

1902 - Serving Our Community for over 115 Years - 2018

WEST BAY SANITARY DISTRICT
AGENDA OF BUSINESS
REGULAR MEETING OF THE DISTRICT BOARD
WEDNESDAY, DECEMBER 12, 2018 AT 7:00 P.M.
RONALD W. SHEPHERD ADMINISTRATION BUILDING,
500 LAUREL STREET, MENLO PARK, CALIFORNIA 94025

Board Members

Edward P. Moritz, President
Fran Dehn, Secretary
Roy Thiele-Sardiña, Treasurer
David Walker, Member
George Otte, Member

District Manager

Phil Scott

District Legal Counsel

Anthony Condotti, Esq.

AGENDA OF BUSINESS

NOTE: The Board may take action on any agendized item unless specifically designated a "discussion" item or a "report."

1. Call to Order and Roll Call
2. Communications from the Public
3. Public Hearing: Consideration of Proposed Solid Waste/Recycling Collection Rates for the Year 2019 Pg. 3-1
4. Consideration of Resolution to Approve Solid Waste/Recycling Collection Rates Effective January 1, 2019, and adoption of the rates for "Rates for Other Services", and accept the Solid Waste/Recycling Rate Study 2019 Pg. 4-1
5. Discussion and Update on FERRF (Flow Equalization and Resource Recovery Facility) Levee Project Pg. 5-1
6. Consider Authorizing the District Manager to Execute an Amendment for Additional Services to the FERRF Levee Improvement Project Consultant Agreement with Freyer & Laureta, Inc. Pg. 6-1
7. District Manager's Report Pg. 7-1
8. Consent Calendar
Matters listed under this item are considered routine and will be enacted by one motion. The motion, seconds, and vote are applicable to any included resolutions and recorded accordingly. There will be no separate discussion of these items unless specifically requested by a member of the Board.
 - A. Approval of Minutes for Regular meeting November 14, 2018 Pg. 8A-1
 - B. Approval of the Withdrawal Order Authorizing Payment of Certain Bills and Salaries and Consideration of Other Financial Matters for December 12, 2018 Pg. 8B-1
 - C. WBSD Operations and Maintenance Report – November 2018 Pg. 8C-1

- D. Town of Los Altos Hills Operations and Maintenance Report for Work Performed by WBSD – November 2018 Pg. 8D-1
 - E. Consider to Ratify and Approve Report on District’s Investment Portfolio Including the Transactions of Assets Described Therein as of 11/30/18 Pg. 8E-1
9. Consideration of Adopting the District’s Audited Financial Statements for the Year Ended June 30, 2018 Pg. 9-1
 10. Consideration to Approve the Post Audit FY2018-19 Internal Financial Statements & Analysis of Financial Position for the Fiscal Year ending June 30, 2018 Pg. 10-1
 11. Report and Discussion: Finance Advisory Group Pg. 11-1
 12. Consider Resolution to Elect to the District Board, President, and Secretary, and Appoint a Treasurer and Consider Appointment of Committee Appointees and Alternates Pg. 12-1
 13. Discussion and Direction on Recycled Water Projects - Sharon Heights & Bayfront, Including Project Status Pg. 13-1
 14. Report & Discussion on South Bayside Waste Management Authority (SBWMA) Pg. 14-1
 15. Report & Discussion on Silicon Valley Clean Water (SVCW) and Discussion on SVCW CIP Program and Financing Pg. 15-1
 16. Closed Session:
 - A. CONFERENCE WITH LABOR NEGOTIATORS
(Pursuant to Cal. Govt. Code §54957.6) Agency designated representatives: District Manager & Legal Counsel
Unrepresented Employees: Accountant, Regulatory Compliance Coordinator
 - B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Cal. Govt. Code §54956.9(d))
Name of Case: *1740 Oak Avenue, LP v. West Bay Sanitary District, et al.* – SM CSC
Case No. 18CIV02183
 - C. PUBLIC EMPLOYEE PERFORMANCE EVALUATION/CONF. WITH LABOR NEGOTIATORS
Agency designated representatives: Board President/Legal Counsel
Unrepresented employee: District Manager
 17. Comments or Reports from Members of the District Board and Consider Items to be Placed on Future Agenda
 18. Adjournment

The West Bay Sanitary District does not discriminate against persons with disabilities. Upon request, the agenda and agenda packet can be provided in a format to accommodate special needs. If you require a copy of the agenda or related materials in an alternative format to accommodate a disability, or if you wish to attend this public meeting and will require special assistance or other special equipment, please call the District at (650) 321-0384 at least five days in advance and we will make every reasonable attempt to provide such an accommodation.



WEST BAY SANITARY DISTRICT AGENDA ITEM 3

To: *Board of Directors*

From: *Sergio Ramirez, Operations Manager*

Subject: *Public Hearing: Consideration of Proposed Solid Waste/Recycling Collection Rates for the Year 2019*

Background

As a member of the South Bayside Waste Management Authority (SBWMA), West Bay Sanitary District, as well as the other Member Agencies is closing the eighth year of the new Collection Services provided by Recology San Mateo County. The transition to these services commencing on January 1, 2011 has been significant in not just the expanded scope of services but also on diversion of materials from landfill. We've seen significant increases in residential recycling and organic materials collection. Solid waste generation has significantly decreased. The collection services now include more convenient weekly collection of single stream recycling, organic materials (yard trimmings and food scraps) and solid waste. The Shoreway Environmental Center which is operated by South Bay Recycling has undergone substantial capital improvements to facilitate single stream recycling service provided by Recology, enhance onsite public recycling activities and greatly improve traffic circulation.

The Board has expressed the need to actively move rates toward a "cost for service" level. This requires rates to be adjusted so customers are paying their fair share for the service they receive. In order to accomplish this, rate adjustments will be necessary in both increases and reductions to the rates. Considerations taken for such adjustments are as follow:

- The 20 gallon container rate nor the 32 gallon container rate approaches paying for the true cost for collection and processing;
- Based on revenue requirements Commercial customers are not required to contribute more towards the refuse collection program at this time; and
- Implementation of the proposed rate adjustments will assist in balancing the cost of service in the program.

In the past, residential rates were set to incentivize the use of smaller containers and promote more recycling. This was done by making small residential container rates much lower than the larger residential containers. With the outreach efforts over the past 8 years and educating residents on the importance of recycling, Staff feels the incentive aspect of the rate is no longer warranted. In some cases, it's been reported that the 20 gallon container users may be contributing to cross contamination of recyclables because the can is too small for their need and excess waste ends up in the recycling container. Therefore, if a customer really needs a 32 gallon container versus a 20 gallon container the price difference should not be set artificially low so as to dissuade someone from acquiring the size can that best fits their needs. This should help avoid the unintended consequence of cross contamination, by having the 20 gallon can rate artificially low. The Board's goal is to have customers pay rates that are more in line with cost for service.

The District has participated in talks with the County of San Mateo (County) to potentially have the County manage the District's solid waste collection program. The District's solid waste program is in the unincorporated areas of the County. It appears it would be beneficial to the public to have the County manage the solid waste program in these areas, as they do other parts of the County. The process will need to include San Mateo Local Agency Formation Commission (LAFCo) approval and a vote by the SBWMA Joint Powers Authority. Talks with the County are on-going at this time.

Analysis

HF&H Consultants, LLC were contracted this year to perform a rate analysis for the 2019 rates (Attachment 1). The rate study analyzed rates that are more in line with "Cost for Service" and reviewed rates for residential and commercial services. On October 10, 2018 the Board was asked to establish a date for a public hearing on the new Solid Waste rates for December 12, 2018.

As we have seen in other jurisdictions over the past few years the District's rate structure has encouraged customers to "downsize" their solid waste container by placing more materials in their recyclable material and organics carts, rather than in their solid waste containers; ultimately, reducing the amount of trash sent to the landfill. As customers reduce their container size, less revenue is generated; however, there is not an equal reduction of the cost to drive by, collect, and process the materials. Only 21.0% of residents (those customers receiving 64- or 96-gallon service) cover the fixed costs to provide such service (see Table 4 of the HF&H Rate Study). The District has been able to keep the residential rates lower than necessary because, as was the industry practice, commercial revenues have contributed more than the cost of their services. Because of these factors the District will consider increasing the 20-gallon and 32-gallon rates a greater percentage than the 64 and 96 gallon rates in order to have the smaller containers pay a larger percentage of their fixed costs but still remain lower than the 64 gallon rate to incentivize customers to reduce the amount of materials disposed of in the landfill. The aligning of residential rates to the cost of service at each container size and the overall reduction of the commercial customer class rates by a flat percentage over time, achieves the District's objective of a cost of service rate structure.

At its October 10, 2018 meeting, the District's Board was presented with a rates study suggesting adjustments to the rates to achieve cost of service levels for solid waste and recycling collection. Over the past 2 years the District has chosen to implement, as part of a 3 to 5 year plan, rate adjustments for residential and commercial which will close the gap between the rates and the cost for the 20 gallon and 32 gallon services while generating sufficient revenue to cover the projected collection and processing costs.

**District Board Proposed Rate Adjustments
Solid Waste/Recycling Collection Rates for 2019**

Customer Service Level	MONTHLY RATES		
	Current Monthly Rate	Proposed Monthly Rate	Monthly Increase (Decrease)
<i>Residential:</i>			
20 gallon can	\$35.00	\$39.00	\$4.00
32 gallon can	\$44.00	\$49.00	\$5.00
64 gallon can	\$72.00	\$72.00	\$0.00
96 gallon can	\$105.00	\$105.00	\$0.00
<i>*Commercial:(Per Pick Up)</i>			
	Current	Proposed	Increase(Decrease) per pickup
1 yard bin	\$205.60	\$195.32	(\$10.28)
2 yard bin	\$390.19	\$370.68	(\$19.51)
3 yard bin	\$434.51	\$412.78	(\$21.73)
4 yard bin	\$579.33	\$550.36	(\$28.97)
6 yard bin	\$718.19	\$682.28	(\$35.91)
32-Gallon Cart	\$44.00	\$49.00	\$5.00
64-Gallon Cart	\$72.00	\$72.00	\$0.00
96-Gallon Cart	\$105.00	\$105.00	\$0.00

Proposition 218

For a rate increase to be considered for adoption, public noticing and majority protest procedures as outlined by Proposition 218 need to be followed (Attachment 2). Notifications were distributed by the end of October 2018.

Fiscal Impact

2019 Rate Options

Staff reviewed several rate options to fund the solid waste service program for 2019. Staff received confirmation from the Board as to the desired rate structure below, which meets the needs expressed by the Board members.

Recommendation

The District Manager recommends the adoption of a \$4.00 rate increase applied to the residential 20 gallon container, a \$5.00 rate increase applied to the 32 gallon container, zero increases to the 64 and 96 gallon container, as well as a 5% (-) reduction to the Commercial Bin rates for 2019. In addition the District Manager recommends the adoption of the rates for “Rate for Other Services” as described in attachment 3 of this report. With the adoption of these adjustments, West Bay’s rates for residential and commercial customers would become closer to a “cost of service” level.

Therefore; after allowing public comment and closing the Public Hearing, and provided that less than fifty percent of the District’s ratepayers appeared at the Public Hearing to protest the proposed rate increase, the District Manager recommends:

1. The Board adopt the rate adjustments presented at the Public Hearing dated for December 12, 2018, for the proposed refuse collection rates for year 2019 effective January 1, 2019, including the “Rates for Other Services” (Attachment 3); and
2. Accept the Solid Waste Rate Study by HF&H dated October 10, 2018.

Attachments: Attachment 1—Solid Waste/Recycling Rate Study for 2019

Attachment 2—218 notice

Attachment 3 – “Rates for Other Services” Attachment Q

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November 6, 2018

Mr. Phil Scott
 District Manager
 West Bay Sanitary District
 500 Laurel Street
 Menlo Park, CA 94025

Sent via e-mail

Subject: Update the District's Solid Waste/Recycling Rate Model

Dear Mr. Scott:

HF&H Consultants, LLC (HF&H), at your request, has reviewed the West Bay Sanitary District's (District) projected 2019 residential and commercial costs and revenues as presented in the final report submitted by the South Bayside Waste Management Authority (SBWMA) to determine the estimated surplus/shortfall for each customer class (residential and commercial). Additionally, we have updated the District's solid waste/recycling "cost of service" rate model to reflect 2019 projected results.

Based upon the findings described in this report, and presented to the District's Board at its October 10, 2018 meeting, the District's Board proposed the following rate adjustments for 2019:

Container Size			Proposed
Serviced 1 X/Week	Residential	Commercial	2019 Rate
20 Gallon	11.4% Increase	N/A	\$39.00
32 Gallon	11.4% Increase	11.4% Increase	\$49.00
64 Gallon	0.0% Increase	0.0% Increase	\$72.00
96 Gallon	0.0% Increase	0.0% Increase	\$105.00
All Bins	N/A	5% Decrease	Varies

The adjustments for both residential and commercial rates will better reflect the cost of service, while generating sufficient revenue to cover the projected collection and processing costs for 2019. As part of a multi-year plan, similar adjustments for commercial and for residential are projected for 2020.

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BACKGROUND

As a member of the SBWMA, the District transitioned collection services and operation of the Shoreway Recycling and Disposal Center in San Carlos from Allied Waste/Republic to Recology San Mateo County (RSMC) and South Bay Recycling (SBR). RSMC and SBR took over collection services and operation of the Shoreway Environmental Center (Shoreway), respectively, beginning January 1, 2011.

Annually, the SBWMA provides the District with its allocation of the projected costs to provide collection service and operation of Shoreway. This information is utilized in the rate-setting process. The current rate model was developed by HF&H and adopted by the District's Board of Directors (Board) on December 14, 2011.

Based on results provided by the SBWMA for setting rates in 2018, there was no rate adjustment increase required, as combined revenue in general was sufficient to cover total costs. However, the District requested HF&H to prepare an analysis of the then-current solid waste rates and propose a revised rate structure for residential and overall adjustment to commercial carts, commercial bins, and commercial compactor rates. The purpose of the analysis was to better reflect the cost of service, while generating sufficient revenue to cover the projected collection and processing costs for 2018 through 2025.

SCOPE OF WORK

Based on the results provided by the SBWMA for the 2019 rate-setting process, we will update the "cost of service" model previously developed and enhance the cost allocation methodology between residential container sizes.

We performed the following procedures as part of our review:

- Obtained cost, rate and current customer account data from the District and the final SBWMA report (FINAL_9-27-18);
- Prepared a summary schedule projecting the District's revenues for 2019 and revenue for the next six years (through 2025). We assumed an annual 3.5% inflation to costs over the 6-year period with the exception of an assumed 12.0% increase to Disposal and Processing costs in 2020 and a 12.0% increase to Recology's operating costs in 2021 per the extended contract terms;
- Prepared a schedule projecting residential and commercial revenue requirement through 2025 with the objective of the residential revenue to equal the costs to provide the service; and,
- Prepared a schedule proposing adjustments to the rates for the various residential carts with the objective of specific cart size revenue to equal its respective cost to provide the service.

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LIMITATIONS

Our conclusions are based, in part, on Recology's projections of its financial results of operations and included in the September 27, 2018 SBWMA Final Report Reviewing the 2019 Recology Compensation application. Actual results of operations will usually differ from projections because events and circumstances frequently do not occur as expected and the difference may be significant.

FINDINGS

General

HF&H has updated the prior year's rate structure analysis following its two-step process. The first step divides the solid waste collection system into two customer classes: residential and commercial. For purposes of this study, we are including multi-family customers with the commercial customer class and, we have not factored any surplus or deficit from the prior year revenue reconciliations. We then reviewed the revenues and the revenue requirements for each customer class independently. During this initial step it was noted that the year over year increases in revenue requirement exceeded the previously assumed 3.5% increase as shown below:

Revenue Requirement (RSMC & SBR)	2018	2019	Variance Year over Year
Collection Cost	\$974,460	\$1,019,218	\$44,758
Disposal/Processing	425,024	537,474	112,450
Agency Fees (on net revenue)	83,969	93,402	9,433
Total Costs	\$1,483,453	\$1,650,094	\$166,641

The second step is to further review the residential customer class by examining the rate and cost to provide service for each size of container (20 gallon, 32 gallon, 64 gallon and 96 gallon).

Step 1 – Residential and Commercial Customer Classes

The following table shows the Rate Year 2019 revenue requirement by customer class. At current rates (2018 rates), the solid waste collection system as a whole is projected to generate slightly less than the requirement, \$29,167 deficiency of revenue compared to costs. However, as shown below, the residential customer class' revenue is approximately 8% below its costs.

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Table 1:
2019 Projected Revenue and Costs by Customer Class

<i>Analysis of Residential and Commercial Revenues and Costs</i>			
	<i>Residential</i>	<i>Commercial</i>	<i>Total</i>
Projected Revenue at <u>Current Rates</u> ¹	\$1,324,580	\$296,347	\$1,620,927 A
Projected 2019 Costs			
Collection	\$888,768	\$130,450	\$1,019,218
Disposal/Processing	464,981	72,493	537,474
Agency Fees	81,225	12,177	93,402
Total Costs	<u>\$1,434,975</u>	<u>\$215,119</u>	<u>\$1,650,094</u> B
Excess (Deficiency) of Revenues vs Costs	<u>(\$110,395)</u>	<u>\$81,228</u>	<u>(\$29,167)</u> A-B=C
Projected Rate Adjustment	8.33%	-27.41%	1.80%

NOTE: The amounts shown above are for 2019 activity only. Prior year surplus/shortfalls are NOT included.

¹ Projected Revenue is based upon the first 5 months of 2018 actual revenue annualized.

If the District elects to have the residential customer class rates generate sufficient revenue to cover its costs, rates could be adjusted all at once or over a period of time. The table below shows possible rate adjustments to both customer classes over a four-year period, assuming costs will usually increase annually by 3.5% with the exception of an assumed 12.0% increase to Disposal and Processing costs in 2020 and a 12.0% increase to Recology's operating costs in 2021 per the extended contract terms.

Table 2:
Proposed Average Rate Adjustments

		<i>Residential</i>	<i>Commercial</i>
1	2019	5.34%	-4.11%
2	2020	6.60%	-3.39%
3	2021	10.60%	-1.62%
4	2022	4.74%	-1.95%

The following table shows the projected revenues after the above rate adjustments. By 2022, the revenues are just slightly below the cost for Residential and slightly above the cost for Commercial.

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Table 3:
4-year Projected Revenue and Costs

Projections - Balance Revenue & Costs over 4 Years												
	1			2			3			4		
	2019		Total	2020		Total	2021		Total	2022		Total
	Residential	Commercial		Residential	Commercial		Residential	Commercial		Residential	Commercial	
Proposed Average Rate Adjustment	5.34%	-4.11%		6.60%	-3.39%		10.60%	-1.62%		4.74%	-1.95%	
Total Revenue	\$1,395,313	\$284,167	\$1,679,480	\$1,487,363	\$274,528	\$1,761,891	\$1,645,083	\$270,070	\$1,915,153	\$1,723,063	\$264,791	\$1,987,854
Assumptions:												
1) Cost Increase	"Projected"	"Projected"		3.50%	3.50%		12.00%	12.00%		3.50%	3.50%	
2) Disposal/Processing Increase	"Projected"	"Projected"		12.00%	12.00%		3.50%	3.50%		3.50%	3.50%	
Collection	\$888,768	\$130,450	\$1,019,218	\$919,875	\$135,015	\$1,054,891	\$1,030,260	\$151,217	\$1,181,478	\$1,066,319	\$156,510	\$1,222,829
Disposal/Processing	464,981	72,493	537,474	520,779	81,192	601,971	539,006	84,034	623,040	557,872	86,975	644,847
Agency Fees	81,225	12,177	93,402	86,439	12,972	99,412	94,156	14,115	108,271	97,451	14,609	112,061
Total Costs	1,434,975	215,119	1,650,094	1,527,094	229,180	1,756,274	1,663,423	249,366	1,912,789	1,721,643	258,094	1,979,737
Excess (Deficiency) Amount	(\$39,662)	\$69,048	\$29,386	(\$39,731)	\$45,348	\$5,617	(\$18,340)	\$20,703	\$2,364	\$1,420	\$6,697	\$8,117
Excess (Deficiency) Percentage	-2.84%	24.30%	1.75%	-2.67%	16.52%	0.32%	-1.11%	7.67%	0.12%	0.08%	2.53%	0.41%

Step 2 – Residential Container Rates

We reviewed the residential rates by container size and compared the rates to the cost of service by container size projected by the SBWMA, which assumed the variable cost between container sizes is primarily the disposal cost. Additionally HF&H updated the cost of service by container size using the same approach used in the rate model from the previous year, which assumed the following:

- **Organics collection cost** is fixed per household as every customer receives the same size container and is serviced at the same frequency (64 gallon cart, serviced 1 time per week). For 2019, the fixed cost is \$23.75 per home per month (a 15.2% increase from 2018's cost of \$20.62);
- **Recycling collection costs** are also fixed per household for the same reason as above, (64 gallon cart - serviced 1 time per week). For 2019, the fixed cost is \$10.60 per home per month (a 4.3% increase from 2018's cost of \$10.16);
- **Disposal cost** is variable based upon the capacity/gallon size of the solid waste cart serviced. For 2019 the projected variable cost is \$0.14 per gallon (a 16.6% increase from 2018's cost of \$0.12);
- **Fixed solid waste (SW) route/collection cost** are costs that do not vary based on the level of service received (e.g., customer service costs). For 2019, the fixed cost is \$3.02 per home per month; and,
- **All other SW route/collection costs** are attributed to each can size using equivalent cart units (ECU) calculated by applying routing metrics. (The ECU basic principle establishes the numeric relationship between cart size and route capacities.) For 2019, the projected monthly cost per ECU is \$5.8803 multiplied by a factor of:

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- 1.000 for a 20 gallon cart service;
- 1.600 for a 32 gallon cart;
- 3.627 for a 64 gallon cart; and,
- 6.080 for a 96 gallon cart.

The following tables shows the current rates (2018), the SBWMA and the HF&H projected 2019 costs by cart size.

Table 4a:
HF&H Projected 2019 Costs by Residential Container Size

<i>Analysis of Costs by Size of Container</i>				
	20	32	64	96
Organics Collection Cost	\$23.75	\$23.75	\$23.75	\$23.75
Recycling Collection Cost	10.60	10.60	10.60	10.60
Disposal Cost (\$0.14 per gallon)	2.86	4.57	9.14	13.71
Fixed Solid Waste Cost	3.02	3.02	3.02	3.02
All Other Solid Waste Cost				
	\$5.8803 X a factor of	1.000	1.600	3.627
		6.080		
	<u>\$5.88</u>	<u>\$9.41</u>	<u>\$21.33</u>	<u>\$35.75</u>
* Monthly Cost per Cart per HF&H	<u>\$46.11</u>	<u>\$51.35</u>	<u>\$67.84</u>	<u>\$86.83</u>

* rounded to the nearest cent

Table 4b:
Comparison of 2018 Residential Rates and Projected 2019 Costs by Container Size

<i>Analysis of Costs by Size of Container</i>							
Subscription	Container Size	Current Mo. Rate	* Mo. Cost per Cart per HF&H	Excess or (Deficiency) of Revenues vs Costs	Projected Rate Adjustment	* Mo. Cost per Cart per SBWMA	
23%	495	20	\$35.00	\$46.11	(\$11.11)	31.7%	\$51.76
55%	1213	32	\$44.00	\$51.35	(\$7.35)	16.7%	\$53.48
19%	412	64	\$72.00	\$67.84	\$4.16	-5.8%	\$58.05
3%	75	96	\$105.00	\$86.83	\$18.17	-17.3%	\$62.63
100%	2195						

* rounded to the nearest cent

The following table shows possible adjustments to achieve the desired residential customer class results from Step 1 and align the rates to the cost of service at each residential container size from Step 2. These are projections based upon annual assumed increases in costs and would need to be revised as the actual costs are known and projections revised.

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**Table 5:
 Possible Residential Rate Adjustments to Achieve Cost of Service by Cart Size**

<i>Container Size</i>								
	20 gallon		32 gallon		64 gallon		96 gallon	
Current Rate →		\$35.00		\$44.00		\$72.00		\$105.00
Proposed 2019	11.4%	\$39.00	11.4%	\$49.00	0.0%	\$72.00	0.0%	\$105.00
Projected 2020	12.0%	\$43.68	9.0%	\$53.41	0.0%	\$72.00	0.0%	\$105.00
2021	15.0%	\$50.23	11.0%	\$59.29	9.4%	\$78.73	0.0%	\$105.00
2022	10.0%	\$55.25	4.0%	\$61.66	3.5%	\$81.49	0.0%	\$105.00
2023	3.5%	\$57.18	3.5%	\$63.82	3.5%	\$84.34	2.8%	\$107.94
2024	3.5%	\$59.18	3.5%	\$66.05	3.5%	\$87.29	3.5%	\$111.72
2025	3.5%	\$61.25	3.5%	\$68.36	3.5%	\$90.35	3.5%	\$115.63
2025 Projected Cost of Service		\$61.42		\$68.40		\$90.36		\$115.65

Rate Structure Summary

Current Rate Structure

Under the current rate structure, rate revenue (assuming current rates and no use of prior year surplus or shortfall) is projected to produce a deficit of approximately (\$29,167) in revenue for the forthcoming year (see Table 1).

Alternative Rate Adjustments

Residential and Commercial Customer Class

If the District elects to have the residential customer class rates generate sufficient revenue to cover its costs, rates could be adjusted all at once or over a period of time. This maintains the current rate structure and rate relationships between service levels but does not immediately address the cost of service by container size. In the first step described above, HF&H divided the solid waste collection system into two customer classes: residential and commercial and modeled a rate structure which achieved a cost of service balance between the customer classes in four to five years. Residential rates overall are increased by 5.34% and commercial rates are decreased by 4.11% in 2019 (see Table 2 and Table 3).

Residential Cost of Service by Container Size

If the District elects to address the commercial customers as a class, but decides to revise and align individual residential rates to “cost-of-service” rates, then the residential rates would have a fixed component regardless of solid waste container size (organics, recycling and some solid waste collection

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costs are fixed), plus variable costs and a per-gallon disposal rate. This type of rate structure may be more equitable, but may not be reasonable to implement all at once; therefore, we have modeled a scenario that will allow the implementation of this type of rate structure over time. The scenario, as modeled above, results in an 11.4% increase to 20-gallon rates and an 11.4% increase to 32-gallon rates in 2019 and subsequent 15.0% to 3.5% increases over the next 6 years. The 64-gallon rates would remain flat in 2019 and 2020 with a 9.4% increase in 2021 and 3.5% increases annually thereafter. The 96-gallon rates would remain flat in years 2019 to 2022 and subsequent 2.8% to 3.5% increases over the next 3 years. (See Table 5).

Recommendation

As we have seen in other jurisdictions over the past few years, the District's rate structure encourages customers to "downsize" their solid waste container by placing more materials in their recyclable material and organics carts, rather than in their solid waste containers, which ultimately reduces the amount of trash sent to the landfill. However, as customers reduce their container size, less revenue is generated but there is not an equal reduction of the cost to drive by, collect, and process the materials. Only 22% of residents (those customers receiving 64- or 96-gallon service) cover the fixed costs to provide such service (see Table 4b). The District has been able to keep the residential rates lower than necessary because, as was the industry practice, commercial revenues have contributed more than the cost of their services. In the future, the District should consider increasing the 20-gallon and 32-gallon rates a greater percentage than the 64-, and 96-gallon rates to have them pay a larger percentage of their fixed costs but still be lower than the 64-gallon rate to incentivize customers to reduce the amount of materials disposed of in the landfill. The aligning of residential rates to the cost of service at each container size and the overall reduction of the commercial customer class bin rates by a flat percentage over time, achieves the District's objective of a cost-of-service rate structure. (See Table 6)

At its October 10, 2018 meetings, the District's Board proposed to implement, as part of a multi-year plan established last year, the following rate adjustments for residential and commercial rates that will close the gap between the rates and the cost for the 20-gallon and 32-gallon services, while generating sufficient revenue to cover the projected collection and processing costs for 2019.

Mr. Phil Scott
 November 6, 2018
 Page 9 of 9

**Table 6:
 District's Board Proposed Rate Adjustments**

Rates by Size of Container						
	Residential				Commercial	
	20 Gallon	32 Gallon	64 Gallon	96 Gallon	1YD Bin 1x/week	3YD Bin 1x/week
Current Rates	\$35.00	\$44.00	\$72.00	\$105.00	\$205.60	\$434.51
Proposed Rate Adjustment	11.4%	11.4%	0.0%	0.0%	-5.0%	-5.0%
2019 Proposed Rate / Mo.	\$39.00	\$49.00	\$72.00	\$105.00	\$195.32	\$412.78
Increase (Decrease) / Mo.	\$4.00	\$5.00	\$0.00	\$0.00	(\$10.28)	(\$21.73)
2019 Projected Revenue at Proposed Rates						
	Residential	Commercial	Total			
Projected Revenue at <u>Current Rates</u> ¹	\$1,324,580	\$296,347	\$1,620,927			
2019 <u>Proposed Rate</u> Revenue	\$1,395,313	\$284,167	\$1,679,480 A			
2019 <u>Proposed Costs</u>	1,434,975	215,119	1,650,094 B			
Excess Amount	-\$39,662	\$69,048	\$29,386 A - B = C			
Excess Percentage	-2.8%	24.3%	1.7%			

¹ Projected revenue at current rates is based upon the actual revenue for the first 5 months of 2018, annualized.

* * * *

We appreciate the opportunity to be of continued service to the District. We value our relationship with you and the District and are committed to providing you the highest level of service in the performance of this matter for you. Should you have any questions, please feel free to call me at (925) 977-6961.

Sincerely,

HF&H CONSULTANTS, LLC



Marva M. Sheehan, CPA
 Vice President

Rates for Other Services

The following are rates that would be charged for unscheduled services as necessary

Service Category	Rate	Description of Rate
Backyard Collection Service—Single Family Dwelling	For one Solid Waste Cart: \$20.56 (0-50 ft) \$23.99 (51-100 ft)	Rates vary based on distance & number of carts. Contact the District for rates for distances beyond 100 feet and for more than one solid waste cart.
Return Trip Cost—Single Family Dwelling (Request to provide collection service after the regularly scheduled collection day)	\$17.14	Per collection event.
On-Call Bulky Item Collection	\$93.17	Per each collection event beyond first 2 per year. (Each customer receives 2 free bulky collections per year)

Distance charge—MFD and Commercial Accounts	A – 10% of base monthly rate B – 25% of base monthly rate	A – 51 to 100 feet from access by contractor's collection vehicle B – 101 feet or more from access by contractor's collection vehicle
Extra Pick-Up Cost—MFD and Commercial Accounts	25% of the base monthly rate for the size of container collected once per week	Per collection event
Additional Targeted Recyclable Materials or Organic Materials Cart Rental or Purchase	A -- \$ 3.43 B -- \$71.97 C -- \$78.83	A – Monthly rental fee (any size cart) B – Customer purchase of a 64 gallon cart C – Customer purchase of a 96 gallon cart
Collection of Contaminated Targeted Recyclable Materials or Organic Materials Container	25% of the base monthly rate for the size of container collected once per week Plus: \$17.14	Per collection event
Key Service	A -- \$9.71 per month B -- \$10.85 per month	A – Residential Customers B – Commercial Customers
Lock Purchase	\$19.42 –one time charge	One-time charge per account. No fee for replacement locks.
Overage Fee	100% of base monthly rate	Per collection event
Overage Bags	50% of the base monthly rate or \$9.13 minimum	Rate per bag
Container Cleaning	A -- \$57.13 B -- \$97.11	A – per Cart B – per Bin or Drop-Box
Dirty Cart Replacement	A -- \$74.25 B -- \$85.68 C -- \$97.11	A – per 32 gallon Cart B – per 64 gallon Cart C – per 96 gallon Cart
Additional Compost Material Delivery	A -- \$142.81 B -- \$285.62	A – One way delivery B – Round trip delivery

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Important Information - Notice of Public Hearing
"Solid Waste & Recyclable Material Rate Increase"
Wednesday, December 12, 2018 at 7:00 p.m.

If you would like additional information on the proposed rates, please call the District at 650-321-0384.

If you wish to file a written protest, please send a letter in a sealed envelope addressed to:

**West Bay Sanitary District
Attn: District Manager (Solid Waste Rates)
500 Laurel Street, Menlo Park, CA 94025**

Your letter must identify the real property you own or rent by street address and assessor's parcel number (APN). Your letter must be legibly signed by any one of the current property owners or ratepayers of record.

The District must receive your letter in a sealed envelope by 4:00 p.m. on December 12, 2018 or it must be presented at the District Board meeting on December 12, 2018 prior to the close of the public hearing on this matter.

Any person interested, including all solid waste/recycling collection customers of the West Bay Sanitary District, may appear at the public hearing and be heard on any matter related to the proposed increase in rates.

NOTICE OF INTENT TO INCREASE COLLECTION RATES FOR SOLID WASTE/RECYCLABLE

MATERIALS IN THE WEST BAY SANITARY DISTRICT

The District Board of the West Bay Sanitary District hereby gives public notice of its intent to increase some of the existing residential rates for the collection of recyclable materials, compost, and refuse for 2019. The District Board plans to consider this rate increase at a public hearing on December 12, 2018 at 7:00 p.m. in the Board Conference Room located at 500 Laurel Street, Menlo Park.

The need for this increase was discussed by the District Board at the October 10, 2018 Regular Board meeting. The staff report for this matter is available at the District Office located at 500 Laurel Street, Menlo Park or online at www.westbaysanitary.org

Approximately fifty-five percent (55%) of residential service containers are a 32 gallon size. The new rate for 2019 for a 32 gallon container would increase from \$44.00 per month to \$49.00 per month, a \$5.00 per month increase. The new rate for the 20 gallon container would increase from \$35.00 per month to \$39.00 per month, a \$4.00 per month increase.

The District's proposed rates would remain amongst the range of all the agencies. For comparison purposes, the maximum typical residential rates for 32 gallon containers for SBWMA Cities including Atherton, Burlingame, Belmont, Hillsborough, Menlo Park, Redwood City, San Carlos, and San Mateo, range from a low of \$21.24 (San Mateo) to a high of \$50.00 (Atherton), based upon 2018 rates.

The following table shows the current rates and the proposed monthly rates for West Bay Sanitary District Franchised Customers to be effective beginning January 1, 2019.

Proposed Maximum Solid Waste Rates for 2019

Customer Service Level	MONTHLY RATES			QUARTERLY RATES		
	Current Monthly Rate	Proposed Monthly Rate	Monthly Increase (Decrease)	Current Quarterly Rate	Proposed Quarterly Rate	Quarterly Increase
<i>Residential:</i>						
20 gallon can	\$35.00	\$39.00	\$4.00	\$105.00	\$117.00	\$12.00
32 gallon can	\$44.00	\$49.00	\$5.00	\$132.00	\$147.00	\$15.00
64 gallon can	\$72.00	\$72.00	\$0.00	\$216.00	\$216.00	\$0.00
96 gallon can	\$105.00	\$105.00	\$0.00	\$315.00	\$315.00	\$0.00
<i>*Commercial: (Per Pick Up)</i>						
1 yard bin	\$205.60	\$195.32	(\$10.28)	n/a	n/a	n/a
2 yard bin	\$390.19	\$370.68	(\$19.51)	n/a	n/a	n/a
3 yard bin	\$434.51	\$412.78	(\$21.73)	n/a	n/a	n/a
4 yard bin	\$579.33	\$550.36	(\$28.97)	n/a	n/a	n/a
6 yard bin	\$718.19	\$682.28	(\$35.91)	n/a	n/a	n/a
32-Gallon Cart	\$44.00	\$49.00	\$5.00	n/a	n/a	n/a
64-Gallon Cart	\$72.00	\$72.00	\$0.00	n/a	n/a	n/a
96-Gallon Cart	\$105.00	\$105.00	\$0.00	n/a	n/a	n/a

(Continued) Rates for Other Services

*Commercial bin rates reflect collection charge for one pick up per week; To calculate charge for more than one collection per week, multiply rate by number of collections per week. For example, 1-Cubic Yard Bin (at proposed rate) collected 3 times per week = \$585.96 (\$195.32 x 3 collections/wk)



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NECESSITY FOR THE NEW RATES

The West Bay Sanitary District is a member of the South Bayside Waste Management Authority, and contracts with Recology San Mateo County (RSMC) and South Bay Recycling (SBR) for collection services and operation of the Shoreway Center, respectively, as of January 1, 2011. The proposed rates result from the weekly recycling, organic materials and solid waste collection services and Shoreway operations provided by RSMC and SBR, contractual compensation adjustments, and migration to smaller containers.

The collection services include the more convenient weekly collection, rather than bi-weekly collection, of single stream recycling, organic materials (yard trimmings and food scraps) and solid waste. The Shoreway facility has also undergone substantial capital improvements to construct a new Materials Recovery Facility (MRF) and an expanded Transfer Station. These improvements facilitate single stream (mixed) recycling, enhance onsite public recycling activities, and improve traffic circulation at the Shoreway Facility.

The District is in the third year of a multi-year pricing restructuring plan, so that a transition is made whereby the smaller cans will support the cost of collection and disposal.

The West Bay Sanitary District hereby gives notice of a public hearing to be held at its Board meeting on December 12, 2018, at 7:00 p.m. in the Districts "Ronald W. Shepherd" Administration Building located at 500 Laurel Street, Menlo Park, CA. At this hearing, the Board of Directors will consider public comment as well as written protests by ratepayers regarding the proposed increase in monthly collection rates. If written protests are presented by a majority of the affected ratepayers prior to the close of the public hearing, the Board of Directors will not increase the rates as a matter of State law, however levels of service may be impacted.

EXHIBIT A RATES FOR OTHER SERVICES

Following are rates that would be charged for unscheduled services as necessary:

Service Category	Rate	Description of Rate
Backyard Collection Service—Single Family Dwelling	For one Solid Waste Cart: \$20.56 (0-50 ft) \$23.99 (51-100 ft)	Rates vary based on distance & number of carts. Contact the District for rates for distances beyond 100 feet and for more than one solid waste cart.
Return Trip Cost—Single Family Dwelling (Request to provide collection service after the regularly scheduled collection day)	\$17.14	Per collection event.
On-Call Bulky Item Collection	\$93.17	Per each collection event beyond first 2 per year. (Each customer receives 2 free bulky collections per year)

Distance charge—MFD and Commercial Accounts	A – 10% of base monthly rate B – 25% of base monthly rate	A – 51 to 100 feet from access by contractor's collection vehicle B – 101 feet or more from access by contractor's collection vehicle
Extra Pick-Up Cost—MFD and Commercial Accounts	25% of the base monthly rate for the size of container collected once per week	Per collection event
Additional Targeted Recyclable Materials or Organic Materials Cart Rental or Purchase	A -- \$ 3.43 B -- \$71.97 C -- \$78.83	A – Monthly rental fee (any size cart) B – Customer purchase of a 64 gallon cart C – Customer purchase of a 96 gallon cart
Collection of Contaminated Targeted Recyclable Materials or Organic Materials Container	25% of the base monthly rate for the size of container collected once per week Plus: \$17.14	Per collection event
Key Service	A -- \$9.71 per month B -- \$10.85 per month	A – Residential Customers B – Commercial Customers
Lock Purchase	\$19.42 –one time charge	One-time charge per account. No fee for replacement locks.

