (or reserved and tracked).

Infrastructure and Facility Assets

EPASD’s financial report shows a value of depreciable assets (excluding land) such as infrastructure and pipes, buildings and equipment totaling \$14.4 million.³⁰⁸ After deducting depreciation, which represents the portion of initial value “used up” over the assets’ lifespan (which varies from 50 years or more for pipes to five years for office equipment)³⁰⁹ the remaining depreciated value equals \$6.7 million, or less than half the total initial value. This net value is in the range of “moderate”³¹⁰ however, because of the age of the system the remaining value is relatively small compared to current replacement cost. The depreciated value of capital assets is less than one-tenth of its estimated \$68.7 million replacement cost³¹¹ reflecting its age and increasing replacement costs. This low depreciated value does not imply a

³⁰⁷ Comments from Dennis Scherzer, EPASD Director, to A.Okupe, 1-31-22.

³⁰⁸ EPASD Annual Financial Report, June 30, 2020, Note 3, pg. 16.

³⁰⁹ EPASD Annual Financial Report, June 30, 2020, Note 1F, pg. 11.

³¹⁰ “Moderate” level indicated by 40-70% of depreciable value; see <https://www.micropolicypress.com/infrastructure-and-facility-assets-indicators-overview/>

³¹¹ EPASD Wastewater Capacity Charge Update, Dec. 2018, Bartle Wells Associates, Table 1 – Wastewater Collection System Pipelines & Costs, pg. 5. The replacement cost is for pipelines only.

strategy to replace pipes solely to improve the EPASD balance sheet; rather, the low value is one indicator of potential deferred maintenance, and a cautionary indication of potentially significant replacement costs if/when pipes fail or are replaced to increase capacity.

The District pursues an ongoing program to replace aging pipes based on condition inspections. “Construction Replacement Fund” budgeted expenditures average \$1.0 million from FY16-17 through FY19-20 according to EPASD budgets; EPASD states that “budgeting \$1 million per year for construction finance is a ‘financing plan’...”³¹² although no long-term plan exists for replacement priorities, timing and funding sources in addition to the annually budgeted General Fund revenues. Furthermore, EPASD’s audited financial reports show that capital additions for pipes and collection facilities averaged \$530,000 for the same time period. EPASD states that “most CIP expenditures relate to ‘point repair’ projects,”³¹³ these projects do not address the need to increase the capacity of certain pipes to eliminate projected sewer overflows and surcharging identified by EPASD’s consulting engineers in the 2021 Addendum to the Master Plan Update at an estimated cost of \$23.9 million.³¹⁴

Annual depreciation expense in the financial reports is approximately \$385,000;³¹⁵ depreciation is not included in the budget, a typical practice of utility agencies to help build cash balances for future capital expenditures. Although EPASD’s average capital expenditures exceed annual depreciation, this is not an adequate measure of necessary set-asides for replacement; the annual depreciation reported in EPASD’s audit is significantly less than the amount required to replace the system over time. The 2019 EPASD Rate Study recommended rates based on approximately \$1.0 million spent annually for pipeline replacement (FY21-22 estimate, subsequent forecasted years adjusted for inflation).³¹⁶

Capital Improvement Program

As noted above, EPASD pursues an ongoing program to replace aging pipes based on condition inspections. A system-wide TV inspection program currently is underway at EPASD. The results of this survey will identify system problems, allowing EPASD engineers to develop an accurate CIP to facilitate system repairs and/or replacements.³¹⁷ These identified repairs should augment a CIP and asset management plan, that currently does not exist, that addresses the capacity issues contributing to

³¹² Comments from Dennis Scherzer, EPASD Director, to A.Okupe, 1-31-22.

³¹³ Comments from Dennis Scherzer, EPASD Director, to A.Okupe, 1-31-22.

³¹⁴ Addendum to the March 2015 Master Plan Update, Attachments, Table 5.

³¹⁵ EPASD Financial Reports, Statement of Revenues, Expenses, and Changes in Net Position, pg. 8.

³¹⁶ EPASD 2019 Sewer Rate Study, Cash Flow Projection, pg. 12.

³¹⁷ Comments from Dennis Scherzer, EPASD Director, to A.Okupe, 1-31-22.

predicted surcharging and sewer overflows from existing land uses shown in the 2021 Addendum to the 2015 Master Plan Update.

EPASD proposed a Capital Improvement Program (CIP)³¹⁸ in its 2021 Addendum to the 2015 Master Plan Update.³¹⁹ The CIP separately evaluates system deficiencies for existing users and deficiencies attributable to serve existing and new development. The CIP and its costs are further described below in the section “EPASD Capital Improvement Funding and Financing.”

The 2021 Addendum evaluates the hydraulic capacity of key sanitary sewer system elements and capacity enhancement measures as required by the 2021 SSMP, however it lack several additional requirements of the SSMP: 1) prioritization, alternatives analysis, and schedules for completion; 2) a CIP implementation schedule, and 3) sources of funding (see also “Sewer System Management Plan (SSMP)” below).³²⁰ The 2021 Addendum appears to be a draft document because many of the text references to tables are inaccurate and terminology is unclear or incorrect.³²¹

Capacity Charge Study

Capacity charges mean “...a charge for public facilities in existence at the time a charge is imposed or charged for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged...”³²² Capacity charges are governed by a different section of State laws than those governing impact fees.

EPASD updated its capacity charges in 2018. At that time, the District anticipated minimal new development and assumed adequate capacity existed to serve the new development.³²³ The Study did not consider potential new development allowed by the City of EPA’s General Plan updated in 2016, nor did it include costs for improvements to expand collection system or treatment plant capacity for new

³¹⁸ Addendum to the March 2015 East Palo Alto Sanitary District Master Plan Update, Freyer & Laureta Inc., Final – April 28, 2021, Table 16.

³¹⁹ EPASD Master Plan Update Final Report, March 2015, Freyer Laureta, Inc.

³²⁰ EPASD Sanitary Sewer Management Plan (SSMP), Revised August 12, 2021, pg. 42.

³²¹ For example, the 2021 Addendum refers throughout to “Predicated” when the apparent intent is “Predicted”. The text includes references to incorrect tables, e.g., a description of parcels refers to Table 5 which is actually a cost table.

³²² EPASD, Capacity Charge Study, 2018, p. 2, referencing Government Code Section 66013.

³²³ Interview with A. Okupe, EPASD General Manager, 2021-11-09.

development. The cost estimates are based on the replacement cost of the existing collection system and EPASD share of the treatment plant which effectively represent a “buy-in” cost.

Current proposed developments requesting EPASD service are described above in the EPASD GROWTH AND POPULATION PROJECTIONS section on “Proposed Developments” and the corresponding section in the City of East Palo Alto chapter.

Sewer System Management Plan (SSMP)

EPASD prepares a required SSMP however its recent SSMP does not conform with certain best practices and standards,³²⁴ for example CIP contents as described in the following paragraphs. The SSMP is intended to provide a basic understanding of the District’s collection system, related operation and maintenance activities, and SSO prevention and reduction efforts. The SSMP’s are required to be updated every five years. The most recent EPASD SSMP was last revised August 2021.

The SSMP references required supporting documents, however, in several instances these references are no longer current such as the 2015 Master Plan Update. For example, EPASD prepared a 2021 Addendum to its 2015 Master Plan Update and included a proposed CIP that was not referenced by the SSMP; the SSMP refers instead to the 2015 Master Plan Update and prior CIP. The 2021 Addendum’s proposed CIP does not include the recommended elements for a CIP such as 1) prioritization, alternatives analysis, and schedules for completion; 2) a CIP implementation schedule, and 3) identify sources of funding.³²⁵

The 2021 SSMP also states that “EPASD includes impact fees within the connection fees to help contribute to future downstream projects needed for extra pipe capacity”³²⁶ but the most recent capacity charge update study³²⁷ did not include a fee component to fund costs for increased capacity to serve new development; the capacity charges were calculated as a “buy-in” to existing system capacity with no explicit provision for the expansion costs shown in the EPASD’s 2021 Addendum to the 2015 Master Plan Update.

³²⁴ A Guide for Developing and Updating of Sewer System Management Plans (SSMPs), Sept. 2015.

³²⁵ EPASD Sanitary Sewer Management Plan (SSMP), Revised August 12, 2021, pg. 42.

³²⁶ EPASD Sanitary Sewer Management Plan (SSMP), Revised August 12, 2021, pg. 42.

³²⁷ EPASD 2019 Sewer Rate Study.

The capacity charges (also referred to as “connection fees” in the SSMP) are only paid by new development; updates to the capacity charge to include costs to serve new development, as recommended in this MSR, would only be paid by new development. Existing ratepayers do not pay capacity charges and therefore would not be subsidizing new development if the capacity charges were updated.

EPASD CAPITAL IMPROVEMENT FUNDING AND FINANCING

EPASD recognizes the importance of ongoing inspection of pipes to prevent failures that may be caused by a number of factors, including condition and age; about half of EPASD pipes were at least 40 years old as of 2015, and constructed with vitrified clay pipe with older manholes mostly constructed of brick and mortar.³²⁸

EPASD has taken important steps to update its 2015 Capital Improvement Program (CIP), conducting recent hydraulic modeling and proposing improvements to address deficiencies and needs.³²⁹ Hydraulic modeling adheres to best practices that recommend preparation of a System Evaluation and Capacity Assurance Plan “...to assure that the collection system has adequate hydraulic capacity to convey dry and peak wet weather flows through the system to the ultimate disposal point without upset or discharge to the environment or private property.”³³⁰

Addressing system capacity issues is essential to protect the health and safety of existing residents and property served by EPASD. Planning for future development helps to reduce ratepayers’ costs to fix current system deficiencies by leveraging grants, low-interest State loans and development funding. As noted in this MSR, the EPASD 2018 Capacity Charge Study emphasizes “...the principle that agencies and their customers benefit from economies of scale by building infrastructure sized to meet projected future demands, which results in a lower average cost per unit of capacity than if infrastructure was built on a piecemeal basis as growth occurs.”³³¹

Thoughtful implementation of planned development also brings new rate revenues (net of increased operating costs) to improve services and potentially reduce costs to EPASD ratepayers – it is expected that EPASD operating costs to serve new development will continue to be less than the revenues

³²⁸ EPASD 2015 Master Plan Update, March 2015, Freyer & Laureta Inc., pg. 23 and Table 2-1.

³²⁹ Addendum to the March 2015 East Palo Alto Sanitary District Master Plan Update, Freyer & Laureta Inc., Final – April 28, 2021.

³³⁰ A Guide for Developing and Updating of Sewer System Management Plans (SSMPs), Sept. 2015, pg. 61.

³³¹ EPASD, Capacity Charge Study, 2018, p. 3.

received, as is the case with existing development. Carefully managed development would increase impact fees and other revenues to the City of East Palo Alto for improved infrastructure and enhanced public services to East Palo Alto residents. This MSR recommends that new development pay for the marginal costs it incurs and that existing ratepayers should not subsidize new development; achieving these goals requires development of a CIP Finance Plan to pursue all possible funding sources and to assure that ratepayers only pay for their proportional benefit.

Proactive planning and implementation by EPASD, the provider of sewer service, in coordination with the City of East Palo Alto, the land use planning authority, are important to obtaining public funds for infrastructure improvements; without an implementation plan for infrastructure, EPASD will not be competitive for available funds, the risk of sewer system overflows (SSOs) may increase, and future fixes will be more costly to ratepayers particularly if conditions affecting the system worsen. The County Grand Jury³³² and the City of East Palo Alto's General Plan Update³³³ expressed concern about changing climate conditions contributing to flooding in a County and City with low-lying lands already prone to floods. A related concern has been noted regarding the potential for sea level rise to contribute to rising groundwater levels that may contribute to the failure of underground pipes and conduits.³³⁴

EPASD Capital Improvement Program Costs

The 2021 Addendum to the 2015 EPASD Master Plan Update (“2021 Addendum”)³³⁵ recommends a capital improvement program (CIP) to address potential surcharging predicted to occur from existing development, and in the future from new development at buildout. The opinion of probable project cost (OPPC) for collection system improvements estimates \$35.16 million³³⁶ including trunk line improvements (refer to the 2021 Addendum for more detail about methodology and cost assumptions); treatment plant capacity could add an estimated \$5 million.³³⁷ **Figure 5-5** summarizes the components of the CIP which are further described following the cost table.

³³² Flooding Ahead: Planning for Sea Level Rise, San Mateo County Grand Jury, June 4, 2015.

³³³ City of East Palo Alto General Plan 2035, pg. 9-1.

³³⁴ Correspondence to LAFCo, May 5, 2022, from The Bay Alive Campaign of the Sierra Club Loma Prieta Chapter, the Citizens Committee to Complete the Refuge, and Green Foothills.

³³⁵ Addendum to the March 2015 East Palo Alto Sanitary District Master Plan Update, Freyer & Laureta Inc., Final – April 28, 2021.

³³⁶ Addendum to the March 2015 Master Plan Update, Attachments, Table 17.

³³⁷ Trunk line cost estimate from presentation by Freyer Laureta Inc. to EPASD Special Board Mtg., Oct. 22, 2020.

The 2021 Addendum evaluates hydraulic capacity of key sanitary sewer system elements and capacity enhancement measures as required by the 2021 SSMP and SSMP best practices, however the document lacks several additional requirements of the SSMP: 1) prioritization, alternatives analysis, and schedules for completion of projects; 2) a CIP implementation schedule, and 3) identify sources of funding.³³⁸

Figure 5-5 EPASD Proposed Capital Improvement Program Costs

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

- 1 Addendum to the March 2015 East Palo Alto Sanitary District Master Plan Update, April 28, 2021, Table 5, Conceptual OPC Eliminating Surcharge Under Existing PWWF.
- 2 Cost of capacity for new development assumed equal to cost of eliminating surcharge under PWWF (Addendum, Table 15) excluding trunk line less cost to eliminate existing deficiencies under PWWF (Addendum, Table 5).
- 3 Other system improvements equal the difference between total CIP cost (Table 17) and cost to eliminate surcharge under proposed PWWF (Table 15).
- 4 Trunkline cost from Presentation by Freyer Laureta Inc. to EPASD Special Board Mtg., Oct. 22, 2020.
- 5 See Addendum to EPASD Master Plan Update, Table 17.
- 6 Estimated cost for treatment plant capacity from Bartle Wells Assoc. Presentation to Board, Expansion Funding & Rate Scenarios, Jan. 7, 2021.
- 7 The 2019 EPASD Rate Study recommended rates based on approximately \$1.0 million spent annually for pipeline repair and replacement (FY21-22 estimate, subsequent forecasted years adjusted for inflation). EPASD spent \$530,000 annually FY16-17 through FY19-20 per audited financial reports.

2021-12-13

³³⁸ EPASD Sanitary Sewer Management Plan (SSMP), Revised August 12, 2021, pg. 42.

Existing Collection System Capacity Deficiencies and Risks – The 2021 Addendum to the 2015 EPASD Master Plan Update (2021 Addendum)³³⁹ identifies pipelines predicted to surcharge based on 24-hour flows from a 10-year storm event. The recommended increases in pipe capacity to eliminate surcharging given existing land use development (absent new development), totals \$23.88 million.³⁴⁰

The total cost to replace pipes without adequate capacity to serve existing land uses in the event of a 10-year storm event does not include ongoing costs to replace failing pipes,³⁴¹ except to the extent that replacing and increasing pipe capacity may concurrently replace failing pipes. EPASD does not have a proposed schedule for repair and replacement of pipes and does not identify pipes to be replaced that may also be prioritized for repair, so the total cost for repair is unknown. As noted below in the section “Ongoing Repair/Replacement”, EPASD’s audited financial reports show that capital additions for pipes and collection facilities averaged \$530,000 per year from FY16-17 through FY19-20.³⁴²

Capacity for New Development – The estimated cost to upsize pipes to accommodate new development, in addition to eliminating potential surcharging from existing development during a storm event, totals \$33.65 million.³⁴³ The additional cost attributable to new development is \$9.77 million; the cost to accommodate new development during storm events is estimated in this MSR based on the difference between the \$33.65 million total cost including new development minus \$23.88 million to eliminate potential surcharging from existing development. The cost estimates include trunk lines.

The 2021 Addendum does not report the impact on depth of flows relative to pipe diameter (d/D)³⁴⁴ from new development in the absence of increased pipe capacity to address predicted surcharging and

³³⁹ Addendum to the March 2015 East Palo Alto Sanitary District Master Plan Update, Freyer & Laureta Inc., Final – April 28, 2021.

³⁴⁰ Addendum to the March 2015 Master Plan Update, Attachments, Table 5.

³⁴¹ General Manager Okupe clarified that the above costs do not include replacement of old pipes that currently serve existing customers but correct system capacity deficiencies under peak wet weather flow. He stated that additional costs will be incurred over the next 15-20 years based on the failure of existing pipes which would require utilization of the District’s reserve funds up to approximately \$15 million. (Special Board Meeting Minutes, Oct. 22, 2020, Item 6).

³⁴² EPASD Financial Reports, Note 3 – Capital Assets.

³⁴³ Addendum to the March 2015 Master Plan Update, Attachments, Table 15.

³⁴⁴ The d/D (depth/diameter of pipe) indicates flows compared to pipe capacity; a d/D of 1.0 means that the depth of flows is equal to the diameter of the pipe, and therefore 1.0 means the pipe is full or in a surcharged state.

sewer overflows from existing development.³⁴⁵ In other words, it is unknown whether the d/D from new development would increase d/D to an unacceptable level in the absence of any increased pipe capacity, or whether it would be less than 1.0 d/D surcharge condition, and if so, how much less. The 2021 Addendum does not define a d/D standard except to state the new development PDWF d/D should be below predevelopment conditions but does not cite a specific d/D standard. Separately, the District has indicated that its d/D standard is 0.65.³⁴⁶

Other Collection System Improvements – Additional costs are included in the Proposed CIP’s total estimated costs to upsize pipes and further reduce d/D to levels generally comparable to the PDWF levels existing before adding flows from new development, and to a level less than a d/D of 0.65. It is assumed these additional increases in pipe capacity are included by EPASD in order to further reduce d/D but the applicable standards and basis for the pipe sizes are not clear.

Trunk Line Upgrade – The 2021 Addendum notes that “portions of the existing trunk sewer... are predicated [sic] to flow under surcharged conditions but SSOs are not predicated [sic] to occur.”³⁴⁷ The 2021 Addendum further states that full buildout requires construction of a parallel trunk line “...to eliminate surcharging between Manhole T12 and Manhole T1.”³⁴⁸ The line will operate during peak wet weather periods parallel to the existing trunk line.³⁴⁹

According to the District and a presentation by its engineering consultants, the existing trunk line has limited available capacity for new development but could presently support a maximum of 100,000 gpd or the equivalent of 415 additional EDUs.³⁵⁰

Treatment Plant Capacity for New Development – EPASD has contractual rights to 7.34% of total capacity in the Palo Alto Regional Water Quality Control Plant. As described in this chapter under “Wastewater Services”, this capacity equates to approximately 2.9 MGD. In 2020, EPASD recorded an ADWF of 0.61 MGD, which is approximately 21 percent of its allocated treatment capacity. ADWF from

³⁴⁵ For example, Table 11 in the 2021 Addendum (text erroneously refers to Table 11 as “Table 12”) includes flows from new development and increased pipe capacity so it is not possible to see the impact of new development on d/D without the larger pipes.

³⁴⁶ Interview with A. Okupe, EPASD General Manager, 2021-11-09.

³⁴⁷ Addendum to the March 2015 Master Plan Update, pg. 3 of 9.

³⁴⁸ Addendum to the March 2015 Master Plan Update, pg. 6 of 9.

³⁴⁹ Addendum to the March 2015 Master Plan Update, Table 17, footnote 3.

³⁵⁰ Sanitary Sewer Master Plan Addendum: Trunk Sewer Capacity Review, presentation to EPASD Board, Feb. 18, 2021, Freyer Laureta, Inc., online video recording at approximately 29:30. See 55:55 for capacity findings.

new development is projected to be 1.08 MGD³⁵¹ indicating near-term treatment plant capacity is available.

Ongoing Repair/Replacement – As noted above in the discussion of “Infrastructure and Facility Assets”, the District pursues an ongoing program to replace pipes based on condition inspections. “Construction Replacement Fund” budgeted expenditures average \$1.0 million from FY16-17 through FY19-20 according to EPASD budgets. However, EPASD’s audited financial reports show that capital additions for pipes and collection facilities averaged \$530,000 for the same time period.³⁵²

The 2019 EPASD Rate Study recommended rates based on approximately \$1.0 million annually for pipeline replacement (FY21-22 estimate, subsequent forecasted years adjusted for inflation).³⁵³

EPASD Capital Improvement Program Phasing

The 2021 Addendum does not prioritize needed improvements (i.e., for likelihood of surcharging and SSOs) nor does it provide a timeline or phasing plan for individual improvements, contrary to best practice recommendations noted above in the section “EPASD Proposed Capital Improvement Plan (2021 Addendum)” and also recommended by EPASD’s SSMP. The District is preparing to contract for pipe inspection.³⁵⁴

Capital Improvement Funding

The 2021 Addendum does not include a plan to finance needed improvements, contrary to best practice recommendations noted above in the section “EPASD Proposed Capital Improvement Plan (2021 Addendum)” and also recommended by EPASD’s SSMP.

As noted above in the section “Ongoing Repair/Replacement”, EPASD’s annual investment in its pipes averaged \$530,000 from FY16-17 through FY19-20, although the District has budgeted larger amounts most years. The 2019 EPASD Rate Study recommended rates based on approximately \$1.0 million spent annually for pipeline replacement (FY21-22 estimate, subsequent forecasted years adjusted for inflation).³⁵⁵

³⁵¹ Addendum to the March 2015 Master Plan Update, pg. 5 of 9.

³⁵² EPASD Financial Reports, Note 3 – Capital Assets.

³⁵³ EPASD 2019 Sewer Rate Study, Cash Flow Projection, pg. 12.

³⁵⁴ Interview with A. Okupe, EPASD General Manager, 2021-11-09.

³⁵⁵ EPASD 2019 Sewer Rate Study, Cash Flow Projection, pg. 12.

EPASD pays for ongoing repair and replacement is planned is on a “pay as you go” basis using property tax, rate revenues, capacity charges and interest earnings. These ongoing costs could be reduced in the future if EPASD replaces existing pipes to expand capacity to address projected surcharging and sewer overflows as recommended in the EPASD 2021 Addendum to the Master Plan Update. Pipe capacity funded by new development will also reduce ongoing repair and replacement.

In addition, EPASD can tap its reserves and fund balances that include accumulated connection fee revenue and pursue other funding opportunities. Potential sources for capital improvement funding include:

General Fund Revenues – According to EPASD’s budgets, from FY17-18 through FY19-20 EPASD’s revenues exceeded expenditures (before depreciation and transfers) by an average of about \$1.5 million annually.³⁵⁶ Audited financial reports for FY17-18 through FY19-20 reported that revenues exceeded expenditures (before depreciation, principal, and transfers) by an average of about \$2.3 million.³⁵⁷ Deducting future debt service of \$300,000 to \$350,000 would allow about \$2 million for a combination of ongoing repair/replacement to replace failing pipes and to address capacity deficiencies to serve existing ratepayers; this expenditure would enable an increase in annual repair expenditures consistent with levels proposed in the EPASD 2019 Rate Study, and provide funding to eliminate the risks of overflows identified in the 2021 Addendum.

Currently EPASD transfers General Fund net revenues to the Construction Replacement Fund and/or builds the General Fund balance for future expenditures, but a portion of these surpluses could also help to repay long-term debt to mitigate the risks of surcharging and potential sewer overflows as identified in the 2021 Addendum. The available amount of these funds would depend upon the costs for ongoing capital repair and replacement not otherwise funded by the long-term debt.

Capacity Charges – The 2018 EPASD Capacity Charge Study updated and increased EPASD capacity charges to \$6,060 from \$3,625.³⁵⁸ per Equivalent Dwelling Unit (EDU). EPASD’s capacity charges seek to achieve the following goals:³⁵⁹

³⁵⁶ FY17-18 through FY19-20 are based on “actuals” from EPASD approved budgets; FY20-21 and FY21-22 are adopted budget estimates.

³⁵⁷ EPASD Financial Reports, Statement of Revenues, Expenses, and Changes in Net Position, pg. 8.

³⁵⁸ EPASD letter to A.Borden from R.Laureta, District Engineer, July 16, 2015, re: Second Plan Check and Connection Fees.

³⁵⁹ 2018 EPASD Capacity Charge Update, pg. 1.

- Recover the full costs of wastewater system infrastructure and assets benefitting new development to help ensure that growth pays its own way and does not place a financial burden on existing customers;
- Equitably recover costs based on the new or increased capacity needs of each new development or redevelopment project;
- Be consistent with industry-standard practices and methodologies;
- Comply with the government code.

The capacity charges are deposited to EPASD’s Connection Fee Fund.

As noted in the section above, “Infrastructure and Facility Assets”, the 2018 capacity charge update did not anticipate significant existing capacity risks and related costs, or major new development proposals and required capacity expansion; therefore, the capacity charges did not incorporate these costs. The connection fees utilized the full replacement cost of the existing system and may correspond to a revised charge; however, this is unknown pending an update to the connection charges.

While capacity charges alone may be insufficient to fully fund required improvements, an updated charge could be important if current developers pay for “oversizing” beyond the need generated by their project, and thereby qualify for reimbursement from future projects benefiting from the oversizing.

Fund Balances and Reserves – As described above in the “Reserves” discussion, EPASD’s FY20-21 budget indicated a total of \$16.2 million in fund balances, and the EPASD audited financial statements reported \$19.2 million for the same point in time. However, the amounts available for infrastructure might be reduced by funds required to meet reserve targets.

Grants and Loans – Other potential sources include State and Federal grants and low interest loans. For example, State Revolving Fund loans commonly fund sewer improvements, although the grant application process can be extensive and demand staff resources. EPASD did receive an SRF loan to finance construction of the Cured in Place Siphoning Project. No grant proposals or loan applications are planned or in process. New funding could become available as a result of the recently approved Infrastructure Act.

A staff report to the Joint East Palo Alto and EPASD Intergovernmental Committee described the City’s success in obtaining over \$75 million in grants to support City infrastructure projects and initiatives, with

another \$34 million in grants pending.³⁶⁰ The success is due in part to the City’s designation as a Disadvantaged Community. The report identified a number of available grant programs including the Infill Infrastructure Program, Community Development Block Grants (CDBG), and Water Infrastructure Finance and Innovation Act (WIFIA). EPASD could collaborate with other entities to improve the prospects of successful applications, and benefit from the Disadvantaged Community status of the area which is one factor that can prioritize an application for certain grants; a plan to address SSO’s is another factor that improve an application’s priority.³⁶¹

Revenue Bonds – Revenue bonds provide a financing mechanism to fund large-scale infrastructure improvements through debt repaid by current and future beneficiaries of the system. In the case of major improvements, using debt is a means to not burden current users by spreading long-life infrastructure and its costs equitably over many years.

The use of debt financing and existing net revenues could leverage developer funding for developer-required capacity and minimize or eliminate significant impacts on existing ratepayers. While EPASD sewer rates have remained low, deferring the costs of addressing existing deficiencies increases risk of future failure; debt funding for major improvements could reduce risks of failure of aging pipes, and improve new developments’ ability to fund their share of additional expansion costs. Other agencies, for example, the City of South San Francisco, determined that sewer revenue bonds were appropriate for improvements that “will result in citywide benefits”, specifically for sewer treatment capacity required by increased development in the East of 101 Area.³⁶² The City’s recent sewer rate study proposes “pay-as-you-go” funding of their CIP, but also states that if “significant additional capital improvements are needed within the next 5 years, the City can evaluate the potential use of debt financing.”

Other Developer Funding – EPASD has discussed financing district formation, and in one case has obtained funding directly from a developer; an agreement with the Light Tree Apartments developer provided \$2.5 million of developer funding (including capacity charges and administrative fees) for sewer pipeline improvements³⁶³ to be supplemented by District funds of \$2 million.³⁶⁴ The agreement requires the developer to fund improvements by EPASD required to expand the sewer system, including

³⁶⁰ Joint East Palo Alto and EPASD Intergovernmental Committee Staff Report, K. Fallaha, P. Heisinger, and A. Okupe, Sept. 20, 2020.

³⁶¹ U.S. Code Title 33 §1301, Sewer overflow and stormwater reuse municipal grants.

³⁶² Genentech Facilities Ten-Year Master Plan, South San Francisco, Adopted April 28, 2007.

³⁶³ Wastewater Service Agreement between EPASD and Light Tree Two, LLP, June 12, 2020.

³⁶⁴ EPA City Council Staff Report, March 15, 2022, re: Issues Concerning the Light Tree Affordable Housing Project and the EPASD.

downstream pipelines, to handle increased flows. The agreement recognizes that a portion of the funds provided may pay for improvements that will benefit future development, and therefore the developer may be entitled to reimbursement from those future developers; the terms of such potential reimbursements are not defined. The Light Tree project has been stalled (as of 3/15/2022) by issues related to increased costs and environmental review and project funding is at risk of default; EPASD, the City of EPA, and the developer have been unable to determine a path forward.

EPASD has no published policies or procedures for calculation of charges for collection system upgrades other than its standard capacity charges; discussions in EPASD meetings indicate that key assumptions (e.g., flows per resident of new buildings), reimbursement calculations, EPASD's share and other terms are negotiated with each development for projects ranging in scale from hundreds of units to a proposed single ADU.

Cities and districts commonly negotiate development agreements with large development projects that incur significant impacts and/or costly required additional infrastructure not otherwise planned and funded by the agency. In exchange for development entitlements and certainty regarding long-term development buildout, the development would fund its impacts and required infrastructure, receiving credits for impact fees and in-kind construction. Development agreements are most typical for large-scale, long-term development projects generally requiring physical extension of agency services and infrastructure.

"Greenfields" development is an example of development often funding its impacts using development agreements and/or financing districts, in-kind construction, and cash contributions. The situation in EPASD differs from typical greenfields projects because the system improvements are largely increased pipe sizes within the existing system rather than extensions of the system. While some pending development projects are relatively large, several current projects and future developments include increased density on existing developed properties due to zoning changes. Infrastructure improvements serving a new development project within EPASD will also benefit existing ratepayers by reducing unit costs of pipe improvements that are also required to be upgraded to serve existing development without risk of surcharging or overflows. These sorts of cost efficiencies are recommended by the EPASD Connection Fee Update Study compared to more costly, incremental improvements requiring further upgrade in the future.

FRAMEWORK FOR A CIP FINANCE PLAN

This section outlines an approach to develop a financing plan to help implement the EPASD proposed CIP documented in EPASD’s 2021 Addendum to the 2015 Master Plan Update. The approach is based on EPASD goals, policies and engineering plans, in addition to best practices of other agencies and legal requirements. It is intended that this framework provides a basis for further analysis and refinement and creates a path forward to resolve current bottlenecks blocking economic development, new affordable housing opportunities, and improved City fiscal sustainability for services to the East Palo Alto community.

Consistent with State law and EPASD practices, the framework does not propose that existing ratepayers fund expansion costs required to serve new development. Proposition 218, approved by California voters in 1996, amended the California constitution to require, for example, that sewer fee increases cannot exceed the cost of providing service; can only be used for the purpose imposed; and must be proportional to costs of service.³⁶⁵

Debt financing secured by existing ratepayers would only be utilized to fund improvements required to upsize pipes consistent with findings of the EPASD 2021 Addendum to the 2015 Master Plan Update in order to eliminate the risk of sewer overflows from existing land uses as predicted by the 2021 Addendum. EPASD’s current capital program targets repair and replacement of pipes that are failing due to age and/or other factors; the program does not address expansion needs of existing uses – EPASD states that the capacity is adequate although its 2021 Addendum identifies potential overflows during a major storm event.

The framework prioritizes existing ratepayers’ health, safety and financial concerns while striving to provide benefits to ratepayers who are also residents of the City of EPA and surrounding communities served by EPASD; those benefits include increased tax revenue to both EPASD and to the City of EPA, increased economic development, jobs and related revenues, and additional affordable housing. Controlling costs is of paramount concern to EPASD; the framework discussed in this section recognizes that residents’ health and safety and protection from potential sewer overflows identified by EPASD should be balanced against maintaining low sewer rates and not subsidizing new development.

³⁶⁵ Cal. Const., art. XIII C, § 2. Article XIII D, section 6, subdivisions (a) and (c).

CIP Finance Plan Goals and Objectives

The following goals and objectives that shape the proposed framework for a CIP finance plan are drawn from EPASD documents as noted below and from other footnoted industry sources.

1. Provide safe, efficient, and cost-effective sanitary sewer services.³⁶⁶ (source: 2021 EPASD SSMP)

Although EPASD has not had a sewer overflow in more than ten years, the 2021 Addendum predicted surcharging and sewer overflows from existing development in the event of a major storm event. This framework assumes that EPASD should take steps to address these issues.

2. Ensure that growth pays its own way and does not place a financial burden on existing customers.³⁶⁷ (source: 2018 EPASD Capacity Charge Update)

As noted by the District, this is a long-standing policy of EPASD.³⁶⁸ This MSR proposes a framework for a CIP finance plan that is consistent with this principle.

3. Equitably recover costs based on the new or increased capacity needs of each new development or redevelopment project.³⁶⁹ (source: 2018 EPASD Capacity Charge Update)

This principle assumes that new development pays its allocated, incremental share of cost. Similarly, existing development should pay its share of costs to address insufficient capacity during major storm events, and new development should not be burdened with existing deficiencies.

4. Include recommended projects to address capacity deficiencies in the system and determine “a sequence of construction ... based on EPASD’s observations of existing pipe conditions **and new development needs.**” (emphasis added)³⁷⁰ (source: 2021 EPASD SSMP).³⁷¹

³⁶⁶ 2021 EPASD SSMP Update, pg. 8.

³⁶⁷ 2018 EPASD Capacity Charge Update, pg. 1.

³⁶⁸ Comments from Dennis Scherzer, EPASD Director, to A.Okupe, 1-31-22.

³⁶⁹ 2018 EPASD Capacity Charge Update, pg. 1.

³⁷⁰ 2021 EPASD SSMP Update, pg. 43.

³⁷¹ 2021 EPASD SSMP Update, pg. 42.

5. Include impact fees within the connection fees to help contribute to future downstream projects needed for extra pipe capacity.³⁷² (source: 2021 EPASD SSMP)

EPASD’s SSMP references “impact fees” although as noted by EPASD “the notion of an ‘impact fee’ is inaccurate. The costs of system upgrade construction (‘impact costs’), are the responsibility of the developer. No fees for construction are required or collected by EPASD.”³⁷³

However, EPASD does collect a “capacity charge” which the 2018 EPASD Capacity Charge Study states should “**Equitably recover costs based on the new or increased capacity needs of each new development...**”³⁷⁴ (emphasis added). As noted elsewhere in this MSR, the EPASD capacity charge does not account for the costs of new or increased capacity of new development and should be updated accordingly. Capacity charges alone may be insufficient to fully fund needed improvements but can provide an important source of upfront funding. In addition, collecting capacity charges from future development that benefits from “oversized” improvements funded by a developer can reimburse that initial developer for allocated shares. EPASD does not have a written policy for reimbursements to developers.

6. Sustain investment to increase performance levels and avoid significant interruptions created by failure of arterial infrastructure.³⁷⁵ As noted by the District, "this is consistent with long-standing EPASD policy. A recent example is a new electronic flow monitoring network that warns of overflow problems and provides engineering data for system maintenance, the current full-system tv inspection.”³⁷⁶

³⁷² 2021 EPASD SSMP Update, pg. 42.

³⁷³ Comments from Dennis Scherzer, EPASD Director, to A.Okupe, 1-31-22.

³⁷⁴ 2018 EPASD Capacity Charge Update, pg. 1.

³⁷⁵ El Dorado Irrigation District Operation Budget and Financial Plan Board Approved November 9, 2020, pg. 12 of 14.

³⁷⁶ Comments from Dennis Scherzer, EPASD Director, to A.Okupe, 1-31-22.

7. Generate cash flow each year to fund pay-as-you-go capital construction projects while using debt financing judiciously for specific large, long-lived capital projects.³⁷⁷ This enables future users to share in the costs without overburdening existing ratepayers.^{378 379}

The proposed framework for a CIP finance plan described in this MSR proposes the use of debt to fund existing collection system deficiencies that EPASD’s consulting engineers identified as potential risks for sewer overflows that are caused by and will affect existing ratepayers. The use of debt enables the burden to be spread to future ratepayers including both existing ratepayers and future ratepayers (whether they occupy homes that currently exist or new homes). No debt is proposed to fund the additional costs of expansion triggered by new development, and therefore no burden is proposed to be borne by existing ratepayers.

8. Develop priorities for repair, replacement and upgrade, as recommended by SSMP best practices,³⁸⁰ focusing on EPASD goals (e.g., public health and safety, cost effectiveness, public benefit, legal requirements, etc.).

EPASD’s 2021 Addendum to the Master Plan Update does not prioritize nor provide an implementation plan or schedule for improvements recommended to eliminate the risk of sewer overflows from existing development, nor have any other such documents been identified or provided by EPASD.

9. Strive to leverage funding (e.g., grants and low interest loans, capacity charges and developer funds, existing cash flows and reserves, and rate-secured financing) to achieve multiple priorities with each project and thereby improve cost effectiveness.

Existing ratepayers will not subsidize new development; the use of funds described in this MSR’s proposed framework for a CIP finance plan adhere to the principle of restricting existing ratepayer funds to only those improvements necessary to serve existing ratepayers.

Nonetheless, by coordinating improvements that benefit existing ratepayers with improvements

³⁷⁷ El Dorado Irrigation District Operation Budget and Financial Plan Board Approved November 9, 2020, pg. 12 of 14.

³⁷⁸ El Dorado Irrigation District Annual Comprehensive Financial Report For the Years Ended December 31, 2020, and 2019, pg. xii.

³⁷⁹ El Dorado Irrigation District Annual Comprehensive Financial Report For the Years Ended December 31, 2020, and 2019, Note 4 Long-Term Liabilities, pg.44.

³⁸⁰ A Guide for Developing and Updating of Sewer System Management Plans (SSMPs), Sept. 2015.

funded by and benefitting new development, economies of scale and cost efficiencies can be better achieved as called for by the EPASD 2018 capacity charge study. The 2018 capacity charge study emphasizes “...the principle that agencies and their customers benefit from economies of scale by building infrastructure sized to meet projected future demands, which results in a lower average cost per unit of capacity than if infrastructure was built on a piecemeal basis as growth occurs.”³⁸¹

Illustrative CIP Finance Plan

While a number of steps by EPASD are necessary to refine a CIP Finance Plan, **Figure 5-6** illustrates one possible framework and approach. The framework assumes that EPASD must take a proactive approach to remediate existing capacity deficiencies as well as provide a transparent, rational and cost-effective approach to better serve planned City of EPA growth and development as determined by its residents’ General Plan Update.

EPASD’s current approach is unlikely to allow new development; the magnitude of potential costs to fix existing deficiencies and expand infrastructure exceed the financial ability of any single developer, particularly without a District structure or mechanism for sharing costs. The relatively large number of current and future developments, both large and small, and the nature of required capacity expansions is closely integrated into the current system. Individual piecemeal projects and financial arrangements is costly and inefficient, as confirmed by EPASD’s 2018 Capacity Charge Study.

The approach seeks to achieve the objectives described above, including the requirement that existing ratepayers will not pay for new development’s share of costs. The approach also strives to minimize rate increases for ratepayers to address existing capacity issues posing risks to the health and safety of existing residents and property. To the extent possible, the approach recognizes that improvements to serve new development can also benefit existing ratepayers, who are largely also residents of the City of EPA, by increasing the size of construction projects and thereby reducing “per-unit” costs for improvements serving existing ratepayers.

Benefits also accrue from increased property tax revenues to EPASD, increased rate revenue (net of additional cost increases to serve new development), and other benefits to residents of the City of EPA in the form of additional tax revenues, affordable housing, and other economic and social benefits.

³⁸¹ EPASD, Capacity Charge Study, 2018, p. 3.

An EPASD CIP finance plan should be developed by EPASD consultants that prioritizes improvements, phases improvements over time considering greatest need and flows from future new development. The CIP finance plan can distinguish improvements that benefit existing residents from improvements benefitting new development and funded by new development. The Plan should develop appropriate allocations of cost where those improvements are shared, for example, using the relative cost estimates in the 2021 Addendum. The Plan should consider a broad range of capital funding sources as described above in the section on “Capital Funding”. Illustrative funding is described below.

Debt funding is assumed the primary source of funding to eliminate surcharging and the risk of SSOs from storm event flows from existing development. EPASD has stated its opposition to debt for any purpose, however, the use of debt is a common way for public agencies to fund large improvements and spread costs to future ratepayers, including new development, that benefit from the improvements. This debt potentially could be sized to utilize existing net EPASD revenues without requiring an increase in sewer rates. Installation of new pipes could prioritize replacing pipes most likely to fail; pipes in greatest need of capacity expansion to serve existing development; pipes that will serve existing development and will utilize developer funding thereby achieving cost efficiencies to existing ratepayers. The use of existing reserves available for capital improvements could help to reduce the amount of debt required.

Developer funding of pipe replacement may be needed to augment capacity charges and other sources. EPASD capacity charges should be reviewed and updated to reflect impacts of new development and anticipated growth. Future capacity charges could be included in the CIP finance plan as a way to reimburse funds advanced by developers for oversized infrastructure that benefits other developers.

EPASD should pursue grants and low-interest loans to reduce costs to existing residents and increase the likelihood of fully implementing improvements proposed in the EPASD Addendum without adversely affecting existing residents. The absence of a CIP with a schedule, priority, costs and funding of improvements will reduce prospects for obtaining state and federal funds.

Figure 5-6: Illustrative CIP Finance Plan

Item	TOTAL COST	Existing and New Ratepayers			New Development Requiring Expansion			Future Capacity Charges (16)	TOTAL COST & FUNDING
		General Fund (11)	Reserves (12)	Revenue Debt (13)	SUBTOTAL FUNDING	Maximum Advance Funds (14)	Initial Capacity Charges (15)		
Collection System									
1 Existing Capacity Deficiencies	\$23,877,600	\$5,535,600	\$5,000,000	\$13,342,000	\$23,877,600				\$23,877,600
2 Capacity for New Development	\$8,769,600				\$0	\$5,726,800	\$3,042,800	\$8,769,600	\$8,769,600
3 Other CIP Improvements	<u>\$2,508,900</u>	<u>\$1,586,000</u>			<u>\$1,586,000</u>	<u>\$923,000</u>		<u>\$923,000</u>	<u>\$2,509,000</u>
Subtotal	\$35,156,100	\$7,121,600	\$5,000,000	\$13,342,000	\$25,463,600	\$6,649,800	\$3,042,800	\$9,692,600	\$35,156,200
Trunk Line									
4 Trunk Line Upgrade				Included in Collection System					
5 Total, Collection System & Trunk Line	\$35,156,100								\$35,156,100
Treatment Plant									
6 Capacity for New Development	\$5,000,000								\$5,000,000 \$5,000,000
TOTAL	\$40,156,100	\$7,121,600	\$5,000,000	\$13,342,000	\$25,463,600	\$6,649,800	\$3,042,800	\$9,692,600	\$5,000,000 \$40,156,200
Other Uses of Funds									
7 Reimbursements & CIP									19,227,198
Annual									
8 Ongoing Annual Repair/Replacement		\$800,000							
9 Annual Debt Service (Revenue Bond)		<u>\$739,000</u>							
10 Total Annual		\$1,539,000							

Notes to Figure 5-6

- 1 Addendum to the March 2015 East Palo Alto Sanitary District Master Plan Update, April 28, 2021, Table 5, Conceptual OPC Eliminating Surcharge Under Existing PWWF.
- 2 Allocation of cost of capacity for new development assumed equal to cost of eliminating surcharge under PWWF (Addendum, Table 15) excluding trunk line less cost to eliminate existing deficiencies under PWWF (Addendum, Table 5).
- 3 Other system improvements equal the difference between total CIP cost (Table 17) and cost to eliminate surcharge under proposed PWWF (Table 15).
- 4 Trunkline cost from Presentation by Freyer Laureta Inc. to EPASD Special Board Mtg., Oct. 22, 2020.
- 5 See Addendum to EPASD Master Plan Update, Table 17.
- 6 Estimated cost for treatment plant capacity from Bartle Wells Assoc. Presentation to Board, Expansion Funding & Rate Scenarios, Jan. 7, 2021.
- 7 Future capacity fees assumed to be applied towards allocated cost of expansion required by new development and to reimburse developer advance funding for "oversizing" improvements; additional fee revenue could be used for other future capital projects.
- 8 The 2019 EPASD Rate Study recommended rates based on approximately \$1.0 million spent annually for pipeline repair and replacement (FY21-22 estimate, subsequent forecasted years adjusted for inflation). EPASD spent \$530,000 annually FY16-17 through FY19-20 per audited financial reports. Amounts required will vary depending on need; amounts assumed to decline as pipes are replaced and
- 9 Revenue bond assumes 30-year, 3.5 interest, \$13.342 proceeds after deducting \$258k issuance/underwriting costs. Actual proceeds and costs will vary over time and depend on specific type of financial instrument.
- 10 Annual expenditures based on available funds per review of audited financial statements. Actual future amounts will vary; EPASD should update its rate and connection charge studies, and prepare a budget forecast to estimate available funds.
- 11 General Fund revenues in future years available on a "pay as you go" basis to augment other funding for major capital improvements.
- 12 Additional reserves may be available depending on EPASD allocations for other purposes. Reserves could also be used to reduce amount of debt issued.
- 13 See #9 above for financing assumptions. Debt will be repaid from net revenues from existing ratepayers and from future new development.
- 14 Developer advance funds assumed for allocated expansion costs attributable to new development not covered by capacity charges. Amount will depend on specific infrastructure required and other funding available.
- 15 "Initial Capacity Charges" assume 502 pending EDU applications and charge of \$6,060/EDU.
- 16 Future capacity charges assumed applied to reimburse Developers' advance funds (see #14) and be available for plant expansion and other capital improvements; assumes approximately 4,000 new EDU's through General Plan buildout in addition to pending applications. Actual amounts and timing depend on future development.

SUMMARY OF EAST PALO ALTO SANITARY DISTRICT MSR DETERMINATIONS

Growth and Population Projections

- 5-1: As of 2020, based on the number of residential connections served and the average household size in the cities served, it is estimated that EPASD’s population is approximately 26,622.
- 5-2: It is assumed that EPASD’s growth will closely mirror that of the City of East Palo Alto. Based on the current population estimate within the District and ABAG’s growth projections through 2040, it is projected that there will be 31,335 residents within the EPASD in 2040, an increase of approximately 4,700 residents.
- 5-3: As of December 2021, there were 20 unconstructed development projects within EPASD in some phase of the application and construction process consisting of 1,469 dwelling units and 4,635,139 square feet of nonresidential building space. A majority of the larger developments are located in the Ravenswood/4 Corners TOD Specific Plan area.
- 5-4: In addition to the substantial number of sizeable developments, the City is experiencing intensification of uses on properties with existing dwelling units where a number of accessory dwelling units are being added. Recent changes in state law allowing a streamlined permitting process for accessory dwelling units (ADUs) will likely prompt a greater number of ADU additions. However, 12 ADUs have been stalled as they have been unable to get approval for connection to EPASD’s system.
- 5-5: Lack of EPASD sewer collection system capacity is an impediment to development in the City. Developers have indicated concerns that the costs to connect are prohibitively expensive and that EPASD has been unwilling to discuss financing options to make connection more feasible. Efforts to-date to resolve this issue have been largely unsuccessful. Constrained development deprives the City and its residents of increased taxes and other revenues to maintain and improve public services, reduces future affordable housing and ability to meet RHNA housing allocations, and limits growth in job opportunities.

The Location and Characteristics of Disadvantaged Unincorporated Communities Within or Contiguous to the Agency’s SOI

- 5-6: According to the Department of Water Resource’s Disadvantaged Communities mapping instrument, there are no communities within or contiguous to the District that meet the definition of a disadvantaged unincorporated community, as the District only serves incorporated portions of the City of East Palo Alto and the City of Menlo Park. However, there is a single Block Group (060816121002) within District’s territory to the west of Highway 101 that

meets the definition of disadvantaged. The area has an estimated population of 2,232 with a median household income of \$45,731.

Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies

- 5-7: While sufficient treatment capacity exists to meet the needs of current and a portion of future demand, EPASD reports an inadequate collection system capacity to serve increased flows expected from pending development applications. EPASD faces significant financial challenges to fund capacity enhancements to eliminate the potential for sewer overflows that are compounded by proposed new connections. Large-scale capacity enhancements are costly and difficult to complete in a piecemeal fashion as development occurs.
- 5-8: Based on overflow rates, infiltration and inflow, regulatory compliance, preventative maintenance practices, speed of response times to customer reports of issues, and the number and type of complaints related to wastewater services, EPASD provides an adequate level of wastewater collection services to existing ratepayers.
- 5-9: Infrastructure capacity needs are appropriately identified in EPASD’s 2021 Addendum to the 2015 Master Plan Update. EPASD focuses on assessing the current condition of the piping and replacing or relining pipe as needed, and EPASD asserts that current collection system capacities are adequate to serve existing ratepayers; this position appears contrary to the results of the 2021 Addendum that predict surcharging and sewer overflows under peak wet weather flows. EPASD states that the 2021 Addendum is a theoretical model and EPASD has not experienced a sewer overflow in the past ten years.
- EPASD budgets \$1 million annually towards “Construction Replacement” (not including developer contributions); actual capital expenditures have been less. The 2021 Addendum identifies 110 segments to be upsized to ensure that the system is not operating at a surcharge or at risk of overflows during a storm event.
- 5-10: Information on the age of the collection infrastructure conflicts, as identified by the RWQCB in its most recent inspection; this data was not provided by EPASD when requested for the preparation of this MSR. It is recommended that the District document the age of its system and conduct comparative analysis to determine what percentage of the effective life of the segment has been used as input to develop long-term CIP priorities and schedule.
- 5-11: There is a need to comprehensively update EPASD’s primary planning documents, such as the Master Plan, Sewer Rate Study, and Capacity Charge Study to meet the current needs of EPASD, taking into consideration existing circumstances that have surfaced, and enhancing transparency for rate payers, members of the community, developers, and others regarding the full extent of

current and future infrastructure needs and associated financing requirements and funding sources. These updates can document and communicate plans to cost-effectively manage EPASD infrastructure maintenance and replacement, address the potential for sewer overflows from existing uses during storm events, and assure that existing ratepayers do not subsidize costs incurred to serve new development.

Financial Ability of Agencies to Provide Services

- 5-12: EPASD’s strong financial position and healthy reserves are the outcome of property tax revenues that supplement services charges, and a relatively low-cost structure. This financial position enables EPASD to maintain low annual charges to ratepayers compared to other sanitary districts.
- 5-13: However, the District’s priority to maintain low rates can adversely affect services and infrastructure by hampering the District’s ability to implement best practices and address existing system capacity deficiencies to reduce risks of sewer overflows from existing uses. Low rates that do not account for the need to address projected surcharging and potential sewer overflows can adversely affect ratepayers financially in the long run. Lack of staff resources contributes to an inability to provide clear, up-to-date, and transparent information to ratepayers, the City of East Palo Alto, property owners and developers, and other stakeholders; and produces insufficient financial planning to establish cost-effective and equitable infrastructure financing to facilitate plans adopted by the City of EPA which represents a majority of EPASD residents.
- 5-14: The lack of future development capacity indirectly affects ratepayers who are also residents of the City of East Palo Alto, as the inability to serve new development reduces growth in City revenues for services and financial resiliency, provides fewer affordable housing opportunities, and constrains the community’s commercial base and job growth.

Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

- 5-15: EPASD generally complies with legal requirements to ensure accountability and transparency. Improvements include ensuring Board Members are up-to-date on ethics training and that all policies and procedures are readily available on its website. Staff reports for District meetings are often not provided, or the narrative for agenda items provides minimal information about the proposed meeting topic or recommended action by the Board.
- 5-16: The compensation and benefits offered to EPASD’s governing body is exceptional compared to neighboring sanitary districts and even compared to compensation of the City of EPA’s Council

Members. EPASD should consider aligning board compensation with that of similar service providers.

- 5-17: Transitioning EPASD into a subsidiary district of the City of East Palo Alto is a governance structure option that may benefit the City and its residents by facilitating funding of capital projects to address existing risks of sewer overflows during storm events, and capacity constraints that impede City of EPA planning and achieving City objectives that also benefit most EPASD residents as citizens of the City of EPA.

Recommendations

1. **Ethics Training** - It is recommended that EPASD ensure that board members receive the required ethics training every two years.
2. **Policies and Procedures** - These policies are not readily accessible on EPASD’s website, and in order to ensure transparency, it is recommended that the District make available all policies on its website.
3. **Update Capacity Charges** -- The update should reflect current development trends and recent CIP cost updates to assure that development pays its share of expansion costs without burdening existing ratepayers. The capacity charges can help fund required infrastructure and provide a mechanism for developer reimbursement if oversizing is required that benefits other developers.
4. **Develop CIP Financing Plan** – Consistent with best practices EPASD should prioritize improvements and identify financing mechanisms to fund existing deficiencies and future capacity needs over time. The Plan should create a standard, transparent approach for new development applications that does not require time-consuming, costly individual negotiations and custom agreements for each development.
5. **Pursue Grants and Low-Interest Loans** – A revised CIP will be essential to pursuing grants and low-interest loans. Infrastructure Act funds may provide opportunities to implement the CIP at a lower cost to ratepayers. EPASD should collaborate with other districts, the City of EPA, and/or affordable housing developers to improve prospects for obtaining funds.
6. **Evaluate and Consider Using Revenue Debt for Major Long-Term Capital Improvements** – Major improvements can be funded more cost-effectively, and costs spread to future ratepayers rather than entirely existing ratepayers. Debt payments and potential impacts on rates should be

carefully considered as part of an overall funding plan to pay for improvements that serve existing ratepayers. The use of debt, and/or other funding sources, must respect the principle that existing ratepayers do not subsidize new development.

7. Facilitate New Development without Burdening Existing Ratepayers – The 2021 Addendum provided an allocation between existing system capacity constraints during a storm event, and expansion required for new development that can dictate an equitable allocation and financing plan consistent with legal requirements.

8. Improve Transparency of Budget and Financial Documents – A clear, well-documented budget with explanations of changes, risks, and activities would improve financial transparency. The budget should better correlate with annual audited financial reports, for example, by including depreciation. Financial reports should correlate with funds reported in budgets. Annual debt obligations should be clearly documented in the budgets and should correlate with information in audited financial reports.

9. Budget Forecasting – Periodically update the long-term budget forecast most recently prepared in the 2019 Rate Study to reflect changing financial conditions and projections of costs and revenues.

10. Intergovernmental Relations – Restart and continue regular public meetings between representatives of the City of EPA and EPASD. While staff level cooperation related to development planning is ongoing, involvement by board and council members is essential for efficient and effective coordination between the City of EPA and EPASD related to infrastructure financing and other matters, including the Ravenswood Specific Plan. These meetings should be live streamed, recorded and promptly posted to facilitate public outreach and transparency. These meetings could be focused on specific topics such as development projects and infrastructure finance. The meetings should be conducted with equal support and staff time from both the City and EPASD.

11. Update Sewer Rates – The update should reflect the costs “needed to fund projected operating expenses, help fund high priority improvements to the District’s aging sewer collection system, pay for the District’s share of operating and capital improvement costs for the regional wastewater treatment plant, and support safe and reliable service” as outlined in the 2019 Rate Study. The update should balance the need to maintain affordable sewer rates against the importance of maintaining and improving services and infrastructure for the health and well-being of EPASD ratepayers.

12. Independent Review of EPASD Hydraulic Analysis and Proposed Improvements – EPASD states that the hydraulic analysis of the 2021 Addendum only indicated that the system is adequate for existing customers, however it cannot serve future developers. This statement appears to contradict the 2021 Addendum that predicts sanitary sewer overflows (SSOs) could occur at 38 manholes due to surcharge conditions in many of its pipes during a peak storm event under existing land use conditions and existing customers.³⁸² An independent engineering analysis should be conducted to review the hydraulic analysis and assumptions to reconcile the apparent inconsistencies between predicted sewer overflows under existing conditions and EPASD’s position that the system currently is adequate. The analysis would include an update of hydraulic assumptions including flows from ADUs and residential units.

³⁸² Addendum to the March 2015 East Palo Alto Sanitary District Master Plan Update, Freyer & Laureta Inc., Final – April 28, 2021, Tables 3-5.

6. WEST BAY SANITARY DISTRICT

West Bay Sanitary District (WBSD) is the regional sanitary sewer provider for City of Menlo Park and portions of Atherton, East Palo Alto, Portola Valley, Redwood City, Woodside, south county unincorporated areas and several parcels in Santa Clara County near Los Trancos Creek.

The District was first known as Menlo Park Sanitary District when it was formed in 1902 to perform a variety of public health functions including animal control, meat inspection, licensing of plumbers and garbage services in addition to sewage collection. Over time several functions were taken over by other agencies, and the District's boundaries expanded with urbanization. The District built its first sewage treatment plant in 1952, and in 1982, the South Bayside System Authority (SBSA) was formed as joint powers authority (JPA) and assumed sewage treatment responsibility for southern San Mateo County sewer agencies, including WBSD and the cities of Redwood City, San Carlos and Belmont. SBSA is now Silicon Valley Clean Water (SVCW).

A municipal service review was last conducted on WBSD in 2009.³⁸³ Refer to the previous MSR for further detail on the history of the District.

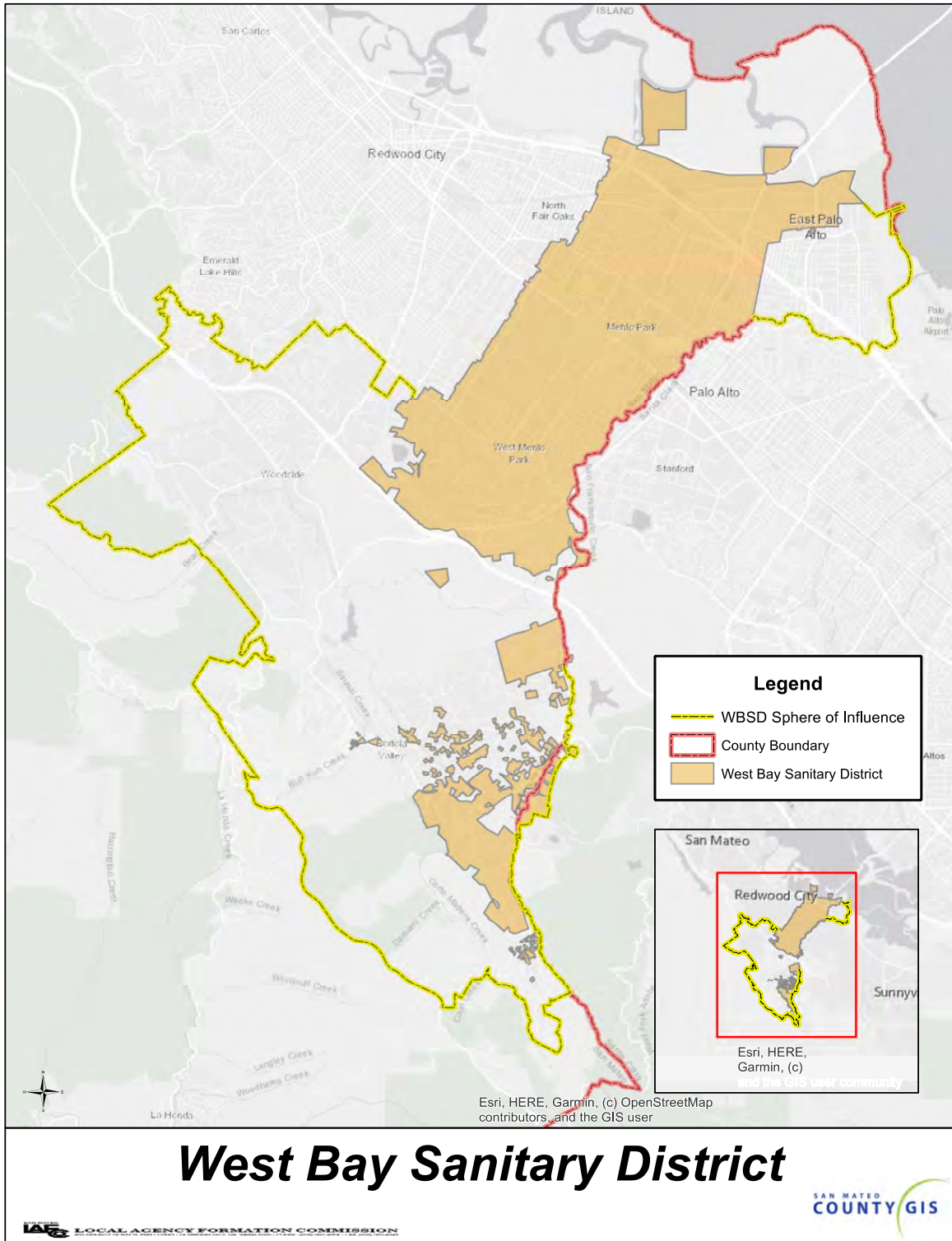
BOUNDARIES AND SPHERE OF INFLUENCE

In 1985, LAFCo adopted a sphere of influence for the District consisting of the District's boundaries at that time and portions of Menlo Park, Woodside, Portola Valley and East Palo Alto. Since that time, district boundary changes have included numerous annexations of individual properties in the Town of Portola Valley, as well as the Blue Oaks Subdivision, seventy-one existing residences in unincorporated Los Trancos Woods, and the Stanford Sand Hill Hotel Project in the City of Menlo Park. Because the District has an adopted ordinance requiring connection to the sewer once annexed, annexations typically take place when triggered by the need to abandon existing septic systems or to serve new development.

In 2009, WBSD's sphere of influence was reaffirmed as adopted in 1985. It was recognized that while lands in the western areas of the sphere may never be served by sewer infrastructure, inclusion of these areas recognize that WBSD may play a role in future state regulations concerning septic systems. Also, at that time, there was an absence of significant changes since the sphere was adopted to merit any amendment to the sphere of influence.

³⁸³ Municipal Service Review and Sphere of Influence Update, West Bay Sanitary District, February 12, 2009.

Figure 6-1: West Bay Sanitary District Boundaries and SOI



ACCOUNTABILITY AND GOVERNANCE

Accountability of a governing body is signified by a combination of several indicators. The indicators chosen here focus on 1) agency efforts to engage and educate constituents through outreach activities, in addition to legally required activities such as agenda posting and public meetings, 2) a website with required content and other useful information, 3) timely ethics training for board members and an adopted reimbursement policy, 4) a defined complaint process designed to handle all issues to resolution, 5) adopted bylaws that provide a framework and direction for governance and administration, 6) adoption of a conflict of interest code as required by law, 7) proper filing of Form 700 by the governing body members, and 8) transparency of the agency as indicated by cooperation with the MSR process and information disclosure at meetings, in documents and on a website.

Figure 6-2: West Bay Sanitary District Profile

West Bay Sanitary District Profile			
Contact Information			
<i>Contact:</i>	Sergio Ramirez, District Manager		
<i>Address:</i>	500 Laurel Street Menlo Park, CA 94025	<i>Website:</i>	www.westbaysanitary.org
<i>Phone:</i>	650-321-0384	<i>Email:</i>	info@westbaysanitary.org
Governing Body			
<i>Governing Body:</i>	Board of Directors	<i>Members:</i>	5
<i>Manner of Selection:</i>	Elected at large.	<i>Length of term:</i>	4 years
<i>Meetings Location:</i>	500 Laurel Street Menlo Park, CA 94025	<i>Meeting date:</i>	Second & Fourth Wednesday of the month at 7:00 pm

The WBSD Board is composed of five members that are elected at large to four-year terms. Currently, two terms end in 2022 and three terms end in 2024. There are no vacancies on the Board at this time. Board members are paid \$240 per meeting with a maximum of six meetings per month. The meeting stipend was increased by resolution in 2020. Directors are reimbursed direct costs, such as travel expenses for conferences. There are no further benefits (i.e., healthcare) to Directors beyond the stipend and reimbursement for costs.

Board meetings are held on the second and fourth Wednesdays of each month at 7 pm in the Board room at the District’s office. Agendas are posted at the District’s office and on the District’s website at least 72 hours prior to a meeting. Meeting minutes are also made available on the District’s website.

The District primarily conducts outreach via its website, which makes available information on meetings, bill paying, rates and fees, wastewater services, recycled water services, current projects, and planning documents. The website also makes available a hotline to report a problem. In addition to its website and other social media outreach, the District participates in the City of Menlo Park’s events, including the Menlo Park Block Festival, Kite Day, Movie Night and more. The District incorporated a public outreach and education objective as part of its Strategic Plan (2022) with plans to 1) effectively communicate using the District’s website, 2) utilize annual newsletters for public education purposes, 3) use public events to increase public awareness of the District, 4) utilize print communications for increased outreach, and 5) incorporate social media as a means to increase public visibility.³⁸⁴

Also of note, WBSD is a recipient of the District Transparency Certificate of Excellence from the Special District Leadership Foundation (SDLF) for the period January 2020 to March 2023. In order to receive this recognition, the District was required to complete all transparency program requirements “designed to promote transparency in their operations and governance to the public and other stakeholders.” The District has established the Open Government Section, which is charged with ensuring transparency and easy access to the public.

As mentioned WBSD maintains a website with information readily available for the public. The Special District Transparency Act (SB 929) signed into law in 2018 requires special districts in California to have websites set up by January 1, 2020, and holds special districts accountable to the Brown Act, which mandates transparency. WBSD’s website meets the requirements of SB 929. In 2016, the State Legislature enacted Assembly Bill 2257 (Government Code §54954.2) to update the Brown Act with new requirements governing the location, platform and methods by which an agenda must be accessible on the agency’s website for all meetings occurring on or after January 1, 2019. WBSD is compliant with the AB 2257 requirements as it has the most recent agenda readily available on its home page, along with historic meeting minutes for the past six years.

If a customer is dissatisfied with the District’s services, complaints may be submitted over the phone, in writing via email or postal service, or directly to staff in the field. Complaints are tracked and managed by the front administrative office. A service technician is sent out to assess the issue. If the issue is not resolved, the customer is encouraged to call in to speak to an immediate supervisor. If there is no

³⁸⁴ West Bay Sanitary District, Strategic Plan, 2014, p. 17.

resolution, the issue is raised to the District Manager. Complaints are logged in using LUCITY the District's database and asset management software. In 2020, there was one complaint submitted to the District regarding odor at the recycled water facility. The issue was due to an improper toilet gasket seal and was ruled a private matter.

The District's Board of Directors has adopted General Rules of Office for the District Board, which were last reviewed in 2016. These rules function similar to bylaws and provide a framework and direction for district governance and administration. Included in the General Rules are policies on code of ethics, conflict of interest, and travel and expense reimbursement. Separate policies have been adopted regarding compensation, reserves, public records requests, and purchasing.

The Political Reform Act (Government Code §81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (California Code of Regulations §18730), which contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. As mentioned, the District has appropriately adopted a conflict of interest code.

Government Code §53235 requires that if a district provides compensation or reimbursement of expenses to its board members, the board members must receive two hours of training in ethics at least once every two years and the district must establish a written policy on reimbursements. As of 2021, WBSD Board Members receive \$240 per day per Board or State Association meeting, not to exceed \$1,440 per month, which equates to six days of service. It was reported that the District's board members last received ethics training in 2020. The District has appropriately established a written policy on expense reimbursement.

Government Code §87203 requires persons who hold office to disclose their investments, interests in real property and incomes by filing appropriate forms with the appropriate filing agency (i.e., the County or the Fair Political Practices Commission) each year. The District reported that all members of the Board of Directors have submitted the required Form 700 for 2020.

The District has demonstrated transparency and accountability throughout the MSR process by responding promptly and thoroughly to requests for information, participating in an interview, and reviewing draft reports comprehensively.

SERVICES PROVIDED

Operating pursuant to Health and Safety Code Section 6400 et seq., the District is an independently governed special district authorized to construct and operate works for collection, treatment and disposal of garbage, stormwater, recycled water, and sewage. WBSD provides sewage collection as a direct service and sewage treatment via membership in Silicon Valley Clean Water (SVCW), as well as

garbage collection in certain unincorporated areas within district boundaries through a franchise with Recology as a member of the South Bayside Waste Management Authority (SBWMA).

The District has 31 full-time employees including eight in administration (four management exempt class and four salaried non/exempt) and 23 in collections/operations (two management exempt, 21 salaried non/exempt). The District contracts for engineering and legal counsel.

Wastewater Collection

This section gives a general description of the District’s wastewater services and related infrastructure. Further detail regarding capacity, infrastructure needs and deficiencies, level of services offered can be found in Chapter 7 “Regional Wastewater Services” of this report.

All wastewater collected within the District is transported via main line trunk sewers to the District’s Menlo Park Pumping Station located at Bayfront Park and from there to the SVCW Regional Treatment Plant in Redwood City.

The District serves approximately 19,486 residential customers and 625 commercial customers with approximately 216 miles of sewer mains, as well as 11 publicly owned pump stations. In the western service area, consisting of the Town of Portola Valley and Town of Woodside, the collection system is comprised of 50 grinder pumps and 33 septic tank effluent pump systems (STEP) and other types of on-site wastewater disposal system maintenance where topography does not allow gravity connections to the sewer main.

Since 2014, the District has been under contract through an interagency agreement with the Town of Los Altos Hills and Town of Woodside to provide sanitary sewer system operations and maintenance. The contract with the Town of Los Altos Hills is through July 31, 2022, and the Town of Woodside contract expires June 30, 2022. Los Altos Hills has approximately 56 miles of sewer mains and two publicly owned pump stations. Woodside includes approximately four miles of sewer mains and two pump stations.

As reported in the WBSD Master Plan, WBSD has treatment rights of 6.6 million gallons per day (MGD) of average dry weather flow and 14.4 MGD of peak wet weather flow at the SCVW Plant. The average dry weather flow was approximately 2.4 MGD or 36 percent of capacity rights.

WBSD’s Flow Stabilization Equalization and Resource Recovery Facility (FERRF) with storage capacity of 9.2 million gallons is used when wastewater storage is needed for either the District or SVCW.

Recycled Water

In 2020, the District completed the construction of a recycled water treatment facility and engaged in delivering recycle water to the Sharon Heights Golf and Country Club (SHGCC). The SHGCC, under

agreement, pays the costs for the recycle treatment plant construction, and operations and maintenance costs.

The recycled water system was designed with a satellite treatment facility to treat a max day flow of 0.5 MGD, a wastewater pump station to divert flow to the treatment facility, 1,580 feet of pipeline to discharge solids to an existing sewer, a recycled water distribution line to the SHGCC irrigation water storage pond, and 5,300 feet of distribution pipeline to Stanford Linear Accelerator Center (SLAC). The project was planned to deliver an estimated 80 MGD of recycled water annually—54 MGD to Sharon Heights and 28 MGD to SLAC for irrigation and cooling tower uses. Approximately, 54 million gallons of recycled water were delivered to Sharon Heights in 2021. Discussions with SLAC on the use of recycled water are on-going.

Further efforts to provide the Meta (formerly Facebook) Campus with recycled water are underway. WBSD has completed a feasibility study exploring the viability of a Resource Recovery Center at the District’s former treatment plant behind Bedwell Bayfront Park, which could produce 500,000 gallons per day of recycled water for reuse.³⁸⁵ In a public/private partnership with Facebook, the WBSD installed 2,800 feet of purple recycled water pipe parallel with the storm drainpipe Facebook was replacing on Chilco Street. This pipe can be used in the future to distribute recycled water in the area without reconstructing the street again.

Solid Waste Collection

The District is also responsible for solid waste collection, recycling, and disposal in unincorporated areas within district boundaries (Ladera, West Menlo Park, Menlo Oaks), representing approximately 2,000 customers. The District is a member of the SBWMA, which currently contracts with Recology. SBWMA is a joint powers agreement consisting of the County of San Mateo, ten cities and the West Bay Sanitary District that was formed in 1982 to issue bonds to purchase the Shoreway Disposal and Recycling Center in San Carlos. The JPA provides for recycling and solid waste management planning and program implementation, including negotiated contracts for collection services and facility operating contracts. Basic service includes weekly garbage collection and recycling, as well as two annual on-call bulky pick-ups per household. Each jurisdiction sets the level and range of services including size of container, curbside versus yard pick up, etc. The current Restated and Amended contract with Recology expired at the end of 2030.

³⁸⁵ WBSD, <https://westbaysanitary.org/services/recycled-water/>, accessed on 12/28/21.

Contract Services

WBSD receives vehicle maintenance services from the City of Redwood City via an interagency agreement and provides collection system maintenance services to the Towns of Los Altos Hills and Woodside.

GROWTH AND POPULATION PROJECTIONS

The WBSD territory includes most of Menlo Park, portions of East Palo Alto, Portola Valley, Woodside and nearby unincorporated areas including Ladera, West Menlo Park, Stanford-Weekend Acres and Menlo Oaks. Because the boundaries encompass all types of city land uses, the District serves a wide variety of customers.

This section focuses on historical and projected growth within WBSD’s boundaries and SOI. A description of regional growth trends can be found in the *Overview* chapter of this report.

Planning Strategies

The District relies on its 10-year Master Plan and performs rate studies annually to forecast service needs and plan for capital projects necessary to meet those needs. The District supplements those efforts with its five-year strategic plan.

The District’s Master Plan was last prepared in 2011 and updated in 2013. The Master Plan identifies existing system capacity deficiencies due to projected development flows and makes replacement recommendations for a 10-year period that are then included annually in the District’s adopted capital budget. In the 2013 Master Plan, it was determined that most pipes had sufficient capacity to serve the public although there were needs for rehabilitation or reconstruction, primarily due to critical defects and pipe disrepair. The District plans to prepare a new 10-year master plan beginning in 2022 to identify necessary repairs over the next 10 years. WBSD updated its connection fees³⁸⁶ in 2022 as further described below in WBSD’s FINANCIAL ADEQUACY section on “Infrastructure and Facility Assets”.

The District establishes residential and commercial sewer rates and connection fees to cover the costs of maintenance, operation, construction, and reconstruction (capital improvements) of the District’s wastewater facilities used for the collection, conveyance, treatment, and disposal of wastewater

³⁸⁶ WBSD Sewer Connection Fee Study, Jan. 11, 2017, HF&H Consultants, LLC.

including general administration. Sewer fees are reviewed and adopted by the Board annually, most recently for FY 21-22.³⁸⁷

The District’s Strategic Plan was adopted in 2014 with a five-year planning horizon and revised in 2018 and 2022. The plan identifies actions, activities, and planning efforts that are currently active and needed for continued success in operations and management of the District. In particular, the Strategic Elements and Goals section outlines objectives to meet the infrastructure and service needs of existing and future customers.³⁸⁸

The District works with the Cities of Menlo Park, Atherton, and Portola Valley during the permit application process. The City of Menlo Park constitutes the largest customer base for the District. Menlo Park city staff meet with district staff monthly to discuss and coordinate projects.³⁸⁹ The District reported that the cities generally update the District about proposed developments, and the District is generally aware of upcoming projects two years prior to construction of the project to assure adequate preparation.³⁹⁰ The District receives inquiries to connect to the collection system regularly through the permit process. The District conducts plan reviews and gives appropriate feedback to the inquiring party.

The District’s Connection Fee Study stated that the District’s pipeline network “...provides capacity for existing ratepayers as well as for the growth expected during the next five years”; future facilities “will provide capacity for growth as well as benefit existing ratepayers by improving reliability and upgrading facilities.” (emphasis added)³⁹¹

If the pipeline required by a new development is included in the District’s 5-year CIP, then WBSD will share in the costs and will prioritize the pipeline project. If the required pipeline is not in the 10-year CIP, then the new development is responsible for the full cost of the pipeline.

WBSD works with developers to coordinate already planned capital improvement projects. If a project has already been planned for and financed within its capital improvement plan in the next five years, then the District will prioritize the capital improvement with supplemental funding from the developer to cover the additional cost for increased pipe capacity associated with the development, thus

³⁸⁷ WBSD FY2021-22 Sewer Rate Study, Draft Report, Feb. 18, 2021.

³⁸⁸ West Bay Sanitary District, Strategic Plan, 2014, p. 9.

³⁸⁹ West Bay Sanitary District, Questionnaire, 10/13/21.

³⁹⁰ Interview with Sergio Ramirez, WBSD General Manager, November 17, 2021.

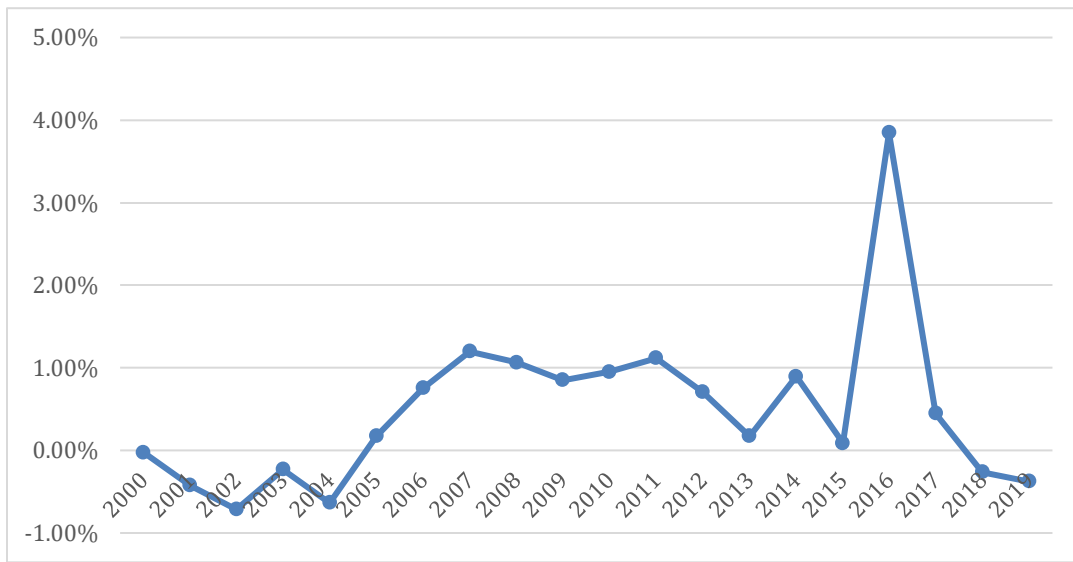
³⁹¹ WBSD Sewer Connection Fee Study, pg. 15.

benefitting both parties.³⁹² If a proposed development project requires increased pipe capacity or additional infrastructure to meet the needs of the development, WBSD will require that the developer complete the necessary upgrades and turn over the infrastructure to the District upon completion and inspection.³⁹³ If the upgrades are beyond what is necessary to accommodate the new development, WBSD may provide a credit to the connection fee.

Historical Population Trends

From 2000 to 2020, the District has experienced generally positive population growth with periods of fluctuation. Over the 20-year period, the population within the three primary cities within WBSD’s boundaries (Menlo Park, Atherton, and Portola Valley) has grown by 9.9 percent or an average annual growth rate of 0.5 percent. Most recently, in 2018 and 2019, the District experienced a slight decline in population of 0.26 percent and 0.38 percent, respectively.

Figure 6-3: West Bay Sanitary District Population Growth



As of 2020, the District estimates it serves a population of 55,545. Based on the number of residential connections served and the average household size in the cities served, it is estimated that the population is approximately 55,701 within the District, which is comparable to the District’s estimate.

³⁹² Interview with Sergio Ramirez, WBSD General Manager, November 17, 2021.

³⁹³ Interview with Sergio Ramirez, WBSD General Manager, November 17, 2021.

Projected Population

In regard to growth projections, based on population estimates for territory in district boundaries and ABAG projected growth for these jurisdictions, projected growth in WBSD boundaries by 2035 is 17 percent or approximately 8,887 additional residents over a 20-year period from 2015, which equates to an annual average growth rate of 0.8 percent. The District’s planning documents assume an annual average growth rate of 0.4 percent or 73 EDUs, which is more conservative than the ABAG projections.

Based on the current population estimate within the District and ABAG’s growth projections extended through 2040, it is projected that there will be 65,029 residents within the District in 2040.

Proposed Developments

WBSD reported that growth, in the way of more density and flow resulting from new development, is primarily located in the Bayfront Area of Menlo Park.³⁹⁴ Additionally, the EPA Waterfront is a proposed project within East Palo Alto that is partially within WBSD and partially within EPASD. Recently approved and developments under review, all of which are located within the City of Menlo Park, are shown in Figure 6-4. Existing development projects propose a total of 3,522 dwelling units and 3,927,394 in nonresidential building square feet.

³⁹⁴ West Bay Sanitary District, Questionnaire, 10/13/21.

Figure 6-4: Proposed Developments in West Bay Sanitary District’s Boundaries and SOI

Name of Development	Developer	Project Type	Dwelling Units	Nonresidential Square Feet	Location	Status
Willow Village - Facebook	Peninsula Innovation Partners, LLC and Signature Development Group	Mixed use	1,729	1,600,000	Willow Village	Under review
Parkline – SRI International	Lane Partners, LLC	Mixed use	400	1,100,000	Laurel Street and Ravenswood	Under review
123 Independence	Sobrato	Mixed use	432	88,750	123 Independence Drive	Under review
Commonwealth Corporate Center Building 3	Sobrato	Office		249,500	162-164 Jefferson Dr.	Under review
CSBio Phase 3	CSBio	Office and R & D		126,291	1075 O'Brien Drive and 20 Kelly Court	Under review
1005 O’Brien Drive and 1320 Willow Road	Tarlton	R & D		236,050	1005 O’Brien Dr & 1320 Willow Rd	Under review
1105-1165 O'Brien Dr	Tarlton	R & D		131,285	1105-1165 O'Brien Drive	Under review
1350 Adams Court	Tarlton	R & D		260,000	1350 Adams Court	Under review

Name of Development	Developer	Project Type	Dwelling Units	Nonresidential Square Feet	Location	Status
Hampton Inn	Sagar Patel	Hotel		36,410	1704 El Camino Real	Under review
Hotel Moxy	FPG Development Group	Hotel		58,000	3723 Haven Ave	Under review
Menlo Flats	Greystar	Mixed Use	158	14,400	165 Jefferson Drive	Under review
Menlo Portal	Greystar	Mixed use	320	34,708	104 Constitution Dr., 110 Constitution Dr., and 115 Independence Dr.	Approved
Menlo Uptown	Greystar	Mixed use	483	2,000	141 Jefferson Dr. and 180-186 Constitution Dr.	Approved
EPA Waterfront ³⁹⁵	Emerson Collective	Mixed use	260	1,390,000	2555 Pulgas Ave	Pre-App
Total			3,522 ³⁹⁶	3,927,394		

Source(s): West Bay Sanitary District, Questionnaire Response, 10/13/21.

City of Menlo Park Website, <https://www.menlopark.org/509/Under-review> accessed on 12/30/21.

³⁹⁵ Partially within EPASD and partially within WBSD.

³⁹⁶ Not including EPA Waterfront as the number of dwelling units to which WBSD would be providing service is unknown.

FINANCIAL ADEQUACY

WBSD’s financial condition is sound with a significant positive net position, adequate reserves, and financial planning based on long-term financial planning and capital improvement programs that are annually reviewed, prioritized and updated.

Accounting and Financial Policies

WBSD’s Code of General Regulations establish its funds and basis for allocation of revenues to each fund.³⁹⁷

Budgets and Financial Reports

WBSD commissions an independent financial audit that is completed within six months after the end of the fiscal year. The District’s Basic Financial Statements are prepared in accordance with the policies and procedures for California special districts.³⁹⁸

WBSD prepares an annual budget that thoroughly documents, summarizes and details budget estimates and compares to prior year’s actual results. The budget provides an informative narrative explaining changes, future risks, and actions to address fiscal challenges. The budget does not include a long-term budget forecast; however, WBSD’s annual rate studies include 5-year forecasts.

Balanced Budget

WBSD’s budget generates operating revenues that exceed expenditures; the surplus is used for capital expenditures. In the FY20-21 budget, the operating revenues exceeded expenditures (including \$2.9 million depreciation) by \$9.1 million. Actual operating revenues exceeded expenditures by \$8.1 million and were transferred to the Capital budget.³⁹⁹

General Fund Revenues

WBSD General Fund revenues grew at a “moderate” rate of growth⁴⁰⁰ of approximately 4.4 percent annually from FY2017-18 through FY2021-22, exceeding a long-term 3 percent inflation benchmark and growing faster than expenditures at 3.8 percent.

³⁹⁷ WBSD Code of General Regulations, revised July 1, 2021.

³⁹⁸ WBSD Annual Financial Report, June 30, 2020, Note 2, pg. 14.

³⁹⁹ Correspondence from WBSD, 2021-12-21. The \$8.9 million equals WBSD’s Final Change in Net Position.

⁴⁰⁰ “Moderate” level indicated by growth at or slightly above long-term inflation rate (assumed 3 percent); see <https://www.micropolicypress.com/revenue-indicators---overview/>

Service Charges – Service charges represent approximately 97 percent of WBSD revenue. Rates for FY2020-21 of \$1,224 per EDU have increased 4 to 5 percent each year since FY16-17. As noted in the WBSD rate study, “The increases during this period were primarily attributable to SVCW’s increasing debt service allocation to the District to fund treatment plant upgrades and, secondarily, to inflationary increases in the District’s operating and annual capital repair and replacement expenses.”⁴⁰¹ Sewer service charges were updated on April 27th 2022 to \$1,280 for Single Family and Multi-Family customers (59% of the rate is allocated the collection system while 41% of the rate is used for treatment plant needs).⁴⁰²

Service Charge/Rate Studies

WBSD prepares rate studies annually.⁴⁰³ The studies include a five-year budget forecast to evaluate rates in the context of projected changes in revenues, costs and reserve levels.

Property Tax – WBSD receives no share of the basic 1 percent property tax.

General Fund Expenditures

WBSD’s expenditures (including depreciation) grew at a “moderate” rate of growth⁴⁰⁴ of approximately 3.8 percent annually from FY2017-18 through FY2021-22, exceeding a long-term 3 percent inflation benchmark and growing slightly slower than WBSD’s 4.4 percent average revenue growth.

Reserves

As described in WBSD’s budget “The District reserves funds to protect cash flow between sewer service fee payments from the county, maintain fiscal stability, and reserve for future projects.”⁴⁰⁵

The WBSD’s Operating Reserves equals a minimum of six months of O&M expenses “because of the six month lag between sewer service charge payments from the County tax assessor.”⁴⁰⁶ The District’s Emergency Capital Reserve targets \$5.0 million for emergencies and unforeseen contingencies. The lower priority Capital Reserve, intended for “PayGo” (or “pay as you go” vs. debt-funded) capital

⁴⁰¹ WBSD FY2021-22 Sewer Rate Study, Draft Report, Feb. 18, 2021, pg. 3.

⁴⁰² WBSD letter to LAFCo, May 17, 2022.

⁴⁰³ WBSD FY2021-22 Sewer Rate Study, Draft Report, Feb. 18, 2021.

⁴⁰⁴ “Moderate” level indicated by growth at or slightly above long-term inflation rate (assumed 3 percent); see <https://www.micropolicypress.com/expenditure-indicators-overview/>

⁴⁰⁵ WBSD Approved Budget Fiscal Year 2021-2022, Approved June 9, 2021, pg. 13.

⁴⁰⁶ WBSD Wastewater Collection System Master Plan, July 2011, West Yost Assoc., Chp. 11 Financial Plan, pg. 11-4.

expenditures target a minimum balance equal to average annual capital expenditures (\$6 million).⁴⁰⁷ WBSD also maintains an Equipment Replacement Reserve, Treatment Plant Reserve, Rate Stabilization Reserve, and Recycled Water Cash Flow Reserve.

With the exception of its Treatment Plant Reserve established in FY21-22, which targets a \$12 million balance, WBSD is meeting its reserve targets according to the FY21-22 budget projected ending balances:⁴⁰⁸

Operating Reserve	\$10,752,100
Rate Stabilization Reserve	\$ 9,988,840
Treatment Plant Reserve	\$ 2,500,000
Emergency Capital Reserve	\$ 4,988,310
Capital Project Reserve	\$ 5,990,287
Equipment Replacement Reserve	\$ 1,051,312
Recycled Water Cash Flow Reserve	\$ 8,007,735

Operating reserves are maintained in a readily accessible account invested with the Local Agency Investment Fund (LAIF).⁴⁰⁹ The Equipment Replacement Reserve is held in a money market account. The remaining reserves are held in Bank of the West Investment Accounts, with the Recycled Water Cash Flow Reserve partially held in LAIF. WBSD's unrestricted net position totals \$25.7 million.⁴¹⁰

Pension and OPEB Liabilities

⁴⁰⁷ Correspondence from WBSD, 2021-12-21.

⁴⁰⁸ WBSD Approved Budget Fiscal Year 2021-2022, June 9, 2021, pg. 13. Revised by WBSD 2022-02-10.

⁴⁰⁹ The LAIF is part of the State's Pooled Money Investment Account overseen by the State Treasurer, Director of Finance, and State Controller.

⁴¹⁰ Net Position as of 2021-06-30 per correspondence with WBSD 2021-12-21.

At the start of FY2020-21 WBSD unfunded pension liabilities totaled \$6.41 million; the funded portion represents 70.4 percent⁴¹¹ of total obligations which nearly qualifies as a “Low” level of funding (70 percent and below).⁴¹² In FY2020-21 WBSD paid its unfunded liability, as of June 30, 2021, in full.

Other Post-Employment Benefits (OPEB) net liability was \$118,683 at the end of FY20-21.⁴¹³

⁴¹¹ Miscellaneous Plan of the WBSD, Annual Valuation Report as of June 30, 2020, CalPERS, July 2021, Plan’s Funded Status, pg. 6. Additional obligations attributable to the WBSD PEPRAs and Misc. second tier plan are a minimal additional liability.

⁴¹² <https://www.micropolicypress.com/pension-indicators-overview/> based on the California State Auditor’s Fiscal Health Analysis.

⁴¹³ OPEB net liability per correspondence with WBSD 2021-12-21. Revised by WBSD 2022-02-10.

Pension and OPEB Liability Mitigations

WBSD prefunds its pension and OPEB unfunded liabilities by contributing to a PARS trust for each obligation.

Leases and Long-Term Debt

WBSD historically has utilized a “pay as you go” approach to funding its CIP. The District has utilized debt as needed for major capital improvements, for example for improvements to the treatment plant. WBSD is seeking an SRF loan for a second treatment plant required to serve Facebook and other local agencies development.⁴¹⁴

At the start of FY2021-22 WBSD principal obligations totaled \$16.6 million for the State Revolving Fund loan and the financing agreements to finance the Sharon Heights Recycled Water Facility; annual debt service of \$662,911 is paid by the Sharon Heights Golf & Country Club which also secures the payments.⁴¹⁵

Debt Service Documentation

WBSD’s financial reports clearly describe and document its individual long-term obligations and annual payments.⁴¹⁶

Infrastructure and Facility Assets

WBSD’s FY2020-21 financial report shows a value of depreciable assets (excludes land) totaling \$107.5 million; after deducting depreciation, which represents the portion of initial value “used up” over the assets’ lifespan the remaining depreciation value equals a net value of \$68.5 million, which is 64 percent of total initial value.⁴¹⁷ This net value as a percent of total is in the range of “moderate”⁴¹⁸ Additions to assets more than offset declines due to depreciation.

⁴¹⁴ Interview with WBSD, 2021-11-17 and correspondence 2021-12-21.

⁴¹⁵ WBSD Annual Financial Report, June 30, 2021, Note 6, pg. 29.

⁴¹⁶ WBSD Annual Financial Report, June 30, 2021, Note 6, pg. 29.

⁴¹⁷ WBSD Annual Financial Report, June 30, 2021, Note 5, pg. 28.

⁴¹⁸ “Moderate” level indicated by 40-70% of depreciable value; see <https://www.micropolicypress.com/infrastructure-and-facility-assets-indicators-overview/>

Capital Improvement Program (CIP)

In 2013, WBSD updated its 2011 Master Plan and CIP. The 2013 CIP, which totaled \$49.6 million, segregated “repair and replacement” projects from “capacity” projects. The costs by project are shown by year over a ten-year period, prioritizing completion of projects that reduce or eliminate capacity related SSOs from the 10-year, 6-hour design storm;⁴¹⁹ those projects represent about 17 percent of the total CIP cost. WBSD plans to update its Master Plan and CIP beginning in 2022.⁴²⁰

WBSD experienced no SSO’s in 2020. During a recent Oct. 2021 “25 year” storm event the District did not experience capacity related SSO’s but does forecast surcharging which is allowed to slightly exceed d/D of 1.0 (e.g., up to an additional 6 inches,⁴²¹ or manhole freeboard not less than 5 feet⁴²²).

Connection Fee Study

WBSD updated its connection fees in 2022⁴²³ to \$8,608. The District’s Connection Fee Study stated that the District’s pipeline network “...provides capacity for existing ratepayers as well as for the growth expected during the next five years”; future facilities “will provide capacity for growth as well as benefit existing ratepayers by improving reliability and upgrading facilities.”⁴²⁴ (*emphasis added*) The fee calculation is based on “the entire collection system as an integral network without attempting to separate capacity for existing customers from capacity for growth.”⁴²⁵ The WBSD’s 2021 sewer rate study projects approximately 73 new EDUs annually over a five year period.⁴²⁶

Sewer System Management Plan (SSMP)

The WBSD SSMP includes a 10-year CIP that includes a schedule of prioritized projects, costs and funding by year, delineated according to “Repair and Replacement” vs. priority “Capacity” projects. The SSMP is consistent with guidelines for developing and updating of SSMPs;⁴²⁷ for example, the SSMP identifies and prioritizes rehab and replacement system deficiencies; implements “Short Term” and “Long Term”

⁴¹⁹ WBSD Wastewater Collection System Master Plan, 2011, pg. 10-1.

⁴²⁰ Correspondence with S.Ramirez, WBSD, 2021-11-03.

⁴²¹ Interview with WBSD, 2021-11-17.

⁴²² WBSD 2011 Master Plan, pg. ES-11.

⁴²³ WBSD Sewer Connection Fee Study, April 1, 2022, HF&H Consultants, LLC.

⁴²⁴ WBSD Sewer Connection Fee Study, pg. 15.

⁴²⁵ WBSD Sewer Connection Fee Study, pg. 4.

⁴²⁶ WBSD FY21-22 Sewer Rate Study, Feb. 18, 2021, HF&H Consultants, LLC, Appx. A, Table 4, pg. 7.

⁴²⁷ A Guide for Developing and Updating of Sewer System Management Plans (SSMPs), Sept. 2015.

actions based on failure risks; includes a system for scheduling projects based on rating/ranking; includes a Capital Improvement Plan and funding for the future; rates and fee schedules consider future anticipated costs to cover planned and future projects.⁴²⁸

WBSD CAPITAL IMPROVEMENT FUNDING AND FINANCING

As noted above, the District’s Connection Fee Study stated that the District’s pipeline network “...provides capacity for existing ratepayers as well as for the growth expected during the next five years”; future facilities “will provide capacity for growth as well as benefit existing ratepayers by improving reliability and upgrading facilities.” (*emphasis added*)⁴²⁹

If the pipeline required by a new development is included in the District’s 5-year CIP, then WBSD will share in the costs and will prioritize the pipeline project. If the required pipeline is not in the 10-year CIP, then the new development is responsible for the full cost of the pipeline.

WBSD works with developers to coordinate already planned capital improvement projects. If a project has already been planned for and financed within its capital improvement plan in the next five years, then the District will prioritize the capital improvement with supplemental funding from the developer to cover the difference in upsizing costs associated with the development, thus benefitting both parties.⁴³⁰ If a proposed development project requires upsizing or additional infrastructure to meet the needs of the development, WBSD will require that the developer complete the necessary upgrades and turn over the infrastructure to the District upon completion and inspection.⁴³¹ If the upgrades are beyond what is necessary to accommodate the new development, WBSD may provide a credit to the connection fee. West Bay has entered into specific project agreements where a developer will upsize or repair a pipe to serve their development and the existing rate payers).

As noted in the section “Leases and Long-Term Debt” above, WBSD historically has utilized a “pay as you go” approach to funding its CIP using a combination of operating revenues and reserves including connection fees based on specific projects to “repair and replace” facilities and separately to expand capacity. The District has utilized debt when necessary for major capital improvements, specifically for improvements to the Silicon Valley Clean Water regional treatment plant and for the West Bay/Sharon Heights Recycled Water Facility.

⁴²⁸ Guide for Developing and Updating of Sewer System Management Plans (SSMPs), pg. 21 et. seq.

⁴²⁹ WBSD Sewer Connection Fee Study, pg. 15.

⁴³⁰ Interview with Sergio Ramirez, WBSD General Manager, November 17, 2021.

⁴³¹ Interview with Sergio Ramirez, WBSD General Manager, November 17, 2021.

SUMMARY OF WEST BAY SANITARY DISTRICT MSR DETERMINATIONS

Growth and Population Projections

- 6-1: Based on the number of residential connections served and the average household size in the cities served, it is estimated that WBSD has a population of approximately 55,701.
- 6-2: Based on the current population estimate within the District and ABAG's growth projections extended through 2040, it is projected that there will be 65,029 residents within the District in 2040.
- 6-3: Growth within WBSD is primarily located in the Bayfront Area of Menlo Park. Recently approved and developments under review are all located within the City of Menlo Park. Existing development projects propose a total of 3,522 dwelling units and 3,927,394 in nonresidential building square feet, indicating potential for substantial growth.

The Location and Characteristics of Disadvantaged Unincorporated Communities Within or Contiguous to the Agency's SOI

- 6-4: According to the Department of Water Resource's Disadvantaged Communities mapping instrument, there are two communities within or contiguous to the District's SOI that, while not unincorporated, meet the definition of a disadvantaged community. Block Group (060816117003) within the City of Menlo Park east of Highway 101 meets the definition of disadvantaged. The area has an estimated population of 1,237 with a median household income of \$45,481. Block Group (060816117001) is also within the City of Menlo Park east of Highway 101. It has an estimated population of 2,272 and has a median household income of \$51,150.

Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies

- 6-5: WBSD reported that there is generally sufficient collection capacity to serve existing demand; however, some basins are at capacity. Because the District's Master Plan is almost 10 years old and many improvements have been made since the hydraulic assessment was conducted, it is unclear the degree to which flows are at or nearing capacity and which segments are most impacted. The District is compiling a new Master Plan in 2022 to identify existing conditions after capital improvements, any areas of concern, and capital projects to address these areas.
- 6-6: Similarly, because WBSD's flow projections are outdated it is unclear what infrastructure needs are necessary to meet projected demand. The Master Plan Update in 2023 is anticipated to provide up-to-date flow projections and recommended capital improvements to meet future demand and serve as a planning tool for the next 10 years to 2033. The new master plan will

consider the prior pipeline replacement and rehabilitation work and will include a new hydraulic model study.⁴³²

- 6-7: Based on overflow rates, infiltration and inflow, regulatory compliance, preventative maintenance practices, speed of response times to customer reports of issues, and the number and type of complaints related to wastewater services, WBSD provides an adequate level of wastewater collection services.
- 6-8: WBSD appropriately plans for infrastructure needs in its Capital Improvement Program. Resources for capital improvement of the system are determined by field evaluations performed on an on-going basis. The objective of the CIP is to systematically replace and or rehabilitate approximately 1.5 percent of system pipelines every year, in addition to completing already planned pump station and pipeline improvements. The District has planned funding for Capital Improvement Program projects of approximately \$3.5 million each fiscal year.

Financial Ability of Agencies to Provide Services

- 6-9: WBSD's financial condition is sound with a significant positive net position, adequate reserves, and financial planning based on long-term financial planning and capital improvement programs that are annually reviewed, prioritized and updated.

Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

- 6-10: WBSD complies with all legal requirements aimed at ensuring accountability and transparency of public agencies. Additionally, WBSD has gone beyond the legal requirements and is a recipient of the District Transparency Certificate of Excellence from the Special District Leadership Foundation (SDLF) for the period January 2020 to March 2023.

Recommendations

1. **Funding of Reserves** – Continue to fund reserves consistent with adopted policies, including allocations to the recently created Treatment Plant Reserve which has not been fully funded.
2. **Master Plan and CIP** – Update the WBSD Master Plan and CIP beginning in 2022 in accord with current anticipated scheduling.

⁴³² WBSD letter to LAFCo, May 17, 2022.

7. REGIONAL WASTEWATER SERVICES

The section provides an overview of wastewater services within the City of East Palo Alto and comparative analysis of the two providers regarding planning practices, existing and future capacity of the systems, infrastructure needs and deficiencies, financial and service adequacy. LAFCo must make corresponding determinations as required by California Government Code §56430.

WASTEWATER PROVIDERS WITHIN CITY OF EAST PALO ALTO

EPASD and WBSD provide wastewater collection services within the City of East Palo Alto. EPASD is the primary provider to a majority of the territory within the City, while WBSD provides services along the periphery of the City to the northwest and to neighboring cities. The service areas and spheres of influence of the two districts in relation to the city limits are shown in Figure 7-1.

As shown in Figure 7-1, WBSD's sphere of influence as adopted in 1985 encompasses the entirety of EPASD and consequently, all of the City of East Palo Alto's incorporated territory. When WBSD's SOI was adopted, LAFCo simultaneously adopted a "dissolution" SOI for EPASD, anticipating that WBSD would ultimately annex the territory served by EPASD, EPASD would be dissolved, and WBSD would be the successor agency of the EPASD.

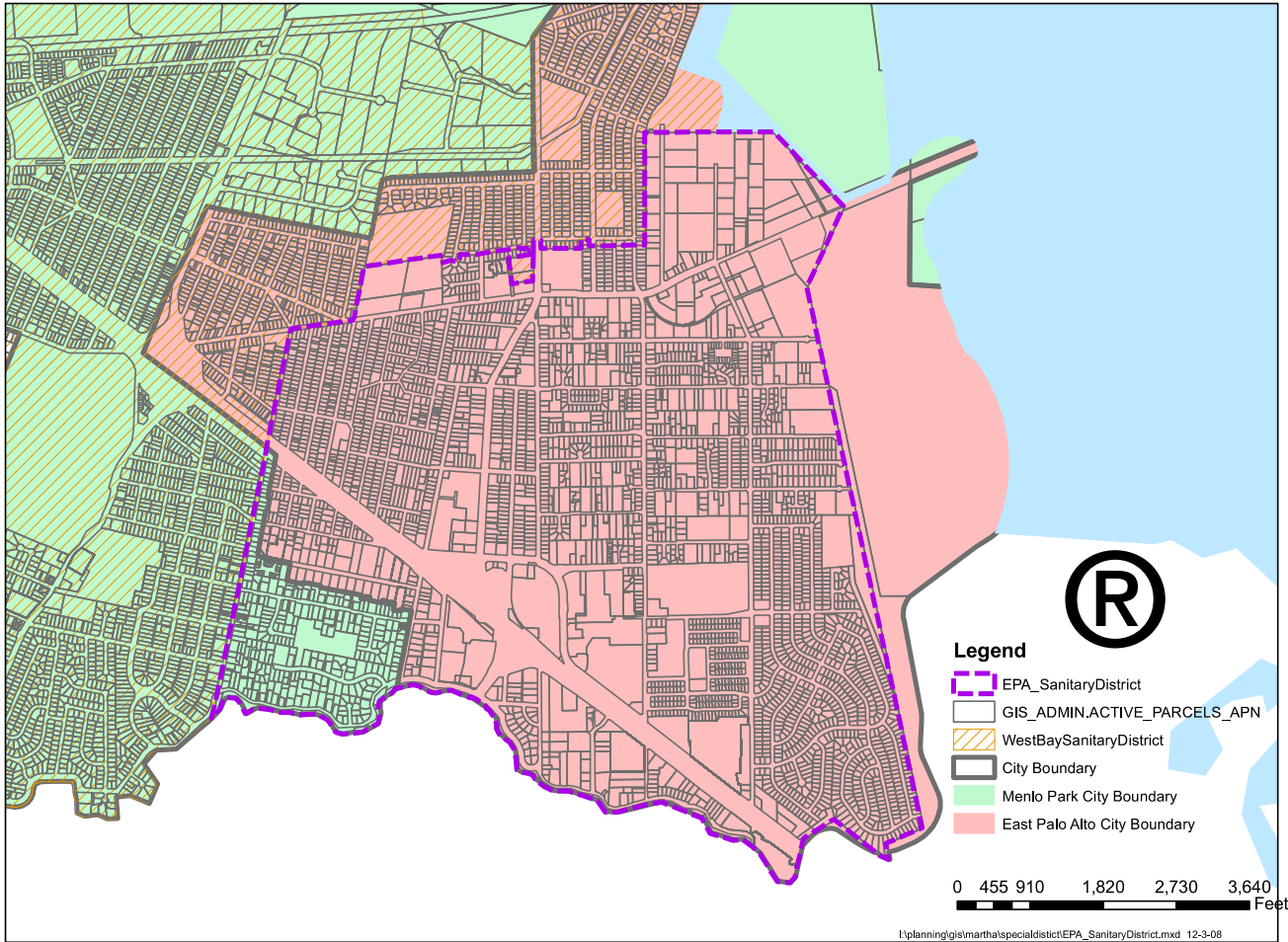
SYSTEM OVERVIEWS

EPASD provides sewage collection services via its 30-mile collection system and contracts for treatment with the City of Palo Alto. Under the contract, EPASD owns 7.64 percent of capacity rights at the City's treatment plant,⁴³³ is responsible for a proportional share of construction costs, and annual operating costs based on proportional flow to the plant. The District's current capacity rights at the treatment facility equate to 2.9 MGD average dry weather flow and 6.1 MGD peak wet weather flow.

All wastewater collected by WBSD's 216-mile collection system is transported via main line trunk sewers to the District's Menlo Park Pumping Station located at Bayfront Park and from there to the Silicon Valley Clean Water Regional Treatment Plant in Redwood City. The regional plant, owned and operated by a JPA, provides services to WBSD as well as the cities of Redwood City, San Carlos and Belmont. WBSD has treatment rights for 6.6 million gallons per day (MGD) of average dry weather flow and 14.4 MGD of peak wet weather flow.

⁴³³ Facility permitted flow is 39 million gallons per day average dry weather flow. A permitted peak wet weather flow is not defined for the plant, but the design flow is 80 million gallons per day peak wet weather flow. (ORDER No. R2-2019-0015, NPDES No. CA0037834)

Figure 7-1: Wastewater Providers in City of East Palo Alto



Size and Scope of the Systems

The following table indicates the size and scope of the collection system operations for each of the sanitary districts.

Figure 7-2: Wastewater Systems Summary

	EPASD	WBSD
Estimated population (2020)	26,622 ⁴³⁴	55,701
Residential connections	6,639 ⁴³⁵	19,486
Commercial/industrial connections	168 ⁴³⁶	625
Collection system mileage (district-owned)	30 ⁴³⁷	216
Pump stations (district-owned)	0	11
Average dry weather flow (2020)	0.61	2.4
Peak wet weather flow (2020)	1.23	12.1
Treatment capacity (ADWF MGD)	2.9 MGD	6.6 MGD
Treatment capacity (PWWF MGD)	6.1 MGD	14.4 MGD
Staff (FTEs)	7	31
Staff dedicated to operations/maintenance (FTEs)	5	23

Shared Services

Each of the districts makes efforts at collaboration and sharing of resources on a local and regional level. As described in the overview of each district’s wastewater systems, the districts utilize regionally shared facilities through regional agencies and individual agreements between neighboring cities and districts. Each agency shares certain resources as described.

⁴³⁴ Based on residential connections and average household size in City of East Palo Alto of 4.01 individuals.

⁴³⁵ <https://www.epasd.com/transparency/grand-jury-r5>

⁴³⁶ Ibid.

⁴³⁷ EPASD, Wastewater Master Plan, 2015, p. 24.

EPASD

1. Receives treatment from the City of Palo Alto Regional Wastewater Treatment Plant.

WBSD

- Member of Silicon Valley Clean Water
- Member of South Bay Waste Management Authority
- Receives vehicle maintenance from City of Redwood City
- Provides Collection System Maintenance for the Town of Los Altos Hills and the Town of Woodside by contract.

PRESENT AND PLANNED CAPACITY

EPASD’s engineering analysis predicts that surcharging and SSOs could occur in the existing collection system during a peak storm event. This situation would be worsened by potential flows from new development.⁴³⁸

Capacity available for new connections determines development potential and is of critical interest to the City of East Palo Alto given the volume of proposed new development projects currently being processed. While sufficient treatment capacity exists to meet the needs of current and a portion of future demand, as noted above EPASD reports inadequate collection system capacity to serve increased flows expected from pending development applications. WBSD indicates that capacity currently exists to serve anticipated development with its current system and planned improvements.

EPASD faces significant financial challenges to fund capacity enhancements to eliminate the current potential for SSOs that are compounded by proposed new connections. Large-scale capacity enhancements are costly and difficult to complete in a piecemeal fashion as development occurs and capacity charges collected. Funding strategies for capacity capital improvements associated with existing and new development are discussed further under the Financial Adequacy section in this chapter.

⁴³⁸ Addendum to the March 2015 Master Plan Update.

Master Planning Practices

EPASD’s General Manager believes that the existing collection system is adequate for existing users and the proposed list of expansion improvements in the Master Plan Addendum that eliminate existing surcharging and SSOs are not currently needed, and the proposed pipe capacity expansions serve only as a guide. The EPASD Master Plan Addendum does not include priorities, phasing, or proposed funding for identified improvements.

EPASD updated its Master Plan in 2015 and issued an Addendum to in April 2021. The Addendum was completed to 1) identify areas prone to surcharging and SSOs, 2) evaluate the remaining capacity of the main trunk line, and to update demand assumptions based on the City of East Palo Alto’s most recent General Plan update. EPASD proposed a Capital Improvement Program (CIP)⁴³⁹ in its 2021 Master Plan Addendum.⁴⁴⁰ The CIP separately outlines system deficiencies for existing users and deficiencies attributable to serve existing and new development, and estimates corresponding costs; as noted above, no priorities, phasing or funding sources are identified in the CIP. The EPASD General Manager indicated that in his opinion the CIP does not provide a reasonable guide for determining infrastructure needs, costs and funding responsibility; he stated that the existing system was adequate for existing users but cannot handle additional flows from new development.⁴⁴¹ Alternatively, the Master Plan Addendum is, in his opinion, a conceptual document and EPASD implements a rolling replacement strategy where pipes are replaced based on evaluation.⁴⁴²

WBSD relies on its Master Plan to inform capital programs for existing and future capacity enhancement needs and rehabilitation and replacement to address existing and future infrastructure needs. WBSD’s Master Plan was last prepared in 2011 and updated in 2013. The Master Plan identifies existing system capacity deficiencies due to projected development flows and makes replacement recommendations for a 10-year period that are then included annually in the District’s adopted capital budget. WBSD plans to prepare a new 10-year master plan beginning in 2022 to identify necessary repairs and replacement over the next 10 years.

⁴³⁹ Addendum to the March 2015 East Palo Alto Sanitary District Master Plan Update, Freyer & Laureta Inc., Final – April 28, 2021, Table 16.

⁴⁴⁰ EPASD Master Plan Update Final Report, March 2015, Freyer Laureta, Inc.

⁴⁴¹ Interview with Akin Okupe, EPASD General Manager, November 9, 2021.

⁴⁴² Comments by Akin Okupe, EPASD General Manager, January 20, 2022.

Growth and Population Projections

It is assumed that EPASD’s population growth will be the same as the City of East Palo Alto for which ABAG projects 17.7 percent population growth from 2020 to 2040, which equates to 0.8 percent compound annual growth. Based on the District’s estimated population and ABAG’s projected growth rate, EPASD is projected to have a population of 31,335 in 2040.

ABAG population projections are similar in WBSD’s boundaries with 16.6 percent growth over the 20-year period or 0.8 percent compound annual growth. Based on the current population estimate within the District and ABAG’s growth projections, it is projected that there will be 65,029 residents within the District in 2040.

As summarized in Chapter 3 and detailed in Appendix A, strong growth in housing demand, high housing prices, and housing mandates applicable to the City of East Palo Alto noted in Chapter 4 underscore the importance of cities’ land use planning and need for special districts to coordinate with and support cities’ planning efforts to provide affordable housing.

Application Processing

Growth within the region is dependent on development. As the land use authorities, the cities and County process applications for permits for development. EPASD and WBSD reported working closely with respective city staff during the permit application process. EPASD and the City of East Palo Alto reported having regular staff meetings to discuss current and upcoming projects. WBSD and Menlo Park city staff meet with district staff monthly to discuss and coordinate projects.⁴⁴³ WBSD reported that it is generally aware of upcoming projects two years prior to construction of the project to assure adequate preparation.⁴⁴⁴ The developers are responsible for reaching out to the districts to determine ability and willingness to serve and to negotiate an agreement.

Once a developer has begun the application process with the City, EPASD generally processes requests for service in the following manner:

- 1) The City of East Palo Alto sends EPASD notification regarding an application.
- 2) The developer approaches EPASD to discuss the potential for service.

⁴⁴³ West Bay Sanitary District, Questionnaire, 10/13/21.

⁴⁴⁴ Interview with Sergio Ramirez, WBSD General Manager, November 17, 2021.

- 3) EPASD conducts a hydraulic impact assessment of the proposed project and drafts a technical memorandum summarizing findings. Developers are charged \$10,000 for EPASD’s consulting engineers to conduct analysis.
- 4) EPASD then prepares cost sharing analysis depending on the outcome of the hydraulic impact assessment. If the developer agrees to the costs and required funding, then the two entities enter into an agreement.
- 5) Once there is a will serve letter from EPASD it is shared with the City and the City finalizes the application.
- 6) EPASD constructs all necessary infrastructure for the new development.

EPASD is reportedly generally satisfied with the process; however, project CEQA documentation usually does not sufficiently address impacts on the wastewater collection system, and instead only focuses on wastewater treatment capacity. The District recommends that environmental impact reports describe impacts on collection system as well. Also, specific plans should be updated with collection system information, so that developers are well informed on the needs of the system.⁴⁴⁵

WBSD reported that the cities generally update the District about proposed developments, and the District is generally aware of upcoming projects two years prior to construction of the project to assure adequate preparation.⁴⁴⁶ The process for evaluating and connecting a new development to the WBSD system generally consists of the following:

- WBSD is informed about upcoming projects by the cities.
- WBSD receives inquiries to connect to the collection system regularly through the permit process. The District conducts plan reviews and gives appropriate feedback to the inquiring party.
- WBSD works with developers to coordinate already planned capital improvement projects. If a project has already been planned for and financed within its capital improvement plan in the next five years, then the District will prioritize the capital improvement with supplemental funding from the developer to cover the additional cost for increased pipe capacity associated

⁴⁴⁵ Interview with Akin Okupe, EPASD General Manager, November 9, 2021.

⁴⁴⁶ Interview with Sergio Ramirez, WBSD General Manager, November 17, 2021.

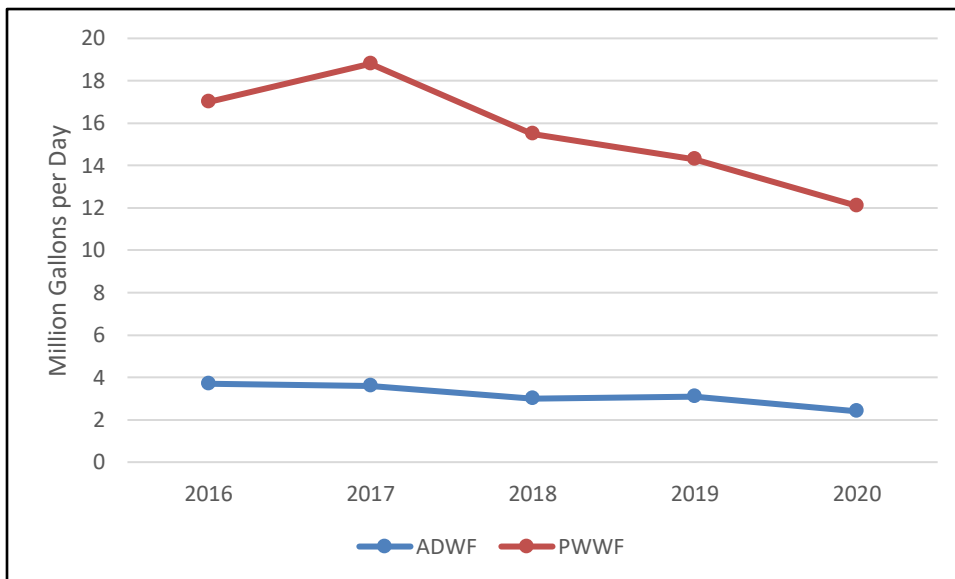
with the development, thus benefitting both parties.⁴⁴⁷ If a proposed development project requires increased pipe capacity or additional infrastructure to meet the needs of the development, WBSD will require that the developer complete the necessary upgrades and turn over the infrastructure to the District upon completion and inspection.⁴⁴⁸ I

- If the upgrades are beyond what is necessary to accommodate the new development, WBSD may provide a credit to the connection fee.

Existing Demand

Demand for wastewater services is defined by a combination of wastewater flow from connections and infiltration and inflow during wet periods. Wastewater flows typically correspond with water usage, which is affected by drought and conservation efforts. As can be seen in Figures 7-3 and 7-4, average dry weather flow (ADWF) and peak wet weather flow (PWWF) for both districts have generally declined over the last five years due to dry conditions requiring water restrictions and enhanced water efficiency. The wettest year was in 2017 as illustrated when PWWF peaked for both agencies.

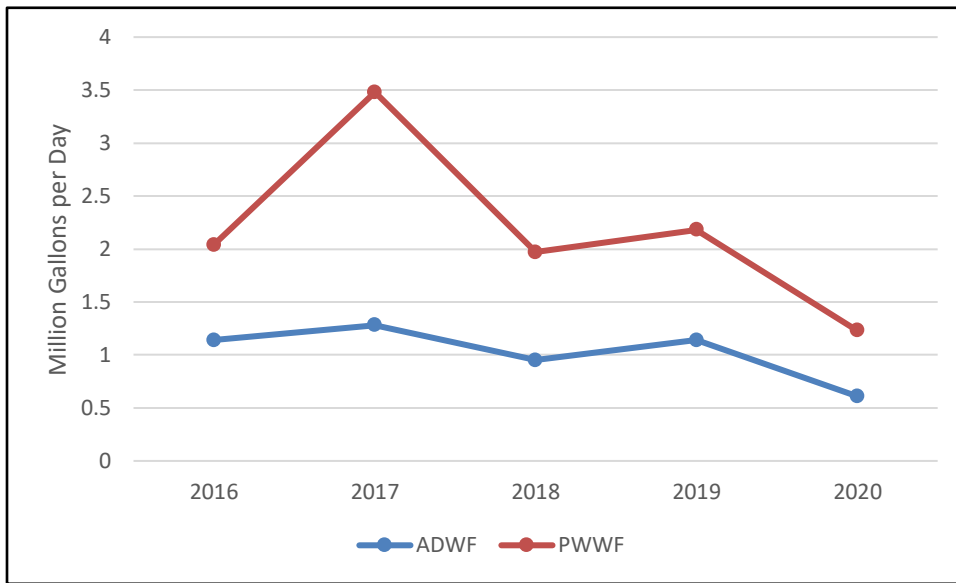
Figure 7-3: WBSD Wastewater Flows, 2016-2020



⁴⁴⁷ Interview with Sergio Ramirez, WBSD General Manager, November 17, 2021.

⁴⁴⁸ Interview with Sergio Ramirez, WBSD General Manager, November 17, 2021.

Figure 7-4: EPASD Wastewater Flows, 2016-2020

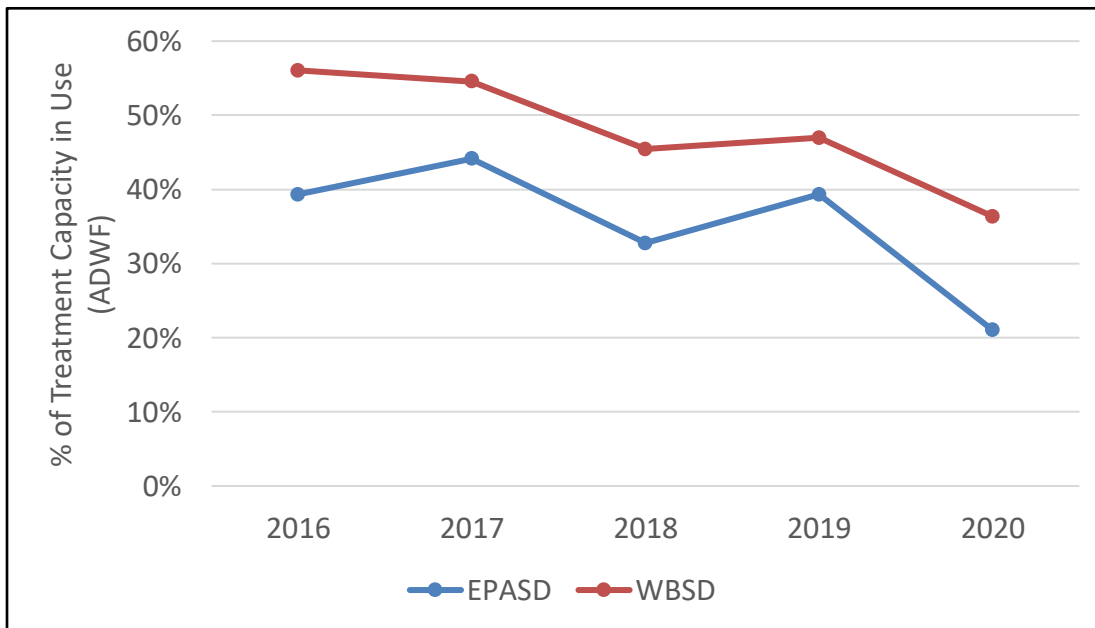


Existing Capacity

Treatment Capacity

Both districts are operating well within allocated treatment capacity at their respective regional treatment plants, as can be seen in Figure 7-5.

Figure 7-5: Wastewater Treatment Capacity in Use, 2016-2020



Collection Capacity

EPASD reported that it had no collection capacity constraints limiting services for existing customers.⁴⁴⁹ However, the District’s 2021 Master Plan Addendum indicates the collection system was allowed to flow under surcharged conditions during PWWF in certain areas. As part of the Master Plan amendment, EPASD has updated its standards to allow the collection system to flow full but not under surcharged conditions.⁴⁵⁰ However, the EPASD General Manager stated that he also directed that the Addendum consider allowing surcharge under existing conditions as long as SSOs did not occur.⁴⁵¹ The Addendum identifies all segments in the existing collection system that are likely to be flowing surcharged under PWWF conditions and identifies SSOs occurring under existing land use conditions, and occurring with new development. Capital improvement program recommendations are included in the Addendum to remediate the surcharging conditions and SSOs under both existing conditions, and with new development. While the District has not reported an overflow since 2009, the model indicates that there is potential for one should the right conditions occur in the absence of capacity expansion.

WBSD similarly reported that there is generally sufficient collection capacity to serve existing demand; however, some basins are at capacity.⁴⁵² Because the District’s Master Plan is almost 10 years old and many improvements have been made since the hydraulic assessment was conducted, it is unclear the degree to which flows are at or nearing capacity and which segments are most impacted. However, the existing Master Plan noted that during wet weather conditions it “is not expected to cause widespread overflow issues within the District's system.” The District is commencing a new Master Plan in 2022, and as a part of the update will be conducting detailed hydraulic analysis to identify existing conditions after several capital improvements, any areas of concern, and capital projects to address these areas.

Projected Demand

Both districts face increasing demand associated with new development, redevelopment, and rezoning to higher density uses. A best management practice is to comprehensively assess the collection system infrastructure to determine remaining capacity and appropriately plan for future/projected demand in master planning documents.

EPASD recently generated flow projections based on the City of East Palo Alto’s updated zoning designations in its 2015 General Plan Update. Assuming buildout of the General Plan designations, the

⁴⁴⁹ EPASD, Response to MSR Questionnaire, September 21, 2021.

⁴⁵⁰ EPASD, Master Plan Addendum, 2021, p. 3.

⁴⁵¹ EPASD Board Meeting, 2022-01-06.

⁴⁵² WBSD, Response to MSR Questionnaire, October 13, 2021.

projected total ADWF is anticipated to increase by 1.08 million gallons per day (MGD).⁴⁵³ Necessary collection system capacity enhancements to meet the projected increase in flows are outlined in the Addendum. EPASD’s Addendum and SSMP do not estimate the need for additional treatment plant capacity; based on current capacity utilized and the ADWF increase of 1.08 MGD, it appears that there will continue to be sufficient treatment capacity through 2035.

WBSD forecasts service needs through the 10-year Master Plan and by performing rate studies annually. WBSD’s most recent Master Plan was conducted prior to Menlo Park’s General Plan update in 2016; consequently, flow projections are outdated and will be updated as a part of the 2023 Master Plan. The projected General Plan build-out in 2011 was anticipated to be “relatively minor.”⁴⁵⁴

Planned Capacity

EPASD asserts that its existing collection system is sufficient to provide services to existing connections, which is demonstrated by the lack of sanitary sewer overflows (SSO). The 2015 Master Plan and 2021 Addendum evaluated the capacity of the existing sanitary sewer system assets and provided capacity design criteria for future assets. As part of the Master Plan Addendum, the District determined that it would allow an additional 100,000 gpd in flow, which is 415 equivalent dwelling units, to be connected to the collection system before improvements to the trunk sewer are required to eliminate excessive surcharging that could lead to SSOs.⁴⁵⁵

Projects within the EPASD's service area are primarily to serve future redevelopment.⁴⁵⁶ The capital improvement projects planned for the next 15 years are described within the Master Plan. The CIP in the 2021 Addendum identifies pipelines that require repair and replacement to prevent manhole surcharging and potential SSOs. It also identifies increases in capacity needed to account for future developments based on modified zoning designations. Most significantly, it is anticipated that full buildout of the City of East Palo Alto’s General Plan will require the construction of a parallel wet weather trunk sewer pipeline to eliminate surcharging. Capacity enhancements related to development impacts will be funded by the developers.

Because WBSD’s flow projections are outdated based on former General Plan land use designations and several capacity capital improvements have been completed since hydraulic analysis was last

⁴⁵³ EPASD, Master Plan Addendum, 2021, p. 5.

⁴⁵⁴ WBSD, Master Plan, 2011, p. 7-1.

⁴⁵⁵ EPASD, Master Plan Addendum, 2021, p. 3.

⁴⁵⁶ EPASD, SSMP, 2021, p. 42.

completed, it is unclear what infrastructure needs are necessary to meet projected demand. The planned 2023 Master Plan is anticipated to provide up-to-date flow projections and recommended capital improvements to meet future demand.

If a basin or pipe is undersized, WBSD requires the developer connecting to the system to pay for upsizing the pipe segment or segments. WBSD does not construct the pipes, rather a contractor is hired by the developer desiring to connect. Once the pipe is constructed to the District's specifications and passes inspection, the pipeline is accepted by the District as part of its system.

INFRASTRUCTURE NEEDS AND DEFICIENCIES

Infrastructure needs are driven by 1) existing system deficiencies, 2) the need for ongoing and future rehabilitation and replacement, and 3) anticipated capacity enhancements related to projected growth. Generally, both districts appear to have limited existing deficiencies and have appropriately planned in their respective CIPs to address those deficiencies. Refer to the financial discussion in Chapters 5 and 6 for a description of the CIP and summary of projects included in each district's plan for improvements.

EPASD

Wastewater system CIP projects focus on assessing the current condition of the piping and replacing or relining pipe in the system. The 2015 Master Plan identified 15 years of high priority pipeline replacement projects to also improve capacity at an approximate average annual cost of \$800,000 per year. In 2021, EPASD issued an addendum to the 2015 Master Plan. The CIP in the 2021 Addendum identifies pipelines that require repair and replacement to prevent manhole surcharging and potential SSOs. It also identifies increases in capacity needed to account for future developments based on modified zoning designations. Pipeline improvements are identified, and the sequence of construction will be determined based on EPASD's observations of existing pipe conditions and new development needs. EPASD anticipates that approximately \$1 million per year will be allocated to implementing the CIP independent of developer contributions to accelerate specific projects.⁴⁵⁷

The Master Plan Addendum performed an evaluation of the existing collection system to identify potential capital improvements to eliminate all surcharging and SSOs from occurring during peak wet weather flows. The District determined that surcharging within the trunk sewer (between Manhole T13 and Manhole T1) was an acceptable condition because the District has not reported any SSOs along the referenced portion of the trunk sewer.⁴⁵⁸ The Addendum ultimately identified 110 segments that could

⁴⁵⁷ EPASD, SSMP, 2021, p.18.

⁴⁵⁸ EPASD, Master Plan Addendum, 2021, p. 3.

be upsized to ensure that the system is not operating at a surcharge or at risk of overflows during a storm event under existing land use conditions.⁴⁵⁹

Information on the age of the collection infrastructure is conflicting, as identified by the RWQCB in its most recent inspection and was not provided by the District when requested for the preparation of this MSR. It was recommended at that time that the District document the age of the various system segments. Age of a collection system can be indicative of projected needs once a section has reached the average effective life of the particular material. It is recommended that the District document the age of its system and conduct comparative analysis to determine what percentage of the effective life of the segment has been used, as a best management practice of sewer collection system asset management.⁴⁶⁰

WBSD

Resources for capital improvement of the system are determined by field evaluations performed on an on-going basis (i.e., per field and line televised inspections). The District has planned funding for Capital Improvement Program projects of approximately \$3.5 million each fiscal year. Periodically, the District performs a connection fee study to ensure the rate structure is sufficient to maintain, repair and replace the conveyance system. The objective of the CIP is to systematically replace and or rehabilitate approximately 1.5 percent of system pipelines every year, in addition to completing already planned pump station and pipeline improvements.⁴⁶¹

In FY 09-10, the District developed a near-term prioritized replacement plan to jumpstart its long-term CIP. The Master Plan included a flow monitoring study, historical CCTV records, and the collection system's maintenance history as a whole to develop fundable groupings of pipeline replacement projects and included capacity improvement projects as suggested by the hydraulic modeling. In the 2013 Master Plan, it was determined that most pipes had sufficient capacity to serve the public although there were needs for rehabilitation or reconstruction, primarily due to critical defects and pipe disrepair.

As of January 2017, the District accelerated its Flow Monitoring program by installing flow meters at each of its 16 sub-basins to monitor the collection system and confirm tentatively prioritized CIP projects are required. The District initiated the Master Plan update and changed the program name to "Sustainability Plan" to better reflect the ongoing assessments of the system which will be completed

⁴⁵⁹ EPASD, Master Plan Addendum 2021, Table 3 and Table 4.

⁴⁶⁰ EPA, Fact Sheet: Asset Management for Sewer Collection Systems, 2002.

⁴⁶¹ WBSD, SSMP, 2021, p. 4-2.

soon. In the interim, the District has compiled a 10-year CIP program going out to FY 26-27.⁴⁶² The CIP has \$41.4 million in rehabilitation and replacement projects and \$8.3 million in capacity enhancement projects.

SERVICE LEVELS

This section evaluates the wastewater service levels of the two sanitary districts with a focus on the sanitary sewer overflow rate, infiltration and inflow, regulatory compliance, preventative maintenance practices, speed of response times to customer reports of issues, and the number and type of complaints related to wastewater services. Whenever available, district and/or industry standards are used to determine the level of services provided. In lieu of adopted standards, the report also makes use of generally accepted industry best practices or benchmarking with comparable providers.

Sanitary Sewer Overflows

Wastewater agencies are required to report sewer system overflows (SSOs) to the State Water Resources Control Board (SWRCB). Overflows reflect the capacity and condition of collection system piping and the effectiveness of routine maintenance. The sewer overflow rate is calculated as the number of sanitary sewer overflows (SSOs) per 100 miles of mainline piping per year. During the calendar years of 2020 and 2021, EPASD had no SSOs, and therefore, had an SSO rate of zero per 100 miles, while WBSD had four Category 2 and Category 3 SSOs⁴⁶³ which equates to an SSO rate of 0.22 per 100 miles of mainline. Of note is that EPASD has not reported an SSO to the State since 2009, for which it has received certification for no spills for the period of 2011 to 2016.⁴⁶⁴ Because EPASD has not reported any SSOs for a 12-year period, the San Francisco Bay RWQCB selected the District for an inspection and assessment in March 2021.⁴⁶⁵ Both agencies excel with low SSO rates. By comparison,

⁴⁶² WBSD, SSMP, 2021, p. 4-9.

⁴⁶³ Category 2 - Discharges of untreated or partially treated wastewater of 1,000 gallons or greater resulting from an enrollee's sanitary sewer system failure or flow condition that do not reach surface water, a drainage channel, or a municipal separate storm sewer system unless the entire SSO discharged to the storm drain system is fully recovered and disposed of properly. Category 3 – Discharges are less than 1000 gallons are fully recovered.

⁴⁶⁴ SWRCB, California Integrated Water Quality System Project (CIWQS) SSO Public Report Page, accessed on January 2, 2022.

⁴⁶⁵ San Francisco Bay RWQCB, Inspection Report and Staff Enforcement Letter, May 5, 2021, p. 3.

agencies in California during the same time period had average overflow rates of 2.77 per 100 miles of main for Category 1 spills, 1.81 for Category 2 spills, and 3.8 for Category 3 spills.⁴⁶⁶

The total volume of sanitary sewer overflows for each district is shown in Figure 7-6.

Figure 7-6: Sanitary Sewer Overflows, 2020 & 2021

	EPASD	WBSD
SSO Rate per 100 Miles of Mainline	0	0.22 ⁴⁶⁷
Total Volume of SSOs (gal)	0	2,839
Volume Recovered (gal)	0	2,767
Net Volume of SSO (gal)	0	72
Average Volume per SSO (gal)	0	710
Source(s): SWRCB, California Integrated Water Quality System Project (CIWQS) SSO Public Report.		

Infiltration and Inflow

The peaking factor is, for the purpose of this report, defined as the ratio of peak day wet weather flows to average daily flows. The peaking factor is an indicator of the degree to which the system suffers from infiltration and inflow (I/I), where rainwater enters the sewer system through cracks, manholes or other means. A peaking factor of up to three is generally considered acceptable based on industry practices. Peaking factors can vary based on the time frame used to determine peak wet weather flows. This report makes use of the peak day wet weather flow, which is the total volume of flows for a 24-hour period when a peak event has occurred. The two districts provided information regarding their respective peak day wet weather flows and average daily flows for each of the wastewater treatment plants that they utilize. Based on the data provided, the peaking factors were calculated and are shown in Figure 7-7.

EPASD indicated that I/I generally is not an issue for its system, which is supported by the low peaking factor of 2.0 experienced in 2020. Based on hydraulic analysis in the District’s Master Plan Addendum

⁴⁶⁶ SWRCB, California Integrated Water Quality System Project (CIWQS) SSO Public Report Page, accessed on January 2, 2022.

⁴⁶⁷ Category 2 spills only.

(2021), certain areas are more prone to I/I with peaking factors above 4. The District indicated that the wetland areas are more prone to infiltration due to high groundwater table year round.

While WBSD had a peaking factor of approximately 5 in 2020, based on PWWF and ADWF reported by the agency. The District’s engineer reports that hydraulic modeling demonstrates a peaking factor of closer to 2.6 during a 10-year, 24 hour design storm.⁴⁶⁸ Regardless of which peaking factor is used, I/I has reportedly not been identified as an issue for its system. Pipes reportedly demonstrate sufficient capacity during wet weather and hydraulic models do not show bottle necks. However, a few pipes and manholes in the East Palo Alto area near Bay Road toward the San Francisco Bay are slightly affected by wet weather.⁴⁶⁹ The District completed two significant capital projects in 2010 and 2011 that greatly reduced I/I in areas of concern. The District continues a regular capital program of continual rehabilitation and replacement aimed at I/I reduction. By repairing 1.5 percent of the system or three miles of pipe per year, and replacement of 1.5 percent of the system, it is predicted that the District can achieve 0.75 percent I/I reduction annually.⁴⁷⁰

Figure 7-7: Peaking Factors (Peak Day Wet Weather Flow/Average Day Flow), 2020

Treatment Plant	EPASD	WBSD
Palo Alto RWTP	2.0	
SVCW WWTP		5.0
R-Value	Not completed	Not provided
Source(s): Based on ADWF and PWWF reported in district MSR questionnaires.		

Another metric typically used to quantify the severity of the system’s I/I is the R-value.⁴⁷¹ R-Values tend to better express the severity of infiltration while peaking factors express the severity of inflow. The R- value is defined as the percentage of rainfall volume that makes it into the collection system as

⁴⁶⁸ Correspondence with Vivian Housen, PE, Principal, V.W. Housen & Associates, May 26, 2022.

⁴⁶⁹ WBSD, Response to Questionnaire, 10/13/21.

⁴⁷⁰ WBSD, Master Plan Update, 2013, p. 5.

⁴⁷¹ The R-Value method is defined as the volume of I/I for the storm event divided by the total volume of rainfall over a basin. The calculated R-Values are specific to the storm event being quantified and thus different storm events will yield different values. Collection systems with R-Values less than 5 percent are generally considered to have acceptable infiltration.

I/I. The R-values vary from 0.2 percent to 9.4 percent. Five percent is a commonly used threshold to indicate areas of high infiltration that need to be addressed. EPASD reported that it had not completed an evaluation of its R-Value. WBSD reported that it had conducted an assessment of infiltration; however, the results of the assessment were not provided.

Regulatory Compliance

The Regional Water Quality Control Board (RWQCB) enforces the Clean Water Act, permit conditions and other requirements of wastewater providers. Violations of State requirements for wastewater providers and treatment facilities are recorded by SWRCB. The Board may levy fines or order the provider to take specific actions to comply with water quality regulations. Because neither of the districts operates a treatment plant, both agencies operate under the Statewide General Waste Discharge Requirements for Sanitary Sewer Systems, State Water Resources Control Board (State Water Board) Order No. 2006-0003-DWQ (Order), as amended by State Water Board Monitoring and Reporting Program Order No. WQ 2013-0058-EXEC.

Figure 7-8: Collection System Violations and Enforcement Orders in 2020 and 2021

	EPASD	WBSD
Violations	Violation of Order Conditions – 3/30/21	None
Enforcement Orders	Staff Enforcement Letter – 5/5/21	None
Source(s): SWRCB, California Integrated Water Quality System Project (CIWQS) Interactive Violation Report.		

In 2020 and 2021, EPASD had one violation of order conditions in March 2021 that resulted in one enforcement action. An RWQCB staff enforcement letter was issued in May 2021 stating that the District violated several conditions of State Water Board Order No. 2006-0003-DWQ and requiring that EPASD submit a Completion Report by August 16, 2021, that verifies the District has implemented corrective measures for each violation. Violations were regarding required SSMP components, including Overflow Emergency Response Plan notification and reporting requirements, conducting a biennial SSMP audit, and SSMP availability on its website and to the CIWQS system. Additionally, the enforcement letter required that the list of district staff that are registered to make data entry into the CIWQS system be updated. Finally, the letter notes that there is conflicting information regarding sewer

segment ages and recommends that the District begin tracking sewer pipe age.⁴⁷² The District responded in August 2021 with efforts made to meet the identified violations.⁴⁷³

WBSD had no violations or enforcement actions in 2020 and 2021. WBSD has had no violations or enforcement actions since 2008. There are no records of recent inspections conducted by RWQCB for the WBSD system.

Inspection and Maintenance Practices

Preventative maintenance activities are outlined in the legally required Sewer System Management Plans (SSMP) adopted by each of the districts.

EPASD aims to flush and inspect its entire collection system twice a year. However, in 2019 and 2020, 34 percent of the system was reportedly inspected with CCTV cameras each year.⁴⁷⁴ EPASD also practices daily flushing to prevent grease buildup or other materials. The inspections take place after cleaning and utilize a closed-circuit television (CCTV) camera to capture footage inside the sewer line. Different areas of the system are inspected with the CCTV once or twice a week, and approximately one basin is completed each month. The General Manager reviews the footage to determine if repair or replacement is needed. Pipes with deflections or visibly open break lines are prioritized for replacement. Identified hot spots are in flat areas prone to sediment accumulation and are cleaned more frequently. There are 15 restaurants within the District's service area that are inspected twice a year for FOG.⁴⁷⁵

The entire WBSD collection system is assessed by CCTV inspection on a six-year cycle. Pipes are maintained by high-pressure hydro jetting and hydraulic root saw methods. Lift stations are inspected one to two times per week, depending on the size of the lift station. Approximately 500 Fats, Oils, and Grease inspections are performed to commercial accounts every year. Inhouse Crews perform approximately 150 spot repairs via open trench or trenchless pipe patch per year to help maintain the infrastructure. Pipelines that are reconstructed or rehabilitated are inspected by the construction inspector to meet the District's Standards.

⁴⁷² San Francisco Bay RWQCB, Inspection Report and Staff Enforcement Letter, May 5, 2021, p. 5-7.

⁴⁷³ EPASD, Response to inspection Report and Staff Enforcement Letter, August 13, 2021.

⁴⁷⁴ EPASD, Response to MSR Questionnaire, September 21, 2021.

⁴⁷⁵ San Francisco Bay RWQCB, Inspection Report and Staff Enforcement Letter, May 5, 2021, p. 3.

Figure 7-9: Inspection and Maintenance Practices

Mains Inspected	EPASD	WBSD
2019	~12 miles (40%)	~43 miles (20%)
2020	~12 miles (40%)	~43 miles (20%)
Entire system CCTV inspection goal	Annually	Every 6 years
Source(s): EPASD and WBSD MSR Questionnaires.		

Deferred Maintenance

Both districts have adopted capital improvement programs to address necessary sewer infrastructure improvements and reported no unfunded wastewater system projects. Significant unbudgeted projects are typically incorporated into the districts’ overall CIPs as they are recognized and as part of regular CIP review and updates.

Emergency Response Times

Emergency response times are indicative of an agency’s ability to be on site when an emergency occurs.

The EPASD's Maintenance Department provides 24-hour service to EPASD customers either through response by EPASD crew or with a qualified contractor. EPASD crew are on-call to respond to service problems at all times. The maintenance department response time goal is to respond to all calls in less than one hour.⁴⁷⁶ Most response times are far faster than that goal; staff on average respond within 20-25 minutes to an emergency call.

WBSD’s policy is to respond within 30 minutes of a call during work hours and 45 minutes after work hours. On average, WBSD staff are on site within 20 minutes of a call.

Figure 7-10: Emergency Response Times

	EPASD	WBSD
Response Time	~20-25 minutes	~20 minutes
Policy	<1 hour	<30 minutes during work hours <45 minutes after hours
Source(s): EPASD and WBSD MSR Questionnaires.		

⁴⁷⁶ EPASD, SSMP, 2021, p.17.

Complaints

EPASD reported that there were no complaints received regarding wastewater services in 2020.⁴⁷⁷

In 2020, WBSD experienced one odor complaint at its recycled water facility. The issue was ultimately identified as an improper toilet gasket seal and was ruled a private matter.⁴⁷⁸

⁴⁷⁷ EPASD, Response to MSR Questionnaire, September 21, 2021.

⁴⁷⁸ WBSD, Response to MSR Questionnaire, October 13, 2021.

FINANCIAL ADEQUACY

Regional Sewer Rates

As shown in Figure 7-11, EPASD’s annual rates are about half of the Countywide average. WBSD’s \$1,224 rate is approximately equal to the median.

