

PROPERTY OWNERS MEETING SEWER SERVICE RATES

**Emerald Lake Heights Sewer Maintenance District
(District)**

*Clifford Elementary School
225 Clifford Avenue
Redwood City, CA*

*May 4, 2017
6:30 P.M.*

Department of Public Works



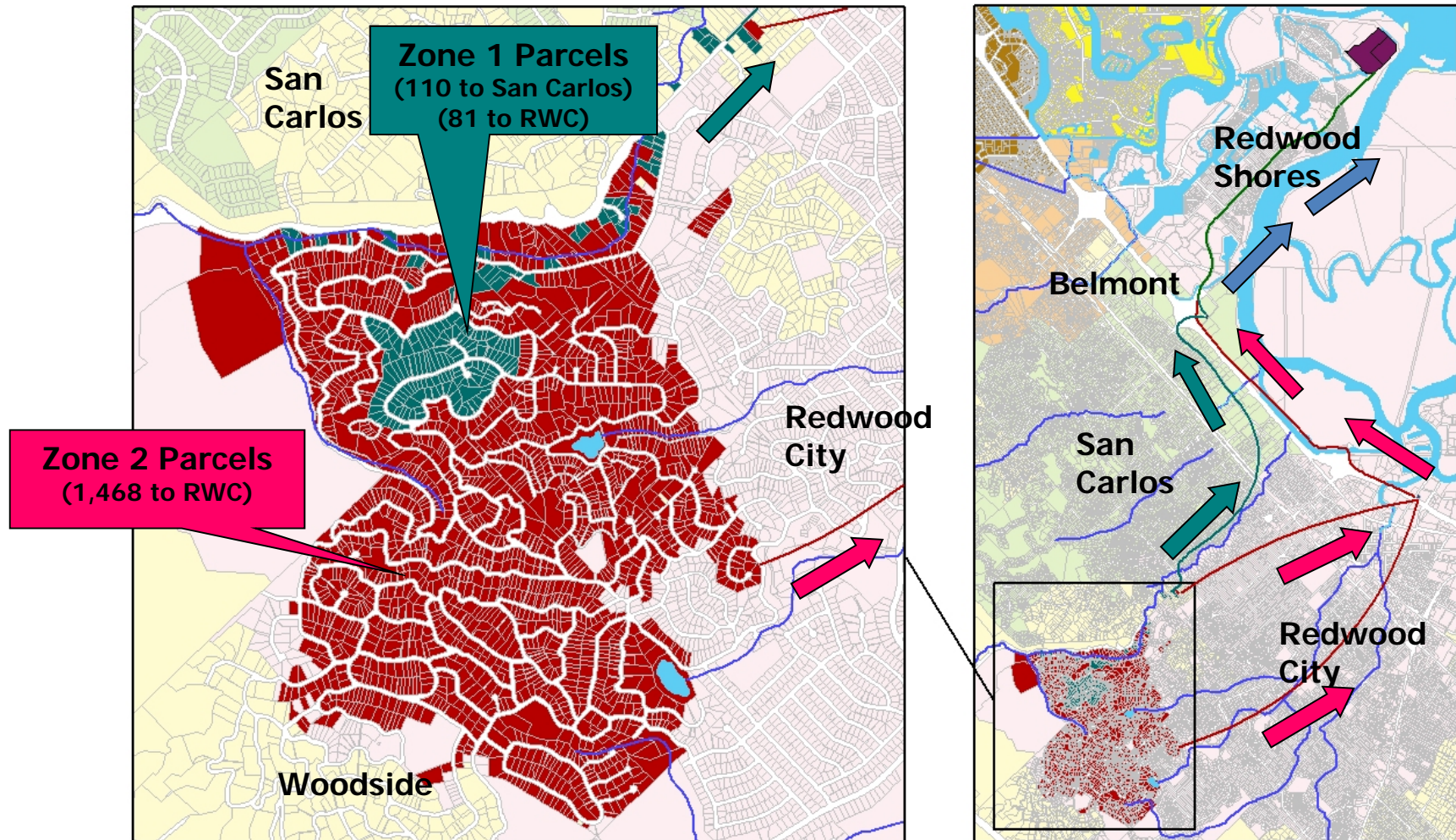
OVERVIEW OF TONIGHT'S MEETING

- ***District Information***
- ***District Funding***
- ***What's Taken Place Since Last Rate Setting in 2012***
- ***Elements of the Sewer Service Rates***
 - ***In District Costs***
 - ***Out of District Costs***
- ***Proposed Rates***
- ***Rate Setting Timeline***
- ***Questions and Comments***