**EXHIBIT A
RATES FOR OTHER SERVICES**

Overage Fee	100% of base monthly rate	Per collection event
Overage Bags	50% of the base monthly rate or \$9.13 minimum	Rate per bag
Container Cleaning	A -- \$57.13	A – per Cart
	B -- \$97.11	B – per Bin or Drop-Box
Dirty Cart Replacement	A -- \$74.25	A – per 32 gallon Cart
	B -- \$85.68	B – per 64 gallon Cart
	C -- \$97.11	C – per 96 gallon Cart

Additional Compost Material Delivery	A -- \$142.81	A – One way delivery
	B -- \$285.62	B – Round trip delivery

Received

NOV - 7 2018

West Bay Sanitary District

There is no need to increase the garbage rates. Easy solution! Yard can should go back to every other week pick up. The average resident has no need for a weekly pick up. Bi weekly is plenty. I will put my car for yard waste out weekly even + show waste. Just a scheme to employ need less jobs and probably increase rates. If people on a limited income get a raise it all goes to a incompetent garbage agency. I will personally come Dec. 12 to protest the unneeded increase.

Why the increase? So you can employ flagmen who are useless?

If no increase is instituted bi-weekly yard collections should be reinstated which is sufficient. The rich people can pay for extra cans.

Why are San Mateo rates so low? That is the second largest city in the County

Why are commercial rates decreased? They require more service than households. You people are just plain greedy and incompetent.

on rate Customer

P.S. you will hear plenty from me. I'm sure you will trash this letter probably saying only one can add raise your salary for trucking one letter. You are just plain incompetent. I will be sending E. Wash and letters to the press.



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 4**

To: *Board of Directors*

From: *Phil Scott, District Manager*

Subject: **Consideration of Resolution to Approve Solid Waste/Recycling Collection Rates Effective January 1, 2019, and adoption of the rates for “Rates for Other Services”, and accept the Solid Waste/Recycling Rate Study 2019**

Following Public Hearing and close of public comment and there being less than 50% ratepayer protest to the proposed rate increase, per Proposition 218, the District Manager recommends the Board approve the attached resolution adopting the proposed Solid Waste/Recycling Collection rate increase for 2019 applied to all rate categories effective January 1, 2019, and adoption of the rates for “Rates for Other Services” as attached to the resolution, and accept the 2019 Solid Waste/Recycling Rate Study.

RESOLUTION NO. _____(2018)

**RESOLUTION APPROVING SOLID WASTE/RECYCLING COLLECTION RATES FOR
2019**

WHEREAS, on February 24, 2010 the District Board approved the Franchise Agreement with Recology San Mateo County for Recyclable Materials, Organic Materials, and Solid Waste Collection Services; and

WHEREAS, on October 10, 2018 a regular meeting of the West Bay Sanitary District Board was held to discuss the with the Board and the public the need for an increase in the Solid Waste/Recycling Collection Rates for 2019; and

WHEREAS, the District Board directed staff to proceed with the public notification procedures as outlined by Proposition 218 for the consideration of new Solid Waste/Recycling Collection rates; and

WHEREAS, in October notifications were sent to approximately 2,240 residential and commercial customers in the West Bay Sanitary District; and

WHEREAS, on December 12, 2018 a Public Hearing was held to present to the West Bay Sanitary District Board and the public a review of the Solid Waste/Recycling Collection Rates for 2019; and

WHEREAS, the District received a minimal number of responses and protests; and

WHEREAS, per Proposition 218, based on the low protest rate, the District may proceed with the proposed rate increase.

NOW, THEREFORE, BE IT RESOLVED by the District Board that the Solid Waste/Recycling Collection rates for 2019 shall be as follows effective January 1, 2019:

Solid Waste/Recycling Collection Rates for 2019

Customer Service Level	MONTHLY RATES		
	Current Monthly Rate	Proposed Monthly Rate	Monthly Increase (Decrease)
<i>Residential:</i>			
20 gallon can	\$35.00	\$39.00	\$4.00
32 gallon can	\$44.00	\$49.00	\$5.00
64 gallon can	\$72.00	\$72.00	\$0.00
96 gallon can	\$105.00	\$105.00	\$0.00
<i>*Commercial:(Per Pick Up)</i>			
	Current	Proposed	Increase(Decrease) per pickup
1 yard bin	\$205.60	\$195.32	(\$10.28)
2 yard bin	\$390.19	\$370.68	(\$19.51)
3 yard bin	\$434.51	\$412.78	(\$21.73)
4 yard bin	\$579.33	\$550.36	(\$28.97)
6 yard bin	\$718.19	\$682.28	(\$35.91)
32-Gallon Cart	\$44.00	\$49.00	\$5.00
64-Gallon Cart	\$72.00	\$72.00	\$0.00
96-Gallon Cart	\$105.00	\$105.00	\$0.00

BE IT FURTHER RESOLVED that the collection rates for “Other Services” shall be as shown in the attached Exhibit A “Rates for Other Services” for 2019 effective January 1, 2019.

PASSED AND ADOPTED by the District Board of the West Bay Sanitary District at a regular meeting thereof held on 12th day of December, 2018, by the following votes:

Ayes:

Noes:

Absent:

Abstain:

 President of the District Board of the
 West Bay Sanitary District of San
 Mateo County, State of California

Attest:

 Secretary of the District Board of the
 West Bay Sanitary District of San Mateo
 County, State of California

EXHIBIT A RATES FOR OTHER SERVICES

Following are rates that would be charged for unscheduled services as necessary:

Service Category	Rate	Description of Rate
Backyard Collection Service—Single Family Dwelling	For one Solid Waste Cart: \$20.56 (0-50 ft) \$23.99 (51-100 ft)	Rates vary based on distance & number of carts. Contact the District for rates for distances beyond 100 feet and for more than one solid waste cart.
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Additional Targeted Recyclable Materials or Organic Materials Cart Rental or Purchase	A -- \$ 3.43 B -- \$71.97 C -- \$78.83	A – Monthly rental fee (any size cart) B – Customer purchase of a 64 gallon cart C – Customer purchase of a 96 gallon cart
Collection of Contaminated Targeted Recyclable Materials or Organic Materials Container	25% of the base monthly rate for the size of container collected once per week Plus: \$17.14	Per collection event
Key Service	A -- \$9.71 per month B -- \$10.85 per month	A – Residential Customers B – Commercial Customers
Lock Purchase	\$19.42 –one time charge	One-time charge per account. No fee for replacement locks.

**EXHIBIT A
RATES FOR OTHER SERVICES**

Overage Fee	100% of base monthly rate	Per collection event
Overage Bags	50% of the base monthly rate or \$9.13 minimum	Rate per bag
Container Cleaning	A -- \$57.13	A – per Cart
	B -- \$97.11	B – per Bin or Drop-Box
Dirty Cart Replacement	A -- \$74.25	A – per 32 gallon Cart
	B -- \$85.68	B – per 64 gallon Cart
	C -- \$97.11	C – per 96 gallon Cart

Additional Compost Material Delivery	A -- \$142.81	A – One way delivery
	B -- \$285.62	B – Round trip delivery

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WEST BAY SANITARY DISTRICT AGENDA ITEM 5

To: *Board of Directors*

From: *Phil Scott, District Manager*

Subject: *Discussion and Update on FERRF (Flow Equalization and Resource Recovery Facility) Levee Project*

Background

The District is interested in utilizing Flow Equalization and Resource Recovery Facility (FERRF) to recover, treat, and recycle wastewater to provide Commercial and Industrial users an alternate source of water for irrigation and industrial use, the site will need to be upgraded and protected from flooding.

The FERRF site is a part of the District's out of service wastewater treatment plant with ponds repurposed to serve as flow equalization during wet weather. The facility is not flood protected and is within the Federal Emergency Management Agency (FEMA) 100-year floodplain. Furthermore, the County of San Mateo anticipates an additional 2-foot of sea level rise also from which the site is not protected. In the near future the site may not be needed for flow equalization and part or all of the facility could be used for water resource recovery.

In February 2018 the District Board reviewed and approved a Technical Memorandum which explored four alternatives to protecting the FERRF site, and approved the execution of a Consultant Agreement with Freyer & Laureta Inc., for design services for the FERRF (Flow Equalization and Resource Recovery Facility) Levee Improvement Project to include sheet piling around the perimeter of the FERRF to protect it from King Tides and Sea Level Rise.

Analysis

The preliminary design was completed for sheet piling the perimeter of the FERRF and the District met with permitting agencies as part of a preliminary discussion on what requirements and criteria would need to be met in order to obtain permits for this project. The Permitting Agencies suggested a Living Shoreline design (meaning a form of horizontal levee) would more readily receive permits and funding. This entails re-designing with a Living Shoreline approach. This approach makes it a larger project but

one with a greater likelihood of successful grant funding, and permitting and support from the permitting agencies.

The Design Consultant and Staff will be presenting information and facilitating a discussion with the Board to explain details of such a project in hopes of forming consensus of modifying the size and scope of the FERRF Levee Improvement Project.

Fiscal Impact

There is no direct fiscal impact to the discussion but subsequent implementation of a change in scope to the FERRF Levee Improvement project could significantly impact the Capital Asset Fund.

Recommendation

The District Manager recommends the Board engage in discussion and provide direction to staff as to the desired size and scope of the FERRF Levee Improvement project and consider the agenda item for additional services to the Levee Improvement Project consultant agreement.



WEST BAY SANITARY DISTRICT AGENDA ITEM 6

To: *Board of Directors*

From: *Phil Scott, District Manager*

Subject: *Consider Authorizing the District Manager to Execute an Amendment for Additional Services to the FERRF Levee Improvement Project Consultant Agreement with Freyer & Laureta, Inc.*

Background

In February 2018 the District entered into a Consultant Agreement with Freyer & Laureta Inc., for design services for the FERRF (Flow Equalization and Resource Recovery Facility) Levee Improvement Project to include sheet piling around the perimeter of the FERRF to protect it from King Tides and Sea Level Rise.

Analysis

After meeting with the permitting agencies in an Inter-Agency meeting, these agencies suggested that the District modify the plan to include a “Living Shoreline” along the eastern side of the FERRF. Their meaning was interpreted as installing a form of horizontal levee that would not only protect the facility but provide for additional habitat. This approach makes it a larger project but one with a greater likelihood of successful permitting, grant funding and support from the permitting agencies.

This project is deemed necessary to protect the existing facility, lift it out of the FEMA Flood Zone, and to secure any potential funding for the Living Shoreline or the Bayfront Recycled Water Facility.

Fiscal Impact

The additional services would equal a not-to-exceed amount of \$59,273.00 above the original agreement total compensation amount funded from the Capital Improvement Fund.

Recommendation

The District Manager recommends the Board approve authorization for the District Manager to execute an Amendment for Additional Services to the FERRF Levee Improvement Project Consultant agreement with Freyer & Laureta Inc., for an additional amount not-to-exceed \$59,273.00.

November 26, 2018

Mr. Phil Scott
District Manager
West Bay Sanitary District
500 Laurel Street
Menlo Park, California 94025

**Re: FERRF LEVEE IMPROVEMENT PROJECT – ADDED SERVICES #1
WEST BAY SANITARY DISTRICT, MENLO PARK, CA**

Dear Mr. Scott:

Freyer & Laureta, Inc. (F&L) is pleased to present this proposal to you for the conceptual design, funding strategizing, attendance of stakeholder meetings, and geotechnical engineering services for supporting the conceptual design for constructing a horizontal levee with living shoreline on the north side of the FERRF.

DESCRIPTION OF SERVICES

Task 1 – Conceptual Drawings

The F&L team will develop up to three (3) conceptual design alternatives for the proposed Living Shorelines project at a preliminary level of detail that is adequate to engage the District and the resource agencies. Draft drawings will be submitted to the District for review and will be revised once based upon a consolidated set of comments from the District.

Topographic Survey will be performed in the area the living shoreline will be designed. Existing topographic survey does not extend out into that area. The same control used for previous surveys at the FERRF will be used for this survey.

Task 2 – Stakeholders Meetings

F&L and MIG will attend up to four (4) preliminary meetings with the client and resource agencies and will prepare presentation materials as needed. These meetings are anticipated to include:

- (2) Meetings with the West Bay Sanitary District
- (2) Meetings with the Resource Agencies

Task 3 – Funding Strategies

MIG and F&L will also research and summarize potential grant funding opportunities for a portion of the Living Shorelines project at the site. This research will be summarized in a spreadsheet and brief letter report, and will include the requirements, timing, limitations, and potential awards associated with each grant opportunity.

Task 4- Geotechnical Engineering

For this task, F&L will continue to contract with BAGG Engineers. BAGG will prepare recommendations for shallow foundation system for the warehouse project and will provide engineering support through conceptual design for the revised site plan that includes a living shoreline and fill along the east and south sides of the FERRF.

PROPOSED FEE SCHEDULE

All work will be on a time and materials (t&m) basis, not exceed the following limits without District authorization. Proposed hours can be seen in the attached Fee Breakdown Table.

Task 1 – Conceptual Drawings	\$27,916
Task 2 – Stakeholders Meetings	\$10,341
Task 3 – Funding Strategies	\$6,926
Task 4 – Geotechnical Engineering	\$14,090
Total	\$59,273

See Fee Breakdown Table for detail of our proposed fee.

Phil, thank you again for the opportunity of submitting this proposal to you. If you have any questions, please feel free to call us.

Sincerely,
FREYER & LAURETA, INC.



Richard J. Laureta, P.E.
President

Cc: Bill Kitajima, Projects Manager



FEE BREAKDOWN TABLE

PROJECT: West Bay Sanitary District FERRF Design Project - Added Services Proposal #1

Rev Date: 11/26/2018

Estimated Staff Hours and Budget Freyer & Laureta, Inc.	Labor						Misc. Expenses Fee	Fee
	F&L Staff				MIG/TRA Environmental Services Fee	Bay Area Geotechnical Group Fee		
	Principal \$225	Associate Engineer \$185	Staff Eng. \$130	Survey Crew \$275				
Task 1 - Conceptual Drawings	8	8	24	48	\$8,316			\$27,916
Task 2 - Stakeholders Meetings	16				\$6,216		\$525	\$10,341
Task 3 - Funding Strategies	12	4			\$3,486			\$6,926
Task 4 -Geotechnical Engineering	8	4				\$11,550		\$14,090
Total Hours	44	16	24	48				
Subtotals	\$9,900	\$2,960	\$3,120	\$13,200	\$18,018	\$11,550	\$525	\$59,273
Total	\$29,180				\$18,018	\$11,550	\$525	\$59,273

Notes:

- 1) Subconsultant fees include an 5% markup



WEST BAY SANITARY DISTRICT AGENDA ITEM 7

To: *Board of Directors*

From: *Phil Scott, District Manager*

Subject: *District Manager's Report*

1. CIP Project:

- a) Belle Haven III CIP construction began July 23. Currently performing pipe-bursting to replace some segments of sewer main. 50% complete.

2. Affiliate Agency/Association News:

- a) **SLAC:** District Staff and Consultant have arranged a phone call on December 14, and a tentative meeting on January 24 to discuss implementation plan for meeting the BMP of the Mandatory Wastewater Discharge Permit Amended November 15, 2018.
- b) **CASA:** Collection System Working Group continuing to meet with the State Water Resources Control Board to incorporate CASA comments into the General Wastewater Discharge Permit that all wastewater agencies operate under for controlling and reporting SSO's. The District will continue to be involved and provide an update at the Board meeting once a draft WDR is ready.

3. Upcoming Events:

- a) **Board meetings:** December 12. Election of Board Officers and Appointments. January 9, 2019.

4) Misc./Action Items from Previous Meeting:

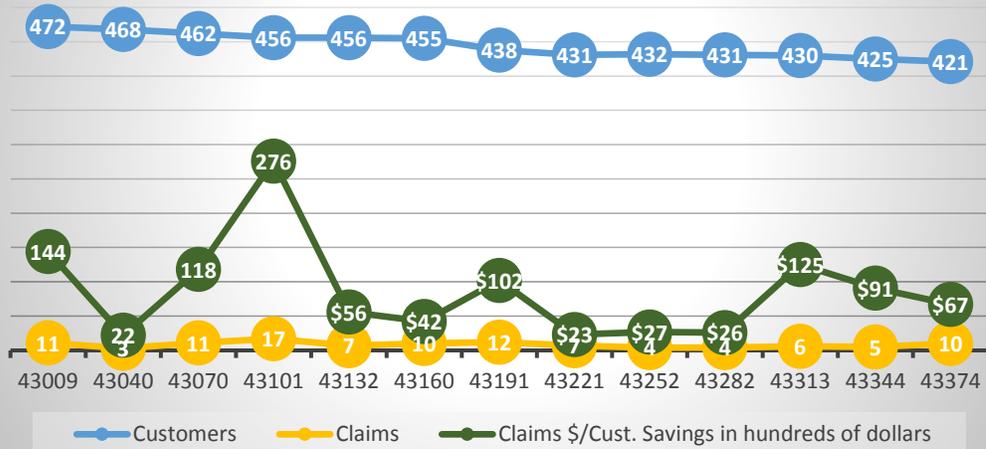
- a) **SSOs:** Zero SSO for November. Total 4 = 2018

Report to the District Board for the Regular Meeting of December 12, 2018

Additional information or topics may be introduced by the DM verbally during the Board meeting.

HomeServe

5/17 - 10/18



Report to the District Board for the Regular Meeting of December 12, 2018

Additional information or topics may be introduced by the DM verbally during the Board meeting.



1902 - Serving Our Community for over 110 Years - 2018

**WEST BAY SANITARY DISTRICT
MINUTES OF THE REGULAR MEETING OF THE DISTRICT BOARD
WEDNESDAY, NOVEMBER 14, 2018 AT 7:00 P.M.**

1. Call to Order

President Moritz called the meeting to order at 7:00 PM

Roll Call

BOARD MEMBERS PRESENT: Moritz, Dehn, Thiele-Sardiña, Walker, Otte

BOARD MEMBERS ABSENT: None

STAFF MEMBERS PRESENT: Ramirez, Condotti, Kitajima, Werness, Scott (electronically)

Others Present: Chris Buja, Teresa Herrera, Matt Anderson, Robert Por, EJ Shalaby, Machel Vieux, April Giangerelli

2. Communications from the Public: None

4. Discussion on District Reimbursement Agreement Procedures

Comments: Operations Manager (OM) Ramirez outlined the procedures for reimbursement agreements which included a discussion on how they are paid out. Reimbursees are not entitled to reimbursement agreement fees until the connections are made thus fees are paid to Reimbursees within a reasonable timeframe in the next quarter after the Class 1 or 2 permit is applied for and connection made. However, District staff often had a difficult time collecting this fee, putting the District in an unfavorable position, as the District is obligated to pay the parties per the agreement. Additionally, the potential of a new connector backing out of a project before completion, could put the District in a position of needing to collect the reimbursement amounts back from Reimbursees in order to refund the connector that backed out. New procedures were implemented to collect reimbursement agreement fees at the beginning of the process when the initial project application is submitted but reimbursement agreement fees would not be distributed until the actual sewer connection was made.

Resident Chris Buja asked the Board to address a short term solution that would have the District take over the agreement to aid property owners.

President Moritz directed District Counsel Condotti to research with staff about requiring payments made by new property owners binding and non refundable, in order to speed up payments to reimbursees who have paid into the agreement. DM Scott pointed out that District staff receives and processes reimbursement payments at no charge to the property owners, although it does take up considerable staff time. He also noted that the new policy requires a new homeowner or developer to pay upfront, before connecting, where as the old policy required all reimbursees to wait until after construction but reimburses are still not entitled to payment until the connection occurs.

3. Silicon Valley Clean Water FY 2018-19 Budget & CIP Presentation and Discussion

Comments: Teresa Herrera of SVCW gave an update the budget and Capital Improvement Projects (CIP). She outlined \$290M has been spend to date on CIP with \$560M remaining to be spend for a total of \$850M. A majority of treatment plant projects have been completed. Of the remaining \$560M in CIP costs the District's responsibility is \$150M with the next District bond payment due in May/June 2019 for \$13M. DM Scott discussed the use of \$6M from the rate stabilization fund to pay part of the \$13M and using the SVCW line of credit, District financing or a reserve fund for the remaining amount.

11. Discussion and Direction on Recycled Water Projects - Sharon Heights & Bayfront, Including Project Status

Comments: OM Ramirez reported that the Caltrans permit is pending and is now under legal review. City of Menlo Park has approved the encroachment permit. District has received two State reimbursements for the Sharon Heights project and another for \$2.5M is pending. Grant applications have been submitted for the Bayfront Recycled Water project.

Machelle Vieux of SLAC addressed the Board regarding the status of construction for the Sharon Heights project and would like to discuss their permit. DM Scott outlined the status of construction and presented video of the project. DM Scott reported the District has been working with SLAC for the past two years on an amendment of their industrial wastewater discharge permit and came to an agreement on the Best Management Practice to be used. Machelle Vieux reported that one holding tank has been constructed and is requesting data that will help future options and determine if additional holding tanks are necessary to reduce Total Dissolved Solids and Electrical Conductivity for water quality for the recycled water treatment plant. DM Scott stated that the data has been presented to SLAC in the past and the District has created a process that would give SLAC flexibility with their permit. Board consensus was to have Dave Richardson of Woodard & Curran following up with Ms. Vieux to discuss her concerns.

5. Consent Calendar

- A. Approval of Minutes for Regular meeting October 10, 2018
- B. Approval of the Withdrawal Order Authorizing Payment of Certain Bills and Salaries and Consideration of Other Financial Matters for November 14, 2018
- C. WBSD Operations and Maintenance Report – October 2018
- D. Town of Los Altos Hills Operations and Maintenance Report for Work Performed by WBSD – October 2018
- E. Consider to Ratify and Approve Report on District's Investment Portfolio Including the Transactions of Assets Described Therein as of 10/31/18

Motion by: Dehn 2nd by: Sardiña Vote: AYE: 5 NAY: 0 Abstain: 0

CONSIDERATION OF ITEM(S) REMOVED FROM THE CONSENT CALENDAR

Comments: None

6. Consideration of Awarding Bid for the New Metal Storage Building Project to Aztec Consultants, Inc.

Motion by: Walker 2nd by: Sardiña Vote: AYE: 5 NAY: 0 Abstain: 0

Comments: Treasurer Sardiña asked how long the bids are good. PIM Kitajima responded that bids are good for 60 days.

7. Consideration of Awarding Bid for the Alpine Road Sanitary Sewer Replacement Project to Ranger Pipelines, Inc.

Motion by: Dehn 2nd by: Otte Vote: AYE: 5 NAY: 0 Abstain: 0

Comments: None

8. Report & Discussion on Commuter Benefits Program

Comments: OS Ramirez presented the report which shows a total of 14 employees participating, 10 net vehicles removed from the road and 3 District vehicles being used. Board consensus was to continue the program.

9. District Manager's Report

Comments:

1. CIP Project:

a) Belle Haven III CIP construction began July 23. Currently performing pipe-bursting to replace some segments of sewer main. 20% complete.

2. Affiliate Agency/Association News:

a) **County:** District Staff, District Counsel, County Staff and LAFCo are all reviewing a draft Lafco application, Resolutions and MOUs for transferring the Solid Waste Franchise to the County. The County has indicated their preference for assignment of the franchise to be effective January 1, 2020 and will need through September to review and comment on the documents.

b) **CASA:** Collection System Working Group continuing to meet with the State Water Resources Control Board to incorporate CASA comments into the General Wastewater Discharge Permit that all wastewater agencies operate under for controlling and reporting SSO's. The District will continue to be involved and provide an update at the Board meeting once a draft WDR is ready.

3. Upcoming Events:

a) **Board meetings:** December 12. Election of Board Officers and Appointments.

b) **Thanksgiving and PMP Luncheon:** Noon November 15.

c) **Holiday Luncheon:** December 6, Holiday Luncheon at Black Pepper – 11:30am.

4) Misc./Action Items from Previous Meeting:

a) **SSOs:** Zero SSO for November. Total 4 = 2018

10. Consideration to Approve First Quarter Internal Financial Statements & Analysis of Financial Position as of Quarter End September 30, 2018

Motion by: Dehn 2nd by: Walker Vote: AYE: 5 NAY: 0 Abstain: 0

Comments: OS Ramirez reported on three highlights which include: 1) The Rate Stabilization fund has been funded; 2) Fully funded 5 months of operating reserve; 3) Paid semi-annual bond payments. Board Member Dehn mentioned Accountant Liz Bahrami has done another good job with the Quarterly Report.

12. Report & Discussion on South Bayside Waste Management Authority (SBWMA)

Comments: Director Dehn reported 3 important Requests for Proposals (RFPs) for Disposal/Landfill, Administrative Services and joint Legislative services. She further reported on the Organics-2-Energy (O2E) pilot to enhance the existing collection programs. The pilot costs is \$5M. \$3M of that amount is available from Cal Recycle Grants. The full scale cost for such project is estimated to be \$15-20M and would be eligible for further grant opportunities.

13. Report, Discussion & Direction on Silicon Valley Clean Water (SVCW) and Discussion on SVCW CIP Program and Financing

Comments: Director Otte stated there is no report since it was covered during the SVCW presentation in Item 3.

14. Closed Session

- A. CONFERENCE WITH LABOR NEGOTIATORS
(Pursuant to Cal. Govt. Code §54957.6) Agency designated representatives: District Manager & Legal Counsel
Employee Organization: Unrepresented Employees & Teamsters Local 350
- B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Cal. Govt. Code §54956.9(d))
Name of Case: *1740 Oak Avenue, LP v. West Bay Sanitary District, et al.* – SM CSC
Case No. 18CIV02183
- C. CONFERENCE WITH LEGAL COUNSEL—WORKERS’ COMPENSATION CLAIM
(Pursuant to Cal. Govt. Code Section 54956.9)
Claimants: Alberto Patino & Arthur Hildebrand

Entered closed session at 9:01p.m. Left closed session at 9:50 p.m.

Reportable action: None.

15. Comments or Reports from Members of the District Board and Consider Items to be Placed on Future Agenda

Comments: Follow up discussion on reimbursement agreement procedures. An update from Staff on District's Reserve funds to address payment to SVCW of the \$13M in May/June 2019.

16. Adjournment Time: The meeting was adjourned at 9:52 PM

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WEST BAY SANITARY DISTRICT

WITHDRAWAL ORDER

December 12, 2018

CHECK	TO WHOM PAYABLE	PURPOSE	AMOUNT
64348	MATHESON TRI-GAS, INC.	Utilities - Coll	44.02
64349	ALPHA ANALYTICAL LABORATORIES	Research & Monitoring - Coll	800.00
64350	AMERICAN MESSAGING	Utilities - A&G	61.55
64351	CAL-STEAM	Operating Supplies - Coll	148.74
64352	CALPERS LONG-TERM CARE PROGRAM	LTC Withholding	26.61
64353	CINTAS CORP	Contract Services - Coll	919.06
64354	DU-ALL SAFETY, LLC	Professional Services - Coll	1,620.00
64355	DUKE'S ROOT CONTROL, INC	Operating Supplies - Coll	522.00
64356	FREYER & LAURETA	Professional Services & CIP	13,651.72
64357	GRAINGER	Op Supp & Rep & Maint - Coll	666.55
64358	GRANITE ROCK, INC.	Operating Supplies - Coll	191.17
64359	KIMBALL MIDWEST	Repairs & Maintenance - Coll	122.41
64360	HOME DEPOT CREDIT SERVICES	Operating Supplies - Coll	527.53
64361	IEDA	Professional Services - A&G	734.00
64362	JANI-KING OF CA, INC - SFR/OAK	Contract Services - A&G	614.92
64363	LOG ME IN	Repairs & Maintenance - Coll	65.39
64364	CITY OF MENLO PARK	Utilities - A&G/Coll	936.20
64365	MENLO PARK FIRE PROTECTION	Other Operating Expenses - Coll	8,290.00
64366	MORSE HYDRAULICS	Operating Supplies - Coll	687.63
64367	OMEGA INDUSTRIAL SUPPLY, INC.	Operating Supplies - Coll	880.69
64368	PACIFIC GAS & ELECTRIC	Utilities - A&G/Coll	3,262.59
64369	PIRTEK SFO	Repairs & Maintenance - Coll	347.46
64370	RED WING SHOE STORE	Operating Supplies - Coll	648.09
64371	RMC WATER AND ENVIRONMENT	Professional Services - A&G	60,070.16
64372	ROBERTS & BRUNE CO	Operating Supplies - Coll	1,529.43
64373	SEEKZEN SYSTEMS	Professional Services - Coll	475.00
64374	TELETRAC NAVMAN US LTD.	Contract Services - Coll	491.76
64375	3T EQUIPMENT COMPANY	Operating Supplies - Coll	2,998.75
64376	VISION COMMUNICATIONS CO.	Rents & Leases - A&G	667.00
64377	WECO INDUSTRIES, INC.	Operating Supplies - Coll	3,042.83
64378	WEST YOST & ASSOCIATES	Professional Services - A&G	1,418.00
64379	YOUNG'S AUTO SUPPLY CENTER	Recycled Water Truck	679.52
64380	LUIS MEJIA	Reimbursement Agrmnt - Buja, Mejia, SV Assoc - 169 Wayside	29,010.65
64381	SAN MATEO COUNTY EMPLOYEES	Credit Union WH	1,504.50
64382	FRANCHISE TAX BOARD	Wage Garnishment	75.00
64383	NAVIA BENEFIT SOLUTIONS	FSA Withholding	150.00
64384	TEAMSTERS LOCAL NO. 350	Union Dues WH	1,033.00
64385	MARIE RAMIREZ/SDU	Wage Garnishment	508.62
64386	PRECISION ENGINEERING	CIP - Belle Have III	685,527.84
64387	FRANCHISE TAX BOARD	Wage Garnishment	250.00
64388	PRINCIPAL FINANCIAL GROUP	Employee Benefits - A&G/Coll	6,069.68
64389	BANKCARD CENTER	Mtgs, Trng & Trav, Rep & Mnt, Op Exp, Office Exp - A&G/Coll	9,781.58
64390	SAN MATEO COUNTY CLERK	Deposits - 2124 Sterling Ave (West Valley Ventures, LLC)	95.00
64391	SAN MATEO COUNTY CLERK	Deposits - 155 Cherokee Wy, PV (Harrosh)	107.00
64392	NAVIA BENEFIT SOLUTIONS	Employee Benefits - A&G	25.00
64393	ANDERSON PACIFIC	CIP - Recycled Water Facility SHGCC	491,190.09
64394	ANDERSON PACIFIC	CIP - Recycled Water Facility SHGCC	539,376.27
64395	CWEA	Memberships - Coll	1,088.00
64396	CWEA	Memberships - Coll	92.00
64397	SUSAN DUNLAP	Other Operating Expense - A&G	232.02

64398	CHRISTOPHER JONES	Sewer Service Fees	82.34
64399	TOWN FORD SALES	Repairs & Maintenance - Coll	430.87
64400	A-A LOCK & ALARM	Repairs & Maintenance - Coll	19.25
64401	THE ALMANAC	Printing & Publications - A&G	1,584.00
64402	ALPHA ANALYTICAL LABORATORIES	Research & Monitoring - Coll	1,200.00
64403	ATCHISON, BARISONE & CONDOTTI	Professional Services - A&G	4,262.06
64404	BAYSIDE EQUIPMENT COMPANY	Repairs & Maintenance - Coll	256.07
64405	CDW GOVERNMENT	Repairs & Maintenance - Coll	307.10
64406	CALIFORNIA WATER SERVICE	Utilities - Coll	1,335.06
64407	CINTAS CORP	Contract Services - Coll	1,635.92
64408	EMBARCADERO MEDIA	Printing & Publications - A&G	1,595.88
64409	FAST RESPONSE ON-SITE TESTING	Professional Services - Coll	2,457.60
64410	GOLDEN GATE TRUCK CENTER	Repairs & Maintenance - Coll	187.46
64411	GRANITE ROCK, INC.	Operating Supplies - Coll	171.60
64412	HF&H CONSULTANTS, LLC	Professional Services - A&G	6,672.50
64413	HACH COMPANY	Repairs & Maintenance - Coll	1,551.11
64414	KONE INC.	Contract Services - A&G	248.74
64415	KDS COMMUNICATIONS	Printing & Publications - A&G	1,430.00
64416	CITY OF MENLO PARK	Repairs & Maintenance - Coll	1,114.85
64417	CITY OF MENLO PARK-Fuel	Gasoline, Oil & Fuel - Coll	7,573.48
64418	MENLO PARK HARDWARE CO. #14016	Operating Supplies - Coll	222.90
64419	MISSION CLAY PRODUCTS LLC	Operating Supplies - Coll	2,478.84
64420	OGASAWARA LANDSCAPE MAINT.	Contract Services - A&G	1,110.00
64421	OMEGA INDUSTRIAL SUPPLY, INC.	Operating Supplies - Coll	528.39
64422	PACIFIC GAS & ELECTRIC	Utilities - Coll	435.76
64423	PENINSULA BUILDING MATERIALS	Operating Supplies - Coll	1,141.77
64424	RED WING SHOE STORE	Operating Supplies - Coll	1,067.69
64425	ROBERTS & BRUNE CO	Operating Supplies - Coll	2,452.47
64426	SAN MATEO CO HEALTH DEPT	Research & Monitoring - Coll	544.00
64427	3T EQUIPMENT COMPANY	Operating Supplies - Coll	516.57
64428	US BANK	Utilities - Coll	135.94
64429	WECO INDUSTRIES, INC.	Operating Supplies - Coll	2,998.24
64430	WEST YOST & ASSOCIATES	Professional Services - A&G	7,675.00
64431	WOODARD & CURRAN	Professional Services - A&G	4,322.64
64432	CWEA	Memberships - Coll	180.00
64433	BOB HULSMANN	Meetings, Training & Travel - A&G	309.97
64434	SAN MATEO COUNTY EMPLOYEES	Credit Union WH	1,504.50
64435	FRANCHISE TAX BOARD	Wage Garnishment	75.00
64436	V O I D		
64437	FRANCHISE TAX BOARD	Wage Garnishment	250.00
64438	NAVIA BENEFIT SOLUTIONS	FSA Deduction	150.00
64439	INSTITUTE FOR LOCAL GOVERNMENT	Meetings, Training & Travel - A&G	200.00
64440	SAN MATEO COUNTY CLERK	Deposits - 531 Laurel Ave (Joos)	98.00
64441	V O I D		
64442	V O I D		
64443	PRINCIPAL FINANCIAL GROUP	Employee Benefits - A&G/Coll	4,790.05
64444	SAUSAL CREEK ASSOCIATES LLC	Reimb Agr - Buja, Mejia & Sausal Crk Assoc (169 Wayside)	3,440.06
64445	LUIS MEJIA	Reimb Agr - Buja, Mejia & Sausal Crk Assoc (169 Wayside)	2,529.45
64446	CHRISTOPHER BUJA	Reimbursement Agrmnt - Buja, Mejia, SV Assoc (169 Wayside)	2,529.45
64447	V O I D		
64448	AT&T	Utilities - A&G	1,222.34
64449	AIRGAS USA, LLC	Operating Supplies - Coll	141.94
64450	ALPHA ANALYTICAL LABORATORIES	Research & Monitoring - Coll	640.00
64451	READYREFRESH BY NESTLE	Utilities - Coll	426.81
64452	BAGGENGINEERS	Belle Haven Project - Phase III	4,110.00
64453	BAY AREA PAVING CO. INC.	Contract Services - Coll	2,629.00

64454	CALIFORNIA WATER SERVICE	Utilities - Coll	41.78
64455	CALPERS LONG-TERM CARE PROGRAM	LTC Witholding	26.61
64456	CINTAS CORP	Contract Services - Coll	682.99
64457	COMCAST	Utilities - A&G	274.61
64458	FEDERAL EXPRESS	Office Expense - A&G	297.21
64459	FREMONT URGENT CARE	Professional Services - A&G	142.00
64460	FREYER & LAURETA	CIP & Professional Services - A&G	5,867.36
64461	CITY OF MENLO PARK	Utilities - Coll	76.32
64462	MENLO PARK HARDWARE CO. #14016	Operating Supplies - Coll	144.84
64463	OGASAWARA LANDSCAPE MAINT.	Contract Services - A&G	400.00
64464	PACIFIC GAS & ELECTRIC	Utilities - Coll	1,679.86
64465	PREFERRED ALLIANCE	Professional Services - A&G	196.80
64466	RMC WATER AND ENVIRONMENT	Recycled Water Facility SHGCC	18,471.80
64467	COUNTY OF SAN MATEO	Trainings, Meetings & Travel - A&G	205.00
64468	SHARP BUSINESS SYSTEMS	Rents & Leases - Coll	273.08
64469	STAPLES CREDIT PLAN	Office Expense & Repairs/Maintenance - A&G/Coll	920.53
64470	TOSHIBA FINANCIAL SERVICES	Rents & Leases - Coll	266.45
64471	V & A CONSULTING ENGINEERS	Subsurface Lines	9,450.00
64472	VERIZON WIRELESS	Utilities - A&G	1,623.56
64473	WEST YOST & ASSOCIATES	Professional Services - A&G	24,802.48
64474	ZOOM IMAGING SOLUTIONS, INC.	Rents & Leases - Coll	291.57
64475	CHAVAN & ASSOCIATES LLP	Professional Services - A&G	6,600.00
64476	NORTH BAY PENSIONS	Professional Services - A&G	2,500.00
64477	MARIE RAMIREZ/SDU	Wage Garnishment	508.62
		TOTAL CHECKS	<u>2,033,973.17</u>

WIRES

<u>TRANSFER DATE</u>	<u>PURPOSE</u>	
11/15/2018	Performance Merit Program	75,063.49
11/15/2018	Federal Payroll Taxes	10,799.83
11/15/2018	State Payroll Taxes	2,397.31
11/15/2018	ICMA	1,939.95
11/21/2018	Employee Payroll - Pay Period 11/9/18 - 11/23/18	91,168.84
11/21/2018	Federal Payroll Taxes	21,015.82
11/21/2018	State Payroll Taxes	6,591.16
11/21/2018	ICMA	5,889.60
11/30/2018	Directors Fees November	1,219.02
11/30/2018	Calpers Medical	42,940.63
12/3/2018	SVCW	632,488.00
12/5/2018	Prime Pay Fees for November	\$672.62
12/7/2018	Employee Payroll - Pay Period 11/23/18 - 12/07/18	85,025.08
12/7/2018	Federal Payroll Taxes	19,281.13
12/7/2018	State Payroll Taxes	5,890.40
12/7/2018	ICMA	5,889.60
	WIRE TRANSFERS FROM BofW CHECKING	<u>1,008,272.48</u>
	Transfer from LAIF	
	TOTAL WIRE TRANSFERS TO BofW CHECKING	<u>0.00</u>

Secretary

President

WITHDRAWAL ORDER
SUPPLEMENTAL PURCHASE REGISTER
12/12/2018

OPERATING SUPPLIES & OFFICE EXPENSE

CHECK	AMOUNT	VENDOR
64375	2,986.75	3T EQUIPMENT COMPANY
64377	3,042.83	WECO INDUSTRIES, INC.
64419	2,478.84	MISSION CLAY PRODUCTS LLC
64425	2,452.47	ROBERTS & BRUNE CO
64429	2,986.24	WECO INDUSTRIES, INC.