Figure 7-11: Sewer Service Rates as of July 1, 2021

<u>City</u>	<u>Yearly</u>
Palo Alto	\$496
Mountain View	\$505
Harbor Industrial SMD	\$585
East Palo Alto Sanitary District	\$600
Pacifica*	\$844
Brisbane*	\$845
Daly City (NSMCSD)*	\$496
Fair Oaks SMD	\$955
Belmont*	\$964
Burlingame*	\$984
Redwood City	\$1,025
Foster City	\$1,168
West Bay SD	\$1,224
San Carlos	\$1,283
Millbrae*	\$1,417
San Bruno*	\$1,426
Oak Knoll SMD	\$1,445
Kensington Square SMD	\$1,450
Devonshire CSD	\$1,540
San Mateo*	\$1,563
Emerald Lake Heights SMD	\$1,565
Crystal Springs CSD (current)	\$1,585
Edgewood SMD	\$1,605
Crystal Springs CSD (proposed)	\$1,664
Burlingame Hills SMD	\$1,742
Scenic Heights CSD	\$1,995
Hillsborough	\$3,543
Median	\$1,283

* Denotes sewer rates with a flow-based component; annual bill based on customer usage of 220 gpd.

Source: County of San Mateo Public Works Dept.

WBSD reviews and updates their rates annually based on current and anticipated and projected costs and revenues. The analysis is documented in a detailed report. The rates include consideration of capital costs.

EPASD annual reviews their rate schedule. The last detailed forecast of costs and revenues was prepared in 2018; the forecast included ongoing annual expenditures of approximately \$900,000 towards pipeline repair and replacement, but no other allocations towards capacity deficiencies.

CAPITAL IMPROVEMENT FUNDING AND FINANCING

Sewer system management plan (SSMP) best practices establish a process for planning and funding of capital improvements. The process includes:

- 1) prioritization, alternatives analysis, and schedules for completion;
- 2) a CIP implementation schedule, and
- 3) identification of sources of funding.⁴⁷⁹ Funding typically includes capacity charges, grants, loans and bonds, and funding from developers.

WBSD develops, maintains and updates its Capital Improvement Program (CIP) consistent with the best practices described above.

In 2021 EPASD prepared an Addendum to its 2015 Master Plan Update that proposes a set of improvements needed to address existing deficiencies and deficiencies created by future development; however, EPASD has not prioritized improvements, has not prepared a schedule for implementation, and has not identified funding nor is it pursuing new sources such as grants and low-interest loans. EPASD has reserves but has not clearly identified the use of those reserves, in combination with other sources including capacity fees, sufficient to fund existing and future improvements. EPASD's capacity fee, established in 2018, does not account for costs of improvements proposed by the 2021 Addendum nor the amount and timing of new development.

⁴⁷⁹ EPASD Sanitary Sewer Management Plan (SSMP), Revised August 12, 2021, pg. 42.

Funding of Expansion to Serve New Development

Legal standards and financing practices in California require that new development pays its fair share for improvements required to serve the development. It is not common for new development to fund oversized infrastructure and then be reimbursed from other new development (and/or capacity charges paid by new development) that will use the infrastructure. It is more common that a City or District give connection fee credit for oversizing. Managing on going reimbursement agreements is time consuming for the agency.

WBSD's CIP includes improvements required for replacement and expansion to serve existing and anticipated future growth, funded through a combination of revenue sources including capacity fees. WBSD works with developers to coordinate already planned capital improvement projects. If a pipeline project has already been planned for and financed within its capital improvement plan in the next five years, then the District will prioritize the capital improvement with supplemental funding from the developer to cover the difference in upsizing costs associated with the development, thus benefitting both parties.⁴⁸⁰ If a proposed development project requires upsizing or additional infrastructure to meet the needs of the development, WBSD will require that the developer complete the necessary upgrades and turn over the infrastructure to the District upon completion and inspection.⁴⁸¹ If the upgrades are beyond what is necessary to accommodate the new development, WBSD may provide a credit to the connection fee. If the required pipeline is not in the 10-year CIP, then the new development is responsible for the full cost of the pipeline.

EPASD does not have a plan for funding of infrastructure required to serve new development; the District indicated that it's proposed financing structure presented to developers was rejected and EPASD discarded its proposal.⁴⁸² EPASD states that developers must be responsible for funding of all improvements necessary to serve the new development, including existing deficiencies. EPASD has pursued negotiations separately with individual developers and at least in one case has negotiated an agreement that included general language about possible future reimbursements for oversizing although the source, manner and methodology for reimbursement was not specified.⁴⁸³ This approach does not provide clear direction forward for developers, precludes small property owners seeking a subdivision but without the resources for engineering analysis and negotiation, and has effectively

⁴⁸⁰ Interview with Sergio Ramirez, WBSD General Manager, November 17, 2021.

⁴⁸¹ Interview with Sergio Ramirez, WBSD General Manager, November 17, 2021.

⁴⁸² Interview with A. Okupe, EPASD General Manager, 2021-11-09.

⁴⁸³ Wastewater Service Agreement between EPASD and Light Tree Two, LLP, June 12, 2020.

precluded new development due to the high cost burden of existing deficiencies assigned to new development and the lack of a comprehensive plan that utilizes a full range of potential funding sources.

CHAPTER 4 includes a section on EPASD current Capital Improvement Funding and Financing, and a Framework for a CIP Finance Plan. A similar financing framework could help advance needed EPASD sewer system improvements. The framework balances the need to protect existing ratepayers from the burden of new development while assuring that existing deficiencies are addressed in a cost-effective manner that leverages public and private funds. The success of this financing framework depends on EPASD's willingness to prepare a financing plan, collaborate with the City of East Palo Alto and with property owners and developers, update its capacity charges, prepare a CIP consistent with best practices, and pursue all potential funding sources in a timely manner.

8. REORGANIZATION OPTIONS

In 2009, EPASD’s sphere of influence was reaffirmed as a “dissolution” (zero) SOI as adopted in 1985. Several governance structure options for EPASD were extensively analyzed at that time but no recommendation was made. The governance options identified during the course of this MSR continue to be substantially similar to those identified and analyzed in 2009. The current MSR update builds upon that evaluation. Alternatives include the following:

- Status quo (continued existence of EPASD with no boundary changes)
- Establishing EPASD as a subsidiary district of the City of East Palo Alto with sewer service becoming a public works function of the City and the City Council acting as the governing board
- Dissolution of the District and annexation of the service area to West Bay Sanitary District, or a variation which would reorganize both EPASD and WBSD to align boundaries of the districts with city boundaries

STATUS QUO

Over the course of this MSR several issues of concern were noted regarding EPASD's operations, particularly in regard to its planning and management to coordinate with and facilitate the planning decisions of the City of East Palo Alto as the land use authority for the area served. EPASD continues to indicate that it has no interest in considering options to support development by working with the City and developers to find a solution that is both fiscally feasible and meets the requirements of EPASD, the developers, and the City.

EPASD has clearly stated its position that it is not open to negotiations regarding sharing responsibility with the developers in the case where improvements will benefit existing ratepayers and the developers. A lack of EPASD transparency due to a lack of planning documents creates barriers to discussions between the parties making it challenging to 1) define actual development-driven capital needs at the connection and downstream, 2) determine related costs beyond the set capacity charges, and 3) negotiate a mutually beneficial agreement consistent with legal constraints.

Given that the City of East Palo Alto is empowered as the sole land use authority for the territory within the city limits, it appears de facto that EPASD is overstepping its approved powers by not actively addressing the capacity issues that are impeding proposed and approved development within the City. The Sanitary District Act (California Health and Safety Code §6400 - 6982) does not grant sanitary districts the power to make land use decisions.

This hindrance to new development and redevelopment has a significant impact on the City and its constituents by impeding many of the benefits associated with growth, including social and economic revitalization and environmental and sustainability benefits, such as enhanced revenues for the City via tax base expansion, greater job retention and creation, removal of blight, transformation of vacant brownfield properties, and increased property values, to name a few. Preventing development and growth from occurring is depriving the City and its residents of these benefits. Over ninety percent of EPASD lies within and serves the City of East Palo Alto, and residents of EPASD are similarly residents of the City.

SUBSIDIARY DISTRICT

The City, as land use authority and primary municipal service provider to the area within its incorporated limits, has the greatest vested interest and responsibility to ensure that 1) developments with the greatest benefit to its residents occur and 2) services provided within the city limits meet the needs of the residents and businesses it represents. The transition of EPASD to a subsidiary district of the City of East Palo Alto meets these objectives.

A subsidiary district to the City of East Palo Alto could be created to continue providing wastewater services. In accordance with State law (Gov. Code, §57105), the City would have to comprise at least 70 percent of land area and at least 70 percent of the registered voters within the subsidiary district, both of which appear to be met by the City of East Palo Alto.⁴⁸⁴ Under this option the District is not dissolved and becomes a subsidiary district of the City with the East Palo Alto City Council serving as the governing board of the subsidiary district and the sewer service becoming a public works function.

The City has indicated support of this option as a means to “make the City whole as a land use agency and utility provider,” and recognized that significant efficiencies in planning and financing for the City’s water system and sanitation infrastructure may be achieved. The City reported that it would capitalize on its previous experience in soliciting grant funding to pursue grant funding to improve sanitation infrastructure immediately.⁴⁸⁵

The process to establish a district as a subsidiary district of a city typically involves an application to LAFCO by the affected city, although LAFCO could initiate the process. The process would require a map

⁴⁸⁴ The City of East Palo Alto’s incorporated territory comprises approximately 91 percent of the territory within EPASD’s boundaries. It is assumed that the percentage of registered voters will be commensurate with the territory. A request has been made to the San Mateo Elections Office for confirmation.

⁴⁸⁵ Comment letter received from Patrick Heisinger, Interim City Manager, May 5, 2022.

and legal description, a plan for service and financial plan, a reconsideration period, a protest hearing, and possibly an election (with the requisite protest).

While this reorganization option was previously considered in 2009, conditions have since changed providing an impetus to the City’s consideration of taking on the subsidiary district and its services.

Advantages of this alternative include, but are not limited to the following:

- Planning for wastewater utilities could align with the City’s envisioned land use planning and established master plans.
- The City could address and balance infrastructure requirements, funding options, and developer requirements, to facilitate needed new housing, jobs and municipal revenues to improve public services.
- The management of wastewater service delivery to the residents of the District would be enhanced with the substantive management and supervisory structure of the City.
- Enhanced efficiencies by eliminating a layer of government.
- Enhanced ease of use for constituents, with a single provider of services.

If the subsidiary district was created, a portion of the district would include customers that reside within the City of Menlo Park. An advisory board to the district could be established to allow for representation for all rate payers, including those that resided in Menlo Park.

The City could contract with WBSD for wastewater system operation and maintenance services, similar to the Town of Los Altos Hills and the Town of Woodside. WBSD has a history and experience providing these services. A contract service structure would reduce the demand on the City’s resources for provision of a new service.

ANNEXATION TO WBSD

WBSD has indicated a willingness and ability to provide sewer services to the community but is not willing to initiate a reorganization in the absence of EPASD concurrence. WBSD annexation of EPASD territory and dissolution of EPASD could provide a number of opportunities: 1) potential economies of scale due to service provision by a larger sewer agency; management of sewer services by an agency that has demonstrated strong capability and expertise in planning for needed facilities and replacement of infrastructure in an orderly fashion based on strategic planning and asset management. WBSD has stated that it would “perform the work at the District’s cost for providing the maintenance service

without the need of a profit margin.”⁴⁸⁶ Formation of an advisory committee could provide continuing input and engagement in sewer service governance by the residents of the annexed area.

Option #2, which could include contract services from WBSD to a City subsidiary district, depends on action by the City, LAFCo and area residents to reorganize EPASD as a subsidiary district. A subsidiary district can encompass portions of adjacent cities; if the subsidiary district is limited to the boundaries of the City of EPA, “it is feasible to re-route the sewer system within the City of Menlo Park that is now served by East Palo Alto Sanitary District. A small pump station could be installed so that the area could flow back to Menlo Park by way of West Bay’s collection system” and those former EPASD customers in Menlo Park could be annexed into WBSD.⁴⁸⁷ A longer-term option, if a subsidiary district is formed, could involve dissolution of the subsidiary district and annexation to WBSD.

Another option involves the annexation of parcels proposing new development to WBSD, and corresponding detachment from EPASD. The MSR does not consider this a viable option due to its reduction of future EPASD operating and capital revenues, and the resulting irregular service area boundaries. WBSD has commented that it is in favor of “annexing the area of Ravenswood Business District (northeast of Bay Road), if it will help the community obtain essential sewer services and development and at the same time alleviate the apparent capacity issues within the East Palo Alto Sanitary District wastewater collection system. Wastewater flows in this area could be served by WBSD’s pump station at Purdue Ave. and Illinois Street in East Palo Alto and the adjacent collection system, with the necessary upgrades.”⁴⁸⁸

If the entire EPASD service area were to annex into WBSD, West Bay “would seek to reroute the existing sewer collection system to its own Silicon Valley Clean Water treatment plant to avoid the need to upgrade the City of Palo Alto treatment plant when the time comes.”⁴⁸⁹

One additional variation on the dissolution/annexation option was considered in the 2008 MSR. The variation involved alignment of jurisdictional authority for sewer service with the city boundaries in the areas served by East Palo Alto Sanitary District and West Bay Sanitary District. It was noted that this variation would likely lead to greater complexity because each agency would then operate and maintain

⁴⁸⁶ WBSD letter to LAFCo, May 17, 2022.

⁴⁸⁷ *ibid*, WBSD letter to LAFCo, May 17, 2022.

⁴⁸⁸ *ibid*, WBSD letter to LAFCo, May 17, 2022.

⁴⁸⁹ *ibid*, WBSD letter to LAFCo, May 17, 2022.

portions of two separate systems and be party to two separate sewage treatment agreements. Reorganization would require allocation of the system’s assets and liabilities to the two agencies.

NEXT STEPS

The next steps will depend on which reorganization option is pursued by LAFCo, residents, or other agencies; however, all reorganization processes generally entail initiation, application to LAFCo, consideration by LAFCo, a reconsideration period and a protest hearing with the potential for an election (with the requisite protest). An application to LAFCo would require a map and legal description, financial plan, and plan for service.

As an example, in the case of creation of a subsidiary district, the process would consist of the following:

1. Initiation

A subsidiary district proposal may be initiated by petition (Section 56866), resolution by an affected agency (Section 56654), or resolution by LAFCO (Section 56375 (a)(2)(D)).

2. Processing of the Application (Not LAFCO Initiated)

A. Receipt of Application (Section 56658)

Immediately after receiving an application and before issuing a certificate of filing, the executive officer is to give mailed notice that the application has been received to each affected local agency, the county committee on school district organization, and each school superintendent whose school district overlies the affected territory. (Section 56658 (b)(1))

Within 30 days of receipt of the petition or resolution application, LAFCO must determine if the application is complete. (Section 56658 (c)) A certificate of filing is to be issued when the application is deemed complete. (Section 56658 (f))

B. Hearing and Notification (Sections 56658 and 56660)

Once the application is determined to be complete and following the issuance of the certificate of filing, LAFCO must set the proposal for hearing and give published, posted, and mailed notice at least 21 days prior. The date of the hearing shall be not more than 90 days after issuance of the certificate of filing or after the application is deemed to have been accepted, whichever is earlier. (Sections 56658 (h), 56153 56154, 56158 and 56159)

C. Reconsideration (Section 56895)

Any person or affected agency may file a written request with LAFCO requesting amendments to or reconsideration of the resolution. The person or agency must file the written request within 30 days of the adoption of the initial or superseding resolution. (Section 56895)

D. Protest Hearing (Section 57002)

Within 35 days of the Commission's resolution date and following the reconsideration period, LAFCO shall set a time and date for a protest hearing and give the required published and mailed notice. The hearing must be held at least 21 days after notice has been given, but no more than 60 days after notice. (Section 57002 (a))

3. Election (Sections 57078 and 57107)

Upon conclusion of the protest hearing, the Commission is to adopt a resolution and order an election dependent on the outcome of protest procedures.

APPENDIX A: REGIONAL GROWTH DETAILED REPORT

REGIONAL GROWTH AND POPULATION

The Bay Area region is a large and economically diverse area consisting of nine counties. Each sub-region is characterized by its own unique economic activity. San Francisco is characterized by its finance sector and increasingly tech social media sector, biotech in San Mateo, computers and software in Silicon Valley, shipping and government services in Alameda and the expansive wine and hospitality industries in the North Bay counties.⁴⁹⁰

When the Bay Area's economy is strong it brings a surge of new migration from throughout the U.S. and the world into the region; the current pandemic, however, has reversed this trend. When innovative industries enter more mature phases, growth may level off or decline, and population inflows may change to outflows. New technology increases productivity and alters production process, on occasion seeding entirely new industries and markets. This creates challenges for forecasting employment and even population trends. These cycles of innovation and growth have brought about changes in the composition of employment and population and are inherent features of the Bay Area economy.⁴⁹¹

HISTORICAL POPULATION TRENDS

Since the 1970s, the annual population growth rate in the Bay Area has been around one percent. The 1980s saw a slightly higher growth rate, while the 2000s experienced lower growth as the region was affected first by a housing boom and then the Great Recession. As of 2010, the total population of the Bay Area was just over 7,150,000, with roughly 2.6 million households. By 2015, the population had increased by some 425,000, to 7,574,000, an annual growth rate of 1.2 percent.⁴⁹²

The region's population growth and development patterns are highly dependent on economic growth and employment trends. The Bay Area's share of U.S. GDP has grown from three percent in 1990 to almost four percent in 2015. The rate of economic growth has ranged from an inflation-adjusted loss of 1.5 percent between 2000 and 2001 to growth of 5.7 percent between 2014 and 2015. The information sector played a key role in this growth, with output expanding at an annualized real rate of 10 percent in

⁴⁹⁰ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area Projections 2040, November 2018, p. 13.

⁴⁹¹ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area Projections 2040, November 2018, p. 112.

⁴⁹² Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area Projections 2040, November 2018, p. 16.

the San Francisco Metropolitan Area (which includes the East Bay, West Bay and Marin County) and over nine percent in the South Bay.⁴⁹³

The region's average age increased between 1990 and 2015, with the share of the population under 18 years of age dropping from 23.6 percent to 21.3 percent and the share at least 65 years old grew from 11.0 percent to 14.3 percent. These changes were due to declining fertility rates, in-migration of working-age adults, and favorable life expectancies in the region. This trend is forecast to continue.⁴⁹⁴

POPULATION PROJECTIONS

Between now and 2050, estimates suggest the Bay Area's population will rise from nearly eight million to over 10 million residents and that the number of jobs within the nine counties will climb from four million to more than five million. This growth will influence what the Bay Area looks like in 30 years, and many questions remain about where these new residents will live and work. In addition to growth, forces outside of the region's control such as climate change, economic booms and busts, and changing technologies will contribute to future uncertainty. The COVID-19 pandemic provides an extreme example of how these unprecedented events can reshape everyday life.⁴⁹⁵

Although the projections show future growth, the pandemic has had a slowing effect on the growth rate. United States Postal Service (USPS) data paints a picture of the migration situation across California during 2020. The USPS data, which tracks change of address requests, shows California experienced a significant uptick in the number of residents relocating out of the state during 2020. In 2020, the USPS data shows that nearly 650,000 moved out of the state – a sharp rise of over 15 percent when compared to previous years. That out-migration has not been offset by a corresponding rise of in-migration. Taken together, 2020 produced a net negative of 211,000 change of address requests from California, more than double the net figure from 2018.⁴⁹⁶

Underpinning the population growth is the growth in households and, ultimately the housing stock that supports this growth. Projections show that the number of households in the Bay Area will reach 4,043,000 in 2050 which represents growth of 51 percent since 2015. The highest growth is expected in Santa Clara county (73 percent), followed by San Francisco, Alameda and San Mateo counties (58, 54

⁴⁹³ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area Projections 2040, November 2018, p. 14.

⁴⁹⁴ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area Projections 2040, November 2018, p. 16-17.

⁴⁹⁵ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area 2050, October 21, 2021, vi.

⁴⁹⁶ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area 2050, October 21, 2021, p. 47.

and 48 percent, respectively). San Mateo county represents about nine percent of the regional growth between 2015 and 2050. It is noteworthy that although population,⁴⁹⁷ generally speaking, continues to be concentrated in the counties that also hold the bulk of employment, jobs growth between 2015 and 2050 does not closely coincide with population growth. For example, while Solano county is expected to undergo about 53 percent job growth rate (the highest among the nine counties) during this period, its household growth rate is much lower (24 percent) than of the majority of other Bay Area counties. On the other hand, Marin county is projected to experience a negative job growth rate but at the same time grow its households by 34 percent over the 35-year period. One explanation for this phenomenon is the continuing work-from-home trend whereby the labor force does not have to be located in the same place as the jobs themselves.⁴⁹⁸

In San Mateo county, the number of households is expected to reach 394,000 in 2050, which constitutes 48 percent growth from 2015 or nine percent share of the regional growth. Job growth in the county is fairly consistent with the household growth during this period (29 percent job growth which represents an eight percent share of the regional job growth). The vast majority of growth is expected in North San Mateo county.⁴⁹⁹

Over ninety percent of San Mateo County's urban development is on the bay side, and includes 18 of the County's jurisdictions, many of which were developed first as a series of "railroad" bedroom communities for San Francisco. Caltrain service, BART, and the highway system reinforce this travel route through the Peninsula, providing a commuting workforce that come from and goes to counties throughout the region, important to employers. As employment activity and household growth intensifies along the 101 corridor through San Mateo county, several modes of transit are being considered for expansion to Peninsula job clusters and residential nodes, including high speed rail, bus rapid transit and ferry service.⁵⁰⁰

San Mateo County's economic base has transformed as the region's economy has grown and changed. San Francisco International Airport (SFO), located in San Mateo county, continues to be a dominant economic force. Financial firms were among the first to bring large-scale employment opportunities to the resident labor force in the San Mateo County suburbs. Although the Bay Area's prominence as a

⁴⁹⁷ Santa Clara, Alameda, Contra Costa, San Mateo and San Francisco counties collectively represent about 80 percent of the regional population.

⁴⁹⁸ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area 2050 Growth Pattern, Updated January 21, 2021.

⁴⁹⁹ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area 2050 Growth Pattern, Updated January 21, 2021.

⁵⁰⁰ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area Projections 2040, November 2018, p. 112.

national financial center has weakened in recent decades, Visa, Franklin Templeton Investments and Fisher Investments remain among the county’s larger employers. Biotechnology and medical device companies are an important part of the economic picture. Technology and social media sectors have been critical forces of change to the county’s economy and level of urbanization. In the past two decades San Mateo County has acted as the bridge that extends Silicon Valley from Santa Clara County to San Francisco and beyond. Software company Oracle, headquartered in Redwood Shores, led the establishment of software firms in San Mateo County. Electronic Arts, a video game company, is another large employer located in Redwood Shores. The Facebook campus in Menlo Park continues to expand the County’s already diverse employment base.⁵⁰¹

GROWTH FACTORS

Economic Trends and Effects of COVID-19 Pandemic on Regional Economy

Since the 1800s, booms and busts have characterized the Bay Area’s economy. Through the 19th century Gold Rush, the “dot-com” bubble of the 1990s, record economic growth into the 21st century, and the latest recession in the wake of the COVID-19 pandemic, a spirit of innovation and perseverance has defined the region through both upticks and downturns.⁵⁰² Economic uncertainties will continue, as the economic fallout of the COVID-19 pandemic may take years to fully unfold.⁵⁰³

Despite being one of the nation’s most resilient regions for the past fifty years, the nine-county Bay Area similarly experienced unprecedented changes to the regional economy during the COVID-19 pandemic.⁵⁰⁴ The pandemic led to severe fluctuations in unemployment rates and changes to the size and level of participation in the labor force. Prior to the COVID-19 pandemic, the Bay Area had one of the lowest unemployment rates in the nation – an indicator often cited to convey the region’s strong economy. Since October 2019, the Bay Area labor force has fallen by more than 56,000 people. While not as steep of a drop as in New York, Chicago, Boston, and Los Angeles, the region’s labor force loss does point to a combination of slow economic recovery – which has pushed those that have lost their jobs to not seek work – and potential population decline. Much of the labor force reduction can be

⁵⁰¹ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area Projections 2040, November 2018, p. 112-113.

⁵⁰² Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area 2050, October 21, 2021, p. 40.

⁵⁰³ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area 2050, October 21, 2021, p. 16.

⁵⁰⁴ Bay Area Council Economic Institute, Tracking Impacts of the COVID-19 Recession on the Bay Area Economy, 2020, p. 1.

attributed to Alameda, Contra Costa, Marin, San Francisco, and San Mateo counties, whereas Santa Clara County has actually grown its labor force year over year.⁵⁰⁵

The unemployment rate in the Bay Area as of January 2021 was 6.8 percent. The regional unemployment rate spiked from 3.6 percent in March 2020 to 13.1 percent in April 2020, fell consistently month-over-month until September 2020, and since then has plateaued, hovering between six and seven percent. Following a trajectory similar to the unemployment rate, net job loss was most severe in April 2020, at which point the region had over half a million less jobs than it had at the start of 2020. Jobs were on a strong path to recovery for most of 2020 but saw a dip in the new year, with an additional 122,000 jobs lost between December 2020 and January 2021.⁵⁰⁶

Net job loss in the Bay Area as a result of the COVID-19 recession is more acute than past recessions. Eleven months into the COVID-19 recession, net job loss in the region was five times that of the net job loss eleven months into the Great Recession and double that of the net job loss eleven months into the Dot-com Bubble. Job losses were much more sudden in the COVID-19 recession than the Dot-com Bubble and the Great Recession, but recovery has also been much faster than in past recessions.⁵⁰⁷

As of January 2021, the Bay Area's labor force (defined as those employed and those looking for work) shrank by over six percent, more significantly than many other peer metros, the U.S. and California. This trend reflects how many people in the region have been impacted by the pandemic fueled factors that are driving people out of the workforce, including unmet childcare needs, other unpaid family care responsibilities, and health concerns. If this trend persists, these individuals who have become disconnected from the labor force amidst the pandemic may have a hard time returning to the workforce, as typically the longer someone has been out of the labor force, the longer it takes them to find a job and return to work.⁵⁰⁸

Up until January 2021, the Bay Area was ahead of California in terms of recovering to pre-pandemic employment levels, but as of January 2021 the Bay Area has dipped below California in terms of total share of pre-pandemic jobs recovered.⁵⁰⁹

⁵⁰⁵ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area 2050, October 21, 2021, p. 35.

⁵⁰⁶ Bay Area Council Economic Institute, Tracking Impacts of the COVID-19 Recession on the Bay Area Economy, 2020, p. 4.

⁵⁰⁷ Bay Area Council Economic Institute, Tracking Impacts of the COVID-19 Recession on the Bay Area Economy, 2020, p. 4.

⁵⁰⁸ Bay Area Council Economic Institute, Tracking Impacts of the COVID-19 Recession on the Bay Area Economy, 2020, p. 5.

⁵⁰⁹ Bay Area Council Economic Institute, Tracking Impacts of the COVID-19 Recession on the Bay Area Economy, 2020, p. 6.

While the long-term impact of the COVID-19 economic crisis on income inequality in the region remains unknown, data points on job loss by industry provide insight to how the pandemic may impact top and bottom earning households in the region. Many households that fall into the bottom 10% rely on employment in industries that have experienced sizable job losses over the past year in the Bay Area.⁵¹⁰

Examining job losses by industry provides more nuanced insight into the COVID-19 recession employment recovery in the region. In early 2020, employment across the travel and tourism and hospitality and services sectors were immediately impacted as local and statewide shelter in place mandates and travel guidelines were put in place in the Bay Area. As time went on, these effects transferred to other industries leading to layoffs, furloughs, and hiring freezes across various industries.⁵¹¹

Industries that typically employ white-collar workers such as professional and business services and financial services were less impacted by employment loss throughout 2020. Other sectors had unique trajectories of employment loss and recovery during 2020. The construction industry had one of the most pronounced recoveries. The government sector saw a delayed low point for employment loss, reaching the deepest level of job loss in July but remaining relatively stable into the new year.⁵¹²

Despite the region's continued success in both venture capital and technology in light of COVID-19, the reshaping of "location" as a factor for where companies choose to locate and where venture capitalists choose to invest their money can have an impact on whether or not the Bay Area will continue to have a concentration of venture capital investment and technology companies in the future. If location is no longer a primary driver for investment, venture capitalists might choose to start investing in companies in other parts of the country, and likewise, companies might choose to station themselves or their employees in less expensive regions. At the same time, many view the Bay Area's entrepreneurial spirit and conglomeration of venture capital to be a unique underlying factor that will not disappear in the near future.⁵¹³

⁵¹⁰ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area 2050, October 21, 2021, pp. 51-52.

⁵¹¹ Bay Area Council Economic Institute, Tracking Impacts of the COVID-19 Recession on the Bay Area Economy, 2020, p. 7.

⁵¹² Bay Area Council Economic Institute, Tracking Impacts of the COVID-19 Recession on the Bay Area Economy, 2020, p. 7.

⁵¹³ Bay Area Council Economic Institute, Tracking Impacts of the COVID-19 Recession on the Bay Area Economy, 2020, p. 16-17.

Distribution of Jobs and Housing

The distribution of jobs and housing have a significant impact on population growth and development trends. This distribution in the Bay Area has historically depended on multiple factors. In some places, zoning restricts development exclusively to commercial buildings or single-family homes, and other policies also can limit the amount of housing or commercial space that can be built. Another factor is the tendency of similar types of businesses to cluster near one another — most notably in Silicon Valley, where many information and technology firms have co-located since the 1970s. Proximity to transit or to highways also plays a role, as businesses and workers choose locations that will enable quicker travel.⁵¹⁴

Compounded over many decades, these forces have resulted in a significant spatial imbalance of jobs and housing throughout the Bay Area. Generally, there is more housing than jobs in Alameda, Contra Costa, Solano and Sonoma counties, while there are more jobs than housing in Marin, Napa, San Francisco, San Mateo and Santa Clara counties. This creates a number of associated problems, such as traffic congestion and transit overcrowding in major commute corridors. The imbalance also reinforces other challenges, such as the displacement of longtime residents from neighborhoods where home values and rents have spiked.⁵¹⁵

The Bay Area is generally known as one of the least affordable areas to live in the country. The high cost of living is largely driven by the high costs of housing, which has spurred an affordability crisis, pushing lower income households to locations farther from the urban job centers.⁵¹⁶ Housing growth in cities with growing high-wage workforces — notably those in Silicon Valley — has not kept pace with job growth, resulting in spillover demand for homes and higher housing costs throughout the region. Every day, Bay Area workers of all income levels struggle to find housing close to their workplaces, though this trend is particularly challenging for workers with low incomes.⁵¹⁷

Many planning strategies developed by the Association of Bay Area Council of Governments (ABAG) and the Metropolitan Transportation Commission (MTC) in the Plan Bay Area 2050 (discussed in more detail

⁵¹⁴ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area 2050, October 21, 2021, p. 48.

⁵¹⁵ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area 2050, October 21, 2021, p. 48.

⁵¹⁶ Bay Area Council Economic Institute, Tracking Impacts of the COVID-19 Recession on the Bay Area Economy, 2020, p. 19.

⁵¹⁷ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area 2050, October 21, 2021, p. 13.

below), promote a more balanced distribution of jobs and housing across the region.⁵¹⁸ First, local jurisdictions can support a more balanced distribution of job growth by allowing greater commercial densities. A complementary strategy to provide incentives to employers to shift jobs to housing-rich areas that are well served by transit could further improve the balance of jobs and housing. Finally, a strategy to retain key industrial lands by establishing Priority Production Areas would both support a more even jobs-to-housing balance regionwide and protect industrial land from the risk of conversion to residential uses.⁵¹⁹

In a post-pandemic Bay Area, both housing and transportation will inevitably be reshaped.⁵²⁰ A reversal in housing costs has already materialized in some locations, with rents dropping in historically high cost urban job centers, like San Francisco, and rising in parts of the East Bay. In contrast to the drop in rental prices in some areas, home sale prices have increased across the Bay Area during the pandemic. As this redefinition in the geography of housing prices in the region plays out, thousands of people face unemployment in an unaffordable region, making future housing stability an uncertainty for many. Housing protections temporarily in place at the state and county level will expire on varying timelines, further contributing to uncertainty surrounding housing security for regional residents in poverty and those currently unemployed.⁵²¹

Work from Home

One of the most identifiable effects of the COVID-19 pandemic was the acceleration of the work-from-home trend. This trend is especially relevant in the Bay Area as remote work possibility increases with the rise in average income. The eligibility to work remotely further deepened the income disparity across the region, however.⁵²²

Up to 45 percent of the jobs in the Bay Area are eligible for remote work, equating to a total of 1.79 million remote eligible jobs in the region. The nine Bay Area counties together have about the same number of remote eligible jobs as Los Angeles County (1.70 million), but the region has a larger share of

⁵¹⁸ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area 2050, October 21, 2021, p. 48.

⁵¹⁹ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area 2050, October 21, 2021, p. 51.

⁵²⁰ Bay Area Council Economic Institute, Tracking Impacts of the COVID-19 Recession on the Bay Area Economy, 2020, p. 19.

⁵²¹ Bay Area Council Economic Institute, Tracking Impacts of the COVID-19 Recession on the Bay Area Economy, 2020, p. 19.

⁵²² Bay Area Council Economic Institute, Remote Work in the Bay Area: An Initial Evaluation of the Data and Implications for Public Policy, December 2020, <http://www.bayareaeconomy.org/report/remote-work-in-the-bay-area/>.

the total workforce remote eligible compared to other geographies. San Francisco County and Santa Clara County have the highest shares of remote work eligible jobs in the region, accounting for more than half of all jobs in each county.⁵²³ A majority of the remote eligible jobs in the Bay Area are within the professional services sector.⁵²⁴

If each of the region's 1.79 million people employed in a remote eligible job worked outside of the office for just one day per week, over 1 million single-occupancy vehicle trips could be avoided each week—a reduction of 8 percent based on pre-COVID-19 travel. Reduced demand for commute trips will ease congestion for those that do travel, creating further emissions benefits. However, if households relocate to more dispersed locations in the region because they only need to be in the office a few days per week, more drivers could take to the roads for longer commutes between locations that are not currently connected by transit. In addition, if many households relocate to less transit and pedestrian-friendly locations, there could be a localized impact on the environment as people become more reliant on cars as a primary mode. Shifting travel behavior could also call for a re-prioritization of transportation investments away from commute trips to urban centers and toward local transit, bicycle, and pedestrian infrastructure. The potential for remote work to drive down daytime populations in downtown areas can impact the service economy, housing markets, and public transit usage.⁵²⁵

There are also racial and ethnic inequities in the demographics of the pre-pandemic population employed in occupations eligible to work from home. Based on the pre-COVID-19 occupational makeup across the nine counties, 51 percent of the white workforce and 52 percent of the Asian workforce held a job in an occupation eligible for remote work, while 33 percent of the Black workforce and 30 percent of Latinx workforce in the region held a job in an occupation eligible for remote work.⁵²⁶

It is impossible to disaggregate remote work effects from COVID-19 effects, and this is especially true when it comes to housing markets. Median rents have fallen by at least 20 percent year-over-year as of October 2020 in locations with a high percentage of jobs that could be done remotely. These drops in rental prices in these locations indicate their susceptibility to population decline driven by increased

⁵²³ These numbers are high bounds for expectations for the future level of remote work and are calculated at the pre-pandemic job mix.

⁵²⁴ Bay Area Council Economic Institute, Remote Work in the Bay Area: An Initial Evaluation of the Data and Implications for Public Policy, December 2020, <http://www.bayareaeconomy.org/report/remote-work-in-the-bay-area/>.

⁵²⁵ Bay Area Council Economic Institute, Remote Work in the Bay Area: An Initial Evaluation of the Data and Implications for Public Policy, December 2020, <http://www.bayareaeconomy.org/report/remote-work-in-the-bay-area/>.

⁵²⁶ Bay Area Council Economic Institute, Remote Work in the Bay Area: An Initial Evaluation of the Data and Implications for Public Policy, December 2020, <http://www.bayareaeconomy.org/report/remote-work-in-the-bay-area/>.

remote work. If remote workers begin to prefer housing in suburban locations, remote work could also alleviate some of the pressure on urban housing markets while simultaneously shifting affordability concerns to other parts of the region.⁵²⁷

Housing Needs

California, and the Bay Area in particular, face an affordable housing crisis that has built up over decades. The Bay Area faces a shortfall of over 220,000 homes affordable to its poorest residents. Roughly 45 percent of Bay Area renter households spend more than 30 percent of their income on housing (meeting the definition of “cost-burdened”), while roughly 23 percent spend over 50 percent of their income (meeting the definition of “severely cost burdened”). Nearly 85 percent of extremely low-income residents and 61 percent of low-income residents are cost burdened, while 69 percent of extremely low-income and 15 percent of low-income residents face severe cost burdens.⁵²⁸

These dynamics have led to an increasingly segregated region, with low-income residents and people of color often pushed to the peripheries of the Bay Area if they are able to remain in the region at all. As briefly mentioned before, the Bay Area’s inability to adequately house all its residents, especially close to job centers, has led to a host of other challenges such as crippling traffic, attendant greenhouse gas emissions, and labor shortages that affect all Bay Area residents.⁵²⁹

Recent events have exacerbated the housing crisis. Every Bay Area resident has been affected in some way by the COVID-19 pandemic and the accompanying economic downturn, as well as by the historic wildfires that have threatened homes, caused large-scale evacuations, and resulted in prolonged periods of unhealthy air quality.⁵³⁰

Rents in the region were so high prior to the pandemic, that despite the drastic percentage drops in rent in Bay Area cities over the last year, housing costs are still unaffordable for many households. While the decline in rent has the potential to decrease the rent burden felt by low-income households, overall affordability of the region for low-income households is a factor of both rental costs and income.⁵³¹

Recognizing the severity of the problem, the Bay Area’s regional governing bodies, the Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC), have developed

⁵²⁷ Bay Area Council Economic Institute, *Remote Work in the Bay Area: An Initial Evaluation of the Data and Implications for Public Policy*, December 2020, <http://www.bayareaeconomy.org/report/remote-work-in-the-bay-area/>.

⁵²⁸ Bay Area Housing Finance Authority, *Momentum for Lasting Solutions*, 2021.

⁵²⁹ Bay Area Housing Finance Authority, *Momentum for Lasting Solutions*, 2021.

⁵³⁰ Bay Area Housing Finance Authority, *Momentum for Lasting Solutions*, 2021.

⁵³¹ Association of Bay Area Governments and Metropolitan Transportation Commission, *Plan Bay Area 2050*, October 21, 2021, pp. 51-52.

and adopted the Plan Bay Area 2050⁵³² that treats housing like public infrastructure to address the area’s housing crisis.⁵³³

The Bay Area has over 2.5 million homes in its nine counties. To accommodate a growing population expected to reach 10 million by 2050, more housing will need to be built throughout the region. Where that housing is built, and in what form, can impact the greatest challenges facing the Bay Area today, including housing affordability, access to job opportunities and reducing greenhouse gas emissions. Plan Bay Area 2050 contains a strategy for housing the 10 million people expected to live in the Bay Area in 2050, to be implemented by the region’s 101 cities and towns using their knowledge of local needs and resources.⁵³⁴

The Bay Area housing market consists of market-rate, rent-regulated and deed-restricted affordable housing. Over 90 percent of Bay Area homes are market-rate, meaning they are bought, sold or rented on the private real estate market. The price of new and existing market rate housing is influenced by supply and demand, resulting in unaffordability to most residents with low and moderate incomes. Factors such as high land and construction costs, minimum parking requirements, maximum unit densities and other local policies contribute to higher supply costs. Swiftly increasing demand for housing compounds these supply-side challenges, leading to higher rents and home prices. Cities or counties may voluntarily adopt rent regulations to stabilize rents or protect renters from discrimination. A small share of homes in the Bay Area today are deed-restricted affordable housing. In accordance with state and federal standards, the price of these homes is tied to affordability levels for households with low and moderate incomes, for a period of time defined in the deed of ownership for a property. Homes with deed restrictions lasting 55 years or more are often considered “permanently affordable,” though few mechanisms exist to ensure true permanency.⁵³⁵

Since 1969, the State of California has required each local government to plan for its share of the state’s housing needs for people of all income levels.⁵³⁶ The California Department of Housing and Community Development (HCD) identifies the total number of homes for which each region in California must plan in order to meet the housing needs of people at all income levels. The total number of housing units from HCD is separated into four income categories that cover everything from housing for very low-

⁵³² The Plan was adopted on October 21, 2021.

⁵³³ Bay Area Housing Finance Authority, *Momentum for Lasting Solutions*, 2021.

⁵³⁴ Association of Bay Area Governments and Metropolitan Transportation Commission, *Plan Bay Area 2050*, October 21, 2021, pp. 29-30.

⁵³⁵ Association of Bay Area Governments and Metropolitan Transportation Commission, *Plan Bay Area 2050*, October 21, 2021, pp. 29-30.

⁵³⁶ Association of Bay Area Governments, *Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area 2023-2031*, 2021, pp. 4-6.

income households all the way to market rate housing.⁵³⁷ ABAG is responsible for developing a methodology to allocate a portion of this housing need to every local government in the Bay Area.⁵³⁸

Every eight years, ABAG develops a Regional Housing Needs Allocation (RHNA) that allocates state-mandated expected growth at the jurisdictional level and across the income spectrum.⁵³⁹ On December 16, 2021, ABAG adopted the RHNA Plan for the period of 2023-2031.⁵⁴⁰ Once it receives its allocation, each local government must update the Housing Element of its General Plan and its zoning to show how it plans to accommodate its RHNA units and meet the housing needs in its community. The housing element addresses specific housing needs within a jurisdiction such as homelessness, meeting the needs of specific populations, affirmatively furthering fair housing, or minimizing displacement.⁵⁴¹

In consultation with ABAG, HCD determined that the Bay Area must plan for 441,176 new housing units from 2023 to 2031.⁵⁴² This determination is based on population projections produced by the California Department of Finance. The new laws governing the methodology for how HCD calculates the RHNA resulted in a significantly higher number of housing units (more than double from the last cycle; 187,000 units between 2015 and 2023)⁵⁴³ for which the Bay Area must plan compared to previous RHNA cycles.⁵⁴⁴ Figure 3-1 depicts the housing needs breakdown.

⁵³⁷ Very Low Income: 0-50% of Area Median Income; Low Income: 50-80% of Area Median Income; Moderate Income: 80-120% of Area Median Income; Above Moderate Income: 120% or more of Area Median Income.

⁵³⁸ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area 2050, October 21, 2021, p. 47.

⁵³⁹ Bay Area Housing Finance Authority, Momentum for Lasting Solutions, 2021.

⁵⁴⁰ <https://abag.ca.gov/our-work/housing/rhna-regional-housing-needs-allocation>

⁵⁴¹ Association of Bay Area Governments, Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area 2023-2031, 2021, pp. 4-6.

⁵⁴² There are three components to the methodology that includes: 1) Baseline allocation, which is used to assign each jurisdiction a beginning share of the RHND and is based on each jurisdiction's share of the region's total households in the year 2050 from the Plan Bay Area 2050 Final Blueprint; 2) Factors and weights for allocating units by income category that are taken into consideration in allocating very low- and low-income units and moderate- and above-moderate units; and 3) Equity adjustment that identifies 49 jurisdictions that exhibit racial and socioeconomic demographics that differ from the regional average to ensure that each of these jurisdictions receives an allocation of lower-income units that is at least proportional to its share of the region's total households in 2020.

⁵⁴³ Association of Bay Area Governments, Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area 2023-2031, 2021, p. 34.

⁵⁴⁴ Association of Bay Area Governments, Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area 2023-2031, 2021, p. 11.

Figure A.3-1: Regional Housing Needs Determination from HCD (San Francisco Bay Area)

Income Category	Percent	Housing Unit Need
Very Low	25.9%	114,442
Low	14.9%	65,892
Moderate	16.5%	72,712
Above Moderate	42.6%	188,130
Total	100%	441,176

Source: Regional Housing Needs Determination (RHND) from HCD Factsheet.

The City of East Palo Alto has been assigned a total of 829 RHNA units that include 165 very low income, 95 low income, 159 moderate income, and 410 above moderate income.⁵⁴⁵ The unincorporated San Mateo county got assigned 2,833 units including 811 very low income, 468 low income, 433 moderate income, and 1,121 above moderate income.⁵⁴⁶ It will result in the growth rate of 11 percent in East Palo Alto and 13 percent in unincorporated San Mateo County from 2020 households.⁵⁴⁷

During the current RHNA cycle, it is especially not easy for each Bay Area jurisdiction to update its Housing Element given the higher number of new homes needed. In addition to the overall number of homes assigned to each jurisdiction, the RHNA process dictates that housing must be planned for every affordability level. Historically, permitting for homes affordable to people with lower and moderate incomes has not kept pace with the Bay Area's RHNA targets. Housing Elements for this RHNA period must also demonstrate how they affirmatively further fair housing (new requirement).⁵⁴⁸

RHNA and Plan Bay Area 2050 discuss planning for housing on two separate time horizons: RHNA focuses on the shorter-term with its eight-year cycle, while Plan Bay Area 2050 presents a longer-term vision for the next 30 years. The two efforts, however, are coordinated, with RHNA's near-term focus setting the stage for early implementation of Plan Bay Area 2050's envisioned growth pattern. To assist cities and counties with planning for new housing this cycle, HCD provided new state funding of \$250 million in the 2019-20 State Budget; \$25 million of these funds went directly to Bay Area jurisdictions, with an additional \$24 million allocated to ABAG. ABAG is deploying its funds through subgrants to all 109 jurisdictions and the recently launched Regional Housing Technical Assistance (RHTA) program. RHTA includes several forms of technical assistance, such as providing jurisdiction-specific data packets

⁵⁴⁵ Association of Bay Area Governments, Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area 2023-2031, 2021, p. 27.

⁵⁴⁶ Association of Bay Area Governments, Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area 2023-2031, 2021, p. 27.

⁵⁴⁷ Association of Bay Area Governments, Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area 2023-2031, 2021, p. 30.

⁵⁴⁸ Association of Bay Area Governments, Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area 2023-2031, 2021, p. 30.

that include charts and graphs that local staff can add directly into their Housing Elements and the Housing Element Site Selection tool, an interactive map that identifies opportunity sites for rezoning. Innovative ideas for engaging the community on housing planning, a regional consulting bench, and resources to support fair housing and resilience to hazards are also supported by these state funds.⁵⁴⁹

Bay Area Housing Finance Authority (BAHFA) also can help jurisdictions meet their RHNA targets by providing resources and technical assistance so local plans result in more homes, especially for lower-income residents.⁵⁵⁰ Established in 2019 by Assembly Bill 1487 (Chiu), BAHFA is the first legislatively-approved regional housing finance authority in California that has the potential to raise hundreds of millions of dollars annually through ballot measures and other revenue mechanisms for the entirety of the nine-county Bay Area. The defining feature of BAHFA is the authority to raise revenue through a ballot measure that would require two-thirds approval from voters in the nine Bay Area counties. Potential mechanisms include a general obligation bond, a parcel tax and two employer-based taxes – a per-employee “head tax” and a gross receipts tax.⁵⁵¹

Strategies to Meet Housing Needs

The Bay Area’s severe housing shortage will require innovative solutions as well as time-tested methods. One novel idea is to transform aging shopping malls and office parks into vibrant, mixed-use neighborhoods incorporating open space, shops, services and housing. With department stores and other retail storefronts facing a steady decline since the takeoff of online shopping (accelerated by the COVID-19 pandemic), this strategy turns an economic development challenge into an opportunity. Reimagining large, underutilized commercial spaces as housing can form an important nexus with economic development to transform the quintessential single-use sites of the 20th century into 21st century spaces that meet the needs of the future.⁵⁵²

Also, in addition to building stand-alone affordable housing, Plan Bay Area 2050 calls for integrating affordable housing into all major housing projects to meet the needs of all residents by 2050. California law (GC 65589.7) requires that special districts grant priority status to affordable housing developments and adopt written policies and procedures with specific objective standards for provision of services in conformance with this requirement.

⁵⁴⁹ Association of Bay Area Governments, Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area 2023-2031, 2021, p. 30.

⁵⁵⁰ Bay Area Housing Finance Authority, Momentum for Lasting Solutions, 2021.

⁵⁵¹ Bay Area Housing Finance Authority, Momentum for Lasting Solutions, 2021.

⁵⁵² Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area 2050, October 21, 2021, p. 33.

Numerous Bay Area cities have had inclusionary housing policies in effect for years, requiring developers to reserve a set number of homes in new buildings as affordable units. These policies promote the development of mixed income apartment buildings without requiring a direct government subsidy. Instead, the cost of providing affordable housing is built into the developer's financial projections. Plan Bay Area 2050 envisions a regional approach to inclusionary zoning that is context-specific, with requirements for affordable housing ranging from 10 percent to 20 percent of the total number of apartments built. The percentage would be based on factors like the strength of the housing market and proximity to amenities like transit or well-resourced schools. An exemption for buildings with five units or less would allow homeowners to affordably add backyard cottages and other accessory dwelling units (ADUs).⁵⁵³

ADUs have been one of the major strategies in addressing the housing crisis. State legislators are pursuing zoning reform to allow more small-scale housing types, particularly in low density neighborhoods. ADUs, commonly known as secondary units, backyard cottages, and in-law units, are one such housing type. Over the past few years, state legislators reduced parking requirements, lot size minimums and setback requirements, and development fees to incentivize construction of ADUs.⁵⁵⁴

Since the Bay Area Council partnered with Senator Bob Wieckowski to pass the first significant Accessory Dwelling Unit (ADU) reform legislation in 2016 (SB 1069), ADU permits have soared across the state. With other housing permits remaining stagnant or falling, ADUs represent a bright spot in California's housing crisis. The Council continues to advocate for reforms to expand access to ADUs, including most recently sponsoring legislation by Assembly member Phil Ting (AB 561) making it easier for homeowners to finance ADU construction.⁵⁵⁵

An analysis by the Bay Area Council Economic Institute using data from the California Department of Housing and Community Development (HCD) shows Accessory Dwelling Units (ADUs) accounted for 13.4 percent of all housing permit types in the Bay Area in 2020, a significant jump from 3.2 percent in 2016. In Marin and Napa, the Bay Area counties permitting the lowest amount of housing, ADUs are the

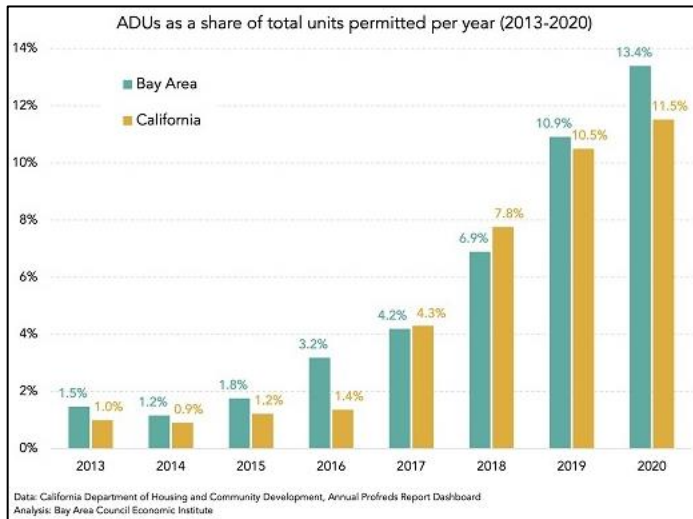
⁵⁵³ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area 2050, October 21, 2021, p. 33.

⁵⁵⁴ Center for Community Innovation, ADUs in CA: A Revolution in Progress, October 2020, p. 5.

⁵⁵⁵ Bay Area Council Economic Institute, New Analysis of Housing Permits Shows Prominence of ADUs in the Bay Area, <http://www.bayareaeconomy.org/new-analysis-of-housing-permits-shows-prominence-of-adus-in-the-bay-area/>.

majority of permits, making up 49.4 percent of all housing permits in Marin County and 40.3 percent in Napa County.⁵⁵⁶

Figure A.3-2: Accessory Dwelling Units, 2013-2020



Source: Bay Area Council Economic Institute

Figure A.3-3: Housing Permits by Type in the Bay Area, 2020

	Accessory Dwelling Units	Multi-Family (2 - 4 Units)	Multi-Family (5+ Units)	Single-Family Attached Units	Single-Family Detached Units	Mobile Home Units
Marin	49.4%		18.1%	10.7%	16.0%	5.8%
Napa	40.3%		28.2%	12.7%	17.1%	1.7%
San Mateo	18.9%	1.0%	69.3%	2.3%	8.0%	0.5%
Santa Clara	14.4%	0.6%	72.6%	4.7%	7.7%	
San Francisco	14.3%	2.4%	80.8%		2.5%	
Alameda	13.2%	1.6%	65.9%	5.8%	13.5%	
Sonoma	13.0%	1.3%	41.3%	11.6%	29.6%	3.2%
Contra Costa	8.8%	1.6%	32.7%	1.0%	46.1%	9.9%
Solano	2.9%	0.1%	41.0%		55.7%	0.3%
Total	13.4%	1.2%	60.1%	3.9%	19.7%	1.8%

Source: Bay Area Council Economic Institute

⁵⁵⁶ Bay Area Council Economic Institute, New Analysis of Housing Permits Shows Prominence of ADUs in the Bay Area, <http://www.bayareaeconomy.org/new-analysis-of-housing-permits-shows-prominence-of-adus-in-the-bay-area/>.

A majority of ADU production takes place in areas with high home values and incomes, such as the San Francisco Bay Area, as depicted in Figure 3-2.⁵⁵⁷ ADU production is generally occurring in diverse, transit-accessible neighborhoods where a greater share of homeowners have recently purchased their homes and still have a mortgage. Overall, 92 percent of ADUs are built on parcels zoned for single-family residential, but about two percent are being built on lots with duplexes, triplexes, or fourplexes, suggesting that the move to build the missing middle has already begun. Almost 70 percent of ADUs are built on parcels where the main house has three bedrooms or more, suggesting that lack of space is not the primary motivator. Over 3,300 ADUs have been built on parcels of less than 5,000 square feet, suggesting that eliminating minimum lot sizes may have a meaningful impact on state housing production.⁵⁵⁸ Recently, researchers found that there is potential for 1.5 million new ADU units across the state, which could account for approximately 40 percent of the state’s housing need.⁵⁵⁹

Despite widespread support among the general public and local elected officials for the new legislation, ADU construction is not occurring evenly across the state due to pervasive barriers that often limit development. Finances (27 percent), lack of awareness (16 percent), and lack of desire (16 percent) remain significant barriers to ADU development. Jurisdictions also report that the State’s top-down ADU legislation presents challenges for local ADU construction.⁵⁶⁰

LOCAL LAND USE PLANNING AND COORDINATION

Generally, federal law delegates land use control to states. In the late 19th century, California further delegated authority over land use to local governments as part of the “home rule” movement. While Plan Bay Area 2050 proposes strategies to help the region accommodate a growing population more equitably, it does not mandate any changes to local zoning rules, general plans or processes for reviewing projects; nor does the plan create an enforceable direct or indirect cap on development locations or targets in the region. The Bay Area’s cities, towns and counties maintain control of all decisions to adopt plans and to permit or deny development projects. Plan Bay Area 2050 helps guide, but does not directly establish, new state-mandated Regional Housing Needs Allocation (RHNA) numbers for any jurisdiction.⁵⁶¹

⁵⁵⁷ Center for Community Innovation, ADUs in CA: A Revolution in Progress, October 2020, p. 5.

⁵⁵⁸ Center for Community Innovation, ADUs in CA: A Revolution in Progress, October 2020, p. 5.

⁵⁵⁹ Center for Community Innovation, ADUs in CA: A Revolution in Progress, October 2020, p. 7.

⁵⁶⁰ Center for Community Innovation, ADUs in CA: A Revolution in Progress, October 2020, p. 5.

⁵⁶¹ Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area 2050, October 21, 2021, p. 32.

Zoning has been seen as a contributor to the housing crisis and to inequity. Plan Bay Area 2050 views zoning reforms as one tool to shift the region’s housing landscape toward inclusivity by allowing for more housing of different types to be built. Zoning must be approached from a context-specific lens that identifies opportunity sites for future growth, as well as areas where additional growth is inappropriate. Currently, two similarly located parcels can be zoned for dramatically different uses depending upon the communities in which they are located, with one permitting a wide spectrum of housing types, and another allowing only single-family homes on larger lots.⁵⁶²

These factors highlight the importance of cities’ land use planning and need for special districts to coordinate with and support cities’ planning efforts. Despite slower than expected growth rates, mainly due to the pandemic, growth in the region is inevitable. Given the RHNA as well as other developmental pressures identified in this chapter, local jurisdictions in the Bay area must engage in sufficient planning to accommodate the demand for housing as well as municipal services. Infrastructure like sewer capacity must be planned to keep pace with anticipated development to avoid the situation where housing cannot be supported despite the state requirement that it be planned for and the market demand for it to be built.⁵⁶³

⁵⁶² Association of Bay Area Governments and Metropolitan Transportation Commission, Plan Bay Area 2050, October 21, 2021, p. 32.

⁵⁶³ The paragraph contains excerpts from memo attached to Light Tree Developer Survey, written by Cox Castle Nicholson, June 26, 2020.

APPENDIX B: SUMMARY OF KEY FINANCIAL METRICS

Table B-1
City of East Palo Alto
Summary of Key Financial Metrics

Metric (Measure)	Actual FY2017-18	0 Actual FY2018-19	1 Actual FY2019-20	2 Approved FY2020-21	3 Approved FY2021-22	FY18 - FY22 Avg. Annual % Change	Comments/ Indicator
Balanced Budget							
Revenues (1)	\$21,785,000	\$28,460,000	\$30,525,000	\$26,839,500	\$28,920,000	0.5%	Low Growth
Expenditures (exc. capital/debt, & transfers)	<u>\$20,029,000</u>	<u>\$26,852,450</u>	<u>\$28,620,170</u>	<u>\$27,333,410</u>	<u>\$29,398,195</u>	3.1%	Moderate Growth
Net	\$1,756,000	\$1,607,550	\$1,904,830	(\$493,910)	(\$478,195)		
Reserves							
GF Reserves (ending General Fund balance)	\$9,651,785	\$19,086,455	\$23,090,015	\$28,083,855	\$19,125,000	na	Assets reclassified FY22
% of Operating Expenditures	48.2%	71.1%	80.7%	102.7%	65.1%	na	High Level of Reserves
Pensions and OPEB							
<u>Pensions</u>							
% Pension Funded			74.9%		not yet reported		Bartel Associates
Unfunded Pension Liability				\$11,507,754	not yet reported		Moderately Funded CAFR
<u>OPEB</u>							
	<i>No OPEB liability</i>						OPEB not a provided benefit
Long-term Obligations							
	<i>No Long-term Debt (only leases)</i>						
Infrastructure and Facility Assets							
Total Value (depreciable assets)	\$74,955,022	\$77,458,518	\$93,404,805	\$95,373,308	not yet reported		CAFR, Note 5
Depreciated Value	\$33,346,345	\$34,114,552	\$48,426,052	\$48,195,459	not yet reported		
Depreciated Value/Total Value	44%	44%	52%	51%			

Sources: Adopted Budgets and Comprehensive Annual Financial Reports

Table B-2
East Palo Alto Sanitary District (EPASD)
Summary of Key Financial Metrics

Metric (Measure)	FY2016-17	0 FY2017-18	1 FY2018-19	2 FY2019-20	3 FY2020-21	4 FY2021-22	FY18 - FY22 Avg. Annual % Change	Comment/ Indicator
Balanced Budget								
Revenues		\$4,932,752	\$5,106,713	\$5,782,374	\$5,973,913	\$5,832,241	4.3%	Moderate Growth
Expenditures (exc. capital, debt, and transfers)		<u>\$3,407,295</u>	<u>\$3,746,323</u>	<u>\$3,903,851</u>	<u>\$4,155,400</u>	<u>\$4,192,900</u>	5.3%	High Growth
Net		\$1,525,457	\$1,360,390	\$1,878,523	\$1,818,513	\$1,639,341		Avg. \$1,600,000
Reserves								
Ending General Fund Balance		\$7,514,641	\$7,297,796	\$11,296,519	\$9,949,132	\$11,273,473		High Reserves
% of General Fund Expenditures		220.5%	194.8%	289.4%	239.4%	268.9%		
Pensions and OPEB								
<u>Pensions</u>								
% Pension Funded		70.9%	69.2%	68.8%	67.5%	not yet reported		
Unfunded Pension Liability		\$1,585,923	\$1,791,690	\$1,857,784	\$1,975,202	not yet reported		
<u>OPEB</u>								
Net OPEB Liability		\$185,696	\$300,144	\$184,408	(\$31,214)	not yet reported		
% of General Fund Revenue		3.8%	5.9%	3.2%	-0.5%			
Long-term Obligations								
Total Principal Due		1,394,423	\$1,288,833	\$1,611,978	\$1,065,535	not yet reported		
% of General Fund Revenue		28.3%	25.2%	27.9%	17.8%			
Annual Debt Service		\$153,022	\$153,123	\$144,752	\$152,854			
% of General Fund Revenue		3.1%	3.0%	2.5%	2.6%			
Infrastructure and Facility Assets								
Total Value (depreciable assets)		14,125,666	14,214,188	14,394,190	14,394,190			Financial Reports Note 3
Depreciated Value		7,224,460	6,939,262	6,735,051	6,376,250			
Depreciated Value/Total Value		51%	49%	47%	44%			
Capital Additions -- Sewer/Pipe	\$445,252	\$1,451,257	\$59,508	\$180,002	\$0	avg (exc. WIP):	\$427,204	avg. FY17-FY21

Sources: Adopted Budgets and Annual Financial Reports.

**Table B-3
West Bay Sanitary District
Summary of Key Financial Metrics**

	0	1	2	3	4	FY18 - FY22	
	Actual	Actual	Actual	Projected	Approved	Avg. Annual	Indicator
	FY2017-18	FY2018-19	FY2019-20	FY2020-21	FY2021-22	% Change	
Balanced Budget							
Revenues	(1) \$26,298,032	\$28,293,053	\$31,414,052	\$32,706,011	\$31,223,897	4.4%	Moderate Growth
Expenditures (exc. depreciation)	<u>\$19,450,423</u>	<u>\$29,012,442</u>	<u>\$29,146,904</u>	<u>\$29,036,459</u>	<u>\$21,504,201</u>	2.5%	Low Growth
Net	\$6,847,609	(\$719,389)	\$2,267,148	\$3,669,552	\$9,719,696		
(less) depreciation	<u>(\$1,800,000)</u>	<u>(\$1,900,000)</u>	<u>(\$2,500,000)</u>	<u>(\$2,866,400)</u>	<u>(\$3,200,000)</u>		
Net after depreciation	\$5,047,609	(\$2,619,389)	(\$232,852)	\$803,152	\$6,519,696		
Reserves							
Operating Reserves	\$8,131,426	\$9,365,601	9,530,903	\$9,531,000	\$10,752,100		High Reserves
% of Expenditures (exc. depreciation)	46.1%	34.5%	35.8%	36.4%	58.7%		
Pensions and OPEB							
<u>Pensions</u>							
% Pension Funded	72.5%	71.2%	71.3%	70.4%	unfunded paid		CalPers, Misc. Plan
Unfunded Pension Liability	\$4,898,053	\$5,627,100	\$5,911,505	\$6,413,843	in full		High Pension Funding
<u>OPEB</u>							
Net OPEB Obligations				\$111,239	not yet reported		
% of General Fund Revenue				0.3%			
Leases and Long-term Debt							
State Revolving Loan Fund				\$17,335,200	\$16,600,000		Audit reports, Note 6.
Infrastructure and Facility Assets							
Total Value	\$76,125,515	\$76,028,349	\$77,418,631	\$107,556,875	not yet reported		Audit reports, Note 5.
Depreciated Value	\$48,195,102	\$46,283,600	\$42,101,559	\$68,500,682			
Depreciated Value/Total Value	63%	61%	54%	64%			

Sources: Adopted Budgets and Annual Financial Reports.
(1) Revenues include non-operating revenues (interest).

Response to Comments on the Municipal Service Review for the City of East Palo Alto, East Palo Alto Sanitary District, and West Bay Sanitary District

Letter	Individual or Signatory	Affiliation	Date
A	Nick B	Resident	5/2/2022
B	Luisa Buada	Ravenswood Family Health Network	5/2/2022
C	Jeff Poetsch	Ravenswood Shores Business District	5/3/2022
D	Duane Bay	EPACANDO	5/4/2022
E	Patrick Heisinger	City of East Palo Alto	5/5/2022
F	Kevin J. Ashe	Holland & Knight LLP	5/5/2022
G	Andrea Osgood	Eden Housing, Inc.	5/5/2022
H	Kim Diamond	Harvest Properties, Inc.	5/5/2022
I	Victor Dong	Ratepayer/developer	5/5/2022
J	Eileen McLaughlin, Jennifer Chang Hetterly, and Alice Kaufman	Citizens Committee to Complete the Refuge, Sierra Club Loma Prieta Chapter, and Green Foothills	5/5/2022
K	Ruben Abrica	Resident/City of East Palo Alto Councilmember	5/5/2022
L	Dennis C. Scherzer	East Palo Alto Sanitary District	5/9/2022
N	Sergio Ramirez	West Bay Sanitary District	5/17/2022
M	Mark Williams	Fagen, Friedman, & Fulfrost LLP	5/17/2022

From: [Nick B](#)
To: [Rob Bartoli](#)
Subject: MSR Public Comment
Date: Monday, May 2, 2022 8:05:43 AM

CAUTION: This email originated from outside of San Mateo County. Unless you recognize the sender's email address and know the content is safe, do not click links, open attachments or reply.

Hello Mr. Bartoli,

I would like to submit the following statement as public comment on the Municipal Service Review for East Palo Alto Sanitary District, City of East Palo Alto, and West Bay Sanitary District:

This report does not sufficiently explore the possibility of consolidation between EPASD and WBSD. The findings of this report conclude that 1) WBSD is a well run public agency and 2) already in the business of providing sewer services to the cities of Menlo Park and East Palo Alto. Nearly 10% of EPASD customers reside within Menlo Park and would have no elected representation in a subsidiary district to the City of East Palo Alto.

As WBSD is already established as a well run regional sewer utility in these cities, and others, consolidation between EPASD and WBSD would provide more complete representation to all residents receiving sewer services. A consolidated district would also provide the possibility of more affordable sewer rates to its customers by utilizing the efficiencies of economies of scale as well as higher quality of services as WBSD is an already existing sewer agency experienced in providing sewer services to its customers throughout southern San Mateo County.

This MSR should more sufficiently explore the possibility of consolidation as well as include as one of its recommendations that the EPASD board consider opening discussions with WBSD for consolidation.

Letter A	Nick B, Resident
Response A-1	Comment noted. As part of Section 8 – Reorganization Options of the MSR, the governance option of annexation of the EPASD service area to WBSD was expanded. The governance option discusses the potential economies of scale of having WBSD annex the service area and the management of the sewer service (Page 206-208).



South County Community Health Center, Inc.
dba Ravenswood Family Health Network

May 2, 2022

LAFCo Commission
Rob Bartoli, Executive Director
455 County Center, 2nd Floor
Redwood City, CA 94073

Re: East Palo Alto Sanitary District MSR

Dear Mr. Bartoli and LAFCo Commissioners,

As the CEO of Ravenswood Family Health Center in East Palo Alto, CA, a 20 year old Community Clinic that served comprehensive medical and dental services to over 9,000 residents in 2021, and have in our employment over 80 residents of the City; I am appalled and disheartened by the impasse we have experienced over the past 4 years with the EPA Sanitary District (EPASD). Our Community Health Center located on the corner of Bay Road and Pulgas Avenue was partnering with John A. Sobrato of the Sobrato Family Foundation to share in the building of a 60,000 square foot Non-Profit Resource Center on Pulgas Avenue adjacent to our clinic building, that would house our administrative services for staff and patients alike. In addition, the building would be home and a conference center, lease free, to many other non-profit agencies serving the residents of the City.

We started planning the construction of this building in 2018 with the goal of being able to complete the construction in the summer of 2022. We had worked with the City of East Palo Alto Planning Department through all of the pre-requisites for entitlement save obtaining a "Will Serve Letter" from the EPASD. What we received was a letter demanding \$6.6 million dollars to connect our proposed building ½ a block away to Bay Road. This would have increased the cost to build the project by 11% with no rational explanation or willingness to discuss the basis of such an outrageous price which no prudent developer would consider paying.

As a result, the project was unable to go forward, a great loss for the non-profit organizations serving East Palo Alto who desperately need subsidized space with shared meeting rooms and up-to-date infrastructure, especially HVAC given what we have learned from the COVID pandemic. With no future resolution in sight, Mr. Sobrato has gone on to build a Non-Profit Resource Center in Palo Alto on West Bayshore and is concentrating his philanthropic efforts on homeless housing solutions.

The non-profit organizations who are now left out, like our own health center, fill many needs of our lowest income residents, healthcare, legal advice, education, business development, financial training, counseling, job training and many other essential services that are financially and linguistically accessible. By their unwillingness to charge a reasonable price and simultaneously refusing to fix the sewer system that is broken and at capacity, EPASD is not fulfilling their duty to serve which questions their legitimacy. We ask this Commission complete and accept the EPASD MSR.

Sincerely,

Luisa Buada, RN BSN MPH
Chief Executive Officer

CC: East Palo Alto City Council Members
East Palo Alto City Manager

1885 Bay Road
East Palo Alto, CA 94303
Tel: 650.330.7400 Fax: 650.321.4552

Letter B	Luisa Buada, Ravenswood Family Health Network
Response	Comments noted.

RAVENSWOOD SHORES BUSINESS DISTRICT, LLC (RSBD)

PO Box 51862, Palo Alto CA 94303

Jeff Poetsch, President -

Phone - 650-207-4994 / email - jeffcp@earthlink.net

May 3, 2022

Mr. Rob Bartoli, Executive Director
San Mateo LAFCo
455 County Center, 2nd Floor
Redwood City, CA 94063-1663

Via e-mail - rbartoli@smcgov.org

RE: Consideration of Municipal Service Review Circulation Draft for the City of East Palo Alto, East Palo Alto Sanitary District and West Bay Sanitary District

Dear Mr. Bartoli:

On behalf of the members of the Ravenswood Shores Business District, I wanted to (1) confirm our concurrence with the findings, summaries and recommendations contained in the draft report, (2) address some inaccurate statements made by the East Palo Alto Sanitary District ("EPASD" or "District") in responding to this report, and (3) clarify faulty conclusions drawn by certain LAFCo Commissioners at the LAFCo hearing held on April 20, 2022.

The Ravenswood Shores Business District is a California limited liability company comprised of the majority of the landowners and businesses located in the 100-acre Ravenswood Area of East Palo Alto. Membership includes about seventeen corporate and non-profit property owners and was established to speak with one voice for the benefit of our membership. Our members include small business such as Cal Spray, Tou-Bar Equipment, Catered Too, Knotty Hole Cabinets as well as not for profit and municipal organizations including Menlo Park Fire Department, the Primary School, EPACENTER Art and Ravenswood Family Health Center and some of the major landowners in the Ravenswood. The organization works in partnership with the City and other agencies / stakeholders such as the San Francisquito Creek JPA to coordinate and support necessary infrastructure improvements in the Ravenswood area of East Palo Alto.

1. Concurrence with the finding, summaries and recommendations contained in the draft report - As addressed in the report, a transition of EPASD to a subsidiary district of the City of East Palo Alto insures that the City, as the appropriate land use authority, makes the decisions regarding the developments within the City and insures the services provided within the City meet the need of the residents and business it represents. Advantages of this reorganization option includes alignment with the City's land use planning, reduced inefficiencies and costs due to an additional layer of government, and enhanced management and supervisory structure of the City. It has been the conclusion of the Municipal Service Review from as long back as 1986, that the reorganization of the EPASD was in the best interests of both the City and the ratepayers of EPASD. It is time to implement this recommendation.

2. Correction of inaccurate statements made by the East Palo Alto Sanitary District - The District has consistently made inaccurate statements regarding both (a) the position of “will serve” applicants to pay their “fair share” of infrastructure improvement costs and (b) the condition of the current infrastructure.

2. (a) The District continually and inaccurately states and represents that the applicants for “will serve” letters want the District ratepayers to pay for ALL of the necessary improvements to the sanitary sewer system, even those improvements that are necessitated by the new development. Whether it is the small land subdivision being proposed by Victor Dong, or the large residential development Woodland Park, the proponents of these projects have stated they would be pleased to pay their “fair share” of the sanitary sewer improvement costs. Sandhill, University Circle and Sobrato Organization have even proposed a methodology for the “fair sharing” of sanitary sewer infrastructure improvement costs. While this proposal was presented to the EPASD Board in January 2022, there has been NO response to this by the District’s General Manager or Board. Rather, the District continues to argue the false narrative, that the “Developers” want to enrich their pockets by making the rate payers pay for all sanitary sewer improvements, failing to acknowledge the facts that the project proponents seeking will serve commitments are willing and able to pay their “fair share” of these improvements.

2. (b) The District’s General Manager consistently represents that there are NO current deficiencies in the existing system. As is pointed out by the MSR review of the 2015 Sewer System master plan and the 2021 Update, this representation is factually incorrect. The current system without any additional development has approximately \$24 Million of system wide deficiencies. The failure of the District’s General Manager and Board to address these deficiencies, that have been documented since 2015, is a very troubling sign of the lack of transparency of the current District administration.

C-2

3. Addressing faulty conclusions by some of the LAFCo Commissioners - During the April 20th LAFCo Board Meeting, certain Commissioners appeared to reach conclusions regarding the operation of the District that we believe are inaccurate or misinformed: specifically, their conclusions or assumption that the District is (a) well run and (b) has an appropriate connection fee structure.

3. (a) The District is NOT currently “well-run.” As shown by the substantial evidence in the MSR report, the District has failed to address current system wide deficiencies, to provide meaningful staff reports pursuant to their Board agenda items, and to provide any meaningful written response to inquires or proposals for cost sharing of potential system improvements. All are all examples of the dysfunctional nature of the District in its current organization. As noted by one Commissioner, it is clear that the District does not follow even the most “common” practices for Districts, much less the “best” practices.

3. (b) There is NO written connection fee structure or policy for the EPASD to assess fair share connection fees for projects. Rather, when a project seeks a “will serve” commitment from the District, a hydrological study paid for by the project, conducted by the District and District’s consultant, is completed. Then the District Manager stipulates a “connection fee” requirement. This “fee” is not based on any documentation or any adopted Capital Improvement Plan - and is not subject to explanation, discussion or negotiation. Rather, it is a “take it or leave it”

C-3

Mr. Rob Bartoli, Executive Director
San Mateo LAFCo
Page 3 of 3

demanding millions of dollars from all projects. These demands are not based on any standard of fair share, nexus, or documentary standards, and as such, cannot reasonably be considered appropriate.

The Ravenswood Shores Business District and our members support a well-integrated economic development program by the City that supports the needs of the residents, business and landowners. This is impossible given the well-documented dysfunctional aspects of the East Palo Alto Sanitary District. The economic harm to the City of East Palo Alto by the abandoned and stalled development projects is unfortunate. Ratification and implementation of this MSR, is the appropriate action to address this problem.

Sincerely,

Jeff Poetsch

Jeff Poetsch, President and Executive Director
Ravenswood Shores Business District'

cc: Mayor Rubin Abrica, City of East Palo Alto
Vice Mayor Lisa Gauthier, City of East Palo Alto
Council Member Antonio Lopez, City of East Palo Alto
Council Member Carlos Romero, City of East Palo Alto
Council Member Regina Wallace-Jones, City of East Palo Alto
Patrick Heisinger, Interim City Manager, City of East Palo Alto

Letter C	Jeff Poetsch, Ravenswood Shores Business District
Response C-1	Comments noted. The MSR identifies that the transition of EPASD to a subsidiary district of the City aligns the interest of the City, including ensuring those developments with the greatest community benefits move forward and those services provided within the city limits meet the needs of the residents and businesses it represents.
Response C-2	In the MSR, LAFCo recommends that an independent engineering analysis should be conducted to review the previous hydraulic analysis and assumptions to reconcile the apparent inconsistencies between predicted sewer overflows under existing conditions and EPASD’s position that the system currently is adequate. EPASD states that the hydraulic analysis of the 2021 Addendum only indicated that the system is adequate for existing customers, however it cannot serve future developers. This statement appears to contradict the 2021 Addendum that predicts sanitary sewer overflows (SSOs) could occur at 38 manholes due to surcharge conditions in many of its pipes during a peak storm event under existing land use conditions and existing customers.
Response C-3	Statement added that “EPASD has no published policies or procedures for calculation of charges for collection system upgrades other than its standard capacity charges; discussions in EPASD meetings indicate that key assumptions (e.g., flows per resident of new buildings), reimbursement calculations, EPASD’s share, and other terms are negotiated with each development for projects ranging in scale from hundreds of units to a proposed single ADU” (Pages 142-143).



- Angah Miessi
- William Webster
- Mark Moulton
- Melvin Gaines
- Kenia Najar
- George Hunt
- Anna Turner

May 4, 2022

To: Rob Bartoli, Executive Officer, SMC LAFCo

From: Duane Bay, Executive Director, EPACANDO 

Subject: Suggested changes to draft Municipal Service Review

Preparing a summary of the huge volume of information gather from three agencies and submitted by many stakeholders is a daunting task. In my view the draft MSR is quite readable. I write to encourage you to clarify and strengthen three important points.

First, the MSR includes a lengthy Regional Growth Detail Report (Appendix A), which highlights the importance of housing, and affordable housing, for the region and the EPA community. However, the MSR does not “connect the dots” between the importance of housing and the policies and actions that each of the three agencies employ to facilitate an increase of housing supply at all levels of affordability.

- On p. 216, just before the paragraph that now starts off with, “Also, in addition to building stand-alone affordable housing,..”, consider inserting the following short paragraph: “Of particular relevance to this MSR, California law (GC 65589.7) calls upon special districts to give priority status to affordable housing developments.” D-1
- Consider adding a finding for each agency about their facilitation (or not) of housing production, probably under Present and Planned Capacity. D-2
- With regard to EPASD’s finding in this category, consider the following: “While EPASD Directors have voiced support for serving affordable housing developments that have secured Planning entitlements from the City, EPASD has not adopted policies or practices within its legislative prerogative to operationalize this intent. Further, at two current affordable housing development sites, comprising 227 net new homes, EPASD has demanded payment of not only the standard connection charges but also payment of 100% of what the District considers to be “the developers’ share” of the collection system upgrades along each development’s sewage flow path rather than a pro rata share even though each site would generate less than 5% of total sewer flow in its respectively trunk line.” D-3

Second, the MSR fails to highlight one of the District’s most patently unfair, and arguably illegal, practices—that quoting duplicative charges is standard. In well-documented instances already reported to LAFCo, the District separately quoted developers of 965

Weeks, JobTrain and Sobrato Foundation each add-on fees for 100% of the \$5 million to \$6 million cost to upsize the trunk line. In another well-publicized instance, EPASD unapologetically quoted add-on connection fees at \$14 million for a 4-house subdivision. The MSR's description of EPASD's fee-charging process (p. 108 and p. 182) is accurate as far as it goes, but it hides the full picture. At Step 4 it says, "EPASD then prepares cost sharing analysis depending on the outcome of the hydraulic impact assessment. If the develop agrees to the costs and required funding then the two entities enter into an agreement."

D-4

- Consider adding. "EPASD has no published policy or procedure for calculation of charges for collection system upgrades. It is common practice for EPASD to propose that each connection pay 100% of the "developers share" of capacity upgrades along its collection flow path rather than a share that is proportionate to each developer's estimated flow."

Third, the MSR understates the extent and importance of EPASD's usurpation of the City's local land use authority. The draft MSR states (at the end of the next to last sentence on p. 199), "...it appears *de facto* that EPASD is overstepping its approved powers by not actively addressing the capacity issues that are impeding proposed and approved development within the City." This misses important points.

D-5

- Consider replacing with the following: "...it appears de facto that EPASD is overstepping its approved powers. By not actively addressing the capacity issues that are impeding proposed and approved development within the City, and by neither publishing standard fee schedules and calculation methods nor negotiating ad hoc fees in good faith, EPASD has in effect imposed a moratorium on all development."

Thank you for your consideration.

Letter D	Duane Bay, EPACANDO
Response D-1	Language has been added to the MSR regarding California law (GC 65589.7) which requires that special districts grant priority status to affordable housing developments and adopt written policies and procedures with specific objective standards for provision of services in conformance with this requirement (Pages 10 and 224).
Response D-2	Comments were added to the MSR that strengthen the linkage between the importance of cities' land use planning and need for special districts to coordinate with and support cities' planning efforts to provide affordable housing (Page 185).
Response D-3	Comments noted.
Response D-4	Statement added that "EPASD has no published policies or procedures for calculation of charges for collection system upgrades other than its standard capacity charges; discussions in EPASD meetings indicate that key assumptions (e.g., flows per resident of new buildings), reimbursement calculations, EPASD's share, and other terms are negotiated with each development for projects ranging in scale from hundreds of units to a proposed single ADU" (Pages 142-143).
Response D-5	Comment noted.



CITY OF EAST PALO ALTO

Office of the City Manager

May 5, 2022

Rob Bartoli
Executive Officer
San Mateo Local Agency Formation Commission
455 County Center, 2nd Floor
Redwood City, CA 94063
rbatoli@smcgov.org

RE: Municipal Service Review Updates for the City of East Palo Alto, East Palo Alto Sanitary District, and West Bay Sanitary District

Mr. Bartoli,

This letter serves as the City of East Palo Alto's official response to the Draft Municipal Service Review (MSR) for the City of East Palo Alto (EPA), East Palo Alto Sanitary District (EPASD), and West Bay Sanitary District (West Bay) published by your agency on March 28, 2022.

On behalf of the City Council, staff, and the community of East Palo Alto, I want to thank you and the team at Berkson Associates for investing so much time in understanding and reviewing this critical issue.

The Draft MSR is a comprehensive document that provides robust analysis of the three subject entities and an accurate account of current issues impacting the ability of the East Palo Alto Sanitary District to meet the needs of East Palo Alto residents and taxpayers to advance new development ranging from individual accessory dwelling units (ADUs) to larger development projects consistent with the General Plan. Development that is stalled due to inadequate sewer infrastructure is essential to meet the City's affordable housing and employment opportunities and accommodate much needed services including a health care clinic and job training facility to the benefit of city residents and taxpayers.

Since its incorporation in 1983, the City has struggled to achieve economic growth and financial sustainability, especially in comparison to other nearby communities. To address this reality, the City's leadership has ensured a strong focus on actions that strengthen the City's economic profile, with the ultimate goal of improving the lives and enhancing the well-being of East Palo Alto residents. To that end, the City became successor to the East Palo Alto County Waterworks District in 2001 and the

Ravenswood Lighting and Drainage Maintenance Districts in 2005. Establishing the EPASD as a subsidiary district of the City, an alternative supported by the MSR, would make the City whole as a land use agency and utility provider.

From 2010 to present, the City, City Council, and residents advanced several policy and development actions to support the City's affordable housing and economic development goals, as shown in the table below:

CITY OF EAST PALO ALTO ADVANCEMENTS IN POLICY AND DEVELOPMENT	
Year	Action
2013	Approval of the Ravenswood / 4 Corners Transit Oriented Development (TOD) Specific Plan
2016	Approval of the Vista 2035 East Palo Alto General Plan
2017	Approval of Water Rights Transfer Agreement with the City of Mountain View to provide adequate water to support the City's future development objectives
2018	Passage of Measure HH (by 79.58%), a \$2.50 per square foot tax on certain development to support the City's affordable housing goals and provide residents with access to jobs in the S.T.E.M and building trades
2019	Approval of City-Wide Development Impact Fee Program to ensure new development in the City provides fair-share contributions to pay for much needed infrastructure
2020	Approval of new contractor (Veolia North America ¹) to operate and maintain the City's water system
2022	(In process) Potential update to the General Plan to account for additional growth

The City Council and staff have demonstrated a strong commitment to positioning the City to achieve a level of economic self-sufficiency to improve the quality of life for residents, business owners, and visitors.

For the last three years, several members of the City Council, City staff, consultants, and other stakeholders have attempted to collaborate with EPASD in an effort to develop solutions that would: 1) facilitate the advancement of City-approved development projects, and 2) ensure that those interested in developing in East Palo Alto are able to obtain the necessary information to make informed decisions. To date, very little tangible progress has been made. There has been one (1) project for which EPASD committed in an agreement to provide a sewer connection once the development was completed, and the EPASD has failed to meet the timelines specified in that agreement. Subsequently, the EPASD has stated that they will agree to a revised timeline, dependent upon the receipt of payment from the developer or City that is not based on any agreed-upon calculation.

¹ Veolia North America also operates and maintains sanitation infrastructure in other communities.

Considering the amount of time and effort that the City has committed to coordinating with EPASD, the lack of progress to date essentially has created a development moratorium in the City. The City's land use authority is being significantly compromised, as funding demands from EPASD may prevent all development from moving forward. In addition to this major concern, the City submits other information in response to the Draft MSR, including:

- Failure to implement the capital improvement plan for the aging sanitary sewer infrastructure poses a public health and safety risk to current East Palo Alto residents and impedes even minor development such as accessory dwelling units by existing rate payers
- City Attempts to Interface with EPASD of Policy Initiatives and Development Projects
- City Grant Experience Since 2010
- Additional Meetings and Coordination

Failure of EPASD to Implement Capital Improvement Plan (CIP)

The MSR documents that aside from improvements needed for new development, there is an estimated cost of \$23.9 million to replace and upsize pipe sections to eliminate potential surcharges and sanitary sewer overflows (SSOs). The District's failure to implement the CIP poses health and safety risk to the current rate payers. In addition, current residents are unable to obtain "will serve letters" for accessory dwelling units permitted by State law and the City General Plan.

E-2

City Attempts to Interface with EPASD on Policy Initiatives and Development Projects

On several occasions, representatives from the EPASD stated publicly they have not been informed of the City's General Plan/Zoning Update, nor have they received notice of new development projects being considered for City approval. However, the current chair of the EPASD Board of Directors is acknowledged as a key contributor in the City's General Plan document. Regarding notification about potential City development projects, the table below illustrates the submission timeline for key policy documents (General Plan/Development Code) that are required to be submitted by the City to all agencies for each project. All the documents identified in the chart below also are available in the State Clearinghouse database located at: <https://ceqanet.opr.ca.gov>

CITY POLICY DOCUMENTS SUBMISSION TIMELINE			
Policy/Project	(Notice of Preparation) NOP	Draft EIR	Final EIR
General Plan Update	3rd September, 2014	January, 2016	August, 2016
Zoning Update	3rd September, 2014	N/A- Exempt	N/A- Exempt
Primary School	18th May, 2017	5 November, 2018	April, 2019
965 Weeks	N/A-MND	N/A-MND	N/A - MND
Light Tree	N/A-MND	N/A-MND	N/A - MND
Sobrato Phase II	18th May, 2017	December, 2018	September, 2019

2020 Bay Road	18th May, 2017	TBD	TBD
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The project notification process involves documented communication with EPASD, in addition to invitations to community meetings that have been extended to the District.

City Grant Experience Since 2010

As mentioned in the Draft MSR, the City has pursued many grants to support essential projects, in alignment with the infrastructure and construction needs of the City. In the last ten years, the City has received more than \$110 Million in Federal, State, County, and other grants to support City infrastructure projects and initiatives. An additional \$18 Million in grants is pending, as the City awaits notification of potential awards.

Not every grant application submitted by the City has been successful, but every grant process is beneficial because the City gains an understanding of possible improvements to future applications. Since 2010, the City has submitted grant proposals amounting to \$31 Million that were not selected.

Many grant and low-interest loan options could be sought to improve the sanitation infrastructure immediately. The City agrees that significant efficiencies in planning and seeking financing for the City’s water system and sanitation infrastructure may be achieved.

E-3

Additional Meetings and Coordination

From May through October 2020, the City of East Palo Alto – East Palo Alto Sanitary District (EPASD) Joint Intergovernmental Committee (Committee) hosted seven meetings to identify strategies for advancing City-approved development projects, with specific attention to projects requiring entitlements from EPASD. The Committee was comprised of two EPASD Board Directors and two City Council members.

While City staff is grateful the Committee was reestablished to discuss critical topics of mutual importance for EPASD and the City, the work of facilitating, hosting, supporting, and managing all meetings was the sole burden of the City. Due to a reported lack of capacity and interest by EPASD, the City was required to draft all meeting reports in accordance with the Brown Act and host every virtual meeting. As such, the City contributed hundreds of staff hours, including City Clerk and City Attorney time, while EPASD provided very little assistance to supporting these joint meetings and offered little in collaboration.

E-4

From past practice, these joint meetings will continue to present an unbalanced burden on the City unless different expectations are established. For example, the City would consider the joint meetings be conditioned upon two things: 1) the District matching staff time in conducting the joint meetings and 2) the joint meetings focus on the illustrative CIP Finance Plan contained on page 147 in the MSR.

In conclusion, the City is greatly appreciative of the thorough analysis in the Draft MSR and the recommendations aimed at resolving documented inadequacies of the sewer infrastructure, lack of a CIP, and impasse regarding a funding formula to eliminate an intractable barrier to the achievement of critical City goals. For the past decade and beyond, the City has consistently built its capacity to attain economic self-sufficiency, through policy decisions, funding options, and strategies that result in beneficial development. The current issue of ensuring the District's sanitation infrastructure can support City-approved development is a challenge that must be resolved so all residents may benefit from citywide improvements and mindful growth.

Sincerely,



Patrick Heisinger
Interim City Manager

Letter E	Patrick Heisinger, City of East Palo Alto
Response E-1	Comments noted.
Response E-2	The MSR supports the prioritization of improvements and identification of financing mechanisms to fund existing deficiencies and future capacity needs over time as part of the development of a Capital Improvement Plan.
Response E-3	The recently awarded Federal grant of \$800,000 for the O'Connor Stormwater Pump has been added to the MSR.
Response E-4	In reflection of the effort put forward by the City regarding the Intergovernmental Relations meetings between the City and EPASD, additional language has been added to this recommendation. The meetings could be focused on specific topics such as development projects and infrastructure finance to help the agencies to allow for more directed discussions. These meetings should also be conducted with equal support and staff time from both the City and EPASD.

Holland & Knight

50 California Street, Suite 2800 | San Francisco, CA 94111 | T 415.743.6900 | F 415.743.6910
Holland & Knight LLP | www.hklaw.com

May 5, 2021

Via Electronic Mail

Robert Bartoli
Executive Director
San Mateo LAFCO
455 County Center, 2nd Floor
Redwood City, CA, 94063-1663
rbartoli@smcgo.org

Re: Stakeholder Narratives as Comments In Support of the San Mateo LAFCO's Consideration of the Public Draft, Municipal Service Review for the City of East Palo Alto, East Palo Alto Sanitary District and West Bay Sanitary District

Mr. Bartoli;

Our office represents the Sobrato Organization, developer of the University Plaza Phase II project in East Palo Alto. We are writing today to (i) submit previously transmitted "Stakeholder Input Forms" as comments on the San Mateo LAFCO's Public Draft Municipal Service Review ("MSR") for the City of East Palo Alto ("City"), the East Palo Alto Sanitary District ("EPASD") and the West Bay Sanitary District; and (ii) to confirm such stakeholders' support for the SM LAFCO's adoption of the Public Draft MSR.

The project narratives referenced above were prepared by various developers, non-profit organizations and individuals seeking to develop projects in the City. Many of these projects are (and have been for some time) fully entitled by the City, but have been forced into a standstill due to their inability to obtain a "will serve" letter from the EPASD.

This collection of experiences demonstrates that the EPASD has instituted a de facto development moratorium in East Palo Alto, irrespective of project type, location and size. Whether it be in connection to a new mixed use office building, affordable housing project, non-profit job center, 4-unit residential project, or new accessory dwelling unit ("ADU") — the EPASD continues to mistreat applicants equally as a matter of protocol. The EPASD does this through demanding excessive and unsubstantiated fees for infrastructure costs, followed by a general refusal to meaningfully consider alternatives and solutions to resolve the current gridlock. This is true notwithstanding repeated, well-reasoned requests from applicants to pay "fair share" contributions towards infrastructure improvements.¹ Even after multiple presentations to

¹ As explained to the EPASD, the District's demand that individual projects fund 100% of the cost of upgrades is legally impermissible because it fails to acknowledge that: (i) infrastructure improvements fix existing system deficiencies to the benefit of the entire system; (ii) for non-greenfield, infill development,

the EPASD Board and its General Manager on fair share proposals, EPASD Board meetings remain riddled with false claims that applicants are trying to pass 100% of the costs on to ratepayers.

Therefore, we respectfully submit the project narratives contained at **Exhibit A** as comments in support of the Draft MSR (and to be included in the administrative record) regarding the entities and projects below:²

- Sobrato, for the University Plaza Phase II project
- Sobrato, for the Sobrato Non-Profit Center project
- Sand Hill Property Company/Woodland Park Communities, for the Woodland Park Euclid Improvements project
- Emerson Collective, for the JobTrain, Center for Economic Mobility project
- Victor Dong, for a 4-single family home residential development at 961 Beech St.
- Ravenswood Family Health Network, for the Sobrato Center for Community Resources project
- Light Tree Two, L.P. (Eden Housing and EPA CANDO), for the Light Tree Apartments project
- Seven Bridges Properties, for the University Circle Phase 2 project.

Sincerely,



Kevin J. Ashe

HOLLAND & KNIGHT, LLP

upsized pipelines serve existing and future customers as well as an individual project; and (iii) individual development projects might contribute only a minor amount of sanitary sewer flow in upsized pipes total capacity.

² Presently, Holland & Knight, LLP represents only the Sobrato Organization and MidPen Housing Corporation (co-developer of the 965 Weeks St. affordable housing project) on matters before the EPASD. Our facilitation and submittal of the information described herein does not establish an attorney-client relationship with the other stakeholders referenced herein.

cc:

Tim Steele, The Sobrato Organization
Robert Tersini, The Sobrato Organization
Mike Kramer, Sand Hill Property Company
Lorenzo Brooks, Emerson Collective
Victor Dong
Matt Schreiber, Eden Housing
Luisa Buada, Ravenswood Family Health Network
Duane Bay, EPA CANDO
Mark English, Seven Bridges Properties

EXHIBIT A

Stakeholder Input Forms

Stakeholder Input Form¹
San Mateo LAFCO's Municipal Service Review for
East Palo Alto, Menlo Park, and the East Palo Alto Sanitary District ("EPASD")

Developer	The Sobrato Organization
Contact	Name: Tim Steele Phone: 408.796.6498 Email: tsteele@sobrato.com
Project Name	University Plaza Phase 2
Project Description (e.g., residential or commercial, number of units, etc.)	203,967 square feet office space and 8,690 square feet community flex space replacing 7,129 square feet of existing office space and 4,366 square feet of medical office space.
Entitlements Status	<input checked="" type="checkbox"/> Approved: 12/3/2019 <input type="checkbox"/> Pending: _____ (date) <input type="checkbox"/> Other: Please specify:
CEQA Document	<input checked="" type="checkbox"/> Environmental Impact Report <input type="checkbox"/> Negative Declaration / Mitigated Negative Declaration <input type="checkbox"/> Categorical / Statutory Exemption <input type="checkbox"/> Other:
Level of EPASD Participation in Project's CEQA Review	EPASD was noticed on the availability of the Notice of Preparation and the Draft Environmental Impact Report. EPASD did not provide comment on either document.
First Contact with EPASD	Date: 10/12/2018 Submitted application and project sewer generation estimate.
Will-Serve Letter Status	<input type="checkbox"/> Approved: _____ (date) <input type="checkbox"/> Pending: _____ (date) <input checked="" type="checkbox"/> Other: Please specify: Project has neither a will serve letter, formal denial of service, nor a clear path forward to obtain a will serve letter.
Project Sanitary Sewer Flow Estimates (gpd)	10,560 gpd average dry weather flow included with the 10/12/2018 application. This was later reduced to 9,946 gpd to reflect the reduced project size in response to City Council.
EPASD Fee Estimate (if any)	\$224,825 based on 9,946 gpd and \$6060/EDU (240 gpd/EDU) This is based on EPASD documented capacity fee and EDU sewer generation.

¹ This Stakeholder Input Form ("Form") was prepared by a working group of stakeholders and developers with approved and/or pending development projects in the City of East Palo Alto. This Form is intended to inform the SM LAFCO in its preparation of a Municipal Service Review for the City of East Palo Alto, City of Menlo Park, and the EPASD.

Please provide a summary of the Project's experience with the EPASD?

The whole process with the EPASD has been unnecessarily time consuming and frustrating. The University Plaza Phase 2 project originally submitted an application and sewer generation estimate October 10, 2018. It is now almost three years later and we do not have a permit to connect, denial of service, or a formal written proposal from the District. Currently, there is no reasonable path forward. Please see the attached project time line including communications with the EPASD.

The process to obtain a connection permit should be simple. Developers typically submit an application and sewer demand estimate, the City or District calculates the capacity fee based on the published fee, the Developer pays the fee and receives a permit to connect. This was the process experienced by the University Plaza Phase 1 project.

When the Phase 2 project started planning, the team knew of the Phase 1 experience. The District also had a published Master Plan with a recommended capital improvement program (CIP) and a CIP implementation schedule. The District has an adopted updated fee schedule from 2018 with a documented capacity fee of \$6060/EDU. The project calculated anticipated capacity fee and submitted a check to the District for the amount of \$224,825. The capacity fee was rejected by the District. In public hearings the District has stated that the capacity fee does include infrastructure required to support development of new projects. The difference between the size of infrastructure identified in the Master Plan and that identified in individual project analysis is typically the same or only a little larger, potentially only requiring funding of the incremental cost.

The project formally submitted application to EPASD October 10, 2018. In November 2018 the District requested a deposit from the project to have their consulting engineer complete analysis of the additional flow on the District's system. The deposit was paid.

We received the first draft of the EPASD analysis memorandum in July 2019. The development team reviewed the memorandum and found several significant flaws in the methodology including the sewer generation rates and peaking factors. The methodology did not match that used in the master plan. The development team provided comments on the memorandum to the District July 31, 2019. The comment from the development team resulted in the August 1, 2019 email from the General Manager stating, "I would like to inform you that we would not be able to serve this project, we do not have the capacity as disc used in the memo."

In response to the project team's comments on generation rates and peaking factors, the District proposed to complete flow monitoring on the adjacent University Plaza Phase 1 (UP Ph1) office building to get actual office building sewer generation rates. The project team provided an exhibit showing where flow monitoring should be completed. The District provided a proposal for \$16,310 to complete the flow monitoring, which included installation of two new manholes in University Avenue at the building laterals. Sobrato promptly paid the requested deposit. The District then elected to install flow monitoring on a different, existing manhole on Capitol Avenue that only serves the building cafe instead of the two main building laterals at University Avenue that serve the bathroom cores as highlighted in the provided exhibit. When monitoring of the Capitol Avenue manhole did not produce any results, the District abandoned the monitoring program altogether. During the process the GM also stated that the UP Ph1 water demand was 65 gpd which we interpreted to be 65 gpd per 1,000 square feet. When questioned on the source of the water demand, the GM stated it was from water usage data provided by the City. Upon further investigation, including review of water bills and usage data, and a site visit, the project team found that the UP Ph1 water meter was broken and has not recorded water usage since it was installed. The District then requested, "the developer will need to deposit the sum of approximately \$3 million into a trust account with the District and sign development agreement with the District for us to move forward." At that time, the District did not have any study or cost estimate to back up the 3 million dollar request.

After a series of emails and memos the District requested additional deposit and had their consulting engineer revise the analysis and prepared an updated memorandum that was forwarded October 30, 2019. This memorandum identified \$6,130,600 in improvements without discussion of fair share costs or the fact that the existing system flows surcharged under peak wet weather flow even without the project. The development team provided comments on that memorandum January 14, 2020. The District provided written response in their March 10, 2020 letter.

In 2019 and 2020 the District had been preparing individual analyses for each of the development projects that submitted applications. These included University Plaza Phase 2, The Primary School project, Light Tree Apartments, 965 Weeks Street Apartments, Job Train, Sobrato Community Heath, Woodland Park Apartments. The District requested deposits for each of these analyses. Each identified significant required improvements without discussion of fair share contributions. Each was also done without including the other proposed developments. There was no holistic review until October 2020 when the District updated their master plan to include the 2016 General Plan land use changes.

Because of the one off nature of the separate analyses, development team coordinated a modeling effort that included several of these projects and developed fair share proposals presented to EPASD July 16, 2020, to EPASD August 20, 2020 and to the Intergovernmental Committee October 13, 2020. None of these presentations resulted in substantive comments.

The presentations and a few follow up emails were basically the end of formal project specific discussions until a meeting with the GM and Director Scherzer December 1, 2020. During the December meeting the GM said they would prepare a fee proposal that never materialized. Numerous follow up emails resulted in an email the January 4, 2021 email from the GM, "The developer needs to install the pipe recommended by the consultant and pay capacity fees at 6060 per equivalent EDU. I will forward this to you in a letter. This is very straight forward." No specific letter was forwarded. The GM then said that he had previously provided the letter in response to the Holland and Knight letter. We believe the GM was referring to the District's March 10, 2020 letter in response to the January 14, 2020 Holland and Knight letter. While District letter generically discusses a path forward, there is not proposal beyond simply replacing all of the "pipe recommended."

To date, the District has not provided a fair share proposal and the project does not have a viable path forward.

Please provide a summary of your experience working with and/or communicating with EPASD personnel. (To the extent available, please provide pertinent copies of communications to and from EPASD personnel at EXHIBIT A)

Communication with the District has been frustrating, unproductive and unprofessional. Communication with the General Manager (GM) often comes in short snippets, usually via email. Communication from the GM is single sentence, non-sequitur style through emails that is often difficult to interpret and understand. It is difficult to get formal written responses. Direction changes often. The GM is rude and talks over people, not letting them finish. The GM is often condescending in his communications to the development team.

Please provide a summary of your experience participating in, or observing, meetings of the EPASD Board of Directors.

Our experience with the EPASD Board meeting has also been frustrating and unproductive. The project team has presented fair share proposal to the District Board twice and both time the Board has not provided any comment. The City revised their General Plan that revised Land Uses in many parts of the City so support and

encourage development. This General Plan included extensive public outreach and a lengthy CEQA process. The Board clearly does not support the City's view of development.

There is often in-fighting and arguing amongst the Directors during the public meetings.

EXHIBIT A

**Pertinent Communications and/or Documentation
Involving the EPASD**

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**Chronology of Sobrato’s University Plaza Phase II Project
and Negotiations with the East Palo Alto Sanitary District
Prepared by Holland and Kight**

2015:

- **November 24, 2015:** The East Palo Alto Sanitary District (“EPASD” or the “District”) approves connection for University Plaza Phase I project after assessing a total payment of \$152,875 in capacity charges, inspection fee and permit fee for that project.

2016:

- **August 3, 2016:** Sobrato submitted a formal application to the City of East Palo Alto Planning Department for University Plaza Phase II Project (“UPP2”).

2017:

- **May 18, 2017:** A CEQA Notice of Preparation is published for the preparation of an EIR for UPP2.
- **June 12, 2017:** City’s Planning Commission hosted a scoping meeting for the UPP2 EIR. The District did not participate.

2018:

- **July 30, 2018:** Sobrato’s engineering consultants, BKF Engineers, Inc. (“BKF”) prepares memorandum to evaluate sanitary sewer capacity needs for the Project. The memorandum concludes that “The UPP2 proposed development would increase sanitary sewer demand by 10,560 gpd ADWF and 22.0 gpm PWWF. The existing 12-inch main on Donohoe Street has capacity to accommodate this increase and will flow 38.7% full with implementation of the project.”
- **December 2018:** UPP2 Draft EIR published and released for public comment. The District did not submit comments.

2019:

- **July 18, 2019:** The District’s consultants Freyer & Laureta, Inc. (“F&L”) prepare memo evaluating the hydraulic flow for the Project. The F&L memo notes that “The results of the hydraulic evaluation showed minimal impact to the system flows as a result of the additional average day from the University Plaza Phase I and Phase II projects but the model does indicate there is a potential for SSOs as a result of the peak instantaneous flows from the developments.” (p.3).
- **July 31, 2019:** BKF prepares memo responding to F&L’s July 18, 2019 Memo. BKF noted, among other things, that the District’s “calculation of peak hour demand is not industry standard and does not match the methodology used in the March 2015 East Palo Alto Sanitary District Master Plan Update prepared by [F&L]. ... this overly conservative methodology may unduly show impact to district wide facilities, hampering future development in the City of East Palo Alto.”
- **August 15, 2019:** General Manager notifies T. Morse (BKF) that he has requested a proposal from F&L to perform flow monitoring at the Project, and to reiterate [the District’s] position that “Any pipe flowing more than 67% full would need to be up-sized.”
- **August 30, 2019:** District’s General Manager emails T. Morse requesting an additional deposit of \$11,310 to proceed with the flow monitoring for UPP2.
- **September 27, 2019:** City released the Final EIR for UPP2.
- **September 18, 2019:** Series of emails between General Manager and T. Morse (BKF) regarding attempts to measure flow rate at UPP2. Pertinent quote from email from General Manager is as

follows: “I dont think we need to make further efforts measuring flow rate as this will amount to destruction of values” and “*the developer will need to deposit the sum of approximately \$3 million into a trust account with the District and sign development agreement with the District for us to move forward.*” “We dont have the capacity to accommodate this project without upgrading the system, i dont want us to spend money and time on fruitless strategy.”

- **October 7 and October 28, 2019:** City’s Planning Commission approved UPP2 by a vote of 5-2.
- **October 29, 2019** - F&L prepares technical memorandum analyzing sewer discharge impacts for the Project. The F&L memorandum includes an “opinion of probable costs” for system improvements to serve the Project in an amount of **\$6,130,600**. The F&L draft technical memorandum was never transmitted in final form.
- **November 6, 2019** – Tom Morse (BKF) sends email to Kamal Fallaha (the City’s Public Works Director) which expressed concerns over the District’s approach to analyzing existing sewer system capacity and determining system upgrades.
- **November 25 - 26, 2019** – Jennifer Renk, legal counsel for The Primary School (TPS), emails the District’s Counsel (M. Subramanian) with concerns over the F&L technical memorandum for the 1200 Weeks St. project, stating, “Total Opinion of Probable Project Cost of \$4,086,600 *without any narrative or commentary whatsoever.* [TPS] and [its] engineers have since tried to engage in a conversation with EPASD as to the assumptions and conclusions in this Memo with little success.” The General Manager replied as follows: “Am open to discussion on this, please provide me an official letter stating what part of the technical memo you disagree with, Please state the engineering basis of the disagreement referencing applicable equations such as the St Venant or Manning equation. Please also provide details of the applicable codes such as EPASD Design Standard, EPA Standard, Ten State Standard or California Plumbing Code as applicable. In addition, if you disagree with the cost, please provide your opinion of probable cost and its basis such as GASB 48, depreciation basis and valuation basis as applicable.”
- **December 2019:** City Council held first and second hearing for UPP2; at the conclusion of the second hearing, the City Council voted (3-1) to approve UPP2, certify the Final EIR, and adopt the requisite CEQA findings.
- **December 10, 2019** – District’s Engineering Committee meets in-person at the District’s office, and invites City staff, Sobrato, MidPen and TPS to attend (including the various consultants and legal counsel for each developer). General Manager requests that Projects submit comments “in writing.”

2020:

- **January 14-16, 2020** – In response to General Manager’s request that Projects submit comments in writing on F&L technical memoranda, Sobrato and TPS submit a joint letter (the “Technical Response”) to District General Manager — which contested F&L’s opinion of probable project costs for each Project as unlawful under California statutory law and constitutional standards for fair share apportionment. The Technical Response also included analyses from BKF and Kennedy Jenks.

Submittal of the Technical Response triggered the following response from the General Manager: “Thank you for providing the letter and memoranda, please take this email as an acknowledgement. In pursuant to your letter, please note that the amount stated in the technical memoranda provided by Freyer and Lauretta [sic] is not a connection fee but an assessment fee as stipulated in your letter. I also wish to note that the memoranda contains some evidence of reasonableness and unreasonableness, these would be addressed in my response. Please be assured that am aware of the provision of the common law that the rates charged by Special Districts must be fair, just non discriminatory and reasonable, this is incontrovertible. Please also

note that a Special District may use a myriad of factors to justify assessment fees when reasonable, the letter and memoranda provided have not taken into consideration these myriad of factors surrounding the projects. I will be working with our legal team and engineers to provide an appropriate response that would demonstrate that the assessment and connections fees are not unreasonable when the infrastructure is at full capacity.

Please note that my response would demonstrate adherence to the following principles:

- Not arbitrary and capricious
 - Non Discriminatory and reasonable
 - Good faith intent
 - Rational basis
 - Proportional share”
-
- **January 24, 2020** – Holland & Knight sends email correspondence to General Manager clarifying the following statutorily defined terms: “connection fee,” “capacity charge” and assessment. General Manager responds as follows: “As I mentioned in my previous email, we dont have capacity for these projects, I will be given a presentation to City Council regarding these projects. Unless some funding is in place, I dont see a way forward.” “The cost indicated in the memoranda are not capacity fees, they are the cost to upgrade the system to accommodate these projects with reasonable level of service. The district does not have provision for these costs at the moment. Out annual budget is only \$5 million, the cost to upgrade the system is about \$15 to 20 million, to be honest with you, the money is not there. This is not a question of capacity fees or connection fees, this is the fact ... I think we all need to start having honest discussion about the root problem and move away from these terms. If the developer come up with the money, we would work out a financial model for them to be reimbursed.”
 - **March 6, 2020** – T. Morse (BKF) sends email to General Manager and F&L, requesting assistance from EPASD to confirm, update and run the District’s sewer model using the Hydra 7 software.
 - **March 11, 2020:** General Manager transmits the District’s response to the Projects’ January 14, 2020 Technical Response.
 - **March 31, 2020:** Email from General Manager to K. Ashe (H&K), stating “Hi Kevin, Please note that am aware that there are existing deficiencies in the system in terms of its ability to convey wastewater during a 10 yr storm event. Please also note that the District decided to use a combination of the marginal cost approach and the equity method to determine connection fees owing to the fact that some portions of the system have capacity for developments while some dont. As stated in my letter the District will pay the portion to correct existing deficiency after adjusting for salvage value and lost opportunity cost of asset. This will ensure that developers are only paying a proportional share. In order to move forward, there is need for us to develop a financial model of how these costs will be apportioned, this is expected to be preceded by model scenarios as proposed by Tom.”
 - **April 26, 2020** – BKF receives F&L’s proposal for additional services in connection with BKF’s Work Plan. Sobrato agrees to fund F&L’s costs, totaling \$5,450.00 to review and run the District’s sewer model using the Hydra 7 software.
 - **May 2020** - Based on the District’s own flow data, cost estimates for system-wide upgrades and cost methodology, BKF finalizes its fair share cost analysis. The fair share analysis accepts the District’s cost estimate of \$10.46 million for system-wide improvements, and (on a per-pipe basis) allocates “fair share” cost contributions based on (i) the District’s existing flow, (ii) capacity for current development projects, and (iii) future growth beyond the projects.

- **June 11, 2020** – District finalizes negotiations for the issuance of a will-serve letter for the Light Tree Apartment project. To secure a will-serve letter, Eden agrees to fund \$2.4 million (approx.) in upgrade costs, which substantially exceeded its “fair share” contribution per BKF’s analysis.
- **June 24, 2020** – H&K submits a fair share cost analysis and proposal (“Fair Share Proposal”) prepared by BKF Engineers to the District Board of Directors’ review and consideration. General Manager responds via multiple emails as follows:
- **July 2, 2020** – H&K speaks on behalf of the Projects during a Regular Board Meeting, requesting that the Projects be granted an agenda item to present and discuss the Fair Share Proposal to the Board of Directors and District’s General Manager.
- **July 6, 2020** – H&K sends follow up email to General Manager, requesting confirmation that the Projects will be provided an agenda item at the District’s Board Meeting of July 16, 2020 to present on the Fair Share Proposal. The General Manager replies via multiple emails as follows: “Absolutely, please note that the application for these projects have been denied due to non availability of capacity. Please also note that the developers can put a parallel pipeline next to the District pipes to serve their projects. Also note that the District does not intend to replace the existing pipes as it can still last for another 40 to 50 yrs. The calculations presented will only be applicable if the District intend to replace the existing pipe. Please also note that the proposal presented can bankrupt the District if the District is to spend existing rate payers money to help developers as there are many developers on the pipeline.
- **July 16, 2020** – H&K and BKF Engineers present to the Board of Directors at a Special Board Meeting on the Project’s Fair Share Proposal. The District General Manager recommends that the Board not pursue this option for concerns that the Fair Share Proposal will bankrupt the District. At the conclusion of the Special Board Meeting, the Board directs the District’s General Manager to continue working with the Projects to arrive at a solution, and to “re-active” an intergovernmental committee between the District and the City (the “Intergovernmental Committee”).
- **July 22, 2020** – H&K sends follow up email to General Manager, asking to be invited/notified of future Intergovernmental Committee meetings. General Manager replies as follows: “You need to come up with an acceptable option for discussion. You can see from the Board Meeting that the option being proposed will not be accepted. We are having intergovernmental tomorrow at 2 pm. You can attend by zoom.”
- **July 23, 2020** – The first Intergovernmental Committee meeting takes place, but key members of the City staff were not able to attend due to scheduling miscommunications.
- **July 31, 2020** – The Projects submit a supplemental fair share analysis and cost proposal (“Supplemental Fair Share Proposal”), which included an updated fair share calculation removing two projects from the analysis: (i) 1200 Weeks St. (initially proposed by The Primary School (“TPS”)); and (ii) the Light Tree Apartments (to be developed by Eden Housing in a partnership with EPA CAN DO).
- **August 12, 2020** – The second Intergovernmental Committee meeting takes place, but path forward still not discussed. The meeting was focused on establishing ground rules for when and how the Intergovernmental Committee would conduct its business moving forward.
- **August 20, 2020** – H&K and BKF present the Supplemental Proposal to the District Board and General Manager.
- **August 21, 2020** – Sobrato hand-delivers to the District’s office a check in the amount of **\$224,410.00**, accompanied with a letter explaining that Sobrato is tendering the full connection charges and capacity fees owed for the Project pursuant to the District’s published and adopted connection charges and capacity fee schedules. The tender respectfully demanded that the District issue a will-serve letter for the Project.
- **August 24, 2020** – The third meeting of the Intergovernmental Committee occurs. Holland & Knight speaks during public comment requesting that the Intergovernmental Committee prioritize

a path forward, while reminding the decision-makers that the Intergovernmental Committee was “re-activated” in response to the Project’s June 16, 2020 presentation to the District Board.

- **September 3, 2020** – The District returns the check Sobrato submitted on August 12, 2020, with a letter contending that the tender of connection fees and capacity charges for the Project is “premature.”
- **September 14 and 28, 2020** – The fourth and fifth meetings of the Intergovernmental Committee take place. At the September 14, 2020 meeting, the District and its consultants (Freyer & Laureta) provided a presentation titled “Sanitary Sewer Master Plan Addendum – Progress Update,” which offered an overview of the total possible costs associated with fully upgrading the entire EPASD system and accounting for both existing maintenance as well as future development. Cost sharing proposals were not yet discussed.
- **October 13, 2020** – Holland & Knight and BKF Engineers presents Supplemental Fair Share Proposal to Intergovernmental Committee. Jim Gibbs of Sperry Capital presents alternative funding mechanisms (i.e., bonds, loans, grants) available to the District. Mr. Gibbs also provided verbal update regarding the work he and District General Manager were undertaking to update the financial model presented at the September 28, 2020 Intergovernmental Committee meeting.
- **October 21, 2020** – San Mateo Local Agency Formation Commission (“LAFCO”) approves resolution to issue a Request for Proposals (“RFP”) to prepare a Municipal Service Review (“MSR”) for the District, City, and West Bay Sanitary District conditioned upon the developers funding preparation of the RFP and the MSR, with the caveat that the MSR would be postponed if the developers, City of East Palo Alto and EPASD have reached an agreement on the capital improvement cost methodology and issuance of will-serve letters to City approved projects.
- **October 27, 2020** – The final Intergovernmental Committee meeting of 2020 occurs. Intergovernmental Committee meetings have not yet resumed as of 2021. By the culmination of the Intergovernmental Committee meetings for 2020, the parties had not yet reached a resolution for the issuance of will-serve letters for the Project.
- **October 27, 2020 (ctd.)** – Sobrato submits letter to the District Board and City Council stating an openness to working in good faith to negotiate and equitable solution (including use of third party mediation). The District did not provide a response.
- **December 1, 2020:** Tim Steele of Sobrato met with the District General Manager and Board of Director Dennis Scherzer to discuss how to move forward with good faith negotiations and whether the District would be providing a detail position or counter proposal to the Projects’ Supplemental Fair Share Proposal. The District General Manager agreed to provide a letter with the District’s official position related to the Supplemental Fair Share Proposal. (*The District General Manager did not provide an official response, but on January 15, 2021, re-transmitted his letter dated March 10, 2020 — which predates both the Fair Share Proposal and Supplemental Fair Share Proposal.*)

2021:

- **January 7, 2021** – EPASD Board holds its first meeting of 2021, which included a presentation from Bartle Wells and Associates (Alex Handlers) as to how the District can fund infrastructure upgrade projects. Page 3 of the presentation (“Who Should Pay”) discusses proposals of whether developers, District/ratepayers, or the City should fund capital improvement projects — with each category treated in insolation and binary, and lacking the concept of proportionality amongst these groups. Further, the presentation was not subject to public comment, only a summary statement that a proposal had been presented to the developers. The Projects had not received the proposal in advance, and had not received any other written demands except for the General Manager’s October 29, 2019 transmittal of the draft F&L technical memo, and March 11, 2020 response to the Project’s written correspondence requesting fair share methodologies.

- **January 20, 2021** – The San Mateo LAFCO adopts resolution to initiate a MSR for the District, City, and West Bay Sanitary District.



Civil Engineers – Surveyors – Construction Managers

MEMORANDUM

Prepared by: Julia Dinglasan
Reviewed by: Jeff Tarantino, P.E.
Date: July 18, 2019
Re: East Palo Alto Sanitary District – Hydraulic Modelling
University Plaza Phase II Development



Freyer & Laureta, Inc. (F&L) is pleased to provide this memorandum to the East Palo Alto Sanitary District (EPASD) to present the results of the requested assessment of the proposed development's sewer discharge impacts, if any, on EPASD's existing collection system. The proposed developments of particular interest in the hydraulic modelling scenarios are the University Plaza Phase I and University Plaza Phase II. The goal of the modeling effort is to determine if the proposed developments impact the existing EPASD collection system potentially resulting in sanitary sewer overflows (SSOs) that would require EPASD to implement pipeline replacement project to increase the capacity of the existing collection system to eliminate the development caused SSO.

It was relevant to include hydraulic modeling results of flows from other proposed developments in the EPASD jurisdiction that have initiated applications for service. The supplementary developments included as part of the ultimate capacity evaluation are Village One, The Primary School, and University Corner developments. The hydraulic modeling results for the three separate developments have been previously submitted to EPASD and are not included with this hydraulic evaluation.

Analysis

University Plaza Phase I Impacts

Based on discharge information provided by EPASD, University Plaza Phase I will discharge an average of 28,497 gallons per day (gpd). Assuming the facilities' hours of operation span 8.5 hours per day, the calculated daily average discharge is 0.1323 cubic feet per second (cfs). Using a peaking factor of three to determine the peak instantaneous flow, the peak flow is calculated to be 85,491 gpd or 0.3968 cfs.

Flows were injected into the EPASD hydraulic model at the manhole located in the intersection of Capitol Avenue and Donohue Street. The results of the hydraulic evaluation showed minimal impact to the system flows as a result of the additional average day and peak flows from the University Plaza Phase I project. Please see Tables 1.1, 1.2, and 1.3 included in Appendix A that present modeled hydraulic impacts of University Plaza Phase I flows on the EPASD collection system.

The following figures show the hydraulic grade line during an average flow scenario (Figure 1) and a peak instantaneous flow scenario (Figure 2) for the University Plaza Phase 1 improvements. The blue lines in each figure indicates the modeled water surface elevation and the red line represents the ground elevation.

Figure 1 – Average Flow Hydraulic Grade Line

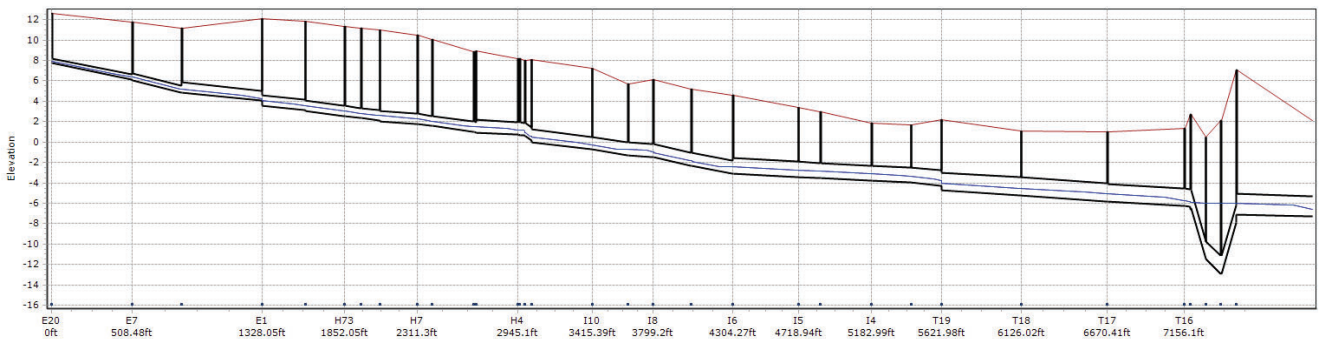
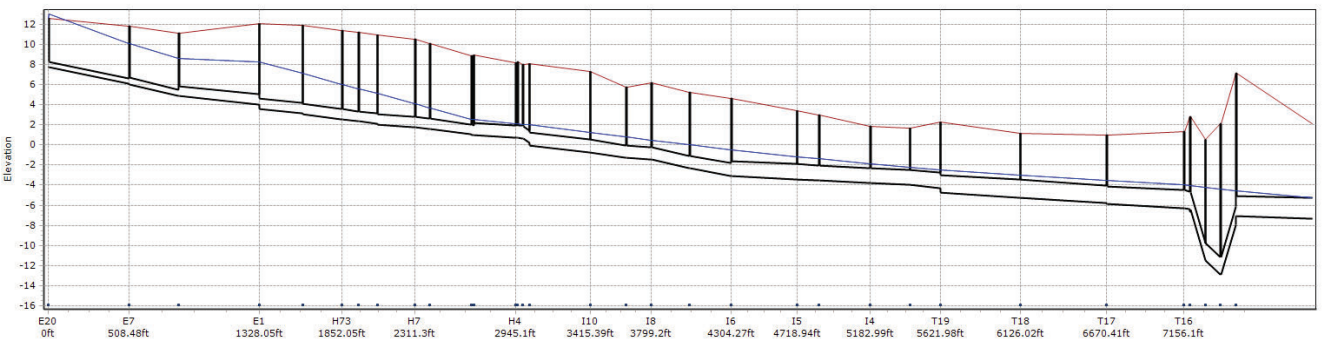


Figure 2 – Peak Flow Hydraulic Grade Line



University Plaza Phase I and II Impacts

According to discharge information provided by EPASD, University Plaza Phase I and II will discharge an average, combined total of 58,351 gpd into the EPASD sanitary collection

Figure 4 – Peak Flow Hydraulic Grade Line

system. Assuming the facilities' hours of operation span 8.5 hours per day, the calculated average daily discharge is 0.2549 cfs. The calculated peak instantaneous flow using a peaking factor of three is 175,053 gpd or 0.7647 cfs.

Flows were injected into the EPASD hydraulic model at the manhole in the intersection of Manhattan Avenue and Donohue Street. The results of the hydraulic evaluation showed minimal impact to the system flows as a result of the additional average day from the University Plaza Phase I and Phase II projects but the model does indicate there is a potential for SSOs as a result of the peak instantaneous flows from the developments. Please see Tables 2.1, 2.2, and 2.3 included in Appendix A that present modeled hydraulic impacts University Plaza Phase I and Phase II flows on the EPASD collection system.

The following figures present the hydraulic grade line during an average flow scenario (Figure 3) and a peak flow scenario (Figure 4) for the total flows from University Plaza Phase I and II. The blue lines in each figure indicates the modeled water surface elevation and the red line represents the ground elevation.

Figure 3 – Average Flow Hydraulic Grade Line

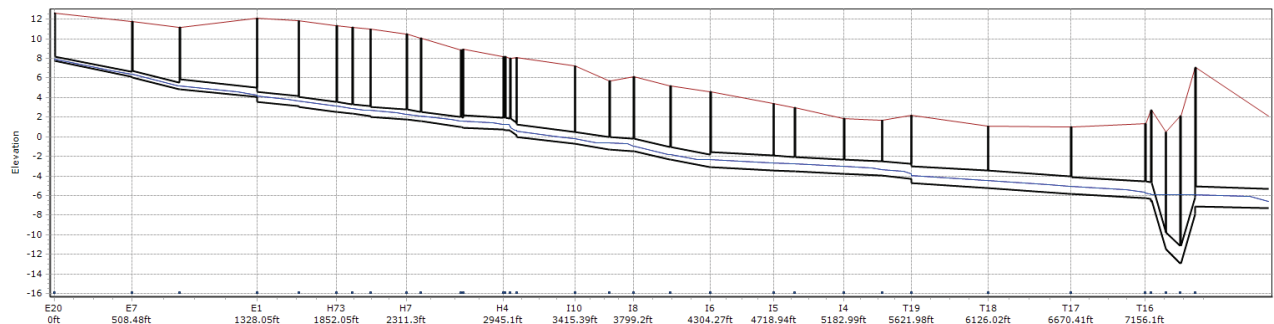
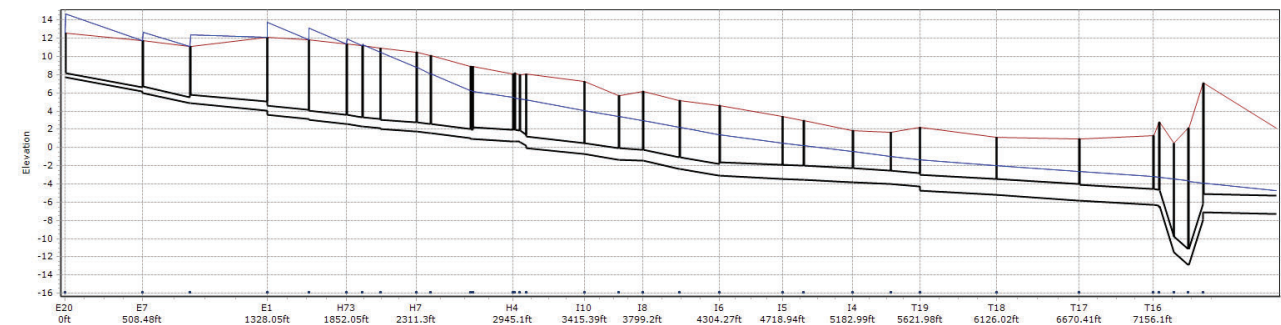
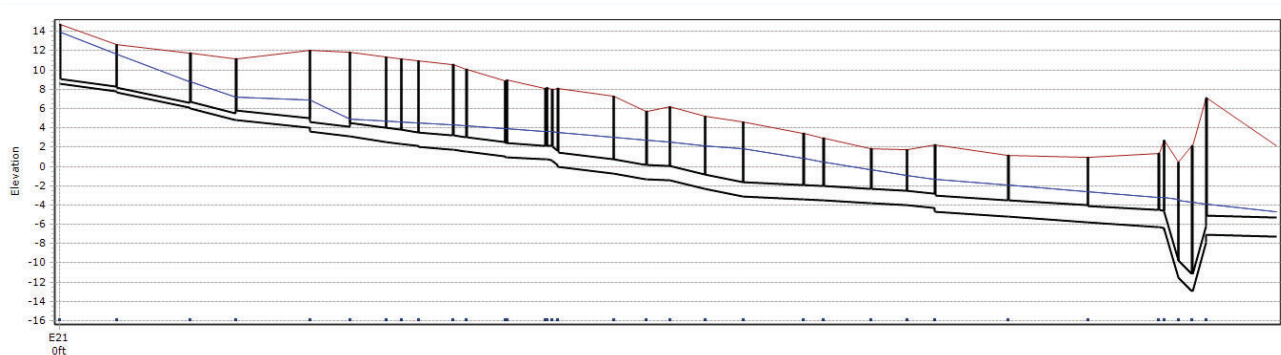


Figure 4 – Peak Instantaneous Flow Hydraulic Grade Line



At several locations on the profile in the figure above, the blue line representing the water level is above the red line representing the ground surface. When the modeled hydraulic grade line is predicted to be above the existing ground elevation, the model predicts that there could be SSOs as a result of the additional peak instantaneous flows. Figure 5 shows the profile of the same injection flow scenario with modified pipe sizes along the flow path in the collection to prevent the water level from breaching the manhole rim.

Figure 5 – Peak Flow Hydraulic Grade Line with Modified Pipes



In order to prevent the predicted SSOs, EPASD will need to replace approximately 3,900 linear feet of pipe starting from manhole H9 and continuing downstream to manhole T19. The old piping should be replaced by 20" DR17 HDPE pipe, which has an inner diameter of 17.506 inches.

Cumulative Impacts from all Developments

As discussed previously, it was relevant to include hydraulic modelling results of flows from other proposed developments that have initiated discussions with EPASD regarding potential service. The additional proposed developments are as follows:

Village One: 1201 Runnymede Street

Village One is projected to discharge approximately 3,615 gpd on average. This is equivalent to 0.0053 cfs. Applying a peaking factor of 3 yields a peak flow of 10,306 gpd or 0.0159 cfs, from the proposed site into the EPASD collection system. Please see tables 3.1, 3.2, and 3.3 included in Appendix A that present modeled hydraulic impacts of this development on the existing sanitary collection system.

The Primary School: 1200 Weeks Street

The Primary School is a new school and is projected to discharge an average of 49755.40 gpd. Assuming the school is occupied 8.5 hours per day, the average daily flow is calculated to be 0.2174 cfs. Applying a peaking factor of 3, the calculated peak instantaneous flow is 149,266 gpd or 0.6521 cfs. Please see tables 4.1, 4.2, and 4.3 included in Appendix A that present modeled hydraulic impacts of this development on the existing sanitary collection system.

University Corner: 2331 University Avenue

The proposed University Corner development is projected to discharge an average of 6,268 gpd, or 0.0097 cfs to the EPASD sanitary collection system. Using a peaking factor of 3, the calculated peak flow is 18,803 gpd, or 0.0291 cfs. Please see tables 5.1, 5.2, and 5.3 included in Appendix A that present modeled hydraulic impacts of this development on the existing sanitary collection system.

The numerical results of the impacts of all five developments on the EPASD sanitary collection system can be found in Tables 6.1, 6.2, and 6.3 included in Appendix A. Included in Appendix B is a copy of the EPASD system map color coded with the flow path from each of the five developments that were evaluated.

Appendix A

1. Table 1.1, 1.2, and 1.3
2. Table 2.1, 2.2, and 2.3
3. Table 3.1, 3.2, and 3.3
4. Table 4.1, 4.2, and 4.3
5. Table 5.1, 5.2, and 5.3
6. Table 6.1, 6.2 and 6.3

Appendix B

1. EPASD System Map

Appendix A
Tabular Summary of Hydraulic Modeling Results

Table 1.1

Proposed Development: University Phase 1				
Manhole used for Injection	Flow Injected into Manhole (cfs)		Flow Injected into Manhole (gpd)	
	Average	Peak	Average	Peak
E21	0.132274	0.3968	28497.00	85491.00

**Note: The peak flow was calculated by multiplying the average flow by a peaking factor of 3.*

Table 1.2

Existing Results						
Manhole	Average Flow			Peak Flow		
	Q (cfs)	Q (gpd)	Depth over Diameter*	Q (cfs)	Q (gpd)	Depth over Diameter*
E21	0.015	9694.755	0.2	0.0298	19260.25	0.24
D3	0.4121	266347.2	0.4	1.6487	1065583	1
E1	0.6185	399747.1	0.44	2.1283	1375556	1
T14	2.5167	1626586	0.53	8.4458	5458664	1

Table 1.3

Proposed Results: University Phase 1						
Manhole	Average Flow			Peak Flow		
	Q (cfs)	Q (gpd)	Depth over Diameter*	Q (cfs)	Q (gpd)	Depth over Diameter*
E21	0.1473	95202.49	0.56	0.4266	275718.8	1**
D3	0.4121	266347.2	0.4	1.6487	1065583	1
E1	0.7508	485254.8	0.5	2.5251	1632015	1
T14	2.6489	1712029	0.55	8.8426	5715123	1

**Note: The Depth over Diameter value is evaluated directly downstream of specified manhole*

***Note: the hydraulic model predicts that the hydraulic grade line at the indicated manhole will be above the rim elevation resulting in a predicted SSO*

Table 2.1

Proposed Development: University Phase 1 & 2				
Manhole used for Injection	Flow Injected into Manhole (cfs)		Flow Injected into Manhole (gpd)	
	Average	Peak	Average	Peak
D3	0.254915	0.7647	164755.61	85491.00
E21	0.132274	0.3968	28497.00	89562.00

**Note: The peak flow was calculated by multiplying the average flow by a peaking factor of 3.*

Table 2.2

Existing Results						
Manhole	Average Flow			Peak Flow		
	Q (cfs)	Q (gpd)	Depth over Diameter*	Q (cfs)	Q (gpd)	Depth over Diameter*
E21	0.015	9694.755	0.2	0.0298	19260.25	0.24
D3	0.4121	266347.2	0.4	1.6487	1065583	1
E1	0.6185	399747.1	0.44	2.1283	1375556	1
T14	2.5167	1626586	0.53	8.4458	5458664	1

Table 2.3

Proposed Results: University Phase 1 & 2						
Manhole	Average Flow			Peak Flow		
	Q (cfs)	Q (gpd)	Depth over Diameter*	Q (cfs)	Q (gpd)	Depth over Diameter*
E21	0.1473	95202.49	0.56	0.4266	275718.8	1**
D3	0.667	431093.4	0.52	2.4134	1559821	1**
E1	1.0057	650001	0.58	3.2899	2126318	1**
T14	2.9039	1876840	0.58	9.6073	6209361	1

**Note: The Depth over Diameter value is evaluated directly downstream of specified manhole*

***Note: the hydraulic model predicts that the hydraulic grade line at the indicated manhole will be above the rim elevation resulting in a predicted SSO*

Table 3.1

Proposed Development: 1201 Runnymede Street				
Manhole used for Injection	Flow Injected into Manhole (cfs)		Flow Injected into Manhole (gpd)	
	Average	Peak	Average	Peak
G2	0.0053	0.0159	3435.40	10306.20

**Note: The peak flow was calculated by multiplying the average flow by a peaking factor of 3.*

Table 3.2

Existing Results						
Manhole	Average Flow			Peak Flow		
	Q (cfs)	Q (gpd)	Depth over Diameter*	Q (cfs)	Q (gpd)	Depth over Diameter*
G2	0.0796	51446.83	0.32	0.1072	69285.18	0.36
T23	0.7858	507875.9	0.3333	1.8212	1177073	0.5333
T18	2.1091	1363147	0.3886	5.9582	3850886	0.7429
T16	2.1091	1363147	0.2857	5.9582	3850886	0.5029
T14	2.5167	1626586	0.53	8.4458	5458664	1

Table 3.3

Proposed Results: 1201 Runnymede Street						
Manhole	Average Flow			Peak Flow		
	Q (cfs)	Q (gpd)	Depth over Diameter*	Q (cfs)	Q (gpd)	Depth over Diameter*
G2	0.0849	54872.31	0.32	0.1231	79561.62	0.4
T23	0.7911	511301.4	0.3333	1.8372	1187414	0.5333
T18	2.1144	1366573	0.3886	5.9741	3861162	0.7429
T16	2.1144	1366573	0.2857	5.9741	3861162	0.5029
T14	2.522	1630011	0.53	8.4617	5468941	1

**Note: The Depth over Diameter value is evaluated directly downstream of specified manhole*

Table 4.1

Proposed Development: 1200 Weeks Street				
Manhole used for Injection	Flow Injected into Manhole (cfs)		Flow Injected into Manhole (gpd)	
	Average	Peak	Average	Peak
F7	0.2174	0.6521	49755.40	149266.19

**Note: The peak flow was calculated by multiplying the average flow by a peaking factor of 3.*

Table 4.2

Existing Results						
Manhole	Average Flow			Peak Flow		
	Q (cfs)	Q (gpd)	Depth over Diameter*	Q (cfs)	Q (gpd)	Depth over Diameter*
F7	0.064	41364.29	0.21	0.0986	63726.86	0.24
T24	0.6948	449061.1	0.2933	1.7006	1099127	0.48
T18	2.1091	1363147	0.3886	5.9582	3850886	0.7429
T16	2.1091	1363147	0.2857	5.9582	3850886	0.5029
T14	2.5167	1626586	0.53	8.4458	5458664	1

Table 4.3

Proposed Results: 1200 Weeks Street						
Manhole	Average Flow			Peak Flow		
	Q (cfs)	Q (gpd)	Depth over Diameter*	Q (cfs)	Q (gpd)	Depth over Diameter*
F7	0.2814	181873.6	0.39	0.7507	485190.2	0.72
T24	0.9122	589570.4	0.3467	2.3527	1520590	0.5733
T18	2.3265	1503657	0.4114	6.6103	4272349	0.8229
T16	2.3265	1503657	0.2971	6.6103	4272349	0.5257
T14	2.734	1767031	0.56	9.0979	5880127	1

**Note: The Depth over Diameter value is evaluated directly downstream of specified manhole*

Table 5.1

Proposed Development: 2331 University Avenue				
Manhole used for Injection	Flow Injected into Manhole (cfs)		Flow Injected into Manhole (gpd)	
	Average	Peak	Average	Peak
H35	0.0097	0.0291	6267.59	18802.77

**Note: The peak flow was calculated by multiplying the average flow by a peaking factor of 3.*

Table 5.2

Existing Results						
Manhole	Average Flow			Peak Flow		
	Q (cfs)	Q (gpd)	Depth over Diameter*	Q (cfs)	Q (gpd)	Depth over Diameter*
H35	0.1054	68121.812	0.36	0.1456	94103.76	0.4
H17	0.1394	90096.59	0.57	0.19	122800.2	0.72
I5	1.2611	815070.37	0.44	4.0468	2615516	1
T16	2.1091	1363147.2	0.2857	5.9582	3850886	0.5029
T14	2.5167	1626586	0.53	8.4458	5458664	1

Table 5.3

Proposed Results: 2331 University Avenue						
Manhole	Average Flow			Peak Flow		
	Q (cfs)	Q (gpd)	Depth over Diameter*	Q (cfs)	Q (gpd)	Depth over Diameter*
H35	0.1151	74391.087	0.36	0.1747	112911.6	0.44
H17	0.1491	96365.865	0.6	0.219	141543.4	0.81
I5	1.2708	821339.64	0.44	4.0759	2634323	1
T16	2.1188	1369416.5	0.2857	5.9873	3869694	0.5029
T14	2.5264	1632855.3	0.53	8.4749	5477472	1

**Note: The Depth over Diameter value is evaluated directly downstream of specified manhole*

Table 6.1

All Proposed Developments				
Manhole used for Injection	Flow Injected into Manhole (cfs)		Flow Injected into Manhole (gpd)	
	Average	Peak	Average	Peak
G2	0.0053	0.0159	3435.40	10306.20
F7	0.2309	0.6928	149266.21	447798.64
E21	0.132274	0.3968	85490.92	256472.76
D3	0.254915	0.7647	0.1804	494266.84
H35	0.0097	0.0291	6267.59	18802.77

**Note: The peak flow was calculated by multiplying the average flow by a peaking factor of 3.*

Table 6.2

Existing Results						
Manhole	Average Flow			Peak Flow		
	Q (cfs)	Q (gpd)	Depth over Diameter*	Q (cfs)	Q (gpd)	Depth over Diameter*
H35	0.1054	68121.81	0.36	0.1456	94103.76	0.4
H17	0.1394	90096.59	0.57	0.19	122800.2	0.72
I5	1.2611	815070.4	0.44	4.0468	2615516	1
T14	2.5167	1626586	0.53	8.4458	5458664	1
F7	0.064	41364.29	0.21	0.0986	63726.86	0.24
T24	0.6948	449061.1	0.2933	1.7006	1099127	0.48
T18	2.1091	1363147	0.3886	5.9582	3850886	0.7429
G2	0.0796	51446.83	0.32	0.1072	69285.18	0.36
E21	0.015	9694.755	0.2	0.0298	19260.25	0.24
D3	0.4121	266347.2	0.4	1.6487	1065583	1
E1	0.6185	399747.1	0.44	2.1283	1375556	1
T23	0.7858	507875.9	0.3333	1.8212	1177073	0.5333

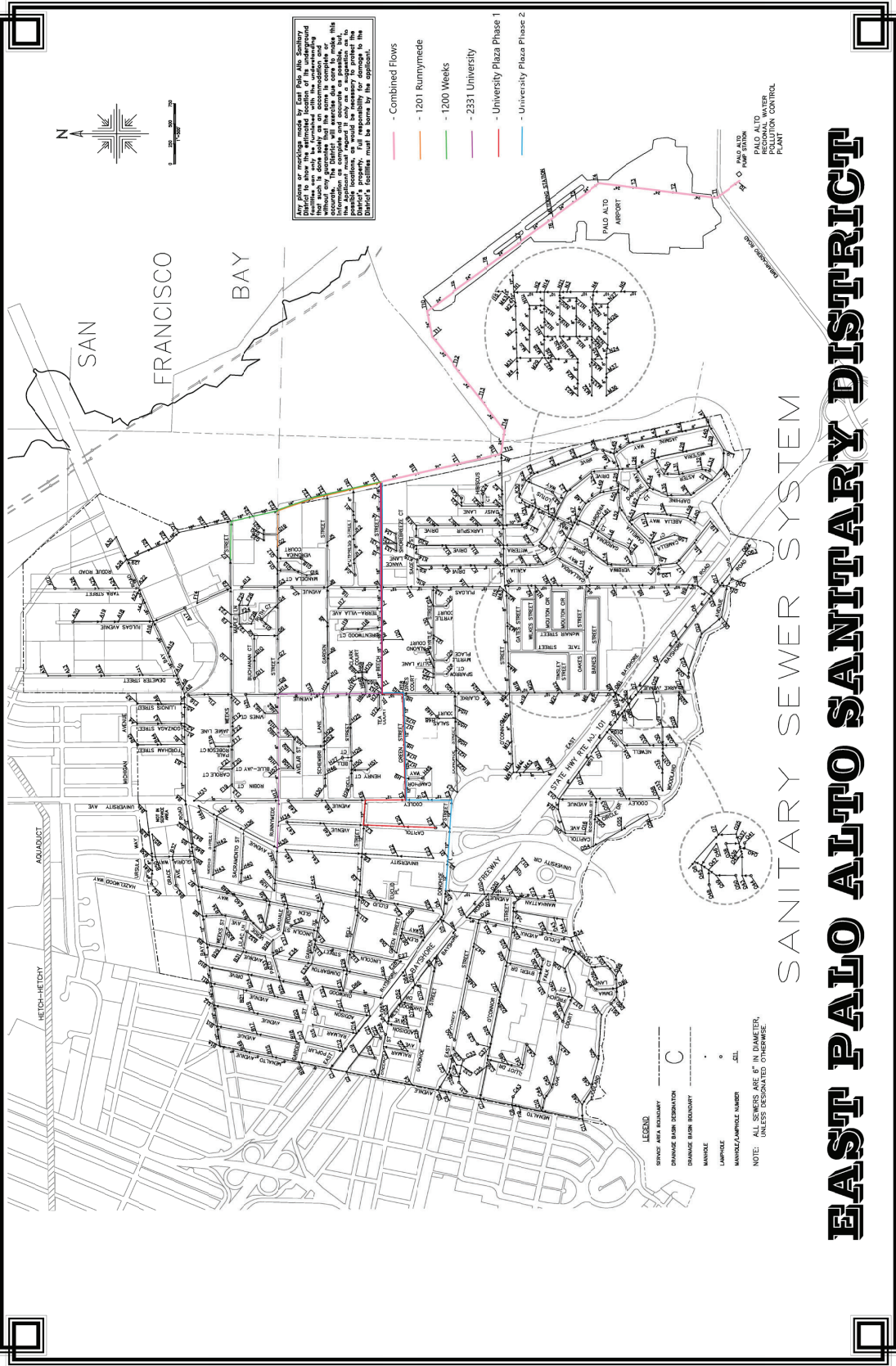
Table 6.3

Proposed Results: Combined Flows						
Manhole	Average Flow			Peak Flow		
	Q (cfs)	Q (gpd)	Depth over Diameter*	Q (cfs)	Q (gpd)	Depth over Diameter*
H35	0.1151	74391.09	0.36	0.1747	112911.6	0.44
H17	0.1491	96365.86	0.6	0.219	141543.4	0.81
I5	1.658	1071594	0.5067	5.2375	3385085	1
T14	3.1498	2035769	0.61	10.3452	6686279	1
F7	0.2949	190598.9	0.42	0.7915	511559.9	0.75
T24	0.9257	598295.6	0.3467	2.3935	1546960	0.5867
T18	2.7423	1772395	0.4571	7.8576	5078500	1
G2	0.0849	54872.31	0.32	0.1231	79561.62	0.4
E21	0.1473	95202.49	0.56	0.4266	275718.8	1**
D3	0.667	431093.4	0.52	2.4134	1559821	1**
E1	1.0057	650001	0.58	3.2899	2126318	1**
T23	1.0221	660600.6	0.3867	2.53	1635182	0.6667

**Note: The Depth over Diameter value is evaluated directly downstream of specified manhole*

***Note: the hydraulic model predicts that the hydraulic grade line at the indicated manhole will be above the rim elevation resulting in a predicted SSO*

Appendix B
EPASD Collection System Map with Development Discharge Flow Paths



Any plans or drawings made by East Palo Alto Sanitary District shall be subject to the approval of the City of Palo Alto. The City of Palo Alto shall be furnished with the unamended drawings and shall be responsible for the information and accuracy of the drawings. The City of Palo Alto shall be responsible for the information and accuracy of the drawings. The City of Palo Alto shall be responsible for the information and accuracy of the drawings.