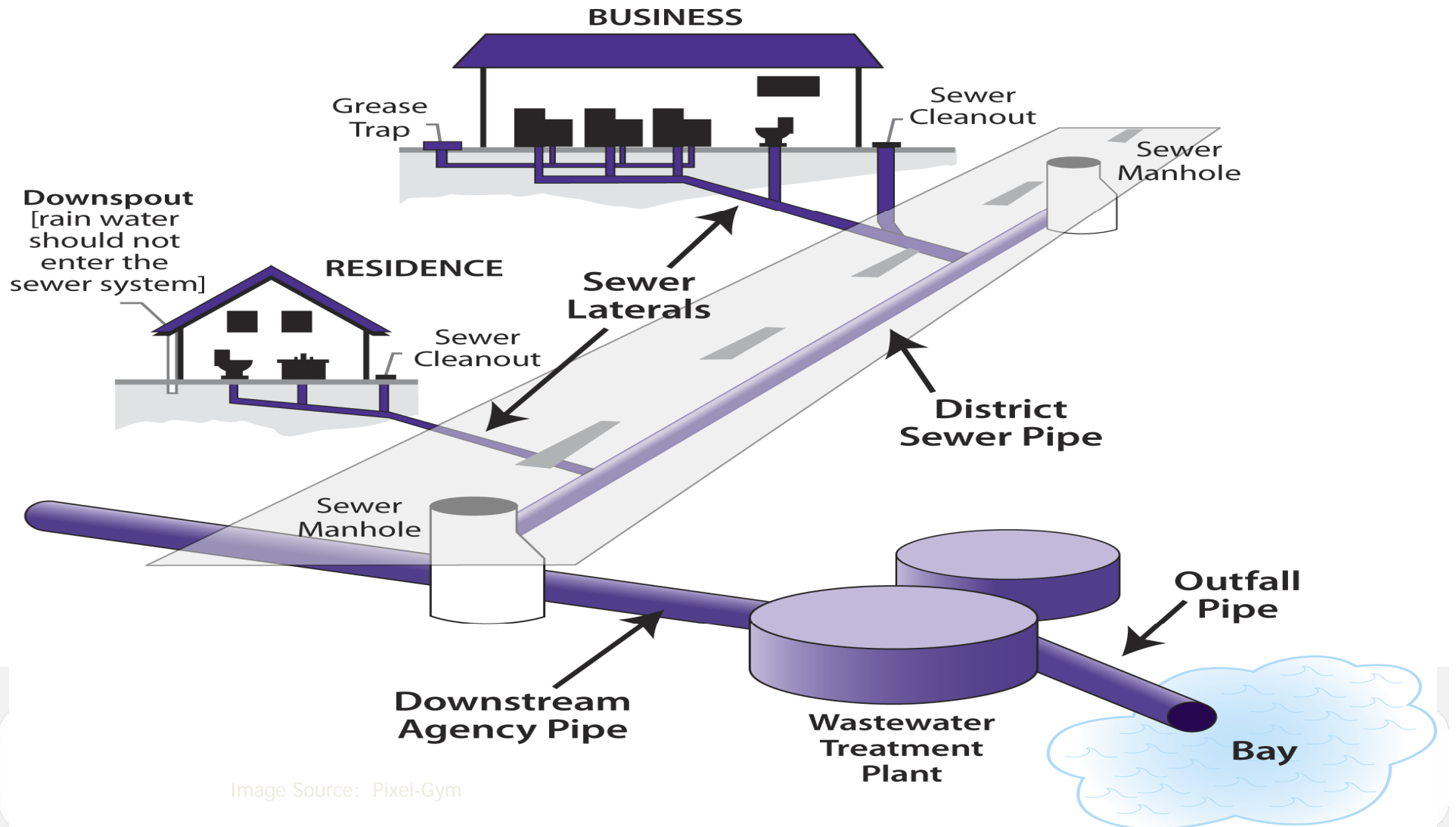
DISTRICT INFORMATION

SEWAGE FLOWS THROUGH CITY OF SAN CARLOS & REDWOOD CITY TO THE SILICON VALLEY CLEAN WATER (SVCW) TREATMENT PLANT IN REDWOOD SHORES



DISTRICT INFORMATION – HOW DOES A SEWER SYSTEM WORK?