DESCRIPTION

18 firmed skids for hydro units.
 Sewer hose.
 Clay pipe connections.
 Clay pipe inventory.
 Sewer hose.

MISCELLANEOUS

CHECK	AMOUNT	VENDOR
64356	13,651.70	FREYER & LAURETA
64366	8,290.00	MENLO PARK FIRE PROTECTION
64371	60,070.16	RMC WATER AND ENVIRONMENT
64380	29,010.65	LUIS MEJIA
64386	685,527.84	PRECISION ENGINEERING
64389	9,781.58	BANKCARD CENTER
64393	491,190.09	ANDERSON PACIFIC
64394	539,376.27	ANDERSON PACIFIC
64397	232.02	SUSAN DUNLAP
64398	82.34	CHRISTOPHER JONES
64401	1,584.00	THE ALMANAC
64408	1,595.88	EMBARCADERO MEDIA
64409	2,457.60	FAST RESPONSE ON-SITE TESTING
64412	6,672.50	HF&H CONSULTANTS, LLC
64413	1,551.11	HACH COMPANY
64415	1,430.00	KDS COMMUNICATIONS
64416	1,114.85	CITY OF MENLO PARK
64417	7,573.48	CITY OF MENLO PARK-Fuel
64430	7,675.00	WEST YOST & ASSOCIATES
64431	4,322.64	WOODARD & CURRAN
64433	309.97	BOB HULSMANN
64436		VOID
64441		VOID
64442		VOID
64444	3,440.06	SAUSAL CREEK ASSOCIATES LLC
64445	2,529.45	LUIS MEJIA
64446	2,529.45	CHRISTOPHER BUJA
64447		VOID
64452	4,110.00	BAGGENGINEERS
64453	2,629.00	BAY AREA PAVING CO. INC.
64460	5,867.36	FREYER & LAURETA
64466	18,471.80	RMC WATER AND ENVIRONMENT
64471	9,450.00	V & A CONSULTING ENGINEERS
64473	24,802.48	WEST YOST & ASSOCIATES
64475	6,600.00	CHAVAN & ASSOCIATES LLP
64476	2,500.00	NORTH BAY PENSIONS

DESCRIPTION

Engineering services in October for Alpine Rd - \$6,440; Levee \$2,700; Belle Haven III \$1,850; misc \$2,662.
 10 annual hazardous materials permits.
 Bayfront resource recovery consulting during October.
 Reissue reimbursement agrmnt payment due to change of address - Buja, Mejia, SV Assoc (169 Wayside).
 Belle Have III contract payment #2.
 Villambrosa on call \$2,919; Meetings \$2,665; Office Exp \$2,535; Repairs & Maint \$1,662.
 Recycled Water Facility SHGCC construction contract payment #6 for work done during October.
 Recycled Water Facility SHGCC construction contract payment #7 for work done during September.
 Compensation for liability claim.
 Refund of excess sewer service fees paid.
 Bid notice publication for design & construction of metal storage building at FEERF.
 Publication notices for Alpine Rd. sewer project.
 FIT testing (respiratory) of maintenance staff.
 Sewer service fees model update \$3,600 and Solid waste model update \$3,072 during October.
 Flo-Dar sensor repair.
 Production of the annual winter District newsletter.
 District vehicle repairs during October.
 District vehicle fuel for October.
 September consulting for Facebook blackwater system - funded from Facebook deposit.
 Resource recovery consulting for October.
 Reimburse for November staff & District Board luncheon expenses.
 Printer error.
 Printer error.
 Printer error.
 Additional reimbursement agreement payment due for Buja, Mejia & Sausal Crk Assoc (169 Wayside).
 Additional reimbursement agreement payment due for Buja, Mejia & Sausal Crk Assoc (169 Wayside).
 Additional reimbursement agreement payment due for Buja, Mejia & Sausal Crk Assoc (169 Wayside).
 Printer error.
 Belle Haven Project III \$4,110 & manhole adjustment on Croner Ave, MP \$1,630.
 Contract paving on Hermosa Way, MP in October.
 Levee design and misc professional services.
 Recycled Water Facility SHGCC design/build consulting for work done through 11-9-18.
 October flow monitoring.
 October consulting for Facebook blackwater system - funded from Facebook deposit.
 Progress payment for FY2017-18 audit.
 FY2017-18 District OPEB actuarial valuation update for GASB 75.

WEST BAY SANITARY DISTRICT

SUMMARY OF FY2017-18 PAYMENTS
(Through Withdrawal Order 12/12/2018)

REGULAR PAYABLES	TOTAL BY VENDOR 7/1/2018- 12/12/2018	WITHDRAWAL 12/12/2018
A-A Lock & Alarm	203.10	19.25
A-1 Rhino Liner	-	
A & B Trailer Hitch Inc.	204.18	
A & D Automatic Gate Access	-	
AAA Rentals	537.00	
ABAG Hazmat	-	
ADS LLC	-	
Action Towing	-	
Airgas USA, LLC	141.94	141.94
Matheson Tri-Gas, Inc.	217.66	44.02
Alan Steel & Supply Co.	-	
Allen Equipment Company, Inc.	-	
All Fence Company, Inc.	-	
Alliant Insurance Services Inc	14,403.00	
The Almanac	4,092.00	1,584.00
Alpha Analytical Laboratories	3,840.00	2,640.00
Alpine Ladera Fuel Inc.	-	
American Industrial Pumps	-	
American Messaging	307.36	61.55
American Textile & Supply	-	
American Water Services	149.74	
American Water Works Assn.	269.00	
Andes Construction Inc.	-	
Anderson Pacific	3,000,020.97	1,030,566.36
Andrighetto RA	-	
A M Consulting	-	
Aqua Natural Solutions	515.96	
Aquality Water Management Inc.	7,210.00	
Arrowhead	-	
Ascent Elevator Services Inc.	-	
Association of Bay Area Gov.	-	
AT&T	6,116.97	1,222.34
Atchison, Barisone & Condotti	54,295.49	4,262.06
Town of Atherton	-	
AW Direct	579.17	
BHI Management Consulting	-	
Backflow Prevention Specialist	-	
Baggeengineers	6,850.00	4,110.00
Bayside Heating & Air	-	
Bankcard Center	21,331.54	9,781.58
S.G. Banks, Inc	-	
Barker Blue	-	
Bay Alarm	10,103.97	
Bay Area Air Quality	709.00	
Bay Area Barricade Service Inc	-	
Bay Area Clean Water Agencies	-	
Bay Area Paving Co. Inc.	2,629.00	2,629.00
Bay Reprographic, Inc.	1,410.43	
Bayside Equipment Company	399.63	256.07
Bayside Fire Protection Inc.	-	
Bay Area Clean Water Agencies	-	
Bell Electrical Supply, Inc.	547.94	
Annette Bergeron - Petty Cash	183.08	
Jed M. Beyer	179.35	
Black Pepper	200.00	
Blue Oaks Reimb Agrmnt Participants	-	
Bobcat West	784.91	
Boyce Reimb Agreement Participants	-	
Boy Scout Troop 222	-	
Brothers Mail Order Ind Inc	-	
Bruce Barton Pump Service	-	

WEST BAY SANITARY DISTRICT

SUMMARY OF FY2017-18 PAYMENTS
(Through Withdrawal Order 12/12/2018)

	TOTAL BY VENDOR 7/1/2018- 12/12/2018	WITHDRAWAL 12/12/2018
REGULAR PAYABLES		
Buja, Mejia, Sausal Creek Assoc Reim Agrmnt	105,974.73	37,509.61
Burke, Williams & Sorensen	-	
CA-NV AWWA	-	
CDPH-OCP	-	
CDW Government	307.10	307.10
CWEA,Sfbs	295.00	
CWEA-SCVS	860.00	
CWEA-SAS	-	
CWEA-SFSB	-	
CWEA	3,234.00	1,360.00
CWEA TCP	728.00	
CWEA Workshops	318.00	
CASA	-	
CSDA	7,252.00	
CSRMA C/O Alliant Insurance	132,672.00	
CSR Graphics	-	
State of California	-	
Calif Special Districts Assn.	-	
California Commerce	-	
Calif. Labor Law Poster Servic	152.00	
California Trenchless Inc.	-	
Calif. Utilities Emergency Assc	-	
State Water Resources Control	-	
California Water Service	7,546.15	1,376.84
California Water Service Company	-	
Calpers Long-Term Care Program	292.71	53.22
Calpers Fiscal Services Div.	-	
Cal-Steam	203.10	148.74
Caltrans	-	
Cardiac Science Corp.	-	
Center For Hearing Health Inc.	616.00	
Central Supply Co., Inc.	-	
Century Carpet, Inc.	-	
Chemsearch	-	
Chevron	46.57	
Chavan & Associates LLP	15,600.00	6,600.00
Christian Brothers Lining, Co.	-	
Cintas Corp	19,504.47	3,237.97
Cintas Fas Lockbox 636525	-	
Comcast	1,628.62	274.61
Commercial Capital Company Llc	-	
Comtread Inc.	-	
CPS HR Consulting	308.75	
Corrosion Engineering Assoc.	-	
Heath Cortez	-	
Costco Membership	60.00	
County Specialty Gases	-	
Cues	-	
CUSI	-	
Custom Tops, Inc.	646.16	
DKF Solutions Group	-	
D & L Supply	-	
D & S Sales	-	
Dale Scott & Co., Inc.	4,000.00	
Davey Tree Expert Company	-	
The Definitive Deodorant Co.	-	
Dell Marketing L.P.	6,445.99	
Delta Diablo Sanitation Dist.	-	
Deluxe	-	
Dept. of Industrial Relations	-	
Dept of Motor Vehicles	-	
Detection Instruments	-	
Dewey Pest Control	8,449.00	

WEST BAY SANITARY DISTRICT

SUMMARY OF FY2017-18 PAYMENTS
(Through Withdrawal Order 12/12/2018)

REGULAR PAYABLES	TOTAL BY VENDOR 7/1/2018- 12/12/2018	WITHDRAWAL 12/12/2018
Direct Safety	-	
Dolphin Graphics	1,295.95	
Downtown Ford Sales	33,203.70	
Ducky's Car Wash	-	
Duke's Root Control, Inc	203,143.94	522.00
Du-All Safety, Llc	13,365.00	1,620.00
Susan Dunlap	232.02	232.02
ESRI	-	
Eagle United U.S.A., Inc.	-	
East Bay Muni Utility District	2,393.00	
City of East Palo Alto	-	
Eco Office	-	
Electro-Stock Inc	-	
Elite Parts LLC	467.11	
Embarcadero Media	1,595.88	1,595.88
Environmental Bio Int., Llc	-	
EnviroZyme	2,998.34	
Express Safety, Inc.	-	
Fanton Reimbursement Recipients	-	
Fastenal Company	-	
Fast Response On-Site Testing	2,457.60	2,457.60
Federal Express	2,389.25	297.21
Fremont Urgent Care	783.00	142.00
Finishmaster Inc	2,024.80	
City of Foster City	-	
Four Star Automotive, Inc.	-	
Franchise Tax Board	1,350.00	650.00
Freyer & Laureta	126,050.52	19,519.08
Full Source, LLC	-	
G3 Engineering, Inc	9,061.13	
GCVSC (Grtr Centrl Valley Coll Syst)	-	
Gaffigan Company	-	
Gardini Electric Co. Inc.	-	
Garratt Reimbursement Recipients	-	
Angus Gavin	-	
Gearbox	-	
General Hardware & Bldrs Suppl	-	
Getgo, Inc.	-	
Givat Partnership	-	
Golden Gate Truck Center	356.46	187.46
Golden Oak Reimb Agrmnt Participants	-	
Golden Street Printing Co	-	
Goldstreet Design Agency, Inc.	-	
Grainger	13,046.95	666.55
Granite Rock, Inc.	362.77	362.77
Guardian Life Insurance Co.	-	
HDPE Supply	-	
HF&H Consultants, Llc	23,046.13	6,672.50
H & R Plumbing & Drain	-	
Hach Company	9,565.92	1,551.11
Hagemeyer North America, Inc.	-	
Hadronex, Inc.	-	
Half Moon Bay Grading & Paving	-	
Harben California	-	
Harbor Ready-Mix	1,191.43	
Harrington Industrial Plastics	260.44	
Hazard Management Services	1,384.30	
Hassett Hardware	-	
Helix Laboratories, Inc.	-	
Arthur Hildebrand	150.00	
Hillyard/San Francisco	582.64	
Holmes International	-	
Home Depot Credit Services	2,569.36	527.53

WEST BAY SANITARY DISTRICT

SUMMARY OF FY2017-18 PAYMENTS
(Through Withdrawal Order 12/12/2018)

	TOTAL BY VENDOR 7/1/2018- 12/12/2018	WITHDRAWAL 12/12/2018
REGULAR PAYABLES		
Hot Stick U.S.A.	-	
Bob Hulsmann	425.52	309.97
Hydraulic Controls	-	
Hyster Sales Company	-	
ICMA-Fees	-	
IEDA	3,670.00	734.00
IKEA Accounts Receivable	-	
Ikon Financial Services	-	
Ikon Office Solutions	-	
Industrial Safety Supply	14,775.50	
Industrial Scientific	-	
Innovyze, Inc	-	
Institute for Local Government	200.00	200.00
Instrument Technology Corp.	-	
International Tree Experts	-	
Interstate All Battery Center	-	
Interstate Traffic Control Pro	-	
Invarion Inc	1,395.00	
Isac Inc	2,498.15	
J & B Corrosion Engineering	1,395.00	
Jack Doheny Companies, Inc.	1,600.00	
Jani-King of CA, Inc - SFR/OAK	3,224.60	614.92
Christopher Jones	82.34	82.34
King Kovers	501.74	
Bill Kitajima	300.00	
Kaman Industrial Technologies	-	
KDS Communications	1,430.00	1,430.00
Kimball Midwest	1,288.44	122.41
Richard Kinder	-	
KIS	-	
Kone Inc.	1,243.70	248.74
Alex Kushner General Contr.	-	
L & M Transmission	-	
LDH MP, LLC	-	
LMC Truck	2,984.75	
LTW Reimb Agreement Participants	-	
Larson Consulting	-	
Lasky Trade Printing	141.38	
Las Lomas Elementary School	-	
Aurora Ledesma	75.00	
Legacy Painting Contractors	-	
Log Me In	1,925.29	65.39
Town of Los Altos Hills	-	
Lucity, Inc.	805.00	
Lyngso Garden Materials, Inc	-	
MSDS Online, Inc.	-	
Damian Madrigal	-	
Eric Madrigal	-	
Mail Finance	534.36	
The Marlin Company	-	
Marshall & Tidmarsh/Moulds RA	-	
Massimo Mazzon	-	
Masune	-	
Masters of Communication	-	
Maxx Metals	533.31	
McGuire & Hester	-	
Dale/McMills Partnership	-	
Mckenna Long & Aldridge	-	
Medco Supply Company	161.98	
Media Signage	795.00	
Metal Building Company	-	
Menlo Chevron	-	
Menlo Park Chamber of Commerce	-	

WEST BAY SANITARY DISTRICT

SUMMARY OF FY2017-18 PAYMENTS
(Through Withdrawal Order 12/12/2018)

	TOTAL BY VENDOR 7/1/2018- 12/12/2018	WITHDRAWAL 12/12/2018
REGULAR PAYABLES		
City of Menlo Park-Water	1,075.43	
City of Menlo Park-Repair	7,390.30	1,114.85
City of Menlo Park-Fuel	27,531.29	7,573.48
City of Menlo Park - Utilities	6,986.55	76.32
City of Menlo Park	28,251.80	936.20
Menlo Park Police Department	50.00	
City of Menlo Park-Print Shop	-	
Menlo Park Fire Protection	8,290.00	8,290.00
Menlo Park Hardware Co. #14016	705.17	367.74
Metromedia, Inc.	-	
Myers Tire Supply	-	
Mid Peninsula Abstracts	810.00	
Midwest Unlimited	-	
Mike's Camera, Inc.	-	
Mills-Peninsula Health Service	-	
Mission Clay Products Llc	4,978.25	2,478.84
Mission Valley Ford	919.36	
Edward P. Moritz	-	
Morse Hydraulics	802.64	687.63
Moss Rubber	-	
Motion Industries, Inc.	-	
Municipal Maintenance Equip.	2,395.90	
NCCIPMA-HR	-	
National Fleet Solutions	-	
National Notary Association	-	
Nationwide Retirement Solution	-	
National Safety Council	-	
Navia Benefit Solutions	1,750.00	325.00
Neopost USA Inc.	-	
Carrie Nevoli - Petty Cash	405.31	
Nixon-Egli Equipment Company	-	
Norcal Materials, Inc.	-	
Nor-Cal Pipeline	-	
Norlab, Inc.	-	
North Bay Pensions	2,500.00	2,500.00
No. CA. Emergency Vehicle Inst	-	
Northern Safety Co.	-	
Northern Tool & Equip Co.	-	
Northwestern Design	-	
Oldcastle Precast Inc.	-	
Office Of Water Programs	-	
Occasions, Etc.	279.49	
Ogasawara Landscape Maint.	7,110.00	1,510.00
Old Toledo Brands, Inc.	-	
Omega Industrial Supply, Inc.	3,040.12	1,409.08
Onset Computer Corporation	1,523.00	
Oratech Controls, Inc.	-	
Orenco Systems	-	
Orlandi Trailer	-	
Orr Safety	-	
George Otte	-	
Owen Equipment Company	-	
P&F Distributers	353.44	
PC Connection Sales Corp	780.00	
Pacific Auto Repair	-	
Pacific Gas & Electric	31,381.02	5,378.21
PAMF	-	
Pape Machinery	-	
Albert Patino	192.55	
Patterson Medical Supply, Inc	-	
Pearpoint, Inc	-	
Peninsula Abstracts	-	
Peninsula Auto-RV Truck Service	-	

WEST BAY SANITARY DISTRICT

SUMMARY OF FY2017-18 PAYMENTS
(Through Withdrawal Order 12/12/2018)

	TOTAL BY VENDOR 7/1/2018- 12/12/2018	WITHDRAWAL 12/12/2018
REGULAR PAYABLES		
Peninsula Battery Inc.	-	
Peninsula Building Materials	1,928.82	1,141.77
Peninsula Corridor JPA	-	
Pacific Peninsula Group	-	
Peterson Trucks	-	
Phil Finer Refrigeration & A/C	-	
Piccolo Italiano Ristorante	-	
Pier 2 Marketing	500.00	
Pinnacle Products	-	
Pinpoint	-	
Pipelogix	-	
Pirtek Sfo	347.46	347.46
Pitney Bowes, Inc.	-	
Pollard Water.Com	-	
Ponton Industries, Inc.	15,949.20	
Precise Concrete Sawing, Inc.	-	
Precise Printing and Mailing	1,936.58	
Precision Engineering	1,509,931.43	685,527.84
Precor Home Fitness	-	
Preferred Alliance	1,402.70	196.80
Principal Financial Group	28,466.59	10,859.73
Priority 1 Public Safety	-	
Profusion Ornamental Iron	2,997.00	
Progressive Business	-	
PERS Public Agency Coalition	-	
Public Employees Retirement-Medical	213,539.73	42,940.63
Public Employees Retirement	433,411.18	
Samuel Quezada	39,568.71	
Marie Ramirez/SDU	5,086.20	1,017.24
Sergio Ramirez	3,902.22	
R.A. Nosek Investigations	305.00	
R.E.P. Nut N Bolt Guy	-	
R.S. Hughes	-	
RMC Water and Environment	266,278.91	78,541.96
Radin Co.	-	
Rain Harvesting Supplies	-	
Ranger Pipelines	-	
RapidForms	-	
Readyrefresh By Nestle	1,893.10	426.81
Red Wing Shoe Store	2,382.14	1,715.78
Redwood General Tire Co., Inc.	1,070.55	
Reed & Graham, Inc.	-	
Todd Reese	-	
Re-Pipe California	-	
Restoration Management Co.	-	
Rhino Networks	858.00	
Rich Voss Trucking	1,201.91	
Ricker Machinery Company	-	
Roberts & Brune Co	15,664.16	3,981.90
Roto Rooter	-	
Rubber Flooring Inc.	-	
Santified Plumbing & Rooter	-	
Silicon Valley Clean Water	3,794,928.00	632,488.00
SVCW Bond - 2009 Bond	648,507.85	
SVCW Bond - 2014 Bond	407,135.08	
SVCW Bond - 2015 Bond	547,175.00	
SVCW Bond - 2018 Bond	1,177,061.56	
SVCW SRF Loan payment	506,765.21	
SBWMA	-	
SWRCB	-	
Safeguard Armor	-	
Safety Center Inc	-	
Safety-Kleen, Corp.	-	

WEST BAY SANITARY DISTRICT

SUMMARY OF FY2017-18 PAYMENTS
(Through Withdrawal Order 12/12/2018)

	TOTAL BY VENDOR 7/1/2018- 12/12/2018	WITHDRAWAL 12/12/2018
REGULAR PAYABLES		
Sage Software	-	
San Mateo County Employees	16,444.05	3,009.00
San Mateo County Assessor	-	
SM County-CSDA	-	
San Mateo County Clerk	2,315.00	300.00
San Mateo County Elections	-	
SM County Environmental Health	-	
SM County-Empl Services	-	
San Mateo Co Health Dept	544.00	544.00
SM County Public Health	-	
San Mateo County	3,818.00	205.00
SM County Recorder	-	
San Mateo County Sheriffs Dept	-	
San Mateo County Tax Collector	852.16	
SM LAFCO	-	
Samtrans	-	
George Sanchez III	225.00	
Rupert Sandoval	147.39	
Santa Clara Valley Water Dist.	-	
County of San Mateo Lafco	-	
Santa Clara County Clerk - Recorder Office	221.00	
Santa Clara County Dept of Env. Health	-	
Santa Clara Valley - CWEA	-	
Henry Santos	-	
Scelzi Enterprises, Inc.	-	
Robert J. Scheidt	479.11	
Schmidt/Tabacco RA	-	
Phil Scott	3,184.01	
John T. Seace, LS	20,000.00	
Secretary of State	-	
Seekzen Systems	2,375.00	475.00
Sensera Systems	-	
Sequoia Automotive	-	
Shape Incorporated	17,789.33	
Siemens Industry, Inc.	-	
Simonds Machinery Co.	-	
Snap on Industrial C/O	-	
Sharp Business Systems	2,386.76	273.08
Sharp Electronics Corporation	-	
Shaw Pipeline Inc.	-	
Signa Mechanical	-	
John R. Simonetti	-	
SIM/TECH Filter	-	
Scott Sisto	-	
Smartcover Systems, Inc.	33,268.48	
Snap on Industrial	-	
Softmart	-	
Solarwinds	55.00	
Sonsray Machinery Llc	-	
South Bay Truck & Equip.	-	
Southwest Credit	-	
Southwest Construction & Prop	-	
Southwest Products Corp.	-	
Spartan Tool LLC	2,370.77	
Sreco Flexible	-	
Staples Credit Plan	5,322.03	920.53
State Board of Equalization	-	
State Water Resources Control	-	
Statewide Safety & Signs	-	
Sterngold Reimbursement Agreement Participants	-	
Stevens Creek Quarry, Inc.	2,563.59	
Sunnyvale Ford	-	
The Surtec System	425.89	

WEST BAY SANITARY DISTRICT

SUMMARY OF FY2017-18 PAYMENTS
(Through Withdrawal Order 12/12/2018)

	TOTAL BY VENDOR 7/1/2018- 12/12/2018	WITHDRAWAL 12/12/2018
REGULAR PAYABLES		
Sutter EAP	1,236.74	
Symantec Corporation	-	
System Pavers	-	
Tabacco/Schmidt Reimbursement Agreement	60,301.99	
Tap Plastics Inc.	-	
Target Specialty Products	-	
Teamsters Local No. 350	4,697.00	1,033.00
Teletrac Navman US LTD.	983.52	491.76
Telog Instruments, Inc.	-	
Telstar Instruments, Inc.	-	
Terminix Processing Center	-	
Test America	-	
The Concept Genie	5,703.40	
Roy Thiele-Sardina	-	
Thomson Reuters/Barclays	-	
3T Equipment Company	21,100.41	3,515.32
3 Day Blinds, Corp.	1,234.98	
Tools Direct USA	-	
Toshiba Financial Services	1,889.65	266.45
Total Equipment	-	
Total Safety U.S., Inc.	-	
Towne Ford Sales	808.46	430.87
TPC Training	1,100.00	
Tractor Equipment Sales	-	
Trailer Villa	-	
Transcom Corporation	-	
Trenchless Technology Inc.	-	
Turf & Industrial Equipment	-	
USB Memory Direct	1,162.50	
Underground Service Alert	9,447.63	
United Rentals	-	
US Bank	427.74	135.94
U.S. BANK PARS ACCT	-	
US Concrete	-	
U.S. Healthworks Medical Group	-	
U.S. Jetting, LLC.	-	
V & A Consulting Engineers	9,450.00	9,450.00
V.W. Housen & Associates	29,304.11	
Valley Heating & Cooling	294.00	
Valley Power Systems North	283.13	
Vanderlans & Sons, Inc.	-	
Verizon Wireless	10,170.24	1,623.56
Vision Communications Co.	3,755.00	667.00
Vortex Industries, Inc.	-	
David Walker	-	
Water Environment Federation	255.00	
Weco Industries, Inc.	33,794.40	6,041.07
Donna M. Wies	7,400.00	
Jonathan Werness	430.55	
West Valley Ventures	-	
West Yost & Associates	97,245.70	33,895.48
Western States Tool & Supply	-	
Whitley Burchett & Associates	-	
Winzer Corporation	227.68	
Woodard & Curran	11,424.28	4,322.64
Young's Auto Supply Center	782.95	679.52
Zanker Road Landfill	-	
Zoom Imaging Solutions, Inc.	2,169.27	291.57
TOTAL REGULAR PAYABLES	14,152,279.98	2,709,401.80
SALARIES/WAGES & W/H		
Salaries/Wages - Net Pay	1,062,860.46	\$176,193.92

WEST BAY SANITARY DISTRICT

SUMMARY OF FY2017-18 PAYMENTS
(Through Withdrawal Order 12/12/2018)

	TOTAL BY VENDOR 7/1/2018- 12/12/2018	WITHDRAWAL 12/12/2018
REGULAR PAYABLES		
Directors Fees - Net Pay	10,844.26	\$1,219.02
PrimePay Fees	3,570.83	\$672.62
IRS - Federal Payroll Taxes	232,781.36	\$51,096.78
EDD - State Payroll Taxes	72,169.72	\$14,878.87
ICMA	68,788.33	\$13,719.15
Performance Merit Program	75,063.49	\$75,063.49
TOTAL SALARIES RELATED	<u>1,526,078.45</u>	<u>\$332,843.85</u>
TOTAL PAYABLES	15,678,358.43	3,042,245.65

WEST BAY SANITARY DISTRICT
Schedule of Cash Receipt Deposits
11/01/18 - 12/05/18

DEPOSIT DATE	RECEIPT NUMBER	DESCRIPTION	AMOUNT
12/5/18	460373	Remittance Payment - COBRA Dental & Vision coverage for J. Simonetti	\$98.66
12/5/18	460374	Permit: 131 Floresta Way	\$270.00
12/5/18	460375	Permit: 76 Catalpa Dr	\$270.00
12/5/18	460376	Alpine Road Sanitary Sewer Replacement Project # 1758.9 - Bid Pkg # 26	\$60.00
12/5/18	460377	Alpine Road Sanitary Sewer Replacement Project # 1758.9 - Bid Pkg # 27	\$60.00
12/5/18	460378	Inv 2018/19-008 Sewer service fees - 18 Arastradero, PV	\$716.00
12/5/18	460379	Inv 2018/19-009 Sewer service fees - 19 Redberry Ridge, PV	\$1,432.00
12/5/18	460380	Permit: 2124 Sterling Ave	\$135.00
12/5/18	460381	Inv 2018/19-033 Sewer service fees - 1036 Los Trancos Road, PV	\$563.00
12/5/18	460382	Alpine Road Sanitary Sewer Replacement Project # 1758.9 - Bid Pkg # 28	\$60.00
12/5/18	460383	Inv 2018/19-017 Sewer service fees - 110 Bear Gulch Dr, PV	\$1,126.00
12/5/18	460384	Inv 2018/19-048 - Mandatory Discharge Permit	\$1,203.40
12/5/18	460385	Inv 2018/19-024 - Sewer service fees - 210 Golden Oak Dr, PV	\$1,514.34
12/5/18	460386	Alpine Road Sanitary Sewer Replacement Project # 1758.9 - Bid Pkg # 29	\$60.00
12/5/18	460387	Permit: 140 Forest Ln	\$160.00
12/5/18	460388	Permit: 140 Forest Ln	\$270.00
12/5/18	460389	Alpine Road Sanitary Sewer Replacement Project # 1758.9 - Bid Pkg # 31	\$60.00
12/5/18	460390	Permit: 1760 Santa Cruz Ave	\$270.00
12/5/18	460391	Discharge Permit: NR-0362 - 59 Lupin Lane, Ath	\$540.15
12/5/18	460392	Permit: 1335 Corinne Ln	\$270.00
12/5/18	460393	Permit: 451 Conil Way	\$160.00
12/5/18	460394	Inv 2018/19-045 - Permit Fees - SLAC	\$601.70
12/5/18	460395	Permit: 159 Crescent Ave	\$270.00
12/5/18	460396	Permit: 931 Cloud Ave	\$160.00
12/5/18	460397	Permit: 931 Cloud Ave	\$270.00
12/5/18	460398	Inv 2018/19-038 Sewer service fees - 3350 Alpine Road, PV	\$1,126.00
12/5/18	460399	Permit: 2100 Camino A Los Cerro	\$270.00
12/5/18	460400	Postage reimburse	\$0.47
12/5/18	460401	Discharge Permit: Sand Hill Circle, MP	\$7,840.29
12/5/18	460402	for flowers for L. Scott charged on credit card	\$65.00
12/5/18	460403	Inv. 2018/19-013 - Sewer service fees - 40 Tagus Ct, PV	\$716.00
12/5/18	460404	Inv 2018/19-005 - Sewer service fees - 5 Grove Ct, PV	\$716.00
12/5/18	460405	Permit: 143 Los Trancos Cir	\$3,225.00
12/5/18	460406	Inv 2018/19-052	\$884.40
12/5/18	460407	Permit: 2 Dinkelspiel Sta Ln	\$160.00
12/5/18	460408	Permit: 76 Ridge View Dr	\$270.00
12/5/18	460409	Permit: 531 Laurel Ave	\$405.00
12/5/18	460410	Vendor Refund	\$2,700.00
12/5/18	460411	Permit: 4414 Fair Oaks Ave	\$270.00
12/5/18	460412	Permit: 89 Tallwood Ct	\$160.00
12/5/18	460413	Permit: 304 Oakwood Pl	\$270.00
12/5/18	460414	Permit: 947 Lee Dr	\$160.00
12/5/18	460415	Inv 2018/19-052 suppl pmt for Buja Reimburse Agrmnt (169 Wayside Rd)	\$8,498.96
12/5/18	460416	Permit: 10 Cotton Pl	\$270.00
12/5/18	460417	LTW reimbursement agrmnt, connection, & permit fee - 1236 Los Trancos Rd	\$70,813.80
12/5/18	460418	Permit: 835 Monte Rosa Dr	\$160.00
12/5/18	460419	Permit: 344 Mckendry Pl	\$270.00
12/5/18	460420	Permit: 291 Willow Rd	\$270.00
12/5/18	460421	Inv 2018/19-051 - Maint. Agreement Town of Woodside	\$8,178.51
12/5/18	460422	Inv 2018/19 -037 Sewer service fees - 3330 Alpine Road	\$1,126.00
Total Deposits			<u>\$119,425.68</u>
Wire Transfers to BoW Checking			
11/20/18		Recology solid waste franchise fee	7,899.64
Total Wires			<u>7,899.64</u>



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 8C**

To: Board of Directors

From: Sergio Ramirez, Operations Superintendent

Subject: WBSD Operations and Maintenance Report – November 2018

Month	Basin PM Pipe Cleaning	High Freq. PM Pipe Cleaning	Un-Sche. Pipe Cleaning	WBSD CCTV Insp.	Pipe Patch Repairs	Open Trench Repairs	Pump Sta. PM	Pump Sta. Unsch. Repairs	SSO	SSO	Service Calls- Unit 208			
	Miles	Miles	Miles	Miles	Qty.	Qty.	Qty.	Qty.	Cat. 1	Cat. 2&3s	Call Outs	Sch PM	Unsch. PM	USA's
January	5.2	4.2	0.7	2.2	0	5	121	1	0	0	126	6	6	231
	3.6	7.7	0.2	2.4	1	7	106	0	0	1	84	7	27	273
March	13.9	0.3	0.5	4.1	9	5	114	1	0	0	97	7	21	318
April	14.3	4.3	0.3	2.6	7	7	105	0	0	1	88	5	23	357
May	13.6	9.2	0.7	5.9	8	5	90	1	0	1	76	3	3	303
June	11.9	0.0	0.2	7.9	3	1	110	1	0	0	77	3	0	139
July	14.4	5.6	1.0	3.9	5	5	112	1	0	0	81	8	0	93
August	20.4	4.0	1.0	3.9	10	5	62	0	0	0	97	7	0	172
Sept.	11.1	0.0	0.9	2.3	15	8	104	0	0	1	101	8	0	109
* Oct.	14.9	4.1	0.8	2.9	3	4	120	0	0	0	109	55	1	237
Nov.	6.1	4.7	0.2	2.1	2	7	106	0	0	0	97	25	0	144
Dec														
Yr to date	129.4	44.1	6.5	40.2	63	59	1150	5	0	4	1033	134	81	2376

Report to the District Board for the Regular Meeting of December 12, 2018

2018 Goals	120.0	51.0	n/a	45-50	65	90	n/a	<10	0-2	4 to 6	n/a	n/a	n/a	n/a
2017 Results	126.4	51.5	5.7	24.8	66	97	1265	8	2	3	700	178	61	3218
2016 Results	138	49	6	33	65	94	1188	5	0	8	798	167	155	3222
2015Results	120	55	21	46	65	90	1349	6	0	5	798	174	185	2125
2014Results	137	63	20	48	65	78	1328	10	2	12	771	183	72	1834
2013Results	85	90	n/a	50.1	65	78	1281	105	0	10	802	285	95	1103
2012Results	75	90	20	49	63	76	1221	186	1	11	727	212	92	867
2011Results	74	104	32	45	47	73	472	184	0	16	777	318	151	1469

* = Beginning of PMPP year.

** Note: West Bay CCTV inspected an additional 10.8 miles for the Town of Los Altos Hills and 1 mile for the Town of Woodside.



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 8D**

To: Board of Directors

From: Sergio Ramirez, Operations Superintendent

Subject: Town of Los Altos Hills Operations and Maintenance Report for Work Performed by WBSD – November 2018

Month Temp Help	Basin PM Pipe Clean- ing	High Freq. PM Pipe Clean- ing	Un- Sche. Pipe Clean- ing	WBSD CCTV Insp.	Pump Sta. PM	Pump Sta. Unsch. Repairs	SSO	SSO	Service Calls
	Miles	Miles	Miles	Miles	Qty.	Qty.	Cat. 1	Cat. 2&3s	Call Outs
January									
February									
March									
April									
May									
June									
July									
*August	0.0	0.5	0.0	0.8	4	0	0	0	0
Sept.	0.0	3.8	0.0	1.3	4	0	0	0	0
Oct.	1.4	1.3	0.0	1.2	4	1	0	0	0
Nov.	0.5	1.2	0.0	1.0	4	1	0	0	0
Dec									
Yr to date	1.9	6.8	0.0	4.3	16	2	0	0	0
FY17/18Goals	13.1	16.9	n/a	9.3	52	n/a	n/a	n/a	n/a

* Agreement commenced: FY Aug 1 through July 31.

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 8E**

To: Board of Directors

**From: Phil Scott, District Manager
Liz Bahrami, District Accountant**

Subject: Consider to Ratify and Approve Report on District's Investment Portfolio Including the Transactions of Assets Described Therein as of 11/30/18

Background

On October 27, 2010 the District named Bank of the West as the District's Investment advisor and approved to invest \$5 million in available funds according to the model portfolio.

At the October 15, 2014 Board meeting the Directors discussed the District's reserve funds and directed the DM to use recent unbudgeted connection fee revenues to fund District reserves as close to the predetermined target levels as the revenues would allow. As a result, the DM transferred \$3M from the Money Market account on October 29, 2014 to the Investment Management Fund.

At the November 19, 2014 Board meeting the Directors discussed the District's reserves and further directed the DM to apply another set of unbudgeted connection fees to the reserves in an attempt to move even closer to the reserve target levels. In addition, since BOW had recently notified the District that the Money Market interest rate would be failing to match the LAIF (Local Agency Investment Fund) rate, the Board directed the DM to move the Operating Reserves to the Investment Management Fund. The District's Operating Fund – equivalent to 5 months operating expense – is designed to bridge the cash flow gap between tax roll receipts from the County from July to December of each year. The Board consensus was to fully fund the reserves at target levels. The Operating Reserves change each year as the budget changes and the target level was set as budgeted for the end of FY18-19. During March an additional reserve was established to set aside funds received from Sharon Heights Golf and Country Club for the required Recycled Water SRF Reserve.

The District's reserve funds were set as follows:

District Reserves	Target Balance	Mkt Value Balance
Emergency Capital Reserve	= \$5.0M	\$5.36M
Capital Project Reserve	= \$3.5M	\$3.67M
Recycled Water Cash Flow:	= \$8.0M	<u>\$8.13M</u>
BoW RW CF Reserve		\$1.33M
RW CF Reserve funds transferred to LAIF		\$6.80M
Operating Reserves (5 mo's Op Exp)	= \$9.4M	\$9.44M
Rate Stabilization Reserve	= \$6.5M	\$6.62M
Recycled Water SRF Reserve (SHGCC)	= \$806.2K	\$ 817K

Total Reserves market value at 11/30/2018 ≈\$34.04M

Analysis

The District Accountant has attached a copy of the latest monthly Investment Management portfolio statements showing income activity and market valuations as of the end of the month for the six Reserve accounts. Since January through the end of November, maturing investments in the Recycled Water Cash Flow Reserve totaling \$6,802,149 have been withdrawn and deposited into LAIF to provide needed capital to fund the near term cash flow needs of the Recycled Water Facility project and still maintain interest earnings on these funds while waiting disbursement. Recycled Water project spending to date totals \$4,910,087 of which the District has received SRF reimbursement of \$1,230,706 leaving a balance of \$3,122,768 of the reserve funds in LAIF as of 11/30/2018. In August \$1M was added to the Rate Stabilization Reserve as provided for in the approved Budget and \$1.43M was added to the Operating Reserve to increase its balance to equal 5 months of operating expenses.

Fiscal Impact

The investment portfolios have been set up with the goal to yield a rate of return of approximately 2%. Based on the performance as measured by the month end market values, the yields have been trending toward this goal. The average yield in the District's LAIF account during November was 2.21%.

Recommendation

The District Manager recommends the District Board ratify and approve the report on the District's Investment Portfolio including the transactions of assets described therein as of 11/30/18.

