

1902 - Serving Our Community for over 115 Years - 2020
WEST BAY SANITARY DISTRICT
AGENDA OF BUSINESS
REGULAR MEETING OF THE DISTRICT BOARD
WEDNESDAY, FEBRUARY 12, 2020 AT 7:00 P.M.
RONALD W. SHEPHERD ADMINISTRATION BUILDING,
500 LAUREL STREET, MENLO PARK, CALIFORNIA 94025

Board Members

Fran Dehn, President
David Walker, Secretary
Roy Thiele-Sardiña, Treasurer
Edward P. Moritz, 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 to Approve a General Regulation Amending the Code of General Regulations for Section 406. Backflow Prevention Devices and Section 901. Sewer Connection Charges (03) Charges by Type of Connection – Accessory Dwelling Unit Pg. 3-1
4. Consideration to Approve a General Regulation Amending the Code of General Regulations for Section 406. Backflow Prevention Devices and Section 901. Sewer Connection Charges (03) Charges by Type of Connection – Accessory Dwelling Unit Pg. 4-1
5. Consideration of the Establishment of a Public Hearing Date for Proposed Increase in Sewer Service Charges as Required by Proposition 218, Adopt the Updated Sewer Rate Study and Provide Staff Direction Regarding the Sewer Service Charge Rate Adjustment and the Mailing of the Proposition 218 Notice for a Public Hearing Pg. 5-1
6. Consider to Approve Second Quarter Internal Financial Statements & Analysis of Financial Position as of Quarter End December 31, 2019 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 January 22, 2020 Pg. 8A-1
 - B. Approval of the Withdrawal Order Authorizing Payment of Certain Bills and Salaries and Consideration of Other Financial Matters for February 12, 2020 Pg. 8B-1

- C. WBSD Operations and Maintenance Report – January 2020 Pg. 8C-1
 - D. Town of Los Altos Hills Operations and Maintenance Report for Work Performed by WBSD – January 2020 Pg. 8D-1
 - E. Consideration of Accepting the Work Pursuant to Class 3 Sewer Permit No. 1101 for the Access Path and Grading Around an Existing Manhole Pg. 8E-1
 - F. Consideration of Accepting Sewer Facilities Constructed Pursuant to Class 3 Sewer Permit No. 1075 for the Construction of the Gravity Main Extension for 105 & 109 Santa Maria, Portola Valley, California Pg. 8F-1
9. Discussion and Direction on Recycled Water Projects - Sharon Heights & Bayfront, Including Project Status Pg. 10-1
 10. Report & Discussion on South Bayside Waste Management Authority (SBWMA) Pg. 11-1
 11. Report & Discussion on Silicon Valley Clean Water (SVCW), Discussion on SVCW CIP Program and Financing Pg. 12-1
 12. Closed Session:
 - A. 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
 - B. CONFERENCE WITH LABOR NEGOTIATORS
(Pursuant to Cal. Govt. Code §54957.6) Agency designated representatives: Legal Counsel
Unrepresented Employee: District Manager
 - C. PUBLIC EMPLOYMENT
(Pursuant to Cal. Govt. Code §54957)
Title: District Manager Recruitment
 - D. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
(Subdivision (a) of Section 54956.9)
Chan, Moreno, Vestnys, Pebbles v. WBSD – San Mateo County Court Case No. 19CIV07567
 13. Comments or Reports from Members of the District Board and Consider Items to be Placed on Future Agenda
 14. 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: *Phil Scott, District Manager*

Subject: *Public Hearing: Consider a General Regulation Amending the Code of General Regulations for Section 406. Backflow Prevention Devices and Section 901. Sewer Connection Charges (03) Charges by Type of Connection – Accessory Dwelling Unit*

Background

Backflow Prevention Devices:

Recently, agencies have experienced lawsuits for inverse condemnation when a sewage back up floods a house/building. The City of Oroville was successful in defending against such a lawsuit largely because they had sufficient language in their Code assigning responsibility to the homeowner to install a backflow prevention device to avoid such flooding and subsequent damage to the house/building. CSRMA is requesting agencies review and revise, if necessary, their Code of General Regulations to strengthen their position on the installation of Backflow Prevention Devices.

Accessory Dwelling Units:

California Government Code Section 65852.2 was amended in 2017 (eff. Jan. 1, 2018) and again in 2019 (eff. Jan. 1, 2020). The pertinent language of that Section indicates, in essence, that the District can no longer charge a connection fee for an ADU that's constructed within an existing single-family dwelling or accessory structure, but can charge for an ADU that is in a newly constructed building or added-on to an existing dwelling.

Analysis

Staff is recommending the Board adopt an amendment the Code of General Regulations (CGR) to comply with the recent legislation regarding the Accessory Dwelling Units and to revise the Districts CGR language to comply with the California Sanitary Risk Management Authority's recommendation to clearly outline the Property Owners responsibility to install a Backflow Prevention Device when conditions require them.

Section 901. Sewer Connection Charges (03) Charges by Type of Connection – Accessory Dwelling Unit:

Per the District’s Legal Counsel’s recommendation, the CGR is recommended to be amended as follows (changes is purple and underlined):

Accessory Dwelling Unit

(a) Pursuant to Section 65852.2 of the California Government Code the District will charge an Accessory Dwelling Unit Connection Fee based on the number of plumbing fixture units (FU). District establishes 20 FU’s per EDU (equivalent dwelling unit) as the basis for charging accessory dwellings. The connection fee per fixture unit (FU) would be multiplied times the number of fixture units in the accessory dwelling unit to charge a connection for the accessory dwelling unit.

(b) Exceptions. Effective January 1, 2020, the District will not charge a Connection Fee for an accessory dwelling unit that is less than 750 square feet in accordance with Subsection (f)(3)(A) of Section 65852.2, or for any accessory dwelling unit or junior accessory dwelling unit that is no more than 500 square feet in size and within the existing space of a single-family dwelling or accessory structure in accordance with Subsection (e)(1)(A) and Government Code Section 65852.22. For an accessory dwelling unit that is within the proposed space of a new single-family dwelling, the standard charge per fixture unit shall apply.

SECTION 406. Backflow Prevention Devices.

With the District’s Legal Counsel guidance the following is proposed language to clearly establish the Property Owner’s responsibility to install a backflow device when conditions require:

~~The District Manager may require the installation of~~ Property owners shall install a backflow prevention device on any side sewer for gravity sewer laterals connecting houses/buildings having a finished floor elevation less than 12” above the top elevation of the nearest upstream structure (manhole). The device shall be located on the side sewer between the Building and the Conforming Property Line Cleanout Assembly and shall be installed in conformance with the current Universal Plumbing Code. The property owner shall be solely responsible for all costs of installation and maintenance of such devices.

Fiscal Impact

The fiscal impact is undetermined at this point but is expected to be a minimal loss in connection charges related to ADU’s within an existing building. There should be no direct fiscal impact to the change in language for Backflow devices but a potential savings in legal fees and judgements in the event of a future backup that affects the interior of a home/building.

Recommendation

The District Manager recommends the Board adopt an amendment to the Code of General Regulations for Section 406. Backflow Prevention Devices and Section 901. Sewer Connection Charges (03) Charges by Type of Connection – Accessory Dwelling Unit.

WEST BAY SANITARY DISTRICT

GENERAL REGULATION NO. _____

**A REGULATION AMENDING GENERAL REGULATION NO. 58 “A GENERAL
REGULATION ADOPTING CODE OF GENERAL REGULATIONS”**

BE IT ORDAINED AND ENACTED BY THE District Board of West Bay Sanitary District that General Regulation No. 58, “A General Regulation Adopting Code of General Regulations”, passed and approved on November 27, 1982, as heretofore amended, is further amended as follows:

SECTION 406. Backflow Prevention Devices.

Effective February 23, 2020, this Regulation shall read:

Property owners shall install a backflow prevention device on any side sewer for gravity sewer laterals connecting houses/buildings having a finished floor elevation less than 12” above the top elevation of the nearest upstream structure (manhole). The device shall be located on the side sewer between the Building and the Conforming Property Line Cleanout Assembly and shall be installed in conformance with the current Universal Plumbing Code. The property owner shall be solely responsible for all costs of installation and maintenance of such devices.

And

SECTION 901. Sewer Connection Charges (03) Charges by Type of Connection – Accessory Dwelling Unit:

(a) Pursuant to Section 65852.2 of the California Government Code the District will charge an Accessory Dwelling Unit Connection Fee based on the number of plumbing fixture units (FU). District establishes 20 FU’s per EDU (equivalent dwelling unit) as the basis for charging accessory dwellings. The connection fee per fixture unit (FU) would be multiplied times the number of fixture units in the accessory dwelling unit to charge a connection for the accessory dwelling unit.

(b) Exceptions. Effective February 23, 2020, the District will not charge a Connection Fee for an accessory dwelling unit that is less than 750 square feet in accordance with Subsection (f)(3)(A) of Section 65852.2, or for any accessory dwelling unit or junior accessory dwelling unit that is no more than 500 square feet in size and within the existing space of a single-family dwelling or accessory structure in accordance with Subsection (e)(1)(A) and Government Code Section 65852.22. For an accessory dwelling unit that is within the proposed space of a new single-family dwelling, the standard charge per fixture unit shall apply.

Passed and approved by the District Board of the West Bay Sanitary District on February 22, 2020 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

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

Attest:

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



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 4**

To: Board of Directors

From: Phil Scott, District Manager

Subject: Consider a General Regulation Amending the Code of General Regulations for Section 406. Backflow Prevention Devices and Section 901. Sewer Connection Charges (03) Charges by Type of Connection – Accessory Dwelling Unit

Following the Public Hearing, the Board is asked to approve amending the Code of General Regulations for Section 406. Backflow Prevention Devices and Section 901. Sewer Connection Charges (03) Charges by Type of Connection – Accessory Dwelling Unit.

Attachment: General Regulation____ (2020)

WEST BAY SANITARY DISTRICT

GENERAL REGULATION NO. _____

**A REGULATION AMENDING GENERAL REGULATION NO. 58 “A GENERAL
REGULATION ADOPTING CODE OF GENERAL REGULATIONS”**

BE IT ORDAINED AND ENACTED BY THE District Board of West Bay Sanitary District that General Regulation No. 58, “A General Regulation Adopting Code of General Regulations”, passed and approved on November 27, 1982, as heretofore amended, is further amended as follows:

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Effective February 23, 2020, this Regulation shall read:

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And

SECTION 901. Sewer Connection Charges (03) Charges by Type of Connection – Accessory Dwelling Unit:

(a) Pursuant to Section 65852.2 of the California Government Code the District will charge an Accessory Dwelling Unit Connection Fee based on the number of plumbing fixture units (FU). District establishes 20 FU’s per EDU (equivalent dwelling unit) as the basis for charging accessory dwellings. The connection fee per fixture unit (FU) would be multiplied times the number of fixture units in the accessory dwelling unit to charge a connection for the accessory dwelling unit.

(b) Exceptions. Effective February 23, 2020, the District will not charge a Connection Fee for an accessory dwelling unit that is less than 750 square feet in accordance with Subsection (f)(3)(A) of Section 65852.2, or for any accessory dwelling unit or junior accessory dwelling unit that is no more than 500 square feet in size and within the existing space of a single-family dwelling or accessory structure in accordance with Subsection (e)(1)(A) and Government Code Section 65852.22. For an accessory dwelling unit that is within the proposed space of a new single-family dwelling, the standard charge per fixture unit shall apply.

Passed and approved by the District Board of the West Bay Sanitary District on February 22, 2020 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

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

Attest:

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

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WEST BAY SANITARY DISTRICT AGENDA ITEM 5

To: *Board of Directors*

From: *Phil Scott, District Manager*
Sergio Ramirez, Operations Superintendent

Subject: *Consideration of the Establishment of a Public Hearing Date for Proposed Increase in Sewer Service Charges as Required by Proposition 218, Adopt the Updated Sewer Rate Study and Provide Staff Direction Regarding the Sewer Service Charge Rate Adjustment and the Mailing of the Proposition 218 Notice for a Public Hearing*

Background

In August of 2019 the District contracted with HF&H Consultants to prepare an updated FY 2020-21 sewer rate study and sewer rate model that would serve to amend the existing financial plan completed by HF&H which was included in the 2011 Master Plan.

The updated sewer rate study and model contains a 5-year revenue requirement projection from which future rate increases are anticipated to be adopted in compliance with Proposition 218, though each year's rate increase may be adopted separately. In addition to updating and presenting the sewer rate study and model to staff and the District Board, the Consultant has prepared a final project report, has assisted with a rate study workshop, and has assisted with the preparation of the notice in accordance with Proposition 218 legislation, and will assist with the public hearing(s).

A Sewer Rate Study Workshop was held on January 22, 2020 in which preliminary information regarding anticipated rate adjustments, options for alternate rate structures, biochemical and suspended solids loading charges, and cost of service analysis were discussed. The Board directed HF&H to complete the Sewer Rate Study for the FY 2020-21 and present the findings in a final draft report.

Analysis

The Sewer Rate Study took into consideration updated data on cash flow, revenues, anticipated Capital Improvement Plan projects, District O&M expenses, changes in expenses related to labor negotiations, SVCW (Silicon Valley Clean Water) debt service, SVCW O&M expenses, SVCW cost allocations, and included the addition of 250 Equivalent Dwelling Units (EDUs) per year. HF&H inputted the data and returned

with a revised rate model which predicted rate increases for residential in the order of 4.0% in 2020-21 and for the next four years thereafter. Three years ago, the rate study included a Cost of Service Analysis and the report recommended that the Non-Residential rates increase for each of the loading factors, Bio-Chemical Oxygen Demand and Total Suspended Solids. To soften the impact, these increases were phased in over approximately three years.

This year the District reviewed the current cost of service for the Onsite Wastewater Disposal Zone customers. Approximately 79 homes in the Portola Valley area (located within the On-Site Wastewater Disposal Zone) pay higher charges for the maintenance of the STEP or Grinder Sewer Collection Systems that they require. The District currently charges an additional \$320 annually to maintain these collection systems. However, the current cost of service per account exceeds the current charge by \$619. To realign charges with the cost of service, charges for the maintenance of the STEP/Grinder Sewer Collection Systems are proposed to increase annually over the next five fiscal years. For fiscal year 2020/21, the proposed STEP/Grinder Sewer Collection System charge is \$470, an increase of \$150.

Following considerable Board discussion at the January 22nd Board meeting, over the proposed rate increase, and the effects on the cash flow in the months of July through November, when the District receives no tax roll revenue, the Board gave direction to consider the above recommended approach to future sewer service charges, allowing that continued annual rate studies will need to be conducted to adjust to changes in the economic environment.

The Sewer Rate Study includes a model designed to meet revenue requirements, ensure a high coverage ratio for debt expense in order to continue to obtain favorable bond rates, and preserve target reserve balances as desired by the Board. HF&H and Staff worked hard to design a model that would meet the above criteria and result in the lowest cumulative increase of any rate scenario over the five-year horizon.

The forecast increases are slightly lower than last year's projections for FY2020-21. Of the overall 4% rate increase in FY 2020-21, approximately 2.5% is attributable to increases in SVCW's projected costs over the next five fiscal years and 1.5% is attributable to increases in the District's local operations and capital expenses over the next five fiscal years. The increases attributable to SVCW are due to increased debt service expense for the SVCW treatment plant Capital Improvement Plan. The treatment plant is the midst of implementing a Capital Improvement Plan that includes projects to replace agency pump stations, force mains, and plant infrastructure, which were deferred for many years.

Included in the FY 2020-21 rate adjustments is the expense of meeting the District's share of debt service on approximately \$256 million in bonds and SRF loans to fund the SVCW's Capital Improvement Program. The District anticipates the estimated total for the SVCW Capital Improvement Program to exceed \$636 million over the next 7 years. The District's debt service expense will eventually exceed \$11 million per year to fund the expense of debt service in order to finance the SVCW Capital Improvement Program.

Due to frugal management practices, and only small increases in labor costs, there is very little increase projected in the District's own O&M expenses. However, significant factors in the proposed increase in rates are a result of increases in the following areas:

- SVCW debt service for scheduled capital improvement projects
- SVCW O&M costs
- Necessary increases in operating reserves to match 5 months of operating expenses.
- Annual Contributions of \$1.5M to the Rate Stabilization Reserve to pay down debt service once a significant amount of reserves are accumulated.
- Meeting all target operating, capital, and emergency reserves by FY 2024-25
- Fully funding PERS Unfunded liability by FY 2024-25

Redwood City is expected to increase their sewer service charges by 3% to 5% for FY20-21, to meet their SVCW related debt service and operating revenue requirement. The City of San Carlos has a residential sewer service charge of \$1,227.93 for FY19-20 and they have not determined what increase will be adopted in FY20-21. A 4% increase in West Bay Sanitary District's sewer service charge would bring the monthly rate to the current San Carlos level and in line with the rates of our JPA partners.

Several budgetary items have shown change since last year's rate study update:

- SVCW issued a total of \$140M with \$48M allocable to West Bay Sanitary District of which \$35M is allocable for the SVCW RESCUE Capital Projects. The remaining \$13M allocable to West Bay was paid from cash reserves and maturities from invested reserves in 2019. The District is now including replenishment of those reserves in the rate study projections.
- West Bay may further decrease the impact of these bonds by using the Rate Stabilization reserve to buy down future debt in 2025 or later.
- Negotiated MOU salary increases of 4% per year.
- The District is adding a Wastewater Operator/Supervisor position in the newly reorganized Water Quality Department whose salary will be partially offset by the O&M fees related to the Recycled Water Facility.

These changes in West Bay's overall economic picture translated to a needed residential rate increase in the order of 4% for FY2020/21 based on SVCW plant improvement projections and the District's CIP plans.

The attached Final Draft Sewer Rate Study report incorporates the Board comments from the Sewer Rate Study workshop and is presented for the Board's consideration to adopt and at the same time establish a date for a public hearing on sewer service charges in accordance with Proposition 218 requirements. An electronic version of the model will be available at the Board meeting, which will allow us to model the impacts of any further refinements to the budget/inflation assumptions in the model.

Fiscal Impact

A 4% increase in residential sewer service charges will result in annual sewer service rates for a single family home increasing from \$1,177 to \$1,224 per year. For homes (approximately 79 homes) within the OWDZ (Onsite Wastewater Disposal Zone), primarily in Portola Valley, the anticipated sewer service charge will increase from \$1,497 to \$1,694 per household. Overall, this equates to an increase in revenues of approximately \$1.2M per year.

Recommendation

The District Manager is seeking Board policy direction to increase sewer service charge rates to cover costs outlined above and in the revised rate study and the 2011 financial plan. A rate increase of approximately 4% per SFR is needed to meet the anticipated required revenue and increases in non-residential (commercial/industrial) rates averaging 4%.

Therefore, the District Manager recommends:

1. The Board adopt the updated Sewer Rate Study and set a Public Hearing date for April 22, 2020 to review the proposed sewer service charge increase for the year FY 2020-21 (effective July 1, 2020); and
2. Provide staff direction regarding the sewer service charge rate adjustment for FY 2020-21, the revised rate study, and the mailing of the Proposition 218 notice for a public hearing to be held on April 22, 2020 prior to adoption of the sewer service charges for FY 2020-21.

Attachments:

Final Draft Sewer Rate Study by HF&H Consultants dated February 7, 2020

Draft 218 Notice of Public Hearing Mailer



WEST BAY SANITARY DISTRICT

PUBLIC HEARING ON PROPOSED INCREASE IN SEWER SERVICE CHARGES April 22, 2020

(Please Share This Information with Tenants)



The West Bay Sanitary District provides sewer service to approximately 55,000 customers in areas of Menlo Park, Atherton, Portola Valley, East Palo Alto, Woodside, and Unincorporated San Mateo and Santa Clara Counties. The District, established in 1902, owns and operates more than 200 miles of main line sewers and 13 pumping stations throughout the service area. The District's sewer system is aging. In order to meet our goal of providing safe, reliable service to our customers, the District proposes a sewer service rate change effective July 1, 2020, through the annual property tax bill beginning in November 2020.

In order to ensure proper maintenance of the collection system and proper connections to the system, the District employs 30 people. The District's fiscal year begins on July 1 and ends on June 30 of the following year. Customers are billed annually on the San Mateo County tax rolls.

Collection System Infrastructure Replacements

Since 2010, the District has been committed to a system-wide rehabilitation and replacement program. The District's goal is to proactively replace the entire 210-mile sewer system before it reaches the end of its useful life. More than half of the District's sewer lines are in excess of 50 years old. These older lines often experience heavy root intrusion, corrosion, and local failures. Gaps in the pipeline system admit groundwater during wet weather; this additional water floods the system and, if severe, could result in overflows from the existing system manholes. This additional water also increases the flows that need treatment at the regional treatment plant (see below). The estimated cost of this pipeline replacement program is approximately \$7 million annually, which has increased significantly in recent years as construction costs continue to rise at a rate greater than inflation as the economy continues to improve.



Cracked Clay Sewer Pipe

In addition, the District has implemented an aggressive preventive maintenance program in accordance with guidelines established by the State Water Resources Control Board. In order to continue to fund these sewer system operations and improvements on a pay-as-you-go basis, which ultimately keeps costs down for the ratepayers, the collection system component of the sewer service charge must be increased slightly in fiscal year 2020/21.

