



*1902 - Serving Our Community for over 115 Years - 2021*

**WEST BAY SANITARY DISTRICT  
MINUTES OF THE REGULAR MEETING OF THE DISTRICT BOARD  
WEDNESDAY, JUNE 23, 2021 AT 7:00 P.M.**

**1. Call to Order**

President Dehn called the meeting to order at 7:02 PM

**Roll Call**

BOARD MEMBERS PRESENT: President Dehn, Secretary Walker, Treasurer Thiele-Sardiña, Director Moritz, Director Otte

BOARD MEMBERS ABSENT: None

STAFF MEMBERS PRESENT: Ramirez, Reese, Condotti by Zoom

Others Present by Zoom: Jeremy Dennis – Town of Portola Valley Town Manager; Portola Valley residents – Chris Buja, Rebecca Flynn, Nan Shostak, Mary Hufty and Brian Cairney; LAFCo – Martha Poyatos, Rob Bartilo

**2. Communications from the Public: None.**

**3. Consent Calendar**

Motion to Approve Minutes as Revised by: Thiele-Sardiña 2<sup>nd</sup> by: Moritz Vote:  
AYE: 5 NAY: 0 Abstain: 0

**CONSIDERATION OF ITEM(S) REMOVED FROM THE CONSENT CALENDAR**

Comments: None.

A. Approval of Minutes for Regular Meeting June 9, 2021

**4. District Manager's Report**

Comments: District Manager Ramirez summarized his report by stating the District experienced two sanitary sewer overflows (SSOs). The last SSO had occurred over 24 months ago. The causes of the SSOs were primarily due to scheduling. He continued to report that two new temporary employees will be hired soon to help with the maintenance schedule. District Manager Ramirez also reported on the status of the metal storage building being constructed at the Flow Equalization Resource Recovery Facility site, as well as on the contractor's progress performing the pipeline work on Ringwood Road. The complete report is in the June 23, 2021 agenda packet.

## 5. Discussion and Direction on Annexation Reimbursement Agreements

Comments: District Manager Ramirez reported that District staff is currently managing over twenty-one reimbursement agreements and there are no legal requirements to enter into new agreements moving forward. These agreements can last twenty-five years and consume considerable staff time. Most of these costs have not been recovered in the past. When payments are due to the original property owners or developers, who extend the public sewer main to serve their property, reimbursement checks are mailed out without charging appropriate fees, until recently. In some cases, over ninety people require reimbursement without paying a processing fee. Additionally, at times the District is reimbursing for old pipes which have reached approximately fifty percent of its useful life. Staff is currently managing over twenty reimbursement agreements with hundreds of people requiring reimbursement, as other connect to these public sewer main extensions.

Portola Valley resident Rebecca Flynn commented that she and her neighbor financed the construction of the sewer main on her street about 10 years ago that cost approximately \$36,000. She stated she would have preferred to stay on septic. Resident Chris Buja commented that he believes residents shouldn't be building sewer mains and/or pump stations for the District. He suggested the District consider buying out the agreements after some period of time. Resident Nan Shostak commented that the District needs to find a way of simplifying the reimbursement process. She asked the District to hold a zoom meeting for the residents of Portola Valley to discuss reimbursement agreements and annexation of territories. She asked that the District plan the meeting at a time that does not conflict with the Town's council meetings. Resident Mary Hufty commented that she also believes there is a need to have another meeting to discuss this item when the Town Council meeting is not in session.

District Manager Ramirez continued by reporting that the Board may consider not entering into new agreements or delaying new agreements until the Board studies the matter. The Board may also consider limiting the duration of agreements to five to ten years and consider having the agreements remain with the parcel, rather than transfer out of the District or to other individuals.

President Dehn opened the discussion to the Board to provide direction on the item. After some discussion, Staff was directed not enter into new agreements at this time and to establish a workshop where the matter could be discussed further. During the discussion period staff received direction to address the following items:

- Concerns about the accounting in the agreements and lack of depreciation which makes it harder for new connectors to join.
- Consider including depreciation in any future reimbursement agreement.
- Consider limiting the duration of agreements to five to ten years.
- Consider having the agreements remain with the parcel, rather than transfer out of the District or to other individuals.
- Look at the Regional Housing Needs Allocation (RHNA) number for new homes in Portola Valley.
- Consider the impact on ADUs.
- Study how many homes are on each agreement and what initiated these agreements (i.e. new construction, failing septic tanks, etc...).