Attachments: Investment Management Account Reports and YTD Summary as of November 30, 2018; LAIF Performance Report for November 2018; PARS Statement as of 10/31/18.



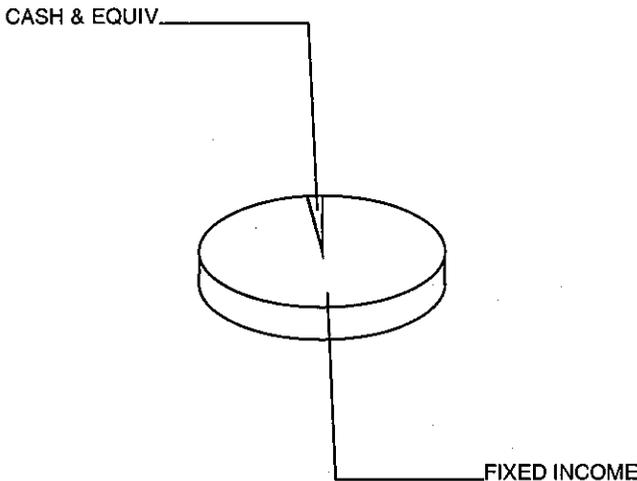
WBSD - EMERGENCY CAPITAL RESERVE

Account Number: /
 Statement Period: 11/01/18 - 11/30/18

WEST BAY SANITARY DISTRICT
 ATTN: PHILLIP L. SCOTT
 500 LAUREL STREET
 MENLO PARK CA 94025

Fiduciary	Chuen Ying Lee (408) 645-3234
Portfolio	Michael D. Smith (408) 490-2079

Asset Allocation



Asset Valuation

Description	Market Value	% of Account
Cash & Equiv	82,715.24	1.6%
Fixed Income	5,241,263.23	98.5%
Total Portfolio	\$ 5,323,978.47	100.0%
Accrued Income	33,529.52	
Total Valuation	\$ 5,357,507.99	

Market Reconciliation

	Current Period	Year To Date
Beginning Market Value	\$ 5,338,826.71	\$ 5,314,621.63
Income		
Interest.....	11,753.74	53,733.07
Purchased Income.....	-562.15	-1,725.76
Disbursements.....	-786.60	-3,961.18
Realized Gains/(Losses).....	0.00	-4,879.29
Change In Accrued Income.....	-215.68	4,369.83
Change In Market Appreciation/(Depreciation).....	9,063.24	-1,662.40
Non-Cash Asset Changes.....	-571.27	-2,987.91
Ending Market Value	\$ 5,357,507.99	\$ 5,357,507.99



WBSD - EMERGENCY CAPITAL RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Cash Equivalents				
Bank of The West Advantage Acct	82,715.240	82,715.24 82,715.24	1,770.00 275.80	2.14%
Total Cash Equivalents		\$ 82,715.24 \$ 82,715.24	1,770.00 275.80	2.14%
Fixed Income				
Astrazeneca PLC Sr Nt 1.95% Dtd 09/18/2012 Due 09/18/2019 Callable	100,000.000	98,990.00 98,290.00	1,950.00 395.41	1.97%
Blackrock Inc Nt 5.00% Dtd 12/10/2009 Due 12/10/2019 Callable	250,000.000	255,137.50 260,697.50	12,500.00 5,937.49	4.90%
Citigroup Inc Fr 2.50% Dtd 07/29/2014 Due 07/29/2019 Non-Callable	250,000.000	248,897.50 250,282.50	6,250.00 2,118.05	2.51%
Federal Home Ln Mtg Corp Partn Gold Group #G13107 5.500% Dtd 03/01/2008 Due 07/01/2020 IPD14	5,211.620	5,233.87 9,225.46	286.00 23.88	5.48%
Federal Home Ln Mtg Corp Partn Gold Group #G11940 5.500% Dtd 03/01/2006 Due 05/01/2020 IPD14	7,773.730	7,817.88 12,092.43	427.00 35.62	5.47%
Federal Home Loan Bks Cons Bds Step Cpn Dtd 04/27/2017 Due 04/27/2022 Callable	120,000.000	117,597.60 119,730.00	2,760.00 260.66	2.35%
Federal Home Loan Bks Cons Bds 3.06% Dtd 06/28/2018 Due 06/28/2022 Callable	80,000.000	79,862.40 80,000.00	2,448.00 1,040.40	3.07%
Federal Home Loan Bks Cons Bds 3.00% Dtd 09/27/2018 Due 09/27/2021 Callable	80,000.000	80,040.80 80,000.00	2,400.00 426.66	3.00%
Federal Home Loan Bks Cons Bds 3.15% Dtd 05/02/2018 Due 05/02/2023 Callable	50,000.000	49,716.00 49,912.50	1,575.00 126.87	3.17%
Federal Home Loan Bks Cons Bds 2.00% Dtd 01/27/2016 Due 01/27/2021 Callable	75,000.000	73,458.75 73,275.00	1,500.00 516.66	2.04%



WBSD - EMERGENCY CAPITAL RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Federal Home Loan Bks Cons Bds 1.70% Dtd 07/27/2016 Due 07/27/2022 Callable	140,000.000	133,981.40 134,008.14	2,380.00 819.77	1.78%
Federal Farm Cr Bks Cons Systemwide Bds 1.90% Dtd 08/03/2017 Due 08/03/2022 Non-Callable	80,000.000	77,150.40 80,168.80	1,520.00 498.22	1.97%
Federal Farm Cr Bks Cons Systemwide Bds 2.83% Dtd 04/18/2018 Due 04/18/2022 Callable	100,000.000	99,436.00 100,000.00	2,830.00 338.02	2.85%
Federal Farm Cr Bks Cons Systemwide Bds 2.81% Dtd 06/14/2018 Due 06/14/2021 Callable	150,000.000	149,268.00 150,000.00	4,215.00 1,955.29	2.82%
Federal Farm Cr Bks Cons Systemwide Bds 3.17% Dtd 09/19/2018 Due 09/19/2022 Callable	80,000.000	80,008.00 80,000.00	2,536.00 507.19	3.17%
Federal Home Loan Bks Cons Bds 4.125% Dtd 11/13/2009 Due 12/13/2019 Non-Callable	50,000.000	50,701.00 51,958.50	2,062.00 962.50	4.07%
Federal Home Loan Bks Cons Bds 2.875% Dtd 08/27/2010 Due 09/11/2020 Non-Callable	80,000.000	80,021.60 82,244.00	2,300.00 511.11	2.87%
Federal Home Ln Mtg Corp 1.75% Dtd 12/30/2016 Due 12/30/2020 Callable	160,000.000	156,291.20 160,000.00	2,800.00 1,174.44	1.79%
Federal Home Ln Mtg Corp Medium Term Nts 1.625% Dtd 04/27/2017 Due 07/27/2020 Callable	40,000.000	39,218.80 40,000.00	650.00 61.38	1.66%
Federal Home Ln Mtg Corp 1.65% Dtd 04/27/2017 Due 04/27/2020 Callable	150,000.000	147,661.50 147,976.33	2,475.00 233.75	1.68%
Federal Home Ln Mtg Corp 2.00% Dtd 04/26/2017 Due 10/26/2021 Callable	120,000.000	117,000.00 120,000.00	2,400.00 233.33	2.05%
Federal Home Ln Mtg Corp 2.00% Dtd 10/12/2017 Due 10/12/2021 Callable	100,000.000	96,945.00 100,000.00	2,000.00 272.22	2.06%
Federal Home Ln Mtg Corp 1.65% Dtd 10/30/2017 Due 10/30/2019 Callable	80,000.000	79,187.20 80,000.00	1,320.00 113.66	1.67%



WBSD - EMERGENCY CAPITAL RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Federal Home Ln Mtg Corp 2.25% Dtd 12/29/2017 Due 12/29/2021 Callable	60,000.000	58,707.60 60,000.00	1,350.00 570.00	2.30%
Federal Home Ln Mtg Corp 3.25% Dtd 06/28/2018 Due 06/28/2023 Callable	80,000.000	80,019.20 79,960.00	2,600.00 1,105.00	3.25%
Federal Natl Mtg Assn 1.50% Dtd 04/27/2015 Due 06/22/2020 Non-Callable	25,000.000	24,512.50 25,211.00	375.00 165.62	1.53%
Federal Natl Mtg Assn 1.50% Dtd 10/19/2015 Due 11/30/2020 Non-Callable	25,000.000	24,351.25 25,149.75	375.00 1.04	1.54%
Federal Natl Mtg Assn 1.875% Dtd 11/16/2015 Due 12/28/2020 Non-Callable	40,000.000	39,241.20 40,631.20	750.00 318.74	1.91%
Federal Natl Mtg Assn 1.375% Dtd 02/05/2016 Due 02/26/2021 Non-Callable	60,000.000	58,078.80 59,616.95	825.00 217.70	1.42%
Federal Natl Mtg Assn 1.25% Dtd 09/30/2016 Due 09/30/2019 Callable	60,000.000	59,281.20 59,985.00	750.00 127.08	1.27%
Federal Natl Mtg Assn 1.375% Dtd 10/07/2016 Due 10/07/2021 Non-Callable	60,000.000	57,540.00 59,427.55	825.00 123.75	1.43%
Federal Natl Mtg Assn 2.00% Dtd 01/09/2017 Due 01/05/2022 Non-Callable	60,000.000	58,467.00 60,246.60	1,200.00 486.66	2.05%
Federal Natl Mtg Assn 1.50% Dtd 11/27/2012 Due 11/27/2020 Callable	80,000.000	77,812.00 77,824.96	1,200.00 13.33	1.54%
Federal Natl Mtg Assn 1.80% Dtd 11/30/2016 Due 05/26/2021 Callable	100,000.000	97,023.00 100,000.00	1,800.00 25.00	1.86%
Federal Natl Mtg Assn 1.75% Dtd 09/28/2017 Due 09/28/2020 Callable	130,000.000	127,449.40 130,000.00	2,275.00 398.12	1.79%
Federal Natl Mtg Assn 2.70% Dtd 03/26/2018 Due 03/26/2021 Callable	140,000.000	139,392.40 140,000.00	3,780.00 682.50	2.71%



WBSD - EMERGENCY CAPITAL RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Federal Home Ln Mtg Corp 2.375% Dtd 01/13/2012 Due 01/13/2022 Non-Callable	60,000.000	59,032.20 61,175.40	1,425.00 546.24	2.41%
Federal Home Ln Mtg Corp 1.75% Dtd 04/16/2012 Due 05/30/2019 Non-Callable	25,000.000	24,899.00 25,106.00	437.00 1.21	1.76%
Federal Home Ln Mtg Corp 1.25% Dtd 10/02/2012 Due 10/02/2019 Non-Callable	25,000.000	24,690.00 25,065.00	312.00 51.21	1.27%
Federal Natl Mtg Assn Gtd Passthru CTF Pool #386765 5.420% Dtd 01/01/2004 Due 01/01/2019 IPD24	45,007.570	44,918.91 49,851.32	2,439.00 203.28	5.43%
Federal Home Ln Mtg Corp Multiclass Mtg Partn Ctfs Gtd Ser 2958 CI Qj 4.00% Dtd 04/01/2005 Due 04/15/2020 IPD14	560.280	560.37 4,533.45	22.00 1.86	4.00%
Federal Natl Mtg Assn Gtd REMIC Passthru Tr REMIC Tr Ser 2009 M1 CI A2 4.287% Dtd 10/01/2009 Due 07/25/2019 IPD24	27,313.860	27,325.57 34,429.02	1,170.00 96.89	4.29%
Federal Natl Mtg Assn Gtd Passthru CTF Pool #797828 5.000% Dtd 04/01/2005 Due 04/01/2020 IPD24	19,287.920	19,941.78 24,850.42	964.00 80.36	4.84%
Federal Natl Mtg Assn Gtd Passthru CTF Pool #819257 5.000% Dtd 05/01/2005 Due 04/01/2020 IPD24	5,771.890	5,768.54 8,057.60	288.00 24.04	5.00%
Federal Natl Mtg Assn Gtd Passthru CTF Pool #MA0125 4.500% Dtd 06/01/2009 Due 07/01/2019 IPD24	578.330	587.62 2,899.66	26.00 2.16	4.43%
Fifth Third Bancorp Sr Nt 2.30% Dtd 02/28/2014 Due 03/01/2019 Callable	250,000.000	249,555.00 250,240.00	5,750.00 1,437.49	2.30%
Florida St Brd Admin Fin Corp Rev Bds 2016a Taxable 2.163% Dtd 03/08/2016 Due 07/01/2019 Callable	55,000.000	54,811.90 55,480.70	1,189.00 495.68	2.17%
Home Depot Inc Sr Glbl Nt 2.00% Dtd 02/12/2016 Due 04/01/2021 Callable	60,000.000	58,285.80 59,878.80	1,200.00 199.99	2.06%



WBSD - EMERGENCY CAPITAL RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Lloyds Bank PLC Sr Gbl Nt 2.35% Dtd 09/05/2014 Due 09/05/2019 Non-Callable	250,000.000	248,242.50 250,450.00	5,875.00 1,403.47	2.37%
Morgan Stanley D W Disc Srmtns Sr Nt Flt Var Rate Dtd 11/30/2010 Due 11/30/2019 Non-Callable	50,000.000	50,375.00 49,062.50	2,103.00 5.29	4.17%
Ohio St Dev Assistance GO Bds 2009b Taxable 6.52% Dtd 06/18/2009 Due 10/01/2028 Prerefunded 10/01/2019 @ 100.000 Callable	45,000.000	46,303.65 46,736.10	2,934.00 489.00	6.34%
Pfizer Inc Sr Nt 5.20% Dtd 08/12/2015 Due 08/12/2020 Non-Callable	100,000.000	103,097.00 106,330.00	5,200.00 1,574.44	5.04%
Small Business Admin Gtd Ln Pool Ctfs 6.30% Dtd 05/12/1999 Due 05/01/2019	737.300	738.89 4,479.01	46.00 45.97	6.29%
Small Business Admin Gtd Ln Pool Ctfs 7.19% Dtd 12/15/1999 Due 12/01/2019	3,829.750	3,858.13 16,353.72	275.00 228.06	7.14%
Small Business Admin Gtd Ln Pool Ctfs 7.59% Dtd 01/12/2000 Due 01/01/2020	4,725.870	4,794.02 10,073.76	358.00 147.76	7.48%
Small Business Admin Gtd Ln Pool Ctfs 4.34% Dtd 03/17/2004 Due 03/01/2024	13,358.650	13,532.45 19,827.61	579.00 176.18	4.28%
Small Business Admin Gtd Ln Pool Ctfs 5.71% Dtd 06/13/2007 Due 06/01/2027	7,002.670	7,254.07 11,389.66	399.00 199.38	5.51%
Small Business Admin Gtd Ln Pool Ctfs 3.31% Dtd 05/13/2009 Due 05/01/2019	1,120.440	1,122.98 1,646.97	37.00 14.01	3.30%
Small Business Admin Gtd Ln Pool Ctfs #508468 Prime -0.175 Adj Quarterly Dtd 06/01/2008 Due 04/25/2020	3,426.450	3,419.46 5,544.66	105.00 1.16	3.08%
Small Business Admin Gtd Ln Pool Ctfs 4.084% Dtd 03/29/2011 Due 03/10/2021	7,893.670	7,978.29 9,426.71	322.00 104.71	4.04%



WBSD - EMERGENCY CAPITAL RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Starbucks Corp Sr Gbl 2.10% Dtd 02/04/2016 Due 02/04/2021 Callable	60,000.000	58,410.60 59,984.40	1,260.00 409.50	2.16%
Suntrust Bks Inc Sr Gbl 2.50% Dtd 05/01/2014 Due 05/01/2019 Callable	35,000.000	34,928.95 35,026.60	875.00 72.91	2.51%
3M Co Fr 2.00% Dtd 06/26/2012 Due 06/26/2022 Non-Callable	100,000.000	95,809.00 99,045.11	2,000.00 861.11	2.09%
Toronto Dominion Bank Fr 2.25% Dtd 11/05/2014 Due 11/05/2019 Non-Callable	250,000.000	247,897.50 250,940.00	5,625.00 406.25	2.27%
US Treasury Note 1.50% Dtd 05/31/2014 Due 05/31/2019	60,000.000	59,692.20 59,913.88	900.00 2.47	1.51%
US Treasury Note 1.625% Dtd 03/15/2017 Due 03/15/2020	110,000.000	108,392.90 109,502.41	1,787.00 380.21	1.65%
US Treasury Note 2.75% Dtd 09/15/2018 Due 09/15/2021	100,000.000	99,791.00 99,695.31	2,750.00 584.94	2.76%
Western Un Co Cr Sen Sr Gbl 3.35% Dtd 11/22/2013 Due 05/22/2019 Callable	250,000.000	249,750.00 250,760.00	8,375.00 209.37	3.35%
Total Fixed Income		\$ 5,241,263.23 \$ 5,375,669.95	136,716.00 33,253.72	2.61%
Cash				
Principal Cash		0.00 0.00	0.00	0.00%
Income Cash		0.00 0.00	0.00	0.00%
Total Cash		\$ 0.00 \$ 0.00	0.00 0.00	0.00%
Total Market Value		\$ 5,323,978.47 \$ 5,458,385.19	138,486.00 33,529.52	2.60%
Total Market Value Plus Accruals		\$ 5,357,507.99		



WBSD - EMERGENCY CAPITAL RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Income Activity			
	Date	Income Cash	Principal Cash
Interest Income			
Bank of The West Advantage Acct Int To 10/31/18	11/01/18		73.80
Federal Home Ln Mtg Corp Partn Gold Group #G13107 5.500% Dtd 03/01/2008 Due 07/01/2020 IPD14 Int For October 2018 on 6005.74	11/15/18		27.53
Federal Home Ln Mtg Corp Partn Gold Group #G11940 5.500% Dtd 03/01/2006 Due 05/01/2020 IPD14 Int For October 2018 on 8917.61	11/15/18		40.87
Federal Home Loan Bks Cons Bds 3.15% Dtd 05/02/2018 Due 05/02/2023 Callable Int 05/02/18 To 11/02/18 on 50000	11/02/18		787.50
Federal Natl Mtg Assn 1.50% Dtd 10/19/2015 Due 11/30/2020 Non-Callable Int To 11/30/18 on 25,000	11/30/18		187.50
Federal Natl Mtg Assn 1.50% Dtd 11/27/2012 Due 11/27/2020 Callable Int To 11/27/18 on 80,000	11/27/18		600.00
Federal Natl Mtg Assn 1.80% Dtd 11/30/2016 Due 05/26/2021 Callable Int To 11/26/18 on 100,000	11/26/18		900.00
Federal Home Ln Mtg Corp 1.75% Dtd 04/16/2012 Due 05/30/2019 Non-Callable Int To 11/30/18 on 25,000	11/30/18		218.75
Federal Natl Mtg Assn Gtd Passthru CTF Pool #386765 5.420% Dtd 01/01/2004 Due 01/01/2019 IPD24 Int For October 2018 on 45158.74	11/26/18		203.97
Federal Home Ln Mtg Corp Multiclass Mtg Partn Ctfs Gtd Ser 2958 Cl Qj 4.00% Dtd 04/01/2005 Due 04/15/2020 IPD14 Int To 11/01/18 on 692.68	11/15/18		2.31



WBSD - EMERGENCY CAPITAL RESERVE

Account Number:
 Statement Period: 11/01/18 - 11/30/18

Income Activity			
	Date	Income Cash	Principal Cash
Federal Natl Mtg Assn Gtd REMIC Passthru Tr REMIC Tr Ser 2009 M1 CI A2 4.287% Dtd 10/01/2009 Due 07/25/2019 IPD24 Int To 11/01/18 on 33921.10	11/26/18		121.18
Prepayment Penalty For October 2018	11/27/18		0.68
Federal Natl Mtg Assn Gtd Passthru CTF Pool #797828 5.000% Dtd 04/01/2005 Due 04/01/2020 IPD24 Int For October 2018 on 20632.44	11/26/18		85.97
Federal Natl Mtg Assn Gtd Passthru CTF Pool #819257 5.000% Dtd 05/01/2005 Due 04/01/2020 IPD24 Int For October 2018 on 6118.83	11/26/18		25.50
Federal Natl Mtg Assn Gtd Passthru CTF Pool #MA0125 4.500% Dtd 06/01/2009 Due 07/01/2019 IPD24 Int For October 2018 on 698.60	11/26/18		2.62
Morgan Stanley D W Disc Srmtns Sr Nt Flt Var Rate Dtd 11/30/2010 Due 11/30/2019 Non-Callable Int To 11/30/18 on 50,000	11/30/18		476.75
Small Business Admin Gtd Ln Pool Ctfs 6.30% Dtd 05/12/1999 Due 05/01/2019 Int To 10/16/18 on 1810.73	11/01/18		57.04
Small Business Admin Gtd Ln Pool Ctfs 3.31% Dtd 05/13/2009 Due 05/01/2019 Int To 10/16/18 on 2399.11	11/01/18		39.71
Small Business Admin Gtd Ln Pool Ctfs #508468 Prime -0.175 Adj Quarterly Dtd 06/01/2008 Due 04/25/2020 Int To 09/29/18 on 3620.82	11/26/18		14.56
Suntrust Bks Inc Sr Gbl 2.50% Dtd 05/01/2014 Due 05/01/2019 Callable Int To 11/01/18 on 35,000	11/01/18		437.50
Toronto Dominion Bank Fr 2.25% Dtd 11/05/2014 Due 11/05/2019 Non-Callable Int To 11/05/18 on 250,000	11/05/18		2,812.50



WBSD - EMERGENCY CAPITAL RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Income Activity

	Date	Income Cash	Principal Cash
US Treasury Note 1.50% Dtd 05/31/2014 Due 05/31/2019 Int To 11/30/18 on 60,000	11/30/18		450.00
Western Un Co Cr Sen Sr Gbl 3.35% Dtd 11/22/2013 Due 05/22/2019 Callable Int To 11/22/18 on 250,000	11/23/18		4,187.50
Total Interest Income		\$ 0.00	\$ 11,753.74
Purchased Income			
US Treasury Note 2.75% Dtd 09/15/2018 Due 09/15/2021 Accrued Int To 11/28/18 Paid on Purchase of 100,000	11/28/18		-562.15
Total Purchased Income		\$ 0.00	\$ -562.15
Total Income		\$ 0.00	\$ 11,191.59

Disbursement Activity

	Date	Income Cash	Principal Cash
Fees/Expenses			
Monthly Fee To 10/31/18	11/15/18		-786.60
Total Fees/Expenses		\$ 0.00	\$ -786.60
Total Disbursements		\$ 0.00	\$ -786.60

Purchase Activity

	Date	Income Cash	Principal Cash
Bank of The West Advantage Acct Purchases (8) 11/01/18 To 11/30/18	11/30/18		-24,940.75
US Treasury Note 2.75% Dtd 09/15/2018 Due 09/15/2021 Purchased 100000 11/27/18 From Morgan Stanley & Co @ 99.695312	11/28/18		-99,695.31
Total Purchases		\$ 0.00	\$ -124,636.06



WBSD - EMERGENCY CAPITAL RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Sale Activity			
	Date	Proceeds	Realized Gain/Loss
Bank of The West Advantage Acct Sales (2) 11/01/18 To 11/30/18	11/30/18	101,044.06	
Federal Home Ln Mtg Corp Partn Gold Group #G13107 5.500% Dtd 03/01/2008 Due 07/01/2020 IPD14 Prin Pmt For October 2018	11/15/18	794.12	
Federal Home Ln Mtg Corp Partn Gold Group #G11940 5.500% Dtd 03/01/2006 Due 05/01/2020 IPD14 Prin Pmt For October 2018	11/15/18	1,143.88	
Federal Natl Mtg Assn Gtd Passthru CTF Pool #386765 5.420% Dtd 01/01/2004 Due 01/01/2019 IPD24 Prin Pmt For October 2018	11/26/18	151.17	
Federal Home Ln Mtg Corp Multiclass Mtg Partn Ctfs Gtd Ser 2958 CI Qj 4.00% Dtd 04/01/2005 Due 04/15/2020 IPD14 Prin Pmt For 11/01/18	11/15/18	132.40	
Federal Natl Mtg Assn Gtd REMIC Passthru Tr REMIC Tr Ser 2009 M1 CI A2 4.287% Dtd 10/01/2009 Due 07/25/2019 IPD24 Prin Pmt For 11/01/18	11/26/18	6,607.24	
Federal Natl Mtg Assn Gtd Passthru CTF Pool #797828 5.000% Dtd 04/01/2005 Due 04/01/2020 IPD24 Prin Pmt For October 2018	11/26/18	1,344.52	
Federal Natl Mtg Assn Gtd Passthru CTF Pool #819257 5.000% Dtd 05/01/2005 Due 04/01/2020 IPD24 Prin Pmt For October 2018	11/26/18	346.94	
Federal Natl Mtg Assn Gtd Passthru CTF Pool #MA0125 4.500% Dtd 06/01/2009 Due 07/01/2019 IPD24 Prin Pmt For October 2018	11/26/18	120.27	
Small Business Admin Gtd Ln Pool Ctfs 6.30% Dtd 05/12/1999 Due 05/01/2019 Prin Pmt For 10/16/18	11/01/18	1,073.43	



WBSD - EMERGENCY CAPITAL RESERVE

Account Number: _____
 Statement Period: 11/01/18 - 11/30/18

Sale Activity			
	Date	Proceeds	Realized Gain/Loss
Small Business Admin Gtd Ln Pool Ctfs 3.31% Dtd 05/13/2009 Due 05/01/2019 Prin Pmt For 10/16/18	11/01/18	1,278.67	
Small Business Admin Gtd Ln Pool Ctfs #508468 Prime -0.175 Adj Quarterly Dtd 06/01/2008 Due 04/25/2020 Prin Pmt For 09/29/18	11/26/18	194.37	
Total Sales		\$ 114,231.07	\$ 0.00

Non-Cash Activity		
	Date	Cost
Federal Home Ln Mtg Corp 1.65% Dtd 04/27/2017 Due 04/27/2020 Callable Accretion of Discount	11/30/18	119.74
Federal Natl Mtg Assn 1.50% Dtd 10/19/2015 Due 11/30/2020 Non-Callable Amortization of Premium	11/30/18	-36.75
Federal Natl Mtg Assn 1.375% Dtd 02/05/2016 Due 02/26/2021 Non-Callable Accretion of Discount	11/30/18	14.25
Federal Natl Mtg Assn 1.375% Dtd 10/07/2016 Due 10/07/2021 Non-Callable Accretion of Discount	11/30/18	16.71
Federal Natl Mtg Assn 1.50% Dtd 11/27/2012 Due 11/27/2020 Callable Accretion of Discount	11/30/18	91.00
Federal Home Ln Mtg Corp 1.75% Dtd 04/16/2012 Due 05/30/2019 Non-Callable Amortization of Premium	11/30/18	-105.50
Suntrust Bks Inc Sr Gbl 2.50% Dtd 05/01/2014 Due 05/01/2019 Callable Amortization of Premium	11/01/18	-26.60



WBSD - EMERGENCY CAPITAL RESERVE

Account Number:
Statement Period:

11/01/18 - 11/30/18

Non-Cash Activity		
	Date	Cost
3M Co Fr 2.00% Dtd 06/26/2012 Due 06/26/2022 Non-Callable Accretion of Discount	11/30/18	22.27
US Treasury Note 1.50% Dtd 05/31/2014 Due 05/31/2019 Accretion of Discount	11/30/18	86.11
Western Un Co Cr Sen Sr Glbl 3.35% Dtd 11/22/2013 Due 05/22/2019 Callable Amortization of Premium	11/21/18	-602.00
Amortization of Premium	11/21/18	-150.50
Total Non-Cash Transactions		\$ -571.27

SECURITY PRICES CONTAINED IN THIS STATEMENT ARE OBTAINED FROM THE MOST RELIABLE SOURCES AVAILABLE BUT ARE NOT GUARANTEED BY BANK OF THE WEST. QUOTED PRICES MAY NOT EQUAL ACTUAL PRICES BECAUSE OF SECURITY SIZE, MARKET PRICE, TERM AND DEMAND.



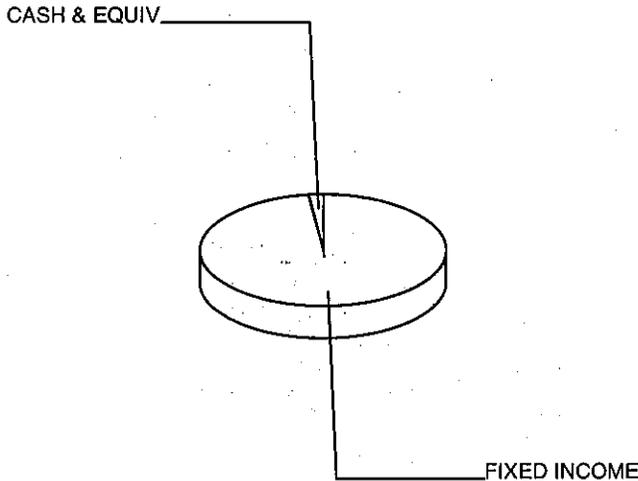
WBSD - CAPITAL PROJECT RESERVE

Account Number:
 Statement Period: 11/01/18 - 11/30/18

WEST BAY SANITARY DISTRICT
 ATTN: PHILLIP L. SCOTT
 500 LAUREL STREET
 MENLO PARK CA 94025

Fiduciary
 Chuen Ying Lee
 (408) 645-3234
Portfolio
 Michael D. Smith
 (408) 490-2079

Asset Allocation



Asset Valuation

Description	Market Value	% of Account
Cash & Equiv	79,704.56	2.2%
Fixed Income	3,562,451.01	97.8%
Total Portfolio	\$ 3,642,155.57	100.0%
Accrued Income	24,455.41	
Total Valuation	\$ 3,666,610.98	

Market Reconciliation

	Current Period	Year To Date
Beginning Market Value	\$ 3,650,834.24	\$ 3,638,450.30
Income		
Interest.....	4,144.43	34,424.12
Purchased Income.....	-497.78	-1,232.58
Disbursements.....	-538.35	-2,710.90
Realized Gains/(Losses).....	-384.65	-12,796.18
Change In Accrued Income.....	4,428.37	5,543.44
Change In Market Appreciation/(Depreciation).....	8,572.74	9,653.02
Non-Cash Asset Changes.....	51.98	-4,720.24
Ending Market Value	\$ 3,666,610.98	\$ 3,666,610.98



WBSD - CAPITAL PROJECT RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Cash Equivalents				
Bank of The West Advantage Acct	79,704.560	79,704.56 79,704.56	1,705.00 345.76	2.14%
Total Cash Equivalents		\$ 79,704.56 \$ 79,704.56	1,705.00 345.76	2.14%
Fixed Income				
Federal Home Loan Bks Cons Bds Step Cpn Dtd 04/27/2017 Due 04/27/2022 Callable	50,000.000	48,999.00 49,887.50	1,150.00 108.61	2.35%
Federal Home Loan Bks Cons Bds 2.28% Dtd 10/26/2017 Due 10/26/2022 Callable	80,000.000	77,885.60 79,680.00	1,824.00 177.33	2.34%
Federal Home Loan Bks Cons Bds 3.06% Dtd 06/28/2018 Due 06/28/2022 Callable	100,000.000	99,828.00 100,000.00	3,060.00 1,300.50	3.07%
Federal Home Loan Bks Cons Bds 3.15% Dtd 05/02/2018 Due 05/02/2023 Callable	100,000.000	99,432.00 99,825.00	3,150.00 253.75	3.17%
Federal Home Loan Bks Cons Bds 2.375% Dtd 12/30/2013 Due 12/13/2019 Non-Callable	50,000.000	49,780.00 50,926.00	1,187.00 554.16	2.39%
Federal Home Loan Bks Cons Bds 1.625% Dtd 09/30/2016 Due 09/30/2021 Callable	100,000.000	96,645.00 96,515.57	1,625.00 275.34	1.68%
Federal Farm Cr Bks Cons Systemwide Bds 2.10% Dtd 10/04/2017 Due 04/04/2022 Callable	110,000.000	106,960.70 110,000.00	2,310.00 365.75	2.16%
Federal Farm Cr Bks Cons Systemwide Bds 2.03% Dtd 04/19/2017 Due 07/19/2021 Callable	60,000.000	58,532.40 60,000.00	1,218.00 446.59	2.08%
Federal Farm Cr Bks Cons Systemwide Bds 1.90% Dtd 07/19/2017 Due 07/19/2022 Non-Callable	60,000.000	57,888.60 60,230.40	1,140.00 418.00	1.97%
Federal Farm Cr Bks Cons Systemwide Bds 1.90% Dtd 08/03/2017 Due 08/03/2022 Non-Callable	60,000.000	57,862.80 60,126.60	1,140.00 373.66	1.97%



WBSD - CAPITAL PROJECT RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Federal Farm Cr Bks Cons Systemwide Bds 3.23% Dtd 09/27/2018 Due 09/27/2022 Callable	120,000.000	119,883.60 119,884.80	3,876.00 689.07	3.23%
Federal Farm Cr Bks Cons Systemwide Bds 3.20% Dtd 03/19/2018 Due 09/19/2023 Callable	80,000.000	79,542.40 79,480.00	2,560.00 512.00	3.22%
Federal Farm Cr Bks Cons Systemwide Bds 2.81% Dtd 06/14/2018 Due 06/14/2021 Callable	100,000.000	99,512.00 100,000.00	2,810.00 1,303.52	2.82%
Federal Farm Cr Bks Cons Systemwide Bds 3.44% Dtd 11/08/2018 Due 05/08/2023 Callable	220,000.000	219,687.60 220,000.00	7,568.00 483.51	3.44%
Federal Farm Cr Bks Cons Systemwide Bds 3.09% Dtd 06/20/2018 Due 06/20/2022 Callable	100,000.000	99,523.00 99,925.00	3,090.00 1,381.91	3.10%
Federal Farm Cr Bks Cons Systemwide Bds 3.17% Dtd 09/19/2018 Due 09/19/2022 Callable	80,000.000	80,008.00 80,000.00	2,536.00 507.19	3.17%
Federal Home Loan Bks Cons Bds 4.625% Dtd 05/25/2005 Due 06/12/2020 Non-Callable	50,000.000	51,352.00 53,012.00	2,312.00 1,085.59	4.50%
Federal Home Loan Bks Cons Bds 4.50% Dtd 08/12/2009 Due 09/13/2019 Non-Callable	100,000.000	101,353.00 103,311.00	4,500.00 975.00	4.44%
Federal Home Loan Bks Cons Bds 4.125% Dtd 11/13/2009 Due 12/13/2019 Non-Callable	100,000.000	101,402.00 103,917.00	4,125.00 1,924.99	4.07%
Federal Farm Cr Bks Cons Systemwide Bds 4.75% Dtd 09/21/2005 Due 09/21/2020 Non-Callable	125,000.000	129,161.25 133,257.50	5,937.00 1,154.51	4.60%
Federal Home Loan Bks Cons Bds 2.875% Dtd 08/27/2010 Due 09/11/2020 Non-Callable	100,000.000	100,027.00 102,805.00	2,875.00 638.88	2.87%
Federal Home Ln Mtg Corp 1.50% Dtd 09/30/2016 Due 03/30/2021 Callable	50,000.000	48,445.50 50,000.00	750.00 127.08	1.55%
Federal Home Ln Mtg Corp 1.75% Dtd 12/30/2016 Due 12/30/2020 Callable	180,000.000	175,827.60 180,000.00	3,150.00 1,321.25	1.79%



WBSD - CAPITAL PROJECT RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Federal Home Ln Mtg Corp 2.10% Dtd 09/29/2017 Due 09/29/2022 Callable	50,000.000	48,403.00 49,875.00	1,050.00 180.83	2.17%
Federal Home Ln Mtg Corp 1.65% Dtd 04/27/2017 Due 04/27/2020 Callable	100,000.000	98,441.00 98,650.86	1,650.00 155.83	1.68%
Federal Home Ln Mtg Corp 2.25% Dtd 12/29/2017 Due 12/29/2021 Callable	80,000.000	78,276.80 80,000.00	1,800.00 760.00	2.30%
Federal Home Ln Mtg Corp 3.00% Dtd 03/15/2018 Due 03/15/2023 Callable	40,000.000	39,644.80 39,960.00	1,200.00 253.33	3.03%
Federal Home Ln Mtg Corp 3.25% Dtd 06/28/2018 Due 06/28/2023 Callable	60,000.000	60,014.40 59,970.00	1,950.00 828.74	3.25%
Federal Natl Mtg Assn 1.50% Dtd 04/27/2015 Due 06/22/2020 Non-Callable	40,000.000	39,220.00 40,337.60	600.00 265.00	1.53%
Federal Natl Mtg Assn 1.50% Dtd 10/19/2015 Due 11/30/2020 Non-Callable	40,000.000	38,962.00 40,239.60	600.00 1.66	1.54%
Federal Natl Mtg Assn 1.875% Dtd 11/16/2015 Due 12/28/2020 Non-Callable	100,000.000	98,103.00 101,578.00	1,875.00 796.87	1.91%
Federal Natl Mtg Assn 1.375% Dtd 02/05/2016 Due 02/26/2021 Non-Callable	60,000.000	58,078.80 59,616.95	825.00 217.70	1.42%
Federal Natl Mtg Assn 1.375% Dtd 10/07/2016 Due 10/07/2021 Non-Callable	60,000.000	57,540.00 59,427.55	825.00 123.75	1.43%
Federal Natl Mtg Assn 2.00% Dtd 01/09/2017 Due 01/05/2022 Non-Callable	120,000.000	116,934.00 120,493.20	2,400.00 973.33	2.05%
Federal Natl Mtg Assn 1.875% Dtd 04/10/2017 Due 04/05/2022 Non-Callable	60,000.000	58,075.80 60,175.80	1,125.00 175.00	1.94%
Federal Natl Mtg Assn 1.55% Dtd 08/28/2012 Due 08/28/2019 Callable	100,000.000	99,185.00 100,360.00	1,550.00 400.41	1.56%



WBSD - CAPITAL PROJECT RESERVE

Account Number:
Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Federal Natl Mtg Assn 1.80% Dtd 11/30/2016 Due 05/26/2021 Callable	120,000.000	116,427.60 120,000.00	2,160.00 30.00	1.86%
Federal Home Ln Mtg Corp 2.375% Dtd 01/13/2012 Due 01/13/2022 Non-Callable	120,000.000	118,064.40 122,350.80	2,850.00 1,092.50	2.41%
Federal Natl Mtg Assn Gtd Passthru CTF Pool #386765 5.420% Dtd 01/01/2004 Due 01/01/2019 IPD24	119,041.500	118,806.99 130,573.64	6,452.00 537.67	5.43%
Federal Natl Mtg Assn Gtd REMIC Passthru Tr REMIC Tr Ser 2009 M1 CI A2 4.287% Dtd 10/01/2009 Due 07/25/2019 IPD24	15,955.290	15,962.13 17,092.11	684.00 56.60	4.29%
Federal Natl Mtg Assn Gtd Passthru CTF Pool #797828 5.000% Dtd 04/01/2005 Due 04/01/2020 IPD24	9,643.960	9,970.89 10,180.41	482.00 40.18	4.84%
Small Business Admin Gtd Ln Pool Cfs #508468 Prime -0.175 Adj Quarterly Dtd 06/01/2008 Due 04/25/2020	13,705.910	13,677.95 14,296.98	421.00 4.68	3.08%
US Treasury Note 1.625% Dtd 03/15/2017 Due 03/15/2020	60,000.000	59,123.40 59,775.92	975.00 207.38	1.65%
Whatcom Cnty Wash Pub Util Dis LTD GO Ref Bds Taxable 2.10% Dtd 06/05/2012 Due 12/01/2018 Non-Callable	60,000.000	60,000.00 60,029.40	1,260.00 630.00	2.10%
Total Fixed Income		\$ 3,562,451.01 \$ 3,637,767.19	96,627.00 24,109.65	2.71%
Cash				
Principal Cash		0.00 0.00	0.00	0.00%
Income Cash		0.00 0.00	0.00	0.00%
Total Cash		\$ 0.00 \$ 0.00	0.00 0.00	0.00%



