## Second FRONT PAGE Sewer district slammed

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East Palo Alto's sewer district came under fire again yesterday from the San Mateo County Grand Jury, which recommended that it raise rates and merge with another entity.

"Nontreatment costs of operation of the district are over three times the costs of other nearby sanitary districts," said jury foreman Arthur Bredenback. "In addition, the district's current rates are not sufficient to cover current operation costs."

The grand jury also recommends that the district restore its Web site so the public can learn of its activities.

The East Palo Alto Sanitary District is run by a five-member board and serves about 6,700 residences and hundreds of small businesses in a 2-square-mile area, mostly east of Highway 101. The district does not operate its own sewage treatment plant. Instead, it pays Palo Alto, which owns the Palo Alto Sewer Treatment Plant, a share of the operating costs based on the amount of sewage.

The district board last year fired manager Dennis Scherzer, who sued the district after his termination. The grand jury found the district "involved in protracted and expensive litigation regarding contractual and personnel matters with litigation continuing at this time."

In the past, being elected to the sewer board has often led to future seats on the school board or city council, said newly elected East Palo Alto council member William "Chris" Woodard.

## **Merging with city**

Woodard said there's long been talk of turning the sewer board operations over to the city.

The grand jury recommends that the board direct the district to merge with another entity as soon as possible.

Former board member and current Ravenswood City School District board member Todd Giviglio said the district should be given an opportunity to resolve its financial crisis.

"They've put a freeze on some expenses," Giviglio said. "They're cutting back the work week to four days."

And merging the district with scandal-ridden East Palo Alto where the city manager was fired and council members were accused of taking international trips on the city's dime last year — wouldn't be a quick fix, Giviglio said.

East Palo Alto is not a city that hasn't incurred "unnecessary expenses," Giviglio said.

Still, economies of scale make sense and merging the district with the West Bay Sanitary District could save money.

Last year, council member Duane Bay, who is a member of the Local Area Formation Commission began a campaign to have the sewer board merged with East Palo Alto. The commission is an independent agency with countywide jurisdiction over changes in organization and boundaries of cities and special districts including annexations, detachments, incorporations and formations.

The commission has previously recommended the district merge with the West Bay Sanitary District. This year, the commission will again conduct a service review of the district. The grand jury recommends that the commission use its newfound power, as granted by the Cortese-Knox-Hertzberg Act in 2000, to conduct hearings and an election to make its recommenda<sup>11</sup> tions a reality.