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



DISTRICT SPECIFIC STATISTICS

District	Age (yrs) *	Number of Connections **	Equivalent Residential Units (ERU)	Downstream Transport Agency	Treatment Facility
ELHSMD Zone 1	70	191	205	City of San Carlos/City of Redwood City	Silicon Valley Clean Water (SVCW)
ELHSMD Zone 2	34	1,468	1,506	City of Redwood City	

**Age based on District formation date*

*** Based on 2016-17 Sewer Service Charge Report*

District	Miles of Pipe	Percentage in Easements	Percentage in Streets
ELHSMD Zone 1	2.3	64.5%	35.5%
ELHSMD Zone 2	27.6	37.4%	62.6%

SEWER/SANITATION DISTRICTS IN COUNTY GOVERNMENT

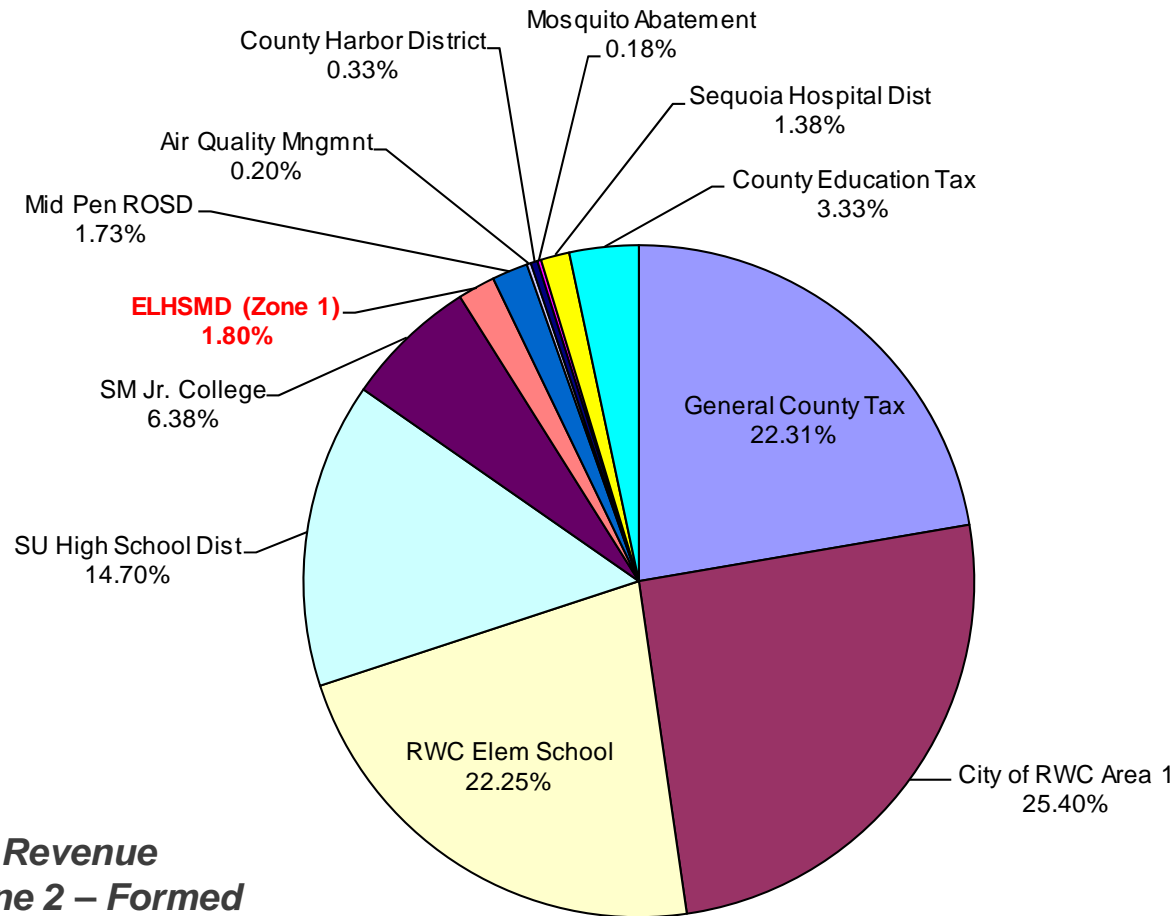
***EACH DISTRICT IS AN INDEPENDENT ENTITY
WITH ITS OWN SEPARATE BUDGET***

- Each District's Governing Board is the Board of Supervisors
- The District receives Sewer Service Charges and limited property taxes within the District boundaries to fund sewer service