WBSD - CAPITAL PROJECT RESERVE

Account Number:
 Statement Period: 11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Total Market Value		\$ 3,642,155.57	98,332.00	2.70%
		\$ 3,717,471.75	24,455.41	
Total Market Value Plus Accruals		\$ 3,666,610.98		

Income Activity

	Date	Income Cash	Principal Cash
Interest Income			
Bank of The West Advantage Acct Int To 10/31/18	11/01/18		477.55
Federal Home Loan Bks Cons Bds 3.15% Dtd 05/02/2018 Due 05/02/2023 Callable Int 05/02/18 To 11/02/18 on 100000	11/02/18		1,575.00
Federal Natl Mtg Assn 1.50% Dtd 10/19/2015 Due 11/30/2020 Non-Callable Int To 11/30/18 on 40,000	11/30/18		300.00
Federal Natl Mtg Assn 1.80% Dtd 11/30/2016 Due 05/26/2021 Callable Int To 11/26/18 on 120,000	11/26/18		1,080.00
Federal Natl Mtg Assn Gtd Passthru CTF Pool #386765 5.420% Dtd 01/01/2004 Due 01/01/2019 IPD24 Int For October 2018 on 119441.32	11/26/18		539.48
Federal Natl Mtg Assn Gtd REMIC Passthru Tr REMIC Tr Ser 2009 M1 CI A2 4.287% Dtd 10/01/2009 Due 07/25/2019 IPD24 Int To 11/01/18 on 19814.89 Prepayment Penalty For October 2018	11/26/18 11/27/18		70.79 0.40
Federal Natl Mtg Assn Gtd Passthru CTF Pool #797828 5.000% Dtd 04/01/2005 Due 04/01/2020 IPD24 Int For October 2018 on 10316.22	11/26/18		42.98



WBSD - CAPITAL PROJECT RESERVE

Account Number:
 Statement Period: 11/01/18 - 11/30/18

Income Activity			
	Date	Income Cash	Principal Cash
Small Business Admin Gtd Ln Pool Ctfs #508468 Prime -0.175 Adj Quarterly Dtd 06/01/2008 Due 04/25/2020 Int To 09/29/18 on 14483.39	11/26/18		58.23
Total Interest Income		\$ 0.00	\$ 4,144.43
Purchased Income			
Federal Farm Cr Bks Cons Systemwide Bds 3.20% Dtd 03/19/2018 Due 09/19/2023 Callable Accrued Int To 11/29/18 Paid on Purchase of 80,000	11/29/18		-497.78
Total Purchased Income		\$ 0.00	\$ -497.78
Total Income		\$ 0.00	\$ 3,646.65

Disbursement Activity			
	Date	Income Cash	Principal Cash
Fees/Expenses			
Monthly Fee To 10/31/18	11/15/18		-538.35
Total Fees/Expenses		\$ 0.00	\$ -538.35
Total Disbursements		\$ 0.00	\$ -538.35

Purchase Activity			
	Date	Income Cash	Principal Cash
Bank of The West Advantage Acct Purchases (5) 11/01/18 To 11/30/18	11/30/18		-9,853.59
Federal Farm Cr Bks Cons Systemwide Bds 3.20% Dtd 03/19/2018 Due 09/19/2023 Callable Purchased 80000 11/28/18 From RBC Cap Mkts (Royal Bank of Can @ 99.35	11/29/18		-79,480.00



WBSD - CAPITAL PROJECT RESERVE

Account Number:
 Statement Period: 11/01/18 - 11/30/18

Purchase Activity			
	Date	Income Cash	Principal Cash
Federal Farm Cr Bks Cons Systemwide Bds 3.44% Dtd 11/08/2018 Due 05/08/2023 Callable Purchased 220000 10/30/18 From Wedbush Morgan Secs @ 100	11/08/18		-220,000.00
Total Purchases		\$ 0.00	\$ -309,333.59

Sale Activity			
	Date	Proceeds	Realized Gain/Loss
Bank of The West Advantage Acct Sales (3) 11/01/18 To 11/30/18	11/30/18	300,516.13	
Federal Natl Mtg Assn Gtd Passthru CTF Pool #386765 5.420% Dtd 01/01/2004 Due 01/01/2019 IPD24 Prin Pmt For October 2018	11/26/18	399.82	-38.73
Federal Natl Mtg Assn Gtd REMIC Passthru Tr REMIC Tr Ser 2009 M1 CI A2 4.287% Dtd 10/01/2009 Due 07/25/2019 IPD24 Prin Pmt For 11/01/18	11/26/18	3,859.60	-275.00
Federal Natl Mtg Assn Gtd Passthru CTF Pool #797828 5.000% Dtd 04/01/2005 Due 04/01/2020 IPD24 Prin Pmt For October 2018	11/26/18	672.26	-37.39
Small Business Admin Gtd Ln Pool Ctfs #508468 Prime -0.175 Adj Quarterly Dtd 06/01/2008 Due 04/25/2020 Prin Pmt For 09/29/18	11/26/18	777.48	-33.53
Total Sales		\$ 306,225.29	\$ -384.65

Non-Cash Activity		
	Date	Cost
Federal Home Ln Mtg Corp 1.65% Dtd 04/27/2017 Due 04/27/2020 Callable Accretion of Discount	11/30/18	79.82



WBSD - CAPITAL PROJECT RESERVE

Account Number:
Statement Period:

11/01/18 - 11/30/18

Non-Cash Activity		
	Date	Cost
Federal Natl Mtg Assn 1.50% Dtd 10/19/2015 Due 11/30/2020 Non-Callable Amortization of Premium	11/30/18	-58.80
Federal Natl Mtg Assn 1.375% Dtd 02/05/2016 Due 02/26/2021 Non-Callable Accretion of Discount	11/30/18	14.25
Federal Natl Mtg Assn 1.375% Dtd 10/07/2016 Due 10/07/2021 Non-Callable Accretion of Discount	11/30/18	16.71
Total Non-Cash Transactions		\$ 51.98

SECURITY PRICES CONTAINED IN THIS STATEMENT ARE OBTAINED FROM THE MOST RELIABLE SOURCES AVAILABLE BUT ARE NOT GUARANTEED BY BANK OF THE WEST. QUOTED PRICES MAY NOT EQUAL ACTUAL PRICES BECAUSE OF SECURITY SIZE, MARKET PRICE, TERM AND DEMAND.



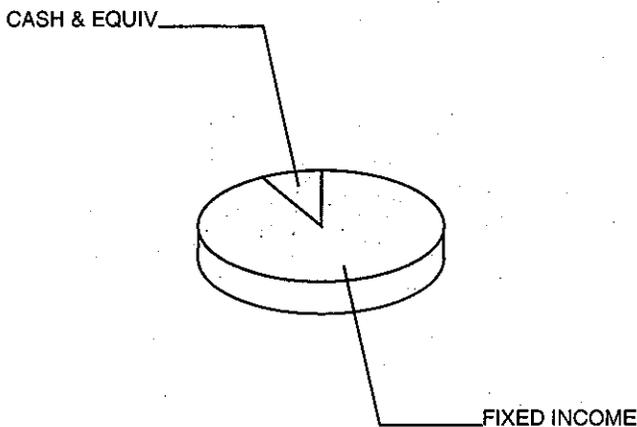
WBSD - RECYCLED WATER CASH FLOW

Account Number: 11/01/18 - 11/30/18
 Statement Period:

WEST BAY SANITARY DISTRICT
 RECYCLED WATER CASH FLOW
 500 LAUREL STREET
 MENLO PARK CA 94025

Fiduciary
 Chuen Yng Lee
 (408) 645-3234
Portfolio
 Michael D. Smith
 (408) 490-2079

Asset Allocation



Asset Valuation

Description	Market Value	% of Account
Cash & Equiv	106,157.50	8.0%
Fixed Income	1,217,928.80	92.0%
Total Portfolio	\$ 1,324,086.30	100.0%
Accrued Income	9,329.82	
Total Valuation	\$ 1,333,416.12	

Market Reconciliation

	Current Period	Year To Date
Beginning Market Value	\$ 1,985,805.67	\$ 3,899,477.54
Income		
Interest.....	7,223.58	45,600.64
Disbursements.....	-655,292.42	-2,589,071.64
Realized Gains/(Losses).....	0.00	-10,125.00
Change In Accrued Income.....	-4,293.51	-18,890.87
Change In Market Appreciation/(Depreciation).....	4,179.28	23,731.29
Non-Cash Asset Changes.....	-4,206.48	-17,305.84
Ending Market Value	\$ 1,333,416.12	\$ 1,333,416.12



WBSD - RECYCLED WATER CASH FLOW

Account Number:
Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Cash Equivalents				
Bank of The West Advantage Acct	106,157.500	106,157.50 106,157.50	2,271.00 336.68	2.14%
Total Cash Equivalents		\$ 106,157.50 \$ 106,157.50	2,271.00 336.68	2.14%
Fixed Income				
Bank Amer Corp Fr 2.60% Dtd 10/22/2013 Due 01/15/2019 Non-Callable	200,000.000	199,914.00 200,608.00	5,200.00 1,964.44	2.60%
Federal Farm Cr Bks Cons Systemwide Bds 5.05% Dtd 12/27/2006 Due 12/27/2018 Non-Callable	200,000.000	200,360.00 203,510.00	10,100.00 4,320.55	5.04%
Federal Home Ln Mtg Corp 1.65% Dtd 10/30/2017 Due 10/30/2019 Callable	120,000.000	118,780.80 120,000.00	1,980.00 170.50	1.67%
Federal Home Ln Mtg Corp 1.20% Dtd 03/28/2016 Due 12/28/2018 Callable	250,000.000	249,805.00 249,240.00	3,000.00 524.99	1.20%
Toyota Motor Credit Corp Fr 1.70% Dtd 01/09/2017 Due 01/09/2019 Non-Callable	150,000.000	149,844.00 149,944.50	2,550.00 1,005.83	1.70%
US Treasury Note 1.50% Dtd 01/31/2014 Due 01/31/2019	200,000.000	199,738.00 199,882.81	3,000.00 1,002.71	1.50%
US Treasury Note 1.50% Dtd 05/31/2014 Due 05/31/2019	100,000.000	99,487.00 99,856.47	1,500.00 4.12	1.51%
Total Fixed Income		\$ 1,217,928.80 \$ 1,223,041.78	27,330.00 8,993.14	2.24%
Cash				
Principal Cash		0.00 0.00	0.00	0.00%
Income Cash		0.00 0.00	0.00	0.00%



WBSD - RECYCLED WATER CASH FLOW

Account Number:
 Statement Period: 11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Total Cash		\$ 0.00 \$ 0.00	0.00 0.00	0.00%
Total Market Value		\$ 1,324,086.30 \$ 1,329,199.28	29,601.00 9,329.82	2.24%
Total Market Value Plus Accruals		\$ 1,333,416.12		

Income Activity

	Date	Income Cash	Principal Cash
Interest Income			
Bank of The West Advantage Acct Int To 10/31/18	11/01/18		370.75
Altria Group Inc Cr Sen Sr Gbl Step Cpn Dtd 11/10/2008 Due 11/10/2018 Non-Callable Int To 11/10/18 on 100,000 Interest on Maturity of	11/12/18 11/20/18		4,850.00 80.83
Los Angeles Calif Mun Impt COR Taxable Ref Bds 2015 A Taxable 2.344% Dtd 11/19/2015 Due 11/01/2018 Callable Int To 11/01/18 on 100,000	11/01/18		1,172.00
US Treasury Note 1.50% Dtd 05/31/2014 Due 05/31/2019 Int To 11/30/18 on 100,000	11/30/18		750.00
Total Interest Income		\$ 0.00	\$ 7,223.58
Total Income		\$ 0.00	\$ 7,223.58



WBSD - RECYCLED WATER CASH FLOW

Account Number:
 Statement Period: 11/01/18 - 11/30/18

Disbursement Activity

	Date	Income Cash	Principal Cash
To/For Beneficiary			
West Bay Sanitary District ACH Transfer To Bank of The West Ckg#XXXXX6049 Month End Transfer Per Email Instructions Dtd: Verbal: ACH Form Dtd 12/20/17	11/07/18		-655,000.00
Total To/For Beneficiary		\$ 0.00	\$ -655,000.00
Fees/Expenses			
Monthly Fee To 10/31/18	11/15/18		-292.42
Total Fees/Expenses		\$ 0.00	\$ -292.42
Total Disbursements		\$ 0.00	\$ -655,292.42

Purchase Activity

	Date	Income Cash	Principal Cash
Bank of The West Advantage Acct Purchases (5) 11/01/18 To 11/30/18	11/30/18		-207,223.58
Total Purchases		\$ 0.00	\$ -207,223.58

Sale Activity

	Date	Proceeds	Realized Gain/Loss
Bank of The West Advantage Acct Sales (2) 11/01/18 To 11/30/18	11/30/18	655,292.42	
Altria Group Inc Cr Sen Sr Gbl Step Cpn Dtd 11/10/2008 Due 11/10/2018 Non-Callable Recd Proceeds on Maturity of 100,000 Par Value	11/13/18	100,000.00	
Los Angeles Calif Mun Impt COR Taxable Ref Bds 2015 A Taxable 2.344% Dtd 11/19/2015 Due 11/01/2018 Callable Recd Proceeds on Maturity of 100,000 Par Value	11/01/18	100,000.00	
Total Sales		\$ 855,292.42	\$ 0.00



WBSD - RECYCLED WATER CASH FLOW

Account Number:
Statement Period:

11/01/18 - 11/30/18

Non-Cash Activity		
	Date	Cost
Altria Group Inc Cr Sen Sr Gbl Step Cpn Dtd 11/10/2008 Due 11/10/2018 Non-Callable Amortization of Premium	11/13/18	-3,847.00
Los Angeles Calif Mun Impt COR Taxable Ref Bds 2015 A Taxable 2.344% Dtd 11/19/2015 Due 11/01/2018 Callable Amortization of Premium	11/01/18	-503.00
US Treasury Note 1.50% Dtd 05/31/2014 Due 05/31/2019 Accretion of Discount	11/30/18	143.52
Total Non-Cash Transactions		\$ -4,206.48

SECURITY PRICES CONTAINED IN THIS STATEMENT ARE OBTAINED FROM THE MOST RELIABLE SOURCES AVAILABLE BUT ARE NOT GUARANTEED BY BANK OF THE WEST. QUOTED PRICES MAY NOT EQUAL ACTUAL PRICES BECAUSE OF SECURITY SIZE, MARKET PRICE, TERM AND DEMAND.

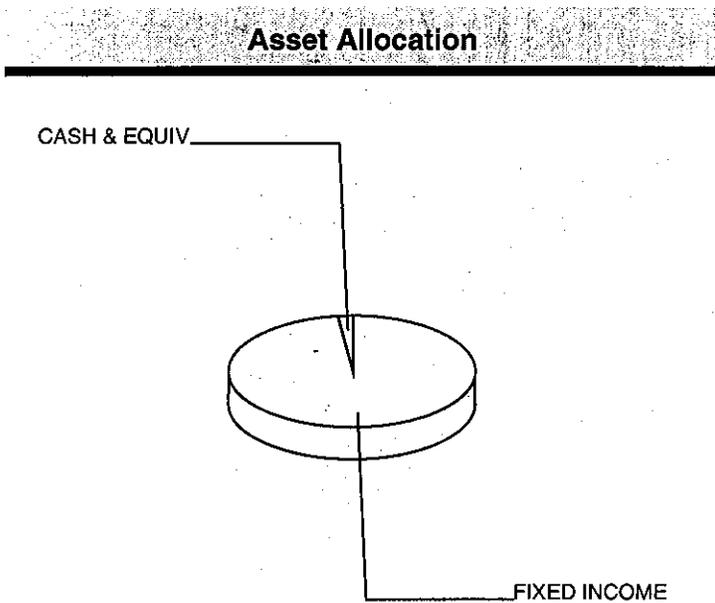


WBSD - OPERATING RESERVE

Account Number:
 Statement Period: 11/01/18 - 11/30/18

WEST BAY SANITARY DISTRICT
 ATTN: PHILLIP L. SCOTT
 500 LAUREL STREET
 MENLO PARK CA 94025

Fiduciary	Chuen Ying Lee (408) 645-3234
Portfolio	Michael D. Smith (408) 490-2079



Asset Valuation

Description	Market Value	% of Account
Cash & Equiv	220,979.66	2.4%
Fixed Income	9,166,028.64	97.7%
Total Portfolio	\$ 9,387,008.30	100.0%
Accrued Income	48,786.28	
Total Valuation	\$ 9,435,794.58	

Market Reconciliation

	Current Period	Year To Date
Beginning Market Value	\$ 9,405,319.15	\$ 7,931,098.40
Income		
Interest.....	22,470.31	88,877.02
Purchased Income.....	-1,495.48	-7,556.45
Additions.....	0.00	1,435,000.00
Disbursements.....	-1,387.13	-6,336.31
Realized Gains/(Losses).....	-685.37	-32,789.57
Change In Accrued Income.....	-1,361.14	6,726.23
Change In Market Appreciation/(Depreciation).....	13,634.51	30,903.17
Non-Cash Asset Changes.....	-700.27	-10,127.91
Ending Market Value	\$ 9,435,794.58	\$ 9,435,794.58



WBSD - OPERATING RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Cash Equivalents				
Bank of The West Advantage Acct	220,979.660	220,979.66 220,979.66	4,728.00 882.01	2.14%
Total Cash Equivalents		\$ 220,979.66 \$ 220,979.66	4,728.00 882.01	2.14%
Fixed Income				
Alibaba Group Hldg LTD Sr 144a 2.50% Dtd 11/28/2014 Due 11/28/2019 Callable	200,000.000	198,348.00 198,364.00	5,000.00 41.66	2.52%
Atlantic Richfield Co Deb 8.25% Dtd 02/01/1992 Due 02/01/2022 Non-Callable	15,000.000	17,013.30 17,806.65	1,237.00 412.50	7.27%
Capital One Bk USA Natl Assn CTF Dep 1.40% Dtd 09/28/2016 Due 09/28/2020 Non-Callable	100,000.000	96,843.00 100,000.00	1,400.00 245.47	1.45%
Constellation Brands Inc Sr Glbl Nt 2.25% Dtd 11/07/2017 Due 11/06/2020 Callable	75,000.000	73,035.75 74,824.50	1,687.00 117.18	2.31%
Federal Home Ln Mtg Corp Partn Gold Group #G13107 5.500% Dtd 03/01/2008 Due 07/01/2020 IPD14	5,188.310	5,210.46 5,450.96	285.00 23.77	5.48%
Federal Home Ln Mtg Corp Partn Gold Group #G11940 5.500% Dtd 03/01/2006 Due 05/01/2020 IPD14	7,950.090	7,995.25 8,387.35	437.00 36.43	5.47%
Federal Home Loan Bks Cons Bds 1.875% Dtd 11/30/2016 Due 11/29/2021 Non-Callable	200,000.000	194,346.00 197,659.61	3,750.00 20.83	1.93%
Federal Home Loan Bks Cons Bds 2.28% Dtd 10/26/2017 Due 10/26/2022 Callable	80,000.000	77,885.60 79,680.00	1,824.00 177.33	2.34%
Federal Home Loan Bks Cons Bds 2.00% Dtd 10/30/2017 Due 04/30/2021 Callable	100,000.000	97,650.00 97,235.65	2,000.00 172.22	2.05%
Federal Home Loan Bks Cons Bds 2.50% Dtd 03/15/2018 Due 09/15/2020 Callable	120,000.000	119,362.80 119,910.00	3,000.00 633.33	2.51%



WBSD - OPERATING RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Federal Home Loan Bks Cons Bds 3.00% Dtd 09/27/2018 Due 09/27/2021 Callable	40,000.000	40,020.40 40,000.00	1,200.00 213.33	3.00%
Federal Home Loan Bks Cons Bds 3.15% Dtd 10/29/2018 Due 10/29/2021 Callable	230,000.000	230,050.60 230,000.00	7,245.00 644.00	3.15%
Federal Farm Cr Bks Cons Systemwide Bds 2.10% Dtd 10/04/2017 Due 04/04/2022 Callable	140,000.000	136,131.80 140,000.00	2,940.00 465.50	2.16%
Federal Farm Cr Bks Cons Systemwide Bds 2.03% Dtd 04/19/2017 Due 07/19/2021 Callable	40,000.000	39,021.60 40,000.00	812.00 297.73	2.08%
Federal Farm Cr Bks Cons Systemwide Bds 1.97% Dtd 05/17/2017 Due 05/17/2021 Callable	120,000.000	117,348.00 118,338.09	2,364.00 91.93	2.01%
Federal Farm Cr Bks Cons Systemwide Bds 1.62% Dtd 09/11/2017 Due 09/11/2020 Callable	180,000.000	176,241.60 177,906.15	2,916.00 648.00	1.65%
Federal Farm Cr Bks Cons Systemwide Bds 3.23% Dtd 09/27/2018 Due 09/27/2022 Callable	300,000.000	299,709.00 299,904.00	9,690.00 1,722.66	3.23%
Federal Farm Cr Bks Cons Systemwide Bds 3.20% Dtd 03/19/2018 Due 09/19/2023 Callable	150,000.000	149,142.00 149,025.00	4,800.00 959.99	3.22%
Federal Farm Cr Bks Cons Systemwide Bds 3.07% Dtd 10/30/2018 Due 04/30/2021 Callable	250,000.000	250,015.00 250,000.00	7,675.00 660.90	3.07%
Federal Farm Cr Bks Cons Systemwide Bds 3.27% Dtd 11/06/2018 Due 05/06/2022 Callable	200,000.000	200,010.00 200,000.00	6,540.00 454.16	3.27%
Federal Farm Cr Bks Cons Systemwide Bds 3.44% Dtd 11/08/2018 Due 05/08/2023 Callable	380,000.000	379,460.40 380,000.00	13,072.00 835.15	3.44%
Federal Farm Cr Bks Cons Systemwide Bds 2.66% Dtd 07/30/2018 Due 07/30/2020 Callable	125,000.000	124,687.50 124,406.26	3,325.00 1,117.56	2.67%
Federal Farm Cr Bks Cons Systemwide Bds 3.17% Dtd 09/19/2018 Due 09/19/2022 Callable	50,000.000	50,005.00 50,000.00	1,585.00 317.00	3.17%



WBSD - OPERATING RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Federal Home Loan Bks Cons Bds 4.625% Dtd 05/25/2005 Due 06/12/2020 Non-Callable	200,000.000	205,408.00 212,048.00	9,250.00 4,342.36	4.50%
Federal Home Loan Bks Cons Bds 4.50% Dtd 08/12/2009 Due 09/13/2019 Non-Callable	200,000.000	202,706.00 206,240.00	9,000.00 1,950.00	4.44%
Federal Home Loan Bks Cons Bds 4.125% Dtd 11/13/2009 Due 12/13/2019 Non-Callable	200,000.000	202,804.00 207,834.00	8,250.00 3,850.00	4.07%
Federal Farm Cr Bks Cons Systemwide Bds 5.32% Dtd 10/03/2007 Due 09/03/2019 Non-Callable	50,000.000	50,973.00 51,856.50	2,660.00 650.22	5.22%
Federal Home Loan Bks Cons Bds 2.875% Dtd 08/27/2010 Due 09/11/2020 Non-Callable	60,000.000	60,016.20 61,683.00	1,725.00 383.33	2.87%
Federal Home Loan Bks Cons Bds 1.75% Dtd 06/03/2013 Due 06/12/2020 Non-Callable	60,000.000	59,023.20 60,277.80	1,050.00 492.91	1.78%
Federal Home Loan Bks Cons Bds 2.00% Dtd 08/12/2013 Due 09/13/2019 Non-Callable	60,000.000	59,664.60 60,498.00	1,200.00 259.99	2.01%
Federal Home Ln Mtg Corp Step Cpn Dtd 09/30/2016 Due 09/30/2021 Callable	200,000.000	194,954.00 199,800.00	2,500.00 421.38	1.28%
Federal Home Ln Mtg Corp 1.50% Dtd 12/30/2016 Due 12/30/2019 Callable	120,000.000	118,353.60 120,000.00	1,800.00 755.00	1.52%
Federal Home Ln Mtg Corp 1.75% Dtd 12/30/2016 Due 12/30/2020 Callable	120,000.000	117,218.40 120,000.00	2,100.00 880.83	1.79%
Federal Home Ln Mtg Corp Medium Term Nts 1.625% Dtd 04/27/2017 Due 07/27/2020 Callable	40,000.000	39,218.80 40,000.00	650.00 61.38	1.66%
Federal Home Ln Mtg Corp 1.60% Dtd 05/15/2017 Due 05/15/2020 Callable	240,000.000	235,982.40 240,000.00	3,840.00 170.66	1.63%
Federal Home Ln Mtg Corp 2.00% Dtd 04/26/2017 Due 10/26/2021 Callable	240,000.000	234,000.00 240,000.00	4,800.00 466.66	2.05%



WBSD - OPERATING RESERVE

Account Number:
Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Federal Home Ln Mtg Corp 2.00% Dtd 10/12/2017 Due 10/12/2021 Callable	120,000.000	116,334.00 120,000.00	2,400.00 326.66	2.06%
Federal Home Ln Mtg Corp 2.25% Dtd 12/29/2017 Due 12/29/2021 Callable	120,000.000	117,415.20 120,000.00	2,700.00 1,140.00	2.30%
Federal Home Ln Mtg Corp 3.00% Dtd 03/15/2018 Due 03/15/2023 Callable	120,000.000	118,934.40 119,880.00	3,600.00 760.00	3.03%
Federal Natl Mtg Assn 1.50% Dtd 10/19/2015 Due 11/30/2020 Non-Callable	50,000.000	48,702.50 49,693.50	750.00 2.08	1.54%
Federal Natl Mtg Assn 1.875% Dtd 11/16/2015 Due 12/28/2020 Non-Callable	60,000.000	58,861.80 60,946.80	1,125.00 478.12	1.91%
Federal Natl Mtg Assn 1.375% Dtd 02/05/2016 Due 02/26/2021 Non-Callable	90,000.000	87,118.20 89,425.51	1,237.00 326.56	1.42%
Federal Natl Mtg Assn 1.25% Dtd 05/16/2016 Due 05/06/2021 Non-Callable	160,000.000	154,187.20 158,734.12	2,000.00 138.88	1.30%
Federal Natl Mtg Assn 1.25% Dtd 09/30/2016 Due 09/30/2019 Callable	400,000.000	395,208.00 399,900.00	5,000.00 847.22	1.27%
Federal Natl Mtg Assn 1.375% Dtd 10/07/2016 Due 10/07/2021 Non-Callable	90,000.000	86,310.00 89,141.40	1,237.00 185.62	1.43%
Federal Natl Mtg Assn 2.00% Dtd 01/09/2017 Due 01/05/2022 Non-Callable	270,000.000	263,101.50 268,694.72	5,400.00 2,190.00	2.05%
Federal Natl Mtg Assn 1.875% Dtd 04/10/2017 Due 04/05/2022 Non-Callable	160,000.000	154,868.80 161,240.00	3,000.00 466.66	1.94%
Federal Natl Mtg Assn 1.80% Dtd 11/30/2016 Due 05/26/2021 Callable	60,000.000	58,213.80 60,000.00	1,080.00 15.00	1.86%
Federal Home Ln Mtg Corp 2.375% Dtd 01/13/2012 Due 01/13/2022 Non-Callable	90,000.000	88,548.30 91,763.10	2,137.00 819.37	2.41%



WBSD - OPERATING RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Federal Home Ln Mtg Corp 1.75% Dtd 04/16/2012 Due 05/30/2019 Non-Callable	40,000.000	39,838.40 40,169.60	700.00 1.94	1.76%
Federal Home Ln Mtg Corp 1.25% Dtd 10/02/2012 Due 10/02/2019 Non-Callable	40,000.000	39,504.00 40,104.00	500.00 81.94	1.27%
Federal Home Ln Mtg Corp 1.375% Dtd 04/04/2013 Due 05/01/2020 Non-Callable	50,000.000	49,019.00 49,833.86	687.00 57.29	1.40%
Federal Natl Mtg Assn Gtd Passthru CTF Pool #386765 5.420% Dtd 01/01/2004 Due 01/01/2019 IPD24	45,007.570	44,918.91 49,367.69	2,439.00 203.28	5.43%
Federal Natl Mtg Assn Gtd Passthru CTF Pool #461455 5.400% Dtd 12/01/2003 Due 12/01/2018 IPD24	18,323.520	18,284.12 20,625.41	989.00 82.45	5.41%
Federal Natl Mtg Assn Gtd REMIC Passthru Tr REMIC Tr Ser 2009 M1 CI A2 4.287% Dtd 10/01/2009 Due 07/25/2019 IPD24	27,313.860	27,325.57 29,259.97	1,170.00 96.89	4.29%
Federal Natl Mtg Assn Gtd Passthru CTF Pool #797828 5.000% Dtd 04/01/2005 Due 04/01/2020 IPD24	20,605.530	21,304.06 21,751.70	1,030.00 85.85	4.84%
Florida St Brd Admin Fin Corp Rev Bds 2016a Taxable 2.163% Dtd 03/08/2016 Due 07/01/2019 Callable	55,000.000	54,811.90 55,480.70	1,189.00 495.68	2.17%
GE Capital Internotes Fr 5.50% Dtd 11/05/2009 Due 11/15/2021 Non-Callable	50,000.000	48,442.50 54,495.50	2,750.00 122.22	5.68%
Home Depot Inc Sr Glbl Nt 2.00% Dtd 02/12/2016 Due 04/01/2021 Callable	50,000.000	48,571.50 49,899.00	1,000.00 166.66	2.06%
Keybank National Association Regs Bd 2.50% Dtd 11/24/2014 Due 12/15/2019 Non-Callable	250,000.000	248,135.00 250,732.50	6,250.00 2,881.94	2.52%
Medtronic Inc Sr Glbl 2.50% Dtd 03/15/2015 Due 03/15/2020 Callable	250,000.000	247,877.50 250,317.50	6,250.00 1,319.44	2.52%



WBSD - OPERATING RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Oakland Calif Pension Oblig Taxable Pension Oblig Bd Taxable Zero Cpn Dtd 10/17/2001 Due 12/15/2019 Non-Callable	60,000.000	57,768.60 58,165.39	0.00	0.00%
Philip Morris Intl Inc Sr Nt 4.50% Dtd 03/26/2010 Due 03/26/2020 Non-Callable	80,000.000	81,204.80 82,938.40	3,600.00 650.00	4.43%
Port Morrow Ore Transmission F Rev Bds Taxable 2.737% Dtd 08/26/2015 Due 09/01/2021 Callable	200,000.000	197,640.00 206,516.00	5,474.00 1,368.50	2.77%
Small Business Admin Gtd Ln Pool Ctfs #508468 Prime -0.175 Adj Quarterly Dtd 06/01/2008 Due 04/25/2020	5,139.700	5,129.22 5,361.36	158.00 1.75	3.08%
Starbucks Corp Sr Gbl 2.10% Dtd 02/04/2016 Due 02/04/2021 Callable	50,000.000	48,675.50 49,987.00	1,050.00 341.25	2.16%
3M Co Fr 2.00% Dtd 06/26/2012 Due 06/26/2022 Non-Callable	100,000.000	95,809.00 99,045.11	2,000.00 861.11	2.09%
US Treasury Note 1.625% Dtd 11/30/2015 Due 11/30/2020	175,000.000	170,971.50 170,949.77	2,843.00 7.81	1.66%
US Treasury Note 2.00% Dtd 07/31/2013 Due 07/31/2020	40,000.000	39,475.20 39,593.02	800.00 267.39	2.03%
US Treasury Note 1.625% Dtd 03/15/2017 Due 03/15/2020	120,000.000	118,246.80 119,551.85	1,950.00 414.77	1.65%
US Treasury Note 2.75% Dtd 09/15/2018 Due 09/15/2021	100,000.000	99,791.00 99,695.31	2,750.00 584.94	2.76%
United Technologies Corp Sr Gbl 2.30% Dtd 05/04/2017 Due 05/04/2022 Callable	250,000.000	238,995.00 239,979.68	5,750.00 431.24	2.41%
Waco Tex Indpt Sch Dist Ref Bds Taxable 4.00% Dtd 12/01/2012 Due 02/15/2020 Non-Callable	270,000.000	272,910.60 280,694.70	10,800.00 3,180.00	3.96%
Wells Fargo & Co New Sr Gbl 2.50% Dtd 03/04/2016 Due 03/04/2021 Non-Callable	250,000.000	243,720.00 248,550.00	6,250.00 1,510.41	2.56%



WBSD - OPERATING RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Total Fixed Income		\$ 9,166,028.64 \$ 9,321,619.69	233,654.00 47,904.27	2.55%
Cash				
Principal Cash		0.00 0.00	0.00	0.00%
Income Cash		0.00 0.00	0.00	0.00%
Total Cash		\$ 0.00 \$ 0.00	0.00 0.00	0.00%
Total Market Value		\$ 9,387,008.30 \$ 9,542,599.35	238,382.00 48,786.28	2.54%
Total Market Value Plus Accruals		\$ 9,435,794.58		

Income Activity

	Date	Income Cash	Principal Cash
Interest Income			
Bank of The West Advantage Acct Int To 10/31/18	11/01/18		2,950.16
Alibaba Group Hldg LTD Sr 144a 2.50% Dtd 11/28/2014 Due 11/28/2019 Callable Int To 11/28/18 on 200,000	11/28/18		2,500.00
Constellation Brands Inc Sr Gbl Nt 2.25% Dtd 11/07/2017 Due 11/06/2020 Callable Int To 11/06/18 on 75,000	11/06/18		843.75
Federal Home Ln Mtg Corp Partn Gold Group #G13107 5.500% Dtd 03/01/2008 Due 07/01/2020 IPD14 Int For October 2018 on 5978.88	11/15/18		27.40
Federal Home Ln Mtg Corp Partn Gold Group #G11940 5.500% Dtd 03/01/2006 Due 05/01/2020 IPD14 Int For October 2018 on 9119.92	11/15/18		41.80



WBSD - OPERATING RESERVE

Account Number: 61-J236-01-0
 Statement Period: 11/01/18 - 11/30/18

Income Activity			
	Date	Income Cash	Principal Cash
Federal Home Loan Bks Cons Bds 1.875% Dtd 11/30/2016 Due 11/29/2021 Non-Callable Int To 11/29/18 on 200,000	11/29/18		1,875.00
Federal Farm Cr Bks Cons Systemwide Bds 1.97% Dtd 05/17/2017 Due 05/17/2021 Callable Int To 11/17/18 on 120,000	11/19/18		1,182.00
Federal Home Ln Mtg Corp 1.60% Dtd 05/15/2017 Due 05/15/2020 Callable Int To 11/15/18 on 240,000	11/15/18		1,920.00
Federal Natl Mtg Assn 1.50% Dtd 10/19/2015 Due 11/30/2020 Non-Callable Int To 11/30/18 on 50,000	11/30/18		375.00
Federal Natl Mtg Assn 1.25% Dtd 05/16/2016 Due 05/06/2021 Non-Callable Int To 11/06/18 on 160,000	11/06/18		1,000.00
Federal Natl Mtg Assn 1.80% Dtd 11/30/2016 Due 05/26/2021 Callable Int To 11/26/18 on 60,000	11/26/18		540.00
Federal Home Ln Mtg Corp 1.75% Dtd 04/16/2012 Due 05/30/2019 Non-Callable Int To 11/30/18 on 40,000	11/30/18		350.00
Federal Home Ln Mtg Corp 1.375% Dtd 04/04/2013 Due 05/01/2020 Non-Callable Int To 11/01/18 on 50,000	11/01/18		343.75
Federal Natl Mtg Assn Gtd Passthru CTF Pool #386765 5.420% Dtd 01/01/2004 Due 01/01/2019 IPD24 Int For October 2018 on 45158.74	11/26/18		203.97
Federal Natl Mtg Assn Gtd Passthru CTF Pool #461455 5.400% Dtd 12/01/2003 Due 12/01/2018 IPD24 Int For October 2018 on 18348.51	11/26/18		82.57



WBSD - OPERATING RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Income Activity			
	Date	Income Cash	Principal Cash
Federal Natl Mtg Assn Gtd REMIC Passthru Tr REMIC Tr Ser 2009 M1 CI A2 4.287% Dtd 10/01/2009 Due 07/25/2019 IPD24 Int To 11/01/18 on 33921.10	11/26/18		121.18
Prepayment Penalty For October 2018	11/27/18		0.68
Federal Natl Mtg Assn Gtd Passthru CTF Pool #797828 5.000% Dtd 04/01/2005 Due 04/01/2020 IPD24 Int For October 2018 on 22041.90	11/26/18		91.84
GE Capital Internotes Fr 5.50% Dtd 11/05/2009 Due 11/15/2021 Non-Callable Int To 11/15/18 on 50,000	11/15/18		1,375.00
Metropolitan Transn Auth N Y D Tax Fund Bds 2010a Taxable 4.655% Dtd 03/25/2010 Due 11/15/2018 Callable Int To 11/15/18 on 100,000	11/15/18		2,327.50
Small Business Admin Gtd Ln Pool Ctfs #508468 Prime -0.175 Adj Quarterly Dtd 06/01/2008 Due 04/25/2020 Int To 09/29/18 on 5431.26	11/26/18		21.84
US Treasury Note 1.625% Dtd 11/30/2015 Due 11/30/2020 Int To 11/30/18 on 175,000	11/30/18		1,421.87
United Technologies Corp Sr Glbl 2.30% Dtd 05/04/2017 Due 05/04/2022 Callable Int To 11/04/18 on 250,000	11/05/18		2,875.00
Total Interest Income		\$ 0.00	\$ 22,470.31
Purchased Income			
Federal Farm Cr Bks Cons Systemwide Bds 3.20% Dtd 03/19/2018 Due 09/19/2023 Callable Accrued Int To 11/29/18 Paid on Purchase of 150,000	11/29/18		-933.33



WBSD - OPERATING RESERVE

Account Number:
 Statement Period: 11/01/18 - 11/30/18

Income Activity			
	Date	Income Cash	Principal Cash
US Treasury Note 2.75% Dtd 09/15/2018 Due 09/15/2021 Accrued Int To 11/28/18 Paid on Purchase of 100,000	11/28/18		-562.15
Total Purchased Income		\$ 0.00	\$ -1,495.48
Total Income		\$ 0.00	\$ 20,974.83

