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SERGIO RAMIREZ General Manager

In reply, please refer to our

October 19, 2023

Robert Bartoli Executive Officer San Mateo County Local Agency Formation Commission 455 County Center, 2nd Floor Redwood City, CA 94063

RE: SMCO LAFCo EPASD Alternative Proposal Response

West Bay Sanitary District's (West Bay) response to the East Palo Alto Sanitary District (EPASD) Alternative Proposal:

West Bay would like to address three items in the EPASD Alternative Proposal that are not accurate and misleading.

- 1. Narrative Exhibits of EPASD Alternative Proposal EXHIBIT A THE PROPOSAL
 - a. Exhibit A-1: The Alternative Proposal (3) "remove the District's territory from the SOI of the West Bay Sanitary District (WBSD)"
 - **b. EXHIBIT A-2 SUPPORT FOR THE PROPOSAL:** "The adjacent Sanitary District is not in support of a reorganization of the District without it's concurrence.²⁷"
- **2. LAFCo MSR page 6 Statement that** "WBSD is ... not willing to initiate a reorganization ... in the absence of EPASD concurrence."

1.a. West Bay does <u>not</u> support the EPASD Alternative Proposal **Exhibit A-1:** "The Alternative Proposal (3)". LAFCO should not remove West Bay's territory from its current SOI. Additionally, as stated in the **Municipal Services Review - West Bay Sanitary District (WBSD) Governance Options:** (Page 6) "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." West Bay is not willing to <u>initiate</u> a reorganization, however it is in support of assisting the City of East Palo Alto if it initiates the reorganization and dissolution of EPASD. West Bay is in support of providing operation and maintenance services to City residents as it does in other areas of the City of East Palo Alto. West Bay currently serves areas of East Palo Alto, so removing areas from its SOI would be counterproductive to a long-term solution. Therefore, West Bay is opposed to this alternative. Furthermore, after a period of time and once West Bay understands and has fully assessed the EPASD sewer system it could entertain annexation of the sewer system into the West Bay Sanitary District as stated in the MSR Executive Summary Option #2.

West Bay is in support of the MSR Executive Summary Option #2 under West Bay Sanitary District No 11. Governance options: Option #2 states: "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."

1.b. West Bay does <u>not</u> support the EPASD Alternative Proposal. West Bay does support the MSR Executive Summary **Option #2 under East Palo Alto Sanitary District No. 7 Governance options:** Option #2 states: "...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. It is for this reason that West Bay is not willing to initiate a reorganization without knowing the true condition of the EPASD's sanitary sewer system. Although 15 years of zero overflows has been reported there is reason to believe this is not the case.

Lastly, **Alternative Proposal - Exhibit A-2 "SUPPORT FOR THE PROPOSAL"** is misleading. West Bay is not in support of the Alternative Proposal.

2. LAFCo MSR page 6 - Statement that "WBSD is ... not willing to initiate a reorganization ... in the absence of EPASD concurrence."

West Bay supports the reorganization but is not willing to <u>initiate</u> the reorganization. This would have to be initiated by the City of East Palo Alto or the East Palo Alto Sanitary District. West Bay has submitted responses to the Request for Qualifications and Request for Proposals in order to assist the City with the possible transition.

As stated in the MSR, West Bay is a well-managed organization and holds a high level of transparency. West Bay serves areas of East Palo Alto and is familiar with the needs of the community. It appropriately plans for infrastructure needs proactively and reinvests in the sewer system through the collection of Connection Fees and annual Sewer Service Charges. West Bay is in support of the City's application and can assist in the transition. During the West Bay Regular Board Meeting of September 27th, 2023, the Board of Directors' consensus was to support the City with the LAFCo application, and to respond to LAFCo with the disapproval of reducing West Bay's sphere of influence. It was clear during the meeting that West Bay is not in favor of giving up territory or changing West Bay's Sphere of Influence. Therefore, West Bay supports the MSR's determination to reaffirm the existing Sphere of Influences.

West Bay has a proven track record of providing efficient, reliable, and effective operation and maintenance of collection systems. For example, since 2014 West Bay has performed operation and maintenance services on the sewer collection systems of the Town of Los Altos Hills and the Town of Woodside through interagency agreements. Interagency agreements work well to make government agencies more efficient and to avoid wasteful overhead and duplication of services.

If you have any questions, please feel free to contact me.

Sincerely,

WEST BAY SANITARY DISTRICT

Sergio Barning

Sergio Ramirez General Manager

cc: ABC Law, West Bay Sanitary District Board of Directors