- Combined Flows
- 1201 Runnymede
- 1200 Weeks
- 2331 University
- University Plaza Phase 1
- University Plaza Phase 2

LEGEND

SEWER AREA BOUNDARY

DRAINAGE BASIN BOUNDARY

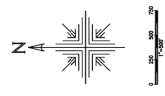
MANHOLE

MANHOLE/LAMPING NUMBER

NOTE: ALL SEWERS ARE 6" IN DIAMETER, UNLESS DESIGNATED OTHERWISE.

SANITARY SEWER SYSTEM

EAST PALO ALTO SANITARY DISTRICT



PALO ALTO
SANITARY
POLLUTION CONTROL
PLANT

July 31, 2019
BKF Job No.: C20160076

Mr. Akin Okupe, General Manager
East Palo Alto Sanitary District
901 Weeks Street
East Palo Alto, CA 94303

Transmitted Via Email: aokupe@epasd.com

**Subject: University Plaza, Phase 2, East Palo Alto, CA
Sewer System Hydraulic Modeling**

Dear Mr. Okupe:

Thank you for forwarding the sanitary sewer analysis memorandum titled, "East Palo Alto Sanitary District – Hydraulic Modelling, University Plaza Phase II Development," prepared by Freyer & Laureta, Inc and dated July 18, 2019. We have reviewed the memorandum and have several questions and comments outlined below:

1. It appears that all of the University Plaza Phase 1 sewer flows are applied to model Node E21 which is a 6-inch sanitary sewer main in the remaining portion of Capitol Avenue. While there is a connection to Capitol Avenue, this is a kitchen only connection with a grease interceptor. The majority of the sewer flows from the Phase 1 site discharge to the 12-inch sewer main in Donohoe Street near Node E4. Please revise then model.
2. The sewer generation rates used to calculate sewer demand for office building are approximately 0.14 gallons per day per square foot (gpd/sf). This generation rate is very conservative and does not reflect the current new building green development practices. We are currently using generation rates in the 0.05 to 0.07 gpd/sf range for new offices building in other jurisdictions.
3. The calculation of peak hour demand is not industry standard and does not match the methodology used in the March 2015 East Palo Alto Sanitary District Master Plan Update prepared by Freyer & Laureta, Inc. A peaking factor of 3.0 for Peak Hour Wet Weather Flow (PHWWF) seems reasonable and should address the system wide wet weather and diurnal fluctuations in flow. Dividing the average day flow by the assumed operational hours is unnecessary and provides an overly conservative peaking factor of close to 9. This isn't done for any of the residential projects in the calculations. In addition, this overly conservative methodology may unduly show impact to district wide facilities, hampering future development in the City of East Palo Alto.

Based on this methodology, that includes a large generation rate combined with assumed hours of operation and an additional peaking factor, calculations yield a peak flow of 343 gpm (0.766 cfs) from the combination of University Plaza Phase I and Phase II projects. To put this in perspective, this would require an 8 inch pipe flowing approximately full at 1 percent or 6 gallons every second. The Facebook Classic Campus (former Sun campus) and the MPK 20 building include approximately 1.5 million square feet combined and discharge into the same 8-inch main in Willow Road. Please revise PHWWF used in the model

4. We are not sure what is meant by peak instantaneous flow Gravity sewer mains and pump station are typically designed to PHWWF. Please update the memorandum.
5. Page 4 of the memorandum states approximately 3900 feet of pipe from MH H9 to MH T19 (generally Green Street and Beech Street) needs to be replaced as a result of peak instantaneous flow from UPPI & II. The March 2015 East Palo Alto Sanitary District Master Plan Update prepared by Freyer & Laureta, Inc identifies the replacement of these existing sewer mains as part of the recommended Capital Improvement Program (CIP). Appendices F & G of the Master Plan Update are attached. Based on the sizes identified in the recommended CIP there would be adequate capacity to serve future demands including the University Plaza project.
6. What is the status of the recommended Capital Improvement Program? Has timing been confirmed and funding identified? Has a fee schedule been identified?

Please let us know if a meeting would be helpful to discuss these comments. We look forward to working to your team to refine the modeling and better understand the project and cumulative impacts. Please contact me at 650.482.6419 if you have any questions regarding these comments.

Sincerely,
BKF Engineers



Thomas R. Morse, PE, LEED® AP
Vice President

Attach:
Appendices F & G, East Palo alto Sanitary District Master Plan Update, March 2015

cc:
Tim Steele, The Sobrato Organization
Robert Tersini, The Sobrato Organization

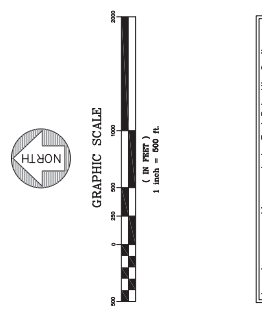
EPASD IMPROVEMENT PLAN
EAST PALO ALTO SANITARY DISTRICT
 EAST PALO ALTO, CALIFORNIA

CONSULTANT:

DATE	DESCRIPTION

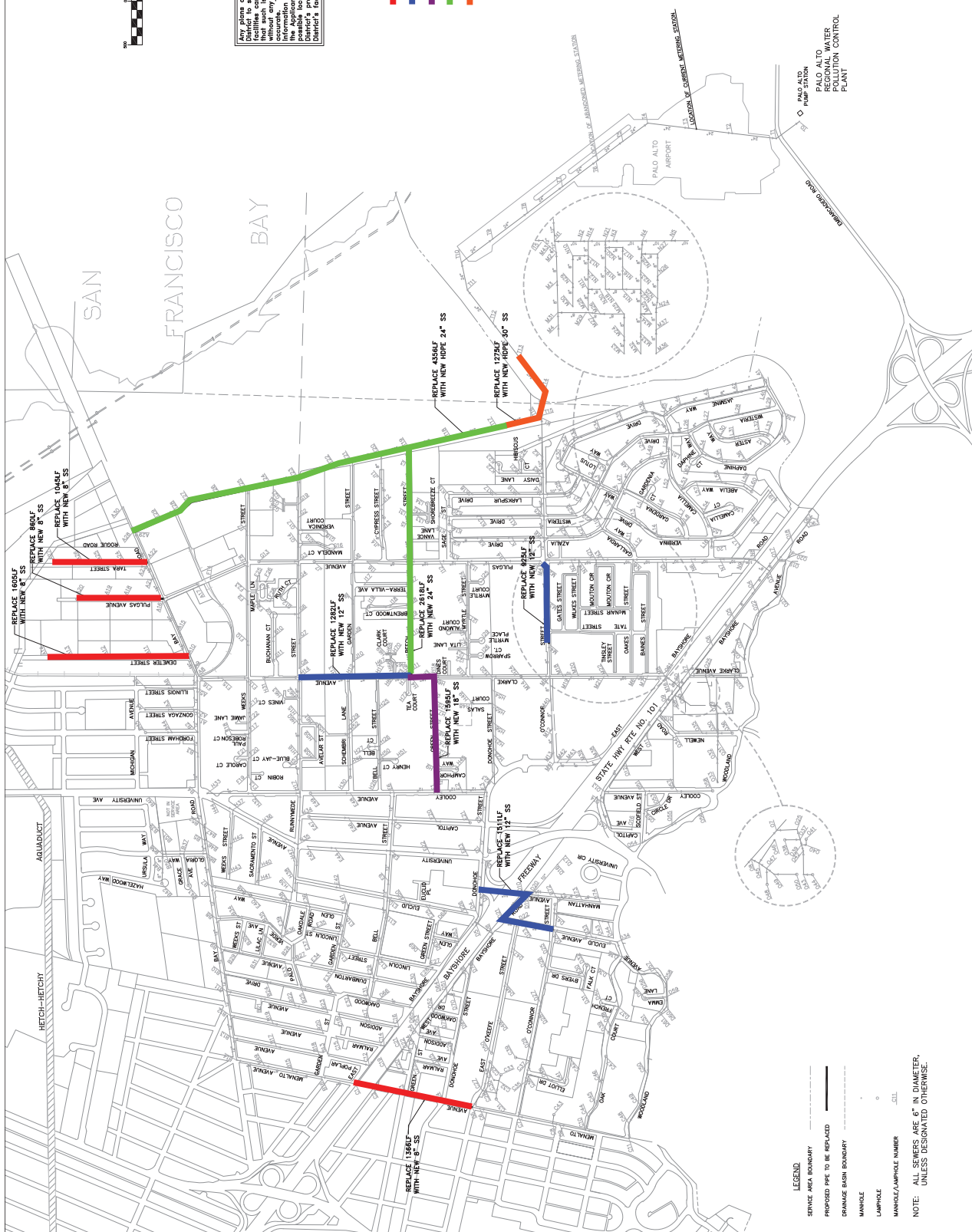
LAUREL
 ENGINEERING & ARCHITECTURE
 1441 North Shore Drive • San Mateo, CA 94401
 TEL: (650) 594-9000 • FAX: (650) 594-9200 • www.laurelinc.com

DATE:	03/21/13
SCALE:	NTS
DESIGNED:	JL
CHECKED:	JL
PROJECT ENG'G:	JL
SHEET:	1
OF 4 SHEETS	
JOB NO.:	2002



Any plans or markings made by East Palo Alto Sanitary District to show the estimated location of the underground utility are for informational purposes only. The District will endeavor to make this information as complete and accurate as possible, but no liability is assumed by the District for damage to the District's property. Full responsibility for damage to the District's facilities must be borne by the applicant.

- UPSIZE TO 8"
- UPSIZE TO 12"
- UPSIZE TO 18"
- UPSIZE TO 24"
- UPSIZE TO 30"



LEGEND

- SERVICE AREA BOUNDARY
- PROPOSED PIPE TO BE REPLACED
- SEWERAGE BASIN BOUNDARY
- MANHOLE
- LAMPPOLE
- MANHOLE/LAMPPOLE NUMBER

NOTE: ALL SEWERS ARE 6" IN DIAMETER, UNLESS DESIGNATED OTHERWISE.

Appendix F

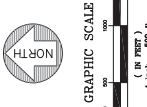
EPASD IMPROVEMENT PLAN EAST PALO ALTO SANITARY DISTRICT

144 North San Antonio Drive • San Mateo, CA 94401
Tel: (650) 944-9200 • Fax: (650) 944-9200 • www.epasd.com

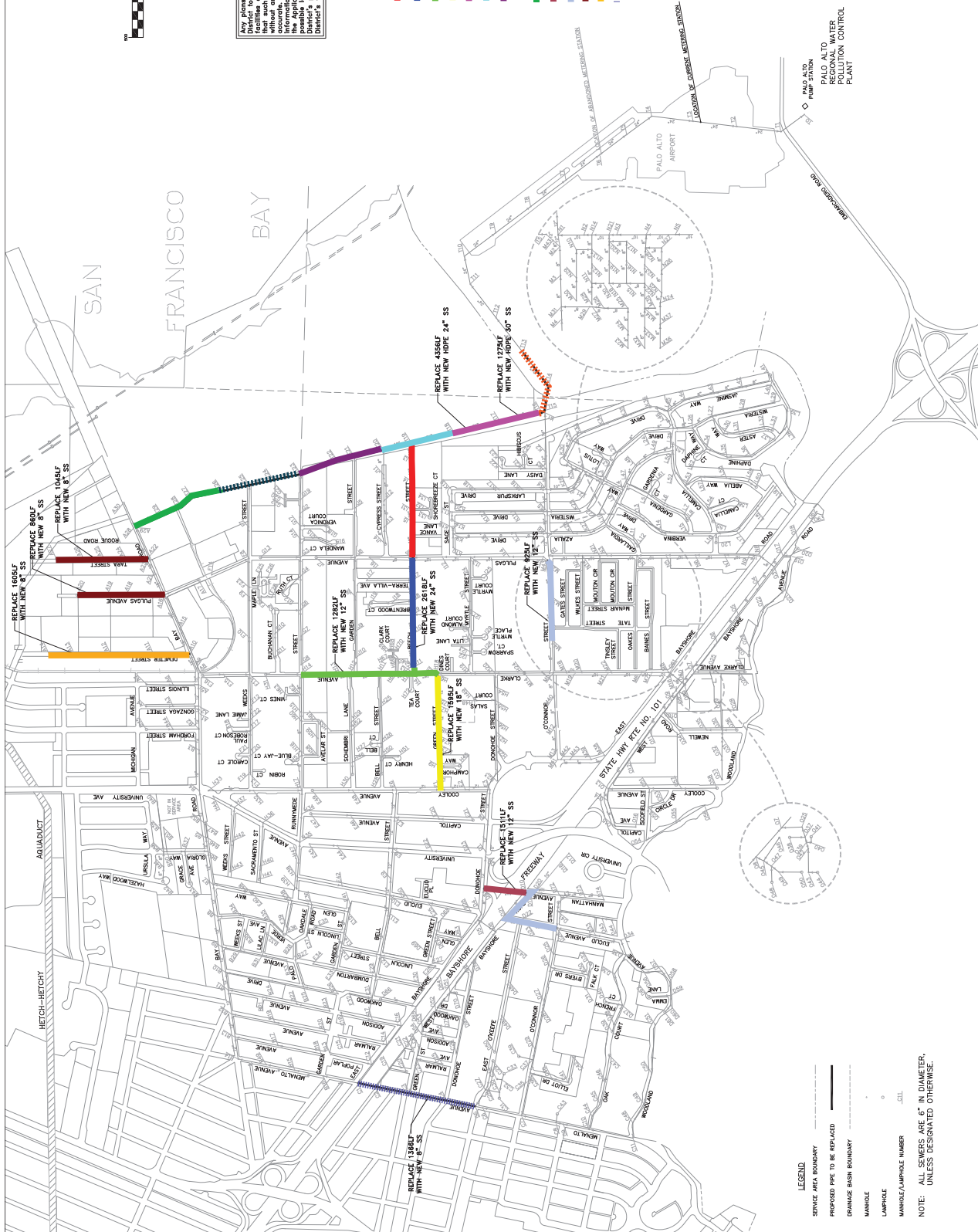
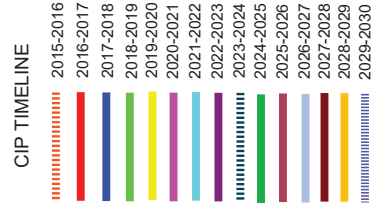
DATE	DESCRIPTION

DATE: 03/27/13
SCALE: NTS
DESIGNED: RLL
DRAWN: JL
CHECKED: RLL
PROJECT ENGINEER: RLL

SHEET 4 OF 4
JOB NO. 2002



Any plans or markings made by East Palo Alto Sanitary District to show the estimated location of the underground sewer lines are shown for informational purposes only. They are not to be used as a basis for design or construction. The District will endeavor to make this information as complete and accurate as possible, but it cannot be guaranteed. Full responsibility for damage to the District's property or liability to third parties shall remain the District's responsibility. Full responsibility for damage to the District's property shall remain the District's responsibility.



LEGEND
 SERVICE AREA BOUNDARY
 PROPOSED PIPE TO BE REPLACED
 SEWERAGE BASIN BOUNDARY
 MANHOLE
 MANHOLE/LAMPPIE NUMBER
 LAMPPIE

NOTE: ALL SEWERS ARE 6" IN DIAMETER, UNLESS DESIGNATED OTHERWISE.

From: Akin Okupe <aokupe@epasd.com>
Sent: Thursday, August 01, 2019 11:07 AM
To: Tom Morse
Cc: Korinne Nickings; Keianna Talton; Tim Steele (tsteele@sobrato.com); Robert Tersini (rtersini@sobrato.com); Nainoa Pihana; Lokelani Yee
Subject: Re: University Plaza Phase 2 Modeling Memorandum Comments

I would like to inform you that we would not be able to serve this project, we dot have the capacity as discussed in the memo.

Thanks

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Thursday, August 1, 2019 9:49 AM
To: Akin Okupe <aokupe@epasd.com>
Cc: Korinne Nickings <knickings@epasd.com>; Keianna Talton <ktalton@epasd.com>; Tim Steele (tsteele@sobrato.com) <tsteele@sobrato.com>; Robert Tersini (rtersini@sobrato.com) <rtersini@sobrato.com>; Nainoa Pihana <npihana@bkf.com>; Lokelani Yee <lyee@bkf.com>
Subject: University Plaza Phase 2 Modeling Memorandum Comments

Mr. Okupe,

Thank you for providing the sanitary sewer analysis for the University Plaza Phase 2 project and the district Master Plan Update. Please find attached our comments on the sanitary sewer modeling completed for the project. Please let us know if you have any comments or if a meeting would be helpful to review the comments.

Tom



**ENGINEERS
SURVEYORS
PLANNERS**

100+
YEARS

THOMAS R. MORSE, PE | Vice President

BKF Engineers

255 Shoreline Drive, Suite 200
Redwood City, CA 94065

d 650.482.6419

tmorse@bkf.com

www.bkf.com



Delivering Inspired Infrastructure

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EAST PALO ALTO SANITARY DISTRICT

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Goro Mitchell, Director
Dennis Scherzer, Director

901 Weeks Street
East Palo Alto, CA 94303
Phone: (650) 325-9021
Fax: (650) 325-5173
www.epasd.com

Akin Okupe, M.B.A, P.E., General Manager

August 6th, 2019

Thomas R. Morse
255 Shoreline Drive, Suite 200
Redwood City, CA 94065

Subject: University Plaza Phase 2, East Palo Alto, CA – Sewer System Hydraulic Modeling

Dear Mr. Morse,

Pursuant to your letter dated July 31st, 2019, I would like to memorialize the following:

1. We will be applying the hydraulic load to manhole E4 as proposed, please note that the previous model performed by Freyer and Laureta Engineering Inc. underestimated the impact of the hydraulic loading from the University Plaza Phase 1 Project under service conditions.
2. Please note that the hydraulic loading for the University Plaza Phase 1 and 2 Projects applied in the static hydra model is between 0.05 and 0.07 gpd/sq.ft.
3. Please note that we have a peak factor monitoring data for different water shed City-wide. I have directed Freyer and Laureta Engineering Inc. to calculate the peaking factor based on this monitoring data for both of the University Plaza Phase 1 and 2 projects.
4. The difference between Peak Instantaneous flow and Peak Wet Weather flow is the storm water return period. This would be addressed accordingly.
5. Please note that the Capital Improvement Plan in the Master Plan does not identify the source of funds. Any project driven by development will be funded by the developer (matching concept). The existing liquid assets on the District's Balance Sheet would be used to finance the replacement of the existing infrastructure on an as-needed basis.
6. Please note that the District does not intend to finance the Capital Projects identified in the Master Plan with existing reserve funds. This would be in conflict with Prop 218 provisions.
7. We would like to install a flow meter to monitor the flow from University Plaza Phase 1. The data could be used to generate a diurnal flow curve. This could

serve as the basis for predicting the hydraulic loading of the University Plaza Phase 2 Project. Please let me know if you want us to pursue this approach.

I would like to arrange a meeting to discuss how we can work collaboratively on your project, please let me know your availability.

Thank you for your anticipated prompt action and cooperation.

Sincerely,

A handwritten signature in blue ink, appearing to read 'A. Okupe', written over a horizontal line.

Akin Okupe
General Manager

From: Akin Okupe <aokupe@epasd.com>
Sent: Friday, August 09, 2019 11:05 AM
To: Tom Morse
Cc: Korinne Nickings; Keianna Talton; Tim Steele (tsteele@sobrato.com); Robert Tersini (rtersini@sobrato.com); Nainoa Pihana; Lokelani Yee
Subject: Re: University Plaza Phase 2 Modeling Memorandum Comments

The financial consequence of this is that existing rate payers will have to subsidize development project which is unconstitutional.

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Akin Okupe
Sent: Friday, August 9, 2019 11:01:19 AM
To: Tom Morse <TMorse@BKF.com>
Cc: Korinne Nickings <knickings@epasd.com>; Keianna Talton <ktalton@epasd.com>; Tim Steele (tsteele@sobrato.com) <tsteele@sobrato.com>; Robert Tersini (rtersini@sobrato.com) <rtersini@sobrato.com>; Nainoa Pihana <npihana@bkf.com>; Lokelani Yee <lyee@bkf.com>
Subject: Re: University Plaza Phase 2 Modeling Memorandum Comments

The purpose of the flow monitoring is to obtain actual operational hours, i dont agree using estimated data when we can actually measure the flow and the operational hours. As you know, engineering is an exact science.

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Friday, August 9, 2019 10:04 AM
To: Akin Okupe <aokupe@epasd.com>
Cc: Korinne Nickings <knickings@epasd.com>; Keianna Talton <ktalton@epasd.com>; Tim Steele (tsteele@sobrato.com) <tsteele@sobrato.com>; Robert Tersini (rtersini@sobrato.com) <rtersini@sobrato.com>; Nainoa Pihana <npihana@bkf.com>; Lokelani Yee <lyee@bkf.com>
Subject: RE: University Plaza Phase 2 Modeling Memorandum Comments

Akin,

If the purpose of doing Phase 1 building flow metering to confirm Average Day Dry Weather Flows then flow monitoring may be useful.

If flow monitoring is being completed to justify operational hours, then we still don't have agreement on methodology. The downstream system Peak Hour Wet Weather Flows should be calculated using Average Day Dry Weather Flows, a 24 hour day and then applying the system wide peaking factors established in the 2015 Master Plan Updated. These were based on basin wide flow monitoring completed by V&A and the provided hydrograph for wet weather Inflow and infiltration. Based on the 2015 Mater Plan Update Basin E2 has a peaking factor of approximately 3.4 and Basin I3 has a peaking factor of approximately 2.3.

Basing sewer flow calculation by an assumed number of operational hours is unduly conservative and isn't consistent with the District Master Plan. If we are still not in agreement on methodology, then perhaps a meeting next week would help.

Tom

THOMAS R. MORSE, PE, LEED® AP

Vice President

BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.485.6419 tmorse@bkf.com BKF.com

From: Akin Okupe [<mailto:aokupe@epasd.com>]

Sent: Thursday, August 08, 2019 2:34 PM

To: Tom Morse <TMorse@BKF.com>

Cc: Korinne Nickings <knickings@epasd.com>; Keianna Talton <ktalton@epasd.com>; Tim Steele (tsteele@sobrato.com) <tsteele@sobrato.com>; Robert Tersini (rtersini@sobrato.com) <rtersini@sobrato.com>; Nainoa Pihana <npihana@bkf.com>; Lokelani Yee <lyee@bkf.com>

Subject: Re: University Plaza Phase 2 Modeling Memorandum Comments

Hi Tom,

We need to agree if we want to install a flow meter to establish a diurnal curve for the project before we can move forward. We can install the flow meter on the outlet of University Plaza Phase 1 Project to measure the flow rate on a time of use basis. We would now use this data to determine the average flow based on the active flow hours and the flow rate. This will then be incorporated into the static model for updates. Please confirm if you want us to pursue this approach since you did not agree to the 8.5 hrs effective time. This way we will be performing the model based on actual data.

Please advise.

Thank you so much

Akin Okupe, M.B.A.,P.E.

General Manager

East Palo Alto Sanitary District

Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Thursday, August 8, 2019 2:08 PM
To: Akin Okupe <aokupe@epasd.com>
Cc: Korinne Nickings <knickings@epasd.com>; Keianna Talton <ktalton@epasd.com>; Tim Steele (tsteele@sobrato.com) <tsteele@sobrato.com>; Robert Tersini (rtersini@sobrato.com) <rtersini@sobrato.com>; Nainoa Pihana <npihana@bkf.com>; Lokelani Yee <lyee@bkf.com>
Subject: RE: University Plaza Phase 2 Modeling Memorandum Comments

Thank you for the quick review of our comments and your responses.
When is Freyer and Laureta scheduled to have the memorandum update?

Tom

Thomas Morse
BKF Engineers
(650) 482-6419
tmorse@bkf.com

From: Akin Okupe [<mailto:aokupe@epasd.com>]
Sent: Wednesday, August 07, 2019 9:41 AM
To: Tom Morse <TMorse@BKF.com>
Cc: Korinne Nickings <knickings@epasd.com>; Keianna Talton <ktalton@epasd.com>; Tim Steele (tsteele@sobrato.com) <tsteele@sobrato.com>; Robert Tersini (rtersini@sobrato.com) <rtersini@sobrato.com>; Nainoa Pihana <npihana@bkf.com>; Lokelani Yee <lyee@bkf.com>
Subject: Re: University Plaza Phase 2 Modeling Memorandum Comments

Hi Tom,

Please find attached regarding the Hydraulic Modelling of the University Plaza Phase 2 Project.

Thank you so much.

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Friday, August 2, 2019 8:58 AM
To: Akin Okupe <aokupe@epasd.com>

Cc: Korinne Nickings <knickings@epasd.com>; Keianna Talton <ktalton@epasd.com>; Tim Steele (tsteele@sobrato.com) <tsteele@sobrato.com>; Robert Tersini (rtersini@sobrato.com) <rtersini@sobrato.com>; Nainoa Pihana <npihana@bkf.com>; Lokelani Yee <lyee@bkf.com>
Subject: RE: University Plaza Phase 2 Modeling Memorandum Comments

Hi Akin,

Trying to connect and respond to your voice message. Can you suggest a time this morning for a call and I can set up a Goto Meeting?

Thanks,
Tom

Thomas Morse
BKF Engineers
(650) 482-6419
tmorse@bkf.com

From: Akin Okupe [<mailto:aokupe@epasd.com>]
Sent: Thursday, August 01, 2019 11:07 AM
To: Tom Morse <TMorse@BKF.com>
Cc: Korinne Nickings <knickings@epasd.com>; Keianna Talton <ktalton@epasd.com>; Tim Steele (tsteele@sobrato.com) <tsteele@sobrato.com>; Robert Tersini (rtersini@sobrato.com) <rtersini@sobrato.com>; Nainoa Pihana <npihana@bkf.com>; Lokelani Yee <lyee@bkf.com>
Subject: Re: University Plaza Phase 2 Modeling Memorandum Comments

I would like to inform you that we would not be able to serve this project, we dot have the capacity as discussed in the memo.

Thanks

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Thursday, August 1, 2019 9:49 AM
To: Akin Okupe <aokupe@epasd.com>
Cc: Korinne Nickings <knickings@epasd.com>; Keianna Talton <ktalton@epasd.com>; Tim Steele (tsteele@sobrato.com) <tsteele@sobrato.com>; Robert Tersini (rtersini@sobrato.com) <rtersini@sobrato.com>; Nainoa Pihana <npihana@bkf.com>; Lokelani Yee <lyee@bkf.com>
Subject: University Plaza Phase 2 Modeling Memorandum Comments

Mr. Okupe,

Thank you for providing the sanitary sewer analysis for the University Plaza Phase 2 project and the district Master Plan Update. Please find attached our comments on the sanitary sewer modeling completed for the project. Please let us know if you have any comments or if a meeting would be helpful to review the comments.

Tom



THOMAS R. MORSE, PE | Vice President

BKF Engineers

255 Shoreline Drive, Suite 200
Redwood City, CA 94065

Phone: 650.482.6419

Email: tmorse@bkf.com

Website: www.bkf.com

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From: Tom Morse
Sent: Wednesday, August 14, 2019 2:02 PM
To: 'Akin Okupe'
Cc: Kamal Fallaha (kfallaha@cityofepa.org); Tim Steele (tsteele@sobrato.com); Robert Tersini (rtersini@sobrato.com); Lokelani Yee
Subject: University Plaza Sewer Flow Monitoring
Attachments: C5.0-UPCDUT.pdf

Akin,

Thank you for your time yesterday. As discussed in our meeting, can you get us an estimate and schedule for completing flow monitoring of the University Plaza Phase 1 (Amazon) building? To help, I have highlighted the sanitary sewer connections on the attached utility drawing from building construction documents. The majority of the building, including the bathroom cores, connect to the 12-inch main in University Avenue. The connection to the 6-inch main on Capitol is from unoccupied areas of the garage and the main building kitchen.

Let us know if you need any additional information from our team.

Tom

THOMAS R. MORSE, PE, LEED® AP

Vice President

BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.482.6419 tmorse@bkf.com BKF.com



From: Tom Morse
Sent: Tuesday, August 27, 2019 6:53 AM
To: 'Akin Okupe'; 'Kamal Fallaha'
Cc: 'Korinne Nickings'; 'Keianna Talton'; 'Micheline Wegem'
Subject: RE: University Plaza Phase 2

Following up on schedule and proposal for sewer flow monitoring for University Plaza. Can you get us an update?

THOMAS R. MORSE, PE, LEED® AP

Vice President

BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.485.6419 tmorse@bkf.com BKF.com

From: Tom Morse
Sent: Tuesday, August 20, 2019 9:25 AM
To: 'Akin Okupe' <aokupe@epasd.com>; 'Kamal Fallaha' <kfallaha@cityofepa.org>
Cc: 'Korinne Nickings' <knickings@epasd.com>; 'Keianna Talton' <ktalton@epasd.com>; 'Micheline Wegem' <mwegem@epasd.com>
Subject: RE: University Plaza Phase 2

Following up on schedule and proposal for sewer flow monitoring for University Plaza. Can you get us an update?

Thanks,
Tom

THOMAS R. MORSE, PE, LEED® AP

Vice President

BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.485.6419 tmorse@bkf.com BKF.com

From: Tom Morse
Sent: Friday, August 16, 2019 7:27 AM
To: 'Akin Okupe' <aokupe@epasd.com>; Kamal Fallaha <kfallaha@cityofepa.org>
Cc: Korinne Nickings <knickings@epasd.com>; Keianna Talton <ktalton@epasd.com>; Micheline Wegem <mwegem@epasd.com>
Subject: RE: University Plaza Phase 2

Thank you for initiating the flow monitoring proposal. Do you have an idea of when we should see the proposal?

Also curious about how you estimate the building demand at 65 gpd/1000 sf?

Thanks,
Tom

THOMAS R. MORSE, PE, LEED® AP

Vice President

BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.485.6419 tmorse@bkf.com BKF.com

From: Akin Okupe [<mailto:aokupe@epasd.com>]

Sent: Thursday, August 15, 2019 9:30 PM

To: Kamal Fallaha <kfallaha@cityofepa.org>

Cc: Tom Morse <TMorse@BKF.com>; Korinne Nickings <knickings@epasd.com>; Keianna Talton <ktalton@epasd.com>; Micheline Wegem <mwegem@epasd.com>

Subject: University Plaza Phase 2

Hi Tom,

I have requested for a proposal from the consultant to perform the flow monitoring but would like to reiterate our position:

- Any pipe flowing more than 67% full would need to be up-sized
- The District would only consider the worst case under service conditions to determine the mitigation strategy
- The peaking factor model is already for a 5 yr storm, this is enough concession to make sure we are not unduly over sizing the pipes
- The roughness coefficient will be between 0.011 and 0.013 depending on the type of pipe
- The water consumption for University Plaza Phase 1 is very close to the 65 gpd/1000 sq ft as estimated, this could be discharged within 8.5 hours and it could be discharged within longer hours. The District will only base its decision on the most conservative option.
- The District will confirm the results of the model by measuring d/D in existing pipes and compare these values to predicted ratios. This would be done along the flow path and the cost would be paid by the District.
- The City should have involved the District earlier on in the process to clarify sewer capacity

Thank you so much

Akin Okupe, M.B.A., P.E.
General Manager
East Palo Alto Sanitary District
Tel : (650) 325-9021

From: Akin Okupe <aokupe@epasd.com>
Sent: Wednesday, September 18, 2019 12:05 PM
To: Tom Morse; 'Jeffrey Tarantino'
Cc: Keianna Talton; Tim Steele; Lokelani Yee; 'Robert Tersini'
Subject: Re: 2100 University Flow Monitoring Proposal

Hi Tom,

We have made attempt to measure the flow rate as discussed but the instrument failed to perform as expected.

In view of this development, am of the opinion that we should change strategy as measuring the flow rate will not provide any new information. As I have mentioned previously engineering members are normally design for the worst case and not the best case. Previous measurement of water use of the University Plaza Phase I Building indicates that the 65gpm per square ft is a good estimate of the water use from the building. Pursuant to this, the questions are now;

- a) is this flow discharged in an 8 hrs period
- b) is it discharged in a 24 hr period.

The decision of the District at the moment is to choose the 8 hrs which is the most likely option with 98% confidence level.

In this regard the developer will need to deposit the sum of approximately \$3 million into a trust account with the District and sign development agreement with the District for us to move forward.

I dont think we need to make further efforts measuring flow rate as this will amount to destruction of values.

Please note that you are welcome to discuss this issue with the Engineering Committee and the full Board if you deem it necessary.

Thank you so much

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Wednesday, September 18, 2019 11:44 AM
To: 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>

Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; Akin Okupe <aokupe@epasd.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Hi Jeff,

Can you get the team and update on schedule for potholing and manhole installation?

Thanks
Tom

THOMAS R. MORSE, PE, LEED® AP

Vice President

BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.482.6419 tmorse@bkf.com BKF.com

From: Jeffrey Tarantino [<mailto:tarantino@freyerlaureta.com>]

Sent: Thursday, September 12, 2019 7:47 AM

To: Tom Morse <TMorse@BKF.com>

Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; Akin Okupe <aokupe@epasd.com>; 'Robert Tersini' <rtersini@sobrato.com>

Subject: RE: 2100 University Flow Monitoring Proposal

Hi Tom

We are waiting on the potholing contractor for the schedule (sorry should have made my first email more clear). We will provide the proposed date for potholing once we have it. Thanks.

Jeff

Jeffrey J. Tarantino, P.E.



Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070

Mobile: (650) 619-3226

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From: Tom Morse <TMorse@BKF.com>
Sent: Thursday, September 12, 2019 7:45 AM
To: Jeffrey Tarantino <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; Akin Okupe <aokupe@epasd.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Thanks Jeff

Can you get me dates and duration for pothole and manhole installation? Sobrato needs to notify their tenant.

Also based on the email from EPASD we assumed the \$6,000 was for the manhole installation. The district did not mention additional fee may be needed for the manhole.

The Total Cost breakdown as as listed below:

Consulting- \$4,310
Manhole -\$6000
Staff Time- \$3000
Contingency-\$3000
Total-\$16,310

Deposit- \$15,000
Expenses-10,000
Balance-5,000

Payment Required- $16,310 - 5000 = \$11,310$

Tom

THOMAS R. MORSE, PE, LEED® AP

Vice President

BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.482.6419 tmorse@bkf.com BKF.com

From: Jeffrey Tarantino [<mailto:tarantino@freyerlaureta.com>]
Sent: Thursday, September 12, 2019 7:37 AM
To: Tom Morse <TMorse@BKF.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; Akin Okupe <aokupe@epasd.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Hi Tom

As requested, I wanted to provide an update on the District's schedule for flow monitoring.

- One flow meter to be installed today in the manhole at the end of Capital (north side of building; see attached markup of the provided Record Drawing). Flow monitoring would occur from Thursday, September 12 through Tuesday, September 17. Once the data is downloaded, F&L will perform a preliminary review and provide BKF/Sobrato with an initial review by Friday, September 27.
- District will pothole the two laterals on Donohoe to confirm lateral depths.
- As the District indicated in its discussions with Sobrato, the District with contract to have two manholes installed on Donohoe to allow the District flow meters to be installed into the laterals. The District will submit the contractor's cost proposal to Sobrato once it is received. At the time that the construction costs for installing the two manholes is presented to Sobrato, the District will provide the schedule for installation and flow monitoring.

Please feel free to call or email with any questions. I am tied up in a number of meetings today but should be in the office most of the day tomorrow (Friday, September 13). Thanks.

Jeff

Jeffrey J. Tarantino, P.E.



Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070

Mobile: (650) 619-3226



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From: Akin Okupe <aokupe@epasd.com>

Sent: Tuesday, September 10, 2019 9:14 AM

To: Tom Morse <TMorse@BKF.com>; 'Robert Tersini' <rtersini@sobrato.com>; Jeffrey Tarantino <tarantino@freyerlaureta.com>

Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>

Subject: Re: 2100 University Flow Monitoring Proposal

Hi,

Yes, we received the check, i have called Jeff to coordinate the effort, he will be providing us a schedule.

Thanks

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Tuesday, September 10, 2019 8:54 AM
To: 'Robert Tersini' <rtersini@sobrato.com>; Akin Okupe <aokupe@epasd.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Hi Akin,

Can you confirm you received the check from Sobrato and provide a schedule for the monitoring working including dates for installation of the manholes. Sobrato needs to let the tenant know when that work is going to occur.

Thanks,
Tom

THOMAS R. MORSE, PE, LEED® AP
Vice President
BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.482.6419 tmorse@bkf.com BKF.com

From: Robert Tersini [<mailto:rtersini@sobrato.com>]
Sent: Wednesday, September 04, 2019 10:41 AM
To: Akin Okupe <aokupe@epasd.com>; Tom Morse <TMorse@BKF.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>
Subject: Re: 2100 University Flow Monitoring Proposal

Akin – I have the check ready. Shall we overnight to your attention? If so what is the best address?

Thanks

Robert Tersini

Assistant Development Manager
The **Sobrato** Organization • 599 Castro Street, Suite 400 • Mountain View, CA 94041
(408) 691-3291 cell

From: Akin Okupe <aokupe@epasd.com>
Date: Tuesday, September 3, 2019 at 3:05 PM
To: Tom Morse <TMorse@BKF.com>
Cc: Keianna Talton <ktalton@epasd.com>, Robert Tersini <rtersini@sobrato.com>, Tim Steele <tsteele@sobrato.com>, Lokelani Yee <lyee@bkf.com>
Subject: Re: 2100 University Flow Monitoring Proposal

Hi Tom,

Once we receive the check, we will send you a schedule.

Thanks

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Tuesday, September 3, 2019 8:58 AM
To: Akin Okupe <aokupe@epasd.com>
Cc: Keianna Talton <ktalton@epasd.com>; Robert Tersini (rtersini@sobrato.com) <rtersini@sobrato.com>; Tim Steele (tsteele@sobrato.com) <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Thank you Akin.

Sobrato is working on getting a check and we will have that to you in the next few days.

When do you think the District will be able to install the manholes? Sobrato want to notify the tenant of the disruption as early as possible.

We are very eager to see the results of the monitoring. Do you think that 3 days is adequate duration for the monitorin?

Tom

THOMAS R. MORSE, PE, LEED® AP
Vice President

BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.485.6419 tmorse@bkf.com BKF.com

From: Akin Okupe [<mailto:aokupe@epasd.com>]
Sent: Friday, August 30, 2019 1:38 PM
To: Tom Morse <TMorse@BKF.com>
Cc: Keianna Talton <ktalton@epasd.com>
Subject: Fw: 2100 University Flow Monitoring Proposal

Tom,

Please find attached proposal from the consultant regarding the monitoring of the sewerage flow out of University Plaza Phase 1.

The Total Cost breakdown as as listed below:

Consulting- \$4,310

Manhole -\$6000

Staff Time- \$3000

Contingency-\$3000

Total-\$16,310

Deposit- \$15,000

Expenses-10,000

Balance-5,000

Payment Required- $16,310 - 5000 = \$11,310$

Pursuant to the above, we would need an additional deposit of \$11,310 in order to proceed with the monitoring.

Thank you so much

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Jeffrey Tarantino <tarantino@freyerlaureta.com>
Sent: Friday, August 30, 2019 12:35 PM
To: Akin Okupe <aokupe@epasd.com>
Cc: Joanne Yau <yau@freyerlaureta.com>; Korinne Nickings <knickings@epasd.com>
Subject: 2100 University Flow Monitoring Proposal

Hi Akin

Please see the attached proposal for F&L to assist with flow monitoring for the 2100 University office building. Please also refer to the attached email I sent to Merwyn and you regarding my question about laterals serving the building.

F&L's opinion of probable construction cost to install manholes on the laterals that discharge to Donohoe is between \$3,000 and \$6,000 each. Thanks!

Jeff

Jeffrey J. Tarantino, P.E.



Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070

Mobile: (650) 619-3226



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From: Akin Okupe <aokupe@epasd.com>
Sent: Wednesday, September 18, 2019 2:30 PM
To: Tom Morse; 'Jeffrey Tarantino'
Cc: Keianna Talton; Tim Steele; Lokelani Yee; 'Robert Tersini'
Subject: Re: 2100 University Flow Monitoring Proposal

We dont have the capacity to accommodate this project without upgrading the system, i dont want us to spend money and time on fruitless strategy.

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Wednesday, September 18, 2019 2:13 PM
To: Akin Okupe <aokupe@epasd.com>; 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: RE: 2100 University Flow Monitoring Proposal

But we still don't know how much water comes out of the building nor the timing to understand the impact to the system and where it falls on the district system diurnal curve. You mentioned "65gpm per square ft" in the email earlier today. Perhaps you meant 0.065 gpd/sf?

THOMAS R. MORSE, PE, LEED® AP
Vice President
BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.482.6419 tmorse@bkf.com BKF.com

From: Akin Okupe [<mailto:aokupe@epasd.com>]
Sent: Wednesday, September 18, 2019 1:58 PM
To: Tom Morse <TMorse@BKF.com>; 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: Re: 2100 University Flow Monitoring Proposal

The thing is that it does not change the state of the worst hydraulic condition.

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Wednesday, September 18, 2019 1:53 PM
To: Akin Okupe <aokupe@epasd.com>; 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: RE: 2100 University Flow Monitoring Proposal

That was to be expected. Why are we abandoning monitoring of the main building services?

Tom

THOMAS R. MORSE, PE, LEED® AP
Vice President
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From: Akin Okupe [<mailto:aokupe@epasd.com>]
Sent: Wednesday, September 18, 2019 1:51 PM
To: Tom Morse <TMorse@BKF.com>; 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: Re: 2100 University Flow Monitoring Proposal

You are correct, the flow was too small to be recorded

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Wednesday, September 18, 2019 1:45 PM
To: Akin Okupe <aokupe@epasd.com>; 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Was flow observed? Perhaps the flow is too small for the meter to measure? The manhole on Capitol only drains a small kitchen and the community development space in the garage. I would not expect to see more than a few gpm peak.

Tom

THOMAS R. MORSE, PE, LEED® AP

Vice President

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From: Akin Okupe [<mailto:aokupe@epasd.com>]
Sent: Wednesday, September 18, 2019 1:42 PM
To: Tom Morse <TMorse@BKF.com>; 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: Re: 2100 University Flow Monitoring Proposal

The instrument did not pick any flow

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Wednesday, September 18, 2019 12:58 PM
To: Akin Okupe <aokupe@epasd.com>; 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Apologies meant to reply all.

Please share the results of the monitoring that was completed

Tom
THOMAS R. MORSE, PE, LEED® AP
Vice President

BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.482.6419 tmorse@bkf.com BKF.com

From: Akin Okupe [<mailto:aokupe@epasd.com>]
Sent: Wednesday, September 18, 2019 12:05 PM
To: Tom Morse <TMorse@BKF.com>; 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: Re: 2100 University Flow Monitoring Proposal

Hi Tom,

We have made attempt to measure the flow rate as discussed but the instrument failed to perform as expected.

In view of this development, am of the opinion that we should change strategy as measuring the flow rate will not provide any new information. As I have mentioned previously engineering members are normally design for the worst case and not the best case. Previous measurement of water use of the University Plaza Phase I Building indicates that the 65gpm per square ft is a good estimate of the water use from the building. Pursuant to this, the questions are now;

- a) is this flow discharged in an 8 hrs period
- b) is it discharged in a 24 hr period.

The decision of the District at the moment is to choose the 8 hrs which is the most likely option with 98% confidence level.

In this regard the developer will need to deposit the sum of approximately \$3 million into a trust account with the District and sign development agreement with the District for us to move forward.

I dont think we need to make further efforts measuring flow rate as this will amount to destruction of values.

Please note that you are welcome to discuss this issue with the Engineering Committee and the full Board if you deem it necessary.

Thank you so much

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Wednesday, September 18, 2019 11:44 AM
To: 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; Akin Okupe <aokupe@epasd.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Hi Jeff,
Can you get the team and update on schedule for potholing and manhole installation?

Thanks
Tom

THOMAS R. MORSE, PE, LEED® AP

Vice President

BKF ENGINEERS Delivering Inspired Infrastructure
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d 650.482.6419 tmorse@bkf.com BKF.com

From: Jeffrey Tarantino [<mailto:tarantino@freyerlaureta.com>]
Sent: Thursday, September 12, 2019 7:47 AM
To: Tom Morse <TMorse@BKF.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; Akin Okupe <aokupe@epasd.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Hi Tom

We are waiting on the potholing contractor for the schedule (sorry should have made my first email more clear). We will provide the proposed date for potholing once we have it. Thanks.

Jeff

Jeffrey J. Tarantino, P.E.



Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070

Mobile: (650) 619-3226



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From: Tom Morse <TMorse@BKF.com>
Sent: Thursday, September 12, 2019 7:45 AM
To: Jeffrey Tarantino <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; Akin Okupe <aokupe@epasd.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Thanks Jeff

Can you get me dates and duration for pothole and manhole installation? Sobrato needs to notify their tenant.

Also based on the email from EPASD we assumed the \$6,000 was for the manhole installation. The district did not mention additional fee may be needed for the manhole.

The Total Cost breakdown as as listed below:

Consulting- \$4,310
Manhole -\$6000
Staff Time- \$3000
Contingency-\$3000
Total-\$16,310

Deposit- \$15,000
Expenses-10,000
Balance-5,000

Payment Required- $16,310 - 5,000 = \$11,310$

Tom

THOMAS R. MORSE, PE, LEED® AP

Vice President

BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.482.6419 tmorse@bkf.com BKF.com

From: Jeffrey Tarantino [<mailto:tarantino@freyerlaureta.com>]

Sent: Thursday, September 12, 2019 7:37 AM

To: Tom Morse <TMorse@BKF.com>

Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; Akin Okupe <aokupe@epasd.com>; 'Robert Tersini' <rtersini@sobrato.com>

Subject: RE: 2100 University Flow Monitoring Proposal

Hi Tom

As requested, I wanted to provide an update on the District's schedule for flow monitoring.

- One flow meter to be installed today in the manhole at the end of Capital (north side of building; see attached markup of the provided Record Drawing). Flow monitoring would occur from Thursday, September 12 through Tuesday, September 17. Once the data is downloaded, F&L will perform a preliminary review and provide BKF/Sobrato with an initial review by Friday, September 27.
- District will pothole the two laterals on Donohoe to confirm lateral depths.
- As the District indicated in its discussions with Sobrato, the District with contract to have two manholes installed on Donohoe to allow the District flow meters to be installed into the laterals.

The District will submit the contractor's cost proposal to Sobrato once it is received. At the time that the construction costs for installing the two manholes is presented to Sobrato, the District will provide the schedule for installation and flow monitoring.

Please feel free to call or email with any questions. I am tied up in a number of meetings today but should be in the office most of the day tomorrow (Friday, September 13). Thanks.

Jeff

Jeffrey J. Tarantino, P.E.



Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070

Mobile: (650) 619-3226



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From: Akin Okupe <aokupe@epasd.com>

Sent: Tuesday, September 10, 2019 9:14 AM

To: Tom Morse <TMorse@BKF.com>; 'Robert Tersini' <rtersini@sobrato.com>; Jeffrey Tarantino <tarantino@freyerlaureta.com>

Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>

Subject: Re: 2100 University Flow Monitoring Proposal

Hi,

Yes, we received the check, i have called Jeff to coordinate the effort, he will be providing us a schedule.

Thanks

Akin Okupe, M.B.A.,P.E.

General Manager

East Palo Alto Sanitary District

Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Tuesday, September 10, 2019 8:54 AM
To: 'Robert Tersini' <rtersini@sobrato.com>; Akin Okupe <aokupe@epasd.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Hi Akin,
Can you confirm you received the check from Sobrato and provide a schedule for the monitoring working including dates for installation of the manholes. Sobrato needs to let the tenant know when that work is going to occur.

Thanks,
Tom

THOMAS R. MORSE, PE, LEED® AP
Vice President
BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.482.6419 tmorse@bkf.com BKF.com

From: Robert Tersini [<mailto:rtersini@sobrato.com>]
Sent: Wednesday, September 04, 2019 10:41 AM
To: Akin Okupe <aokupe@epasd.com>; Tom Morse <TMorse@BKF.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>
Subject: Re: 2100 University Flow Monitoring Proposal

Akin – I have the check ready. Shall we overnight to your attention? If so what is the best address?

Thanks

Robert Tersini
Assistant Development Manager
The **Sobrato** Organization • 599 Castro Street, Suite 400 • Mountain View, CA 94041
(408) 691-3291 cell

From: Akin Okupe <aokupe@epasd.com>
Date: Tuesday, September 3, 2019 at 3:05 PM
To: Tom Morse <TMorse@BKF.com>
Cc: Keianna Talton <ktalton@epasd.com>, Robert Tersini <rtersini@sobrato.com>, Tim Steele

<tsteele@sobrato.com>, Lokelani Yee <lyee@bkf.com>
Subject: Re: 2100 University Flow Monitoring Proposal

Hi Tom,

Once we receive the check, we will send you a schedule.

Thanks

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Tuesday, September 3, 2019 8:58 AM
To: Akin Okupe <aokupe@epasd.com>
Cc: Keianna Talton <ktalton@epasd.com>; Robert Tersini (rtercini@sobrato.com) <rtercini@sobrato.com>; Tim Steele (tsteele@sobrato.com) <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Thank you Akin.

Sobrato is working on getting a check and we will have that to you in the next few days.

When do you think the District will be able to install the manholes? Sobrato want to notify the tenant of the disruption as early as possible.

We are very eager to see the results of the monitoring. Do you think that 3 days is adequate duration for the monitorin?

Tom

THOMAS R. MORSE, PE, LEED® AP
Vice President
BKF ENGINEERS Delivering Inspired Infrastructure
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d 650.485.6419 tmorse@bkf.com BKF.com

From: Akin Okupe [<mailto:aokupe@epasd.com>]
Sent: Friday, August 30, 2019 1:38 PM
To: Tom Morse <TMorse@BKF.com>
Cc: Keianna Talton <ktalton@epasd.com>
Subject: Fw: 2100 University Flow Monitoring Proposal

Tom,

Please find attached proposal from the consultant regarding the monitoring of the sewerage flow out of University Plaza Phase 1.

The Total Cost breakdown as as listed below:

Consulting- \$4,310

Manhole -\$6000

Staff Time- \$3000

Contingency-\$3000

Total-\$16,310

Deposit- \$15,000

Expenses-10,000

Balance-5,000

Payment Required- $16,310 - 5000 = \$11,310$

Pursuant to the above, we would need an additional deposit of \$11,310 in order to proceed with the monitoring.

Thank you so much

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Jeffrey Tarantino <tarantino@freyerlaureta.com>

Sent: Friday, August 30, 2019 12:35 PM

To: Akin Okupe <aokupe@epasd.com>

Cc: Joanne Yau <yau@freyerlaureta.com>; Korinne Nickings <knickings@epasd.com>

Subject: 2100 University Flow Monitoring Proposal

Hi Akin

Please see the attached proposal for F&L to assist with flow monitoring for the 2100 University office building. Please also refer to the attached email I sent to Merwyn and you regarding my question about laterals serving the building.

F&L's opinion of probable construction cost to install manholes on the laterals that discharge to Donohoe is between \$3,000 and \$6,000 each. Thanks!

Jeff

Jeffrey J. Tarantino, P.E.



Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070

Mobile: (650) 619-3226



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DRAFT MEMORANDUM

Prepared by: Raymond Mallari
Reviewed by: Jeff Tarantino, P.E.
Date: October 29, 2019
Re: East Palo Alto Sanitary District – University Phase II Development

Freyer & Laureta, Inc. (F&L) is pleased to provide this memorandum to the East Palo Alto Sanitary District (EPASD) to present the results of the requested assessment of the proposed development's sewer discharge impacts, if any, on EPASD's existing collection system. The proposed developments of interest in the hydraulic modeling scenarios is the University Plaza Phase II improvements. The goal of the modeling effort is to determine if the proposed development impact the existing EPASD collection system potentially resulting in sanitary sewer overflows (SSOs) that would require EPASD to implement a pipeline replacement project to increase the capacity of the existing collection system to eliminate the development caused SSO.

Analysis

University Plaza Phase II Impacts

The University Plaza Phase II project is proposed to be a 231,883 gross square feet of office space to be located on a 2.60-acre parcel north of Donohoe Street between University Avenue, Chevron Gas Station, and the Ravenswood School District Bus Yard. A Sewer Demand Memorandum dated July 30, 2018 prepared by BKF (copy included as Appendix A) indicates that University Plaza Phase II projected average sanitary sewer discharge rate is 90 gallons per day per square foot for a total of 11,594 gallons per day (gpd) into the EPASD sanitary collection system. Assuming the facilities' hours of operation span 8.5 hours per day, the calculated average daily discharge is 0.051 cfs. The calculated peak flow using a peaking factor of 5.8 is 67,245 gpd or 0.29 cfs. The peaking factor being used is based on the measured peak flow for Site E2 as shown in Table 2.

Flows were injected into the EPASD hydraulic model at the Manhole D3 in Donohoe Street towards Euclid Avenue. The results of the hydraulic evaluation showed minimal impact to

the system flows as a result of the additional average day from the University Plaza Phase II projects, but the model does indicate there is a potential for SSOs as a result of the peak flows from the development. Please see Tables 1.1, 1.2, and 1.3 that present modeled hydraulic impacts University Plaza Phase II flows on the EPASD collection system.

The following figures below present the hydraulic grade line during an average flow scenario (Figure 1) and a peak flow scenario (Figure 2) for the total flows from University Plaza Phase II. Peak flows were again calculated by applying a sewer shed specific peaking factor of 5.8 (see Site E2 in Table 3).

Figure 1 – Average Flow Hydraulic Grade Line

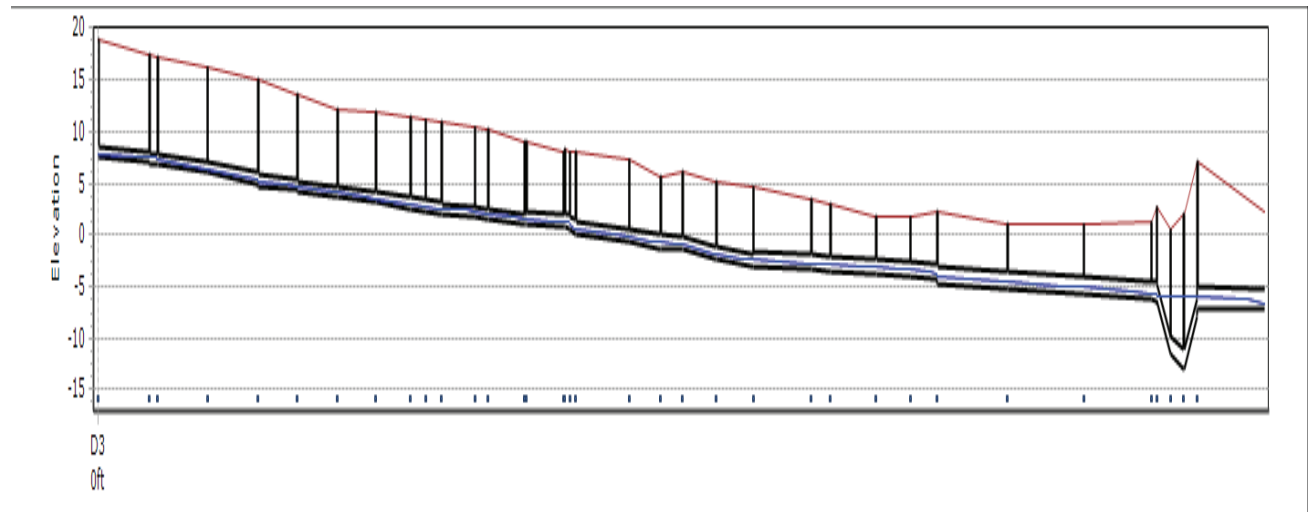
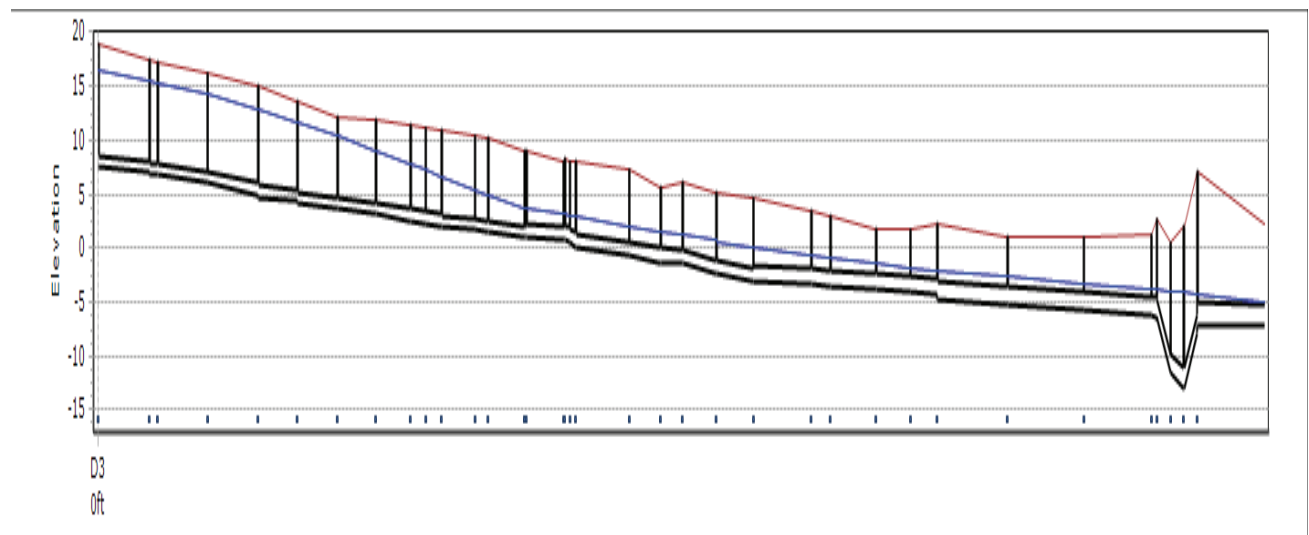
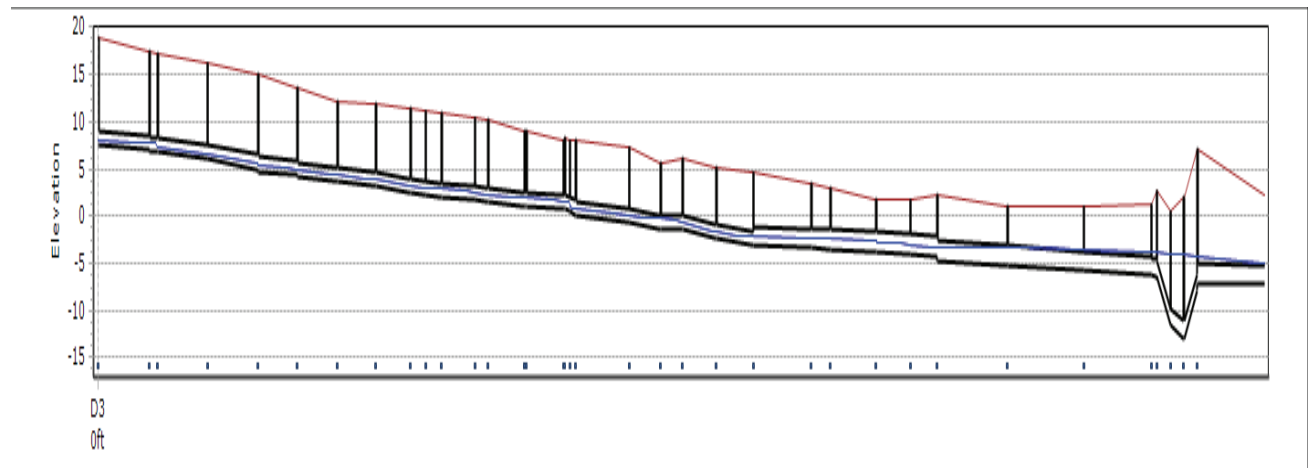


Figure 2 – Peak Flow Hydraulic Grade Line



In the first half on the profile in Figure 2, the blue line representing the water level is above the red line representing the ground surface. When the modeled hydraulic grade line is predicted to be above the existing ground elevation, the model predicts that there could be SSOs as a result of the additional peak flows. Figure 3 below shows the profile of the same injection peak flow scenario with modified pipe sizes along the flow path in the collection system to prevent the water level from breaching the manhole rim and maintaining a d/D ratio of 0.66 or less.

Figure 3 – Peak Flow Hydraulic Grade Line with Modified Pipes



In order to prevent the predicted SSOs, EPASD will need to replace approximately 7,419 linear feet of pipe starting from manhole D3 and continuing downstream to manhole T16. All old piping should be replaced with various sizes of DR17 HDPE pipe. 4,599 linear feet of pipe starting from upstream manhole D3 to downstream manhole I6 will be replaced with 20-inch DR17 pipe, while 2,820 linear feet of pipe starting from upstream manhole I6 to downstream manhole T16 will be replaced with 28-inch DR17 pipe.

To determine the required pipe replacement to reduce the d/D to 0.66 while improving the hydraulic grade line of the collection system, F&L performed an iterative hydraulic evaluation. The goal of the iterative evaluation was to increase the pipeline diameter to reduce the d/D to 0.66 or until the hydraulic model predict the hydraulic grade line was not further reduced regardless of the pipe diameter. The results of the pipeline convergence analysis is included in Appendix B of this memorandum.

The limits of the proposed capital improvement program is presented on Figure 4 included on the follow page. The Opinion of Probable Project Costs for the design, administration,

construction of the required improvements to eliminate the predicted SSOs is presented in Table 3.

Figure 4 – EPASD Collection System Map with Development Discharge Flow Paths

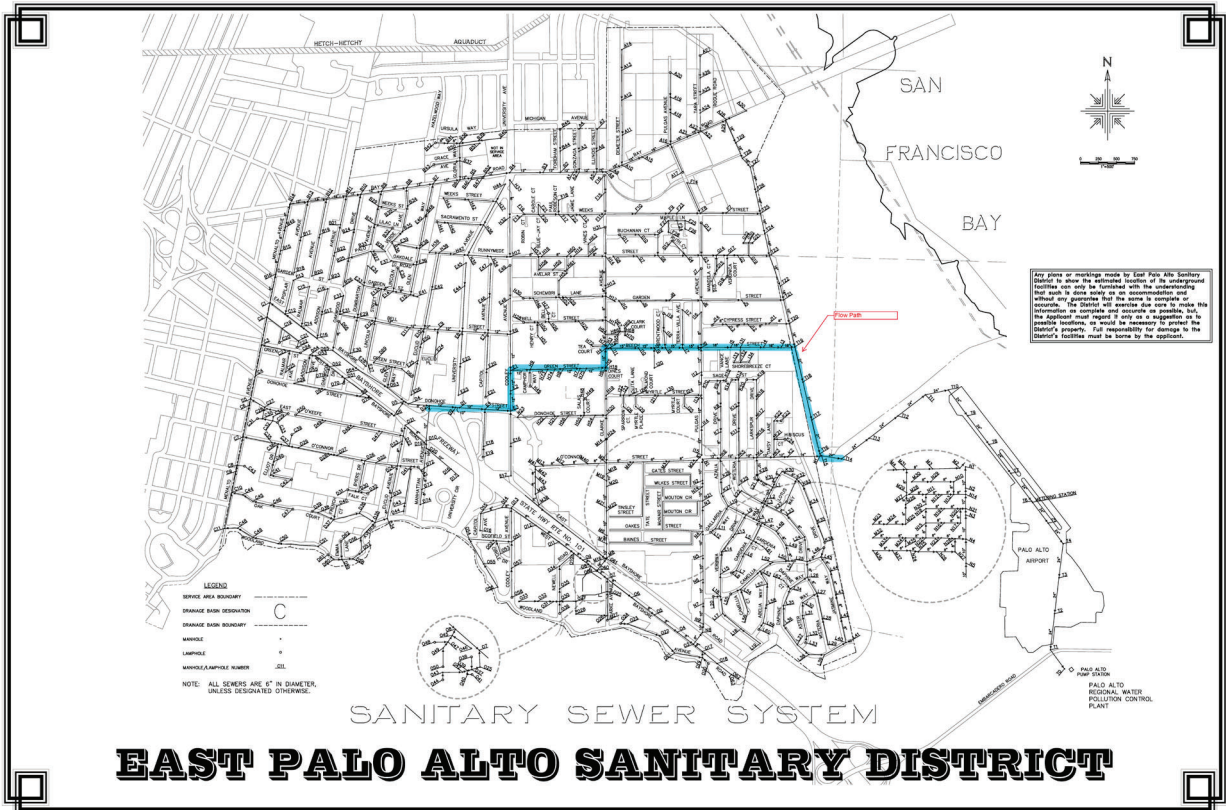


Table 1.1

Proposed Development: University Phase 2				
Manhole used for Injection	Flow Injected into Manhole (cfs)		Flow Injected into Manhole (gpd)	
	Average	Peak	Average	Peak
D3	0.051	0.2958	11,595	67,251

**Note: The peak flow was calculated by multiplying the average flow by a peaking factor of 5.8 for Site E2 (see Table 2).*

Table 1.2

Existing Results						
Manhole	Average Flow			Peak Flow		
	Q (cfs)	Q (gpd)	Depth over Diameter*	Q (cfs)	Q (gpd)	Depth over Diameter*
D3	0.4631	105287	0.42	1.9445	442088	1
E4	0.5221	118701	0.36	2.2867	519888	1
E3	0.5221	118701	0.44	2.2867	519888	1
E1	0.7285	165627	0.48	2.7663	628926	1
T14	2.6267	597188	0.54	9.0838	2065229	1

Table 1.3

Proposed Results: University Phase 2						
Manhole	Average Flow			Peak Flow		
	Q (cfs)	Q (gpd)	Depth over Diameter*	Q (cfs)	Q (gpd)	Depth over Diameter*
D3	0.4631	105287	0.2193	1.9445	442088	0.466
E4	0.5221	118701	0.1919	2.2867	519888	0.3975
E3	0.5221	118701	0.2193	2.2867	519888	0.4797
E1	0.7285	165627	0.2604	2.7663	628926	0.5208
T14	2.6267	597188	0.54	9.0838	2065228	1

**Note: The Depth over Diameter value is evaluated directly downstream of specified manhole*

Table 1.4

Proposed Pipe Improvements: University Phase 2					
Manhole Prior	Length (ft)	Existing Diameter (inches)	New Inner Diameter (inches)	Existing d/D	New d/D
D3	363	12	17.51	1	0.4661
D2	53	12	17.51	1	0.5894
D1	354	12	17.51	1	0.3975
E4	357	12	17.51	1	0.3975
E3	280	12	17.51	1	0.4797
E2	283	12	17.51	1	0.4386
E1	270	12	17.51	1	0.5208
H9	246	12	17.51	1	0.4934
H73	101	12	17.51	1	0.4934
H74	113	12	17.51	1	0.4934
H8	233	12	17.51	1	0.5757
H7	90	12	17.51	1	0.4934
H75	260	12	17.51	1	0.4934
H6	9	12	17.51	1	0.3975
H5	259	15	17.51	1	0.6579
H4	7	15	17.51	1	0.5757
H3	31	15	17.51	1	0.562
H2	37	15	17.51	0.512	0.3427
I11	380	15	17.51	1	0.5757
I10	221	15	17.51	1	0.5208
I9	155	15	17.51	1	0.7264
I8	238	15	17.51	0.736	0.466
I7	259	15	17.51	0.816	0.5071
I6	411	18	24.51	1	0.519
I5	135	18	24.51	1	0.519
I31	321	18	24.51	1	0.519
I4	243	18	24.51	1	0.519
I3	188	18	24.51	1	0.4406
T19	500	21	24.51	1	0.5973
T18	540	21	24.51	1	0.5973
T17	482	21	24.51	1	0.6267

Table 2 – Peaking Factor Calculations

Monitoring Site (1)	Overall ADWF (MGD) (2)	PDWF (MGD) (3)	PWWF (MGD) (4)	ADWF Peaking Factor (5)	PDWF Peaking Factor (6)
A15	0.27	0.43	1.19	4.41	2.77
B13	0.06	0.11	0.52	8.67	4.73
E1	0.13	0.19	0.59	4.54	3.11
E2	0.25	0.43	1.45	5.80	3.37
H3	0.14	0.23	0.58	4.14	2.52
I3	0.83	1.22	2.76	3.33	2.26
I12	0.23	0.39	0.76	3.30	1.95
K4	0.22	0.35	0.99	4.50	2.83
K28	0.11	0.17	0.68	6.18	4.00
T20	0.40	0.60	1.55	3.88	2.58
T13	1.53	2.31	5.78	3.78	2.50

Notes

- (1) Monitoring sites are identified in Table 3 of the *East Palo Alto Sanitary District Sanitary Sewer Flow Monitoring and Inflow/Infiltration Study* dated June 2012 prepared by V&A Consulting Engineers, Inc., referred to herein as "Flow Monitoring Study."
- (2) Overall ADWF is presented in Table 5 of the Flow Monitoring Study
- (3) PDWF is presented in Table 7-3 of the *East Palo Alto Sanitary District Wastewater Collection System Master Plan Update* dated March 2015 prepared by Freyer & Laureta, Inc., herein referred to as "Master Plan Update."
- (4) PWWF is presented in Table 7-3 of the Master Plan Update.
- (5) ADWF Peaking Factor is calculated by dividing the PWWF by the Overall ADWF.
- (6) PDWF Peaking Factor is calculated by dividing the PWWF by the PDWF.

Abbreviations

ADWF: Average Dry Weather Flow
 MGD: Million Gallons per Day

PDWF: Peak Dry Weather Flow
 PWWF: Peak Wet Weather Flow

Table 3 – Opinion of Probable Project Cost University Phase 2

Item No.	Description	Units	Quantity	Unit Price	Budget
Construction Cost					
1	Mobilization	ls	1	\$100,000	\$100,000
2	Traffic Control	ls	1	\$50,000	\$50,000
3	Sheeting, Shoring, and Bracing	ls	1	\$20,000	\$20,000
4	20-inch DR 17 HDPE Pipe	lf	4,599	\$350	\$1,609,650
5	28-inch DR 17 HDPE Pipe	lf	2,820	\$600	\$1,692,000
7	Manholes	ea	31	\$10,000	\$310,000
8	Lateral reconnects	ls	1	\$50,000	\$50,000
9	30% Contingency	%	30%	\$3,831,650	\$1,149,495
Subtotal - Construction Cost					\$4,981,100
Engineering and Administration Cost					
10	Design	%	10%	\$3,831,650	\$383,165
11	Construction Management/ Inspection	%	15%	\$3,831,650	\$574,748
12	District Administration	%	5%	\$3,831,650	\$191,583
Subtotal - Engineering and Administration Cost					\$1,149,500
Total Opinion of Probable Project Cost					\$6,130,600

Appendix A
Sewer Demand Memorandum

Date: July 30, 2018

BKF Job Number: 20160076

Deliver To: Guido Persicone, City of East Palo Alto

From: Lokelani Yee, BKF
Julia Teixeira, BKF
Blaise Bayens, BKF

Subject: University Plaza Phase 2 – Sewer Demand Memorandum

Purpose

The purpose of this memorandum is to provide a summary of proposed project sanitary sewer demands associated with the University Plaza Phase 2 (UPP2), and to document the impact of UPP2 on the existing sanitary sewer system.

Background

The UPP2 Development encompasses approximately 2.60 acres in East Palo Alto, situated north of Donohoe Street, between University Avenue, the Chevron Gas Station, and the Ravenswood School District Bus Yard. Donohoe Street has an existing 12-inch sanitary sewer main that flows east toward University Avenue.

The site is currently occupied by paved and unpaved parking areas and existing buildings including a pharmacy and a Stanford Law Clinic. The proposed development includes two buildings: a 6-story parking garage and an 8-story office building.

Existing Sanitary Sewer Demand

Sanitary sewer demand calculations are included as Attachment A to this memorandum.

The Average Dry Weather Flow (ADWF) existing sewer demand is calculated by taking the area of the existing buildings and multiplying by a demand factor of 0.09 gpd/sf. Peak Wet Weather Flow (PWWF) sewer demand is calculated by multiplying the ADWF demand by a peaking factor of 3. Demand and peaking factors are calculated based on input from Richard Laureta as discussed in a meeting with BKF Engineers in October 2007, and are consistent with the demands and peaking factors used for the University Plaza Phase 1 (UPP1) project located across the street.

Existing sanitary sewer demand is estimated to be approximately 1,035 gpd ADWF. This equates to approximately 3,104 gpd PWWF or 2.16 gpm.

Proposed Sanitary Sewer Demand

Sanitary sewer demand for the University Building includes 231,883 square feet of office space. The ADWF proposed sewer demand is calculated by taking the area of the proposed building and multiplying by a demand factor of 0.05 gpd/sf. Peak Wet Weather Flow (PWWF) sewer demand is calculated by multiplying the ADWF demand by a peaking factor of 3. Demand and peaking

factors are calculated based on input from Richard Laureta as discussed in a meeting with BKF Engineers in October 2007, and are consistent with the demands and peaking factors used for the University Plaza Phase 1 (UPP1) project located across the street.

The proposed project sanitary sewer demand is estimated to be 11,594 gpd ADWF. This equates to 34,782 gpd PWWF or 24.2 gpm. This represents an increase of 10,560 gpd ADWF and 22.0 gpm PWWF.

Capacity of Existing Main

The project will connect to the existing main on Donohoe Street. The East Palo Alto Sanitary District (EPASD) "Master Plan Update" report prepared by Kennedy/Jenks Consultants provides existing and projected future demands for this main. The report lists the Donohoe Street sewer main as a 10-inch. It is our understanding that this section of sewer main has been replaced with a 12-inch main and this understanding is confirmed by field survey.

Attachment B includes calculations for the capacity of the 12-inch main. The calculations use the inverts obtained from field survey to calculate pipe slope and estimate capacity using manning's equation. Attachment C includes the inverts of the 12-inch main adjacent to the site.

As documented in the EPASD "Master Plan Update" report, pipe design capacity of a 12-inch main is based on flowing 3/4 full, yielding a design capacity of 736.1 gpm. According to the EPASD "Master Plan Update", the existing PWWF on Donohoe Street to Cooley Avenue is 0.585 cfs, which equates to 262.6 gpm. The UPP2 project's demand increase is 22.0 gpm or approximately 3% of the pipe design capacity. Pipe demand and capacity are summarized in the table below.

Demand and Capacity Summary

Flow Condition	Demand (GPM)	Design Capacity 3/4 Full (GPM)	Demand as Percentage of Design Capacity (%)	Available Capacity (GPM)
Existing PWWF	262.6	736.1	35.7%	473.5
UPP2 PWWF	22.0	736.1	3.0	-
Existing PWWF + UPP2	284.6	736.1	38.7%	451.5

Conclusion

The UPP2 proposed development would increase sanitary sewer demand by 10,560 gpd ADWF and 22.0 gpm PWWF. The existing 12-inch main on Donohoe Street has capacity to accommodate this increase and will flow 38.7% full with implementation of the project.

ATTACHMENTS:

- Attachment A – University Plaza Phase 2 Project Sanitary Sewer Demand Calculations
- Attachment B – Design Capacity Calculation for Existing 12" Main at Donohoe Street
- Attachment C – Proposed Utility Plan

EPA PHASE II PROJECT PROPOSED SEWER DISCHARGE

Proposed Use	Square Footage (SF)	Demand Factor (gpd/SF)	Demand Factor Provided By?	Average Dry Weather Flow (GPD)	Peak Factor (EPASD/Rich Lareta)	Peak Wet Weather Flow (GPD)	Peak Wet Weather Flow (GPM)	Comment
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EXISTING PROJECT FLOWS								
Office	7,129	0.09	EPASD	642	3	1,925	1.3	Older Buildings, no water-saving fixtures
Medical Office	4,366	0.09	EPASD	393	3	1,179	0.8	Older Buildings, no water-saving fixtures
SUB-TOTAL				1,035		3,104	2.2	Total Existing Discharge

PROPOSED PROJECT FLOWS								
Office	231,883	0.05	EPASD	11,594	3	34,782	24.2	15 gpd/employee x 1 employee/300 sf
Retail	0	0.09	EPASD	0	3	0	0.0	
SUB-TOTAL				11,594		34,782	24.2	Total Proposed Discharge

TOTAL				10,560		31,679	22	Net Increase in Discharge
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Design Capacity for Existing 12" Main at Donohoe Street

Design Capacity of Existing 12-inch Sanitary Sewer Main (sloped at 0.3%)

** Design capacity is assumed to be 3/4 of the total flow capacity of the pipe.*

$$Q = \text{flow, cfs} = \frac{1.49A R^{\frac{2}{3}} S^{\frac{1}{2}}}{n}$$

$n = \text{Manning Roughness Coefficient (VCP)} = 0.013, \quad r = \text{Radius} = 0.500 \text{ ft}$

$A = \text{Cross Sectional Area, ft}^2 = .75(\pi r^2) = 0.589 \text{ ft}^2$

** Cross-sectional area at 3/4 flow capacity assumed to be 3/4 of cross-sectional area at 100% capacity: $A(3/4 \text{ capacity}) = 0.75 * A(75\% \text{ capacity})$*

$P = \text{Wetted Perimeter, ft} = 1.988 \text{ ft}$ (See page 2 for calculation)

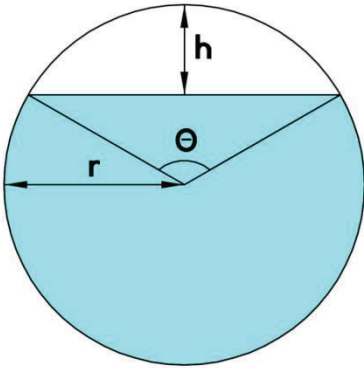
$$R = \text{Hydraulic Radius, ft} = \frac{A}{P} = \frac{0.589 \text{ ft}^2}{1.988 \text{ ft}} = 0.296 \text{ ft}$$

$S = \text{Slope} = 0.003$

$$Q = \frac{1.49(0.589 \text{ ft}^2)(0.296 \text{ ft})^{\frac{2}{3}}(0.003)^{\frac{1}{2}}}{0.013} = 1.64 \text{ cfs}$$
$$= 736.1 \text{ GPM}$$

Design Capacity for Existing 12" Main at Donohoe Street

Wetted Perimeter Calculation – 3/4 Capacity



$r = \text{radius, ft}$

$$A = \text{Cross Sectional Area, ft}^2 = \pi r^2 - \left(\frac{r^2(\theta - \sin\theta)}{2} \right)$$

$$P = \text{Wetted Perimeter, ft} = 2\pi r - r\theta$$

$$r = 0.500 \text{ ft}$$

$$A = 0.75(\pi r^2) = 0.75(0.785 \text{ ft}^2) = 0.589 \text{ ft}^2$$

* Cross-sectional area at 3/4 flow capacity assumed to be 3/4 of cross-sectional area at 100% capacity: $A(3/4 \text{ capacity}) = 0.75 * A(100\% \text{ capacity})$

$$A = 0.589 \text{ ft}^2 = \pi r^2 - \frac{r^2(\theta - \sin\theta)}{2}$$

$$0.589 \text{ ft}^2 = \pi(0.500 \text{ ft})^2 - \frac{(0.500 \text{ ft})^2(\theta - \sin\theta)}{2}$$

$$1.568 = \theta - \sin\theta$$

$$\theta = 2.308 \text{ rad}$$

$$P = 2\pi r - r\theta = 2\pi(0.500 \text{ ft}) - (0.500 \text{ ft} * 2.308 \text{ rad}) = 1.988 \text{ ft}$$



ISSUES AND REVISIONS	
NO.	DATE
1	07.29.16
2	03.02.18
3	04.05.18
4	07.16.18

PROJECT NUMBER
20180076

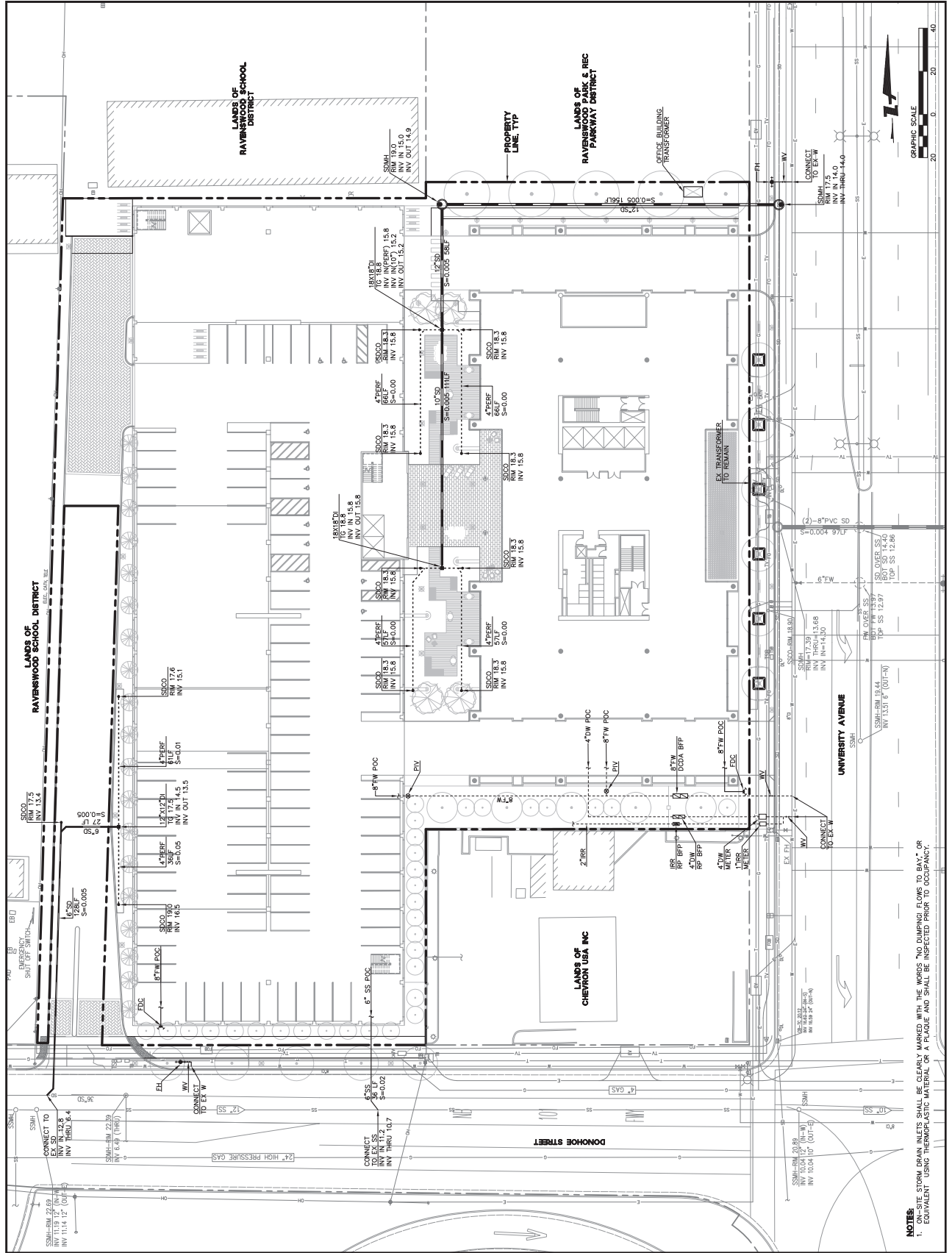
SHEET TITLE
CONCEPTUAL
UTILITY PLAN

SCALE
1"=20'



SHEET NUMBER

C3.0



NOTES
1. ON-SITE STORM DRAIN INLETS SHALL BE CLEARLY MARKED WITH THE WORDS "NO DUMPING FLOWS TO BAY," OR EQUIVALENT, USING THERMOPLASTIC MATERIAL OR A PLAQUE AND SHALL BE INSPECTED PRIOR TO OCCUPANCY.

ALL DRAWINGS AND DETAILS UNLESS OTHERWISE SPECIFIED, INCLUDING FIELD CONDITIONS, AND DIMENSIONS SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE UNIFORM CONCEPTUAL UTILITY PLAN, dwg

Appendix B
Pipeline Convergence Analysis

Table B1

Convergence: University Phase 2				
Size (inch)	16			
HGL (ft)	8.088	8.055	6.75	5.938
d/D	0.6681	1	0.5653	0.5653
Upstream Manhole	D3	D2	D1	E4
Downstream Manhole	D2	D1	E4	E3
Size (inch)	20			
HGL (ft)	7.773	7.748	6.671	5.59
d/D	0.466	0.5894	0.3975	0.3975
Upstream Manhole	D3	D2	D1	E4
Downstream Manhole	D2	D1	E4	E3
Size (inch)	24			
HGL (ft)	7.693	7.668	6.63	5.56
d/D	0.3541	0.4455	0.3084	0.3084
Upstream Manhole	D3	D2	D1	E4
Downstream Manhole	D2	D1	E4	E3
Size (inch)	28			
HGL (ft)	7.633	7.608	6.609	5.535
d/D	0.284	0.3525	0.2546	0.2546
Upstream Manhole	D3	D2	D1	E4
Downstream Manhole	D2	D1	E4	E3

Notes

1. The goal of the analysis is to determine an optimum pipe diameter to achieve a maximum d/D of 0.66.
2. The optimum pipe diameter is determined when changes in the Hydraulic Grade Line (HGL) were minimal between pipe diameters.

From: Akin Okupe <aokupe@epasd.com>
Sent: Tuesday, December 03, 2019 9:51 AM
To: Tom Morse; 'Jeffrey Tarantino'
Cc: Keianna Talton; Tim Steele; Lokelani Yee; 'Robert Tersini'
Subject: Re: 2100 University Flow Monitoring Proposal

We are waiting for your comments on the first DRAFT before we provide the final memo.

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Tuesday, December 3, 2019 9:41 AM
To: Akin Okupe <aokupe@epasd.com>; 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Hello Akin,
Following up on the updated sewer memorandum for University Plaza Phase 2. Please provide a schedule for delivery of the final memorandum and an account summary with balance to be refunded since the sewer flow monitoring was not completed.

Thanks,
Tom

THOMAS R. MORSE, PE, LEED® AP
Vice President
BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.482.6419 tmorse@bkf.com BKF.com

From: Akin Okupe [<mailto:aokupe@epasd.com>]
Sent: Tuesday, November 19, 2019 9:39 AM
To: Tom Morse <TMorse@BKF.com>; 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: Re: 2100 University Flow Monitoring Proposal

Hi Tom,

We will calculate the balance on the account and get back, we have changed strategy, we are currently looking at the option of installing a data logger on all the water meters at the Phase 1

building to measure the water flow and the time of use. I have requested Jeff to submit a proposal regarding this strategy and will forward it to you for concurrence. In the mean time, I will calculate the balance on your account. Please be advised that Jeff is fixing some errors on the memorandum of the hydraulic impact that will be charged to your account.

Thanks

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Tuesday, November 19, 2019 9:00 AM
To: Akin Okupe <aokupe@epasd.com>; 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Hi Akin,

The following cost estimate was provided to complete flow monitoring for the University Plaza Phase 1 (Amazon) building to confirm office building sewer flow demand estimates. Sobrato provided the requested payment. Since flow monitoring was abandoned after unsuccessfully attempting to monitor sewer flows at the existing manhole on Capitol Avenue and the remainder of the monitoring on the Donohoe Street connections was not completed, Sobrato requests East Palo Alto Sanitary District return the remainder of the monitoring fee.

The Total Cost breakdown as as listed below:

Consulting- \$4,310
Manhole -\$6000
Staff Time- \$3000
Contingency-\$3000
Total-\$16,310

Deposit- \$15,000
Expenses-10,000
Balance-5,000

Payment Required- $16,310 - 5,000 = \$11,310$

Thank you,
Tom

THOMAS R. MORSE, PE, LEED® AP

Vice President

BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.482.6419 tmorse@bkf.com BKF.com

From: Akin Okupe [<mailto:aokupe@epasd.com>]
Sent: Wednesday, September 18, 2019 1:51 PM
To: Tom Morse <TMorse@BKF.com>; 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: Re: 2100 University Flow Monitoring Proposal

You are correct, the flow was too small to be recorded

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Wednesday, September 18, 2019 1:45 PM
To: Akin Okupe <aokupe@epasd.com>; 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Was flow observed? Perhaps the flow is too small for the meter to measure? The manhole on Capitol only drains a small kitchen and the community development space in the garage. I would not expect to see more than a few gpm peak.

Tom

THOMAS R. MORSE, PE, LEED® AP
Vice President
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d 650.482.6419 tmorse@bkf.com BKF.com

From: Akin Okupe [<mailto:aokupe@epasd.com>]
Sent: Wednesday, September 18, 2019 1:42 PM
To: Tom Morse <TMorse@BKF.com>; 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: Re: 2100 University Flow Monitoring Proposal

The instrument did not pick any flow

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Wednesday, September 18, 2019 12:58 PM
To: Akin Okupe <aokupe@epasd.com>; 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Apologies meant to reply all.

Please share the results of the monitoring that was completed

Tom

THOMAS R. MORSE, PE, LEED® AP

Vice President

BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.482.6419 tmorse@bkf.com BKF.com

From: Akin Okupe [<mailto:aokupe@epasd.com>]
Sent: Wednesday, September 18, 2019 12:05 PM
To: Tom Morse <TMorse@BKF.com>; 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: Re: 2100 University Flow Monitoring Proposal

Hi Tom,

We have made attempt to measure the flow rate as discussed but the instrument failed to perform as expected.

In view of this development, am of the opinion that we should change strategy as measuring the flow rate will not provide any new information. As I have mentioned previously engineering members are normally design for the worst case and not the best case. Previous measurement of water use of the University Plaza Phase I Building indicates that the 65gpm per square ft is a good estimate of the water use from the building. Pursuant to this, the questions are now;

- a) is this flow discharged in an 8 hrs period
- b) is it discharged in a 24 hr period.

The decision of the District at the moment is to choose the 8 hrs which is the most likely option with 98% confidence level.

In this regard the developer will need to deposit the sum of approximately \$3 million into a trust account with the District and sign development agreement with the District for us to move forward.

I dont think we need to make further efforts measuring flow rate as this will amount to destruction of values.

Please note that you are welcome to discuss this issue with the Engineering Committee and the full Board if you deem it necessary.

Thank you so much

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Wednesday, September 18, 2019 11:44 AM
To: 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; Akin Okupe <aokupe@epasd.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Hi Jeff,
Can you get the team and update on schedule for potholing and manhole installation?

Thanks
Tom

THOMAS R. MORSE, PE, LEED® AP
Vice President
BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.482.6419 tmorse@bkf.com BKF.com

From: Jeffrey Tarantino [<mailto:tarantino@freyerlaureta.com>]
Sent: Thursday, September 12, 2019 7:47 AM
To: Tom Morse <TMorse@BKF.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee

<lyee@bkf.com>; Akin Okupe <aokupe@epasd.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Hi Tom

We are waiting on the potholing contractor for the schedule (sorry should have made my first email more clear). We will provide the proposed date for potholing once we have it. Thanks.

Jeff

Jeffrey J. Tarantino, P.E.



Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070

Mobile: (650) 619-3226



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From: Tom Morse <TMorse@BKF.com>
Sent: Thursday, September 12, 2019 7:45 AM
To: Jeffrey Tarantino <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; Akin Okupe <aokupe@epasd.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Thanks Jeff

Can you get me dates and duration for pothole and manhole installation? Sobrato needs to notify their tenant.

Also based on the email from EPASD we assumed the \$6,000 was for the manhole installation. The district did not mention additional fee may be needed for the manhole.

The Total Cost breakdown as as listed below:
Consulting- \$4,310
Manhole -\$6000
Staff Time- \$3000

Contingency-\$3000
Total-\$16,310

Deposit- \$15,000
Expenses-10,000
Balance-5,000

Payment Required- 16,310-5000= \$11,310

Tom

THOMAS R. MORSE, PE, LEED® AP

Vice President

BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.482.6419 tmorse@bkf.com BKF.com

From: Jeffrey Tarantino [<mailto:tarantino@freyerlaureta.com>]
Sent: Thursday, September 12, 2019 7:37 AM
To: Tom Morse <TMorse@BKF.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>; Akin Okupe <aokupe@epasd.com>; 'Robert Tersini' <rtersini@sobrato.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Hi Tom

As requested, I wanted to provide an update on the District's schedule for flow monitoring.

- One flow meter to be installed today in the manhole at the end of Capital (north side of building; see attached markup of the provided Record Drawing). Flow monitoring would occur from Thursday, September 12 through Tuesday, September 17. Once the data is downloaded, F&L will perform a preliminary review and provide BKF/Sobrato with an initial review by Friday, September 27.
- District will pothole the two laterals on Donohoe to confirm lateral depths.
- As the District indicated in its discussions with Sobrato, the District will contract to have two manholes installed on Donohoe to allow the District flow meters to be installed into the laterals. The District will submit the contractor's cost proposal to Sobrato once it is received. At the time that the construction costs for installing the two manholes is presented to Sobrato, the District will provide the schedule for installation and flow monitoring.

Please feel free to call or email with any questions. I am tied up in a number of meetings today but should be in the office most of the day tomorrow (Friday, September 13). Thanks.

Jeff

Jeffrey J. Tarantino, P.E.



Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070

Mobile: (650) 619-3226



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From: Akin Okupe <aokupe@epasd.com>
Sent: Tuesday, September 10, 2019 9:14 AM
To: Tom Morse <TMorse@BKF.com>; 'Robert Tersini' <rtersini@sobrato.com>; Jeffrey Tarantino <tarantino@freyerlaureta.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>
Subject: Re: 2100 University Flow Monitoring Proposal

Hi,

Yes, we received the check, i have called Jeff to coordinate the effort, he will be providing us a schedule.

Thanks

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Tuesday, September 10, 2019 8:54 AM
To: 'Robert Tersini' <rtersini@sobrato.com>; Akin Okupe <aokupe@epasd.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Hi Akin,

Can you confirm you received the check from Sobrato and provide a schedule for the monitoring working including dates for installation of the manholes. Sobrato needs to let the tenant know when that work is going to occur.

Thanks,
Tom

THOMAS R. MORSE, PE, LEED® AP

Vice President

BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.482.6419 tmorse@bkf.com BKF.com

From: Robert Tersini [<mailto:rtersini@sobrato.com>]
Sent: Wednesday, September 04, 2019 10:41 AM
To: Akin Okupe <aokupe@epasd.com>; Tom Morse <TMorse@BKF.com>
Cc: Keianna Talton <ktalton@epasd.com>; Tim Steele <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>
Subject: Re: 2100 University Flow Monitoring Proposal

Akin – I have the check ready. Shall we overnight to your attention? If so what is the best address?

Thanks

Robert Tersini
Assistant Development Manager
The **Sobrato** Organization • 599 Castro Street, Suite 400 • Mountain View, CA 94041
(408) 691-3291 cell

From: Akin Okupe <aokupe@epasd.com>
Date: Tuesday, September 3, 2019 at 3:05 PM
To: Tom Morse <TMorse@BKF.com>
Cc: Keianna Talton <ktalton@epasd.com>, Robert Tersini <rtersini@sobrato.com>, Tim Steele <tsteele@sobrato.com>, Lokelani Yee <lyee@bkf.com>
Subject: Re: 2100 University Flow Monitoring Proposal

Hi Tom,

Once we receive the check, we will send you a schedule.

Thanks

Akin Okupe, M.B.A.,P.E.

General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Tuesday, September 3, 2019 8:58 AM
To: Akin Okupe <aokupe@epasd.com>
Cc: Keianna Talton <ktalton@epasd.com>; Robert Tersini (rterisini@sobrato.com) <rterisini@sobrato.com>; Tim Steele (tsteele@sobrato.com) <tsteele@sobrato.com>; Lokelani Yee <lyee@bkf.com>
Subject: RE: 2100 University Flow Monitoring Proposal

Thank you Akin.

Sobrato is working on getting a check and we will have that to you in the next few days.

When do you think the District will be able to install the manholes? Sobrato want to notify the tenant of the disruption as early as possible.

We are very eager to see the results of the monitoring. Do you think that 3 days is adequate duration for the monitorin?

Tom

THOMAS R. MORSE, PE, LEED® AP
Vice President

BKF ENGINEERS Delivering Inspired Infrastructure
255 Shoreline Drive, Suite 200, Redwood City, CA 94065
d 650.485.6419 tmorse@bkf.com BKF.com

From: Akin Okupe [<mailto:aokupe@epasd.com>]
Sent: Friday, August 30, 2019 1:38 PM
To: Tom Morse <TMorse@BKF.com>
Cc: Keianna Talton <ktalton@epasd.com>
Subject: Fw: 2100 University Flow Monitoring Proposal

Tom,

Please find attached proposal from the consultant regarding the monitoring of the sewerage flow out of University Plaza Phase 1.

The Total Cost breakdown as as listed below:

Consulting- \$4,310

Manhole -\$6000

Staff Time- \$3000

Contingency-\$3000

Total-\$16,310

Deposit- \$15,000

Expenses-10,000
Balance-5,000

Payment Required- $16,310 - 5000 = \$11,310$

Pursuant to the above, we would need an additional deposit of \$11,310 in order to proceed with the monitoring.

Thank you so much

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Jeffrey Tarantino <tarantino@freyerlaureta.com>
Sent: Friday, August 30, 2019 12:35 PM
To: Akin Okupe <aokupe@epasd.com>
Cc: Joanne Yau <yau@freyerlaureta.com>; Korinne Nickings <knickings@epasd.com>
Subject: 2100 University Flow Monitoring Proposal

Hi Akin

Please see the attached proposal for F&L to assist with flow monitoring for the 2100 University office building. Please also refer to the attached email I sent to Merwyn and you regarding my question about laterals serving the building.

F&L's opinion of probable construction cost to install manholes on the laterals that discharge to Donohoe is between \$3,000 and \$6,000 each. Thanks!

Jeff

Jeffrey J. Tarantino, P.E.



Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070
Mobile: (650) 619-3226

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****Happy Holidays! Please note that all of our BKF offices will be closed Nov 28,29 and Dec 25 thru Jan 1 2020.
We are open Jan 2nd.**

January 7, 2019
BKF Job No.: C20160076

Mr. Akin Okupe, General Manager
East Palo Alto Sanitary District
901 Weeks Street
East Palo Alto, CA 94303

Transmitted Via Email: aokupe@epasd.com

**Subject: University Plaza, Phase 2, East Palo Alto, CA
Sewer System Hydraulic Modeling
October 29, 2019 Freyer & Laureta Memorandum**

Dear Mr. Okupe:

Thank you for forwarding the sanitary sewer analysis memorandum titled, "East Palo Alto Sanitary District – University Phase II Development," prepared by Freyer & Laureta, Inc dated October 29, 2019 and the Wastewater Capacity Charge Update prepared by Bartle Wells Associates, dated December 2018 (Bartle Wells Report).

During our December 10, 2019 meeting with the District, you noted that the Bartle Wells Report establishes "capacity fees" for new projects served by the District. The Bartle Wells Report establishes a methodology to "Equitably [recover] costs based on the new or increased capacity needs of each new development or redevelopment project." Implementing this methodology and fee structure to address system capacity is more appropriate than one off analyses for individual projects, as was done in the Freyer & Laureta memorandum. In light of this, we have included as Attachment A a sanitary sewer capacity fee calculation memorandum for the University Plaza Phase 2 project based on the Equivalent Dwelling Unit (EDU) methodology identified in the Bartle Wells Report.

While we believe that the capacity fee discussed above should be the only capacity fee applicable to new development served by the District, we have reviewed the Freyer & Laureta memorandum and have several questions and concerns outlined below.

1. The project as approved by the East Palo Alto City Council has been reduced to include 203,967 square feet of office space and 8,690 square feet of community flex space.
2. The calculation of peak hour demand is not industry standard and does not match the methodology used in the March 2015 East Palo Alto Sanitary District Master Plan Update prepared by Freyer & Laureta, Inc. Dividing the average day flow by the assumed operational hours is unnecessary and provides an overly conservative peaking factor.

While one might consider this methodology for a single building or small campus it is not appropriate for a city wide sanitary sewer system where system peaks and time of use are already included as part of the flow monitoring complete to develop Master Plan Update. To apply this methodology universally would require a continuous simulation model instead of the static, peak flow model used.

An additional peaking factor of 5.8 was used in the model. This is the single highest peak factor identified in the Master Plan Update. Portions of the system that serve the proposed project site have smaller peaking factors. As identified in the Master Plan Update, this peaking factor is for Peak Wet Weather Flow that includes the system diurnal peak and significant system rain water dependent inflow and infiltration. Since this new project will not contribute additional rain water dependent inflow and infiltration, the peaking factor should be reduced.

This overly conservative methodology may unduly show impact to district wide facilities, hampering future development in the City of East Palo Alto. Based on analysis of nodes E2, I3 and T13 in the 2015 Master Plan update the maximum ADWF to PDWF peak is 1.7 at node E2. The remainder of the peaking factor is wet weather inflow and infiltration that is an existing condition and not increased by the proposed project.

3. The Memorandum states, "...the model does indicate there is a potential for SSOs as a result of the peak flows from the development." However, Figure 2 – Peak flow Hydraulic Grade Line shows available freeboard between the system hydraulic grade and existing ground even using the overly conservative peaking factors.
4. The peak flow hydraulic grade line for the existing condition is not presented and there is no discussion of the existing surcharge condition during peak wet weather events. Please note that it is common practice to allow some surcharge of a sanitary sewer system during peak wet weather events in existing pipes as new projects are added to the system and future capital improvement upgrades are scheduled.
5. While this memorandum identifies that significant system improvements are required, these improvements are substantially the same improvements identified in the Master Plan Update and used as the basis for the Bartle Wells Report (e.g.: increasing the size of the 15" sewer main on Beech street and Green Street). This "double counting" of improvements is further evidence that only the capacity charges recommended in the Bartle Wells Report should apply to the project.
6. Numerous system improvements identified in this memorandum are also identified in the Freyer & Laureta, Inc. memorandum prepared for the Primary School, 1200 Weeks Street development, dated October 28, 2019. The section of sewer main between T19 and T16 is included in both summaries of "probable projects costs" with no discussion of fair share costs.

7. The Master Plan Update recommends a Capital Improvement Program. What is the status of the recommended Capital Improvement Program? Has timing been confirmed and funding identified?

Please let us know if a meeting would be helpful to discuss these comments. We look forward to working with your team to refine the modeling and better understand the project and cumulative impacts. Please contact me at 650.482.6419 if you have any questions regarding these comments.

Sincerely,

BKF Engineers



Thomas R. Morse, PE, LEED® AP
Vice President

Attachment:

- Attachment A: University Plaza Phase 2 – Sanitary Sewer Capacity Fee Calculation

cc:

Kamal Fallaha, City of East Palo Alto
Tim Steele, The Sobrato Organization
Robert Tersini, The Sobrato Organization
Tamsen Plume, Holland & Knight, LLP
Kevin Ashe, Holland & Knight, LLP
John Rayner, Kennedy Jenks
Sachi Itagaki, Kennedy Jenks
Jennifer Von der Ahe, The Primary School
Jennifer Renk, Sheppard Mullin Richter & Hampton, LLP
Carlos Castellanos, MidPen Housing Corp.
Ashley Stanley, BKF Engineers
Cole Gaumnitz, BKF Engineers

From: Akin Okupe <aokupe@epasd.com>
Sent: Thursday, January 16, 2020 3:27 PM
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Cc: tsteele@sobrato.com; rtersini@sobrato.com;
tamsen.plume@hklaw.com; Tom Morse; jvda@theprimaryschool.org;
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housing.org; kfallaha@cityofepa.org; JRenk@sheppardmullin.com;
ralvarado@cityofepa.com; JohnRayner@kennedyjenks.com; Malathy
Subramanian
Subject: Re: Letter and Technical Memoranda - Capacity Charges for University
Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Hi Kevin,

Thank you for providing the letter and memoranda, please take this email as an acknowledgement. In pursuant to your letter, please note that the amount stated in the technical memoranda provided by Freyer and Loretta is not a connection fee but an assessment fee as stipulated in your letter.

I also wish to note that the memoranda contains some evidence of reasonableness and unreasonableness, these would be addressed in my response.

Please be assured that am aware of the provision of the common law that the rates charged by Special Districts must be fair, just non discriminatory and reasonable, this is incontrovertible.

Please also note that a Special District may use a myriad of factors to justify assessment fees when reasonable, the letter and memoranda provided have not taken into consideration these myriad of factors surrounding the projects.

I will be working with our legal team and engineers to provide an appropriate response that would demonstrate that the assessment and connections fees are not unreasonable when the infrastructure is at full capacity.

Thank you for your cooperation

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Kevin.Ashe@hklaw.com <Kevin.Ashe@hklaw.com>
Sent: Wednesday, January 15, 2020 6:08 PM
To: Akin Okupe <aokupe@epasd.com>

Cc: tsteele@sobrato.com <tsteele@sobrato.com>; rtersini@sobrato.com <rtersini@sobrato.com>; tamsen.plume@hkclaw.com <tamsen.plume@hkclaw.com>; TMorse@BKF.com <TMorse@BKF.com>; jvda@theprimaryschool.org <jvda@theprimaryschool.org>; astanley@bkf.com <astanley@bkf.com>; ccastellanos@midpen-housing.org <ccastellanos@midpen-housing.org>; vwong@midpen-housing.org <vwong@midpen-housing.org>; kfallaha@cityofepa.org <kfallaha@cityofepa.org>; JRenk@sheppardmullin.com <JRenk@sheppardmullin.com>; ralvarado@cityofepa.com <ralvarado@cityofepa.com>; JohnRayner@kennedyjenks.com <JohnRayner@kennedyjenks.com>
Subject: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Good evening Akin,

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Please let us know once the District has had an opportunity to review these materials, so we can continue our discussion on this matter.

Thank you for providing responses to our Public Record Act requests on Tuesday. We will review the information provided, and will be in contact if we need any additional information from the District.

Regards,

Kevin

Kevin J. Ashe | Holland & Knight

Associate

50 California Street, Suite 2800 | San Francisco, CA 94111

P: 415.743.6972 | M: 508.259.5617

kevin.ashe@hkclaw.com | www.hkclaw.com



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Subject: Re: Letter and Technical Memoranda - Capacity Charges for University
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Hi Kevin,

Please note that my response would demonstrate adherence to the following principles:

- Not arbitrary and capricious
- Non Discriminatory and reasonable
- Good faith intent
- Rational basis
- Proportional share

Thanks

Akin Okupe, M.B.A.,P.E.
General Manager
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ccastellanos@midpen-housing.org <ccastellanos@midpen-housing.org>; vwong@midpen-housing.org
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I will be working with our legal team and engineers to provide an appropriate response that would demonstrate that the assessment and connections fees are not unreasonable when the infrastructure is at full capacity.

Thank you for your cooperation

Akin Okupe, M.B.A.,P.E.
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East Palo Alto Sanitary District
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Please let us know once the District has had an opportunity to review these materials, so we can continue our discussion on this matter.

Thank you for providing responses to our Public Record Act requests on Tuesday. We will review the information provided, and will be in contact if we need any additional information from the District.

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Subject: Re: Letter and Technical Memoranda - Capacity Charges for University
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Hi Kevin,

After scrutinizing your letter, I discovered that there are some misconceptions regarding the content of the memoranda. In order to have an unequivocal understanding of the issue, I found it imperative to have a meeting with your team before I respond to your letter.

Are u guys available next week Thursday for a meeting at 10 am?

Thank you for your cooperation

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
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General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

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Sent: Wednesday, January 15, 2020 6:08 PM

To: Akin Okupe <aokupe@epasd.com>

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Subject: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

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Subject: Re: Letter and Technical Memoranda - Capacity Charges for University
Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Hi Kevin,

Thank you for the swift response, I just want to clarify that the District does not have capacity for these projects and there is no funding in place to fund development projects at the moment. Our yearly revenue is only \$5 million as you can see on our website. The only way these projects can be accommodate is for developers to fund them and get reimbursed by future developments. The cost indicated in the technical memoranda are the costs of upgrade, they are not fees. The developer could choose to fund the projects and get reimbursed by future developers or wait for the existing pipes to expend there useful life.

The yearly revenue has been \$5 million for a long time with provision only to perform point repairs. There is no provision to fund development projects in the budget. In my experience, it is normal practice for developments to fund the projects and get reimbursed from future developers. I have discussed this in a greater detail with Kamal and I think the best way forward is to get all potential developers together to discuss financial strategy.

Development projects are good for the City as they tend to increase local GDP and money velocity which help create jobs. The multiplier effects of these projects are inestimable for present and future generations. However, in the light of limited financial resources, options tend to be limited when striking for balance between safety and job creation through investments.

I also want to emphasize there there is no public agency that has a specification with d/D above 100%. Most of the proposals in the memoranda submitted have not been substantiated.

I will forward you a memorandum that will summarize my position.

Thank you for being very responsive, enjoy your weekend.

Regards

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Subject: RE: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Akin,

Upon receiving your note and conferring with Sobrato and the Primary School, we are not confident that another in-person group meeting would be productive at this time (and, as you know, would be costly). We would request that you provide your questions and responses in writing, as you requested of us at the last meeting, so we can similarly review and respond. If it would be helpful for you and your legal counsel to contact Holland & Knight or Sheppard Mullin with specific questions, we will make ourselves available. Similarly, if it would be helpful to obtain technical clarifications from Kennedy Jenks and/or BKF, they can also be available.

Lastly, we note from your prior email that there is potential misunderstanding of some important terminology (i.e., "capacity charges", "connection fees" and "assessments.") While these terms appear to be used interchangeably, they do have distinct definitions under state law. We will provide the legal definitions we are using for each shortly to assist you in responding.

Have a good weekend and we look forward to your response and questions.

Kevin

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Subramanian; kfallaha@cityofepa.org
Subject: Re: Letter and Technical Memoranda - Capacity Charges for University
Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Hi Kevin,

Please also note that we will be moving forward with the formation of a wastewater advisory committee consisting of citizens from the community, this will give the community an opportunity to decide if they want to fund growth by increasing the rates from \$600 to \$1200. If the political will is there, we will consider this option.
You will hear from me soon in a laid out letter.

Thank you so much

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Not next week Thursday, I mean January 30 at 10 am

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JohnRayner@kennedyjenks.com; Malathy.Subramanian@bbklaw.com;
kfallaha@cityofepa.org; ralvarado@cityofepa.org
Subject: Re: Letter and Technical Memoranda - Capacity Charges for University
Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Hi Kevin,

As I mentioned in my previous email, we dont have capacity for these projects, I will be given a presentation to City Council regarding these projects. Unless some funding is in place, I dont see a way forward.

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Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Kevin.Ashe@hklaw.com <Kevin.Ashe@hklaw.com>
Sent: Friday, January 24, 2020 4:44 PM
To: Akin Okupe <aokupe@epasd.com>
Cc: tsteele@sobrato.com <tsteele@sobrato.com>; rtersini@sobrato.com <rtersini@sobrato.com>;
tamsen.plume@hklaw.com <tamsen.plume@hklaw.com>; TMorse@BKF.com <TMorse@BKF.com>;
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Subject: RE: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200
Weeks St. Projects - 2020.01.15

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As promised last week, and for purposes of your response letter, below please find a summary of the proper terminology for "connection fee," "capacity charge," and "assessments." We feel it is essential that the parties have a common understanding of the terminology moving forward to avoid confusion.

Thank you, and please let us know if you have any questions

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Special Benefit Assessments		
Purpose	Procedural Requirements ⁽¹⁾	Ap
Fund facilities and services, e.g., water and sewer facilities, landscape and lighting facilities and services, park facilities and services	(1) Hold noticed public hearing. (2) Written notice of public hearing and ballots must be mailed to property owners at least 45 days prior to protest hearing. (3) Notice must provide: (a) the total amount chargeable to the entire district; (b) the amount chargeable to the owner's parcel; (c) the duration of the payments; (d) the reason for the assessment and the basis upon which it was calculated; (e) the date, time, location of the public hearing; (f) a ballot; (g) a summary of the procedures for returning and tabulating the ballots; (h) a statement that if a majority protest exists the assessment will not be imposed. (4) The resolution authorizing the special benefit assessment may (a) state a range of rates or amounts; or (b) provide that rate may be adjusted for inflation pursuant to defined formula.	If a pro pro the ass be are on obl pro

Kevin J. Ashe | Holland & Knight

Associate

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P: 415.743.6972 | M: 508.259.5617

kevin.ashe@hklaw.com | www.hklaw.com



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Sent: Saturday, January 18, 2020 9:24 AM
To: Ashe, Kevin J (SFO - X56972) <Kevin.Ashe@hklaw.com>
Cc: tsteele@sobrato.com; rtersini@sobrato.com; Plume, Tamsen (SFO - X56941) <tamsen.plume@hklaw.com>; TMorse@BKF.com; jvda@theprimaryschool.org; astanley@bkf.com; ccastellanos@midpen-housing.org; vwong@midpen-housing.org; kfallaha@cityofepa.org; JRenk@sheppardmullin.com; JohnRayner@kennedyjenks.com; Malathy.Subramanian@bbkllaw.com; kfallaha@cityofepa.org; ralvarado@cityofepa.org
Subject: Re: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

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The yearly revenue has been \$5 million for a long time with provision only to perform point repairs. There is no provision to fund development projects in the budget. In my experience, it is normal practice for developments to fund the projects and get reimbursed from future developers. I have discussed this in a greater detail with Kamal and I think the best way forward is to get all potential developers together to discuss financial strategy.

Development projects are good for the City as they tend to increase local GDP and money velocity which help create jobs. The multiplier effects of these projects are inestimable for present and future generations. However, in the light of limited financial resources, options tend to be limited when striking for balance between safety and job creation through investments.

I also want to emphasize there there is no public agency that has a specification with d/D above 100%. Most of the proposals in the memoranda submitted have not been substantiated.

I will forward you a memorandum that will summarize my position.

Thank you for being very responsive, enjoy your weekend.

Regards

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Kevin.Ashe@hklaw.com <Kevin.Ashe@hklaw.com>

Sent: Friday, January 17, 2020 2:41 PM

To: Akin Okupe <aokupe@epasd.com>

Cc: tsteele@sobrato.com <tsteele@sobrato.com>; rtersini@sobrato.com <rtersini@sobrato.com>;

tamsen.plume@hklaw.com <tamsen.plume@hklaw.com>; TMorse@BKF.com <TMorse@BKF.com>;
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<Malathy.Subramanian@bbklaw.com>; kfallaha@cityofepa.org <kfallaha@cityofepa.org>;
ralvarado@cityofepa.org <ralvarado@cityofepa.org>

Subject: RE: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Akin,

Upon receiving your note and conferring with Sobrato and the Primary School, we are not confident that another in-person group meeting would be productive at this time (and, as you know, would be costly). We would request that you provide your questions and responses in writing, as you requested of us at the last meeting, so we can similarly review and respond. If it would be helpful for you and your legal counsel to contact Holland & Knight or Sheppard Mullin with specific questions, we will make ourselves available. Similarly, if it would be helpful to obtain technical clarifications from Kennedy Jenks and/or BKF, they can also be available.

Lastly, we note from your prior email that there is potential misunderstanding of some important terminology (i.e., "capacity charges", "connection fees" and "assessments.") While these terms appear to be used interchangeably, they do have distinct definitions under state law. We will provide the legal definitions we are using for each shortly to assist you in responding.

Have a good weekend and we look forward to your response and questions.

Kevin

Kevin J. Ashe | Holland & Knight

Associate

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kevin.ashe@hklaw.com | www.hklaw.com



From: Akin Okupe <aokupe@epasd.com>
Sent: Friday, January 17, 2020 11:19 AM
To: Ashe, Kevin J (SFO - X56972) <Kevin.Ashe@hklaw.com>
Cc: tsteele@sobrato.com; rtersini@sobrato.com; Plume, Tamsen (SFO - X56941) <tamsen.plume@hklaw.com>; TMorse@BKF.com; jvda@theprimaryschool.org; astanley@bkf.com; ccastellanos@midpen-housing.org; ywong@midpen-housing.org; kfallaha@cityofepa.org; JRenk@sheppardmullin.com; ralvarado@cityofepa.com; JohnRayner@kennedyjenks.com; Malathy Subramanian <Malathy.Subramanian@bbklaw.com>; kfallaha@cityofepa.org
Subject: Re: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

[External email]

Hi Kevin,

After scrutinizing your letter, I discovered that there are some misconceptions regarding the content of the memoranda. In order to have an unequivocal understanding of the issue, I found it imperative to have a meeting with your team before I respond to your letter.

Are u guys available next week Thursday for a meeting at 10 am?

Thank you for your cooperation

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Akin Okupe <aokupe@epasd.com>
Sent: Thursday, January 16, 2020 4:14 PM
To: Kevin.Ashe@hklaw.com <Kevin.Ashe@hklaw.com>
Cc: tsteele@sobrato.com <tsteele@sobrato.com>; rtersini@sobrato.com <rtersini@sobrato.com>; tamsen.plume@hklaw.com <tamsen.plume@hklaw.com>; TMorse@BKF.com <TMorse@BKF.com>; jvda@theprimaryschool.org <jvda@theprimaryschool.org>; astanley@bkf.com <astanley@bkf.com>; ccastellanos@midpen-housing.org <ccastellanos@midpen-housing.org>; ywong@midpen-housing.org <ywong@midpen-housing.org>; kfallaha@cityofepa.org <kfallaha@cityofepa.org>; JRenk@sheppardmullin.com <JRenk@sheppardmullin.com>; ralvarado@cityofepa.com <ralvarado@cityofepa.com>; JohnRayner@kennedyjenks.com <JohnRayner@kennedyjenks.com>; Malathy Subramanian <Malathy.Subramanian@bbklaw.com>; kfallaha@cityofepa.org <kfallaha@cityofepa.org>
Subject: Re: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Hi Kevin,

Please note that my response would demonstrate adherence to the following principles:

- Not arbitrary and capricious
- Non Discriminatory and reasonable
- Good faith intent
- Rational basis
- Proportional share

Thanks

Akin Okupe, M.B.A.,P.E.
General Manager
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Tel :(650) 325-9021

From: Akin Okupe <aokupe@epasd.com>
Sent: Thursday, January 16, 2020 3:27 PM
To: Kevin.Ashe@hklaw.com <Kevin.Ashe@hklaw.com>
Cc: tsteele@sobrato.com <tsteele@sobrato.com>; rtersini@sobrato.com <rtersini@sobrato.com>; tamsen.plume@hklaw.com <tamsen.plume@hklaw.com>; TMorse@BKF.com <TMorse@BKF.com>; jvda@theprimaryschool.org <jvda@theprimaryschool.org>; astanley@bkf.com <astanley@bkf.com>; ccastellanos@midpen-housing.org <ccastellanos@midpen-housing.org>; vwong@midpen-housing.org <vwong@midpen-housing.org>; kfallaha@cityofepa.org <kfallaha@cityofepa.org>; JRenk@sheppardmullin.com <JRenk@sheppardmullin.com>; ralvarado@cityofepa.com <ralvarado@cityofepa.com>; JohnRayner@kennedyjenks.com <JohnRayner@kennedyjenks.com>; Malathy Subramanian <Malathy.Subramanian@bbklaw.com>
Subject: Re: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Hi Kevin,

Thank you for providing the letter and memoranda, please take this email as an acknowledgement. In pursuant to your letter, please note that the amount stated in the technical memoranda provided by Freyer and Lauretta is not a connection fee but an assessment fee as stipulated in your letter.

I also wish to note that the memoranda contains some evidence of reasonableness and unreasonableness, these would be addressed in my response.

Please be assured that am aware of the provision of the common law that the rates charged by Special Districts must be fair, just non discriminatory and reasonable, this is incontrovertible.

Please also note that a Special District may use a myriad of factors to justify assessment fees when reasonable, the letter and memoranda provided have not taken into consideration these myriad of factors surrounding the projects.

I will be working with our legal team and engineers to provide an appropriate response that would demonstrate that the assessment and connections fees are not unreasonable when the infrastructure is at full capacity.

Thank you for your cooperation

Akin Okupe, M.B.A.,P.E.
General Manager
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Tel :(650) 325-9021

From: Kevin.Ashe@hklaw.com <Kevin.Ashe@hklaw.com>

Sent: Wednesday, January 15, 2020 6:08 PM

To: Akin Okupe <aokupe@epasd.com>

Cc: tsteele@sobrato.com <tsteele@sobrato.com>; rtersini@sobrato.com <rtersini@sobrato.com>; tamsen.plume@hklaw.com <tamsen.plume@hklaw.com>; TMorse@BKF.com <TMorse@BKF.com>; jvda@theprimaryschool.org <jvda@theprimaryschool.org>; astanley@bkf.com <astanley@bkf.com>; ccastellanos@midpen-housing.org <ccastellanos@midpen-housing.org>; vwong@midpen-housing.org <vwong@midpen-housing.org>; kfallaha@cityofepa.org <kfallaha@cityofepa.org>; JRenk@sheppardmullin.com <JRenk@sheppardmullin.com>; ralvarado@cityofepa.com <ralvarado@cityofepa.com>; JohnRayner@kennedyjenks.com <JohnRayner@kennedyjenks.com>

Subject: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Good evening Akin,

As requested and discussed at the Engineering Committee meeting held on December 10, 2019, attached hereto is a letter submitted by the Sobrato Organization and the Primary School regarding capacity charges for the University Plaza Phase II and 1200 Weeks St. projects, which includes technical memoranda prepared by BKF Engineers and Kennedy Jenks for both projects.

Please let us know once the District has had an opportunity to review these materials, so we can continue our discussion on this matter.

Thank you for providing responses to our Public Record Act requests on Tuesday. We will review the information provided, and will be in contact if we need any additional information from the District.

Regards,

Kevin

Kevin J. Ashe | Holland & Knight

Associate

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NOTE: This e-mail is from a law firm, Holland & Knight LLP ("H&K"), and is intended solely for the use of the individual(s) to whom it is addressed. If you believe you received this e-mail in error, please notify the sender immediately, delete the e-mail from your computer and do not copy or disclose it to anyone else. If you are not an existing client of H&K, do not construe anything in this e-mail to make you a client unless it contains a specific statement to that effect and do not disclose anything to H&K in reply that you expect it to hold in confidence. If you properly received this e-mail as a client, co-counsel or retained expert of H&K, you should maintain its contents in confidence in order to preserve the attorney-client or work product privilege that may be available to protect confidentiality.

From: Akin Okupe <aokupe@epasd.com>
Sent: Friday, January 24, 2020 5:31 PM
To: Kevin.Ashe@hklaw.com
Cc: tsteele@sobrato.com; rtersini@sobrato.com;
tamsen.plume@hklaw.com; Tom Morse; jvda@theprimaryschool.org;
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Hi Kevin,

The cost indicated in the memoranda are not capacity fees, they are the cost to upgrade the system to accommodate these projects with reasonable level of service. The district does not have provision for these costs at the moment. Our annual budget is only \$5 million, the cost to upgrade the system is about \$15 to 20 million, to be honest with you, the money is not there. This is not a question of capacity fees or connection fees, this is the fact.

Thank you

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I will forward you a memorandum that will summarize my position.

Thank you for being very responsive, enjoy your weekend.

Regards

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Kevin.Ashe@hklaw.com <Kevin.Ashe@hklaw.com>

Sent: Friday, January 17, 2020 2:41 PM

To: Akin Okupe <aokupe@epasd.com>

Cc: tsteele@sobrato.com <tsteele@sobrato.com>; rtersini@sobrato.com <rtersini@sobrato.com>; tamsen.plume@hklaw.com <tamsen.plume@hklaw.com>; TMorse@BKF.com <TMorse@BKF.com>; jvda@theprimaryschool.org <jvda@theprimaryschool.org>; astanley@bkf.com <astanley@bkf.com>; ccastellanos@midpen-housing.org <ccastellanos@midpen-housing.org>; vwong@midpen-housing.org <vwong@midpen-housing.org>; kfallaha@cityofepa.org <kfallaha@cityofepa.org>; JRenk@sheppardmullin.com <JRenk@sheppardmullin.com>; JohnRayner@kennedyjenks.com <JohnRayner@kennedyjenks.com>; Malathy.Subramanian@bbklaw.com <Malathy.Subramanian@bbklaw.com>; kfallaha@cityofepa.org <kfallaha@cityofepa.org>; ralvarado@cityofepa.org <ralvarado@cityofepa.org>

Subject: RE: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

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Lastly, we note from your prior email that there is potential misunderstanding of some important terminology (i.e., “capacity charges”, “connection fees” and “assessments.”) While these terms appear to be used interchangeably, they do have distinct definitions under state law. We will provide the legal definitions we are using for each shortly to assist you in responding.

Have a good weekend and we look forward to your response and questions.

Kevin

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Subject: Re: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

[External email]

Hi Kevin,

After scrutinizing your letter, I discovered that there are some misconceptions regarding the content of the memoranda. In order to have an unequivocal understanding of the issue, I found it imperative to have a meeting with your team before I respond to your letter.

Are u guys available next week Thursday for a meeting at 10 am?

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Subject: Re: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Hi Kevin,

Please note that my response would demonstrate adherence to the following principles:

- Not arbitrary and capricious
- Non Discriminatory and reasonable
- Good faith intent
- Rational basis
- Proportional share

Thanks

Akin Okupe, M.B.A.,P.E.
General Manager
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From: Akin Okupe <aokupe@epasd.com>
Sent: Thursday, January 16, 2020 3:27 PM
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Malathy Subramanian <Malathy.Subramanian@bbkllaw.com>

Subject: Re: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Hi Kevin,

Thank you for providing the letter and memoranda, please take this email as an acknowledgement. In pursuant to your letter, please note that the amount stated in the technical memoranda provided by Freyer and Laretta is not a connection fee but an assessment fee as stipulated in your letter.

I also wish to note that the memoranda contains some evidence of reasonableness and unreasonableness, these would be addressed in my response.

Please be assured that am aware of the provision of the common law that the rates charged by Special Districts must be fair, just non discriminatory and reasonable, this is incontrovertible.

Please also note that a Special District may use a myriad of factors to justify assessment fees when reasonable, the letter and memoranda provided have not taken into consideration these myriad of factors surrounding the projects.

I will be working with our legal team and engineers to provide an appropriate response that would demonstrate that the assessment and connections fees are not unreasonable when the infrastructure is at full capacity.

Thank you for your cooperation

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General Manager
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From: Kevin.Ashe@hkllaw.com <Kevin.Ashe@hkllaw.com>

Sent: Wednesday, January 15, 2020 6:08 PM

To: Akin Okupe <aokupe@epasd.com>

Cc: tsteele@sobrato.com <tsteele@sobrato.com>; rtersini@sobrato.com <rtersini@sobrato.com>;
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Subject: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Good evening Akin,

As requested and discussed at the Engineering Committee meeting held on December 10, 2019, attached hereto is a letter submitted by the Sobrato Organization and the Primary School regarding capacity charges for the University Plaza Phase II and 1200 Weeks St. projects, which includes technical memoranda prepared by BKF Engineers and Kennedy Jenks for both projects.

Please let us know once the District has had an opportunity to review these materials, so we can continue our discussion on this matter.

Thank you for providing responses to our Public Record Act requests on Tuesday. We will review the information provided, and will be in contact if we need any additional information from the District.

Regards,

Kevin

Kevin J. Ashe | Holland & Knight

Associate

50 California Street, Suite 2800 | San Francisco, CA 94111

P: 415.743.6972 | M: 508.259.5617

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NOTE: This e-mail is from a law firm, Holland & Knight LLP ("H&K"), and is intended solely for the use of the individual(s) to whom it is addressed. If you believe you received this e-mail in error, please notify the sender immediately, delete the e-mail from your computer and do not copy or disclose it to anyone else. If you are not an existing client of H&K, do not construe anything in this e-mail to make you a client unless it contains a specific statement to that effect and do not disclose anything to H&K in reply that you expect it to hold in confidence. If you properly received this e-mail as a client, co-counsel or retained expert of H&K, you should maintain its contents in confidence in order to preserve the attorney-client or work product privilege that may be available to protect confidentiality.

From: Akin Okupe <aokupe@epasd.com>
Sent: Friday, January 24, 2020 5:40 PM
To: Kevin.Ashe@hklaw.com
Cc: tsteele@sobrato.com; rtersini@sobrato.com;
tamsen.plume@hklaw.com; Tom Morse; jvda@theprimaryschool.org;
Ashley Stanley; ccastellanos@midpen-housing.org; vwong@midpen-
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kfallaha@cityofepa.org; ralvarado@cityofepa.org
Subject: Re: Letter and Technical Memoranda - Capacity Charges for University
Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

I think we all need to start having honest discussion about the root problem and move away from these terms. If the developer come up with the money, we would work out a financial model for them to be reimbursed.

Thanks

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Akin Okupe <aokupe@epasd.com>
Sent: Friday, January 24, 2020 5:31 PM
To: Kevin.Ashe@hklaw.com <Kevin.Ashe@hklaw.com>
Cc: tsteele@sobrato.com <tsteele@sobrato.com>; rtersini@sobrato.com <rtersini@sobrato.com>;
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Subject: Re: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200
Weeks St. Projects - 2020.01.15

Hi Kevin,

The cost indicated in the memoranda are not capacity fees, they are the cost to upgrade the system to accommodate these projects with reasonable level of service. The district does not have provision for these costs at the moment. Our annual budget is only \$5 million, the cost to upgrade the system is about \$15 to 20 million, to be honest with you, the money is not there. This is not a question of capacity fees or connection fees, this is the fact.

Thank you

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Subject: Re: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Hi Kevin,

As I mentioned in my previous email, we dont have capacity for these projects, I will be given a presentation to City Council regarding these projects. Unless some funding is in place, I dont see a way forward.

Thanks

Akin Okupe, M.B.A.,P.E.
General Manager
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Tel :(650) 325-9021

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Sent: Friday, January 24, 2020 4:44 PM

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Subject: RE: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Akin,

As promised last week, and for purposes of your response letter, below please find a summary of the proper terminology for “connection fee,” “capacity charge,” and “assessments.” We feel it is essential that the parties have a common understanding of the terminology moving forward to avoid confusion. Thank you, and please let us know if you have any questions

Pursuant to Gov. Code § 66013, when a local agency (including a “special district”) “imposes fees for sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount of the fee or charge imposed in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.”

Connection Fee - “Fee” means a fee for the physical facilities necessary to make a water connection or sewer connection, including, but not limited to, meters, meter boxes, and pipelines from the structure or project to a water distribution line or sewer main, and the estimated reasonable cost of labor and materials for installation of those facilities bears a fair or reasonable relationship to the payor's burdens on, or benefits received from, the water connection or sewer connection. § 66013(b)(5). “Sewer connection” means the connection of a structure or project to a public sewer system. § 66013(b)(1). **We understand that, per the District’s 2019 Fee Schedule, connection fees are \$6,060 per connection.** <http://www.epasd.com/home/showdocument?id=3232>

Capacity Charge – “Capacity charge” means a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities. § 66013(b)(3). **We understand that the District’s capacity charge schedule uses the EDU methodology for non-residential connections provided in the 2018 Bartle Wells report, which BKF’s technical memoranda calculated for both projects.**

Assessment – “Assessment” means any levy or charge upon real property by an agency for a special benefit conferred upon the real property. (Cal. Const. Art. XIII D, § 2.) Assessments include charges imposed on property to pay for special benefits that parcels receive from local government improvements (e.g., water facilities, sewer facilities). After the passage of Proposition 218, local governments (including special districts) must follow specific procedures for levying assessments, including a public hearing, mailing advance notice of the public hearing to the record owner of each parcel proposed to be assessed, and a ballot protest

proceeding The below excerpt from [California Special District Association's](#) (CSDA) guidance demonstrate that "assessments" to fund sewer facilities must follow these procedures.

Special Benefit Assessments		
Purpose	Procedural Requirements ⁽¹⁾	Ap
Fund facilities and services, e.g., water and sewer facilities, landscape and lighting facilities and services, park facilities and services	(1) Hold noticed public hearing. (2) Written notice of public hearing and ballots must be mailed to property owners at least 45 days prior to protest hearing. (3) Notice must provide: (a) the total amount chargeable to the entire district; (b) the amount chargeable to the owner's parcel; (c) the duration of the payments; (d) the reason for the assessment and the basis upon which it was calculated; (e) the date, time, location of the public hearing; (f) a ballot; (g) a summary of the procedures for returning and tabulating the ballots; (h) a statement that if a majority protest exists the assessment will not be imposed. (4) The resolution authorizing the special benefit assessment may (a) state a range of rates or amounts; or (b) provide that rate may be adjusted for inflation pursuant to defined formula.	If a pro pro the ass be are on obl pro

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Sent: Saturday, January 18, 2020 9:24 AM
To: Ashe, Kevin J (SFO - X56972) <Kevin.Ashe@hklaw.com>
Cc: tsteele@sobrato.com; rtersini@sobrato.com; Plume, Tamsen (SFO - X56941) <tamsen.plume@hklaw.com>; TMorse@BKF.com; jvda@theprimaryschool.org; astanley@bkf.com; ccastellanos@midpen-housing.org; vwong@midpen-housing.org; kfallaha@cityofepa.org; JRenk@sheppardmullin.com; JohnRayner@kennedyjenks.com; Malathy.Subramanian@bbkllaw.com;

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Subject: Re: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

[External email]

Hi Kevin,

Thank you for the swift response, I just want to clarify that the District does not have capacity for these projects and there is no funding in place to fund development projects at the moment. Our yearly revenue is only \$5 million as you can see on our website. The only way these projects can be accommodate is for developers to fund them and get reimbursed by future developments. The cost indicated in the technical memoranda are the costs of upgrade, they are not fees. The developer could choose to fund the projects and get reimbursed by future developers or wait for the existing pipes to expend there useful life.

The yearly revenue has been \$5 million for a long time with provision only to perform point repairs. There is no provision to fund development projects in the budget.

In my experience, it is normal practice for developments to fund the projects and get reimbursed from future developers. I have discussed this in a greater detail with Kamal and I think the best way forward is to get all potential developers together to discuss financial strategy.

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Thank you for being very responsive, enjoy your weekend.

Regards

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Are u guys available next week Thursday for a meeting at 10 am?

Thank you for your cooperation

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Sent: Thursday, January 16, 2020 4:14 PM
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Cc: tsteele@sobrato.com <tsteele@sobrato.com>; rtersini@sobrato.com <rtersini@sobrato.com>; tamsen.plume@hklaw.com <tamsen.plume@hklaw.com>; TMorse@BKF.com <TMorse@BKF.com>; jvda@theprimaryschool.org <jvda@theprimaryschool.org>; astanley@bkf.com <astanley@bkf.com>; ccastellanos@midpen-housing.org <ccastellanos@midpen-housing.org>; vwong@midpen-housing.org <vwong@midpen-housing.org>; kfallaha@cityofepa.org <kfallaha@cityofepa.org>; JRenk@sheppardmullin.com <JRenk@sheppardmullin.com>; ralvarado@cityofepa.com

<ralvarado@cityofepa.com>; JohnRayner@kennedyjenks.com <JohnRayner@kennedyjenks.com>;
Malathy Subramanian <Malathy.Subramanian@bbklaw.com>; kfallaha@cityofepa.org
<kfallaha@cityofepa.org>

Subject: Re: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Hi Kevin,

Please note that my response would demonstrate adherence to the following principles:

- Not arbitrary and capricious
- Non Discriminatory and reasonable
- Good faith intent
- Rational basis
- Proportional share

Thanks

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Akin Okupe <aokupe@epasd.com>

Sent: Thursday, January 16, 2020 3:27 PM

To: Kevin.Ashe@hklaw.com <Kevin.Ashe@hklaw.com>

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tamsen.plume@hklaw.com <tamsen.plume@hklaw.com>; TMorse@BKF.com <TMorse@BKF.com>;
jvda@theprimaryschool.org <jvda@theprimaryschool.org>; astanley@bkf.com <astanley@bkf.com>;
ccastellanos@midpen-housing.org <ccastellanos@midpen-housing.org>; vwong@midpen-housing.org
<vwong@midpen-housing.org>; kfallaha@cityofepa.org <kfallaha@cityofepa.org>;
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Subject: Re: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Hi Kevin,

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I also wish to note that the memoranda contains some evidence of reasonableness and unreasonableness, these would be addressed in my response.

Please be assured that am aware of the provision of the common law that the rates charged by Special Districts must be fair, just non discriminatory and reasonable, this is incontrovertible.

Please also note that a Special District may use a myriad of factors to justify assessment fees when reasonable, the letter and memoranda provided have not taken into consideration these myriad of factors surrounding the projects.

I will be working with our legal team and engineers to provide an appropriate response that would demonstrate that the assessment and connections fees are not unreasonable when the infrastructure is at full capacity.

Thank you for your cooperation

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Subject: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Good evening Akin,

As requested and discussed at the Engineering Committee meeting held on December 10, 2019, attached hereto is a letter submitted by the Sobrato Organization and the Primary School regarding capacity charges for the University Plaza Phase II and 1200 Weeks St. projects, which includes technical memoranda prepared by BKF Engineers and Kennedy Jenks for both projects.

Please let us know once the District has had an opportunity to review these materials, so we can continue our discussion on this matter.

Thank you for providing responses to our Public Record Act requests on Tuesday. We will review the information provided, and will be in contact if we need any additional information from the District.

Regards,

Kevin

Kevin J. Ashe | Holland & Knight

Associate

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kevin.ashe@hklaw.com | www.hklaw.com



NOTE: This e-mail is from a law firm, Holland & Knight LLP ("H&K"), and is intended solely for the use of the individual(s) to whom it is addressed. If you believe you received this e-mail in error, please notify the sender immediately, delete the e-mail from your computer and do not copy or disclose it to anyone else. If you are not an existing client of H&K, do not construe anything in this e-mail to make you a client unless it contains a specific statement to that effect and do not disclose anything to H&K in reply that you expect it to hold in confidence. If you properly received this e-mail as a client, co-counsel or retained expert of H&K, you should maintain its contents in confidence in order to preserve the attorney-client or work product privilege that may be available to protect confidentiality.

From: Akin Okupe <aokupe@epasd.com>
Sent: Wednesday, January 29, 2020 1:18 PM
To: Kevin.Ashe@hklaw.com
Cc: tsteele@sobrato.com; rtersini@sobrato.com;
tamsen.plume@hklaw.com; Tom Morse; jvda@theprimaryschool.org;
Ashley Stanley; ccastellanos@midpen-housing.org; vwong@midpen-
housing.org; JRenk@sheppardmullin.com;
JohnRayner@kennedyjenks.com; Malathy.Subramanian@bbklaw.com;
kfallaha@cityofepa.org; ralvarado@cityofepa.org
Subject: Re: Letter and Technical Memoranda - Capacity Charges for University
Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Hi Kevin,

We are still working on it, as you know the memorandum is not for one projects and has different parts written by different folks. It also has parts that needs re-evaluation of engineering methodology proposed. It will have to be reviewed by District Counsel before I can send it to you.

Thanks

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Kevin.Ashe@hklaw.com <Kevin.Ashe@hklaw.com>
Sent: Wednesday, January 29, 2020 12:24 PM
To: Akin Okupe <aokupe@epasd.com>
Cc: tsteele@sobrato.com <tsteele@sobrato.com>; rtersini@sobrato.com <rtersini@sobrato.com>;
tamsen.plume@hklaw.com <tamsen.plume@hklaw.com>; TMorse@BKF.com <TMorse@BKF.com>;
jvda@theprimaryschool.org <jvda@theprimaryschool.org>; astanley@bkf.com <astanley@bkf.com>;
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<kfallaha@cityofepa.org>; ralvarado@cityofepa.org <ralvarado@cityofepa.org>
Subject: RE: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200
Weeks St. Projects - 2020.01.15

Hi Akin,

Can you please provide us with an estimate of when we might expect to see the District's written response to the technical memoranda we submitted for both projects on January 15?

Also, for your presentation to the City Council on February 4, 2020, will you be preparing written or visual materials (PowerPoint)? If so, we would request that you share copies of any materials with us with ample time to review.

Lastly, we are reviewing the District's response to our PRA Request. We appreciate you responding by the date promised. We may have additional comments/questions about the responses, which we will send to you shortly.

Thank you.
Kevin

Kevin J. Ashe | Holland & Knight

Associate

50 California Street, Suite 2800 | San Francisco, CA 94111

P: 415.743.6972 | M: 508.259.5617

kevin.ashe@hklaw.com | www.hklaw.com



From: Akin Okupe <aokupe@epasd.com>

Sent: Friday, January 24, 2020 5:24 PM

To: Ashe, Kevin J (SFO - X56972) <Kevin.Ashe@hklaw.com>

Cc: tsteele@sobrato.com; rtersini@sobrato.com; Plume, Tamsen (SFO - X56941) <tamsen.plume@hklaw.com>; TMorse@BKF.com; jvda@theprimaryschool.org; astanley@bkf.com; ccastellanos@midpen-housing.org; vwong@midpen-housing.org; JRenk@sheppardmullin.com; JohnRayner@kennedyjenks.com; Malathy.Subramanian@bbklaw.com; kfallaha@cityofepa.org; ralvarado@cityofepa.org

Subject: Re: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

[External email]

Hi Kevin,

As I mentioned in my previous email, we dont have capacity for these projects, I will be given a presentation to City Council regarding these projects. Unless some funding is in place, I dont see a way forward.