Disbursement Activity			
	Date	Income Cash	Principal Cash
Fees/Expenses			
Monthly Fee To 10/31/18	11/15/18		-1,387.13
Total Fees/Expenses		\$ 0.00	\$ -1,387.13
Total Disbursements		\$ 0.00	\$ -1,387.13

Purchase Activity			
	Date	Income Cash	Principal Cash
Bank of The West Advantage Acct Purchases (7) 11/01/18 To 11/30/18	11/30/18		-126,723.29
Federal Farm Cr Bks Cons Systemwide Bds 3.20% Dtd 03/19/2018 Due 09/19/2023 Callable Purchased 150000 11/28/18 From RBC Cap Mkts (Royal Bank of Can @ 99.35	11/29/18		-149,025.00
Federal Farm Cr Bks Cons Systemwide Bds 3.27% Dtd 11/06/2018 Due 05/06/2022 Callable Purchased 200000 10/30/18 From D A Davidson & Co @ 100	11/06/18		-200,000.00
Federal Farm Cr Bks Cons Systemwide Bds 3.44% Dtd 11/08/2018 Due 05/08/2023 Callable Purchased 380000 10/30/18 From Wedbush Morgan Secs @ 100	11/08/18		-380,000.00



WBSD - OPERATING RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Purchase Activity			
	Date	Income Cash	Principal Cash
US Treasury Note 2.75% Dtd 09/15/2018 Due 09/15/2021 Purchased 100000 11/27/18 From Morgan Stanley & Co @ 99.695312	11/28/18		-99,695.31
Total Purchases		\$ 0.00	\$ -955,443.60

Sale Activity			
	Date	Proceeds	Realized Gain/Loss
Bank of The West Advantage Acct Sales (5) 11/01/18 To 11/30/18	11/30/18	825,384.17	
Federal Home Ln Mtg Corp Partn Gold Group #G13107 5.500% Dtd 03/01/2008 Due 07/01/2020 IPD14 Prin Pmt For October 2018	11/15/18	790.57	-40.02
Federal Home Ln Mtg Corp Partn Gold Group #G11940 5.500% Dtd 03/01/2006 Due 05/01/2020 IPD14 Prin Pmt For October 2018	11/15/18	1,169.83	-64.34
Federal Natl Mtg Assn Gtd Passthru CTF Pool #386765 5.420% Dtd 01/01/2004 Due 01/01/2019 IPD24 Prin Pmt For October 2018	11/26/18	151.17	-14.64
Federal Natl Mtg Assn Gtd Passthru CTF Pool #461455 5.400% Dtd 12/01/2003 Due 12/01/2018 IPD24 Prin Pmt For October 2018	11/26/18	24.99	-3.14
Federal Natl Mtg Assn Gtd REMIC Passthru Tr REMIC Tr Ser 2009 M1 CI A2 4.287% Dtd 10/01/2009 Due 07/25/2019 IPD24 Prin Pmt For 11/01/18	11/26/18	6,607.24	-470.76
Federal Natl Mtg Assn Gtd Passthru CTF Pool #797828 5.000% Dtd 04/01/2005 Due 04/01/2020 IPD24 Prin Pmt For October 2018	11/26/18	1,436.37	-79.90
Metropolitan Transn Auth N Y D Tax Fund Bds 2010a Taxable 4.655% Dtd 03/25/2010 Due 11/15/2018 Callable Recd Proceeds on Maturity of 100,000 Par Value	11/15/18	100,000.00	



WBSD - OPERATING RESERVE

Account Number:
 Statement Period: 11/01/18 - 11/30/18

Sale Activity			
	Date	Proceeds	Realized Gain/Loss
Small Business Admin Gtd Ln Pool Ctfs #508468 Prime -0.175 Adj Quarterly Dtd 06/01/2008 Due 04/25/2020 Prin Pmt For 09/29/18	11/26/18	291.56	-12.57
Total Sales		\$ 935,855.90	\$ -685.37

Non-Cash Activity		
	Date	Cost
Federal Home Loan Bks Cons Bds 1.875% Dtd 11/30/2016 Due 11/29/2021 Non-Callable Accretion of Discount	11/29/18	390.06
Federal Farm Cr Bks Cons Systemwide Bds 1.97% Dtd 05/17/2017 Due 05/17/2021 Callable Accretion of Discount	11/16/18	332.37
Federal Natl Mtg Assn 1.375% Dtd 02/05/2016 Due 02/26/2021 Non-Callable Accretion of Discount	11/30/18	21.38
Federal Natl Mtg Assn 1.25% Dtd 05/16/2016 Due 05/06/2021 Non-Callable Accretion of Discount	11/30/18	43.35
Federal Natl Mtg Assn 1.375% Dtd 10/07/2016 Due 10/07/2021 Non-Callable Accretion of Discount	11/30/18	25.07
Federal Natl Mtg Assn 2.00% Dtd 01/09/2017 Due 01/05/2022 Non-Callable Accretion of Discount	11/30/18	45.06
Federal Home Ln Mtg Corp 1.75% Dtd 04/16/2012 Due 05/30/2019 Non-Callable Amortization of Premium	11/30/18	-168.80
Federal Home Ln Mtg Corp 1.375% Dtd 04/04/2013 Due 05/01/2020 Non-Callable Accretion of Discount	11/30/18	9.74



WBSD - OPERATING RESERVE

Account Number:
 Statement Period: 11/01/18 - 11/30/18

Non-Cash Activity		
	Date	Cost
GE Capital Internotes Fr 5.50% Dtd 11/05/2009 Due 11/15/2021 Non-Callable Amortization of Premium	11/15/18	-718.50
Metropolitan Transn Auth N Y D Tax Fund Bds 2010a Taxable 4.655% Dtd 03/25/2010 Due 11/15/2018 Callable Amortization of Premium	11/15/18	-1,267.00
Oakland Calif Pension Oblig Taxable Pension Oblig Bd Taxable Zero Cpn Dtd 10/17/2001 Due 12/15/2019 Non-Callable Original Issue Discount	11/30/18	146.75
3M Co Fr 2.00% Dtd 06/26/2012 Due 06/26/2022 Non-Callable Accretion of Discount	11/30/18	22.27
US Treasury Note 1.625% Dtd 11/30/2015 Due 11/30/2020 Accretion of Discount	11/30/18	174.38
United Technologies Corp Sr Gbl 2.30% Dtd 05/04/2017 Due 05/04/2022 Callable Accretion of Discount	11/30/18	243.60
Total Non-Cash Transactions		\$ -700.27

SECURITY PRICES CONTAINED IN THIS STATEMENT ARE OBTAINED FROM THE MOST RELIABLE SOURCES AVAILABLE BUT ARE NOT GUARANTEED BY BANK OF THE WEST. QUOTED PRICES MAY NOT EQUAL ACTUAL PRICES BECAUSE OF SECURITY SIZE, MARKET PRICE, TERM AND DEMAND.



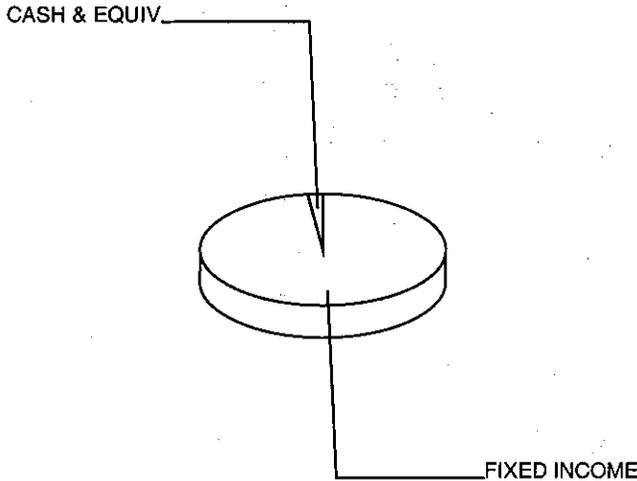
WBSD - RATE STABILIZATION RESERVE

Account Number:
 Statement Period: 11/01/18 - 11/30/18

WEST BAY SANITARY DISTRICT
 RATE STABILIZATION RESERVE
 500 LAUREL STREET
 MENLO PARK CA 94025

Fiduciary
 Chuen Ying Lee
 (408) 645-3234
Portfolio
 Michael D. Smith
 (408) 490-2079

Asset Allocation



Asset Valuation

Description	Market Value	% of Account
Cash & Equiv	152,480.98	2.3%
Fixed Income	6,418,598.07	97.7%
Total Portfolio	\$ 6,571,079.05	100.0%
Accrued Income	44,334.02	
Total Valuation	\$ 6,615,413.07	

Market Reconciliation

	Current Period	Year To Date
Beginning Market Value	\$ 6,588,051.61	\$ 5,577,745.28
Income		
Interest.....	9,540.51	72,376.64
Purchased Income.....	-710.65	-4,722.81
Additions.....	0.00	1,000,000.00
Disbursements.....	-970.98	-4,443.78
Realized Gains/(Losses).....	-9.94	-50.62
Change In Accrued Income.....	4,880.99	-5,195.89
Change In Market Appreciation/(Depreciation).....	14,061.22	7,453.96
Non-Cash Asset Changes.....	570.31	-27,749.71
Ending Market Value	\$ 6,615,413.07	\$ 6,615,413.07



WBSD - RATE STABILIZATION RESERVE

Account Number:
Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Cash Equivalents				
Bank of The West Advantage Acct	152,480.980	152,480.98 152,480.98	3,263.00 447.84	2.14%
Total Cash Equivalents		\$ 152,480.98 \$ 152,480.98	3,263.00 447.84	2.14%
Fixed Income				
Arizona Brd Regents Cifs Partn Ref Cops 2015b Taxable 1.62% Dtd 05/12/2015 Due 06/01/2019 Callable	100,000.000	99,392.00 100,118.00	1,620.00 810.00	1.63%
Federal Home Loan Bks Cons Bds 1.85% Dtd 08/15/2017 Due 08/15/2022 Non-Callable	235,000.000	226,037.10 236,511.05	4,347.00 1,280.09	1.92%
Federal Home Loan Bks Cons Bds 2.50% Dtd 03/15/2018 Due 09/15/2020 Callable	100,000.000	99,469.00 99,925.00	2,500.00 527.77	2.51%
Federal Home Loan Bks Cons Bds 3.00% Dtd 09/27/2018 Due 09/27/2021 Callable	120,000.000	120,061.20 120,000.00	3,600.00 640.00	3.00%
Federal Home Loan Bks Cons Bds 3.17% Dtd 10/25/2018 Due 10/25/2021 Callable	300,000.000	300,039.00 300,000.00	9,510.00 951.00	3.17%
Federal Farm Cr Bks Cons Systemwide Bds 2.40% Dtd 06/17/2015 Due 06/17/2022 Non-Callable	235,000.000	230,882.80 240,600.05	5,640.00 2,569.33	2.44%
Federal Farm Cr Bks Cons Systemwide Bds 1.90% Dtd 07/19/2017 Due 07/19/2022 Non-Callable	80,000.000	77,184.80 80,307.20	1,520.00 557.33	1.97%
Federal Farm Cr Bks Cons Systemwide Bds 1.72% Dtd 07/26/2017 Due 07/26/2021 Non-Callable	235,000.000	227,870.10 235,540.50	4,042.00 1,403.47	1.77%
Federal Farm Cr Bks Cons Systemwide Bds 1.90% Dtd 08/03/2017 Due 08/03/2022 Non-Callable	85,000.000	81,972.30 85,179.35	1,615.00 529.36	1.97%
Federal Farm Cr Bks Cons Systemwide Bds 3.23% Dtd 09/27/2018 Due 09/27/2022 Callable	200,000.000	199,806.00 200,000.00	6,460.00 1,148.45	3.23%



WBSD - RATE STABILIZATION RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Federal Farm Cr Bks Cons Systemwide Bds 2.75% Dtd 03/01/2018 Due 09/01/2021 Callable	100,000.000	99,451.00 99,950.00	2,750.00 687.50	2.77%
Federal Farm Cr Bks Cons Systemwide Bds 2.85% Dtd 03/07/2018 Due 03/07/2022 Callable	80,000.000	79,455.20 80,000.00	2,280.00 531.99	2.87%
Federal Farm Cr Bks Cons Systemwide Bds 3.20% Dtd 03/19/2018 Due 09/19/2023 Callable	60,000.000	59,656.80 59,610.00	1,920.00 384.00	3.22%
Federal Farm Cr Bks Cons Systemwide Bds 3.17% Dtd 09/19/2018 Due 09/19/2022 Callable	170,000.000	170,017.00 170,000.00	5,389.00 1,077.79	3.17%
Federal Home Loan Bks Cons Bds 4.50% Dtd 08/12/2009 Due 09/13/2019 Non-Callable	100,000.000	101,353.00 103,047.00	4,500.00 975.00	4.44%
Federal Home Loan Bks Cons Bds 1.625% Dtd 11/07/2012 Due 12/10/2021 Non-Callable	235,000.000	226,594.05 234,353.75	3,818.00 1,813.90	1.69%
Federal Home Loan Bks Cons Bds 2.00% Dtd 08/12/2013 Due 09/13/2019 Non-Callable	40,000.000	39,776.40 40,332.00	800.00 173.33	2.01%
Federal Home Ln Mtg Corp Step Cpn Dtd 08/25/2016 Due 08/25/2021 Callable	60,000.000	58,259.40 60,000.00	900.00 239.37	1.54%
Federal Home Ln Mtg Corp 1.50% Dtd 09/30/2016 Due 03/30/2021 Callable	90,000.000	87,201.90 90,000.00	1,350.00 228.75	1.55%
Federal Home Ln Mtg Corp 1.75% Dtd 12/30/2016 Due 12/30/2020 Callable	40,000.000	39,072.80 40,000.00	700.00 293.61	1.79%
Federal Home Ln Mtg Corp 1.60% Dtd 05/15/2017 Due 05/15/2020 Callable	40,000.000	39,330.40 40,000.00	640.00 28.44	1.63%
Federal Home Ln Mtg Corp 3.00% Dtd 03/15/2018 Due 03/15/2023 Callable	40,000.000	39,644.80 39,960.00	1,200.00 253.33	3.03%
Federal Home Ln Mtg Corp 3.25% Dtd 06/28/2018 Due 06/28/2023 Callable	120,000.000	120,028.80 119,940.00	3,900.00 1,657.49	3.25%



WBSD - RATE STABILIZATION RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Federal Natl Mtg Assn 1.50% Dtd 10/19/2015 Due 11/30/2020 Non-Callable	250,000.000	243,512.50 249,517.50	3,750.00 10.41	1.54%
Federal Natl Mtg Assn 1.375% Dtd 02/05/2016 Due 02/26/2021 Non-Callable	235,000.000	227,475.30 233,363.23	3,231.00 852.69	1.42%
Federal Natl Mtg Assn 1.25% Dtd 05/16/2016 Due 05/06/2021 Non-Callable	130,000.000	125,277.10 128,879.79	1,625.00 112.84	1.30%
Federal Natl Mtg Assn 1.25% Dtd 08/19/2016 Due 08/17/2021 Non-Callable	130,000.000	124,672.60 128,557.25	1,625.00 469.44	1.30%
Federal Natl Mtg Assn 1.375% Dtd 10/07/2016 Due 10/07/2021 Non-Callable	235,000.000	225,365.00 233,212.48	3,231.00 484.68	1.43%
Federal Natl Mtg Assn 2.00% Dtd 01/09/2017 Due 01/05/2022 Non-Callable	235,000.000	228,995.75 237,824.70	4,700.00 1,906.11	2.05%
Federal Natl Mtg Assn 1.875% Dtd 04/10/2017 Due 04/05/2022 Non-Callable	95,000.000	91,953.35 95,278.35	1,781.00 277.08	1.94%
Federal Natl Mtg Assn 1.50% Dtd 11/27/2012 Due 11/27/2020 Callable	120,000.000	116,718.00 116,737.45	1,800.00 20.00	1.54%
Federal Home Ln Mtg Corp 2.375% Dtd 01/13/2012 Due 01/13/2022 Non-Callable	235,000.000	231,209.45 240,842.10	5,581.00 2,139.47	2.41%
Federal Home Ln Mtg Corp 1.375% Dtd 04/04/2013 Due 05/01/2020 Non-Callable	200,000.000	196,076.00 199,472.00	2,750.00 229.16	1.40%
Federal Home Ln Mtg Corp 1.50% Dtd 01/17/2017 Due 01/17/2020 Non-Callable	250,000.000	246,535.00 250,157.50	3,750.00 1,395.83	1.52%
Federal Natl Mtg Assn Gtd Passthru CTF Pool #466584 3.470% Dtd 11/01/2010 Due 11/01/2020 IPD24	68,847.080	69,271.87 73,924.53	2,388.00 199.08	3.45%
Florida St Brd Admin Fin Corp Rev Bds 2016a Taxable 2.163% Dtd 03/08/2016 Due 07/01/2019 Callable	40,000.000	39,863.20 40,349.60	865.00 360.49	2.17%



WBSD - RATE STABILIZATION RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Silicon Vy Clean Wtr Calif Was Rev Bds 4.00% Dtd 11/24/2015 Due 08/01/2019 Non-Callable --- 335,000 Restricted ---	335,000.000	340,326.50 345,314.65	13,400.00 4,466.66	3.94%
Silicon Vy Clean Wtr Calif Was Rev Bds 5.00% Dtd 11/24/2015 Due 08/01/2020 Non-Callable --- 650,000 Restricted ---	650,000.000	685,464.00 699,749.50	32,500.00 10,833.33	4.74%
Skagit Cnty Wash Sch Dist No 1 GO Bds 2011b Taxable 4.013% Dtd 06/01/2011 Due 12/01/2019 Non-Callable	50,000.000	50,358.00 52,008.50	2,006.00 1,003.24	3.98%
US Treasury Note 1.625% Dtd 11/30/2015 Due 11/30/2020	300,000.000	293,094.00 293,056.75	4,875.00 13.39	1.66%
US Treasury Note 2.75% Dtd 09/15/2018 Due 09/15/2021	60,000.000	59,874.60 59,817.19	1,650.00 350.98	2.76%
Total Fixed Income		\$ 6,418,598.07 \$ 6,553,436.97	162,509.00 43,886.18	2.53%
Cash				
Principal Cash		0.00 0.00	0.00	0.00%
Income Cash		0.00 0.00	0.00	0.00%
Total Cash		\$ 0.00 \$ 0.00	0.00 0.00	0.00%
Total Market Value		\$ 6,571,079.05 \$ 6,705,917.95	165,772.00 44,334.02	2.52%
Total Market Value Plus Accruals		\$ 6,615,413.07		

Income Activity

	Date	Income Cash	Principal Cash
Interest Income			
Bank of The West Advantage Acct Int To 10/31/18	11/01/18		1,614.39



WBSD - RATE STABILIZATION RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Income Activity			
	Date	Income Cash	Principal Cash
Federal Home Ln Mtg Corp 1.60% Dtd 05/15/2017 Due 05/15/2020 Callable Int To 11/15/18 on 40,000	11/15/18		320.00
Federal Natl Mtg Assn 1.50% Dtd 10/19/2015 Due 11/30/2020 Non-Callable Int To 11/30/18 on 250,000	11/30/18		1,875.00
Federal Natl Mtg Assn 1.25% Dtd 05/16/2016 Due 05/06/2021 Non-Callable Int To 11/06/18 on 130,000	11/06/18		812.50
Federal Natl Mtg Assn 1.50% Dtd 11/27/2012 Due 11/27/2020 Callable Int To 11/27/18 on 120,000	11/27/18		900.00
Federal Home Ln Mtg Corp 1.375% Dtd 04/04/2013 Due 05/01/2020 Non-Callable Int To 11/01/18 on 200,000	11/01/18		1,375.00
Federal Natl Mtg Assn Gtd Passthru CTF Pool #466584 3.470% Dtd 11/01/2010 Due 11/01/2020 IPD24 Int For October 2018 on 68981.80	11/26/18		206.12
US Treasury Note 1.625% Dtd 11/30/2015 Due 11/30/2020 Int To 11/30/18 on 300,000	11/30/18		2,437.50
Total Interest Income		\$ 0.00	\$ 9,540.51
Purchased Income			
Federal Farm Cr Bks Cons Systemwide Bds 3.20% Dtd 03/19/2018 Due 09/19/2023 Callable Accrued Int To 11/29/18 Paid on Purchase of 60,000	11/29/18		-373.34
US Treasury Note 2.75% Dtd 09/15/2018 Due 09/15/2021 Accrued Int To 11/28/18 Paid on Purchase of 60,000	11/28/18		-337.31
Total Purchased Income		\$ 0.00	\$ -710.65
Total Income		\$ 0.00	\$ 8,829.86



WBSD - RATE STABILIZATION RESERVE

Account Number:
 Statement Period: 11/01/18 - 11/30/18

Disbursement Activity

	Date	Income Cash	Principal Cash
Fees/Expenses			
Monthly Fee To 10/31/18	11/15/18		-970.98
Total Fees/Expenses		\$ 0.00	\$ -970.98
Total Disbursements		\$ 0.00	\$ -970.98

Purchase Activity

	Date	Income Cash	Principal Cash
Bank of The West Advantage Acct Purchases (6) 11/01/18 To 11/30/18	11/30/18		-9,675.23
Federal Farm Cr Bks Cons Systemwide Bds 3.20% Dtd 03/19/2018 Due 09/19/2023 Callable Purchased 60000 11/28/18 From RBC Cap Mkts (Royal Bank of Can @ 99.35	11/29/18		-59,610.00
US Treasury Note 2.75% Dtd 09/15/2018 Due 09/15/2021 Purchased 60000 11/27/18 From Morgan Stanley & Co @ 99.695312	11/28/18		-59,817.19
Total Purchases		\$ 0.00	\$ -129,102.42

Sale Activity

	Date	Proceeds	Realized Gain/Loss
Bank of The West Advantage Acct Sales (3) 11/01/18 To 11/30/18	11/30/18	121,108.82	
Federal Natl Mtg Assn Gtd Passthru CTF Pool #466584 3.470% Dtd 11/01/2010 Due 11/01/2020 IPD24 Prin Pmt For October 2018	11/26/18	134.72	-9.94
Total Sales		\$ 121,243.54	\$ -9.94



WBSD - RATE STABILIZATION RESERVE

Account Number:
Statement Period:

11/01/18 - 11/30/18

Non-Cash Activity		
	Date	Cost
Federal Natl Mtg Assn 1.25% Dtd 05/16/2016 Due 05/06/2021 Non-Callable Accretion of Discount	11/30/18	38.36
Federal Natl Mtg Assn 1.25% Dtd 08/19/2016 Due 08/17/2021 Non-Callable Accretion of Discount	11/30/18	44.30
Federal Natl Mtg Assn 1.375% Dtd 10/07/2016 Due 10/07/2021 Non-Callable Accretion of Discount	11/30/18	52.21
Federal Natl Mtg Assn 1.50% Dtd 11/27/2012 Due 11/27/2020 Callable Accretion of Discount	11/30/18	136.50
US Treasury Note 1.625% Dtd 11/30/2015 Due 11/30/2020 Accretion of Discount	11/30/18	298.94
Total Non-Cash Transactions		\$ 570.31

SECURITY PRICES CONTAINED IN THIS STATEMENT ARE OBTAINED FROM THE MOST RELIABLE SOURCES AVAILABLE BUT ARE NOT GUARANTEED BY BANK OF THE WEST. QUOTED PRICES MAY NOT EQUAL ACTUAL PRICES BECAUSE OF SECURITY SIZE, MARKET PRICE, TERM AND DEMAND.



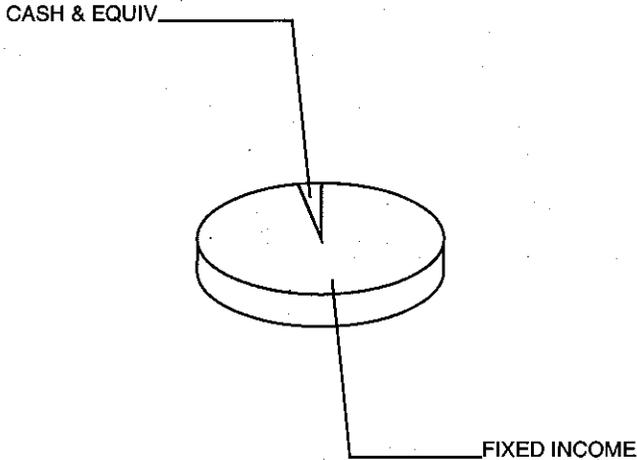
WBSD - RECYCLED WATER SRF RESERVE

Account Number:
 Statement Period: 11/01/18 - 11/30/18

WEST BAY SANITARY DISTRICT
 RECYCLED WATER SRF RESERVE
 500 LAUREL STREET
 MENLO PARK CA 94025

Fiduciary
 Chuen Ying Lee
 (408) 645-3234
Portfolio
 Michael D. Smith
 (408) 490-2079

Asset Allocation



Asset Valuation

Description	Market Value	% of Account
Cash & Equiv	22,404.69	2.8%
Fixed Income	789,149.64	97.2%
Total Portfolio	\$ 811,554.33	100.0%
Accrued Income	5,502.27	
Total Valuation	\$ 817,056.60	

Market Reconciliation

	Current Period	Year To Date
Beginning Market Value	\$ 812,506.76	\$ 810,212.35
Income		
Interest.....	286.87	7,507.78
Purchased Income.....	0.00	-1,223.44
Disbursements.....	-119.90	-603.62
Realized Gains/(Losses).....	0.00	0.00
Change In Accrued Income.....	1,568.67	2,639.79
Change In Market Appreciation/(Depreciation).....	2,742.93	-1,889.88
Non-Cash Asset Changes.....	71.27	413.62
Ending Market Value	\$ 817,056.60	\$ 817,056.60



WBSD - RECYCLED WATER SRF RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Cash Equivalents				
Bank of The West Advantage Acct	22,404.690	22,404.69 22,404.69	479.00 39.08	2.14%
Total Cash Equivalents		\$ 22,404.69 \$ 22,404.69	479.00 39.08	2.14%
Fixed Income				
Federal Home Loan Bks Cons Bds 2.00% Dtd 10/30/2017 Due 04/30/2021 Callable	100,000.000	97,650.00 97,235.65	2,000.00 172.22	2.05%
Federal Farm Cr Bks Cons Systemwide Bds 3.23% Dtd 09/27/2018 Due 09/27/2022 Callable	100,000.000	99,903.00 99,904.00	3,230.00 574.21	3.23%
Federal Farm Cr Bks Cons Systemwide Bds 2.84% Dtd 03/20/2018 Due 09/20/2021 Callable	100,000.000	99,426.00 100,000.00	2,840.00 560.11	2.86%
Federal Farm Cr Bks Cons Systemwide Bds 2.71% Dtd 03/29/2018 Due 03/29/2021 Callable	80,000.000	79,712.00 80,000.00	2,168.00 373.37	2.72%
Federal Farm Cr Bks Cons Systemwide Bds 3.00% Dtd 03/29/2018 Due 06/29/2022 Callable	100,000.000	99,787.00 100,000.00	3,000.00 1,266.66	3.01%
Federal Farm Cr Bks Cons Systemwide Bds 3.65% Dtd 12/21/2010 Due 12/21/2020 Non-Callable	96,000.000	97,506.24 98,532.48	3,504.00 1,557.33	3.59%
Federal Home Ln Mtg Corp 3.00% Dtd 02/28/2018 Due 02/24/2023 Callable	60,000.000	59,569.20 59,988.00	1,800.00 485.00	3.02%
Federal Home Ln Mtg Corp 2.70% Dtd 03/26/2018 Due 03/26/2021 Callable	60,000.000	59,559.60 59,925.00	1,620.00 292.50	2.72%
Federal Natl Mtg Assn 1.55% Dtd 10/28/2016 Due 10/28/2021 Callable	80,000.000	76,326.40 77,509.99	1,240.00 113.66	1.62%
US Treasury Note 2.00% Dtd 09/30/2013 Due 09/30/2020	20,000.000	19,710.20 19,832.29	400.00 68.13	2.03%



WBSD - RECYCLED WATER SRF RESERVE

Account Number:
 Statement Period: 11/01/18 - 11/30/18

Asset Position As of 11/30/18

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
Total Fixed Income		\$ 789,149.64 \$ 792,927.41	21,802.00 5,463.19	2.76%
Cash				
Principal Cash		0.00 0.00	0.00	0.00%
Income Cash		0.00 0.00	0.00	0.00%
Total Cash		\$ 0.00 \$ 0.00	0.00 0.00	0.00%
Total Market Value		\$ 811,554.33 \$ 815,332.10	22,281.00 5,502.27	2.75%
Total Market Value Plus Accruals		\$ 817,056.60		

Income Activity

	Date	Income Cash	Principal Cash
Interest Income			
Bank of The West Advantage Acct Int To 10/31/18	11/01/18		286.87
Total Interest Income		\$ 0.00	\$ 286.87
Total Income		\$ 0.00	\$ 286.87

Disbursement Activity

	Date	Income Cash	Principal Cash
Fees/Expenses			
Monthly Fee To 10/31/18	11/15/18		-119.90
Total Fees/Expenses		\$ 0.00	\$ -119.90
Total Disbursements		\$ 0.00	\$ -119.90



WBSD - RECYCLED WATER SRF RESERVE

Account Number:
 Statement Period:

11/01/18 - 11/30/18

Purchase Activity			
	Date	Income Cash	Principal Cash
Bank of The West Advantage Acct Purchases (1) 11/01/18 To 11/30/18	11/30/18		-286.87
Total Purchases		\$ 0.00	\$ -286.87

Sale Activity			
	Date	Proceeds	Realized Gain/Loss
Bank of The West Advantage Acct Sales (1) 11/01/18 To 11/30/18	11/30/18	119.90	
Total Sales		\$ 119.90	\$ 0.00

Non-Cash Activity		
	Date	Cost
Federal Natl Mtg Assn 1.55% Dtd 10/28/2016 Due 10/28/2021 Callable Accretion of Discount	11/30/18	71.27
Total Non-Cash Transactions		\$ 71.27

SECURITY PRICES CONTAINED IN THIS STATEMENT ARE OBTAINED FROM THE MOST RELIABLE SOURCES AVAILABLE, BUT ARE NOT GUARANTEED BY BANK OF THE WEST. QUOTED PRICES MAY NOT EQUAL ACTUAL PRICES BECAUSE OF SECURITY SIZE, MARKET PRICE, TERM AND DEMAND.

Received
NOV 19 2018
West Bay Sanitary District

WEST BAY SANITARY DISTRICT
PARS Post-Employment Benefits Trust

Phil Scott
District Manager
West Bay Sanitary District
500 Laurel Street
Menlo Park, CA 94025

Account Report for the Period
10/1/2018 to 10/31/2018

Account Summary

Source	Beginning Balance as of 10/1/2018	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 10/31/2018
OPEB	\$253,314.51	\$0.00	-\$10,379.59	\$47.50	\$0.00	\$0.00	\$242,887.42
PENSION	\$999,196.94	\$0.00	-\$40,920.86	\$187.35	\$0.00	\$0.00	\$958,088.73
Totals	\$1,252,511.45	\$0.00	-\$51,300.45	\$234.85	\$0.00	\$0.00	\$1,200,976.15

Investment Selection

Source	
OPEB	Moderate Index PLUS
PENSION	Moderate Index PLUS

Investment Objective

Source	
OPEB	The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.
PENSION	The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	-4.10%	-3.18%	0.00%	-	-	-	8/31/2016
PENSION	-4.10%	-	-	-	-	-	9/7/2018

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.
Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.
Account balances are inclusive of Trust Administration, Trustee and Investment Management fees



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
11/05/18	2.19	2.15	205
11/06/18	2.19	2.15	205
11/07/18	2.19	2.15	203
11/08/18	2.20	2.15	204
11/09/18	2.21	2.16	205
11/10/18	2.21	2.16	205
11/11/18	2.21	2.16	205
11/12/18	2.21	2.16	205
11/13/18	2.20	2.16	203
11/14/18	2.21	2.16	201
11/15/18	2.22	2.16	201
11/16/18	2.22	2.16	202
11/17/18	2.22	2.16	202
11/18/18	2.22	2.16	202
11/19/18	2.22	2.16	200
11/20/18	2.22	2.16	199
11/21/18	2.22	2.17	197
11/22/18	2.22	2.17	197
11/23/18	2.22	2.17	197
11/24/18	2.22	2.17	197
11/25/18	2.22	2.17	197
11/26/18	2.24	2.17	192
11/27/18	2.24	2.17	192
11/28/18	2.24	2.17	199
11/29/18	2.24	2.17	199
11/30/18	2.26	2.18	207
12/01/18	2.26	2.18	207
12/02/18	2.26	2.18	207
12/03/18	2.26	2.18	207
12/04/18	2.26	2.18	206
12/05/18	2.26	2.18	204

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

Quarter Ending 09/30/18

Apportionment Rate: 2.16%
 Earnings Ratio: 0.00005909460836489
 Fair Value Factor: 0.997832404
 Daily: 2.09%
 Quarter to Date: 2.00%
 Average Life: 193

PMIA Average Monthly Effective Yields

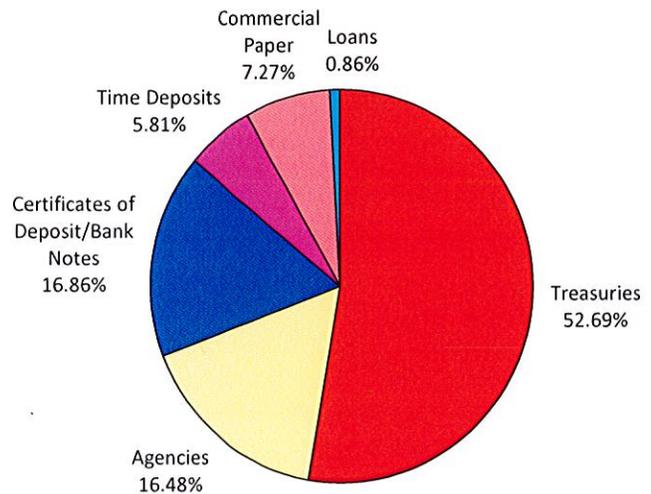
Nov 2018 2.208
 Oct 2018 2.144
 Sept 2018 2.063

Pooled Money Investment Account

Portfolio Composition

10/31/18

\$84.7 billion



Percentages may not total 100%, due to rounding.

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 9**

To: Board of Directors

**From: Phil Scott, District Manager
Liz Bahrami, District Accountant**

**Subject: Consideration of Adopting the District's Audited Financial
Statements for the Year Ended June 30, 2018**

Background

The final draft of the audited Financial Statements prepared by Chavan & Associates, LLP is attached. The Finance Advisory Group met and discussed results and details of the draft audit on December 3, 2018.

Analysis

The result of the audit, as stated in the report, indicated there were no deficiencies identified in internal control over financial reporting that were considered to be material weaknesses.

Fiscal Impact

None

Recommendation

The District Manager and the District Accountant recommend the District Board adopt the audited financial statements for the year ended June 30, 2018.

WEST BAY SANITARY DISTRICT

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2018

* * *



CHAVAN & ASSOCIATES LLP
CERTIFIED PUBLIC ACCOUNTANTS
1475 SARATOGA AVE, SUITE 180
SAN JOSE, CA 95129

West Bay Sanitary District

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
West Bay Sanitary District
Menlo Park, California

Report on the Financial Statements

We have audited the accompanying financial statements of the West Bay Sanitary District (the "District"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the West Bay Sanitary District, as of June 30, 2018, and the



respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the District adopted new accounting guidance, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB). The District currently funds this obligation on a pay-as-you go basis and through contributions to a trust. The District anticipates that its ongoing funding and current resources are sufficient to meet its obligations as they come due. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of pension contributions - CalPERS, schedule of proportionate share of net pension liability, and schedule of OPEB contributions, and schedule of changes in net OPEB liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2018 on our consideration of the District's internal control over financial reporting



and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

C & A LLP

November 7, 2018
San Jose, California

MANAGEMENT'S DISCUSSION AND ANALYSIS

West Bay Sanitary District
Management's Discussion and Analysis
June 30, 2018

The West Bay Sanitary District (the District) has issued its financial statements for the fiscal year ended June 30, 2018, in conformity with the format prescribed by the provisions of Governmental Accounting Standards. The Management's Discussion and Analysis is an overview of the District's financial activities for the fiscal year and is an integral part of the accompanying Basic Financial Statements. Readers are encouraged to consider the information presented herein with those statements.

FINANCIAL HIGHLIGHTS

- The District's net position increased by \$7,088,946 or 7%.
- The District's operating revenue increased by \$1,867,834 or 7.3%.
- The District's operating expenses increased by \$1,787,881 or 9.5%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes the Management's discussion and analysis report, the independent auditor's report and the basic financial statements of the District. The financial statements also include notes that explain the information in the financial statements in more detail.

BASIC FINANCIAL STATEMENTS

The Financial Statements of the District report information about the District's accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The Statement of Net Position includes all of the District's assets, deferred inflows, deferred outflows, and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for evaluating the capital structure of the District.

All of the current year's revenues and expenses are accounted for in the Statement of Activities and Changes in Net Position. These statements reflect the result of the District's operations over the past year.

The final required Financial Statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations and investments. It also provides answers to questions such as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and changes in them. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

West Bay Sanitary District
Management's Discussion and Analysis
June 30, 2018

NET POSITION

To begin our analysis, a summary of the District's Statement of Net Position is presented in Table 1.

Table 1 - Summary of Net Position

	2018	2017	Dollar Change	Percent Change
Assets				
Current & Other Assets	\$ 67,570,964	\$ 60,289,418	\$ 7,281,546	12.1%
Capital Assets	51,930,419	48,382,995	3,547,424	7.3%
Total Assets	\$ 119,501,383	\$ 108,672,413	\$ 10,828,970	10.0%
Deferred Outflows of Resources	\$ 1,503,608	\$ 1,083,877	\$ 419,731	38.7%
Liabilities				
Current Liabilities	\$ 6,230,166	\$ 3,624,254	\$ 2,605,912	71.9%
Noncurrent Liabilities	6,248,926	4,507,639	1,741,287	38.6%
Total Liabilities	\$ 12,479,092	\$ 8,131,893	\$ 4,347,199	53.5%
Deferred Inflows of Resources	\$ 221,220	\$ 408,664	\$ (187,444)	-45.9%
Net Position				
Net Investment in Capital Assets	\$ 50,985,451	\$ 48,382,995	\$ 2,602,456	5.4%
Unrestricted:				
Capital fund budget	17,546,817	14,531,267	3,015,550	20.8%
Invested in SVCW	13,033,198	13,589,774	(556,576)	-4.1%
Operations reserve	8,131,426	7,923,244	208,182	2.6%
Unreserved	18,607,787	16,788,453	1,819,334	10.8%
Total Net Position	\$ 108,304,679	\$ 101,215,733	\$ 7,088,946	7.0%

As seen above, the District's total net position increased by \$7,088,946, or 7%, from fiscal year 2016-17 to 2017-18. The District's current and other assets increased by \$7,281,546. Capital assets, net of depreciation, increased by \$3,547,424 from capital spending totaling \$5,420,789. This includes Capital expenditures of \$3,424,703 for capital equipment purchases and replacement of sewer infrastructure, expenditures of \$1,762,271 for the SHGCC Recycled Water Facility and \$233,815 for the Bay Front Resource Recovery project. Total liabilities increased by \$4,347,199 primarily due to increases to the District's net pension obligation of \$691,869, state revolving fund loan disbursements of \$987,014 and accounts payable of \$2,572,666.