SVCW Treatment Plant Improvements

The District sends wastewater north to the Silicon Valley Clean Water (SVCW) Wastewater Treatment Plant, located in Redwood Shores. The SVCW facility also treats wastewater from Redwood City, San Carlos, and Belmont. The District's share of operating costs for SVCW are approximately \$7M per year. In addition, in 2008, SVCW began a significant program to plan, design, and construct over \$931 million in capital improvement projects through 2030. These projects replace aging facilities and enable the treatment plant to meet more stringent wastewater permit requirements. The cost of funding the District's portion of these critical projects must be incorporated in the sewer rates, and are defined as a separate wastewater component of the rates. This cost represents a large majority of the required sewer service charge increase.

Proposed Rates

A sewer service charge rate study, completed by the District's rate consultant, HF&H Consultants (HF&H), found District rates need to increase to cover operating and capital expenses for fiscal year 2020/21. A cost-of-service analysis was completed in February 2020 to ensure each customer class's proportionate share of the District's costs was accurate. Residential and Commercial/Industrial rates are proposed to increase by 4%.

Approximately 79 homes in the Portola Valley area (located within the On-Site Wastewater Disposal Zone) pay higher charges for the maintenance of the STEP or Grinder Sewer Collection Systems that they require. The District currently charges an additional \$320 annually to maintain these collection systems. However, the current cost of service per account exceeds the current charge by \$619. To realign charges with the cost of service, charges for the maintenance of the STEP/Grinder Sewer Collection Systems are proposed to increase annually over the next five fiscal years. For fiscal year 2020/21, the proposed STEP/Grinder Sewer Collection System charge is \$470, an increase of \$150.

Non-residential customers pay charges based on their metered water use from the prior twelve months (measured in CCF or hundred cubic feet). Each non-residential charge is the product of the customer's flow multiplied by the rate corresponding to the customer's class. Industrial customers are billed based on each customer's prior annual flow and the strength of the customer's wastewater based on sampling data.

Summary of Current and Proposed Rates

	Current FY 2019/20	Proposed FY 2020/21
Residential (per Dwelling Unit)		
Single Family, Multi-Family	\$1,177	\$1,224
On-site Wastewater Disposal Zone	\$1,497	\$1,694
Commercial (per CCF)		
Retail/Commercial	\$9.48	\$9.86
Institution/Public	\$8.89	\$9.24
Restaurants	\$19.98	\$20.78
Supermarkets with Grinders	\$20.20	\$21.01
Hospitals	\$9.81	\$10.20
Hotels with Dining Facilities	\$16.13	\$16.78
Industrial		
Flow rate (per CCF)	\$7.00	\$7.28
BOD (per pound)	\$1.23	\$1.28
TSS (per pound)	\$1.41	\$1.46

Single-Family Rate Breakdown

Component	Current	Proposed (per dwelling unit) FY2020/21
Collection	\$609 (52%)	\$702 (57%)
Treatment	\$569 (48%)	\$522 (43%)
Total	\$1,177	\$1,224

Fairness Principle

Customers pay only for the proportional cost of their service. The proposed rate increase will provide funds to pay for the District’s planned operational costs, capital improvements through June of 2021 (including engineering, administrative, and implementation costs), and to repay the District’s share of principal and interest on SVCW loans and bonds, for their capital construction during this period.



SVCW Regional Treatment Plant

Emergency Service

To request service, please call (650) 321-0384, 24 hours a day, 365 days per year.

The District provides 24-hour emergency service. We recommend that you always contact the District in the event that you are having a problem with your sewer. District Emergency Response crews will check the main line sewer to ensure that it is flowing correctly, and will advise you if the problem is located in the portion of the sewer from the main line to your home (this is your private sewer lateral).

If your property does not have a conforming cleanout (which looks like a 4-inch capped pipe near the street or near your home), it is recommended that you install one. A permit must be obtained from the District office. All new installations require conforming cleanouts.

www.westbaysanitary.org



West Bay Sanitary District
500 Laurel Street
Menlo Park, CA 94025-3427

Important Information – Notice of Public Hearing
Wednesday, April 22, 2020 at 7:00 p.m.

Presorted
First Class
U.S. Postage
Paid
San Bruno, CA
Permit No. 655



WEST BAY SANITARY DISTRICT
NOTICE OF PUBLIC HEARING

Notice is given that the Board of Directors of West Bay Sanitary District will conduct a Regular Meeting and Public Hearing on **Wednesday evening, April 22, 2020 at 7:00 p.m.**

The location of the meeting is: West Bay Sanitary District
Ronald W. Shepherd Administration Building
500 Laurel Street
Menlo Park, California 94025

The purpose of the Public Hearing will be to consider a proposed increase in Sewer Service Charge fees for all District customers, for fiscal year 2020/21. At the Public Hearing, any interested persons may address the District Board. The proposed rates are \$ 1,224 per Single Family Residence for fiscal year 2020/21, which is a \$47 increase from fiscal year 2019/20. For customers in the On-Site Wastewater Disposal Zone, the proposed rates are \$1,694 for fiscal year 2020/21, which is a \$197 increase from fiscal year 2019/20.

If you wish to file a written protest, please send a letter in a sealed envelope to the address above. 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 April 22, 2020, or it must be presented at the District Board meeting on April 22, 2020 prior to the close of the public hearing on this matter. Any person interested, including all sanitary sewer 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.



WEST BAY SANITARY DISTRICT FY 2020-21 SEWER RATE STUDY



DRAFT REPORT – February 7, 2020



HF&H Consultants, LLC
5-7

West Bay Sanitary District

500 Laurel Street
Menlo Park, CA 94025



Sewer Rate Study

DRAFT REPORT

HF&H Consultants, LLC

201 North Civic Drive, Suite 230
Walnut Creek, CA 94596



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ACRONYMS

FY	Fiscal Year
CCF or HCF	Hundred cubic feet of metered water sold; 748 gallons; a cube of water 4.6 feet on edge
BOD	Biochemical Oxygen Demand
COS	Cost of Service
EDU	Equivalent Dwelling Unit
FTE	Full-Time Equivalent
GPD	Gallons per Day
I&I	Inflow & Infiltration
MGL	Milligrams per Liter
O&M	Operations and Maintenance
PAYGo	Pay-As-You-Go, in reference to funding capital improvements from cash rather than from borrowed sources of revenue
SHGCC	Sharon Heights Golf & Country Club
SLAC	Stanford Linear Accelerator Center
SVCW	Silicon Valley Clean Water, a Joint Powers Authority that is responsible for regional conveyance and wastewater treatment for West Bay Sanitary District and the cities of Redwood City, San Carlos and Belmont.
STEP	Septic Tank Effluent Pumping systems
TSS	Total Suspended Solids

ACKNOWLEDGEMENTS

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Sewer Rate Study

1. BACKGROUND AND SUMMARY

1.1. Background

The District provides wastewater collection and conveyance services to approximately 32,000 residential, commercial, and industrial equivalent dwelling units (EDU) through a system of pipelines and pump stations that transport their wastewater to the Silicon Valley Clean Water (SVCW) facility for treatment and discharge into San Francisco Bay. SVCW is a Joint Powers Authority (JPA) that provides wastewater treatment services to the Cities of Redwood City, San Carlos, and Belmont as well as the District.

The District owns and operates wastewater collection system facilities serving portions of Menlo Park, Atherton, and Portola Valley. Wastewater from these communities is treated at the SVCW treatment plant, the cost for which is billed to the District and included in the District's sewer service charges. In addition, the District maintains the wastewater collection system operations for the Towns of Los Altos Hills and Woodside under service contracts. Wastewater from these communities is treated at the Palo Alto Regional Water Quality Control plant. Under the services contracts, the District is fully compensated by the towns. The towns are responsible for setting rates for their customers, which will cover the District's cost as well as the cost of treatment.

1.2. Five-Year Financial Plan

This report presents a financial plan for the District that incorporates the capital improvements identified in the District's Master Plan, as well as the latest available projections provided by SVCW in their January 2020 Long Range Financial Plan. The District's five-year financial plan comprises:

- Projected District operating and capital expenses to maintain the collection system;
- Projected SVCW operating and capital expenses to maintain and upgrade the sewer treatment plant;
- Projected reserve balances and targets;
- Projected revenues from the District's current and proposed sewer service charges; and,
- Projected growth within the District.

The results of the financial plan indicate the annual increases in sewer service charges that are projected to fund the District's expenses and maintain adequate reserves. Detailed spreadsheets comprising the five-year financial plan are included in Appendix A.

1.3 Recent Rate Increases

During the last five years, the District's residential sewer service charges have increased as shown in **Figure 1-1**.

Figure 1-1. Recent Rates and Rate Increases

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Residential Sewer Service Charge	\$974	\$1,031	\$1,072	\$1,126	\$1,177
Annual Increase - \$ per Year		\$57	\$41	\$54	\$51
Percentage Increase		5.9%	4.0%	5.0%	4.5%

The increases during this period were primarily attributable to SVCW's increasing debt service allocation to the District to fund treatment plant upgrades and, secondarily, to increases in the District's reserves that was necessitated to bring them to the target levels.

1.4. Current Sewer Rates

The District charges sewer customers annually on the tax rolls, which is a common practice for billing for sewer service. Billing on the tax rolls is less expensive than it would be if the District issued its own bills while allowing the County to easily levy liens for nonpayment. Even though the District bills through the tax rolls, its sewer service charges are not a tax or assessment. Unlike taxes or assessments, which are based on land-related characteristics such as assessed value or parcel size, the District's sewer charges are a form of service fee or charge that is proportionate to the cost of providing sewer service.

Residential customers are charged per dwelling unit. In addition, approximately 79 homes in the Portola Valley area (located within the On-Site Wastewater Disposal Zone) pay higher charges (currently \$320 per year) for the maintenance of the Septic Tank Effluent Pump (STEP) system or Grinder Sewer Collection Systems that they require.

Commercial customers pay charges based on their metered water use from the prior calendar year (measured in CCF or hundred cubic feet). Each non-residential charge is the product of the customer's flow multiplied by the rate corresponding to the customer's class.

Industrial customers are billed based on each customer's annual flow and the strength of the customer's wastewater based on sampling data.

Current rates for FY 2019-20 were adopted by the Board in May 2019, as follows:

Figure 1-2. Current Rates

	Current FY 2019-20
<u>Residential (charge per DU)</u>	
Single Family, Multi Family	\$1,177
On-site Wastewater Disposal Zone	\$1,497
<u>Commercial (charge per CCF)</u>	
Retail/Commercial	\$9.48
Institution/Public	\$8.89
Restaurants/Bakeries	\$19.98
Supermarkets with Grinders	\$20.20
Hospitals	\$9.81
Hotels with Dining Facilities	\$16.13
<u>Industrial (measured)</u>	
Flow Rate Charge per CCF	\$7.00
BOD Rate Charge per pound	\$1.23
TSS Rate Charge per pound	\$1.41

1.5. Findings and Recommendations

1.5.1 Projected Rate Increases During Five-Year Planning Period

Figure 1-3 indicates the annual revenue increases projected for the five-year planning period, beginning with FY 2020-21. The increases indicated below reflect updated assumptions and currently available information. Revenues are projected to increase greater than the 4% increase to the rates due to growth in the number of dwelling units. The five-year financial plan assumes 250 new dwelling units each year. Note: due to the District billing on the tax roll, the projected annual revenue increases reflect a one-year delay in the realization of the revenue from growth. For example, the growth which occurs in FY 2020-21 will first appear on the tax rolls in FY 2021-22.

Figure 1-3. Projected Rate and Revenue Increases

Fiscal Year	Projected Rate Increase	Projected Revenue Increase
2020-21	4%	4%
2021-22	4%	5%
2022-23	4%	5%
2023-24	4%	5%
2024-25	4%	5%

1.5.2 Recommended Rates for FY 2020-21

The following figure shows the current FY 2019-20 rates and the proposed FY 2020-21 rates, which reflect a 4% across-the-board increase to all customer classes. In addition, we are recommending an additional \$150 increase to those customers within the On-Site

Wastewater Disposal Zone for the increases in costs to maintain the STEP or Grinder Sewer Collection Systems that they require¹.

Figure 1-4. Current and Proposed FY 2020-21 Rates

	Current FY 2019-20	Proposed FY 2020-21	\$ Chg	% Chg
Residential (charge per DU per year)				
Single Family, Multi Family	\$1,177	\$1,224	\$47	4.0%
On-site Wastewater Disposal Zone ¹	\$1,497	\$1,694	\$197	13.2%
Commercial (charge per CCF)				
Retail/Commercial	\$9.48	\$9.86	\$0.38	4.0%
Institution/Public	\$8.89	\$9.24	\$0.36	4.0%
Restaurants/Bakeries	\$19.98	\$20.78	\$0.80	4.0%
Supermarkets with Grinders	\$20.20	\$21.01	\$0.81	4.0%
Hospitals	\$9.81	\$10.20	\$0.39	4.0%
Hotels with Dining Facilities	\$16.13	\$16.78	\$0.65	4.0%
Industrial (measured)				
Flow Rate Charge per CCF	\$7.00	\$7.28	\$0.28	4.0%
BOD Rate Charge per pound	\$1.23	\$1.28	\$0.05	4.0%
TSS Rate Charge per pound	\$1.41	\$1.46	\$0.06	4.0%

¹ Section 3 of this report provides details of the larger percentage increase recommended for those customers within the On-site Wastewater Disposal Zone

2. REVENUE REQUIREMENT PROJECTIONS

A spreadsheet model was developed to derive revenue requirements for a five-year planning period, FY 2020-21 through FY 2024-25. The revenue requirements represent the costs that must be covered by revenue from rates and other sources. The District's Operations & Maintenance (O&M) budget for FY 2019-20 served as the starting point for projecting the District's expenses and revenues. The 2020 Long Range Financial Plan produced by SVCW was used to project all future SVCW expenses. The escalation factors summarized in **Figure 2-1** were incorporated in the model for projecting expenses and revenues.

Figure 2-1. Key Modeling Assumptions

Assumptions	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
(1) General Inflation	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%
(2) Utilities	Per Budget	5.0%	5.0%	5.0%	5.0%	5.0%
(3) Salaries & Benefits	Per Budget	4.0%	4.0%	4.0%	4.0%	4.0%
(4) PERS Unfunded Accrued Liability	Per Budget	12.4%	13.4%	15.0%	9.9%	10.0%
(5) SVCW O&M Increase %	Per Budget	-6.9%	0.7%	-0.1%	2.9%	2.9%
(6) Interest on Earnings	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
(7) Misc	Per Budget	1.0%	1.0%	1.0%	1.0%	1.0%
(8) % Increase in Revenue due to Growth	Per Budget	0.0%	0.0%	0.0%	0.0%	0.0%
(9) Los Altos Hills, Woodside Revenue Change	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%
(10) Construction Cost Inflation	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%
(11) Increase in Residential Accounts	Per District	250	250	250	250	250
(12) Total Accounts	Per District	19,000	19,250	19,500	19,750	20,000
(13) % Increase in Accounts	Per District	1.3%	1.3%	1.3%	1.3%	1.3%
(14) Increase Salaries for OT due to Growth	Per District	0.5%	0.5%	0.5%	0.5%	0.5%

The application of these assumptions to the O&M and capital expenses is described below and summarized in **Figure 2-2** and **Figure 2-3**.

2.1. District O&M Expenses

The District's net O&M expenses (summarized by category in **Figure 2-2**) are projected to increase from approximately \$8.1 million to \$11.1 million over the five-year planning period. The District's expenses are increasing more rapidly than the rate of inflation due to future staffing level additions and increases in operating expenses due to a growing customer base. With the regional focus on residential development, the District projects an annual increase of 250 accounts per year, with a total of 1,250 accounts added by the end of the planning period.

2. Revenue Requirement Projections

Figure 2-2. District O&M Expense Summary

	Current Year	Five-Year Planning Period				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Salaries	\$3,638,882	\$3,915,094	\$4,240,672	\$4,430,127	\$4,628,052	\$4,834,826
Benefits	\$2,609,186	\$2,713,553	\$2,822,096	\$2,934,979	\$3,052,379	\$3,174,474
PERS Unfunded Accrued Liability	\$346,648	\$389,500	\$441,800	\$508,070	\$558,562	\$614,418
Contractual/Professional Services	\$1,008,720	\$1,052,254	\$1,097,487	\$1,144,482	\$1,193,304	\$1,244,019
Other O&M	\$1,488,255	\$1,624,831	\$1,624,166	\$1,766,375	\$1,771,579	\$1,919,901
Non-Operating Revenue	<u>(\$958,177)</u>	<u>(\$981,782)</u>	<u>(\$1,006,043)</u>	<u>(\$1,030,980)</u>	<u>(\$1,056,613)</u>	<u>(\$675,896)</u>
Net District Operating Costs	\$8,133,514	\$8,713,451	\$9,220,178	\$9,753,054	\$10,147,262	\$11,111,742
		7.1%	5.8%	5.8%	4.0%	9.5%

2.2. District Capital Expenses

The District's capital expenses are summarized by category in **Figure 2-3**. The District's annual budgeted capital expenditures range from a low of \$7.2 million (in FY 2022-23) to \$8.0 million (in FY 2021-22), during the five-year planning period. On average, the District expects to spend approximately \$7.7 million annually on these projects (during the five-year planning period FY 2020-21 to FY 2024-25).

Figure 2-3. CIP Summary

	Current Year	Five-Year Planning Period				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Administration	\$275,000	\$0	\$0	\$0	\$0	\$0
Collection Facilities	\$2,662,050	\$0	\$0	\$0	\$0	\$0
Master Plan/Subsurface Lines	\$3,377,000	\$0	\$0	\$0	\$0	\$0
Construction Proj. Environ Review	\$10,000	\$0	\$0	\$0	\$0	\$0
Manhole Raising	\$100,000	\$0	\$0	\$0	\$0	\$0
Allow. For Unanticipated Cap Exp	\$100,000	\$0	\$0	\$0	\$0	\$0
Vehicles and Equipment	\$350,000	\$247,200	\$254,616	\$262,254	\$270,122	\$278,226
Total Capital Expenses	\$6,874,050	\$8,374,050	\$8,504,616	\$7,762,254	\$8,120,122	\$8,478,226
Less: Connection Fee Revenue	<u>(\$500,000)</u>	<u>(\$500,000)</u>	<u>(\$500,000)</u>	<u>(\$500,000)</u>	<u>(\$500,000)</u>	<u>(\$500,000)</u>
Net Capital Expenses	\$6,374,050	\$7,874,050	\$8,004,616	\$7,262,254	\$7,620,122	\$7,978,226

The District plans to fund these capital improvements on a pay-as-you-go (PAYGo) basis without issuing debt, which continues the District's historical practice.

2.3. District Reserves

In addition to covering annual expenses, sewer service charges need to generate revenue to maintain adequate operations and capital reserves. To determine what constitutes adequate reserve amounts, the reserve balance was subdivided into Operations, Capital, Rate Stabilization, Recycled Water Project, Emergency Reserves, and a PERS Retirement Liability Reserve Fund. In this way, it is possible to set recommended target balances for each purpose.

2.3.1. Operations Reserve Minimum Balance

The Operations Reserve provides working capital for monthly O&M expenses. There is a nine-month lag between sewer service charge payments from the County tax assessor;

therefore, the minimum Operations Reserve balance is set equal to five months of O&M expenses to provide adequate cash flow. If this minimum balance is maintained, the District should be able to fund its monthly operations cash flow over this extended period without relying on the Capital Reserve for a short-term loan. Maintaining the minimum balance for the Operations Reserve is recommended as the highest priority for the District's three reserves.

2.3.2. Emergency Reserve Target Balance

The target balances for the Operations and Capital Reserves are sufficient to provide working capital on an ongoing basis, but do not provide for unforeseen contingencies such as emergencies. Should an emergency strike (e.g., earthquake), the District cannot suddenly raise rates to generate additional funds due to state law requirements for such rate increases (e.g., Proposition 218). Moreover, the District bills annually on the tax rolls. Therefore, the District has set a target for the Emergency Reserve of \$5.0 million. With such a reserve, the District would have funds on hand to take immediate remedial steps without waiting to procure a loan or issue bonds.

Maintaining the target balance for the Emergency Reserve is recommended as the second highest priority after meeting the minimum balance for the Operations Reserve. The Emergency Reserve can be used for funding capital projects at times when the Capital Reserve is not fully funded.

2.3.3. Capital Reserve Target Balance

The Capital Reserve provides liquidity to fund construction for projects that are funded on a PAYGo basis (as opposed to those that are funded from debt). With adequate capital reserves, the District is able to pay contractors without encroaching on the Operations or Emergency Reserves. A target balance of \$6.0 million has been established by the Board, roughly the District's average annual capital expenditures. Maintaining the target balance for the Capital Reserve is recommended after meeting the minimum balances for the Operations and Emergency Reserves.

2.3.4. Rate Stabilization Reserve Fund

The Board established a rate stabilization fund to allow a margin of safety for the uncertainty of the timing and amount of SVCW capital expenditures to upgrade the wastewater treatment facility (as discussed in **Section 2.4** below). The funds could be used to minimize future rates increases and/or to reduce interest expenses by buying down the amount of debt to be issued by SVCW to fund the upgrades. For example, over the last two years the District has utilized this reserve to remove a \$13.0 million debt obligation. The District anticipates future debt obligations and is building this reserve to buy down future debt.

2.3.5. Recycled Water Project Reserve Fund

In late 2016, the Board established an \$8 million reserve fund for future capital expenditures to help reduce potable water use by constructing a satellite recycled water treatment facility at the SHGCC to use recycled water to irrigate the golf course and also to serve water to the Stanford Linear Accelerator Center (SLAC) for irrigation and industrial uses such as for cooling towers. These funds have been set aside to fund design and construction costs that will be incurred prior to receiving funding from the State Water Resources Control Board (SWRCB). The SWRCB has begun remitting payments to the District as construction has neared completion. The District intends to infuse these funds back into operating reserves when necessary for cash-flow purposes.