- The Sewer Service Charges are a Fee For Service, Not a Tax
- The District collects Sewer Service Charges on the Tax Bill because it is least costly way to collect the fee



WHERE DOES MY PROPERTY TAX MONEY GO?

ELHSMD (Zone 1) Sample Property Tax Allocation (TRA 009-033)



**Note: No Property Tax Revenue
Allocation for Zone 2 – Formed
After Proposition 13**



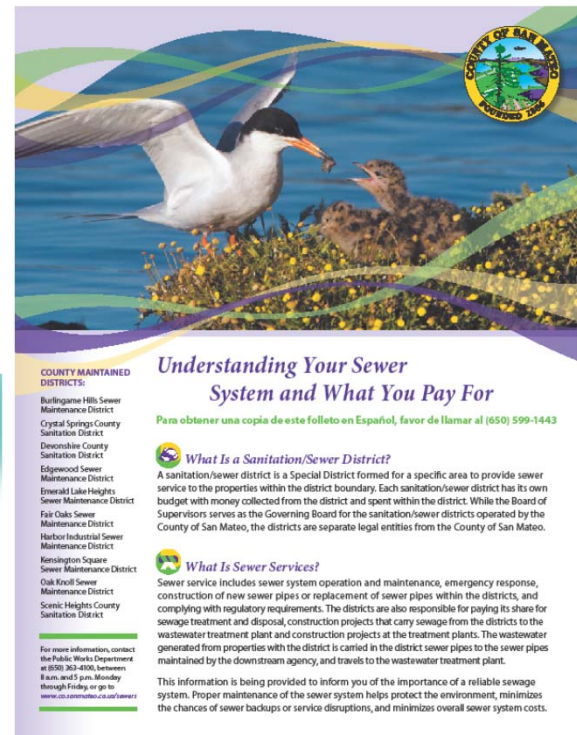
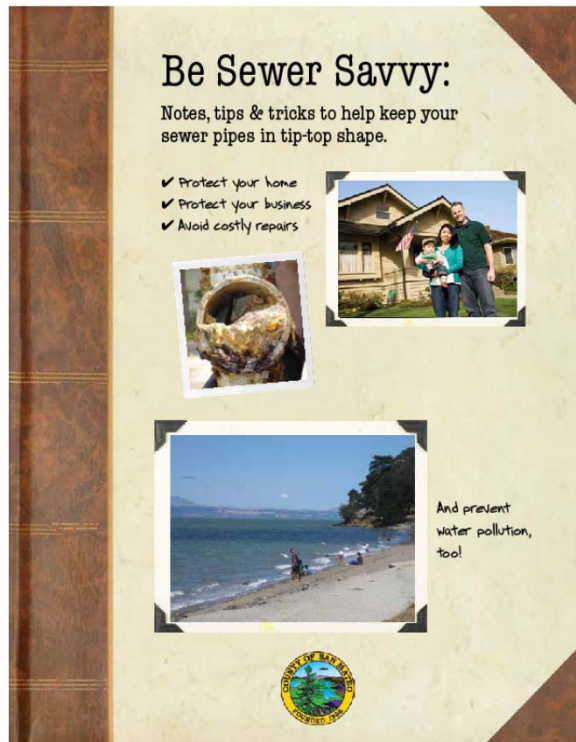
WHAT'S TAKEN PLACE SINCE LAST RATE SETTING IN 2012

- ***Equipment and Vehicles - Purchased CCTV camera, combination flushing/vacuum truck, pickup trucks, and dump truck***
- ***Main Line Sanitary Sewer Overflow (SSO) Response, Reporting, and Water Quality Monitoring***
- ***CCTV Inspections***
- ***Spot Repairs***
- ***Continue to provide 24/7 emergency response to clear blockages in private laterals***