Thanks

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Kevin.Ashe@hklaw.com <Kevin.Ashe@hklaw.com>
Sent: Friday, January 24, 2020 4:44 PM
To: Akin Okupe <aokupe@epasd.com>
Cc: tsteele@sobrato.com <tsteele@sobrato.com>; rtersini@sobrato.com <rtersini@sobrato.com>; tamsen.plume@hklaw.com <tamsen.plume@hklaw.com>; TMorse@BKF.com <TMorse@BKF.com>; jvda@theprimaryschool.org <jvda@theprimaryschool.org>; astanley@bkf.com <astanley@bkf.com>; ccastellanos@midpen-housing.org <ccastellanos@midpen-housing.org>; ywong@midpen-housing.org <ywong@midpen-housing.org>; JRenk@sheppardmullin.com <JRenk@sheppardmullin.com>; JohnRayner@kennedyjenks.com <JohnRayner@kennedyjenks.com>; Malathy.Subramanian@bbklaw.com <Malathy.Subramanian@bbklaw.com>; kfallaha@cityofepa.org <kfallaha@cityofepa.org>; ralvarado@cityofepa.org <ralvarado@cityofepa.org>
Subject: RE: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Akin,

As promised last week, and for purposes of your response letter, below please find a summary of the proper terminology for “connection fee,” “capacity charge,” and “assessments.” We feel it is essential that the parties have a common understanding of the terminology moving forward to avoid confusion. Thank you, and please let us know if you have any questions

Pursuant to Gov. Code § 66013, when a local agency (including a “special district”) “imposes fees for sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount of the fee or charge imposed in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.”

Connection Fee - “Fee” means a fee for the physical facilities necessary to make a water connection or sewer connection, including, but not limited to, meters, meter boxes, and pipelines from the structure or project to a water distribution line or sewer main, and the estimated reasonable cost of labor and materials for installation of those facilities bears a fair or reasonable relationship to the payor's burdens on, or benefits received from, the water connection or sewer connection. § 66013(b)(5). “Sewer connection” means the connection of a structure or project to a public sewer system. § 66013(b)(1). **We understand that, per the District’s 2019 Fee Schedule, connection fees are \$6,060 per connection.** <http://www.epasd.com/home/showdocument?id=3232>

Capacity Charge – “Capacity charge” means a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities. § 66013(b)(3). **We understand that the District’s capacity charge schedule uses the EDU methodology for non-residential connections provided in the 2018 Bartle Wells report, which BKF’s technical memoranda calculated for both projects.**

Assessment – “Assessment” means any levy or charge upon real property by an agency for a special benefit conferred upon the real property. (Cal. Const. Art. XIII D, § 2.) Assessments include charges imposed on property to pay for special benefits that parcels receive from local government improvements (e.g., water facilities, sewer facilities). After the passage of Proposition 218, local governments (including special districts) must follow specific procedures for levying assessments, including a public hearing, mailing advance notice of the public hearing to the record owner of each parcel proposed to be assessed, and a ballot protest proceeding. The below excerpt from [California Special District Association’s](#) (CSDA) guidance demonstrate that “assessments” to fund sewer facilities must follow these procedures.

Special Benefit Assessments		
Purpose	Procedural Requirements ⁽¹⁾	Ap
Fund facilities and services, e.g., water and sewer facilities, landscape and lighting facilities and services, park facilities and services	(1) Hold noticed public hearing. (2) Written notice of public hearing and ballots must be mailed to property owners at least 45 days prior to protest hearing. (3) Notice must provide: (a) the total amount chargeable to the entire district; (b) the amount chargeable to the owner’s parcel; (c) the duration of the payments; (d) the reason for the assessment and the basis upon which it was calculated; (e) the date, time, location of the public hearing; (f) a ballot; (g) a summary of the procedures for returning and tabulating the ballots; (h) a statement that if a majority protest exists the assessment will not be imposed. (4) The resolution authorizing the special benefit assessment may (a) state a range of rates or amounts; or (b) provide that rate may be adjusted for inflation pursuant to defined formula.	If a pro pro the ass be are on obl pro

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From: Akin Okupe <aokupe@epasd.com>
Sent: Saturday, January 18, 2020 9:24 AM
To: Ashe, Kevin J (SFO - X56972) <Kevin.Ashe@hklaw.com>
Cc: tsteele@sobrato.com; rtersini@sobrato.com; Plume, Tamsen (SFO - X56941) <tamsen.plume@hklaw.com>; TMorse@BKF.com; jvda@theprimaryschool.org; astanley@bkf.com; ccastellanos@midpen-housing.org; vwong@midpen-housing.org; kfallaha@cityofepa.org; JRenk@sheppardmullin.com; JohnRayner@kennedyjenks.com; Malathy.Subramanian@bbklaw.com; kfallaha@cityofepa.org; ralvarado@cityofepa.org
Subject: Re: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

[External email]

Hi Kevin,

Thank you for the swift response, I just want to clarify that the District does not have capacity for these projects and there is no funding in place to fund development projects at the moment. Our yearly revenue is only \$5 million as you can see on our website. The only way these projects can be accommodate is for developers to fund them and get reimbursed by future developments. The cost indicated in the technical memoranda are the costs of upgrade, they are not fees. The developer could choose to fund the projects and get reimbursed by future developers or wait for the existing pipes to expend there useful life.

The yearly revenue has been \$5 million for a long time with provision only to perform point repairs. There is no provision to fund development projects in the budget.

In my experience, it is normal practice for developments to fund the projects and get reimbursed from future developers. I have discussed this in a greater detail with Kamal and I think the best way forward is to get all potential developers together to discuss financial strategy.

Development projects are good for the City as they tend to increase local GDP and money velocity which help create jobs. The multiplier effects of these projects are inestimable for present and future generations. However, in the light of limited financial resources, options tend to be limited when striking for balance between safety and job creation through investments.

I also want to emphasize there there is no public agency that has a specification with d/D above 100%. Most of the proposals in the memoranda submitted have not been substantiated.

I will forward you a memorandum that will summarize my position.

Thank you for being very responsive, enjoy your weekend.

Regards

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Kevin.Ashe@hklaw.com <Kevin.Ashe@hklaw.com>

Sent: Friday, January 17, 2020 2:41 PM

To: Akin Okupe <aokupe@epasd.com>

Cc: tsteele@sobrato.com <tsteele@sobrato.com>; rtersini@sobrato.com <rtersini@sobrato.com>; tamsen.plume@hklaw.com <tamsen.plume@hklaw.com>; TMorse@BKF.com <TMorse@BKF.com>; jvda@theprimaryschool.org <jvda@theprimaryschool.org>; astanley@bkf.com <astanley@bkf.com>; ccastellanos@midpen-housing.org <ccastellanos@midpen-housing.org>; ywong@midpen-housing.org <ywong@midpen-housing.org>; kfallaha@cityofepa.org <kfallaha@cityofepa.org>; JRenk@sheppardmullin.com <JRenk@sheppardmullin.com>; JohnRayner@kennedyjenks.com <JohnRayner@kennedyjenks.com>; Malathy.Subramanian@bbklaw.com <Malathy.Subramanian@bbklaw.com>; kfallaha@cityofepa.org <kfallaha@cityofepa.org>; ralvarado@cityofepa.org <ralvarado@cityofepa.org>

Subject: RE: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Akin,

Upon receiving your note and conferring with Sobrato and the Primary School, we are not confident that another in-person group meeting would be productive at this time (and, as you know, would be costly). We would request that you provide your questions and responses in writing, as you requested of us at the last meeting, so we can similarly review and respond. If it would be helpful for you and your legal counsel to contact Holland & Knight or Sheppard Mullin with specific questions, we will make ourselves available. Similarly, if it would be helpful to obtain technical clarifications from Kennedy Jenks and/or BKF, they can also be available.

Lastly, we note from your prior email that there is potential misunderstanding of some important terminology (i.e., "capacity charges", "connection fees" and "assessments.") While these terms appear to be used interchangeably, they do have distinct definitions under state law. We will provide the legal definitions we are using for each shortly to assist you in responding.

Have a good weekend and we look forward to your response and questions.

Kevin

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Associate

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From: Akin Okupe <aokupe@epasd.com>

Sent: Friday, January 17, 2020 11:19 AM

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Subject: Re: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

[External email]

Hi Kevin,

After scrutinizing your letter, I discovered that there are some misconceptions regarding the content of the memoranda. In order to have an unequivocal understanding of the issue, I found it imperative to have a meeting with your team before I respond to your letter.

Are u guys available next week Thursday for a meeting at 10 am?

Thank you for your cooperation

Akin Okupe, M.B.A.,P.E.
General Manager
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Tel :(650) 325-9021

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Subject: Re: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

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I will be working with our legal team and engineers to provide an appropriate response that would demonstrate that the assessment and connections fees are not unreasonable when the infrastructure is at full capacity.

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Subject: Letter and Technical Memoranda - Capacity Charges for University Plaza Phase II and 1200 Weeks St. Projects - 2020.01.15

Good evening Akin,

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Please let us know once the District has had an opportunity to review these materials, so we can continue our discussion on this matter.

Thank you for providing responses to our Public Record Act requests on Tuesday. We will review the information provided, and will be in contact if we need any additional information from the District.

Regards,

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EAST PALO ALTO SANITARY DISTRICT

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Akin Okupe, M.B.A, P.E., General Manager

March 10, 2020

Kevin J. Ashe
Holland & Knight
50 California Street, Suite 2800
San Francisco, CA 94111

Re: Capacity Charges for University Plaza Phase II and 1200 Weeks Street Projects

Dear Kevin,

Pursuant to your letter dated January 14, 2020, please find below responses paragraph by paragraph. The paragraph annotation of your letter is attached for reference.

Paragraph 2

The District does not currently levy fees for growth of capital facilities. The District's capacity charges for wastewater are comprised of two components: a buy-in to the wastewater distribution system, which represents the proportional share of the cost of wastewater infrastructure that has already been built, and a buy-in to the cost of capacity rights in the wastewater treatment plant necessary to serve each new or expanded connection. Neither of these components is designed to recover the cost of building new infrastructure or expanding the wastewater system. Rather, the fees are designed using an average buy-in approach designed to recover proportionate costs of assets that were oversized to accommodate growth.

The buy-in component for existing infrastructure was calculated by identifying the total linear feet of pipelines of varying diameters, estimating a price for construction and engineering, adding an estimate for other District assets such as administrative buildings, vehicles and equipment, and reducing the total price to account for any infrastructure that may be at the end of its useful life. (See Capacity Charge Study, pp. 5-6). The Capacity Charge Study then estimates a unit cost for capacity in the Palo Alto Regional Water Quality Control Plant. Finally, the Study estimates the District's share of plant costs, and allocates those costs based on strength and flow characteristics of

wastewater. (Capacity Charge Study, pp. 8-9), These numbers, when taken together, result in a capacity charge of \$6,060 per equivalent dwelling unit, or EDU. EDUs are assigned based on the type of use, with residential connections receiving 1 EDU per unit, and non-residential receiving EDUs based on a formula taking into account projected flow and strength/quality of such flow of wastewater discharge.

Since the District cannot predict the sequence of development and financial cash flow of capacity charges from such developments, no expansion component was added to the charge. Unless the costs of system upgrades are borne by new development, existing rate payers will have to prefund growth projects, thereby subsidizing the cost of capacity for new development. Pursuant to the findings of the hydraulic impact assessment,, the proposed development will require upgrade to the existing capacity in the collection system . Such capacity is neither accounted for in the projections used in the Study, or the total cost recovery estimated to be necessary (since, as mentioned above, the cost recovery identified is simply for buy-in and not expansion).

As such, the cost to upgrade the present sewer infrastructures as necessary to support the project and as indicated in the memoranda are not fees. These costs were identified because the District's capacity fee structure is not designed to accommodate growth and does not pay for growth, and the present budget does not make provision to fund growth. In addition, the District is not asking the developer to pay these costs, we are proposing that the developer upgrade the existing collection system in accordance with the findings and pay the capacity charges. The District will then reimburse the developer after taking the salvage value of the existing pipe and the opportunity cost of capital into consideration. The District will also reimburse developer from future developers required to pay their proportional share of these upgrades.

Paragraph 3

Please see above. The Capacity Charge Study does not account for expansion of the system, and the costs recovered pursuant to the capacity charges adopted based on that Study are designed to buy-in to existing infrastructure. There is currently no capacity in the system to accommodate the proposed projects, nor will the capacity charges recover the costs to accommodate these projects.

Paragraph 5

Again, the cost presented in the memoranda prepared by Freyer & Laretta Engineering Inc are not a capacity charges, they are the cost of upgrading the system to accommodate these projects.

Paragraph 7 (1)

Capacity charges are designed based on quality and quantity of projected wastewater discharge, measured in flow (gallons per day), biological oxygen demand (BOD) (pounds/day) and suspended solids (SS) (pounds per day). The reduction in office

space does not affect the sewerage discharge unless there is corresponding reduction the variables described in the preceding sentence.

Paragraph 7 (2)

The peak demand used in the hydraulic modeling is based on actual time of use.

We cannot use an arbitrary peaking factor. We must use the peaking factor provided in the Sanitary Sewer Flow Monitoring Study dated June 2012 prepared by V and A Inc. We can calculate the actual flow rate due to the 10 year storm event and add the peak dry weather flow inclusive of your project, the sum will be used to run the model. This will avoid the peaking factor effect on your discharge.

Paragraph 7 (3)

Under existing serviceability state condition considering peak dry weather flow and a 10 years storm, there is no free board. The Hydraulic Grade Line rises above the manhole.

Paragraph 7 (4)

Our District Technical Specification does not allow the Hydraulic Grade Line to rise above the pipe under peak wet weather condition as this will lead to a sanitary sewer overflow which could be a threat to public health

Paragraph 7 (5)

The capital projects identified in the Master Plan for growth were not included in the calculation presented by Bartle Wells. As described above, the Capacity Charge Study identified the ultimate capacity charge using a look-back at existing infrastructure, such as existing pipeline (with cost reduced to account for age of facilities), as well as a buy-in to the capacity in the regional treatment plant. Capital projects necessary to serve the development were not included as a part of the Capacity Charge Study, and therefore there is no double-counting.

Paragraph 7 (6)

The developer will be reimbursed after considering the salvage value of the existing pipes and the lost opportunity cost of capital due to early replacement of the existing pipes.

Paragraph 7 (7)

There is no funding for growth.

Paragraph 9 to 18

All these sections in your memorandum discussed the methodology of calculating the capacity charge, I agree with this methodology based on accurate predicted discharge into our collection system. The consultant is working on the impact of the predicted flow into the collection system. The issue we are trying to address is that this methodology accounts for a share of existing infrastructure, but the existing system cannot accommodate this development. Thus, we are proposing that the developers upgrade the existing infrastructure and pay the capacity charges. The developers will be reimbursed after taking into consideration the salvage value of the existing pipe and the lost opportunity cost of capital.

Paragraph 22

We have decided not to use a peaking factor by using an alternative method which includes the sum of the peak dry weather discharge and the 10 year discharge storm from the monitoring study.

Paragraph 23

The District has decided to revisit the methodology in order to ensure that your projected discharge is not amplified by the peaking factor by using the following procedures.

- a.) Calculate the peak dry weather flow inclusive of these projects
- b.) Calculate the 10 year storm flow in the pipe
- c.) Run the static model with the sum of (a) and (b) above. This will ensure that the sewage discharge is not amplified by the peaking factor.

Paragraph 24

The criteria used to perform the hydraulic model indicated in the master plan differ from that used in the evaluation of the hydraulic impact of these projects, the master plan does not take actual time of use of office building into consideration, Please note that the master plan analysis does not include the University Plaza Phase II and the Primary School Project.

Paragraph 25

The estimated cost in the amount of \$6,130,000.00 is not covered by existing capacity fees. Existing capacity fees cover the cost of existing infrastructure; the development project requires an upgrade to the system to accommodate the University Plaza Phase II project. There is no provision in the budget to fund this upgrade at the moment. As previously mentioned, we anticipate the developer to upgrade the existing pipes and pay capacity charges. We will reimburse the developer after considering the salvage value of the existing pipe and the lost opportunity cost of capital if the District has to reimburse the developer now versus replacing the pipes at the end of their useful life.

The District will also reimburse the developer from future developers required to pay their proportional share of these upgrades.

Paragraph 27

2. This has been previously addressed in response to Paragraph 23 above
3. This had been previously addressed in response to Paragraph 23 above
4. We will present the peak flow hydraulic grade line in updated memorandum.
5. The improvements were not included in the Capacity Charge Study, and the Master Plan did not identify a source of funding.
6. There is no funding in place.

Paragraph 28

As previously described, the system does not have capacity to accommodate the proposed development without expansion. The Capacity Charge Study is designed to recover new connections' share of capacity in the existing system, and not for expansion that is needed to accommodate this project.

Paragraph 29

I am open to discussing how we move forward in a meeting.

Paragraph 30 to 40

Previously addressed.

Paragraph 43

The discharge used was provided to the consultant, currently, we have revised the methodology by assuming a discharge per head of 20 gallons per day. This value has been multiplied by the population to arrive at the total discharge per day.

Paragraph 44

Please see response to Paragraph 43 above

Paragraph 45

The Master Plan is a conceptual document, not an implementing one. Additional steps are necessary to implement the Master Plan, including establishing a funding source for projects identified therein as well as preparation of a specific plan. No such funding source exists at this time.

Paragraph 46

The existing Capacity Charge Study does not take expansion into consideration. The cost to expand the system to accommodate this project is not included in the Capacity Charge Study, and there is no funding in place for the infrastructure necessary to accommodate this project. If included, the recovered funds would not cover the cost of upgrading the system to accommodate this development, this would shift the capacity costs for the project onto existing rate payers, which would be inequitable.

Paragraph 47

We will evaluate your recommendation and update the technical memorandum accordingly.

Attached with is a summary from the master plan update prepared by Kennedy Jenks Consultant dated September 2002, it confirms that there is no capacity in the system without an upgrade.

Also attached with is a summary from master plan update prepared by Freyer & Laretta Inc., dated October 2014, it also confirms that an upgrade to the existing system would be necessary for additional flow.

Way Forward

There are two options available to resolve the issues and move the projects forward as follows:

Option 1

The developer can wait until the District is ready to replace the old pipes at the end of their useful life and just pay capacity charges to connect to the system

Option 2

The developer can replace the pipes now and pay capacity charges with a reimbursement from the District after considering the salvage value of the existing pipes, the opportunity cost of capital lost due to early replacement of the pipes. Some of

the reimbursement will also come from future development in accordance with their proportional share of the benefits of these upgrades. Credit will be given to the developer to ensure that the developer is only being charged a proportional share of the pipe replacement.

I am open to a meeting to discuss how we move your projects forward.

Thank you for your anticipated action.

Sincerely,

A handwritten signature in blue ink, appearing to read "A Okupe", with a horizontal line underneath.

Akin Okupe, General Manager

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Kevin J. Ashe
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January 14, 2020

Via Electronic Mail

Akin Okupe
General Manager
East Palo Alto Sanitary District
901 Weeks Street
East Palo Alto, CA 94303

Re: Capacity Charges for University Plaza Phase II and 1200 Weeks Street Projects

Mr. Okupe,

- P1** On behalf of our client, the Sobrato Organization (“Sobrato”), developer of the University Plaza Phase II project, and Sheppard Mullin’s client, The Primary School (“TPS”), developer of the 1200 Weeks Street (each a “Project”, collectively, the “Projects”), enclosed please find the technical analyses you requested on November 26, 2019.
- P2** As discussed at the Engineering Committee Meeting at the East Palo Alto Sanitary District’s (“District”) office on December 10, 2019, Sobrato and TPS continue to disagree with your position that the District’s sanitary sewer system lacks sufficient capacity to connect to and serve the Projects. Additionally, we strongly oppose the District’s attempts to levy \$6.13 million and \$4.08 million dollars in “probable project costs” against the Projects, respectively (as mentioned in the draft Freyer & Lauretta memoranda, dated October 28 and 29, 2019). While state law permits the District to levy reasonable connection fees and capacity charges of a “proportional benefit” to projects (Gov. Code § 66013), nothing in state law or the District’s own regulations permit it to levy disproportional “probable project costs” against individual projects for District-wide improvements.
- P3** The attached independent, technical memoranda prepared by Kennedy Jenks and BKF Engineers note that “capacity charges” levied against the Projects should be calculated pursuant to the methodology set forth in the December 2018 Bartle Wells Report (*i.e.*, the Equivalent Dwelling Unit calculation for non-residential connections), which the District’s Board adopted on January 10, 2019 in Resolution No. 1238. **Pursuant to this methodology, the appropriate capacity**

charges levied against the Projects are as follows: \$224,410 for UPP2, and \$228,494 for 1200 Weeks Street.

P4 We look forward to discussing this matter with you further to reach a mutually agreeable solution. If we cannot come to an agreeable solution, Sobrato and TPS are fully prepared to seek relief from the District's Board pursuant to Section 205 of the District's Code, and beyond, if necessary. Please be advised that we have not discussed this matter with the District's legal counsel, but recommend that you engage counsel prior to further discussions on this subject.

Regards,



Tamsen Plume
Holland & Knight, LLP



Kevin J. Ashe
Holland & Knight, LLP



Jennifer Renk
Sheppard Mullin Richter &
Hampton, LLP

cc:
Tim Steele, The Sobrato Organization
Robert Tersini, The Sobrato Organization
Tom Morse, BKF Engineers
Jennifer Von der Ahe, The Primary School
Jennifer Renk, Sheppard Mullin Richter & Hampton, LLP
Ashley Stanley, BKF Engineers
Patrick Bosch, BKF Engineers
John Rayner, Kennedy Jenks
Kamal Fallaha, City of East Palo Alto
Rafael Alvarado, City Attorney, City of East Palo Alto
Carlos Castellanos, MidPen Housing Corp.

Enclosures:

- BKF Engineers, Technical Memorandum re University Plaza Phase 2 – Sanitary Sewer Capacity Fee Calculation, dated January 13, 2020
- Kennedy Jenks, Technical Memorandum re Review of Freyer & Laureta October 29, 2019 Draft Memorandum re University Plaza Phase II Development
- BKF Engineers, Technical Memorandum re The Primary School – Sanitary Sewer Capacity Fee Calculation, dated January 13, 2020
- Kennedy Jenks, Technical Memorandum re Review of Freyer & Laureta October 28, 2019 Draft Memorandum re 1200 Weeks Street Development

BKF Engineers
Technical Memorandum re University Plaza Phase 2 – Sanitary
Sewer Capacity Fee Calculation, dated January 13, 2020

January 13, 2020
BKF Job No.: C20160076

Mr. Akin Okupe, General Manager
East Palo Alto Sanitary District
901 Weeks Street
East Palo Alto, CA 94303

Transmitted Via Email: aokupe@epasd.com

**Subject: University Plaza, Phase 2, East Palo Alto, CA
Sewer System Hydraulic Modeling
October 29, 2019 Freyer & Laureta Memorandum**

Dear Mr. Okupe:

- P5** Thank you for forwarding the sanitary sewer analysis memorandum titled, "East Palo Alto Sanitary District – University Phase II Development," prepared by Freyer & Laureta, Inc dated October 29, 2019 and the Wastewater Capacity Charge Update prepared by Bartle Wells Associates, dated December 2018 (Bartle Wells Report).
- P6** During our December 10, 2019 meeting with the District, you noted that the Bartle Wells Report establishes "capacity fees" for new projects served by the District. The Bartle Wells Report establishes a methodology to "Equitably [recover] costs based on the new or increased capacity needs of each new development or redevelopment project." Implementing this methodology and fee structure to address system capacity is more appropriate than one off analyses for individual projects, as was done in the Freyer & Laureta memorandum. In light of this, we have included as Attachment A a sanitary sewer capacity fee calculation memorandum for the University Plaza Phase 2 project based on the Equivalent Dwelling Unit (EDU) methodology identified in the Bartle Wells Report.
- P7** While we believe that the capacity fee discussed above should be the only capacity fee applicable to new development served by the District, we have reviewed the Freyer & Laureta memorandum and have several questions and concerns outlined below.
- P7 (1)** 1. The project as approved by the East Palo Alto City Council has been reduced to include 203,967 square feet of office space and 8,690 square feet of community flex space.
- P7 (2)** 2. The calculation of peak hour demand is not industry standard and does not match the methodology used in the March 2015 East Palo Alto Sanitary District Master Plan Update prepared by Freyer & Laureta, Inc. Dividing the average day flow by the assumed operational hours is unnecessary and provides an overly conservative peaking factor.

While one might consider this methodology for a single building or small campus it is not appropriate for a city wide sanitary sewer system where system peaks and time of use are already included as part of the flow monitoring complete to develop Master Plan Update. To apply this methodology universally would require a continuous simulation model instead of the static, peak flow model used.

An additional peaking factor of 5.8 was used in the model. This is the single highest peak factor identified in the Master Plan Update. Portions of the system that serve the proposed project site have smaller peaking factors. As identified in the Master Plan Update, this peaking factor is for Peak Wet Weather Flow that includes the system diurnal peak and significant system rain water dependent inflow and infiltration. Since this new project will not contribute additional rain water dependent inflow and infiltration, the peaking factor should be reduced.

This overly conservative methodology may unduly show impact to district wide facilities, hampering future development in the City of East Palo Alto. Based on analysis of nodes E2, I3 and T13 in the 2015 Master Plan update the maximum ADWF to PDWF peak is 1.7 at node E2. The remainder of the peaking factor is wet weather inflow and infiltration that is an existing condition and not increased by the proposed project.

- P7 (3)** 3. The Memorandum states, "...the model does indicate there is a potential for SSOs as a result of the peak flows from the development." However, Figure 2 – Peak flow Hydraulic Grade Line shows available freeboard between the system hydraulic grade and existing ground even using the overly conservative peaking factors.
- P7 (4)** 4. The peak flow hydraulic grade line for the existing condition is not presented and there is no discussion of the existing surcharge condition during peak wet weather events. Please note that it is common practice to allow some surcharge of a sanitary sewer system during peak wet weather events in existing pipes as new projects are added to the system and future capital improvement upgrades are scheduled.
- P7 (5)** 5. While this memorandum identifies that significant system improvements are required, these improvements are substantially the same improvements identified in the Master Plan Update and used as the basis for the Bartle Wells Report (e.g.: increasing the size of the 15" sewer main on Beech street and Green Street). This "double counting" of improvements is further evidence that only the capacity charges recommended in the Bartle Wells Report should apply to the project.
- P7 (6)** 6. Numerous system improvements identified in this memorandum are also identified in the Freyer & Laureta, Inc. memorandum prepared for the Primary School, 1200 Weeks Street development, dated October 28, 2019. The section of sewer main between T19 and T16 is included in both summaries of "probable projects costs" with no discussion of fair share costs.

P7 (7) 7. The Master Plan Update recommends a Capital Improvement Program. What is the status of the recommended Capital Improvement Program? Has timing been confirmed and funding identified?

P8 Please let us know if a meeting would be helpful to discuss these comments. We look forward to working with your team to refine the modeling and better understand the project and cumulative impacts. Please contact me at 650.482.6419 if you have any questions regarding these comments.

Sincerely,
BKF Engineers



Thomas R. Morse, PE, LEED® AP
Vice President

Attachment:

- Attachment A: University Plaza Phase 2 – Sanitary Sewer Capacity Fee Calculation

cc:

Kamal Fallaha, City of East Palo Alto
Tim Steele, The Sobrato Organization
Robert Tersini, The Sobrato Organization
Tamsen Plume, Holland & Knight, LLP
Kevin Ashe, Holland & Knight, LLP
John Rayner, Kennedy Jenks
Sachi Itagaki, Kennedy Jenks
Jennifer Von der Ahe, The Primary School
Jennifer Renk, Sheppard Mullin Richter & Hampton, LLP
Carlos Castellanos, MidPen Housing Corp.
Ashley Stanley, BKF Engineers
Cole Gaumnitz, BKF Engineers

Date: January 13, 2020

BKF Job Number: 20160076

Deliver To: **Akin Okupe, General Manager, East Palo Alto Sanitary District**
Joan Sykes-Miessi, Vice President, Board of Directors
Dennis Scherzer, Director, Board of Directors

From: **Thomas Morse**

Subject: **University Plaza Phase 2 – Sanitary Sewer Capacity Fee Calculation**

Purpose

P9 The purpose of this memorandum is to provide a summary of East Palo Alto Sanitary District (District) sanitary sewer capacity fee calculations associated with the University Plaza Phase 2 (UPP2) development.

Background

P10 The UPP2 development encompasses approximately 2.60 acres in East Palo Alto, situated north of Donohoe Street, between University Avenue, the existing Chevron Gas Station, and the Ravenswood School District Bus Yard. Donohoe Street has an existing 12-inch sanitary sewer main that flows east toward University Avenue.

The site is currently occupied by paved and unpaved parking areas and existing buildings including a pharmacy and a Stanford Law Clinic totaling 11,495 square feet. The proposed development includes two buildings: a 6-story parking garage with 8,690 square feet of Community Flex Space and a 7-story office building with 203,967 square feet of office space as approved by the East Palo Alto City Council December 17, 2019.

Methodology

P11 The sanitary sewer capacity fee is based on the Equivalent Dwelling Unit (EDU) methodology and adopted per EDU capacity fee identified in the December 2018 Wastewater Capacity Charge Update Study prepared by Bartle Wells Associates.¹ The EDU methodology for non-residential connections is:

EDU Formulas for Non-Residential Connections²

$$\text{Number of EDUs} = 0.871 * \text{Flow}/240 \text{ gpd} + 0.060 * \text{BOD}/200 \text{ mg/l} + 0.067 * \text{SS}/200 \text{ mg/l}$$

¹ East Palo Alto Sanitary District *Wastewater Capacity Charge Update* (Dec. 2018) at 10.

² As of the date of this memorandum, it remains unclear whether the District Board has adopted the capacity fee structure recommended by Bartle Wells Associates. On December 18, 2019, the Sobrato Organization (through counsel) submitted a public records act request for confirmation that the District has adopted this capacity fee methodology. This memorandum assumes that the District has adopted the capacity fee methodology proposed in the Bartle Wells Associated December 2018 report.

Under this methodology, the first step is to calculate the average day dry weather flow based on the unit demands provided to the District in the original BKF Sewer Demand Memorandum dated July 30 2018 and used in the Freyer and Laureta October 29, 2019 East Palo Alto sanitary District – University Phase II Development Memorandum. EDUs are then calculated based on typical residential household average day dry weather demand of 240 gallons per day (gpd) per EDU. The capacity fee per EDU is then applied to develop the project specific capacity fee. A credit is applied for existing retail and medical office uses on the site and for the total of deposits already provided to the District.

Existing Sanitary Sewer Demand Calculations

- P12** The Average Dry Weather Flow (ADWF) for the existing sewer demand is calculated by taking the area of the existing building area and multiplying by a demand factor of 0.09 gpd per square foot (gpd/sf).
- P13** Existing sanitary sewer demand is estimated to be approximately 1,035 gpd ADWF. This equates to 4.31 EDUs.

Proposed Sanitary Sewer Demand Calculation

- P14** The ADWF sanitary sewer demand for the UPP2 buildings is calculated by taking the proposed building areas and multiplying by the appropriate demand factors. This includes 203,967 square feet of office space at a demand factor of 0.05 gpd/sf and 8,690 square feet of Community Flex Space at a demand factor of 0.09 gpd/sf.
- P15** The proposed project sanitary sewer demand is estimated to be 10,980 gpd ADWF. This equates to 45.75 EDUs.

Project Sanitary Sewer Fee Calculation

- P16** The proposed UPP2 project sanitary sewer capacity fee calculation is included as Table A included as an attachment to this memorandum.
- P17** As outlined in the 2018 Bartle Wells Associated Wastewater Capacity Charge Update the identified capacity fee is \$6,060 per EDU to, "Equitably [recover] costs based on the new or increased capacity needs of each new development or redevelopment project."
- P18** **Based on this per EDU fee and the EDUs identified and allocated credits, the project sanitary sewer capacity fee is \$224,410.**

ATTACHMENTS:

- Table A – University Plaza Phase 2 Project Sanitary Sewer Capacity Fee Calculations

**TABLE A: UNIVERSITY PLAZA PHASE 2 PROJECT
SANITARY SEWER CAPACITY FEE**

Proposed Use	Square Footage (SF) ¹	Demand Factor (gpd/SF) ²	Average Dry Weather Flow (GPD)	EDU ³	\$/EDU ⁴	Capacity Fee	Comment
PROPOSED PROJECT							
Office	203,967	0.05	10,198	42.49	\$ 6,050	\$ 257,084	
Community Flex Space	8,690	0.09	782	3.26	\$ 6,050	\$ 19,716	
Subtotal			10,980	45.75		\$ 276,800	
EXISTING USES AND DEPOSIT CREDITS							
Office	-7,129	0.09	-642	-2.67	\$ 6,050	\$ (16,174)	Older Buildings, no water-saving fixtures
Medical Office	-4,366	0.09	-393	-1.64	\$ 6,050	\$ (9,906)	Older Buildings, no water-saving fixtures
Deposits						\$ (26,310)	\$15,000 + \$11,310
Subtotal			-1,035	-4.31		\$ (52,390)	
TOTAL			12,015	41.44		\$ 224,410	

Table Notes:

- Proposed building floor area based on project entitlements. Existing floor area based on actual building size and uses
- Unit demands for proposed office use based on the East Palo Alto Sanitary District - University Phase II Development Memorandum dated October 29, 2019 Prepared by Freyer and Laureta for the East Palo Alto Sanitary District and Item 2 of the August 6, 2019 letter from the East Palo Alto Sanitary District regarding University Plaza Phase 2, East Palo Alto - Sewer System Hydraulic Modeling.
- Capacity fee calculation is based on the Equivalent Dwelling Unit (EDU) methodology. Based on the East Palo Alto Sanitary District Wastewater Capacity Charge Updated dated December 2018 and prepared by Bartle Wells Associates 1 EDU = 240 gallons per day.
- Based on the East Palo Alto Sanitary District Wastewater Capacity Charge Updated dated December 2018 and prepared by Bartle Wells Associates the capacity fee for 1 EDU = \$6060.

Kennedy Jenks
Technical Memorandum re Review of Freyer & Laureta
October 29, 2019 Draft Memorandum re University Plaza
Phase II Development, dated January 13, 2020

13 January 2020

Technical Memorandum

To: Tim Steele
From: John H. Rayner PE
Subject: Review of F&L Oct 29 Draft Memorandum re University Phase II Development
KJ 1964020.00

Background

- P19** The subject memo was written by Freyer & Laureta, engineers for East Palo Alto Sanitary District, to estimate the sewage generated by the proposed University Plaza Phase II Development, to be constructed on a 2.60 acre parcel in East Palo Alto, and estimate its impact on the District's collection system. The Development is proposed to have 231,883 square feet of office space. Using a sewage generation rate of 0.05 gallons per day (GPD) per square foot, the Development's average daily sewage flow is estimated to be 11,594 GPD. Based on the measured peak flow during wet weather at site E2, a sewer manhole downstream of the Development, a peaking factor of 5.8 is estimated for the Development.
- P20** At its meeting on December 17, 2019, the EPA City Council approved the Development with its office space reduced to 212,657 square feet.
- P21** The F&L memo then inserts the flow estimates for the Development into its hydraulic model of the EPASD collection system. The model results are shown graphically as hydraulic profiles on Figures 1,2 and 3 in the memo. Figure 1 shows average flow conditions. The hydraulic grade line shows the depth of sewage in sewers along the flow path, from the Development to the siphon under San Fransquito Creek. There are no problems shown under average flow conditions. Figure 2 shows the same sewers under peak flow conditions. The hydraulic grade line is now shown above the top of sewers, indicating that the sewers are flowing full and under low pressure because the level of sewage inside manholes has risen above the top of the sewers (the sewers are flowing surcharged). However, the hydraulic grade line is below the ground surface indicating there are no sanitary sewage overflows. Figure 3 shows what the hydraulic grade line would be if the first 4599' of 12" and 15" sewers would be replaced with 20" sewers and the next 2,820' of 18" and 21" sewers would be replaced with 28" sewers. The cost of replacing these sewers is estimated to be \$6,130,600 in the F&L memo.

Technical Memorandum

Tim Steele
 13 January 2020
 KJ 1968020.00
 Page 2

Review

- P22** The sewage generation from the University Plaza Phase II Development needs to be analyzed at 212,657 square feet of office space, approved by the City Council, instead of the initially proposed 231,883 square feet of office space.
- P23** The use of a 5.8 peaking factor used in the F&L memo for the Development was calculated by dividing meter readings during peak wet weather flow (PWWF) by the average dry weather flow (ADWF) from a metering station downstream of the Development. The flows were measured as part of a 2011/2012 flow monitoring program cited in the F&L memo. The District's sewage flows increase significantly during wet weather as rainwater enters the sewers directly through inflow and indirectly from increased groundwater infiltration. Neither of these sources of additional sewage flow during wet weather are significant factors in new office building projects so the 5.8 peaking factor used for estimating the Development's impact on the collection system should be significantly lower (probably closer to 3.0). A higher peaking factor may be appropriate to use in analyzing the capacity of onsite sewers and those serving just the Development and a small local area but not for analyzing the overall collection system. In analyzing the hydraulics of collection systems, its standard practice to reduce peaking factors as the collection system receives additional flow from more sources.
- P24** With only one exception, the sewer size increases proposed in the F&L memo are greater than those shown in the EPASD 2015 Master Plan by F&L. The proposed sewer size increases in the Master Plan are those required to increase sewer capacity to "... handle future flows". Unlike the F&L memo, the Master Plan does not show that sewers on Donohoe Street and Cooley Avenue need to be increased in size. The Master Plan (MP) does show that the other sewers listed in the F&L memo, from Green Street to the Trunkline manhole T16, will eventually need to be increased in size, however, the sizes differ from those in the F&L memo (Green and Clarke Streets: 18" in MP and 20" in F&L memo; Beech Street to Pulgas Avenue: 24" in MP and 20" in F&L memo; Beech Street to Trunkline manhole T16: 24" in MP and 28" in F&L memo). The 2016 Sewer Trunkline Realignment project replaced the 18" sewer on Beech Street between manhole I3 and T20 with a new 24" sewer. It's also noted that 1,522' of 21" sewers listed in the F&L memo as needing to be replaced with 28" sewers by the University Plaza Phase II Development, are the same sewers listed as needing to be replaced in the October 28th F&L Draft Memorandum for the Primary School project.

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- P25** The estimated sewer replacement cost of \$6,130,600 in the F&L memo, is represented as a capacity fee for the Development which would far exceed the reasonable cost of providing service for just the Development. According to the California Government Code, a capacity fee must be proportional to the benefit of the property being served and the California Health and Safety Code states that special districts can only charge a property for its proportional share of the line. The sewer size increases proposed in both the F&L memo and the Master Plan are intended to convey flow from future buildout and are not solely necessary to convey sewage from just the Development. The capacity fee charged by EPASD needs to be consistent with these requirements.
- P26** Once we have all the files required for the hydraulic model, we will run the model to evaluate the impact of the University Plaza Phase II Development on the District's collection system and to estimate its proportionate share of any upgrade costs.

BKF Engineers
Technical Memorandum re The Primary School – Sanitary
Sewer Capacity Fee Calculation, dated January 13, 2020

January 13, 2020
BKF Job No.: C20150053

Mr. Akin Okupe, General Manager
East Palo Alto Sanitary District
901 Weeks Street
East Palo Alto, CA 94303

Transmitted Via Email: aokupe@epasd.com

**Subject: The Primary School, East Palo Alto, CA
Sewer System Hydraulic Modeling
October 29, 2019 Freyer & Laureta Memorandum**

Dear Mr. Okupe:

P27 Thank you for forwarding the sanitary sewer analysis memorandum titled, "East Palo Alto Sanitary District – 1200 Weeks Street Development," prepared by Freyer & Laureta, Inc and dated October 28, 2019. We have reviewed the memorandum and have several questions and comments outlined below.

- P27 (1)** 1. The project as approved by the East Palo Alto City Council includes maximum occupancies of 511 students and 70 staff.
- P27 (2)** 2. The calculation of peak hour demand is not industry standard and does not match the methodology used in the March 2015 East Palo Alto Sanitary District Master Plan Update prepared by Freyer & Laureta, Inc. Dividing the average day flow by the assumed operational hours is unnecessary and provides an overly conservative peaking factor. While one might consider this methodology for a single building or small campus it is not appropriate for a city wide sanitary sewer system where system peaks and time of use are already included as part of the flow monitoring complete to develop Master Plan Update. To apply this methodology universally would require a continuous simulation model instead of the static, peak flow model used.

An additional peaking factor of 3.88 was used in the model. As identified in the Master Plan Update, this peaking factor is for Peak Wet Weather Flow that includes the system diurnal peak and significant system rain water dependent inflow and infiltration. Since this new project will not contribute additional rain water dependent inflow and infiltration, the peaking factor should be reduced.

This overly conservative methodology may unduly show impact to district wide facilities, hampering future development in the City of East Palo Alto.

- P27 (3)** 3. The Memorandum makes reference to predicted SSO's, however, Figure 2 – Peak flow Hydraulic Grade Line shows available freeboard between the system hydraulic grade and existing ground even using the overly conservative peaking factors.

- P27 (4)** 4. The peak flow hydraulic grade line for the existing condition is not presented and there is not discussion of the existing surcharge condition during peak wet weather events.
- P27 (5)** 5. While this memorandum identifies that significant system improvements are required, these improvements are substantially the same improvements identified in the Master Plan Update.
- P27 (6)** 6. The Master Plan Update recommends a Capital Improvement Program. What is the status of the recommended Capital Improvement Program? Has timing been confirmed and funding identified?
- P28** During our December 10, 2019 District meeting, you referenced the December 2018 Wastewater Capacity Charge Update prepared by Bartle Wells Associates. We understand that this document identifies a methodology to, "Equitably [recover] costs based on the new or increased capacity needs of each new development or redevelopment project." Implementing this methodology and fee structure to address system capacity is more appropriate than one off analysis of individual project. A sanitary sewer fee capacity calculation based on the Equivalent Dwelling Unit fees identified in the Wastewater Capacity Charge Update will be submitted separately.
- P29** Please let us know if a meeting would be helpful to discuss these comments. We look forward to working your team to refine the modeling and better understand the project and cumulative impacts. Please contact me at 650.482.6458 if you have any questions regarding these comments.

Sincerely,
BKF Engineers

Ashley A. Stanley, PE, PLS, LEED® AP
Associate

cc:
Kamal Fallaha, City of East Palo Alto
Jennifer Von der Ahe, The Primary School
Jennifer Renk, Sheppard Mullin Richter & Hampton LLP
Courtney Garcia, The Primary School
Time Steele, The Sobrato Organization
Robert Tersini, The Sobrato Organization
Tamsen Plume, Holland & Knight, LLP
Kevin Ashe, Holland & Knight, LLP
John Rayner, Kennedy Jenks
Sachi Itagaki, Kennedy Jenks
Carlos Castellanos, MidPen Housing Corp.
Ashley Stanley, BKF Engineers
Cole Gaumnitz, BKF Engineers

Date: January 13, 2020

BKF Job Number: 20150053

Deliver To: **Akin Okupe, General Manager, East Palo Alto Sanitary District**
Joan Sykes-Miessi, Vice President, Board of Directors
Dennis Scherzer, Director, Board of Directors

From: **Ashley Stanley**

Subject: **The Primary School – Sanitary Sewer Capacity Fee Calculation**

Purpose

P30 The purpose of this memorandum is to provide a summary of East Palo Alto Sanitary District (District) sanitary sewer capacity fee calculations associated with the Weeks Primary School (WPS) development.

Background

P31 The Primary School development encompasses approximately 2.60 acres in East Palo Alto, situated with Weeks Street to the north and Runnymede Street to the South. Weeks Street has an existing 6-inch sanitary sewer main that flows east toward a trunk line flowing south parallel to the Bay Trail.

P32 The site is currently undeveloped. The proposed development includes two buildings: a 2-story main school building with 61,000 SF of classroom, associated office, and community meeting space, and a one-story gymnasium with 11,000 SF of athletic, associated space, and a laundry room.

Methodology

P33 The sanitary sewer capacity fee is based on the Equivalent Dwelling Unit (EDU) methodology and adopted per EDU capacity fee identified in the December 2018 Wastewater Capacity Charge Update Study prepared by Bartle Wells Associates. The first step is to calculate the average daily and peak flows based on the unit demands presented in the Kennedy Jenks Technical Memorandum, dated January 2020. These unit demands are based on anticipated occupancy and characteristic wastewater generation rates found in the 2010 California Plumbing Code.

P34 Equivalent dwelling units are then calculated based on typical residential household average day dry weather demand of 240 gallons per day (gpd) per EDU. The capacity fee per EDU is then applied to develop the project specific capacity fee. A credit is applied for any existing uses on the site and for the total of deposits already provided to the District.

Existing Sanitary Sewer Demand Calculations

- P35** The Average Dry Weather Flow (ADWF) for the existing sewer demand is calculated by taking the area of the existing building area and multiplying by a demand factor of 0.09 gpd per square foot (gpd/sf).
- P36** As the site is currently undeveloped, there is no existing demand.

Proposed Sanitary Sewer Demand Calculation

- P37** The average daily sanitary sewer demand for the Primary School buildings is calculated by taking the proposed occupancy of the school and gymnasium and multiplying by the appropriate demand factors. This includes 511 students at 15gpd/person and 70 staff at 20gpd/person.
- P38** The proposed project sanitary sewer demand is estimated to be 9,065 gpd. This equates to 37.77 EDUs.

Project Sanitary Sewer Fee Calculation

- P39** The proposed Primary School project sanitary sewer capacity fee calculation is included as Attachment A to this memorandum.
- P40** As outlined in the 2018 Bartle Wells Associated Wastewater Capacity Charge Update the identified capacity fee is \$6,060 per EDU to, "Equitable [recover] costs based on the new or increased capacity needs of each new development or redevelopment project." Based on this per EDU fee and the EDUs identified, the project sanitary sewer capacity fee is \$228,494.

ATTACHMENTS:

- Attachment A – The Primary School Project Sanitary Sewer Capacity Fee Calculations

**PRIMARY SCHOOL PROJECT
SANITARY SEWER CAPACITY FEE**

Proposed Use	Occupancy (Persons) ¹	Wastewater flow (GPD) ²	Average Flow (GPD)	EDU ³	\$/EDU ⁴	Capacity Fee	Comment
PROPOSED PROJECT							
Students	511	15	7,665	31.94	\$6,060	\$193,222	
Staff	70	20	1,400	5.83	\$6,060	\$35,272	
Subtotal			9,065	37.77		\$ 228,494	
EXISTING USES AND DEPOSITS CREDITS							
No Existing Uses	-	-	-	-	-	-	
Deposits	-	-	-	-	-	-	
Subtotal			-	-	-	-	
TOTAL			9,065	37.77		\$ 228,494	

Table Notes:

- Proposed building occupancy based on project entitlements.
- Wastewater demands for proposed use based on the 2010 California Plumbing Code, cited in Technical Memorandum created by Kennedy Jenks
- Capacity fee calculation is based on the Equivalent Dwelling Unit (EDU) methodology. Based on the East Palo Alto Sanitary District Wastewater Capacity Charge Updated dated December 2018 and prepared by Bartle Wells Associates 1 EDU = 240 gallons per day.
- Based on the East Palo Alto Sanitary District Wastewater Capacity Charge Updated dated December 2018 and prepared by Bartle Wells Associates the capacity fee for 1 EDU = \$6060.

Kennedy Jenks
Technical Memorandum re Review of Freyer & Laureta
October 28, 2019 Draft Memorandum re 1200 Weeks
Street Development, dated January 13, 2020

13 January 2020

Technical Memorandum

To: Jennifer Von der Ahe
From: John H. Rayner PE
Subject: Review of F&L Oct 28 Draft Memorandum re 1200 Weeks Street Development
KJ 1964020.00

Background

P41

The subject memo was written by Freyer & Laureta, engineers for East Palo Alto Sanitary District, to estimate the sewage generated by the proposed Primary School, to be constructed at 1200 Weeks Street in East Palo Alto. The memo estimates the school's average daily and peak sewage flows and its impact on the District's collection system. The memo estimates the total occupancy of the school as 224 people and uses a waste fixture unit count of 350 to estimate an average daily sewage flow of 49,755 gallons per day (GPD) and a peak instantaneous flow of 193,080 GPD.

P42

The memo then inserts the flow estimates for the Primary School into a hydraulic model of the EPASD collection system. The model results are shown graphically as hydraulic profiles on Figures 1,2 and 3 in the memo. Figure 1 shows average flow conditions. The hydraulic grade line shows the depth of sewage in sewers along the flow path, from the Primary School to the siphon under San Fransquito Creek. There are no problems shown under average flow conditions. Figure 2 shows the same sewers under peak flow conditions. The hydraulic grade line is now shown slightly above the top of sewers, indicating that the sewers are flowing full and under low pressure because the level of sewage inside manholes has risen above the top of the sewers (the sewers are flowing surcharged) but the hydraulic grade line is still well below the ground surface indicating there are no sanitary sewage overflows. Figure 3 shows what the hydraulic grade line would be if the first 477' of 6" sewer, near the school, would be replaced with a 10" sewer and the next 3,434' of 18" and 24" sewers would be replaced with 28" sewers. The cost of replacing these sewers is estimated to be \$4,086,600 in the F&L memo.

Review

P43

The method used in the F&L memo for estimating average daily flow was to use 95% of the water supply requirements found in the plumbing code for the 350 waste fixture units at the school. Waste fixture units are used to ensure that water supply pipelines are sized properly. The plumbing code does not use waste fixture units to estimate sewage generation. Instead the

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Jennifer Von der Ahe
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2010 California Plumbing Code uses the enclosed Table K-3 to estimate sewage generation for a variety of building uses. Sewage generation estimates for elementary students are listed in the Code as 15 GPD/student and 20 GPD/person for staff.

- P44** We reviewed with the occupancy of the school with the architect who confirmed that the planning documents and conditions of approval from the City of East Palo Alto list occupancy as 511 students plus 70 staff. This is significantly greater than the total occupancy of 224 estimated in F&L's memo. Applying the higher occupancy to the sewage generation rates in the 2010 California Plumbing Code yields an average sewage generation rate of 9,065 GPD. Allowing for part-time staff, parents' meetings, occasional use of the gym by others and other miscellaneous uses, the estimated sewage generation for the Primary School should not exceed 10,000 GPD. This is about 20% of F&L's estimate, using waste fixture units, of 49,755 GPD.
- P45** Except for the Weeks Street sewer between manholes F7 and T25, the sewer size increases proposed in the F&L memo are greater than those shown in the EPASD 2015 Master Plan by F&L. The proposed sewer size increases in the Master Plan are those required to increase sewer capacity to "... handle future flows". The Master Plan shows that the 3,434' of Trunkline between manholes T25 and T16 needs to be replaced with 24" sewers, instead of 28" sewers as in the F&L memo. The 2016 Sewer Trunkline Realignment project recently replaced about 600' of this same section of Trunkline with new 24" sewer, not 28" sewer. It's also noted that 1522' of 21" sewers listed in the F&L memo as needing to be replaced with 28" sewers by the Primary School project, are the same sewers listed as needing to be replaced in the October 29th F&L Draft Memorandum for the University Plaza Phase II Development.
- P46** The estimated sewer replacement cost of \$4,086,600 in the F&L memo, is represented as a capacity fee for the Primary School which would far exceed the reasonable cost of providing service for just the School. According to the California Government Code, a capacity fee must be proportional to the benefit of the property being served and the California Health and Safety Code states that special districts can only charge a property for its proportional share of the line. The sewer size increases proposed in both the F&L memo and the Master Plan are intended to convey flow from future buildout and are not solely necessary to convey sewage from just the Primary School. The capacity fee charged by EPASD needs to be consistent with these requirements.
- P47** Based on our analysis, the hydraulic model of the EPASD collection system should be reanalyzed using the lower average daily flow of 10,000 GPD for the Primary School. Once we have all the files required for the hydraulic model, we will use the lower sewage generation rate

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for the Primary School to reevaluate its impact on the District's collection system and to estimate its proportionate share of any upgrade costs.

Enclosure: 2010 California Plumbing Code, pages 464 & 465

APPENDIX K PRIVATE SEWAGE DISPOSAL SYSTEMS

K 1.0 Private Sewage Disposal – General.

- A. Where permitted by Section 713.0, the building sewer shall be permitted to be connected to a private sewage disposal system complying with the provisions of this appendix. The type of system shall be determined on the basis of location, soil porosity, and groundwater level, and shall be designed to receive all sewage from the property. The system, except as otherwise approved, shall consist of a septic tank with effluent discharging into a subsurface disposal field, into one (1) or more seepage pits, or into a combination of subsurface disposal field and seepage pits. The Authority Having Jurisdiction shall be permitted to grant exceptions to the provisions of this appendix for permitted structures that have been destroyed due to fire or natural disaster and that cannot be reconstructed in compliance with these provisions provided that such exceptions are the minimum necessary.
- B. Where the quantity or quality of the sewage is such that the above system cannot be expected to function satisfactorily for commercial, agricultural, and industrial plumbing systems; for installations where appreciable amounts of industrial or indigestible wastes are produced; for occupancies producing abnormal quantities of sewage or liquid waste; or when grease interceptors are required by other parts of this code, the method of sewage treatment and disposal shall be first approved by the Authority Having Jurisdiction, Special sewage disposal systems for minor, limited, or temporary uses shall be first approved by the Authority Having Jurisdiction.
- C. Disposal systems shall be designed to utilize the most porous or absorptive portions of the soil formation. Where the groundwater level extends to within twelve (12) feet (3,658 mm) or less of the ground surface or where the upper soil is porous and the underlying stratum is rock or impervious soil, a septic tank and disposal field system shall be installed.
- D. Disposal systems shall be located outside of flood hazard areas.
Exception: Where suitable sites outside of flood hazard areas are not available, disposal systems shall be permitted to be located in flood hazard areas on sites where the effects of inundation under conditions of the design flood are minimized.
- E. All private sewage disposal systems shall be so designed that additional seepage pits or subsurface drain fields, equivalent to not less than one-hundred (100) percent of the required original system, shall be permitted to be installed where the original system cannot absorb all the sewage. No division of the lot or erection of structures on the lot shall be made if such division or structure impairs the usefulness of the one-hundred (100) percent expansion area.
- F. No property shall be improved in excess of its capacity to properly absorb sewage effluent by the means provided in this code.
Exception: The Authority Having Jurisdiction shall be permitted to, at its discretion, approve an alternate system.
- G. No private sewage disposal system, or part thereof, shall be located in any lot other than the lot that is the site of the building or structure served by such private sewage disposal system, nor shall any private sewage disposal system or part thereof be located at any point having less than the minimum distances indicated in Table K-1.
Nothing contained in this code shall be construed to prohibit the use of all or part of an abutting lot to provide additional space for a private sewage disposal system or part thereof when proper cause, transfer of ownership, or change of boundary not in violation of other requirements has been first established to the satisfaction of the Authority Having Jurisdiction. The instrument recording such action shall constitute an agreement with the Authority Having Jurisdiction, which shall clearly state and show that the areas so joined or used shall be maintained as a unit during the time they are so used. Such agreement shall be recorded in the office of the County Recorder as part of the conditions of ownership of said properties and shall be binding on all heirs, successors, and assigns to such properties. A copy of the instrument recording such proceedings shall be filed with the Authority Having Jurisdiction.
- H. When there is insufficient lot area or improper soil conditions for adequate sewage disposal for the building or land use proposed, and the Authority Having Jurisdiction so finds, no building permit shall be issued and no private sewage disposal shall be permitted. Where space or soil conditions are critical, no building permit shall be issued until engineering data and test reports satisfactory to the Authority Having Jurisdiction have been submitted and approved.
- I. Nothing contained in this appendix shall be construed to prevent the Authority Having Jurisdiction from requiring compliance with additional requirements than those contained herein, where such additional requirements are essential to maintain a safe and sanitary condition.
- J. Alternate systems shall be permitted to be used only by special permission of the Authority Having Jurisdiction after being satisfied of their adequacy. This authorization is based on extensive field and test data from conditions similar to those at the proposed site, or require such additional data as necessary to provide assurance that the alternate system will produce continuous and long-range results at the proposed site, not less than equivalent to systems which are specifically authorized.

If demonstration systems are to be considered for installation, conditions for installation, maintenance, and monitoring at each such site shall first be established by the Authority Having Jurisdiction.

Approved aerobic systems shall be permitted to be substituted for conventional septic tanks provided the Authority Having Jurisdiction is satisfied that such systems will produce results not less than equivalent to septic tanks, whether their aeration systems are operating or not.

K 2.0 Capacity of Septic Tanks.

The liquid capacity of all septic tanks shall conform to Tables K-2 and K-3 as determined by the number of bedrooms or apartment units in dwelling occupancies and the estimated waste/sewage design flow rate or the number of plumbing fixture units as determined from Table 7-3 of this Code, whichever is greater in other building occupancies. The capacity of any one (1) septic tank and its drainage system shall be limited by the soil structure classification, as specified in Table K-4.

K 3.0 Area of Disposal Fields and Seepage Pits.

The minimum effective absorption area in disposal fields in square feet (m^2), and in seepage pits in square feet (m^2) of sidewall, shall be predicated on the required septic tank capacity in gallons (liters) and/or estimated waste/sewage flow rate, whichever is greater, and shall conform to Table K-4 as determined for the type of soil found in the excavation, and shall be as follows:

1. When disposal fields are installed, a minimum of one-hundred and fifty (150) square feet ($14 m^2$) of trench bottom shall be provided for each system exclusive of any hard pan, rock, clay, or other impervious formations. Sidewall area in excess of the required twelve (12) inches (305 mm) and a maximum of thirty-six (36) inches (914 mm) below the leach line shall be permitted to be added to the trench bottom area when computing absorption areas.
2. Where leaching beds are permitted in lieu of trenches, the area of each such bed shall be not less than fifty (50) percent greater than the tabular requirements for trenches. Perimeter sidewall area in excess of the required twelve (12) inches (305 mm) and a maximum of thirty-six (36) inches (914 mm) below the leach line shall be permitted to be added to the trench bottom area when computing absorption areas.
3. No excavation for a leach line or leach bed shall be located within five (5) feet (1,524 mm) of the water table nor to a depth where sewage may contaminate the underground water stratum that is usable for domestic purposes.

Exception: In areas where the records or data indicate that the groundwaters are grossly degraded, the five (5) foot (1,524 mm) separation requirement shall be permitted to be reduced by the Authority Having Jurisdiction. The applicant shall supply evidence of groundwater depth to the satisfaction of the Authority Having Jurisdiction.

4. The minimum effective absorption area in any seepage pit shall be calculated as the excavated sidewall area below the inlet exclusive of any hardpan, rock, clay, or other impervious formations. The minimum required area of porous formation shall be provided in one (1) or more seepage pits. No excavation shall extend within ten (10) feet (3,048 mm) of the water table not to a depth where sewage contaminate underground water stratum that is usable for domestic purposes.

Exception: In areas where the records or data indicate that the groundwaters are grossly degraded, the ten (10) foot (3,048 mm) separation requirement shall be permitted to be reduced by the Authority Having Jurisdiction.

The applicant shall supply evidence of groundwater depth to the satisfaction of the Authority Having Jurisdiction.

5. Leaching chambers shall be sized on the bottom absorption area (nominal unit width) in square feet. The required area shall be calculated using Table K-4 with a 0.70 multiplier.

K 4.0 Percolation Test.

- A. Wherever practicable, disposal field and seepage pit sizes shall be computed from Table K-4. Seepage pit sizes shall be computed by percolation tests, unless use of Table K-4 is approved by the Authority Having Jurisdiction.
- B. In order to determine the absorption qualities of seepage pits and of questionable soils other than those listed in Table K-4, the proposed site shall be subjected to percolation tests acceptable to the Authority Having Jurisdiction.
- C. When a percolation test is required, no private disposal system shall be permitted to serve a building if that test shows the absorption capacity of the soil is less than 0.83 gallons per square foot ($33.8 L/m^2$) or more than 5.12 gallons per square foot ($208 L/m^2$) of leaching area per 24 hours. If the percolation tests shows an absorption rate greater than 5.12 gallons per square foot ($208 L/m^2$) per 24 hours, a private disposal system shall be permitted if the site does not overlie groundwaters protected for drinking water supplies, a minimum thickness of two (2) feet (610 mm) of the native soil below the entire proposed system is replaced by loamy sand, and the system design is based on percolation tests made in the loamy sand.

K 5.0 Septic Tank Construction.

- A. Plans for all septic tanks shall be submitted to the Authority Having Jurisdiction for approval. Such plans shall show all dimensions, reinforcing, structural calculations, and such other pertinent data as required.
- B. Septic tank design shall be such as to produce a clarified effluent consistent with accepted standards and shall provide adequate space for sludge and scum accumulations.
- C. Septic tanks shall be constructed of solid durable materials not subject to excessive corrosion or decay and shall be watertight.

EXECUTIVE SUMMARY

This Master Plan Update project was undertaken by the East Palo Alto Sanitary District (District) to assess the impact that future development within the City of East Palo Alto (City) will have on the District's collection system.

System Characteristics

The District is responsible for the operation and maintenance of the sanitary sewer collection system that serves most of East Palo Alto and a portion of Menlo Park, as shown in Figure 1. The District's collection system is a gravity system. Approximately 70% of the pipelines are 6" in diameter. The larger collector lines range between 8" and 21". The trunk line running from the District to the Palo Alto Regional Water Quality Control Plant (RWQCP) is 24" in diameter and contains a siphon beneath San Fransquito Creek. The District has an agreement with the RWQCP, which entitles the District to 7.17% of the dry weather capacity of the RWQCP, approximately 2.7 MGD.

Anticipated Development

The City is anticipating significant redevelopment within the city. Zoning changes are listed in the East Palo Alto 1999 General Plan, and major areas of redevelopment are described in August 2000 Preliminary Draft of the East Palo Alto Revitalization Plan. Other specific development plans have been submitted to the District for review, and some are currently under construction. The major areas within the District identified for redevelopment include:

1. University Circle
2. Ravenswood 101 (Gateway 101)
3. Ravenswood Villages (University Square)
4. Ravenswood Business Park
5. University Avenue Corridor
6. Four Corners/Bay Road
7. Weeks Neighborhood

Mathematical Model

A mathematical model of the District's collection system was developed using the computer software program called HYDRA to assess the impact of this development. HYDRA uses Manning's equation to calculate the flow, capacity, and the hydraulic profile for modeled pipelines. District pipelines that are within or downstream of redevelopment areas were included in the model. A manhole survey of the District using GPS was performed to provide the structural input for the model. Both wet and dry weather flow monitoring were conducted in 2000-2001 to generate data used to calibrate the model.

District Flows

Present flows and flows from two future buildout scenarios were modeled. One future scenario uses flows based on the zoning and density requirements that are described in the August 1999 General Plan. The second future scenario incorporates the planned revitalization of four areas within the City as described in the August 2000 Preliminary Draft of the East Palo Alto Revitalization Plan. The Revitalization Plan proposes development that exceeds the limits set forth in the General Plan, therefore could result in even more wastewater flow than what would

result in development per the General Plan. Total District flows for each development scenario are summarized in Table ES-1.

Table ES-1. Estimated District Flows

Model Scenario	Estimated District Flow
<i>Present</i>	
2001 ADWF	1.7 MGD
2001 PDWF	3.5 MGD
2001 PWWF	5.0 MGD
<i>Future General Plan</i>	
Future ADWF	3.3 MGD
Future PDWF	6.4 MGD
Future PWWF	7.8 MGD
<i>Future Revitalization</i>	
Revitalization ADWF	4.3 MGD
Revitalization PDWF	8.5 MGD
Revitalization PWWF	9.9 MGD
ADWF – Average Dry Weather Flow	PDWF – Peak Dry Weather Flow
MGD – Million Gallons per Day	PWWF – Peak Wet Weather Flow

Model Results

For each development scenario, three flow scenarios were run: average dry weather flow, peak dry weather flow, and peak wet weather flow. The system capacity was evaluated on its ability to accommodate peak wet weather flows. The following is a summary of the results of the modeling:

1. Under the present (2001) flow scenarios, the capacity of the existing pipelines is adequate to handle the peak wet weather flows.
2. A large portion of the collection system is at capacity now, and future buildout flows will overwhelm many of the larger mains in existing system. Over half of the pipelines included in the model were listed as overcapacity during peak wet weather flow scenarios, as shown in Figure 11 – Overcapacity Pipelines at General Plan Buildout and Figure 12 – Overcapacity Pipelines at Revitalization Plan Buildout.
3. The predicted average dry weather flow for both future buildout scenarios exceeds the 2.7 MGD capacity allotment from the RWQCP.
4. Existing pipelines and manholes have settled over time, and some of the pipelines have flat or reverse slopes.
5. The slopes of the District’s pipelines are relatively flat, and often less than 0.001. As a result, calculated velocities at average dry weather flow for both the present and future scenarios were often less than 2.0 feet per second (fps). The calculated velocities indicate that the District may have a problem with blockages in the collection system due to the settling out of solids in the flow. In fact, EPASD maintenance crews are required to frequently flush sewer pipelines throughout the District to prevent blockages.

6. The siphon under San Fransquito Creek causes surcharging in the pipeline in O'Connor Street directly upstream of the siphon (manholes T15 to T14) during both present and future peak flows. EPASD maintenance crews have verified the occurrence of surcharging in this pipeline. Additionally, grease gets trapped in the pipelines just upstream of the siphon requiring frequent routine maintenance.

Recommended Improvement Projects

Improvement projects were developed to accommodate future flows for the two future development scenarios. Base projects consisting of pipeline replacement in the same alignment were developed for overcapacity pipelines. Where applicable, alternatives to the base project were developed taking into account potential pipeline realignment, flow diversion out of the District, and the addition of a pump station. The base projects and alternative projects were compared to identify the most effective plan for upgrading the current collection system to meet future flow demands. The alternative comparison is presented in Table ES-2.

Estimated improvement project costs are anticipated to be \$10 million to \$12 million. Table ES-3 includes a list of the specific recommended improvement projects needed to accommodate peak wet weather flows at full buildout of the General Plan. Table ES-4 includes a list of the specific projects needed to accommodate the peak wet weather flows at full buildout of the Revitalization Plan. These recommended improvement projects are shown in Figures 17 and 18 for each development scenario, respectively.

Project Priorities

The recommended improvements were developed to accommodate future peak wet weather flows for the full buildout development scenarios. It is likely that development will be phased over the next 10 years or more. Therefore, not all of the recommended improvement projects will need to be constructed immediately. The improvement projects were prioritized based on expected development phasing. Projects included in Priority 1 will be required to accommodate the planned development at University Circle and along University Avenue. Priority 1 projects include pipelines located in the following streets:

- Donohoe St. between Euclid Ave. and Cooley Ave.
- Cooley Ave. between Donohoe St. and Green St.
- Green St. between Cooley Ave. and Clarke Ave.
- Clarke Ave. between Green St. and Beech St.
- Beech St. from Clarke Ave. to the eastern end Beech St.

In addition, further study of the alternatives for trunkline improvements from the siphon to the RWQCP is a Priority 1 project.

Priority 2 projects will be required to accommodate future flows from some of the Revitalization Areas, to address the portion of the main located in contaminated soil, and well as to accommodate the development from Ravenswood Villages and the redevelopment south of Highway 101. Priority 2 projects include pipelines located in the following streets:

- Trunkline construction from the siphon to the RWQCP

- Reroute trunkline (MH A29 to T21) outside area of contamination
- O'Connor Street east of Pulgas Ave.
- Pulgas Ave. between East Bayshore Rd. and O'Connor St.
- Trunkline between MH T23 and Siphon

Improvement projects not included in either priority 1 or 2 should be constructed as necessary to accommodate flows from future development.

Summary of Recommendations

1. Develop a preliminary plan for accommodating increased flows and revise the District's connection fees accordingly.
2. Closely monitor future development and implement recommended improvements as they become necessary.
3. Initiate discussions with the RWQCP for additional capacity.
4. Study alternatives for increasing the capacity of the trunkline from the siphon to the RWQCP. A recommended alternative was not selected because the following issues require further investigation before an improvement project can be selected:
 - Condition of existing siphon and trunkline.
 - Environmental compliance: construction in environmentally sensitive areas will trigger an Initial Study and maybe an EIR.
 - Easement conditions.

Because of its length and location, any improvements to the trunkline will be very costly.

5. The total flow from the District is currently reported by the RWQCP. The method used to calculate the District flow is unclear. It may be calculated as the difference between the total flow to the RWQCP and sum of the metered flow from the RWQCP's other customers or measured by the Parshall flume currently installed between manholes M5 and M6. It is recommended that the District install and maintain a trunkline flow meter that can be used to track future District flows.
6. Reduce inflow and infiltration into the system. I/I reduction will be achieved to some extent by replacing existing pipelines. However, the majority of the I/I is from service laterals. It is recommended that the District require that service laterals be replaced when the pipeline to which they connect is replaced.

Chapter 7 Result Summary

Chapter 7.1 - Observations

The following is a summary of general observations about the results of the model:

1. Under the present flow scenarios, the capacity of the existing pipelines is adequate to handle current peak wet weather flows.
2. A large portion of the collection system, including the trunkline to the RWQCP, is at capacity now, and future buildout flows will overwhelm many of the mains in the existing system. Many of the pipelines included in the model were listed as overcapacity during peak wet weather flow scenarios. The dry weather flow capacity of the RWQCP is 38 MGD. The District has an agreement with the RWQCP, which entitles the District to 7.63% of the dry weather capacity of the RWQCP, approximately 2.9 MGD. The predicted average dry weather flow for both future buildout scenarios exceeds the capacity allotment from the RWQCP.
3. Some pipes may be relatively flat due to settlement
4. The slopes of the District's pipelines are relatively flat. As a result, calculated velocities at average dry weather flow for both the present and future scenarios were often low. The ideal minimum velocity of sewage flows in a gravity pipeline is 2.0 fps to prevent settling of the solids out of the flow. The calculated velocities indicate that the District may have a problem with blockages in the collection system due to the settling out of solids in the flow. In fact, EPASD maintenance crews are required to frequently clean sewer pipelines throughout the District to prevent blockages.
5. The siphon under San Francisquito Creek causes surcharging during both present and future peak flows. EPASD maintenance crews have verified the occurrence of surcharging in this pipeline. Additionally, grease gets trapped in the pipelines just upstream of the siphon requiring frequent routine maintenance.

From: Akin Okupe <aokupe@epasd.com>
Sent: Monday, January 04, 2021 1:56 PM
To: Tom Morse
Cc: Tim Steele (tsteele@sobrato.com); Robert Tersini (rtersini@sobrato.com)
Subject: {*Ex} Re: University Phase 2 Capacity Fee Proposal

The developer needs to install the pipe recommended by the consultant and pay capacity fees at 6060 per equivalent EDU. I will forward this to you in a letter. This is very straight forward.

Thanks

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Tom Morse <TMorse@BKF.com>
Sent: Monday, January 4, 2021 9:23 AM
To: Akin Okupe <aokupe@epasd.com>
Cc: Tim Steele (tsteele@sobrato.com) <tsteele@sobrato.com>; Robert Tersini (rtersini@sobrato.com) <rtersini@sobrato.com>
Subject: University Phase 2 Capacity Fee Proposal

Good morning Akin,

I hope the new year is treating you well. Based on our zoom meeting on December 1, I understood the East Palo Alto Sanitary District would put together a proposal for the University Plaza Phase 2 capacity fees by the end of the December. Can you let us know when we can expect to receive the fee proposal? Is there anything you need from our team to help?

Thanks,
Tom

Thomas R. Morse, P.E.
Vice President
BKF ENGINEERS
650.482-6419
tmorse@bkf.com

We all need to do our part to reduce the spread of COVID-19 in our communities. Our top priority at BKF is the health and safety of our staff and we have successfully transitioned all of our employees to a remote work environment. Additionally, our robust

infrastructure allows us to keep our projects moving forward and to continue being responsive to our work, our deadlines, and our clients. We remain available to you via email, phone, and virtual meetings during our normal business hours.

Confidentiality Notice: This email (including any attachment) is intended only for the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If you are not the intended recipient, you are not authorized to intercept, read, print, retain, copy, forward, or disseminate this communication. If you have received this communication in error, please reply to the sender or call 650-482-6300, and then please delete this message from your inbox as well as any copies. Thank you, BKF Engineers 2021

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Kevin J. Ashe
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January 14, 2020

Via Electronic Mail

Akin Okupe
General Manager
East Palo Alto Sanitary District
901 Weeks Street
East Palo Alto, CA 94303

Re: Capacity Charges for University Plaza Phase II and 1200 Weeks Street Projects

Mr. Okupe,

On behalf of our client, the Sobrato Organization (“Sobrato”), developer of the University Plaza Phase II project, and Sheppard Mullin’s client, The Primary School (“TPS”), developer of the 1200 Weeks Street (each a “Project”, collectively, the “Projects”), enclosed please find the technical analyses you requested on November 26, 2019.

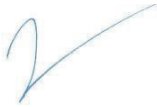
As discussed at the Engineering Committee Meeting at the East Palo Alto Sanitary District’s (“District”) office on December 10, 2019, Sobrato and TPS continue to disagree with your position that the District’s sanitary sewer system lacks sufficient capacity to connect to and serve the Projects. Additionally, we strongly oppose the District’s attempts to levy \$6.13 million and \$4.08 million dollars in “probable project costs” against the Projects, respectively (as mentioned in the draft Freyer & Laurretta memoranda, dated October 28 and 29, 2019). While state law permits the District to levy reasonable connection fees and capacity charges of a “proportional benefit” to projects (Gov. Code § 66013), nothing in state law or the District’s own regulations permit it to levy disproportional “probable project costs” against individual projects for District-wide improvements.

The attached independent, technical memoranda prepared by Kennedy Jenks and BKF Engineers note that “capacity charges” levied against the Projects should be calculated pursuant to the methodology set forth in the December 2018 Bartle Wells Report (*i.e.*, the Equivalent Dwelling Unit calculation for non-residential connections), which the District’s Board adopted on January 10, 2019 in Resolution No. 1238. **Pursuant to this methodology, the appropriate capacity**

charges levied against the Projects are as follows: \$224,410 for UPP2, and \$228,494 for 1200 Weeks Street.

We look forward to discussing this matter with you further to reach a mutually agreeable solution. If we cannot come to an agreeable solution, Sobrato and TPS are fully prepared to seek relief from the District's Board pursuant to Section 205 of the District's Code, and beyond, if necessary. Please be advised that we have not discussed this matter with the District's legal counsel, but recommend that you engage counsel prior to further discussions on this subject.

Regards,



Tamsen Plume

Holland & Knight, LLP



Kevin J. Ashe

Holland & Knight, LLP



Jennifer Renk

Sheppard Mullin Richter &
Hampton, LLP

cc:

Tim Steele, The Sobrato Organization
Robert Tersini, The Sobrato Organization
Tom Morse, BKF Engineers
Jennifer Von der Ahe, The Primary School
Jennifer Renk, Sheppard Mullin Richter & Hampton, LLP
Ashley Stanley, BKF Engineers
Patrick Bosch, BKF Engineers
John Rayner, Kennedy Jenks
Kamal Fallaha, City of East Palo Alto
Rafael Alvarado, City Attorney, City of East Palo Alto
Carlos Castellanos, MidPen Housing Corp.

Enclosures:

- BKF Engineers, Technical Memorandum re University Plaza Phase 2 – Sanitary Sewer Capacity Fee Calculation, dated January 13, 2020
- Kennedy Jenks, Technical Memorandum re Review of Freyer & Laureta October 29, 2019 Draft Memorandum re University Plaza Phase II Development
- BKF Engineers, Technical Memorandum re The Primary School – Sanitary Sewer Capacity Fee Calculation, dated January 13, 2020
- Kennedy Jenks, Technical Memorandum re Review of Freyer & Laureta October 28, 2019 Draft Memorandum re 1200 Weeks Street Development

BKF Engineers
Technical Memorandum re University Plaza Phase 2 – Sanitary
Sewer Capacity Fee Calculation, dated January 13, 2020

January 13, 2020
BKF Job No.: C20160076

Mr. Akin Okupe, General Manager
East Palo Alto Sanitary District
901 Weeks Street
East Palo Alto, CA 94303

Transmitted Via Email: aokupe@epasd.com

**Subject: University Plaza, Phase 2, East Palo Alto, CA
Sewer System Hydraulic Modeling
October 29, 2019 Freyer & Laureta Memorandum**

Dear Mr. Okupe:

Thank you for forwarding the sanitary sewer analysis memorandum titled, "East Palo Alto Sanitary District – University Phase II Development," prepared by Freyer & Laureta, Inc dated October 29, 2019 and the Wastewater Capacity Charge Update prepared by Bartle Wells Associates, dated December 2018 (Bartle Wells Report).

During our December 10, 2019 meeting with the District, you noted that the Bartle Wells Report establishes "capacity fees" for new projects served by the District. The Bartle Wells Report establishes a methodology to "Equitably [recover] costs based on the new or increased capacity needs of each new development or redevelopment project." Implementing this methodology and fee structure to address system capacity is more appropriate than one off analyses for individual projects, as was done in the Freyer & Laureta memorandum. In light of this, we have included as Attachment A a sanitary sewer capacity fee calculation memorandum for the University Plaza Phase 2 project based on the Equivalent Dwelling Unit (EDU) methodology identified in the Bartle Wells Report.

While we believe that the capacity fee discussed above should be the only capacity fee applicable to new development served by the District, we have reviewed the Freyer & Laureta memorandum and have several questions and concerns outlined below.

1. The project as approved by the East Palo Alto City Council has been reduced to include 203,967 square feet of office space and 8,690 square feet of community flex space.
2. The calculation of peak hour demand is not industry standard and does not match the methodology used in the March 2015 East Palo Alto Sanitary District Master Plan Update prepared by Freyer & Laureta, Inc. Dividing the average day flow by the assumed operational hours is unnecessary and provides an overly conservative peaking factor.

While one might consider this methodology for a single building or small campus it is not appropriate for a city wide sanitary sewer system where system peaks and time of use are already included as part of the flow monitoring complete to develop Master Plan Update. To apply this methodology universally would require a continuous simulation model instead of the static, peak flow model used.

An additional peaking factor of 5.8 was used in the model. This is the single highest peak factor identified in the Master Plan Update. Portions of the system that serve the proposed project site have smaller peaking factors. As identified in the Master Plan Update, this peaking factor is for Peak Wet Weather Flow that includes the system diurnal peak and significant system rain water dependent inflow and infiltration. Since this new project will not contribute additional rain water dependent inflow and infiltration, the peaking factor should be reduced.

This overly conservative methodology may unduly show impact to district wide facilities, hampering future development in the City of East Palo Alto. Based on analysis of nodes E2, I3 and T13 in the 2015 Master Plan update the maximum ADWF to PDWF peak is 1.7 at node E2. The remainder of the peaking factor is wet weather inflow and infiltration that is an existing condition and not increased by the proposed project.

3. The Memorandum states, "...the model does indicate there is a potential for SSOs as a result of the peak flows from the development." However, Figure 2 – Peak flow Hydraulic Grade Line shows available freeboard between the system hydraulic grade and existing ground even using the overly conservative peaking factors.
4. The peak flow hydraulic grade line for the existing condition is not presented and there is no discussion of the existing surcharge condition during peak wet weather events. Please note that it is common practice to allow some surcharge of a sanitary sewer system during peak wet weather events in existing pipes as new projects are added to the system and future capital improvement upgrades are scheduled.
5. While this memorandum identifies that significant system improvements are required, these improvements are substantially the same improvements identified in the Master Plan Update and used as the basis for the Bartle Wells Report (e.g.: increasing the size of the 15" sewer main on Beech street and Green Street). This "double counting" of improvements is further evidence that only the capacity charges recommended in the Bartle Wells Report should apply to the project.
6. Numerous system improvements identified in this memorandum are also identified in the Freyer & Laureta, Inc. memorandum prepared for the Primary School, 1200 Weeks Street development, dated October 28, 2019. The section of sewer main between T19 and T16 is included in both summaries of "probable projects costs" with no discussion of fair share costs.

7. The Master Plan Update recommends a Capital Improvement Program. What is the status of the recommended Capital Improvement Program? Has timing been confirmed and funding identified?

Please let us know if a meeting would be helpful to discuss these comments. We look forward to working with your team to refine the modeling and better understand the project and cumulative impacts. Please contact me at 650.482.6419 if you have any questions regarding these comments.

Sincerely,

BKF Engineers



Thomas R. Morse, PE, LEED® AP
Vice President

Attachment:

- Attachment A: University Plaza Phase 2 – Sanitary Sewer Capacity Fee Calculation

cc:

Kamal Fallaha, City of East Palo Alto
Tim Steele, The Sobrato Organization
Robert Tersini, The Sobrato Organization
Tamsen Plume, Holland & Knight, LLP
Kevin Ashe, Holland & Knight, LLP
John Rayner, Kennedy Jenks
Sachi Itagaki, Kennedy Jenks
Jennifer Von der Ahe, The Primary School
Jennifer Renk, Sheppard Mullin Richter & Hampton, LLP
Carlos Castellanos, MidPen Housing Corp.
Ashley Stanley, BKF Engineers
Cole Gaumnitz, BKF Engineers

Date: January 13, 2020 **BKF Job Number:** 20160076

Deliver To: **Akin Okupe, General Manager, East Palo Alto Sanitary District**
Joan Sykes-Miessi, Vice President, Board of Directors
Dennis Scherzer, Director, Board of Directors

From: **Thomas Morse**

Subject: **University Plaza Phase 2 – Sanitary Sewer Capacity Fee Calculation**

Purpose

The purpose of this memorandum is to provide a summary of East Palo Alto Sanitary District (District) sanitary sewer capacity fee calculations associated with the University Plaza Phase 2 (UPP2) development.

Background

The UPP2 development encompasses approximately 2.60 acres in East Palo Alto, situated north of Donohoe Street, between University Avenue, the existing Chevron Gas Station, and the Ravenswood School District Bus Yard. Donohoe Street has an existing 12-inch sanitary sewer main that flows east toward University Avenue.

The site is currently occupied by paved and unpaved parking areas and existing buildings including a pharmacy and a Stanford Law Clinic totaling 11,495 square feet. The proposed development includes two buildings: a 6-story parking garage with 8,690 square feet of Community Flex Space and a 7-story office building with 203,967 square feet of office space as approved by the East Palo Alto City Council December 17, 2019.

Methodology

The sanitary sewer capacity fee is based on the Equivalent Dwelling Unit (EDU) methodology and adopted per EDU capacity fee identified in the December 2018 Wastewater Capacity Charge Update Study prepared by Bartle Wells Associates.¹ The EDU methodology for non-residential connections is:

EDU Formulas for Non-Residential Connections²

Number of EDUs = $0.871 * \text{Flow}/240 \text{ gpd} + 0.060 * \text{BOD}/200 \text{ mg/l} + 0.067 * \text{SS}/200 \text{ mg/l}$

¹ East Palo Alto Sanitary District *Wastewater Capacity Charge Update* (Dec. 2018) at 10.

² As of the date of this memorandum, it remains unclear whether the District Board has adopted the capacity fee structure recommended by Bartle Wells Associates. On December 18, 2019, the Sobrato Organization (through counsel) submitted a public records act request for confirmation that the District has adopted this capacity fee methodology. This memorandum assumes that the District has adopted the capacity fee methodology proposed in the Bartle Wells Associated December 2018 report.

Under this methodology, the first step is to calculate the average day dry weather flow based on the unit demands provided to the District in the original BKF Sewer Demand Memorandum dated July 30 2018 and used in the Freyer and Laureta October 29, 2019 East Palo Alto sanitary District – University Phase II Development Memorandum. EDUs are then calculated based on typical residential household average day dry weather demand of 240 gallons per day (gpd) per EDU. The capacity fee per EDU is then applied to develop the project specific capacity fee. A credit is applied for existing retail and medical office uses on the site and for the total of deposits already provided to the District.

Existing Sanitary Sewer Demand Calculations

The Average Dry Weather Flow (ADWF) for the existing sewer demand is calculated by taking the area of the existing building area and multiplying by a demand factor of 0.09 gpd per square foot (gpd/sf).

Existing sanitary sewer demand is estimated to be approximately 1,035 gpd ADWF. This equates to 4.31 EDUs.

Proposed Sanitary Sewer Demand Calculation

The ADWF sanitary sewer demand for the UPP2 buildings is calculated by taking the proposed building areas and multiplying by the appropriate demand factors. This includes 203,967 square feet of office space at a demand factor of 0.05 gpd/sf and 8,690 square feet of Community Flex Space at a demand factor of 0.09 gpd/sf.

The proposed project sanitary sewer demand is estimated to be 10,980 gpd ADWF. This equates to 45.75 EDUs.

Project Sanitary Sewer Fee Calculation

The proposed UPP2 project sanitary sewer capacity fee calculation is included as Table A included as an attachment to this memorandum.

As outlined in the 2018 Bartle Wells Associated Wastewater Capacity Charge Update the identified capacity fee is \$6,060 per EDU to, "Equitably [recover] costs based on the new or increased capacity needs of each new development or redevelopment project."

Based on this per EDU fee and the EDUs identified and allocated credits, the project sanitary sewer capacity fee is \$224,410.

ATTACHMENTS:

- Table A – University Plaza Phase 2 Project Sanitary Sewer Capacity Fee Calculations

**TABLE A: UNIVERSITY PLAZA PHASE 2 PROJECT
SANITARY SEWER CAPACITY FEE**

Proposed Use	Square Footage (SF) ¹	Demand Factor (gpd/SF) ²	Average Dry Weather Flow (GPD)	EDU ³	\$/EDU ⁴	Capacity Fee	Comment
PROPOSED PROJECT							
Office	203,967	0.05	10,198	42.49	\$ 6,050	\$ 257,084	
Community Flex Space	8,690	0.09	782	3.26	\$ 6,050	\$ 19,716	
Subtotal			10,980	45.75		\$ 276,800	
EXISTING USES AND DEPOSIT CREDITS							
Office	-7,129	0.09	-642	-2.67	\$ 6,050	\$ (16,174)	Older Buildings, no water-saving fixtures
Medical Office	-4,366	0.09	-393	-1.64	\$ 6,050	\$ (9,906)	Older Buildings, no water-saving fixtures
Deposits						\$ (26,310)	\$15,000 + \$11,310
Subtotal			-1,035	-4.31		\$ (52,390)	
TOTAL			12,015	41.44		\$ 224,410	

Table Notes:

- Proposed building floor area based on project entitlements. Existing floor area based on actual building size and uses
- Unit demands for proposed office use based on the East Palo Alto Sanitary District - University Phase II Development Memorandum dated October 29, 2019 Prepared by Freyer and Laureta for the East Palo Alto Sanitary District and Item 2 of the August 6, 2019 letter from the East Palo Alto Sanitary District regarding University Plaza Phase 2, East Palo Alto - Sewer System Hydraulic Modeling.
- Capacity fee calculation is based on the Equivalent Dwelling Unit (EDU) methodology. Based on the East Palo Alto Sanitary District Wastewater Capacity Charge Updated dated December 2018 and prepared by Bartle Wells Associates 1 EDU = 240 gallons per day.
- Based on the East Palo Alto Sanitary District Wastewater Capacity Charge Updated dated December 2018 and prepared by Bartle Wells Associates the capacity fee for 1 EDU = \$6060.

Kennedy Jenks
Technical Memorandum re Review of Freyer & Laureta
October 29, 2019 Draft Memorandum re University Plaza
Phase II Development, dated January 13, 2020

13 January 2020

Technical Memorandum

To: Tim Steele
From: John H. Rayner PE
Subject: Review of F&L Oct 29 Draft Memorandum re University Phase II Development
KJ 1964020.00

Background

The subject memo was written by Freyer & Laureta, engineers for East Palo Alto Sanitary District, to estimate the sewage generated by the proposed University Plaza Phase II Development, to be constructed on a 2.60 acre parcel in East Palo Alto, and estimate its impact on the District's collection system. The Development is proposed to have 231,883 square feet of office space. Using a sewage generation rate of 0.05 gallons per day (GPD) per square foot, the Development's average daily sewage flow is estimated to be 11,594 GPD. Based on the measured peak flow during wet weather at site E2, a sewer manhole downstream of the Development, a peaking factor of 5.8 is estimated for the Development.

At its meeting on December 17, 2019, the EPA City Council approved the Development with its office space reduced to 212,657 square feet.

The F&L memo then inserts the flow estimates for the Development into its hydraulic model of the EPASD collection system. The model results are shown graphically as hydraulic profiles on Figures 1,2 and 3 in the memo. Figure 1 shows average flow conditions. The hydraulic grade line shows the depth of sewage in sewers along the flow path, from the Development to the siphon under San Fransquito Creek. There are no problems shown under average flow conditions. Figure 2 shows the same sewers under peak flow conditions. The hydraulic grade line is now shown above the top of sewers, indicating that the sewers are flowing full and under low pressure because the level of sewage inside manholes has risen above the top of the sewers (the sewers are flowing surcharged). However, the hydraulic grade line is below the ground surface indicating there are no sanitary sewage overflows. Figure 3 shows what the hydraulic grade line would be if the first 4599' of 12" and 15" sewers would be replaced with 20" sewers and the next 2,820' of 18" and 21" sewers would be replaced with 28" sewers. The cost of replacing these sewers is estimated to be \$6,130,600 in the F&L memo.

Technical Memorandum

Tim Steele
13 January 2020
KJ 1968020.00
Page 2

Review

The sewage generation from the University Plaza Phase II Development needs to be analyzed at 212,657 square feet of office space, approved by the City Council, instead of the initially proposed 231,883 square feet of office space.

The use of a 5.8 peaking factor used in the F&L memo for the Development was calculated by dividing meter readings during peak wet weather flow (PWWF) by the average dry weather flow (ADWF) from a metering station downstream of the Development. The flows were measured as part of a 2011/2012 flow monitoring program cited in the F&L memo. The District's sewage flows increase significantly during wet weather as rainwater enters the sewers directly through inflow and indirectly from increased groundwater infiltration. Neither of these sources of additional sewage flow during wet weather are significant factors in new office building projects so the 5.8 peaking factor used for estimating the Development's impact on the collection system should be significantly lower (probably closer to 3.0). A higher peaking factor may be appropriate to use in analyzing the capacity of onsite sewers and those serving just the Development and a small local area but not for analyzing the overall collection system. In analyzing the hydraulics of collection systems, its standard practice to reduce peaking factors as the collection system receives additional flow from more sources.

With only one exception, the sewer size increases proposed in the F&L memo are greater than those shown in the EPASD 2015 Master Plan by F&L. The proposed sewer size increases in the Master Plan are those required to increase sewer capacity to "... handle future flows". Unlike the F&L memo, the Master Plan does not show that sewers on Donohoe Street and Cooley Avenue need to be increased in size. The Master Plan (MP) does show that the other sewers listed in the F&L memo, from Green Street to the Trunkline manhole T16, will eventually need to be increased in size, however, the sizes differ from those in the F&L memo (Green and Clarke Streets: 18" in MP and 20" in F&L memo; Beech Street to Pulgas Avenue: 24" in MP and 20" in F&L memo; Beech Street to Trunkline manhole T16: 24" in MP and 28" in F&L memo). The 2016 Sewer Trunkline Realignment project replaced the 18" sewer on Beech Street between manhole I3 and T20 with a new 24" sewer. It's also noted that 1,522' of 21" sewers listed in the F&L memo as needing to be replaced with 28" sewers by the University Plaza Phase II Development, are the same sewers listed as needing to be replaced in the October 28th F&L Draft Memorandum for the Primary School project.

Technical Memorandum

Tim Steele
13 January 2020
KJ 1968020.00
Page 3

The estimated sewer replacement cost of \$6,130,600 in the F&L memo, is represented as a capacity fee for the Development which would far exceed the reasonable cost of providing service for just the Development. According to the California Government Code, a capacity fee must be proportional to the benefit of the property being served and the California Health and Safety Code states that special districts can only charge a property for its proportional share of the line. The sewer size increases proposed in both the F&L memo and the Master Plan are intended to convey flow from future buildout and are not solely necessary to convey sewage from just the Development. The capacity fee charged by EPASD needs to be consistent with these requirements.

Once we have all the files required for the hydraulic model, we will run the model to evaluate the impact of the University Plaza Phase II Development on the District's collection system and to estimate its proportionate share of any upgrade costs.

BKF Engineers
Technical Memorandum re The Primary School – Sanitary
Sewer Capacity Fee Calculation, dated January 13, 2020

January 13, 2020
BKF Job No.: C20150053

Mr. Akin Okupe, General Manager
East Palo Alto Sanitary District
901 Weeks Street
East Palo Alto, CA 94303

Transmitted Via Email: aokupe@epasd.com

**Subject: The Primary School, East Palo Alto, CA
Sewer System Hydraulic Modeling
October 29, 2019 Freyer & Laureta Memorandum**

Dear Mr. Okupe:

Thank you for forwarding the sanitary sewer analysis memorandum titled, "East Palo Alto Sanitary District – 1200 Weeks Street Development," prepared by Freyer & Laureta, Inc and dated October 28, 2019. We have reviewed the memorandum and have several questions and comments outlined below.

1. The project as approved by the East Palo Alto City Council includes maximum occupancies of 511 students and 70 staff.
2. The calculation of peak hour demand is not industry standard and does not match the methodology used in the March 2015 East Palo Alto Sanitary District Master Plan Update prepared by Freyer & Laureta, Inc. Dividing the average day flow by the assumed operational hours is unnecessary and provides an overly conservative peaking factor. While one might consider this methodology for a single building or small campus it is not appropriate for a city wide sanitary sewer system where system peaks and time of use are already included as part of the flow monitoring complete to develop Master Plan Update. To apply this methodology universally would require a continuous simulation model instead of the static, peak flow model used.

An additional peaking factor of 3.88 was used in the model. As identified in the Master Plan Update, this peaking factor is for Peak Wet Weather Flow that includes the system diurnal peak and significant system rain water dependent inflow and infiltration. Since this new project will not contribute additional rain water dependent inflow and infiltration, the peaking factor should be reduced.

This overly conservative methodology may unduly show impact to district wide facilities, hampering future development in the City of East Palo Alto.

3. The Memorandum makes reference to predicted SSO's, however, Figure 2 – Peak flow Hydraulic Grade Line shows available freeboard between the system hydraulic grade and existing ground even using the overly conservative peaking factors.

4. The peak flow hydraulic grade line for the existing condition is not presented and there is not discussion of the existing surcharge condition during peak wet weather events.
5. While this memorandum identifies that significant system improvements are required, these improvements are substantially the same improvements identified in the Master Plan Update.
6. The Master Plan Update recommends a Capital Improvement Program. What is the status of the recommended Capital Improvement Program? Has timing been confirmed and funding identified?

During our December 10, 2019 District meeting, you referenced the December 2018 Wastewater Capacity Charge Update prepared by Bartle Wells Associates. We understand that this document identifies a methodology to, "Equitably [recover] costs based on the new or increased capacity needs of each new development or redevelopment project." Implementing this methodology and fee structure to address system capacity is more appropriate than one off analysis of individual project. A sanitary sewer fee capacity calculation based on the Equivalent Dwelling Unit fees identified in the Wastewater Capacity Charge Update will be submitted separately.

Please let us know if a meeting would be helpful to discuss these comments. We look forward to working your team to refine the modeling and better understand the project and cumulative impacts. Please contact me at 650.482.6458 if you have any questions regarding these comments.

Sincerely,
BKF Engineers

Ashley A. Stanley, PE, PLS, LEED® AP
Associate

cc:
Kamal Fallaha, City of East Palo Alto
Jennifer Von der Ahe, The Primary School
Jennifer Renk, Sheppard Mullin Richter & Hampton LLP
Courtney Garcia, The Primary School
Time Steele, The Sobrato Organization
Robert Tersini, The Sobrato Organization
Tamsen Plume, Holland & Knight, LLP
Kevin Ashe, Holland & Knight, LLP
John Rayner, Kennedy Jenks
Sachi Itagaki, Kennedy Jenks
Carlos Castellanos, MidPen Housing Corp.
Ashley Stanley, BKF Engineers
Cole Gaumnitz, BKF Engineers

Date: January 13, 2020

BKF Job Number: 20150053

Deliver To: **Akin Okupe, General Manager, East Palo Alto Sanitary District**
Joan Sykes-Miessi, Vice President, Board of Directors
Dennis Scherzer, Director, Board of Directors

From: **Ashley Stanley**

Subject: **The Primary School – Sanitary Sewer Capacity Fee Calculation**

Purpose

The purpose of this memorandum is to provide a summary of East Palo Alto Sanitary District (District) sanitary sewer capacity fee calculations associated with the Weeks Primary School (WPS) development.

Background

The Primary School development encompasses approximately 2.60 acres in East Palo Alto, situated with Weeks Street to the north and Runnymede Street to the South. Weeks Street has an existing 6-inch sanitary sewer main that flows east toward a trunk line flowing south parallel to the Bay Trail.

The site is currently undeveloped. The proposed development includes two buildings: a 2-story main school building with 61,000 SF of classroom, associated office, and community meeting space, and a one-story gymnasium with 11,000 SF of athletic, associated space, and a laundry room.

Methodology

The sanitary sewer capacity fee is based on the Equivalent Dwelling Unit (EDU) methodology and adopted per EDU capacity fee identified in the December 2018 Wastewater Capacity Charge Update Study prepared by Bartle Wells Associates. The first step is to calculate the average daily and peak flows based on the unit demands presented in the Kennedy Jenks Technical Memorandum, dated January 2020. These unit demands are based on anticipated occupancy and characteristic wastewater generation rates found in the 2010 California Plumbing Code.

Equivalent dwelling units are then calculated based on typical residential household average day dry weather demand of 240 gallons per day (gpd) per EDU. The capacity fee per EDU is then applied to develop the project specific capacity fee. A credit is applied for any existing uses on the site and for the total of deposits already provided to the District.

Existing Sanitary Sewer Demand Calculations

The Average Dry Weather Flow (ADWF) for the existing sewer demand is calculated by taking the area of the existing building area and multiplying by a demand factor of 0.09 gpd per square foot (gpd/sf).

As the site is currently undeveloped, there is no existing demand.

Proposed Sanitary Sewer Demand Calculation

The average daily sanitary sewer demand for the Primary School buildings is calculated by taking the proposed occupancy of the school and gymnasium and multiplying by the appropriate demand factors. This includes 511 students at 15gpd/person and 70 staff at 20gpd/person.

The proposed project sanitary sewer demand is estimated to be 9,065 gpd. This equates to 37.77 EDUs.

Project Sanitary Sewer Fee Calculation

The proposed Primary School project sanitary sewer capacity fee calculation is included as Attachment A to this memorandum.

As outlined in the 2018 Bartle Wells Associated Wastewater Capacity Charge Update the identified capacity fee is \$6,060 per EDU to, "Equitable [recover] costs based on the new or increased capacity needs of each new development or redevelopment project." Based on this per EDU fee and the EDUs identified, the project sanitary sewer capacity fee is \$228,494.

ATTACHMENTS:

- Attachment A – The Primary School Project Sanitary Sewer Capacity Fee Calculations

**PRIMARY SCHOOL PROJECT
SANITARY SEWER CAPACITY FEE**

Proposed Use	Occupancy (Persons) ¹	Wastewater flow (GPD) ²	Average Flow (GPD)	EDU ³	\$/EDU ⁴	Capacity Fee	Comment
PROPOSED PROJECT							
Students	511	15	7,665	31.94	\$6,060	\$193,222	
Staff	70	20	1,400	5.83	\$6,060	\$35,272	
Subtotal			9,065	37.77		\$ 228,494	
EXISTING USES AND DEPOSITS CREDITS							
No Existing Uses	-	-	-	-	-	-	
Deposits	-	-	-	-	-	-	
Subtotal							
TOTAL			9,065	37.77		\$ 228,494	

Table Notes:

- Proposed building occupancy based on project entitlements.
- Wastewater demands for proposed use based on the 2010 California Plumbing Code, cited in Technical Memorandum created by Kennedy Jenks
- Capacity fee calculation is based on the Equivalent Dwelling Unit (EDU) methodology. Based on the East Palo Alto Sanitary District Wastewater Capacity Charge Updated dated December 2018 and prepared by Bartle Wells Associates 1 EDU = 240 gallons per day.
- Based on the East Palo Alto Sanitary District Wastewater Capacity Charge Updated dated December 2018 and prepared by Bartle Wells Associates the capacity fee for 1 EDU = \$6060.

Kennedy Jenks
Technical Memorandum re Review of Freyer & Laureta
October 28, 2019 Draft Memorandum re 1200 Weeks
Street Development, dated January 13, 2020

13 January 2020

Technical Memorandum

To: Jennifer Von der Ahe
From: John H. Rayner PE
Subject: Review of F&L Oct 28 Draft Memorandum re 1200 Weeks Street Development
KJ 1964020.00

Background

The subject memo was written by Freyer & Laureta, engineers for East Palo Alto Sanitary District, to estimate the sewage generated by the proposed Primary School, to be constructed at 1200 Weeks Street in East Palo Alto. The memo estimates the school's average daily and peak sewage flows and its impact on the District's collection system. The memo estimates the total occupancy of the school as 224 people and uses a waste fixture unit count of 350 to estimate an average daily sewage flow of 49,755 gallons per day (GPD) and a peak instantaneous flow of 193,080 GPD.

The memo then inserts the flow estimates for the Primary School into a hydraulic model of the EPASD collection system. The model results are shown graphically as hydraulic profiles on Figures 1,2 and 3 in the memo. Figure 1 shows average flow conditions. The hydraulic grade line shows the depth of sewage in sewers along the flow path, from the Primary School to the siphon under San Fransquito Creek. There are no problems shown under average flow conditions. Figure 2 shows the same sewers under peak flow conditions. The hydraulic grade line is now shown slightly above the top of sewers, indicating that the sewers are flowing full and under low pressure because the level of sewage inside manholes has risen above the top of the sewers (the sewers are flowing surcharged) but the hydraulic grade line is still well below the ground surface indicating there are no sanitary sewage overflows. Figure 3 shows what the hydraulic grade line would be if the first 477' of 6" sewer, near the school, would be replaced with a 10" sewer and the next 3,434' of 18" and 24" sewers would be replaced with 28" sewers. The cost of replacing these sewers is estimated to be \$4,086,600 in the F&L memo.

Review

The method used in the F&L memo for estimating average daily flow was to use 95% of the water supply requirements found in the plumbing code for the 350 waste fixture units at the school. Waste fixture units are used to ensure that water supply pipelines are sized properly. The plumbing code does not use waste fixture units to estimate sewage generation. Instead the

Technical Memorandum

Jennifer Von der Ahe
13 January 2020
KJ 1968020.00
Page 2

2010 California Plumbing Code uses the enclosed Table K-3 to estimate sewage generation for a variety of building uses. Sewage generation estimates for elementary students are listed in the Code as 15 GPD/student and 20 GPD/person for staff.

We reviewed with the occupancy of the school with the architect who confirmed that the planning documents and conditions of approval from the City of East Palo Alto list occupancy as 511 students plus 70 staff. This is significantly greater than the total occupancy of 224 estimated in F&L's memo. Applying the higher occupancy to the sewage generation rates in the 2010 California Plumbing Code yields an average sewage generation rate of 9,065 GPD. Allowing for part-time staff, parents' meetings, occasional use of the gym by others and other miscellaneous uses, the estimated sewage generation for the Primary School should not exceed 10,000 GPD. This is about 20% of F&L's estimate, using waste fixture units, of 49,755 GPD.

Except for the Weeks Street sewer between manholes F7 and T25, the sewer size increases proposed in the F&L memo are greater than those shown in the EPASD 2015 Master Plan by F&L. The proposed sewer size increases in the Master Plan are those required to increase sewer capacity to "... handle future flows". The Master Plan shows that the 3,434' of Trunkline between manholes T25 and T16 needs to be replaced with 24" sewers, instead of 28" sewers as in the F&L memo. The 2016 Sewer Trunkline Realignment project recently replaced about 600' of this same section of Trunkline with new 24" sewer, not 28" sewer. It's also noted that 1522' of 21" sewers listed in the F&L memo as needing to be replaced with 28" sewers by the Primary School project, are the same sewers listed as needing to be replaced in the October 29th F&L Draft Memorandum for the University Plaza Phase II Development.

The estimated sewer replacement cost of \$4,086,600 in the F&L memo, is represented as a capacity fee for the Primary School which would far exceed the reasonable cost of providing service for just the School. According to the California Government Code, a capacity fee must be proportional to the benefit of the property being served and the California Health and Safety Code states that special districts can only charge a property for its proportional share of the line. The sewer size increases proposed in both the F&L memo and the Master Plan are intended to convey flow from future buildout and are not solely necessary to convey sewage from just the Primary School. The capacity fee charged by EPASD needs to be consistent with these requirements.

Based on our analysis, the hydraulic model of the EPASD collection system should be reanalyzed using the lower average daily flow of 10,000 GPD for the Primary School. Once we have all the files required for the hydraulic model, we will use the lower sewage generation rate

Technical Memorandum

Jennifer Von der Ahe

13 January 2020

KJ 1968020.00

Page 3

for the Primary School to reevaluate its impact on the District's collection system and to estimate its proportionate share of any upgrade costs.

Enclosure: 2010 California Plumbing Code, pages 464 & 465

APPENDIX K PRIVATE SEWAGE DISPOSAL SYSTEMS

K 1.0 Private Sewage Disposal – General.

- A. Where permitted by Section 713.0, the building sewer shall be permitted to be connected to a private sewage disposal system complying with the provisions of this appendix. The type of system shall be determined on the basis of location, soil porosity, and groundwater level, and shall be designed to receive all sewage from the property. The system, except as otherwise approved, shall consist of a septic tank with effluent discharging into a subsurface disposal field, into one (1) or more seepage pits, or into a combination of subsurface disposal field and seepage pits. The Authority Having Jurisdiction shall be permitted to grant exceptions to the provisions of this appendix for permitted structures that have been destroyed due to fire or natural disaster and that cannot be reconstructed in compliance with these provisions provided that such exceptions are the minimum necessary.
- B. Where the quantity or quality of the sewage is such that the above system cannot be expected to function satisfactorily for commercial, agricultural, and industrial plumbing systems; for installations where appreciable amounts of industrial or indigestible wastes are produced; for occupancies producing abnormal quantities of sewage or liquid waste; or when grease interceptors are required by other parts of this code, the method of sewage treatment and disposal shall be first approved by the Authority Having Jurisdiction. Special sewage disposal systems for minor, limited, or temporary uses shall be first approved by the Authority Having Jurisdiction.
- C. Disposal systems shall be designed to utilize the most porous or absorptive portions of the soil formation. Where the groundwater level extends to within twelve (12) feet (3,658 mm) or less of the ground surface or where the upper soil is porous and the underlying stratum is rock or impervious soil, a septic tank and disposal field system shall be installed.
- D. Disposal systems shall be located outside of flood hazard areas.
Exception: Where suitable sites outside of flood hazard areas are not available, disposal systems shall be permitted to be located in flood hazard areas on sites where the effects of inundation under conditions of the design flood are minimized.
- E. All private sewage disposal systems shall be so designed that additional seepage pits or subsurface drain fields, equivalent to not less than one-hundred (100) percent of the required original system, shall be permitted to be installed where the original system cannot absorb all the sewage. No division of the lot or erection of structures on the lot shall be made if such division or structure impairs the usefulness of the one-hundred (100) percent expansion area.
- F. No property shall be improved in excess of its capacity to properly absorb sewage effluent by the means provided in this code.
Exception: The Authority Having Jurisdiction shall be permitted to, at its discretion, approve an alternate system.
- G. No private sewage disposal system, or part thereof, shall be located in any lot other than the lot that is the site of the building or structure served by such private sewage disposal system, nor shall any private sewage disposal system or part thereof be located at any point having less than the minimum distances indicated in Table K-1.
 Nothing contained in this code shall be construed to prohibit the use of all or part of an abutting lot to provide additional space for a private sewage disposal system or part thereof when proper cause, transfer of ownership, or change of boundary not in violation of other requirements has been first established to the satisfaction of the Authority Having Jurisdiction. The instrument recording such action shall constitute an agreement with the Authority Having Jurisdiction, which shall clearly state and show that the areas so joined or used shall be maintained as a unit during the time they are so used. Such agreement shall be recorded in the office of the County Recorder as part of the conditions of ownership of said properties and shall be binding on all heirs, successors, and assigns to such properties. A copy of the instrument recording such proceedings shall be filed with the Authority Having Jurisdiction.
- H. When there is insufficient lot area or improper soil conditions for adequate sewage disposal for the building or land use proposed, and the Authority Having Jurisdiction so finds, no building permit shall be issued and no private sewage disposal shall be permitted. Where space or soil conditions are critical, no building permit shall be issued until engineering data and test reports satisfactory to the Authority Having Jurisdiction have been submitted and approved.
- I. Nothing contained in this appendix shall be construed to prevent the Authority Having Jurisdiction from requiring compliance with additional requirements than those contained herein, where such additional requirements are essential to maintain a safe and sanitary condition.
- J. Alternate systems shall be permitted to be used only by special permission of the Authority Having Jurisdiction after being satisfied of their adequacy. This authorization is based on extensive field and test data from conditions similar to those at the proposed site, or require such additional data as necessary to provide assurance that the alternate system will produce continuous and long-range results at the proposed site, not less than equivalent to systems which are specifically authorized.

If demonstration systems are to be considered for installation, conditions for installation, maintenance, and monitoring at each such site shall first be established by the Authority Having Jurisdiction.

Approved aerobic systems shall be permitted to be substituted for conventional septic tanks provided the Authority Having Jurisdiction is satisfied that such systems will produce results not less than equivalent to septic tanks, whether their aeration systems are operating or not.

K 2.0 Capacity of Septic Tanks.

The liquid capacity of all septic tanks shall conform to Tables K-2 and K-3 as determined by the number of bedrooms or apartment units in dwelling occupancies and the estimated waste/sewage design flow rate or the number of plumbing fixture units as determined from Table 7-3 of this Code, whichever is greater in other building occupancies. The capacity of any one (1) septic tank and its drainage system shall be limited by the soil structure classification, as specified in Table K-4.

K 3.0 Area of Disposal Fields and Seepage Pits.

The minimum effective absorption area in disposal fields in square feet (m^2), and in seepage pits in square feet (m^2) of sidewall, shall be predicated on the required septic tank capacity in gallons (liters) and/or estimated waste/sewage flow rate, whichever is greater, and shall conform to Table K-4 as determined for the type of soil found in the excavation, and shall be as follows:

1. When disposal fields are installed, a minimum of one-hundred and fifty (150) square feet ($14 m^2$) of trench bottom shall be provided for each system exclusive of any hard pan, rock, clay, or other impervious formations. Sidewall area in excess of the required twelve (12) inches (305 mm) and a maximum of thirty-six (36) inches (914 mm) below the leach line shall be permitted to be added to the trench bottom area when computing absorption areas.
2. Where leaching beds are permitted in lieu of trenches, the area of each such bed shall be not less than fifty (50) percent greater than the tabular requirements for trenches. Perimeter sidewall area in excess of the required twelve (12) inches (305 mm) and a maximum of thirty-six (36) inches (914 mm) below the leach line shall be permitted to be added to the trench bottom area when computing absorption areas.
3. No excavation for a leach line or leach bed shall be located within five (5) feet (1,524 mm) of the water table nor to a depth where sewage may contaminate the underground water stratum that is usable for domestic purposes.

Exception: In areas where the records or data indicate that the groundwaters are grossly degraded, the five (5) foot (1,524 mm) separation requirement shall be permitted to be reduced by the Authority Having Jurisdiction. The applicant shall supply evidence of groundwater depth to the satisfaction of the Authority Having Jurisdiction.

4. The minimum effective absorption area in any seepage pit shall be calculated as the excavated sidewall area below the inlet exclusive of any hardpan, rock, clay, or other impervious formations. The minimum required area of porous formation shall be provided in one (1) or more seepage pits. No excavation shall extend within ten (10) feet (3,048 mm) of the water table not to a depth where sewage contaminate underground water stratum that is usable for domestic purposes.

Exception: In areas where the records or data indicate that the groundwaters are grossly degraded, the ten (10) foot (3,048 mm) separation requirement shall be permitted to be reduced by the Authority Having Jurisdiction.

The applicant shall supply evidence of groundwater depth to the satisfaction of the Authority Having Jurisdiction.

5. Leaching chambers shall be sized on the bottom absorption area (nominal unit width) in square feet. The required area shall be calculated using Table K-4 with a 0.70 multiplier.

K 4.0 Percolation Test.

- A. Wherever practicable, disposal field and seepage pit sizes shall be computed from Table K-4. Seepage pit sizes shall be computed by percolation tests, unless use of Table K-4 is approved by the Authority Having Jurisdiction.
- B. In order to determine the absorption qualities of seepage pits and of questionable soils other than those listed in Table K-4, the proposed site shall be subjected to percolation tests acceptable to the Authority Having Jurisdiction.
- C. When a percolation test is required, no private disposal system shall be permitted to serve a building if that test shows the absorption capacity of the soil is less than 0.83 gallons per square foot ($33.8 L/m^2$) or more than 5.12 gallons per square foot ($208 L/m^2$) of leaching area per 24 hours. If the percolation tests shows an absorption rate greater than 5.12 gallons per square foot ($208 L/m^2$) per 24 hours, a private disposal system shall be permitted if the site does not overlie groundwaters protected for drinking water supplies, a minimum thickness of two (2) feet (610 mm) of the native soil below the entire proposed system is replaced by loamy sand, and the system design is based on percolation tests made in the loamy sand.

K 5.0 Septic Tank Construction.

- A. Plans for all septic tanks shall be submitted to the Authority Having Jurisdiction for approval. Such plans shall show all dimensions, reinforcing, structural calculations, and such other pertinent data as required.
- B. Septic tank design shall be such as to produce a clarified effluent consistent with accepted standards and shall provide adequate space for sludge and scum accumulations.
- C. Septic tanks shall be constructed of solid durable materials not subject to excessive corrosion or decay and shall be watertight.

Stakeholder Input Form¹
San Mateo LAFCO's Municipal Service Review for
East Palo Alto, Menlo Park, and the East Palo Alto Sanitary District ("EPASD")

Developer	<u>The Sobrato Organization</u>
Contact	Name: Tim Steele Phone: 408 832-4200 Email: tsteele@sobrato.com
Project Name	Sobrato Non-Profit Center
Project Description (e.g., residential or commercial, number of units, etc.)	Commercial including office space, community space, and parking lot. Total site area of 2.5 Acres with building floor area of 58,808 S.F.
Entitlements Status	<input type="checkbox"/> Approved: _____ (date) <input type="checkbox"/> Pending: _____ (date) <input checked="" type="checkbox"/> Other: Please specify: Project entitlements process on hold pending EPASD resolution
CEQA Document	<input type="checkbox"/> Environmental Impact Report <input type="checkbox"/> Negative Declaration / Mitigated Negative Declaration <input type="checkbox"/> Categorical / Statutory Exemption <input checked="" type="checkbox"/> Other: CEQA process on hold pending EPASD resolution
Level of EPASD Participation in Project's CEQA Review	CEQA process on hold due to EPASD failure to provide to provide project Will-Serve letter
First Contact with EPASD	Date: <u>7/15/2020</u>
Will-Serve Letter Status	<input type="checkbox"/> Approved: _____ (date) <input type="checkbox"/> Pending: _____ (date) <input checked="" type="checkbox"/> Other: Please specify: EPASD never provided a formal response to project service request on District letterhead. Only correspondence received is Freyer & Laureta hydraulic modeling analysis.
Project Sanitary Sewer Flow Estimates (gpd)	5,881 gpd ADWF (assumes demand factor 1.0 gpd/sf) 17,643 gpd PWWF (assumes peaking factor 3)

¹ This Stakeholder Input Form ("Form") was prepared by a working group of stakeholders and developers with approved and/or pending development projects in the City of East Palo Alto. This Form is intended to inform the SM LAFCO in its preparation of a Municipal Service Review for the City of East Palo Alto, City of Menlo Park, and the EPASD.

EPASD Fee Estimate (if any)	<p>\$6,679,400 - Provided by Freyer & Laureta via hydraulic modeling analysis and identified capital improvements downstream of project connection. No fee estimate provided directly by EPASD</p> <p>\$148,491 –Capacity fee calculation based on the Equivalent Dwelling Unit (EDU) methodology and fee rate of \$6,060/EDU defined in the East Palo Alto Sanitary District Wastewater Capacity Charge Update dated December 2018, prepared by Bartle Wells Associate</p>
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Please provide a summary of the Project’s experience with the EPASD?

The project is seeking entitlements in order to move forward with development. A Will-Serve Letter from the EPASD was sought after early in the entitlement process. A Sewer Demand Memo was created by BKF Engineers and sent to the EPASD along with a complete EPASD Application and Permit for Sewer Lateral Connection. The EPASD General Manager followed up with comments on the Memo via email and also requested a deposit of \$15,000 to perform a hydraulic impact analysis on the system. A receipt was never provided for the deposit and an explanation of funds requested was conveyed by the General Manager via email.

The Hydraulic Impact Report was created by Freyer & Laureta and forwarded to the project team via email from the General Manager. No response to the report nor request for fee was ever given from the EPASD. The Hydraulic Impact Report identified multiple segments of the existing sanitary system downstream of the project that are needed to be replaced and upgraded in the existing flow condition and future project flow condition. The report calculated a total cost of capital improvements to be \$6,679,400. The General Manager has indicated these costs will be passed on to the developer in full to be paid for service of the project. The project capacity fees as calculated based on the Equivalent Dwelling Unit (EDU) methodology and fee rate of \$6,060/EDU defined in the publically documented, East Palo Alto Sanitary District Wastewater Capacity Charge Update dated December 2018, prepared by Bartle Wells Associate, is only \$148,491. To date, the EPASD has not provided a formal request of fees on standard District letterhead. Fee requests have only come via email and phone correspondence.

There are 5 segments of sewer pipe along the project sanitary flow route to the treatment facility that are identified to be upgraded within the 2015 EPASD Master Plan Update. These 5 segments make up the vast majority of the project flow route to the treatment facility and are labeled to be upgraded between 2015 and 2025 per the Master Plan Update. These 5 segments are also included in the Hydraulic Impact Report which the General Manager has insisted the project developer is fully responsible for funding the pipe upgrades. Per the Master Plan, majority of the identified pipe upgrades should be complete before the proposed development is occupied. The identified capital improvements have yet to be implemented to date.

The project team acknowledged that the EPASD needs to implement capital improvements in order to continue to serve new development within East Palo Alto. The project team developed fair share fees based on the capital improvements identified and planned development within East Palo Alto and presented this to the EPASD District Board of Directors. The Board dismissed the discussion of fair share capacity fees and continued to require the developer fund all of the capital improvements identified downstream of the proposed project. The Sobrato and BKF teams have spoken publically at EPASD Board meetings, and special City Intergovernmental Committee meetings to express concerns regarding the EPASD approval process and proposed potential solutions that benefit the EPASD and allow for development to be served.

Public speeches involve the Sobrato Non-Profit Center project as well as a number of other projects facing the same issues with the EPASD. None of the public meetings to date have been successful in getting the EPASD to work with developers on a realistic pathway forward. The Sobrato Non-Profit Center and a number of other developments planned within East Palo Alto are delayed or abandoned due to lack of resolution with the EPASD.

Please provide a summary of your experience working with and/or communicating with EPASD personnel. (To the extent available, please provide pertinent copies of communications to and from EPASD personnel at EXHIBIT A)

Our experience working with the EPASD has been very abnormal, unprofessional, and confusing for a public entity. The EPASD has a Master Plan that outlines their system requirements and how new development connection fees are calculated. However, the EPASD does not abide by their own documented standards and leaves developers no clear path towards obtaining a Will-Serve Letter. Developers are left to try and negotiate their individual projects with the General Manager directly leaving full discretion of the process to the General Manager. Our experience communicating with the General Manager has been difficult and one-sided. Attempts at correspondence with the General Manager are typically disrupted and ideas/concerns ignored.

Please provide a summary of your experience participating in, or observing, meetings of the EPASD Board of Directors.

Our experience participating in and observing meetings of the EPASD Board of Directors has been unprofessional and unproductive. The Board has been presented evidence of potential solutions to their capital improvements issues from multiple different credible sources and have ignored or dismissed each without any examination. The Board does not appear to align with the City leader's vision on the future of development and associated public improvements within the City of East Palo Alto. There have been many instances during public meetings that Board members have engaged in arguments with members of the City and public that lead to raised voices and visible aggression. It is apparent to our team and any members of the public viewing, that any debate or discussion with the Board of Directors is likely unproductive.

EXHIBIT A

**Pertinent Communications and/or Documentation
Involving the EPASD**

[Remainder of Page Intentionally Blank]

**EPASD IMPROVEMENT PLAN
EAST PALO ALTO SANITARY DISTRICT**

DATE: 03/21/13
SCALE: NTS
DESIGNED: RLL
DRAWN: JL
CHECKED: RLL
PROJECT ENGR: RLL

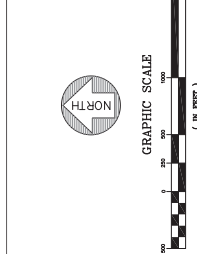
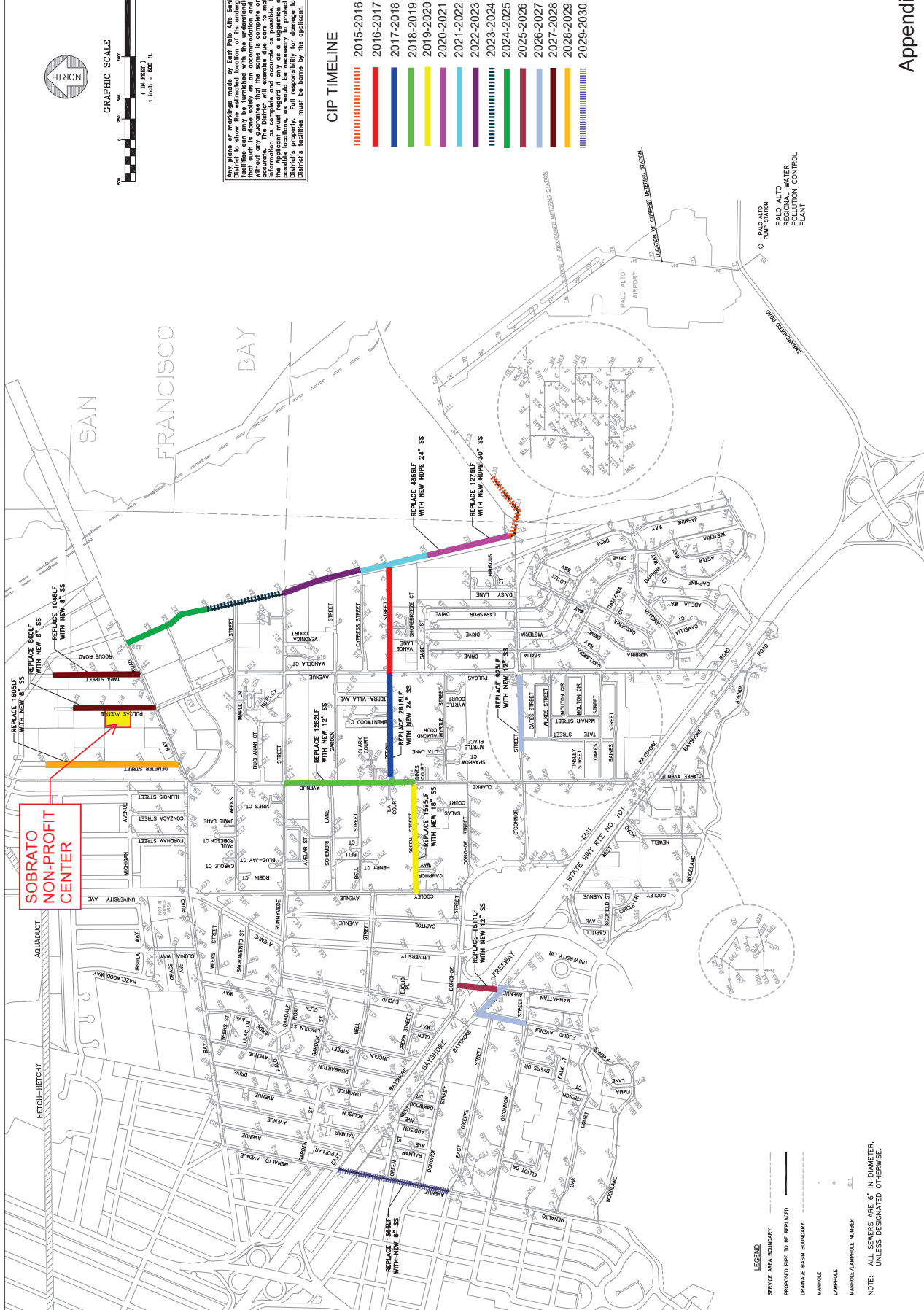
DATE: 03/21/13
SCALE: NTS
DESIGNED: RLL
DRAWN: JL
CHECKED: RLL
PROJECT ENGR: RLL

DATE: 03/21/13
SCALE: NTS
DESIGNED: RLL
DRAWN: JL
CHECKED: RLL
PROJECT ENGR: RLL

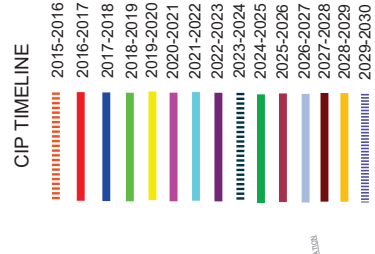
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SCALE: NTS
DESIGNED: RLL
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CHECKED: RLL
PROJECT ENGR: RLL

DATE: 03/21/13
SCALE: NTS
DESIGNED: RLL
DRAWN: JL
CHECKED: RLL
PROJECT ENGR: RLL

DATE: 03/21/13
SCALE: NTS
DESIGNED: RLL
DRAWN: JL
CHECKED: RLL
PROJECT ENGR: RLL



Any plans or markings made by East Palo Alto Sanitary District to show the estimated location of the underground sewer lines are for informational purposes only. They are not intended to be used as a basis for any construction or other activity. The District will endeavor to make this information as complete and accurate as possible, but it is not responsible for any damage to the District's property. Full responsibility for damage to the District's property must be borne by the applicant.



LEGEND

- SERVICE AREA BOUNDARY
- PROPOSED PIPE TO BE REPLACED
- SEWERAGE BASIN BOUNDARY
- MANHOLE
- MANHOLE/LAMPPIE NUMBER

NOTE: ALL SEWERS ARE 6" IN DIAMETER, UNLESS DESIGNATED OTHERWISE.

DRAFT MEMORANDUM

To: Akin Okupe, P.E., M.B.A.
East Palo Alto Sanitary District

Date: August 20, 2020

From: Jeffrey Tarantino, P.E.
Raymond Mallari, E.I.T.
Freyer & Laureta, Inc.

Subject: Proposed Development at 2519 Pulgas Avenue

Purpose

Freyer & Laureta, Inc. (F&L) is pleased to provide this memorandum to the East Palo Alto Sanitary District (EPASD) to present the results of the requested assessment of the proposed development at 2519 Pulgas Avenue sewer discharge impacts, if any, on EPASD's existing collection system. The proposed development of interest in the hydraulic modeling scenarios are for proposed Sobrato Center for Community Resources to be located on 2519 Pulgas Ave. The goal of the modeling effort is to determine how the proposed development impacts the existing EPASD collection system and confirm that the developer's projected average dry weather flows (ADWF) are consistent with similar projects in EPASD's service area and EPASD District Code.

Assumptions

Sobrato Center Flows

The Sobrato Center is proposed as a new three-story office building with roof deck. The projected average daily sewer demand was calculated based on Paragraph B1.03.3 of EPASD Standard Specifications for Design and Construction of Sanitary Sewer Collection and Conveyance Facilities dated June 6, 2002, which indicates that office and retail space discharges 0.1 gallons per day (gpd) multiplied by project square footage.

F&L estimated average dry weather flows of the existing development using 0.1 gpd per square foot and calculated the estimated additional flow to be contributed by the future development. Table 1 documents the estimated existing flows and projected additional

flows. As noted in the Planning Submittal by Arc Tech dated June 12, 2020 the proposed project square footage units are estimated to be 58,808 square feet. Therefore, the proposed developments additional ADWF is calculated to be approximately 5,881 gpd with a peak day sanitary sewer flow rate calculated to be 8,822 gpd.

HYDRA 7 Manhole Injections

The hydraulic review assumes that the offices are occupied 24 hours per day. The average daily flow is calculated to be 0.0091 cfs. EPASD estimates the calculated peak flow is 0.01365 cfs based on a PDWF peaking factor of 1.50 from site T20 located in Table 3. Flows were injected in Manhole A18; the flow path was modeled from Manhole A18 to Manhole T14.

Results

Please refer to Appendix A for figures presenting the hydraulic grade line for the EPASD collection system both under current conditions and proposed conditions after the completion of 2519 Pulgas Avenue development and Appendix C documents the flow path through the EPASD collection system. Please also see Appendix B containing several tables that documents the calculation of estimated flows that were used by F&L in the model and the results of the hydraulic modeling study including documenting projected impacts by the development on the existing EPASD collection system. The figures included in Appendix A present the hydraulic grade line during the following scenarios:

- Average dry weather flow scenario of existing conditions (Figure 1),
- Peak dry weather flow scenario of existing conditions (Figure 2),
- Peak wet weather flow scenario of existing conditions (Figure 3),
- Average dry weather flow scenario of proposed conditions (Figure 4),
- Peak dry weather flow scenario of proposed conditions (Figure 5),
- Peak wet weather flow scenario of proposed conditions (Figure 6),
- Average dry weather flow scenario of proposed conditions with PDWF pipe size upgrades (Figure 7),
- Peak dry weather flow scenario of proposed conditions with PDWF pipe size upgrades (Figure 8),
- Peak wet weather flow scenario of proposed conditions with PDWF pipe size upgrades (Figure 9).

- Average dry weather flow scenario of proposed conditions with PWWF pipe size upgrades (Figure 10),
- Peak dry weather flow scenario of proposed conditions with PWWF pipe size upgrades (Figure 11), and
- Peak wet weather flow scenario of proposed conditions with PWWF pipe size upgrades (Figure 12).

The blue lines in each figure indicates the modeled water surface elevation and the red line represents the ground elevation.

Analysis

As seen in the figures, the modeled water surface elevation changes when comparing both existing average and peak scenarios with the proposed average and peak scenarios are minor. The projected impacts to the hydraulic grade line are also presented in the Appendix B tables that compares the Depth over Diameter ratios (d/D) from Table 2.2 for existing conditions and Table 2.3 for future conditions when the development is complete. The d/D is seen to result in minor increases of depth during ADWF with the biggest difference in Manhole A18 of 0.24 inches. The hydraulic model predicts that the proposed development at 2519 Pulgas Avenue results in minor increase of d/D during ADWF from 0.16 under existing conditions and 0.20 under proposed conditions. Under PDWF conditions, differences are similar. The increase of d/D at Manhole A18 is from 0.20 under existing conditions to 0.24 under proposed conditions, which also yields a difference of 0.24 inches.

Capital improvements were determined by the scenario of peak wet weather flow (PWWF). Figure 12 in Appendix A shows the profile of the maximum event scenario with modified pipe sizes along the flow path in the collection system. After the capital improvements are implemented, the model predicts that the d/D along the entire flow downstream of the proposed development is less than 0.67 under PWWF. Capital improvements were not implemented under the PDWF condition due to a d/D already lower than 0.67 under the proposed injections. Table 2.5 presents the future conditions including proposed capital improvements under a maximum flow event and compares changes with the existing system.

Capital Improvements

All old piping should be replaced with various sizes of DR17 HDPE pipe. In order to prevent the predicted SSOs, EPASD will need to replace approximately 4,400 linear feet of pipe starting from manhole A18 and continuing downstream to manhole T16. Table 2.7 in Appendix B shows the proposed capital improvements and Table 4 shows a cost estimate. The limits of the proposed capital improvement program are presented on Appendix C.