2.3.6. PERS Retirement Liability Reserve Fund

In February 2018, the Board established a reserve fund to help meet the District's unfunded pension liability and deferred outflows/inflows of resources related to pensions and pension expenses. Currently, the District's unfunded liability is estimated at \$5.5 million. As of June 30, 2019, the District's fund balance was \$1,300,623. Going forward, the District plans to continue making transfers of up to \$1 million each year until the estimated \$5.5 million unfunded liability amount is reached. Our analysis shows the full liability of \$5.5 million will be met by the end of June 30, 2024.

2.4. SVCW Expenses

In FY 2020-21, SVCW's treatment charge is 42.6% of the District's total revenue requirement, and is the District's single largest expense, which will increase to 49.3% of the District's total revenue requirement by FY 2024-25. The District's treatment charge is allocated in proportion to the number of its EDUs compared with the other SVCW member agencies, currently 26.84%. As shown in **Figure 2-4**, SVCW's cost has recently increased significantly to fund the debt service on a series of bonds and SRF loans, that have been issued to fund the rehabilitation of its interceptors, pump stations, and wastewater treatment plant.

Figure 2-4. SVCW O&M and Debt Service Revenue Requirement

	Current Year		Projected			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
SVCW Projected Expenses						
Operating Expense	\$7,598,964	\$7,076,158	\$7,125,646	\$7,117,086	\$7,326,295	\$7,540,839
Revenue-Funded Capital (PAYGo)	\$452,073	\$402,600	\$402,600	\$402,600	\$402,600	\$402,600
<u>Debt Service</u>						
Existing Bonds	\$4,904,068	\$4,593,692	\$4,599,521	\$4,588,067	\$4,587,775	\$4,594,502
Existing SRF Loans	\$970,000	\$726,843	\$726,843	\$726,843	\$912,039	\$912,039
New bonds	\$0	\$0	\$1,527,792	\$1,527,792	\$1,800,282	\$1,800,282
New SRF Loans	\$0	\$0	\$0	\$0	\$2,080,997	\$2,080,997
New WIFIA Loan	\$0	\$0	\$0	\$0	\$0	\$0
Debt Reserves	\$282,513	\$402,600	\$536,800	\$671,000	\$805,200	\$939,400
Subtotal SVCW Debt Service	\$6,156,581	\$5,723,135	\$7,390,955	\$7,513,702	\$10,186,293	\$10,327,220
Subtotal, SVCW	\$14,207,618	\$13,201,892	\$14,919,201	\$15,033,388	\$17,915,188	\$18,270,659

2.5. Total Revenue Requirements

The foregoing modeling assumptions lead to the projected revenue requirements shown in Figure 2-5, which shows that:

- The District will fund \$7.2 million annually in SVCW operations costs, including PAYGo Capital projects and increased costs due to a growing customer base
- The District will fund \$8.2 million annually in SVCW debt service
- There are 5.7% average annual increases in District O&M costs
- \$7.7 million annually in District PAYGo capital projects
- The District plans to continue making annual transfers to the District's PERS unfunded liability reserve and will meet the full liability amount by FY 2023-24.
- All Operating, Capital, Rate Stabilization, PERS, and Emergency reserve levels will be funded to their respective target levels by FY 2024-25.
- The District will transfer \$5.0 million from Recycled Water Fund to help minimize annual rate increases and maintain positive cash flow.

Unlike the District's local costs, SVCW costs are largely beyond the District's control.

Figure 2-5. Projected Revenue Requirements

	Current Year	Five-Year Planning Period				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
SVCW Operating Expenses	\$8,051,037	\$7,571,865	\$7,713,894	\$7,796,579	\$8,098,526	\$8,407,330
SVCW Debt Service	\$6,156,581	\$5,723,135	\$7,390,955	\$7,513,702	\$10,186,293	\$10,327,220
WBSD Capital Imp. Program	\$7,247,854	\$7,247,854	\$7,247,854	\$7,247,854	\$7,247,854	\$7,247,854
WBSD Operating Expenses	\$8,133,514	\$8,713,451	\$9,220,178	\$9,753,054	\$10,147,262	\$11,111,742
Contribution To/(From) Reserves	\$387,553	\$1,931,146	\$1,191,704	\$2,107,374	\$471,468	\$872,647
Total Projected Revenue Req't.	\$29,976,539	\$31,187,450	\$32,764,585	\$34,418,562	\$36,151,403	\$37,966,793

2.6. Revenue Increases

The District's revenue requirements increase over the next five years. Current rates cannot support the projected revenue requirements shown in **Figure 2-5**. As stated previously, the District projects 1.3% annual growth in customer accounts which will provide an additional \$2.9 million in additional revenue. Revenue derived from growth helps to offset rate increases required to generate additional revenue. As a result, the increases in annual revenue will be greater than the increases in rate revenue. **Figure 2-6** summarizes the annual increase in revenue requirement and the recommended rate revenue increases.

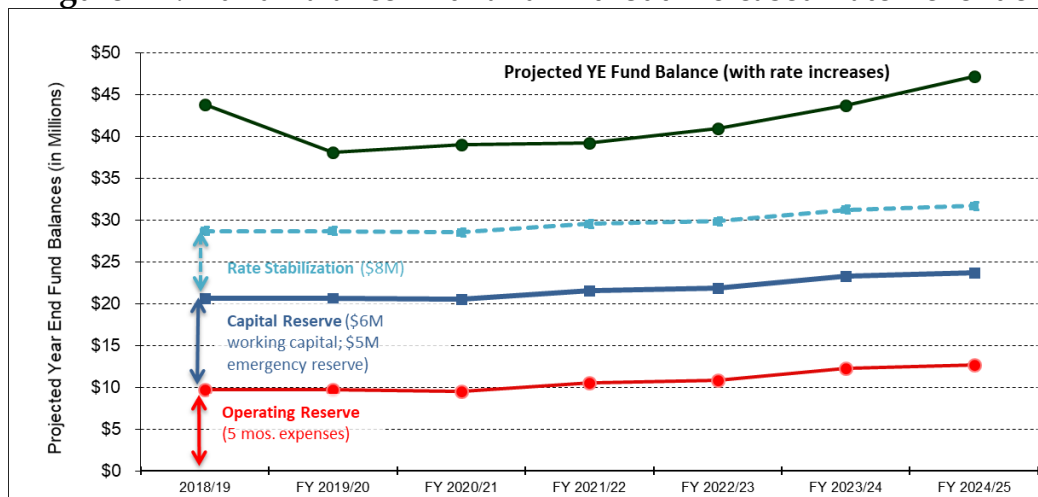
Figure 2-6. Annual Revenue Increases

	Five-Year Planning Period				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Proposed Rate Revenue Increases	4%	4%	4%	4%	4%
Revenue Increased due to Growth	0%	1%	1%	1%	1%
Annual Revenue Increase	4%	5%	5%	5%	5%

2.7. Fund Balance

Figure 2-7 shows the projected annual fund balances with the rate revenue increases recommended in Figure 2-6 (solid green line). Although the projections show straight lines between years, the fund balance will be drawn down substantially during each year. In other words, the reserves are actively drawn on at all times during the year but only periodically added to when payments are received from the County. The reserves are not simply accumulated without being used. The recommended revenue increases will maintain a fund balance above the target during the five-year planning period.

Figure 2-7. Fund Balance With and Without Increased Rate Revenue



2.7.1 Minimum Fund Balance

The minimum balance (red line) is the balance that is required to meet the District’s operating expenses during the year. The balance is large because the District bills annually on the tax rolls and receives reimbursement from the County twice each year. As a result, there are several months over which the District must rely heavily on its operating reserve to meet its monthly cash flow requirements. Because of the lag between payments from the County, the minimum Operations Reserve balance is set equal to five months of SVCW and District operating expenses.

2.7.2 Target Fund Balance

The target balance is the sum of the minimum balance for operations (red line) plus an allowance for capital projects (\$6.0 million), emergency capital reserves (\$5.0 million),

and rate stabilization reserves (\$8.0 million). The capital allowance provides working capital to maintain sufficient funds in order to pay contractors so that work can proceed without delay. Emergency reserves help manage risks associated with sudden asset failures caused by emergencies such as natural disasters or human error. Emergency reserves are a form of capital reserve that can provide a measure of self-insurance so that immediate funding is available for disaster recovery until loans can be arranged.

In addition, the District has established a rate stabilization reserve to help manage the risk of unexpected costs at the SVCW treatment plant, which is outside the District's control.

3. PROJECTED RATE INCREASES

Current rates cannot support the projected revenue requirements shown in Figure 2-5. The projected rate increases, and corresponding residential sewer service charges, are summarized in Figure 3-1 (Residential) and Figure 3-2 (Commercial and Industrial).

Figure 3-1. Projected Rates - Residential

	ADOPTED	Projected				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Residential Sewer Service Charge	\$1,177	\$1,224	\$1,273	\$1,324	\$1,377	\$1,432
<i>Annual Increase in Charge</i>		\$47	\$49	\$51	\$53	\$55
Annual Increase		4.0%	4.0%	4.0%	4.0%	4.0%

Figure 3-2. Projected Rates - Commercial and Industrial

	Adopted	Projected				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
<i>Annual Increase</i>		4%	4%	4%	4%	4%
Commercial (charge per CCF)						
Retail/Commercial	\$9.48	\$9.86	\$10.25	\$10.66	\$11.09	\$11.53
Institution/Public	\$8.89	\$9.24	\$9.61	\$9.99	\$10.39	\$10.81
Restaurants/Bakeries	\$19.98	\$20.78	\$21.61	\$22.48	\$23.38	\$24.31
Supermarkets with Grinders	\$20.20	\$21.01	\$21.85	\$22.72	\$23.63	\$24.58
Hospitals	\$9.81	\$10.20	\$10.61	\$11.03	\$11.47	\$11.93
Hotels with Dining Facilities	\$16.13	\$16.78	\$17.45	\$18.15	\$18.87	\$19.63
Industrial (measured)						
Flow Rate Charge per CCF	\$7.00	\$7.28	\$7.58	\$7.88	\$8.19	\$8.52
BOD Rate Charge per pound	\$1.23	\$1.28	\$1.33	\$1.39	\$1.44	\$1.50
TSS Rate Charge per pound	\$1.41	\$1.46	\$1.52	\$1.58	\$1.65	\$1.71

3.1. STEP/Grinder Charges

The District has approximately 79 single family residential customers located in the On-Site Wastewater Disposal Zone who require either Septic Tank Effluent Pumping systems (STEP) or Grinder Pumping systems. These customers are currently charged an additional \$320 annually for the services the District provides these customers to service and replace their pumps and appurtenances.

Since FY 2013-14, the Board has elected to increase the STEP/Grinder charges by the same percentage as the sewer service charges in order to continue to recover the majority of the costs associated with providing this service. This year, the District re-examined the service costs specific to these customers and found the revenues collected

have not been keeping pace with the annual rate increases. **Figure 3-3** details the current cost to provide STEP/grinder system maintenance for these customers.

Figure 3-3. Annual STEP/Grinder System Costs

Private Pump System Maintenance	Annual Costs
1. Labor Cost	
STEP System Bi-Annual Pump Maint.	\$5,099
STEP System Bi-Annual Pump Maint. - Facility Supv.	\$8,798
Grinder System Bi-Annual Pump Maint.	\$5,099
Grinder System Bi-Annual Pump Maint. - Facility Supv.	\$8,798
STEP pump replacement	\$2,779
Grinder pump replacement	\$4,343
Private pump station repairs	\$4,169
Coordination with phone utility companies	\$1,020
Subtotal Labor Costs	\$40,105
2. Material Costs	
Signa Mechanical Open Purchase Order	\$7,000
Envirozyme - Fog Digester	\$3,000
ISAC Controllers/Modem	\$2,500
Private Pump and Panel Replacement	\$20,000
Subtotal Material Costs	\$32,500
 Total Costs For Private Pump Systems	 \$72,605
 Number of Private Units	 79
Total Cost per Private Pump Site	\$919

As shown in **Figure 3-4**, the current charge of \$320 is insufficient to cover the \$919 annual cost of service per account. Rather than increase the STEP/Grinder charge to meet the cost of service in one year, the increases will be phased in over five fiscal years. This phasing will avoid rate shock and will allow the District to recoup the cost of service by FY 2024-25. **Figure 3-4** calculates the increase for this additional service over the next five years.

Figure 3-4. On-Site Wastewater Disposal Zone Cost of Service

Private Pump System Cost of Service Analysis	
Current Cost per Private Pump Site	(\$919)
Escalated 2024/25 cost @ 3%/yr for 5 yrs	(\$1,065)
Existing Charge per Private Pump Site	\$320
Difference between cost and existing charge	(\$745)
Difference spread over 5 fiscal years for rates	5
Proposed Annual Increase over 5 years	\$150

Figure 3-5 summarizes the proposed annual STEP/Grinder charge over the next five fiscal years, assuming an annual increase of \$150 per account.

Figure 3-5. Projected STEP/Grinder System Cost Increases

	ADOPTED	Five-Year Planning Period				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Annual STEP/Grinder Charge	\$320	\$470	\$620	\$770	\$920	\$1,070
<i>\$ Increase</i>		\$150	\$150	\$150	\$150	\$150

Figure 3-6 summarizes the total annual charge for those customers with a STEP/Grinder System. Such customers are charge the base service charge and the additional costs to maintain the STEP/Grinder System.

Figure 3-6. Total Projected Annual Charges - Customers with STEP/Grinder Systems

	ADOPTED	Five-Year Planning Period				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Base Service Charge	\$1,177	\$1,224	\$1,273	\$1,324	\$1,377	\$1,432
Annual STEP/Grinder Charge	\$320	\$470	\$620	\$770	\$920	\$1,070
Annual Bill	\$1,497	\$1,694	\$1,893	\$2,094	\$2,297	\$2,502
<i>\$ Increase</i>		\$197	\$199	\$201	\$203	\$205

3.2. Summary of Proposed Rates for FY 2020-21

Figure 3-7 provides a schedule of proposed FY 2020-21 rates for all customer types, as discussed above.

Figure 3-7. FY 2020-21 Proposed Rates

	Current	Proposed	\$ Chg	% Chg
	FY 2019-20	FY 2020-21		
<u>Residential (charge per DU per year)</u>				
Single Family, Multi Family	\$1,177	\$1,224	\$47	4.0%
On-site Wastewater Disposal Zone	\$1,497	\$1,694	\$197	13.2%
<u>Commercial (charge per CCF)</u>				
Retail/Commercial	\$9.48	\$9.86	\$0.38	4.0%
Institution/Public	\$8.89	\$9.24	\$0.36	4.0%
Restaurants/Bakeries	\$19.98	\$20.78	\$0.80	4.0%
Supermarkets with Grinders	\$20.20	\$21.01	\$0.81	4.0%
Hospitals	\$9.81	\$10.20	\$0.39	4.0%
Hotels with Dining Facilities	\$16.13	\$16.78	\$0.65	4.0%
<u>Industrial (measured)</u>				
Flow Rate Charge per CCF	\$7.00	\$7.28	\$0.28	4.0%
BOD Rate Charge per pound	\$1.23	\$1.28	\$0.05	4.0%
TSS Rate Charge per pound	\$1.41	\$1.46	\$0.06	4.0%

Revenue increases for subsequent years have been projected in this financial plan and are based on a number of assumptions and information that will require review prior to adopting any future rate increases. **Figure 3-8** summarizes projected rates over the entire five-year financial planning period.

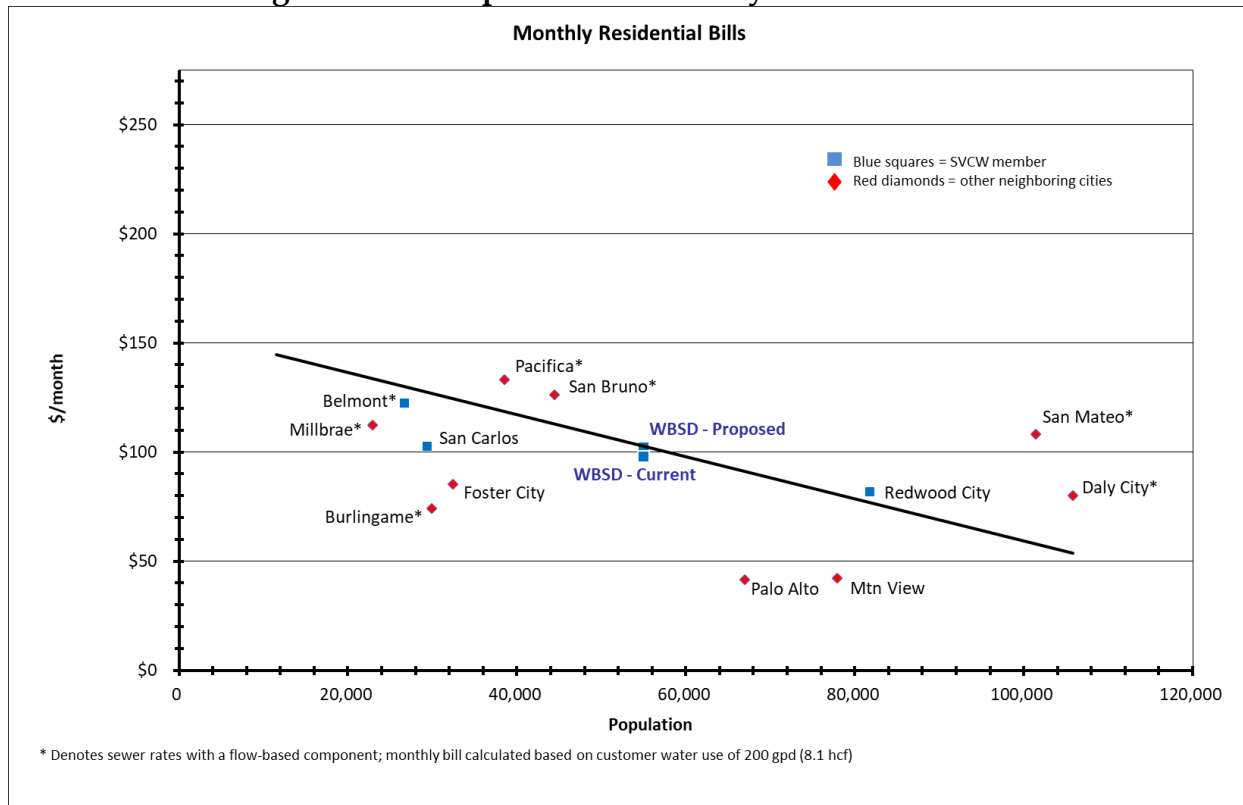
Figure 3-8. Projected Rates (FY 2020-21 through FY 2024-25)

	Adopted	Projected				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Residential (charge per DU per year)						
Single Family, Multi Family	\$1,177	\$1,224	\$1,273	\$1,324	\$1,377	\$1,432
On-site Wastewater Disposal Zone	\$1,497	\$1,694	\$1,893	\$2,094	\$2,297	\$2,502
Commercial (charge per CCF)						
Retail/Commercial	\$9.48	\$9.86	\$10.25	\$10.66	\$11.09	\$11.53
Institution/Public	\$8.89	\$9.24	\$9.61	\$9.99	\$10.39	\$10.81
Restaurants/Bakeries	\$19.98	\$20.78	\$21.61	\$22.48	\$23.38	\$24.31
Supermarkets with Grinders	\$20.20	\$21.01	\$21.85	\$22.72	\$23.63	\$24.58
Hospitals	\$9.81	\$10.20	\$10.61	\$11.03	\$11.47	\$11.93
Hotels with Dining Facilities	\$16.13	\$16.78	\$17.45	\$18.15	\$18.87	\$19.63
Industrial (measured)						
Flow Rate Charge per CCF	\$7.00	\$7.28	\$7.58	\$7.88	\$8.19	\$8.52
BOD Rate Charge per pound	\$1.23	\$1.28	\$1.33	\$1.39	\$1.44	\$1.50
TSS Rate Charge per pound	\$1.41	\$1.46	\$1.52	\$1.58	\$1.65	\$1.71

3.3. Residential Sewer Charge Comparison

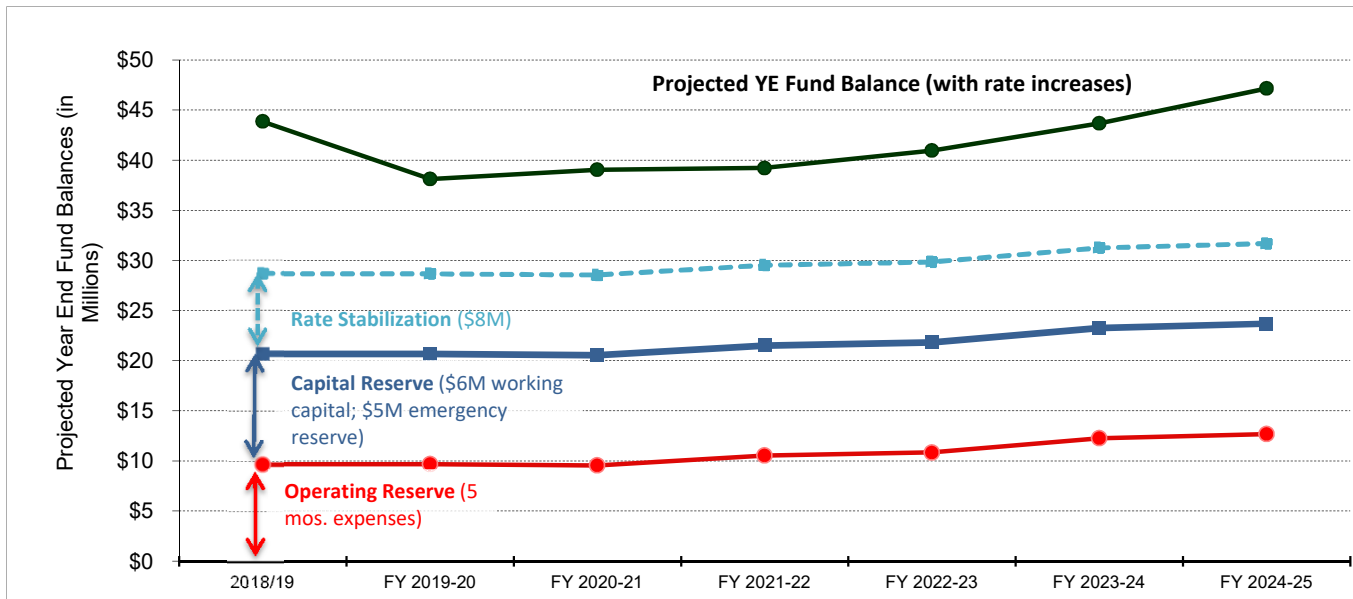
Based on available sources, **Figure 3-9** shows the recent charges for sewer service among various San Mateo and Santa Clara County agencies. Larger agencies tend to have lower rates because they can take advantage of economies of scale and have a larger base of customers over which to distribute fixed costs. **Figure 3-9** shows the District's current and proposed sewer rates along with the other SVCW member agencies (identified with blue squares in the figure below). It should be noted that the other SVCW member agencies also face similar additional costs. It is expected that these agencies will be required to increase their rates substantially to cover their share of SVCW costs. Even with the projected rate increases, we would not expect the District's relative position among its neighbors to change significantly.