WHAT'S TAKEN PLACE SINCE LAST RATE SETTING IN 2012

POLLUTION PREVENTION/PUBLIC AWARENESS PROGRAM



Beginning in 2012, brochures have been distributed to residents during service calls and mailed to residents upstream of a sanitary sewer overflow. Copies are also available on website at <http://www.smcgov.org/sewers>

WHAT'S TAKEN PLACE SINCE LAST RATE SETTING IN 2012

SANITARY SEWER OVERFLOWS (SSO)

District	2012	2013	2014	2015	2016	2017 (to date)
ELHSMD Zone 1	1	1	0	1	2	0
ELHSMD Zone 2	5	3	3	5	3	3

Primary Causes of SSOs: Roots, Paper Towels, Grease, Construction debris, and Pipe Collapse



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

WHAT'S TAKEN PLACE SINCE LAST RATE SETTING IN 2012

REGULATION COMPLIANCE:

➤ *State Water Resources Control Board*

- ***Reporting to State Office of Emergency Services certain types of SSO's within 2 hours***
- ***Water testing within 48 hours when SSO enters a creek or stream***
- ***Training maintenance staff on SSO response***



DISTRICT EXPENSES

IN DISTRICT COSTS:

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



OUT OF DISTRICT COSTS:

- ***Sewage Transport and Treatment***
- ***Downstream Agency Capital Improvement Projects***



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

HIGH PRIORITY CIPS IDENTIFIED IN EACH DISTRICT THROUGH MASTER PLANS AND CONDITION ASSESSMENTS

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

- *Portions of your Sewer Service Charges over the last 10 years have been saved to pay for the improvements. More is needed.*



ELEMENTS OF THE SEWER SERVICE RATES

– FUTURE PLANNING

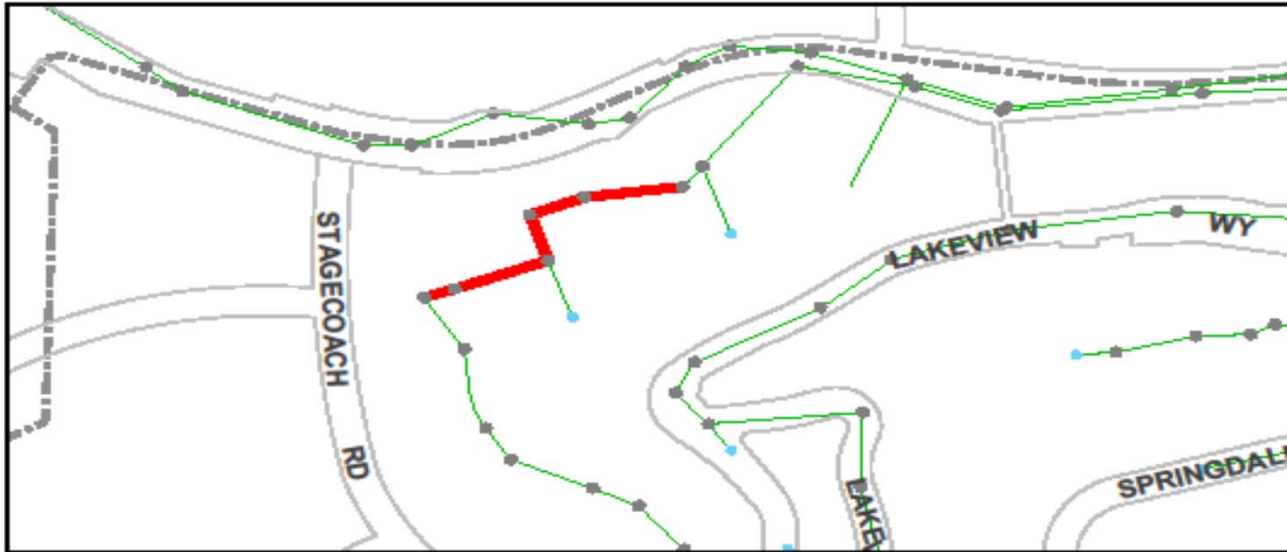
PROJECTS AND ESTIMATED COSTS

CIP Projects in Zone 2	
2017-18 Phase 1 (1,520 ft)	\$456,000
Phase 2 (Replace 650 ft of pipeline & 16 grinder pumps)	\$696,000
2017 Winter Storm Damage in Zone 2 (Unanticipated Project)	
3650 Oak Knoll Dr. Mudslide	\$1,000,000



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

EMERALD LAKE HEIGHTS SMD ZONE 2 RECOMMENDED CIP:



ELEMENTS OF THE SEWER SERVICE RATES – RESPOND TO DISASTERS

2017 WINTER STORM DAMAGE AT 3650 OAK KNOLL DR.



ELEMENTS OF THE SEWER SERVICE RATES – RESPOND TO DISASTERS

TEMPORARY REPAIR AT 3650 OAK KNOLL DR.