Appendices

- Appendix A – Figures and Hydraulic Profiles
- Appendix B – Tables
- Appendix C – Proposed Development Flow Path

Appendix A
Figures of Flow Path and Hydraulic Profile

Figure 1- Existing Average Dry Weather Flow Hydraulic Grade Line

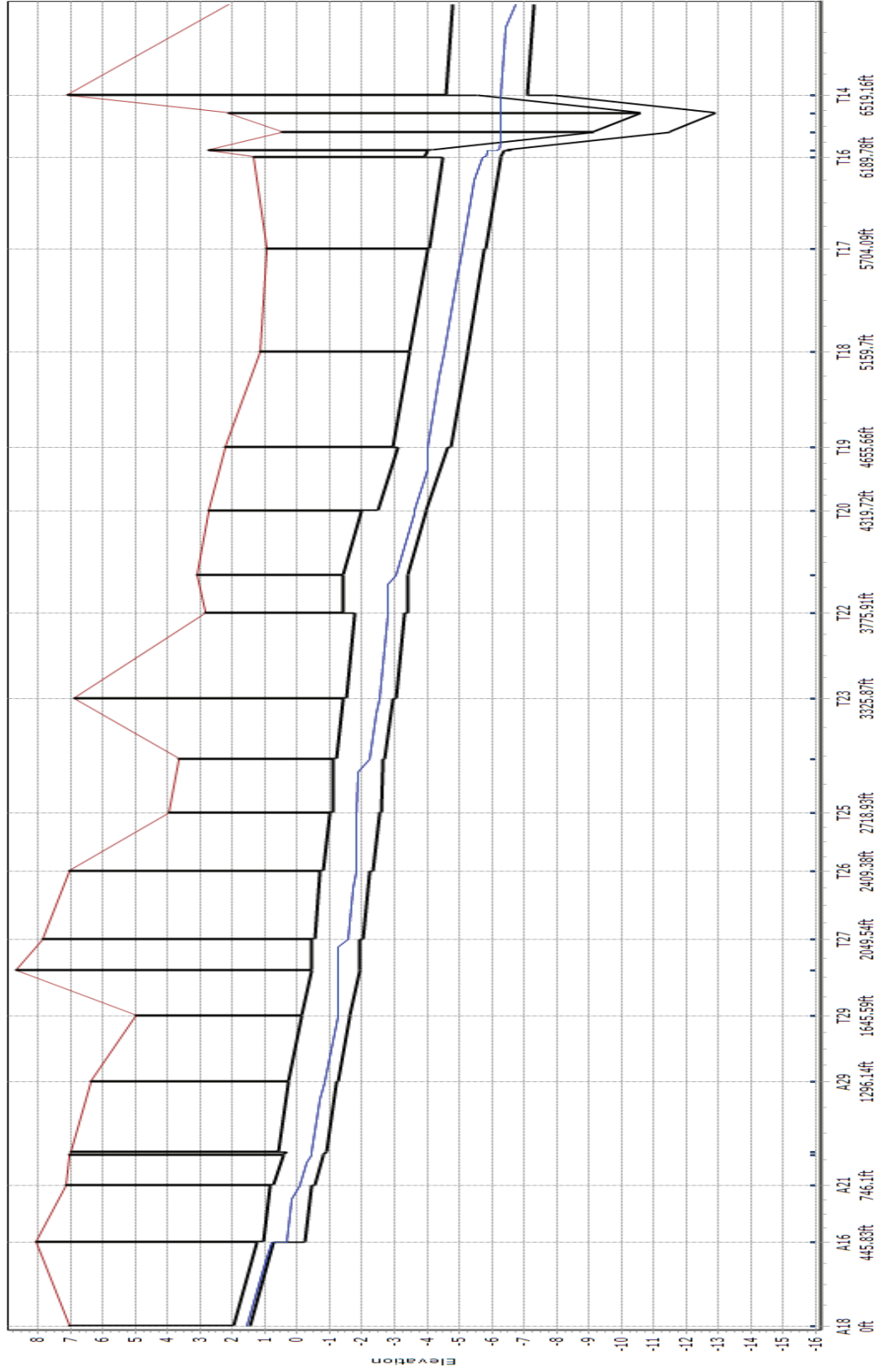


Figure 2- Existing Peak Dry Weather Flow Hydraulic Grade Line

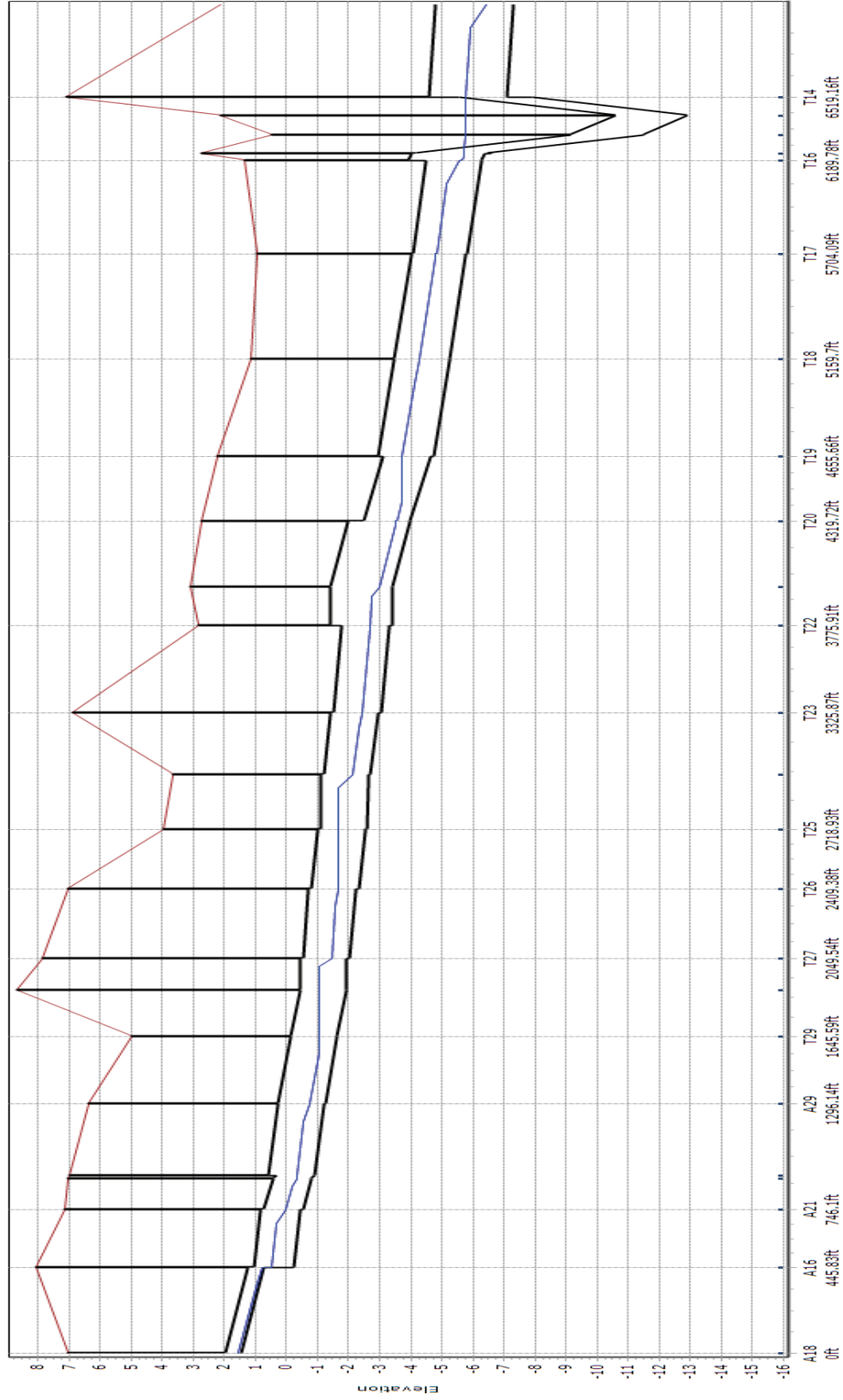


Figure 3- Existing Peak Wet Weather Flow Hydraulic Grade Line

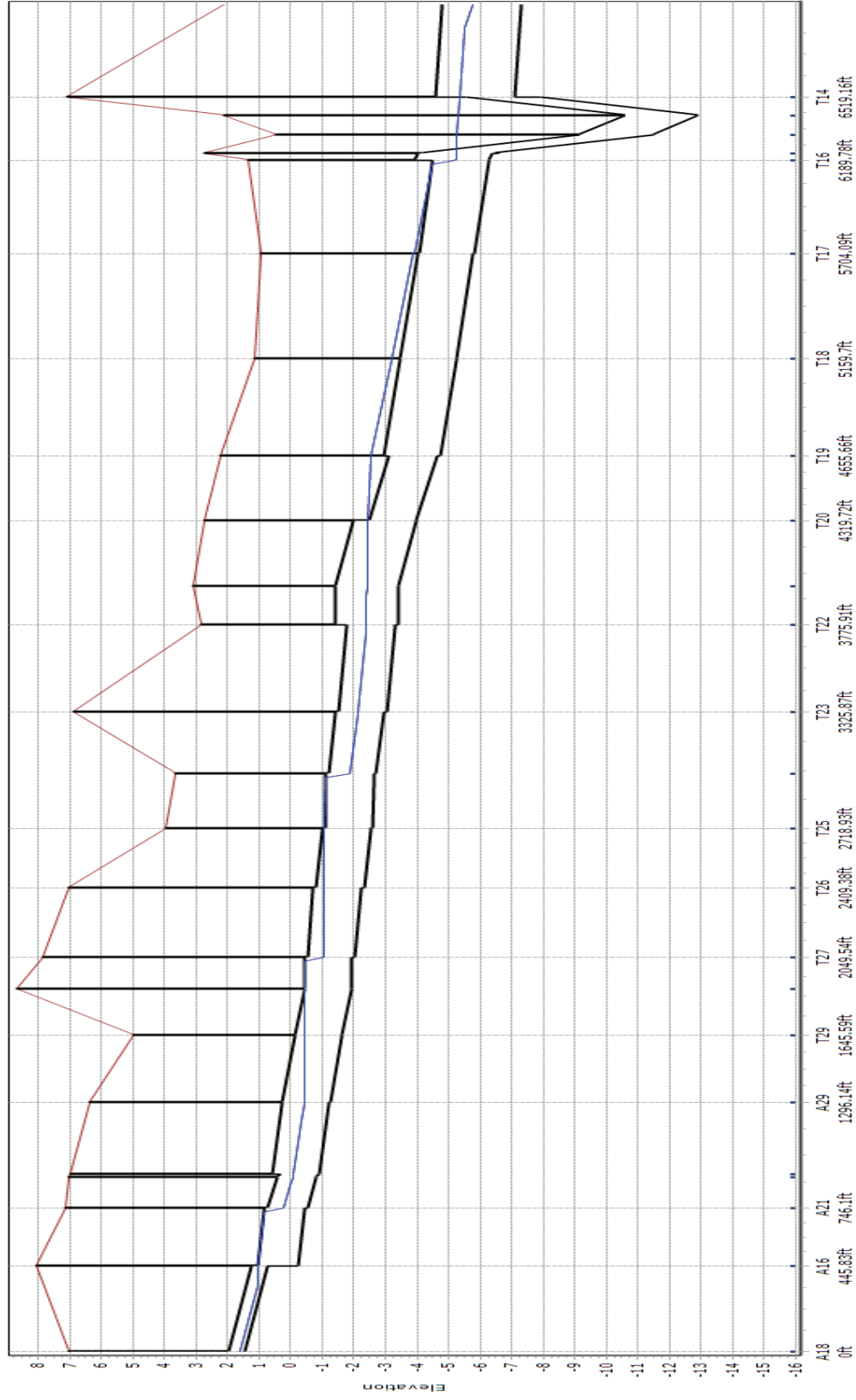


Figure 4- Average Dry Weather Flow Hydraulic Grade Line with Proposed Injection

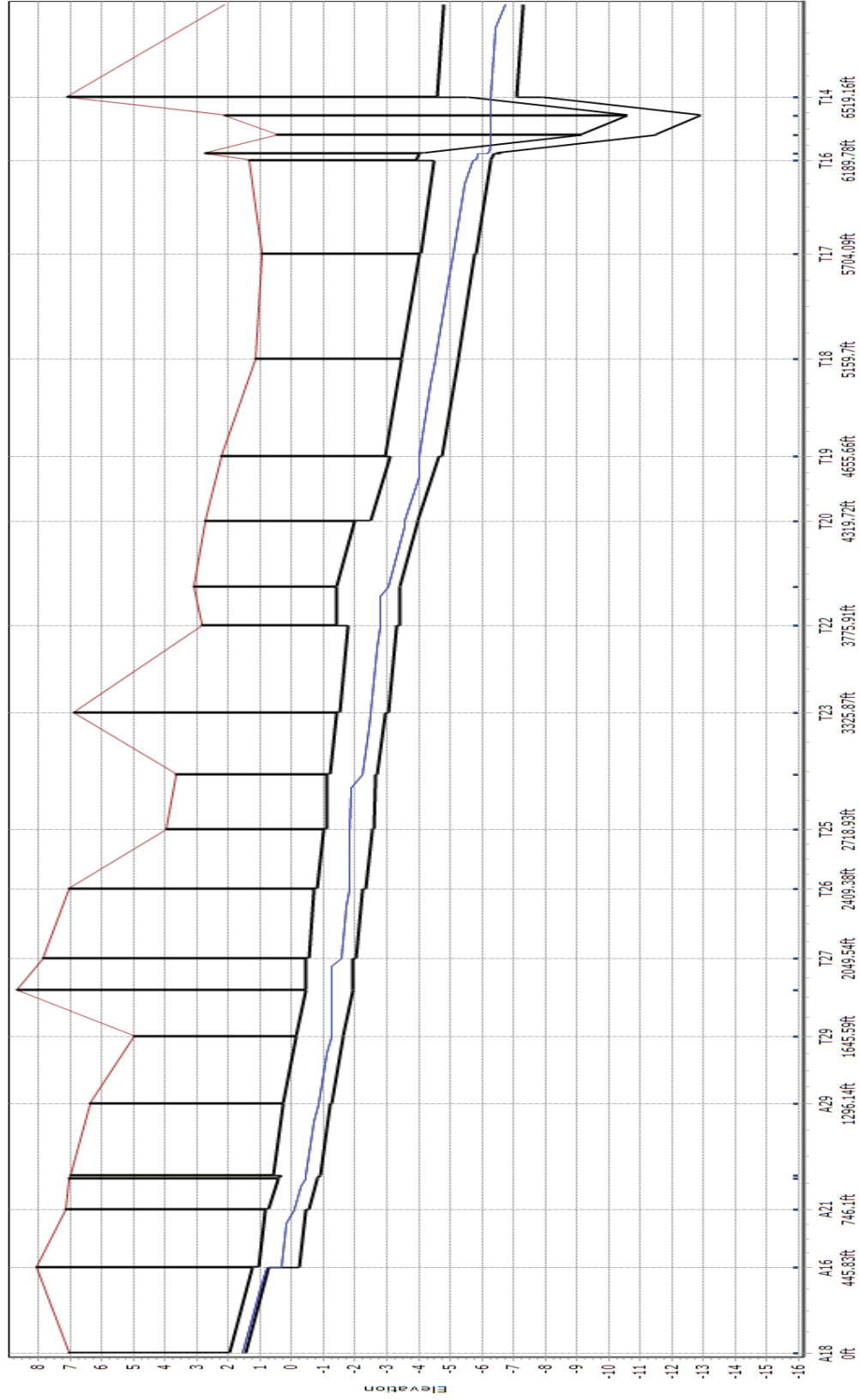


Figure 5- Peak Dry Weather Flow Hydraulic Grade Line with Proposed Injection

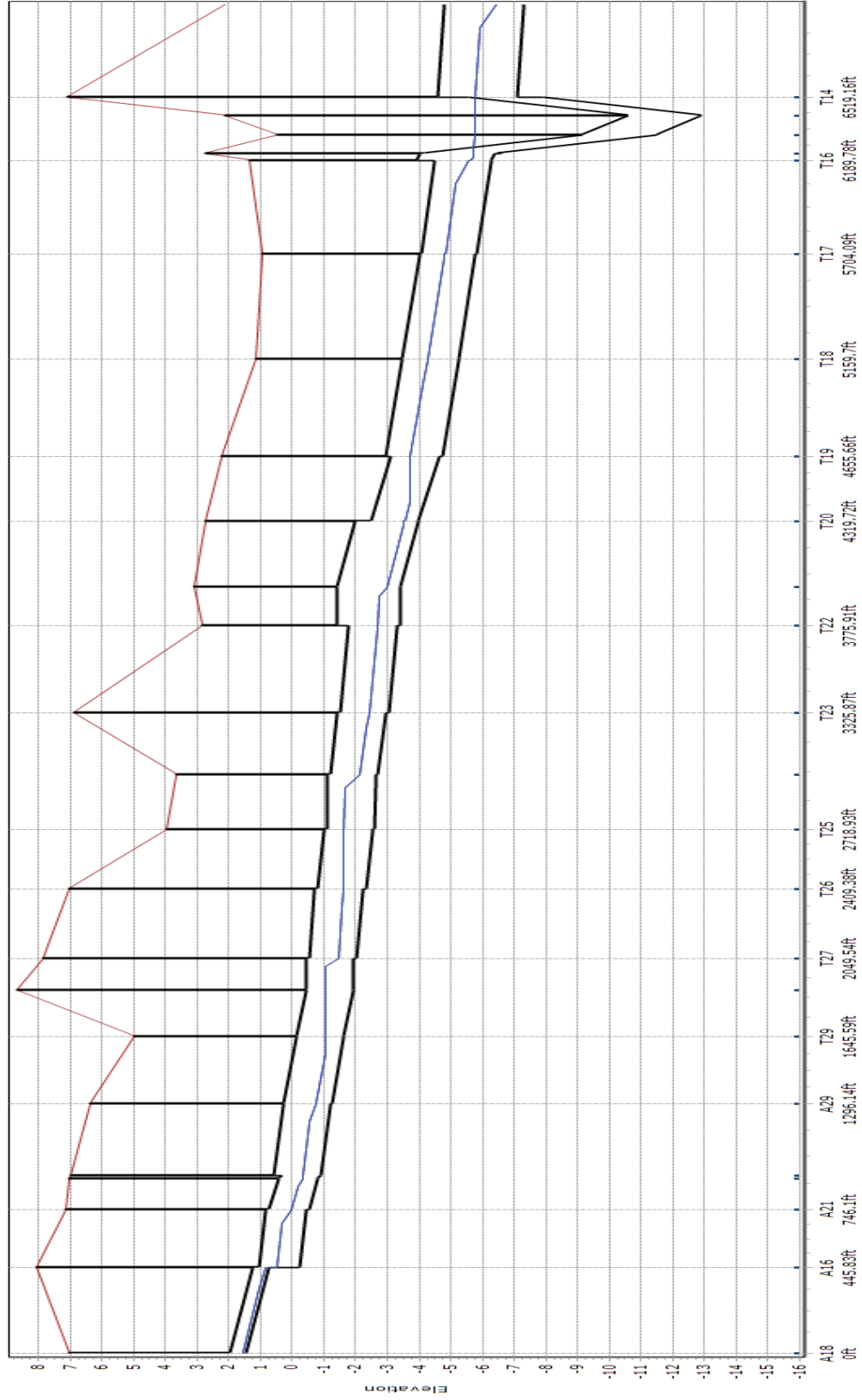


Figure 6- Peak Wet Weather Flow Hydraulic Grade Line with Proposed Injection

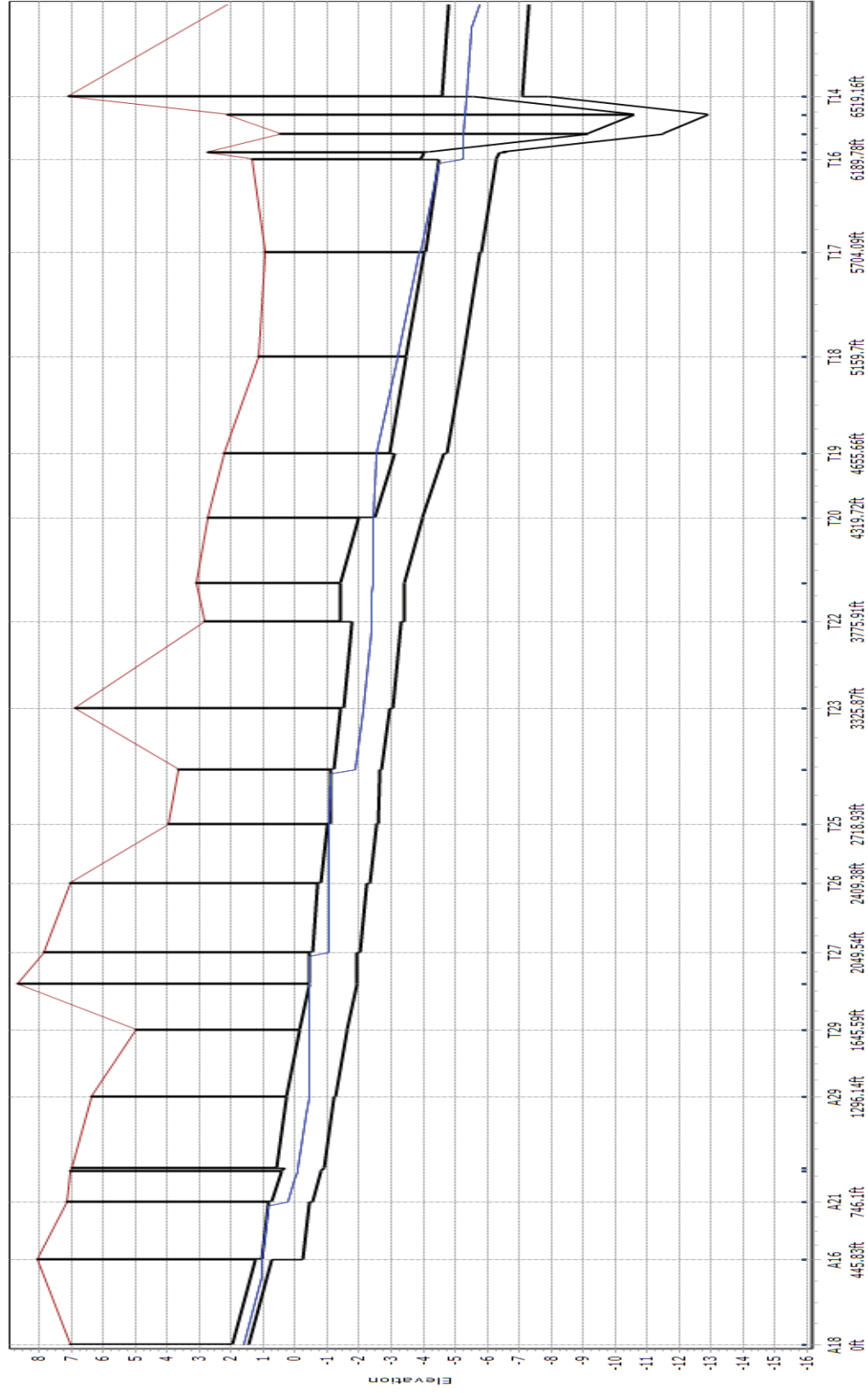


Figure 7- Average Dry Weather Flow Hydraulic Grade Line with Proposed Injection and PDWF Pipe Size Upgrades
NO PDWF IMPROVEMENTS PROPOSED.

Figure 8- Peak Dry Weather Flow Hydraulic Grade Line with Proposed Injection and PDWF Pipe Size Upgrades
NO PDWF IMPROVEMENTS PROPOSED.

Figure 9- Peak Wet Weather Flow Hydraulic Grade Line with Proposed Injection and PDWF Pipe Size Upgrades
NO PDWF IMPROVEMENTS PROPOSED.

Figure 10- Average Dry Weather Flow Hydraulic Grade Line with Proposed Injection and PWWF Pipe Size Upgrades

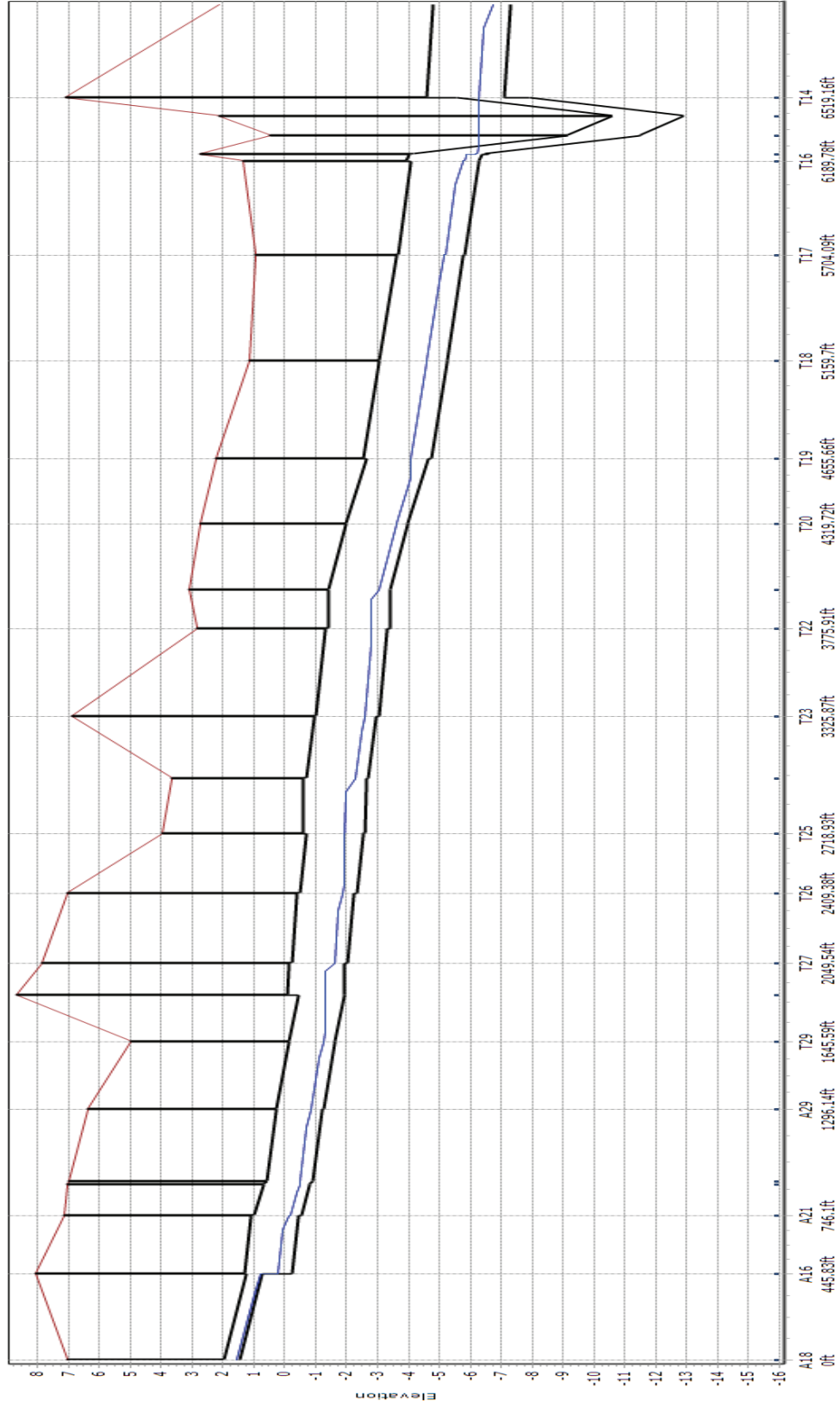


Figure 11- Peak Dry Weather Flow Hydraulic Grade Line with Proposed Injection and PWWF Pipe Size Upgrades

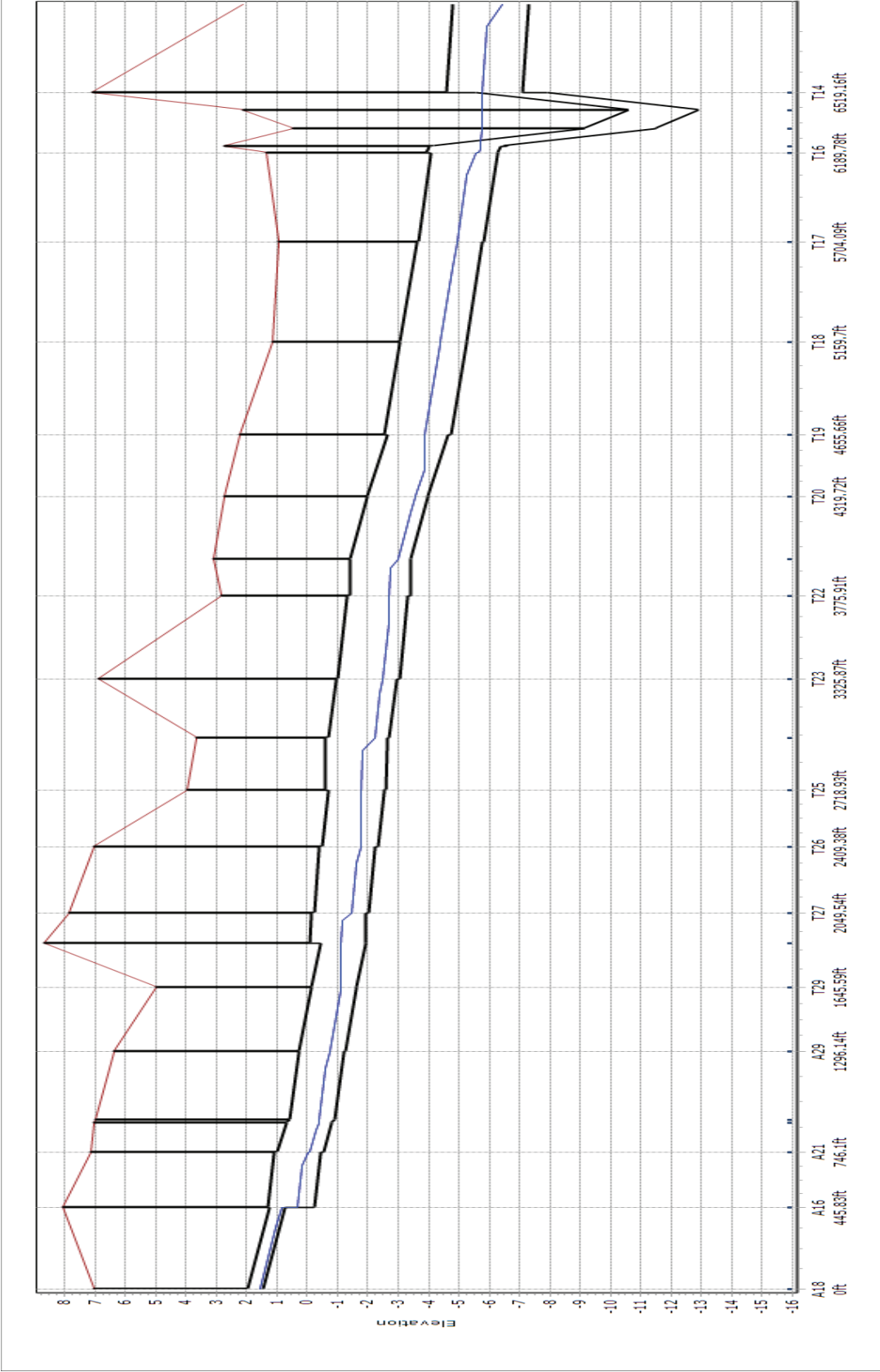
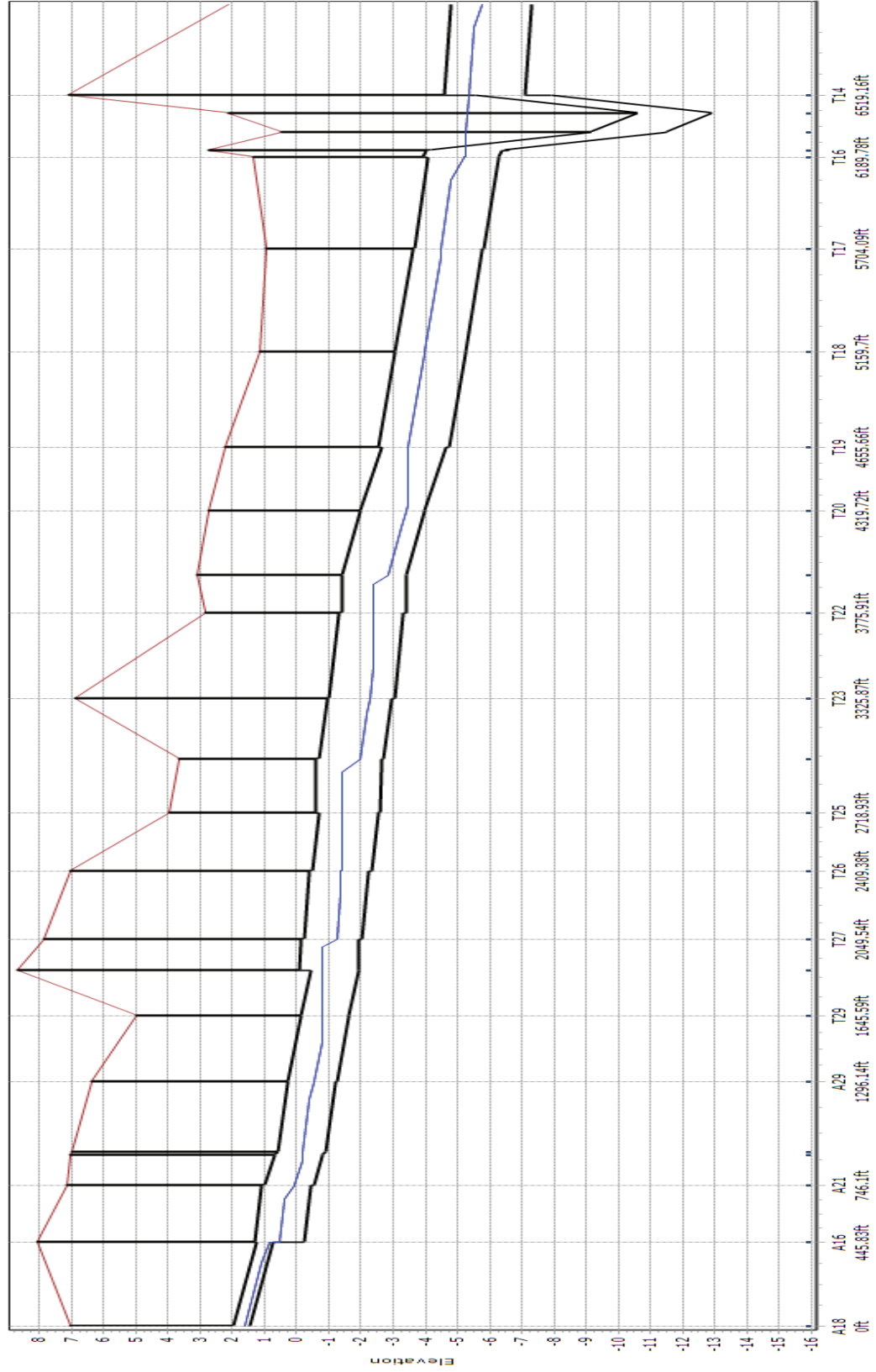


Figure 12- Peak Wet Weather Flow Hydraulic Grade Line with Proposed Injection and PWWF Pipe Size Upgrades



Appendix B
Tabular Summary of Hydraulic Modeling Results

Table 1
Estimated Sewer Flows based on District Standards (1)

Sobrato Non-Profit Center, 2519 Pulgas Ave
 East Palo Alto, California

Building	Square Footage (2)	Estimated Average Dry Weather Flow (gpd) (3)
Proposed	58,808	5,881

Notes

- (1) Estimated Sewer Flows are calculated in accordance with East Palo Alto Sanitary District Standard Specifications for Design and Construction of Sanitary Sewer Collection and Conveyance Facilities dated June 6, 2002.
- (2) Number of existing square feet and number of proposed square feet after development are complete based on Sobrato Non-Profit Center Planning Submittal by Arc Tech dated June 12, 2020.
- (3) Average dry weather flow calculated by multiplying project square footage by 0.1 based on Section B1.03.3 of the District Standards referenced in Note 1.

Abbreviations

gpd: gallons per day

Table 2.1

Proposed Development

Sobrato Non-Profit Center, 2519 Pulgas Ave
East Palo Alto, California

Manhole used for Injection (1)	Average Flow Injected into Manhole (cfs) (2)	Peak Flow Injected into Manhole (cfs) (3)	Average Flow Injected into Manhole (gpd) (4)	Peak Flow Injected into Manhole (gpd) (3)
A18	0.00910	0.01365	5,881	8,822

Notes

- (1) Manhole injected with flows taken from Table 1 to simulate modeling.
- (2) Average dry weather flow injected into Manhole converted from gpd to cfs using a 24-hour day.
- (3) Peak dry weather flow calculated by multiplying the average flow by a peaking factor of 1.50 for Site T20 (see Table 3).
- (4) Average dry weather flow taken from Table 1.

Abbreviations

gpd: gallons per day
cfs: cubic feet per second

Table 2.2
Existing Results

Sobrato Non-Profit Center, 2519 Pulgas Ave
East Palo Alto, California

Manhole (1)	Diameter (Inches) (2)	ADWF "d/D" (3)	ADWF (cfs) (4)	ADWF "Q" (gpd) (5)	ADWF HGL	PDWF "d/D" (3)	PDWF (cfs) (4)	PDWF "Q" (gpd) (5)	PDWF HGL	PWWF "d/D" (3)	PWWF (cfs) (4)	PWWF "Q" (gpd) (5)	PWWF HGL
A18	6	0.16	0.01	6,463	1.53	0.20	0.0147	9,501	1.55	0.32	0.0448	28,955	1.61
A16	15	0.43	0.6211	401,429	0.32	0.54	0.9563	618,075	0.46	1.00	1.7743	1,146,765	1.05
A21	15	0.34	0.6211	401,429	-0.10	0.42	0.9563	618,075	0.00	0.59	1.7743	1,146,765	0.22
A23	15	0.22	0.6288	406,406	-0.45	0.27	0.9683	625,831	-0.33	0.38	1.8142	1,172,553	-0.09
A22	18	0.31	0.6288	406,406	-0.46	0.39	0.9683	625,831	-0.34	0.55	1.8142	1,172,553	-0.10
A29	18	0.25	0.6308	407,698	-0.86	0.32	0.9712	627,706	-0.76	0.45	1.8271	1,180,891	-0.42
T29	18	0.25	0.6308	407,698	-1.24	0.31	0.9712	627,706	-1.05	0.43	1.8271	1,180,891	-0.42
T28	18	0.45	0.6308	407,698	-1.25	0.59	0.9712	627,706	-1.05	1.00	1.8271	1,180,891	-0.42
T27	18	0.32	0.6308	407,698	-1.57	0.40	0.9712	627,706	-1.45	0.57	1.8271	1,180,891	-1.06
T26	18	0.29	0.6308	407,698	-1.83	0.36	0.9712	627,706	-1.65	0.52	1.8271	1,180,891	-1.06
T25	18	0.49	0.6948	449,063	-1.83	0.63	1.0058	650,068	-1.65	1.00	2.0147	1,302,140	-1.06
T24	18	0.29	0.6948	449,063	-2.25	0.36	1.0058	650,068	-2.15	0.53	2.0147	1,302,140	-1.89
T23	18	0.33	0.7858	507,878	-2.53	0.39	1.0354	669,199	-2.45	0.60	2.1511	1,390,298	-2.13
T22	24	0.29	0.7858	507,878	-2.79	0.34	1.0354	669,199	-2.71	0.51	2.1511	1,390,298	-2.37
T21	24	0.18	0.8275	534,829	-3.07	0.21	1.052	679,928	-3.01	0.30	2.2283	1,440,194	-2.45
T20	18	0.25	0.842	544,201	-3.60	0.29	1.0574	683,418	-3.54	0.43	2.2573	1,458,937	-2.45
T19	21	0.39	2.1091	1,363,153	-4.02	0.56	3.8491	2,487,749	-3.73	1.00	7.3986	4,781,860	-2.54
T18	21	0.39	2.1091	1,363,153	-4.55	0.55	3.8491	2,487,749	-4.62	1.00	7.3986	4,781,860	-3.19
T17	21	0.41	2.1091	1,363,153	-5.12	0.58	3.8491	2,487,749	-4.82	1.00	7.3986	4,781,860	-3.89
T16	28	0.20	2.1091	1,363,153	-5.79	0.27	3.8491	2,487,749	-5.63	0.37	7.3986	4,781,860	-5.22
T15	28	0.11	2.5167	1,626,593	-6.17	0.16	5.9291	3,832,094	-5.71	0.21	8.9644	5,793,867	-5.23
T14	30	0.33	2.5167	1,626,593	-6.28	0.53	5.9291	3,832,094	-5.78	0.70	8.9644	5,793,867	-5.36

Notes

- (1) Manhole used to find Q and Depth over Diameter value.
- (2) Pipe Diameter directly downstream of Manhole.
- (3) Calculated by dividing the depth of flow by pipe diameter. This value is evaluated directly downstream of specified Manhole.
- (4) Average dry weather flow (ADWF), Peak dry weather flow (PDWF), or Peak wet weather flow (PWWF) found in model.
- (5) Average dry weather flow (ADWF), Peak dry weather flow (PDWF), or Peak wet weather flow (PWWF) converted to gpd using 24-hour day.

Abbreviations

gpd: gallons per day
 cfs: cubic feet per second
 HGL: Hydraulic Grade Line
 Q: Flow rate
 d/D: Depth over Diameter

**Table 2.3
Proposed Results**

Sobrato Non-Profit Center, 2519 Pulgas Ave
East Palo Alto, California

Manhole (1)	Diameter (Inches) (2)	ADWF "d/D" (3)	ADWF (cfs) (4)	ADWF "Q" (gpd) (5)	ADWF HGL	PDWF "d/D" (3)	PDWF (cfs) (4)	PDWF "Q" (gpd) (5)	PDWF HGL	PWWF "d/D" (3)	PWWF (cfs) (4)	PWWF "Q" (gpd) (5)	PWWF HGL
A18	6	0.20	0.0191	12,345	1.55	0.24	0.0283	18,291	1.57	0.36	0.0584	37,745	1.63
A16	15	0.43	0.6302	407,311	0.32	0.56	0.97	626,930	0.48	1.00	1.7879	1,155,555	1.06
A21	15	0.34	0.6302	407,311	-0.10	0.42	0.97	626,930	0.00	0.59	1.7879	1,155,555	0.22
A23	15	0.22	0.6379	412,287	-0.45	0.29	0.9819	634,621	-0.33	0.38	1.8278	1,181,343	-0.09
A22	18	0.31	0.6379	412,287	-0.46	0.39	0.9819	634,621	-0.34	0.55	1.8278	1,181,343	-0.10
A29	18	0.27	0.6399	413,580	-0.84	0.32	0.9849	636,560	-0.76	0.45	1.8407	1,189,680	-0.42
T29	18	0.25	0.6399	413,580	-1.24	0.31	0.9849	636,560	-1.05	0.43	1.8407	1,189,680	-0.42
T28	18	0.45	0.6399	413,580	-1.25	0.59	0.9849	636,560	-1.05	1.00	1.8407	1,189,680	-0.42
T27	18	0.32	0.6399	413,580	-1.57	0.40	0.9849	636,560	-1.45	0.57	1.8407	1,189,680	-1.06
T26	18	0.29	0.6399	413,580	-1.83	0.37	0.9849	636,560	-1.63	0.52	1.8407	1,189,680	-1.06
T25	18	0.51	0.7039	454,944	-1.83	0.64	1.0195	658,923	-1.63	1.00	2.0283	1,310,930	-1.06
T24	18	0.29	0.7039	454,944	-2.25	0.36	1.0195	658,923	-2.15	0.53	2.0283	1,310,930	-1.89
T23	18	0.35	0.7949	513,759	-2.51	0.40	1.0491	678,054	-2.43	0.60	2.1647	1,399,088	-2.13
T22	24	0.30	0.7949	513,759	-2.79	0.35	1.0491	678,054	-2.69	0.51	2.1647	1,399,088	-2.37
T21	24	0.18	0.8366	540,711	-3.07	0.21	1.0556	688,718	-3.01	0.30	2.2419	1,448,984	-2.44
T20	18	0.27	0.8511	550,083	-3.58	0.29	1.071	692,208	-3.54	0.43	2.2709	1,467,727	-2.44
T19	21	0.40	2.1182	1,369,034	-4.02	0.56	3.8627	2,496,539	-3.73	1.00	7.4123	4,790,715	-2.54
T18	21	0.39	2.1182	1,369,034	-4.55	0.55	3.8627	2,496,539	-4.26	1.00	7.4123	4,790,715	-3.19
T17	21	0.41	2.1182	1,369,034	-5.12	0.58	3.8627	2,496,539	-4.82	1.00	7.4123	4,790,715	-3.89
T16	28	0.20	2.1182	1,369,034	-5.79	0.27	3.8627	2,496,539	-5.63	0.37	7.4123	4,790,715	-5.22
T15	28	0.11	2.5258	1,632,474	-6.17	0.17	5.9428	3,840,948	-5.71	0.21	8.9781	5,802,722	-5.23
T14	30	0.33	2.5258	1,632,474	-6.28	0.53	5.9428	3,840,948	-5.93	0.70	8.9781	5,802,722	-5.36

Notes

- (1) Manhole used to find Q and Depth over Diameter value.
- (2) Pipe Diameter directly downstream of Manhole.
- (3) Calculated by dividing the depth of flow by pipe diameter. This value is evaluated directly downstream of specified Manhole.
- (4) Average dry weather flow (ADWF), Peak dry weather flow (PDWF), or Peak wet weather flow (PWWF) found in model.
- (5) Average dry weather flow (ADWF), Peak dry weather flow (PDWF), or Peak wet weather flow (PWWF) converted to gpd using 24-hour day.

Abbreviations

gpd: gallons per day
 cfs: cubic feet per second
 HGL: Hydraulic Grade Line
 Q: Flow rate
 d/D: Depth over Diameter

Table 2.4
PDWF Proposed Results with Pipe Size Upgrades

Sobrato Non-Profit Center, 2519 Pulgas Ave
 East Palo Alto, California

Manhole (1)	Existing Diameter (Inches) (2)	Existing PDWF "d/D" (3)	Existing PDWF HGL	Proposed Diameter (Inches) (2)	Predicted PDWF "d/D" (3)	Predicted PDWF HGL
A18	6	0.20	1.55	No change	0.24	1.57
A16	15	0.54	0.46	No change	0.56	0.48
A21	15	0.42	0.00	No change	0.42	0.00
A23	15	0.27	-0.33	No change	0.29	-0.33
A22	18	0.39	-0.34	No change	0.39	-0.34
A29	18	0.32	-0.76	No change	0.32	-0.76
T29	18	0.31	-1.05	No change	0.31	-1.05
T28	18	0.59	-1.05	No change	0.59	-1.05
T27	18	0.40	-1.45	No change	0.40	-1.45
T26	18	0.36	-1.65	No change	0.37	-1.63
T25	18	0.63	-1.65	No change	0.64	-1.63
T24	18	0.36	-2.15	No change	0.36	-2.15
T23	18	0.39	-2.45	No change	0.40	-2.43
T22	24	0.34	-2.71	Existing pipe no changes	0.35	-2.69
T21	24	0.21	-3.01	Existing pipe no changes	0.21	-3.01
T20	18	0.29	-3.54	No change	0.29	-3.54
T19	21	0.56	-3.73	No change	0.56	-3.73
T18	21	0.55	-4.62	No change	0.55	-4.26
T17	21	0.58	-4.82	No change	0.58	-4.82
T16	28	0.27	-5.63	Existing pipe no changes	0.27	-5.63
T15	28	0.16	-5.71	Existing pipe no changes	0.17	-5.71
T14	30	0.53	-5.78	Existing pipe no changes	0.53	-5.93

Notes

- (1) Manhole used to find Q and Depth over Diameter value.
- (2) Pipe Diameter directly downstream of Manhole.
- (3) Calculated by dividing the depth of flow by pipe diameter. This value is evaluated directly downstream of specified Manhole.

Abbreviations

gpd: gallons per day
 cfs: cubic feet per second
 HGL: Hydraulic Grade Line
 Q: Flow rate
 d/D: Depth over Diameter

Table 2.5
PWWF Proposed Results with Pipe Size Upgrades

Sobrato Non-Profit Center, 2519 Pulgas Ave
East Palo Alto, California

Manhole (1)	Existing Diameter (Inches) (2)	Existing PWWF "d/D" (3)	Existing PWWF HGL	Proposed Diameter (Inches) (2)	Predicted PWWF "d/D" (3)	Predicted PWWF HGL
A18	6	0.32	1.61	No change	0.36	1.63
A16	15	1.00	1.05	18	0.51	0.54
A21	15	0.59	0.22	18	0.39	0.07
A23	15	0.38	-0.09	18	0.27	-0.17
A22	18	0.55	-0.10	No change	0.55	-0.18
A29	18	0.45	-0.42	No change	0.45	-0.56
T29	18	0.43	-0.42	No change	0.43	-0.79
T28	18	1.00	-0.42	22	0.62	-0.79
T27	18	0.57	-1.06	22	0.43	-1.27
T26	18	0.52	-1.06	22	0.38	-1.39
T25	18	1.00	-1.06	24	0.60	-1.39
T24	18	0.53	-1.89	24	0.35	-1.99
T23	18	0.60	-2.13	24	0.38	-2.27
T22	24	0.51	-2.37	Existing pipe no changes	0.51	-2.37
T21	24	0.30	-2.45	Existing pipe no changes	0.30	-2.82
T20	18	0.43	-2.45	24	0.29	-3.39
T19	21	1.00	-2.54	26	0.58	-3.45
T18	21	1.00	-3.19	26	0.58	-3.96
T17	21	1.00	-3.89	26	0.62	-4.49
T16	28	0.37	-5.22	Existing pipe no changes	0.37	-5.22
T15	28	0.21	-5.23	Existing pipe no changes	0.21	-5.23
T14	30	0.70	-5.36	Existing pipe no changes	0.70	-5.36

Notes

- (1) Manhole used to find Q and Depth over Diameter value.
- (2) Pipe Diameter directly downstream of Manhole.
- (3) Calculated by dividing the depth of flow by pipe diameter. This value is evaluated directly downstream of specified Manhole.

Abbreviations

gpd: gallons per day
 cfs: cubic feet per second
 HGL: Hydraulic Grade Line
 Q: Flow rate
 d/D: Depth over Diameter

Table 2.6

PDWF Proposed Capital Improvements

Sobrato Non-Profit Center, 2519 Pulgas Ave
East Palo Alto, California

NO CHANGES PROPOSED.

Table 2.7
PWWF Proposed Capital Improvements
 Sobrato Non-Profit Center, 2519 Pulgas Ave
 East Palo Alto, California

Upstream Manhole	Downstream Manhole	Existing Pipe Size	Proposed Pipe Size (Inches) (1)	Length (Feet) (2)
A16	A22	15	18	467
T28	T25	18	22	825
T25	T22	18	24	1,241
T20	T19	18	24	332
T19	T16	21	26	1,522

Notes

- (1) Proposed size of DR17 HDPE pipe to maintain a d/D ratio of 0.67.
- (2) Length of pipe size increase between upstream and downstream MH.

Abbreviations

d/D: Depth over Diameter
 MH: Manhole

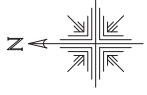
Table 4
Conceptual Opinion of Probable Project Cost for PWWF Improvements (1)
 Sobrato Non-Profit Center, 2519 Pulgas Ave
 East Palo Alto, California

Item No.	Description	Units	Quantity (2)	Unit Price	Budget
Conceptual Opinion of Probable Construction Cost					
1	Mobilization	ls	1	\$ 50,000	\$ 50,000
2	Traffic Control	ls	1	\$ 20,000	\$ 20,000
3	Sheeting, Shoring, and Bracing	ls	1	\$ 20,000	\$ 20,000
2	18-inch DR 17 HDPE Pipe	lf	470	\$ 500	\$ 235,000
3	22-inch DR 17 HDPE Pipe	lf	830	\$ 700	\$ 581,000
4	24-inch DR 17 HDPE Pipe	lf	1,570	\$ 800	\$ 1,256,000
5	26-inch DR 17 HDPE Pipe	lf	1,520	\$ 900	\$ 1,368,000
6	Manholes	ea	14	\$ 10,000	\$ 140,000
7	30% Contingency	%	30%	\$ 3,670,000	\$ 1,101,000
				Subtotal - Conceptual Opinion of Probable Construction Cost	\$ 4,771,000
Engineering and Administration Cost					
8	Design	%	10%	\$ 4,771,000	\$ 477,100
9	Environmental/Permitting	%	10%	\$ 4,771,000	\$ 477,100
10	Construction Management/ Inspection	%	15%	\$ 4,771,000	\$ 715,650
11	District Administration	%	5%	\$ 4,771,000	\$ 238,550
				Subtotal - Engineering and Administration Cost	\$ 1,908,400
				Total Conceptual Opinion of Probable Project Cost	\$ 6,679,400

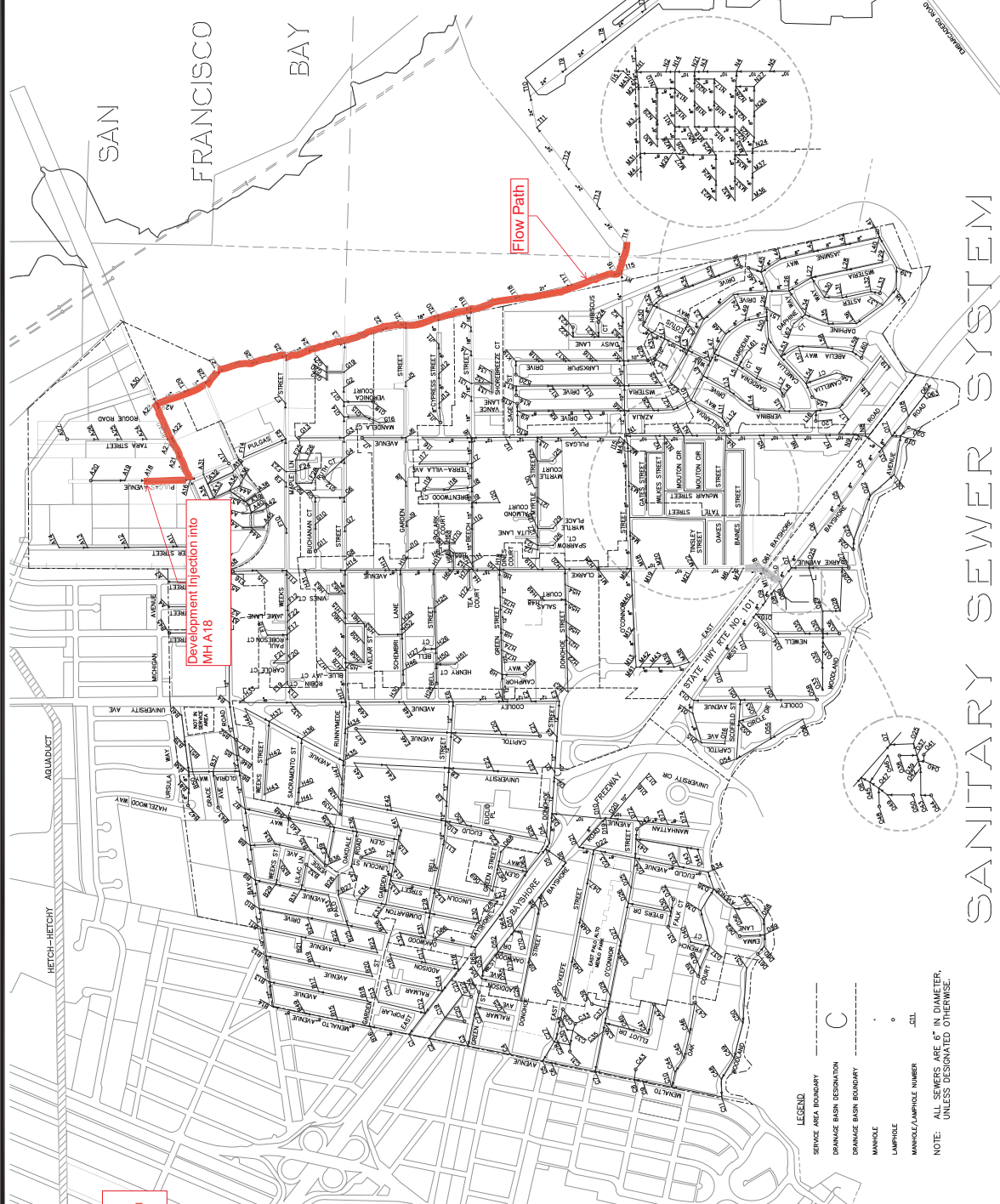
Notes

- (1) See Table 2.7 for limits of improvements.
- (2) Quantities rounded to nearest 10 feet.

Appendix C
EPASD Collection System Map with Development Discharge Flow Paths



Any plans or workings made by East Palo Alto Sanitary District for the construction of sewerage treatment facilities can only be furnished with the understanding that the District will not be responsible for the accuracy of the same. The District will exercise due care to make this information as accurate as possible. The Applicant must regard it only as a suggestion as to possible locations, as would be necessary to protect the District's facilities must be borne by the applicant.



LEGEND - FLOW PATHS
 2519 PULGAS AVE

Flow Path

Development Injection into
 MH A18

LEGEND
 SERVICE AREA BOUNDARY
 DRAINAGE BASIN DESIGNATION
 DRAINAGE BASIN BOUNDARY
 MANHOLE
 MANHOLE/AMPHOLE NUMBER
 JLL
 NOTE: ALL SEWERS ARE 6" IN DIAMETER, UNLESS DESIGNATED OTHERWISE.

SANITARY SEWER SYSTEM

EAST PALO ALTO SANITARY DISTRICT

PALO ALTO
 REGIONAL WATER
 POLLUTION CONTROL
 PLANT

Stakeholder Input Form¹
San Mateo LAFCO's Municipal Service Review for
East Palo Alto, Menlo Park, and the East Palo Alto Sanitary District ("EPASD")

Developer	<u>Sand Hill Property Company / Woodland Park Communities</u>
Contact	Name: Michael Kramer Phone: 650-772-4319 Email: mkramer@shpco.com
Project Name	Woodland Park Euclid Improvements
Project Description (e.g., residential or commercial, number of units, etc.)	Residential / Mixed Use; With no displacement, this project proposes the replacement of several aging, outdated structures containing 161 housing units with new mixed-income buildings containing 605 apartments, amenities, and ground floor retail and community space.
Entitlements Status	<input type="checkbox"/> Approved: _____ (date) <input checked="" type="checkbox"/> Pending: <u>8/20/21</u> (date) <input type="checkbox"/> Other: Please specify:
CEQA Document	<input checked="" type="checkbox"/> Environmental Impact Report <input type="checkbox"/> Negative Declaration / Mitigated Negative Declaration <input type="checkbox"/> Categorical / Statutory Exemption <input type="checkbox"/> Other:
Level of EPASD Participation in Project's CEQA Review	Limited; submitted comment in response to Draft EIR.
First Contact with EPASD	Date: <u>5/29/2020</u>
Will-Serve Letter Status	<input type="checkbox"/> Approved: _____ (date) <input checked="" type="checkbox"/> Pending: <u>8/20/21</u> (date) <input type="checkbox"/> Other: Please specify:
Project Sanitary Sewer Flow Estimates (gpd)	69-77 gpd / unit (23,162 gpd net new total) – Applicant's architects' and civil engineers' estimate 5/28/2020 120-240 gpd / unit – Estimate from Freyer & Laureta on behalf of EPASD 8/19/2020 and 10/19/2020
EPASD Fee Estimate (if any)	\$592,305 estimate from applicant (BKF Civil Engineers) on 5/28/2020 \$9,491,300 estimate from EPASD (Freyer & Laureta) on 8/19/2020 \$9,405,800 estimate from EPASD (Freyer & Laureta) on 12/7/2020

¹ This Stakeholder Input Form ("Form") was prepared by a working group of stakeholders and developers with approved and/or pending development projects in the City of East Palo Alto. This Form is intended to inform the SM LAFCO in its preparation of a Municipal Service Review for the City of East Palo Alto, City of Menlo Park, and the EPASD.

Please provide a summary of the Project's experience with the EPASD?

Regarding our development proposal, our civil engineers' estimate of the Wastewater Capacity Usage Charge was \$592,305, and the EPASD civil engineers' estimate of the cost to upgrade the system to service our project was roughly \$9.4 million.

There is a disagreement about the assumptions used to create the EPASD estimate, which does not employ a "fair share" approach but requires our project to bear 100% of all costs of upgrading all pipes between our project site and the treatment facility. We will be engaging with EPASD regarding their assumptions and approach, and we will discuss an alternative "fair share" approach with the District and other local developers.

Regarding the operation of our existing properties, in 2019 EPASD suddenly and erroneously demanded \$170,511.12 for a "delinquent sewer service commercial fee charge." We objected, provided evidence of our timely and full payment of the appropriate charges, and repeatedly followed up but never heard any response.

Please provide a summary of your experience working with and/or communicating with EPASD personnel. (To the extent available, please provide pertinent copies of communications to and from EPASD personnel at EXHIBIT A)

After submitting an application to the City of East Palo Alto in September 2019, we reached out to EPASD staff on 5/29/2020 to request sanitary district service. As part of this communication, we provided our architects' and civil engineers' estimates of expected sanitary flow. Our civil engineers' estimate of the Wastewater Capacity Usage Charge was \$592,305.

After initially stating that they do not have the sewer capacity to accommodate this project, EPASD commissioned a study from their civil engineers, Freyer & Laureta, to study our project, paid for by the applicant. We received the study on 8/19/2020, which assumed 240 gpd/unit. The cost associated with the upgrades required to serve our project was estimated at \$9,491,300. We discussed with EPASD having Freyer & Laureta study additional sanitary flow scenarios at 120 gpd/unit and 160 gpd/unit, which they agreed to, and we received that report on 12/7/2020. The cost associated with the upgrades required to serve our project at either service level was estimated at \$9,405,800.

We have not had further discussions since receiving the most recent Freyer & Laureta Report in December 2020.

See Exhibit A for copy of these correspondence and reports, as well as correspondence regarding the erroneous delinquent sewer service commercial fee charge.

Please provide a summary of your experience participating in, or observing, meetings of the EPASD Board of Directors.

We have not participated in any meetings of the EPASD Board of Directors.

EXHIBIT A

**Pertinent Communications and/or Documentation
Involving the EPASD**

[Remainder of Page Intentionally Blank]



Michael Kramer <mkramer@shpco.com>

FW: EPA Sanitary District Service to Woodland Park Euclid Improvements

Akin Okupe <aokupe@epasd.com>

Tue, Aug 18, 2020 at 2:04 PM

To: Mike Kramer <mkramer@wlpcommunities.com>

Cc: Art Henriques <ahenriques@cityofepa.org>, Marian Lee <marian@lh-pa.com>, Adrian Biggs <abiggs@cityofepa.org>, Amy Chen <achen@cityofepa.org>, Jeffrey Tarantino <tarantino@freyerlaureta.com>, Cole Gaumnitz <cgumnitz@bkf.com>, Jacob Nguyen <jnguyen@bkf.com>

Jeff,

I concur with the provision of additional scope

Thanks

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Mike Kramer <mkramer@wlpcommunities.com>

Sent: Tuesday, August 18, 2020 1:54 PM

To: Akin Okupe <aokupe@epasd.com>

Cc: Art Henriques <ahenriques@cityofepa.org>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Amy Chen <achen@cityofepa.org>; Jeffrey Tarantino <tarantino@freyerlaureta.com>; Cole Gaumnitz <cgumnitz@bkf.com>; Jacob Nguyen <jnguyen@bkf.com>

Subject: RE: EPA Sanitary District Service to Woodland Park Euclid Improvements

Akin,

It was good talking to you by phone just now. It was helpful to understand your perspective regarding the additional cost of studying alternative scenarios.

Jeff – based on our conversation, Akin is comfortable having F&L study multiple scenarios as long as we cover any additional cost. Can you please amend your recent proposal to add scope to study two additional scenarios of 160 gpd/unit and 120 gpd/unit, beyond the 240 gpd/unit that was already included? Akin can confirm this understanding.

Please let me know if you have any questions or would like to discuss. Thanks –

Mike

Michael Kramer

Woodland Park Communities

Sand Hill Property Company

Tel. +1 650 772 4319

From: Mike Kramer <mkramer@wlpcommunities.com>

Sent: Tuesday, August 18, 2020 1:15 PM

To: 'Akin Okupe' <aokupe@epasd.com>

Cc: 'Art Henriques' <ahenriques@cityofepa.org>; 'Marian Lee' <marian@lh-pa.com>; 'Adrian Biggs' <abiggs@cityofepa.org>; 'Amy Chen' <achen@cityofepa.org>; 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>; 'Cole Gaumnitz' <cgaumnitz@bkf.com>; 'Jacob Nguyen' <jnguyen@bkf.com>
Subject: RE: EPA Sanitary District Service to Woodland Park Euclid Improvements

Akin,

Thanks for sharing. Based on our research, the population of East Palo Alto actually decreased between the 2000 and 2010 census (from 29,506 to 28,115), and the East Palo Alto water fees (160 gpd/unit standard) were published in 2018.

That being said, we are eager to have F&L begin the analysis. If you are not willing to change to a multifamily sanitary flow standard as previously determined by the Sanitary District and the City of East Palo Alto, we can proceed under protest with the original scope. We reserve the right to update the analysis with a different sanitary flow standard in the future as appropriate.

Please have F&L proceed and we can discuss further once we review their draft results.

Thanks,

Mike

Michael Kramer
Woodland Park Communities
Sand Hill Property Company
Tel. +1 650 772 4319

From: Akin Okupe <aokupe@epasd.com>
Sent: Monday, August 17, 2020 4:47 PM
To: Mike Kramer <mkramer@wlpcommunities.com>
Cc: Art Henriques <ahenriques@cityofepa.org>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Amy Chen <achen@cityofepa.org>; Jeffrey Tarantino <tarantino@freyerlaureta.com>; Cole Gaumnitz <cgaumnitz@bkf.com>; Jacob Nguyen <jnguyen@bkf.com>
Subject: Re: EPA Sanitary District Service to Woodland Park Euclid Improvements

The population density in East Palo Alto is very high compared to 2002, i think the 240 gpd is a safe bet

Akin Okupe, M.B.A.,P.E.

General Manager

East Palo Alto Sanitary District

Tel :(650) 325-9021

From: Mike Kramer <mkramer@wlpcommunities.com>
Sent: Monday, August 17, 2020 1:59 PM
To: Akin Okupe <aokupe@epasd.com>
Cc: Art Henriques <ahenriques@cityofepa.org>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Amy Chen <achen@cityofepa.org>; Jeffrey Tarantino <tarantino@freyerlaureta.com>; Cole Gaumnitz <cgaumnitz@bkf.com>; Jacob Nguyen <jnguyen@bkf.com>
Subject: RE: EPA Sanitary District Service to Woodland Park Euclid Improvements

Hi Akin,

I hope you are well. I asked our civil engineers to look into the 240 gallon per day standard you referenced, and they found some helpful information.

The EPASD Master Plan Update from 2002 (attached, page 3-7, pdf page 29) says that in 1998, average water use for multi-family residences in East Palo Alto was 156 gpd/unit. It estimates that the “conservative end of the range for per capita water use” is 60 gallons per day per person. Since we are estimating an average of 2 occupants per unit for the proposed development, that would create an **estimated sanitary flow of 120 gpd/unit**. This is also using the conservative assumption that 100% of water use becomes sanitary flow. While this is higher than our engineers’ estimates of our sanitary flow, we can accept this conservative assumption for your analysis since it came from your own engineers.

Further, East Palo Alto water capacity fees (<http://www.ci.east-palo-alto.ca.us/DocumentCenter/View/3863>), as determined by Public Works, estimates average water demand of 160 gpd/unit for multi-family/apartment. We also believe this is overly conservative but is a better assumption than the 260 gpd/unit estimate previously discussed.

Since these were specifically determined for multifamily units, and the Master Plan amount is from your own engineers, we presume this would be a more appropriate standard for the upcoming F&L analysis of our proposal. Please confirm or let me know if you have any questions or would like to discuss.

Thanks,

Mike

Michael Kramer
Woodland Park Communities
Sand Hill Property Company
Tel. +1 650 772 4319

From: Akin Okupe <aokupe@epasd.com>
Sent: Tuesday, July 14, 2020 3:14 PM
To: Mike Kramer <mkramer@wlpcommunities.com>
Cc: Art Henriques <ahenriques@cityofepa.org>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Amy Chen <achen@cityofepa.org>; Jeffrey Tarantino <tarantino@freyerlaureta.com>; Cole Gaumnitz <cgaumnitz@bkf.com>
Subject: Re: EPA Sanitary District Service to Woodland Park Euclid Improvements

We will only like to proceed with the 240 gallons per day

Akin Okupe, M.B.A.,P.E.

General Manager

East Palo Alto Sanitary District

Tel :(650) 325-9021

From: Mike Kramer <mkramer@wlpcommunities.com>
Sent: Tuesday, July 14, 2020 3:06 PM
To: Akin Okupe <aokupe@epasd.com>

Cc: Art Henriques <ahenriques@cityofepa.org>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Amy Chen <achen@cityofepa.org>; Jeffrey Tarantino <tarantino@freyerlaureta.com>; Cole Gaumnitz <cgaumnitz@bkf.com>

Subject: RE: EPA Sanitary District Service to Woodland Park Euclid Improvements

Hi Akin,

Thanks for responding, it's helpful to understand District standards. While we expect to have fewer than three-and-a-half occupants per unit on average (70% of the proposed units are studio or 1-bedroom apartments), we are happy to have F&L independently review our plans and come up with a reasonable estimate of discharge, even using conservative assumptions about occupancy.

So lets proceed, adding that F&L will determine a reasonable estimate of discharge considering the construction of the building and the units' size and type, but utilizing agreed-upon standards and assumptions. I think this would address both of our concerns. Does that work?

Thanks! I look forward to working together –

Mike

Michael Kramer
Woodland Park Communities
Sand Hill Property Company
Tel. +1 650 772 4319

From: Akin Okupe <aokupe@epasd.com>

Sent: Tuesday, July 14, 2020 12:29 AM

To: Mike Kramer <mkramer@wlpcommunities.com>

Cc: Art Henriques <ahenriques@cityofepa.org>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Amy Chen <achen@cityofepa.org>; Jeffrey Tarantino <tarantino@freyerlaureta.com>; Cole Gaumnitz <cgaumnitz@bkf.com>

Subject: Re: EPA Sanitary District Service to Woodland Park Euclid Improvements

We have to keep to District Standard of 3 and half person per edu

Sent from my iPhone

On Jul 13, 2020, at 4:37 PM, Mike Kramer <mkramer@wlpcommunities.com> wrote:

Akin,

Thanks for getting back to me, I understand your concern about underestimation. However, we also don't want it to be an overestimation, since apartments are very different than single family homes, and it might not make sense to use single standard for both.

To address this concern, can part of the scope then be that F&L will independently review our plans and come up with a reasonable estimate of discharge, considering the construction of the building and the units' size and type? We're happy to fund this analysis if it would result in additional cost.

Thanks,

Mike

Michael Kramer
Woodland Park Communities
Sand Hill Property Company
Tel. +1 650 772 4319

From: Akin Okupe <aokupe@epasd.com>
Sent: Monday, July 13, 2020 4:20 PM
To: Mike Kramer <mkramer@wlpcommunities.com>
Cc: Art Henriques <ahenriques@cityofepa.org>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Amy Chen <achen@cityofepa.org>; Jeffrey Tarantino <tarantino@freyerlaureta.com>; Cole Gaumnitz <cgaumnitz@bkf.com>
Subject: Re: EPA Sanitary District Service to Woodland Park Euclid Improvements

We will not be able to do that as that will amount to gross underestimation

Akin Okupe, M.B.A.,P.E.

General Manager

East Palo Alto Sanitary District

Tel :(650) 325-9021

From: Mike Kramer <mkramer@wlpcommunities.com>
Sent: Monday, July 13, 2020 4:10 PM
To: Akin Okupe <aokupe@epasd.com>
Cc: Art Henriques <ahenriques@cityofepa.org>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Amy Chen <achen@cityofepa.org>; Jeffrey Tarantino <tarantino@freyerlaureta.com>; Cole Gaumnitz <cgaumnitz@bkf.com>
Subject: RE: EPA Sanitary District Service to Woodland Park Euclid Improvements

Akin,

Thanks for passing this along. I circulated to our civil engineers and they had the following comment:

“Overall, the scope looks good, with the exception that it says that F&L will calculate ADWF based on a 2002 assumption that a single residential dwelling unit discharges 240 gpd. While that may have been the case for a single-family home, the existing apartments at this site discharge well below that amount, and the proposed apartments will be more efficient than those. Our analysis concluded that our proposed sanitary sewer flow is estimated to be 72.7 gpd per unit at 100% occupancy.”

Therefore, let’s proceed with the scope as written, with the exception that F&L will calculate ADWF based on a reasonable estimate of discharge factoring in the units’ size and type. It may be helpful for F&L to talk to BKF to understand their calculations (attached).

Please let me know if you have any questions or would like to discuss. Thanks –

Mike

Michael Kramer

Woodland Park Communities

Sand Hill Property Company

Tel. +1 650 772 4319

From: Akin Okupe <aokupe@epasd.com>

Sent: Thursday, July 9, 2020 11:29 AM

To: Mike Kramer <mkramer@wlpcommunities.com>

Subject: Fw: EPA Sanitary District Service to Woodland Park Euclid Improvements

Akin Okupe, M.B.A.,P.E.

General Manager

East Palo Alto Sanitary District

Tel :(650) 325-9021

From: Jeffrey Tarantino <tarantino@freyerlaureta.com>

Sent: Thursday, July 9, 2020 6:21 AM

To: Akin Okupe <aokupe@epasd.com>

Cc: Denisse Peralta <dperalta@epasd.com>; Joanne Yau <yau@freyerlaureta.com>

Subject: RE: EPA Sanitary District Service to Woodland Park Euclid Improvements

Hi Akin

Please find attached the requested proposal that includes both base scope and optional scope per our telephone discussion earlier in the week. Please let me know if you have any questions. Thanks!

Jeff

Jeffrey J. Tarantino, P.E.

<image002.jpg>

Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070

Mobile: (650) 619-3226

In response to the COVID-19 pandemic, F&L has implemented a remote work network. It is F&L's desire to continue to meet our client's needs while keeping our employees safe, and hopefully doing our part to reduce the spread of the virus. Our goal is to continue to provide the responsiveness that we're known for, however we anticipate that we will encounter inefficiencies with working remotely. We appreciate your patience as we navigate through this uncertain time.



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From: Akin Okupe <aokupe@epasd.com>

Sent: Thursday, June 25, 2020 3:59 PM

To: Mike Kramer <mkramer@wlpcommunities.com>; Denisse Peralta <dperalta@epasd.com>

Cc: Art Henriques <ahenriques@cityofepa.org>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Amy Chen <achen@cityofepa.org>; Jeffrey Tarantino <tarantino@freyerlaureta.com>

Subject: Re: EPA Sanitary District Service to Woodland Park Euclid Improvements

Hi Jeff,

Please provide a proposal to perform the hydraulic analysis for this project.

Thanks

Akin Okupe, M.B.A.,P.E.

General Manager

East Palo Alto Sanitary District

Tel :(650) 325-9021

From: Mike Kramer <mkramer@wlpcommunities.com>

Sent: Thursday, June 25, 2020 3:23 PM

To: Akin Okupe <aokupe@epasd.com>; Denisse Peralta <dperalta@epasd.com>

Cc: Art Henriques <ahenriques@cityofepa.org>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Amy Chen <achen@cityofepa.org>

Subject: RE: EPA Sanitary District Service to Woodland Park Euclid Improvements

Akin,

It was good talking to you this afternoon, thank you for taking the time. As requested, attached is some information to help formulate the hydrology proposal:

- Project Description and Environmental Review Info
- Sewer load analysis, including existing flow information
- Full Project Application [here](#)

I have submitted the fee request to our accounts payable, so you should receive it in the next week or so. Please let us know once you have a fee and schedule proposal from your engineers for the hydraulic capacity study.

Thanks! Best wishes –

Mike

Michael Kramer

Woodland Park Communities

Sand Hill Property Company

Tel. +1 650 772 4319

From: Akin Okupe <aokupe@epasd.com>

Sent: Wednesday, June 24, 2020 4:54 PM

To: Mike Kramer <mkramer@wlpcommunities.com>; Denisse Peralta <dperalta@epasd.com>

Cc: Art Henriques <ahenriques@cityofepa.org>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Amy Chen <achen@cityofepa.org>

Subject: Re: EPA Sanitary District Service to Woodland Park Euclid Improvements

1-2

Akin Okupe, M.B.A.,P.E.

General Manager

East Palo Alto Sanitary District

Tel :(650) 325-9021

From: Mike Kramer <mkramer@wlpcommunities.com>

Sent: Wednesday, June 24, 2020 4:46 PM

To: Akin Okupe <aokupe@epasd.com>; Denisse Peralta <dperalta@epasd.com>

Cc: Art Henriques <ahenriques@cityofepa.org>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Amy Chen <achen@cityofepa.org>

Subject: RE: EPA Sanitary District Service to Woodland Park Euclid Improvements

Thanks Akin –

I am available tomorrow between 11 am – 2 pm. What works best for you.

Adrian – I think would be helpful for you to join. Are you available during those times?

Thanks,

Mike

Michael Kramer

Woodland Park Communities

Sand Hill Property Company

Tel. +1 650 772 4319

From: Akin Okupe <aokupe@epasd.com>

Sent: Tuesday, June 23, 2020 4:51 PM

To: Mike Kramer <mkramer@wlpcommunities.com>; Denisse Peralta <dperalta@epasd.com>

Cc: Art Henriques <ahenriques@cityofepa.org>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Amy Chen <achen@cityofepa.org>

Subject: Re: EPA Sanitary District Service to Woodland Park Euclid Improvements

Am available on Thursday

Akin Okupe, M.B.A.,P.E.

General Manager

East Palo Alto Sanitary District

Tel :(650) 325-9021

From: Mike Kramer <mkramer@wlpcommunities.com>

Sent: Tuesday, June 23, 2020 4:19 PM

To: Akin Okupe <aokupe@epasd.com>; Denisse Peralta <dperalta@epasd.com>

Cc: Art Henriques <ahenriques@cityofepa.org>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Amy Chen <achen@cityofepa.org>

Subject: RE: EPA Sanitary District Service to Woodland Park Euclid Improvements

Hi Akin,

We received the attached letter from EPA Sanitary District through the East Palo Alto planning staff. We're looking forward to working together to determine any needed hydraulic capacity.

Are you available to talk later this week or next week to discuss payment of the hydraulic impact evaluation fee and the next steps forward? Please let us know some times that may work for you in the near future. Attached is our expected sanitary sewer load analysis and fee estimate.

Thanks,

Mike

Michael Kramer

Woodland Park Communities

Sand Hill Property Company

Tel. +1 650 772 4319

From: Mike Kramer <mkramer@wlpcommunities.com>

Sent: Wednesday, June 10, 2020 10:48 AM

To: 'Akin Okupe' <aokupe@epasd.com>; 'Denisse Peralta' <dperalta@epasd.com>

Cc: 'Art Henriques' <ahenriques@cityofepa.org>; 'Marian Lee' <marian@lh-pa.com>

Subject: RE: EPA Sanitary District Service to Woodland Park Euclid Improvements

Akin,

Thanks for getting back to me. I'm interested in learning more, like which pipes need upgrading, etc. Are you available to speak next week?

Please let me know what days or times might work best for you.

Thanks,

Mike

Michael Kramer

Woodland Park Communities

Sand Hill Property Company

Tel. +1 650 772 4319

From: Akin Okupe <aokupe@epasd.com>
Sent: Wednesday, June 10, 2020 10:23 AM
To: Mike Kramer <mkramer@wlpcommunities.com>; Denisse Peralta <dperalta@epasd.com>
Cc: Art Henriques <ahenriques@cityofepa.org>; Marian Lee <marian@lh-pa.com>
Subject: Re: EPA Sanitary District Service to Woodland Park Euclid Improvements

We dont have capacity, the developer must be willing to upgrade the pipes at 100%

Akin Okupe, M.B.A.,P.E.

General Manager

East Palo Alto Sanitary District

Tel :(650) 325-9021

From: Mike Kramer <mkramer@wlpcommunities.com>
Sent: Wednesday, June 10, 2020 10:20 AM
To: Akin Okupe <aokupe@epasd.com>; Denisse Peralta <dperalta@epasd.com>
Cc: Art Henriques <ahenriques@cityofepa.org>; Marian Lee <marian@lh-pa.com>
Subject: RE: EPA Sanitary District Service to Woodland Park Euclid Improvements

Akin,

Thanks for getting back to me. What is your availability to discuss what pipes you believe may need upgrading and the sufficiency of the Wastewater Capacity Usage Charge to cover those costs? We can have our civil engineer join as well.

I'm flexible Tuesday, Thursday, or Friday of next week. What works best for you?

Thanks,

Mike

Michael Kramer
Woodland Park Communities
Sand Hill Property Company
Tel. +1 650 772 4319

From: Akin Okupe <aokupe@epasd.com>
Sent: Tuesday, June 9, 2020 1:46 PM
To: Denisse Peralta <dperalta@epasd.com>
Cc: Mike Kramer <mkramer@wlpcommunities.com>
Subject: Re: EPA Sanitary District Service to Woodland Park Euclid Improvements

We do not have the sewer capacity to accommodate this project, the only way forward is for the developer to upgrade the sewer pipes

Akin Okupe, M.B.A.,P.E.

General Manager

East Palo Alto Sanitary District

Tel : (650) 325-9021

From: Denisse Peralta <dperalta@epasd.com>

Sent: Tuesday, June 9, 2020 1:19 PM

To: Akin Okupe <aokupe@epasd.com>

Subject: FW: EPA Sanitary District Service to Woodland Park Euclid Improvements

From: Mike Kramer <mkramer@wlpcommunities.com>

Sent: Tuesday, June 9, 2020 12:37 PM

To: info <info@epasd.com>

Subject: FW: EPA Sanitary District Service to Woodland Park Euclid Improvements

Hello – I'm trying to get the below message to Mr. Akin Okupe. Can you please pass it along?

Thanks,

Mike

Michael Kramer

Woodland Park Communities

Sand Hill Property Company

Tel. +1 650 772 4319

From: Mike Kramer <mkramer@wlpcommunities.com>

Sent: Tuesday, June 9, 2020 12:32 PM

To: Akin Okupe <aokupe@epasd.com>

Cc: 'ahenriques@cityofepa.org' <ahenriques@cityofepa.org>; 'Marian Lee' <marian@lh-pa.com>; 'Brennan Monro' <bmonro@shpco.com>

Subject: FW: EPA Sanitary District Service to Woodland Park Euclid Improvements

Dear Mr. Okupe,

I hope you are well. I am following up on my e-mail (below) from two weeks ago and I wanted to confirm that you received it.

As discussed, it would be great to meet with you in the near to discuss the memo. Please let me know when you are available, and I will set up a conference call.

Thanks,

Mike

Michael Kramer

Woodland Park Communities

Sand Hill Property Company

Tel. +1 650 772 4319

From: Michael Kramer <mkramer@shpco.com>

Sent: Friday, May 29, 2020 1:46 PM

To: Akin Okupe <aokupe@epasd.com>

Cc: 'Patrick Heisinger' <pheisinger@cityofepa.org>; 'Kamal Fallaha' <kfallaha@cityofepa.org>; 'Amy Chen' <achen@cityofepa.org>; 'Art Henriques' <ahenriques@cityofepa.org>; 'Marian Lee' <marian@lh-pa.com>; Brennan Monro <bmonro@shpco.com>

Subject: EPA Sanitary District Service to Woodland Park Euclid Improvements

Dear Mr. Okupe,

Hope you are safe and well. I am from Woodland Park Communities and Sand Hill Property Company and am writing you regarding our housing development proposal in the City of East Palo Alto – the Woodland Park Euclid Improvements.

Our application for entitlement was submitted to the City of East Palo Alto in September 2019. Our pre-application was submitted January 2019 and we have been in discussion with the community and the public about improvements since mid-2018.

The application is currently being reviewed by the City and the environmental review process began last month. You can view the [application here](#), and there is more information on our website at nodisplacement.com.

Our civil engineers, BKF, recently completed their analysis regarding the expected Sanitary Sewer Load and Fee for the proposed Euclid Improvements project. We thought it would be timely to share with you now, please see attached.

I am seeking your review. I have copied City staff in this email to keep us all coordinated.

It would be great to meet with you in the next few weeks to discuss the memo. Please let me know when you are available, and I will set up a conference call.

Thanks! Best wishes –

Mike

Michael Kramer

Chief Investment Officer

Woodland Park Communities

Sand Hill Property Company

5 Newell Court

East Palo Alto, CA 94303

Tel. +1 650 772 4319

TECHNICAL MEMORANDUM

Date: May 28, 2020 **BKF Job Number:** 20166089-20

Deliver To: Akin Okupe, MBA, PE
East Palo Alto Sanitary District

From: Cole Gaumnitz, PE, QSD/P
BKF Engineers

Subject: Euclid Improvements- Expected Sanitary Sewer Load and Fee

Purpose

The purpose of this memorandum is to provide a summary of the expected sanitary sewer load associated with the proposed project, Euclid Improvements, and its impacts on the existing public sanitary sewer system.

Background

The project site includes fourteen existing parcels and is located in the City of East Palo Alto. The site encompasses the entire block bound by West Bayshore Road to the north, Manhattan Avenue to the east, O'Connor Street to the south, and Euclid Avenue to the west, as well as a portion of land west of Euclid Avenue and south of East O'Keefe Street. The site is approximately 3.92 acres, containing 161 existing residential units. West Bayshore Road and Euclid Avenue have an existing 8-inch sanitary sewer main, East O'Keefe Street and O'Connor Street have an existing 6-inch sanitary sewer main, and Manhattan Avenue has a 10-inch sanitary sewer main. All aforementioned sanitary sewer mains flow towards the most northeastern corner of the site where they ultimately enter a 10-inch sanitary sewer main that flows north, under Bayshore Freeway/Highway 101.

The proposed development includes a nine-story parking structure and a mix of five, nine, and thirteen-story multifamily apartment buildings, including common areas, amenity space, neighborhood retail, utility rooms, and service spaces. A total of 605 residential units (444 net new units) is proposed. This project is being developed by Woodland Park Communities and is currently in the planning review stage with the City of East Palo Alto.

Existing Sanitary Sewer Load

The site currently contains 161 residential units. Based on existing water bills from 11/11/16-1/11/18, the average combined water usage is approximately 23,162 gallons per day (gpd) or 16.1 gallons per minute (gpm). Assuming the sanitary sewer load is equal to 90% of the water usage, the existing sanitary sewer flow is estimated to be approximately 20,846 gpd or 14.5 gpm.

Proposed Sanitary Sewer Load

The proposed project will contain 3,090 square feet (sf) of retail space, 188 studio apartments, 238 one-bedroom apartments, 177 two-bedroom apartments, and 2 three/four-bedroom apartments, for a total

of 605 residential units (444 net new units). Per the East Palo Alto Sanitary District (EPASD) Standard Specifications, retail space shall use a unit flow factor of 0.1 gpd/sf. The average dry weather per unit domestic flow is listed as 240 gpd. However, this rate is more suited for a single family home land use. Multi-family home land uses are historically much lower. The water supply assessment prepared by project architect shows even less due to the high efficiency fixture units proposed. Per the assessment the average per unit water demand is with in-unit washing machines is 77 gpd assuming a 95% occupancy rate. For a 100% occupancy rate the per unit water demand is 80.8 gpd. Again, assuming the sanitary sewer load is 90% of the water usage, the proposed sanitary sewer flow is estimated to be as follows:

$$\begin{aligned} \text{Total Proposed Flow} &= (80.80 \text{ gpd/unit} \times 605 \text{ units}) \times 90\% + (3,090 \text{ sf} \times 0.1 \text{ gpd/sf}) \\ &= 43,994 \text{ gpd} + 309 \text{ gpd} = 44,303 \text{ gpd or } 30.8 \text{ gpm} \end{aligned}$$

$$\text{Total Proposed Flow Increase} = 44,303 \text{ gpd} - 20,846 \text{ gpd} = \mathbf{23,457 \text{ gpd or } 16.3 \text{ gpm}}$$

Equivalent Dwelling Unit and Anticipated Cost

Per the Wastewater Capacity Usage Charge Update by Bartle Wells Associates dated December 2018, each Equivalent Dwelling Unit (EDU) should be a cost of \$6,060 per EDU to pay for capital improvements and treatment plant capacity buy in fees.

The EDU is based on 240 gpd. Working backwards from our total proposed flow increase we get:

$$23,457 \text{ gpd} / 240 \text{ gpd/EDU} = 97.74 \text{ EDUs}$$

$$\text{Total EPASD fee} = 97.74 \text{ EDU} \times \$6,060/\text{EDU} = \mathbf{\$592,305}$$



David Baker Architects
dbarchitect.com

461 Second Street Loft c127
San Francisco, CA 94107

7. Water Supply Assessment

2019-09-18

FROM: Cristina Rossi, David Baker Architects
TO: East Palo Alto Planning Department
1960 Tate St., East Palo Alto, CA 94303
RE: September 2019 Application - Water Analysis
JOB: 21620 Woodland Park

Current Water Usage

Based on water bills from each of the existing buildings in the proposed improvement area from 2016-2018, the property as currently configured utilizes 144 gallons of water per day per unit on average.

This is based on the total usage of 23,162 gallons per day across 161 existing residential units, as well as the common areas and tenant-serving facilities in the improvement area.

For more information about current water usage, see Exhibit A.

Projected Water Usage

We have projected water usage for the completed Euclid Improvements proposal, based on the design proposed in the application, and assuming three potential scenarios: A) all tenants use shared laundry facilities, B) all units with 2+ bedrooms have in-unit washers and dryers but all other tenants use shared laundry facilities, and C) all units have in-unit washers and dryers.

In scenario A, the proposed buildings would use approximately 69 gallons of water per day per unit.

In scenario B, the proposed buildings would use approximately 73 gallons of water per day per unit.

In scenario C, the proposed buildings would use approximately 77 gallons of water per day per unit.

The following assumptions are made in order to generate these projections:

1. The calculations of gallons used per person per day for each type of appliance is based on baseline flow rates based on DBA's typical specifications for efficient fixtures.
2. The total number of residents in the building is based on the proposed unit mix and the following number of residents per unit type:



- a. Studio - 1 person
 - b. 1 Bedroom - 2 people
 - c. 2 Bedroom - 3 people
 - d. 3 Bedroom - 4 people
 - e. 4 Bedroom - 5 people
3. A 95% occupancy is assumed for the building.

Current Water Supply

The projected demand of approximately 44,000 gallons per day equals a flow rate of 31 gallons per minute (44,000 gpd x 1 day/24 hours x 1 hour/60 minutes = 31 gpm). When factoring in a peaking factor of 4, as recommended by BKF Engineers, this would result in a 124 gallon per minute peak (31 gpm x peak factor of 4 = 124 gpm peak). Recent water flow tests of the American Water system serving the site conducted on July 11, 2019 indicated that the water lines to the site can deliver approximately 650 gpm. Therefore, the current water supply is adequate for the proposed buildings, and can deliver well above the projected peak water flow.

In July 2016, the City of East Palo Alto instituted a water connection moratorium over concerns about water supply. In June 2017, the City of East Palo Alto and the City of Mountain View agreed on a water transfer to permanently increase East Palo Alto's water supply by 1,000,000 gallons of water per day. Additionally, in May 2018, the City of East Palo Alto received a water transfer from the City of Palo Alto to permanently increase East Palo Alto's water supply by another 500,000 gallons of water per day. These transfers addressed the long-term water supply concerns, and the moratorium was lifted in July 2018.

Conclusion

Based on the current water usage analysis and our projections of expected future water usage, the proposed buildings will use significantly less water per day per unit than the current buildings, regardless of whether tenants use shared laundry facilities or have in-unit laundry machines.

The new apartments are approximately twice as efficient as the current apartments, meaning they use roughly half as much water per unit per day compared to the existing units.

Further, the current water supply is sufficient for the proposed buildings.

Sincerely,

Cristina Rossi

Designer

cristinarossi@dbarchitect.com

415.799.4586



Exhibit A – Existing Water Usage

Building Address	Billing Period	100 CCF's Used	Units	Service Provider	Billing Rate per 100 CCF	100 CCF/Day
2001 Manhattan	11/11/16 - 1/11/18	6031	60	American Water	\$6.16	14.16
2033 Manhattan	11/11/16 - 1/11/18	1576	32	American Water	\$6.16	3.70
2010-2012 Euclid/501 O'Connor St.	11/11/16 - 11/7/17	490	22	American Water	\$6.16	1.36
2021 Euclid	11/11/16 - 1/11/18	332	11	American Water	\$6.16	0.78
2025 Euclid	11/11/16 - 1/11/18	378	7	American Water	\$6.16	0.89
2031 Euclid	11/11/16 - 1/11/18	1098	12	American Water	\$6.16	2.58
2032 Euclid	11/11/16 - 1/11/18	405	1	American Water	\$6.16	0.85
2036 Euclid	11/11/16 - 1/11/18	74	4	American Water	\$6.16	0.17
2040 & 2042 Euclid	11/11/16 - 1/11/18	1564	2	American Water	\$6.16	3.67
2041 & 2043 Euclid	11/11/16 - 1/11/18	287	0	American Water	\$6.16	0.67
2044 Euclid A & B	11/11/16 - 1/11/18	235	2	American Water	\$6.16	0.54
2054 Euclid	11/11/16 - 1/11/18	638	8	American Water	\$6.16	1.50

Note: Resident Services Office, Community Technology Center, Community Engagement Office

TOTAL	Sum CCF	Existing Units	Gallons	Gallons/Unit	100CCF/Day	Gallons/Day	Gallons/Unit/Day
	13108	161	9,804,784	60899	30.96	23,161.78	144



Exhibit B – Projected Water Budget

Current use (gallons/year)	8,454,050
Current use (gallons/day)	23,162
Current use (gallons/day), per unit	144

Scenario 1 (all shared laundry facilities)

Projected use (gallons/year), avg	15,316,886
Projected use (gallons/day)	41,964
Projected use (gallons/day), per unit	69

Scenario 2 (2 BR + units have in-unit washers & dryers, all others shared laundry)

Projected use (gallons/year), avg	16,049,055
Projected use (gallons/day)	43,970
Projected use (gallons/day), per unit	73

Scenario 3 (all in-unit washers & dryers)

Projected use (gallons/year), avg	16,949,351
Projected use (gallons/day)	46,437
Projected use (gallons/day), per unit	77

Project Data*

No. Units	605
Studio	188
1BR	238
2BR	177
3BR	1
4BR	1
No. Residents, Studios & 1 BR, Full Occupancy	664
No. Residents, 2+ BR, Full Occupancy	540
No. Residents, Full Occupancy	1204
Assumed Occupancy	95%
No. Residents, Studios & 1 BR, Assumed Occupancy	631
No. Residents, 2+ BR, Assumed Occupancy	513
No. Residents, Assumed Occupancy	1144
Avg. No. Res. per unit	1.9

Potable Water Use

End Use	Gallons/person-day
Toilets	6.46
Kitchen Faucet	9.00
Lav Faucet	5.00
Showers+Bath	10.76
Dishwasher	0.35
Laundry (Common)	5.11
Laundry (in-Unit)	9.02
Total indoor use (daily per capita - common laundry)	36.69
Total indoor use (daily per capita - in-unit laundry)	40.60

Fixture Flow Rates

Proposed Flow Rate (gpm, gpf or gpc)	Uses (or cycles) per day (x) duration if applicable	Assumptions are based (LEED v4)
1.28	5.05	Four flushes per day
1.8	5.00	1 min/use, 4 uses per day
1	5.00	10 secs/use, 6 uses per day
1.75	6.15	10 min. shower, 0.75 probability of daily shower
3.5	0.10	One cycle every other day
7.92	2.51	Cycles per unit per week
7.92	4.43	Cycles per unit per week

*Note: # of people per unit type is based on the International Mechanical Code Table 403.3.1.1 occupant density for private dwellings



Michael Kramer <mkramer@shpco.com>

Fw: Hydraulic Evaluation of Woodland Park Apartments

Akin Okupe <aokupe@epasd.com>
To: Mike Kramer <mkramer@wlpcommunities.com>

Thu, Aug 20, 2020 at 4:02 PM

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Jeffrey Tarantino <tarantino@freyerlaureta.com>
Sent: Thursday, August 20, 2020 8:51 AM
To: Akin Okupe <aokupe@epasd.com>
Subject: RE: Hydraulic Evaluation of Woodland Park Apartments

Hi Akin

Please find attached our memorandum presenting the results of our analysis of the proposed Woodland Apartment complex development that significantly increases the flow as compared to the existing apartment complex. Please call with any questions. Thanks!

Jeff

Jeffrey J. Tarantino, P.E.



Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070
Mobile: (650) 619-3226

In response to the COVID-19 pandemic, F&L has implemented a remote work network. It is F&L's desire to continue to meet our client's needs while keeping our employees safe, and hopefully doing our part to reduce the spread of the virus. Our goal is to continue to provide the responsiveness that we're known for, however we anticipate that we will encounter inefficiencies with working remotely. We appreciate your patience as we navigate through this uncertain time.



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not guarantee any accuracy of the information. Furthermore, this drawing is a working copy of a drawing that will comply with State laws requiring professional signatures of work. These files may or may not contain all the information available on the signed, final drawing.

From: Jeffrey Tarantino
Sent: Friday, August 14, 2020 6:22 AM
To: Akin Okupe <aokupe@epasd.com>
Subject: Hydraulic Evaluation of Woodland Park Apartments

Hi Akin

Please find attached the results of the hydraulic evaluation of the proposed improvements to Woodland Park Apartments proposed by Sand Hill Properties. Please review and let me know if you have any questions or comments. Thanks!

Jeff

Jeffrey J. Tarantino, P.E.



Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070
Mobile: (650) 619-3226

In response to the COVID-19 pandemic, F&L has implemented a remote work network. It is F&L's desire to continue to meet our client's needs while keeping our employees safe, and hopefully doing our part to reduce the spread of the virus. Our goal is to continue to provide the responsiveness that we're known for, however we anticipate that we will encounter inefficiencies with working remotely. We appreciate your patience as we navigate through this uncertain time.



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 **HYDRA 7 Modeling Memo Woodland Park.pdf**
2288K

DRAFT MEMORANDUM

To: Akin Okupe, P.E., M.B.A.
East Palo Alto Sanitary District

Date: August 19, 2020

From: Jeffrey Tarantino, P.E.
Raymond Mallari, E.I.T.
Freyer & Laureta, Inc.

Subject: Proposed Development at Woodland Park Apartments

Purpose

Freyer & Laureta, Inc. (F&L) is pleased to provide this memorandum to the East Palo Alto Sanitary District (EPASD) to present the results of the requested assessment of the proposed development at 499 O'Connor Street sewer discharge impacts, if any, on EPASD's existing collection system. The proposed development of interest in the hydraulic modeling scenarios are for Woodland Park Apartments located at 499 O'Connor Street. The goal of the modeling effort is to determine how the proposed development impacts the existing EPASD collection system and confirm that the developer's projected average dry weather flows (ADWF) are consistent with similar projects in EPASD's service area and EPASD District Code.

Assumptions

Woodland Park Apartments Flows

The Woodland Park Apartments located at 499 O'Connor Street is an existing housing complex proposing to rehabilitate and expand from the current 161 units to the proposed 605 units. The projected average daily sewer demand was calculated based on Paragraph B1.03.1.b of EPASD Standard Specifications for Design and Construction of Sanitary Sewer Collection and Conveyance Facilities dated June 6, 2002, which indicates that a single residential dwelling unit discharges 240 gallons per day (gpd).

F&L estimated average dry weather flows of the existing development using 240 gpd per dwelling unit and calculated the estimated additional flow to be contributed by the future development. Table 1 documents the estimated existing flows and projected

additional flows. As noted in Euclid Improvements Technical Memorandum by BKF dated May 28, 2020 the existing site is a 161-unit apartment building and the proposed development will result in a total of 605 units, which is an approximate 400% increase in residential dwelling units. The proposed developments additional ADWF is calculated to be approximately 106,560 gpd with a peak day sanitary sewer flow rate calculated to be 183,283 gpd.

HYDRA 7 Manhole Injections

EPASD has indicated that for residential units, the hydraulic review assumes that the apartments are occupied 24 hours per day. The average daily flow is calculated to be 0.16487 cfs. EPASD estimates the calculated peak flow is 0.28358 cfs based on a PDWF peaking factor of 1.72 for site E2 in Table 3. Injections were made in Manholes D22; the flow path was modeled from Manhole D22 to Manhole T14.

Results

Please refer to Appendix A for figures presenting the hydraulic grade line for the EPASD collection system both under current conditions and proposed conditions after the completion of Woodland Park Apartments Development and Appendix C documents the flow path through the EPASD collection system. Please also see Appendix B containing several tables that documents the calculation of estimated flows that were used by F&L in the model and the results of the hydraulic modeling study including documenting projected impacts by the development on the existing EPASD collection system. The figures included in Appendix A present the hydraulic grade line during the following scenarios:

- Average dry weather flow scenario of existing conditions (Figure 1),
- Peak dry weather flow scenario of existing conditions (Figure 2),
- Peak wet weather flow scenario of existing conditions (Figure 3),
- Average dry weather flow scenario of proposed conditions (Figure 4),
- Peak dry weather flow scenario of proposed conditions (Figure 5),
- Peak wet weather flow scenario of proposed conditions (Figure 6),
- Average dry weather flow scenario of proposed conditions with PDWF pipe size upgrades (Figure 7),
- Peak dry weather flow scenario of proposed conditions with PDWF pipe size upgrades (Figure 8),

- Peak wet weather flow scenario of proposed conditions with PDWF pipe size upgrades (Figure 9),
- Average dry weather flow scenario of proposed conditions with PWWF pipe size upgrades (Figure 10),
- Peak dry weather flow scenario of proposed conditions with PWWF pipe size upgrades (Figure 11), and
- Peak wet weather flow scenario of proposed conditions with PWWF pipe size upgrades (Figure 12).

The blue lines in each figure indicates the modeled water surface elevation and the red line represents the ground elevation.

Analysis

As seen in the figures, the modeled water surface elevation changes when comparing both existing average and peak scenarios with the proposed average and peak scenarios are minor. The projected impacts to the hydraulic grade line are also presented in the Appendix B tables that compares the Depth over Diameter ratios (d/D) from Table 2.2 for existing conditions and Table 2.3 for future conditions when the development is complete. The d/D is seen to result in minor increases of depth during ADWF with the biggest difference from the scenario in Manhole D22 of 0.96 inches. The hydraulic model predicts that the proposed development results in minor increase of d/D during ADWF from 0.36 under existing conditions and 0.48 under proposed conditions. Under PDWF conditions, differences are seen to increase. The increase of d/D at Manhole N4 is from 0.66 under existing conditions to 1.0 under proposed conditions, which yields a difference of 2.88 inches.

Capital improvements were determined by both peak dry weather flow (PDWF) and peak wet weather flow (PWWF). Figure 12 in Appendix A shows the profile of the maximum event scenario with modified pipe sizes along the flow path in the collection system. After the capital improvements are implemented, the model predicts that the d/D along the entire flow downstream of the proposed development is less than 0.67 under PWWF and restored to the d/D under existing conditions for PDWF improvements. Table 2.5 presents the future conditions including proposed capital improvements under a maximum flow event and compares changes with the existing system.

Capital Improvements

All old piping should be replaced with various sizes of DR17 HDPE pipe. In order to prevent the predicted SSOs, EPASD will need to replace approximately 8,200 linear feet of pipe starting from manhole D22 and continuing downstream to manhole T16 for the PWWF scenario and 5,600 linear feet for the PDWF scenario. Tables 2.5 and 2.6 in Appendix B shows the proposed capital improvements and Tables 4.1 and 4.2 shows a cost estimate. The limits of the proposed capital improvement program are presented on Appendix C.

Appendices

- Appendix A – Figures and Hydraulic Profiles
- Appendix B – Tables
- Appendix C – Proposed Development Flow Path

Appendix A
Figures of Flow Path and Hydraulic Profile

Figure 1- Existing Average Dry Weather Flow Hydraulic Grade Line

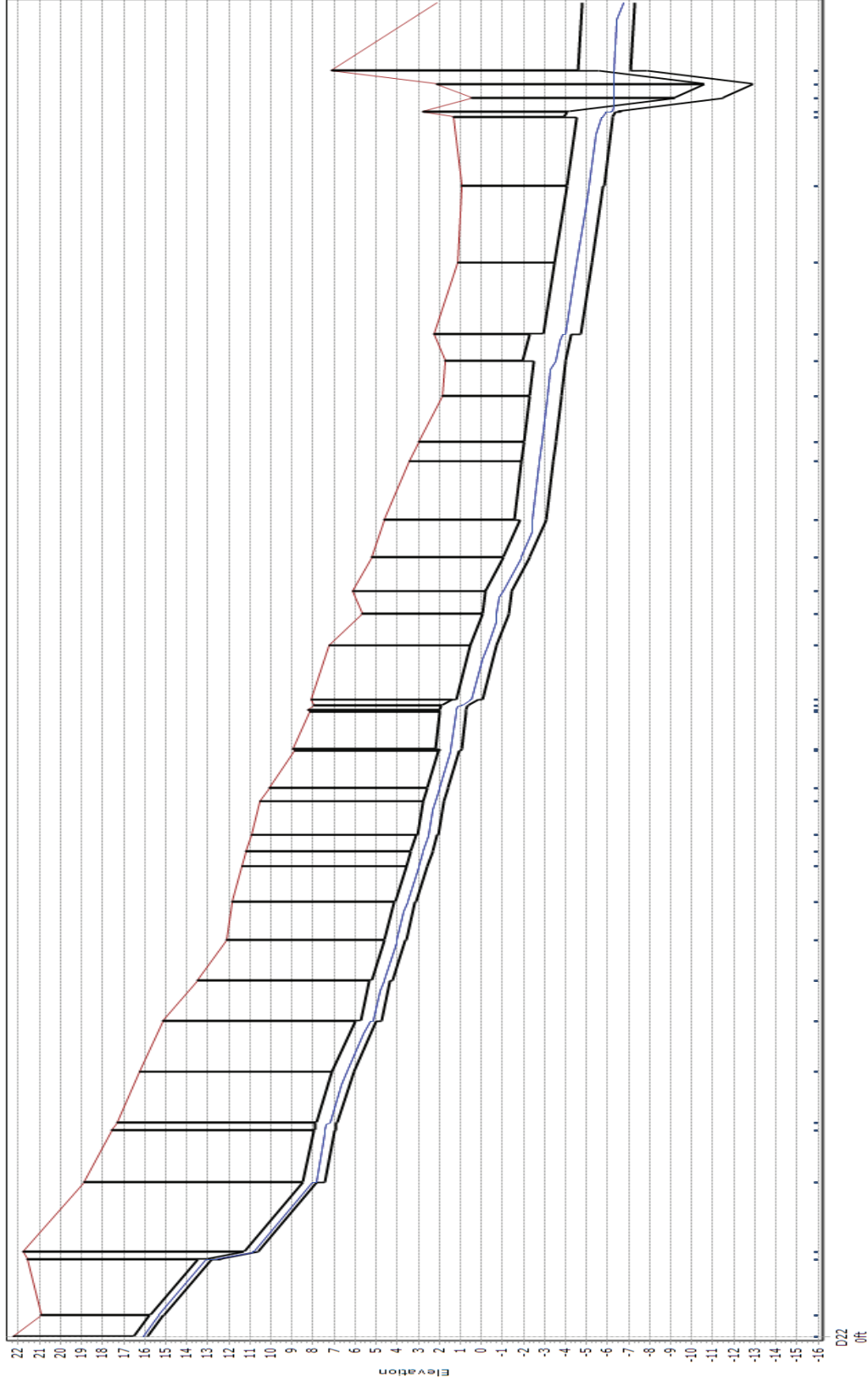


Figure 2- Existing Peak Dry Weather Flow Hydraulic Grade Line

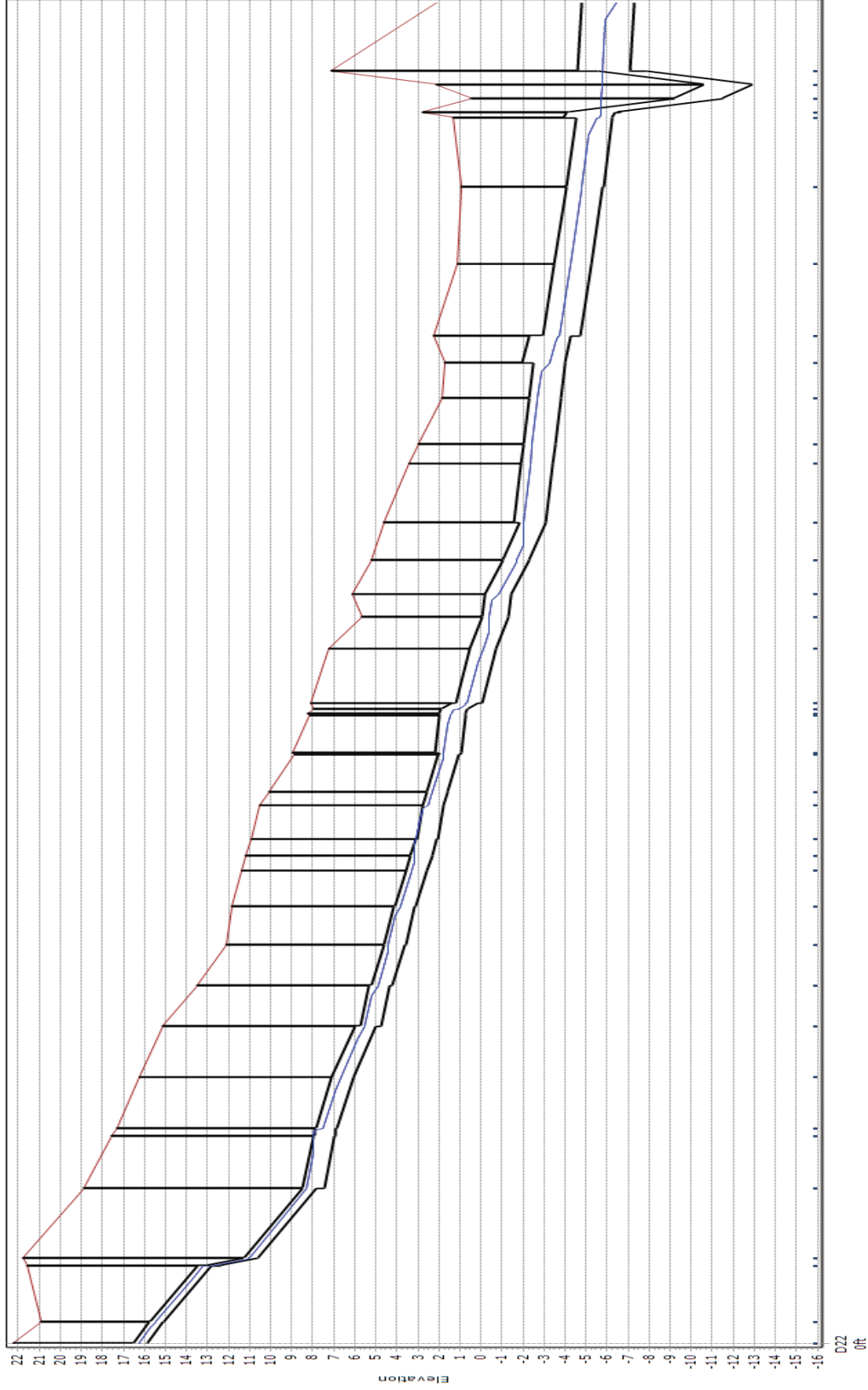


Figure 3- Existing Peak Wet Weather Flow Hydraulic Grade Line

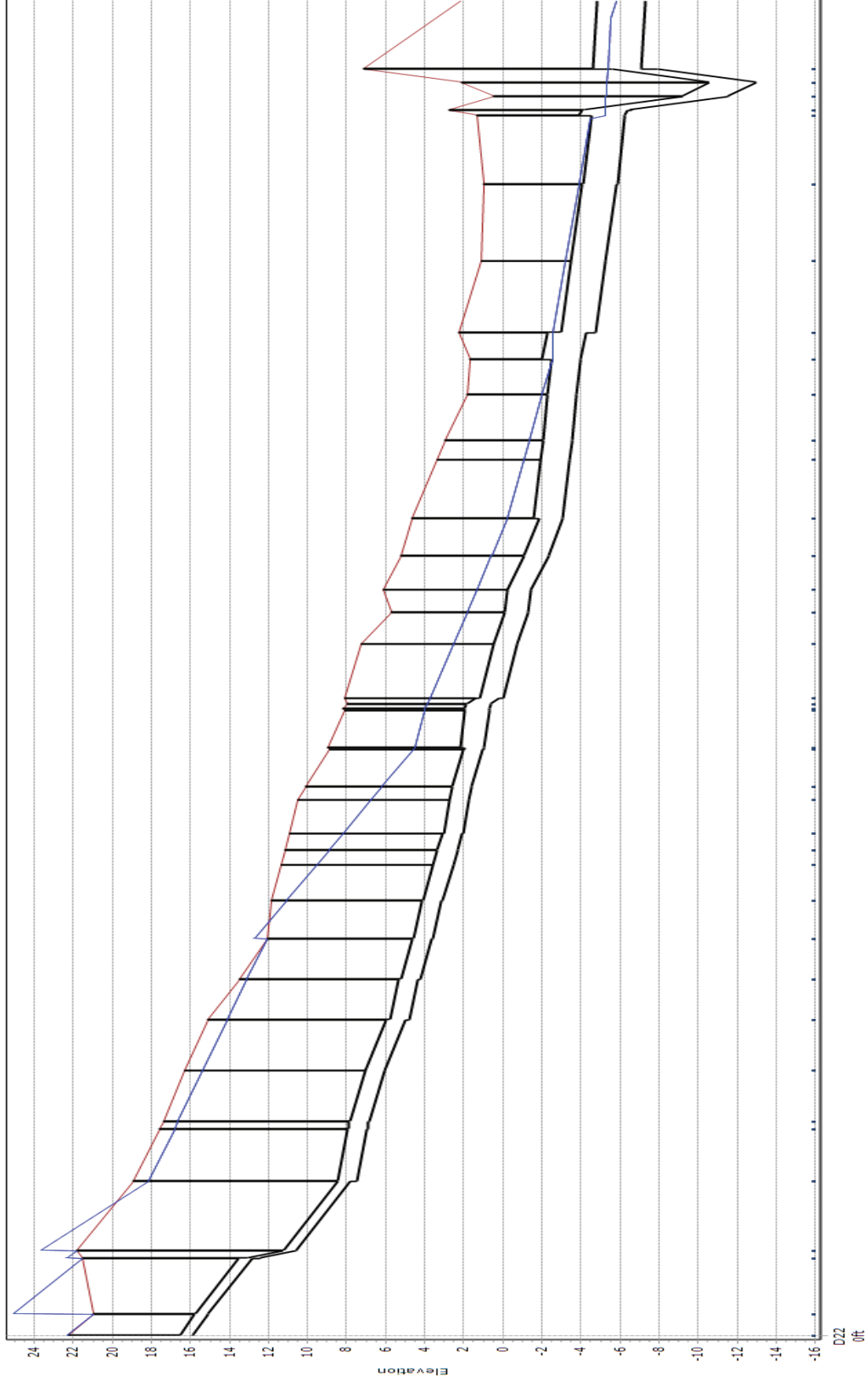


Figure 4- Average Dry Weather Flow Hydraulic Grade Line with Proposed Injection

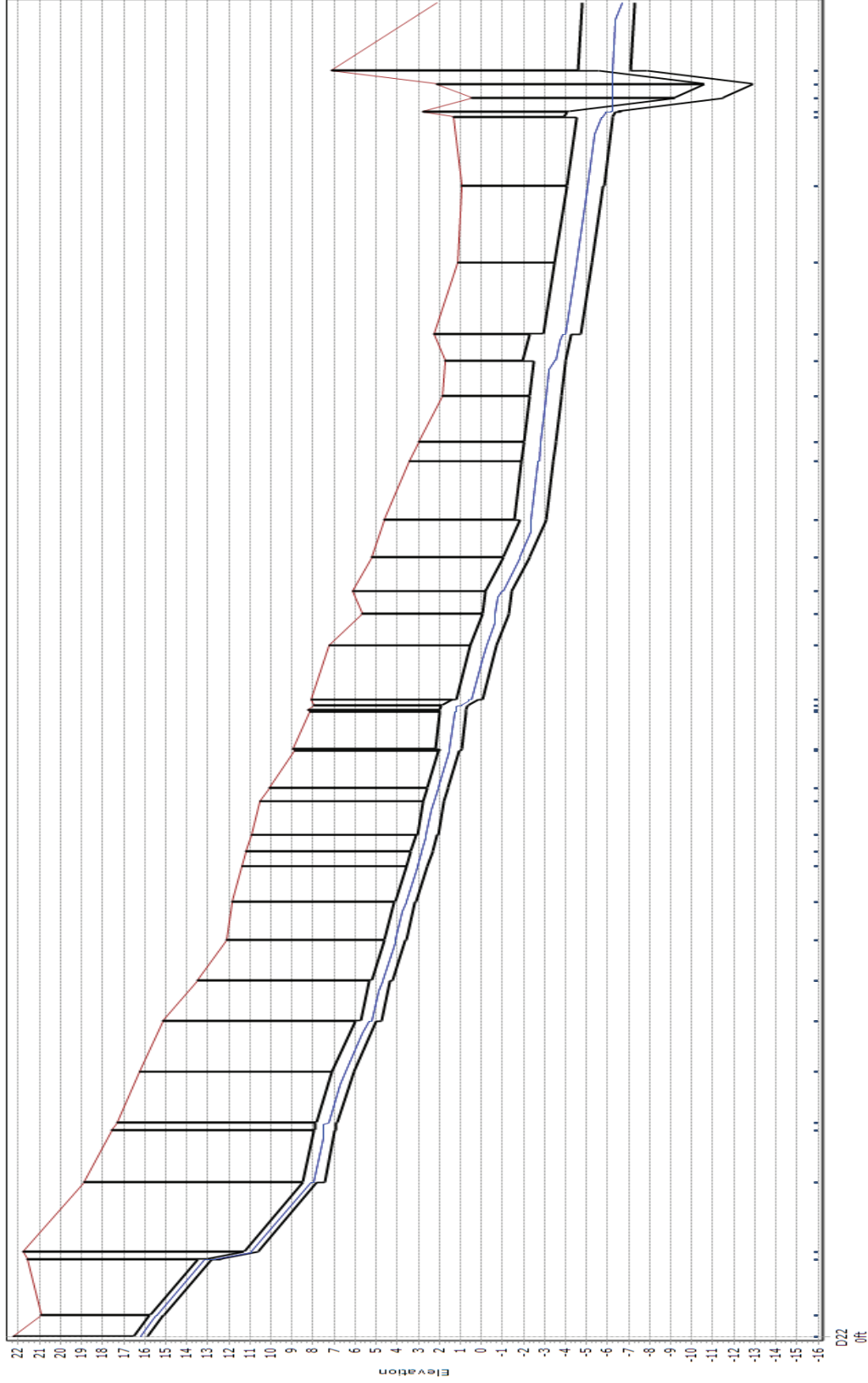


Figure 5- Peak Dry Weather Flow Hydraulic Grade Line with Proposed Injection

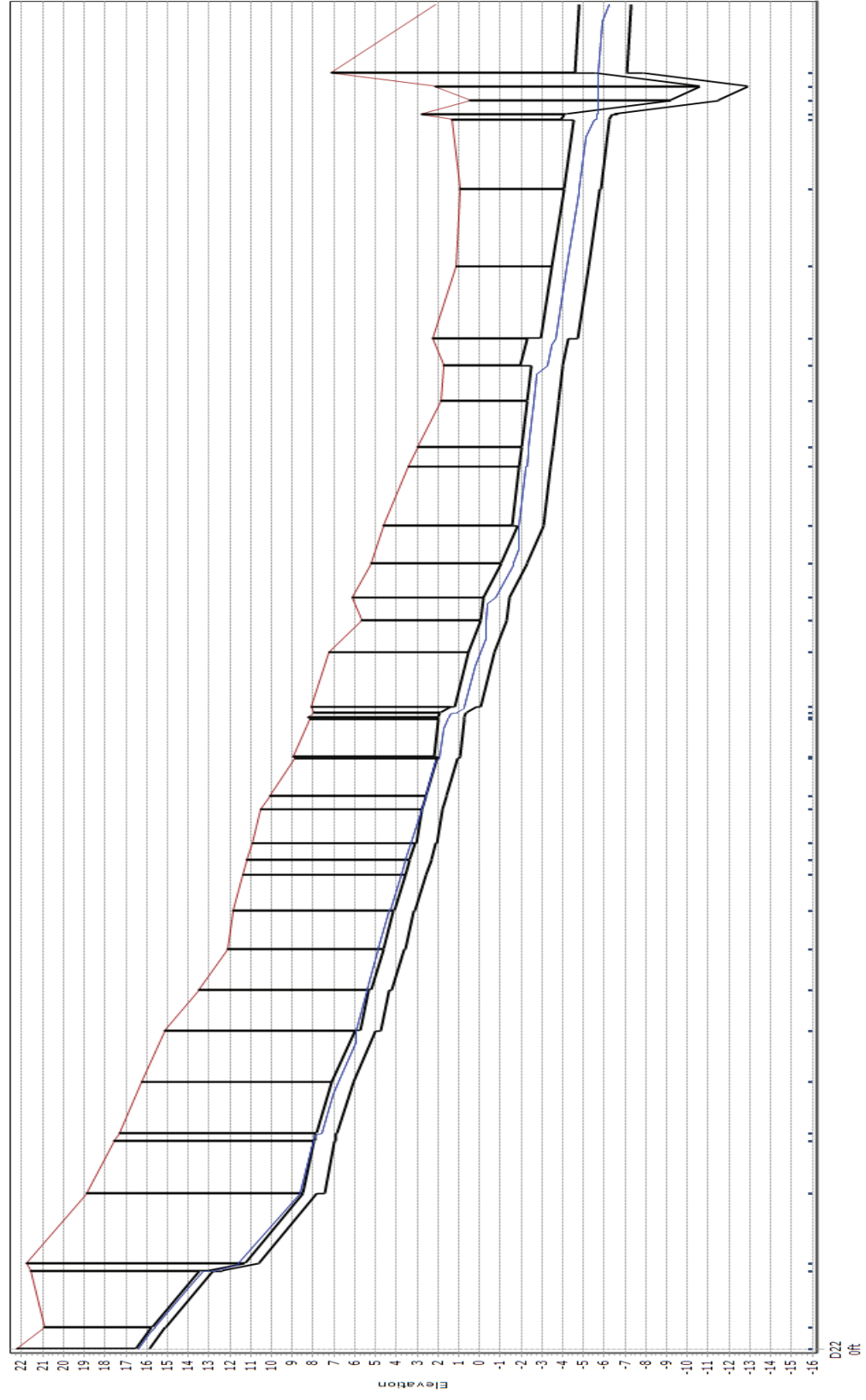


Figure 6- Peak Wet Weather Flow Hydraulic Grade Line with Proposed Injection

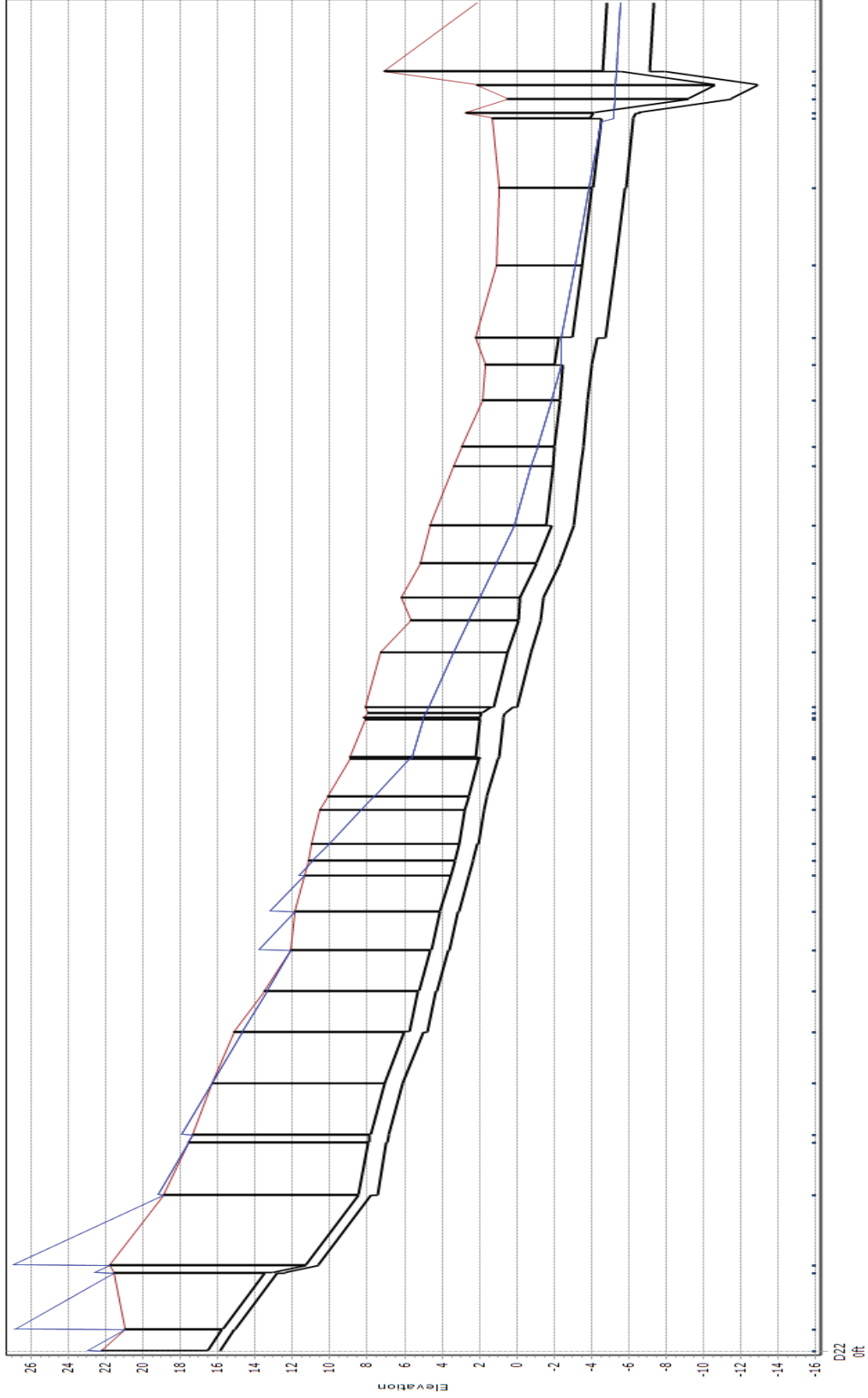


Figure 7- Average Dry Weather Flow Hydraulic Grade Line with Proposed Injection and PDWF Pipe Size Upgrades

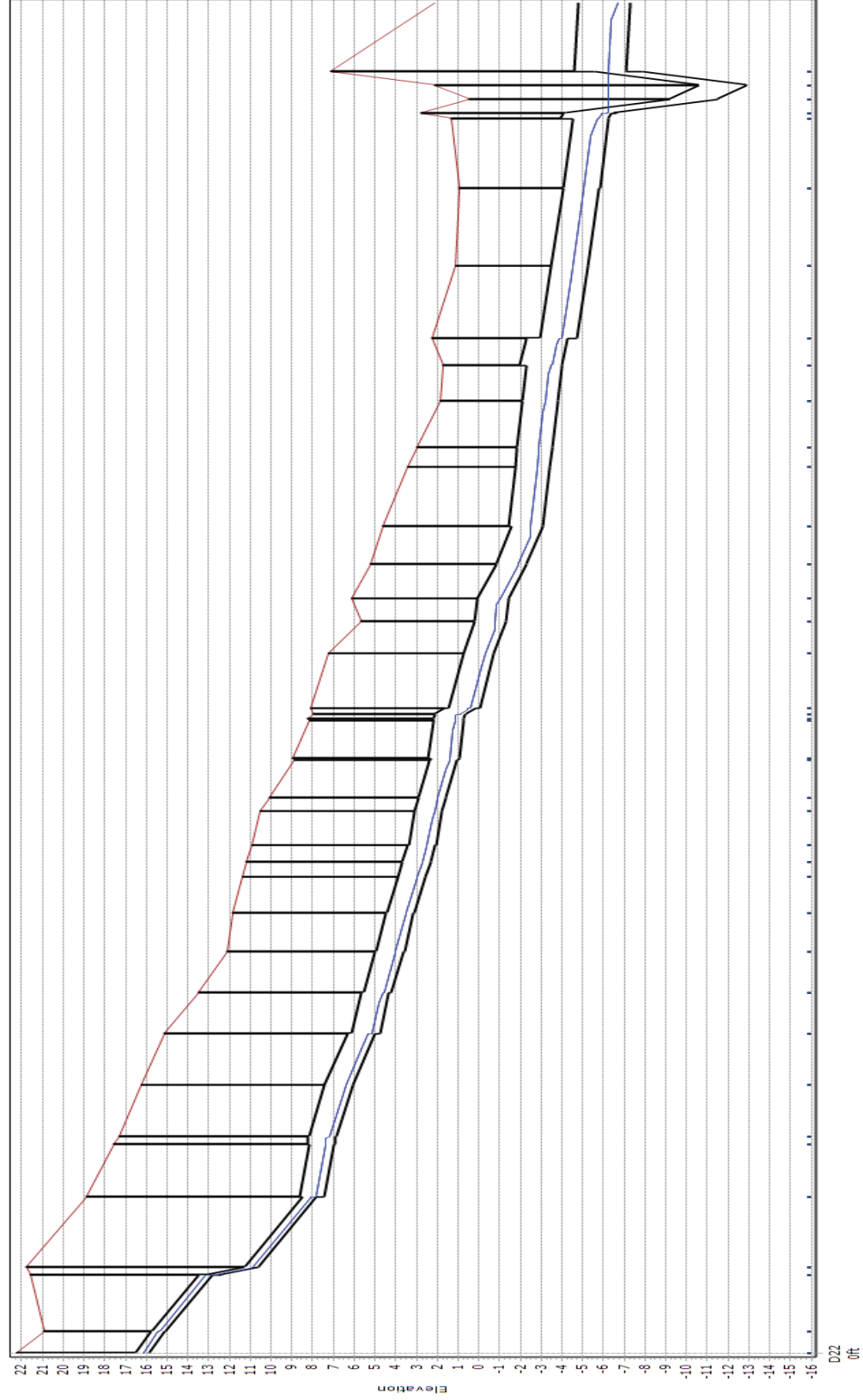


Figure 8- Peak Dry Weather Flow Hydraulic Grade Line with Proposed Injection and PDWF Pipe Size Upgrades

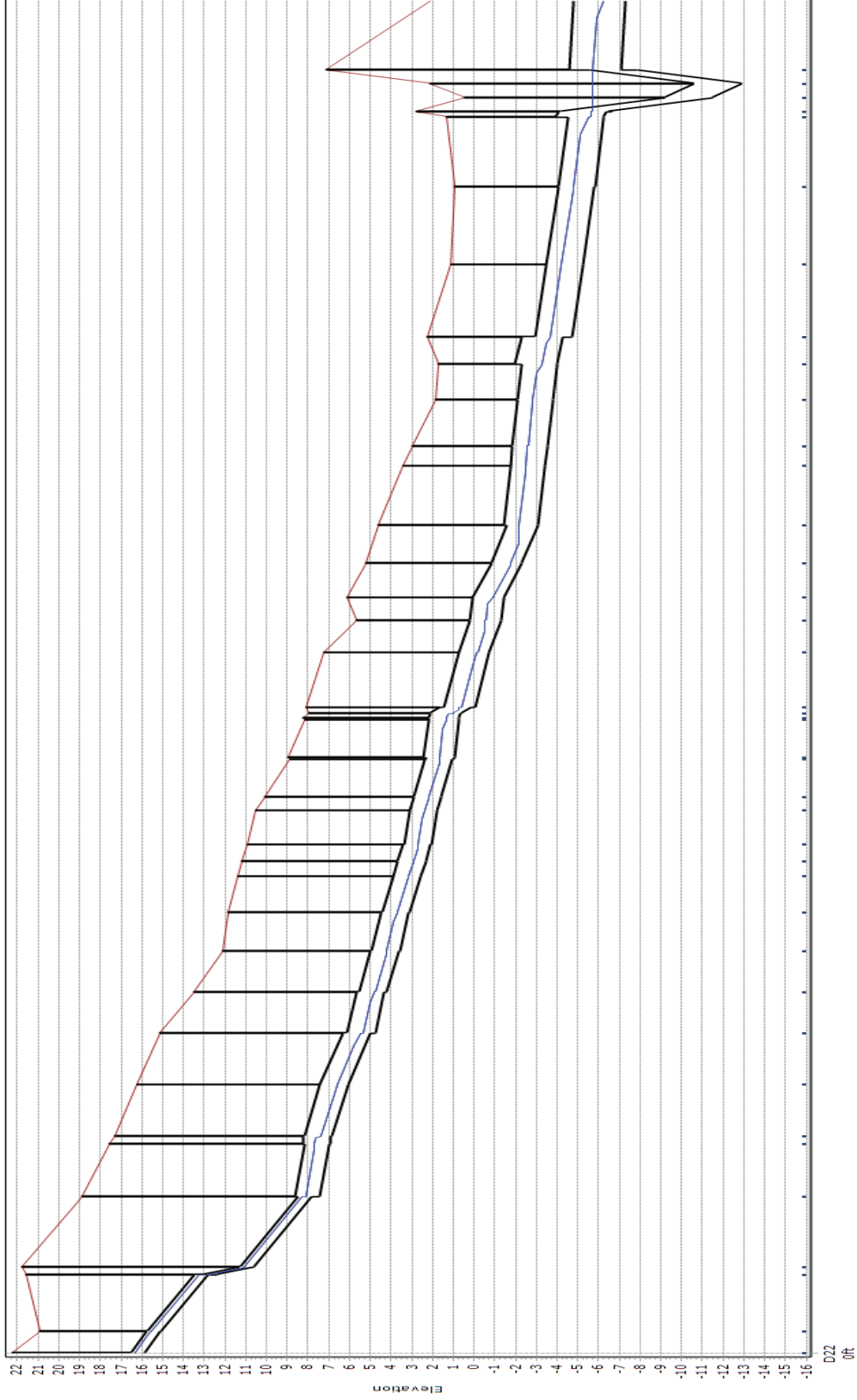


Figure 9- Peak Wet Weather Flow Hydraulic Grade Line with Proposed Injection and PDWF Pipe Size Upgrades

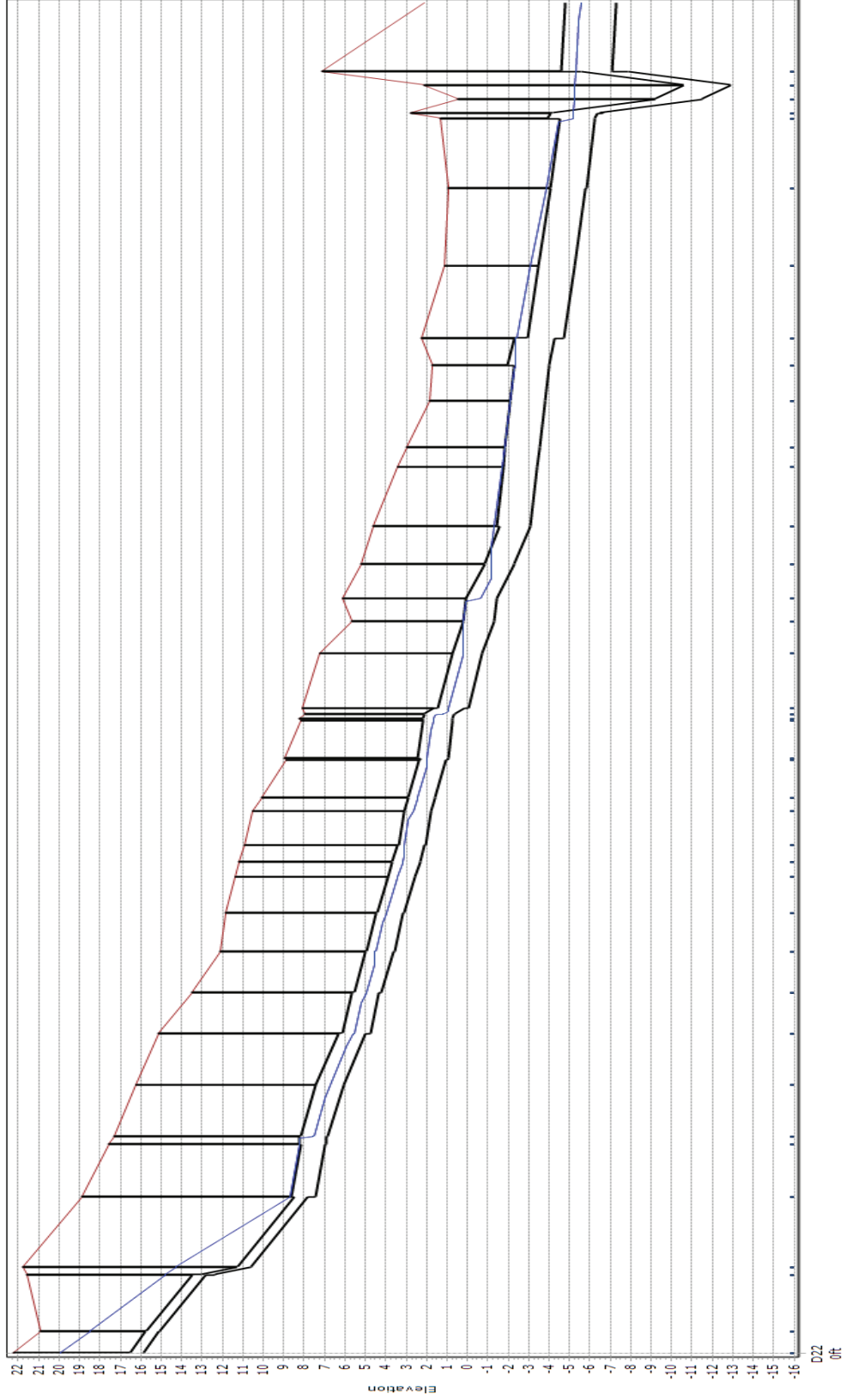


Figure 10- Average Dry Weather Flow Hydraulic Grade Line with Proposed Injection and PWWF Pipe Size Upgrades

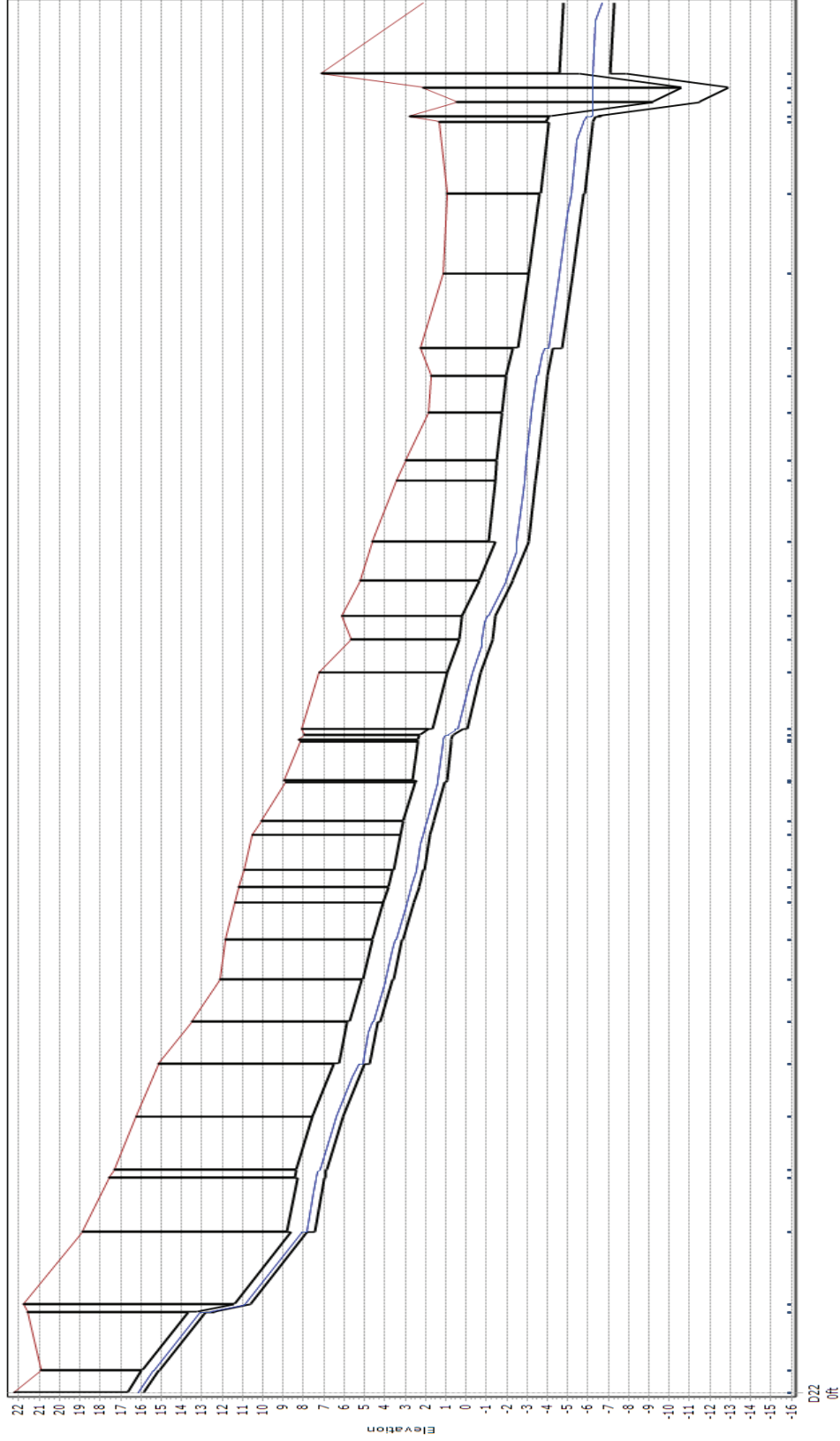


Figure 11- Peak Dry Weather Flow Hydraulic Grade Line with Proposed Injection and PWWF Pipe Size Upgrades

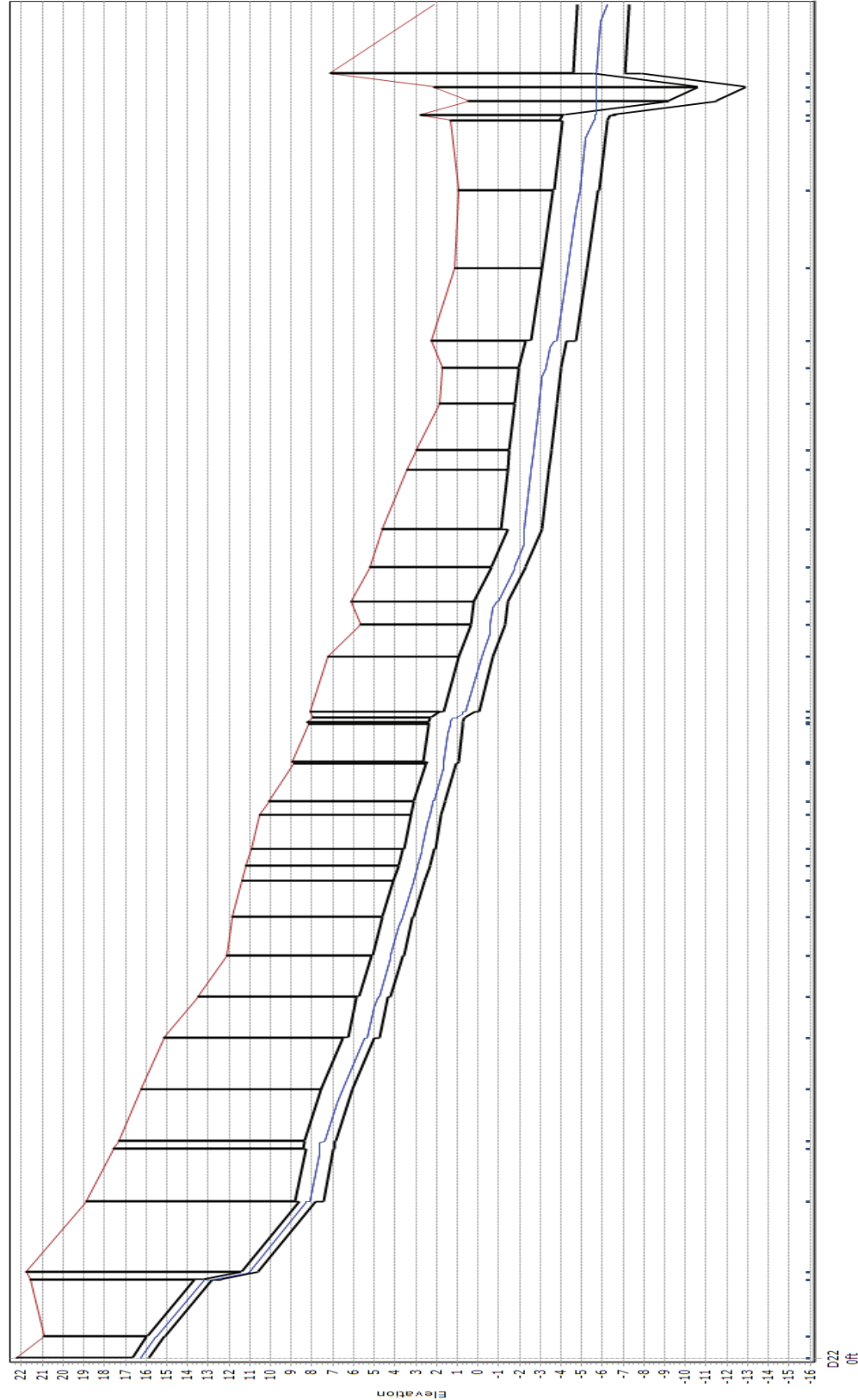
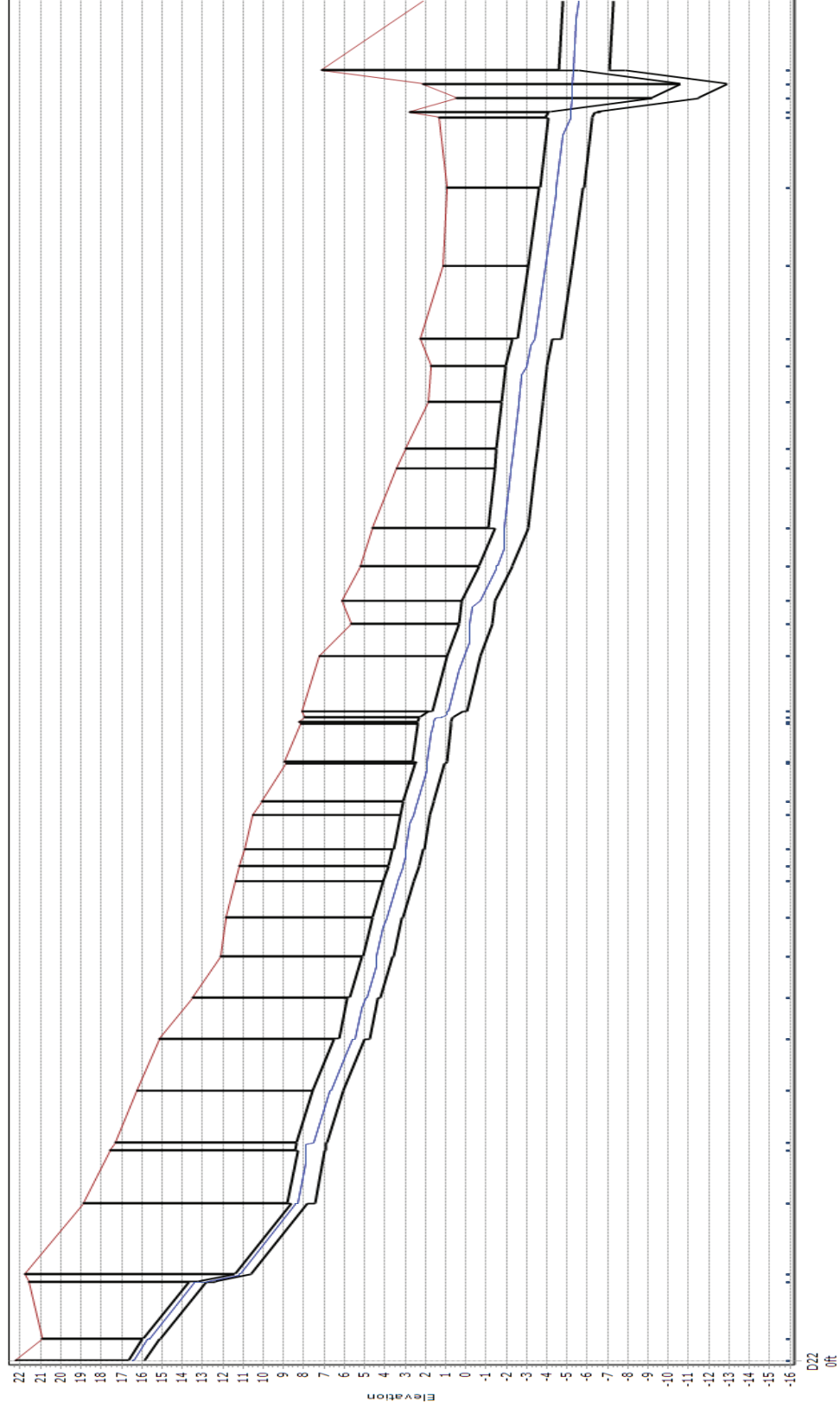


Figure 12- Peak Wet Weather Flow Hydraulic Grade Line with Proposed Injection and PWWF Pipe Size Upgrades



Appendix B
Tabular Summary of Hydraulic Modeling Results

Table 1
Estimated Sewer Flows based on District Standards (1)

Woodland Park Apartments, 499 O' Connor St
 East Palo Alto, California

Building	Number of Units (2)	Estimated Average Dry Weather Flow (gpd) (3)
Proposed	605	145,200
Existing	161	38,640
Total Additional (4)	444	106,560

Notes

- (1) Estimated Sewer Flows are calculated in accordance with East Palo Alto Sanitary District Standard Specifications for Design and Construction of Sanitary Sewer Collection and Conveyance Facilities dated June 6, 2002.
- (2) Number of existing units and number of proposed units after development is complete is based on Euclid Improvements Technical Memorandum by BKF dated May 28, 2020.
- (3) Average dry weather flow calculated by multiplying 240 gallons per dwelling unit per day by the total number of units. based on Section B1.03.2.b of the District standards referenced in Note 1 above.
- (4) Total additional is calculated by subtracting the existing units and estimated average dry weather flow from the proposed units and estimated average dry weather flow.

Abbreviations

gpd: gallons per day

Table 2.1

Proposed Development

Woodland Park Apartments, 499 O' Connor St
East Palo Alto, California

Manhole used for Injection (1)	Average Flow Injected into Manhole (cfs) (2)	Peak Flow Injected into Manhole (cfs) (3)	Average Flow Injected into Manhole (gpd) (4)	Peak Flow Injected into Manhole (gpd) (3)
D22	0.16487	0.28358	106,560	183,283

Notes

- (1) Manhole injected with flows taken from Table 1 to simulate modeling.
- (2) Average dry weather flow injected into Manhole converting from gpd to cfs using a 24-hour day.
- (3) Peak dry weather flow calculated by multiplying the average flow by a peaking factor of 1.72 for Site E2 (see Table 3).
- (4) Average dry weather flow taken from Table 1.