Figure 3-9. Comparison of Monthly Residential Bills



APPENDIX A. SEWER RATE MODEL

	B	C	D	E	F	G	H	I
1	West Bay Sanitary District							
2	Sewer Rate Study							
3	Table 1A. Summary							
4								
5	Adopted							
6	<i>Fiscal Year:</i>	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Notes
7	Base Service Charges	4.5%	4.0%	4.0%	4.0%	4.0%	4.0%	To Tables 3, 4
8	<i>Cumulative Increase</i>		4.0%	8.2%	12.5%	17.0%	21.7%	
9								
10	\$ Increase		\$47	\$49	\$51	\$53	\$55	
11	Residential Bill (annual)	\$1,177	\$1,224	\$1,273	\$1,324	\$1,377	\$1,432	
12	<i>% incr</i>		4.0%	4.0%	4.0%	4.0%	4.0%	
13								
14	Annual STEP/Grinder Charge	\$320	\$320	\$470	\$620	\$770	\$920	To Table 3
15	<i>Proposed Annual Increases (\$)</i>		\$150	\$150	\$150	\$150	\$150	
16	Total Annual STEP/Grinder Charge	\$320	\$470	\$620	\$770	\$920	\$1,070	
17								
18	Base Service Charge	\$1,177	\$1,224	\$1,273	\$1,324	\$1,377	\$1,432	
19	Total Annual Bill (Base + STEP/Grinder)	\$1,497	\$1,694	\$1,893	\$2,094	\$2,297	\$2,502	
20			13.2%	11.7%	10.6%	9.7%	8.9%	



	A	B	C	D	E	F	G	H	I	J	K
1	West Bay Sanitary District										
2	Sewer Rate Study										
3	Table 1B. General										
4											
5	List of Model Worksheets										
6	Table 1A. Summary										
7	Table 1B. General										
8	Table 2. Revenue Requirement										
9	Table 3. Revenue Increases										
10	Table 4. Reserves										
11	Table 5. Capital Improvement Plan										
12											
13											
14	Assumptions		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Notes		
16	(1)	General Inflation	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%	To Table 2		
17	(2)	Utilities	Per Budget	5.0%	5.0%	5.0%	5.0%	5.0%	To Table 2		
18	(3)	Salaries & Benefits	Per Budget	4.0%	4.0%	4.0%	4.0%	4.0%	To Table 2		
19	(4)	PERS Unfunded Accrued Liability	Per Budget	12.4%	13.4%	15.0%	9.9%	10.0%	To Table 2		
20	(5)	SVCW O&M Increase %	Per Budget	-6.9%	0.7%	-0.1%	2.9%	2.9%	To Table 2		
21	(6)	Interest on Earnings		0.25%	0.25%	0.25%	0.25%	0.25%	To Table 4		
22	(7)	Misc	Per Budget	1.0%	1.0%	1.0%	1.0%	1.0%	To Table 2		
23	(8)	% Increase in Revenue due to Growth	Per Budget	0.0%	0.0%	0.0%	0.0%	0.0%	To Tables 2,3		
24	(9)	Los Altos Hills, Woodside Revenue Change	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%	To Table 2		
25	(10)	Construction Cost Inflation	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%	To Table 5		
26	(11)	Increase in Annual Residential Customers	Per District	250	250	250	250	250	To Table 4		
27	(12)	Number of Total Customer Accounts	Per District	19,000	19,250	19,500	19,750	20,000			
28	(13)	Annual Percentage in Account Growth	Per District	1.3%	1.3%	1.3%	1.3%	1.3%	To Table 2		
29	(14)	Annual Increase in Salaries for OT due to Growth	Per District	0.5%	0.5%	0.5%	0.5%	0.5%	to Table 2		
30											
31	Target Fund Balances										
32	<u>Operating Fund</u>										
33		Purpose	For O&M cash flow during the year								
34		Minimum balance	Cannot go negative								
35		Target balance	Five months of operating expenses								
36			(to accommodate biannual receipt of fees from County tax roll)								
37	<u>Capital Asset Fund</u>										
38		Purpose	To be used for replacement of Equipment/ Facilities								
39		Minimum balance	Cannot go negative								
40		Target balance	\$6,000,000								
41											
42	<u>Emergency Capital Fund</u>										
43		Purpose	To be used for sewer emergencies								
44		Minimum balance	Cannot go negative								
45		Target balance	\$5,000,000								
46											
47	<u>Rate Stabilization Fund</u>										
48		Purpose	Allow a margin of safety for the uncertainty of SVCW capital costs								
49		Minimum balance	Cannot go negative								
50		Target balance	\$8,000,000								

	A	B	C	D	E	F	G	H	I
1	West Bay Sanitary District								
2	Sewer Rate Study								
3	Table 2. Revenue Requirement								
4									
5									
6		Tbl. 1B	Budgeted	Projected					
7			FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Notes
8	SVCW Projected Expenses								
9	Operating Expense		\$7,598,964	\$7,076,158	\$7,125,646	\$7,117,086	\$7,326,295	\$7,540,839	Source: District's Cash Flow Analysis December 2019
10	Operating Expenses due to growth	(13)		\$93,107	\$185,648	\$276,893	\$369,631	\$463,891	
11	Revenue-Funded Capital (PAYGo)		\$452,073	\$402,600	\$402,600	\$402,600	\$402,600	\$402,600	
12	Debt Service								
13	Existing Bonds		\$4,904,068	\$4,593,692	\$4,599,521	\$4,588,067	\$4,587,775	\$4,594,502	District's SVCW Debt Service
14	Existing SRF Loans		\$970,000	\$726,843	\$726,843	\$726,843	\$912,039	\$912,039	Source: District's Cash Flow Analysis December 2019
15	New Bonds		\$0	\$0	\$1,527,792	\$1,527,792	\$1,800,282	\$1,800,282	
16	New SRF Loans		\$0	\$0	\$0	\$0	\$2,080,997	\$2,080,997	Source: District's Cash Flow Analysis December 2019
17	New WIFIA Loan		\$0	\$0	\$0	\$0	\$0	\$0	Projected \$3.2m annual debt service beginning FY 2027-28
18	Cash Reserves (SRF / CIP)		\$282,513	\$402,600	\$536,800	\$671,000	\$805,200	\$939,400	Source: District's Cash Flow Analysis December 2019
19	Subtotal SVCW Debt Service		\$6,156,581	\$5,723,135	\$7,390,955	\$7,513,702	\$10,186,293	\$10,327,220	
20		Subtotal, SVCW	\$14,207,618	\$13,295,000	\$15,104,850	\$15,310,281	\$18,284,819	\$18,734,550	
21		Annual Change		-6.4%	13.6%	1.4%	19.4%	2.5%	
22	Operating Expenses								
23	Salaries	(3),(14)	\$3,631,382	\$3,794,794	\$3,965,560	\$4,144,010	\$4,330,491	\$4,525,363	Source: District's FY 2019/20 published budget and
24	Salary Increase for Water Quality Manager	(3)	\$7,500	\$15,300	\$15,912	\$16,548	\$17,210	\$17,899	Source: District email 1/23/2020
25	Salary & Benefits for new Operator III	(3)	\$0	\$105,000	\$109,200	\$113,568	\$118,111	\$122,835	Source: District email 1/23/2020; reflects 50/50 split with Sharon Heights
26	Salary & Benefits for New FTE - Pump Stations	(3)	\$0	\$0	\$150,000	\$156,000	\$162,240	\$168,730	Source: District per 2/3/2020 phone call
27	Employee Benefits	(3)	\$2,609,186	\$2,713,553	\$2,822,096	\$2,934,979	\$3,052,379	\$3,174,474	annual inflationary adjustments per Table 1B
28	PERS Unfunded Accrued Liability	(4)	\$346,648	\$389,500	\$441,800	\$508,070	\$558,562	\$614,418	
29	Director's Fees	(1)	\$40,260	\$41,468	\$42,712	\$43,993	\$45,313	\$46,672	
30	Election Expense		\$0	\$70,000	\$0	\$70,000	\$0	\$70,000	Assumed elections every other year, \$70k each
31	Gasoline, Oil and Fuel	(1),(13)	\$70,000	\$73,021	\$76,160	\$79,421	\$82,809	\$86,329	
32	Insurance	(1),(13)	\$114,000	\$118,920	\$124,032	\$129,343	\$134,861	\$140,592	
33	Memberships	(1),(13)	\$51,450	\$53,670	\$55,978	\$58,375	\$60,865	\$63,452	
34	Office Expense	(1),(13)	\$35,500	\$37,032	\$38,624	\$40,278	\$41,996	\$43,781	
35	Operating Supplies	(1),(13)	\$363,095	\$378,765	\$395,047	\$411,964	\$429,537	\$447,793	
36	Contractual Services	(1),(13)	\$463,500	\$483,504	\$504,288	\$525,882	\$548,315	\$571,619	
37	Professional Services	(1),(13)	\$545,220	\$568,751	\$593,199	\$618,601	\$644,989	\$672,401	
38	Printing and Publications	(1),(13)	\$62,500	\$65,197	\$68,000	\$70,912	\$73,937	\$77,079	
39	Rents and Leases	(1),(13)	\$40,000	\$41,726	\$43,520	\$45,384	\$47,320	\$49,331	
40	Repairs and Maintenance	(1),(13)	\$287,000	\$299,386	\$312,256	\$325,627	\$339,518	\$353,947	
41	Research and Monitoring	(1),(13)	\$33,000	\$34,424	\$35,904	\$37,441	\$39,039	\$40,698	
42	Travel and Meetings	(1)	\$69,200	\$71,276	\$73,414	\$75,617	\$77,885	\$80,222	
43	Utilities	(2),(13)	\$183,250	\$194,824	\$207,095	\$220,105	\$233,896	\$248,515	
44	Other Operating Expense	(1)	\$179,000	\$184,370	\$189,901	\$195,598	\$201,466	\$207,510	
45	Transf. from Solid Waste Fund to cover alloc. exp.		(\$65,000)	(\$65,000)	(\$65,000)	(\$65,000)	(\$65,000)	(\$65,000)	
46		Total Operating Expenditures	\$9,066,691	\$9,669,483	\$10,199,698	\$10,756,716	\$11,175,737	\$11,758,657	
47		Annual Change		6.6%	5.5%	5.5%	3.9%	5.2%	

	A	B	C	D	E	F	G	H	I
1	West Bay Sanitary District								
2	Sewer Rate Study								
3	Table 2. Revenue Requirement								
4									
5									
6		Tbl. 1B	Budgeted	Projected					
			FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Notes
48	Non-Operating Expenditures								
49	Non-Operating Expense	(1)	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753	\$6,956	
50	Contrib. to LAFCo	(1)	\$19,000	\$19,570	\$20,157	\$20,762	\$21,385	\$22,026	
51	Subtotal, Non-Operating Expenditures		\$25,000	\$25,750	\$26,523	\$27,318	\$28,138	\$28,982	
52	<i>Annual Change</i>			3.0%	3.0%	3.0%	3.0%	3.0%	
53									
54	Total Expenses		\$23,299,309	\$22,990,232	\$25,331,071	\$26,094,314	\$29,488,694	\$30,522,189	
55	<i>Annual Change</i>			-1.3%	10.2%	3.0%	13.0%	3.5%	
56									
57	Non-Operating Revenues								
58	Flow Equalization Cost Sharing	(1)	(\$351,138)	(\$361,672)	(\$372,522)	(\$383,698)	(\$395,209)	\$0	
59	Permit & Inspection Fees	(7)	(\$100,000)	(\$101,000)	(\$102,010)	(\$103,030)	(\$104,060)	(\$105,101)	
60	Other Operating Revenue (Los Altos Hills, Woodside)	(9)	(\$350,000)	(\$360,500)	(\$371,315)	(\$382,454)	(\$393,928)	(\$405,746)	
61	Other Non-Operating Income	(7)	(\$157,039)	(\$158,609)	(\$160,195)	(\$161,797)	(\$163,415)	(\$165,050)	
62	Subtotal, Non-Operating Income		(\$958,177)	(\$981,782)	(\$1,006,043)	(\$1,030,980)	(\$1,056,613)	(\$675,896)	
63				2.5%	2.5%	2.5%	2.5%	-36.0%	
64	Other Transfers to/(from)								
65	Operating (General) Fund		\$387,553	\$1,931,146	\$1,191,704	\$2,107,374	\$471,468	\$872,647	From Table 4
66	Operating Reserve		\$0	\$0	\$0	\$0	\$0	\$0	From Table 4
67	Capital Projects Fund (for PAYGo projects)		\$7,247,854	\$7,247,854	\$7,247,854	\$7,247,854	\$7,247,854	\$7,247,854	From Table 4
68	Emergency Capital Reserves		\$0	\$0	\$0	\$0	\$0	\$0	From Table 4
69	Total Transfers		\$7,635,407	\$9,179,000	\$8,439,557	\$9,355,227	\$7,719,322	\$8,120,501	
70				20.2%	-8.1%	10.8%	-17.5%	5.2%	
71	Total Revenue Requirement		\$29,976,539	\$31,187,450	\$32,764,585	\$34,418,562	\$36,151,403	\$37,966,793	To Table 3
72	<i>Annual Change</i>			4.0%	5.1%	5.0%	5.0%	5.0%	
73	<i>Cumulative Change</i>			4.0%	9.3%	14.8%	20.6%	26.7%	
74									
75									

	A	B	C	D	E	F	G	H
1	West Bay Sanitary District							
2	Sewer Rate Study							
3	Table 3. Revenue Increases							
4								
5								
6		Estimated	Projected					
7		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Notes
8	Rate Revenue @ Current Rates							
9	Current Customer Base	\$29,976,539	\$29,976,539	\$29,976,539	\$29,976,539	\$29,976,539	\$29,976,539	FY 2019/20 Revenue per Budget
10	Additional Revenue from Growth		0	294,250	588,500	882,750	1,177,000	
11	Total Rate Revenue @ Current Rates		\$29,976,539	\$30,270,789	\$30,565,039	\$30,859,289	\$31,153,539	To Below
12								
13	Revenue Requirement	(\$29,976,539)	(\$31,187,450)	(\$32,764,585)	(\$34,418,562)	(\$36,151,403)	(\$37,966,793)	From Table 2
14	To/(From) operations before Rate Incr.	\$0	(\$1,210,912)	(\$2,493,796)	(\$3,853,523)	(\$5,292,114)	(\$6,813,255)	To Table 4
15								
16								
17	Increase in Rate Revenue		4.0%	4.0%	4.0%	4.0%	4.0%	From Table 1B
18	Cumulative Increase in Rate Revenue		4.0%	8.2%	12.5%	17.0%	21.7%	To Table 1A
19	Revenue from Rate Increases							
20			\$1,199,062	\$1,210,832	\$1,222,602	\$1,234,372	\$1,246,142	
21	FY 2020-21 (eff. July 1, 2019)							
22	FY 2021-22 (eff. July 1, 2020)			\$1,259,265	\$1,271,506	\$1,283,746	\$1,295,987	
23	FY 2022-23 (eff. July 1, 2021)				\$1,322,366	\$1,335,096	\$1,347,827	
24	FY 2023-24 (eff. July 1, 2022)					\$1,388,500	\$1,401,740	
25	FY 2024-25 (eff. July 1, 2023)						\$1,457,809	
26	Total Revenue from Rate Increases	\$0	\$1,199,062	\$2,470,096	\$3,816,473	\$5,241,714	\$6,749,505	
27	Total Current Revenue	\$29,976,539	\$29,976,539	\$30,270,789	\$30,565,039	\$30,859,289	\$31,153,539	From Above
28	Subtotal Revenue	\$29,976,539	\$31,175,600	\$32,740,885	\$34,381,512	\$36,101,003	\$37,903,043	To Line 39
29	STEP System Additional Charge		\$150	\$150	\$150	\$150	\$150	From Table 1B
30	Current STEP System Customers		79	79	79	79	79	
31	Cumulative Additional STEP System Customers				10	10	10	
32	Subtotal		79	79	89	89	89	
33								
34	Revenue from Additional STEP System Charge Increases							
35	FY 2020-21 (eff. July 1, 2019)		\$11,850	\$11,850	\$11,850	\$11,850	\$11,850	
36	FY 2021-22 (eff. July 1, 2020)			\$11,850	\$11,850	\$11,850	\$11,850	
37	FY 2022-23 (eff. July 1, 2021)				\$13,350	\$13,350	\$13,350	
38	FY 2023-24 (eff. July 1, 2022)					\$13,350	\$13,350	
39	FY 2024-25 (eff. July 1, 2023)						\$13,350	
40	Total Revenue from STEP System Rate Increases		\$11,850	\$23,700	\$37,050	\$50,400	\$63,750	
41	Subtotal Revenue	\$29,976,539	\$31,175,600	\$32,740,885	\$34,381,512	\$36,101,003	\$37,903,043	From Line 27
42		\$29,976,539	\$31,187,450	\$32,764,585	\$34,418,562	\$36,151,403	\$37,966,793	
43	Revenue Requirement	(\$29,976,539)	(\$31,187,450)	(\$32,764,585)	(\$34,418,562)	(\$36,151,403)	(\$37,966,793)	From Above
44	To/(From) operations after Rate Incr.	\$0	\$0	\$0	\$0	\$0	\$0	To Table 4