ELEMENTS OF THE SEWER SERVICE RATES **– OUT OF DISTRICT COSTS**

- ***Sewage Transport, Treatment, and Disposal***
- ***Downstream Agency Capital Improvement Projects***



ELEMENTS OF THE SEWER SERVICE RATES **– OUT OF DISTRICT COSTS**

SEWAGE TRANSPORT, TREATMENT, AND DISPOSAL

District has Agreements for sewage transport through City pipes with treatment and disposal at the SVCW

- *Agreement with the City of San Carlos*
 - *Requires payment of 85% of City rate*
 - *City increases of 26.7% in 2013-14, 20% in 2014-15, and 10% in 2015-16 – (total 56.7% over three years)*
 - *5% average annual rate increase anticipated for FYs 2016-19*
 - *Based on number of connections*



ELEMENTS OF THE SEWER SERVICE RATES **– OUT OF DISTRICT COSTS**

SEWAGE TRANSPORT, TREATMENT, AND DISPOSAL

- ***Agreement with the City of Redwood City***
 - ***Requires payment of 100% of City rate***
 - ***City increases of 9% for FYs 2012-16 – (total 45% over five years)***
 - ***3% average annual rate increase anticipated for FYs 2016-19***
 - ***Based on number of connections, with 4 non-residential properties which are based on water consumption***



ELEMENTS OF THE SEWER SERVICE RATES **– OUT OF DISTRICT COSTS**

WHAT AFFECTS THE AMOUNT THE DISTRICT PAYS?

- ***Sewer Service Rates established by Redwood City and San Carlos***
- ***Capital Improvement Projects at the SVCW:***
 - ***SVCW has spent \$225 million to date (over 8 years)***
 - ***In January 2017, SVCW estimates \$590 million in CIP expenditures thru 2024-25 (over 9 years)***
 - ***Capital improvements will replace equipment which have reached the end of their useful lives***
 - ***SVCW will be charging the member agencies (Redwood City, San Carlos, Belmont, and West Bay Sanitary District) for the improvements***