Abbreviations

gpd: gallons per day
cfs: cubic feet per second

Table 2.2
Existing Results

Woodland Park Apartments, 499 O' Connor St
East Palo Alto, California

Manhole (1)	Diameter (Inches) (2)	ADWF "d/D" (3)	ADWF (cfs) (4)	ADWF "Q" (gpd) (5)	ADWF HGL	PDWF "d/D" (3)	PDWF (cfs) (4)	PDWF "Q" (gpd) (5)	PDWF HGL	PWWF "d/D" (3)	PWWF (cfs) (4)	PWWF "Q" (gpd) (5)	PWWF HGL
D22	8	0.36	0.2329	150,528	16.08	0.60	0.5703	368,596	16.24	1.00	1.2415	802,406	22.23
D21	8	0.33	0.2329	150,528	15.3	0.57	0.5703	368,596	15.46	1.00	1.2415	802,406	20.93
D19	8	0.24	0.2689	173,795	12.56	0.39	0.7358	475,562	12.67	0.54	1.3954	901,874	21.54
D10	8	0.36	0.2689	173,795	10.82	0.66	0.7358	475,562	11.02	1.00	1.3954	901,874	21.78
D3	12	0.4	0.4121	266,348	7.86	0.80	1.2366	799,239	8.26	1.00	2.1244	1,373,041	18.1
D2	12	0.5	0.4121	266,348	7.41	1.00	1.2366	799,239	7.93	1.00	2.1244	1,373,041	16.81
D1	12	0.36	0.4121	266,348	7.19	0.66	1.2366	799,239	7.49	1.00	2.1244	1,373,041	16.62
E4	12	0.32	0.4121	266,348	6.40	0.58	1.2366	799,239	6.66	1.00	2.1244	1,373,041	15.36
E3	12	0.38	0.4121	266,348	5.14	0.74	1.2366	799,239	5.50	1.00	2.1244	1,373,041	14.09
E2	12	0.36	0.4121	266,348	4.59	0.66	1.2366	799,239	4.89	1.00	2.1244	1,373,041	13.09
E1	12	0.44	0.6185	399,749	4.03	0.80	1.5098	975,813	4.39	1.00	3.026	1,955,763	12.09
H9	12	0.42	0.623	402,657	3.51	0.72	1.5148	979,045	3.82	1.00	3.036	1,962,226	11.07
H73	12	0.42	0.623	402,657	2.98	0.72	1.5148	979,045	3.29	1.00	3.036	1,962,226	9.54
H74	12	0.42	0.623	402,657	2.76	0.72	1.5148	979,045	3.16	1.00	3.036	1,962,226	8.91
H8	12	0.48	0.623	402,657	2.53	1.00	1.5148	979,045	3.12	1.00	3.036	1,962,226	8.21
H7	12	0.42	0.623	402,657	2.18	0.74	1.5148	979,045	2.51	1.00	3.036	1,962,226	6.76
H75	12	0.42	0.623	402,657	2.00	0.72	1.5148	979,045	2.31	1.00	3.036	1,962,226	6.19
H6	12	0.36	0.623	402,657	1.43	0.58	1.5148	979,045	1.80	1.00	3.036	1,962,226	4.58
H5	15	0.38	0.643	415,584	1.43	0.67	1.6588	1,072,115	1.79	1.00	3.056	1,975,153	4.01
H4	15	0.35	0.643	415,584	1.18	0.58	1.6588	1,072,115	1.43	1.00	3.056	1,975,153	3.99
H3	15	0.38	0.8969	579,684	1.18	0.56	1.8097	1,169,645	1.41	1.00	3.9379	2,545,142	3.88
H2	15	0.24	0.8969	579,684	0.90	0.34	1.8097	1,169,645	1.03	0.53	3.9379	2,545,142	3.88
I11	15	0.38	0.8969	579,684	0.45	0.56	1.8097	1,169,645	0.68	1.00	3.9379	2,545,142	3.76
I10	15	0.35	0.8969	579,684	-0.29	0.51	1.8097	1,169,645	-0.09	1.00	3.9379	2,545,142	2.55
I9	15	0.46	0.9059	582,269	-0.72	0.72	1.8137	1,172,230	-0.41	1.00	3.9429	2,548,374	1.85
I8	15	0.32	0.9059	585,501	-1.04	0.46	1.8187	1,175,461	-0.86	0.77	3.9479	2,551,605	1.35
I7	15	0.34	0.9139	590,671	-1.89	0.50	1.8287	1,181,925	-1.69	1.00	3.9529	2,554,837	0.59
I6	18	0.44	1.2611	815,074	-2.41	0.72	2.7857	1,800,453	-2.00	1.00	5.1314	3,316,524	-0.24
I5	18	0.44	1.2611	815,074	-2.75	0.72	2.7857	1,800,453	-2.34	1.00	5.1314	3,316,524	-1.08
I31	18	0.44	1.2671	818,952	-2.86	0.72	2.7917	1,804,330	-2.45	1.00	5.1414	3,322,988	-1.36
I4	18	0.44	1.2671	818,952	-3.12	0.72	2.7917	1,804,330	-2.71	1.00	5.1414	3,322,988	-2.02
I3	24	0.23	1.2671	818,952	-3.52	0.34	2.7917	1,804,330	-3.30	0.48	5.1414	3,322,988	-2.54
T19	21	0.40	2.1091	1,363,153	-4.01	0.56	3.8491	2,487,749	-3.73	1.00	7.3986	4,781,860	-2.54
T18	21	0.39	2.1091	1,363,153	-4.54	0.55	3.8491	2,487,749	-4.26	1.00	7.3986	4,781,860	-3.19
T17	21	0.41	2.1091	1,363,153	-5.11	0.58	3.8491	2,487,749	-4.82	1.00	7.3986	4,781,860	-3.89
T16	28	0.20	2.1091	1,363,153	-5.79	0.27	3.8491	2,487,749	-5.63	0.37	7.3986	4,781,860	-5.22
T15	28	0.11	2.5004	1,616,058	-6.17	0.17	5.92	3,826,212	-5.71	0.21	8.9644	5,793,867	-5.23
T14	30	0.33	2.5004	1,616,058	-6.28	0.53	5.92	3,826,212	-5.78	0.70	8.9644	5,793,867	-5.36

Notes

- (1) Manhole used to find Q and Depth over Diameter value.
- (2) Pipe Diameter directly downstream of Manhole.
- (3) Calculated by dividing the depth of flow by pipe diameter. This value is evaluated directly downstream of specified Manhole.
- (4) Average dry weather flow (ADWF), Peak dry weather flow (PDWF), or Peak wet weather flow (PWWF) found in model.
- (5) Average dry weather flow (ADWF), Peak dry weather flow (PDWF), or Peak wet weather flow (PWWF) converted to gpd using 24-hour day.

Abbreviations

gpd: gallons per day
cfs: cubic feet per second
HGL: Hydraulic Grade Line
Q: Flow rate
d/D: Depth over Diameter

Table 2.3

Proposed Results

Woodland Park Apartments, 499 O' Connor St
East Palo Alto, California

Manhole (1)	Diameter (Inches) (2)	ADWF "d/D" (3)	ADWF (cfs) (4)	ADWF "Q" (gpd) (5)	ADWF HGL	PDWF "d/D" (3)	PDWF (cfs) (4)	PDWF "Q" (gpd) (5)	PDWF HGL	PDWF "d/D" (3)	PDWF (cfs) (4)	PDWF "Q" (gpd) (5)	PWWF "d/D" (3)	PWWF (cfs) (4)	PWWF "Q" (gpd) (5)	PWWF HGL
D22	8	0.48	0.3978	257,106	16.16	0.78	0.8539	551,892	16.37	1.00	1.5251	985,702	1.00	1.5251	985,702	22.23
D21	8	0.45	0.3978	257,106	15.39	0.72	0.8539	551,892	15.57	1.00	1.5251	985,702	1.00	1.5251	985,702	20.93
D19	8	0.30	0.4337	280,309	12.61	0.45	1.0194	658,858	12.73	0.60	1.6790	1,085,171	1.00	1.6790	1,085,171	21.54
D10	8	0.48	0.4337	280,309	10.91	1	1.0194	658,858	11.6	1.00	1.6790	1,085,171	1.00	1.6790	1,085,171	21.78
D3	12	0.48	0.5770	372,926	7.94	1	1.5201	982,470	8.64	1.00	2.4080	1,556,338	1.00	2.4080	1,556,338	18.91
D2	12	0.62	0.5770	372,926	7.53	1	1.5201	982,470	7.96	1.00	2.4080	1,556,338	1.00	2.4080	1,556,338	17.54
D1	12	0.42	0.5770	372,926	7.25	0.76	1.5201	982,470	7.59	1.00	2.4080	1,556,338	1.00	2.4080	1,556,338	17.33
E4	12	0.38	0.5770	372,926	6.46	0.68	1.5201	982,470	6.97	1.00	2.4080	1,556,338	1.00	2.4080	1,556,338	16.28
E3	12	0.46	0.5770	372,926	5.22	1.00	1.5201	982,470	5.93	1.00	2.4080	1,556,338	1.00	2.4080	1,556,338	14.66
E2	12	0.42	0.5770	372,926	4.65	0.78	1.5201	982,470	5.42	1.00	2.4080	1,556,338	1.00	2.4080	1,556,338	13.39
E1	12	0.50	0.7833	506,262	4.09	1.00	1.7934	1,159,110	4.90	1.00	3.3096	2,139,059	1.00	3.3096	2,139,059	12.09
H9	12	0.48	0.7879	509,235	3.57	1.00	1.7934	1,159,110	4.32	1.00	3.3196	2,145,523	1.00	3.3196	2,145,523	11.84
H73	12	0.48	0.7879	509,235	3.04	0.82	1.7984	1,162,341	3.79	1.00	3.3196	2,145,523	1.00	3.3196	2,145,523	11.36
H74	12	0.48	0.7879	509,235	2.82	1.00	1.7984	1,162,341	3.56	1.00	3.3196	2,145,523	1.00	3.3196	2,145,523	10.89
H8	12	0.56	0.7879	509,235	2.61	1.00	1.7984	1,162,341	3.31	1.00	3.3196	2,145,523	1.00	3.3196	2,145,523	10.05
H7	12	0.48	0.7879	509,235	2.24	1.00	1.7984	1,162,341	2.80	1.00	3.3196	2,145,523	1.00	3.3196	2,145,523	8.31
H75	12	0.48	0.7879	509,235	2.06	1.00	1.7984	1,162,341	2.80	1.00	3.3196	2,145,523	1.00	3.3196	2,145,523	7.64
H6	12	0.40	0.7879	509,235	1.50	0.66	1.7984	1,162,341	1.90	1.00	3.3196	2,145,523	1.00	3.3196	2,145,523	5.71
H5	15	0.43	0.8079	522,162	1.50	0.75	1.9424	1,255,411	1.89	1.00	3.3396	2,158,449	1.00	3.3396	2,158,449	5.62
H4	15	0.38	0.8079	522,162	1.22	0.64	1.9424	1,255,411	1.51	1.00	3.3396	2,158,449	1.00	3.3396	2,158,449	5.03
H3	15	0.42	1.0618	686,262	1.22	0.61	2.0933	1,352,941	1.47	1.00	4.2215	2,728,438	1.00	4.2215	2,728,438	5.01
H2	15	0.26	1.0618	686,262	0.92	0.37	2.0933	1,352,941	1.07	0.54	4.2215	2,728,438	1.00	4.2215	2,728,438	4.89
I11	15	0.42	1.0618	686,262	0.49	0.62	2.0933	1,352,941	0.76	1.00	4.2215	2,728,438	1.00	4.2215	2,728,438	4.74
I10	15	0.38	1.0618	686,262	-0.25	0.56	2.0933	1,352,941	-0.03	1.00	4.2215	2,728,438	1.00	4.2215	2,728,438	3.36
I9	15	0.51	1.0658	688,847	-0.67	0.82	2.0973	1,355,526	-0.29	1.00	4.2265	2,731,670	1.00	4.2265	2,731,670	2.55
I8	15	0.35	1.0708	692,079	-1.00	0.51	2.1023	1,358,758	-0.80	0.83	4.2315	2,734,901	1.00	4.2315	2,734,901	2.00
I7	15	0.37	1.0788	697,250	-1.86	0.54	2.1123	1,365,221	-1.63	1.00	4.2365	2,738,133	1.00	4.2365	2,738,133	1.10
I6	18	0.47	1.4260	921,652	-2.38	0.77	3.0693	1,983,749	-1.92	1.00	5.4150	3,499,821	1.00	5.4150	3,499,821	0.15
I5	18	0.47	1.4260	921,652	-2.72	0.77	3.0693	1,983,749	-2.26	1.00	5.4150	3,499,821	1.00	5.4150	3,499,821	-0.79
I31	18	0.47	1.4320	925,530	-2.83	0.79	3.0753	1,987,627	-2.35	1.00	5.4250	3,506,284	1.00	5.4250	3,506,284	-1.10
I4	18	0.47	1.4320	925,530	-3.09	0.77	3.0753	1,987,627	-2.63	1.00	5.4250	3,506,284	1.00	5.4250	3,506,284	-1.83
I3	24	0.24	1.4320	925,530	-3.51	0.36	3.0753	1,987,627	-3.26	0.49	5.4250	3,506,284	1.00	5.4250	3,506,284	-2.39
T19	21	0.41	2.2740	1,469,731	-4.00	0.58	4.1326	2,670,980	-3.69	1.00	7.6822	4,965,156	1.00	7.6822	4,965,156	-3.10
T18	21	0.41	2.2740	1,469,731	-4.51	0.57	4.1326	2,670,980	-4.22	1.00	7.6822	4,965,156	1.00	7.6822	4,965,156	-3.85
T17	21	0.43	2.2740	1,469,731	-5.08	0.61	4.1326	2,670,980	-4.77	1.00	7.6822	4,965,156	1.00	7.6822	4,965,156	-3.85
T16	28	0.21	2.2740	1,469,731	-5.77	0.27	4.1326	2,670,980	-5.61	0.38	7.6822	4,965,156	1.00	7.6822	4,965,156	-5.17
T15	28	0.11	2.6815	1,733,106	-6.16	0.17	6.2127	4,015,390	-5.67	0.21	9.2480	5,977,164	1.00	9.2480	5,977,164	-5.19
T14	30	0.34	2.6815	1,733,106	-6.24	0.54	6.2127	4,015,390	-5.74	0.71	9.2480	5,977,164	1.00	9.2480	5,977,164	-5.32

Notes

- (1) Manhole used to find Q and Depth over Diameter value.
- (2) Pipe Diameter directly downstream of Manhole.
- (3) Calculated by dividing the depth of flow by pipe diameter. This value is evaluated directly downstream of specified Manhole.
- (4) Average dry weather flow (ADWF), Peak dry weather flow (PDWF), or Peak wet weather flow (PWWF) found in model.
- (5) Average dry weather flow (ADWF), Peak dry weather flow (PDWF), or Peak wet weather flow (PWWF) converted to gpd using 24-hour day.

Abbreviations

gpd: gallons per day
cfs: cubic feet per second
HGL: Hydraulic Grade Line
Q: Flow rate
d/D: Depth over Diameter

Table 2.4
PDWF Proposed Results with Pipe Size Upgrades

Woodland Park Apartments, 499 O' Connor St
 East Palo Alto, California

Manhole (1)	Existing Diameter (Inches) (2)	Existing PDWF "d/D" (3)	Existing PDWF HGL	Proposed Diameter (Inches) (2)	Predicted PDWF "d/D" (3)	Predicted PDWF HGL
D22	8	0.60	16.24	No Change	0.78	16.31
D21	8	0.57	15.46	No Change	0.72	15.51
D19	8	0.39	12.67	No Change	0.45	12.71
D10	8	0.66	11.02	No Change	1.00	11.07
D3	12	0.80	8.26	14	0.57	8.13
D2	12	1.00	7.93	16	0.59	7.69
D1	12	0.66	7.49	16	0.41	7.38
E4	12	0.58	6.66	16	0.38	6.59
E3	12	0.74	5.50	16	0.44	5.35
E2	12	0.66	4.89	16	0.41	4.78
E1	12	0.80	4.39	16	0.47	4.22
H9	12	0.72	3.82	16	0.44	3.68
H73	12	0.72	3.29	16	0.44	3.15
H74	12	0.72	3.16	16	0.44	2.93
H8	12	1.00	3.12	16	0.51	2.74
H7	12	0.74	2.51	16	0.45	2.37
H75	12	0.72	2.31	16	0.45	2.19
H6	12	0.58	1.80	16	0.36	1.68
H5	15	0.67	1.79	18	0.48	1.67
H4	15	0.58	1.43	18	0.43	1.36
H3	15	0.56	1.41	18	0.41	1.33
H2	15	0.34	1.03	18	0.27	1.01
H11	15	0.56	0.68	18	0.41	0.60
I9	15	0.51	-0.09	18	0.39	-0.15
I8	15	0.72	-0.41	18	0.51	-0.55
I7	15	0.46	-0.86	18	0.35	-0.92
I6	18	0.50	-1.69	18	0.38	-1.75
I5	18	0.72	-2.00	20	0.55	-2.16
I31	18	0.72	-2.34	20	0.56	-2.48
I4	18	0.72	-2.45	20	0.56	-2.59
I3	24	0.34	-3.30	Existing pipe no changes	0.36	-3.26
T19	21	0.56	-3.73	No Change	0.58	-3.69
T18	21	0.55	-4.26	No Change	0.57	-4.22
T17	21	0.58	-4.82	No Change	0.61	-4.77
T16	28	0.27	-5.63	Existing pipe no changes	0.27	-5.61
T15	28	0.17	-5.71	Existing pipe no changes	0.17	-5.67
T14	30	0.53	-5.78	Existing pipe no changes	0.54	-5.74

Notes

- (1) Manhole used to find Q and Depth over Diameter value.
- (2) Pipe Diameter directly downstream of Manhole.
- (3) Calculated by dividing the depth of flow by pipe diameter. This value is evaluated directly downstream of specified Manhole.

Abbreviations

gpd: gallons per day
 cfs: cubic feet per second
 HGL: Hydraulic Grade Line
 Q: Flow rate
 d/D: Depth over Diameter

Table 2.5
PWWF Proposed Results with Pipe Size Upgrades

Woodland Park Apartments, 499 O' Connor St
 East Palo Alto, California

Manhole (1)	Existing Diameter (Inches) (2)	Existing PWWF "d/D" (3)	Existing PWWF HGL	Proposed Diameter (Inches) (2)	Predicted PWWF "d/D" (3)	Predicted PWWF HGL
D22	8	1.00	22.23	10	0.67	16.41
D21	8	1.00	20.93	10	0.62	14.61
D19	8	0.54	21.54	10	0.38	12.77
D10	8	1.00	21.78	10	0.67	11.15
D3	12	1.00	18.10	16	0.60	8.27
D2	12	1.00	16.81	18	0.65	7.89
D1	12	1.00	16.62	18	0.44	7.49
E4	12	1.00	15.36	18	0.40	6.69
E3	12	1.00	14.09	18	0.48	5.49
E2	12	1.00	13.09	18	0.44	4.89
E1	12	1.00	12.09	18	0.56	4.44
H9	12	1.00	11.07	18	0.52	3.88
H73	12	1.00	9.54	18	0.52	3.35
H74	12	1.00	8.91	18	0.52	3.13
H8	12	1.00	8.21	18	0.61	2.98
H7	12	1.00	6.76	18	0.53	2.57
H75	12	1.00	6.19	18	0.52	2.37
H6	12	1.00	4.58	18	0.43	1.90
H5	15	1.00	4.01	20	0.56	1.90
H4	15	1.00	3.99	20	0.50	1.58
H3	15	1.00	3.88	20	0.52	1.58
H2	15	0.53	3.88	20	0.32	1.12
H11	15	1.00	3.76	20	0.53	0.86
I10	15	1.00	2.55	20	0.48	0.07
I9	15	1.00	1.85	20	0.67	-0.18
I8	15	0.77	1.35	20	0.43	-0.71
I7	15	1.00	0.59	20	0.47	-1.53
I6	18	1.00	-0.24	24	0.59	-1.89
I5	18	1.00	-1.08	24	0.59	-2.23
I31	18	1.00	-1.36	24	0.59	-2.34
I4	18	1.00	-2.02	24	0.59	-2.60
I3	24	0.48	-2.54	Existing pipe no changes	0.49	-3.00
T19	21	1.00	-2.54	26	0.60	-3.41
T18	21	1.00	-3.19	26	0.59	-3.94
T17	21	1.00	-3.89	26	0.63	-4.47
T16	28	0.37	-5.22	Existing pipe no changes	0.38	-5.17
T15	28	0.21	-5.23	Existing pipe no changes	0.21	-5.19
T14	30	0.70	-5.36	Existing pipe no changes	0.71	-5.32

Notes

- (1) Manhole used to find Q and Depth over Diameter value.
- (2) Pipe Diameter directly downstream of Manhole.
- (3) Calculated by dividing the depth of flow by pipe diameter. This value is evaluated directly downstream of specified Manhole.

Abbreviations

gpd: gallons per day
 cfs: cubic feet per second
 HGL: Hydraulic Grade Line
 Q: Flow rate
 d/D: Depth over Diameter

Table 2.6
PDWF Proposed Capital Improvements
 Woodland Park Apartments, 499 O' Connor St
 East Palo Alto, California

Upstream Manhole	Downstream Manhole	Existing Pipe Size	Proposed Pipe Size (Inches) (1)	Length (Feet) (2)
D3	D2	12	14	364
D2	H5	12	16	2,654
H5	I6	15	18	1,491
I6	I3	18	20	1,111

Notes

- (1) Proposed size of DR17 HDPE pipe to maintain d/D for existing conditions.
- (2) Length of pipe size increase between upstream and downstream MH.

Abbreviations

d/D: Depth over Diameter
 MH: Manhole

Table 2.7
PWWF Proposed Capital Improvements
 Woodland Park Apartments, 499 O' Connor St
 East Palo Alto, California

Upstream Manhole	Downstream Manhole	Existing Pipe Size	Proposed Pipe Size (Inches) (1)	Length (Feet) (2)
D22	D3	8	10	1,079
D3	D2	12	16	364
D2	H5	12	18	2,654
H5	I6	15	20	1,491
I6	I3	18	24	1,111
T19	T16	21	26	1,524

Notes

- (1) Proposed size of DR17 HDPE pipe to maintain a d/D ratio of 0.67.
- (2) Length of pipe size increase between upstream and downstream MH.

Abbreviations

d/D: Depth over Diameter
 MH: Manhole

Table 3
Peaking Factor Calculations
 East Palo Alto Sanitary District

Monitoring Site (1)	Overall ADWF (MGD) (2)	PDWF (MGD) (3)	PWWF (MGD) (4)	PDWF Peaking Factor (5)	PWWF Peaking Factor (6)
A15	0.27	0.43	1.19	1.59	2.77
B13	0.06	0.11	0.52	1.83	4.73
E1	0.13	0.19	0.59	1.46	3.11
E2	0.25	0.43	1.45	1.72	3.37
H3	0.14	0.23	0.58	1.64	2.52
I3	0.83	1.22	2.76	1.47	2.26
I12	0.23	0.39	0.76	1.70	1.95
K4	0.22	0.35	0.99	1.59	2.83
K28	0.11	0.17	0.68	1.55	4.00
T20	0.40	0.60	1.55	1.50	2.58
T13	1.53	2.31	5.78	1.51	2.50

Notes

- (1) Monitoring sites are identified in Table 3 of the *East Palo Alto Sanitary District Sanitary Sewer Flow Monitoring and Inflow/Infiltration Study* dated June 2012 prepared by V&A Consulting Engineers, Inc., referred to herein as "Flow Monitoring Study."
- (2) Overall ADWF is presented in Table 5 of the Flow Monitoring Study
- (3) PDWF is presented in Table 7-3 of the *East Palo Alto Sanitary District Wastewater Collection System Master Plan Update* dated March 2015 prepared by Freyer & Laureta, Inc., herein referred to as "Master Plan Update."
- (4) PWWF is presented in Table 7-3 of the Master Plan Update.
- (5) PDWF Peaking Factor is calculated by dividing the PDWF by the Overall ADWF.
- (6) PWWF Peaking Factor is calculated by dividing the PWWF by the PDWF.

Abbreviations

ADWF: Average Dry Weather Flow
 MGD: Million Gallons per Day
 PDWF: Peak Dry Weather Flow
 PWWF: Peak Wet Weather Flow

Table 4.1
Conceptual Opinion of Probable Project Cost for PDWPF Improvements (1)
Woodland Park Apartments, 499 O' Connor St
East Palo Alto, California

Item No.	Description	Units	Quantity (2)	Unit Price	Budget
Conceptual Opinion of Probable Construction Cost					
1	Mobilization	ls	1	\$ 50,000	\$ 50,000
2	Traffic Control	ls	1	\$ 20,000	\$ 20,000
3	Sheeting, Shoring, and Bracing	ls	1	\$ 20,000	\$ 20,000
4	14-inch DR 17 HDPE Pipe	lf	370	\$ 350	\$ 129,500
5	16-inch DR 17 HDPE Pipe	lf	2,660	\$ 450	\$ 1,197,000
6	18-inch DR 17 HDPE Pipe	lf	1,500	\$ 550	\$ 825,000
7	20-inch DR 17 HDPE Pipe	lf	1,120	\$ 600	\$ 672,000
8	Manholes	ea	30	\$ 10,000	\$ 300,000
9	30% Contingency	%	30%	\$ 3,213,500	\$ 964,050
				Subtotal - Conceptual Opinion of Probable Construction Cost	\$ 4,177,600
Engineering and Administration Cost					
10	Design	%	10%	\$ 4,177,600	\$ 417,760
11	Environmental/Permitting	%	10%	\$ 4,177,600	\$ 417,760
12	Construction Management/ Inspection	%	15%	\$ 4,177,600	\$ 626,640
13	District Administration	%	5%	\$ 4,177,600	\$ 208,880
				Subtotal - Engineering and Administration Cost	\$ 1,671,000
				Total Conceptual Opinion of Probable Project Cost	\$ 5,848,600

Notes

- (1) See Table 2.6 for limits of improvements.
- (2) Quantities rounded to nearest 10 feet.

Table 4.2
Conceptual Opinion of Probable Project Cost for PWWF Improvements (1)
Woodland Park Apartments, 499 O' Connor St
East Palo Alto, California

Item No.	Description	Units	Quantity (2)	Unit Price	Budget
Conceptual Opinion of Probable Construction Cost					
1	Mobilization	ls	1	\$ 50,000	\$ 50,000
2	Traffic Control	ls	1	\$ 20,000	\$ 20,000
3	Sheeting, Shoring, and Bracing	ls	1	\$ 20,000	\$ 20,000
4	10-inch DR 17 HDPE Pipe	lf	1,080	\$ 300	\$ 324,000
5	16-inch DR 17 HDPE Pipe	lf	370	\$ 450	\$ 166,500
6	18-inch DR 17 HDPE Pipe	lf	2,660	\$ 550	\$ 1,463,000
7	20-inch DR 17 HDPE Pipe	lf	1,500	\$ 600	\$ 900,000
8	24-inch DR 17 HDPE Pipe	lf	1,120	\$ 700	\$ 784,000
9	26-inch DR 17 HDPE Pipe	lf	1,530	\$ 750	\$ 1,147,500
10	Manholes	ea	34	\$ 10,000	\$ 340,000
11	30% Contingency	%	30%	\$ 5,215,000	\$ 1,564,500
Subtotal - Conceptual Opinion of Probable Construction Cost					\$ 6,779,500
Engineering and Administration Cost					
12	Design	%	10%	\$ 6,779,500	\$ 677,950
13	Environmental/Permitting	%	10%	\$ 6,779,500	\$ 677,950
14	Construction Management/ Inspection	%	15%	\$ 6,779,500	\$ 1,016,925
15	District Administration	%	5%	\$ 6,779,500	\$ 338,975
Subtotal - Engineering and Administration Cost					\$ 2,711,800
Total Conceptual Opinion of Probable Project Cost					\$ 9,491,300

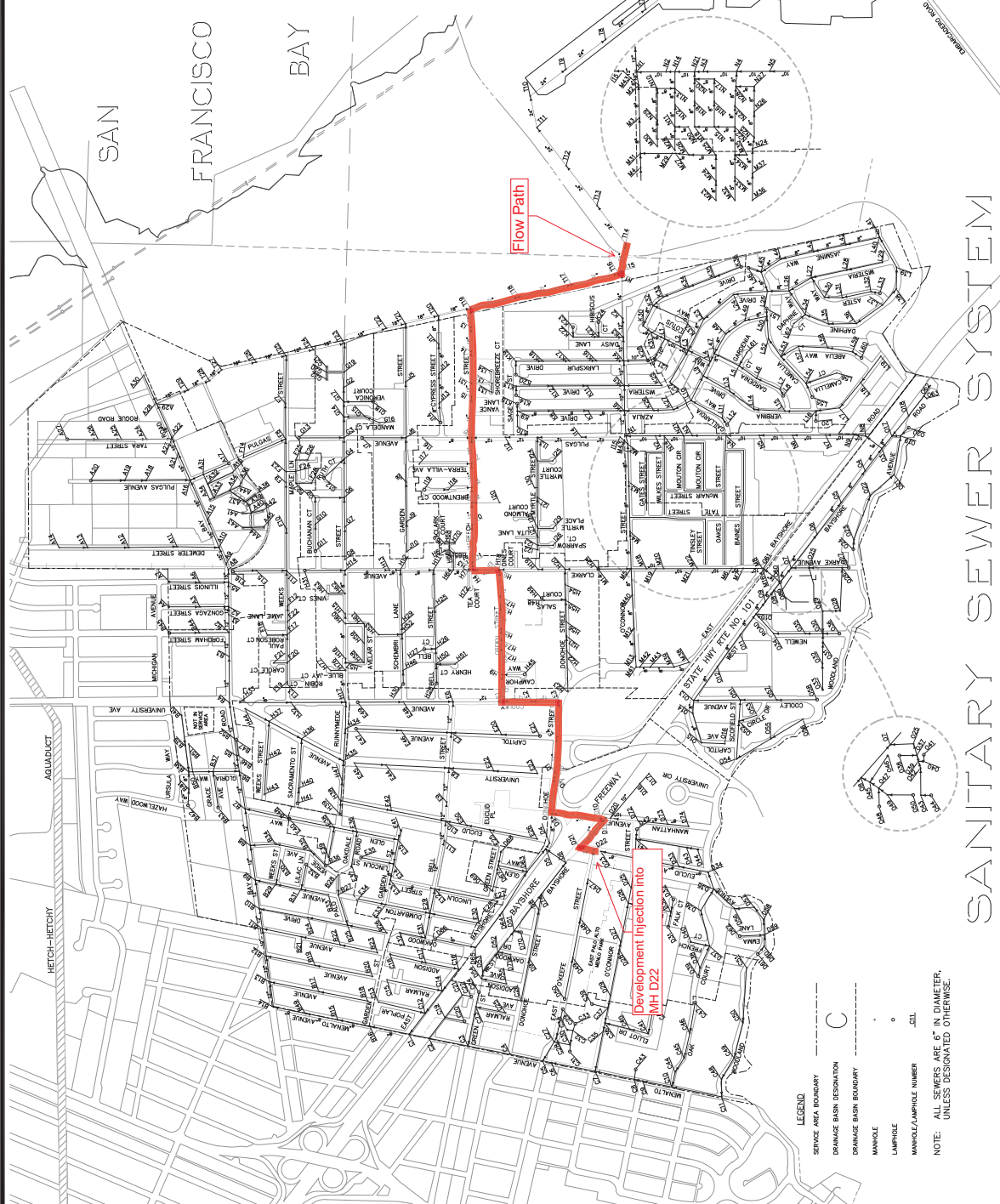
Notes

- (1) See Table 2.7 for limits of improvements.
- (2) Quantities rounded to nearest 10 feet.

Appendix C
EPASD Collection System Map with Development Discharge Flow Paths



Any plans or workings made by East Palo Alto Sanitary District for the construction of sewerage treatment facilities can only be furnished with the understanding that the District will not be responsible for the accuracy of the same. The District will exercise due care to make this information as accurate as possible. The Applicant must regard it only as a suggestion as to possible locations, as would be necessary to protect the District's facilities must be borne by the applicant.



LEGEND-FLOW PATHS
 WOODLAND PARK

Flow Path

Development Injection into
 MH D22

LEGEND
 SERVICE AREA BOUNDARY
 DRAINAGE BASIN DESIGNATION
 DRAINAGE BASIN BOUNDARY
 MANHOLE
 MANHOLE/AMPHOLE NUMBER
 NOTE: ALL SEWERS ARE 6" IN DIAMETER, UNLESS DESIGNATED OTHERWISE.

SANITARY SEWER SYSTEM

EAST PALO ALTO SANITARY DISTRICT

PALO ALTO
 REGIONAL WATER
 POLLUTION CONTROL
 PLANT



Michael Kramer <mkramer@shpco.com>

Fw: Hydraulic Evaluation of Woodland Park Apartments

Akin Okupe <aokupe@epasd.com>
To: Mike Kramer <mkramer@wlpcommunities.com>

Fri, Dec 11, 2020 at 4:19 PM

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Jeffrey Tarantino <tarantino@freyerlaureta.com>
Sent: Tuesday, December 8, 2020 6:32 AM
To: Akin Okupe <aokupe@epasd.com>
Cc: Juliette Ngo Eone <mngo@epasd.com>
Subject: RE: Hydraulic Evaluation of Woodland Park Apartments

Hi Akin

Please find attached tables and figures presenting the results of the additional hydraulic analysis requested by the developer. Please let me know if you would like me to forward to Mike. Thanks.

Jeff

Jeffrey J. Tarantino, P.E.



Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070
Mobile: (650) 619-3226

In response to the COVID-19 pandemic, F&L has implemented a remote work network. It is F&L's desire to continue to meet our client's needs while keeping our employees safe, and hopefully doing our part to reduce the spread of the virus. Our goal is to continue to provide the responsiveness that we're known for, however we anticipate that we will encounter inefficiencies with working remotely. We appreciate your patience as we navigate through this uncertain time.



Please consider the environment before printing this message

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not guarantee any accuracy of the information. Furthermore, this drawing is a working copy of a drawing that will comply with State laws requiring professional signatures of work. These files may or may not contain all the information available on the signed, final drawing.

From: Akin Okupe <aokupe@epasd.com>
Sent: Tuesday, December 1, 2020 5:03 PM
To: Jeffrey Tarantino <tarantino@freyerlaureta.com>
Cc: Juliette Ngo Eone <mngo@epasd.com>; Joanne Yau <yau@freyerlaureta.com>
Subject: Re: Hydraulic Evaluation of Woodland Park Apartments

Please proceed as stated below

Akin Okupe, M.B.A.,P.E.

General Manager

East Palo Alto Sanitary District

Tel :(650) 325-9021

From: Jeffrey Tarantino <tarantino@freyerlaureta.com>
Sent: Tuesday, December 1, 2020 5:01 PM
To: Akin Okupe <aokupe@epasd.com>
Cc: Juliette Ngo Eone <mngo@epasd.com>; Joanne Yau <yau@freyerlaureta.com>
Subject: RE: Hydraulic Evaluation of Woodland Park Apartments

Hi Akin

Following up on our telephone conversation, can you please confirm that F&L is authorized to proceed with the work? We will perform the modeling, produce the tables, and share with the District. We will not prepare the report until the developer confirms he has no other questions or comments. Thanks!

Jeff

Jeffrey J. Tarantino, P.E.



Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070

Mobile: (650) 619-3226

In response to the COVID-19 pandemic, F&L has implemented a remote work network. It is F&L's desire to continue to meet our client's needs while keeping our employees safe, and hopefully doing our part to reduce the spread of the virus. Our goal is to continue to provide the responsiveness that we're known for, however we anticipate that we will encounter inefficiencies with working remotely. We appreciate your patience as we navigate through this uncertain time.



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From: Jeffrey Tarantino
Sent: Tuesday, December 1, 2020 10:37 AM
To: Akin Okupe <aokupe@epasd.com>
Cc: Juliette Ngo Eone <mngo@epasd.com>; Joanne Yau <yau@freyerlaureta.com>
Subject: RE: Hydraulic Evaluation of Woodland Park Apartments

Hi Akin

I have attached a copy of the proposal as well as an October 19, 2020 email we had previously received from Mike with his approval of the proposal. Thanks.

Jeff

Jeffrey J. Tarantino, P.E.



Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070
Mobile: (650) 619-3226

In response to the COVID-19 pandemic, F&L has implemented a remote work network. It is F&L's desire to continue to meet our client's needs while keeping our employees safe, and hopefully doing our part to reduce the spread of the virus. Our goal is to continue to provide the responsiveness that we're known for, however we anticipate that we will encounter inefficiencies with working remotely. We appreciate your patience as we navigate through this uncertain time.



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From: Akin Okupe <aokupe@epasd.com>
Sent: Tuesday, December 1, 2020 9:19 AM
To: Jeffrey Tarantino <tarantino@freyerlaureta.com>
Cc: Juliette Ngo Eone <mngo@epasd.com>
Subject: Re: Hydraulic Evaluation of Woodland Park Apartments

Please send me a copy of the e proposal for the additional modelling work

Akin Okupe, M.B.A.,P.E.

General Manager

East Palo Alto Sanitary District

Tel :(650) 325-9021

From: Jeffrey Tarantino <tarantino@freyerlaureta.com>
Sent: Tuesday, December 1, 2020 9:05 AM
To: Akin Okupe <aokupe@epasd.com>
Cc: Juliette Ngo Eone <mngo@epasd.com>
Subject: RE: Hydraulic Evaluation of Woodland Park Apartments

Hi Akin

Is F&L authorized to proceed with the additional modeling? Thanks!

Jeff

Jeffrey J. Tarantino, P.E.



Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070

Mobile: (650) 619-3226

In response to the COVID-19 pandemic, F&L has implemented a remote work network. It is F&L's desire to continue to meet our client's needs while keeping our employees safe, and hopefully doing our part to reduce the spread of the virus. Our goal is to continue to provide the responsiveness that we're known for, however we anticipate that we will encounter inefficiencies with working remotely. We appreciate your patience as we navigate through this uncertain time.



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From: Akin Okupe <aokupe@epasd.com>
Sent: Monday, November 30, 2020 6:05 PM
To: Mike Kramer <mkramer@wlpcommunities.com>; Jeffrey Tarantino <tarantino@freyerlaureta.com>; Juliette Ngo Eone <mngo@epasd.com>
Cc: Jacob Nguyen <jnguyen@bkf.com>; Cole Gaumnitz <cgaumnitz@bkf.com>; Marian Lee <

pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Kamal Fallaha <kfallaha@cityofepa.org>; Brennan Monro <bmonro@shpc.com>; Amy Chen <achen@cityofepa.org>

Subject: Re: Hydraulic Evaluation of Woodland Park Apartments

We just receive the cheque today

Akin Okupe, M.B.A.,P.E.

General Manager

East Palo Alto Sanitary District

Tel :(650) 325-9021

From: Mike Kramer <mkramer@wlpcommunities.com>

Sent: Monday, November 30, 2020 3:47 PM

To: Akin Okupe <aokupe@epasd.com>; Jeffrey Tarantino <tarantino@freyerlaureta.com>; Juliette Ngo Eone <mngo@epasd.com>

Cc: Jacob Nguyen <jnguyen@bkf.com>; Cole Gaumnitz <cgaumnitz@bkf.com>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Kamal Fallaha <kfallaha@cityofepa.org>; Brennan Monro <bmonro@shpc.com>; Amy Chen <achen@cityofepa.org>

Subject: RE: Hydraulic Evaluation of Woodland Park Apartments

Akin and Juliette –

I hope you had a nice Thanksgiving break. Our check went out on November 19th (see copy attached). Hopefully it's arrived already.

Please let us know when you receive it and Freyer & Laureta can proceed with the updated scope.

Thanks –

Mike

From: Mike Kramer <mkramer@wlpcommunities.com>

Sent: Tuesday, November 17, 2020 4:00 PM

To: 'Akin Okupe' <aokupe@epasd.com>; 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>; 'Juliette Ngo Eone' <mngo@epasd.com>

Cc: 'Jacob Nguyen' <jnguyen@bkf.com>; 'Cole Gaumnitz' <cgaumnitz@bkf.com>; 'Marian Lee' <marian@lh-pa.com>; 'Adrian Biggs' <abiggs@cityofepa.org>; 'Kamal Fallaha' <kfallaha@cityofepa.org>; Brennan Monro <bmonro@shpc.com>; 'Amy Chen' <achen@cityofepa.org>

Subject: RE: Hydraulic Evaluation of Woodland Park Apartments

Akin and Juliet –

I checked with our team and it is being mailed out this week. Apologies for any confusion, I thought it went out weeks ago. I will update you once it's been sent.

Thanks,

Mike

From: Akin Okupe <aokupe@epasd.com>
Sent: Tuesday, November 17, 2020 3:59 PM
To: Mike Kramer <mkramer@wlpcommunities.com>; Jeffrey Tarantino <tarantino@freyerlaureta.com>; Juliette Ngo Eone <mngo@epasd.com>
Cc: Jacob Nguyen <jnguyen@bkf.com>; Cole Gaumnitz <cgaumnitz@bkf.com>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Kamal Fallaha <kfallaha@cityofepa.org>; Brennan Monro <bmonro@shpco.com>; Amy Chen <achen@cityofepa.org>
Subject: Re: Hydraulic Evaluation of Woodland Park Apartments

Juliet,

Please confirm if you receive any check from Woodland Apartment

Akin Okupe, M.B.A.,P.E.

General Manager

East Palo Alto Sanitary District

Tel :(650) 325-9021

From: Mike Kramer <mkramer@wlpcommunities.com>
Sent: Tuesday, November 17, 2020 2:59 PM
To: Akin Okupe <aokupe@epasd.com>; Jeffrey Tarantino <tarantino@freyerlaureta.com>
Cc: Jacob Nguyen <jnguyen@bkf.com>; Cole Gaumnitz <cgaumnitz@bkf.com>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Kamal Fallaha <kfallaha@cityofepa.org>; Brennan Monro <bmonro@shpco.com>; Amy Chen <achen@cityofepa.org>
Subject: RE: Hydraulic Evaluation of Woodland Park Apartments

Hi Akin,

We have sent additional payment, as discussed. I'll check with our accounting team about if/when the check was mailed.

Thanks,

Mike

From: Akin Okupe <aokupe@epasd.com>
Sent: Tuesday, November 17, 2020 2:55 PM
To: Mike Kramer <mkramer@wlpcommunities.com>; Jeffrey Tarantino <tarantino@freyerlaureta.com>
Cc: Jacob Nguyen <jnguyen@bkf.com>; Cole Gaumnitz <cgaumnitz@bkf.com>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Kamal Fallaha <kfallaha@cityofepa.org>; Brennan Monro <bmonro@shpco.com>; Amy Chen <achen@cityofepa.org>
Subject: Re: Hydraulic Evaluation of Woodland Park Apartments

Please send additional payment for additional work as discussed

Akin Okupe, M.B.A.,P.E.

General Manager

East Palo Alto Sanitary District

Tel :(650) 325-9021

From: Mike Kramer <mkramer@wlpcommunities.com>
Sent: Tuesday, November 17, 2020 1:09 PM
To: Jeffrey Tarantino <tarantino@freyerlaureta.com>; Akin Okupe <aokupe@epasd.com>
Cc: Jacob Nguyen <jnguyen@bkf.com>; Cole Gaumnitz <cgaumnitz@bkf.com>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Kamal Fallaha <kfallaha@cityofepa.org>; Brennan Monro <bmonro@shpco.com>; Amy Chen <achen@cityofepa.org>
Subject: RE: Hydraulic Evaluation of Woodland Park Apartments

Hi Jeff,

I hope your week is going well. We wanted to check in on the updated hydraulic evaluation of the Euclid Improvements proposal at the Woodland Park Apartments. Please let us know when you expect to share a draft.

Thanks –

Mike

From: Mike Kramer <mkramer@wlpcommunities.com>
Sent: Tuesday, October 20, 2020 8:37 PM
To: Jeffrey Tarantino <tarantino@freyerlaureta.com>; Akin Okupe <aokupe@epasd.com>
Cc: Jacob Nguyen <jnguyen@bkf.com>; Cole Gaumnitz <cgaumnitz@bkf.com>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Kamal Fallaha <kfallaha@cityofepa.org>; Brennan Monro <bmonro@shpco.com>; Amy Chen <achen@cityofepa.org>
Subject: RE: Hydraulic Evaluation of Woodland Park Apartments

Great – thanks Jeff. Looks good.

As requested by Mr. Okupe in August, we will provide an additional \$5,000 to fund this scope (in conjunction with remaining funds from our original \$10,000 deposit).

We will process the additional deposit immediately. Please proceed with this scope.

Thanks,

Mike

Michael Kramer
Woodland Park Communities
Sand Hill Property Company
Tel. +1 650 772 4319

From: Jeffrey Tarantino <tarantino@freyerlaureta.com>
Sent: Monday, October 19, 2020 8:17 AM
To: Mike Kramer <mkramer@wlpcommunities.com>; Akin Okupe <aokupe@epasd.com>
Cc: Jacob Nguyen <jnguyen@bkf.com>; Cole Gaumnitz <cgaumnitz@bkf.com>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Kamal Fallaha <kfallaha@cityofepa.org>; Brennan Monro <bmonro@shpco.com>; Amy Chen <achen@cityofepa.org>
Subject: RE: Hydraulic Evaluation of Woodland Park Apartments

Hi Akin and Mike

Please find attached F&L's proposal for additional engineering services. Thanks.

Jeff

Jeffrey J. Tarantino, P.E.



Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070

Mobile: (650) 619-3226

In response to the COVID-19 pandemic, F&L has implemented a remote work network. It is F&L's desire to continue to meet our client's needs while keeping our employees safe, and hopefully doing our part to reduce the spread of the virus. Our goal is to continue to provide the responsiveness that we're known for, however we anticipate that we will encounter inefficiencies with working remotely. We appreciate your patience as we navigate through this uncertain time.



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From: Mike Kramer <mkramer@wlpcommunities.com>

Sent: Friday, October 16, 2020 12:26 PM

To: Akin Okupe <aokupe@epasd.com>; Jeffrey Tarantino <tarantino@freyerlaureta.com>

Cc: Jacob Nguyen <jnguyen@bkf.com>; Cole Gaumnitz <cgaumnitz@bkf.com>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Kamal Fallaha <kfallaha@cityofepa.org>; Brennan Monro <bmonro@shpco.com>; Amy Chen <achen@cityofepa.org>

Subject: RE: Hydraulic Evaluation of Woodland Park Apartments

Thanks Akin,

I understand, we just need documentation to process the additional funding request.

Jeff – can you send me the proposal for the analysis including the additional scope attached? Once we have this, we can provide additional funding, as appropriate. Please send at your earliest convenience.

Thanks,

Mike

Michael Kramer

Woodland Park Communities

Sand Hill Property Company

Tel. +1 650 772 4319

From: Akin Okupe <aokupe@epasd.com>

Sent: Friday, October 16, 2020 11:09 AM

To: Mike Kramer <mkramer@wlpcommunities.com>; Jeffrey Tarantino <tarantino@freyerlaureta.com>

Cc: Jacob Nguyen <jnguyen@bkf.com>; Cole Gaumnitz <cgaumnitz@bkf.com>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Kamal Fallaha <kfallaha@cityofepa.org>; Brennan Monro <bmonro@shpc.com>; Amy Chen <achen@cityofepa.org>

Subject: Re: Hydraulic Evaluation of Woodland Park Apartments

You need to provide additional funding for the additional work

Akin Okupe, M.B.A.,P.E.

General Manager

East Palo Alto Sanitary District

Tel :(650) 325-9021

From: Mike Kramer <mkramer@wlpcommunities.com>

Sent: Friday, October 16, 2020 11:02 AM

To: Akin Okupe <aokupe@epasd.com>; Jeffrey Tarantino <tarantino@freyerlaureta.com>

Cc: Jacob Nguyen <jnguyen@bkf.com>; Cole Gaumnitz <cgaumnitz@bkf.com>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Kamal Fallaha <kfallaha@cityofepa.org>; Brennan Monro <bmonro@shpc.com>; Amy Chen <achen@cityofepa.org>

Subject: RE: Hydraulic Evaluation of Woodland Park Apartments

Hi Jeff,

Following up on our earlier e-mails (below). Please include the attached agreed-upon additions to the Euclid Improvements sanitary flow analysis. Please confirm and let us know the updated timing and cost.

Akin – please let me know if you'd like to discuss further. Otherwise, we would like to proceed.

Thanks,

Mike

Michael Kramer

Woodland Park Communities

Sand Hill Property Company

Tel. +1 650 772 4319

From: Mike Kramer <mkramer@wlpcommunities.com>

Sent: Friday, October 2, 2020 12:26 PM

To: Akin Okupe <aokupe@epasd.com>; Jeffrey Tarantino <tarantino@freyerlaureta.com>

Cc: Jacob Nguyen <jnguyen@bkf.com>; Cole Gaumnitz <cgaumnitz@bkf.com>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>; Kamal Fallaha <kfallaha@cityofepa.org>; Brennan Monro

<bmonro@shpco.com>

Subject: RE: Hydraulic Evaluation of Woodland Park Apartments

Hi Jeff,

Following up on our e-mail from last week. Please include the attached agreed-upon additions to the Euclid Improvements sanitary flow analysis. Please confirm and let us know the updated timing.

Thanks,

Mike

Michael Kramer

Woodland Park Communities

Sand Hill Property Company

Tel. +1 650 772 4319

From: Mike Kramer <mkramer@wlpcommunities.com>

Sent: Friday, September 25, 2020 3:20 PM

To: 'Akin Okupe' <aokupe@epasd.com>

Cc: 'Jeffrey Tarantino' <tarantino@freyerlaureta.com>; 'Jacob Nguyen' <jnguyen@bkf.com>; 'Cole Gaumnitz' <cgaumnitz@bkf.com>; 'Marian Lee' <marian@lh-pa.com>; 'Adrian Biggs' <abiggs@cityofepa.org>; Kamal Fallaha (kfallaha@cityofepa.org) <kfallaha@cityofepa.org>; Brennan Monro <bmonro@shpco.com>

Subject: RE: Hydraulic Evaluation of Woodland Park Apartments

Thanks Akin and Jeff,

We've spoken with our engineers to document the agreement of additional study scope from late August, to make sure everything is clear. Please see attached. Jeff, can you please confirm you will run these scenarios, and the additional cost for the updated study?

We're happy to provide the additional funding once the parameters and additional cost are confirmed.

Thanks! Have a nice weekend –

Mike

Michael Kramer

Woodland Park Communities

Sand Hill Property Company

Tel. +1 650 772 4319

From: Akin Okupe <aokupe@epasd.com>

Sent: Wednesday, August 26, 2020 8:57 AM

To: Mike Kramer <mkramer@wlpcommunities.com>

Cc: Jeffrey Tarantino <tarantino@freyerlaureta.com>; Jacob Nguyen <jnguyen@bkf.com>; Cole Gaumnitz <cgaumnitz@bkf.com>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>

Subject: Re: Hydraulic Evaluation of Woodland Park Apartments

U need to provide additional 5000 dollars

Sent from my iPhone

On Aug 26, 2020, at 8:56 AM, Akin Okupe <aokupe@epasd.com> wrote:

Yes

Sent from my iPhone

On Aug 26, 2020, at 8:53 AM, Mike Kramer <mkramer@wlpcommunities.com> wrote:

Thanks Jeff and Akin,

Is there any additional cost for this analysis beyond the \$10,000 we already provided? I would think the new analysis would be a relatively minor adjustment to the model you already created. Either way, please let us know and we can take care of it. We'd like to get this started as soon as possible.

Thanks,

Mike

Michael Kramer
Woodland Park Communities
Sand Hill Property Company
Tel. +1 650 772 4319

From: Akin Okupe <aokupe@epasd.com>
Sent: Wednesday, August 26, 2020 7:45 AM
To: Jeffrey Tarantino <tarantino@freyerlaureta.com>
Cc: Mike Kramer <mkramer@wlpcommunities.com>; Jacob Nguyen <jnguyen@bkf.com>; Cole Gaumnitz <cgaumnitz@bkf.com>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>
Subject: Re: Hydraulic Evaluation of Woodland Park Apartments

We are yet to receive funding

Sent from my iPhone

On Aug 26, 2020, at 7:44 AM, Akin Okupe <aokupe@epasd.com> wrote:

Please don't start work until confirmed

Sent from my iPhone

On Aug 26, 2020, at 5:46 AM, Jeffrey Tarantino <tarantino@freyerlaureta.com> wrote:

Hi Mike and Akin

Confirming receipt and F&L will provide additional services to perform the two additional scenarios identified in Mike's email below. Regarding schedule, we will likely need a few weeks as

our team focuses on completing the amendment to EPASD's master plan. I will provide an update in a few weeks. Thanks.

Jeff

Jeffrey J. Tarantino, P.E.

<image001.jpg>

Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070

Mobile: (650) 619-3226

In response to the COVID-19 pandemic, F&L has implemented a remote work network. It is F&L's desire to continue to meet our client's needs while keeping our employees safe, and hopefully doing our part to reduce the spread of the virus. Our goal is to continue to provide the responsiveness that we're known for, however we anticipate that we will encounter inefficiencies with working remotely. We appreciate your patience as we navigate through this uncertain time.



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From: Mike Kramer <mkramer@wlpcommunities.com>

Sent: Tuesday, August 25, 2020 5:01 PM

To: Akin Okupe <aokupe@epasd.com>

Cc: Jeffrey Tarantino <tarantino@freyerlaureta.com>; Jacob Nguyen <jnguyen@bkf.com>; Cole Gaumnitz <cgaumnitz@bkf.com>; Marian Lee <marian@lh-pa.com>; Adrian Biggs <abiggs@cityofepa.org>

Subject: RE: Hydraulic Evaluation of Woodland Park Apartments

Akin – thanks for passing along the preliminary modeling memo.

Jeff – can you please update the memo to include the agreed-upon analysis of 160 gpd/unit and 120 gpd/unit? Thanks!

Please let me know if you have any questions or would like to discuss.

Thanks,

Mike

Michael Kramer
Woodland Park Communities
Sand Hill Property Company
Tel. +1 650 772 4319

From: Akin Okupe <aokupe@epasd.com>
Sent: Thursday, August 20, 2020 4:02 PM
To: Mike Kramer <mkramer@wlpcommunities.com>
Subject: Fw: Hydraulic Evaluation of Woodland Park Apartments

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Jeffrey Tarantino <tarantino@freyerlaureta.com>
Sent: Thursday, August 20, 2020 8:51 AM
To: Akin Okupe <aokupe@epasd.com>
Subject: RE: Hydraulic Evaluation of Woodland Park Apartments

Hi Akin

Please find attached our memorandum presenting the results of our analysis of the proposed Woodland Apartment complex development that significantly increases the flow as compared to the existing apartment complex. Please call with any questions. Thanks!

Jeff

Jeffrey J. Tarantino, P.E.

<image002.jpg>

Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070
Mobile: (650) 619-3226

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From: Jeffrey Tarantino
Sent: Friday, August 14, 2020 6:22 AM
To: Akin Okupe <aokupe@epasd.com>
Subject: Hydraulic Evaluation of Woodland Park Apartments

Hi Akin

Please find attached the results of the hydraulic evaluation of the proposed improvements to Woodland Park Apartments proposed by Sand Hill Properties. Please review and let me know if you have any questions or comments. Thanks!

Jeff

Jeffrey J. Tarantino, P.E.

<image009.jpg>

Civil Engineers - Surveyors - Construction Managers

Phone: (415) 534-7070

Mobile: (650) 619-3226

In response to the COVID-19 pandemic, F&L has implemented a remote work network. It is F&L's desire to continue to meet our client's needs while keeping our employees safe, and hopefully doing our part to reduce the spread of the virus. Our goal is to

continue to provide the responsiveness that we're known for, however we anticipate that we will encounter inefficiencies with working remotely. We appreciate your patience as we navigate through this uncertain time.



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5 attachments



Woodland Park Map Flow Path.pdf
509K



Hydraulic Profiles- 160 gpd.pdf
1016K



Woodland Park Hydraulic Tables- 160 gpd.pdf
216K



Hydraulic Profiles- 120 gpd.pdf
983K



Woodland Park Hydraulic Tables- 120 gpd.pdf
216K

Figures of Flow Path and Hydraulic Profile

Figure 1- Existing Average Dry Weather Flow Hydraulic Grade Line

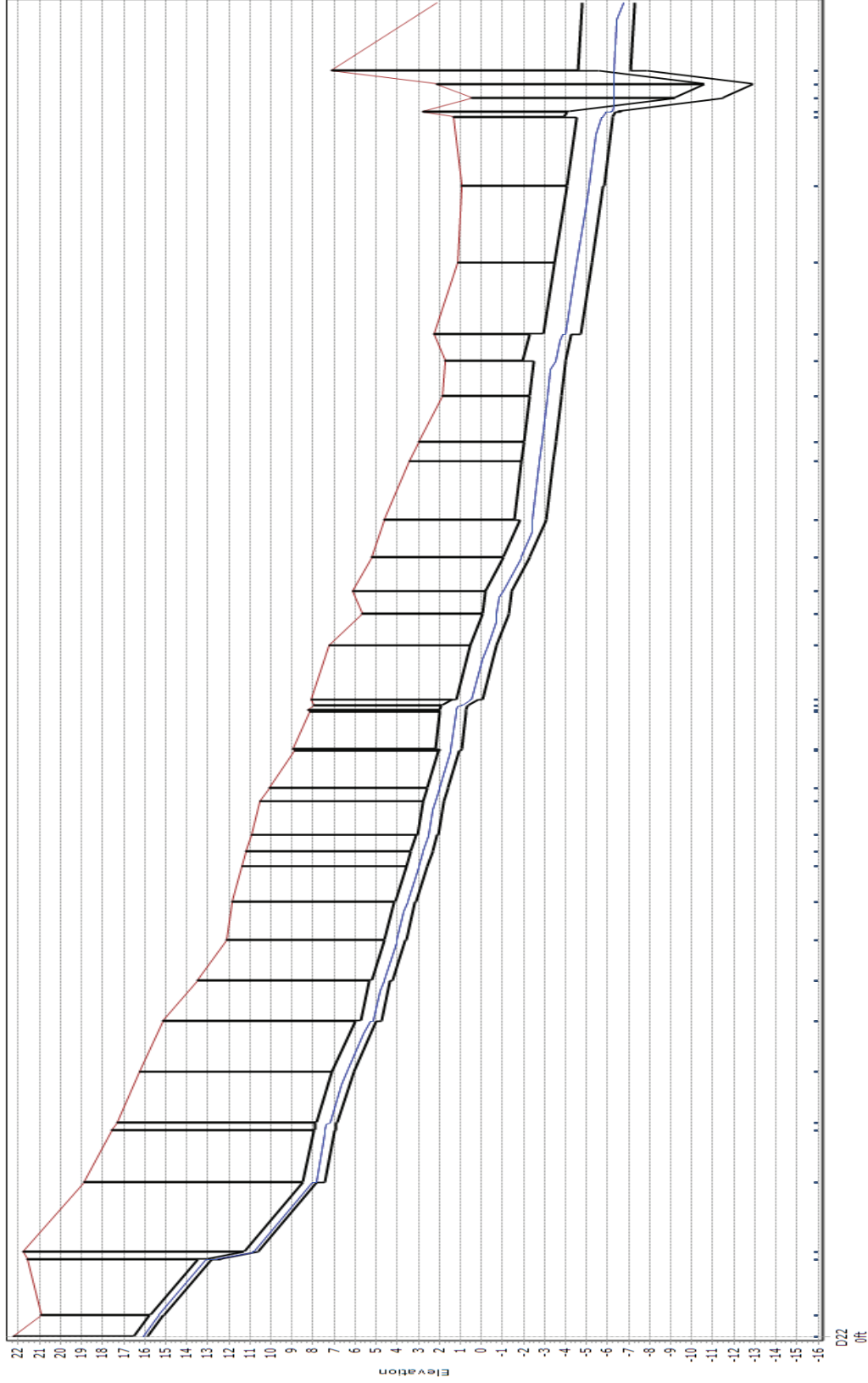


Figure 2- Existing Peak Dry Weather Flow Hydraulic Grade Line

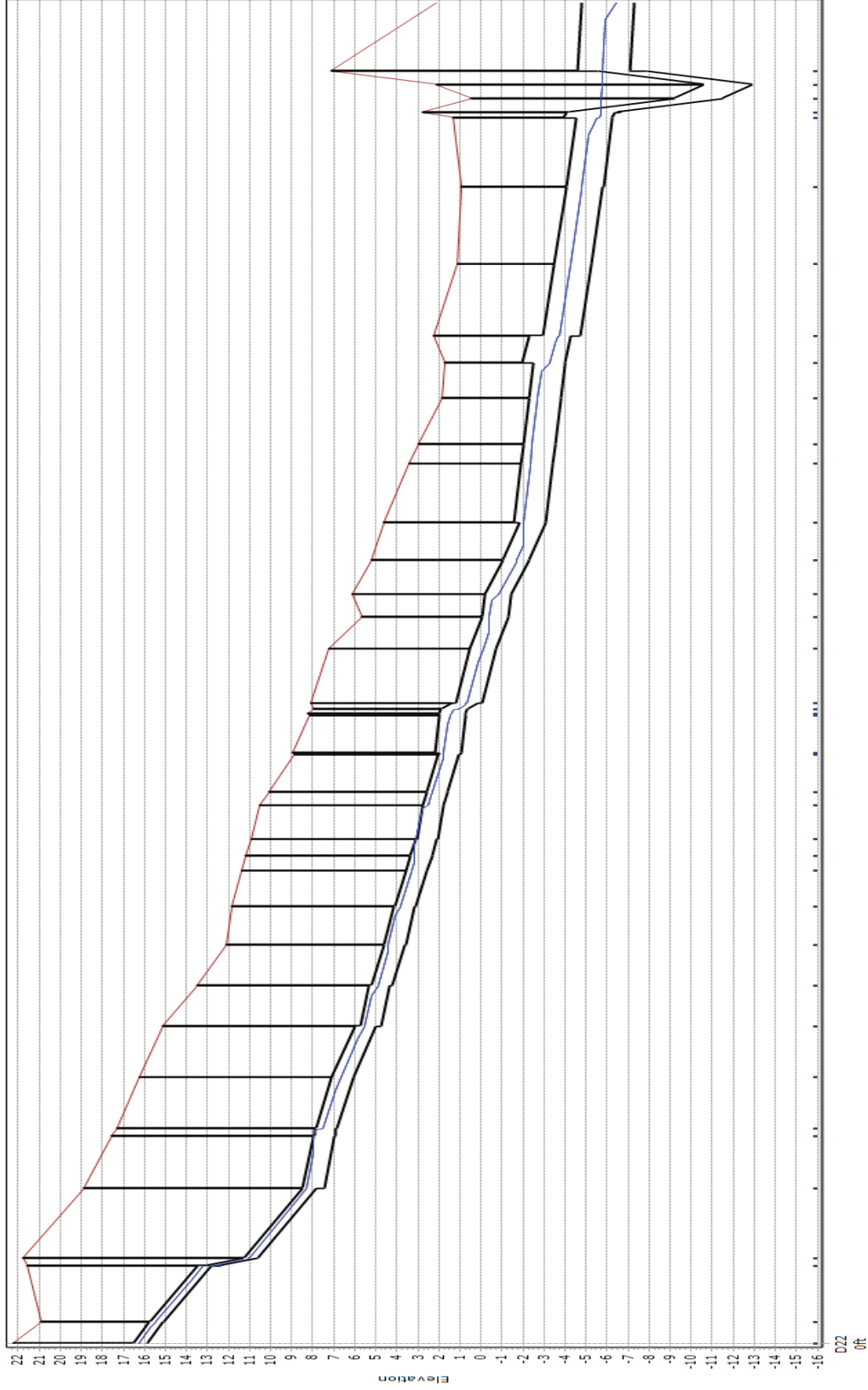


Figure 3- Existing Peak Wet Weather Flow Hydraulic Grade Line

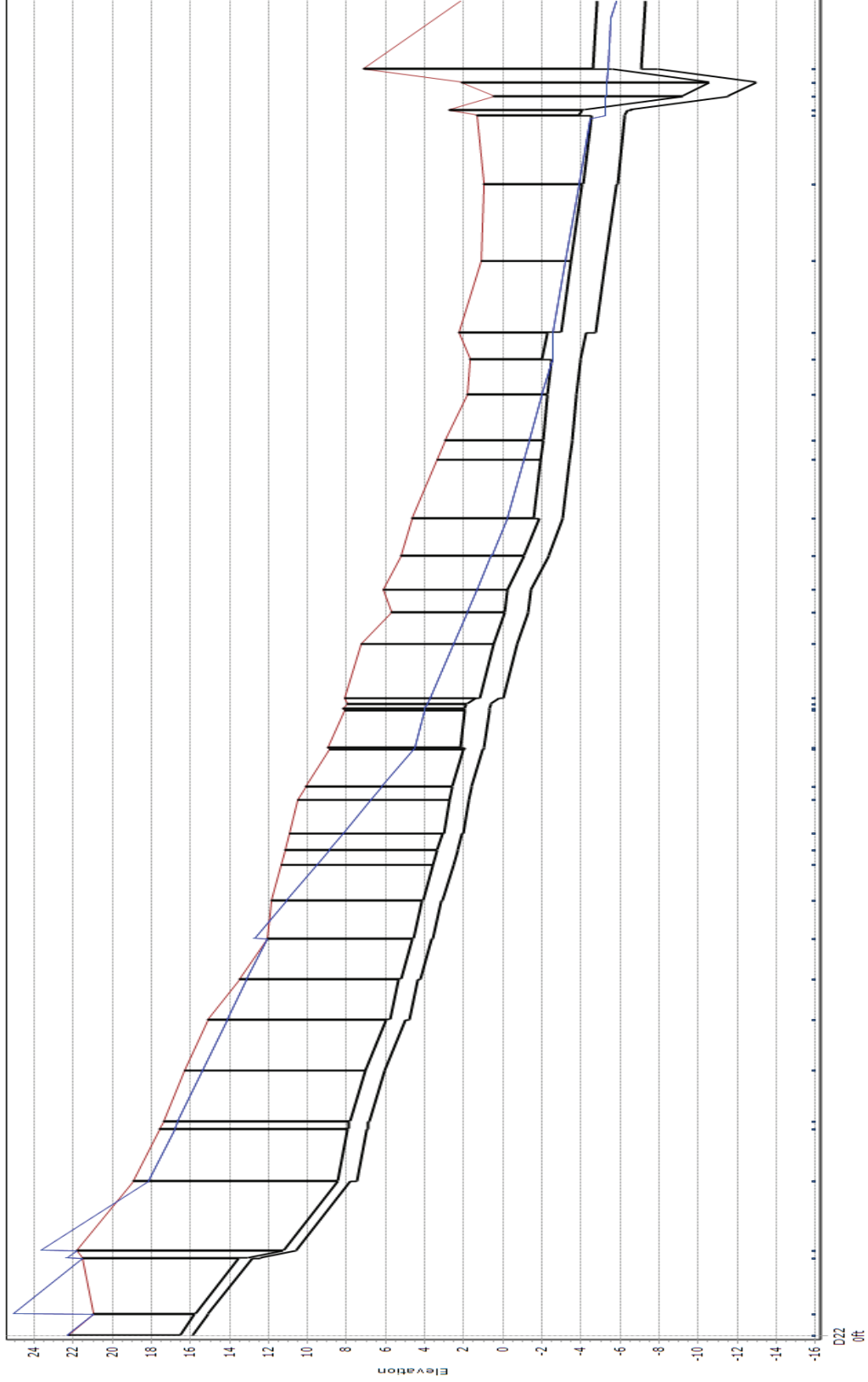


Figure 4- Average Dry Weather Flow Hydraulic Grade Line with Proposed Injection

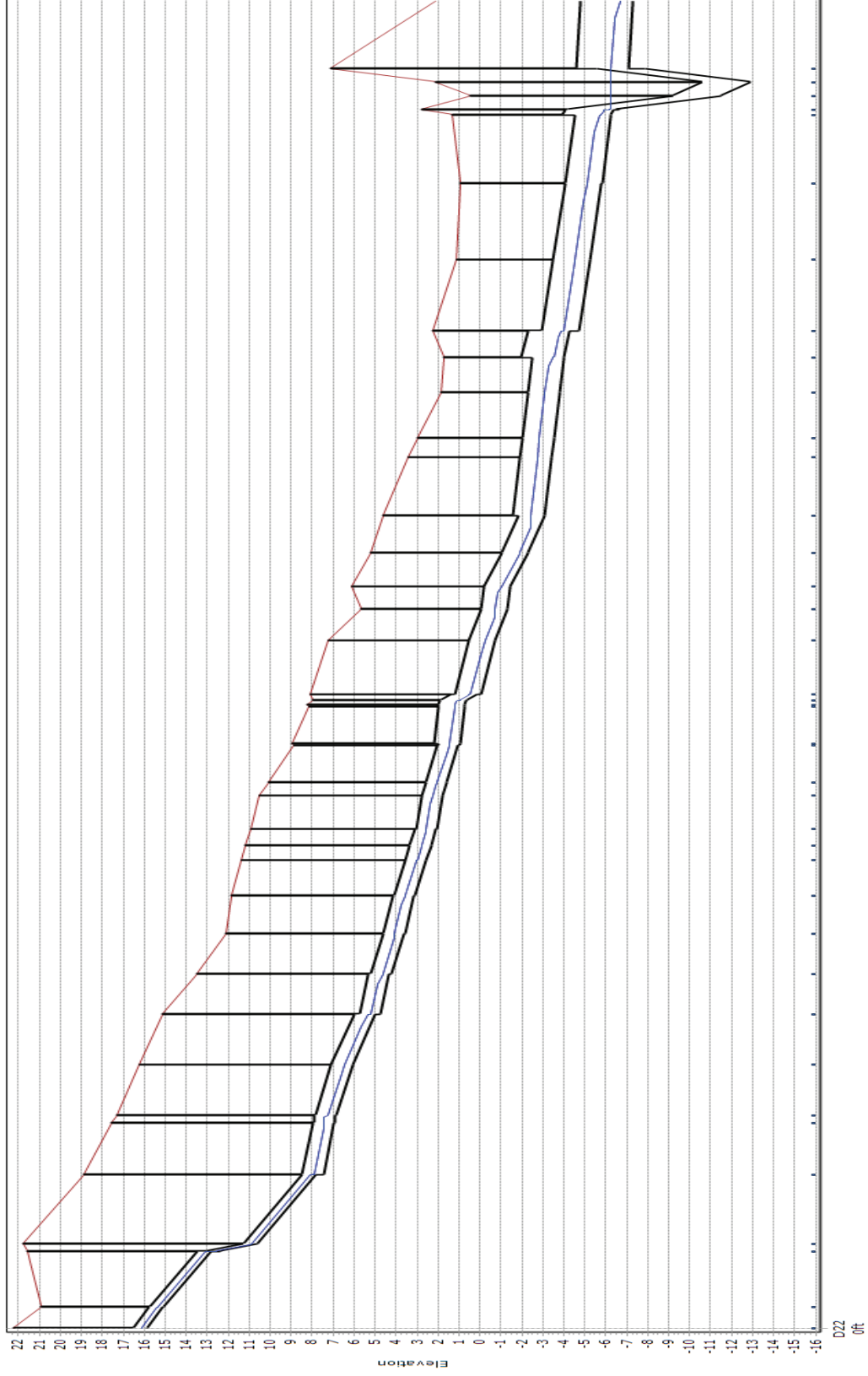


Figure 5- Peak Dry Weather Flow Hydraulic Grade Line with Proposed Injection

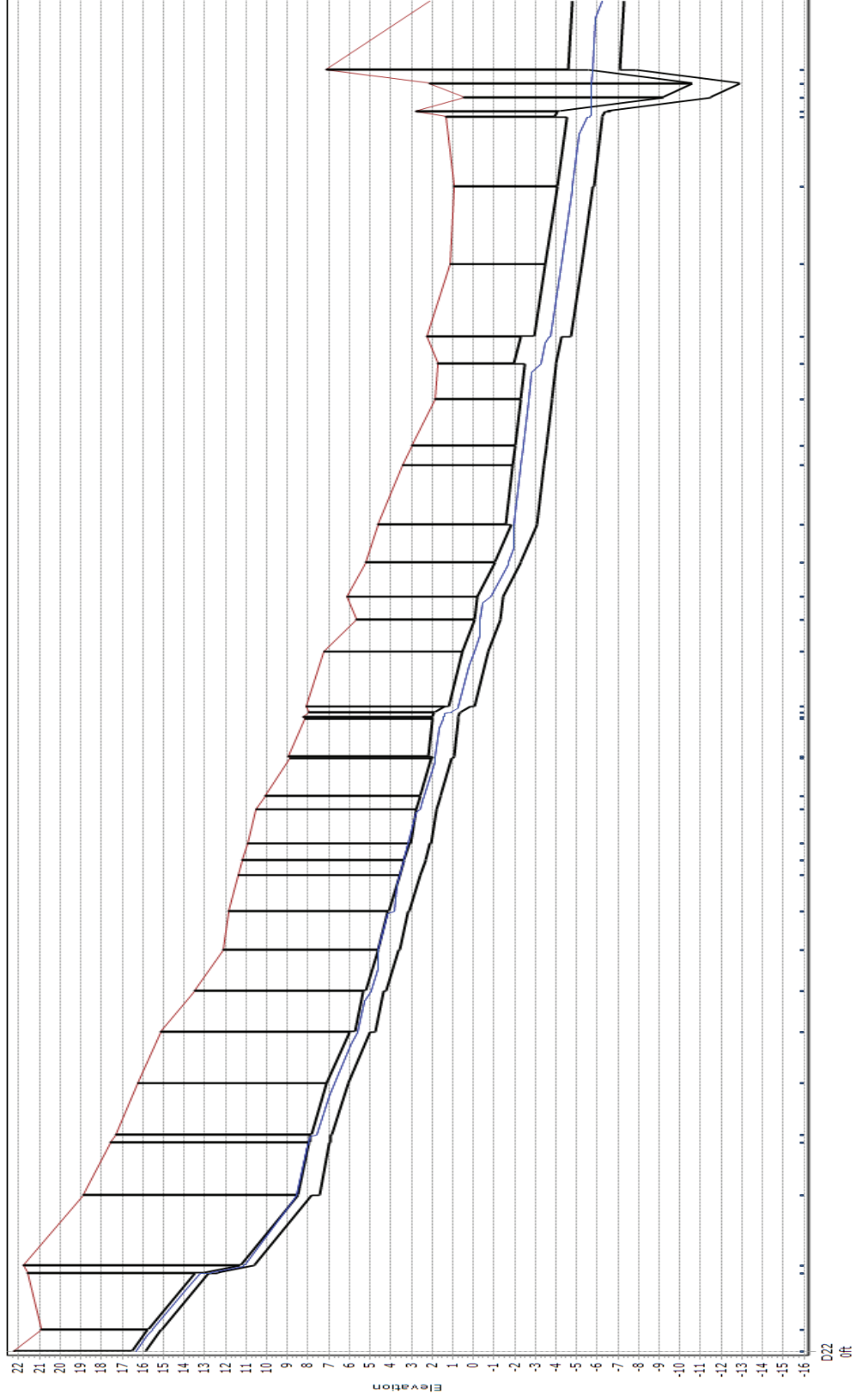


Figure 6- Peak Wet Weather Flow Hydraulic Grade Line with Proposed Injection

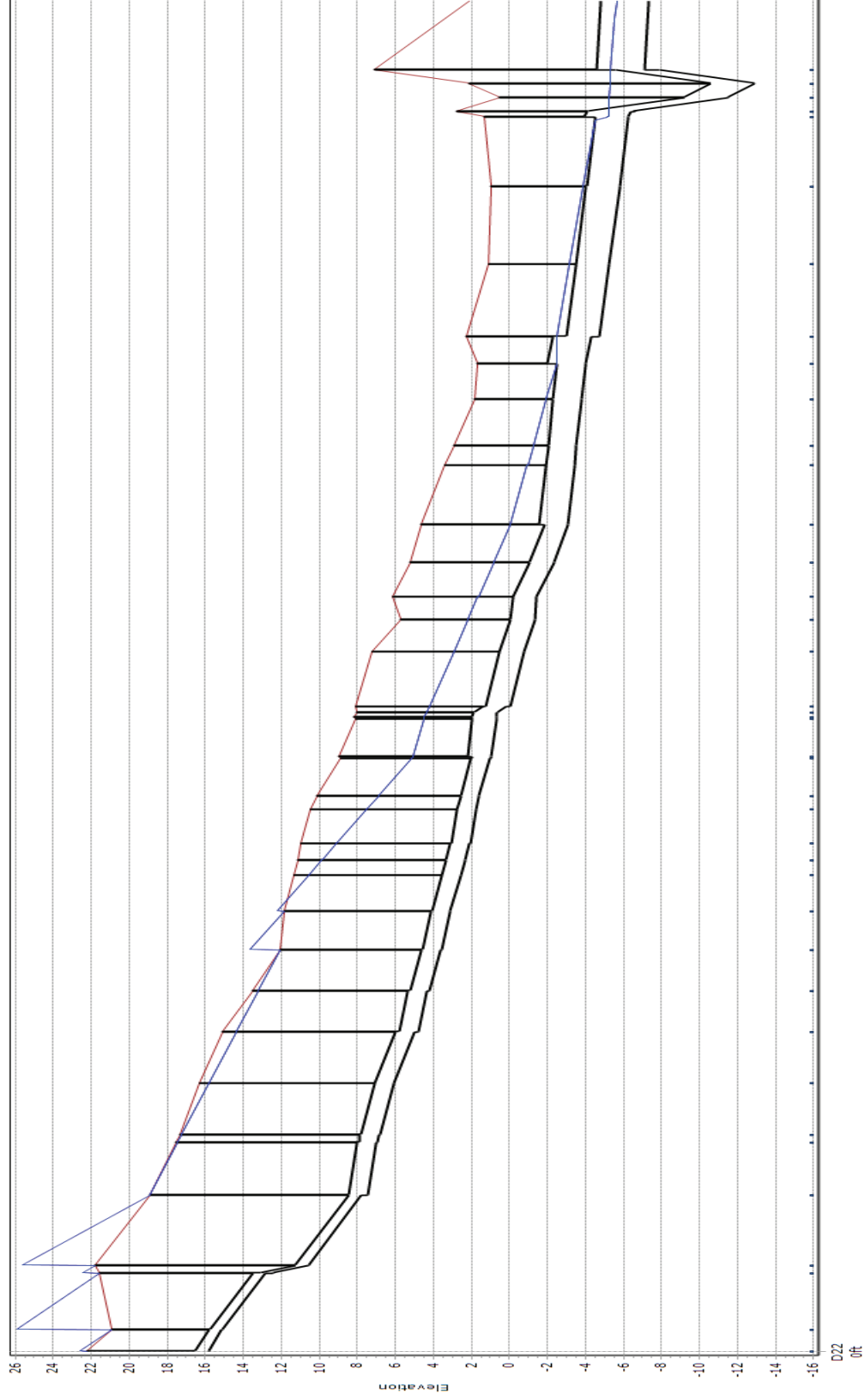


Figure 7- Average Dry Weather Flow Hydraulic Grade Line with Proposed Injection and PDWF Pipe Size Upgrades

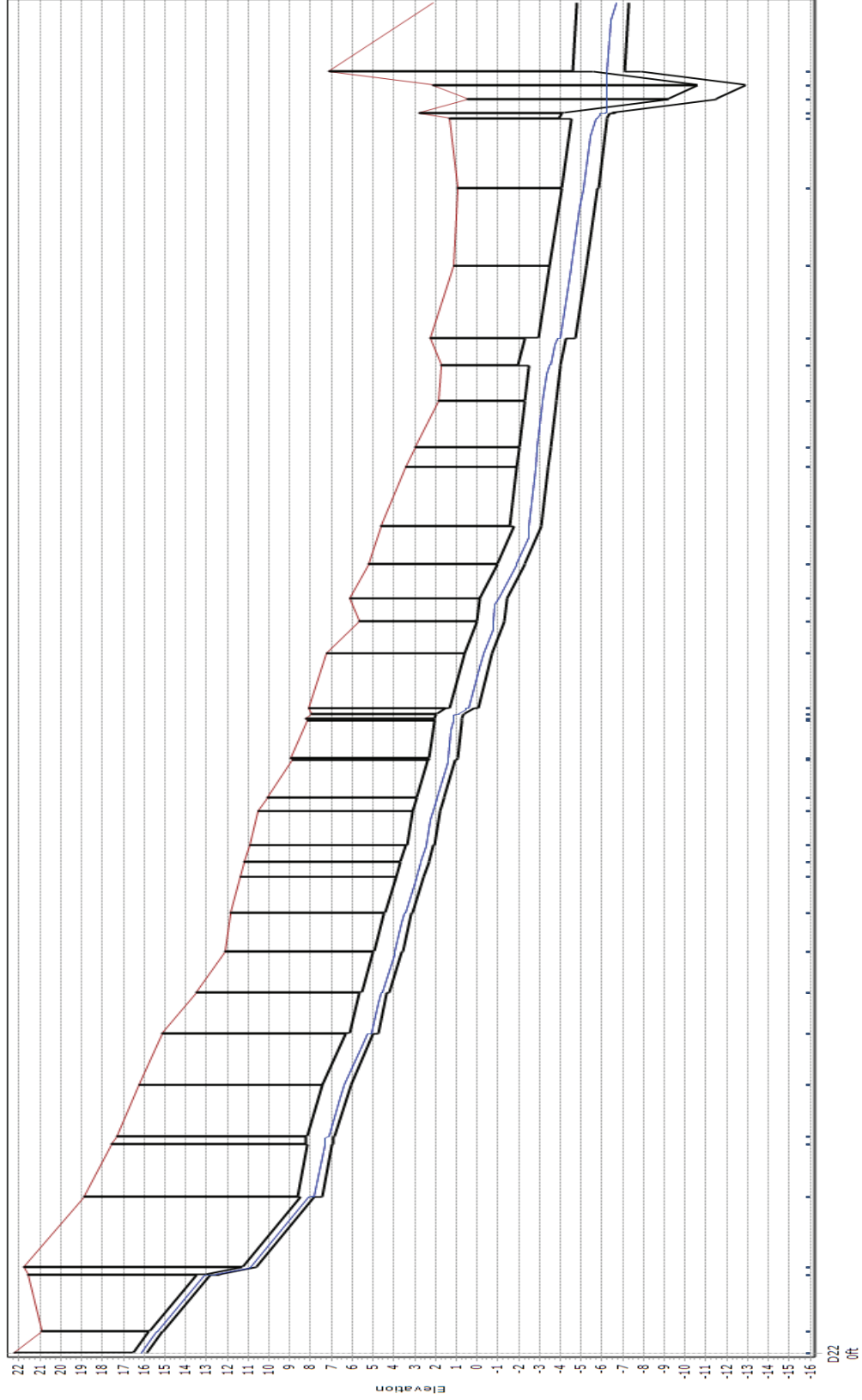


Figure 8- Peak Dry Weather Flow Hydraulic Grade Line with Proposed Injection and PDWF Pipe Size Upgrades

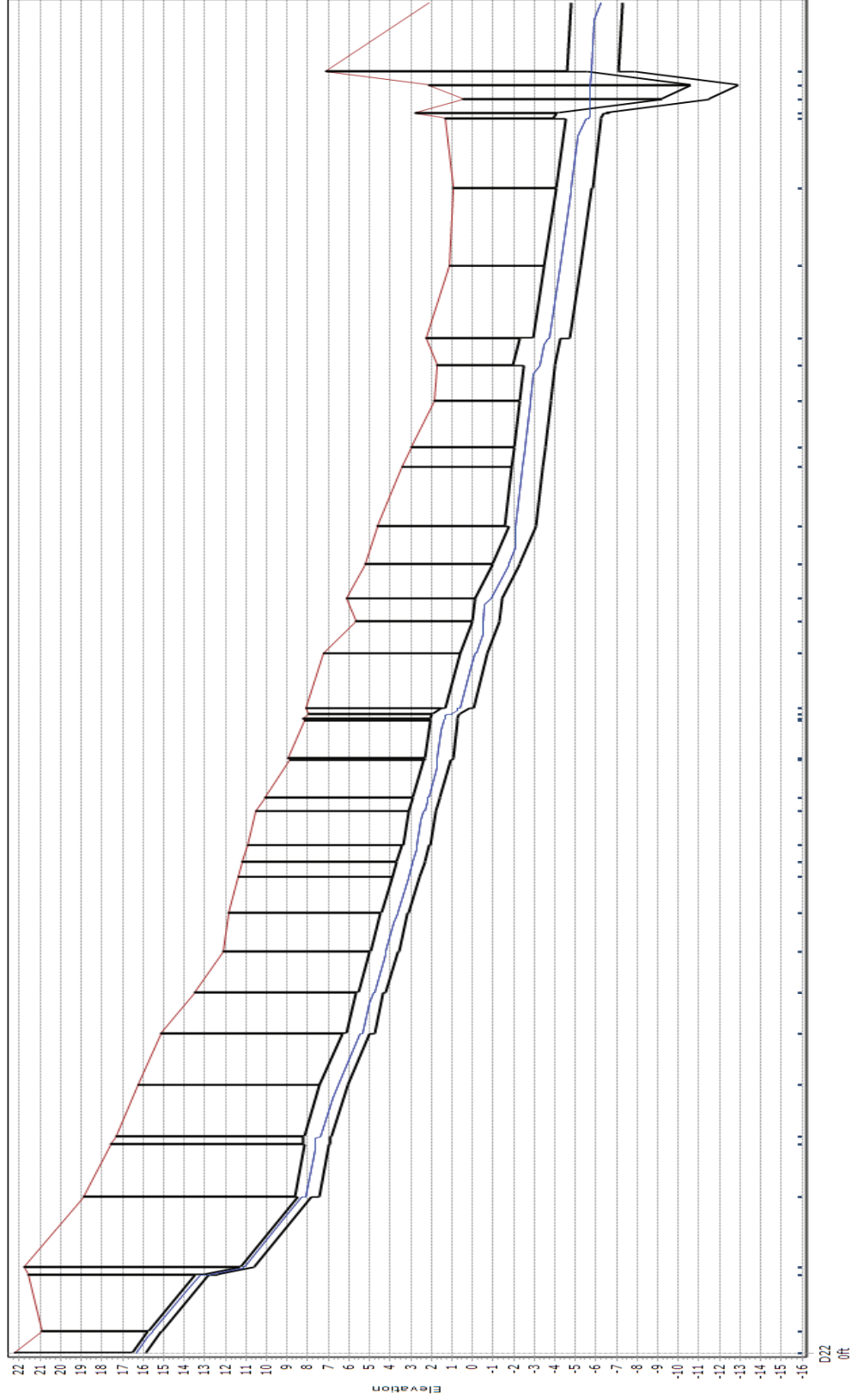


Figure 9- Peak Wet Weather Flow Hydraulic Grade Line with Proposed Injection and PDWF Pipe Size Upgrades

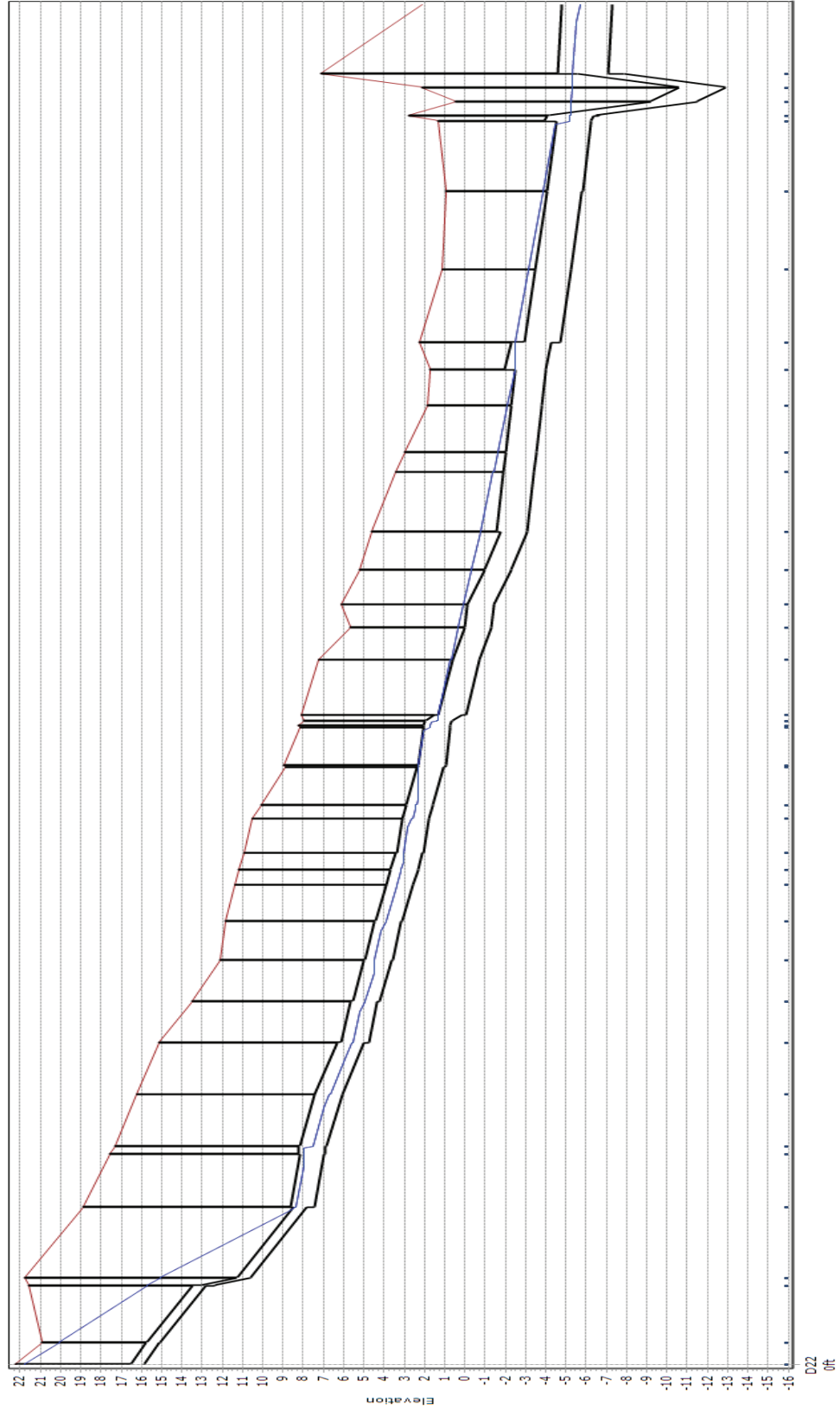


Figure 10- Average Dry Weather Flow Hydraulic Grade Line with Proposed Injection and PWWF Pipe Size Upgrades

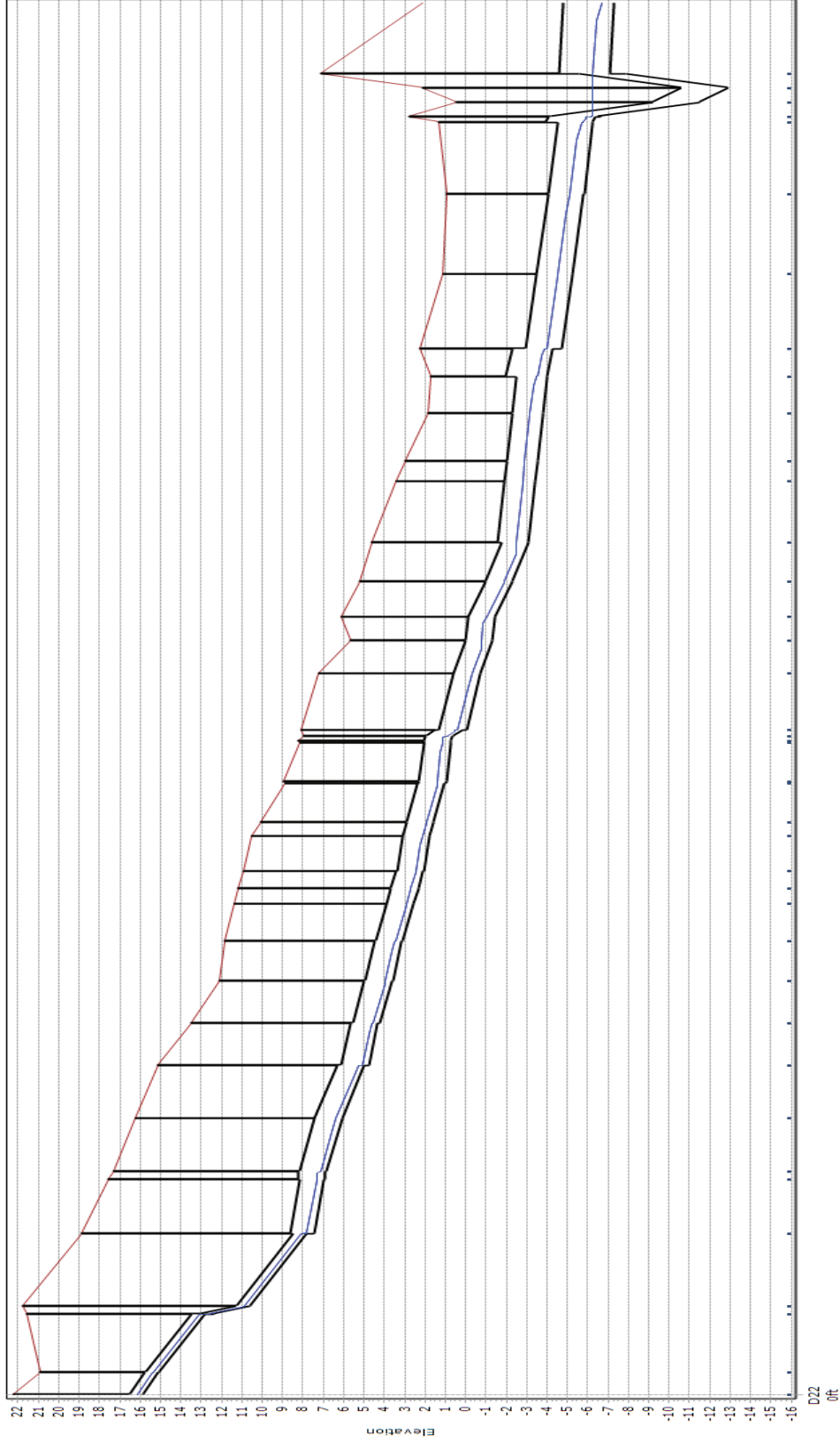


Figure 11- Peak Dry Weather Flow Hydraulic Grade Line with Proposed Injection and PWWF Pipe Size Upgrades

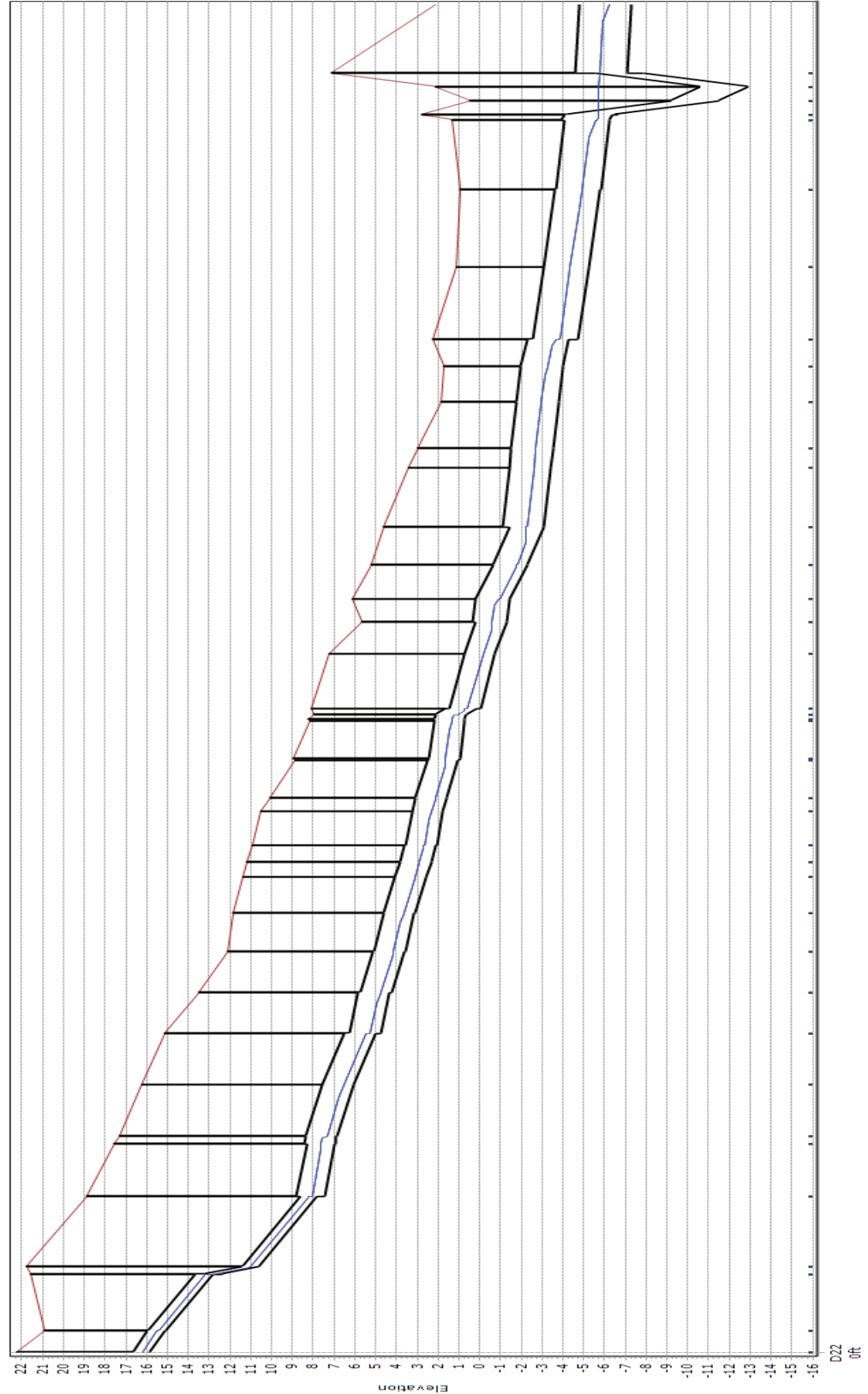
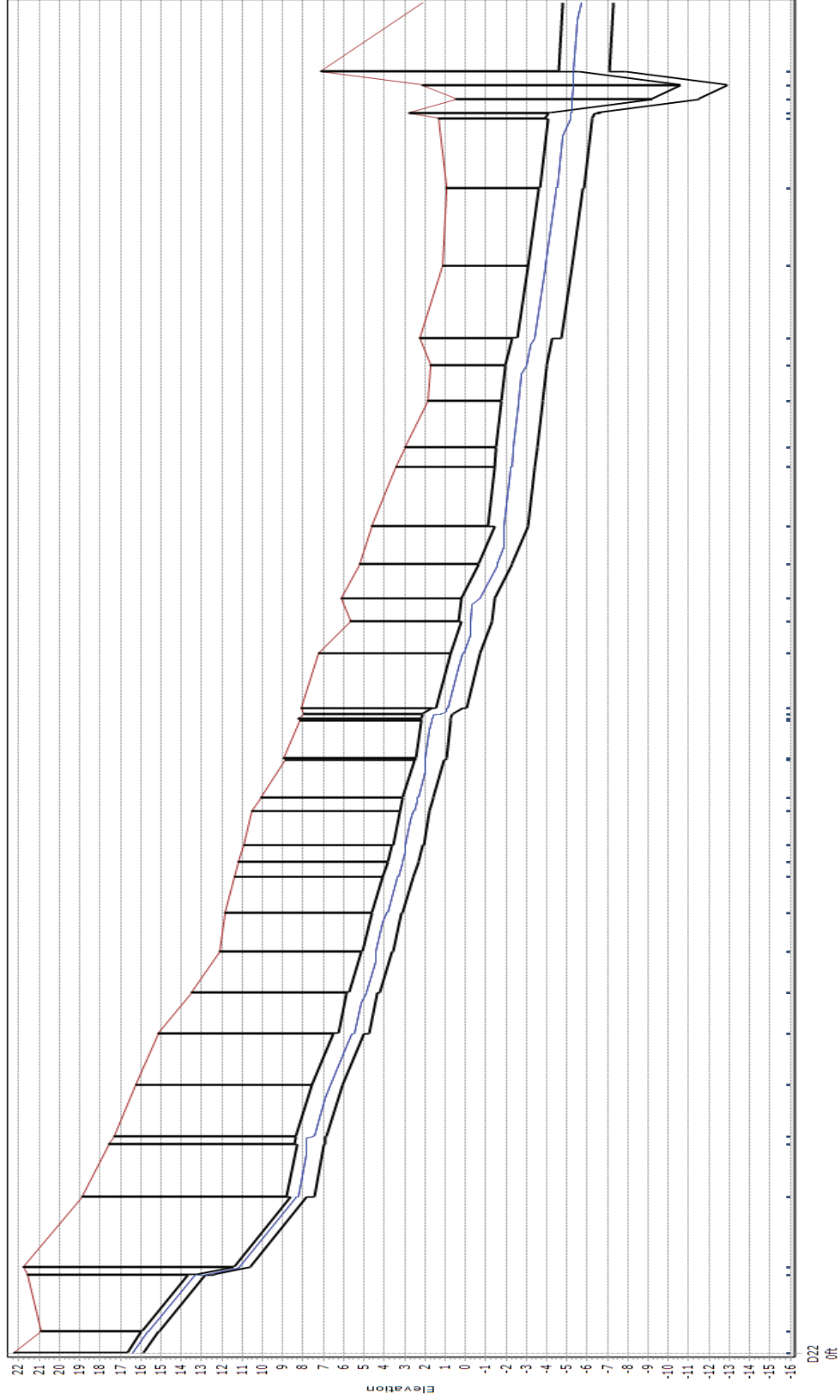


Figure 12- Peak Wet Weather Flow Hydraulic Grade Line with Proposed Injection and PWWF Pipe Size Upgrades



Figures of Flow Path and Hydraulic Profile

Figure 1- Existing Average Dry Weather Flow Hydraulic Grade Line

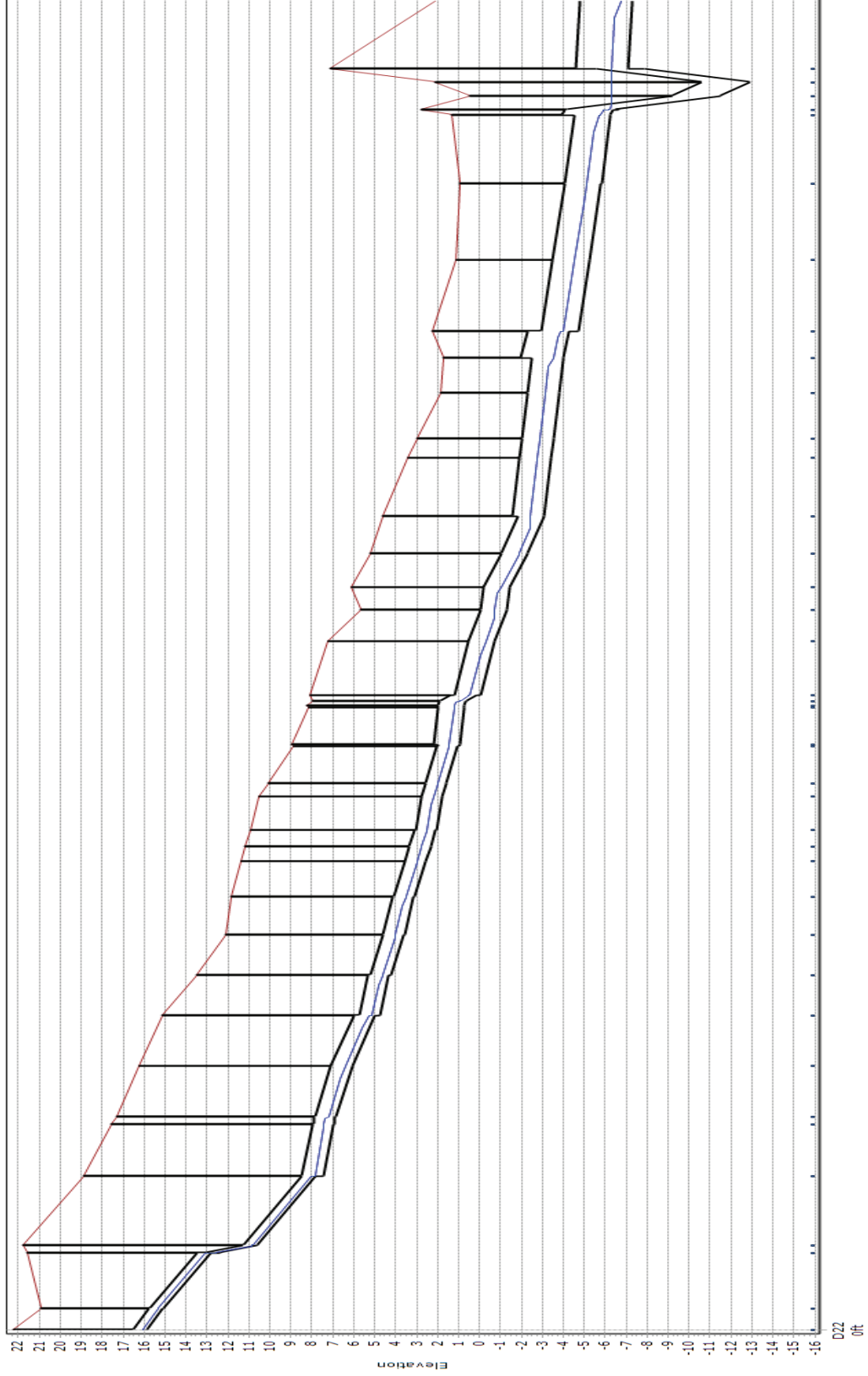


Figure 2- Existing Peak Dry Weather Flow Hydraulic Grade Line

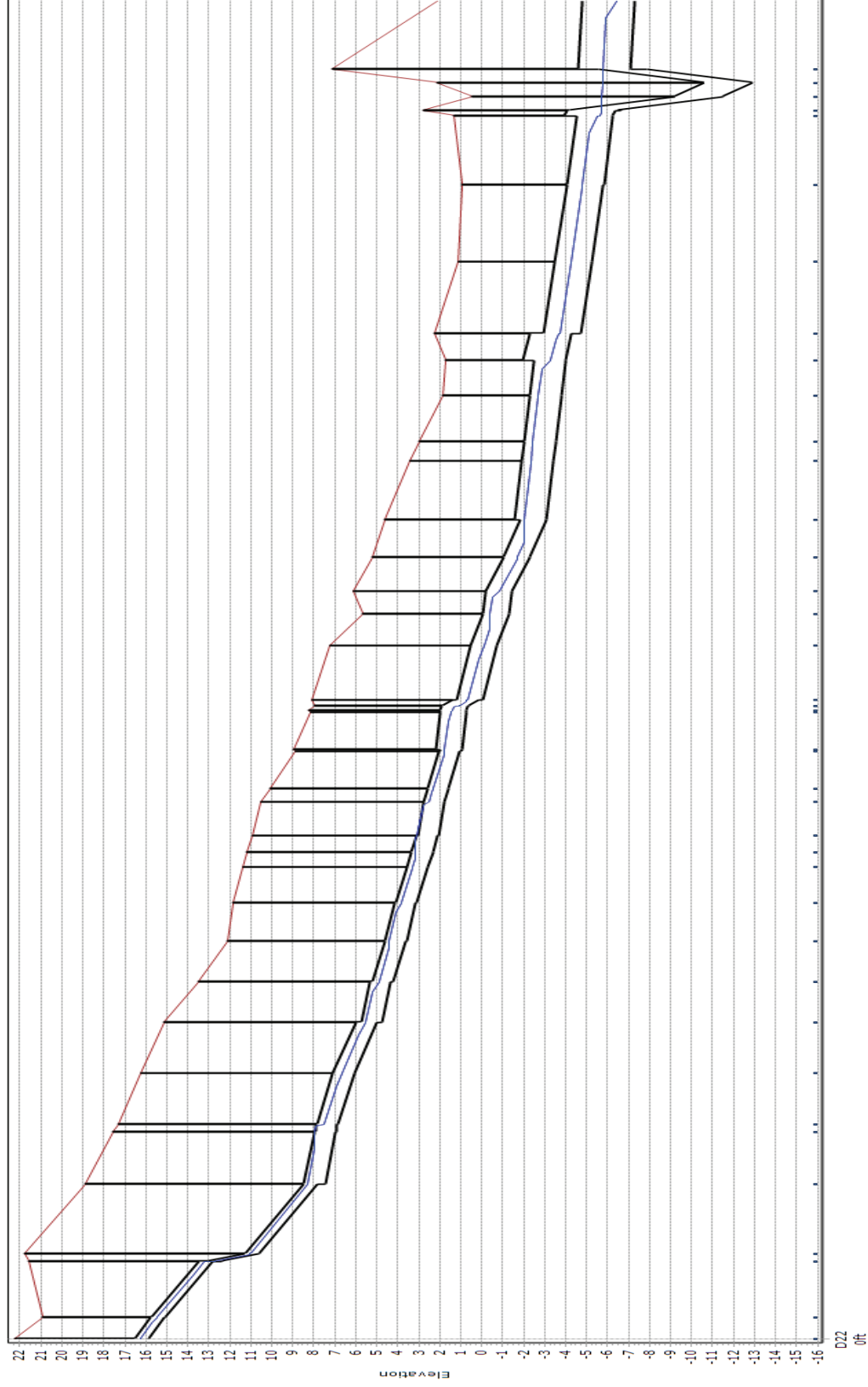


Figure 3- Existing Peak Wet Weather Flow Hydraulic Grade Line

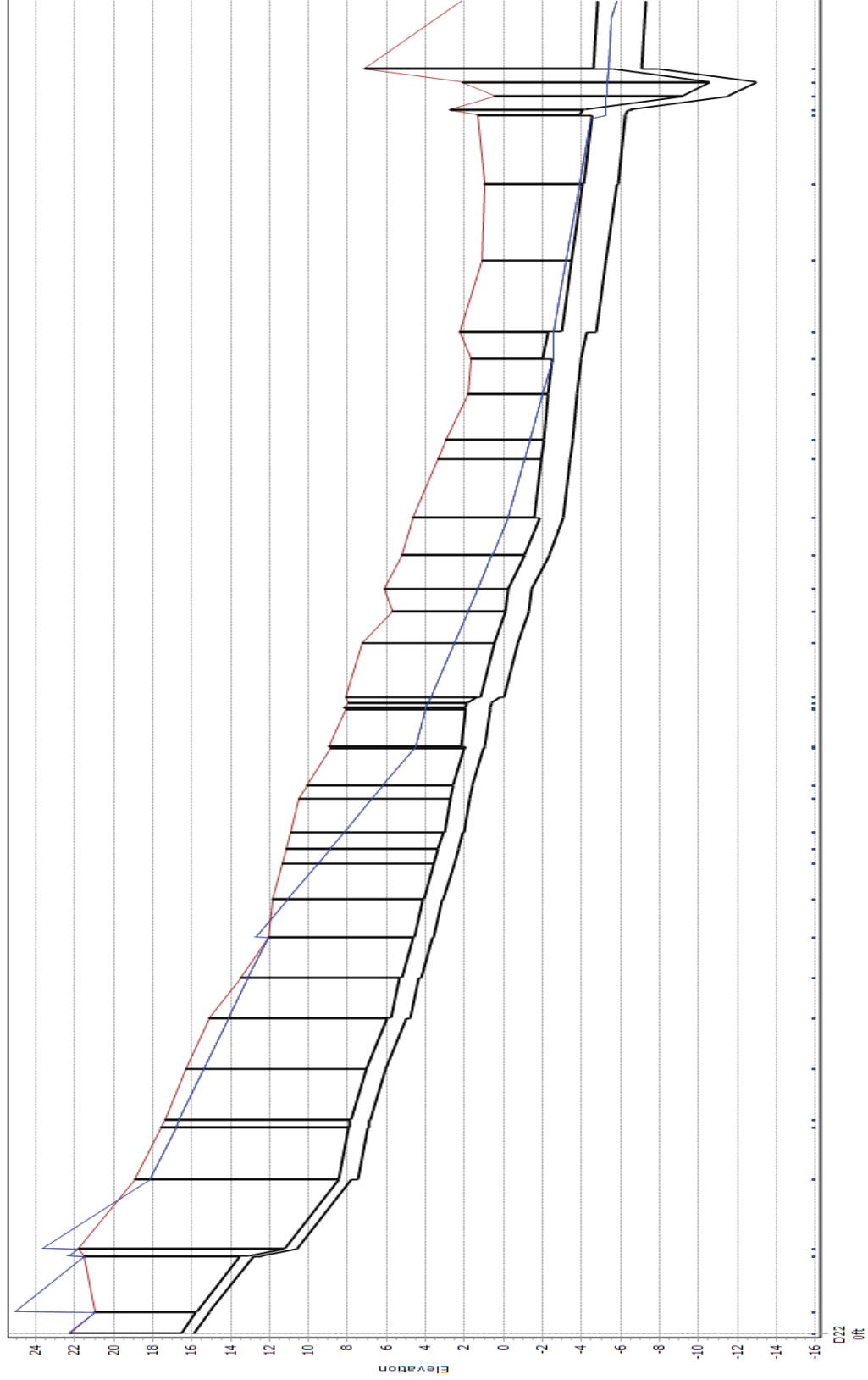


Figure 4- Average Dry Weather Flow Hydraulic Grade Line with Proposed Injection

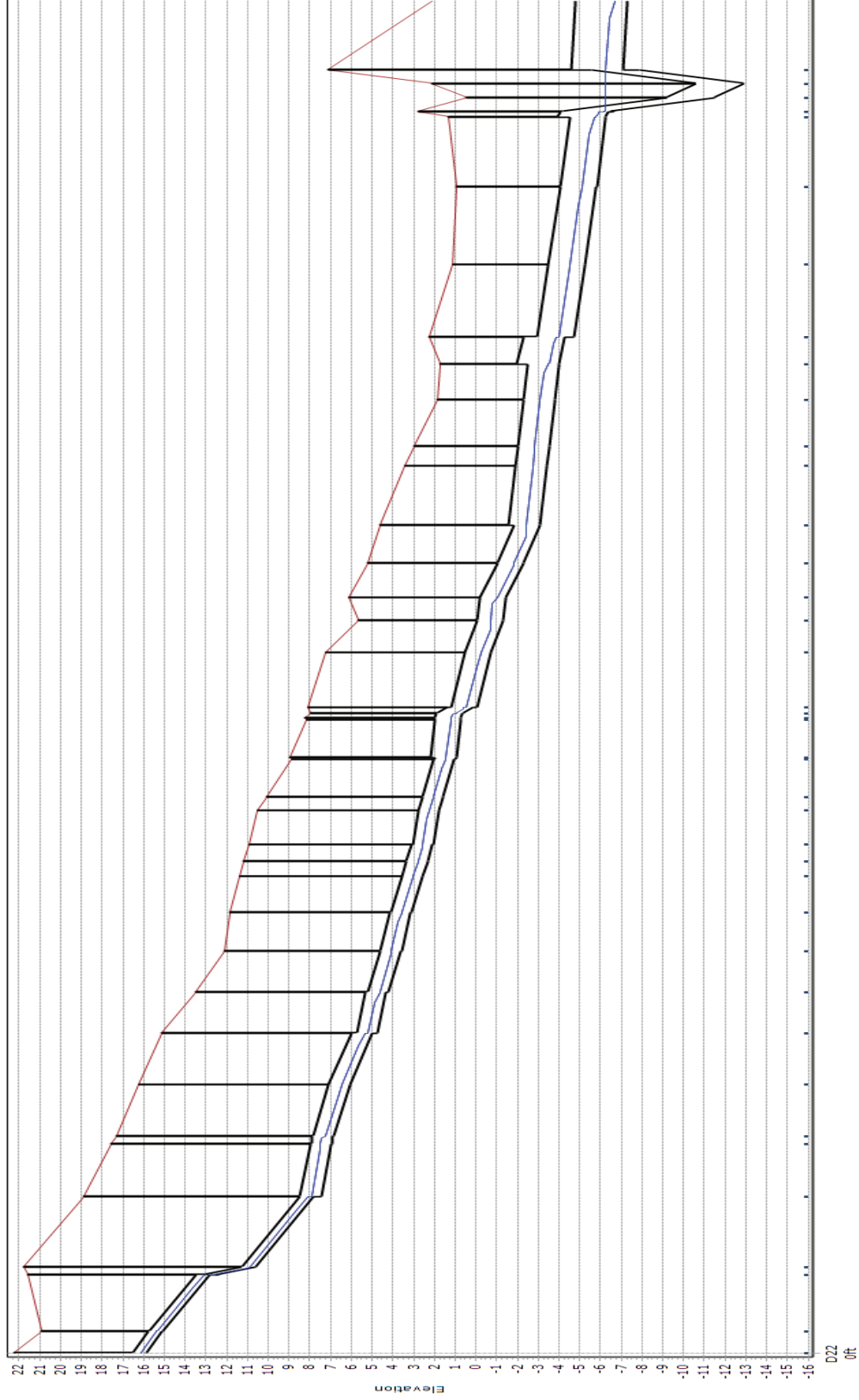


Figure 5- Peak Dry Weather Flow Hydraulic Grade Line with Proposed Injection

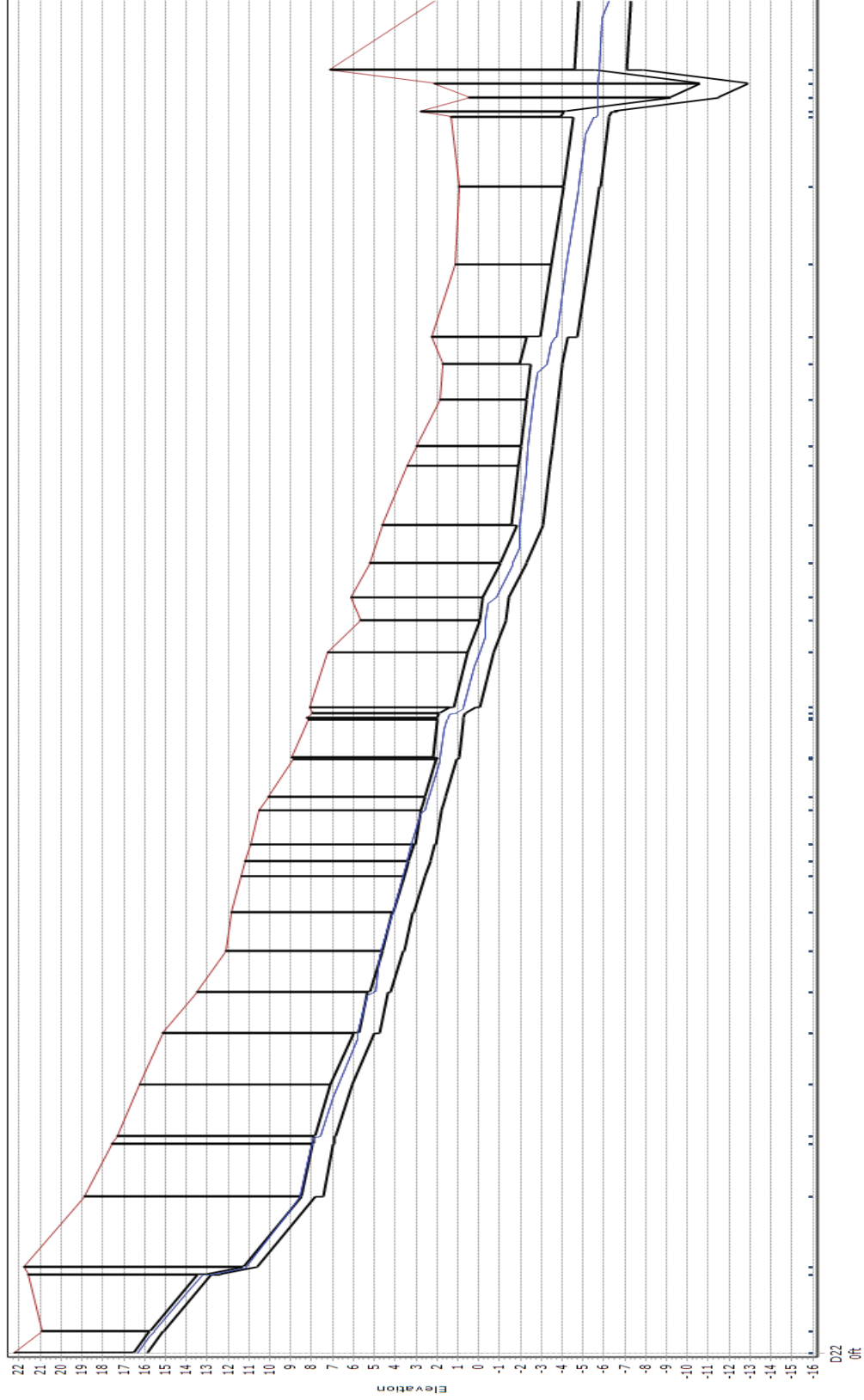


Figure 6- Peak Wet Weather Flow Hydraulic Grade Line with Proposed Injection

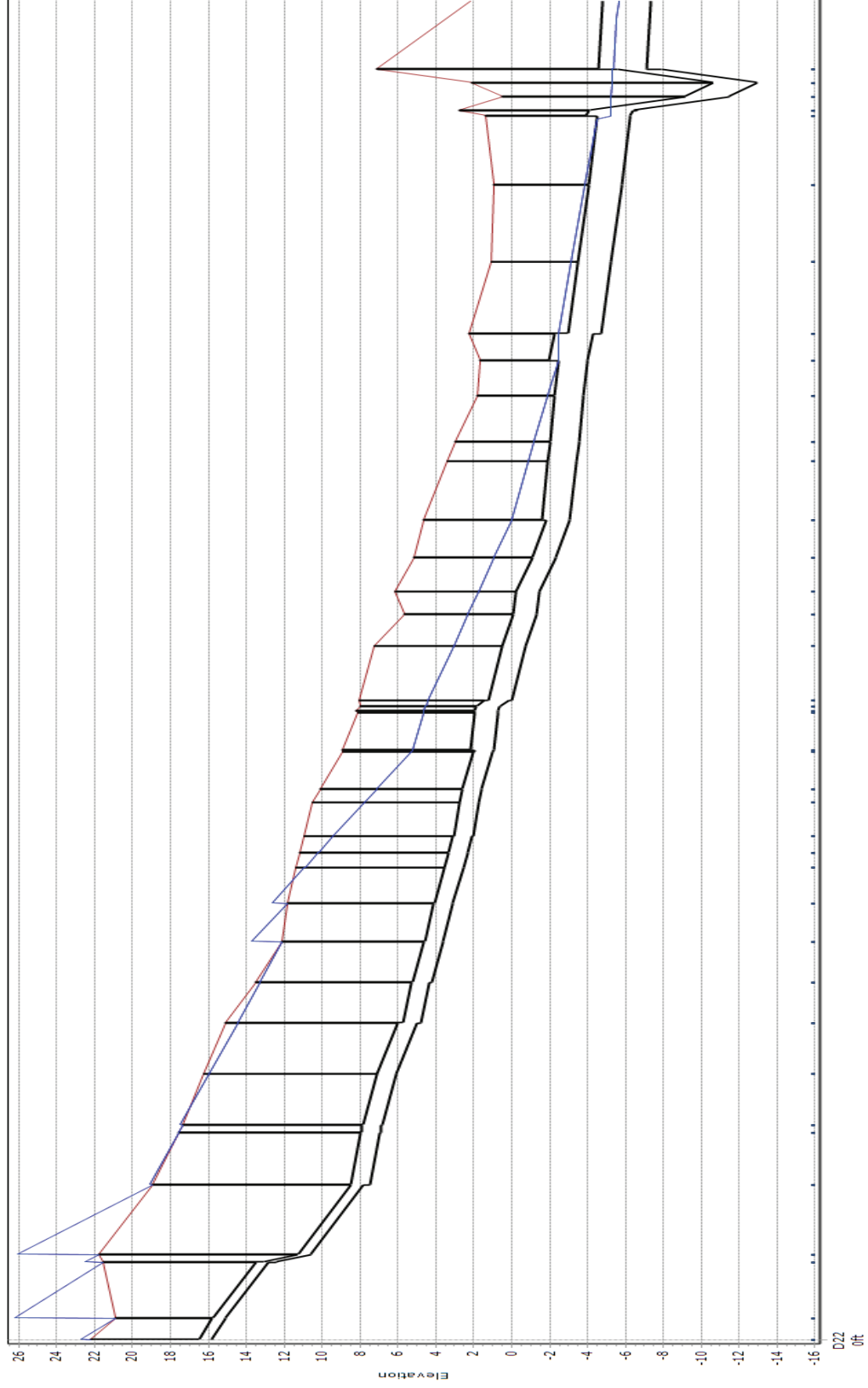


Figure 7- Average Dry Weather Flow Hydraulic Grade Line with Proposed Injection and PDWF Pipe Size Upgrades

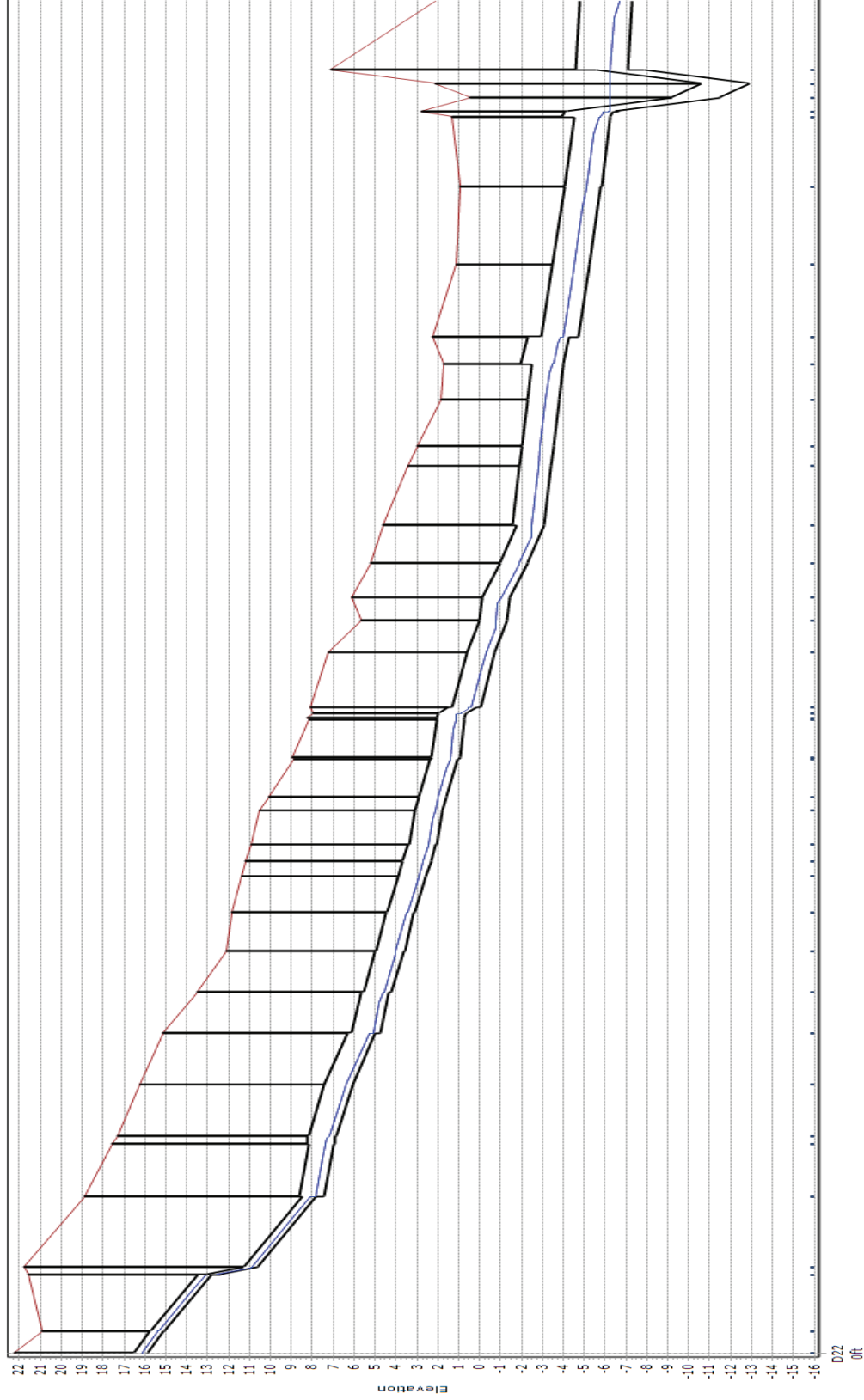


Figure 8- Peak Dry Weather Flow Hydraulic Grade Line with Proposed Injection and PDWF Pipe Size Upgrades

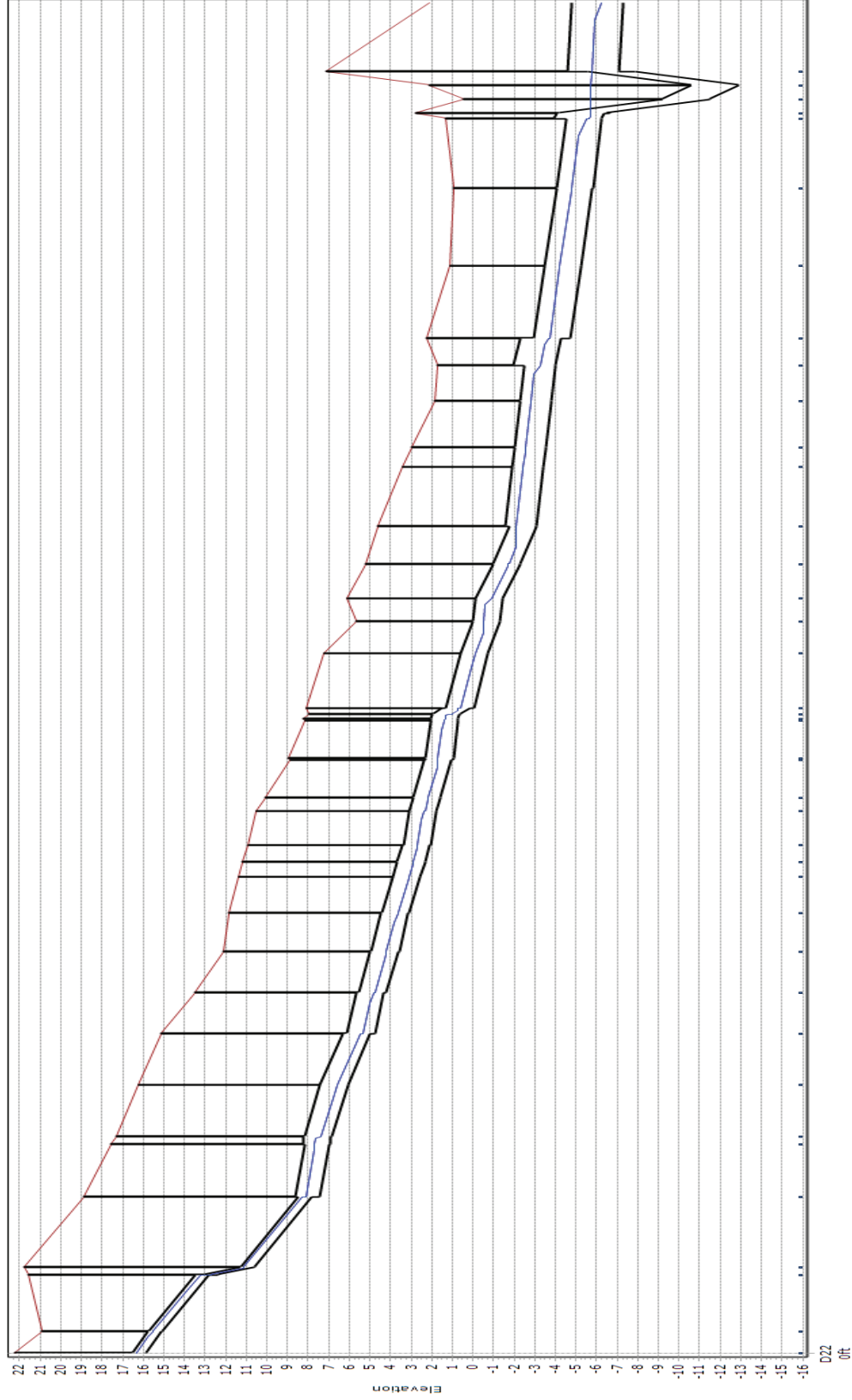


Figure 9- Peak Wet Weather Flow Hydraulic Grade Line with Proposed Injection and PDWF Pipe Size Upgrades

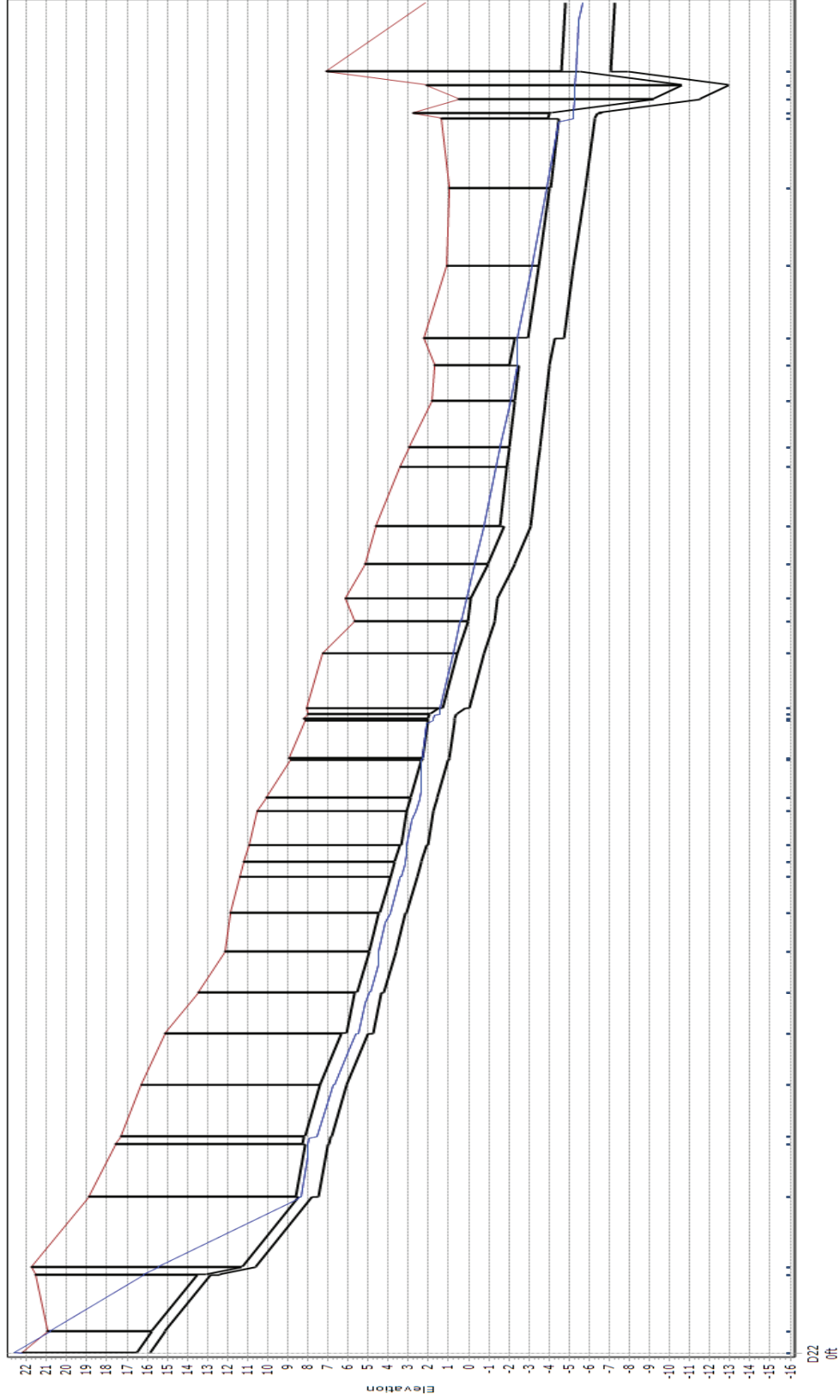


Figure 10- Average Dry Weather Flow Hydraulic Grade Line with Proposed Injection and PWWF Pipe Size Upgrades

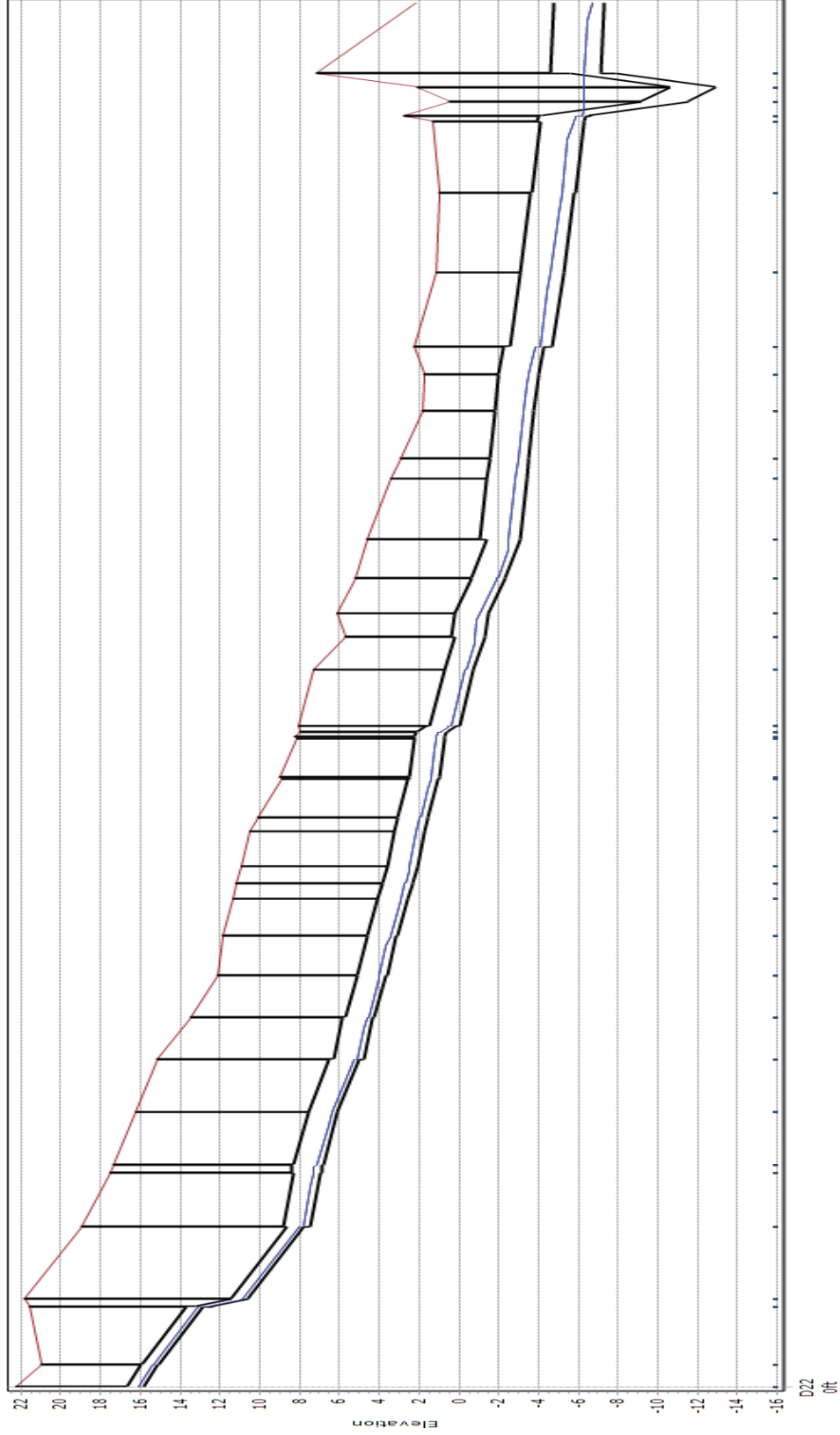


Figure 11- Peak Dry Weather Flow Hydraulic Grade Line with Proposed Injection and PWWF Pipe Size Upgrades

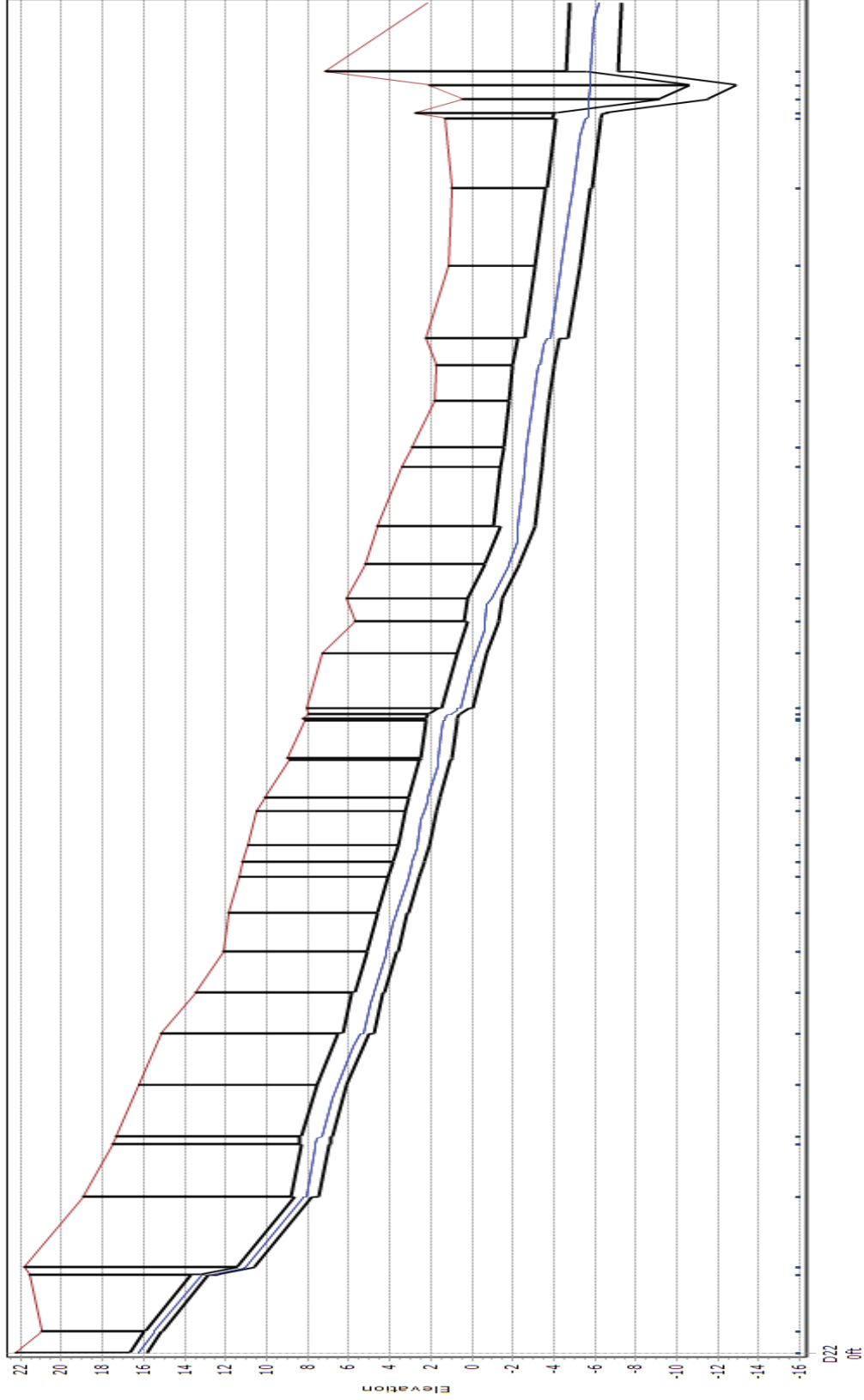


Figure 12- Peak Wet Weather Flow Hydraulic Grade Line with Proposed Injection and PWWF Pipe Size Upgrades

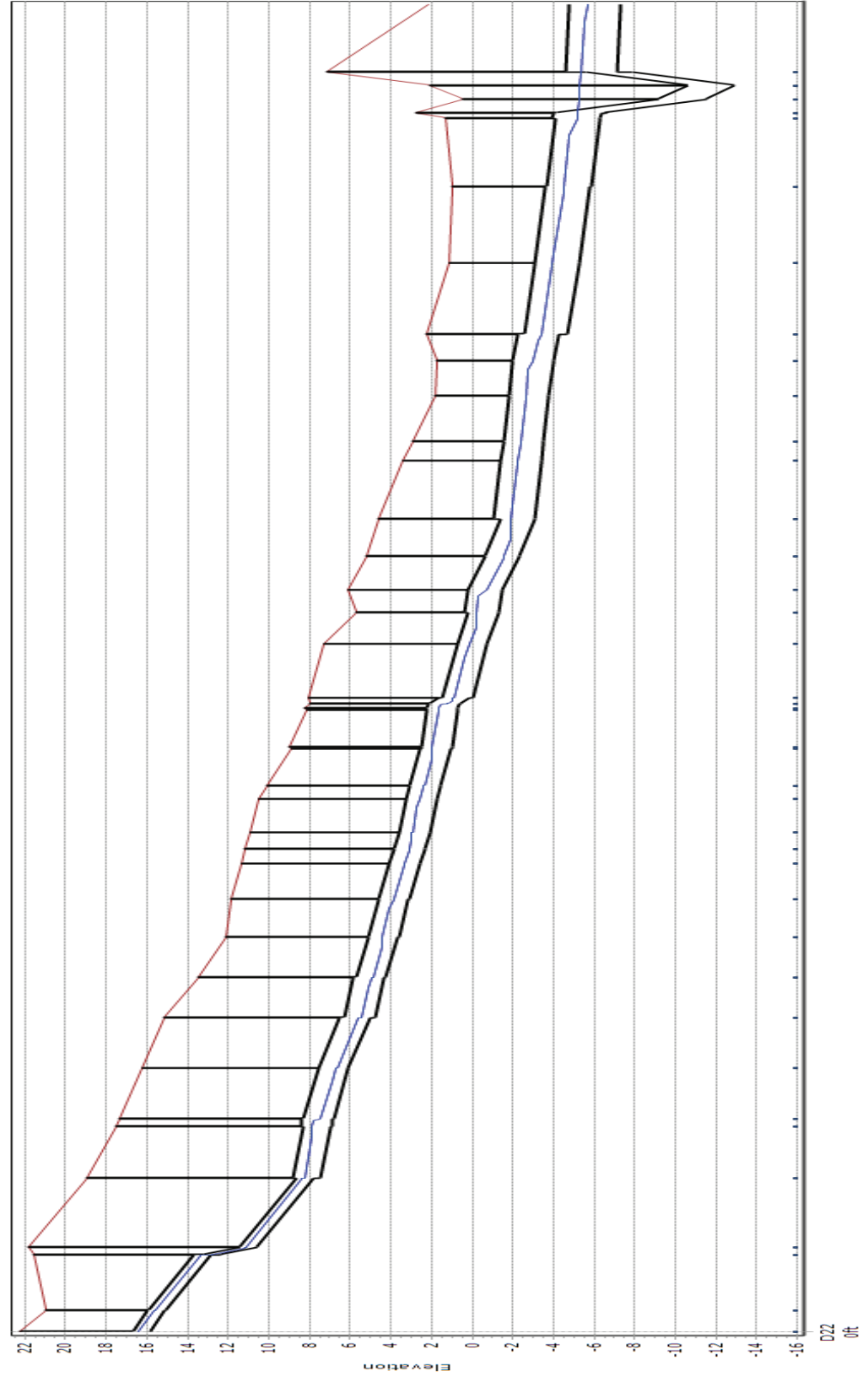


Table 1

Estimated Sewer Flows

Woodland Park Apartments, 499 O' Connor St
East Palo Alto, California

Building	Number of Units (2)	Estimated Average Dry Weather Flow (gpd) (3)
Proposed	605	72,600
Existing	161	19,320
Total Additional (4)	444	53,280

Notes

- (1) Not Used.
- (2) Number of existing units and number of proposed units after development is complete is based on Euclid Improvements Technical Memorandum by BKF dated May 28, 2020.
- (3) Average dry weather flow calculated by multiplying 120 gallons per dwelling unit per day by the total number of units. based on Technical Memorandum by BKF dated September 25, 2020.
- (4) Total additional is calculated by subtracting the existing units and estimated average dry weather flow from the proposed units and estimated average dry weather flow.