	A	B	C	D	E	F	G	H	I	J	K
1	West Bay Sanitary District										
2	Sewer Rate Study										
3	Table 4. Reserves										
4											
5			Tbl.	Actual	Budgeted						
6			1B	2018/19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Notes
7											
8	OPERATING (GENERAL) FUND										
9	Revenue Increases				4.5%	4.0%	4.0%	4.0%	4.0%	4.0%	From Table 1A
10	Beginning Balance				\$23,610,794	\$19,918,994	\$18,840,122	\$16,455,863	\$14,883,352	\$14,594,215	
11	Surplus/Deficit from Rate Revenue				\$0	\$0	\$0	\$0	\$0	\$0	From Table 3
12	Transfers (To)/From										
13	Revenue Requirement				\$387,553	\$1,931,146	\$1,191,704	\$2,107,374	\$471,468	\$872,647	To Table 2
14	Operating Reserve				(\$2,462,027)		(\$710,000)	(\$710,000)	(\$750,000)	(\$704,000)	(To)/From Below
15	Capital Asset Fund				(\$398,000)	(\$398,000)	(\$398,000)	(\$398,000)	(\$398,000)	(\$398,000)	(To)/From Below
16	Emergency Capital Reserve				(\$104,000)	(\$104,000)	(\$104,000)	(\$104,000)	(\$104,000)	(\$104,000)	(To)/From Below
17	Rate Stabilization Fund				(\$500,000)	(\$1,555,000)	(\$1,555,000)	(\$1,555,000)	(\$1,555,000)	(\$1,555,000)	(To)/From Below
18	Recycled Water Project - Reimbursement				\$0	\$0	\$0	\$0	\$2,260,000	\$2,720,000	
19	OPEB/PERS Unfunded Liabilities				(\$665,000)	(\$1,000,000)	(\$850,000)	(\$950,000)	(\$250,000)	\$0	(To)/From Below
20	Subtotal Transfers				(\$3,741,474)	(\$1,125,854)	(\$2,425,296)	(\$1,609,626)	(\$325,532)	\$831,647	
21	Fund Subtotal				\$19,869,320	\$18,793,139	\$16,414,826	\$14,846,237	\$14,557,821	\$15,425,863	
22	Estimated Interest Earnings (6)				\$49,673	\$46,983	\$41,037	\$37,116	\$36,395	\$38,565	
23	Ending Balance				\$23,610,794	\$19,918,994	\$18,840,122	\$16,455,863	\$14,883,352	\$15,464,427	
24											
25	OPERATING RESERVE										
26	Beginning Balance				\$ 7,191,676	\$ 9,677,837	\$ 9,702,032	\$ 10,438,062	\$ 11,175,932	\$ 11,955,747	
27	Transfers (To)/From										
28	Revenue Requirement				\$2,462,027	\$0	\$710,000	\$710,000	\$750,000	\$704,000	
29	Operating General Fund										
30	Subtotal Transfers				\$2,462,027	\$0	\$710,000	\$710,000	\$750,000	\$704,000	
31	Fund Subtotal				\$ 9,653,703	\$ 9,677,837	\$ 10,412,032	\$ 11,148,062	\$ 11,925,932	\$ 12,659,747	
32	Estimated Interest Earnings (6)				\$24,134	\$24,195	\$26,030	\$27,870	\$29,815	\$31,649	
33	Ending Balance				\$7,191,676	\$9,677,837	\$9,702,032	\$10,438,062	\$11,175,932	\$11,955,747	\$12,691,396
34	<i>Minimum Balance (5 mo. operations)</i>				\$9,680,962	\$9,552,180	\$10,527,529	\$10,845,548	\$12,259,873	\$12,690,495	
35											
36	CAPITAL ASSET FUND (includes Capital Project Reserve and Vehicle/Equipment Replacement)										
37	Beginning Balance				\$2,666,749	\$3,948,399	\$4,230,753	\$4,382,921	\$5,279,686	\$5,819,931	
38	Revenues										
39	Connection Charges				\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	
40	Capital Projects										
41	Administration (1)				(\$275,000)	\$0	\$0	\$0	\$0	\$0	WBSD Budget
42	Collection Facilities (1)				(\$2,662,050)	\$0	\$0	\$0	\$0	\$0	WBSD Budget
43	Subsurface Lines					\$0	\$0	\$0	\$0	\$0	
44	Proposed (Master Plan)				(\$3,377,000)	\$0	\$0	\$0	\$0	\$0	From Table 5
45	Other (10)				\$0	\$0	\$0	\$0	\$0	\$0	
46	Construction Proj. Environ Review				(\$10,000)	\$0	\$0	\$0	\$0	\$0	WBSD Budget
47	Manhole Raising				(\$100,000)	\$0	\$0	\$0	\$0	\$0	WBSD Budget
48	Allow. For Unanticipated Cap Ex				(\$100,000)	\$0	\$0	\$0	\$0	\$0	WBSD Budget
49	All Other Capital Expenses				\$0	(\$7,626,850)	(\$7,750,000)	(\$7,000,000)	(\$7,350,000)	(\$7,700,000)	
50	Vehicles and Equipment				(\$350,000)	(\$247,200)	(\$254,616)	(\$262,254)	(\$270,122)	(\$278,226)	
51	Subtotal Expenses				(\$6,874,050)	(\$7,874,050)	(\$8,004,616)	(\$7,262,254)	(\$7,620,122)	(\$7,978,226)	
52											

	A	B	C	D	E	F	G	H	I	J	K
1	West Bay Sanitary District										
2	Sewer Rate Study										
3	Table 4. Reserves										
4											
5			Tbl.	Actual	Budgeted						
6			1B	2018/19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Notes
53	Payment to SVCW (to reduce debt obligation)				\$0	\$0	\$0	\$0	\$0	\$0	
54											
55	Net Capital Expenditures to be paid by Rates				(\$6,374,050)	(\$7,374,050)	(\$7,504,616)	(\$6,762,254)	(\$7,120,122)	(\$7,478,226)	
56											
57	Transfers (To)/From										
58	Revenue Requirement- PayGo Capital				\$7,247,854	\$7,247,854	\$7,247,854	\$7,247,854	\$7,247,854	\$7,247,854	To Table 2
59	Operating General Fund				\$398,000	\$398,000	\$398,000	\$398,000	\$398,000	\$398,000	From Above
60	Rate Stabilization Fund				\$0	\$0	\$0	\$0	\$0	\$0	From Below
61	Subtotal Transfers				\$7,645,854	\$7,645,854	\$7,645,854	\$7,645,854	\$7,645,854	\$7,645,854	
62	Fund Subtotal				\$3,938,553	\$4,220,203	\$4,371,991	\$5,266,520	\$5,805,418	\$5,987,559	
63	Estimated Interest Earnings (6)				\$9,846	\$10,551	\$10,930	\$13,166	\$14,514	\$14,969	
64	Ending Balance				\$2,666,749	\$3,948,399	\$4,230,753	\$4,382,921	\$5,279,686	\$5,819,931	\$6,002,528
65	Target Balance				\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	From Table 1B
66											
67	EMERGENCY CAPITAL RESERVES										
68	Beginning Balance				\$4,308,686	\$4,423,718	\$4,539,037	\$4,654,645	\$4,770,541	\$4,886,728	
69	Transfers (To)/From										
70	Revenue Requirements				\$0	\$0	\$0	\$0	\$0	\$0	To Table 2
71	Operating General Fund				\$104,000	\$104,000	\$104,000	\$104,000	\$104,000	\$104,000	To Above
72	Subtotal Transfers				\$104,000	\$104,000	\$104,000	\$104,000	\$104,000	\$104,000	
73	Fund Subtotal				\$4,412,686	\$4,527,718	\$4,643,037	\$4,758,645	\$4,874,541	\$4,990,728	
74	Estimated Interest Earnings (6)				\$11,032	\$11,319	\$11,608	\$11,897	\$12,186	\$12,477	
75	Ending Balance				\$4,308,686	\$4,423,718	\$4,539,037	\$4,654,645	\$4,770,541	\$4,886,728	\$5,003,204
76	Minimum Balance				\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	
77	Target Balance				\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	
78											
79	RATE STABILIZATION FUND										
80	Beginning Balance				\$6,081,980	\$166,393	\$1,725,696	\$3,288,898	\$4,856,008	\$6,427,035	
81	Payment to SVCW				(\$6,416,002)						
82	Transfers (To)/From										
83	Operating General Fund				\$500,000	\$1,555,000	\$1,555,000	\$1,555,000	\$1,555,000	\$1,555,000	To Table 2
84	Recycled Water Project Fund				\$0	\$0	\$0	\$0	\$0	\$0	
85	Capital Fund				\$0	\$0	\$0	\$0	\$0	\$0	To Above
86	Subtotal Transfers				\$500,000	\$1,555,000	\$1,555,000	\$1,555,000	\$1,555,000	\$1,555,000	
87	Fund Subtotal				\$165,978	\$1,721,393	\$3,280,696	\$4,843,898	\$6,411,008	\$7,982,035	
88	Estimated Interest Earnings (6)				\$415	\$4,303	\$8,202	\$12,110	\$16,028	\$19,955	
89	Ending Balance				\$6,081,980	\$166,393	\$1,725,696	\$3,288,898	\$4,856,008	\$6,427,035	\$8,001,991
90	Target Balance				\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	
91											

	A	B	C	D	E	F	G	H
1	West Bay Sanitary District							
2	Sewer Rate Study							
3	Table 6. WBSD Debt Service Schedule							
4								
5					Projected			
6		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Notes
7								
8								
9	No debt has been issued by WBSD, SVCW debt only (see Table 2)							
10								
11								
12								
13								

	A	B	C	D	E	F	G	H	I	J	K
1	West Bay Sanitary District										
2	Sewer Rate Study										
3	Table 5. Capital Improvement Plan										
4											
5	Projected										
6		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Notes			
7											
8	Per 10-year CIP Plan	\$6,524,050	\$6,626,850	\$6,750,000	\$7,000,000	\$7,350,000	\$7,700,000				
9	Alpine Road										
10	FERRF Levee		\$2,000,000	\$1,500,000							
11	Vehicles and Equipment	\$350,000	\$247,200	\$254,616	\$262,254	\$270,122	\$278,226				
12											
13											
14											
15											
16	Total	\$6,874,050	\$8,874,050	\$8,504,616	\$7,262,254	\$7,620,122	\$7,978,226				
17											
18	Less: Non-Master Plan (e.g., admin, manhole raising) per Budget Doc	(\$3,497,050)	(\$247,200)	(\$254,616)	(\$262,254)	(\$270,122)	(\$278,226)				
19	Net Subsurface CIP	\$3,377,000	\$8,626,850	\$8,250,000	\$7,000,000	\$7,350,000	\$7,700,000				
20	Inflationary Index		3.00%	6.09%	9.27%	12.55%	15.93%	From Table 1B			
21	Total Inflated Master Plan/Subsurface CIP	\$3,377,000	\$8,885,656	\$8,752,425	\$7,649,089	\$8,272,490	\$8,926,410	To Table 4			
22											
23											
24											



WEST BAY SANITARY DISTRICT AGENDA ITEM 6

To: Board of Directors

From: Donald Sturman, Finance Manager

Subject: Consideration to Approve Second Quarter Internal Financial Statements & Analysis of Financial Position as of Quarter End December 31, 2019

Background

Attached for the Board's review are the District's Internal Financial Statements & Analysis of Financial Position as of Quarter End December 31, 2019

- **Total Revenues** for the second quarter ending December 31, 2019 were \$16,591,776. This exceeds Budget by \$465,749 resulting from higher than Budget revenue in most revenue categories.
- **Permit Fees.** Permit & Inspection Fees of \$218,578 exceeded Budget for the Quarter by \$168,578.
- **Connection Fees** of \$342,299 were \$92,299 above Budget. This favorable variance resulted largely from \$292K received for sewer connections at Facebook.
- **Flow Equal** of \$351,138 was equal to Budget at mid-year.
- **Franchise Fees** of \$55,312 exceeded Budget for the quarter by \$12,812.
- **Other Operating Inc.** of \$219,854 yielded \$154,214 from Los Altos Hills and \$65,639 from the Town of Woodside which was favorable to Budget by \$44,854.
- **Interest Income & Gain/(Loss) on Marketable Securities.** Gains on the Bank of the West Investment accounts yielded \$83,325 for the quarter. Interest earnings on LAIF have not been remitted to the District and will be reported in the next quarter; additionally, the District received \$86 from the Money Market account. During the quarter the rate of return on LAIF decreased from 2.38% from the prior quarter to 2.11% while the Bank of the West Money Market annual yield remained at 0.33%.
- **Total Expenses** for the Quarter of \$16,991,772 were (\$2,072,180) or 4% unfavorable to the annual Budget. Favorable variances were realized in most expense categories.

Report to the District Board for the Regular Meeting of February 12, 2020

Unfavorable variances were realized in Salaries & Wages (\$190.7K) or 5%, Memberships (13.5K) and Contract Services (\$63.6K). Salaries & Wages and Employee Benefits will exceed Budget this fiscal year due to not knowing the full value of the final contract with IBT Local 350 at the time the final Budget was approved. The unfavorable variance in Contract Services resulted from the expenditure of the entire \$161.6K annual root foaming budget in Q1 which yielded a savings of \$45.4K from prior year. The unfavorable variance in Contract Services is timing related and will diminish as the year progresses.

- **Capital** spending and reserve transfers during the quarter totaled \$198,468 or 2.4% of the total year Capital Budget. During the quarter, \$3,350,000 was transferred from the Rate Stabilization Reserve to the Operating Reserve @ \$2.55M and to the Emergency Reserve @ \$1M to move the District towards attaining established Reserve Target Levels. Some of the expenditures during the quarter included \$35,396 for the Levee Survey and GPS Update; \$13,666 for a flow monitoring study; and \$11,122 on the Private Pump and Valve Replacement Program.

Recycled Water

- Spending on the Recycled Water Facility SHGCC totaled \$1,544,376 during the quarter.

Note

The BoW Money Market has been renamed the Equipment Replacement Fund and funded according to the FY 19/20 budget.

Fiscal Impact

- Total Revenues of \$16,591,776 in Q2 were favorable to Budget by \$465,749.
- Total Expenses of \$16,991,772 in Q2 were unfavorable to Budget by \$2,072,180.
- Cash and Investment balances at quarter end were \$52,663,746.

Recommendation

The District Finance Manager recommends the Board consider to accept the 2nd Quarter Internal Financial Statements & Analysis of Financial Position as of Quarter End December 31, 2019.

Attachment: Second Quarter FY 2019-20 Financials

WEST BAY SANITARY DISTRICT

INTERNAL FINANCIAL STATEMENTS & ANALYSIS OF FINANCIAL POSITION

Second Quarter 2019/20

Ending December 31, 2019

WEST BAY SANITARY DISTRICT
Recap Analysis of Revenue and Expense
Fiscal Year 2019-20
December 31, 2019

REVENUES	PRIOR YEAR 07/01/18 - 12/31/2018	Fiscal Year		VARIANCE Fav/(Unfav)
		ACTUAL 07/1/19 - 12/31/2019	BUDGET	
Operating Revenues - General Fund	15,474,279	15,896,321	15,724,027	172,294
Operating Revenues - Capital	2,139,576	342,299	250,000	92,299
Non-Operating Revenues	586,128	353,156	152,000	201,156
Total Revenues	18,199,983	16,591,776	16,126,027	465,749
EXPENSES				
Operating Expenses-General Fund	4,591,445	4,030,902	4,388,772	357,870
Operating Expenses-Capital (Depreciation)	-	-	1,250,000	1,250,000
Non-Operating Expenses-General Fund	6,537,565	12,960,870	13,425,180	464,310
Total Expenses	11,129,010	16,991,772	19,063,952	2,072,180
TOTAL GAIN/(LOSS)	7,070,973	(399,997)	(1,687,925)	(2,087,922)

WEST BAY SANITARY DISTRICT
Analysis of Revenue
Fiscal Year 2019-20
December 31, 2019

FUND:
GENERAL

	PRIOR YEAR 07/01/18 - 12/31/2018	YEAR TO DATE		VARIANCE Fav/(Unfav)	ANNUAL BUDGET	YTD % of ANNUAL BUDGET
		ACTUAL 07/1/19	BUDGET - 12/31/2019			
Service Charges Residential	11,788,220	11,238,910	11,445,460	(206,550)	22,890,920	49%
Non-Residential	2,947,055	3,812,530	3,835,498	(22,968)	7,670,995	50%
Permit & Inspection Fees	159,636	218,578	50,000	168,578	100,000	437%
Flow Equalization	337,633	351,138	175,569	175,569	351,138	100%
Franchises	47,040	55,312	42,500	12,812	85,000	130%
Other Operating Inc - Inc. LAH & TOW	194,695	219,854	175,000	44,854	350,000	126%
Int Inc.	195,406	153,806	25,000	128,806	50,000	615%
Gain/(Loss) on Securities	390,722	124,350	37,500	86,850	75,000	332%
Gain/Loss on Sale of Assets		-	-	-		
Other Non-Op. Inc.		75,000	89,500	(14,500)	179,000	84%
TOTAL GENERAL	16,060,407	16,249,477	15,876,027	373,450	31,752,053	51%

FUND:
CAPITAL ASSETS

	PRIOR YEAR 07/01/18 - 12/31/2018	YEAR TO DATE		VARIANCE Over/(Under)	ANNUAL BUDGET	YTD % of ANNUAL BUDGET
		ACTUAL 07/1/19	BUDGET - 12/31/2019			
Connection Fees	2,139,576	342,299	250,000	92,299	500,000	68%
TOTAL CAPITAL ASSETS	2,139,576	342,299	250,000	92,299	500,000	68%
TOTAL REVENUE	18,199,983	16,591,776	16,126,027	465,749	32,252,053	51%

WEST BAY SANITARY DISTRICT
Analysis of Expense
Fiscal Year 2019-20
December 31, 2019

	PRIOR YEAR 07/01/18 - 12/31/2018	YEAR TO DATE		VARIANCE Fav/(Unfav)	YTD % of	
		ACTUAL 07/1/19 - 12/31/2019	BUDGET		ANNUAL BUDGET	ANNUAL BUDGET
Salaries & Wages	1,708,685	2,006,399	1,815,691	(190,708)	3,631,382	55%
Employee Benefits	1,948,660	1,040,132	1,304,593	264,461	2,609,186	40%
<i>PENSION EXPENSE - GASB 68</i>	-	-	-	-	-	
<i>OPEB EXPENSE - GASB 75</i>	-	-	-	-	-	
Directors- Fees	10,780	11,880	20,130	8,250	40,260	30%
Depreciation	-	-	1,250,000	1,250,000	2,500,000	
Gasoline, Oil & Fuel	24,795	27,416	35,000	7,584	70,000	39%
Insurance	26,842	22,069	57,000	34,932	114,000	19%
Memberships	36,249	39,230	25,725	(13,505)	51,450	76%
Office Expense	11,627	14,173	17,750	3,577	35,500	40%
Operating Supplies	137,872	116,689	181,548	64,859	363,095	32%
Contract Services	280,006	295,358	231,750	(63,608)	463,500	64%
Professional Services	174,494	159,096	272,610	113,514	545,220	29%
Printing & Publications	13,281	12,067	31,250	19,183	62,500	19%
Rents & Leases	10,338	11,337	20,000	8,663	40,000	28%
Repairs & Maintenance	44,823	122,400	143,500	21,100	287,000	43%
Research & Monitoring	5,032	5,551	16,500	10,949	33,000	17%
Training, Meetings & Travel	19,586	20,462	34,600	14,138	69,200	30%
Utilities	60,926	73,343	91,625	18,282	183,250	40%
Other Operating Expenses	77,448	53,302	89,500	36,198	179,000	30%
Other Non Operating Expense	-	-	3,000	3,000	6,000	
Transfer Overhead	-	-	-	-	(65,000)	
SVCW 2009 Bond (\$55 Mil)	371,538	656,144	650,000	(6,144)	1,300,000	50%
SVCW 2014 Bond (\$65 Mil)	562,550	400,525	572,500	171,975	1,145,000	35%
SVCW 2015 Bond (\$60 Mil)	381,925	502,296	535,000	32,704	1,070,000	47%
SVCW 2017 2018 Bond	807,359	1,186,419	924,387	(262,032)	1,848,774	64%
SVCW Cash in Lieu of 2018 Bond	-	6,416,004	6,416,000	(4)	6,416,000	100%
SVCW - SRF Debt Service (2011 Debt)	112,500	-	112,500	112,500	225,000	
SVCW -SRF Reserve Contribution	132,060	-	141,257	141,257	282,513	
SVCW - Line of Credit	-	-	-	-	-	
SVCW - SRF Debt Service (2012 Debt)	506,765	-	370,000	370,000	740,000	
SVCW Operating Fund	3,463,512	3,799,482	3,465,000	(334,482)	6,930,000	55%
SVCW Capital Contributions	199,356	-	226,037	226,037	452,073	
LAFCo Contribution	-	-	9,500	9,500	19,000	
TOTAL EXPENSES	11,129,010	16,991,772	19,063,952	2,072,180	31,646,904	54%

NOTE: SVCW Operating Fund includes both SRF & CIP Contributions.