ELEMENTS OF THE SEWER SERVICE RATES – OUT OF DISTRICT COSTS

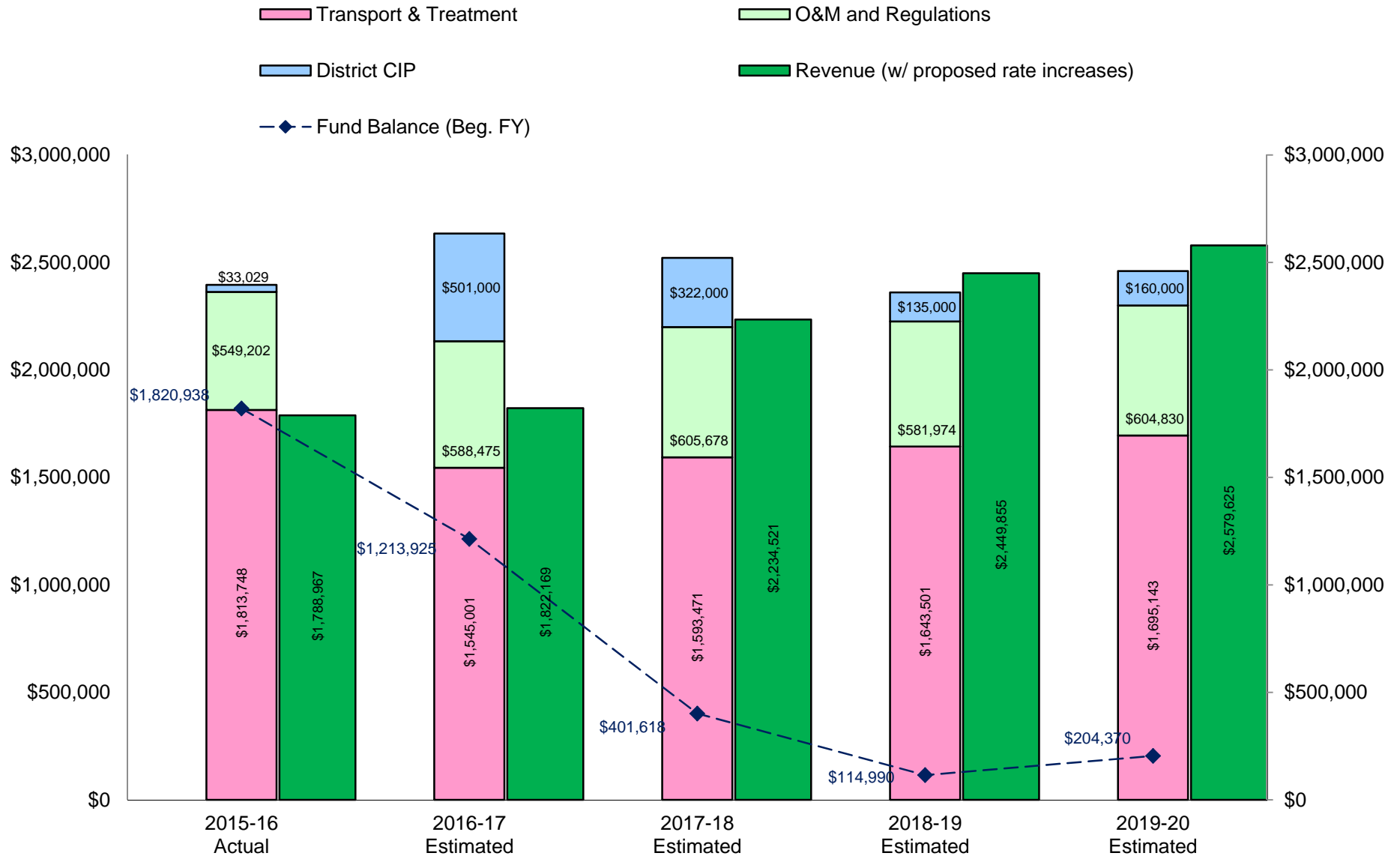
FORECASTED SVCW TREATMENT PLANT CAPITAL IMPROVEMENT EXPENDITURES

Projected CIP Expenditures (\$590 Million)											
Project	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Treatment Facilities											
Gravity Pipeline											
Front-of-Plant Facilities											
Pump Stations / Pipelines											
Nutrient Removal											



ELEMENTS OF THE SEWER SERVICE RATES

Emerald Lake Heights SMD Expenditure & Revenue Comparison



PROPOSED RATES

	Sewer Service Rate (\$/Year Per Residential Unit)			
	2016-17	Proposed Rates		
		2017-18	2018-19	2019-20
Emerald Lake Heights SMD Zone 1	\$1,280	\$1,345 (+ \$65)	\$1,415 (+ 70)	\$1,490 (+ 75)
Emerald Lake Heights SMD Zone 2	\$1,010	\$1,280 (+ 270)	\$1,415 (+ 135)	\$1,490 (+ 75)

RATE SETTING TIMELINE

Key Dates	Actions
April 10 – May 3	Sent all property owners information about proposed rates and timing of meetings with property owners.
May 2 – May 24	Meetings with property owners of each district to discuss the proposed rates, factors involved in establishing rates, and seek property owner input.
June 6	Introduce Ordinance with proposed sewer service rates and set Public Hearing for July 25.
June 9	Send Prop 218 notice (45 days prior to public hearing) to property owners with proposed rates.
July 25	Hold public hearing, adopt Ordinance setting rates, and adopt FY 2017-18 Sewer Service Charges Report based on the adopted rate.



Emergency Response

24 Hours a Day, 7 Days a Week

Mainline (Blockage)

Customer Sewer Laterals

**Call (650) 363-4100 to Report
Sewer Overflows**



CONTACT INFORMATION

Please e-mail your comments and questions to:

sewers@smcgov.org

Information is available on our website at:

<http://www.smcgov.org/sewers>

THANK YOU!

QUESTIONS?



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

COUNTY OF SAN MATEO