Abbreviations

gpd: gallons per day

Table 2.1

Proposed Development

Woodland Park Apartments, 499 O' Connor St
East Palo Alto, California

Manhole used for Injection (1)	Average Flow Injected into Manhole (cfs) (2)	Peak Flow Injected into Manhole (cfs) (3)	Average Flow Injected into Manhole (gpd) (4)	Peak Flow Injected into Manhole (gpd) (3)
D22	0.08244	0.14179	53,280	91,642

Notes

- (1) Manhole injected with flows taken from Table 1 to simulate modeling.
- (2) Average dry weather flow injected into Manhole converting from gpd to cfs using a 24-hour day.
- (3) Peak dry weather flow calculated by multiplying the average flow by a peaking factor of 1.72 for Site E2 (see Table 3).
- (4) Average dry weather flow taken from Table 1.

Abbreviations

gpd: gallons per day
cfs: cubic feet per second

Table 2.2
Existing Results

Woodland Park Apartments, 499 O' Connor St
East Palo Alto, California

Manhole (1)	Diameter (Inches) (2)	ADWF "d/D" (3)	ADWF (cfs) (4)	ADWF "Q" (gpd) (5)	ADWF HGL	PDWF "d/D" (3)	PDWF (cfs) (4)	PDWF "Q" (gpd) (5)	PDWF HGL	PWWF "d/D" (3)	PWWF (cfs) (4)	PWWF "Q" (gpd) (5)	PWWF HGL
D22	8	0.36	0.2329	150,528	16.08	0.60	0.5703	368,596	16.24	1.00	1.2415	802,406	22.23
D21	8	0.33	0.2329	150,528	15.3	0.57	0.5703	368,596	15.46	1.00	1.2415	802,406	20.93
D19	8	0.24	0.2689	173,795	12.56	0.39	0.7358	475,562	12.67	0.54	1.3954	901,874	21.54
D10	8	0.36	0.2689	173,795	10.82	0.66	0.7358	475,562	11.02	1.00	1.3954	901,874	21.78
D3	12	0.4	0.4121	266,348	7.86	0.80	1.2366	799,239	8.26	1.00	2.1244	1,373,041	18.1
D2	12	0.5	0.4121	266,348	7.41	1.00	1.2366	799,239	7.93	1.00	2.1244	1,373,041	16.81
D1	12	0.36	0.4121	266,348	7.19	0.66	1.2366	799,239	7.49	1.00	2.1244	1,373,041	16.62
E4	12	0.32	0.4121	266,348	6.40	0.58	1.2366	799,239	6.66	1.00	2.1244	1,373,041	15.36
E3	12	0.38	0.4121	266,348	5.14	0.74	1.2366	799,239	5.50	1.00	2.1244	1,373,041	14.09
E2	12	0.36	0.4121	266,348	4.59	0.66	1.2366	799,239	4.89	1.00	2.1244	1,373,041	13.09
E1	12	0.44	0.6185	399,749	4.03	0.80	1.5098	975,813	4.39	1.00	3.026	1,955,763	12.09
H9	12	0.42	0.623	402,657	3.51	0.72	1.5148	979,045	3.82	1.00	3.036	1,962,226	11.07
H73	12	0.42	0.623	402,657	2.98	0.72	1.5148	979,045	3.29	1.00	3.036	1,962,226	9.54
H74	12	0.42	0.623	402,657	2.76	0.72	1.5148	979,045	3.16	1.00	3.036	1,962,226	8.91
H8	12	0.48	0.623	402,657	2.53	1.00	1.5148	979,045	3.12	1.00	3.036	1,962,226	8.21
H7	12	0.42	0.623	402,657	2.18	0.74	1.5148	979,045	2.51	1.00	3.036	1,962,226	6.76
H75	12	0.42	0.623	402,657	2.00	0.72	1.5148	979,045	2.31	1.00	3.036	1,962,226	6.19
H6	12	0.36	0.623	402,657	1.43	0.58	1.5148	979,045	1.80	1.00	3.036	1,962,226	4.58
H5	15	0.38	0.643	415,584	1.43	0.67	1.6588	1,072,115	1.79	1.00	3.056	1,975,153	4.01
H4	15	0.35	0.643	415,584	1.18	0.58	1.6588	1,072,115	1.43	1.00	3.056	1,975,153	3.99
H3	15	0.38	0.8969	579,684	1.18	0.56	1.8097	1,169,645	1.41	1.00	3.9379	2,545,142	3.88
H2	15	0.24	0.8969	579,684	0.90	0.34	1.8097	1,169,645	1.03	0.53	3.9379	2,545,142	3.88
I11	15	0.38	0.8969	579,684	0.45	0.56	1.8097	1,169,645	0.68	1.00	3.9379	2,545,142	3.76
I10	15	0.35	0.8969	579,684	-0.29	0.51	1.8097	1,169,645	-0.09	1.00	3.9379	2,545,142	2.55
I9	15	0.46	0.9059	582,269	-0.72	0.72	1.8137	1,172,230	-0.41	1.00	3.9429	2,548,374	1.85
I8	15	0.32	0.9059	585,501	-1.04	0.46	1.8187	1,175,461	-0.86	0.77	3.9479	2,551,605	1.35
I7	15	0.34	0.9139	590,671	-1.89	0.50	1.8287	1,181,925	-1.69	1.00	3.9529	2,554,837	0.59
I6	18	0.44	1.2611	815,074	-2.41	0.72	2.7857	1,800,453	-2.00	1.00	5.1314	3,316,524	-0.24
I5	18	0.44	1.2611	815,074	-2.75	0.72	2.7857	1,800,453	-2.34	1.00	5.1314	3,316,524	-1.08
I31	18	0.44	1.2671	818,952	-2.86	0.72	2.7917	1,804,330	-2.45	1.00	5.1414	3,322,988	-1.36
I4	18	0.44	1.2671	818,952	-3.12	0.72	2.7917	1,804,330	-2.71	1.00	5.1414	3,322,988	-2.02
I3	24	0.23	1.2671	818,952	-3.52	0.34	2.7917	1,804,330	-3.30	0.48	5.1414	3,322,988	-2.54
T19	21	0.40	2.1091	1,363,153	-4.01	0.56	3.8491	2,487,749	-3.73	1.00	7.3986	4,781,860	-2.54
T18	21	0.39	2.1091	1,363,153	-4.54	0.55	3.8491	2,487,749	-4.26	1.00	7.3986	4,781,860	-3.19
T17	21	0.41	2.1091	1,363,153	-5.11	0.58	3.8491	2,487,749	-4.82	1.00	7.3986	4,781,860	-3.89
T16	28	0.20	2.1091	1,363,153	-5.79	0.27	3.8491	2,487,749	-5.63	0.37	7.3986	4,781,860	-5.22
T15	28	0.11	2.5004	1,616,058	-6.17	0.17	5.92	3,826,212	-5.71	0.21	8.9644	5,793,867	-5.23
T14	30	0.33	2.5004	1,616,058	-6.28	0.53	5.92	3,826,212	-5.78	0.70	8.9644	5,793,867	-5.36

Notes

- (1) Manhole used to find Q and Depth over Diameter value.
- (2) Pipe Diameter directly downstream of Manhole.
- (3) Calculated by dividing the depth of flow by pipe diameter. This value is evaluated directly downstream of specified Manhole.
- (4) Average dry weather flow (ADWF), Peak dry weather flow (PDWF), or Peak wet weather flow (PWWF) found in model.
- (5) Average dry weather flow (ADWF), Peak dry weather flow (PDWF), or Peak wet weather flow (PWWF) converted to gpd using 24-hour day.

Abbreviations

gpd: gallons per day
cfs: cubic feet per second
HGL: Hydraulic Grade Line
Q: Flow rate
d/D: Depth over Diameter

Table 2.3

Proposed Results

Woodland Park Apartments, 499 O' Connor St
East Palo Alto, California

Manhole (1)	Diameter (Inches) (2)	ADWF "d/D" (3)	ADWF (cfs) (4)	ADWF "Q" (gpd) (5)	ADWF HGL	PDWF "d/D" (3)	PDWF (cfs) (4)	PDWF "Q" (gpd) (5)	PDWF HGL	"d/D" (3)	PWWF	PWWF "Q" (cfs) (4)	PWWF "Q" (gpd) (5)	PWWF HGL
D22	8	0.42	0.3153	203,808	16.12	0.69	0.7121	460,238	16.31	1.00	1.3833	894,047	22.23	
D21	8	0.39	0.3153	203,808	15.35	0.63	0.7121	460,238	15.51	1.00	1.3833	894,047	20.93	
D19	8	0.27	0.3513	227,075	12.59	0.42	0.8776	567,204	12.7	0.57	1.5372	993,516	21.54	
D10	8	0.42	0.3513	227,075	10.87	0.75	0.8776	567,204	11.09	1.00	1.5372	993,516	21.78	
D3	12	0.44	0.4945	319,628	7.9	1.00	1.3784	890,880	8.53	1.00	2.2662	1,464,683	18.91	
D2	12	0.56	0.4945	319,628	7.47	1.00	1.3784	890,880	7.95	1.00	2.2662	1,464,683	17.47	
D1	12	0.38	0.4945	319,628	7.21	0.72	1.3784	890,880	7.55	1.00	2.2662	1,464,683	17.25	
E4	12	0.36	0.4945	319,628	6.44	0.62	1.3784	890,880	6.71	1.00	2.2662	1,464,683	15.81	
E3	12	0.42	0.4945	319,628	5.18	0.82	1.3784	890,880	5.58	1.00	2.2662	1,464,683	14.37	
E2	12	0.38	0.4945	319,628	4.61	0.72	1.3784	890,880	4.95	1.00	2.2662	1,464,683	13.24	
E1	12	0.48	0.7009	453,029	4.07	1.00	1.6516	1,067,455	4.63	1.00	3.1778	2,047,405	12.09	
H9	12	0.44	0.7054	455,937	3.53	0.76	1.6566	1,070,687	3.86	1.00	3.1778	2,053,868	11.84	
H73	12	0.44	0.7054	455,937	3.00	0.76	1.6566	1,070,687	3.58	1.00	3.1778	2,053,868	10.57	
H74	12	0.44	0.7054	455,937	2.78	0.78	1.6566	1,070,687	3.39	1.00	3.1778	2,053,868	9.87	
H8	12	0.52	0.7054	455,937	2.57	1.00	1.6566	1,070,687	3.18	1.00	3.1778	2,053,868	9.10	
H7	12	0.46	0.7054	455,937	2.22	0.80	1.6566	1,070,687	2.57	1.00	3.1778	2,053,868	7.51	
H75	12	0.44	0.7054	455,937	2.02	0.78	1.6566	1,070,687	2.37	1.00	3.1778	2,053,868	6.89	
H6	12	0.38	0.7054	455,937	1.48	0.62	1.6566	1,070,687	1.86	1.00	3.1778	2,053,868	5.13	
H5	15	0.42	0.7254	468,864	1.47	0.72	1.8006	1,163,757	1.85	1.00	3.1978	2,066,794	5.04	
H4	15	0.37	0.7254	468,864	1.21	0.61	1.8006	1,163,757	1.47	1.00	3.1978	2,066,794	4.50	
H3	15	0.40	0.9793	632,964	1.20	0.58	1.9515	1,261,286	1.43	1.00	4.0797	2,636,784	4.48	
H2	15	0.26	0.9793	632,964	0.92	0.35	1.9515	1,261,286	1.05	0.53	4.0797	2,636,784	4.37	
I11	15	0.40	0.9793	632,964	0.47	0.59	1.9515	1,261,286	0.72	1.00	4.0797	2,636,784	4.23	
I10	15	0.37	0.9793	632,964	-0.28	0.54	1.9515	1,261,286	-0.05	1.00	4.0797	2,636,784	2.94	
I9	15	0.48	0.9833	635,549	-0.71	0.77	1.9555	1,263,871	-0.35	1.00	4.0847	2,640,015	2.18	
I8	15	0.34	0.9833	638,781	-1.02	0.48	1.9605	1,267,103	-0.84	0.80	4.0897	2,643,247	1.65	
I7	15	0.35	0.9963	643,951	-1.88	0.51	1.9705	1,273,566	-1.67	1.00	4.0947	2,646,478	0.83	
I6	18	0.45	1.3435	868,354	-2.40	0.75	2.9275	1,892,094	-1.96	1.00	5.2732	3,408,166	-0.06	
I5	18	0.45	1.3435	868,354	-2.74	0.75	2.9275	1,892,094	-2.30	1.00	5.2732	3,408,166	-0.95	
I31	18	0.45	1.3495	872,232	-2.85	0.75	2.9335	1,895,972	-2.41	1.00	5.2832	3,414,629	-1.24	
I4	18	0.45	1.3495	872,232	-3.11	0.75	2.9335	1,895,972	-2.67	1.00	5.2832	3,414,629	-1.94	
I3	24	0.24	1.3495	872,232	-3.51	0.35	2.9335	1,895,972	-3.28	0.48	5.2832	3,414,629	-2.46	
T19	21	0.40	2.1915	1,416,433	-4.02	0.57	3.9909	2,579,390	-3.71	1.00	7.5404	4,873,502	-2.47	
T18	21	0.40	2.1915	1,416,433	-4.53	0.56	3.9909	2,579,390	-4.24	1.00	7.5404	4,873,502	-3.14	
T17	21	0.42	2.1915	1,416,433	-5.10	0.59	3.9909	2,579,390	-4.79	1.00	7.5404	4,873,502	-3.87	
T16	28	0.20	2.1915	1,416,433	-5.79	0.27	3.9909	2,579,390	-5.63	0.37	7.5404	4,873,502	-5.20	
T15	28	0.11	2.5828	1,669,338	-6.16	0.17	6.0618	3,917,854	-5.69	0.21	9.1062	5,885,509	-5.21	
T14	30	0.34	2.5828	1,669,338	-6.26	0.54	6.0618	3,917,854	-5.76	0.70	9.1062	5,885,509	-5.34	

Notes

- (1) Manhole used to find Q and Depth over Diameter value.
- (2) Pipe Diameter directly downstream of Manhole.
- (3) Calculated by dividing the depth of flow by pipe diameter. This value is evaluated directly downstream of specified Manhole.
- (4) Average dry weather flow (ADWF), Peak dry weather flow (PDWF), or Peak wet weather flow (PWWF) found in model.
- (5) Average dry weather flow (ADWF), Peak dry weather flow (PDWF), or Peak wet weather flow (PWWF) converted to gpd using 24-hour day.

Abbreviations

gpd: gallons per day
cfs: cubic feet per second
HGL: Hydraulic Grade Line
Q: Flow rate
d/D: Depth over Diameter

Table 2.4
PDWF Proposed Results with Pipe Size Upgrades

Woodland Park Apartments, 499 O' Connor St
 East Palo Alto, California

Manhole (1)	Existing Diameter (Inches) (2)	Existing PDWF "d/D" (3)	Existing PDWF HGL	Proposed Diameter (Inches) (2)	Predicted PDWF "d/D" (3)	Predicted PDWF HGL
D22	8	0.60	16.24	No Change	0.69	16.32
D21	8	0.57	15.46	No Change	0.63	15.51
D19	8	0.39	12.67	No Change	0.42	12.70
D10	8	0.66	11.02	No Change	0.75	11.09
D3	12	0.80	8.26	14	0.53	8.08
D2	12	1.00	7.93	16	0.56	7.65
D1	12	0.66	7.49	16	0.39	6.79
E4	12	0.58	6.66	16	0.35	6.55
E3	12	0.74	5.50	16	0.42	5.33
E2	12	0.66	4.89	16	0.39	4.76
E1	12	0.80	4.39	16	0.45	4.20
H9	12	0.72	3.82	16	0.42	3.66
H73	12	0.72	3.29	16	0.42	3.13
H74	12	0.72	3.16	16	0.42	2.91
H8	12	1.00	3.12	16	0.50	2.71
H7	12	0.74	2.51	16	0.44	2.35
H75	12	0.72	2.31	16	0.42	2.15
H6	12	0.58	1.80	16	0.35	1.70
H5	15	0.67	1.79	16	0.50	1.69
H4	15	0.58	1.43	16	0.50	1.38
H3	15	0.56	1.41	16	0.48	1.35
H2	15	0.34	1.03	16	0.30	1.01
H11	15	0.56	0.68	16	0.48	0.62
I10	15	0.51	-0.09	16	0.44	-0.15
I9	15	0.72	-0.41	16	0.60	-0.51
I8	15	0.46	-0.86	16	0.41	-0.90
I7	15	0.50	-1.69	16	0.42	-1.75
I6	18	0.72	-2.00	18	0.65	-2.10
I5	18	0.72	-2.34	18	0.65	-2.44
I31	18	0.72	-2.45	18	0.65	-2.55
I4	18	0.72	-2.71	18	0.65	-2.81
I3	24	0.34	-3.30	Existing pipe no changes	0.35	-3.28
T19	21	0.56	-3.73	No Change	0.57	-3.71
T18	21	0.55	-4.26	No Change	0.56	-4.24
T17	21	0.58	-4.82	No Change	0.59	-4.79
T16	28	0.27	-5.63	Existing pipe no changes	0.27	-5.63
T15	28	0.17	-5.71	Existing pipe no changes	0.17	-5.69
T14	30	0.53	-5.78	Existing pipe no changes	0.54	-5.76

Notes

- (1) Manhole used to find Q and Depth over Diameter value.
- (2) Pipe Diameter directly downstream of Manhole.
- (3) Calculated by dividing the depth of flow by pipe diameter. This value is evaluated directly downstream of specified Manhole.

Abbreviations

gpd: gallons per day
 cfs: cubic feet per second
 HGL: Hydraulic Grade Line
 Q: Flow rate
 d/D: Depth over Diameter

Table 2.5
PWWF Proposed Results with Pipe Size Upgrades

Woodland Park Apartments, 499 O' Connor St
 East Palo Alto, California

Manhole (1)	Existing Diameter (Inches) (2)	Existing PWWF "d/D" (3)	Existing PWWF HGL	Proposed Diameter (Inches) (2)	Predicted PWWF "d/D" (3)	Predicted PWWF HGL
D22	8	1.00	22.23	10	0.62	16.37
D21	8	1.00	20.93	10	0.60	15.59
D19	8	0.54	21.54	10	0.38	12.76
D10	8	1.00	21.78	10	0.65	11.13
D3	12	1.00	18.10	16	0.59	8.25
D2	12	1.00	16.81	18	0.63	7.85
D1	12	1.00	16.62	18	0.43	7.48
E4	12	1.00	15.36	18	0.39	6.67
E3	12	1.00	14.09	18	0.47	5.47
E2	12	1.00	13.09	18	0.43	4.88
E1	12	1.00	12.09	18	0.55	4.42
H9	12	1.00	11.07	18	0.51	3.86
H73	12	1.00	9.54	18	0.51	3.33
H74	12	1.00	8.91	18	0.51	3.11
H8	12	1.00	8.21	18	0.60	2.96
H7	12	1.00	6.76	18	0.52	2.55
H75	12	1.00	6.19	18	0.51	2.35
H6	12	1.00	4.58	18	0.41	1.96
H5	15	1.00	4.01	18	0.67	1.96
H4	15	1.00	3.99	18	0.57	1.64
H3	15	1.00	3.88	18	0.61	1.63
H2	15	0.53	3.88	18	0.37	1.19
H11	15	1.00	3.76	18	0.61	0.90
I10	15	1.00	2.55	18	0.56	0.11
I9	15	1.00	1.85	20	0.65	-0.22
I8	15	0.77	1.35	20	0.43	-0.71
I7	15	1.00	0.59	20	0.46	-1.55
I6	18	1.00	-0.24	24	0.58	-1.91
I5	18	1.00	-1.08	24	0.58	-2.25
I31	18	1.00	-1.36	24	0.58	-2.36
I4	18	1.00	-2.02	24	0.58	-2.62
I3	24	0.48	-2.54	Existing pipe no changes	0.49	-3.02
T19	21	1.00	-2.54	26	0.59	-3.43
T18	21	1.00	-3.19	26	0.59	-3.94
T17	21	1.00	-3.89	26	0.62	-4.49
T16	28	0.37	-5.22	Existing pipe no changes	0.37	-5.20
T15	28	0.21	-5.23	Existing pipe no changes	0.21	-5.21
T14	30	0.70	-5.36	Existing pipe no changes	0.70	-5.34

Notes

- (1) Manhole used to find Q and Depth over Diameter value.
- (2) Pipe Diameter directly downstream of Manhole.
- (3) Calculated by dividing the depth of flow by pipe diameter. This value is evaluated directly downstream of specified Manhole.

Abbreviations

gpd: gallons per day
 cfs: cubic feet per second
 HGL: Hydraulic Grade Line
 Q: Flow rate
 d/D: Depth over Diameter

Table 2.6
PDWF Proposed Capital Improvements
 Woodland Park Apartments, 499 O' Connor St
 East Palo Alto, California

Upstream Manhole	Downstream Manhole	Existing Pipe Size	Proposed Pipe Size (Inches) (1)	Length (Feet) (2)
D3	D2	12	14	364
D2	I6	12	16	4,145
I6	I3	18	18	1,111

Notes

- (1) Proposed size of DR17 HDPE pipe to maintain d/D for existing conditions.
- (2) Length of pipe size increase between upstream and downstream MH.

Abbreviations

- d/D: Depth over Diameter
- MH: Manhole

Table 2.7
PWWF Proposed Capital Improvements
 Woodland Park Apartments, 499 O' Connor St
 East Palo Alto, California

Upstream Manhole	Downstream Manhole	Existing Pipe Size	Proposed Pipe Size (Inches) (1)	Length (Feet) (2)
D22	D3	8	10	1,079
D3	D2	12	16	364
D2	I9	12	18	3,592
I9	I6	15	20	553
I6	I3	18	24	1,111
T19	T16	21	26	1,524

Notes

- (1) Proposed size of DR17 HDPE pipe to maintain a d/D ratio of 0.67.
- (2) Length of pipe size increase between upstream and downstream MH.

Abbreviations

d/D: Depth over Diameter
 MH: Manhole

Table 3
Peaking Factor Calculations
 East Palo Alto Sanitary District

Monitoring Site	Overall ADWF (MGD) (2)	PDWF (MGD) (3)	PWWF (MGD) (4)	PDWF Peaking Factor (5)	PWWF Peaking Factor (6)
A15	0.27	0.43	1.19	1.59	2.77
B13	0.06	0.11	0.52	1.83	4.73
E1	0.13	0.19	0.59	1.46	3.11
E2	0.25	0.43	1.45	1.72	3.37
H3	0.14	0.23	0.58	1.64	2.52
I3	0.83	1.22	2.76	1.47	2.26
I12	0.23	0.39	0.76	1.70	1.95
K4	0.22	0.35	0.99	1.59	2.83
K28	0.11	0.17	0.68	1.55	4.00
T20	0.40	0.60	1.55	1.50	2.58
T13	1.53	2.31	5.78	1.51	2.50

Notes

- (1) Monitoring sites are identified in Table 3 of the *East Palo Alto Sanitary District Sanitary Sewer Flow Monitoring and Inflow/Infiltration Study* dated June 2012 prepared by V&A Consulting Engineers, Inc., referred to herein as "Flow Monitoring Study."
- (2) Overall ADWF is presented in Table 5 of the Flow Monitoring Study
- (3) PDWF is presented in Table 7-3 of the *East Palo Alto Sanitary District Wastewater Collection System Master Plan Update* dated March 2015 prepared by Freyer & Laureta, Inc., herein referred to as "Master Plan Update."
- (4) PWWF is presented in Table 7-3 of the Master Plan Update.
- (5) PDWF Peaking Factor is calculated by dividing the PDWF by the Overall ADWF.
- (6) PWWF Peaking Factor is calculated by dividing the PWWF by the PDWF.

Abbreviations

ADWF: Average Dry Weather Flow
 MGD: Million Gallons per Day
 PDWF: Peak Dry Weather Flow
 PWWF: Peak Wet Weather Flow

Table 4.1
Conceptual Opinion of Probable Project Cost for PDWF Improvements (1)
Woodland Park Apartments, 499 O' Connor St
East Palo Alto, California

Item No.	Description	Units	Quantity (2)	Unit Price	Budget
Conceptual Opinion of Probable Construction Cost					
1	Mobilization	ls	1	\$ 50,000	\$ 50,000
2	Traffic Control	ls	1	\$ 20,000	\$ 20,000
3	Sheeting, Shoring, and Bracing	ls	1	\$ 20,000	\$ 20,000
4	14-inch DR 17 HDPE Pipe	lf	370	\$ 350	\$ 129,500
5	16-inch DR 17 HDPE Pipe	lf	4,150	\$ 450	\$ 1,867,500
6	18-inch DR 17 HDPE Pipe	lf	1,120	\$ 550	\$ 616,000
7	Manholes	ea	30	\$ 10,000	\$ 300,000
8	30% Contingency	%	30%	\$ 3,003,000	\$ 900,900
Subtotal - Conceptual Opinion of Probable Construction Cost \$ 3,903,900					
Engineering and Administration Cost					
9	Design	%	10%	\$ 3,903,900	\$ 390,390
10	Environmental/Permitting	%	10%	\$ 3,903,900	\$ 390,390
11	Construction Management/Inspection	%	15%	\$ 3,903,900	\$ 585,585
12	District Administration	%	5%	\$ 3,903,900	\$ 195,195
Subtotal - Engineering and Administration Cost					\$ 1,561,600
Total Conceptual Opinion of Probable Project Cost					\$ 5,465,500

Notes

- (1) See Table 2.6 for limits of improvements.
- (2) Quantities rounded to nearest 10 feet.

Table 4.2
Conceptual Opinion of Probable Project Cost for PWWF Improvements (1)
Woodland Park Apartments, 499 O' Connor St
East Palo Alto, California

Item No.	Description	Units	Quantity (2)	Unit Price	Budget
Conceptual Opinion of Probable Construction Cost					
1	Mobilization	ls	1	\$ 50,000	\$ 50,000
2	Traffic Control	ls	1	\$ 20,000	\$ 20,000
3	Sheeting, Shoring, and Bracing	ls	1	\$ 20,000	\$ 20,000
4	10-inch DR 17 HDPE Pipe	lf	1,080	\$ 300	\$ 324,000
5	16-inch DR 17 HDPE Pipe	lf	370	\$ 450	\$ 166,500
6	18-inch DR 17 HDPE Pipe	lf	3,600	\$ 550	\$ 1,980,000
7	20-inch DR 17 HDPE Pipe	lf	560	\$ 600	\$ 336,000
8	24-inch DR 17 HDPE Pipe	lf	1,120	\$ 700	\$ 784,000
9	26-inch DR 17 HDPE Pipe	lf	1,530	\$ 750	\$ 1,147,500
10	Manholes	ea	34	\$ 10,000	\$ 340,000
11	30% Contingency	%	30%	\$ 5,168,000	\$ 1,550,400
Subtotal - Conceptual Opinion of Probable Construction Cost					\$ 6,718,400
Engineering and Administration Cost					
12	Design	%	10%	\$ 6,718,400	\$ 671,840
13	Environmental/Permitting	%	10%	\$ 6,718,400	\$ 671,840
14	Construction Management/ Inspection	%	15%	\$ 6,718,400	\$ 1,007,760
15	District Administration	%	5%	\$ 6,718,400	\$ 335,920
Subtotal - Engineering and Administration Cost					\$ 2,687,400
Total Conceptual Opinion of Probable Project Cost					\$ 9,405,800

Notes

- (1) See Table 2.7 for limits of improvements.
- (2) Quantities rounded to nearest 10 feet.

Table 1

Estimated Sewer Flows

Woodland Park Apartments, 499 O' Connor St
East Palo Alto, California

Building	Number of Units (2)	Estimated Average Dry Weather Flow (gpd) (3)
Proposed	605	96,800
Existing	161	25,760
Total Additional (4)	444	71,040

Notes

- (1) Not Used.
- (2) Number of existing units and number of proposed units after development is complete is based on Euclid Improvements Technical Memorandum by BKF dated May 28, 2020.
- (3) Average dry weather flow calculated by multiplying 160 gallons per dwelling unit per day by the total number of units. based on Technical Memorandum by BKF dated September 25, 2020.
- (4) Total additional is calculated by subtracting the existing units and estimated average dry weather flow from the proposed units and estimated average dry weather flow.

Abbreviations

gpd: gallons per day

Table 2.1

Proposed Development

Woodland Park Apartments, 499 O' Connor St
East Palo Alto, California

Manhole used for Injection (1)	Average Flow Injected into Manhole (cfs) (2)	Peak Flow Injected into Manhole (cfs) (3)	Average Flow Injected into Manhole (gpd) (4)	Peak Flow Injected into Manhole (gpd) (3)
D22	0.10991	0.18905	71,040	122,189

Notes

- (1) Manhole injected with flows taken from Table 1 to simulate modeling.
- (2) Average dry weather flow injected into Manhole converting from gpd to cfs using a 24-hour day.
- (3) Peak dry weather flow calculated by multiplying the average flow by a peaking factor of 1.72 for Site E2 (see Table 3).
- (4) Average dry weather flow taken from Table 1.

Abbreviations

gpd: gallons per day
cfs: cubic feet per second

Table 2.2
Existing Results
 Woodland Park Apartments, 499 O' Connor St
 East Palo Alto, California

Manhole (1)	Diameter (Inches) (2)	ADWF "d/D" (3)	ADWF (cfs) (4)	ADWF "Q" (gpd) (5)	ADWF HGL	PDWF "d/D" (3)	PDWF (cfs) (4)	PDWF "Q" (gpd) (5)	PDWF HGL	PWWF "d/D" (3)	PWWF (cfs) (4)	PWWF "Q" (gpd) (5)	PWWF HGL
D22	8	0.36	0.2329	150,528	16.08	0.60	0.5703	368,596	16.24	1.00	1.2415	802,406	22.23
D21	8	0.33	0.2329	150,528	15.3	0.57	0.5703	368,596	15.46	1.00	1.2415	802,406	20.93
D19	8	0.24	0.2689	173,795	12.56	0.39	0.7358	475,562	12.67	0.54	1.3954	901,874	21.54
D10	8	0.36	0.2689	173,795	10.82	0.66	0.7358	475,562	11.02	1.00	1.3954	901,874	21.78
D3	12	0.4	0.4121	266,348	7.86	0.80	1.2366	799,239	8.26	1.00	2.1244	1,373,041	18.1
D2	12	0.5	0.4121	266,348	7.41	1.00	1.2366	799,239	7.93	1.00	2.1244	1,373,041	16.81
D1	12	0.36	0.4121	266,348	7.19	0.66	1.2366	799,239	7.49	1.00	2.1244	1,373,041	16.62
E4	12	0.32	0.4121	266,348	6.40	0.58	1.2366	799,239	6.66	1.00	2.1244	1,373,041	15.36
E3	12	0.38	0.4121	266,348	5.14	0.74	1.2366	799,239	5.50	1.00	2.1244	1,373,041	14.09
E2	12	0.36	0.4121	266,348	4.59	0.66	1.2366	799,239	4.89	1.00	2.1244	1,373,041	13.09
E1	12	0.44	0.6185	399,749	4.03	0.80	1.5098	975,813	4.39	1.00	3.026	1,955,763	12.09
H9	12	0.42	0.623	402,657	3.51	0.72	1.5148	979,045	3.82	1.00	3.036	1,962,226	11.07
H73	12	0.42	0.623	402,657	2.98	0.72	1.5148	979,045	3.29	1.00	3.036	1,962,226	9.54
H74	12	0.42	0.623	402,657	2.76	0.72	1.5148	979,045	3.16	1.00	3.036	1,962,226	8.91
H8	12	0.48	0.623	402,657	2.53	1.00	1.5148	979,045	3.12	1.00	3.036	1,962,226	8.21
H7	12	0.42	0.623	402,657	2.18	0.74	1.5148	979,045	2.51	1.00	3.036	1,962,226	6.76
H75	12	0.42	0.623	402,657	2.00	0.72	1.5148	979,045	2.31	1.00	3.036	1,962,226	6.19
H6	12	0.36	0.623	402,657	1.43	0.58	1.5148	979,045	1.80	1.00	3.036	1,962,226	4.58
H5	15	0.38	0.643	415,584	1.43	0.67	1.6588	1,072,115	1.79	1.00	3.056	1,975,153	4.01
H4	15	0.35	0.643	415,584	1.18	0.58	1.6588	1,072,115	1.43	1.00	3.056	1,975,153	3.99
H3	15	0.38	0.8969	579,684	1.18	0.56	1.8097	1,169,645	1.41	1.00	3.9379	2,545,142	3.88
H2	15	0.24	0.8969	579,684	0.90	0.34	1.8097	1,169,645	1.03	0.53	3.9379	2,545,142	3.88
I11	15	0.38	0.8969	579,684	0.45	0.56	1.8097	1,169,645	0.68	1.00	3.9379	2,545,142	3.76
I10	15	0.35	0.8969	579,684	-0.29	0.51	1.8097	1,169,645	-0.09	1.00	3.9379	2,545,142	2.55
I9	15	0.46	0.9059	582,269	-0.72	0.72	1.8137	1,172,230	-0.41	1.00	3.9429	2,548,374	1.85
I8	15	0.32	0.9059	585,501	-1.04	0.46	1.8187	1,175,461	-0.86	0.77	3.9479	2,551,605	1.35
I7	15	0.34	0.9139	590,671	-1.89	0.50	1.8287	1,181,925	-1.69	1.00	3.9529	2,554,837	0.59
I6	18	0.44	1.2611	815,074	-2.41	0.72	2.7857	1,800,453	-2.00	1.00	5.1314	3,316,524	-0.24
I5	18	0.44	1.2611	815,074	-2.75	0.72	2.7857	1,800,453	-2.34	1.00	5.1314	3,316,524	-1.08
I31	18	0.44	1.2671	818,952	-2.86	0.72	2.7917	1,804,330	-2.45	1.00	5.1414	3,322,988	-1.36
I4	18	0.44	1.2671	818,952	-3.12	0.72	2.7917	1,804,330	-2.71	1.00	5.1414	3,322,988	-2.02
I3	24	0.23	1.2671	818,952	-3.52	0.34	2.7917	1,804,330	-3.30	0.48	5.1414	3,322,988	-2.54
T19	21	0.40	2.1091	1,363,153	-4.01	0.56	3.8491	2,487,749	-3.73	1.00	7.3986	4,781,860	-2.54
T18	21	0.39	2.1091	1,363,153	-4.54	0.55	3.8491	2,487,749	-4.26	1.00	7.3986	4,781,860	-3.19
T17	21	0.41	2.1091	1,363,153	-5.11	0.58	3.8491	2,487,749	-4.82	1.00	7.3986	4,781,860	-3.89
T16	28	0.20	2.1091	1,363,153	-5.79	0.27	3.8491	2,487,749	-5.63	0.37	7.3986	4,781,860	-5.22
T15	28	0.11	2.5004	1,616,058	-6.17	0.17	5.92	3,826,212	-5.71	0.21	8.9644	5,793,867	-5.23
T14	30	0.33	2.5004	1,616,058	-6.28	0.53	5.92	3,826,212	-5.78	0.70	8.9644	5,793,867	-5.36

Notes

- (1) Manhole used to find Q and Depth over Diameter value.
- (2) Pipe Diameter directly downstream of Manhole.
- (3) Calculated by dividing the depth of flow by pipe diameter. This value is evaluated directly downstream of specified Manhole.
- (4) Average dry weather flow (ADWF), Peak dry weather flow (PDWF), or Peak wet weather flow (PWWF) found in model.
- (5) Average dry weather flow (ADWF), Peak dry weather flow (PDWF), or Peak wet weather flow (PWWF) converted to gpd using 24-hour day.

Abbreviations

- gpd: gallons per day
- cfs: cubic feet per second
- HGL: Hydraulic Grade Line
- Q: Flow rate
- d/D: Depth over Diameter

Table 2.3

Proposed Results

Woodland Park Apartments, 499 O' Connor St
East Palo Alto, California

Manhole (1)	Diameter (Inches) (2)	ADWF "d/D" (3)	ADWF (cfs) (4)	ADWF "Q" (gpd) (5)	ADWF HGL	PDWF "d/D" (3)	PDWF (cfs) (4)	PDWF "Q" (gpd) (5)	PDWF HGL	"d/D" (3)	PWWF "d/D" (3)	PWWF (cfs) (4)	PWWF "Q" (gpd) (5)	PWWF HGL
D22	8	0.45	0.3428	221,568	16.14	0.72	0.7594	490,785	16.33	1.00	1.4306	1.4306	924,595	22.23
D21	8	0.42	0.3428	221,568	15.37	0.66	0.7594	490,785	15.53	1.00	1.4306	1.4306	924,595	20.9
D19	8	0.27	0.3788	244,835	12.59	0.45	0.9249	597,751	12.72	0.60	1.5845	1.5845	1,024,063	21.54
D10	8	0.45	0.3788	244,835	10.89	0.78	0.9249	597,751	11.11	1.00	1.5845	1.5845	1,024,063	21.78
D3	12	0.46	0.5220	337,388	7.92	1.00	1.4257	921,428	8.57	1.00	2.3135	2.3135	1,495,230	18.91
D2	12	0.58	0.5220	337,388	7.49	1.00	1.4257	921,428	7.95	1.00	2.3135	2.3135	1,495,230	17.54
D1	12	0.40	0.5220	337,388	7.23	0.72	1.4257	921,428	7.55	1.00	2.3135	2.3135	1,495,230	17.33
E4	12	0.36	0.5220	337,388	6.44	0.64	1.4257	921,428	6.73	1.00	2.3135	2.3135	1,495,230	15.97
E3	12	0.44	0.5220	337,388	5.20	1.00	1.4257	921,428	5.78	1.00	2.3135	2.3135	1,495,230	14.47
E2	12	0.40	0.5220	337,388	4.63	0.74	1.4257	921,428	4.97	1.00	2.3135	2.3135	1,495,230	13.29
E1	12	0.48	0.7284	470,789	4.07	1.00	1.6989	1,098,002	4.66	1.00	3.2151	3.2151	2,077,952	12.09
H9	12	0.46	0.7329	473,697	3.55	0.78	1.7039	1,101,234	4.12	1.00	3.2251	3.2251	2,084,415	11.84
H73	12	0.46	0.7329	473,697	3.02	0.78	1.7039	1,101,234	3.63	1.00	3.2251	3.2251	2,084,415	10.92
H74	12	0.46	0.7329	473,697	2.80	0.80	1.7039	1,101,234	3.43	1.00	3.2251	3.2251	2,084,415	10.19
H8	12	0.54	0.7329	473,697	2.59	1.00	1.7039	1,101,234	3.20	1.00	3.2251	3.2251	2,084,415	9.41
H7	12	0.46	0.7329	473,697	2.22	0.82	1.7039	1,101,234	2.59	1.00	3.2251	3.2251	2,084,415	7.75
H75	12	0.46	0.7329	473,697	2.04	0.80	1.7039	1,101,234	2.39	1.00	3.2251	3.2251	2,084,415	7.14
H6	12	0.40	0.7329	473,697	1.47	0.64	1.7039	1,101,234	1.86	1.00	3.2251	3.2251	2,084,415	5.32
H5	15	0.42	0.7529	486,624	1.47	0.72	1.8479	1,194,304	1.85	1.00	3.2451	3.2451	2,097,341	5.22
H4	15	0.37	0.7529	486,624	1.20	0.62	1.8479	1,194,304	1.49	1.00	3.2451	3.2451	2,097,341	4.67
H3	15	0.40	1.0068	650,724	1.20	0.59	1.9988	1,291,833	1.44	1.00	4.1270	4.1270	2,667,331	4.65
H2	15	0.26	1.0068	650,724	0.92	0.37	1.9988	1,291,833	1.07	0.54	4.1270	4.1270	2,667,331	4.64
I11	15	0.40	1.0068	650,724	0.47	0.61	1.9988	1,291,833	0.74	1.00	4.1270	4.1270	2,667,331	4.40
I10	15	0.37	1.0068	650,724	-0.28	0.54	1.9988	1,291,833	-0.05	1.00	4.1270	4.1270	2,667,331	3.08
I9	15	0.50	1.0108	653,309	-0.69	0.79	2.0028	1,294,419	-0.33	1.00	4.1320	4.1320	2,670,562	2.30
I8	15	0.34	1.0158	656,541	-1.02	0.50	2.0078	1,297,650	-0.82	0.80	4.1370	4.1370	2,673,794	1.76
I7	15	0.37	1.0238	661,711	-1.86	0.53	2.0178	1,304,113	-1.65	1.00	4.1420	4.1420	2,677,026	0.92
I6	18	0.45	1.3710	886,114	-2.40	0.75	2.9748	1,922,641	-1.96	1.00	5.3205	5.3205	3,438,713	0.01
I5	18	0.45	1.3710	886,114	-2.74	0.76	2.9748	1,922,641	-2.28	1.00	5.3205	5.3205	3,438,713	-0.89
I31	18	0.47	1.3770	889,992	-2.83	0.76	2.9808	1,926,519	-2.39	1.00	5.3305	5.3305	3,445,176	-1.19
I4	18	0.45	1.3770	889,992	-3.11	0.76	2.9808	1,926,519	-2.65	1.00	5.3305	5.3305	3,445,176	-1.90
I3	24	0.24	1.3770	889,992	-3.51	0.35	2.9808	1,926,519	-3.28	0.49	5.3305	5.3305	3,445,176	-2.44
T19	21	0.40	2.2190	1,434,193	-4.02	0.57	4.0382	2,609,938	-3.71	1.00	7.5877	7.5877	4,904,049	-2.44
T18	21	0.40	2.2190	1,434,193	-4.53	0.57	4.0382	2,609,938	-4.22	1.00	7.5877	7.5877	4,904,049	-3.12
T17	21	0.42	2.2190	1,434,193	-5.10	0.61	4.0382	2,609,938	-4.78	1.00	7.5877	7.5877	4,904,049	-3.86
T16	28	0.20	2.2190	1,434,193	-5.79	0.27	4.0382	2,609,938	-5.63	0.37	7.5877	7.5877	4,904,049	-5.19
T15	28	0.11	2.6103	1,687,098	-6.16	0.17	6.1091	3,948,401	-5.69	0.21	9.1535	9.1535	5,916,056	-5.21
T14	30	0.34	2.6103	1,687,098	-6.26	0.54	6.1091	3,948,401	-5.76	0.70	9.1535	9.1535	5,916,056	-5.34

Notes

- (1) Manhole used to find Q and Depth over Diameter value.
- (2) Pipe Diameter directly downstream of Manhole.
- (3) Calculated by dividing the depth of flow by pipe diameter. This value is evaluated directly downstream of specified Manhole.
- (4) Average dry weather flow (ADWF), Peak dry weather flow (PDWF), or Peak wet weather flow (PWWF) found in model.
- (5) Average dry weather flow (ADWF), Peak dry weather flow (PDWF), or Peak wet weather flow (PWWF) converted to gpd using 24-hour day.

Abbreviations

gpd: gallons per day
cfs: cubic feet per second
HGL: Hydraulic Grade Line
Q: Flow rate
d/D: Depth over Diameter

Table 2.4
PDWF Proposed Results with Pipe Size Upgrades

Woodland Park Apartments, 499 O' Connor St
 East Palo Alto, California

Manhole (1)	Existing Diameter (Inches) (2)	Existing PDWF "d/D" (3)	Existing PDWF HGL	Proposed Diameter (Inches) (2)	Predicted PDWF "d/D" (3)	Predicted PDWF HGL
D22	8	0.60	16.24	No Change	0.72	16.33
D21	8	0.57	15.46	No Change	0.66	15.53
D19	8	0.39	12.67	No Change	0.45	12.72
D10	8	0.66	11.02	No Change	0.78	11.11
D3	12	0.80	8.26	14	0.55	8.10
D2	12	1.00	7.93	16	0.57	7.67
D1	12	0.66	7.49	16	0.39	7.36
E4	12	0.58	6.66	16	0.36	6.57
E3	12	0.74	5.50	16	0.42	5.33
E2	12	0.66	4.89	16	0.39	4.76
E1	12	0.80	4.39	16	0.45	4.20
H9	12	0.72	3.82	16	0.45	3.66
H73	12	0.72	3.29	16	0.42	3.13
H74	12	0.72	3.16	16	0.44	2.93
H8	12	1.00	3.12	16	0.50	2.72
H7	12	0.74	2.51	16	0.43	2.35
H75	12	0.72	2.31	16	0.44	2.17
H6	12	0.58	1.80	16	0.34	1.72
H5	15	0.67	1.79	16	0.57	1.71
H4	15	0.58	1.43	16	0.51	1.40
H3	15	0.56	1.41	16	0.48	1.35
H2	15	0.34	1.03	16	0.30	1.02
H11	15	0.56	0.68	16	0.48	0.62
I9	15	0.51	-0.09	16	0.45	-0.13
I8	15	0.72	-0.41	16	0.60	-0.51
I7	15	0.46	-0.86	16	0.41	-0.90
I6	18	0.50	-1.69	16	0.44	-1.73
I5	18	0.72	-2.00	18	0.65	-2.10
I31	18	0.72	-2.34	18	0.65	-2.44
I4	18	0.72	-2.45	18	0.67	-2.53
I3	24	0.34	-3.30	Existing pipe no changes	0.35	-3.28
T19	21	0.56	-3.73	No Change	0.57	-3.71
T18	21	0.55	-4.26	No Change	0.57	-4.22
T17	21	0.58	-4.82	No Change	0.61	-4.78
T16	28	0.27	-5.63	Existing pipe no changes	0.27	-5.63
T15	28	0.17	-5.71	Existing pipe no changes	0.17	-5.69
T14	30	0.53	-5.78	Existing pipe no changes	0.54	-5.76

Notes

- (1) Manhole used to find Q and Depth over Diameter value.
- (2) Pipe Diameter directly downstream of Manhole.
- (3) Calculated by dividing the depth of flow by pipe diameter. This value is evaluated directly downstream of specified Manhole.

Abbreviations

gpd: gallons per day
 cfs: cubic feet per second
 HGL: Hydraulic Grade Line
 Q: Flow rate
 d/D: Depth over Diameter

Table 2.5
PWWF Proposed Results with Pipe Size Upgrades

Woodland Park Apartments, 499 O' Connor St
 East Palo Alto, California

Manhole (1)	Existing Diameter (Inches) (2)	Existing PWWF "d/D" (3)	Existing PWWF HGL	Proposed Diameter (Inches) (2)	Predicted PWWF "d/D" (3)	Predicted PWWF HGL
D22	8	1.00	22.23	10	0.65	16.39
D21	8	1.00	20.93	10	0.60	15.59
D19	8	0.54	21.54	10	0.38	12.76
D10	8	1.00	21.78	10	0.65	11.13
D3	12	1.00	18.10	16	0.59	8.25
D2	12	1.00	16.81	18	0.63	7.85
D1	12	1.00	16.62	18	0.43	7.48
E4	12	1.00	15.36	18	0.39	6.67
E3	12	1.00	14.09	18	0.47	5.47
E2	12	1.00	13.09	18	0.43	4.88
E1	12	1.00	12.09	18	0.55	4.42
H9	12	1.00	11.07	18	0.51	3.86
H73	12	1.00	9.54	18	0.51	3.33
H74	12	1.00	8.91	18	0.51	3.11
H8	12	1.00	8.21	18	0.60	2.96
H7	12	1.00	6.76	18	0.52	2.55
H75	12	1.00	6.19	18	0.52	2.37
H6	12	1.00	4.58	18	0.41	1.96
H5	15	1.00	4.01	18	0.67	1.96
H4	15	1.00	3.99	18	0.59	1.64
H3	15	1.00	3.88	18	0.61	1.63
H2	15	0.53	3.88	18	0.37	1.19
H11	15	1.00	3.76	18	0.63	0.92
I10	15	1.00	2.55	18	0.56	0.11
I9	15	1.00	1.85	20	0.66	-0.20
I8	15	0.77	1.35	20	0.43	-0.71
I7	15	1.00	0.59	20	0.46	-1.55
I6	18	1.00	-0.24	24	0.58	-1.91
I5	18	1.00	-1.08	24	0.58	-2.25
I31	18	1.00	-1.36	24	0.58	-2.36
I4	18	1.00	-2.02	24	0.58	-2.62
I3	24	0.48	-2.54	Existing pipe no changes	0.49	-3.00
T19	21	1.00	-2.54	26	0.59	-3.43
T18	21	1.00	-3.19	26	0.63	-3.94
T17	21	1.00	-3.89	26	0.63	-4.47
T16	28	0.37	-5.22	Existing pipe no changes	0.37	-5.19
T15	28	0.21	-5.23	Existing pipe no changes	0.21	-5.21
T14	30	0.70	-5.36	Existing pipe no changes	0.70	-5.33

Notes

- (1) Manhole used to find Q and Depth over Diameter value.
- (2) Pipe Diameter directly downstream of Manhole.
- (3) Calculated by dividing the depth of flow by pipe diameter. This value is evaluated directly downstream of specified Manhole.

Abbreviations

gpd: gallons per day
 cfs: cubic feet per second
 HGL: Hydraulic Grade Line
 Q: Flow rate
 d/D: Depth over Diameter

Table 2.6
PDWF Proposed Capital Improvements
 Woodland Park Apartments, 499 O' Connor St
 East Palo Alto, California

Upstream Manhole	Downstream Manhole	Existing Pipe Size	Proposed Pipe Size (Inches) (1)	Length (Feet) (2)
D3	D2	12	14	364
D2	I6	12	16	4,145
I6	I3	18	18	1,111

Notes

- (1) Proposed size of DR17 HDPE pipe to maintain d/D for existing conditions.
- (2) Length of pipe size increase between upstream and downstream MH.

Abbreviations

- d/D: Depth over Diameter
- MH: Manhole

Table 2.7
PWWF Proposed Capital Improvements
 Woodland Park Apartments, 499 O' Connor St
 East Palo Alto, California

Upstream Manhole	Downstream Manhole	Existing Pipe Size	Proposed Pipe Size (Inches) (1)	Length (Feet) (2)
D22	D3	8	10	1,079
D3	D2	12	16	364
D2	I9	12	18	3,592
I9	I6	15	20	553
I6	I3	18	24	1,111
T19	T16	21	26	1,524

Notes

- (1) Proposed size of DR17 HDPE pipe to maintain a d/D ratio of 0.67.
- (2) Length of pipe size increase between upstream and downstream MH.

Abbreviations

d/D: Depth over Diameter
 MH: Manhole

Table 3
Peaking Factor Calculations
 East Palo Alto Sanitary District

Monitoring Site	Overall ADWF (MGD) (2)	PDWF (MGD) (3)	PWWF (MGD) (4)	PDWF Peaking Factor (5)	PWWF Peaking Factor (6)
A15	0.27	0.43	1.19	1.59	2.77
B13	0.06	0.11	0.52	1.83	4.73
E1	0.13	0.19	0.59	1.46	3.11
E2	0.25	0.43	1.45	1.72	3.37
H3	0.14	0.23	0.58	1.64	2.52
I3	0.83	1.22	2.76	1.47	2.26
I12	0.23	0.39	0.76	1.70	1.95
K4	0.22	0.35	0.99	1.59	2.83
K28	0.11	0.17	0.68	1.55	4.00
T20	0.40	0.60	1.55	1.50	2.58
T13	1.53	2.31	5.78	1.51	2.50

Notes

- (1) Monitoring sites are identified in Table 3 of the *East Palo Alto Sanitary District Sanitary Sewer Flow Monitoring and Inflow/Infiltration Study* dated June 2012 prepared by V&A Consulting Engineers, Inc., referred to herein as "Flow Monitoring Study."
- (2) Overall ADWF is presented in Table 5 of the Flow Monitoring Study
- (3) PDWF is presented in Table 7-3 of the *East Palo Alto Sanitary District Wastewater Collection System Master Plan Update* dated March 2015 prepared by Freyer & Laureta, Inc., herein referred to as "Master Plan Update."
- (4) PWWF is presented in Table 7-3 of the Master Plan Update.
- (5) PDWF Peaking Factor is calculated by dividing the PDWF by the Overall ADWF.
- (6) PWWF Peaking Factor is calculated by dividing the PWWF by the PDWF.

Abbreviations

ADWF: Average Dry Weather Flow
 MGD: Million Gallons per Day
 PDWF: Peak Dry Weather Flow
 PWWF: Peak Wet Weather Flow

Table 4.1
Conceptual Opinion of Probable Project Cost for PDWF Improvements (1)
Woodland Park Apartments, 499 O' Connor St
East Palo Alto, California

Item No.	Description	Units	Quantity (2)	Unit Price	Budget
Conceptual Opinion of Probable Construction Cost					
1	Mobilization	ls	1	\$ 50,000	\$ 50,000
2	Traffic Control	ls	1	\$ 20,000	\$ 20,000
3	Sheeting, Shoring, and Bracing	ls	1	\$ 20,000	\$ 20,000
4	14-inch DR 17 HDPE Pipe	lf	370	\$ 350	\$ 129,500
5	16-inch DR 17 HDPE Pipe	lf	4,150	\$ 450	\$ 1,867,500
6	18-inch DR 17 HDPE Pipe	lf	1,120	\$ 550	\$ 616,000
7	Manholes	ea	30	\$ 10,000	\$ 300,000
8	30% Contingency	%	30%	\$ 3,003,000	\$ 900,900
Subtotal - Conceptual Opinion of Probable Construction Cost \$ 3,903,900					
Engineering and Administration Cost					
9	Design	%	10%	\$ 3,903,900	\$ 390,390
10	Environmental/Permitting	%	10%	\$ 3,903,900	\$ 390,390
11	Construction Management/ Inspection	%	15%	\$ 3,903,900	\$ 585,585
12	District Administration	%	5%	\$ 3,903,900	\$ 195,195
Subtotal - Engineering and Administration Cost					\$ 1,561,600
Total Conceptual Opinion of Probable Project Cost					\$ 5,465,500

Notes

(1) See Table 2.6 for limits of improvements.

(2) Quantities rounded to nearest 10 feet.

Table 4.2
Conceptual Opinion of Probable Project Cost for PWWF Improvements (1)
Woodland Park Apartments, 499 O' Connor St
East Palo Alto, California

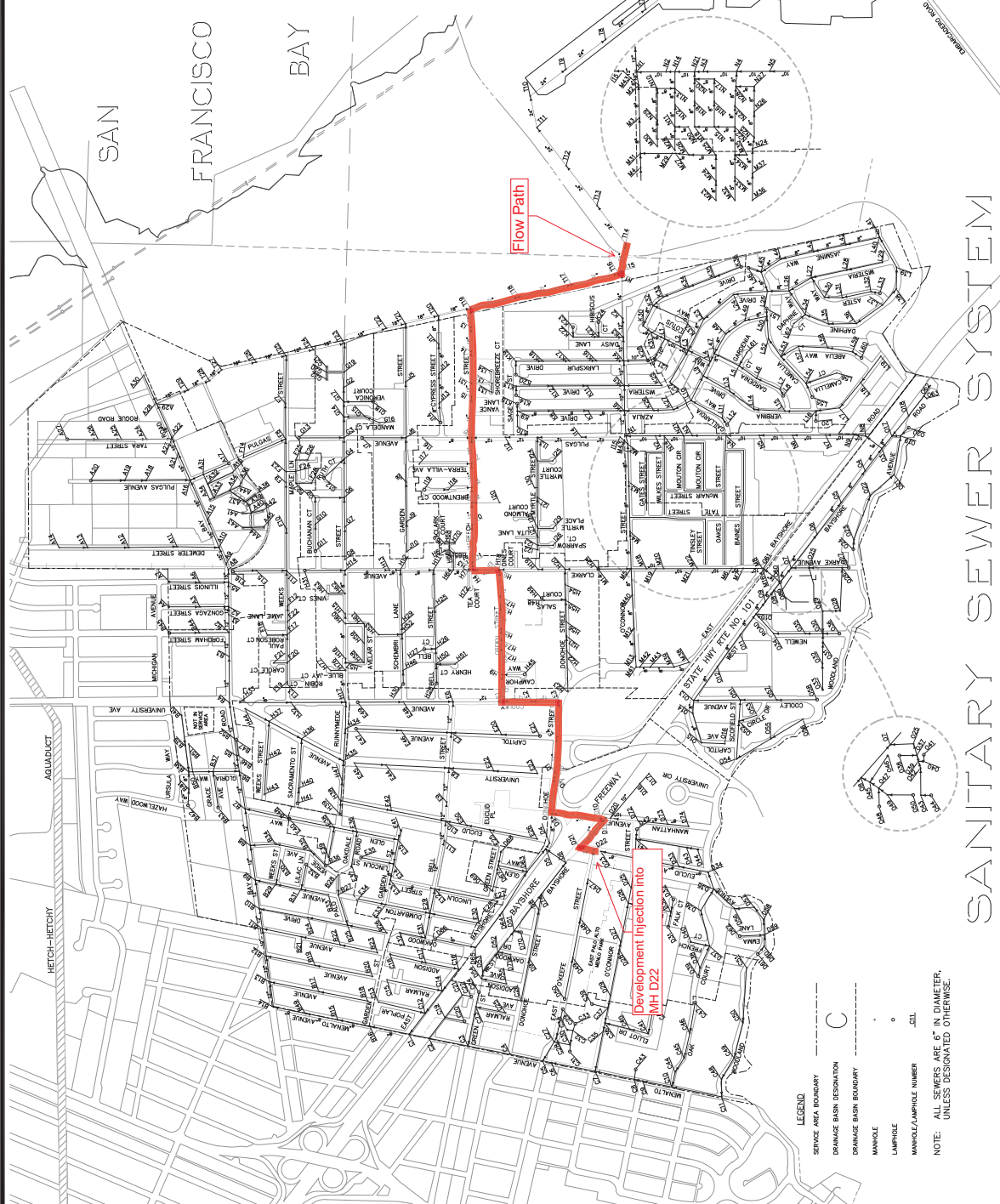
Item No.	Description	Units	Quantity (2)	Unit Price	Budget
Conceptual Opinion of Probable Construction Cost					
1	Mobilization	ls	1	\$ 50,000	\$ 50,000
2	Traffic Control	ls	1	\$ 20,000	\$ 20,000
3	Sheeting, Shoring, and Bracing	ls	1	\$ 20,000	\$ 20,000
4	10-inch DR 17 HDPE Pipe	lf	1,080	\$ 300	\$ 324,000
5	16-inch DR 17 HDPE Pipe	lf	370	\$ 450	\$ 166,500
6	18-inch DR 17 HDPE Pipe	lf	3,600	\$ 550	\$ 1,980,000
7	20-inch DR 17 HDPE Pipe	lf	560	\$ 600	\$ 336,000
8	24-inch DR 17 HDPE Pipe	lf	1,120	\$ 700	\$ 784,000
9	26-inch DR 17 HDPE Pipe	lf	1,530	\$ 750	\$ 1,147,500
10	Manholes	ea	34	\$ 10,000	\$ 340,000
11	30% Contingency	%	30%	\$ 5,168,000	\$ 1,550,400
Subtotal - Conceptual Opinion of Probable Construction Cost					\$ 6,718,400
Engineering and Administration Cost					
12	Design	%	10%	\$ 6,718,400	\$ 671,840
13	Environmental/Permitting	%	10%	\$ 6,718,400	\$ 671,840
14	Construction Management/ Inspection	%	15%	\$ 6,718,400	\$ 1,007,760
15	District Administration	%	5%	\$ 6,718,400	\$ 335,920
Subtotal - Engineering and Administration Cost					\$ 2,687,400
Total Conceptual Opinion of Probable Project Cost					\$ 9,405,800

Notes

- (1) See Table 2.7 for limits of improvements.
- (2) Quantities rounded to nearest 10 feet.



Any plans or workings made by East Palo Alto Sanitary District for the construction of sewerage treatment facilities can only be furnished with the understanding that the District will not be responsible for the accuracy of the data shown on the accompanying maps or drawings. The District will exercise due care to make this information as accurate as possible. The Applicant must regard it only as a suggestion as to the possible locations, as would be necessary to protect the District's facilities must be borne by the applicant.



LEGEND-FLOW PATHS
 WOODLAND PARK

Flow Path

Development Injection into
 MH D22

LEGEND
 SERVICE AREA BOUNDARY
 DRAINAGE BASIN DESIGNATION
 DRAINAGE BASIN BOUNDARY
 MANHOLE
 MANHOLE/AMPHOLE NUMBER
 NOTE: ALL SEWERS ARE 6" IN DIAMETER, UNLESS DESIGNATED OTHERWISE.

SANITARY SEWER SYSTEM

EAST PALO ALTO SANITARY DISTRICT

PALO ALTO REGIONAL WATER POLLUTION CONTROL PLANT



EAST PALO ALTO SANITARY DISTRICT

BOARD OF DIRECTORS

Glenda Savage, President
Joan Sykes-Miessi, Vice President
Bethzabe Yañez, Secretary
Goro Mitchell, Director
Dennis Scherzer, Director

901 Weeks Street
East Palo Alto, CA 94303
Phone: (650) 325-9021
Fax: (650) 325-5173
www.epasd.com

Akin Okupe, M.B.A, P.E., General Manager

April 11th, 2019

Sandhill Property Company
965 Page Mill Road
Palo Alto, CA 94304

Subject: Sewer Service Delinquency Fee Tax Bill Warning (APN #063-513-650)

Dear Customer,

Our records indicate that we have not received a response nor payment from you for the delinquent sewer service commercial fee charge of \$170,511.12. This amount was calculated using the water consumption data at Woodland Park Property for the last four years as indicated in Table 2 below:

Table 1 (Annual Fee Calculation)

APN	Annual Water Use	Commercial Rate	Annual Total
063-513-650	8901 ccf	4.7891	\$42,627.78

Table 2 (Delinquency Fees Breakdown)

Fiscal Years	Fees
July 1 st , 2015-June 30 th , 2016	\$42,627.78
July 1 st , 2016-June 30 th , 2017	\$42,627.78
July 1 st , 2017-June 30 th , 2018	\$42,627.78
July 1 st , 2018-June 30 th , 2019	\$42,627.78
Total	\$170,511.12

The fees due in the amount of \$170,511.12 is indicated in Table 2. You have until May 15th, 2019 to either submit a dispute by phone, mail, or office visit, or payment for the charges to your parcel(s). After May 15th, 2019 your parcel(s) will be added to the San Mateo County Tax Bill for collection. If you are unable to pay the full amount due there is an installment agreement available.

Checks may be submitted in person or by mail to 901 Weeks Street, East Palo Alto, CA 94303.

If you have any questions or concerns, please call the East Palo Alto Sanitary District at (650) 325 – 9021, or visit between 8 am – 12 pm, or 1 pm – 5 pm on weekdays.

Thank you for your cooperation and anticipated action.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Akin Okupe', written in a cursive style.

Akin Okupe, General Manager



Corinne I. Calfee
2907 Claremont Ave., Suite 115
Berkeley, CA 94705

ccalfee@opterrallaw.com
510-809-8001

VIA Electronic Mail

Akin Okupe
General Manager
East Palo Alto Sanitary District
901 Weeks Street
East Palo Alto, CA 94303

May 28, 2019

Re: Sewer Service Delinquency Fee Tax Bill Warning (APN #063-513-650)

Dear Mr. Okupe:

Opterra Law, Inc., represents Woodland Park Property Owner, LLC (“Woodland Park”). I write today in relation to the April 11, 2019 letter regarding allegedly delinquent sewer service fees of \$170,511.12 at APN #063-513-650. You and I spoke by telephone on May 13, 2019 and you confirmed that my telephone call to you satisfied the requirement to dispute the fees by May 15, 2019. You agreed to provide me with additional information on May 14, 2019.

When I did not hear back from you on May 14, 2019 or during the subsequent week, I followed up with you by telephone on May 20, 2019. I spoke with you and Ms. Nickings. I requested copies of any bills or other prior correspondence regarding past-due amounts. You agreed to provide additional information.

On May 21, 2019, you telephoned me to explain that in your opinion, the sewer service delinquency fee was appropriate and would be added to the property tax bill. You conceded that if my client had owned the property for less than four years, the Sanitary District would reduce the bill to reflect the time period of ownership. I listened to your arguments and explained that my client did not agree with the fee and needed additional information. I told you that I would speak with my client and gather additional information. That same day, Ms. Nickings emailed and asked how many apartment units are located on the property.

Woodland Park has gathered additional documentation and reiterates its dispute regarding the sewer service fee. All appropriate sanitary sewer fees have been paid throughout Woodland Park’s ownership of the property. It would be improper and unlawful to impose any additional fees, as explained in greater detail below.

The parcel in question, APN #063-513-650, is one of four connected parcels on which there are a total of 64 apartments. The other three parcels are APN ##063-513-830, 063-513-560, and 063-513-540. Please see Exhibit A hereto, which is the Assessor's Parcel Map where these four parcels have been highlighted.

The street addresses of this apartment building are 1920 and 1928 Cooley Ave., East Palo Alto. Please see Exhibit B hereto, which is a print out from Google Maps showing the perimeter of the apartment building outlined on the four connected parcels.

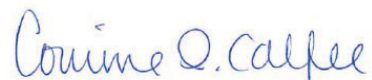
The sanitary sewer charges for these 64 apartments have been assessed on parcels 063-513-560 and 063-513-540. Each parcel has been assessed \$18,400. At the EPA Sanitary Sewer District's rate of \$575 per dwelling unit, this amounts to a charge for 32 dwelling units on each of these parcels. Together, this comes to a total annual payment of \$36,800, which is the appropriate payment for all 64 dwelling units that are located on the four underlying and connected parcels. Please see the statements in Exhibit C showing the secured property tax for each parcel. The statements show that the taxes have been paid in full.

Therefore, although there was no separate assessment for APN #063-513-650, the sanitary sewer charges for the portion of apartments located thereon has already been paid via assessments on parcels 063-513-560 and 063-513-540. No further assessment would be proper.

Please immediately confirm that the EPA Sanitary Sewer District will cease and desist its attempts to collect any additional sewer service commercial fees for APN #063-513-650 and will not add this amount to the secured property tax bill for collection.

Thank you for your assistance.

Sincerely,



Corinne I. Calfee

cc: Client

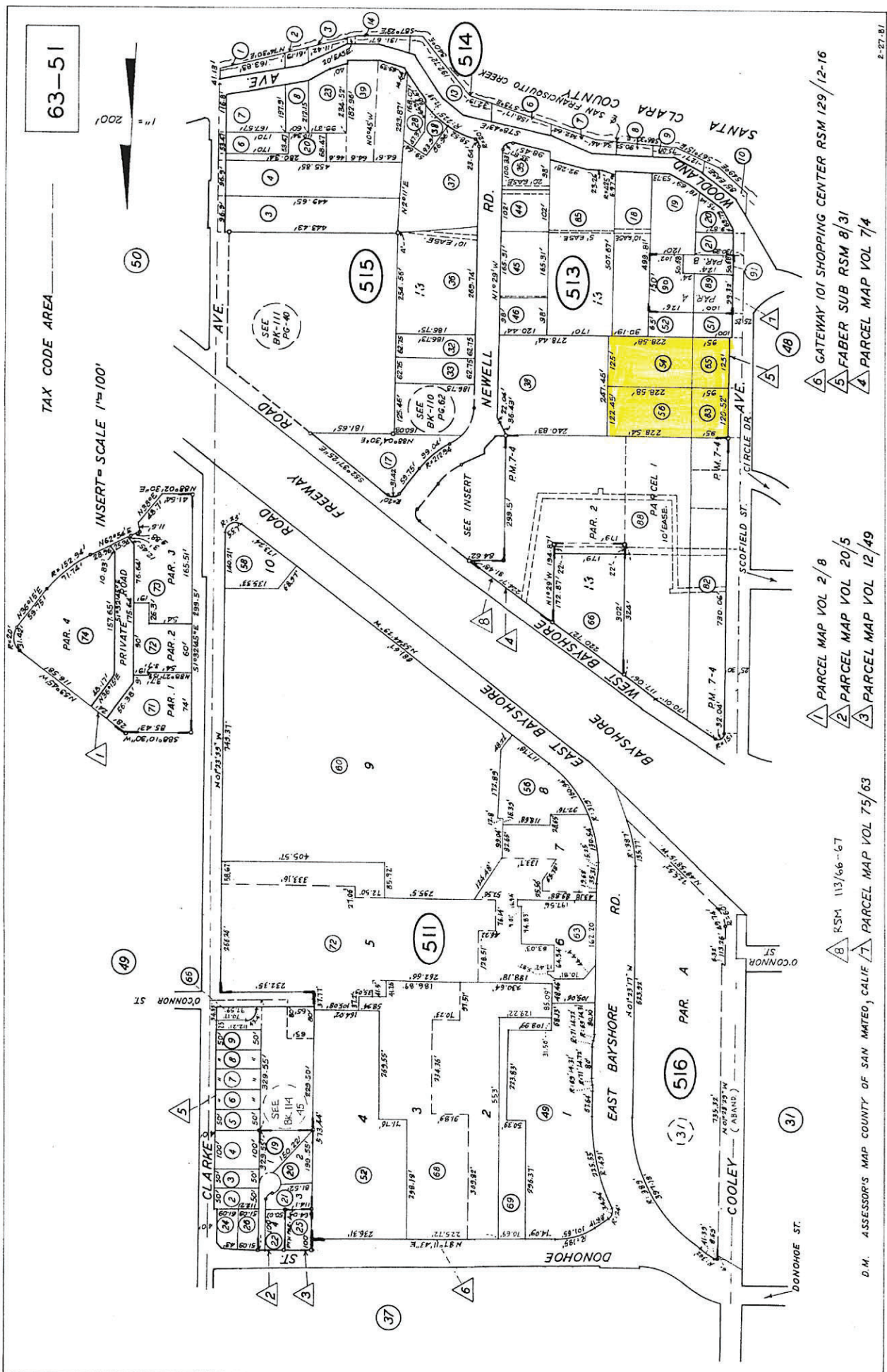
Encl.

Exhibit A

63-51

TAX CODE AREA

INSERT = SCALE 1" = 100'



- △ 6 GATEWAY 101 SHOPPING CENTER RSM 129/12-16
- △ 5 FABER SUB RSM 8/31
- △ 4 PARCEL MAP VOL 7/4

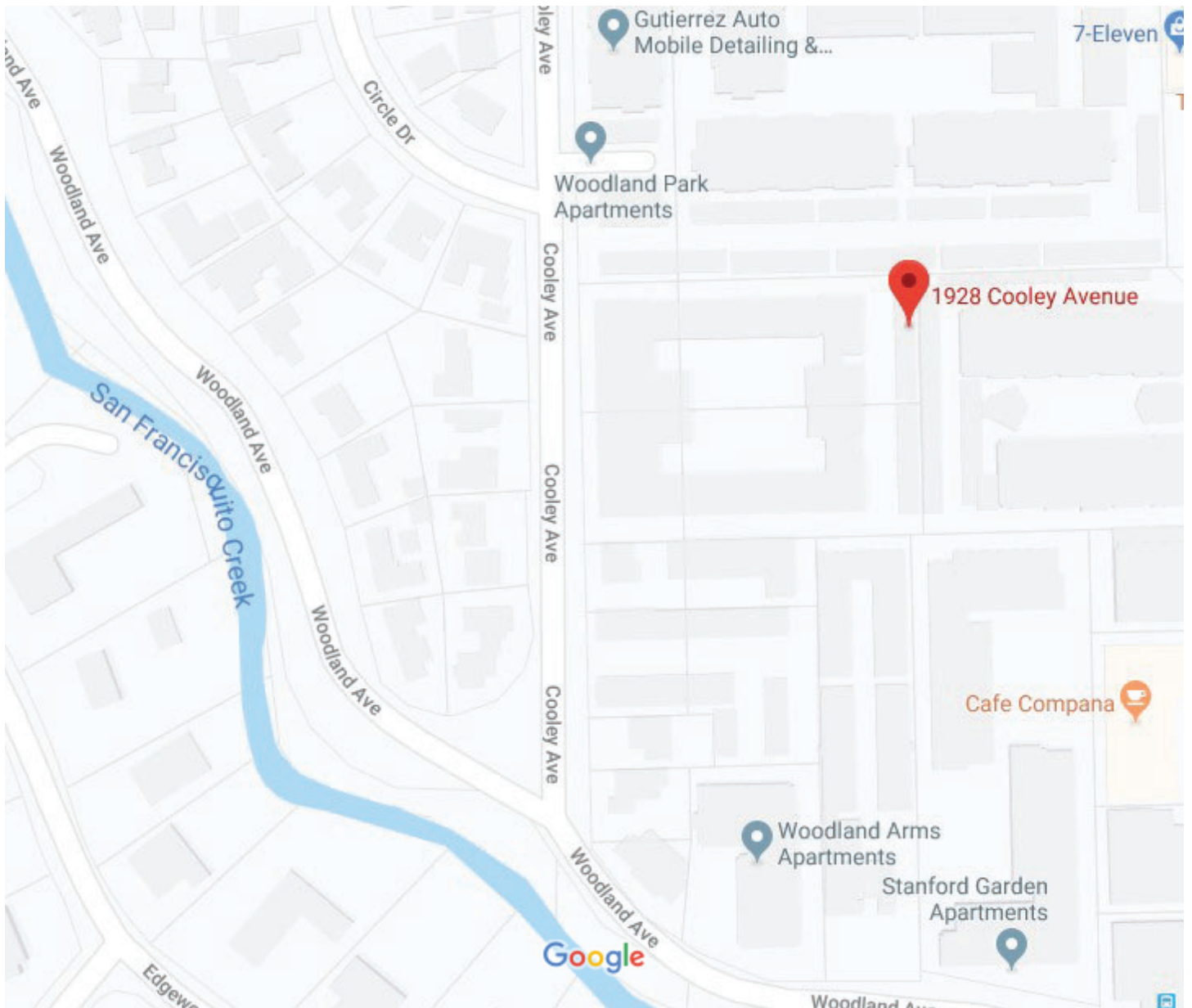
- △ 1 PARCEL MAP VOL 2/8
- △ 2 PARCEL MAP VOL 20/5
- △ 3 PARCEL MAP VOL 12/49

- △ 8 RSM 113/66-67
- △ 7 PARCEL MAP VOL 75/63

D.M. ASSESSOR'S MAP COUNTY OF SAN MATEO, CALIF

Exhibit B

Google Maps 1928 Cooley Ave



Map data ©2019 Google 100 ft

Exhibit C

**County of San Mateo
Tax Collector/Treasurer**
Tuesday May 21, 2019. 03:44:24 PM PDT

TAX BILL PAID

Secured Property Tax			2018	Note: Penalties only apply to late payments			
Parcel	Tax Rate Area	Assessment Year	Roll Year		Installment 1	Installment 2	Total
063-513-540	21-004	2018	2018	General Tax	29,421.56	29,421.56	\$58,843.12
Owner Address				Total Special Charges	9,377.68	9,377.68	\$18,755.36
*Name private per CA AB2238				Total Taxes	38,799.24	38,799.24	\$77,598.48
965 PAGE MILL RD				Penalty + Cost + Fee	0.00	0.00	\$0.00
PALO ALTO CA 94304-1013				Total Amount	\$38,799.24	\$38,799.24	\$77,598.48
Property Location				Due Date	Nov 01, 2018	Feb 01, 2019	
1920 COOLEY AVE				Late After	Dec 10, 2018	Apr 10, 2019	
EAST PALO ALTO				PAID DATE	DEC 07, 2018	APR 08, 2019	
Values				Detail Special Charges		Phone Contact	Amount
Improvements		1,328,881		EPA STORM DRAINAGE FEE		(650) 853-3108	66.66
Land		3,901,445		FEDCA&NPDES STORM FEE		(650) 363-4100	18.46
Personal Property		35,750		SEQUOIA UHSD MAINTENANCE		(800) 273-5167	58.50
Total Values:		5,266,076		SFBRA MEASURE AA		(888) 508-8157	12.00
Exemptions				SMC MOSQUITO ABATE DIS		(800) 273-5167	3.74
				RAVENSWOOD MEAS Q PTAX		(866) 807-6864	196.00
				EPA SANITARY DISTRICT		(650) 325-9021	18,400.00
				Total Special Charges:			18,755.36
				Taxing Agency		Tax Rate	Amount
				GENERAL TAX RATE		1.0000	52,660.76
				MIDPENINSULA REG OPEN SPACE DEBT SERVC		.0018	94.79
				RAVENSWOOD EL 2016 REF		.0616	3,243.90
				SEQUOIA UNION HI BOND 2008 SER B		.0365	1,922.11
				SM JR COLLEGE BD 2002		.0175	921.56
				General Tax Total		1.1174	58,843.12
Net value		\$5,266,076	Composite Rate	1.1174	Penalty Rate		10.0%
Legal Description	0.66 AC MOL COM N 1 DEG 29 MIN W 284.87 FT & N 88 DEG 31 MIN E 100 FT FR NELY COR OF						
Be aware that during peak periods, it may take up to 10 days to receive and process your payments.							

Your Taxes Have Been Paid. Thank You.

**County of San Mateo
Tax Collector/Treasurer**
Tuesday May 21, 2019. 03:44:58 PM PDT

TAX BILL PAID

Secured Property Tax			2018	Note: Penalties only apply to late payments				
Parcel	Tax Rate Area	Assessment Year	Roll Year		Installment 1	Installment 2	Total	
063-513-560	21-004	2018	2018	General Tax	28,317.59	28,317.59	\$56,635.18	
Owner Address				Total Special Charges	9,637.22	9,637.22	\$19,274.44	
*Name private per CA AB2238				Total Taxes	37,954.81	37,954.81	\$75,909.62	
965 PAGE MILL RD				Penalty + Cost + Fee	0.00	0.00	\$0.00	
PALO ALTO CA 94304-1013				Total Amount	\$37,954.81	\$37,954.81	\$75,909.62	
Property Location				Due Date	Nov 01, 2018	Feb 01, 2019		
1928 COOLEY AVE				Late After	Dec 10, 2018	Apr 10, 2019		
EAST PALO ALTO				PAID DATE	DEC 07, 2018	APR 08, 2019		
Values				Detail Special Charges		Phone Contact	Amount	
Improvements		1,291,968		EPA GARBAGE SERVICE		(650) 853-3108	566.20	
Land		3,776,511		EPA STORM DRAINAGE FEE		(650) 853-3108	20.14	
Total Values:		5,068,479		FEDCA&NPDES STORM FEE		(650) 363-4100	17.86	
Exemptions				SEQUOIA UHSD MAINTENANCE		(800) 273-5167	58.50	
				SFBRA MEASURE AA		(888) 508-8157	12.00	
				SMC MOSQUITO ABATE DIS		(800) 273-5167	3.74	
				RAVENSWOOD MEAS Q PTAX		(866) 807-6864	196.00	
				EPA SANITARY DISTRICT		(650) 325-9021	18,400.00	
				Total Special Charges:			19,274.44	
				Taxing Agency		Tax Rate	Amount	
				GENERAL TAX RATE		1.0000	50,684.79	
				MIDPENINSULA REG OPEN SPACE DEBT SERVCE		.0018	91.24	
				RAVENSWOOD EL 2016 REF		.0616	3,122.18	
				SEQUOIA UNION HI BOND 2008 SER B		.0365	1,849.99	
				SM JR COLLEGE BD 2002		.0175	886.98	
				General Tax Total		1.1174	56,635.18	
Net value		\$5,068,479		Composite Rate		1.1174	Penalty Rate	10.0%
Legal Description	0.64 AC MOL COM N 1 DEG 29 MIN W 409.87 FT & N 88 DEG 31 MIN E 100 FT FR NELY COR OF							
Be aware that during peak periods, it may take up to 10 days to receive and process your payments.								

Your Taxes Have Been Paid. Thank You.

**County of San Mateo
Tax Collector/Treasurer**
Tuesday May 21, 2019. 03:45:28 PM PDT

TAX BILL PAID

Secured Property Tax			2018	Note: Penalties only apply to late payments			
Parcel	Tax Rate Area	Assessment Year	Roll Year		Installment 1	Installment 2	Total
063-513-650	21-014	2018	2018	General Tax	11,843.69	11,843.69	\$23,687.38
Owner Address				Total Special Charges	432.08	432.08	\$864.16
*Name private per CA AB2238				Total Taxes	12,275.77	12,275.77	\$24,551.54
965 PAGE MILL RD				Penalty + Cost + Fee	0.00	0.00	\$0.00
PALO ALTO CA 94304-1013				Total Amount	\$12,275.77	\$12,275.77	\$24,551.54
Property Location				Due Date	Nov 01, 2018	Feb 01, 2019	
1920 COOLEY AVE				Late After	Dec 10, 2018	Apr 10, 2019	
EAST PALO ALTO				PAID DATE	DEC 07, 2018	APR 08, 2019	
Values				Detail Special Charges			
Improvements	553,700			EPA GARBAGE SERVICE	Phone Contact	Amount	
Land	1,566,167				(650) 853-3108	566.20	
Total Values:	2,119,867			EPA STORM DRAINAGE FEE	(650) 853-3108	20.14	
Exemptions				FEDCA&NPDES STORM FEE	(650) 363-4100	7.58	
				SEQUOIA UHSD MAINTENANCE	(800) 273-5167	58.50	
				SFBRA MEASURE AA	(888) 508-8157	12.00	
				SMC MOSQUITO ABATE DIS	(800) 273-5167	3.74	
				RAVENSWOOD MEAS Q PTAX	(866) 807-6864	196.00	
				Total Special Charges:		864.16	
				Taxing Agency			
					Tax Rate	Amount	
				GENERAL TAX RATE	1.0000	21,198.67	
				MIDPENINSULA REG OPEN SPACE DEBT SERVCE	.0018	38.16	
				RAVENSWOOD EL 2016 REF	.0616	1,305.83	
				SEQUOIA UNION HI BOND 2008 SER B	.0365	773.75	
				SM JR COLLEGE BD 2002	.0175	370.97	
				General Tax Total	1.1174	23,687.38	
Net value	\$2,119,867			Composite Rate	1.1174	Penalty Rate	10.0%
Legal Description	0.27 AC MOL HAVING 125 FT FRON T ON ELY LN OF COOLEY AVE LYING OPP LOTS 19 & 20 OF						
Be aware that during peak periods, it may take up to 10 days to receive and process your payments.							

Your Taxes Have Been Paid. Thank You.

**County of San Mateo
Tax Collector/Treasurer**
Tuesday May 21, 2019. 03:46:04 PM PDT

TAX BILL PAID

Secured Property Tax			2018	Note: Penalties only apply to late payments			
Parcel	Tax Rate Area	Assessment Year	Roll Year		Installment 1	Installment 2	Total
063-513-830	21-014	2018	2018	General Tax	11,529.83	11,529.83	\$23,059.66
Owner Address				Total Special Charges	172.10	172.10	\$344.20
*Name private per CA AB2238				Total Taxes	11,701.93	11,701.93	\$23,403.86
965 PAGE MILL RD				Penalty + Cost + Fee	0.00	0.00	\$0.00
PALO ALTO CA 94304-1013				Total Amount	\$11,701.93	\$11,701.93	\$23,403.86
Property Location				Due Date	Nov 01, 2018	Feb 01, 2019	
1928 COOLEY AVE				Late After	Dec 10, 2018	Apr 10, 2019	
EAST PALO ALTO				PAID DATE	DEC 07, 2018	APR 08, 2019	
Values				Detail Special Charges		Phone Contact	Amount
Improvements		516,787		EPA STORM DRAINAGE FEE		(650) 853-3108	66.66
Land		1,546,902		FEDCA&NPDES STORM FEE		(650) 363-4100	7.30
Total Values:		2,063,689		SEQUOIA UHSD MAINTENANCE		(800) 273-5167	58.50
Exemptions				SFBRA MEASURE AA		(888) 508-8157	12.00
				SMC MOSQUITO ABATE DIS		(800) 273-5167	3.74
				RAVENSWOOD MEAS Q PTAX		(866) 807-6864	196.00
				Total Special Charges:			344.20
				Taxing Agency		Tax Rate	Amount
				GENERAL TAX RATE		1.0000	20,636.89
				MIDPENINSULA REG OPEN SPACE DEBT SERVICE		.0018	37.16
				RAVENSWOOD EL 2016 REF		.0616	1,271.23
				SEQUOIA UNION HI BOND 2008 SER B		.0365	753.24
				SM JR COLLEGE BD 2002		.0175	361.14
				General Tax Total		1.1174	23,059.66
Net value		\$2,063,689	Composite Rate	1.1174	Penalty Rate		10.0%
Legal Description	0.26 AC MOL ON ELY LN OF COOLE Y AVE COM 409.87 FT NLY FR WOODLAND AVE BEING PTN OF L						
Be aware that during peak periods, it may take up to 10 days to receive and process your payments.							

Your Taxes Have Been Paid. Thank You.

Stakeholder Input Form¹
San Mateo LAFCO's Municipal Service Review for
East Palo Alto, Menlo Park, and the East Palo Alto Sanitary District ("EPASD")

Developer	Emerson Collective
Contact	Name: Lorenzo Brooks Phone: (510) 629-1638 Email: lorenzo@emersoncollective.com
Project Name	JobTrain Office Project/Center for Economic Mobility
Project Description (e.g., residential or commercial, number of units, etc.)	Development of a 109,000 SF office building with 357 surface parking spaces.
Entitlements Status	<input type="checkbox"/> Approved: _____ (date) <input checked="" type="checkbox"/> Pending: Going through the entitlement process and expected to present to planning commission in Q4 2021 (date) <input type="checkbox"/> Other: Please specify:
CEQA Document	<input type="checkbox"/> Environmental Impact Report <input checked="" type="checkbox"/> Negative Declaration / Mitigated Negative Declaration <input type="checkbox"/> Categorical / Statutory Exemption <input type="checkbox"/> Other:
Level of EPASD Participation in Project's CEQA Review	None
First Contact with EPASD	Date: August 26, 2020
Will-Serve Letter Status	<input type="checkbox"/> Approved: _____ (date) <input type="checkbox"/> Pending: _____ (date) <input checked="" type="checkbox"/> Other: Please specify: EPASD only replied to our request with an email stating that they do not have capacity. We have repeatedly asked for a formal response but have not received anything.
Project Sanitary Sewer Flow Estimates (gpd)	10,365 GPD
EPASD Fee Estimate (if any)	We did not receive a fee estimate from EPASD. BKF, the civil engineer on the Project, estimated the capacity fee at approximately \$262,000. We did receive an estimate of sewer improvement costs necessary to move forward with the Project. The total cost was \$6.6 million.

¹ This Stakeholder Input Form ("Form") was prepared by a working group of stakeholders and developers with approved and/or pending development projects in the City of East Palo Alto. This Form is intended to inform the SM LAFCO in its preparation of a Municipal Service Review for the City of East Palo Alto, City of Menlo Park, and the EPASD.

Please provide a summary of the Project’s experience with the EPASD?	
<p>We submitted a demand memo and connection application for sewer service to EPASD on August 26, 2020. On August 31, 2020, we received an email response back that only stated that EPASD does not have capacity for our Project (see Exhibit A – EPASD Capacity Email). The email did not contain any direction on how to move forward. In addition, we made several attempts to get a formal written response from EPASD on our application but none was provided. Moreover, EPASD did not provide any additional feedback on how we could proceed at this time.</p> <p>Over the next five months we made several attempts to figure out a path to receiving a will serve letter from EPASD that included: (1) trying to get a better understanding of necessary sewer upgrades, (2) participating in intergovernmental meetings with EPASD and the City of EPA, (3) presenting an alternative sewer connection idea to EPASD, and (4) discussing an onsite wastewater treatment option with EPASD.</p> <p>While several intergovernmental meetings took place, no decisions were made and they ended in November 2020 without a solution to EPASD’s capacity challenges. In December 2020, we presented a unique solution to EPASD that involved a partnership with West Bay Sanitary District (“WBSD”) (see Exhibit A – West Bay Sanitary District Option). We asked to present the WBSD option at an EPASD board meeting but EPASD did not reply to our request. EPASD did discuss this option at an engineering committee meeting but then requested a \$10,000 payment to have a conversation about feasibility with WBSD (see Exhibit A – West Bay Sanitary District Option). In addition to looking at this solution, we are also considering onsite wastewater management but EPASD has not been helpful in thinking through this solution (see Exhibit A – Onsite Wastewater Treatment). Note that onsite wastewater management would have little to no effect on EPASD’s capacity concerns because all of the wastewater will be treated without using the existing sewer pipes. Finally, in January of 2021, EPASD provided feedback on our request for a will serve letter in the form of a hydraulic modeling analysis that concluded that if we would like to move forward with our Project, we would need to improve approximately 4,200 feet of sewer pipe at an estimated cost of \$6.6 million. When we inquired about the next step in the process of finding a solution, EPASD requested a payment of \$20,000 to put together a development agreement to outline the sewer improvement process and begin negotiations with EPASD on cost sharing (see Exhibit A – Capacity Upgrades and Development Agreement).</p> <p>At this time, a formal response to our request for service on August 26, 2020, has not been received.</p>	
Please provide a summary of your experience working with and/or communicating with EPASD personnel.	
<p>Our team has found it difficult to communicate with EPASD. Our conversations have primarily been with the General Manager, Akin Okupe. The main challenge has been getting Mr. Okupe to provide a formal response to our request for service that we submitted on August 26, 2020. We have specifically asked for this on several occasions. Mr. Okupe has stated that EPASD does not have capacity for our Project in an email but has not provided a denial letter. In addition, due to the capacity issue with EPASD, we have come up with several creative solutions to help move our Project forward but EPASD has not been willing to really consider them.</p>	
Please provide a summary of your experience participating in, or observing, meetings of the EPASD Board of Directors.	
<p>I have attended several EPASD board meetings and I attended the intergovernmental meetings between EPASD and the City of EPA. In all of these meetings, I found there to be a lack of constructive conversation geared toward moving forward with solving EPASD’s capacity challenges. Suggestions were made by the City of EPA and consultants but they were disregarded by EPASD in such a way that a meaningful conversation regarding actual solutions never occurred.</p>	

EXHIBIT A

**Pertinent Communications and/or Documentation
Involving the EPASD**

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EPASD Capacity Email

West Bay Sanitary District Option

Date: December 1, 2020

To: Akin Okupe
General Manager, East Palo Alto Sanitary District

Martha Stryker
Director, East Palo Alto Sanitary District

Betsy Yanez
Director, East Palo Alto Sanitary District

From: Brad Powell, Sycamore Real Estate Investment, LLC
Lorenzo Brooks, Sycamore Real Estate Investment, LLC

Subject: Alternative Sewage Treatment Proposal at 2535 Pulgas Avenue

Purpose

The purpose of this letter is to request that the following proposal for a sewage treatment alternative for a new 100,000 square foot office building at 2535 Pulgas Avenue (the "Building") be included for consideration on the agenda of the next East Palo Alto Sanitary District ("EPASD") Board of Directors ("Board") meeting.

Project Background

Sycamore Real Estate Investment, LLC (an affiliate of Emerson Collective, LLC) ("SREI") and JobTrain, Inc. ("JobTrain") are in the process of seeking approval to develop the Building. This project is intended to house the Center for Economic Mobility ("CEM") and it will serve as a new hub for innovation and opportunity to allow residents to find jobs and career pathways toward long term economic security. JobTrain, a local workforce development non-profit organization, is slated to occupy 50,000 square feet of the Building and SREI will own the remaining 50,000 square feet. The Building will house an expanded JobTrain program in addition to ancillary support services, a community college campus, and a conduit to jobs in East Palo Alto and the surrounding area. JobTrain will move all of its operations from its Menlo Park office into the new development. This includes career training services in healthcare, IT, culinary, building maintenance, and carpentry. In addition, JobTrain will also move its onsite preschool, youth services, Employment Development Division, Stanford Health and Wellness, Five Keys Schools and Programs, and Cañada College into the new Building. Moreover, with increased space, JobTrain plans to provide additional career training programs to serve the demand from employers in other industries in Silicon Valley. JobTrain will work with employers to help train and/or identify candidates with required skills and source local talent to work in their businesses. Most importantly, this new development will allow JobTrain to remain in the community where most of its students live. SREI will use its space for general office activities, and both partners are committed to enabling community members to achieve full economic mobility and inclusion.

Additional community benefits of the project are as follows:

- Construction will be performed under a local/priority hire agreement in collaboration with the project's general contractor
- Environmentally sustainable development features that include an alternative concrete mix that sequesters carbon, solar panels, and water efficient landscaping
- A neighborly presence on the Pulgas Avenue corridor alongside the Ravenswood Family Health Center, Sobrato Center for Community Resources, and EPACenter Arts

Note that CEM is the first ground-up development in East Palo Alto for SREI and it will be followed by a larger EPA waterfront development currently in the pre-application phase of the planning process. The sewer demand for CEM is 10,248 gallons per day.

Sewage Treatment Proposal

SREI submitted a sewer demand memo to EPASD on August 26, 2020 and SREI received a response on August 31, 2020 stating that EPASD does not have capacity to serve the CEM project. Given the current sewage treatment constraints of EPASD, SREI would like to propose an arrangement between EPASD and West Bay Sanitary District (“WBSD”) that would address CEM’s anticipated needs. SREI’s developable land in East Palo Alto straddles the boundary of EPASD and WBSD as can be seen in Exhibit A to this letter. CEM is within EPASD and adjacent to SREI property that is within WBSD. Under this alternative proposal, SREI would be responsible for constructing a new sewer line on SREI property connecting the Building to WBSD’s pump station on Illinois St. (seen in orange on Exhibit A). This sewage treatment alternative would have no impact on EPASD infrastructure and no impact to current EPASD rate payers. Under this potential agreement between EPASD and WBSD, SREI would still be an EPASD customer and pay all related fees to EPASD. EPASD would then enter into a separate agreement with WBSD to pay a transmission and treatment fee for the additional demand that will be flowing through WBSD’s system.

As an alternative to the proposal above, we would also be open to considering an agreement between EPASD and WBSD that allows for a boundary line adjustment or annexation to solve CEM’s sanitary sewer needs. We look forward to discussing this proposed solution with you and the Board in more detail. Please feel free to reach out to us with any questions.

Sincerely,
Brad Powell

A handwritten signature in blue ink that reads "Brad Powell". Above the signature, there is a small, faint stamp that says "DocuSigned by". Below the signature, there is a small, faint stamp that says "17182224751480".

Sycamore Real Estate Investment, LLC

SREI Contact: Lorenzo Brooks
lorenzo@emersoncollective.com

EXHIBIT A: SREI Land and Corresponding Sanitary District



Onsite Wastewater Treatment

Capacity Upgrades and Development Agreement

Stakeholder Input Form¹
San Mateo LAFCO's Municipal Service Review for
East Palo Alto, Menlo Park, and the East Palo Alto Sanitary District ("EPASD")

Developer	<u>Victor Dong</u>
Contact	Name: Victor Dong Phone: 510-364-5343 Email: victor_dong@yahoo.com
Project Name	4 single family house on 0.5 acre vacant lot at 961 Beech st
Project Description (e.g., residential or commercial, number of units, etc.)	Build 4 new single family house on 0.5 acre vacant lot at 961 Beech St
Entitlements Status	<input checked="" type="checkbox"/> Approved: Oct 28, 2019 (<i>date</i>) <input type="checkbox"/> Pending: _____ (<i>date</i>) <input type="checkbox"/> Other: Please specify:
CEQA Document	<input type="checkbox"/> Environmental Impact Report <input type="checkbox"/> Negative Declaration / Mitigated Negative Declaration <input checked="" type="checkbox"/> Categorical / Statutory Exemption <input type="checkbox"/> Other:
Level of EPASD Participation in Project's CEQA Review	0, City Planning department give CEQA exemption because small in-fill of only 4 single family house
First Contact with EPASD	Date: March 26, 2021
Will-Serve Letter Status	<input type="checkbox"/> Approved: _____ (<i>date</i>) <input type="checkbox"/> Pending: _____ (<i>date</i>) <input checked="" type="checkbox"/> Other: Please specify: Rejected
Project Sanitary Sewer Flow Estimates (gpd)	468 GPD
EPASD Fee Estimate (if any)	Application fee: \$3700 Connection fee: \$26400 Capacity analysis: \$3000 EPASD engineer fee _ \$6990 Consultant fee

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Please provide a summary of the Project's experience with the EPASD?

My 4 single family house subdivision project on 0.5 acre land started almost 5 years ago, tentative map was approved by East Palo Alto Planning department on Oct 28, 2019. It was an in-fill development, previously there is big green house on the property with all utility connections. Planning department, City engineer, City counsel, Public work, fire department ... all reviewed, approved the subdivision. The final map was recorded on Dec 26, 2020, now it is 4 separate lot. We got CEQA exemption on condition of approval.

I submitted sewer lateral connection application to EPASD on March 26, 2021. On April 15, I discussed the project over the phone with Akin Okupe, he said there is 1000 gallon limit on sewer discharge and I need to hire a consultant to do capacity analysis and then he will approve the project, he can refer someone and he said it will cost around \$1000. I looked through EPASD website and some board meeting minutes, I cannot find any ordinance or code about threshold of 1000 gallon. Although my project's discharge is $240 \times 4 = 960$ gallon, below 1000 limit, but hoping to move forward quickly, I asked Akin to send consultant contact information and plan to move forward.

On April 29, 2021, I finally got sewer capacity analysis proposal from the consultant Jeffery Tarantino referred by Akin, the price is \$6990 and EPASD will charge another \$3000 engineer fee on top of that. My civil engineer designed site plan include sewer discharge and storm drain, his wife works in Hayward city sanitary district, he has done some capacity analysis for other bigger project before, he said capacity analysis is very simple job and normally cost \$1500 and he can do it for me for free, when I asked Akin if I can use my civil engineer to do the analysis, Akin changed his mind, he claim there is no capacity at all and he won't approve my project no matter what from now on.

To make his point, Akin has his crew Oman opened the sewer manhole in front of my street on May 18, water is running very smooth, less than half height of the pipe (about 7 inch of 15 inch pipe). Omar said everything looks great and don't see any problem to add 4 single family house. The next day when I talked with Akin, he claimed less than half now don't mean anything, when rain season comes, the pipe will be full. First rain water suppose not enter sewer pipe in big quantity, second if there are leak to sewer line, is that sanitary district's job to fix it? Akin claims only option for me is pay pipe upgrade which will be over \$4 million. I am a very small investor, this is only real estate investment for me, the value of whole project after build 4 homes is only little over \$6 million, \$4 million for sewer upgrade fee which is never expected is devastating to me.

Only Jun 18, 2021, my building review got approved, only thing left is get sewer connection approval to start building.

Please provide a summary of your experience working with and/or communicating with EPASD personnel. (To the extent available, please provide pertinent copies of communications to and from EPASD personnel at EXHIBIT A)

On Jun 29, 2021, I called EPASD and confirmed with front desk Juliette that GM Akin is in office and can talk with me. I went there and told Akin I am willing to use Jeffery Tarantino and pay whatever the amount they want to do analysis, I begged him to give me the option again and told him in the past few month my life is totally destroyed, I cannot sleep, keep on worrying my financial and future. I showed Akin some picture that I am a very happy family guy, work hard and play hard, enjoy life and outdoor activities like fishing, spearfishing, gardening, hunting, wild mushroom picking ... I showed him some picture try to get some personal connections and get sympathy from him, but he became erratic and out of control, claim I am threatening his life and want to call police, when police came in 10 minutes later, he is still shouting, yelling loudly, waving his hand crazily. Police need ask him to calm down and police told me later they witness Akin behave like this before. Akin even yelling at Juliette and complain her to let me come in, and claim he will refuse to see me or talk with me again, even police told Akin as a public service agency, I do have the rights to make appointment and come to discuss my project.

GM Akin caused the nightmare to a lot of people already, Akin behaves erratic, inconsistent and dishonest, he will change his word every single time. When I first submitted the plan in March, 2021 given as the GM Akin now claims that no solution and there is no capacity for any project, why he accept application? Why GM Akin refer Freyer and Laureta to do capacity analysis? It seems my application is denied in part because I try to save some money by asking if I can use my civil engineer to do capacity analysis. Unfortunately, it seems the GM Akin took it personal and decided to reject the project.

Please provide a summary of your experience participating in, or observing, meetings of the EPASD Board of Directors.

On June 30, 2021 sent an email to EPASD five board members about my project and experience with Akin.

On July 02, 2021, attended EPASD engineer board meeting, talked about my case, board decide to discuss it in next meeting

On Aug 05, 2021, attended EPASD regular board meeting, quite a few board members showed sympathy and willingness to find a solution for my project. But Akin started telling lies again, he claimed there are 11 project ahead of mine, when I asked him to show which 11 projects, the legal counsel told him those should be public information and he can show the list, then he claim he only has the master plan to show there is capacity restrain. Then Akin scared board with his usual claim, if board vote to approve my project, the sewer will over flow, the board need take responsibility.

Why a public utility service board need have legal counsel present on every board meeting? When they have engineer meeting, other than my project, all other agenda are just routine and bureaucratic. They know they are doing shitty business and scared of being sued.

EXHIBIT A

**Pertinent Communications and/or Documentation
Involving the EPASD**

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Stakeholder Input Form¹
San Mateo LAFCO's Municipal Service Review for
East Palo Alto, Menlo Park, and the East Palo Alto Sanitary District ("EPASD")

Developer	<u>Ravenswood Family Health Network</u>
Contact	Name: Luisa Buada, RN MPH Phone: 650-330-7410, 510-409-6339 (cell) Email: Lbuada@ravenswoodfhc.org
Project Name	Sobrato Center for Community Resources
Project Description (e.g., residential or commercial, number of units, etc.)	Three story, 60,000 sf, Non-Profit Community Resource Center lease free for local non-profit agencies, managed by the Sobrato Organization. It will be 50% owned by Ravenswood Family Health Network (RFHN) a Federally Qualified Health Center for their administrative offices. RFHN has a medical and dental clinic which serves over 17,000 patients in South San Mateo County including more than 7,000 residents of the City of East Palo Alto and employs more than 70 residents of the City of East Palo Alto.
Entitlements Status	<input type="checkbox"/> Approved: _____ (date) <input checked="" type="checkbox"/> Pending: since June 2020 _____ (date) <input checked="" type="checkbox"/> Other: Please specify: Project cannot proceed to planning due to the EPA Sanitary District unwillingness to provide a "Will-Serve" letter without a commitment of \$6.6 million dollars to connect the new building to the sewer system one half block down Pulgas Ave. to Bay Road.
CEQA Document	<input type="checkbox"/> Environmental Impact Report <input checked="" type="checkbox"/> Negative Declaration / Mitigated Negative Declaration <input type="checkbox"/> Categorical / Statutory Exemption <input type="checkbox"/> Other:
Level of EPASD Participation in Project's CEQA Review	Please request from the Sobrato Organization
First Contact with EPASD	Date: _____ Please request from the Sobrato Organization
Will-Serve Letter Status	<input type="checkbox"/> Approved: _____ (date) <input type="checkbox"/> Pending: _____ (date) <input checked="" type="checkbox"/> Other: Please specify: EPASD will not provide the project a Will-Serve letter without a commitment of \$6.6 million dollars from the project to connect to the sewer system

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Project Sanitary Sewer Flow Estimates (gpd)	Please request from the Sobrato Organization
EPASD Fee Estimate (if any)	\$6.6 million dollars
Please provide a summary of the Project’s experience with the EPASD?	
<p>As far as I am aware and have been involved, EPASD will not reconsider their charge of \$6.6 million dollars for our project to get a “Will-Serve” letter.</p>	
Please provide a summary of your experience working with and/or communicating with EPASD personnel. (To the extent available, please provide pertinent copies of communications to and from EPASD personnel at <u>EXHIBIT A</u>)	
<p>I have not personally spoken to any of the EPASD personnel.</p>	
Please provide a summary of your experience participating in, or observing, meetings of the EPASD Board of Directors.	
<p>I observed several Intergovernmental City of EPA and EPASD meetings – September 14, 2020 and one on October 27th. The EPASD General Manager, Mr. Akin, repeatedly stated that his only responsibility to his Board was to control expenditures. He was only willing to consider an annual capital expenditure of \$1.5 million per year despite the recent report that 44% of the effluent in the cracked clay sewer pipes is leaking into the ground threatening well water as well as salt water tidal intrusion entering the cracked clay sewer pipes which is limiting capacity for new connections and future growth. He would not agree to a plan to repair and upgrade the system, complaining that it would cost up to \$45 million dollars and that he would not recommend that the EPASD board vote to do that.</p>	

When it was brought to his attention and the EPASD committee board members that typically municipalities will get a bond to cover the expense of the system repairs and improvements which new development rates would be paying the debt and interest for over the 40 years of the bond, he claimed that such a bond would have to be demonstrated to be paid for by the existing rate payers, doubling their fees. He also stated that the existing rate payers would have to vote to accept the increased rates (double) before applying for a 40 year bond and that there was no assurance that any new development would be built so therefore, pending developments are meaningless. He proceeded to bring to subsequent EPASD board meetings draft letters to be sent to rate payers asking if they wanted to double their sewer rates to pay for new private development in East Palo Alto.

From what I saw, the EPASD General Manager has been ill advising the Board of the EPASD as to their options. the charges that EPASD is requiring developers to pay in order to get a Will-Serve letter not only greatly exceeds the cost of connecting to the sewer line, there is no commitment on the part of EPASD to repair and upgrade the system capacity to serve either with this money. EPASD is charging different developers millions of dollars to connect in the same area to the same lines, again with no commitment to repair and upgrade the system despite their argument that they need the money because the system is at capacity. It appears that it has become the policy of the EPASD to hold everyone including the City of East Palo Alto hostage to whatever they want to charge developers irrespective of reasonable fees and practices. They have shown no willingness or intention to address the deplorable conditions of the system which is a public health hazard to local residents. They are in effect thwarting the City of East Palo Alto's opportunity to grow business in the City. They are also preventing landowners of the right to develop their properties and to gain some kind of return, albeit a community benefit in our case.

EXHIBIT A

**Pertinent Communications and/or Documentation
Involving the EPASD**

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Stakeholder Input Form¹
San Mateo LAFCO's Municipal Service Review for
East Palo Alto, Menlo Park, and the East Palo Alto Sanitary District ("EPASD")

Developer	Eden Housing / EPACANDO (Light Tree Two, L.P.)
Contact	Name: Matt Schreiber / Weijia Song Phone: 510-247-8180 / 510-247-8176 Email: matt.schreiber@edenhousing.org / Weijia.song@edenhousing.org
Project Name	Light Tree Apartments (Light Tree Two, L.P.)
Project Description (e.g., residential or commercial, number of units, etc.)	New construction of 128 income-restricted apartments with ground level parking. Part of an expansion of a 94-unit existing multifamily affordable residential apartment development. 91 net new units on the site; 185 total units with adjacent Light Tree Three project's 57 units that will undergo substantial renovation.
Entitlements Status	<input checked="" type="checkbox"/> Approved: __February 2019__ (date) <input type="checkbox"/> Pending: _____ (date) <input type="checkbox"/> Other: Please specify:
CEQA Document	<input type="checkbox"/> Environmental Impact Report <input checked="" type="checkbox"/> Negative Declaration / Mitigated Negative Declaration <input type="checkbox"/> Categorical / Statutory Exemption <input type="checkbox"/> Other:
Level of EPASD Participation in Project's CEQA Review	EPASD did not respond to comments on the CEQA Review for Light Tree Apartments. Below is the schedule: CEQA November 30, 2018 to January 2nd, 2019 - NOI to Adopt MND <ul style="list-style-type: none"> • NEPA December 21, 2018 – January 7th , 2019 – Finding of No Significant Impact and Notice of Intent to Release Funds • NEPA December 21st, 2018 – The Mercury News • CEQA January 14, 2019 – East Palo Alto Planning Commission • CEQA January 15, 2019 – Palo Alto Daily News • CEQA January 29, 2019 – East Palo Alto City Council • CEQA February 5, 2019 – Zoning Change – East Palo Alto City Council • NOD for CEQA – February 7, 2019

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First Contact with EPASD	Date: November 26, 2019												
Will-Serve Letter Status	<input checked="" type="checkbox"/> Approved: July 6, 2020 (<i>date</i>) <input type="checkbox"/> Pending: _____ (<i>date</i>) <input type="checkbox"/> Other: Please specify:												
Project Sanitary Sewer Flow Estimates (gpd)	21,840 gpd												
EPASD Fee Estimate (if any)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">System Expansion Payment</td> <td style="text-align: right;">\$1,894,600.00</td> </tr> <tr> <td style="padding-left: 20px;">Inspection Fees</td> <td style="text-align: right;">\$18,500.00</td> </tr> <tr> <td style="padding-left: 20px;">Permit Fees</td> <td style="text-align: right;">\$4,625.00</td> </tr> <tr> <td style="padding-left: 20px;">Capacity Fees</td> <td style="text-align: right;">\$551,460.00</td> </tr> <tr> <td style="padding-left: 20px;">Administrative Fee</td> <td style="text-align: right;">\$17,400.00</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right; border-top: 1px solid black;">\$2,486,585.00</td> </tr> </table>	System Expansion Payment	\$1,894,600.00	Inspection Fees	\$18,500.00	Permit Fees	\$4,625.00	Capacity Fees	\$551,460.00	Administrative Fee	\$17,400.00	Total	\$2,486,585.00
System Expansion Payment	\$1,894,600.00												
Inspection Fees	\$18,500.00												
Permit Fees	\$4,625.00												
Capacity Fees	\$551,460.00												
Administrative Fee	\$17,400.00												
Total	\$2,486,585.00												
Please provide a summary of the Project's experience with the EPASD?													
See attached Memo.													
Please provide a summary of your experience working with and/or communicating with EPASD personnel. (To the extent available, please provide pertinent copies of communications to and from EPASD personnel at <u>EXHIBIT A</u>)													
See attached Memo.													
Please provide a summary of your experience participating in, or observing, meetings of the EPASD Board of Directors.													
See attached Memo.													

EXHIBIT A

**Pertinent Communications and/or Documentation
Involving the EPASD**

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Stakeholder Input Form¹
San Mateo LAFCO's Municipal Service Review for
East Palo Alto, Menlo Park, and the East Palo Alto Sanitary District ("EPASD")

Developer	<u>Seven Bridges Properties</u>
Contact	Name: Mark English Phone: (510) 499-9013 Email: mark.english@sevenbridgesprop.com
Project Name	University Circle phase 2
Project Description (e.g., residential or commercial, number of units, etc.)	Existing office campus with 3 mid-rise office buildings + one 200 room Four Seasons hotel. Proposal is to add a fourth office building on an existing surface parking lot.
Entitlements Status	<input type="checkbox"/> Approved: _____ (date) <input checked="" type="checkbox"/> Pending: <u>_Q1 2022_</u> (date) <input type="checkbox"/> Other: Please specify:
CEQA Document	<input checked="" type="checkbox"/> Environmental Impact Report <input type="checkbox"/> Negative Declaration / Mitigated Negative Declaration <input type="checkbox"/> Categorical / Statutory Exemption <input type="checkbox"/> Other:
Level of EPASD Participation in Project's CEQA Review	EPASD is required to review our planning application and comment to planning staff
First Contact with EPASD	Date: <u>_April 30, 2020</u>
Will-Serve Letter Status	<input type="checkbox"/> Approved: _____ (date) <input type="checkbox"/> Pending: _____ (date) <input checked="" type="checkbox"/> Other: Please specify: Unclear exactly. They have stated they don't have capacity to serve the proposed expansion, we have submitted a service application and provided plans, have not received a response.
Project Sanitary Sewer Flow Estimates (gpd)	Prepared by our MEP engineer Acies => 2,710 gpd

¹ This Stakeholder Input Form ("Form") was prepared by a working group of stakeholders and developers with approved and/or pending development projects in the City of East Palo Alto. This Form is intended to inform the SM LAFCO in its preparation of a Municipal Service Review for the City of East Palo Alto, City of Menlo Park, and the EPASD.

EPASD Fee Estimate (if any)	EPASD has not provided us with one
Please provide a summary of the Project's experience with the EPASD?	
<p>With respect to water and wastewater, we are pursuing a net zero project to offset future system requirements by retrofitting the existing office buildings with highly efficient fixtures to generate savings that will offset consumption or input generated by the new building. We have submitted multiple versions of a technical report prepared by our MEP consultant directly to EPASD (Akin Okupe), plus a full set of planning application plans. I believe City Planning staff have also routed our planning application to EPASD. To the best of my knowledge EPASD has sent a simple short note to planning staff saying the system doesn't have capacity to accommodate our project. In our direct communications with EPASD (Akin primarily) we have been unable to engage in a detailed technical dialogue. Akin has stated that the SD's estimate of our system impacts will be determined without taking into account any potential offset generated by the retrofit of the existing building, a position which we find to be unreasonable. We have requested that EPASD either review and comment in detail on our consultant's report, or, that we will reimburse the SD to retain its own consultant to perform a peer review of our consultants report, which can be the basis for future discussions. Lastly, we have submitted a request for service application, followed up with additional information, and have not received any response.</p>	
Please provide a summary of your experience working with and/or communicating with EPASD personnel. (To the extent available, please provide pertinent copies of communications to and from EPASD personnel at <u>EXHIBIT A</u>)	
<p>See attached email threads #1 and #2. Most recent communication was early May 2021 (thread #2) when we followed up on additional information as requested by Akin. Have not seen a response since then.</p>	
Please provide a summary of your experience participating in, or observing, meetings of the EPASD Board of Directors.	
<p>I have only viewed one meeting online (Zoom). The meeting seemed disorganized and unproductive.</p>	

EXHIBIT A

Pertinent Communications and/or Documentation Involving the EPASD

EMAIL THREAD #1

From: Mark English <mark.english@sevenbridgesprop.com>
Sent: Tuesday, February 2, 2021 1:06 PM
To: 'Akin Okupe' <aokupe@epasd.com>
Cc: 'Art Henriques' <ahenriques@cityofepa.org>; 'Adrian Biggs' <abiggs@cityofepa.org>; 'Milan Pesakovic' <milan@acies.net>
Subject: RE: University Circle Expansion Proposal Application Transmittal

Hi Mr Okupe – thanks for your response. If I might suggest we take this in several steps, with Step #1 to be for the EPA SD to review the Acies report? We're pretty comfortable with our savings projections, and, if so, since EPA SD already serves the property, if you concur, then I think the scope of our "project" as it relates to the SD improvements will be quite different than if we are going to be generating new system inputs. We would of course be happy to provide you an application form and deposit for your review of the Acies report.

I just tried to download the application form from your web site. Clicking on the link opens up an outside hosting web platform for the forms, and it's not responding or working. Here's the web link: <http://38.106.4.240/residents/forms-permits>

Can you or have someone from the SD send us the application form?

Also, I just saw your follow up email. We understand that if our system burden increases post completion of the fourth office building that we may incur additional costs to increase the system capacity.

Lastly, you referenced previous experience that would suggest our discharge will increase. If there's a real life case study of a property that was retrofitted and then had measured discharge results against a baseline we'd like to see it and learn from it.

Best regards,

Mark English
Seven Bridges Properties
Mark.English@sevenbridgesprop.com
(510) 499-9013



From: Akin Okupe <aokupe@epasd.com>
Sent: Tuesday, February 2, 2021 10:38 AM
To: mark.english@sevenbridgesprop.com
Cc: 'Art Henriques' <ahenriques@cityofepa.org>; 'Adrian Biggs' <abiggs@cityofepa.org>;
'Milan Pesakovic' <milan@acies.net>
Subject: Re: University Circle Expansion Proposal Application Transmittal

You will need to submit a formal application for this project, we will need to check your calculations, from previous experience, it seems you are going to increase the discharge into the collection system. You will also need to enter into development agreement before we can serve the project. You will need to provide an initial deposit of 12,000 dollars to perform engineering evaluation of your project to ensure we will be able to serve the project.

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Mark English <mark.english@sevenbridgesprop.com>
Sent: Tuesday, February 2, 2021 9:03 AM
To: Akin Okupe <aokupe@epasd.com>
Cc: 'Art Henriques' <ahenriques@cityofepa.org>; 'Adrian Biggs' <abiggs@cityofepa.org>;
'Milan Pesakovic' <milan@acies.net>
Subject: RE: University Circle Expansion Proposal Application Transmittal

Hi Mr Okupe – picking up our email conversations from last Summer. We had sent you the attached report from Acies projecting water consumption and wastewater production for University Circle, post construction of a new 6-story office building to go with the existing three similar office buildings. One of our key objectives for the project is to be net zero on water consumption and wastewater generation, which is accomplished by retrofitting the current early 2000s vintage bathroom fixtures with highly efficient water fixtures. You had reviewed one version of the Acies report and asked that we supplement the analysis with the actual water consumption profile, which we did and sent to you in early August 2020. The City is nearing the publication of the draft EIR for our project, and this particular feature of our project will be highly beneficial to the City in that it will not burden the existing infrastructure with net new consumption of input. EPA Public Works has reviewed and concurred with the water calculations, and we would like to finalize the Sanitary District’s review of the same report.

I think the analysis is relatively straightforward, but would look to you for how to most efficiently proceed? We would be happy to schedule a call to walk you through the report again, or if you would like to review and get back to us with written questions or responses, that is fine too. Please advise at your earliest convenience.

Best regards,

Mark English

Seven Bridges Properties

Mark.English@sevenbridgesprop.com

(510) 499-9013



From: Mark English <mark.english@sevenbridgesprop.com>

Sent: Tuesday, September 8, 2020 2:07 PM

To: 'Akin Okupe' <aokupe@epasd.com>

Cc: 'Art Henriques' <ahenriques@cityofepa.org>; 'Adrian Biggs' <abiggs@cityofepa.org>; 'Milan Pesakovic' <milan@acies.net>

Subject: RE: University Circle Expansion Proposal Application Transmittal

Hi Mr Okupe – following up on our previous email correspondence.

Best regards,

Mark English

Seven Bridges Properties

Mark.English@sevenbridgesprop.com

(510) 499-9013

From: Akin Okupe <aokupe@epasd.com>

Sent: Friday, August 7, 2020 10:22 AM

To: mark.english@sevenbridgesprop.com

Cc: 'Art Henriques' <ahenriques@cityofepa.org>; 'Adrian Biggs' <abiggs@cityofepa.org>; 'Milan Pesakovic' <milan@acies.net>

Subject: Re: University Circle Expansion Proposal Application Transmittal

Let me take a close look at your calculations, however, the analysis will be based on worst case scenario not the best case

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Mark English <mark.english@sevenbridgesprop.com>
Sent: Friday, August 7, 2020 9:00 AM
To: Akin Okupe <aokupe@epasd.com>
Cc: 'Art Henriques' <ahenriques@cityofepa.org>; 'Adrian Biggs' <abiggs@cityofepa.org>; 'Milan Pesakovic' <milan@acies.net>
Subject: RE: University Circle Expansion Proposal Application Transmittal

Hi Mr Okupe – could you please clarify - are you saying that our projections for the new building should be based on historic consumption?

Best regards,

Mark English
Seven Bridges Properties
Mark.English@sevenbridgesprop.com
(510) 499-9013

From: Akin Okupe <aokupe@epasd.com>
Sent: Thursday, August 6, 2020 9:48 AM
To: mark.english@sevenbridgesprop.com
Subject: Re: University Circle Expansion Proposal Application Transmittal

We cannot go by this calculation, we have to go by the previous consumption

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Mark English <mark.english@sevenbridgesprop.com>
Sent: Thursday, August 6, 2020 8:58 AM
To: Akin Okupe <aokupe@epasd.com>
Cc: 'Art Henriques' <ahenriques@cityofepa.org>; 'Adrian Biggs' <abiggs@cityofepa.org>; 'Milan

Pesakovic' <milan@acies.net>

Subject: FW: University Circle Expansion Proposal Application Transmittal

Hi Mr Okupe - Re-sending email.

Best regards,

Mark English

Seven Bridges Properties

Mark.English@sevenbridgesprop.com

(510) 499-9013

From: Mark English <mark.english@sevenbridgesprop.com>

Sent: Tuesday, July 7, 2020 2:22 PM

To: 'Akin Okupe' <aokupe@epasd.com>

Cc: 'Art Henriques' <ahenriques@cityofepa.org>; 'Adrian Biggs' <abiggs@cityofepa.org>; 'Milan Pesakovic' <milan@acies.net>

Subject: RE: University Circle Expansion Proposal Application Transmittal

Hi Mr Okupe – following up on our discussion regarding projected WW discharge at University Circle post-expansion. As discussed, our strategy is to include a retrofit of the existing building fixtures to create enough water savings to both offset potable water demand from the new building, and offset additional wastewater discharge at the new building. You had asked Acies to layer in actual water consumption to their analysis and projections, the attached updated report does this. Once you have had a chance to review let's schedule a time to review as a group.

Best regards,

Mark English

Seven Bridges Properties

Mark.English@sevenbridgesprop.com

(510) 499-9013

From: Akin Okupe <aokupe@epasd.com>

Sent: Thursday, May 7, 2020 2:42 PM

To: Mark English <english.mark.a@gmail.com>

Cc: Art Henriques <ahenriques@cityofepa.org>; Adrian Biggs <abiggs@cityofepa.org>; Milan Pesakovic <milan@acies.net>

Subject: Re: University Circle Expansion Proposal Application Transmittal

Absolutely

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Mark English <english.mark.a@gmail.com>
Sent: Thursday, May 7, 2020 2:40 PM
To: Akin Okupe <aokupe@epasd.com>
Cc: Art Henriques <ahenriques@cityofepa.org>; Adrian Biggs <abiggs@cityofepa.org>; Milan Pesakovic <milan@acies.net>
Subject: Re: University Circle Expansion Proposal Application Transmittal

Would it be possible to schedule a quick call to make sure we know exactly what you are looking for? We did use actual water consumption as the basis for our water calcs, which of course translated to WW.

Mark English
(510) 499-9013

On May 7, 2020, at 14:12, Akin Okupe <aokupe@epasd.com> wrote:

I have sent subsequent emails requesting for additional calculations, the calculations presented are mainly theoretical. The result of the calculations need to be compared to actual water use. The developer must be able to take all liabilities resulting from the inaccuracy of the calculations including SSO. Using water efficiency fixtures does not necessarily transmit into lower water use, it greatly depends on population behavioral patterns. We need to include actual water use in the equation.

Thank you

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: english.mark.a@gmail.com <english.mark.a@gmail.com>
Sent: Thursday, May 7, 2020 1:55 PM
To: Akin Okupe <aokupe@epasd.com>; 'Art Henriques' <ahenriques@cityofepa.org>; 'Adrian Biggs'

<abiggs@cityofepa.org>; 'Milan Pesakovic' <Milan@acies.net>

Subject: RE: University Circle Expansion Proposal Application Transmittal

Hi Mr Okupe – just to clarify, you cannot physically read the calculations in the file because they are illegible?

I have copied our MEP engineer with Acies on this email, and we'll be happy to get you what you need for your review if you'd clarify whether it's the presentation format or legibility of the file provided that is the issue?

Best regards,

Mark English
(510) 499-9013

From: Akin Okupe <aokupe@epasd.com>

Sent: Tuesday, May 5, 2020 7:23 PM

To: english.mark.a@gmail.com; 'Art Henriques' <ahenriques@cityofepa.org>; 'Adrian Biggs' <abiggs@cityofepa.org>

Subject: Re: University Circle Expansion Proposal Application Transmittal

Hi,

Your engineering calculations that demonstrate the existing and proposed water use will be the same is not legible, please could you provide the calculations on a separate engineering calculation sheet.

Thank you so much

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: english.mark.a@gmail.com <english.mark.a@gmail.com>

Sent: Tuesday, May 5, 2020 12:02 PM

To: Akin Okupe <aokupe@epasd.com>; 'Art Henriques' <ahenriques@cityofepa.org>; 'Adrian Biggs' <abiggs@cityofepa.org>

Subject: RE: University Circle Expansion Proposal Application Transmittal

Last of 4 emails. This one includes:

Pages 29 thru 41 of our application plan set

Would you please confirm receipt of all 4 emails?

Best regards,

Mark English
(510) 499-9013

From: Akin Okupe <aokupe@epasd.com>
Sent: Tuesday, May 5, 2020 11:51 AM
To: english.mark.a@gmail.com; 'Art Henriques' <ahenriques@cityofepa.org>; 'Adrian Biggs' <abiggs@cityofepa.org>
Subject: Re: University Circle Expansion Proposal Application Transmittal

I could not download the docs, please send hard copies.

Thanks

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: english.mark.a@gmail.com <english.mark.a@gmail.com>
Sent: Tuesday, May 5, 2020 10:35 AM
To: Akin Okupe <aokupe@epasd.com>; 'Art Henriques' <ahenriques@cityofepa.org>; 'Adrian Biggs' <abiggs@cityofepa.org>
Subject: RE: University Circle Expansion Proposal Application Transmittal

Hi Mr Okupe – confirming you were able to successfully access/download the files in Dropbox folder? There were 4 PDF's plus a folder entitled "renderings"

Best regards,

Mark English
(510) 499-9013

From: Akin Okupe <aokupe@epasd.com>
Sent: Saturday, May 2, 2020 7:44 PM
To: Art Henriques <ahenriques@cityofepa.org>; english.mark.a@gmail.com; Adrian Biggs <abiggs@cityofepa.org>
Subject: Re: University Circle Expansion Proposal Application Transmittal

The hydraulic impact of the project must be part of the CEQA Analysis and the specific plan

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Art Henriques <ahenriques@cityofepa.org>
Sent: Saturday, May 2, 2020 3:21 PM
To: english.mark.a@gmail.com <english.mark.a@gmail.com>; Akin Okupe <aokupe@epasd.com>;
Adrian Biggs <abiggs@cityofepa.org>
Subject: Re: University Circle Expansion Proposal Application Transmittal

If there is anything that the District needs from EPA Planning or Public Works please let us know.

Arthur Henriques
Contract Project Manager
City of East Palo Alto
1960 Tate Street, East Palo Alto, CA 94303
Ph: (650) 853-3121; Fax: (650) 853-3179
ahenriques@cityofepa.org

From: english.mark.a@gmail.com <english.mark.a@gmail.com>
Sent: Friday, May 1, 2020 4:34 PM
To: Art Henriques <ahenriques@cityofepa.org>; 'Akin Okupe' <aokupe@epasd.com>; Adrian Biggs <abiggs@cityofepa.org>
Subject: RE: University Circle Expansion Proposal Application Transmittal

Yes, that's fine

Best regards,

Mark English
(510) 499-9013

From: Art Henriques <ahenriques@cityofepa.org>
Sent: Friday, May 1, 2020 3:50 PM
To: english.mark.a@gmail.com; 'Akin Okupe' <aokupe@epasd.com>; Adrian Biggs <abiggs@cityofepa.org>
Subject: Re: University Circle Expansion Proposal Application Transmittal

Hi Mark. Thanks. I am copying Adrian from Public Works. I believe it is okay for them to contact EPASD directly and copy you. Is that correct?

Arthur Henriques
Contract Project Manager
City of East Palo Alto
1960 Tate Street, East Palo Alto, CA 94303
Ph: (650) 853-3121; Fax: (650) 853-3179
ahenriques@cityofepa.org

From: english.mark.a@gmail.com <english.mark.a@gmail.com>
Sent: Friday, May 1, 2020 2:36 PM
To: 'Akin Okupe' <aokupe@epasd.com>
Cc: Art Henriques <ahenriques@cityofepa.org>
Subject: RE: University Circle Expansion Proposal Application Transmittal

Hi – I've just populated a Dropbox folder with our plan set, the Acies Engineering analysis on water and wastewater, the C3-C6 checklist and a project description.

I've added Art Henriques to this email because I wanted to check in on process for obtaining EPASD input. One option would be for you to send any of your project comments directly to Art. Another option, after you and your team have reviewed the material, would be to set up a conference call to discuss. I'm open to either one.

Best regards,

Mark English
(510) 499-9013

From: Akin Okupe <aokupe@epasd.com>
Sent: Thursday, April 30, 2020 4:50 PM
To: english.mark.a@gmail.com
Subject: Re: University Circle Expansion Proposal Application Transmittal

Hi,

Thank you for reaching out to me on your project, we will want the impact to the sewer to be part of the CEQA Process as well as part of the specific plan. Please provide all your documents via a drop box and I will down load them. Thank you once again and am looking forward to a successful working relationship with you

Regards

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: english.mark.a@gmail.com <english.mark.a@gmail.com>
Sent: Thursday, April 30, 2020 4:24 PM
To: Akin Okupe <aokupe@epasd.com>
Subject: University Circle Expansion Proposal Application Transmittal

Dear Mr Okupe – I’m the project manager for the University Circle expansion project. We are proposing to add another office building at University Circle, and recently submitted our planning application to the City and are getting ready to publish the Notice of Preparation for the EIR. Adrian Biggs with EPA Public Works gave me your contact info and asked that I send you a copy of our application.

The plan portion of our package is too large to transmit by email, and given our preference to send things electronically during the shelter in place order, I’m wondering if it will work for you for me to set up a Dropbox folder to share our application and associated material? If you have another preferred online file sharing system you prefer I’m happy to work with that as well. If that doesn’t work, next best bet might be for me to mail you a thumb drive containing all the files with a letter to help you get oriented. Please let me know what suits you best.

By way of quick introduction to our project, which is going to be unique from other big office projects, our proposal is for a 180,000 square foot office building at the existing parking lot on the corner of University Avenue and Woodland Avenue. Part of our project is to retrofit the three existing office buildings with low flow / high efficiency fixtures, which is projected to deliver a net zero water consumption project (i.e. the new building’s water consumption will be offset by the water savings from the retrofit of the three existing buildings). We asked our MEP engineer to investigate not only how we would go about delivering a net zero water project, but also a net zero wastewater project, since water savings at the three existing buildings will generate significant reductions in wastewater as well. Their conclusion is that if we retrofit the existing buildings with highly efficient fixtures we can save enough water to reduce overall water consumption at the property, and deliver a net zero wastewater project as well. Acies report and calculations will be part of the documents we deliver to you, but I wanted to give you a preview of this aspect of our project since I understand the impact of new development on the sanitary sewer system is a hot topic right now.

Please do not hesitate to call or write for any reasons, and please do let me know your preferred method of transmittal of our application.

Best regards,

Mark English

(510) 499-9013

EMAIL THREAD #2

From: Mark English <mark.english@sevenbridgesprop.com>
Sent: Monday, May 3, 2021 10:42 AM
To: 'Akin Okupe' <aokupe@epasd.com>; 'Juliette Ngo Eone' <mngo@epasd.com>
Cc: 'Jonathan Tang' <jtang@BKF.com>
Subject: RE: University Circle Expansion Proposal Application Transmittal

Hi Akin – sorry for the delay. I think this will address your questions:

#1 – the three office towers total 468,223 square feet today across three buildings. When fully occupied outside of covid times, our average population is about 1,200.
#2 – the new tower is expected to be another 180,000 square feet. The current employee ratio expressed at employees per 1,000 SF of office space is 2.56, and applying that ratio to the new office tower yields an expected population of 461. Industry averages are more typically 3.3 per 1,000, so I would suggest you assume 594 as a conservative #.

Site plan single sheet attached.

Best regards,

Mark English
Seven Bridges Properties
Mark.English@sevenbridgesprop.com
(510) 499-9013



From: Akin Okupe <aokupe@epasd.com>
Sent: Thursday, April 22, 2021 4:21 PM
To: Juliette Ngo Eone <mngo@epasd.com>; mark.english@sevenbridgesprop.com
Cc: 'Jonathan Tang' <jtang@BKF.com>
Subject: Re: University Circle Expansion Proposal Application Transmittal

Please provide the population of use as well as the square ft area i will do a conceptual calculation and tell you the required upgrade necessary for us to move forward

From: Mark English <mark.english@sevenbridgesprop.com>
Sent: Thursday, April 22, 2021 3:57 PM
To: Akin Okupe <aokupe@epasd.com>; Juliette Ngo Eone <mngo@epasd.com>
Cc: 'Jonathan Tang' <jtang@BKF.com>
Subject: RE: University Circle Expansion Proposal Application Transmittal

Hi Akin – I'm not an expert in this field it's not my place to debate this. What I'd like to suggest is that the SD hire a third party engineer to peer review the Acies report and that review can be the basis of further discussion. We would expect to reimburse, or front, the costs of both the third party report as well as SD's time and out of pocket expenses to hire and manage the peer review.

Best regards,

Mark English
Seven Bridges Properties
Mark.English@sevenbridgesprop.com
(510) 499-9013



From: Akin Okupe <aokupe@epasd.com>
Sent: Thursday, April 22, 2021 3:37 PM
To: Juliette Ngo Eone <mngo@epasd.com>; mark.english@sevenbridgesprop.com
Cc: 'Jonathan Tang' <jtang@BKF.com>
Subject: Re: University Circle Expansion Proposal Application Transmittal

I don't concur with net discharge of zero, otherwise i will not approve the project to move forward. We have to use the District standard. The waste will be calculated based on population of use and square ft area not otherwise.

From: Mark English <mark.english@sevenbridgesprop.com>
Sent: Thursday, April 22, 2021 3:10 PM
To: Akin Okupe <aokupe@epasd.com>; Juliette Ngo Eone <mngo@epasd.com>
Cc: 'Jonathan Tang' <jtang@BKF.com>
Subject: RE: University Circle Expansion Proposal Application Transmittal

Hi Akin – to the extent our project requires upgrading the pipes we are willing to perform as part of our project, though I'm sure you are aware of the study we have prepared that shows our projected net discharge is ~0 due to the retrofitting of the existing office buildings prior to beginning construction on the new building. We are aware that we would be required to measure sanitary sewer flow prior to and after operation of the new building so we have a baseline against which to evaluate the actual performance of our retrofits. Given the SD's capacity constraints we are looking forward to partnering with you and your team on a creative approach to addressing those issues.

Best regards,

Mark English
Seven Bridges Properties
Mark.English@sevenbridgesprop.com
(510) 499-9013



From: Akin Okupe <aokupe@epasd.com>
Sent: Thursday, April 22, 2021 11:02 AM
To: Juliette Ngo Eone <mngo@epasd.com>; mark.english@sevenbridgesprop.com
Cc: 'Jonathan Tang' <jtang@BKF.com>
Subject: Re: University Circle Expansion Proposal Application Transmittal

We don't have the capacity to accommodate this project, it will require the developer to upgrade the pipes. Is this something you are interested in performing as part of the project

From: Mark English <mark.english@sevenbridgesprop.com>
Sent: Thursday, April 22, 2021 10:59 AM
To: Juliette Ngo Eone <mngo@epasd.com>; Akin Okupe <aokupe@epasd.com>

Cc: 'Jonathan Tang' <jtang@BKF.com>

Subject: RE: University Circle Expansion Proposal Application Transmittal

Hi Juliette – our architect, Cliff Chang, is sending you a full sized plan set of our application and I expect that to be delivered in the next 24 hours or so. While setting up a Dropbox folder to share files electronically, I realized that we had previously set up a Dropbox folder with plans and project descriptions in Springtime last year and given Akin access. I just now re-sent that shared folder invitation and added your email to the invitation so you have access as well. Would you kindly confirm receipt of the Dropbox invitation and also the hard copies when they arrive? Many thanks

Best regards,

Mark English

Seven Bridges Properties

Mark.English@sevenbridgesprop.com

(510) 499-9013



From: Juliette Ngo Eone <mngo@epasd.com>

Sent: Wednesday, April 21, 2021 8:10 AM

To: mark.english@sevenbridgesprop.com; Akin Okupe <aokupe@epasd.com>

Cc: 'Jonathan Tang' <jtang@BKF.com>

Subject: RE: University Circle Expansion Proposal Application Transmittal

Good Morning Mark

Akin would like you to send the total projected area and the population to be served.

He would also like to schedule a meeting with you to discuss about this project.

Thank you

Juliette

East Palo A lot Sanitary District

(650) 325-9021

From: Mark English

Sent: Tuesday, April 20, 2021 3:34 PM

To: Akin Okupe <aokupe@epasd.com>; Juliette Ngo Eone <mngo@epasd.com>

Cc: 'Jonathan Tang' <jtang@BKF.com>

Subject: RE: University Circle Expansion Proposal Application Transmittal

Hi Akin – probably best is for me to send you the full plan set and the written project description. The electronic version of the plan set is too large for email. I can place it on a shared online folder (Dropbox or Box is fine) for you to download, I can send you a flashdrive with the plan set on it, or, I can have a full size hard copy of the plan sets sent to you – what works best for you?

Best regards,

Mark English

Seven Bridges Properties

Mark.English@sevenbridgesprop.com

(510) 499-9013



From: Akin Okupe <aokupe@epasd.com>

Sent: Tuesday, April 20, 2021 3:26 PM

To: Juliette Ngo Eone <mngo@epasd.com>; mark.english@sevenbridgesprop.com

Cc: 'Jonathan Tang' <jtang@BKF.com>

Subject: Re: University Circle Expansion Proposal Application Transmittal

Please could you provide project details and description

Akin Okupe, M.B.A.,P.E.

General Manager

East Palo Alto Sanitary District

Tel :(650) 325-9021

From: Juliette Ngo Eone <mngo@epasd.com>

Sent: Tuesday, April 20, 2021 10:52 AM

To: mark.english@sevenbridgesprop.com <mark.english@sevenbridgesprop.com>

Cc: Akin Okupe <aokupe@epasd.com>; 'Jonathan Tang' <jtang@BKF.com>

Subject: RE: University Circle Expansion Proposal Application Transmittal

Good Morning Mark

The invoice will be send to you once Akin had a chance to check the different attachments you provide and assessed the wastewater discharge associated with your projects.

Thank you

Juliette

East Palo Alto Sanitary District
(650) 329_9021

From: Mark English
Sent: Tuesday, April 20, 2021 10:11 AM
To: Juliette Ngo Eone <mngo@epasd.com>
Cc: Akin Okupe <aokupe@epasd.com>; 'Jonathan Tang' <jtang@BKF.com>
Subject: RE: University Circle Expansion Proposal Application Transmittal

Hi Juliette – per previous correspondence, attached find our application to tie into the existing on site sewer lateral for the proposed forth office building at University Circle. In addition to the signed application, I am also attaching the following documents to provide a more complete understanding of the proposed project:

- Sheet C4.0 from our application plan set with the proposed sewer lateral tie in highlighted (there is an existing sewer lateral that we are planning to tie into)
- A regional EPASD system map, most relevant will be the portion that shows our on site sewer later and where it connects to the SS main on Manhattan Ave
- As previously discussed, our plan is to retrofit the existing office buildings with highly water efficient fixtures. This will allow us to offset the additional water consumption and sanitary sewer discharge associated with the new bldg. with savings from the rest of the property, and in effect create a net zero water and sanitary sewer project. Given the strain on infrastructure resources in the City of East Palo Alto due to potential new development, the City has indicated strong support for this project feature, and we anticipate the same from EPASD. To support our ability to do this, we are re-submitting the report prepared by our wet utility consultant Acies.

Administratively we understand the SD will require a deposit in order to review our application. If you would kindly send me an invoice we will get a check cut and sent to you to begin the review process.

Best regards,

Mark English
Seven Bridges Properties
Mark.English@sevenbridgesprop.com
(510) 499-9013



From: Juliette Ngo Eone <mngo@epasd.com>
Sent: Wednesday, February 3, 2021 10:00 AM
To: Akin Okupe <aokupe@epasd.com>; mark.english@sevenbridgesprop.com
Cc: 'Art Henriques' <ahenriques@cityofepa.org>; 'Adrian Biggs' <abiggs@cityofepa.org>;
'Milan Pesakovic' <milan@acies.net>
Subject: RE: University Circle Expansion Proposal Application Transmittal

Good Morning everyone
There is attached the application form for a sewer lateral connection.
Thank you

Juliette

From: Akin Okupe
Sent: Tuesday, February 2, 2021 1:12 PM
To: mark.english@sevenbridgesprop.com; Juliette Ngo Eone <mngo@epasd.com>
Cc: 'Art Henriques' <ahenriques@cityofepa.org>; 'Adrian Biggs' <abiggs@cityofepa.org>;
'Milan Pesakovic' <milan@acies.net>
Subject: Re: University Circle Expansion Proposal Application Transmittal

Juliet, please email the application form to Mark.

Mark, all these calculations about water savings are theoretical, we cannot base sewer planning on that, the District standard is that we calculate your sewer discharge based on your floor area and that is what we are going to do. In the best-case scenarios, you can save some water but overtime, you lose these efficiencies and your contribution to the system will increase. In this regard, we will be using the District standard to determine your discharge.

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

ao

[Remainder of Page Intentionally Blank]

Letter F	Kevin J. Ashe, Holland & Knight LLP
Response	Comments and attachments noted. The letters will be made part of the administrative record for the MSR.