West Bay Sanitary District
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Table 2 below summarizes the District's changes in net position for the year.

Table 2 - Change in Net Position

	2018	2017	Dollar Change	Percent Change
Revenues				
Operating Revenue	\$ 27,444,719	\$ 25,576,885	\$ 1,867,834	7.3%
Operating Expenses				
Sewage treatment	12,177,636	10,294,299	1,883,337	18.3%
Sewage collection and general administration	6,648,196	6,960,005	(311,809)	-4.5%
Depreciation	1,868,991	1,652,638	216,353	13.1%
Total Operating Expenses	20,694,823	18,906,942	1,787,881	9.5%
Operating Income (Loss)	6,749,896	6,669,943	79,953	1.2%
Nonoperating Revenue (Expense)	455,289	696,962	(241,673)	-34.7%
Increase (decrease) of equity in SVCW	(556,576)	328,526	(885,102)	-269.4%
Connection Fees	570,181	1,912,132	(1,341,951)	-70.2%
Change in Net Position Current	7,218,790	9,607,563	(2,388,773)	-24.9%
Prior Period Adjustments to Beginning Net Position	(129,844)	-	(129,844)	-100.0%
Total Change in Net Position	\$ 7,088,946	\$ 9,607,563	\$ (2,518,617)	-26.2%

The Statement of Activities and Changes in Net Position (Table2) provides answers as to the nature and sources of the changes shown in Table 1. The net position increase of \$7,088,946 in Table 1 was the result of an increase in operating revenues, connection fees, and operating expenses. Operating revenues increased by \$1,867,834 (7.3%) resulting primarily from the 4.5% service fee rate increase as well as increased number of residential accounts within the District resulting from a number of multifamily developments that came online during the year. Connection fees decreased \$1,341,951 from the prior year as a result of new connection fees returning to more normal levels following the unusually high volume of new connections that originated in the prior year.

Total operating expenses, which include sewage treatment, collection, general administration, and depreciation, increased \$1,787,881 (9.5%) over the prior year. The most significant impact in operating expenses came from sewage treatment costs totaling \$12,177,636. Sewage treatment is provided by Silicon Valley Clean Water, formerly South Bayside System Authority, which was created in 1975 under a Joint exercise of Powers Agreement to construct and operate a sewage treatment facility at Redwood Shores for the District and the cities of Belmont, San Carlos, and Redwood City. As a member of the JPA the District is liable for its share of SVCW operating expenses. For the year ending June 30, 2018, the District's share was approximately 15.78% which resulted in a 18.3% increase in expenses over the prior year. This was primarily due to the new SVCW debt that was issued during the year. Going forward it is anticipated that SVCW related sewage treatment expenses will rise substantially as their debt increases, whereas sewage collection and general administration expenses are expected to remain stable and generally reflect CPI increases.

A prior period adjustment of \$129,844 was made to Beginning Net Position. This represents required adjustments to prior years to report the net OPEB liability resulting from implementation of GASB 75 in FY2017-18.

West Bay Sanitary District
Management's Discussion and Analysis
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BUDGETARY HIGHLIGHTS

The District adopts an annual budget which provides for the general operations. Budgets are prepared on the accrual basis of accounting. Project-length financial plans are adopted for capital projects. The Capital Improvement Program provides an annual forecast of capital requirements. Table 3 shows a comparison of actual to budget for general operations for the year ended June 30, 2018.

Table 3 - Budget Summary

	Budget	Actual	Variance	Percent Variance
Revenues				
Operating Revenue	\$ 26,247,032	\$ 27,444,719	\$ 1,197,687	4.6%
Operating Expenses				
Sewage treatment	12,296,950	12,177,636	119,314	1.0%
Sewage collection and general administration	7,128,473	6,648,196	480,277	7.2%
Depreciation	1,800,000	1,868,991	(68,991)	-3.7%
Total Operating Expenses	21,225,423	20,694,823	530,600	2.6%
Operating Income (Loss)	5,021,609	6,749,896	1,728,287	34.4%
Nonoperating Revenue (Expense)	101,000	455,289	354,289	77.8%
Increase (Decrease) of Equity in SVCW	-	(556,576)	(556,576)	-100.0%
Connection Fees	500,000	570,181	70,181	12.3%
Change in Net Position	\$ 5,622,609	\$ 7,218,790	\$ 1,596,181	28.4%

The District reported \$1,197,687 more in operating revenue than budgeted primarily resulting from higher sewer service fees collected. Total operating expenses were \$530,600 less than budgeted and resulted from favorable variances from a combination of various operating and nonoperating expenses.

Table 4 summarizes the capital budget for the fiscal year ended June 30, 2018:

Table 4 - Capital Fund Budget Summary

	Budget	Actual	Variance	Percent Variance
Transfer from Operations	\$ 6,847,609	\$ 9,060,355	\$ 2,212,746	32%
Capital Expenditures	(9,509,500)	(3,424,703)	6,084,797	178%
Recycled Water Facility SHGCC	-	(1,762,271)	(1,762,271)	-100%
Bay Front Resource Recovery	-	(233,815)	(233,815)	-100%
Connection Charges	500,000	570,181	70,181	14%
Interest Income	75,000	75,803	803	1%
Rate Stabilization Reserve	-	(1,000,000)	(1,000,000)	-100%
Equipment Replacement Reserve	(270,000)	(270,000)	-	0%
Change in capital Asset Fund	(2,356,891)	3,015,550	5,372,441	178%
Beginning Fund Balance	15,470,817	14,531,267	(939,550)	-6%
Ending Fund Balance	\$ 13,113,926	\$ 17,546,817	\$ 4,432,891	34%

Capital Expenditures of \$3,424,703 to acquire capital equipment and replace or rehabilitate sewer infrastructure were \$6,084,797 less than budget. District expenditures for the recycled water facility projects were \$1,762,271 for the SHGCC Recycled Water Facility and \$233,815 for the Bay Front Resource Recovery. The District also set-aside \$270,000 for equipment replacements and added \$1,000,000 to the Rate Stabilization Reserve. Due to the favorable variances in total revenue and total expense to budget, the District was able to transfer \$9,060,355 into the capital asset fund at year end which contributed to an ending Capital Asset Fund balance of \$17,546,817.

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Management's Discussion and Analysis
June 30, 2018

CAPITAL ASSETS

Table 5 shows a summary of capital assets owned by the District as of June 30, 2018.

Table 5 - Summary of Capital Assets Net of Depreciation

	2018	2017	Dollar Change	Percent Change
Land	\$ 44,467	\$ 44,467	\$ -	0.00%
Construction in Progress	3,690,850	4,302,952	(612,102)	-14.23%
Pump stations	5,475,603	5,600,218	(124,615)	-2.23%
Fleet	882,219	894,948	(12,729)	-1.42%
Plant and administration facilities	400,761	373,766	26,995	7.22%
Buildings	1,797,458	1,881,760	(84,302)	-4.48%
Flow equalization facilities	474,527	547,681	(73,154)	-13.36%
Subsurface lines	39,164,534	34,737,203	4,427,331	12.75%
Net Capital Assets	<u>\$ 51,930,419</u>	<u>\$ 48,382,995</u>	<u>\$ 3,547,424</u>	<u>7.33%</u>

ECONOMIC FACTORS

The District is governed in part by provisions of the California Constitution that require the District to set rates that cover only the costs of operation, maintenance and recurring capital replacement (OM&R). The District is not subject to general economic conditions such as increases or declines in property tax values or other types of revenues that vary with economic conditions. Accordingly, the District sets its rates to its users to cover the costs of OM&R plus any increments for known or anticipated changes in program costs. As in previous years, the District has maintained operating costs by carefully managing every expense.

CONTACTING THE DISTRICT

This financial report is designed to provide a general overview of the District's Finances and demonstrate the District's accountability for the money it receives. If you have any questions about this, or any other matter related to the District, please contact the District at 500 Laurel Street, Menlo Park, CA 94025 or (650) 321-0384.

BASIC FINANCIAL STATEMENTS

West Bay Sanitary District
Statement of Net Position
June 30, 2018
(With Comparative Totals as of June 30, 2017)

Assets	2018	2017
Current Assets:		
Cash and cash equivalents	\$ 27,032,327	\$ 20,181,203
Restricted cash and investments	807,350	-
Accounts receivable	368,390	184,381
Interest receivable	107,450	182,784
Prepaid expenses and other current assets	28,738	35,995
Total Current Assets	<u>28,344,255</u>	<u>20,584,363</u>
Noncurrent Assets:		
Investments	26,193,511	26,031,081
Net OPEB asset	-	84,200
Investment in Silicon Valley Clean Water	13,033,198	13,589,774
Capital assets:		
Non-depreciable	3,735,317	4,347,419
Depreciable net of accumulated depreciation	48,195,102	44,035,576
Total Capital Assets - Net	<u>51,930,419</u>	<u>48,382,995</u>
Total Noncurrent Assets - Net	<u>91,157,128</u>	<u>88,088,050</u>
Total Assets	<u>\$ 119,501,383</u>	<u>\$ 108,672,413</u>
 Deferred Outflows of Resources		
OPEB adjustments	7,860	\$ -
Pension adjustments	1,495,748	1,083,877
Total Deferred Outflows of Resources	<u>\$ 1,503,608</u>	<u>\$ 1,083,877</u>
 Liabilities		
Current Liabilities:		
Accounts payable	\$ 6,011,904	\$ 3,439,238
Payroll and related liabilities	9,673	4,035
Construction deposits	8,672	9,381
Compensated absences payable - current	199,917	171,600
Total Current Liabilities	<u>6,230,166</u>	<u>3,624,254</u>
Noncurrent Liabilities:		
Net OPEB liability	58,399	-
Net pension obligation	5,120,961	4,429,092
State Revolving Fund Loan	987,014	-
Compensated absences payable - noncurrent	82,552	78,547
Total Noncurrent Liabilities	<u>6,248,926</u>	<u>4,507,639</u>
Total Liabilities	<u>\$ 12,479,092</u>	<u>\$ 8,131,893</u>
 Deferred Inflows of Resources		
OPEB adjustments	\$ 8,187	\$ -
Pension adjustments	213,033	408,664
Total Deferred Inflows of Resources	<u>\$ 221,220</u>	<u>\$ 408,664</u>
 Net Position		
Net Investment in Capital Assets	\$ 50,943,405	\$ 48,382,995
Unrestricted:		
Capital fund budget	17,546,817	14,531,267
Invested in Silicon Valley Clean Water	13,033,198	13,589,774
Operations reserve	8,131,426	7,923,244
Unreserved	18,649,833	16,788,453
Total Net Position	<u>\$ 108,304,679</u>	<u>\$ 101,215,733</u>

The notes to the financial statements are an integral part of this statement.

West Bay Sanitary District
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2018
(With Comparative Totals for the Fiscal Year Ended June 30, 2017)

	2018	2017
Operating Revenues:		
Service charges	\$ 26,391,698	\$ 24,483,213
Flow equalization uses	327,574	315,186
Permit and inspection fees and other services	293,578	210,870
Other operating revenues	431,869	567,616
Total operating revenues	<u>27,444,719</u>	<u>25,576,885</u>
Operating Expenses:		
Sewage treatment	12,177,636	10,294,299
Sewage collection and general administration:		
Salaries and benefits	4,773,639	5,231,091
Materials and supplies	416,494	335,092
Insurance	98,655	84,360
Contract services	357,048	283,662
Professional services	371,582	383,741
Repairs and maintenance	219,895	255,891
Utilities	149,927	129,147
Other operating expenses	260,956	257,021
Total sewage collection and general administration	<u>6,648,196</u>	<u>6,960,005</u>
Depreciation	1,868,991	1,652,638
Total operating expenses	<u>20,694,823</u>	<u>18,906,942</u>
Operating Income (Loss)	<u>6,749,896</u>	<u>6,669,943</u>
Nonoperating Revenues (Expenses):		
Investment income	288,205	168,839
Increase (decrease) of equity in Silicon Valley Clean Water	(556,576)	328,526
Other nonoperating revenues	167,084	528,123
Total nonoperating revenues (expenses)	<u>(101,287)</u>	<u>1,025,488</u>
Income before contributions	6,648,609	7,695,431
Capital contributions - connection fees	570,181	1,912,132
Change in Net Position	<u>7,218,790</u>	<u>9,607,563</u>
Beginning Net Position	101,215,733	91,608,170
Prior Period Adjustment - GASB 75	(129,844)	-
Beginning Net Position - As Adjusted	<u>101,085,889</u>	<u>91,608,170</u>
Ending Net Position	<u>\$ 108,304,679</u>	<u>\$ 101,215,733</u>

The notes to the financial statements are an integral part of this statement.

West Bay Sanitary District
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018
(With Comparative Totals for the Fiscal Year Ended June 30, 2017)

	2018	2017
Cash Flows from Operating Activities:		
Cash received from customers	\$ 27,430,745	\$ 26,954,229
Cash payments to suppliers for goods and services	(11,471,943)	(11,038,524)
Cash payments to employees for services	(3,260,154)	(3,186,464)
Cash payments of benefits on behalf of employees	(1,248,559)	(1,619,838)
Net Cash Provided (Used) by Operating Activities	<u>11,450,089</u>	<u>11,109,403</u>
Cash Flows from Capital and Related Financing Activities:		
Cash received from connection fees	570,181	1,912,132
Cash received from the State Revolving Fund loan	987,014	-
Cash received on the sale of capital assets	-	8,213
Purchases and construction of capital assets	(5,416,415)	(5,600,818)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,859,220)</u>	<u>(3,680,473)</u>
Cash Flows from Investing Activities:		
Transfers to investment accounts	(4,291,258)	(7,797,300)
Transfers from investment accounts	3,538,849	-
Investment income	12,664	106,605
Net Cash Provided (Used) by Investing Activities	<u>(739,745)</u>	<u>(7,690,695)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	6,851,124	(261,765)
Cash and Cash Equivalents Beginning	20,181,203	20,442,968
Cash and Cash Equivalents Ending	<u>\$ 27,032,327</u>	<u>\$ 20,181,203</u>
Reconciliation of Operating Income to Cash Flows Provided by Operating Activities:		
Operating Income (Loss)	\$ 6,749,896	\$ 6,669,943
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	1,868,991	1,652,638
Net change in:		
Accounts receivable	(13,265)	1,377,344
Prepaid expenses and other current assets	7,257	(3,815)
Deposits	(709)	-
Net OPEB asset	84,200	(84,200)
Deferred outflows of resources	(419,731)	(310,288)
Accounts payable	2,572,666	988,504
Payroll and related liabilities	5,638	(5,227)
Net OPEB liability	58,399	(119,049)
Net pension obligation	691,869	904,101
Deferred inflows of resources	(187,444)	72,216
Compensated absences	32,322	(32,764)
Net Cash Provided (Used) by Operating Activities	<u>\$ 11,450,089</u>	<u>\$ 11,109,403</u>

The notes to the financial statements are an integral part of this statement.

West Bay Sanitary District
Notes to Financial Statements
June 30, 2018

NOTE 1 - NATURE OF ORGANIZATION

West Bay Sanitary District (District) is a political subdivision of the State of California, and was formed for the purpose of protecting water quality and the associated public health. The District is responsible for wastewater collections, treatment, reclamation and disposal. The District performs the services of wastewater collection, and together with three other public entities is part of a Joint Powers District for the treatment, disposal and reclamation of wastewater. The District is also responsible for refuse (solid waste) collection, treatment, disposal and reclamation. It franchises with other organizations to perform these refuse services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

The District's Basic Financial Statements are prepared in accordance with the policies and procedures for California special districts. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, and as prescribed by the Governmental Accounting Standards Board and Audits of State and Local Governmental Units, issued by the American Institute of Certified Public Accountants.

The District is accounted for as an enterprise fund because the intent of the governing body is that the cost (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

An enterprise fund is used to account for activities similar to those in the private sector, where the proper matching of revenues and costs is important and the full accrual basis of accounting is required. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the enterprise are recorded on its statement of net position, and under the full accrual basis of accounting, all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred.

Enterprise funds are accounted for on a cost of services or economic resources measurement focus, which means that all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with their activity are included on their balance sheets. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Deferred outflows of resources is a consumption of net assets by the District that is applicable to a future reporting period. For example, prepaid items and deferred charges. Deferred inflows of resources is an acquisition of net assets by the District that is applicable to a future reporting period. For example, unearned revenue and advance collections.

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred inflows from unearned revenue.

The District applies all applicable GASB pronouncements for certain accounting and financial reporting guidance. In December of 2010, GASB issued Statement No. 62, *Codification of*

West Bay Sanitary District
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June 30, 2018

Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. GASB 62 incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. In June of 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 also amends GASB 62 and AICPA Pronouncements paragraphs 64, 74, and 82. The GAAP hierarchy sets forth what constitutes GAAP for all state and local governmental entities. It establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. The sources of authoritative GAAP are categorized in descending order of authority as follows:

- a. Officially established accounting principles—Governmental Accounting Standards Board (GASB) Statements (Category A)
- b. GASB Technical Bulletins; GASB Implementation Guides; and literature of the AICPA cleared by the GASB (Category B).

If the accounting treatment for a transaction or other event is not specified by a pronouncement in Category A, a governmental entity should consider whether the accounting treatment is specified by a source in Category B.

Statement of Net Position

The statement of net position is designed to display the financial position of the District. The District's net position are classified into three categories as follows:

- Net Investment in Capital Assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position, as applicable.
- Restricted - This component of net position consists of constraints placed on an assets use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or law and regulations of other governments, and reduced by liabilities and deferred inflows of resources related to those assets. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation
- Unrestricted - This component of net position consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

West Bay Sanitary District
Notes to Financial Statements
June 30, 2018

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position is the operating statement for proprietary funds. This statement distinguishes between operating and non-operating revenues and expenses and presents a separate subtotal for operating revenues, operating expenses, and operating income. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for services. Operating expenses for the District include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Service Charges

Service charges are billed and collected on the District's behalf by the County of San Mateo in conjunction with the County's annual property tax billings. The majority of revenues are collected through the County system with only small amounts billed directly by the District.

Connection Fees

Connection fees are reported as revenue only to the extent the amount equals the costs of the physical connection to the system.

Budgets and Budgetary Accounting

Budgets are prepared on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted by the Board of Directors. Project-length financial plans are adopted for all capital projects funds.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash represents balances that can be readily withdrawn without substantial notice or penalty. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of three months or less.

Investments

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB No.3)*, certain disclosure requirements for Deposits and Investment Risks were made in the areas of interest rate risk and credit risk. The credit risk disclosures include the following components; overall credit risk, custodial credit risk and concentrations of credit risk. In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

The District participates in an investment pool managed by the State of California known as the Local Agency Investment Fund (LAIF), which has invested a portion of the pooled funds in

West Bay Sanitary District
Notes to Financial Statements
June 30, 2018

structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, the structured notes and asset-backed securities are subject to market risk as to change in interest rates.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

Receivables

Receivables include amounts due from collection services and other assessments or resources. All receivables are current and reported net of an allowance for uncollectible accounts as applicable. The allowance for uncollectible accounts was zero as of June 30, 2018.

Capital Assets

Property, plant and equipment contributed to the District are stated at estimated fair value at the time of contribution. District policy has set the capitalization threshold for reporting capital assets at \$5,000 if an asset has an estimated useful life in excess of one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The purpose of depreciation is to spread the cost of plant and equipment equitably among all customers over the life of these assets, so that each customer's bill includes a pro rata share of the cost of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of plant and equipment cost.

Depreciation of all plant and equipment in service is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the statement of net position as a reduction in the book value of the capital assets.

West Bay Sanitary District
Notes to Financial Statements
June 30, 2018

The District has assigned the useful lives listed below to plant and equipment:

Pump Stations	5-30 years
Fleet	5-10 years
Plant and administration facilities	3-10 years
Buildings	10-30 years
Flow equalization facilities	10-30 years
Subsurface lines	10-50 years

Compensated Absences

Compensated absences include vacation leave. Vested or accumulated vacation leave is recorded as an expense and liability as the benefits accrue to the employees.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS.

Other Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the District's Retiree Benefits Plan (the OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

Subsequent Events

Management has reviewed subsequent events and transactions that occurred after the date of the financial statements through the date the financial statements were issued. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no non-recognized subsequent events that require additional disclosure.

West Bay Sanitary District
Notes to Financial Statements
June 30, 2018

Implemented New Accounting Pronouncements

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

The provisions in Statement 75 are effective for the fiscal year ended June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans.

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This Statement also addresses certain circumstances in which a nonemployer entity provides financial support for OPEB of employees of another entity.

In this Statement, distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, the OPEB plan administrator, and the plan members.

As of June 30, 2018, according to GASB 75, the District's net OPEB liability must be recognized. Therefore, the previous net OPEB liability as of June 30, 2017 in the amount of \$129,844 has been shown as a restatement of net position in the Statement of Activities as a separate line item.

GASB Statement No. 86, Certain Debt Extinguishment Issues

The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Earlier application is encouraged. This statement did not have an impact on the District's financial statements.

Upcoming New Accounting Pronouncements

GASB Statement No. 83, Certain Asset Retirement Obligations

This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2018. Earlier application is encouraged. The District doesn't believe this statement will have a significant impact on the District's financial statements.

GASB Statement No. 84, Fiduciary Activities

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2018. Earlier application is encouraged. The District doesn't believe this statement will have a significant impact on the District's financial statements.

GASB issued Statement No. 87, Leases

The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease

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liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the fiscal year ending June 30, 2021. The District doesn't believe this statement will have a significant impact on the District's financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*

This Statement addresses additional information to be disclosed in the notes to the financial statements regarding debt, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2018. Earlier application is encouraged. The District doesn't believe this statement will have a significant impact on the District's financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of the Construction Period*

This Statement addresses interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019. Earlier application is encouraged. The District doesn't believe this statement will have a significant impact on the District's financial statements.

NOTE 3 - CASH AND INVESTMENTS

The District's cash and investments consisted of the following as of June 30, 2018 and 2017:

Description	Rating	Fair Value June 30, 2018	Maturities		Concen- trations	Fair Value June 30, 2017
			12 Months or Less	13 - 60 Months		
Bank of the West Investments:						
Fixed Income	AA+/BBB	\$ 26,546,099	\$ 6,626,735	\$ 19,919,364	49.13%	\$ 26,031,081
Cash	N/A	454,762	454,762	-	0.84%	1,361,849
Total Bank of West Investments	AAA	27,000,861	7,081,497	19,919,364	49.97%	27,392,930
Cash and Cash Equivalents:						
Cash on hand and in banks	N/A	2,211,661	2,211,661	-	4.09%	2,084,503
Money Market	N/A	334,863	334,863	-	0.62%	13,704,414
LAIF	N/A	24,485,203	24,485,203	-	45.32%	3,029,837
Petty Cash	N/A	600	600	-	0.00%	600
Total Cash and Cash Equivalents		27,032,327	27,032,327	-	50.03%	18,819,354
Total Cash and Investments		\$ 54,033,188	\$ 34,113,824	\$ 19,919,364	100.00%	\$ 46,212,284

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Cash Deposits

As of June 30, 2018, the District's cash deposits exceeded the Federal Deposit Insurance Corporation ("FDIC") insured limits by \$2,093,533, but had little exposure since they were collateralized as noted in the *Collateral and Categorization Requirements* disclosure below. Bank balances are insured up to \$250,000 per bank by FDIC.

Collateral and Categorization Requirements

The California Government Code requires California banks and savings and loan associations to secure an agency's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of at least 150% of an agency's total deposits.

Investment Policy

The District's investment guidelines as defined by its written investment policy were approved by the Board of Directors. Implementation and direction is established by an internal finance committee. Monthly, the Board ratifies the investments that have been made.

The District's investment policy follows the California Government Code which authorizes the District to invest in the following:

<u>Authorized Investment Type</u>	<u>Maximum Maturity (1)</u>	<u>Maximum Total of Portfolio</u>	<u>Maximum Investment in Anyone Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	20%	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	2 years	20%	None
County Pooled Investment Funds	1 year	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
JPA Pools (other investment pools)	N/A	None	None

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Fair Value Measurements

GASB 72 established a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

All of the Districts investments were valued using Level 1 and 2 inputs as noted above.

Local Agency Investment Fund

LAIF allows local agencies such as the District to participate in a Pooled Money Investment Account managed by the State Treasurer Office and overseen by the Pooled Money Investment Board and State Treasurer investment committee. A Local District Investment Advisory Board oversees LAIF. The investments with LAIF are not classified for credit risk due to their diverse nature and are stated at cost, which approximates fair value. The total amount invested by all public agencies in LAIF, as of June 30, 2018, was approximately \$88.8 billion of that amount, 99.17% was invested in non-derivative financial products and .83% was invested in structured notes and asset-backed securities. The average maturity for the investment in LAIF was 193 days.

Risk Disclosures

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below:

- *Interest Rate Risk* - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. In order to limit loss exposure due to Interest Rate Risk, the investment policy limits the length of maturity of investments
- *Credit Risk* - Credit risk is the risk of loss due to the failure of the security issuer. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. In order to limit loss exposure due to Credit Risk, the investment policy limits purchases of investments to those rated A-1 by Standard & Poor's or P-1 by Moody's Investors Service.
- *Custodial Credit Risk* - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Or, in the case of investments, the risk of loss of the investment due to failure, impairment or malfeasance of the third party whose name in which the investment is held and who has physical possession of the instrument. In order to limit loss exposure due to Custodial Credit Risk, the investment policy requires all securities be received and delivered using the standard delivery versus payment (DVP) procedure, and all securities be

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held by a third party bank or trust department under the terms of a custody or trustee agreement. None of the District's investments were subject to custodial credit risk.

- *Concentration of Credit Risk* - See the chart above for the District's limitations on the amount that can be invested in any one issuer.

NOTE 4 - INVESTMENT IN SILICON VALLEY CLEAN WATER

Silicon Valley Clean Water (SVCW), formerly the South Bayside System Authority, was created in 1975, under a Joint Exercise of Powers Agreement, to construct and operate a sewage treatment facility at Redwood Shores for the District and the cities of Belmont, San Carlos, and Redwood City. At June 30, 2018 and 2017, the District had approximately 15.78% equity interest in SVCW, which is reported using the equity method of accounting. The District's investment in SVCW at June 30, 2018 and 2017 was \$13,033,198 and \$13,589,774, respectively, as reflected on the statement of net position. The change in the investment for the years ended June 30, 2018 and 2017 was an increase of \$556,576 and an increase of \$328,526, respectively, as reflected in the statement of revenues, expenses and changes in net position. The 2018 changes in the District's equity share was mostly attributed to the fact that not all members share in the long-term debt, only the net position, or equity, of the participating members decreases upon the issuance of new debt, while the "non-debt" member's net position increases. In addition, the non-debt members contribute more cash into the JPA than other members to cover their share of capital improvements, which increases the equity share of non-debt members and decreases the share of other participating agencies.

SVCW's governing commission consists of four members, one appointed from each of the four participating agencies. SVCW's condensed audited financial information is presented below for the year ended June 30, 2017, (most recent information available):

	<u>June 30, 2017</u>
Total Assets	\$ 304,774,429
Deferred Outflows of Resources	6,969,339
Total Liabilities	225,872,024
Deferred Inflows of Resources	5,832,072
Total Equity	80,039,672
Total Revenues	41,887,031
Total Expenditures	41,011,248

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NOTE 5 - CAPITAL ASSETS (PROPERTY, PLANT AND EQUIPMENT)

The District's capital assets consisted of the following as of June 30, 2018:

Description	Balance June 30, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Non-depreciable Capital Assets:					
Land	\$ 44,467	\$ -	\$ -	\$ -	\$ 44,467
Construction in progress	4,302,952	4,996,694	-	(5,608,796)	3,690,850
Total non-depreciable capital assets	4,347,419	4,996,694	-	(5,608,796)	3,735,317
Depreciable Capital Assets:					
Pump stations	7,567,039	56,315	-	-	7,623,354
Fleet	2,428,795	156,595	(14,309)	-	2,571,081
Plant and administration facilities	1,600,942	91,334	(30,232)	-	1,662,044
Buildings	2,981,893	8,100	-	-	2,989,993
Flow equalization facilities	2,901,072	17,666	(34,019)	-	2,884,719
Subsurface lines	52,695,818	89,710	-	5,608,796	58,394,324
Total depreciable capital assets	70,175,559	419,720	(78,560)	5,608,796	76,125,515
Less accumulated depreciation for:					
Pump stations	(1,966,821)	(180,930)	-	-	(2,147,751)
Fleet	(1,533,847)	(169,324)	14,309	-	(1,688,862)
Plant and administration facilities	(1,227,176)	(64,339)	30,232	-	(1,261,283)
Buildings	(1,100,133)	(92,402)	-	-	(1,192,535)
Flow equalization facilities	(2,353,391)	(90,820)	34,019	-	(2,410,192)
Subsurface lines	(17,958,615)	(1,271,175)	-	-	(19,229,790)
Total accumulated depreciation	(26,139,983)	(1,868,990)	78,560	-	(27,930,413)
Total depreciable capital assets - net	44,035,576	(1,449,270)	-	5,608,796	48,195,102
Total capital assets - net	\$ 48,382,995	\$ 3,547,424	\$ -	\$ -	\$ 51,930,419

Depreciation expense for the year ended June 30, 2018 and 2017 was \$1,868,991 and \$1,652,638, respectively.

Construction in progress consisted of the following as of June 30, 2018:

Project	Balance June 30, 2018
Fair Oaks	\$ 10,598
Oak Grove	12,110
Easement Design Projects	78,598
FEF Metal Storage Building	51,416
Belle Haven III	318,930
Levee Design	19,819
Emergency Repairs to Alpine Rd	26,050
Emergency Repairs to Alpine Rd	1,667
RMC Water and Environment - SHGCC	2,916,652
Bay Front Resource Recovery	248,011
Other projects	7,000
Total Construction in Progress	\$ 3,690,850

West Bay Sanitary District
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NOTE 6 - NONCURRENT LIABILITIES

The District's noncurrent liabilities consisted of the following as of June 30, 2018:

Description	Balance			Balance June 30, 2018	Due Within One Year
	July 01, 2017	Additions	Deductions		
Net OPEB Liability	\$ -	\$ 58,399	\$ -	\$ 58,399	\$ -
Net Pension Obligation	4,429,092	691,869	-	5,120,961	-
State Revolving Fund Loan	-	987,014	-	987,014	-
Compensated Absences	250,147	32,322	-	282,469	199,917
Total Noncurrent Liabilities	\$ 4,679,239	\$ 1,769,604	\$ -	\$ 6,448,843	\$ 199,917

State Revolving Fund Loan

The District has entered into a \$22,595,000 agreement with the State Water Resources Control Board (SWRCB or State Revolving Fund Loan) to finance the Sharon Heights Recycled Water project. The funding will be disbursed through a grant of \$5,259,800 and a loan of \$17,335,200. The loan funds together with all accrued interest will be repaid in annual installments commencing one year after the completion of construction which was estimated to be August 14, 2020. The SWRCB reimbursed the Authority for project-related expenditures as incurred, and the outstanding liability was \$987,017 as of June 30, 2018. The following summarized the total estimated debt service to be repaid by June 30, 2050:

Fiscal Year Ending June 30:	Principal	Interest	Total
2019	\$ -	\$ -	\$ -
2020	-	-	-
2021	384,941	103,898	488,839
2022	523,508	152,033	675,541
2023	511,273	164,268	675,541
2024-28	2,634,088	743,616	3,377,704
2029-33	2,768,453	609,251	3,377,704
2034-38	2,909,672	468,032	3,377,704
2039-43	3,058,094	319,610	3,377,704
2044-48	3,214,088	163,616	3,377,704
2049-50	1,331,082	19,999	1,351,081
Total Debt Service	\$ 17,335,199	\$ 2,744,323	\$ 20,079,522

West Bay Sanitary District
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NOTE 7 - BOARD COMMITMENTS OF NET POSITION

Commitments are imposed by the District’s Board to reflect future spending plans or concerns about the availability of future resources. Commitments may be modified, amended or removed by Board action. Commitments for future capital assets replacement is the portion of net position to be used for new equipment and for emergency and scheduled replacement of capital facilities paid from connection fees. Commitments for operations have been set-aside to reserve approximately five months of operating expenses. The Board committed the following unrestricted net position as of June 30, 2018:

Description	Balance
Capital fund budget	\$ 17,546,817
Invested in Silicon Valley Clean Water	13,033,198
Operations	8,131,426
Total Committed Net Unrestricted Position	\$ 38,711,441

NOTE 8 - DEFERRED COMPENSATION PLAN

District employees may defer a portion of their compensation under a District-sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this Plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefits of plan participants and their beneficiaries. Since the assets held under these plans are not the District's property and are not subject to District control, they are not included in these financial statements.

NOTE 9 - RISK MANAGEMENT

The District joined together with other sanitary districts in the State to form California Sanitation Risk Management Authority (CSRMA), a public entity risk pool currently operating as a common risk management and. insurance program. The District is insured for the costs of claims through CSRMA and commercial insurance carriers for the following:

Type of Coverage	Limits	Deductibles
General Liability	15,500,000	25,000
Employment Practices Liability	15,500,000	25,000
Worker's Compensation	750,000	None
Excess Worker's Compensation Liability	Statutory Limits	None
Mobile Equipment	767,005	2,000
Special Form Property	1,003,385	5,000
Public Official Bond	100,000	None

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The District has not incurred a claim that has exceeded its insurance coverage limits in any of the last three years.

Audited condensed financial information for CSRMA is presented below for the year ended June 30, 2017 (most recent information available):

	June 30, 2018
Total Assets	\$ 28,419,707
Total Liabilities	17,241,037
Total Equity	11,178,670
Total Revenues	11,166,523
Total Expenditures	11,588,811

NOTE 10 - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plans

Plan Description - All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan (the Plan); cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension Plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service for Tier 1 and 5 years of service for PEPRA. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law. The Plan' provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous	
	Classic	PEPRA
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	55	62
Monthly benefits as a % of eligible compensation	2.0% to 2.5%	2.00%
Required employee contribution rates	8.000%	6.250%
Employee contribution rates per MOU	10.101%	7.848%
Required employer contribution rates	17.282%	6.533%
Employer contribution rates per MOU	15.183%	6.533%

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Employees Covered - At June 30, 2018, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous
Active	27
Transferred	6
Separated	6
Retired	27
Total	66

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rates are the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2018, the District's contributions were \$413,896.

During the fiscal year, the Classic employees contributed 10.101% and the PEPRA employees contributed 7.848% of their salary toward the combined required contribution of 25.282% for the Classic plan and 14.381% for PEPRA, leaving the District's total contribution at 15.183% for the Classic plan and 6.533% for PEPRA in 2018. Total contributions made by employees over the last three fiscal years ended June 30, 2018, 2017 and 2016 were \$267,442, \$230,583 and \$184,846, respectively.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2018, the District reported net pension liabilities for its proportionate shares of the net pension liability of \$5,120,961. The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan are measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension Plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2017 and 2018 was as follows:

	Miscellaneous
Proportion - June 30, 2017	0.12750%
Proportion - June 30, 2018	0.12991%
Change - Increase/(Decrease)	0.00241%

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For the year ended June 30, 2018, the District recognized pension expense of \$1,018,841.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 713,129	\$ -
Differences between Expected and Actual Experience	-	82,919
Differences between Projected and Actual Investment Earnings	174,593	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	130,114
Change in Employer's Proportion	194,129	-
Pension Contributions Made Subsequent to Measurement Date	413,896	-
Total	\$ 1,495,747	\$ 213,033

The District reported \$413,896 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/ (Inflows) of Resources
2019	\$ 269,498
2020	437,634
2021	265,346
2022	(103,659)
2023	-
Thereafter	-
Total	\$ 868,819

West Bay Sanitary District
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Actuarial Assumptions - The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	(1)
Investment Rate of Return	7.5% (2)
Mortality	(3)

(1) Varies by age and service

(2) Net of pension plan investment expenses, including inflation

(3) Derived using CalPERS' membership data for all funds

Discount Rate - The discount rate used to measure the total pension liability was 7.15 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	47.00%	4.90%	5.38%
Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
Total	<u>100.00%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount

Rate - The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$ 7,665,676
Current	7.15%
Net Pension Liability	\$ 5,120,961
1% Increase	8.15%
Net Pension Liability	\$ 3,013,381

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

West Bay Sanitary District
Notes to Financial Statements
June 30, 2018

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS

Plan Description

The District's single employer defined benefit postemployment healthcare plan provides health care benefits to eligible retirees in accordance with a Board resolution.

Benefits Provided

The District contributes toward post-retirement benefits for employees who retire under PERS after age 50 and choose coverage under CalPERS medical plans. The District pays the amount of the PEMHCA minimum contribution, which is \$128 per month in 2017, \$133 in 2018, and is expected to increase in future years. Payments are made for the lifetime of the retired employee and covered dependent spouse (or domestic partner), provided that they remain covered under CalPERS medical plans. Retirees are required to pay the balance of the monthly medical premiums. The District does not provide any other post-retirement health and welfare benefits.

The District contracts with CalPERS to administer its retiree health benefit plan. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. The District chooses among the menu of benefit provisions and adopts certain benefit provisions by Board resolution.

Employees Covered by Benefit Terms

At June 30, 2017 (the valuation date), the benefit terms covered the following employees:

Active employees	28
Retired former employees	<u>4</u>
Total employees	<u><u>32</u></u>

Contributions

The District makes contributions based on an actuarially determined rate and are approved by the authority of the District's Board. Total contributions during the year were \$7,860. Total contributions included in the measurement period were \$232,903. The actuarially determined contribution for the measurement period was \$7,860. The District's contributions were .28% of payroll during the fiscal year ended June 30, 2018. Employees are not required to contribute to the plan.