WEST BAY SANITARY DISTRICT
Balance Sheet
as of December 31, 2019

	Current Year	Prior Year
	<u>QTR End 12/31/2019</u>	<u>QTR End 12/31/2018</u>
ASSETS		
CURRENT ASSETS		
CASH & INVESTMENTS	54,457,567	55,364,950
INTEREST RECEIVABLE	310,824	238,606
ACCOUNTS RECEIVABLE	345,126	3,647
PREPAID EXPENSES	39,023	27,123
TOTAL CURRENT ASSETS	<u>55,152,540</u>	<u>55,634,326</u>
FIXED ASSETS		
PROPERTY, PLANT & EQUIPMENT	96,636,963	76,230,782
LESS: ACCUMULATED DEPRECIATION	(29,744,749)	(27,930,414)
CONSTRUCTION IN PROGRESS	6,837,119	8,313,956
TOTAL PROPERTY, PLANT & EQUIPMENT	<u>73,729,334</u>	<u>56,614,324</u>
OTHER ASSETS		
INVESTMENT IN SVCW	20,715,554	13,033,198
DEFERRED OUTFLOWS OF RESOURCES	1,151,282	
OTHER ASSETS (PARS Irrev Trust)		1,170,027
TOTAL OTHER ASSETS	<u>21,866,836</u>	<u>14,203,225</u>
TOTAL ASSETS	<u><u>150,748,709</u></u>	<u><u>126,451,875</u></u>
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	3,616,063	1,726,653
CONNECTION FEES PAYABLE	1,375,682	1,301,509
ACCRUED PAYROLL & TAXES	302,251	292,142
CONSTRUCTION DEPOSITS	8,672	9,381
OPEB LIABILITY	55,871	(63,258)
SRF Note Payable	17,060,126	1,230,706
NET PENSION LIABILITY	5,054,719	
DEFERRED INFLOWS OF RESOURCES	414,597	
TOTAL CURRENT LIABILITIES	<u>27,887,981</u>	<u>4,497,133</u>
TOTAL LIABILITIES	<u>27,887,981</u>	<u>4,497,133</u>
FUND BALANCES		
INVESTMENT IN OPERATING PLANT	73,729,334	56,614,324
INVESTMENT IN SVCW	20,715,554	13,033,198
AVAILABLE FUND BALANCE	<u>28,415,840</u>	<u>52,307,218</u>
TOTAL FUND BALANCE	<u>122,860,728</u>	<u>121,954,740</u>
TOTAL LIABILITIES & FUND BALANCE	<u><u>150,748,709</u></u>	<u><u>126,451,875</u></u>

WEST BAY SANITARY DISTRICT
Analysis of Capital Expenditures FY2019-20
December 31, 2019

	FY19/20 Expended YTD	FY19/20 FY Budget	VARIANCE Budget Balance	YTD % of Annual Budget
ADMINISTRATION				
DISTRICT OFFICE EXTERIOR	\$1,059	\$10,000	\$8,941	10.6%
DISTRICT OFFICE INTERIOR	\$2,342	\$10,000	\$7,658	23.4%
LEEVE SURVEY & GPS UPDATE	\$35,396	\$60,000	\$24,604	59.0%
FLOW MONITORING STUDY	\$13,666	\$30,000	\$16,334	45.6%
SERVER REPLACEMENT PROGRAM		\$15,000	\$15,000	0.0%
CORPORATE YARD RENOVATION FEASIBILITY STUDY		\$150,000	\$150,000	0.0%
TOTAL ADMINISTRATION	\$52,463	\$275,000	\$222,537	19.1%
COLLECTION FACILITIES				
SMART COVERS (2)	\$9,983	\$9,500	(\$483)	105.1%
METAL STORAGE BUILDING - Phase 1		\$420,000	\$420,000	0.0%
METAL STORAGE BUILDING - Phase 2		\$432,550	\$432,550	0.0%
FERRIMPROVEMENTS & DEMOLITION OF OLD TREATMENT PLANT	\$16,030	\$500,000	\$483,970	3.2%
SHEET PILING PROJECT		\$1,000,000	\$1,000,000	0.0%
BAYFRONT RESOURCE RECOVERY (Environmental Impact Report)		\$300,000	\$300,000	0.0%
TOTAL COLLECTION FACILITIES LESS VEHICLE & EQUIPMENT	\$26,013	\$2,662,050	\$2,636,037	1.0%
EQUIPMENT PURCHASES FUNDED FROM VEHICLE & EQUIP REPLACEMENT FUND				
HARBEN JETTER UNIT 220 REPLACE (CARRYOVER)		\$220,000	\$220,000	0.0%
MAINLINE CCTV CAMERA	\$23,726	\$25,000		94.9%
FLO DAR EQUIPMENT (FLOW METERS)		\$35,000		0.0%
ADS FLOW METER		\$5,000		0.0%
SERVICE TRUCK - UNIT 208		\$60,000		0.0%
OPERATIONS SUPERINTENDENT SUV - UNIT 206		\$50,000		0.0%
TOTAL VEHICLE & EQUIP PURCHASES	\$23,726	\$395,000	\$371,274	6.0%
FUNDING FROM VEHICLES & REPLACEMENT PROGRAM		-\$395,000		
TOTAL COLLECTION FACILITIES	\$49,739	\$2,662,050	\$2,612,311	1.9%

WEST BAY SANITARY DISTRICT
Analysis of Capital Expenditures FY2019-20
December 31, 2019

SUBSURFACE LINES AND OTHER					
PUMP & VALVE REPLACEMENT PROGRAM		\$40,000			0.0%
PRIVATE PUMP & PANEL REPLACEMENTS	\$11,122	\$20,000	\$8,878		55.6%
PUMP STATION FENCE REPLACEMENT & REPAIR		\$17,000			0.0%
PIPELINE REPLACEMENT & REHAB ENGINEERING					
Isabella, Gilbert, Bay North, Coyote Hill - Phase 1	\$85,144	\$350,000	\$264,856		24.3%
PIPELINE REPLACEMENT & REHAB CONSTRUCTION					
<i>Town of Atherton Civic Center (Dinklespeil - Carryover)</i>		\$800,000	\$800,000		0.0%
Isabella, Gilbert, & Bay North - Phase 1		\$2,500,000	\$2,500,000		0.0%
TOTAL SUBSURFACE LINES AND OTHER	\$96,266	\$3,727,000	\$3,630,734		2.6%
CONSTRUCTION PROJECTS ENVIRONMENTAL REVIEW		\$10,000	\$10,000		0.0%
MANHOLE RAISING (PAVING PROJECTS)		\$100,000	\$100,000		0.0%
ALLOWANCE FOR UNANTICIPATED CAPITAL EXPENDITURES		\$100,000	\$100,000		0.0%
TOTAL CAPITAL EXPENDITURES	\$198,468	\$6,874,050	\$6,675,582		2.9%
CONTRIBUTIONS TO VEHICLE & EQUIP REPLACEMENT FUND		\$350,000	\$350,000		0.0%
RATE STABILIZATION/BOND RESERVE		\$1,000,000	\$1,000,000		0.0%
TOTAL CAPITAL EXP & RESERVE TRANSFERS	\$198,468	\$8,224,050	\$8,025,582		2.4%
RESOURCE RECOVERY					
RECYCLED WATER FACILITY - SHGCC	\$4,832,303	\$8,192,813	\$3,360,510		59.0%
TOTAL RESOURCE RECOVERY	\$4,832,303	\$8,192,813	\$3,360,510		

Schedule of Cash and Investments
Fiscal Year 2019-20
December 31, 2019

DESCRIPTION	PRINCIPAL AMOUNT	ACCRUED INTEREST
Petty Cash	600.00	
NAVIA Commuter Checking Account	2,925.00	
Cash - Bank of the West, Commercial Account	2,155,812.74	
Local Agency Investment Fund (LAIF)	34,868,736.71	153,346.37
Bank of the West Money Market Account	336,429.29	85.75
<u>Bank of the West Reserves Accounts</u>		
Bank of The West -OPERATING RESERVE - Securities	7,001,383.63	38,829.10
Bank of The West -OPERATING RESERVE - Cash	1,022,148.05	
Bank of The West -EMERGENCY CAP RESERVE - Securities	3,254,120.60	16,717.75
Bank of The West -EMERGENCY CAP RESERVE - Cash	380,040.65	
Bank of The West -CAPITAL PROJECT RESERVE - Securities	1,645,467.51	9,870.66
Bank of The West -CAPITAL PROJECT RESERVE - Cash	398,622.79	
Bank of The West - RATE STABILIZATION RESERVE - Securities	1,318,614.25	17,101.38
Bank of The West - RATE STABILIZATION RESERVE - Cash	54,190.41	
Bank of The West - RECYCLED WATER CASH FLOW RESERVE - Securities	50,465.00	806.21
Bank of The West - RECYCLED WATER CASH FLOW RESERVE - Cash	174,207.76	
Bank of The West - RECYCLED WATER SRF RESERVE - Securities (Restricted - SHGCC)	715,794.10	5,009.73
Bank of The West - RECYCLED WATER CASH SRF RESERVE - Cash	126,425.44	
Subtotal of Bank of the West Reserve Accounts	15,299,261	83,325
Total Cash and Investments 09/30/2019	52,663,764	236,757
PARS Irrevocable Trust - To fund OPEB Unfunded Liability as of 12/31/19*	277,195	
PARS Irrevocable Trust - To fund the Unfunded Accrued Liability 12/31/19*	1,093,420	

* PARS statements are available 30- 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).



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. 99% complete.
- b. **Cleaning/TVing Large Diameter lines:** Staff has ordered new heavy duty cleaning nozzle and large tractor for camera for televising large lines. Crews have begun cleaning and tving some of the smaller of the large diameter lines but will be limited until the new equipment arrives. Staff will begin cleaning and televising lines full time once the tractor equipment arrives expected to arrive in about 2 weeks.

2) **Affiliate Agency/Association News:**

- a. **CWEA P3S Conference:** DM and W&C presented on time delay discharge at P3S conference January 28, 2020 in Long Beach.
- b. **WateReuse– San Francisco Conference:** DM was asked to join West Yost Associates to present a paper on the Onsite Reuse Treatment Plant discharge permit process on March 16, 2020.
- c. **CWEA Annual Conference:** DM & W&C will present on Recycled Water Treatment Facility and the use of Time Lapse photography and Drone Video for construction documentation and messaging on April 3.
- d. **CMPK:** Met with City staff regarding Onetta Harris Community Center to discuss sewer main location and possibly vacating an easement. Also discussed Metal Building Planning review.

3) **Upcoming Events:**

- a. **Board meetings:** Next meeting February 26, 2020.
- b. **Sewer Service Charges Rate Study:** Rate study public hearing anticipated April 22, 2020.

4) **Misc./Action Items from Previous Meeting:**

- a. **SSOs:** Zero SSO for January. 2020 Total = 0. 8 months in a row w/o SSO.
- b. **LAH:** 1 SSO for February. 39 gallons in total. **1st SSO in over 12 months.**

Report to the District Board for the Regular Meeting of February 12, 2020

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

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1902 - Serving Our Community for over 110 Years - 2020

**WEST BAY SANITARY DISTRICT
MINUTES OF THE REGULAR MEETING OF THE DISTRICT BOARD
WEDNESDAY, JANUARY 22, 2020 AT 7:00 P.M.**

1. Call to Order

President Pro Tem Moritz called the meeting to order at 7:03 PM

Roll Call

BOARD MEMBERS PRESENT: Otte (Secretary Pro Tem), Thiele-Sardiña, Moritz (President Pro Tem)

BOARD MEMBERS ABSENT: Dehn, Walker

STAFF MEMBERS PRESENT: Scott, Condotti, Ramirez (Operations Supt.), Sturman (Finance Manager)

Others Present: Rick Simonson and Gabriel Sasser of HF&H

2. Communications from the Public: None

3. Discussion/Workshop on Sewer Service Charges Rate Study for Fiscal Year 2020/21

Comments: Rick Simonson of HF&H presented the draft sewer service charges rate study which included the preliminary results of an updated 5-year financial planning model, preliminary rate increase for “base” sewer service charge and incremental STEP/Grinder charge. Proposed base service charge increase for FY 2020/21 was presented at 5.0% and an annual STEP/Grinder charge of an additional \$120 to cover the costs of repairs and maintenance on these pumps. Board consensus was to evaluate an updated report with both 4.5% and 5% base increases added and additional new connections added which will increase revenue with the hopes that a base increase would be no more than 4.5%.

4. District Manager’s Report

1) Comments: CIP Project:

- a. **Belle Haven III:** CIP construction began July 23. 98% complete.
- b. **Cleaning/TVing Large Diameter lines:** Staff has ordered new heavy duty cleaning nozzle and large tractor for camera for televising large lines. Crews have begun cleaning and tving some of the smaller of the large diameter lines but will be limited until the new equipment arrives. Staff will begin cleaning and televising lines full time once the tractor equipment arrives.

2) **Affiliate Agency/Association News:**

- a. **CWEA P3S Conference:** DM and W&C will present on time delay discharge at P3S conference January 28, 2020 in Long Beach.
- b. **CWEA Section Awards:** Staff members Damian Madrigal and Victor Garcia recently won CWEA section awards for Supervisor of the Year and Collection System Person of the Year.

- c. **WaterReuse– San Francisco Conference:** DM was asked to join West Yost Associates to present a paper on the Onsite Reuse Treatment Plant discharge permit process on March 16, 2020.

3) **Upcoming Events:**

- a. **Board meetings:** Next meeting February 12, 2020.
- b. **Sewer Service Charges Rate Study:** Rate study setting of public hearing February 12, 2020.
- c. **City of Menlo Park:** City staffers will tour the Sharon Heights recycled water treatment plant on Feb. 3.

4) **Misc./Action Items from Previous Meeting:**

5. **Consent Calendar**

Motion to Approve by: Otte 2nd by: Sardiña Vote: AYE: 3 NAY: 0 Abstain: 0

CONSIDERATION OF ITEM(S) REMOVED FROM THE CONSENT CALENDAR

Comments: None.

- A. Approval of Minutes for Regular meeting January 8, 2020
- B. Approval of the Withdrawal Order Authorizing Payment of Certain Bills and Salaries and Consideration of Other Financial Matters for January 22, 2020
- C. WBSD Operations and Maintenance Report – December 2019
- D. Town of Los Altos Hills Operations and Maintenance Report for Work Performed by WBSD – December 2019
- E. Consider to Ratify and Approve Report on District’s Investment Portfolio Including the Transactions of Assets Described Therein as of 12/31/19

6. **Consider to Adopt Resolution Approving Master Fee Schedule (2020)**

Motion to Approve by: Sardiña 2nd by: Otte Vote: AYE: 3 NAY: 0 Abstain: 0

Comments: DM Scott reported on the need to increase fees mostly due to yearly salary increases. In addition, a new fee category must be added for annual flow meter O&M for parcels with such meters.

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

Comments: DM Scott reported the pump station for the Sharon Heights project is complete and electrical has been installed and testing will be underway when the force main is complete. The EIR for the FERFF levee improvement project is in progress. DM Scott reported that a buy-in plan will need to be developed for the Bayfront Recycled Water Project developers and property owners to receive recycled water.

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

Comments: DM Scott reported the next SBWMA meeting will be on Jan. 30.

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

Comments: Secretary (pro tem) Otte reported the next meeting will be on Jan. 23 which will include the long-range financial plan. On Feb. 14 Mr. Otte will be touring the tunnel project. DM Scott reported that SVCW also recently won at the CWEA awards dinner.

10. Closed Session

A. 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.* – SMCSC
Case No. 18CIV02183

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

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

C. CONFERENCE WITH LABOR NEGOTIATORS

(Pursuant to Cal. Govt. Code §54957.6) Agency designated representatives: District Manager & Legal Counsel
Unrepresented & Exempt Employees

D. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

(Subdivision (a) of Section 54956.9)

Chan, Moreno, Vestnys, Pebbles v. WBSD – San Mateo County Court Case No. 19CIV07567

Entered closed session at 8:31 p.m. Left closed session at 8:56 p.m.

Reportable action: None.

11. Consider Approval of Reorganization Plan for the Regulatory Compliance Department to Be Renamed the Water Quality Department and Include the Addition of a Wastewater Operator III Position

Motion to Approve by: Sardiña 2nd by: Otte Vote: AYE: 3 NAY: 0 Abstain: 0

Comments: None.

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

Comments: None.

13. Adjournment Time: The meeting was adjourned at 9:00 PM

Secretary

WEST BAY SANITARY DISTRICT
WITHDRAWAL ORDER
As of February 3, 2020

CHECK	TO WHOM PAYABLE	PURPOSE	AMOUNT
66120	BILL KITAJIMA	Employee Benefit - A&G	152.83
66121	AQUALITY WATER MANAGEMENT INC.	Professional Services - A&G	1,803.72
66122	BAY REPROGRAPHIC, INC.	Repairs & Maintenance - Coll	106.35
66123	BAYSIDE EQUIPMENT COMPANY	Operating Supplies - Coll	27.44
66124	CONSOLIDATED PARTS, INC	Operating Supplies - Coll	257.24
66125	CALIFORNIA WATER SERVICE	Utilities - Coll	1,449.28
66126	DOLPHIN GRAPHICS	Operating Supplies - Coll	926.22
66127	ESRI	Professional Services - Coll	2,549.50
66128	FINISHMASTER INC	Operating Supplies - Coll	219.30
66129	GRAINGER	Operating Supplies - Coll	4,919.04
66130	HACH COMPANY	Operating Supplies - Coll	2,335.86
66131	INNOVYZE, INC	Repairs & Maintenance - Coll	7,955.00
66132	KONE INC.	Contract Services - A&G	259.34
66133	MAIL FINANCE	Rents & Leases - A&G	268.25
66134	R.A. NOSEK INVESTIGATIONS	Professional Services - A&G	570.00
66135	PACIFIC GAS & ELECTRIC	Utilities - Coll	159.82
66136	PIER 2 MARKETING	Repairs & Maintenance - Coll	950.00
66137	PONTON INDUSTRIES, INC.	Operating Supplies - Coll	1,181.86
66138	PREFERRED ALLIANCE	Professional Services - A&G	228.06
66139	RED WING SHOE STORE	Operating Supplies - Coll	1,185.55
66140	SIGNA MECHANICAL	Pump & Panel Replacement	9,160.58
66141	TOWNE FORD SALES	Repairs & Maintenance - Coll	5,598.54
66142	US BANK	Rents & Leases - Coll	136.56
66143	DELTA DIABLO SANITATION DISTRICT	Memberships - A&G	8,567.61
66144	SAN MATEO COUNTY CLERK	Other Operating Expense - A&G	20.00
66145	SAN MATEO COUNTY CLERK	Other Operating Expense - A&G	20.00
66146	VOID	Printing Error	
66147	PRECISE PRINTING AND MAILING	Office Expense & Printing and Publication - A&G	2,403.09
66148	NATIONAL AUTO FLEET	CIP - Chassis	52,898.84
66149	NATIONAL AUTO FLEET	CIP: Replace Unit 208	42,997.79
66150	ANDERSON PACIFIC	CIP: Recycled Water Facility - SHGCC	1,065,379.53
66151	FREYER & LAURETA	CIP: Recycled Water Facility - SHGCC	14,475.00
66152	AT&T	Utilities - A&G	965.67
66153	AVERY ASSOCIATES, INC.	Professional Services - A&G	8,900.00
66154	CONSOLIDATED PARTS, INC	Operating Supplies - Coll	4,096.88
66155	CALIFORNIA WATER SERVICE	Utilities - Coll	76.95
66156	CALPERS LONG-TERM CARE PROGRAM	LTC Withholding	35.36
66157	COMCAST	Utilities - Coll	278.89
66158	FEDERAL EXPRESS	Office Expense - A&G	319.39
66159	GRAINGER	Operating Supplies - Coll	578.43
66160	HF&H CONSULTANTS, LLC	Professional Services - A&G	5,527.50
66161	OGASAWARA LANDSCAPE MAINT.	Contract Services - A&G	400.00

66162	PACIFIC GAS & ELECTRIC	Utilities - Coll	634.26
66163	PENINSULA BUILDING MATERIALS	Operating Supplies - Coll	187.44
66164	PRINCIPAL LIFE INSURANCE CO.	Employee Benefits - A&G	4,572.89
66165	STAPLES CREDIT PLAN	Office Expense - A&G	824.84
66166	3T EQUIPMENT COMPANY	Operating Supplies - Coll	11,799.00
66167	VERIZON WIRELESS	Utilities - A&G	2,063.13
66168	WECO INDUSTRIES, INC.	Large Diameter CCTV Project	5,235.37
66169	NAVIA BENEFIT SOLUTIONS	Employee Benefits	929.24
66170	TEAMSTERS LOCAL NO. 350	Union Dues	960.00
66171	FRANCHISE TAX BOARD	Wage Garnishment	250.00
66172	SDU	Wage Garnishment	508.62
66173	CWEA	Memberships - Coll	89.00
66174	CWEA	Memberships - Coll	498.00
66175	REG SOLUTIONS	Repairs & Maintenance - Coll	200.00
66176	ACE FIRE EQUIPMENT & SERVICE	Operating Supplies - Coll	972.11
661766	VOID	Printing Error	
66178	BAYSIDE EQUIPMENT COMPANY	Repairs & Maintenance - Coll	7,338.58
66179	CALIFORNIA WATER SERVICE	Utilities - A&G	18.39
66180	WEX BANK	Gasoline, Oil & Fuel - Coll	117.98
66181	CINTAS CORP	Contract Services - Coll	2,348.80
66182	FREYER & LAURETA	Professional Services - A&G & CIP: Levee Design	21,405.42
66183	GRAINGER	Operating Supplies - Coll	612.58
66184	HF&H CONSULTANTS, LLC	Professional Services - A&G	1,325.00
66185	HARBEN CALIFORNIA	Repairs & Maintenance - Coll	2,838.85
66186	MENLO PARK HARDWARE CO. #14016	Operating Supplies - Coll	469.90
66187	R.A. NOSEK INVESTIGATIONS	Professional Services - A&G	285.00
66188	OMEGA INDUSTRIAL SUPPLY, INC.	Operating Supplies - Coll	1,176.34
66189	PACIFIC GAS & ELECTRIC	Utilities - Coll	3,651.07
66190	PONTON INDUSTRIES, INC.	Operating Supplies - Coll	7,454.13
66191	ROBERTS & BRUNE CO	Operating Supplies - Coll	462.79
66192	WEST YOST & ASSOCIATES	Professional Services - A&G	1,848.00
66193	WOODARD & CURRAN	Professional Services - A&G	2,837.25
66194	SAN MATEO COUNTY CLERK	Other Operating Expense - A&G	20.00
66195	ALBERT PATINO	Training, Meetings & Travel - Coll	433.54
66196	SERGIO RAMIREZ	Other Operating Expense - A&G	205.83
66197	JED M. BEYER	Training, Meetings & Travel - Coll	389.85
		TOTAL CHECKS	<u>1,335,304.47</u>

WIRES

<u>TRANSFER DATE</u>	<u>PURPOSE</u>	
1/17/2020	Employee Payroll - Pay Period 01/03-17/2020	113,064.65
1/17/2020	ICMA	36,744.19
1/24/2020	SVCW Bond - 2015	517,610.63
1/24/2020	SVCW Bond - 2014	744,361.68
1/30/2020	CalPERS Retirement	44,642.09
1/31/2020	Employee Payroll - Pay Period 01/17-31/2020	107,295.03
1/31/2020	Federal Payroll Taxes	51,035.30
1/31/2020	State Payroll Taxes	18,691.31
1/31/2020	ICMA	11,131.79
1/31/2020	Board Payroll	1,486.82
1/31/2020	SVCW - Monthly Operating Payment	633,247.00
1/31/2020	SVCW Bond - 2018	648,293.75
	WIRE TRANSFERS FROM BofW CHECKING	<u>2,927,604.24</u>
1/14/2020	Recology Franchise Fee	8,339.63
1/22/2020	Transfer from LAIF	3,850,000
	WIRE TRANSFERS TO BofW CHECKING	<u>3,858,339.63</u>

