



1902 - Serving Our Community for over 110 Years - 2017

**WEST BAY SANITARY DISTRICT
MINUTES OF THE REGULAR MEETING OF THE DISTRICT BOARD
WEDNESDAY, OCTOBER 11, 2017 AT 7:00 P.M.**

1. Call to Order

President Moritz called the meeting to order at 7 00 PM

2. Roll Call

BOARD MEMBERS PRESENT: Moritz, Thiele-Sardiña, Walker, Dehn, Otte (arrived 8pm)

BOARD MEMBERS ABSENT:

STAFF MEMBERS PRESENT: Scott, Hall (for Condotti), Kitajima

Others Present: Matt Anderson and Teresa Herrera – SVCW, Marva Sheehan – HF&F ,
Marinus Lamprecht – Facebook

3. Communications from the Public: None

4. Consideration of Setting a Public Hearing Date for December 13, 2017 to Review Proposed Refuse Collection Rates for the Year 2018 and Providing Staff Direction by Minute Order Regarding the Collection Rate Adjustment for 2018 and the Mailing of the Proposition 218 Notice for a Public Hearing

Motion by: Dehn 2nd by: Thiele-Sardiña Vote: AYE: 4 NAY: 0 Abstain: 0

Comments: Ms. Sheehan from HF&H proposed a second option for the garbage and recyclables pick up rates for residential and commercial properties starting January 2018. The Board's goal is twofold, to set the rates for residential and commercial cans at a level equal to the cost of service and to adjust the commercial bin rates so that they are paying no more than their fair share. This is year two of what will be a multi-year transition to meet the District's goal. This new option presented makes the 32, 64, and 96 gallon can rates the same for both residential and commercial customers. The Board preferred this option and the proposed rates for the public hearing and the 218 notice were directed to be \$35 – 20 gal, \$44 – 32 gal, \$72 – 64 gal, and \$105 – 96 gal. This is an adjustment of getting the residential and commercial bins at the same rate, while simultaneously dropping the commercial bins by 5% and raising the 20/32 gallon bins. The District will no longer be offering the 20 gallon bin to new customers, and the Board directed staff to include that information in the 218 notice.

5. Discussion and Presentation for Treatment Plant and Conveyance System CIP

Comments: At the September 27 meeting, the Board had asked SVCW for a calendar of consumption of the bonds against a calendar of debt. Mr. Anderson presented the CIP Financing timeline in 2 stages: planning and actual construction. In the fall of 2018 SVCW will enter negotiations with 2 contractors for conveyance system and headworks construction. SVCW wants to give them full assurance that the project is fully funded and has the backing of the members. Director Dehn asked when does the funding need to be in place, quarter 2 or quarter 3 of 2018. Mr. Anderson presented the breakdown of the cumulative expenditures of

funding from start of project (March 2017) to the projected end of project (June 2020). Mr. Anderson presented three funding scenarios; Belmont will be contributing 17 million from their own proceeds, which leaves the other three member agencies with a need of \$162 million net. The first option would be the base case; issue everything (\$162M) in January 2018. The second option is finance 50% (\$81M) in January 2018 and then another 50% (\$81M) in January 2019. Third option is finance 72% (\$117M) January 2018, and 28% (\$45M) in April 2019. The second scenario results in a savings of \$1.1 million in NPV savings. The Board concluded to direct Commissioner Otte to vote for option #2, the 50% in 2018 and 50% in 2019 option. DM Scott encouraged the Board to review the Districts investment portfolio, to see how the purchase of these bonds have performed.

6. Public Hearing - Annexing Certain Territory Within the West Bay Sanitary District's On-Site Wastewater Disposal Zone – Lands of TJB Investments, LLC (185 Shawnee Pass, Portola Valley)

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

Comments: None

Motion to close by: Thiele-Sardiña 2nd by: Walker Vote: AYE: 5 NAY: 0 Abstain: 0

7. Consideration of Adopting Resolution Ordering Annexation of Certain Parcels in the Territory of West Bay Sanitary District to the West Bay Sanitary District's On-Site Wastewater Disposal Zone Including Certain Determinations, Findings and Declarations of the District Board – Lands of TJB Investments, LLC (185 Shawnee Pass, Portola Valley)

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

Comments: None

8. Discussion and Direction on On-Site Wastewater Treatment Facilities

Comments: Facebook is requesting permission to get started with a conditional class 3 permit to allow them to start building their black water on-site wastewater treatment facility, so they can get started with the construction of installing the tanks and pipes. During the time of construction the District will need to consult with the recycled water consultants, rate consultant, and legal counsel to potentially develop a feasible discharge permit and to determine if the onsite system must be operated within an onsite wastewater disposal zone.

9. Consideration of Authorizing the District Manager to File a Notice of Determination and Issue Conditional Class 3 Sewer Permit for the Construction of Wastewater Facilities for Facebook's MPK 21 & 22 Buildings, 1 Facebook Way, Menlo Park, California

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

Comments: The conditions of the Class 3 permit are: There is no guarantee of an issuance of a discharge permit, it requires a \$100,000 deposit, and Facebook must install a manifold to accept regional recycled water for the future.

10. District Manager's Report

Comments:

1) CIP Project:

- a) Belle Haven II is approximately 94% complete.
- b) Sharon Road work is 95% complete. Paving scheduled for weekend of Oct. 14 and 15.

