



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Public Works and Parks



Date: March 22, 2013

Board Meeting Date: April 23, 2013

Special Notice / Hearing: None

Vote Required: 4/5ths

To: Honorable Board of Supervisors

From: James C. Porter, Director of Public Works and Parks

Subject: **Executive Summary** - Crystal Springs / El Cerrito Trunk Sewer
Transmission Line Improvement Project

RECOMMENDATION:

- A) Acting as County of San Mateo and the Governing Board of the Crystal Springs County Sanitation District, adopt a Resolution:
- 1) Authorizing a Second Amendment to the Sanitary Sewage Agreement between the Town of Hillsborough, City of San Mateo, Crystal Springs County Sanitation District, and County of San Mateo for the environmental study and design costs associated with improvements to the Crystal Springs/El Cerrito trunk sewer transmission lines; and
- B) Resolution authorizing an Appropriation Transfer Request in the amount of \$897,889 from various accounts to the Facilities and Crystal Springs County Sanitation District budgets. (4/5ths vote required)

BACKGROUND:

On July 18, 1989, acting as the County of San Mateo (County) and the Governing Board of the Crystal Springs County Sanitation District (District), your Board entered into a Sanitary Sewage Agreement (1989 Agreement) with the Town of Hillsborough (Hillsborough), and the City of San Mateo (San Mateo). The 1989 Agreement set forth the parties' respective rights and obligations for the use and ownership of sewage conveyance and treatment facilities jointly used by the four agencies.

On September 28, 2010 your Board adopted Resolution No. 071055 that approved execution of an amendment to the 1989 Agreement (Amendment No. 1). Amendment No. 1 committed the County and District to paying their respective shares of the anticipated cost for the environmental study and design for the Crystal Springs/El Cerrito Trunk Sewer (Trunk Sewer) Improvements within Hillsborough and San Mateo.

DISCUSSION:

The Trunk Sewer is a jointly used facility, which carries sewage collected from the County's Tower Road facilities, the De Anza Boulevard area in San Mateo, the District, and portions of Hillsborough to San Mateo facilities and eventually to San Mateo's Wastewater Treatment Plant. A Sewer System Flow Monitoring and Hydraulic Modeling Study (Study) was conducted in 2010 to determine the proportional share of sewage flows generated from each agency's sewage area during dry and wet weather. The wet weather flow percentages from the Study are being used to allocate costs for the Trunk Sewer Improvements. The estimated total cost, including environmental and design work, to construct the Trunk Sewer Improvements is currently \$27,000,000. Based on this estimate the County's and District's total project costs would be \$1,620,000 and \$9,990,000, respectively.

Hillsborough and San Mateo have managed the environmental study and design work for the Trunk Sewer Improvements within their respective jurisdictions. Both agencies have determined that the estimates in Amendment No. 1 to complete the environmental study and design work are insufficient. Hillsborough had estimated the cost to complete the environmental and design work in Amendment No. 1 to be \$400,000. However, Hillsborough has spent \$1,492,116 in addition to the originally estimated cost and anticipates an additional \$93,000 will be required to complete this work. San Mateo estimated a cost of \$1,000,000 for the environmental study and design work for their project in Amendment No. 1. San Mateo has estimated that an additional \$447,183 is necessary to complete the remaining environmental and design work.

The District has been recommending rates based on the premise and understanding that both downstream projects would be financed by the agency whose jurisdiction the project is located in. However, the financing picture has changed and the District is expected to identify acceptable financing on their own. The District must increase sewer rates substantially if they are to qualify for financing on their own. The District is considering what options are available to pay their portion of the downstream projects.

County Counsel has reviewed and approved the Resolution and Amendment as to form.

Approval of this Amendment contributes to the Shared Vision 2025 outcome of a Collaborative Community by continuing the partnership with other agencies to provide for effective sewage transmission lines for our communities.

FISCAL IMPACT:

The anticipated cost of the environmental study and design work for the Trunk Sewer Improvements included in both Amendments is \$3,432,299. The County's and District's proportionate costs are \$205,937.94 and \$1,269,950.63, respectively. An ATR is necessary to appropriate the required funds for Amendment No. 2 and the costs for Amendment No. 1 that have not been billed to date. The District's share of the cost will be funded through the sewer service charges collected from the property owners within the District. The County's share of the cost will be financed from the County's General Fund.