May 5, 2022

Rob Bartoli
 Executive Officer
 San Mateo County Local Area Formation Commission
 455 County Center, 2nd Floor
 Redwood City, CA 94063

Re: Eden Housing Comments on Draft Municipal Services Review for East Palo Alto Sanitary District, City of East Palo Alto, and West Bay Sanitary District

Dear Mr. Bartoli,

Eden Housing is the co-owner and co-developer of the Light Tree development. We urge LAFCo to consider the comments below, adopt the draft MSR, and support the zero sphere of influence determination for East Palo Alto Sanitary District due to major inefficiencies, roadblocks, and non-performance, which is preventing both developer and City of East Palo Alto from building state-mandated affordable housing.

The Light Tree project includes the redevelopment of an existing 94-apartment affordable residential development at 1805 East Bayshore Road in the City of East Palo Alto ("Project"). Because the Project expands the number of dwelling units onsite to 185 through a combination of substantial rehabilitation and new construction, it is required to pay a connection fee to the District for the 91 net new units.

Page 108 – Item 4: “If the developer agrees to the costs and required funding, then the two entities enter in to an agreement.”

The MSR should clarify how EPASD calculates the required costs a developer is required to pay. The California Planning and Zoning Law requires that cities and special districts keep each other informed and coordinated regarding planning for major infrastructure needs. Government Code Section 65401 requires the District annually to submit any capital improvement plan ("CIP") to the City. As noted, EPASD does not appear to have submitted a recent CIP to the City and does not appear to have formulated any sort of a CIP that would accommodate expected growth, despite being situated in the heart of Silicon Valley, an area under tremendous growth and development pressure. To our knowledge, there is no state-level oversight board or agency monitoring these required coordination efforts, which makes this MSR process critical to ensure accountability of the District.

Based on the District's consultants' analysis that the system did not have sufficient capacity for the 91 net new units, it also had the legal authority to require Light Tree to pay a fee for expanded sewer capacity to accommodate the new units. The connection fee is duly published by the District, but **the District's capacity charges are imposed on an ad hoc basis, without the benefit of any nexus studies, master plans or other generally applicable provisions to guide their calculation of these capacity charges.**



For context, and without going into the details of flow volume and path, the flow attributable to the incremental 91 units at Light Tree will comprise approximately 15% to 25% of the total flow at the point where it connects, and a progressively smaller fraction of total flow as it moves downstream. The 75% to 85% of flow already in the sewer main at the point where Light Tree connects collects from a substantial portion of the City's "Westside" area. Any and all capacity upgrades to serve the Light Tree project will serve this entire area as well because the flows are comingled.

The District's willingness to allocate \$2 million for system upgrades (*page 139*) indicates that the existing system has deficiencies that must be addressed, but without systemwide assessment and a CIP, it is impossible for Light Tree or any applicant to understand precisely which pipes have current deficiencies and which are both adequately sized and in good repair for extended service.

The absence of publicly available CIPs or nexus studies documenting the existing capacity in the District's system prevents any interested party from testing or independently verifying whether the District actually needs to expand the capacity of its sewer system, or by how much and where, to accommodate new development in the City. Moreover, as the MSR confirms, the District does not appear to have evaluated more holistic and efficient expansion plans and financing options that might facilitate its ability to accommodate the growth planned for this area.

G-2

Page 108 – Item 6: “EPASD constructs all necessary infrastructure for the new development.”

The MSR should have EPASD clarify this step given that the District has been unable to meet the performance deadlines in the 2020 WSA and build the Light Tree capacity upgrades despite receiving requisite funds.

G-3

Light Tree entered into a Wastewater Services Agreement (“WSA”) with the Sanitary District in June 2020 to pay \$2.5 million in exchange for the District to complete a series of pipe upgrades within 18 months of receiving payment. This timing was driven by a \$20 million state housing award, which includes \$6 million in grant funding to the City of East Palo Alto and San Mateo County Transit Authority (SamTrans) for bike, pedestrian, and public transportation improvements for the greater community.

The nonperformance of the District threatens this award. It is critical that commitments made and subsequently accepted by lenders, investors, and residents are fulfilled.

In Section 7 of the WSA, EPASD held that:

“The District shall initiate and complete all design, entitlement, permitting, construction and inspections to ensure the System Expansion Improvements shall be completed in a timely manner, in accordance with Section 2 of this Agreement. The District represents and warrants that, in addition to the System Expansion Payment, the District has sufficient funds to complete the Expansion.”



However, even after EPASD had deposited Light Tree's capacity expansion payment on September 29, 2020, District staff continually threatened to "hand project back to developer" in March 2021 and even stopped work in November 2021 until the City and Developer agreed to fund all "cost escalation" associated with the improvements. This was memorialized in a draft addendum to the original WSA. For evidence, the following exhibits are included:

- Exhibit A – Evidence of Nonperformance – Email from EPASD
- Exhibit B - Evidence of Nonperformance – Proposed Addendum to Relieve EPASD of Financial Commitment
- Exhibit C - Evidence of Nonperformance – EPASD Letter to City Manager

Page 139 – “The Light Tree project has been stalled (as of 3/15/2022) by issues related to increased costs and environmental review and project funding is at risk of default; EPASD, the City of EPA, and the developer have been unable to determine a path forward.”

G-4

The MSR should distinguish between the Light Tree residential development and the EPASD capacity upgrades outlined in the WSA from June 2020.

Increased Costs – EPASD should provide evidence of increased costs in the form of expenditures to date, bids received, and contracts both executed and pending that have caused the upgrades to exceed the \$4.5 million project budget.

Environmental Review – EPASD should provide evidence that the recommended environmental review will lead to cost overruns and submit evidence that justifies the work stoppage and demonstrates how necessary permits will exceed current budget.

Project Funding At Risk of Default – EPASD should clarify which funding is at risk of default. The \$2.5 million provided by Light Tree neither expires nor is at risk of default. The funds have been deposited and are available for use by EPASD.

Unable to Determine a Path Forward – On November 23, 2021 a CEQA consultant provided the District with a proposal for additional environmental analysis to move a portion of the capacity upgrades forward. On March 4, 2022, the City of East Palo Alto presented the EPASD General Manager and Board with additional guidance on multiple options to move the capacity expansion forward. On April 6, 2022, EPASD agreed to move forward “**provided it shall not be at the expense of the District,**” directly contradicting the agreement reached in 2020. (*Exhibit C*) Further, it was not until April 21, 2022, after the MSR was released and the first LAFCo comment meeting on April 20, 2022, that the District began soliciting construction bids. It remains unclear if any future cost overages above the \$4.5 million budget will be billed to the City of East Palo Alto or the Developer despite Section 7 of the WSA.

Eden appreciates the need for developers to fund a fair share of costs related to impact of new apartments on the existing sanitary system. However, given our experience so far, **the District has been unable to perform its duties even after a payment is received.** Eden Housing has strong reservations about its ability to build affordable housing in East Palo Alto under the status quo. Our reliance on the constant involvement from City staff and elected officials through the intergovernmental committee to get the Sanitary District to even consider an agreement and avoid losing \$20 million in state funding proves the status quo is not sustainable.



There can be great efficiencies gained through consolidation and therefore we urge the Commission to formalize what has already been unofficially occurring: direct City management and oversight of the sanitary sewer system to allow the City's development pipeline to move forward.

Thank you,

A handwritten signature in black ink, appearing to read 'AOsgood', positioned above a blue horizontal line.

Andrea Osgood (May 5, 2022 15:15 PDT)

Andrea Osgood
Senior Vice President Real Estate Development
Eden Housing, Inc.



Exhibit A – Evidence of Nonperformance – Email from EPASD

Matt Schreiber

From: Akin Okupe <aokupe@epasd.com>
Sent: Tuesday, March 30, 2021 4:45 PM
To: Matt Schreiber
Subject: Re: Light Tree CEQA NOD

We will like to hand this project back to the developer, please let us discuss to continue

Akin Okupe, M.B.A.,P.E.
General Manager
East Palo Alto Sanitary District
Tel :(650) 325-9021

From: Matt Schreiber <Matt.Schreiber@edenhousing.org>
Sent: Tuesday, March 30, 2021 3:44 PM
To: Akin Okupe <aokupe@epasd.com>
Subject: Light Tree CEQA NOD

Hi Akin,

Just wanted to check in on the CEQA that was approved by the Board. Has the Notice of Exemption been filed with the County of San Mateo and Santa Clara? Could you have your counsel send over the approval when available?

Thanks,



Matt Schreiber, Project Developer

22645 Grand Street Hayward, CA 94541

Office 510-247-8180 **Cell** 510-634-3955

Matt.Schreiber@edenhousing.org | edenhousing.org

**EDEN HOUSING CREATES AND SUSTAINS HIGH-QUALITY AFFORDABLE HOUSING
COMMUNITIES THAT ADVANCE EQUITY AND OPPORTUNITY FOR ALL.**



Exhibit B – Evidence of Nonperformance – DRAFT Addendum

FIRST ADDENDUM TO WASTEWATER SERVICE AGREEMENT

This FIRST ADDENDUM TO WASTEWATER SERVICE AGREEMENT (“Addendum”) is made and entered into on *[insert date]* by and between the EAST PALO ALTO SANITARY DISTRICT (“District”) and LIGHT TREE TWO, L.P. (“Developer”).

RECITALS

A. On June 12, 2020, District and Developer entered into a Wastewater Service Agreement (“Agreement”) regarding the development of a 185-unit affordable housing project (“Development”) located at 1805 East Bayshore Road, East Palo Alto, CA 94303 (“Property”).

B. Pursuant to the Agreement, District has agreed to expand its wastewater system (“System”) to accommodate the additional load that the 91 net new units created by the Development will add to the District’s System (“System Expansion Improvements”) in exchange for the Developer, among other things, paying for the cost of such System Expansion Improvements. The District is prohibited from using sewer service fees imposed on existing customers for the cost of augmenting the existing sewer system, and the Agreement ensures that the costs of such System Expansion Improvements are paid for from funds other than sewer service fees imposed on existing customers.

C. The System Expansion Improvements include the replacement of approximately 2,652 feet (or approximately one-half mile) of existing sanitary sewer main to accommodate wastewater flows from the Property (“Project”). The Project consists of a replacement lateral connection from the Property to the existing sanitary main near the intersection of East Bayshore Road and Clarke Avenue, which includes the replacement of the following sewer lines:

- 150-foot segment of an existing eight-inch diameter existing sewer main with a 10-inch diameter main from Oakes Street to Pulgas Avenue;
- 1,004 feet of an existing 10-inch diameter sanitary sewer main with a 12-inch diameter main on Pulgas Avenue between Oakes Street and O’Connor Street;
- 990 feet of the existing 12-inch diameter main with a 15-inch diameter main on O’Connor Street between Pulgas Avenue and Daisy Lane; and
- 660 feet of the existing 14-inch diameter main between Daisy Lane in the City of East Palo Alto and with an 15-inch diameter main to manhole K2, and an 18-inch diameter main from K2 to manhole T15, which is located in the City of Palo Alto just south of the East Palo Alto city limit.

D. On *[insert date]*, a Notice of Exemption was filed by EMC Planning Group (“Consultant”) on behalf of the District for the Project in accordance with the California Environmental Quality Act (CEQA) (see Pub. Res. Code § 21080.21(a)).

E. The Consultant has since determined that construction of a segment of the Project may result in potentially significant impacts to protected wildlife species due to the final segment (manhole K2 to manhole T15) being situated adjacent to a salt marsh habitat.

F. Since the Project may result in significant impacts to protected wildlife species, an Initial Study is required to analyze the environmental impacts to the marsh habitat and protected species. Additional measures may also be required to minimize impacts to protected wildlife species, including District obtaining a regulatory permit from the U.S. Army Corps of Engineers (USACE).

G. Pursuant to the Agreement, the Completion Date, as defined in the Agreement, “shall be extended for a period of time equal to the number of days during which the District (or any contractor or subcontractor of the District) is prevented from proceeding with the construction of the System Expansion Improvements by reason of force majeure. The term “force majeure” includes acts of God, flooding, strikes, lockouts or other labor trouble, materially adverse weather conditions, fire or other casualty, epidemics, pandemics or outbreak of communicable disease, quarantines, governmental preemption in connection with a national emergency, any rule, order or regulation of any governmental agency or any department or subdivision thereof, or inability to secure materials or labor because of any such emergency, rule, order, regulation, war, civil disturbance, or other emergency, cause or event beyond the reasonable control of District.”

H. District is prevented from completing the System Expansion Improvements due to the need for the Project to undergo CEQA analysis and/or receive approval from USACE.

I. In order to avoid delays to the Completion Date, Developer has requested that the Project be bifurcated into two phases to allow for completion of a segment of the Project as depicted on **Exhibit D**. District will commence the remaining segment of the Project after CEQA analysis is completed and all necessary permits are obtained by the District.

J. The parties desire to amend the Agreement to account for all of the aforementioned scope changes. Capitalized terms not defined herein shall have the meaning ascribed to them in the Agreement.

NOW THEREFORE, the parties agree as follows:

1. **RECITALS**. The Recitals set forth above are true and correct, and by this reference incorporated herein.

2. **AGREEMENT TO BIFURCATE**. In order to facilitate timely completion of the Project for the benefit of Developer, the District agrees to bifurcate the Project as depicted in **Exhibit D**.

3. **REPLENISHMENT OF LIGHT TREE APARTMENT FUND**. Developer has deposited the System Expansion Payment into the Light Tree Apartment Fund to cover the costs of the Project. In the event that such funds are insufficient to cover the cost of the Project as bifurcated and depicted in **Exhibit D**, upon demand from the District evidenced by proof of costs incurred, Developer agrees to deposit such additional amounts in the Light Tree Apartment Fund as necessary to pay all costs of the Project, including administrative costs, design, planning, construction and acquisition costs, and any other incidental costs associated with bifurcating the Project.

4. EFFECT OF ADDENDUM. Except as set modified above, the Agreement remains unmodified and is hereby in full force and effect. To the extent of any conflict between the terms of the Agreement and this Addendum, the terms of this Addendum shall prevail and control.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have by their duly authorized representatives executed this Addendum, among the East Palo Alto Sanitary District and Light Tree Two, L.P. as of the date first written above.

ATTEST:

EAST PALO ALTO SANITARY DISTRICT

Secretary

By: _____
Name:
Title:

APPROVED AS TO FORM:

General Counsel

LIGHT TREE TWO, L.P.,
a California limited partnership

By: Light Tree Two LLC,
a California limited liability company,
its managing general partner

By: Eden Housing, Inc.,
a California nonprofit public benefit
corporation, its manager

By: _____
Name: _____
Its: _____

By: Light Tree CANDO LLC,
a California limited liability company,
its co-general partner

By: East Palo Alto Community
Alliance and Neighborhood Development
Organization, Inc.,
a California nonprofit public benefit
corporation, its sole member/manager

By: _____
Name: _____
Its: _____



Exhibit C - Evidence of Nonperformance – EPASD Letter to City Manager



EAST PALO ALTO SANITARY DISTRICT

BOARD OF DIRECTORS

Bethzabe Yañez, President
Martha Stryker, Vice President
Glenda Savage, Secretary
Dennis Scherzer, Director
Joan Sykes-Miessi, Director

901 Weeks Street
East Palo Alto, CA 94303
Phone: (650) 325-9021
Fax: (650) 325-5173
www.epasd.com

Via E-Mail and Certified Mail

Akin Okupe, M.B. A, P.E, General Manager

April 06, 2022

Jaime M Fontes
City Manager
City of East Palo Alto
2415 University Ave
East Palo Alto, CA 94303

Dear Mr Fontes,

This acknowledges receipt of the City of East Palo Alto's ("City") letter to the East Palo Alto Sanitary District ("District"), dated March 4, 2022, concerning the 185-unit affordable housing project at 1805 East Bayshore Road ("Project") by Light Tree Two, L.P. ("Developer").

The City has proposed the following courses of action as the basis of a Memorandum of Understanding to move the Project forward:

1. The Project move forward with construction shown in segments A through 6 of the Exhibit A
2. The City will issue an encroachment permit for all work required in segments A through 6, and the California Environmental Quality Act (CEQA) clearance for that permit and work is documented in the Notice of Exemption filed by the District on March 23, 2021 pertaining to the 1805 East Bayshore Road Sewer Main Replacement Project ("Sewer Main Replacement Project").
3. The District begins construction work on segments A through 6.
4. The California Environmental Quality Act environmental review of the construction and

installation of the sewer lines in Segment 7 will be included in the California Environmental Quality Act environmental review for the District's Trunk Line Project

5. Pursuant to the Sanitary District Act of 1923, the District is authorized to charge fees or charges for services and facilities in connection with its sanitation or sewerage system. However, revenues derived from such fees or charges may not be used for the acquisition or construction of additional local street sewers or laterals which are an augmentation to an existing system. (Health & Safe. Code, § 6520.5.) It is for this reason that the District and Developer entered into the Wastewater Service Agreement, dated June 12, 2020 ("Agreement"). The Agreement provides that Developer is required to,

fund the sewer system expansion improvements for the Project, and Recital E of the Agreement specifically states that such improvements shall be at no cost to the District except as explicitly set forth in the Agreement. As a result, an Initial Study will be required to analyze environmental impacts, and additional measures may be required to minimize impacts moving forward, including a regulatory permit from the U.S. Army Corps of Engineers.

The Agreement does not require that the District expend any of its own funds to address this issue. This provision, amongst others, reflects the clear statutory prohibition against spending customer-provided revenues on expansion of system infrastructure to accommodate new development.

As such, the District proposes to proceed as follows: the Sewer Main Replacement Project will be bifurcated into two phases to allow for completion of a segment of the project as depicted on Exhibit A. The District will commence the remaining segment of the Sewer Main Replacement Project after CEQA analysis is completed and all necessary permits are obtained by the District, provided it shall not be at the expense of the District. **The District will not be responsible for additional costs, if any, associated with serving the development.**

Please also note that the Developer cannot connect the additional units to the District's collection system until the improvements are completed. Please contact me with any questions or to discuss further. The District's goal is to resolve this issue in a timely and fair manner.

If you have any questions or concerns, please give me a call at (650) 325-9021

Very truly yours,

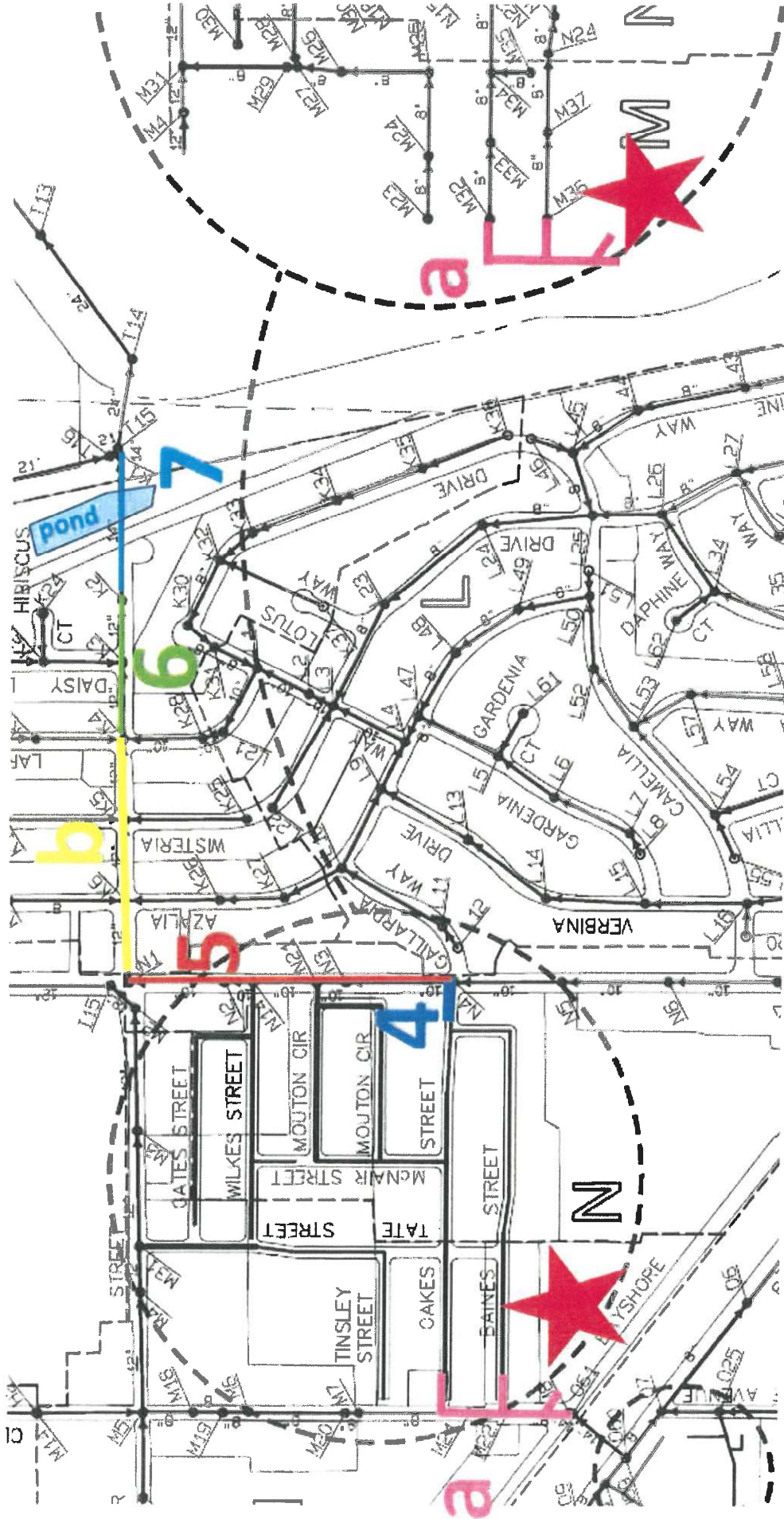


Akin Okupe

General Manager

East Palo Alto Sanitary District

LIGHT TREE – EPASD WASTEWATER SERVICES AGREEMENT - EXHIBIT C MAP



Source: Exhibit C, Wastewater Services Agreement ; Freyer and Laureta Table 5 June 9, 2020

EXHIBIT A

Letter G	Andrea Osgood, Eden Housing, Inc.
Response G-1	Statement added that “EPASD has no published policies or procedures for calculation of charges for collection system upgrades other than its standard capacity charges; discussions in EPASD meetings indicate that key assumptions (e.g., flows per resident of new buildings), reimbursement calculations, EPASD’s share, and other terms are negotiated with each development for projects ranging in scale from hundreds of units to a proposed single ADU” (Pages 142-143).
Response G-2	The MSR supports the prioritization of improvements and identification of mechanisms to fund existing deficiencies and future capacity needs over time as part of the development of a Capital Improvement Plan.
Response G-3	Comments noted.
Response G-4	Comments noted.



May 5, 2022

Mr. Rob Bartoli
Executive Director
San Mateo LAFCo
455 County Center, 2nd Floor
Redwood City, CA 94063-1663

Via Email: rbartoli@smcgov.org

RE: Consideration of Municipal Service Review, Public Review Draft Report
for the City of East Palo Alto, East Palo Alto Sanitary District, and West Bay Sanitary District

Dear Mr. Bartoli:

On behalf of Harvest Properties Inc., we appreciate the opportunity to provide our comments on the Municipal Services Review (MSR) Public Review Draft Report.

Harvest Properties Inc is a locally based real estate development firm, and the property owner of approximately 20-acres of property located in East Palo Alto (1990 Bay Road, 1175 Weeks Street, 1250 Weeks Street, 1103 Weeks Street). We are also a member of the Ravenswood Shores Business District, a California limited liability company comprised of the majority of the landowners and businesses located in the 100-acre Ravenswood Area of East Palo Alto.

We initially submitted our Pre-Application in February 2020, then late last year, submitted a Major Application into the City of East Palo Alto for the proposed development on our property of a mixed-use development, consisting of commercial and retail space, subsidized community space, affordable housing (in partnership with Eden Housing) and a vast network of open space, waterfront trails and recreational amenities, all of which will be open to the East Palo Alto community. This would be one of the largest community benefit packages proposed in the greater Bay Area, and we would hate to see that prevented from happening.

As part of the Major Application, and its circulation to various agencies for review and input, the East Palo Alto Sewer District (EPASD) received our application. As part of our project, we are proposing

unique approaches to the treatment of grey and black water via the creation of onsite water treatment facilities. To date, the response from EPASD has been that Harvest would be responsible for all improvements triggered anywhere in the City, and even down to the Palo Alto Wastewater Treatment Plant, by our proposed development. Additionally, EPASD has not provided any written feedback to our project's innovative approach for onsite water treatment. This is needed in order to move forward with our application and CEQA process and is already holding us up.

Similar to other for-profit and non-profit developers with projects in East Palo Alto, we would be willing to pay our fair share of the costs associated with the sanitary sewer improvements to EPASD necessitated by our project. We are already having to cover the infrastructure costs that would have been covered or split with The Primary School across the street from us, given they terminated their development of a new school due to being held up by EPASD.

However, it is important to note that if Harvest is forced to pay for all citywide sewer improvements that should have otherwise been paid for by EPASD, then the community benefits our project is currently able to offer, would be significantly reduced. These include but are not limited to: affordable housing with a deep level of affordability (at or below 60% of Area Median Income), rent-free retail and community space, home ownership grants, and other grants for small businesses and local artists.

Again, we truly appreciate this opportunity to provide information about our experience to date with the East Palo Alto Sanitary District and would welcome any questions you might have about our proposed project.

Yours Sincerely,

Kim Diamond

Kim Diamond
Managing Director of Development
Harvest Properties, Inc.

Letter H	Kim Diamond, Harvest Properties, Inc.
Response H-1	Comments noted.

Stakeholder Input Form¹ San Mateo LAFCO's Municipal Service Review for East Palo Alto, Menlo Park, and the East Palo Alto Sanitary District ("EPASD")	
Developer	<u>Victor Dong</u>
Contact	Name: Victor Dong Phone: 510-364-5343 Email: victor_dong@yahoo.com
Project Name	961 Beech St 4 single family house
Project Description (e.g., residential or commercial, number of units, etc.)	4 single family house on ½ acre vacant lot
Entitlements Status	<input checked="" type="checkbox"/> Approved: Oct 28, 2019 (<i>date</i>) <input type="checkbox"/> Pending: _____ (<i>date</i>) <input type="checkbox"/> Other: Please specify:
CEQA Document	<input type="checkbox"/> Environmental Impact Report <input type="checkbox"/> Negative Declaration / Mitigated Negative Declaration <input type="checkbox"/> Categorical / Statutory Exemption <input checked="" type="checkbox"/> Other: CEQA exception from City Planning Department
Level of EPASD Participation in Project's CEQA Review	N/A
First Contact with EPASD	Date: 03/26/2021
Will-Serve Letter Status	<input type="checkbox"/> Approved: _____ (<i>date</i>) <input type="checkbox"/> Pending: _____ (<i>date</i>) <input checked="" type="checkbox"/> Other: Please specify: rejected
Project Sanitary Sewer Flow Estimates (gpd)	468 GPD
EPASD Fee Estimate (if any)	Application fee: \$3700 Connection fee: \$26400 Capacity analysis: \$3000 EPASD engineer fee _ \$6990 Consultant fee Sewer upgrade fee varies from \$4 million to \$40 million depends on Akin Okupe's mood

¹ This Stakeholder Input Form ("Form") was prepared by a working group of stakeholders and developers with approved and/or pending development projects in the City of East Palo Alto. This Form is intended to inform the SM LAFCO in its preparation of a Municipal Service Review for the City of East Palo Alto, City of Menlo Park, and the EPASD.

Please provide a summary of the Project's experience with the EPASD?

My 4 single family house subdivision project on 0.5 acre land started almost 5 years ago, tentative map was approved by East Palo Alto Planning department on Oct 28, 2019. The final map was recorded on Dec 26, 2020, now it is 4 separate lot. We got CEQA exemption on condition of approval.

I submitted sewer lateral connection application to EPASD on March 26, 2021 after City building department notified me that I need have sanitary district clearance to pull permit. On April 15, I discussed the project over the phone with Akin Okupe, he said there is 1000 gallon limit on sewer discharge and I need to hire a consultant to do capacity analysis and then he will approve the project, he can refer someone and he said it will cost around \$1000. I looked through EPASD website and some board meeting minutes, I cannot find any ordinance or code about threshold of 1000 gallon. From water usage estimate report by certified PE, with newer and efficient water devices, each house is only 117 gallon per day. Even use 240 GPD as industrial average, times 4 will be 960 gallon, still below 1000 limit, but hoping to move forward quickly, I asked Akin to send consultant contact information and plan to move forward.

On April 29, 2021, I finally got sewer capacity analysis proposal from the consultant Jeffery Tarantino referred by Akin, the price is \$6990 and EPASD will charge another \$3000 engineer fee on top of that. My civil engineer designed site plan include sewer discharge and storm drain, his wife works in Hayward city sanitary district, he has done some capacity analysis for other bigger project before, he said capacity analysis is very simple job and normally cost \$1500 and he can do it for me for free, when I asked Akin if I can use my civil engineer to do the analysis, Akin changed his mind, he claim there is no capacity at all and he won't approve my project no matter what from now on.

Akin has his crew Oman opened the sewer manhole in front of my street on May 18, water is running very smooth, less than half height of the pipe(about 7 inch of 15 inch pipe). Omar said everything looks great and don't see any problem to add 4 single family house. The next day when I talked with Akin, he claimed less than half now don't mean anything, when rain season comes, the pipe will be full. First rain water suppose not enter sewer pipe in big quantity, second if there are leak to sewer line, is that sanitary district's job to fix it? Akin claims only option for me is pay pipe upgrade which will be over \$4 million. The value of whole project after build 4 homes is only little over \$6 million, \$4 million for sewer upgrade fee which is never expected is devastating to me.

I complaint to City about keep me in the blind sight for the past 5 years, but City said my project is first project this small with minimal impact to sewer capacity get rejected

by Akin, also the first single family house got rejected. Communication is broken between EPASD and City, and I got caught in between and suffered most. Technically, it is allowed to build a huge single family house over 5000 sqft and one ADU, the sewer capacity won't increase too much compared with 4 small single family house which servers community much better.

Please provide a summary of your experience working with and/or communicating with EPASD personnel. *(To the extent available, please provide pertinent copies of communications to and from EPASD personnel at **EXHIBIT A**)*

On Jun 29, 2021, I called EPASD and confirmed with front desk Juliette that Akin is in office and can talk with me. I went there and told Akin I am willing to use Jeffery Tarantino and pay whatever the amount they want to do analysis, I begged him to give me the option again and told him in the past few months my life is totally destroyed, I cannot sleep, keep on worrying my financial and future. Akin said I will never be able to build on my land unless I pay \$40 million which is the estimated cost of upgrading whole city's sewer pipe, then only after the pipe upgrade is done, then I can build my 4 single family house.

I showed Akin some picture that I am a very happy family guy, work hard and play hard, enjoy life and outdoor activities like fishing, spearfishing, gardening, hunting, wild mushroom picking ... I showed him some picture try to get some personal connections and get sympathy from him, but he became erratic and out of control, claim I am threatening his life and he called police, when police came in 10 minutes later, he is still shouting, yelling loudly, waving his hand crazily. Police need ask him to calm down and police told me later they witness Akin behave like this before. Akin even yelling at Juliette and complain her to let me come in, and claim he will refuse to see me or talk with me again, even police told Akin as a public service agency, I do have the rights to make appointment and come to discuss my project.

Akin caused the nightmare to a lot of people already, Akin behaves erratic, inconsistent and dishonest, he will change his word every single time.

Please provide a summary of your experience participating in, or observing, meetings of the EPASD Board of Directors.

Attended EPASD engineer committee meeting on 07/02/2021, pleaded my case, sent my testimony in email.

Attended EPASD board meeting on 07/08/2021, pleaded my case again, board member said sorry, but no resolution

EPASD has 5 board members, there are two members from same family, Dennis and his daughter Martha Stryker. Dennis moved out from East Palo Alto to rural Mendocino decade ago, feels he has strong anti-developing mentality, which is fine if in rural area, but East Palo Alto is in the middle of Silicon Valley with huge housing shortage.

EPASD board members received highest compensation and just sitting on the board and say no to everything. They knew they are doing something wrong and afraid of lawsuit, they need have their attorney presented in every board meeting.

Letter I	Victor Dong, Ratepayer/developer
Response	Comments noted.

From: [Barbara Kelsey](#)
To: [Rob Bartoli](#)
Cc: [Jennifer Hetterly](#); [Alice Kaufman](#); [Eileen McLaughlin](#); [James Eggers](#); [Gladwyn d'Souza](#); [Mike Ferreira](#)
Subject: Joint comment letter re: LAFCo's Draft Municipal Service Report Update for East Palo Alto
Date: Thursday, May 5, 2022 2:38:44 PM
Attachments: [Joint comment letter to LAFCo re EPA MSR Update 5.5.22.pdf](#)
[SCLP, CCCR, GF comments on RBD SP Update 2.23.22.pdf](#)

CAUTION: This email originated from outside of San Mateo County. Unless you recognize the sender's email address and know the content is safe, do not click links, open attachments or reply.

May 5, 2022

Rob Bartoli
Executive Officer
Local Agency Formation Commission
San Mateo County, California

Dear Mr. Bartoli,

The Bay Alive Campaign of the Sierra Club Loma Prieta Chapter, the Citizens Committee to Complete the Refuge, and Green Foothills are grateful to have this opportunity to comment on LAFCo's Draft Municipal Service Report Update (MSR Update) regarding East Palo Alto Sanitary Services. Please see our comment letter attached, along with our Ravenswood Business District Specific Plan Update Joint Letter dated 2/23/22.

Sincerely yours,

Eileen McLaughlin
Board Member
Citizens Committee to Complete the Refuge

Jennifer Chang Hetterly
Campaign Lead, Bay Alive
Sierra Club Loma Prieta Chapter

Alice Kaufman
Legislative Advocacy Director, Green Foothills

Additional attachment:
Ravenswood Business District Specific Plan Update Joint Letter dated 2/23/22

Sent by:

Barbara Kelsey

she/her/hers

Chapter Coordinator

Sierra Club, Loma Prieta Chapter

3921 E. Bayshore Rd, Suite 204

Palo Alto, CA 94303

barbara.kelsey@sierraclub.org

Please note that we are not
working in the office yet, so
email is the best way to contact us.



May 5, 2022

Rob Bartoli
Executive Officer
Local Agency Formation Commission
San Mateo County, California
Email submission only: rbartoli@smcgov.org

Dear Mr. Bartoli,

The Bay Alive Campaign of the Sierra Club Loma Prieta Chapter, the Citizens Committee to Complete the Refuge, and Green Foothills are grateful to have this opportunity to comment on LAFCo's Draft Municipal Service Report Update (MSR Update) regarding East Palo Alto Sanitary Services.

Our reading of the MSR Update found it to be thorough and very informative. Our organizations have invested substantial efforts monitoring and working with the planning process for East Palo Alto's Ravenswood Business District Specific Plan Update. As you may know, its CEQA Notice of Preparation is currently in its comment period. The MSR Update makes it clear we should recommend that the EIR thoroughly analyze sanitary and stormwater services.

We would like to bring a topic to your attention that was not considered in the MSR Update but has implications for all underground utilities in shoreline and lowland areas of East Palo Alto and similarly in other jurisdictions. The companion to sea level rise inundation is rising groundwater. It may cause underground pipes and conduits to fail.

We are attaching a letter that we recently sent to the East Palo Alto City Council that poses the issue of rising groundwater in more detail and provides references. We recommend that the City take certain actions to identify sites of particular risk due to rising groundwater. We encourage LAFCo to consider these same issues for all San Mateo County shoreline areas as appropriate.

Sincerely yours,



Eileen McLaughlin
Board Member
Citizens Committee to Complete the Refuge



Jennifer Chang Hetterly
Campaign Lead, Bay Alive
Sierra Club Loma Prieta Chapter



Alice Kaufman
Legislative Advocacy Director, Green Foothills

Attachment:

Ravenswood Business District Specific Plan Update Joint Letter dated 2/23/22



SAN MATEO, SANTA CLARA & SAN BENITO COUNTIES



February 23, 2022

East Palo Alto City Council
2415 University Ave 2nd floor
East Palo Alto, CA 94303

RE: Ravenswood Business District Specific Plan Update

Dear Mayor Abrica, Vice Mayor Gauthier and Members of City Council,

Representing the Citizens Committee to Complete the Refuge, Green Foothills and the Sierra Club Loma Prieta Chapter, we write to express our concern about the health and safety impacts from rising groundwater associated with sea level rise. Such impacts have potential to affect the entire East Palo Alto shoreline, including the area within the Ravenswood Business District Specific Plan. This is particularly worrisome in the presence of contaminated soils. We urge the City to undertake a groundwater rise vulnerability assessment and incorporate appropriate mitigation strategies that will apply to the RBD Specific Plan Update.

A Raimi & Associates response at your February 1 study session stated that the CEQA analysis for the RBDSP would evaluate the impact of the project on the environment. Although that is true, **such analysis does not assess the potential for environmental hazards to impact the project.** With the updated RBD SP there is the potential to bring thousands of new residents and workers into the area. Sitting very close to sea level and with a documented history of toxic contamination within East Palo Alto's city limits, **it behooves the City to study the potential threat of groundwater rise to public health and safety inclusive of the RBD area and to establish appropriate standards for avoidance, mitigation, and monitoring.** Given the proposed timeline for the RBD SP Update and risks discussed below, *timely* City action is needed.

To that end, *these comments provide recommended actions, explanations of threats and risks, local relevant examples and references.*

I. Recommendations for Timely Action

- ▶ Order a hydro-geologic study that assesses shallow aquifer groundwater, buried contaminant conditions and associated buried infrastructure in the areas of East Palo Alto most likely to be affected e.g. based on elevation, adjacency to low elevation or contaminant history.

► Adopt an ordinance applying to shallow aquifer groundwater and contaminant at-risk areas that establishes building requirements to avoid, mitigate and/or monitor any action that has potential to create or increase health and safety risk due to groundwater rise. [See IV.2 below]

II. Sea level rise effects on shallow aquifer groundwater

1. As our scientists, agencies and communities have grown in awareness of the threat of sea level rise, the consideration was and largely still is focused on inundation above ground i.e. flooding. That remains, of course, a very substantial concern. Community and Bay Area reactions have turned to building sea level rise levees such as the SAFER Bay project. While not widely discussed by the public, water supply professionals have significant concern about salt-water intrusion into the deep aquifers that serve as a drinking water supply.
2. Principles of physics dictate groundwater changes. No levee will stop the pressure of a rising Bay from forcing water through permeable layers of alluvial fans that form the South Bay basin, filtering through those layers into aquifers below the shoreline. In recent years new scientific studies about coastal groundwater and the use of correlated data demonstrate reason for significant concern and the need for attention by both the public and civic leaders.

III. Potential hazards of rising shallow aquifer groundwater

It is anticipated that in shorelines geologically like that of East Palo Alto, the rise in shallow-aquifer groundwater has the potential for multiple adverse impacts including the following:

1. buried hazardous materials may be forced upwards toward the surface causing potential public exposure. Additionally and if in liquid form (a layer present in the former Romic site and known as Light Non-Aqueous Phase Liquids, primarily organic solvents). contaminants may move laterally toward new sites, potentially the Bay or developed business/residential areas,
2. groundwater (shallow aquifer) will get closer to the surface, perhaps emerging in some locations. This may occur in inland locations at low-elevation in addition to coastal areas,
3. surface stormwater pooling will occur more often with localized flooding because groundwater has saturated soil layers closer to the surface, and
4. underground infrastructure (sewers, water lines, utility conduits) will deteriorate more quickly unless built or rebuilt to withstand the effects of salt water.

IV. Local Sea Level Rise Planning Examples and Available Opportunities

1. A recent news story¹ covered Burlingame's adoption of a zoning ordinance² establishing a sea level rise overlay and associated development requirements. Notably every city shoreline is different e.g. Burlingame is not part of a regional sea level rise levee project. Further, other than requiring reporting of groundwater inundation risks when property changes ownership, Burlingame did not establish any development standards related to groundwater. Nor did the ordinance make any reference regarding potential groundwater disturbance of buried contaminants.

¹ Knee Deep Times story: <https://www.kneedeep.com/climate-zoning-defined-for-burlingame-shore-and-sonoma-hills/?fbclid=IwAR2OvTCCmiWZrBLSQrh0D0LaWMgqHl8TAM0lrGtTi3w7Sk0k3VZiBir-IA>

² Burlingame Zoning Overlay Ordinance: https://cms6.revize.com/revize/burlingamecity/document_center/Planning/25.12.050%20-%20Adopted.pdf

Separately and relevant as a caveat, Burlingame was sued in recent weeks by property owners over damages resulting from the October storm. Their attorney saying: ““The city did not take steps it should have taken to prevent these floods or minimize the damage....””³

2. In East Palo Alto an overlay zone and standards it establishes could serve multiple purposes. It would first and foremost identify the overall area at risk and within it, subareas at risk of groundwater hazards already mentioned. It could define shoreline setbacks and the location and elevation needed for the SAFER levee, the Bay Trail and for protection of the marshes. It could set building design standards that would avoid neighborhood and Bay habitat environmental impacts.
3. In the Knee-Deep Times story linked above, Len Materman states that One Shoreline has been working with East Palo Alto as it did with Burlingame. Clearly this resource is an advantage.
4. Other local cities have independently pursued similar actions. Sunnyvale, in its current Moffett Park Specific Plan Update planning, worked with the San Francisco Estuary Institute and an environmental consultant to prepare its Sea Level Rise Adaptation Strategy.⁴ While Sunnyvale anticipates inclusion in a regional sea level rise levee, the report includes groundwater considerations.
5. Another recent article⁵ in the East Bay Express highlighted local efforts to increase attention to contaminant hazards related to sea level rise and inclusive of groundwater conditions. It reports that more than 1000 contaminant sites⁶ can be found along the Bay Shoreline as mapped by San Francisco Baykeeper.
6. In 2020, groundwater study documents that directly relate to Bay shorelines were circulated. One, a study of groundwater risks of coastal California provides a Bay Area emphasis and was published in Nature Climate Change⁷. In October 2019, a geo-hydrology group at UC Berkeley led by Dr. Kristina Hill, had released a Bay shoreline groundwater study tool that can be used for initial review of local risks⁸.
7. There are other examples of individual jurisdictions taking control on sea level rise risks. For example, the City of Mountain View undertook its own sea level rise study some years ago. It did so even while knowing that the City’s shores would be part of the USACE and Valley Water Shoreline Study project. Today Mountain View has a policy that incorporates sea level rise actions in its Shoreline area Capital Improvement Plan, including automatic updates of its standards every time the California Ocean Protection Guidelines and Principles are updated.

³ San Mateo Daily Journal https://www.smdailyjournal.com/news/local/burlingame-sued-over-bayshore-flooding/article_13f43d96-8a24-11ec-bf51-27c476039a58.html

⁴ Sunnyvale Sea Level Rise Adaptation Strategy: <https://static1.squarespace.com/static/5e38a3dd6f9db304821e8e5e/t/5fbd4410375f0e7b0b88753a/1606239255034/Sunnyvale+SLR+A+daptation+Strategy+2020-11-23.pdf>

⁵ East Bay Express Story: <https://eastbayexpress.com/toxic-tidesgroups-demand-action-now-as-seas-rise/>

⁶ San Francisco Baykeeper Contaminant Map: <https://baykeeper.org/shoreview/pollution.html>

⁷ Befus et al, "Increasing threat of coastal groundwater hazards from sea level rise in California", Nature Climate Change, 2020 (attached)

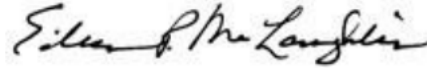
⁸ Plane, Hill, and May, "A Rapid Assessment Method to Identify Potential Groundwater Flooding Hotspots as Sea Levels Rise in Coastal Cities.", MDPI/Water, 10/19/2019. <https://www.mdpi.com/2073-4441/11/11/2228>

In the near term, it is our hope and recommendation that East Palo Alto will take steps prerequisite to a future of massive development and in service to the health and safety of the community.

Sincerely,



Jen Hetterly
Coordinator, [Bay Alive Campaign](#)
Sierra Club Loma Prieta Chapter



Eileen McLaughlin
Board Member
Citizens Committee to Complete the Refuge



Gladwyn d'Souza
Chair, Conservation Committee
Sierra Club Loma Prieta Chapter



Alice Kaufman
Legislative Advocacy Director
Green Foothills

Letter J	Eileen McLaughlin, Jennifer Chang Hetterly, and Alice Kaufman, for Citizens Committee to Complete the Refuge, Sierra Club Loma Prieta Chapter, and Green Foothills
Response J-1	The following statement has been added to the MSR: "A related concern has been noted regarding the potential for sea level rise to contribute to rising groundwater levels that may contribute to the failure of underground pipes and conduits" (Page 134).

May 5, 2022

Rob Bartoli
Executive Officer
San Mateo Local Agency Formation Commission
Redwood City, CA 94063

Re; Municipal Services Review Draft Report for the City of East Palo Alto, East Palo Alto Sanitary District, and West Bay Sanitary District

Mr. Bartoli,

I currently serve as the Mayor of East Palo Alto. The City Council has already directed staff to send the official response from the City. I am writing this note (via email) as an individual member of the Council and speak only for myself.

I specifically want to comment on the '3) Intergovernmental Relations' paragraph on recommendations to the City of East Palo Alto on page 99 of the draft report. My comments are based on my own experience over the years as a council member, Mayor, and member of subcommittees.

While the recommendation of restarting and continuing regular meetings between representatives of both the City and the EPASD is laudable, there has been a historical imbalance in addressing concrete issues to seek solutions instead of just meeting for on-going discussions and discussions. Between 2010 and 2012 we met regularly. We went as far as identifying a list of areas we could work on together, including joint grant applications for infrastructure, comparing and coordinating capital improvements, etc. EPASD never produced any information in writing. After a year of work where city staff shared documents, prepared mini staff reports, council member Woods and I and city management presented a brief written report to the Council and recommended that we stop meeting since no concrete work was proceeding. We did direct our staff to stay in communication with EPASD staff for day to day issues. *(with more time and hopefully by June 15, I will try to find copies of those documents).*

I think one cannot improve efficiency and coordination if one governmental party doesn't fully participate with specific proposals on how problems can be solved. Two years ago, I believe the work of the committee in 2020 did contribute some to the reaching of an agreement for the Light Tree Project. Most recently I reached out to the President of the Board to talk concretely about the Light Tree Project affordable housing project since it was and is in danger of being stalled due to the failure of the district to meet the timelines specified in the agreement itself. We held two intense, but fruitful talks to at least identify the issue. Subsequently the City Council send a specific proposal to resolve the issue, and we are still waiting. Intergovernmental meetings are good but need to be a two way effort in terms of work and concrete proposals to find common ground before things deteriorate and become a crisis.

K-1

In conclusion, and given the importance of studying this Draft Report, I will reach out to the respective Chairs of both sanitary districts and suggest that sometime before June 15, we hold a joint study session for the sake of the public process and to reach a wider audience. If the three governmental bodies jointly go about asking questions and making comments directly with each other, it can only benefit transparency and understanding of the issues.

sincerely

Ruben Abrica, 650-924-6990. rubenabrica@gmail.com

Letter K	Ruben Abrica, Resident/City of East Palo Alto Councilmember
Response K-1	Comments noted. Additional language has been added to the recommendation regarding the Intergovernmental Relations meetings between the City and EPASD. The meetings could be focused on specific topics such as development projects and infrastructure finance to help the agencies to allow for more directed discussions. These meetings should also be conducted with equal support and staff time from both the City and EPASD.

The SMCo LAFCo MSR & Other Related Public Documents

**A Report
prepared for the**

**East Palo Alto Sanitary District
Board of Directors
and the
EPASD Community**

East Palo Alto, California
April 28, 2022

Prepared by Dennis C. Scherzer, Director, EPASD

Vital Considerations

- **ENGINEERING**
- **LEGAL**
- **FINANCIAL**
- **GOVERNMENTAL**
- **DAY-TO-DAY OPERATIONS
(COMPARATIVE O&M)**

ENGINEERING

- EPASD's General Manager, Akin Okupe, is a civil engineer licensed by the State of California.**
- Mr. Okupe has over 25 years experience designing, operating, and managing underground water utilities such as potable water, storm, and sanitary sewers.**
- EPASD is currently performing a CCTV inspection of its entire system. The results will be analyzed and a schedule will be formulated that prioritizes repairs and upgrades where most needed.**
- The overall condition of the EPASD system is Very Good.**

LEGAL

- **EPASD is governed primarily by the California Constitution Article 13D Section 6, “Property Related Fee For Service”.**
- **Property owners pay annual Sewer Service Charges which are collected on the San Mateo County property tax roll.**
- **EPASD is prohibited from charging existing ratepayers more for Sewer Services than it costs to provide them, or for services not “immediately available” to them.**

FINANCIAL

- EPASD recently completed a comprehensive audit, receiving best possible findings from the auditor CPA.**
- The audit revealed no evidence of fraud, embezzlement, mismanagement, or wasteful spending.**
- Mr. Okupe, an MBA, has increased EPASD's net cash reserves while reducing spending, and eliminating debt.**

GOVERNMENTAL

- EPASD was established by the East Palo Alto community in 1939 to provide sanitary sewers to protect public health and safety.**
- It is a small sovereign local government that has historically addressed the community's needs through an easily accessed directly elected Board of Directors.**

Day-to-Day Operations

- EPASD employees operate and maintain our system.**
- All operations are managed from EPASD's facility at 901 Weeks Street in East Palo Alto.**
- Proactive maintenance and inspection procedures have resulted in no Sewer System Overflows (SSOs) for over 10 years.**

Categories of Concern

- Technical, legal, and financial viability and reliability of information contained in the MSR, much of which is undocumented speculation.**
- Potential impacts on the community and the environment. The recommended option in the MSR would dissolve EPASD and place its operations in the hands of another agency which has demonstrated that it can't manage underground water utilities.**
- Confirming that the continuance of EPASD on a “status quo” basis is the best possible solution for the community and proposed development.**

History of the current MSR.

Page 1.

“EXECUTIVE SUMMARY”

Par. 2:

“LAFCo initiated the current MSRs at their meeting May 29, 2021. LAFCo staff indicated at that meeting that the preparation of the MSRs *‘...responds to a request for a prioritized MSR by various developers and the City of East Palo Alto because of the inability to obtain will serve letters from the District for new developments in the City.’*”

(Emphasis added)

Questions

- **Which developers? Do they have names?**
 - **Why is the City involved? Do they say so in their request?**
 - **“Their”(the developers) inability, not “the” inability. The previous draft stated the “inability of EPASD to provide will serve letters.” The intent is to imply that EPASD is incapable or deliberately unwilling to serve new development projects proposed by the City.**
 - **No description of the EPASD process for obtaining a will serve letter, and where these “various developers” are/were within the process.**
- Deliberate descriptive bias has been designed into the MSR by BA for the purpose of holding EPASD in a bad light. This was done to help benefit the “various developers”, and not our community.**

Undocumented LAFCo Policy

Par. 3:

“The current MSR for EPASD re-affirms the current ‘dissolution’ (zero) Sphere of Influence originally adopted by LAFCo for EPASD in 1983 and affirmed by the 2008 MSR. A ‘dissolution’ (zero) Sphere of Influence means that LAFCo anticipates future dissolution of EPASD and provision of sewer services by another agency.”

More Facts

The negative SOI was adopted without consultation with EPASD.

L-3

It wasn't adopted "for" EPASD, it was adopted *regarding* EPASD.

L-3

•The City was incorporated in 1983 after a second public vote on the issue. The first ballot, in 1982, failed because voters refused to dissolve EPASD into the City. Dissolution of EPASD was required in 1982 for incorporation to pass.

•Dissolution of EPASD was not on the ballot in 1983, and although the voters determined that they wanted an independent EPASD, separate from the City, San Mateo County decided, without consulting EPASD, that EPASD should be dissolved and made part of "another agency".

This is Untrue - The Big Lie

Page 2. City of East Palo Alto

“2. Lack of EPASD sewer collection system capacity is an impediment to development in the City. *Developers have indicated concerns that the costs to connect are prohibitively expensive and that EPASD has been unwilling to discuss financing options to make connection more feasible. Efforts to-date to resolve this issue have been largely unsuccessful.*”

(emphasis added)

The Backstory

- . City engineers and planning staff never evaluated EPASD's collection system in their General Plan. Additionally, they never communicated directly with EPASD staff or engineers to obtain this crucial information.**
- . The City Public Works Director, (Kamal Fallaha), publicly stated to EPASD that he worked for Kennedy/Jenks Engineers while they were performing the EPASD Master Plan Survey in 2000, and that he was aware of collection system "problems" as a result of his work.**

City of EPA's General Plan is inaccurate and incomplete

.Later, in 2016, Mr. Falaha signed his name on the EIR approving it for the City's General Plan (GP) update which declared that the planned development (through 2035) would have "No Significant Impact" on EPASD facilities.

.The GP created zoning in the former Ravenswood industrial area that would allow over 2 million square feet of commercial use and over 500 residential units. This is in an area of mostly vacant or underdeveloped parcels. The entire area has been well-served by 6" diameter pipes for over 60 years.

City Unwilling to Cooperate

- **The “financing options” mentioned in the MSR all incorporate some scheme that has existing ratepayers footing the bill, especially through use of existing cash reserves and long term debt, BEFORE the mega-development is even designed.**
- **The report tries to shift blame for inept project management from the developers and the City onto EPASD:**
 - **“Constrained development deprives the City of EPA and its residents...of increased municipal and other revenues to maintain and improve public services, reduces future affordable housing...and limits growth in job opportunities.”**

“Reorganization Theories” in the MSR are Highly Speculative

**“3. Reorganization of EPASD as a subsidiary district of the City of EPA is a potential governance option that could improve coordination between land use planning and implementation of needed sewer capacity”
(emphasis added)**

Unfounded Speculation Substituted for Fact

The MSR constantly engages in unfounded speculation when describing (and recommending) “potential” governance schemes that “could” or “may” work.

The MSR should identify circumstances where their governmental reorganization model recommendations are tried and true and in common practice, rather than speculative theories.

“Subsidiary District” Theory

What is a “subsidiary district”?

BA thoroughly describes statute that empowers LAFCo to conduct the MSR, however they fail to cite any statutory definition of a “subsidiary district”.

The concept appears to have been manufactured for the benefit of the sponsors of this report.

MSR Speculation Confirms that City is Unable to Manage Sanitary Sewers

”A *potential* contract between the City of EPA and WBSD to manage sewer operations would provide the specialized expertise required.”

The MSR never specifies, nor even indicates that EPASD does not properly maintain the sewer system, so EPASD’s “specialized expertise” and operational efficacy is not in question.

The MSR also documents (later in the report) that

Sewer Service Charges (SSC) at WBSD are more than double those at EPASD.

The MSR recommends that EPASD be dissolved and the City of EPA take over its governance, while demonstrating that the City is unable to manage the EPASD system. No explanation is offered.

Another Theory Tells of Hidden Intent to Misuse Funds

“This governance option could align provision of sewer services with *other community interests and municipal functions*, increase community representation in sewer services, improve transparency and public outreach, result in potential cost savings to ratepayers, and improve sewer infrastructure and services.”

- What other “community interests and municipal functions”?
- This statement implies that if the City had control of EPASD’s finances, the funds would be siphoned off for uses other than providing sanitary sewer services.

Nonsense Logic Pervades the MSR

Currently, there is a directly elected 5-member Board of Directors (BOD) at EPASD.

•How would placing the EPASD agenda within the larger, more complex agenda at the City “*increase*” community representation?

The MSR Confirms that EPASD is Well-Managed

The MSR describes no detrimental effect of current EPASD governance, nor any example of how the already overburdened City Council could devote the necessary attention to EPASD operations and policies.

The need for improved “transparency and community outreach” is mentioned, yet never documented.

L-7

Readers of the MSR must rely on unsubstantiated facts (hidden or nonexistent) designed to coax readers of the MSR into assuming that BA is correct – without ever having to factually document claims..

•How is this indicative of “transparency”?

Again - Speculation Without Information

“...result in potential cost savings to ratepayers...”.

•How would such savings result?

•How much would ratepayers save?

WBSD's rates are already twice EPASD's.

•After the City takes their cut of the money, how could rates possibly be lower with two agencies administering EPASD?

Deliberate Misstatement of Facts

Page 3: East Palo Alto Sanitary District

“EPASD sewer rates are low due to: property tax helps fund expenses;”

This awkward sentence construction is indicative of the questionable writing ability of the staff that BA has assigned to prepare the MSR.

This statement is attempting to lay groundwork for the false contention that EPASD should use ratepayer funds to construct sewers for new development because of increased future property tax revenues.

Findings of the 2021 EPASD Audit

- No indicators or allegations of fraud**
- No difficulties with Management**
- No abuse or wasteful spending**
- Cash increased \$10 Million from 2017 – 2021.**

(Mr. Okupe, an MBA, began managing EPASD finances in November, 2017.)

- Sewer Service Charges = 72 - 84% of total revenue.**
- Property taxes = 12.4%.**

Increase in EPASD cash position is due to careful and skilled fiscal management.

Number One Reason Why EPASD's Sewer Service Charges are Lowest in San Mateo County

- Excellent financial management practices at EPASD are the actual reason EPASD rates are the lowest in San Mateo County.**
- This fact is deliberately omitted from the MSR.**

EPASD's Capital Improvement Program

“6. The Capital Improvement Program proposed in the 2021 Addendum does not identify improvement priorities, timing or method of funding; the absence of implementation planning could pose a future risk to existing residents in the event of a major storm event.”

(Compare this statement with the next slide.)

EPASD's CIP is being Updated, and the MSR Knows It!

Page 106:

“EPASD proposed a Capital Improvement Program (CIP) in its 2021 Master Plan Addendum. The CIP outlines system deficiencies for existing users and separately defines deficiencies attributable to serving additional new development and estimates corresponding costs for both.”

(This statement contradicts the MSR statement quoted on the preevious slide.)

EPASD's CIP is being Updated

•The “2021 Addendum” to the EPASD Master Plan was completed in September, 2021, months prior to the completion of the MSR draft.

•“Improvement priorities” and “timing” are dependent on engineering analysis of both flow monitoring data gathered from EPASD’s newly installed flow monitoring system, and the ongoing comprehensive CCTV inspection of the entire EPASD collection system, which is necessary to determine which pipes need repair/replacement, and how soon.

•Without this comprehensive inspection, it is impossible to identify needed repairs.

MSR Speculates that EPASD “Reserve Funds” Could be Used to Fund Upgrades

Page 4:

7. “EPASD’s reserved funds *could* be programmed towards specific priority improvements serving existing ratepayers...”

•EPASD’s “reserved funds” belong to existing ratepayers. Using these funds is the same as raising rates.

•Based on the results of EPASD’s comprehensive system survey, “specific priority improvements” are being completed using the existing connection fee and construction replacement funds.

EPASD Blamed for City/s Refusal to Meet With EPASD

“Funding opportunities could be improved through collaboration with other agencies, for example, by restarting interjurisdictional committee meetings with the City of East Palo Alto.”

“Continued lack of planning, implementation and inter-agency cooperation by EPASD could result in the EPASD loss of significant funds to the detriment of its ratepayers...”

City Refuses to Cooperate

- . This is a deliberate misrepresentation of facts by BA. The City Council, (in secret) has determined that they won't meet with the EPASD Board of Directors.**
- .City staff has refused to consider modifying the City's General Plan EIR to reflect complete and accurate information regarding EPASD infrastructure.**
- .The MSR has revealed that City staff was aware that they did not research EPASD infrastructure as part of the GP process.**

City Violates State ADU Law

- **City staff, although required by State law to do so, has refused to meet with EPASD to describe the City's intended density goals based on their ADU Ordinance. By law, the City was supposed to meet with EPASD prior to enacting their ADU Ordinance.**
-
- **Government Code 65852.2 (A)**

City Engineer in Error

- . Although City planning and public works staff engineers reviewed the GP EIR, they failed to evaluate the EPASD pipelines' ability to transport effluent to the sewage treatment plant (PARWQCP).**
- . This fundamental flaw has led to the City's (and developers') reliance on incomplete and inaccurate information regarding actual EPASD infrastructure configuration.**

EPASD Blamed for City Mistakes

“8. Lack of EPASD capital improvement implementation stalls the City of East Palo Alto’s General Plan, effectively blocking needed new housing, commercial development and new tax revenues to improve City services.”

- . This is also a deliberate misrepresentation of the facts in an attempt to blame EPASD for City staff’s ineptitude.**

.If housing, commercial development and new tax revenues are so essential, then why has the City abandoned a serious effort to manage new development?

.Why leave planning tasks to incompetent project managers?

.According to the MSR, the City’s GP contains inaccurate and incomplete information regarding EPASD’s infrastructure. This is the actual problem.

West Bay Sanitary District

”11. WBSD is considered well managed with a high level of transparency and accountability as demonstrated by its compliance with legal requirements and efforts to exceed its minimum obligations.”

“WBSD complies with all legal requirements aimed at ensuring accountability and transparency of public agencies, such as maintaining a website, timely ethics training, adoption of and compliance with required policies and bylaws, and filing of Form 700 by appropriate individuals.”

.So does EPASD.

.However, the MSR is designed with this biased interpretation stated so as to imply that EPASD does not exhibit those qualities.

.Bias towards EPASD is confirmed by the MSR’s failure to mention these things as they also apply to EPASD.

MSR: WBSD is “Unclear”

Page 6:

“WBSD’s Master Plan is outdated and in need of comprehensive update.”

“The District (WBSD)...is in the midst of compiling a new Master Plan in 2022.”

“Because the District’s Master Plan is almost 10 years old and many improvements have been made since the hydraulic assessment was conducted, it is unclear the degree to which flows are at or nearing capability and which segments are most impacted.”

“Similarly, because WBSD’s flow projections are outdated it is unclear what infrastructure needs are necessary to meet projected demand.”

WBSD Contradictions in MSR

- How can a district (WBSD) be so transparent when there is no current visible Master Plan for repair and maintenance of the physical infrastructure?**
- EPASD has a current updated Master Plan that includes flow monitoring sensors (already installed), and a CCTV survey creating a comprehensive update of the entire EPASD system now in progress.**
- WBSD isn't transparent, they're "unclear"?**

Ravenswood Business District (RBD)

Page 26., Par 2:

“The City is currently undertaking a targeted update to the Ravenswood Business District/4 Corners TOD Specific Plan. This update aims to refresh the existing plan to address *new and emerging challenges*, such as wastewater collection capacity constraints...”

825 Residential Units

4,250,000 Sq. Ft. Commercial

- The existing plan did not consider consideration of EPASD pipe capacity in the RBD necessary to serve proposed development.**
- Currently, 825 residential units, plus over 4 million square feet of commercial development is planned for this area. The area consists of mostly vacant land with some industrial warehouses that create minimal effluent, and has been served throughout with 6-inch diameter pipes for more than 60 years.**
- Why did the City and its engineers fail to recognize the need for larger infrastructure in this area?**

6-Inch Pipes in RBD for over 60 years.

Page 26, Par. 2:

“The (RBD) plan assumes up to 825 residential units...”.

“The City is currently undertaking a targeted update to the Ravenswood Business District / 4 Corners TOD Specific Plan. This update aims to refresh the existing plan to address new and emerging challenges, *such as wastewater collection capacity constraints...*”.

•Does this mean that the City has just discovered that the RND area is served by 6” diameter pipes?

RBD = 80% of New Development

Page 27, Par. 2:

“The Ravenswood Business Area could represent up to 80 percent of remaining development capacity in the City and has encouraged EPASD to participate in planning updates to the Specific Plan to assure adequate sewer capacity is available from EPASD.”

The footnote attached to this statement credits it to remarks made by Kamal Falaha, City Public Works Director, at the January 6, 2022 EPASD Board meeting. Mr. Falaha also stated that he was familiar with the EPASD infrastructure and he knew that EPASD had undersized and outmoded pipes, however he signed off on the GP EIR that stated that there were “No Significant Impacts” to the EPASD system from the proposed development.

City Refuses to Correct Deficiencies in their General Plan

.This is an attempt to blame the City's incomplete and inaccurate GP EIR, on EPASD. It also falls back on the contention that EPASD should perform the City's project research and engineering studies for them, as well as proof read their work to assure it is correct and complete.

.This also contradicts the City Manager's December 13, 2021 letter responding to EPASD's request to provide a Supplemental EIR in order to ensure complete and accurate data in the GP. City Manager Fontes refused to consider this request, blaming EPASD for not responding to EIR notices in 2015. No conversation regarding problem solving.

EPASD Blamed for Cost of Construction

Page 31:

“Developers have indicated concerns that the costs to connect are prohibitively expensive and that EPASD has been unwilling to discuss financing options to make connections more feasible.”

•EPASD has no control over construction costs.

•EPASD has been clear that it can and will not consider using ratepayer funds to finance costs associated with new development. The “financing options” are variations of having EPASD’s ratepayers subsidize new development.

Unsupported Legal Claim

Page 34, bottom:

“Given that the City of East Palo Alto is empowered as the sole land use authority for the territory within the city limits, it appears de facto that EPASD is overstepping its approved powers by not actively addressing the capacity issues that are impeding proposed and approved development within the City.”

•This is a legal argument (made by a non-attorney spokesperson) without any pertinent citations.

Proposed Mega-Development on a Known 6-inch Pipeline

Page 34, par. 5:

“The Landing is proposed to be located at 1990 Bay Road, 1175 Weeks Road (sic), and 1250 Weeks Road (sic). The parcels proposed for development are presently vacant with an abandoned building. The project proposes a mixed-use design of 922,000 square feet of office space, R&D, civic, and retail space. Additionally, the project proposes 90 multi-family dwelling units. *This project is in the pre-application process.*”

922,000 square feet = more than 21 acres.

Development Projects Per MSR

Page 37 - 39:

“Figure 4-11: Planned and Proposed Projects, December 2021”

20 projects listed

5 projects (25%) approved

10 projects (50%) “under review”

5 projects (25%) “pre-ap_p”

City has “structural budget deficits”

Page 41:

“...the City is experiencing structural budget deficits...”

“Specifically, the planned development projects noted in the FY18-19 budget that have received City approvals continue to be delayed due to their inability to receive ‘will serve’ letters from EPASD.”

•What projects? The report states “specifically”.

•“...the planned development projects noted in the FY18-19 budget”. What are they?

Vital Documentation Lacking

•When did these projects receive City approval?

.WHY are they unable to receive “will serve” letters from EPASD?

•Why have City finances rely on “planned” development of “proposed” projects? There was no surety of this revenue stream to begin with.

Undocumented Statement

Page 46:

“... the City noted the *potential* to work with EPASD to apply for low-interest infrastructure loans with required minimum loan amounts that EPASD would otherwise have difficulty meeting.”

•When did the City note this “potential” and where is that documented?

•Why not work with developers to create financing options?

City Inherited Water and Drainage Districts from San Mateo County

Page 15. City of East Palo Alto

Par.2

(After incorporation in 1983): “...EPA assumed responsibility for...

the East Palo Alto County Water District, ... and the East Palo Alto Drainage Maintenance District.”

City Storm Drain Management

Page 75:

Stormwater Services

“Flooding is a concern facing the City. Most of EPA is considered low lying with 56 percent of the City designated as having an elevated risk for flooding.”

•The MSR attributes this statement to the 2016 GP.

Missing Engineering Data

Page 77:

“The City also relies on other, more focused planning tools that highlight particular issues and their potential solutions. In this case, the City adopted the Storm Drain Master Plan in 2015, which provides an in depth overview of EPA’s storm drain systems and areas of concern.”

- . On page 79, the MSR states, “The Storm Drain Master Plan ...report’s GIS hydraulic model...” is incomplete because “...only 85 percent of pipe diameters could be identified...”**

.Additionally, 30% of the data regarding facility depths below ground (invert elevations) is missing, according to the MSR.

All Front, No Back

Paying a consultant to create a Master Plan does not indicate that the plan is viable, or that the City can actually follow the plan.

Storm Drains Need Repair

Page 78:

“Throughout City planning documents, it has been repeatedly noted that many repairs and improvements need to be made to EPA’s storm drains and stormwater network to better meet the demands of the system.”

O'Connor Street Pump Station

Page 79:

“East Palo Alto utilizes one pump station, the O'Connor Street Pump Station.”

“It was reported that this station has received little attention beyond minor repairs thus labeling it as an urgent priority for improvements.”

“Additionally, pump capacity is not sufficient.”

“Notably, there are an insufficient number of storm drains throughout City streets. This has contributed to a history of flooding in the area...”

•The O'Connor Street Pump Station was completed in 1985. Necessary maintenance has been deferred for 37 years.

O'Connor Pump Station in Disrepair Due to Deferred Maintenance

Page 81:

“Without routine maintenance, the O'Connor Street Pump Station has fallen into disrepair and (is)... unable to sustain the levels of service needed.”

“...flooding from spillage will continue to present a great risk to the City.”

Wastewater and City Development

“Wastewater services provided by EPASD and WBSD within the City of East Palo Alto *appear to be adequate based on the analysis in this report.*”

- **”A potential contract between the City of EPA and WBSD to manage sewer operations would provide the specialized expertise required.” (MSR, page 3)**
- **If both are “adequate” then what is “specialized”?**
- **Why would the MSR recommend destroying EPASD and contracting with WBSD to maintain EPASD sewers?**

City “Misunderstands” EPASD Infrastructure

“The City has understood that there is sufficient wastewater capacity to served planned development.”

“The City’s Housing Element assessed that ‘The City has sufficient water and sewer capacity, either current or planned, to meet its... need and beyond.’”

“These erroneous statements are likely due to a focus on treatment capacity, which is sufficient to meet projected demand through 2035. However, collection system capacity to accommodate additional flow is constrained.”

The City's Pipe Dreams

- Simply put, the City's Public Works and Planning staff collaborated on the GP, and failed to evaluate EPASD's infrastructure available to serve the proposed new development.**
- Had City staff actually worked with EPASD at the time, these costly errors could be avoided.**
- The "erroneous statements" still exist in the GP and the City has refused to correct them.**

Developers Required to Finance Necessary Capacity Improvements

“Developers are required to finance necessary capacity improvements to connect to the system, but it is challenging because of the degree of capacity enhancements needed downstream from the proposed new connections and large-scale capacity enhancements required to serve existing development as well as increased flows from new development that cannot be completed in a piece meal fashion as development occurs.”

(Sorry, it was written this way in the MSR.)

“Policy 3.2: Sewer infrastructure for new development. Require development projects to pay for their share of new sewer infrastructure or improvements necessitated by that development”

(City of East Palo Alto 2016 General Plan)

Current Piecemeal Development Plans Don't Work

- EPASD has continuously been repairing and upgrading pipes as needed. Although engineering projections have identified pipe segments that will be upgraded based on recent surveys, most of the work doesn't need to be done in the near future.**
- The MSR recognizes that the City has no development management plan that EPASD can plug into.**

City Council Policy Prohibits Communication with EPASD

- The City is automatically canceling any attempt to solve the phasing problem that prevents valid cooperation necessary to provide new sewage collection infrastructure for new development IN ANYTHING OTHER THAN A PIECEMEAL MANNER.**

Sewer Pipes Matter

- “... this MSR recommends that EIRs and other environmental and planning documents include analysis regarding impacts on the wastewater collection system, not just the treatment system.”**
- Why would the MSR recommend this if it was already included in the GP EIR (and others)?**
 - Those relying on City misinformation compound the problem.**

Conclusion

- **The LAFCo MSR confirms that EPASD is well managed with a good record of service to the community.**
- **EPASD has lower rates, no Sewer System Overflows compared to West Bay SD.**
- **EPASD is currently conducting a system-wide inspection of all pipes as part of its current Capital Improvement Program.**
- **The people of our community have determined that the current system works best – and it does!**

Thank You !

Letter L	Dennis C. Scherzer, East Palo Alto Sanitary District
Response L-1	Comments noted. This presentation was presented to the EPASD Board on April 28, 2022. LAFCo presented the MSR at the request of the City of East Palo Alto and the West Bay Sanitary District, but no request was made by EPASD to LAFCo.
Response L-2	The EPASD dissolution (zero) Sphere of Influence for EPASD was originally adopted in 1985 and reaffirmed in 2009 by San Mateo LAFCo during a public process. The adoption of the Sphere of Influence followed the applicable California Government Code Sections at the time.
Response L-3	EPASD provided comments on the 2009 MSR and Sphere of Influence
Response L-4	Per Government Code Section 56425, “the Commission (LAFCo) shall develop and determine the sphere of influence of each city and each special district”
Response L-5	As described in Government Code Section 56078, a “Subsidiary district” means a district in which a city council is designated as, and empowered to act as, the ex officio board of directors of the district. Government Code Sections 57525 discusses the establishment of a subsidiary district and the effect of the creation of a subsidiary district. Footnote added on Page 2 to reference the applicable Government Code Section.
Response L-6	The MSR does not make any statement regarding the inability of the City of East Palo Alto to potential manage the EPASD system as a subsidiary district
Response L-7	As noted in the MSR, District policies are not readily accessible on EPASD’s website. Budget documents do not provide a clear and transparent description of expenditures to inform the ratepayers about how taxes and service charges are being utilized. Staff reports for District meetings are often not provided, or the narrative for agenda items provides minimal information about the proposed meeting topic or recommended action by the Board.
Response L-8	Sentence amended to read as: EPASD sewer rates are low partially due to 1) property tax which helps fund expenses; 2) EPASD has used contract staff but is shifting to District employees; 3) the District has not implemented its 2015 CIP or its 2021 Update Addendum to address predicted peak storm event sewer overflows under existing land use conditions; and 4) capital improvements have proceeded at a slower pace than planned.
Response L-9	<p>The statements regarding the 2021 Master Plan Addendum are not contradictory. While the Plan does identify existing deficiencies for existing users and separately defines deficiencies attributable to serving additional new development, the Plan does not identify improvement priorities, timing or method of funding to address these deficiencies.</p> <p>It is a recommendation of the report that the District should prioritize improvements and identify financing mechanisms to fund existing deficiencies and future capacity needs over time. It is also recommended that an independent engineering analysis should be conducted to review the hydraulic analysis and assumptions to reconcile the apparent inconsistencies between predicted sewer overflows under existing conditions and EPASD’s position that the system currently is adequate.</p>
Response L-10	The City was recently awarded a Federal grant of \$800,000 for the O’Connor Stormwater Pump.



Serving Our Community Since 1902

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SERGIO RAMIREZ
District Manager

In reply, please refer to our

May 17, 2022

Robert Bartoli
Executive Officer
San Mateo County Local Agency Formation Commission
455 County Center, 2nd Floor
Redwood City, CA 94063

RE: SMC0 LAFCo EPA MSR Comments

In reference to the 2022 Municipal Services Review, the following are West Bay Sanitary District's (WBSD) comments for your consideration (WBSD's comments are primarily based in West Bay's portion of the MSR).

- WBSD delivered 54 million gallons of reclaimed water to the Sharon Heights Golf and Country Club course for irrigation in 2021.
- Sewer service charges were updated on April 27th 2022 to \$1280 for Single Family and Multi-Family customers (59% of the rate is allocated the collection system while 41% of the rate is used for treatment plant needs). Commercial customers are also charged, at a minimum, the Single Family Rate. Commercial/Industrial customers are also charged using Flow Rate, Biochemical Oxygen Demand, and Total Suspended Solid levels.
- Sewer Connection Fees were updated on April 27th 2022 to \$8,608.
- The strategic plan was updated on April 13th 2022 not 2018.
- Please reference Highway 101 not Highway 114.
- The 10-year master plan will be updated in 2023 since it was revised in 2013. It is important to note that West Bay has maintained its 10-year schedule and has replaced over 18 miles of public sewer pipe using the 2013 Master Plan. The Master Plan is not overdue—West Bay will issue an RFP in 2022 so an updated Master Plan can be presented to the Board in 2023 and serve as a planning tool for the next 10 years to 2033. The new master plan will consider the prior pipeline replacement and rehabilitation work and will include a new hydraulic model study.
- Overall, in the past 10 years the District has seen a significant reduction in flows due to water restrictions and by responsibly replacing its infrastructure.

M-1

WBSD will support the community of East Palo Alto on which ever course they choose to take and is in favor of seeing the community of East Palo Alto flourish with new development and having essential services that do not currently exist in the area.

M-2

WBSD is in support of assisting the City of East Palo Alto in maintaining their public sewer system just as WBSD assists the Towns of Los Altos Hills and Woodside. This is commonly done through inter-agency agreements. Since West Bay is a local government agency, it would perform the work at the District's cost for providing the maintenance service without the need of a profit margin.

It is feasible to re-route the sewer system within the City of Menlo Park that is now served by East Palo Alto Sanitary District. A small pump station could be installed so that the area could flow back to Menlo Park by way of West Bay's collection system. Obviously those applicable customers would have to be annexed into WBSD's service area.

WBSD is also in favor of annexing the area of Ravenswood Business District (North East of Bay Road), if it will help the community obtain essential sewer services and development and at the same time alleviate the apparent capacity issues within the East Palo Alto Sanitary District wastewater collection system. Wastewater flows in this area could be served by WBSD's pump station at Purdue Ave. and Illinois Street in East Palo Alto and the adjacent collection system, with the necessary upgrades.

M-3

If the entire service area were to annex into WBSD, West Bay would seek to reroute the existing sewer collection system to its own Silicon Valley Clean Water treatment plant to avoid the need to upgrade the City of Palo Alto treatment plant when the time comes.

We will likely have more comments during the June 15th San Mateo County LAFCo Public Hearing. If you have any questions, please feel free to contact me.

Sincerely,

WEST BAY SANITARY DISTRICT



Sergio Ramirez
District Manager

cc: ABC Law, West Bay Sanitary District Board of Directors

Letter M	Sergio Ramirez, West Bay Sanitary District
Response M-1	Information updated in various sections of the MSR.
Response M-2	Comments notes and added to MSR on Page 207.
Response M-3	Comments notes and added to MSR on Page 207.



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May 17, 2022

Via U.S. Mail and E-Mail
rbartoli@smcgov.org

Mr. Rob Bartoli
Executive Officer
San Mateo LAFCO
455 County Center, 2nd Floor
Redwood City, CA 94603

Re: Response of East Palo Alto Sanitary District to Draft Report of Berkson & Associates – Municipal Service Review

Dear Mr. Bartoli:

This correspondence shall serve as the response (“Response”) of the East Palo Alto Sanitary District (“District”) to the March 28, 2022 Report by Berkson & Associates (“Report”), undertaken to assist the San Mateo Local Agency Formation Commission (“LAFCO”). As you know, this Report concerns the Municipal Service Review (“Service Review”), involving the City of East Palo Alto (“City”), the District, and the West Bay Sanitary District (“West Bay SD”). The District respects and appreciates the statutory mission of LAFCO for planning and shaping the logical and orderly development and coordination of local governmental agencies to advantageously provide for the present and future needs of the County and its communities. (Gov. Code, § 56425). Because such planning is often complex and technical in nature, LAFCO frequently retains outside vendors to conduct the Service Review. In this case, LAFCO retained Berkson & Associates and it is our understanding that a developer or developers with applications before the District paid for their fees in their entirety.

In its decision-making regarding spheres of influence and the agency best suited to deliver certain services, LAFCO must be able to rely on an accurate and complete Service Review. The Report is certainly lengthy and addresses a number of technical issues. However, its depiction and critique of the District contains a number of inaccuracies and analytical gaps. Some of these shortfalls will be analyzed in this Response.

However, on a more fundamental level, the Report consciously ignores a reality that detrimentally affects the analysis and conclusions of the Report. That reality is that the District serves a community of color, many of whom are economically challenged and who have been historically segregated from the successes and achievements of its surrounding communities. This fact hardly

N-1

needs a recitation to authority and has been generally known by virtually everyone in the Bay Area for generations. The District was formed in 1939, long before formation of the City, to serve the needs of this diverse and neglected community. It has done so efficiently, and for a modest cost, for its constituents ever since.

N-1
(con't)

The Report's failure to adequately recognize and address this central reality reflects that it has not satisfied a mandatory duty under Government Code section 56425, subd. (e)(4), namely that the Commission shall consider the existence of social and economic communities of interest. In furtherance of this requirement, the Report should confront a potential consequence of this proceeding and subsequent proceedings, namely, the "socialization" of the private costs of large-scale developers seeking to avoid the full cost of their developments.

N-2

N-3

I. An Overview of the City of East Palo Alto

As noted in the Report, the City is a small, densely populated city, only 2.6 square miles in size. (Report, at p. 15). Packed within this tight space, reside 28,798 persons (world population review.com; see also Report, at p. 28). As a result, the City is arguably one of the most densely populated cities in the Bay Area, with 11,239 persons per square mile. In comparison, its sister city of Palo Alto has 2,628 persons per square mile while the neighboring City of San Mateo has 8,468 persons per square mile. Perhaps the City's only real rivals in density are places like the City of Albany which has similar density. (The proposed mega-developments that are the real impetus of this proceeding would fill the last significant open space in the entire city.) Unlike the City of Albany however, the City's community is mostly either poor or economically challenged. This is a fact that the Report simply glosses over, similar to other social realities.

Like density, let us make some comparisons. Depending on which poverty yardstick is used, the City has a poverty rate ranging from 13-18%. It has a per capita income of \$18,385 (United States Census, 2020). Comparatively, the City of Palo Alto, across Highway 101, has a per capita income of \$97,307 while the City of San Mateo has a per capita income of \$65,319. Finally, the County of San Mateo, the jurisdiction of LAFCO, has an average per capita income of \$64,450. Therefore, the City stands in marked contrast to every other city in the County, a factor LAFCO should keep firmly in mind as it analyzes the issues presented in this proceeding, including the ability of this small and economically modest city to pay for the ambitions of the developers and their mega-projects. (This ability would be expressed in property valuations, or rates, or both.)

In addition to being densely packed and economically challenged, the City is diverse and has been the scene of racial segregation and isolation. This is the central fact governing the historical life of the City and its accompanying social challenges. It is a fact and a challenge the Report glides by, with almost nary a word. Since the Report fails to do so, let us flesh out the record and look at some facts and comparisons. The City is almost entirely a community of color, with only 9.9% of the community being white. The largest ethnic group is Hispanic at 65% and African American, which stands at 10.7%. (City-Data.com) These figures are in dramatic contrast to both neighboring

cities and the County as a whole. In Palo Alto and Menlo Park, for example, there are negligible numbers of both Hispanic and African American people (worldpopulationreview.com). In San Mateo County, the percentage of persons who are African American is negligible and the percentage who are Hispanic is well below half the city's population.

Given this background of racial concentration, poverty, and packed living conditions, LAFCO must look beyond the developer-focused Report and judge its duties with a wider lens. That duty includes examining the particularized needs of a minority community. That examination involves answering a few crucial questions. First, does it make good policy sense to impose a solution which disables and dismantles of a mediating institution serving a poor minority community? This question is underlined by the observation that the mediating institution in question is locally created, democratically elected, with a diverse Governing Board. Second, does it matter that the citizens of the District have shown no interest, recently or historically in implementing the consultant's recommendation and were not consulted at any point in this process except in a few "show" meetings?

A brief history of the historical and institutional neglect of the community may be in order to answer these questions properly. The literature addressing the racism that formed the community of the District is overwhelming and convincing. (East of Palo Alto's Eden: Race and the Formation of Silicon Valley, techcrunch.com, January 10, 2015). East Palo Alto is the product of lender and municipal redlining, and the intentional discrimination against persons of color by citizens, real estate agents and local officials (Richard Rothstein, "The Color of Money: A Forgotten History of How our Government Segregated America" (2017).)

In sum, as we proceed with the remainder of our analysis, LAFCO should keep in mind the social and economic factors that underly the considerations of this proceeding. The District has been a democratically elected part of this community for almost a century. Any effort to strip and diminish the democratic rights of the City's citizens should be considered with the greatest sensitivity. LAFCO should understand that the tidal wave of development proposed by outside developers here would challenge *any* local agency that is conscientious about its citizens and adherence to the applicable law.

II. An Overview of the East Palo Alto Sanitary District

i. Current Conditions

Whether they intended to do so or not, the authors of the Report paint a relatively positive picture of the District and its current operations. The portrait that emerges is that of a relatively small, financially stable agency, providing services to its constituents at a modest cost. This conclusion is important in LAFCO's consideration of the Report. Factors to be reviewed under Government Code section 56430 include the (1) the present capacity of the District's facilities; (2) adequacy of

public services; and (3) financial ability of the agency to provide services (Gov. Code, § 54629, subd. (a)(2)-(3).)

The current profile of the District is both straightforward and reassuring. The District currently services a total of 3,950 sewer connections, the vast majority of them being residences (Sewer Service Charges (July 2020), attached as Exhibit “A” hereto.) The top four categories of service include:

1. Single Family Residences: 3,371
2. Multi-Family Units: 368
3. Commercial: 118
4. Church: 30

These customers receive service at a modest minimum rate of \$600 a year for sewer services (Report, at p. 195), This amount is consistent with the modest incomes and valuations of the residents and their homes. The Report notes that the District’s rates are about one-half of the County-wide average and less than one-half of that charged by neighboring West Bay SD. With these remarks, the Report implies that the residents of the District could therefore presumably “handle” the drastically increased rates required to accommodate the mega-projects circling the District. This conclusion would be false. As we have seen, the average incomes of persons living in the City are several orders of magnitude less than those living in nearby communities. The percentage of their income going to sewer connections is more than other districts. There is little money to squeeze here.

Even so, along with the modest costs comes good service. The Report notes no reported complaints regarding District services in the studied period. There were no mishaps at the treatment plants, trunk lines or service connections. Further, there were no interruptions in service and no Sewer System Overflows (SSOs). In other words, the District went about its work effectively and efficiently.

The District’s reasonable rates and good service were matched by its exemplary financial position. The District’s revenues exceed its expenditures, and revenues are increasing at a moderate deliberate pace. (Report, at p. 119) This allows the District to fund a number of desirable and necessary activities. As the Report puts it: “[T]he net revenues enable [the District] to fund debt service, build reserves and transfer funds to its Capital Replacement Fund for infrastructure improvements.” (*Id.*)

Effective financial stewardship is shown, perhaps most dramatically, in the District’s operating reserves. Without a single nod of approval or mention of this achievement (a pervasive characteristic of the Report when it comes to analyzing the District), the Report notes that the reserve is “high” at \$9.9 million. (Report, at p. 122).

The District has taken a dramatic step of resolving its pension liabilities. The Report concludes, ominously that the District's funding of pension liabilities is "low". It notes, darkly, that it authorized a payment of \$1.4 million to a liability of \$1.98 million, while still leaving an unfunded amount of \$504,279. This figure, left unanalyzed, is highly misleading. The payment of the District of \$1.4 million has left the funded portion of the pension liability in the "high" category, as using the standards set forth and reported by the consultant of the Report in a separate writing ("Pension Indicator-Overview", Berkson & Associates (undated).) As anyone knowledgeable in California public agencies knows, having your pension liability "highly" funded, is a place of rarified air.

The District's current operations were recently reviewed by the Regional Water Quality Control Board ("Board"), again at the behest of the ever-solicitous and public-minded Developers. After a review the Board found the District's operations to be satisfactory.

ii. A Comparison with the City

The duties and burdens of local public agencies will differ between themselves. The differences are based on their divergent natures and missions. It is therefore hazardous to draw similarities between agencies (a task the Report has nonetheless bravely undertaken). A few words about the City may be in order, particularly since the bent of the Report would fold the District into it as a department or as a "subordinate agency."

In contrast to its grudging admiration of the District's finances, the Report's depiction of the overall fiscal health of the City is sobering:

"The [City]'s FY 2021-22 adopted General Fund Budget shows an annual projected deficit of approximately \$480,000. The prior year also projected a deficit after several years of annual surpluses. Declines in property tax revenues and licenses, fees and permits were not offset by State and Federal relief funds. From FY 2018-19 through FY 2021-22, General Fund revenues grew an average of .5 percent annually compared to expenditure growth of 3.1 percent. While the City currently has healthy fund balances and revenues, continuing shortfalls will reduce available funds over time."

"The City's current budget indicates significant concern about its structural budget imbalance; the addition of new staff diverges from the City's desired "fiscal resiliency framework" by increasing the City's long-term costs offset temporarily by Covid relief funds."

(Report, at p. 42).

It should be kept in mind that one of the alternatives offered by the Report (arguably favored by the Report), is to have the City take over the functions of the District. To do so, the City would have to administer and maintain a complex system of collection, piping, and a sophisticated treatment plant. The Report's depiction of similar water-based collection systems should give any fact-finder pause.

Let us start first with the storm water system. The Report goes into great detail concerning the City's failure to properly construct and maintain the storm drain system that it inherited from San Mateo County after incorporation. (Report, at p. 79-81.) Some of these deficiencies are listed below:

- Failure to properly repair the O'Connor Street Pump Station, the only pumping facility within the entire system.
- O'Connor Street Pump Station wet well have inadequate carrying capacity.
- Pumping capacity is not sufficient to handle storm surges.
- Electrical capacity at the pump station is not sufficient.
- San Mateo County has historically provided inadequate storm drains, resulting in eight historic floods.
- Modeling shows that flooding could occur in 68 of the 430 stormwater nodes, some more than one foot. Additionally, significant portions of flow data and facility inspection reports, as well as crucial measurement (such as invert elevations) are missing from engineering data associated with the City's storm drain system.
- Only one of two pump stations have been completed since 1985.

Taking all of these deficiencies into account, the Report concludes as follows:

“As was identified in the demand section, there are deficiencies in the [City's] collection system. Most notably, the 68 of 430 nodes that allow for significant flooding must be addressed. Having one pump station servicing EPA has been detrimental to flooding potential as well. Without routine maintenance, the O'Connor Street pump station has fallen into disrepair and the equipment it houses, such as its five pumps, have been unable to sustain the levels of service needed. ... Without steps taken to mitigate spills from the San Francisquito Creek, this is another roadblock to reaching effective levels of service. In combination with a lack of other infrastructure, flooding from spillage will continue to present a great risk to the City.”

(Report, at p. 81)

In analyzing the City's storm water collection system, the Report notes a shortfall of \$27.5 million for infrastructure and a lack of funding by the City to remedy its deficiencies. (Report, at p. 97,

section 4-12.) The Report does not even hazard a guess as to where the City might obtain the funds to prevent the risk of flooding. In an era of global warming and rising sea water, this omission is significant.

There is another service the City provides to its residents that is similar to the infrastructure provided by a sanitary district. The City provides water for its residents. The Report makes no bones about the City's challenges in maintaining the system (bequeathed to the City by San Mateo County) and chronicles its deficiencies in some detail. The City has no water storage facilities. (Report, at p. 93-94) Due to the City's topography, the system will need booster station facilities that are currently lacking. (Report, at p. 94) The existing system has had a number of breaks and leaks. It experienced 13 main and service line breaks and leaks, resulting in unaccounted water loss. (Report, at p. 95)

The Report concludes the City simply does not have enough water supplies to either *existing* or *projected* water needs. (Report, at p. 92) This has historically resulted in a City-wide moratorium which constrained new development until several prospective developers financed the acquisition of water rights from the Cities of Mountain View and Palo Alto resulting in the transfer of a portion of their water allotment to the City. (*Id.*) Nonetheless, the Report notes that the City would not have enough water in dry years, requiring the City to enact its Water Shortage Contingency Plan. (*Id.*) The Report estimates another \$35 million will be needed to correct the City's water system deficiencies caused by deferred maintenance. Since it is general knowledge that California and the Western United States are in the middle of their worst drought in 1,200 years, this shortfall appears to be imminent. Interestingly, the Summary of the Report's findings includes a finding that the City's water service is adequate, despite relentless analysis in the Report that the contrary is true.

The foregoing analysis should not be interpreted to mean that the City has failed to recognize or attempt to rectify its water delivery system shortfalls. The City, like the District, has had similar struggles in preparing to meet the demands of future development, which will easily require tens of millions of dollars to address. What it does mean is that, in all candor, it makes little sense to transfer the District to an agency without experience in sanitary service and who have had inadequacies in maintaining and planning for their existing water delivery systems.

This Response will not address in detail the option of the District being unnecessarily combined with West Bay SD and the more affluent cities it serves. It will only note that such a move would further dilute the ability of a segregated community to govern themselves and decide their future through democratically elected representatives. Such a move would also result in the immediate doubling of the rate for ratepayers in the District. It is the District's understanding that the Developers have already reached out to the West Bay SD for sewer connections. However, West Bay SD, like the District, stated it intended to charge the Developers for the capacity upgrade. The Developers quickly turned their attentions back to the City and this proceeding. Apparently, it is

cheaper for the Developers to dissolve the District and disband its elected Governing Board than to pay its fair share of increased infrastructure costs.

What then is the way out? Part of the way out can be found in the following observation, a throw-away line actually, found in the Report: “The City is negotiating with developers regarding water storage needs...” (Report, at p. 94) This is exactly what the District is doing with Developers regarding its sanitary sewer service requirements. The Report and this proceeding were not prompted by a lack of understanding by the District of its future needs or how they might be met. The District has a clear picture of what is required. Additionally, the issue is not the District’s lack of understanding the issues or the costs of system expansion. But instead, this concerns how the expansion of the sanitary district should be *funded*, or more precisely, *who* should fund the system expansion.

There is a disagreement between the District and the Developers as to what the Developers proportional share should be. From the District’s point of view this proceeding is an attempt by the Developers, and those who sympathize with them, to remove the District from the bargaining table so they can secure better terms with a different set of interlocutors. The use of this process to serve as a means to secure the desires of developers would amount to a perversion of LAFCO itself and the public good that is its mission to secure.

III. The Future of The District’s Services

As we have seen, the District is currently operating as a financially stable agency, with solid reserves and exemplary employee retirement obligation servicing. It provides service, without incident or interruption to its citizens. It does so at moderate costs, in line to an economically challenged community, slowly emerging from a history and background of racial exclusion and economic isolation.

The Report instead focuses almost all its analysis on the future needs of the District. It recites, often in ponderous details, the future developments planned within the District. To put this discussion in its proper perspective, the scope of the developments should be described. They are found at page 112-114 of the Report. The City has approved or is in the process of approving at least twenty (20) significant developments.

Let us first examine the nature of the non-residential development. When taken together, the developments would add 4,244,139 square feet of commercial and retail development. To provide comparison, this amount of development would be more than the combined square feet of: (1) the new Apple headquarters at 2.8 million square feet (ApplePark, 9to5 Mac, May 2, 2022) and (2) the 61-story headquarters of Sales Force, at 1.4 million square feet (www.Salesforce.com, Feb. 10, 2022) For the more traditionally-minded, the Pentagon is the largest office building in the *world*, at 1,811,607 square feet (“Pentagon: the World’s Largest Office Building, Michaela Hancock, Architect’s Journal, August 27, 2015.) Looked at in this perspective, the developments are well

over 2 times the size of the Pentagon, within the boundaries of a small city. The developments are an “Oklahoma land rush” of development.

This analysis only considers *non-residential* developments. Let us look at the residential construction next. As the Report lists, at pages 112-114, there will be a total of 1,469 units created. The District currently services only approximately 3,739 units. The developments would therefore involve increasing the current number of residences requiring services by at least 40%. It is a matter of common sense and technical reality that an increase of 4,244,139 square feet in office and commercial space, accompanied by a 40% increase in the number of residences, would require substantial increases in the treatment plant and piping infrastructure. It is also a matter of common sense that the developers creating this enormous demand should pay for all of most of the costs of these upgrades. As we shall see, common sense has suffered defeats in this issue thus far.

The District’s engineering consultant expert, Freyer & Laureta, identifies at least \$35 million in pipeline up-sizings needed to accommodate the new developments. Much of the existing piping has 30-40 years of useful life left. Similarly, the Palo Alto Regional Water Quality Treatment Plant, which now has excess capacity would need to be upgraded at a cost of at least \$5 million. Total project costs could easily approach \$45 million in this era of inflation and supply chain disruptions.

Given these costs, it would appear both reasonable and legally compelling for developers to pay for the proportionate share of their own development. It is certainly the case in more affluent, less diverse cities that surround the District. For example, Apple has agreed to pay \$75 million in infrastructure improvements for a development that we have seen is a fraction of the size of the developments here (theguardian.com, “Apple’s Spaceship Headquarters Valued as One of the World’s Most Expensive Buildings”, July 12, 2019.) Google paid the City of San Jose \$265 million in infrastructure fees for its new office in San Jose (CNBC.com, May 25, 2021). Facebook paid the City of Menlo Park \$15 million of its headquarters including a basket of payments such as subsidized rental housing and a housing innovation fund (Almananews.com, May 25, 2021).

Sadly, the District is not located in these more fortunate cities. This is reflected in the offer made by Developers to the District for their mega-developments. They have, in effect, offered nothing. They have held that they should only be required to pay the basic connection fees. According to the District, the payment of these fees would amount to approximately to \$3,000,000, or 7% of the costs of the estimated upgrades. For its part, the District has offered to pay \$10,500,000 for the upgrades. In addition, the District has agreed to reimburse the Developers where the cost of the upgrades benefit existing ratepayers, in the amount that financial evaluations support such reimbursements.

In the most telling sign of the inherent bias that runs throughout the Report, the Report nowhere states that the Developers should actually pay for *anything* at all, much less estimate, the categories of payment or the payment amounts they should pay. (As we shall see below, they sometimes nod

at the concept of such payment.) Instead, it turns solely to the District and its ratepayers, urging them throughout the Report to apply for unspecified State and Federal funds (*See, e.g.*, Report, at p. 138, “Grants and Loans”) This completely unbalanced approach can perhaps be best explained by the facts surrounding the initiation and conduct of these proceedings. In the process, the Report embraces a kind of “trickle-down” theory of developer fees. It states that the connection fees can somehow be financed through the enhanced revenue the extra revenue the new development would generate. Apparently, these rates would finance the bonds the District would have issued to finance the costs. Existing ratepayer costs to support such financing would be exorbitant, even if the necessary tax were to be passed by skeptical voters.

N-4
(con't)

As the very commencement of the Report concedes, this proceeding was initiated on an expedited basis by LAFCO, responding to a request by “various developers” (unnamed of course), and the City because of the inability of developers to obtain “will-serve” letters. The very framing of the issue ignores the reality of what is occurring. The reason the “various developers” did not receive “will-serve” letters is because the developers would not agree to pay their fair share of the increased infrastructure arising from their developments. Ironically, it is the City who could avoid the current problems by requiring sanitary infrastructure as part of the EIR to its General Plan update, or during the approval process of each of the developments. They did not and the problem has now moved down to the feet of the District. The Report details this sad failure:

“The City has understood that there is sufficient water capacity to serve planned development. The City’s Housing Element assessed that ‘The City has sufficient water and sewer capacity, either current or planned to meet its RHNA need and beyond [City of East Palo Alto General Plan Housing Element, 2015 p. 3-32]. These erroneous statements are likely due to a focus on treatment capacity, which is sufficient to meet projected demand through 2035. However, collection system capacity to accommodate additional flows is constrained. Developers are required to finance necessary capacity improvements to connect to the system, but it is challenging because of the degree of capacity enhancements needed downstream from the proposed new connections and large-scale capacity enhancements, required to serve existing development as well as increased flows from new development, that cannot be completed in a piecemeal fashion as development occurs.”

(Report, at p. 88)

This quote encapsulates why we are in this proceeding. The City failed to properly plan for growth and the Developers have so far failed to propose adequate payment to fund their developments, which the Report concedes is their responsibility. The District is left to pick up the pieces. Given their documented failings, does it make sense to hand responsibility for the sanitary infrastructure

to the City? Additionally, if the Developers share responsibility for paying for the impact of their developments, why is this not highlighted more frequently elsewhere in the Report?

IV. Applicable Legal Framework

Unfortunately for the Developers, among the Report's ocean of facts and conjectures, bob some inconvenient laws and constitutional provisions, sometimes unseen, but present, nonetheless. Under Article 13D, section 6 of the California Constitution, a rate payor may not be charged fees greater than necessary to provide the service to them, a fee for services that are not "proportional" to their use of the system, or for services not "immediately available" to the rate payor. If a fee that is not proportional is proposed, the local agency must put the matter to a vote. (*Id.*) This is further codified in Government Code section 66001. Taken together, these provisions mean that the District is precluded from accepting the Developers' proposal because it would have a disproportionate impact on existing ratepayers. (It is estimated that if the Developers proposal was accepted each ratepayer would be charged over \$10,000 per connection, or approximately 15 years of service under the current rate structure.)

In order to properly set the stage for these negotiations, there are certain infrastructure and fee realities that must first be addressed. First, the Report did not consider the fact that a large portion of the main line was installed in 2016 and could last up to another 90 years. Another part of the system designed to serve developers can last for another 20 years or more. Ignoring this longevity, the Report simply states that the entire pipeline system should be replaced and that current ratepayers should foot the bill. Under these circumstances, the District believes it is legally prohibited from taking these actions.

The District believes that its current disputes with Developers should be resolved in one of two ways. First, a refreshed round of negotiations that utilizes expert technical and financial analysis. Toward this end, the District has retained the services of Lori Raineri, of Government Financial Strategies, Inc. to provide the District financial modeling for any understanding reached by the developers and the development of a fee and financing , under Government Code section 66001. The District admits that it could have been more communicative and detailed in its past proposals.

Alternatively, in the event the negotiations are not successful, either party could take their recourse to the courts and have proportionality decided using admissible evidence and expert testimony.

In light of these options, it is clear that this current proceeding is the wrong action and LAFCO is the wrong forum to address challenges in the negotiations process.to take. Looked at in the most direct way, this proceeding is in reality the opening gambit in an effort to simply decapitate the current elected Governing Board and replace it with more pliant and accommodating negotiators, thereby avoiding the more exacting requirements of a traditional legal action. In so doing, the Developers seek to test the integrity LAFCO itself. Their efforts should be resisted.

Mr. Rob Bartoli
May 17, 2022
Page 12

V. Summary and Recommendations

The Report's analysis should be rejected and the District should remain, as it has since 1939, the democratically elected overseer of sanitary systems in the City and its diverse community. Its sphere of influence should be expanded from "zero," to encompass the City.

In so doing, it should repudiate the often mentioned, never cited 1983 study, which recommended that the District be given a zero zone of influence and implied that the District should be dissolved.

Sincerely,

FAGEN FRIEDMAN & FULFROST, LLP



Mark S. Williams

MSW

cc: Mr. Timothy Fox, Esq.
Mr. Akin Okupe, General Manager of East Palo Alto Sanitary District
Mr. Sergio Ramirez, District Manager of West Bay Sanitary District
Mr. Patrick Heisinger, Interim City Manager

868-5/6357280.2

EXHIBIT A

**EAST PALO ALTO SANITARY DISTRICT
SAN MATEO COUNTY, CALIFORNIA**

**SEWER SERVICE CHARGES
FISCAL YEAR 2020-2021**

July 2020

**901 Weeks Street
East Palo Alto, CA 94303
EAST PALO ALTO SANITARY DISTRICT**

**REVENUE PROGRAM FOR SEWER SERVICE CHARGES
FISCAL YEAR 2020-2021**

The fees below are sewer service charges based on the number of residential units and water usage recorded for Fiscal Year 2020-2021, with the rate of \$600 per Equivalent Residential Unit.

2020-2021 RATES

RESIDENTIAL: For each dwelling or living unit, a charge of six hundred dollars (\$600) per year.

COMMERCIAL AND INDUSTRIAL: For each commercial or industrial user, a charge in accordance with the annual use of water by each establishment times the applicable rate as follows:

8.5034	per hundred cubic feet for Restaurants.
4.6191	per hundred cubic feet for Educational Facilities.
4.6191	per hundred cubic feet for Offices and Churches.
5.2940	per hundreds cubic feet for Motel/Hotels.
4.9022	per hundreds cubic feet for Commercial.
5.2940	per hundreds cubic feet for Medical.
5.2940	per hundreds cubic feet for Industrial.
4.9022	per hundreds cubic feet for Recreational.

No individual commercial or industrial establishment should be charges less than six hundred dollars (\$600) per year.

Annual water consumption for each user or establishment was a period of 12 months in 2019-2020.

EAST PALO ALTO SANITARY DISTRICT

FISCAL YEAR 2020-2021

<u># OF UNITS</u>	<u>TYPE</u>	<u>FLOW</u>	<u>CHARGES</u>
3,371	Single-Residential	--	2,022,600.00
368	Multiple-Residential	--	2,130,600.00
2	Motel	15,716	83,200.50
12	School	21,188	99,715.22
30	Church	5,551	33,599.38
12	Office	4,662	24,542.52
118	Commercial	23,376	166,263.96
2	Medical	1,296	7,461.02
12	Restaurant	6,468	56,255.80
19	Industrial	2,976	22,995.56
4	Recreational	890	6,118.84
4	Retirement	372	4,200.00
38	Manual Billed	--	--
	Lateral Repayment		
	TOTAL	82,495	4,657,552.80

PARCEL DATA

Letter N	Mark Williams, Fagen, Friedman, & Fulfroost LLP
Response N-1	<p>Comments noted. EPASD and the City of East Palo Alto have a shared constituency as over 90% of EPASD is located within the City. The City of East Palo Alto provides services such as police, land use planning, water, stormwater, and parks among others to residents and business located in the City. EPASD is only empowered to provide wastewater collection as a direct service by owning, operating, and maintaining the collection system and sewage treatment via a contract with the City of Palo Alto for capacity at its Regional Water Quality Control Plant.</p> <p>Also, a number of the projects that are currently proposed for development would provide substantial benefits of growth and redevelopment to the City, community, and its residents, including social and economic revitalization and environmental and sustainability benefits. These include job retention and creation, enhanced revenue, and greater availability of housing, including affordable housing.</p>
Response N-2	<p>Determinations for the Sphere of Influence will be considered by the Commission at the June 15, 2022, hearing. As noted previously, the City and EPASD have a shared constituency. As part of a Municipal Service Review, LAFCo examines possible governmental structure changes and operational efficiencies that could be achieved. The governance options that are identified are potential paths to achieve improved service delivery and greater efficiency for the residents, community, and public agencies.</p>
Response N-3	<p>The MSR notes that major system improvements can be funded more cost-effectively, and costs spread to future ratepayers rather than entirely existing ratepayers. The MSR states that new development can be constructed without burdening existing ratepayers for costs to serve new development.</p>
Response N-4	<p>See response to N-3.</p> <p>Also, the MSR recommends that EPASD review and update the existing rates and capacity charges. The 2019 EPASD Rate Study conducted for the District noted that sewer costs “needed to fund projected operating expenses, help fund high priority improvements to the District’s aging sewer collection system, pay for the District’s share of operating and capital improvement costs for the regional wastewater treatment plant, and support safe and reliable service.” The MSR goes on to say that the rate update should balance the need to maintain affordable sewer rates against the importance of maintaining and improving services and infrastructure for the health and well-being of EPASD ratepayers.</p> <p>The District’s priority to maintain low rates can adversely affect services and infrastructure by hampering the District’s ability to implement best practices and address existing system capacity deficiencies to reduce risks of sewer overflows from existing uses. Low rates that do not account for the need to address projected surcharging and potential sewer overflows with the existing system can adversely affect ratepayers financially in the long run.</p>
Response N-5	<p>LAFCo supports continued conversations between EPASD, the City, and developer/applicants.</p>

RESOLUTION NO. 1290

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF SAN MATEO
ADOPTING THE MUNICIPAL SERVICE REVIEW FOR THE CITY OF EAST PALO ALTO,
EAST PALO ALTO SANITARY DISTRICT,
AND WEST BAY SANITARY DISTRICT AND
REAFFIRMING EXISTING SPHERE OF INFLUENCE DESIGNATIONS**

RESOLVED, by the Local Agency Formation Commission of the County of San Mateo, State of California, that

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, set forth in Government Code Section 56000 et seq., governs the organization and reorganization of cities and special districts by local agency formation commissions established in each county, as defined and specified in Government Code Section 56000 et seq.,

WHEREAS, Government Code Section 56425 et seq. requires the Local Agency Formation Commission (LAFCo or Commission) to develop and determine the sphere of influence of each local governmental agency within the County; and

WHEREAS, the Commission conducted a Municipal Service Review pursuant to Government Code Section 56430 for the City of East Palo Alto, East Palo Alto Sanitary District, and West Bay Sanitary District;

WHEREAS, the Executive Officer prepared a written report of the Municipal Service Review that was provided to the Commission and affected agencies; and

WHEREAS, the Executive Officer set a public hearing date for June 15, 2022, for the consideration of the final Municipal Service Review and caused notice thereof to be posted, published and mailed at the times and in the manner required by law at least twenty-one (21) days in advance of the date; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on June 15, 2022; and

WHEREAS, a public hearing by this Commission was held on the report and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to the proposal and the Executive Officer's report; and

WHEREAS, the Commission is required pursuant to Government Code Section 56430 to make statement of written determinations with regards to certain factors; and

WHEREAS, the Commission is required pursuant to Government Code Section 56425 and local Commission policy to make statement of written determinations

WHEREAS, based on the results of the MSR, staff has determined that the SOIs for the City of East Palo Alto, East Palo Alto Sanitary District, and West Bay Sanitary District are reaffirmed;

WHEREAS, the Municipal Service Review is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 6, which allows for basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. The Municipal Service Review collects data for the purpose of evaluating municipal services provided by an agency. There are no land use changes or environmental impacts created by this study.

The Municipal Service Review also is exempt from CEQA under the section 15061(b)(3), the common-sense provision, which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment and where it is certain that the activity will have no possible significant effect on the environment, the activity is exempt from CEQA; and

NOW, THEREFORE, the Local Agency Formation Commission of the County of San Mateo DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. By Resolution, the Commission accepts the Executive Officer’s Report dated June 15, 2022, Final Municipal Service for the City of East Palo Alto, East Palo Alto Sanitary District, and West Bay Sanitary District, and all written comments and attachments incorporated herein and contained in attached “Exhibit A.”

Section 2. Pursuant to Government Code Section 56430, the Commission adopts the Municipal Service Review determinations set forth in “Exhibit B” which is attached and hereby incorporated by reference

Section 3. Pursuant to Government Code Section 56425(i), the Commission adopts an inventory of active services for East Palo Alto Sanitary District and West Bay Sanitary District contained in “Exhibit C.”

Section 4. The Commission adopts the sphere of influence determinations contained in "Exhibit D" and reaffirms the Sphere of Influences for the City of East Palo Alto, the East Palo Alto Sanitary District, and the West Bay Sanitary District.

Regularly passed and adopted this _____ day of _____.

Ayes and in favor of said resolution:

Commissioners: _____

Noes and against said resolution:

Commissioners Absent and/or Abstentions:

Commissioners: _____

Chair
Local Agency Formation Commission
County of San Mateo
State of California

ATTEST:

Date: _____

Executive Officer
Executive Officer

Local Agency Formation Commission

I certify that this is a true and correct copy of the resolution above set forth.

Date: _____

Clerk to the Commission
Local Agency Formation Commission

Exhibit B

Municipal Service Review Areas of Determination and Recommendations for the City of East Palo Alto, East Palo Alto Sanitary District, and West Bay Sanitary District

Areas of Determinations

City of East Palo Alto

Growth and population projections for the affected area.

Determination

- The City of East Palo Alto's (EPA or the City) population has remained fairly static over the last two decades, fluctuating minimally from year to year. Most recently, there has been a slight decline in population from 2018 to 2020. The Census 2020 estimates that the population of the City was 30,034 as of April 2020.
- Over the period from 2020 to 2040, ABAG projects 17.7 percent population growth, which equates to 0.8 percent compound annual growth. Based on the City's Census 2020 population and ABAG's projected growth rate, the City is projected to have a population of 35,363 in 2040.
- As of December 2021, the City had 20 unconstructed development projects in some phase of the application and construction process consisting of 1,469 dwelling units and 4,244,139 square feet of nonresidential building space. A majority of the larger developments are located in the Ravenswood/4 Corners TOD Specific Plan area. There are several mixed-use proposals, the largest of which are Four Corners, the Landing, and East Palo Alto Waterfront.
- Regional Housing Needs Allocation mandates have an impact on the City's new development and intensification of density contributing to population growth. ABAG's most recent Regional Housing Needs Allocation (RHNA) for the City of East Palo Alto for the period from 2023-2031 is 829 units, almost double the previous allocation.
- In addition to the substantial number of sizeable developments, the City is experiencing intensification of uses on properties with existing dwelling units where a number of accessory dwelling units are being added. SB 9, which streamlines the permitting process for accessory dwelling units, will likely prompt a greater number of ADU additions.
- Lack of EPASD sewer collection system capacity is an impediment to development in the City. Developers have indicated concerns that the costs to connect are prohibitively expensive and that EPASD has been unwilling to discuss financing options to make connection more feasible. Efforts to-date to resolve this issue have been largely unsuccessful. Constrained development and growth deprive the City and its residents of increased tax revenues to maintain and improve public services, reduces future affordable housing and ability to meet RHNA housing allocations, and limits growth in job opportunities.

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI.*Determination*

- According to the Department of Water Resource's Disadvantaged Communities mapping instrument, there are no communities within or contiguous to the City's SOI that meet the definition of a disadvantaged unincorporated community. However, there is a single Block Group (060816121002) within the City's incorporated territory to the west of Highway 101 that meets the definition of disadvantaged. The area has an estimated population of 2,232 with a median household income of \$45,731.

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the SOI.*Determination*

- Based on ISO ratings, response times, and stations per 1,000 population served, Menlo Park Fire Protection District's serviced provided within East Palo Alto appear to be adequate. Additionally, the City of East Palo Alto indicates it is satisfied with Menlo Park Fire Protection District's response times and that the District meets its outlined service goals.
- Law enforcement services are marginally adequate given the low clearance rate of property crimes within the City, which is likely attributable to staffing constraints within the Police Department. Additionally, the two police facilities are considered to some extent sufficient as identified by Police Department staff; however, no specific infrastructure needs were identified.
- The City has indicated that the current availability of parks and open space is not sufficient to meet demand. No parks exist in the Weeks, Kavanaugh, and Westside neighborhoods within EPA, despite having a higher population density that primarily consists of younger families residing in multi-family structures without backyards. With current and projected population estimates, service adequacy will not be sufficient unless an estimated 79 acres of parkland are added to the cityscape.
- The City provides adequate solid waste management services as indicated by per capita and per employee disposal rates that are well within its target disposal rates as dictated by the State. However, waste management services face challenges throughout the County, including 1) a decline in the recyclables market from contaminated sources, 2) new organics diversion requirements that will require major new programs, and 3) dwindling capacity at the Ox Mountain landfill.
- There are deficiencies in the City's stormwater collection system. There are two significant challenges to implementing planned improvements—lack of funding for \$37.5 million in infrastructure needs and location constraints limiting system expansion and rerouting alternatives. Improvements are necessary in order to reduce the risk of flooding.

- The City's PMS report has described pavement conditions as very good, with an average PCI of 71 out of 100. However, congestion and conditions that impact other modes of transportation continue to be a concern. In particular, there are areas without walkable sidewalks and many areas lacking sufficient capacity for bike lanes leading to high incidents of accidents.
- Wastewater services provided by EPASD and WBSD within the City appear to be adequate based on the analysis in this report; however, as described in the Growth and Development section of this chapter, availability of wastewater capacity for new development is a critical issue for the City. Necessary capacity enhancements are making connection to EPASD's collection system exceptionally costly, which is deterring potential developers and preventing some approved developments from being completed. Several options exist for financing of necessary capacity enhancements that may be agreeable to all parties.
- Indicators of water distribution service adequacy, including the State Water Resources Control Board system evaluation, drinking water quality, and distribution system integrity demonstrate that the City provides adequate service levels. While the City has been able to address water supply capacity constraints that were preventing development, there continue to be needs for water storage for emergency backup supply and pipeline expansions to meet industry standards.

Financial ability of agencies to provide services.

Determination

- The City of East Palo Alto is in good financial position; however, the City is experiencing structural budget deficits that will deplete reserves over time.
- Development projects delayed by lack of sewer infrastructure capacity obstructs the ability to pursue economic development as one means to improve financial conditions and help achieve the City's fiscal resiliency goals.

Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

Determination

- The City generally meets legal requirements intended to ensure transparency and accountability; however, there appears to be room for improvement in City Council compliance with ethics training requirements and timely filing of Form 700s.
- East Palo Alto should consider taking on EPASD as a subsidiary district to enable funding of capital projects to address deficiencies and capacity constraints that encourages development. In order to limit demands on city staff, the City may wish to contract with West Bay Sanitary District for operations and maintenance of the system.

Recommendations

1. Ethics Training - It is recommended that the City make City Council ethics training information readily available on its website.

2. Form 700 - It is recommended that the City ensure its Council Members comply with Form 700 filing requirements.
3. Intergovernmental Relations – Restart and continue regular public meetings between representatives of the City of East Palo Alto and the East Palo Alto Sanitary District. While staff level cooperation related to development planning is ongoing, involvement by board and council members assure efficient and effective coordination between the City and District related to infrastructure financing and other matters. These meetings should be live streamed, recorded and promptly posted to facilitate public outreach and transparency. These meetings could be focused on specific topics such as development projects and infrastructure finance. The meetings should be conducted with equal support and staff time from both the City and EPASD.
4. Development Environmental Review - Include analysis regarding impacts on the wastewater collection system, in addition to the wastewater treatment system, in CEQA review documents associated with new developments.
5. Budget Forecasting – Prepare and periodically update a long-term budget forecast to assist with financial planning, including projected pension obligations.
6. Infrastructure improvements – It is recommended that the City continue to work towards addressing identified needed infrastructure improvements for both stormwater and drinking water, including identifying potential funding mechanisms.
7. Park Planning – The City should continue its effort to develop a Parks Master Plan for recreation, parks and open space in the City and work to address the lack of these facilities in many areas of the City.

Areas of Determinations

East Palo Alto Sanitary District

Growth and population projections for the affected area.

Determination

- As of 2020, based on the number of residential connections served and the average household size in the cities served, it is estimated that EPASD's population is approximately 26,622.
- It is assumed that EPASD's growth will closely mirror that of the City of East Palo Alto. Based on the current population estimate within the District and ABAG's growth projections through 2040, it is projected that there will be 31,335 residents within the EPASD in 2040, an increase of approximately 4,700 residents.
- As of December 2021, there were 20 unconstructed development projects within EPASD in some phase of the application and construction process consisting of 1,469 dwelling units and 4,244,139 square feet of nonresidential building space. A majority of the larger developments are located in the Ravenswood/4 Corners TOD Specific Plan area.
- In addition to the substantial number of sizeable developments, the City is experiencing intensification of uses on properties with existing dwelling units where a number of accessory dwelling units are being added. Recent changes in state law allowing a streamlined permitting process for accessory dwelling units (ADUs) will likely prompt a greater number of ADU additions. However, 12 ADUs have been stalled as they have been unable to get approval for connection to EPASD's system.
- Lack of EPASD sewer collection system capacity is an impediment to development in the City. Developers have indicated concerns that the costs to connect are prohibitively expensive and that EPASD has been unwilling to discuss financing options to make connection more feasible. Efforts to-date to resolve this issue have been largely unsuccessful. Constrained development deprives the City and its residents of increased taxes and other revenues to maintain and improve public services, reduces future affordable housing and ability to meet RHNA housing allocations, and limits growth in job opportunities.

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI.

Determination

- According to the Department of Water Resource's Disadvantaged Communities mapping instrument, there are no communities within or contiguous to the District that meet the definition of a disadvantaged unincorporated community, as the District only serves incorporated portions of the City of East Palo Alto and the City of Menlo Park. However, there is a single Block Group (060816121002) within District's territory to the west of Highway 101 that meets the definition of disadvantaged. The area has an estimated population of 2,232 with a median household income of \$45,731.

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and

structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the SOI.*Determination*

- While sufficient treatment capacity exists to meet the needs of current and a portion of future demand, EPASD reports an inadequate collection system capacity to serve increased flows expected from pending development applications. EPASD faces significant financial challenges to fund capacity enhancements to eliminate the potential for sewer overflows that are compounded by proposed new connections. Large-scale capacity enhancements are costly and difficult to complete in a piecemeal fashion as development occurs.
- Based on overflow rates, infiltration and inflow, regulatory compliance, preventative maintenance practices, speed of response times to customer reports of issues, and the number and type of complaints related to wastewater services, EPASD provides an adequate level of wastewater collection services to existing ratepayers.
- Infrastructure capacity needs are appropriately identified in EPASD's 2021 Addendum to the 2015 Master Plan Update. EPASD focuses on assessing the current condition of the piping and replacing or relining pipe as needed, and EPASD asserts that current collection system capacities are adequate to serve existing ratepayers; this position appears contrary to the results of the 2021 Addendum that predict surcharging and sewer overflows under peak wet weather flows. EPASD states that the 2021 Addendum is a theoretical model and EPASD has not experienced a sewer overflow in the past ten years.
- EPASD budgets \$1 million annually towards "Construction Replacement" (not including developer contributions); actual capital expenditures have been less. The 2021 Addendum identifies 110 segments to be upsized to ensure that the system is not operating at a surcharge or at risk of overflows during a storm event.
- Information on the age of the collection infrastructure conflicts, as identified by the RWQCB in its most recent inspection; this data was not provided by EPASD when requested for the preparation of this MSR. It is recommended that the District document the age of its system and conduct comparative analysis to determine what percentage of the effective life of the segment has been used as input to develop long-term CIP priorities and schedule.
- There is a need to comprehensively update EPASD's primary planning documents, such as the Master Plan, Sewer Rate Study, and Capacity Charge Study to meet the current needs of EPASD, taking into consideration existing circumstances that have surfaced, and enhancing transparency for rate payers, members of the community, developers, and others regarding the full extent of current and future infrastructure needs and associated financing requirements and funding sources. These updates can document and communicate plans to cost-effectively manage EPASD infrastructure maintenance and replacement, address the potential for sewer overflows from existing uses during storm events, and assure that existing ratepayers do not subsidize costs incurred to serve new development.

Financial ability of agencies to provide services.*Determination*

- EPASD's strong financial position and healthy reserves are the outcome of property tax revenues that supplement services charges, and a relatively low-cost structure. This financial position enables EPASD to maintain low annual charges to ratepayers compared to other sanitary districts.
- However, the District's priority to maintain low rates can adversely affect services and infrastructure by hampering the District's ability to implement best practices and address existing system capacity deficiencies to reduce risks of sewer overflows from existing uses. Low rates that do not account for the need to address projected surcharging and potential sewer overflows can adversely affect ratepayers financially in the long run. Lack of staff resources contributes to an inability to provide clear, up-to-date, and transparent information to ratepayers, the City of East Palo Alto, property owners and developers, and other stakeholders; and produces insufficient financial planning to establish cost-effective and equitable infrastructure financing to facilitate plans adopted by the City of EPA which represents a majority of EPASD residents.
- The lack of future development capacity indirectly affects ratepayers who are also residents of the City of East Palo Alto, as the inability to serve new development reduces growth in City revenues for services and financial resiliency, provides fewer affordable housing opportunities, and constrains the community's commercial base and job growth.

Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies*Determination*

- EPASD generally complies with legal requirements to ensure accountability and transparency. Improvements include ensuring Board Members are up-to-date on ethics training and that all policies and procedures are readily available on its website. Staff reports for District meetings are often not provided, or the narrative for agenda items provides minimal information about the proposed meeting topic or recommended action by the Board.
- The compensation and benefits offered to EPASD's governing body is exceptional compared to neighboring sanitary districts and even compared to compensation of the City of EPA's Council Members. EPASD should consider aligning board compensation with that of similar service providers.
- Transitioning EPASD into a subsidiary district of the City of East Palo Alto is a governance structure option that may benefit the City and its residents by facilitating funding of capital projects to address existing risks of sewer overflows during storm events, and capacity constraints that impede City of EPA planning and achieving City objectives that also benefit most EPASD residents as citizens of the City of EPA.

Recommendations

1. Ethics Training - It is recommended that EPASD ensure that board members receive the required ethics training every two years.

2. Policies and Procedures - These policies are not readily accessible on EPASD's website, and in order to ensure transparency, it is recommended that the District make available all policies on its website.
3. Update Capacity Charges -- The update should reflect current development trends and recent CIP cost updates to assure that development pays its share of expansion costs without burdening existing ratepayers. The capacity charges can help fund required infrastructure and provide a mechanism for developer reimbursement if oversizing is required that benefits other developers.
4. Develop CIP Financing Plan – Consistent with best practices EPASD should prioritize improvements and identify financing mechanisms to fund existing deficiencies and future capacity needs over time. The Plan should create a standard, transparent approach for new development applications that does not require time-consuming, costly individual negotiations and custom agreements for each development.
5. Pursue Grants and Low-Interest Loans – A revised CIP will be essential to pursuing grants and low-interest loans. Infrastructure Act funds may provide opportunities to implement the CIP at a lower cost to ratepayers. EPASD should collaborate with other districts, the City of EPA, and/or affordable housing developers to improve prospects for obtaining funds.
6. Evaluate and Consider Using Revenue Debt for Major Long-Term Capital Improvements – Major improvements can be funded more cost-effectively, and costs spread to future ratepayers rather than entirely existing ratepayers. Debt payments and potential impacts on rates should be carefully considered as part of an overall funding plan to pay for improvements that serve existing ratepayers. The use of debt, and/or other funding sources, must respect the principle that existing ratepayers do not subsidize new development.
7. Facilitate New Development without Burdening Existing Ratepayers – The 2021 Addendum provided an allocation between existing system capacity constraints during a storm event, and expansion required for new development that can dictate an equitable allocation and financing plan consistent with legal requirements.
8. Improve Transparency of Budget and Financial Documents – A clear, well-documented budget with explanations of changes, risks, and activities would improve financial transparency. The budget should better correlate with annual audited financial reports, for example, by including depreciation. Financial reports should correlate with funds reported in budgets. Annual debt obligations should be clearly documented in the budgets and should correlate with information in audited financial reports.
9. Budget Forecasting – Periodically update the long-term budget forecast most recently prepared in the 2019 Rate Study to reflect changing financial conditions and projections of costs and revenues.
10. Intergovernmental Relations – Restart and continue regular public meetings between representatives of the City of EPA and EPASD. While staff level cooperation related to development planning is ongoing, involvement by board and council members is essential for efficient and effective coordination between the City of EPA and EPASD related to infrastructure financing and other matters, including the Ravenswood Specific Plan. These meetings should be live streamed, recorded and promptly posted to facilitate public outreach and transparency. These meetings could be focused on specific topics such as development projects and

infrastructure finance. The meetings should be conducted with equal support and staff time from both the City and EPASD.

11. Update Sewer Rates – The update should reflect the costs “needed to fund projected operating expenses, help fund high priority improvements to the District’s aging sewer collection system, pay for the District’s share of operating and capital improvement costs for the regional wastewater treatment plant, and support safe and reliable service” as outlined in the 2019 Rate Study. The update should balance the need to maintain affordable sewer rates against the importance of maintaining and improving services and infrastructure for the health and well-being of EPASD ratepayers.
12. Independent Review of EPASD Hydraulic Analysis and Proposed Improvements – EPASD states that the hydraulic analysis of the 2021 Addendum only indicated that the system is adequate for existing customers, however it cannot serve future developers. This statement appears to contradict the 2021 Addendum that predicts sanitary sewer overflows (SSOs) could occur at 38 manholes due to surcharge conditions in many of its pipes during a peak storm event under existing land use conditions and existing customers. An independent engineering analysis should be conducted to review the hydraulic analysis and assumptions to reconcile the apparent inconsistencies between predicted sewer overflows under existing conditions and EPASD’s position that the system currently is adequate. The analysis would include an update of hydraulic assumptions including flows from ADUs and residential units.

Areas of Determinations

West Bay Sanitary District

Growth and population projections for the affected area.

Determination

- Based on the number of residential connections served and the average household size in the cities served, it is estimated that WBSD has a population of approximately 55,701.
- Based on the current population estimate within the District and ABAG's growth projections extended through 2040, it is projected that there will be 65,029 residents within the District in 2040.
- Growth within WBSD is primarily located in the Bayfront Area of Menlo Park. Recently approved and developments under review are all located within the City of Menlo Park. Existing development projects propose a total of 3,522 dwelling units and 3,927,394 in nonresidential building square feet, indicating potential for substantial growth.

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI.

Determination

- According to the Department of Water Resource's Disadvantaged Communities mapping instrument, there are two communities within or contiguous to the District's SOI that, while not unincorporated, meet the definition of a disadvantaged community. Block Group (060816117003) within the City of Menlo Park east of Highway 101 meets the definition of disadvantaged. The area has an estimated population of 1,237 with a median household income of \$45,481. Block Group (060816117001) is also within the City of Menlo Park east of Highway 101. It has an estimated population of 2,272 and has a median household income of \$51,150

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the SOI.

Determination

- WBSD reported that there is generally sufficient collection capacity to serve existing demand; however, some basins are at capacity. Because the District's Master Plan is almost 10 years old and many improvements have been made since the hydraulic assessment was conducted, it is unclear the degree to which flows are at or nearing capacity and which segments are most impacted. The District is compiling a new Master Plan in 2022 to identify existing conditions after capital improvements, any areas of concern, and capital projects to address these areas.
- Similarly, because WBSD's flow projections are outdated it is unclear what infrastructure needs are necessary to meet projected demand. The Master Plan Update in 2023 is anticipated to provide up-to-date flow projections and recommended capital improvements to meet future demand and serve as a planning tool for the next 10 years to 2033. The new master plan will

consider the prior pipeline replacement and rehabilitation work and will include a new hydraulic model study.⁴³²

- Based on overflow rates, infiltration and inflow, regulatory compliance, preventative maintenance practices, speed of response times to customer reports of issues, and the number and type of complaints related to wastewater services, WBSD provides an adequate level of wastewater collection services.
- WBSD appropriately plans for infrastructure needs in its Capital Improvement Program. Resources for capital improvement of the system are determined by field evaluations performed on an on-going basis. The objective of the CIP is to systematically replace and or rehabilitate approximately 1.5 percent of system pipelines every year, in addition to completing already planned pump station and pipeline improvements. The District has planned funding for Capital Improvement Program projects of approximately \$3.5 million each fiscal year.

Financial ability of agencies to provide services.

Determination

- WBSD's financial condition is sound with a significant positive net position, adequate reserves, and financial planning based on long-term financial planning and capital improvement programs that are annually reviewed, prioritized, and updated.

Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

Determination

- WBSD complies with all legal requirements aimed at ensuring accountability and transparency of public agencies. Additionally, WBSD has gone beyond the legal requirements and is a recipient of the District Transparency Certificate of Excellence from the Special District Leadership Foundation (SDLF) for the period January 2020 to March 2023.

Recommendations

1. Funding of Reserves – Continue to fund reserves consistent with adopted policies, including allocations to the recently created Treatment Plant Reserve which has not been fully funded.
2. Master Plan and CIP – Update the WBSD Master Plan and CIP beginning in 2022 in accord with current anticipated scheduling.

Exhibit C

Inventory of Active Services Pursuant to Government Code Section 56425(i) for East Palo Alto Sanitary District and West Bay Sanitary District

Inventory of Active Services

East Palo Alto Sanitary District

Operating pursuant to Health and Safety Code Section 6400 et seq., the District is an independently governed special district authorized to construct and operate works for collection, treatment and disposal of garbage, stormwater, recycled water, and sewage. At present, East Palo Alto Sanitary District provides wastewater collection as a direct service by owning, operating, and maintaining the collection system and sewage treatment via a contract with the City of East Palo Alto for capacity at its Regional Water Quality Control Plant.

West Bay Sanitary District

Operating pursuant to Health and Safety Code Section 6400 et seq., the District is an independently governed special district authorized to construct and operate works for collection, treatment and disposal of garbage, stormwater, recycled water, and sewage. West Bay Sanitary District provides sewage collection as a direct service and sewage treatment via membership in Silicon Valley Clean Water (SVCW), as well as garbage collection in certain unincorporated areas within district boundaries through a franchise with Recology as a member of the South Bayside Waste Management Authority (SBWMA). West Bay Sanitary District is authorized to provide recycled water services to the Sharon Heights Golf & Country Club and Stanford Linear Accelerator Center.

Exhibit D

Sphere of Influence Determinations for the City of East Palo Alto, East Palo Alto Sanitary District, and West Bay Sanitary District and reaffirming the Sphere of Influences

Sphere of Influence Determinations

City of East Palo Alto

1. The present and planned land uses in the area, including agricultural and open-space lands.

The City of East Palo Alto, which is 2.5 square miles, is a mostly built out city with the exception of open space and marshlands and vacant land in the Ravenswood industrial area. Of the developed areas, residential uses are the most common land use in the City. Approximately 665 acres in the City (just over 50 percent of land) are residential uses. Most residential land is single family residential, along with multifamily residential of five or more units, and duplexes, triplexes, condos or fourplexes. Future development mainly consists of infill or redevelopment projects.

2. The present and probable need for public facilities and services in the area.

The current estimated population for the City of East Palo Alto is 30,034. Based on the City's Census 2020 population and ABAG's projected growth rate, the City is projected to have a population of 35,363 in 2040. Additional growth will continue to increase the demand for City services such as police, water, and parks and recreation.

The City has several planned and proposed developments that are in various stages of the permitting process. As of December 2021, the City had 20 unconstructed development projects in some phase of the application and construction process consisting of 1,469 dwelling units and 4,424,139 square feet of nonresidential building space.

However, impediments to development in the City continue to exist. In particular, East Palo Alto Sanitary District reports that it lacks collection capacity to serve new construction, and necessary capacity enhancements required by the District connecting to the system are exceptionally costly, deterring potential developers and preventing some approved developments from being completed. Developers have indicated concerns that the costs to connect are prohibitively expensive and that EPASD has been unwilling to discuss financing options to make connection more feasible.

3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

Based on ISO ratings, response times, and stations per 1,000 population served, Menlo Park Fire Protection District's services provided within East Palo Alto appear to be adequate. Additionally, the City of East Palo Alto indicates it is satisfied with Menlo Park Fire Protection District's response times and that the District meets its outlined service goals.

Law enforcement services are marginally adequate given the low clearance rate of property crimes within the City, which is likely attributable to staffing constraints within the Police Department. Additionally, the two police facilities are considered to some extent sufficient as identified by Police Department staff; however, no specific infrastructure needs were identified.

The City has indicated that the current availability of parks and open space is not sufficient to meet demand. No parks exist in the Weeks, Kavanaugh, and Westside neighborhoods within EPA, despite having a higher population density that primarily consists of younger families residing in multi-family structures without backyards. With current and projected population

estimates, service adequacy will not be sufficient unless an estimated 79 acres of parkland are added to the cityscape.

The City provides adequate solid waste management services as indicated by per capita and per employee disposal rates that are well within its target disposal rates as dictated by the State. However, waste management services face challenges throughout the County, including 1) a decline in the recyclables market from contaminated sources, 2) new organics diversion requirements that will require major new programs, and 3) dwindling capacity at the Ox Mountain landfill.

There are deficiencies in the City of East Palo Alto's stormwater collection system. There are two significant challenges to implementing planned improvements—lack of funding for \$37.5 million in infrastructure needs and location constraints limiting system expansion and rerouting alternatives. Improvements are necessary in order to reduce the risk of flooding.

The City's Pavement Management System report has described pavement conditions as very good, with an average PCI of 71 out of 100. However, congestion and conditions that impact other modes of transportation continue to be a concern. In particular, there are areas without walkable sidewalks and many areas lacking sufficient capacity for bike lanes leading to high incidents of accidents.

Wastewater services provided by EPASD and WBSD within City of East Palo Alto appear to be adequate based on the analysis in this report; however, as described in the Growth and Development section of this chapter, availability of wastewater capacity for new development is a critical issue for the City. Necessary capacity enhancements are making connection to EPASD's collection system exceptionally costly, which is deterring potential developers and preventing some approved developments from being completed. Several options exist for financing of necessary capacity enhancements that may be agreeable to all parties.

Indicators of water distribution service adequacy, including the State Water Resources Control Board system evaluation, drinking water quality, and distribution system integrity demonstrate that the City provides adequate service levels. While the City has been able to address water supply capacity constraints that were preventing development, there continue to be needs for water storage for emergency backup supply and pipeline expansions to meet industry standards.

4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

The City of East Palo Alto is bounded by the San Francisco Bay to the east, Menlo Park to the north and west, and the San Mateo- Santa Clara County Line (the City of Palo Alto) to the south and west. Portions of the City of East Palo Alto have been designated as Disadvantaged Communities by the California Environmental Protection Agency.

There are no Disadvantaged Unincorporated Communities within or contiguous to the City' SOI

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

No change to the Sphere of Influence of the City of East Palo Alto is proposed at this time.

The Sphere of Influence is reaffirmed as coterminous with current City boundaries.

East Palo Alto Sanitary District**1. The present and planned land uses in the area, including agricultural and open-space lands.**

The area within the EPASD boundaries consists of mostly urbanized area within the City of East Palo Alto and a small portion of Menlo Park. Approximately 90 percent of EPASD parcels are also within the City of East Palo Alto. Future development within the service area of the District mainly consists of infill or redevelopment projects.

2. The present and probable need for public facilities and services in the area.

It is estimated that the population is approximately 26,622 within EPASD. Based on the current population estimate, it is projected that there will be 31,335 residents within the District in 2040. Development within the District's service area demonstrates the continued need for wastewater services.

The City has several planned and proposed developments that are in various stages of the permitting process. As of December 2021, the City had 20 unconstructed development projects in some phase of the application and construction process consisting of 1,469 dwelling units and 4,424,139 square feet of nonresidential building space. Many of these proposed development projects are located with EPASD's service area.

The lack of EPASD sewer collection system capacity is an impediment to development in the City. Developers have indicated concerns that the costs to connect are prohibitively expensive and that EPASD has been unwilling to discuss financing options to make connection more feasible. Efforts to-date to resolve this issue have been largely unsuccessful. Constrained development deprives the City and its residents of increased taxes and other revenues to maintain and improve public services, reduces future affordable housing and ability to meet RHNA housing allocations, and limits growth in job opportunities.

3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

While sufficient treatment capacity exists to meet the needs of current and a portion of future demand, EPASD reports an inadequate collection system capacity to serve increased flows expected from pending development applications. EPASD faces significant financial challenges to fund capacity enhancements to eliminate the potential for sewer overflows that are compounded by proposed new connections. Large-scale capacity enhancements are costly and difficult to complete in a piecemeal fashion as development occurs.

Based on overflow rates, infiltration and inflow, regulatory compliance, preventative maintenance practices, speed of response times to customer reports of issues, and the number and type of complaints related to wastewater services, EPASD provides an adequate level of wastewater collection services to existing ratepayers.

Infrastructure capacity needs are appropriately identified in EPASD's 2021 Addendum to the 2015 Master Plan Update. EPASD focuses on assessing the current condition of the piping and replacing or relining pipe as needed, and EPASD asserts that current collection system capacities are adequate to serve existing ratepayers; this position appears contrary to the results of the 2021 Addendum that predict surcharging and sewer overflows under peak wet weather flows. EPASD states that the 2021 Addendum is a theoretical model and EPASD has not experienced a sewer overflow in the past ten years.

EPASD budgets \$1 million annually towards "Construction Replacement" (not including developer contributions); actual capital expenditures have been less. The 2021 Addendum

identifies 110 segments to be upsized to ensure that the system is not operating at a surcharge or at risk of overflows during a storm event.

Information on the age of the collection infrastructure conflicts, as identified by the RWQCB in its most recent inspection; this data was not provided by EPASD when requested for the preparation of this MSR. It is recommended that the District document the age of its system and conduct comparative analysis to determine what percentage of the effective life of the segment has been used as input to develop long-term CIP priorities and schedule.

There is a need to comprehensively update EPASD's primary planning documents, such as the Master Plan, Sewer Rate Study, and Capacity Charge Study to meet the current needs of EPASD, taking into consideration existing circumstances that have surfaced, and enhancing transparency for rate payers, members of the community, developers, and others regarding the full extent of current and future infrastructure needs and associated financing requirements and funding sources. These updates can document and communicate plans to cost-effectively manage EPASD infrastructure maintenance and replacement, address the potential for sewer overflows from existing uses during storm events, and assure that existing ratepayers do not subsidize costs incurred to serve new development.

4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

Portions of the City of East Palo Alto that are served by EPASD have been designated as Disadvantaged Communities by the California Environmental Protection Agency.

There are no Disadvantaged Unincorporated Communities within or contiguous to the EPASD's SOI. However, there is a single Block Group (060816121002) within District's territory to the west of Highway 101 that meets the definition of disadvantaged. The area has an estimated population of 2,232 with a median household income of \$45,731.

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

No change to the Sphere of Influence of the East Palo Alto Sanitary District is proposed at this time.

The Sphere of Influence is reaffirmed as dissolution.

West Bay Sanitary District**1. The present and planned land uses in the area, including agricultural and open-space lands.**

The WBSD territory includes most of Menlo Park, portions of East Palo Alto, Portola Valley, Woodside, portions of unincorporated Santa Clara County, and nearby unincorporated areas including Ladera, West Menlo Park, Stanford-Weekend Acres and Menlo Oaks. The service area is largely urbanized, with more suburban land uses located in the District's western service area. Because the boundaries encompass all types of city land uses, the District serves a wide variety of customers.

2. The present and probable need for public facilities and services in the area.

Based on the number of residential connections served and the average household size in the cities served, it is estimated that the population is approximately 55,701 within the District. Based on the current population estimates, it is projected that there will be 65,029 residents within the District in 2040. Development within the District's service area demonstrates the continued need for wastewater services.

WBSD reported that growth, in the way of more density and flow resulting from new development, is primarily located in the Bayfront Area of Menlo Park. Additionally, the EPA Waterfront is a proposed project within East Palo Alto that is partially within WBSD and partially within EPASD. Recently approved and developments under review, all of which are located within the City of Menlo Park. Existing development projects propose a total of 3,522 dwelling units and 3,927,394 in nonresidential building square feet.

3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

WBSD reported that there is generally sufficient collection capacity to serve existing demand; however, some basins are at capacity. Because the District's Master Plan is almost 10 years old and many improvements have been made since the hydraulic assessment was conducted, it is unclear the degree to which flows are at or nearing capacity and which segments are most impacted. The District is compiling a new Master Plan in 2022 to identify existing conditions after capital improvements, any areas of concern, and capital projects to address these areas.

Similarly, because WBSD's flow projections are outdated it is unclear what infrastructure needs are necessary to meet projected demand. The Master Plan Update in 2023 is anticipated to provide up-to-date flow projections and recommended capital improvements to meet future demand and serve as a planning tool for the next 10 years to 2033. The new Master Plan will consider the prior pipeline replacement and rehabilitation work and will include a new hydraulic model study.

Based on overflow rates, infiltration and inflow, regulatory compliance, preventative maintenance practices, speed of response times to customer reports of issues, and the number and type of complaints related to wastewater services, WBSD provides an adequate level of wastewater collection services.

WBSD appropriately plans for infrastructure needs in its Capital Improvement Program. Resources for capital improvement of the system are determined by field evaluations performed on an on-going basis. The objective of the CIP is to systematically replace and or rehabilitate approximately 1.5 percent of system pipelines every year, in addition to completing already planned pump station and pipeline improvements. The District has planned funding for Capital Improvement Program projects of approximately \$3.5 million each fiscal year.

4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

There are no Disadvantaged Unincorporated Communities within or contiguous to the WBSD's SOI. Block Group (060816117003) within the City of Menlo Park east of Highway 101 meets the definition of disadvantaged. The area has an estimated population of 1,237 with a median household income of \$45,481. Block Group (060816117001) is also within the City of Menlo Park east of Highway 101. It has an estimated population of 2,272 and has a median household income of \$51,150.

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

No change to the Sphere of Influence of the West Bay Sanitary District is proposed at this time.

The Sphere of Influence is reaffirmed to include the District current boundaries plus portions of Menlo Park, Atherton, Woodside, Portola Valley, East Palo Alto, and portions of unincorporated San Mateo and Santa Clara Counties .