President

Secretary

**WITHDRAWAL ORDER
SUPPLEMENTAL PURCHASE REGISTER**

02/3/2020

OPERATING SUPPLIES & OFFICE EXPENSE

<u>CHECK</u>	<u>AMOUNT</u>	<u>VENDOR</u>	<u>DESCRIPTION</u>
66129	4,919.04	GRAINGER	Gloves, Safety Glasses, Fuses, Trash Bags, Crane for Large Diameter CCTV
66130	2,335.86	HACH COMPANY	Modem 4G Upgrade and Repair Logger
66140	9,160.58	SIGNA MECHANICAL	E/One Extreme Pump
66147	2,403.09	PRECISE PRINTING AND MAILING	Annual Easement Letters and Mailings
66154	4,096.88	CONSOLIDATED PARTS, INC	Soft Start Contactor for Pump
66166	11,799.00	3T EQUIPMENT COMPANY	Replenish Pipe Patch Inventory
66168	5,235.37	WECO INDUSTRIES, INC.	Cable Assembly Strain Relief, Bearing Block Rebuild, & Nozzle for CCTV
66178	7,338.58	BAYSIDE EQUIPMENT COMPANY	Annual Service on Generators at Pump Stations, By Pass Pumps, & Office
66190	7,454.13	PONTON INDUSTRIES, INC.	Batteries for Flodlar & Hydroranger for Pump

MISCELLANEOUS

<u>CHECK</u>	<u>AMOUNT</u>	<u>VENDOR</u>	<u>DESCRIPTION</u>
66120	152.83	BILL KITAJIMA	Payroll Error - Corrected Cafeteria Benefit Amount
66121	1,803.72	AQUALITY WATER MANAGEMENT INC.	Operations & Maintenance Support for Recycled Water at SHGCC
66127	2,549.50	ESRI	GIS Technical Engineer and System Developer
66131	7,955.00	INNOVYZE, INC	Hydraulic Model Software - Annual Maintenance Renewal
66141	5,598.54	TOWNE FORD SALES	Repairs on Unit 210
66143	8,567.61	DELTA DIABLO SANITATION DISTRICT	Western Recycled Water Coalition
66146		VOID	Printing Error
66148	52,898.84	NATIONAL AUTO FLEET	2019 F550 Chassis
66149	42,997.79	NATIONAL AUTO FLEET	Replacement Vehicle for Unit 208
66150	1,065,379.53	ANDERSON PACIFIC	Professional Services for Recycled Water Facility at SHGCC
66151	14,475.00	FREYER & LAURETA	Construction Inspectors & Coordination for Recycled Water Facility at SHGCC
66153	8,900.00	AVERY ASSOCIATES, INC.	Recruitment of District Manager
66160	5,527.50	HF&H CONSULTANTS, LLC	Sewer Service Charge Study
66177		VOID	Printing Error
66182	21,405.42	FREYER & LAURETA	Stonagate Review, Update Wall Map of District, and Levee Design
66184	1,325.00	HF&H CONSULTANTS, LLC	Communicate Findings for Rate Study
66185	2,838.85	HARBEN CALIFORNIA	Rebuilt Parts for Harben Pump
66192	1,848.00	WEST YOST & ASSOCIATES	Professional Services for Recycled Water
66193	2,837.25	WOODARD & CURRAN	As Needed Support for Discharge Services
66195	433.54	ALBERT PATINO	Travel Expense for P3S Conference
66196	205.83	SERGIO RAMIREZ	Tuition Reimbursement
66197	389.85	JED M. BEYER	Travel Expense for P3S Conference

WEST BAY SANITARY DISTRICT

SUMMARY OF FY2019-20 PAYMENTS
(Through Withdrawal Order
01/14/2020 to 02/03/2020)

	TOTAL BY VENDOR - YTD 7/1/2019- 2/3/2020	WITHDRAWAL PERIOD 2/3/2020
REGULAR PAYABLES		
3T Equipment Company	28,368.28	11,799.00
A-A Lock & Alarm	1,444.70	-
AAA Rentals	11,819.27	-
A & B Trailer Hitch Inc.	13.06	-
Ace Fire Equipment & Service	972.11	972.11
Action Towing	487.50	-
Advanced Laser	2,843.89	-
Airgas USA, LLC	345.62	-
Alliant Insurance Services	15,228.00	-
The Almanac	9,768.00	-
Alpha Analytical Laboratories	2,375.00	-
American Messaging	450.92	-
American Textile & Supply	171.48	-
American Water Services	228.84	-
Anderson Pacific	5,765,161.52	1,065,379.53
Aqua Natural Solutions	1,384.65	-
Aquality Water Management Inc.	8,865.86	1,803.72
AT&T	7,740.03	965.67
Atchison, Barisone & Condotti	32,906.48	-
Avery Associates, Inc.	8,900.00	8,900.00
Aztec Consultants	11,827.50	-
Baggengineers	1,660.00	-
Bankcard Center	30,471.63	-
Bay Alarm	8,413.84	-
Bay Area Air Quality Mgmt Dist	21,573.00	-
Bay Area Paving Co. Inc.	13,329.00	-
Bay Reprographic, Inc.	106.35	106.35
Bayside Equipment Company	37,055.30	7,366.02
Annette Bergeron	704.00	-
Jed M. Beyer	884.50	389.85
Beyond Components, Inc.	179.20	-
David D. Bohannon Org.	211,673.53	-
Bonny Doon Environmental	4,540.22	-
Buckles-Smith	251.60	-
CASA	13,370.00	-
CSDA	15,230.00	-
CWEA-SCVS	1,180.00	-
CWEA	3,017.00	587.00
CWEA Membership	2,618.00	-
CSRMA C/O Alliant Insurance	298,653.00	-
Calif. Labor Law Poster Servic	152.00	-
California Concrete Pumping	774.00	-
California Water Service	10,118.71	1,544.62
CALPERS 1959 Survivor Billing	1,645.00	-
CALPERS - Unfunded Accrued Liability	334,727.00	-
CALPERS - Retirement	219,457.91	44,642.09
CALPERS - Health Premiums	272,525.21	-
Calpers Long-Term Care Program	416.29	35.36
Carrie Nevoli - Petty Cash	586.31	-
Cardiac Science Corp.	719.89	-

WEST BAY SANITARY DISTRICT

SUMMARY OF FY2019-20 PAYMENTS
(Through Withdrawal Order
01/14/2020 to 02/03/2020)

	TOTAL BY VENDOR - YTD 7/1/2019- 2/3/2020	WITHDRAWAL PERIOD 2/3/2020
REGULAR PAYABLES		
Center For Hearing Health Inc.	661.25	-
Chavan & Associates LLP	17,825.00	-
Chevron	67.00	-
Cintas Corp	26,467.31	2,348.80
Citibank	675.92	-
Comcast	2,225.33	278.89
Consolidated Parts, Inc	4,354.12	4,354.12
Costco Membership	60.00	-
CPS HR Consulting	18,484.86	-
Cropper Accountancy Corp.	2,700.00	-
Cues, Inc.	3,980.00	-
DMV	337.00	-
Dale Scott & Co., Inc.	4,000.00	-
Peggy Daniels	2,935.76	-
Das Manufacturing, Inc.	1,895.44	-
Davey Tree Expert Company	7,913.00	-
Dept. of Industrial Relations	675.00	-
Delta Diablo Sanitation District	8,567.61	8,567.61
Detection Instruments	327.79	-
Dewey Pest Control	164.00	-
Dolphin Graphics	4,329.50	926.22
Duke's Root Control, Inc	223,089.71	-
Du-All Safety, Llc	18,495.00	-
Elio D'Urzo	1,523.50	-
ENR	66.00	-
ESRI	7,200.00	2,549.50
East Bay Muni Utility District	2,425.00	-
Elite Parts LLC	1,233.65	-
Emergency Essentials	2,279.10	-
EnviroZyme	3,000.50	-
ErgoWorks	1,398.48	-
Express Safety, Inc.	773.32	-
Fast Response On-Site Testing	2,217.60	-
Federal Express	2,461.70	319.39
Fremont Urgent Care	1,692.00	-
Finishmaster Inc	837.56	219.30
Forestry Suppliers, Inc.	1,315.65	-
Formatop	1,387.48	-
Franchise Tax Board	4,000.00	250.00
Freyer & Laureta	214,975.09	35,880.42
Gary Pollack Construction	4,000.00	-
Goldstreet Design Agency, Inc.	2,751.50	-
Govconnection, Inc.	780.00	-
Governmentjobs.com dba NeoGov	6,633.00	-
Grainger	21,598.24	6,110.05
Granite Rock, Inc.	1,033.13	-
Hach Company	19,795.79	2,335.86
Hadronex, Inc.	34,919.44	-
Hansen Supply Company	4,710.58	-
Harben California	2,988.85	2,838.85
Harbor Ready-Mix	2,992.16	-
Harrington Industrial Plastics	192.59	-
HF&H Consultants, LLC	21,816.41	6,852.50
Hillyard/San Francisco	1,439.48	-

WEST BAY SANITARY DISTRICT

SUMMARY OF FY2019-20 PAYMENTS
(Through Withdrawal Order
01/14/2020 to 02/03/2020)

	TOTAL BY VENDOR - YTD 7/1/2019- 2/3/2020	WITHDRAWAL PERIOD 2/3/2020
REGULAR PAYABLES		
Home Depot Credit Services	7,835.95	-
Bob Hulsmann	1,274.26	-
IEDA	5,320.00	-
Innovyze, Inc	7,955.00	7,955.00
ISAC INC	6,581.50	-
J & B Corrosion Engineering	1,415.00	-
Jani-King of CA, Inc - SFR/OAK	5,086.20	-
Jensen Precast	2,454.32	-
KDS Communications	1,505.00	-
Kimball Midwest	4,666.61	-
Bill Kitajima	152.83	152.83
Kone Inc.	1,815.38	259.34
L & M Transmission	1,199.93	-
Lasky Trade Printing	141.38	-
Log Me In	2,067.26	-
Lucity, Inc.	20,741.42	-
Lyngso Garden Materials, Inc	356.78	-
Mail Finance	804.75	268.25
Mallory Co.	4,982.29	-
Matheson Tri-Gas, Inc.	340.02	-
Maxx Metals	138.00	-
City of Menlo Park - Repair	33,470.27	-
City of Menlo Park-Fuel	36,925.54	-
City of Menlo Park - Water	5,971.80	-
City of Menlo Park - Permits	4,500.00	-
SDU	8,137.92	508.62
Medco Supply Company	396.05	-
Menlo Park Fire Protection	8,290.00	-
Menlo Park Hardware Co. #14016	1,096.21	469.90
Mid Peninsula Abstracts	810.00	-
Mission Clay Products LLC	3,486.92	-
Morse Hydraulics	673.62	-
Municipal Maintenance Equip.	1,667.98	-
National Auto Fleet	142,690.88	95,896.63
Navia Benefit Solutions	18,113.49	929.24
North Bay Pensions	1,500.00	-
Occasions, ETC.	75.35	-
Office of Water Programs	815.10	-
Office Team	8,072.00	-
Ogasawara Landscape Maint.	7,050.00	400.00
Omega Industrial Supply, Inc.	5,594.97	1,176.34
Pacific Gas & Electric	49,590.54	4,445.15
Palo Alto Staffing	1,309.60	-
Albert Patino	433.54	433.54
Peninsula Building Materials	2,941.01	187.44
Peninsula Property Group	1,602.75	-
Perotti and Carrade	750.00	-
Phil Scott	2,537.76	-
Pier 2 Marketing	1,950.00	950.00
PJ's Rebar Inc.	2,752.87	-
Ponton Industries, Inc.	18,515.35	8,635.99

WEST BAY SANITARY DISTRICT

SUMMARY OF FY2019-20 PAYMENTS
(Through Withdrawal Order
01/14/2020 to 02/03/2020)

	TOTAL BY VENDOR - YTD 7/1/2019- 2/3/2020	WITHDRAWAL PERIOD 2/3/2020
REGULAR PAYABLES		
Precise Printing and Mailing	4,382.23	2,403.09
Precision Engineering	312,189.19	-
Preferred Alliance	2,100.77	228.06
Principal Life Insurance Co.	39,170.77	4,572.89
Sergio Ramirez	5,458.31	205.83
R.A. Nosek Investigations	2,345.00	855.00
Ranger Pipelines	67,202.79	-
Readyrefresh By Nestle	2,374.83	-
Recology Peninsula Services	12,530.00	-
Red Wing Shoe Store	3,768.46	1,185.55
Redwood General Tire Co., Inc.	65.87	-
Reg Solutions	200.00	200.00
Rich Voss Trucking	2,405.00	-
Roberts & Brune Co	20,938.89	462.79
SVCW Bond - 2009 Bond	656,144.00	-
SVCW Bond - 2014 Bond	1,145,613.40	744,361.68
SVCW Bond - 2015 Bond	1,019,906.45	517,610.63
SVCW Bond - 2018 Bond	1,834,712.50	648,293.75
SVCW Cash Contribution on 2018 Bond	6,416,002.01	-
SVCW SRF Loan - WWTP Phase 1	506,765.20	-
SVCW - Monthly Operating Payment	4,432,729.00	633,247.00
SWRCB	14,557.00	-
Safety Center Inc	5,308.00	-
San Mateo County	18,263.00	-
San Mateo County Assessor	305.00	-
San Mateo County Clerk	733.00	60.00
San Mateo CO Health Dept	2,473.00	-
San Mateo County Tax Collector	924.30	-
Rupert Sandoval	996.91	-
Santa Clara County	587.00	-
Robert J. Scheidt	263.86	-
Seekzen Systems	13,825.00	-
Sharp Business Systems	6,234.80	-
Sharp Electronics Corporation	878.13	-
Signa Mechanical	9,160.58	9,160.58
Sitech Norcal	460.95	-
Desiree S Slater	28.00	-
Solarwinds	57.00	-
Spartan Tool LLC	3,888.22	-
Staples Credit Plan	8,943.84	824.84
Stevens Creek Quarry, Inc.	692.99	-
Summit Aerial Services Inc	2,750.00	-
Sutter EAP	1,249.25	-
Target Specialty Products	444.52	-
Tap Plastics Inc.	419.65	-
Teamsters Local No. 350	7,530.00	960.00
Teletrac Navman US LTD.	984.86	-
The Concept Genie	1,879.70	-
TFS-Zoom Imaging Solutions Inc	802.99	-
Toshiba Financial Services	801.78	-
Towne Ford Sales	9,622.72	5,598.54
TPX Communications	16,012.06	-
Underground Service Alert	10,828.20	-
United Rentals Northwest, Inc.	1,082.58	-
US Bank	1,091.86	136.56

WEST BAY SANITARY DISTRICT

SUMMARY OF FY2019-20 PAYMENTS
(Through Withdrawal Order
01/14/2020 to 02/03/2020)

	TOTAL BY VENDOR - YTD 7/1/2019- 2/3/2020	WITHDRAWAL PERIOD 2/3/2020
REGULAR PAYABLES		
U.S. Jetting, LLC.	2,491.11	-
V & A Consulting Engineers	18,998.75	-
Valley Heating & Cooling	1,883.00	-
Verizon Wireless	14,223.64	2,063.13
Vision Communications Co.	10,639.67	-
V.W. Housen & Associates	47,709.50	-
Weco Industries, Inc.	73,699.07	5,235.37
West Yost & Associates	36,727.67	1,848.00
Wex Bank	309.93	117.98
Woodard & Curran	98,815.57	2,837.25
Zanker Recycling	3,451.58	-
Zip's AW Direct	118.31	-
Zoom Imaging Solutions, Inc.	1,215.54	-
TOTAL REGULAR PAYABLES	<u>25,531,927.76</u>	<u>3,923,459.62</u>
SALARIES/WAGES & W/H		
Salaries/Wages - Net Pay	1,549,523.15	220,359.68
Directors Fees - Net Pay	12,883.91	1,486.82
PrimePay Fees	3,684.35	-
IRS - Federal Payroll Taxes	315,807.78	51,035.30
EDD - State Payroll Taxes	113,234.51	18,691.31
ICMA	183,089.92	47,875.98
Performance Merit Program - Net Pay	124,143.65	-
TOTAL SALARIES RELATED	<u>2,302,367.27</u>	<u>339,449.09</u>
TOTAL PAYABLES	27,834,295.03	4,262,908.71
SUMMARY		
TOTAL CHECKS		1,335,304.47
TOTAL WIRES		<u>2,927,604.24</u>
TOTAL PAYABLES		<u><u>4,262,908.71</u></u>

WEST BAY SANITARY DISTRICT
Schedule of Cash Receipt Deposits
01/13/2020-01/31/2020

DEPOSIT DATE	RECEIPT NUMBER	DESCRIPTION	AMOUNT
1/31/2020	461006	Permit: 332 Barton Way, MP	\$330.00
1/31/2020	461007	Permit: 1 Facebook Way, MP	\$160.00
1/31/2020	461008	Permit: 2839 Fordham St	\$270.00
1/31/2020	461009	Permit: 1108 Carlton Ave	\$270.00
1/31/2020	461010	Re-inspection fee for 1175 Altschul Ave	\$80.00
1/31/2020	461011	Permit: 920 Cloud Ave, MP & 1010 Mallet Ct, MP	\$320.00
1/31/2020	461012	Permit: 669 Partridge Ave, 679 Partridge Ave, 685 Partridge Ave, MP	\$480.00
1/31/2020	461013	Permit: 1215 El Camino Real, MP	\$270.00
1/31/2020	461014	Permit: 2151 Sharon Rd, MP	\$270.00
1/31/2020	461015	Permit: 2180 Monterey Ave, MP	\$270.00
1/31/2020	461016	Refund	\$248.18
1/31/2020	461017	Refund	\$251.68
1/31/2020	461018	2 Permits: 615 Woodland Ave, MP	\$430.00
1/31/2020	461019	Permit: 836 Harvard Ave, MP	\$160.00
1/31/2020	461020	Permit: 626 Berkeley Ave, MP	\$430.00
1/31/2020	461021	Permit: 1631 Magnolia Ct	\$430.00
1/31/2020	461022	Permit: 135 Karen Way	\$160.00
1/31/2020	461023	Permit: 675 Magnolia Ave, MP	\$330.00
1/31/2020	461024	PG&E reimbursement for recycled water facility @ 2900 Sand Hill Road	\$2,748.15
1/31/2020	461025	PG&E reimbursement for influent pump station @ 2006 Sand Hill Road	\$284.26
1/31/2020	461026	Invoice 2019/20-019	\$748.50
1/31/2020	461027	Invoice 2019/20-042	\$588.50
1/31/2020	461028	Invoice 2019/20-031	\$588.50
1/31/2020	461029	Permit: 175 Greenoaks Dr	\$270.00
1/31/2020	461030	Invoice 2019/20-3 - Sewer Maintenance Services for October 2019	\$48,780.21
1/31/2020	461031	Invoice 2019/20-44	\$1,177.00
1/31/2020	461032	Invoice 2019/20-043	\$588.50
1/31/2020	461033	Permit: 1025 Wallea Dr, MP	\$290.00
1/31/2020	461034	Postage	\$0.50
1/31/2020	461035	Permit: 76 James Ave, ATH	\$290.00
1/31/2020	461036	Postage: \$0.80	\$0.80
1/31/2020	461037	Non-routine groundwater discharge #0373 - remaining balance	\$1,902.28
1/31/2020	461038	Invoice 2019/20-026	\$748.50
1/31/2020	461039	Invoice 2019/20-027	\$748.50
1/31/2020	461040	Invoice 2019/20-014	\$748.50
Total Deposit			\$65,662.56



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

To: Board of Directors
From: Sergio Ramirez, Operations Superintendent
Subject: WBSD Operations and Maintenance Report – January 2020

Month	Basin PM Pipe Cleaning Miles	High Freq. PM Pipe Cleaning Miles	Un-Sche. Pipe Cleaning Miles	WBSD CCTV Insp. Miles	Pipe Patch Repairs Qty.	Open Trench Repairs Qty.	Pump Sta. PM Qty.	Pump Sta. Unsch. Repairs Qty.	SSO Cat. 1	SSO Cat. 2&3s	Service Calls- Unit 208			
											Call Outs	Sch PM	Unsch. PM	USA's
January	6.9	4.1	0.0	3.0	6	7	72	1	0	0	90	11	0	206
* Oct.	3.9	4.1	0.3	4.3	5	8	95	1	0	0	94	0	1	309
Nov.	0.8	8.2	0.1	3.2	4	8	83	0	0	0	105	0	3	269
Dec	13.7	0.0	0.0	4.6	6	8	76	1	0	0	88		10	160
Yr to date	25.3	16.4	0.4	15.1	21	31	326	3	0	0	377	11	14	944
2020 Goals	120.0	50.0	n/a	45-50	65	90	n/a	<10	0-2	3 to 5	n/a	n/a	n/a	n/a
2019 Goals	112.0	48.2	6.9	42.7	60	86	967	6	0	4	1063	75	33	2850
2018 Results	134.2	48.5	7.4	42.1	66	63	1256	6	0	4	1139	134	89	2525
2017 Results	126.4	51.5	5.7	24.8	66	97	1265	8	2	3	700	178	61	3218
2016 Results	126.4	49	6	33	65	94	1188	5	0	8	798	167	155	3222
2015 Results	126.4	55	21	46	65	90	1349	6	0	5	798	174	185	2125
2014 Results	126.4	63	20	48	65	78	1328	10	2	12	771	183	72	1834

* = Beginning of PMPP year.