- Look into the age and value of the twenty-one reimbursement agreements and how many more agreements are expected.
- Discuss if existing agreements be transferred to the parcels.
- Staff to work with the Town of Portola Valley on how they would like to participate in the financing of extending the public sewer mains in their area.
- District Council Condotti to report on limiting the duration of the agreements.

## **6. Discussion and Direction on Annexing Certain Territories of the Town of Portola Valley into West Bay Sanitary District**

Comments: District Manager Ramirez reported that the individual annexation process is not efficient and uses considerable District staff time. He continued to report the process regularly uses LAFCo resources. Several public hearings are held throughout the year for every parcel that is annexed at both agencies. LAFCo Executive Director, Martha Payatos, gave a presentation on LAFCo's background and made recommendations on how to annex areas at one time, if the Board should decide to move forward. LAFCo's Rob Bartilo outlined the three potential areas which could be annexed. They include Los Trancos Woods, Westridge, and Wayside Road, near the Town of Woodside.

Portola Valley resident Nan Shostak asked, if the Board decides to move forward with annexing certain territories, they consider not requiring residents to connect. She stated she is happy with her septic system and would like to remain on it. Resident Chris Buja commented that he would like to see the annexation process simplified.

President Dehn opened the discussion for comments from the Board. Director Otte expressed his concern on how costly the process may be without a known outcome and that he doesn't see a compelling reason to annex entire territories at this time. After further discussion the Board's consensus was to have staff gather the requested information and bring it back to the Board in a workshop. Topics of discussion should include:

- Understand how many annexations have been done per year, in the last five years.
- Conduct a risk analysis on the costs to annex territories.
- Provide the costs for annexations and legal fees that are involved in the current process.
- Study the details of the outstanding twenty-one reimbursement agreements and compare them to the three potential areas.
- Work with the Town of Portola Valley to determine how much they are willing to participate in the annexation process.

## **7. June 23<sup>rd</sup> Update Report on District Response to Corona Virus**

Comments: District Manager Ramirez reported that the District has made no changes to the existing COVID-19 policy but it is currently under review for updates. He also reported that staff is now 90% vaccinated.

**8. Report and Discussion on Sharon Heights Recycled Water Plant**

Comments: District Manager Ramirez reported that the flow study is now complete and data shows approximately 95,000 gallons per day flow through the area of Avy and Altschul. He also stated that 8 million gallons of recycled water were delivered to SHGCC in May.

**9. Discussion and Direction on Bayfront Recycled Water Project and Status Update**

Comments: District Manager Ramirez reported that the District's recycled water code is currently under review by the City of Menlo Park. He continued to report that staff has begun talks with developers on developer agreements. President Dehn directed District Council Condotti to begin drafting a template developer agreement for the Bayfront area.

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

Comments: President Dehn reported that the next meeting will be held on June 24<sup>th</sup>.

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

Comments: Director Otte reported that the Tunnel Boring Project (TBP) is nearing completion and should be completed soon. He also reported that the final SRF loan for the plant's CIP, in the amount of \$169M, should be finalized in the next few days.

**12. Closed Session**

Entered closed session at 9:17 p.m. Left closed session at 9:54 p.m.

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION/CONF. WITH LABOR NEGOTIATORS

Agency designated representatives: District Manager/Legal Counsel  
Unrepresented & Exempt employees: Exempt Staff

B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION/CONF. WITH LABOR NEGOTIATORS

Agency designated representatives: Board President/Legal Counsel  
Unrepresented employee: District Manager

C. 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

Reportable action: District Counsel, Tony Condotti, reported the Board of Directors discussed and considered establishing the rates of pay for FY21/22 and performed the evaluation of the District Manager. The Board approved to Restate and Amend the Employment Agreement between the West Bay Sanitary District and Sergio Ramirez

(District Manager). The Board of Directors approved an annual base salary compensation adjustment of two hundred seven thousand dollars per year, payable bi-weekly.

**13. Consideration to Adopt Resolution Establishing Rates of Pay and Related Compensation Provisions**

Motion to Approve by: Moritz 2<sup>nd</sup> by: Thiele-Sardiña Vote: AYE: 5 NAY: 0 Abstain:

Comments: None.

**14. Consideration of Resolution Authorizing the President and Secretary of the District Board to Restate and Amend Employment Agreement Between the West Bay Sanitary District And Sergio Ramirez (District Manager)**

Motion to Approve by: Otte 2<sup>nd</sup> by: Walker Vote: AYE: 5 NAY: 0 Abstain: 0

Comments: None.