2) Affiliate Agency/Association News:

- a) **County:** Discussions are progressing with the County regarding transfer of Solid Waste Franchise. County will participate in the consultant fee to analyze the Solid Waste Franchise transfer cost and process.
- b) **City of Menlo Park:** DM meeting w Director of Public Works to collaborate on the dirt hauling project at FERRF and discuss the sewer main break by water district. Wants a FERRF sign.
- c) **City of Redwood City:** RMC and District Staff met with Staff from Redwood City regarding their recycled water project and the District's Bayfront Recycled Water Facility Feasibility Study. DM will provide further details in the Recycled Water update agenda Item.

3) Upcoming Events:

- a) October 28 – Facebook Halloween Festival
- b) Dec 14 Christmas luncheon

4) Misc./Action Items from Previous Meeting:

- a) **SSOs:** 5 SSO's in 2017.
- b) **Recycled Water:** RFP for Sharon Height project received on Oct. 4 and proposal interviews are scheduled for Oct. 9.
- c) **Recruitment:** Currently recruiting for Maintenance Worker, Operations Supervisor and Projects & Engineering Technician. Temporary office help will be required due to anticipated maternity leave.

5) Resource Sharing:

- a) **Town of Los Altos Hills:** 1 SSO in 2016. 2 SSO in 2017. 1 caused by Contractor.
- b) **Town of Woodside:** 0 SSO's in 2016. 1 pump station SSO in 2017 (Pump station maintenance performed by others). Collection System Maintenance agreement has been renewed. Town has asked District to provide pump station maintenance by amendment to the agreement beginning in October. An agenda item is included to address this amendment.

11. Consent Calendar

- A. Approval of Minutes for Regular meeting September 27, 2017
- B. Approval of the Withdrawal Order Authorizing Payment of Certain Bills and Salaries and Consideration of Other Financial Matters for October 11, 2017
- C. WBSD Operations and Maintenance Report – September 2017 Pg. 11C-1
- D. Town of Los Altos Hills Operations and Maintenance Report for Work Performed by WBSD – September 2017
- E. Consideration of Resolution Consenting to Annexation of Territory to the West Bay Sanitary District by the San Mateo County Local Agency Formation Commission – 185 Shawnee Pass, Portola Valley (077-290-010), Lands of TJB Investments, LLC
- F. Consideration of Accepting Sewer Facilities Constructed Pursuant to Class 3 Sewer Permit No. 1047 for the Construction of Wastewater Facilities for 612 College Ave., Menlo Park
- G. Consideration of Approving Contract Change Order No. 4 to Ranger Pipelines, Inc. for the Belle Haven II Sewer Rehabilitation Capital Improvement Project in Menlo Park, CA

Motion by: Thiele-Sardiña 2nd by: Otte Vote: AYE: 5 NAY: 0 Abstain: 0

CONSIDERATION OF ITEM(S) REMOVED FROM THE CONSENT CALENDAR

Comments: As amended page 11 A-3

- 12. Consider Adoption Of Resolution Approving Amendment No. 4 To The Maintenance Services Agreement Between West Bay Sanitary District And The Town Of Woodside For Sanitary Sewer Maintenance Services for The Town of Woodside And Authorize The District Manager To Execute the Amended Agreement On Behalf Of The District**

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

Comments: None

- 13. Consideration to Accept the Performance Merit Pay Program Results Oct. 1, 2016 to Sept. 30, 2017 and Authorize the District Manager to Disburse the Final Payout**

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

Comments: Staff presented the Board with 3 options for the PMP payout, based on whether any exceptions would be granted to having SSO's by others count against the performance measures: Option 1 - "No Exceptions" Payout to be based on 84.85% or \$4242.50 per FTE. Option 2 – "One SSO Exception" Payout to be based on 91.65% or \$4582.50 per FTE. Option 3 – "Two SSO Exceptions" Payout to be based on 98.25% or \$4912.50 per FTE. The Board ultimately chose option 3.

14. Consideration of Adopting Resolution Honoring the Service of Richard Kinder to the District

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

Comments: None.

15. Discussion and Direction on Recycled Water Projects - Sharon Heights & Bayfront

Comments: 3 Design/Build (DB) Proposals received October 4. Held RFP Interviews/Presentations October 9. Commencing Negotiations with highest ranked team. Proposed DB costs significantly higher than estimated in Dec 2015. Lot Line Adjustment work was reported as conditionally approved by City of Menlo Park Planning.

16. Report & Discussion on South Bayside Waste Management Authority (SBWMA) and Negotiations for Restated Franchise Agreement

Comments: Met with Recology and drafted franchise agreement changes. Have legal review proposed changes. No October meeting will meet in November. Annual audit is beginning now. Curbside collection of household hazardous waste and batteries is being discontinued in January 2018.

17. Report & Discussion on Silicon Valley Clean Water (SVCW) and Discussion on SVCW CIP Program

Comments: October 5 meeting approved Phase 1 of gravity pipeline project.

18. Closed Session

- A. LIABILITY CLAIM
(Cal. Govt. Code §54956.9(d)(2))
Claim of Jacobs (25528 Hidden Springs Court, Los Altos Hills)
- B. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Cal. Govt. Code §54956.9(d)(2): 1 potential

Entered closed session at 9:09 p.m. Left closed session at 9:23 p.m.

Reportable action: None

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

Comments: None

20. Adjournment Time: The meeting was adjourned at 9:24 PM

/s/ Fran Dehn
Secretary (pro-tem)