West Bay Sanitary District
Notes to Financial Statements
June 30, 2018

Actuarial Assumptions

The following summarized the actuarial assumptions for the OPEB plan included in this fiscal year:

Valuation Date:	June 30, 2017
Measurement Date:	June 30, 2017
Actuarial Cost Method:	Entry-Age Normal
Amortization Period:	20 years
Asset Valuation Method:	Level percentage of payroll, closed
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.75%
Payroll Increases	3.00%
Investment Rate of Return	6.75%
Mortality	2014 CalPERS OPEB Assumptions Model for "public agency miscellaneous"
Retirement	2014 CalPERS OPEB Assumptions Model for miscellaneous public employees with 2.5% at 55 retirement
Service Requirement	2014 CalPERS OPEB Assumptions Model for miscellaneous public employees with 2.5% at 55 retirement

Discount Rate

The projection of cash flows used to determine the discount rate assumed that the District contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was set to be equal to the long-term expected rate of return which was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

West Bay Sanitary District
Notes to Financial Statements
June 30, 2018

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage of Portfolio	Long-Term Expected Rate of Return
US Large Cap	43.00%	7.795%
US Small Cap	23.00%	7.795%
Long-Term Corporate Bonds	12.00%	5.290%
Long-Term Government Bonds	6.00%	4.500%
Treasury Inflation-Protected Securities (TIPS)	5.00%	7.795%
US Real Estate	8.00%	7.795%
All Commodities	3.00%	7.795%
Total	100.00%	

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2017 (measurement date), and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017 (valuation date) for the fiscal year ended June 30, 2018 (reporting date). The following summarizes the changes in the net OPEB liability during the year ended June 30, 2018:

Fiscal Year Ended June 30, 2018	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2017	\$ 278,553	\$ -	\$ 278,553
Service cost	6,513	-	6,513
Interest in Total OPEB Liability	16,476	-	16,476
Employer contributions	-	232,909	(232,909)
Actual investment income	-	10,234	(10,234)
Benefit payments	(7,909)	(7,909)	-
Net changes	15,080	235,234	(220,154)
Balance at June 30, 2018	\$ 293,633	\$ 235,234	\$ 58,399

Covered Payroll at Measurement Date	\$ 2,799,216
Total OPEB Liability as a % of covered payroll	10.49%
Plan Fid. Net Position as a % of Total OPEB Liability	80.11%
Service cost as a % of covered payroll	0.23%
Net OPEB Liability as a % of covered payroll	2.09%

West Bay Sanitary District
Notes to Financial Statements
June 30, 2018

Deferred Inflows and Outflows of Resources

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected earnings	\$ -	\$ 8,187
OPEB contribution subsequent to measurement date	7,860	-
Totals	\$ 7,860	\$ 8,187

Of the total amount reported as deferred outflows of resources related to OPEB, \$7,860 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2019	\$ (2,047)
2020	(2,047)
2021	(2,047)
2022	(2,047)
2023	-
Thereafter	-
Total	\$ (8,187)

OPEB Expense

The following summarizes the OPEB expense by source during the year ended June 30, 2018:

Service cost	\$ 6,513
Interest in TOL	16,476
Difference between actual and expected earnings	(2,047)
OPEB Expense	\$ 20,942

West Bay Sanitary District
Notes to Financial Statements
June 30, 2018

The following summarizes changes in the net OPEB liability as reconciled to OPEB expense during the year ended June 30, 2018:

Net OPEB liability ending	\$ 58,399
Net OPEB liability beginning	<u>(278,553)</u>
Change in net OPEB liability	(220,154)
Changes in deferred inflows	8,187
Employer contributions	<u>232,909</u>
OPEB Expense	<u>\$ 20,942</u>

Sensitivity to Changes in the Discount Rate

The net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher, is as follows:

	Discount Rate		
	5%	6%	7%
	(1% Decrease)	(Current Rate)	(1% Increase)
Net OPEB Liability	\$ 100,454	\$ 58,399	\$ 24,354

Sensitivity to Changes in the Healthcare Cost Trend Rates

The net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates, is as follows:

	Trend Rate		
	4% to 5%		
	(1% Decrease)	(Current Rate)	(1% Increase)
Net OPEB Liability	\$ 23,388	\$ 58,399	\$ 101,679

NOTE 12 - SHARON HEIGHTS GOLF AND COUNTRY CLUB COST SHARING PLAN

The West Bay Sanitary District has an agreement with Sharon Heights Golf and Country Club (Club) to contribute toward the cost of the Facilities plan and the full cost incurred thereafter for the planning, design environmental review, permitting, construction and operation of a recycled water treatment facility on Club property. West Bay will receive a grant easement in perpetuity for the location of the recycled water treatment facility and West Bay will have ownership of the treatment facility and all the recycled water, with the Club's right to receive recycled water.

West Bay has received approval for a California Clean Water State Revolving Fund loan to Design/Build a recycled water treatment facility. The parties have a long-term agreement that establishes the terms and conditions of loan payments, easements, ownership of the facility, design criteria, and terms of operation and maintenance.

West Bay Sanitary District
Notes to Financial Statements
June 30, 2018

Through June 30, 2018, total costs for consultants, attorneys, studies, applications and reports have totaled \$3,293,308. The cost sharing breakdown for these expenditures is as follows:

	Cost 1 Phase	Design/Build Phase
Cost	\$ 588,272	\$ 2,705,036
SHGCC (Club)	\$ 323,000	\$ -
SRF Grant	\$ 74,477	\$ -
SRF Loan	\$ -	\$ 987,014

NOTE 13 - COMMITMENTS AND CONTINGENCIES

The District may be at risk to be a defendant in certain lawsuits which arise in the normal course of business. District management is of the opinion that the ultimate outcome of such matters will not have a significant effect on the financial position of the District.

REQUIRED SUPPLEMENTARY INFORMATION

West Bay Sanitary District
Schedule of Pension Contributions - CalPERS
June 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contributions (Actuarially Determined)	\$ 413,896	\$ 387,500	\$ 399,280	\$ 368,713
Contributions in Relation to Actuarially Determined Contributions	413,896	387,500	399,280	368,713
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered Employee Payroll	\$ 2,795,654	\$ 2,765,233	\$ 2,544,628	\$ 2,411,343
Contributions as a Percentage of Covered Payroll	14.80%	14.01%	15.69%	15.29%

Notes to Schedule:

Valuation Date: June 30, 2016
Assumptions Used: Entry Age Method used for Actuarial Cost Method
Level Percentage of Payroll and Direct Rate Smoothing
3.8 Years Remaining Amortization Period
Inflation Assumed at 2.75%
Investment Rate of Returns set at 7.5%
CalPERS mortality table using 20 years of membership data for all funds

** Fiscal year 2015 was the first year of implementation, therefore only four years are shown.

West Bay Sanitary District
Schedule of Proportionate Share of Net Pension Liability
June 30, 2018

	2018	2017	2016	2015
Proportion of Net Pension Liability	0.12991%	0.12750%	0.12849%	0.10822%
Proportionate Share of Net Pension Liability	\$ 5,120,961	\$ 4,429,092	\$ 3,524,991	\$ 2,674,755
Covered Employee Payroll	\$ 2,765,233	\$ 2,544,628	\$ 2,411,343	\$ 2,339,003
Proportionate Share of NPL as a % of Covered Payroll	185.19%	174.06%	146.18%	114.35%
Plan's Fiduciary Net Position as a % of the TPL	72.32%	73.58%	78.29%	83.03%

** Fiscal year 2015 was the first year of implementation, therefore only four years are shown.

West Bay Sanitary District
Schedule of OPEB Contributions
June 30, 2018

	Fiscal Year Ended June 30, 2018
Actuarially determined contribution (ADC)	\$ 7,860
Less: actual contribution in relation to ADC	(7,860)
Contribution deficiency (excess)	\$ -
Covered payroll	\$ 2,795,654
Contributions as a percentage of covered payroll	0.28%

Notes to Schedule:

Assumptions and Methods

Valuation Date:	June 30, 2017
Measurement Date:	June 30, 2017
Actuarial Cost Method	Entry-Age Normal
Amortization Period	20 years
Asset Valuation Method	Level percentage of payroll, closed
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.75%
Payroll Increases	3.00%
Investment Rate of Return	6.75%, Net of OPEB plan investment expenses, including inflation
Mortality	2014 CalPERS OPEB Assumptions Model for "public agency miscellaneous"
Service Requirement	2014 CalPERS OPEB Assumptions Model for miscellaneous public employees with 2.5% at 55 retirement

Other Notes

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

West Bay Sanitary District
Schedule of Net OPEB Liability
June 30, 2018

	Fiscal Year Ended June 30, 2018
Total OPEB liability	
Service cost	\$ 6,513
Interest	16,476
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments	(7,909)
Net change in Total OPEB Liability	15,080
Total OPEB Liability - beginning	278,553
Total OPEB Liability - ending	\$ 293,633
 Plan fiduciary net position	
Employer contributions	\$ 232,909
Employer implicit subsidy	-
Employee contributions	-
Net investment income	10,234
Difference between estimated and actual earnings	-
Benefit payments	(7,909)
Other	-
Administrative expense	-
Net change in plan fiduciary net position	235,234
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending	\$ 235,234
 Net OPEB liability	\$ 58,399
 Plan fiduciary net position as a percentage of the total OPEB liability	80.11%
 Covered employee payroll	\$ 2,799,216
 Net OPEB Liability as a percentage of covered payroll	2.09%
 Total OPEB Liability as a percentage of covered payroll	10.49%

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

SUPPLEMENTARY INFORMATION

West Bay Sanitary District
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Budget Amounts	Actual (GAAP Basis)	Variance
Operating Revenues:			
Service charges	\$ 25,395,640	\$ 26,391,698	\$ 996,058
Flow equalization uses	324,642	327,574	2,932
Permit and inspection fees and other services	100,000	293,578	193,578
Other operating revenues	426,750	431,869	5,119
Total operating revenues	<u>26,247,032</u>	<u>27,444,719</u>	<u>1,197,687</u>
Operating Expenses:			
Sewage treatment	12,296,950	12,177,636	119,314
Sewage collection and general administration:			
Salaries and benefits	4,847,228	4,773,639	73,589
Materials and supplies	458,695	416,494	42,201
Insurance	104,850	98,655	6,195
Contract services	402,000	357,048	44,952
Professional services	529,350	371,582	157,768
Repairs and maintenance	278,500	219,895	58,605
Utilities	156,000	149,927	6,073
Other operating expenses	351,850	260,956	90,894
Total sewage collection and general administration	<u>7,128,473</u>	<u>6,648,196</u>	<u>480,277</u>
Depreciation	1,800,000	1,868,991	(68,991)
Total operating expenses	<u>21,225,423</u>	<u>20,694,823</u>	<u>530,600</u>
Operating Income (Loss)	<u>5,021,609</u>	<u>6,749,896</u>	<u>1,728,287</u>
Nonoperating Revenues (Expenses):			
Investment income	125,000	288,205	163,205
Increase (decrease) of equity in Silicon Valley Clean Water	-	(556,576)	(556,576)
Other nonoperating expenses	(25,000)	-	25,000
Other nonoperating revenues	1,000	167,084	166,084
Total nonoperating revenues (expenses)	<u>101,000</u>	<u>(101,287)</u>	<u>(202,287)</u>
Income before contributions	5,122,609	6,648,609	1,526,000
Capital Contributions	<u>500,000</u>	<u>570,181</u>	<u>70,181</u>
Change in Net Position	5,622,609	7,218,790	1,596,181
Beginning Net Position	101,215,733	101,215,733	-
Ending Net Position	<u>\$ 106,708,498</u>	<u>\$ 108,304,679</u>	<u>\$ 1,596,181</u>

West Bay Sanitary District
 Connection Fee Schedule
 For the Fiscal Year Ended June 30, 2018

Summary of Connection Fee Revenue and Expenditures:

Connection Fee Revenue	\$ 570,181
Allocated Interest on Connection Fee Revenue	<u>2,851</u>

Total Connection Fees and Interest Available for 2017-18

Capacity Project Expenditures	573,032
	<u>(2,640,489)</u>

Beginning Balance Available, July 1, 2017

-

Ending Balance Available, June 30, 2018

\$ (2,067,457) (1)

Capacity Project Expenditures - Description:

	Expenditures		Connection Fees and Interest		Capital Asset Fund	
	Amount	Percent	Amount	Percent	Amount	Percent
Flow Monitoring Study	\$ 33,697	100%	\$ 33,697	100%	-	0%
Flow Meters	46,334	100%	46,334	100%	-	0%
Sewer System Model Software	45,000	100%	45,000	100%	-	0%
Pump & Valve Replacement Program	46,859	0%	-	0%	46,859	100%
Private Pump & Panel Replacements	9,456	0%	-	0%	9,456	100%
Pipeline Replacement & Rehab Engineering:						
Emergency Repair Alpine Road	27,717	0%	-	0%	27,717	100%
Levee Design	19,819	50%	9,910	50%	9,909	50%
Belle Haven II	45,809	75%	34,357	75%	11,452	25%
Pipeline Replacement & Rehab Construction:						
Belle Haven II	<u>2,907,283</u>	85%	<u>2,471,191</u>	85%	<u>436,092</u>	15% (2)
Total Capacity Project Expenditures	<u>\$ 3,181,974</u>		<u>\$ 2,640,489</u>	83%	<u>\$ 541,485</u>	17%

Notes:

(1) deficits are covered by the Capital Assets Fund

(2) 85% Allocation from Connection Fees is not possible due to lack of Connection Fees available.

**INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***



INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
West Bay Sanitary District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the West Bay Sanitary District (the “District”) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated November 7, 2018.

Internal Control over Financial Reporting

Management is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not



express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C & A LLP

November 7, 2018
San Jose, California



WEST BAY SANITARY DISTRICT AGENDA ITEM 10

To: *Board of Directors*

From: *Liz Bahrami, District Accountant*

Subject: *Consideration to Approve the Post Audit FY2017-18 Internal Financial Statements & Analysis of Financial Position for the Fiscal Year ending June 30, 2018*

Background

Attached for the Board's review are the District's Pre-Audit Preliminary Internal Financial Statements & Analysis of Financial Position for Fiscal Year 2017-2018.

- **Total Revenues** for the fiscal year ending June 30, 2018 were \$28,470,190. This exceeds full year Budget by \$1.5 million and results from favorable variances in all revenue sources with the exception of a shortfall from the maintenance agreement with the towns of Los Altos Hills and Woodside. Compared to prior year, Total Revenue was \$415.1K higher and resulted primarily from the increase in sewer service fees.
- **Sewer Service Fees.** Sewer Service Fee revenue recognized during the year totaled \$26,391,698. This exceeded Budget by \$996,057 or 4.0% resulting from an increase in residential accounts that came online during the year from several new multi-family residential properties developed within the District.
- **Permit & Inspection Fees and Connection Fees.** During the year the District received \$293,578 in Permit Fees and \$570,181 in Connection Fees. Both are a direct result of the continued mixed-use commercial and residential expansion occurring within the District.
- **Flow Equalization** exceeded Budget for the year by \$2.9K due to a higher than anticipated CIP increase.

- Other Operating Income – Los Altos Hills and Woodside.** Revenue from the outside maintenance agreements generated \$299,955 from Los Altos Hills (LAH) and \$35,359 from the Town of Woodside (TOW). Revenue from both contracts fell short of Budget. LAH with a total shortfall of \$69.4K resulted from fewer sewer overflows than anticipated. The Town of Woodside fell short of Budget by \$22.0K due to the Town’s decision to not clean the entire system which had been originally included in the Budget. The revenue from these contracts is largely offset by the labor and equipment cost to service these maintenance agreements.
- Interest Income & Gain/(Loss) on Marketable Securities.** During the year, the reserve funds, with a collective year-end balance of \$27,171,605, increased in market value by \$79.7K. Including accrued interest, the reserves ended the year with the following balances: **Operating Reserve** \$7,931,098; **Emergency Capital Reserve** \$5,314,622; **Capital Project Reserve** \$3,638,450; **Rate Stabilization Reserve** \$5,577,745; **Recycled Water Cash Flow Reserve** \$3,899,478; and the **Recycled Water SRF Reserve** \$810,212. The Recycled Water SRF Reserve was opened in March and funded by Sharon Heights Golf & Country Club (SHGCC) as a requirement of the SRF contract. The earnings on this reserve will accrue to the benefit of SHGCC.

The interest received from **LAIF** of \$196,021 and **Bank of the West Money Market** of \$12,452 exceeded Budget collectively by \$158.5K. During the year, interest rates offered by LAIF increased steadily, increasing from just under 1% at the beginning of the fiscal year to nearly 2% at year end. Because of the favorable rates offered by LAIF, maturities in the Recycled Water Cash Flow Reserve were transferred to LAIF to provide liquidity to meet the project’s cash flow needs while taking advantage of the increasing rates. During the year a total of \$4,215,149 in maturities from this reserve were transferred to LAIF. While the interest rate from LAIF was increasing during year, the interest rate offered on our Bank of the West Money Market declined to 0.33%. Therefore, receipts of sewer service fees received from the County were also deposited into LAIF. The LAIF balance at year end was \$24,485,203.

The **PARS Irrevocable Trust** set up in FY2016-17 to fund the other post-employment benefits (OPEB) ended the year with a value of \$247,323 gaining \$12,089, or 5.14% (net of fees).

- **Total Expenses** for the year of \$20,691,023 were \$559.4K, or 2.7% favorable to the full year Budget. Favorable variances were realized in most all expense categories, with the exception of the unbudgeted year-end actuarial audit adjustments for pension expense (GASB 68) and OPEB expense (GASB 75); Election expense; Memberships; and the SVCW 2018 Bond issue. The year-end actuarial adjustments for GASB 68 and GASB 75 are not included in the annual Budget. GASB 68, which became effective for FY2015 addresses accounting and reporting of the long-term obligation for pension benefits. GASB 75, which became effective for FY 2017-18, addresses accounting and financial reporting for OPEB (other post-employment benefits). The District currently provides eligible retirees the statutory minimum supplemental contribution to their PERS medical insurance. In FY2017-18 WBSD had 6 retirees receiving this benefit with a cost of \$133 per month for each retiree. The Election Expense was (\$8.2K) negative resulting from the unanticipated charge for changing election years for District Board members from odd to even years. Memberships were \$13.3K negative due to higher participation of staff in CWEA membership and certifications of new employees. The expense for the 2018 SVCW Bond payment exceeded Budget by \$480.9K. This is timing related resulting from the significantly larger payment due in August than in February. Compared to prior year, total expenses were \$2.1K higher, resulting primarily from increased SVCW debt.
- **Capital** spending for the year was \$6,274,703, or 63% of the total year Capital Budget.
Administration: \$8.1K spent on District Office improvements; \$20.0K on Levee Survey & GPS Update; \$33.7K on the Flow Monitoring Study; and \$45.0K on the Sewer System Model Software.

Collection Facilities: Capital spending included \$5.7K on purchase of Smart Cover manhole covers; and \$72.1K on FERRF upgrades.

Expenditures funded through the Equipment Replacement Fund:

A total of \$202.9K was spent from the Equipment Replacement fund on the following capital acquisitions: \$12.7K on improvements to the District's water truck; \$109.3K on purchase of an F550 pickup w/utility bed for Rehab (Unit 209); \$34.6K for an F150 pickup for the Construction Inspector (Unit 221); and \$46.3K for Flo Dar monitors.

Pump Station, Pipeline Replacement, Engineering, and Construction:

Pump station spending included \$56.3K on pump station upgrades.

Design and Engineering for pipeline projects included: \$72.1K for levee design.

Construction spending for pipeline projects included: \$2.91M for completion of the Belle Haven II and \$45.8K on Belle Haven III.

Reserve Transfers:

Vehicle & Equipment Replacement Fund - \$250K was transferred from the Capital Asset Fund to Vehicle & Equipment Replacement Fund.

Rate Stabilization Reserve – In August, \$2.6M was transferred to the Rate Stabilization/Bond Reserve. Of this amount, \$1.6M was from underspending in Non-Operating Expense (SVCW) in the prior FY16-17 and \$1.0M per the FY2017-18 Budget.

Resource Recovery: Spending for the fiscal year on the SHGCC Recycled Water facility project totaled \$1,762,271 and \$233,815 for Bayfront. These expenditures are being tracked separately from the Capital Asset Budget.

Fiscal Impact

- Total Revenues for the year were favorable to Budget by \$1,512,157.
- Total Expenses for the year were favorable to Budget by \$559,400.
- Cash and Investment balances increased by \$8.8M over prior year with a cash and investment securities balance at year-end of \$54,033,187 and accrued interest of \$278,195.

Recommendation

The District Accountant recommends the Board consider to accept the Preliminary Fiscal Year FY2017-18 Internal Financial Statements & Analysis of Financial Position as of Year End June 30, 2018.

WEST BAY SANITARY DISTRICT

INTERNAL FINANCIAL STATEMENTS & ANALYSIS OF FINANCIAL POSITION

as of

Fourth Quarter FY2017/18

Ending June 30, 2018

Final - Post Audit

WEST BAY SANITARY DISTRICT
Recap Analysis of Revenue and Expense
Fiscal Year 2017-18
June 30, 2018

REVENUES	PRIOR YEAR 07/01/16 - 6/30/2017	Fiscal Year		VARIANCE Fav/(Unfav)
		ACTUAL 07/1/17	BUDGET - 06/30/2018	
Operating Revenues - General Fund	25,973,261	27,444,720	26,332,033	1,112,687
Operating Revenues - Capital	1,912,132	570,181	500,000	70,181
Non-Operating Revenues	169,673	455,289	126,000	329,289
Total Revenues	28,055,066	28,470,190	26,958,033	1,512,157
EXPENSES				
Operating Expenses-General Fund	6,771,514	6,644,396	7,193,473	549,077
Operating Expenses-Capital (Depreciation)	1,600,000	1,868,991	1,800,000	(68,991)
Non-Operating Expenses-General Fund	10,229,348	12,177,636	12,256,950	79,314
Total Expenses	18,600,861	20,691,023	21,250,423	559,400
TOTAL GAIN/(LOSS)	9,454,205	7,779,167	5,707,610	2,071,557
TOTAL GAIN/(LOSS) excluding Depreciation	11,054,205	9,648,158	5,707,610	3,940,548

WEST BAY SANITARY DISTRICT
Analysis of Revenue
Fiscal Year 2017-18
June 30, 2018

FUND:
GENERAL

	PRIOR YEAR 07/01/16 - 06/30/2017	YEAR TO DATE		VARIANCE Fav/(Unfav)	ANNUAL BUDGET	YTD % of ANNUAL BUDGET
		ACTUAL 07/1/17 - 06/30/2018	BUDGET			
Service Charges Residential	20,019,328	21,112,560	20,263,817	848,743	20,263,817	104%
Commercial	4,866,919	5,279,138	5,131,824	147,314	5,131,824	103%
Permit & Insp. Fees	211,131	293,578	100,000	193,578	100,000	294%
Flow Equalization	315,186	327,574	324,642	2,932	324,642	101%
Franchises	131,298	96,556	85,000	11,556	85,000	114%
Other Operating Inc - LAH & WS	429,399	335,314	426,750	(91,436)	426,750	79%
Int Inc.	64,911	208,470	50,000	158,470	50,000	417%
Gain/(Loss) on Securities	96,511	79,735	75,000	4,735	75,000	106%
Other Non-Op. Inc.	8,251	167,084	1,000	166,084	1,000	16708%
TOTAL GENERAL	26,142,934	27,900,009	26,458,033	1,441,976	26,458,033	105%

FUND:
CAPITAL ASSETS

	PRIOR YEAR 07/01/16 - 06/30/2017	YEAR TO DATE		VARIANCE Over/(Under)	ANNUAL BUDGET	YTD % of ANNUAL BUDGET
		ACTUAL 07/1/17 - 06/30/2018	BUDGET			
Connection Fees	1,912,132	570,181	500,000	70,181	500,000	114%
TOTAL CA	1,912,132	570,181	500,000	70,181	500,000	114%
TOTAL REVENUE	28,055,066	28,470,190	26,958,033	1,512,157	26,958,033	106%

WEST BAY SANITARY DISTRICT
Analysis of Expense
Fiscal Year 2017-18
June 30, 2018

	PRIOR YEAR 07/01/16 - 6/30/2017	YEAR TO DATE		VARIANCE Fav/(Unfav)	ANNUAL BUDGET	YTD % of ANNUAL BUDGET
		ACTUAL 07/1/17 - 6/30/2018	BUDGET			
Salaries & Wages	3,150,976	3,222,918	3,349,962	127,044	3,349,962	96%
Employee Benefits	1,383,825	1,423,480	1,459,336	35,856	1,459,336	98%
<i>Pension Expense (GASB 68)</i>	<i>581,829</i>	<i>84,367</i>		<i>(84,367)</i>		
<i>OPEB Expense (GASB 75)</i>		<i>13,082</i>		<i>(13,082)</i>		
Directors' Fees	26,323	29,792	37,930	8,138	37,930	79%
Election Expense		8,214	-	(8,214)	-	
Depreciation	1,600,000	1,868,991	1,800,000	(68,991)	1,800,000	104%
Gasoline, Oil & Fuel	40,151	54,821	70,000	15,179	70,000	78%
Insurance	84,316	98,655	104,850	6,195	104,850	94%
Memberships	30,006	46,142	32,850	(13,292)	32,850	140%
Office Expense	31,250	26,817	35,500	8,683	35,500	76%
Operating Supplies	267,603	334,856	353,195	18,339	353,195	95%
Contract Services	283,284	357,048	402,000	44,952	402,000	89%
Professional Service	322,544	371,582	529,350	157,768	529,350	70%
Printing & Publication	47,535	45,930	62,500	16,570	62,500	73%
Rents & Leases	58,056	36,089	61,000	24,911	61,000	59%
Repairs & Maint.	227,894	219,895	278,500	58,605	278,500	79%
Research & Monitor	9,969	11,399	33,000	21,602	33,000	35%
Travel & Meetings	37,815	34,401	57,500	23,099	57,500	60%
Utilities	129,147	149,927	156,000	6,073	156,000	96%
Other Oper. Exp.	58,992	74,982	170,000	95,018	170,000	44%
Other Non Operating Expense	3,800		6,000	6,000	6,000	
Transfer Overhead to SW	(65,000)		(65,000)	(65,000)	(65,000)	
SVCW 2009 Bond (\$55 Mil)	985,734	1,017,074	1,300,000	282,926	1,300,000	78%
SVCW 2014 Bond (\$65 Mil)	1,143,606	1,145,000	1,145,000	-	1,145,000	100%
SVCW 2015 Bond (\$60 Mil)	809,167	826,950	826,950	-	826,950	100%
SVCW 2018 Bond		980,885	500,000	(480,885)	500,000	196%
SVCW - SRF Debt Service (2011 debt)	220,077	220,077	225,000	4,923	225,000	98%
SVCW -SRF Reserve Contribution	479,184	544,932	545,000	68	545,000	100%
SVCW - Line of Credit			50,000	50,000	50,000	
SVCW - SRF Debt Service (2012 Debt)		506,765	740,000	233,235	740,000	68%
SVCW Oper. Fund	6,226,080	6,504,720	6,550,000	45,280	6,550,000	99%
SVCW Capital Contributions	410,664	414,948	415,000	52	415,000	100%
LAFCo Contribution	16,036	16,285	19,000	2,715	19,000	86%
TOTAL EXPENSES	18,600,861	20,691,023	21,250,423	559,400	21,250,423	97%
TOTAL EXPENSES (Excluding Depreciation)	17,000,861	18,822,032	19,450,423	628,391	19,450,423	97%

WEST BAY SANITARY DISTRICT
Balance Sheet
as of June 30, 2018

	Current Year	Prior Year
	<u>FY End 06/30/2018</u>	<u>FY End 06/30/2017</u>
ASSETS		
CURRENT ASSETS		
CASH & INVESTMENTS	54,033,188	45,247,643
INTEREST RECEIVABLE	278,195	188,241
ACCOUNTS RECEIVABLE	197,646	113,506
PREPAID EXPENSES	28,738	35,995
Total CURRENT ASSETS	<u>54,537,767</u>	<u>45,585,385</u>
FIXED ASSETS		
PROPERTY, PLANT & EQUIPMENT	76,169,982	70,220,026
LESS: ACCUMULATED DEPRECIATION	(27,930,413)	(26,139,983)
CONSTRUCTION IN PROGRESS	<u>3,690,850</u>	<u>4,302,952</u>
Total PROPERTY, PLANT & EQUIPMENT	<u>51,930,419</u>	<u>48,382,995</u>
OTHER ASSETS		
INVESTMENT IN SVCW	13,033,198	13,589,774
OTHER ASSETS (PARS Irrev Trust)	<u>247,323</u>	<u>235,234</u>
TOTAL OTHER ASSETS	<u>13,280,521</u>	<u>13,825,008</u>
TOTAL ASSETS	<u><u>119,748,708</u></u>	<u><u>107,793,388</u></u>
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	3,490,791	1,762,673
CONNECTION FEES PAYABLE	2,521,113	1,155,762
ACCRUED PAYROLL & TAXES	292,142	273,048
CONSTRUCTION DEPOSITS	8,672	9,381
OPEB LIABILITY	58,399	
SRF Note Payable	987,014	
TOTAL CURRENT LIABILITIES	<u>7,358,131</u>	<u>3,200,864</u>
TOTAL LIABILITIES	<u>7,358,131</u>	<u>3,200,864</u>
FUND BALANCES		
INVESTMENT IN OPERATING PLANT	51,930,419	48,382,995
INVESTMENT IN SVCW	13,033,198	13,589,774
AVAILABLE FUND BALANCE	<u>47,426,958</u>	<u>42,619,755</u>
TOTAL FUND BALANCE	<u>112,390,575</u>	<u>104,592,524</u>
TOTAL LIABILITIES & FUND BALANCE	<u><u>119,748,708</u></u>	<u><u>107,793,389</u></u>

WEST BAY SANITARY DISTRICT
Analysis of Capital Expenditures FY2017-18
June 30, 2018

	FY2017/18 Expended YTD	FY2017/18 FY Budget	VARIANCE Budget Balance	YTD % of Annual Budget
ADMINISTRATION				
DISTRICT OFFICE EXTERIOR	4,303	10,000	5,697	43.0%
DISTRICT OFFICE INTERIOR	3,797	10,000	6,203	38.0%
LEVEE SURVEY & GPS UPDATE	20,000	60,000	40,000	33.3%
FLOW MONITORING STUDY	33,697	30,000	(3,697)	112.3%
SERVER REPLACEMENT PROGRAM		15,000	15,000	0.0%
SEWER SYSTEM MODEL SOFTWARE	45,000	75,000	30,000	60.0%
TOTAL ADMINISTRATION	106,797	200,000	93,203	53.4%
COLLECTION FACILITIES				
SMART COVERS (2)	5,733	9,500	3,767	60.3%
METAL STORAGE BUILDING - Carryover		425,000	425,000	0.0%
FEF IMPROVEMENTS & DEMOLITION OF OLD TREATMENT PLANT WORKS	72,140	500,000	427,860	14.4%
EQUIPMENT PURCHASES FUNDED FROM VEHICLE & EQUIP REPLACEMENT FUND				
REC. WATER TRUCK (RESTORE) - UNIT 222 - \$25,000 (ER Fund)	12,704	25,000	12,296	50.8%
Heavy Duty PU - REHAB UNIT 209	109,256	110,000	744	99.3%
CONSTRUCTION INSPECTOR VEHICLE - UNIT 211	34,635	35,000	365	99.0%
Flo Dar Monitors (2)	46,334	35,000	(11,334)	132.4%
TOTAL VEHICLE & EQUIP PURCHASES FUNDED FROM VEHICLE & EQUIP	202,929	205,000	2,071	99.0%
TOTAL COLLECTION FACILITIES	280,802	1,139,500	858,698	24.6%
SUBSURFACE LINES AND OTHER				
PUMP & VALVE REPLACEMENT PROGRAM	40,000	40,000		100.0%
PRIVATE PUMP & PANEL REPLACEMENTS	16,315	20,000	3,685	81.6%
PIPELINE REPLACEMENT & REHAB ENGINEERING				
Belle Haven II - Sharon Rd Change Order		40,000	40,000	0.0%
Isabella, Gilbert & Bay North		350,000	350,000	0.0%
PIPELINE REPLACEMENT & REHAB CONSTRUCTION				
<i>Belle Haven II - Sharon Rd Change Order</i>	2,907,283	2,000,000	(907,283)	145.4%
<i>Belle Haven III</i>	45,809	4,100,000	4,054,191	1.1%
<i>Town of Atherton Civic Center (Dinklespeil)</i>		600,000	600,000	0.0%
TOTAL SUBSURFACE LINES AND OTHER	3,009,407	7,150,000	4,140,593	42.1%
CONSTRUCTION PROJECTS ENVIRONMENTAL REVIEW		10,000	10,000	
MANHOLE RAISING (PAVING PROJECTS)		100,000	100,000	
ALLOWANCE FOR UNANTICIPATED CAPITAL EXPENDITURES	27,698	100,000	72,302	
TOTAL CAPITAL EXPENDITURES	3,424,703	8,699,500	5,274,797	39.4%
CONTRIBUTIONS TO VEHICLE & EQUIP REPLACEMENT FUND	250,000	250,000	-	
RATE STABILIZATION/BOND RESERVE	2,600,000	1,000,000	(1,600,000)	260%
TOTAL CAPITAL EXP & RESERVE TRANSFERS	6,274,703	9,949,500	3,674,797	63%
RESOURCE RECOVERY				
RECYCLED WATER FACILITY - SHGCC	1,762,271		(1,762,271)	
BAYFRONT	233,815		(233,815)	
TOTAL RESOURCE RECOVERY	1,996,086		(1,996,086)	
TOTAL CAPITAL, TRANSFERS, & RESOURCE RECOVERY	8,270,789			

Schedule of Cash and Investments
Fiscal Year 2017-18
June 30, 2018

DESCRIPTION	Withdrawals to Date	PRINCIPAL AMOUNT	ACCRUED INTEREST	Full Year Gain/(Loss)	ANNUALIZED Yield
Petty Cash		600.00			NA
NAVIA Commuter Checking Account		122.40			NA
Cash - Bank of the West, Commercial Account		2,211,538.61			
Local Agency Investment Fund (LAIF)		24,485,203.03	107,450.44	196,020.83	1.42%
Bank of the West Money Market Account		334,862.95		12,451.97	0.33%
<u>Bank of the West Reserves Accounts</u>				208,472.80	
Bank of The West -OPERATING RESERVE - Securities		7,802,120.91	42,060.05	7,971.95	0.10%
Bank of The West -OPERATING RESERVE - Cash		86,917.44			
Bank of The West -EMERGENCY CAP RESERVE - Securities		5,220,028.14	29,159.69	25,758.49	0.49%
Bank of The West -EMERGENCY CAP RESERVE - Cash		65,433.80			
Bank of The West -CAPITAL PROJ RESERVE - Securities		3,567,728.49	18,911.97	6,210.28	0.17%
Bank of The West -CAPITAL PROJ RESERVE - Cash		51,809.84			
Bank of The West - RATE STABILIZATION RESERVE - Securities		5,501,091.38	49,529.91	(39,158.66)	-0.70%
Bank of The West - RATE STABILIZATION RESERVE - Cash		27,123.99			
Bank of The West - RECYCLED WATER CASH FLOW RESERVE - Securities		3,661,628.35	28,220.69	75,020.46	1.96%
Bank of The West - RECYCLED WATER CASH FLOW RESERVE - Cash		209,628.50			
Bank of The West - RECYCLED WATER SRF RESERVE - Securities (Restricted - SHGCC)		793,501.60	2,862.48	3,932.31	1.95%
Bank of The West - RECYCLED WATER CASH SRF RESERVE - Cash		13,848.27			
Subtotal of Bank of the West Reserve Accounts		27,000,860.71	170,744.79	79,734.83	0.30%
Total Cash and Investments 06/30/2018		54,033,187.70	278,195.23	288,207.63	NA

PARS Irrevocable Trust - To fund OPEB Unfunded Liability as of 06/30/18*

* PARS statements are available 45 days after end of reporting period

Note:

The District Manager and Chief Fiscal Officer of West Bay Sanitary District represents that the above investments are in accordance with the West Bay Sanitary District Statement of Investment Policy adopted by the District Board on October 14, 1996, revised annually, last revised July 2016 (Reso #1996).

		247,323.49		12,089.35	5.14%
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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 11**

To: Board of Directors

From: Phil Scott, District Manager

Subject: Report and Discussion: Finance Advisory Group

Background

Approximately, two to three times a year the Finance Advisory Group meets and discusses options for the District's investments and investment policy. The Board President will report on the Advisory Group's activities and lead a discussion on District finances.

Analysis

On December 3, 2018, the group met, reviewed and discussed the District's finances and reserve funds.

Fiscal Impact

This item is informational only.

Recommendation

The District Manager recommends the Board discuss this item and possibly provide direction to the committee as needed. No action is required or requested at this time.

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WEST BAY SANITARY DISTRICT AGENDA ITEM 12

To: *Board of Directors*

From: *Phil Scott, District Manager*

Subject: *Consider Resolution to Elect to the District Board, President, and Secretary, and Appoint a Treasurer and Consider Appointment of Committee Appointees and Alternates*

Background

The Board requires Board members to serve as President, and Secretary effective January 1, 2019. This item requires nominations for election and Board selection of these positions. The Treasurer position is also required and subject to Presidential appointment.

Finally, Committee appointees and alternates must also be selected as necessary, to serve as District representatives for the SVCW Commission and the SBWMA JPA Board, and on Ad-Hoc committees and advisory groups such as Finance and Recycled Water. These appointments can be done by Presidential appointment.

Analysis

None

Fiscal Impact

None

Recommendation

The District Manager recommends the current District Board President preside over the Election of Officers and selection of committee appointees and alternates.

RESOLUTION NO. _____ (2018)

RESOLUTION APPROVING ELECTION AND APPOINTMENT OF OFFICERS OF THE WEST BAY SANITARY DISTRICT BOARD

WHEREAS, The DISTRICT BOARD requires a President, Secretary and Treasurer; and

WHEREAS, the DISTRICT BOARD has requested nominations and voted by majority to elect the DISTRICT BOARD Officers as follows:

President: _____

Secretary: _____

And,

WHEREAS, the District President has appointed the following Board Member as Treasurer as follows:

Treasurer: _____

and,

WHEREAS, these appointments are effective January 1, 2019.

NOW, THEREFORE, BE IT RESOLVED that the District Board of the West Bay Sanitary District, County of San Mateo, State of California, does hereby approve the election and appointment of the above mentioned Officers of the District Board and conveys on these Officers all benefits, privileges, honors and responsibilities appointed unto the respective office.

PASSED AND ADOPTED by the District Board of the West Bay Sanitary District at a regular meeting thereof held on 12th day of December, 2018, by the following votes:

Ayes:

Noes:

Absent:

Abstain:

President of the District Board of the
West Bay Sanitary District of San
Mateo County, State of California

Attest:

Secretary of the District Board of the
West Bay Sanitary District of San Mateo
County, State of California

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 13**

To: Board of Directors

From: Phil Scott, District Manager

Subject: Discussion and Direction on Recycled Water Projects – Sharon Heights and Bayfront, Including Project Status

A discussion will be held on the Recycled Water Projects – Sharon Heights and Bayfront Facility and other events related to the recycled water project including financing, design/build issues and grant applications. The Board will have opportunity to provide direction to staff and legal counsel.

The following is a disclosure statement required for any document, written report or brochure prepared in whole or in part pursuant to the Finance Agreement with the State Water Resources Control Board for the West Bay Sanitary District Recycled Water Project - Sharon Heights:

Funding for this project has been provided in full or in part through an agreement with the State Water Resources Control Board. California's Clean Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds. The contents of this document do not necessarily reflect the views and policies of the foregoing, nor does mention of trade names or commercial products constitute endorsement or recommendation for use.

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 14**

To: Board of Directors

From: Phil Scott, District Manager

Subject: Report & Discussion on South Bayside Waste Management Authority (SBWMA)

The District's representative to South Bayside Waste Management Authority (SBWMA), Secretary Fran Dehn, will report on the November 15, 2018 Board meeting as well as any pertinent items regarding SBWMA business.

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 15**

To: Board of Directors

From: Phil Scott, District Manager

**Subject: Report & Discussion on Silicon Valley Clean Water (SVCW) and
Discussion on SVCW CIP Program and Financing**

The District's representative to Silicon Valley Clean Water (SVCW), George Otte, will report on any pertinent items regarding SVCW as well as the Commission meeting on December 6, 2018.

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