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

Comments: President Dehn stated the Board of Directors would like to discuss items 5 and 6 further in a Board workshop.

**16. Adjournment Time:** The meeting was adjourned at 9:57 PM

David A. Walker  
Secretary

**(Email to the Board of Directors)**

To the Board of Directors:

We are 33-year residents of Westridge, in Portola Valley, who rebuilt our house six years ago. We are on septic, on a 2.5-acre parcel with a large area for a primary drain field and another large area set aside for an alternate drain field. San Mateo County required a new, larger septic system for the new house. This system has been working perfectly and is expected to last another 50 years.

We understand that a substantial amount of new building will be taking place in Portola Valley over the next 10 years and many of the new residences will require connections to the District's sewer lines. We also understand why the District would want to consider annexing large parts of Portola Valley in advance of construction. We feel very strongly, however, that individual owners who do not want or need sewer connections should not have to incur sewer fees. Parcels with septic systems in good operating condition should remain on septic as long as the owners choose to keep these systems. Initial costs of installing a new septic system are high; owners should not have to pay double if sewer annexation is required.

The District Manager's analysis states, "There may be a mechanism to annex certain territories of Portola Valley into the District without requiring those properties to connect to the public sanitary sewer system." We urge the Board to investigate and adopt this mechanism, in order to avoid double sewer assessments (original septic plus ongoing sewer) for many property owners.

Respectfully,

Nancy and Robert Shostak  
Portola Valley, CA

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# TOWN of PORTOLA VALLEY

Town Hall: 765 Portola Road, Portola Valley, CA 94028 - Tel: (650) 851-1700 Fax: (650) 851-4677



June 23, 2021

Sergio Ramirez, General Manager  
West Bay Sanitary District  
500 Laurel Street  
Menlo Park, CA 94025

Mr. Ramirez,

I write in response to items 5 and 6 on West Bay Sanitary District's (District) Board agenda for June 23, 2021.

While the discussion of these two items will take some time, I appreciate the opportunity to share some initial thoughts, which are not exhaustive, related to both annexation and reimbursement.

## 1. Annexation

Based on conversations with you and a review of the staff report on this item, I understand that the primary motivation for a blanket annexation of portions of Portola Valley is to reduce administrative costs to the District. The staff report also states that such an annexation would not require or compel any resident to connect to sewer services.

I believe this to be a critical component of the proposal, and I recommend the District make a proactive statement that no future Board action would require such connections at a later date.

As with such actions, there may be unintended consequences related to future, unanticipated development beyond the Town's vision for potential future growth that I believe must be carefully considered and discussed, both by the Town with its residents and the District Board.

As you know, the County requires, in most circumstances, connection to sewer services should a resident's septic system fails and new tank locations/leach fields are necessary. I hope that you will engage with the Town and County Environmental Health on these issues to ensure that septic systems remain an option for residents.

Questions: What parts of Town is the District considering annexing? Why is the District only considering certain areas of the Town?

## 2. Reimbursement

Based on aforementioned conversations with you and a review of the staff report on this item, I understand that the District is contemplating ending future reimbursement agreements with those residents who choose to connect to the sewer system, amongst other amendments to the program.

While I have no specific comments at this time on this proposal, I recommend a thorough outreach process to engage Portola Valley residents.

### 3. Other Comments


The District may wish to consider these additional items as they examine the two proposals:

- a. Specifications for equipment, particularly control panels for grinder pumps (and affiliated secondary driveway) that better complements the Town's design guidelines for development
- b. The effect of the proposals on public and utility easements
- c. Potential changes to the Town entitlement process
- d. Relationship between the ownership of sewer laterals in the public right-of-way
- e. Impact on private builders constructing sewer mains/laterals in the public right-of-way
- f. Responsibility for design and construction of sewer mains/laterals in the public-right-of-way
- g. Future, thoughtful design of optimal sewer main routes that does not result in impacts on private property, instead of lines through backyards

#### Concluding Remarks

Thank you for agreeing to make District staff available to present these proposals to the Portola Valley Town Council at its August 11 meeting. I appreciate the District's commitment to a thorough vetting over the coming months, and I high recommend that the District engage Town residents with its own meetings and engagements. The Town stands by to ensure the maximum number of residents are aware of these proposals and can participate in these important discussions.

Sincerely,



Jeremy Dennis

Town Manager, Portola Valley

cc: Portola Valley Town Council

Martha Poyatos, San Mateo County Local Agency Formation Commission (LAFCo)