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**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 – January 2020

	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
Month							Cat. 1	Cat. 2&3s	Call Outs
Temp Help	Miles	Miles	Miles	Miles	Qty.	Qty.			
January	0.5	0.8	0.2	0.8	4	1	0	0	0
*August	0.0	1.2	0.0	0.5	4	0	0	0	0
Sept.	0.0	1.5	0.0	1.1	4	0	0	0	0
Oct.	0.5	1.7	0.2	1.2	4	1	0	0	0
Nov.	1.0	1.0	0.0	0.0	4	2	0	0	0
Dec	0.0	1.7	0.1	1.2	4	0	0	0	0
** Yr to date	2.0	7.9	0.5	4.8	24	4	0	0	0
FY19/20Goals	17.4	16.9	n/a	9.3	52	n/a	n/a	n/a	n/a

* = August- Start of Contract

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

To: Board of Directors

**From: Bill Kitajima, Projects & IT Manager
Jonathan Werness, Engineering Technician**

Subject: Consideration of Accepting the Work Pursuant to Class 3 Sewer Permit No. 1101 for the Access Path and Grading Around an Existing Manhole

Background

The developer of the Menlo Gateway Phase II project at 125 Constitution Drive improved portions of the public right of way near the corner of Marsh Road and Bayfront Expressway as a public pocket park. The District has sewer mains that run through this area and original plans for this park did not allow easy access to the District's facilities. The developer has agreed to make an access pathway that allows District staff to easily access the manhole. The District required a Class 3 permit as the nature of the work included finish grading around the manhole.

Analysis

The Board issued this Permit at the Regular Meeting of September 25, 2019.

The work has been completed and has been inspected, and approved by staff as being in conformance with District Standards. The property owner has submitted record drawings, a key for the gate, as well as lien releases of subsequent contractors.

Recommendation

The Projects & IT Manager recommends that the Board accepts the work and direct the District Manager to approve the Class 3 Sewer Permit No. 1101.

Attachment: Class 3 Permit No. 1101
Exhibit A - Site Map

WEST BAY SANITARY DISTRICT

500 Laurel Street
Menlo Park, California 94025
(650) 321-0384

Permit Number

No 1101

Type _____

APPLICATION FOR CLASS 3 SEWER PERMIT

To the WEST BAY SANITARY DISTRICT:

The undersigned, being the Owner Owner's Agent of the property located at

Pocket Park

does hereby request permission to construct sanitary sewers and related facilities to serve a

Residential Non-residential Development at said location.

ENGINEER'S KH Engineers

Mike Mowery
Name

4637 Chabot Dr. suite 300
Address
Pleasanton CA 94588

CONTRACTOR'S

Webcor: Trace Pesavento
Name

111 Independence Dr.
Address
Menlo Park 94025

OWNER'S

Behannon MA2 LLC
Name

600 31st Ave. San Mateo CA.
Address
94403

Margy Titus
Applicant's Signature

Margy Titus
Signed by - Please Print Name

600 31st Ave. San Mateo Ca
Address
94403

Receipt of \$ 545.00 Application Fee is hereby acknowledged _____

Date

Receipt of \$ 2,000.00 Cash deposit or Performance Bond

Comments _____

Approved by the District Board on _____

Application approved and permit issued:

WEST BAY SANITARY DISTRICT

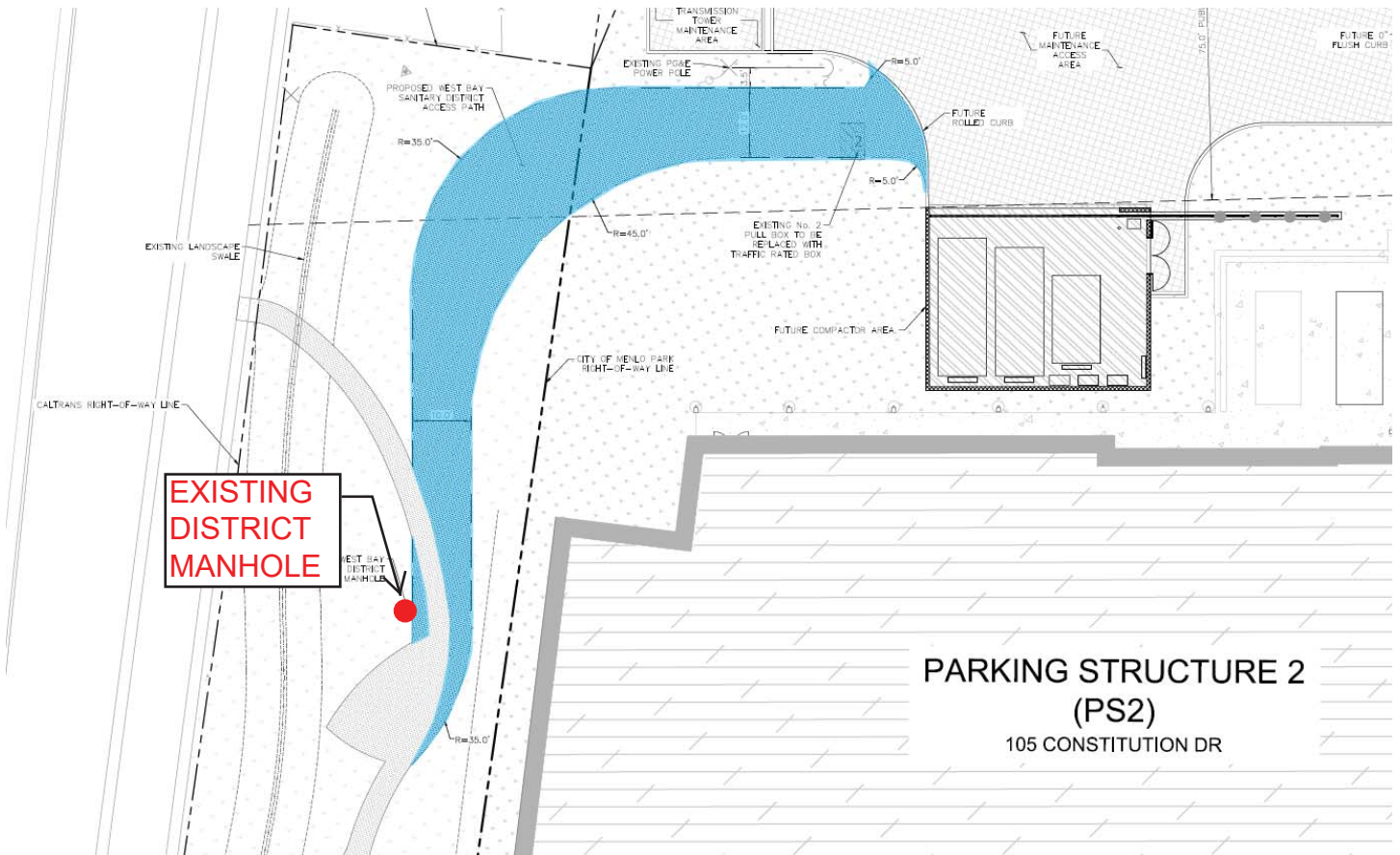
Phil Scott, District Manager

Date _____

By _____

Final Acceptance by the District Board on _____

EXHIBIT A POCKET PARK



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

To: Board of Directors

**From: Bill Kitajima, Projects & IT Manager
Jonathan Werness, Engineering Technician**

Subject: Consideration of Accepting Sewer Facilities Constructed Pursuant to Class 3 Sewer Permit No. 1075 for the Construction of the Gravity Main Extension for 105 & 109 Santa Maria, Portola Valley, California

Background

This permit was for the construction of a gravity main line sewer extension (approx.. 500-FT) along Wayside Road and Trinity Lane to serve 105 and 109 Santa Maria, Portola Valley, California.

Analysis

The Board issued this Permit at the Regular Meeting of July 13, 2018.

The work has been completed and has been inspected, tested, and approved by staff as being in conformance with District Standards. The property owner has submitted a bond for the one-year guarantee bond of the work, record drawings, as well as lien releases of subsequent contractors.

The sewer main extension is within a “Quasi Public Road” that is maintained by the “Wayside Road Maintenance District”. This road is open to the public but privately maintained for the use and benefit of those parcels which abut thereon. In addition to the attached letter from the Road Maintenance District granting ingress and egress rights to West Bay Sanitary District, WBSD’s legal counsel has reviewed and deemed the District’s legal right within the quasi public road as acceptable.

Recommendation

The Projects & IT Manager recommends that the Board accepts these facilities and direct the District Manager to approve the Class 3 Sewer Permit No. 1075.

Attachment: Class 3 Permit No. 1075
Exhibit A – Site Map
Exhibit B – Wayside Road Maintenance District letter

WEST BAY SANITARY DISTRICT

500 Laurel Street
Menlo Park, California 94025
(650) 321-0384

Permit Number
No 1075

Type _____

APPLICATION FOR CLASS 3 SEWER PERMIT

To the WEST BAY SANITARY DISTRICT:

The undersigned, being the Owner Owner's Agent of the property located at

109 SANTA MARIA Ave. Portola Valley

does hereby request permission to construct sanitary sewers and related facilities to serve a

Residential Non-residential Development at said location.

ENGINEER'S

Lea Braze Engineering Inc.

Name

2495 Industrial Pkwy W.

Address

Hayward, CA 94545

CONTRACTOR'S

SWAN Engineering Inc

Name

4470 Yankee Hill Rd #200

Address

Rocklin, CA 95677

Receipt of \$ 545.00 Application Fee is hereby acknowledged. 1/5/2018

Receipt of \$ 2,000.00 Cash deposit or Performance Bond

Comments MAN line Extension (Approx 500 Ft)

that will connect gravity main along
Wayside Road to serve 109 SANTA MARIA

Approved by the District Board on _____

Application approved and permit issued:

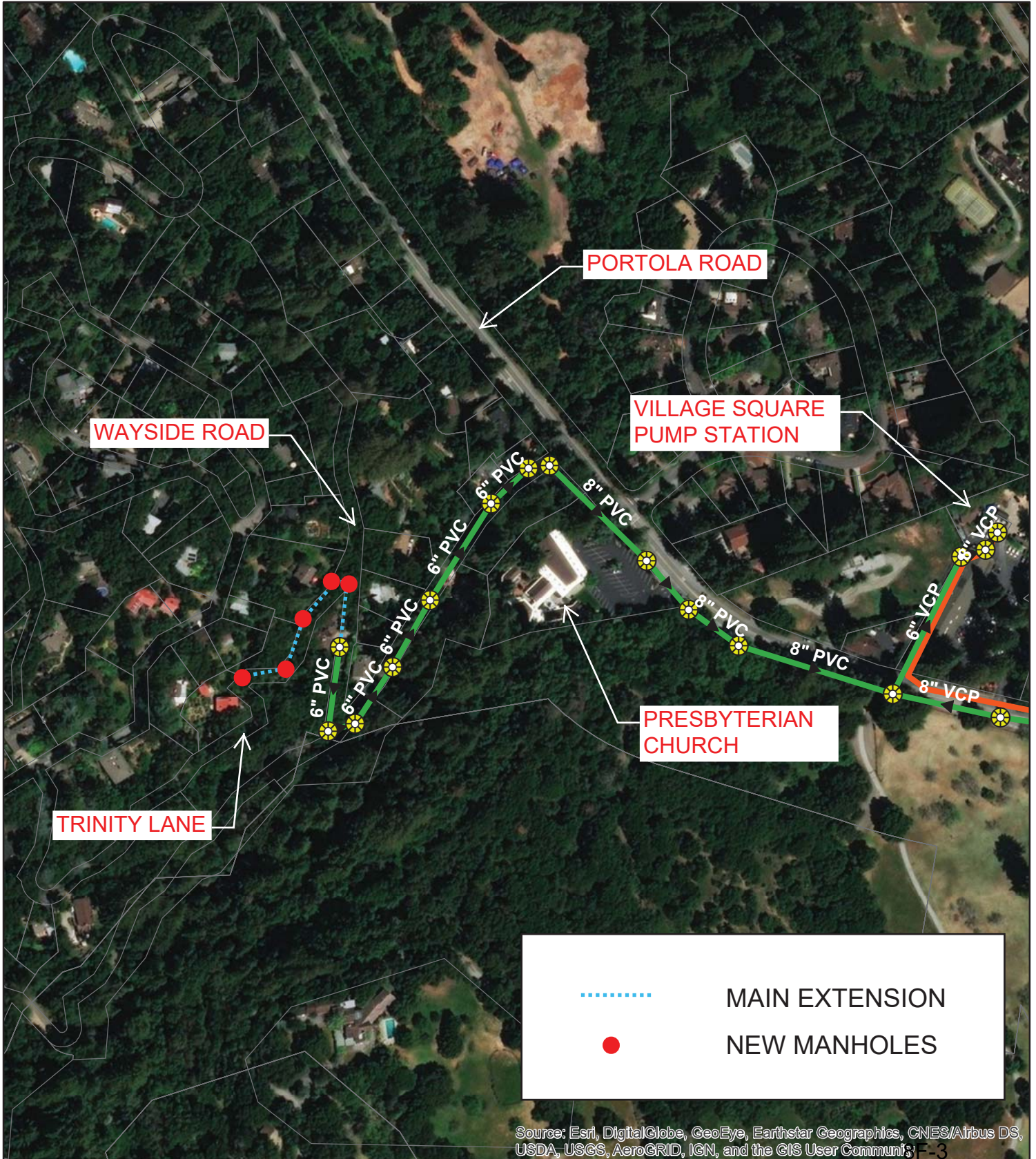
WEST BAY SANITARY DISTRICT
Phil Scott, District Manager

Date _____

By _____

Final Acceptance by the District Board on _____

EXHIBIT A SITE MAP WAYSIDE ROAD & TRINITY LANE MAIN EXTENSION



WAYSIDE ROAD I MAINTENANCE DISTRICT

172 Wayside Road
Portola Valley, CA 94028

30 January 2020

To: West Bay Sanitary District, 500 Laurel St, Menlo Park, CA 94025
Jen Fraser, 105 Santa Maria, Portola Valley, CA94028 94028
CTJ Ilc, 1580 Laurel St. Suite C, San Carlos, CA 94070 (for 109 Santa Maria)

Cc: David Beaumont, CKS Environmental <cks.environmental@post.com>

Subject: Sewer Main public work, Wayside and Trinity lanes, Completion and Access

Dear West Bay, Jen, and CTJ,

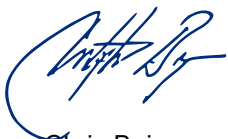
This letter shall serve to document that Wayside Road I Maintenance District has no outstanding issues with erosion control related to the recently completed public work referenced above. We are satisfied that our requests made in our letters of 23 June 2017 and 14 March 2019 have been fully addressed and resolved to the District's satisfaction.

The District acknowledges that this now-completed public work will be transferred into West Bay's system, and that West Bay requires ongoing access for inspections and maintenance work on its system. Accordingly, this letter shall also serve as the District's acknowledgment of such access to West Bay: the District has no objection to this access, subject to the requirements set forth below.

We request that any West Bay work, including that may result from inspection and maintenance activities, follow four basic guidelines:

- **Communicate to the District, in advance, planned dates of construction**
Schedules proposed should also seek to minimize the number of days of work
- **Abide by the Town construction ordinances on hours of work**
Such hours being Monday-Friday 8:00 am - 5:30 pm; No Saturdays, Sundays or holidays.
Emergency work is allowed outside these hours, which should follow the process established by Town www.portolavalley.net/building-planning/construction-and-landscaping-hours-in-town
- **Minimize congestion of work vehicles**
Please park above and beyond the driveways, or work with nearby church to stage in their parking lot.
- **Restore road and slope surfaces and surface water drainage**
All construction shall contain any water flow/runoff and maintain existing drainage on upslope side of roadway and/or existing inlets. West Bay and its contractor(s) shall repair and restore any damage to any surfaces of Wayside and Trinity Lanes, Wayside Road, or any spur roads, caused by their activities.

Thank you,



Chris Buja
Head, Wayside Road I Maintenance District



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 9**

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 10**

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), President Fran Dehn, will report on any pertinent items regarding SBWMA business.



BOARD OF DIRECTORS
THURSDAY, JANUARY 30, 2020 at 2:00 p.m.

San Carlos Library, Conference Room A/B
 610 Elm Street, San Carlos, CA 94070

AGENDA

1. Call to Order/Roll Call

2. Public Comment

Persons wishing to address the Board on matters NOT on the posted agenda may do so. Each speaker is limited to three minutes. If there are more than five individuals wishing to speak during public comment, the Chairman will draw five speaker cards from those submitted to speak during this time. The balance of the Public Comment speakers will be called upon at the end of the Board Meeting. If the item you are speaking on is not listed on the agenda, please be advised that the Board may briefly respond to statements made or questions posed as allowed under The Brown Act (Government Code Section 54954.2). The Board's general policy is to refer items to staff for attention, or have a matter placed on a future Board agenda for a more comprehensive action or report and formal public discussion and input at that time.

3. Adjourn to Closed Session:

- A. Pursuant to Government Code Section §54957.6 – Conference with Labor Negotiator; Agency Designated Representative: Jean B. Savaree; Unrepresented Employee: Executive Director

THE REGULAR PORTION OF THE MEETING IS ANTICIPATED TO BEGIN AT 2:15PM

4. Call to Order/Roll Call (Public Session)

5. Report from Closed Session

6. Public Comment (Public Session)

7. Executive Director's Report

p. 5

8. Approval of Consent Calendar

Consent Calendar item(s) are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Board, staff or public request specific items be removed for separate action. *Items removed from the Consent Calendar will be moved to the end of the agenda for separate discussion.*

- A. Approval of the Minutes from the November 7, 2019 Board/TAC Study Session **ACTION p. 31**
- B. Approval of Minutes from the November 21, 2019 Board of Directors Meeting **ACTION p. 39**
- C. Resolution Accepting the FY18/19 Audited Financial Statements **ACTION p. 47**
- D. Resolution Approving SBWMA Revised Investment Policy **ACTION p. 91**
- E. Resolution Approving a contract with LPG Fire Protection Company Inc for a not to exceed amount of \$77,778 **ACTION p. 107**
- F. Approval of Quarterly Investment Report for the Quarter Ended December 31, 2019 **ACTION p. 113**

9. Administration and Finance

- A. Election of 2020 Board Chair and Vice Chair **ACTION p. 121**
- B. Resolution Accepting Mid-Year Review of FY19/20 Annual Operating Budget **ACTION p. 123**

10. Collection and Recycling Program Support and Compliance

No Items

MEMBER AGENCIES

ATHERTON * BELMONT * BURLINGAME * EAST PALO ALTO * FOSTER CITY * HILLSBOROUGH * MENLO PARK * REDWOOD CITY
 * SAN CARLOS * SAN MATEO * COUNTY OF SAN MATEO * WEST BAY SANITARY DISTRICT

11. Shoreway Operations and Contract Management

- A. Review of Analysis of CRV Redemption Alternatives p. 145
- B. Resolution Approving contract amendment for \$71,272 for payment of Sales Tax on Board-Approved MRF Controls Equipment ACTION p. 183

12. Public Education and Outreach

- A. Resolution Approving One-Year Base Contract with up to Two Additional Option Years for a Not-to-Exceed Total Contract value of \$99,000 with Royal Coach Tours for SBWMA Environmental Education Programs Busing Services ACTION p. 191

13. Informational Items Only (no action required)

- A. Capital Project Status Update: Organics-to-Energy Pilot, MRF Phase I, and Glass Load Out Upgrades p. 231
- B. 2020 Legislative Session Update p. 235
- C. 2020 Finance and Rate Setting Calendar p. 241
- D. Check Register Detail for November and December 2019 p. 243
- E. Technical Consulting Contracts September – December 2019 p. 261
- F. Potential Future Board Agenda Items p. 263

14. Board Member Comments

15. Adjourn

MEMBER AGENCIES

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 11**

To: Board of Directors

From: Phil Scott, District Manager

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

The District's representative to Silicon Valley Clean Water (SVCW), George Otte, will report on as any pertinent items regarding SVCW Operations, CIP and Finance.

Report to the District Board for the Regular Meeting of February 12, 2020

**COMMISSION OF SILICON VALLEY CLEAN WATER
JOINT POWERS AUTHORITY
SPECIAL MEETING – Monday, January 27, 2020
8:00 a.m.**

Pelican Conference Room
Silicon Valley Clean Water
1400 Radio Road, 2nd Floor
Redwood City, California

COMMISSIONERS

COUNCIL MEMBER ALICIA AGUIRRE, REDWOOD CITY – CHAIR
BOARD MEMBER GEORGE OTTE, P.E., WEST BAY SANITARY DISTRICT – VICE CHAIR
COUNCIL MEMBER MARK OLBERT, SAN CARLOS – SECRETARY
MAYOR WARREN LIEBERMAN, PhD., BELMONT – MEMBER

MANAGER: TERESA A. HERRERA

ATTORNEY FOR THE AUTHORITY: CHRISTINE C. FITZGERALD

CONTROLLER:

TREASURER: MATTHEW ANDERSON

AMERICANS WITH DISABILITIES ACT

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact SVCW (650) 591-7121. Notification in advance of the meeting will enable the Authority to make reasonable arrangements to ensure accessibility to this meeting.

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENT

Any member of the public may address and ask questions of the Chair under this item relating to any matter within the Commission's jurisdiction that does not appear as a separate item on the Agenda. An opportunity will be provided for members of the public to address the Chair and ask questions about any item that is listed on the agenda at the time the Commission considers the item and before action is taken. If you address the Commission on a non-agenda item, please be aware that the Ralph M. Brown Act (Gov. C. § 54950 et seq.)

prohibits the Commission from acting on or discussing such matters at this meeting. Any such item may be referred to staff for a decision with regard to placing it on a future agenda for discussion, action or a report.

5. SAFETY MOMENT and REPORTS

- A. Safety Moment
- B. Manager's Report
 - 1. Verbal Report
 - 2. Presentation of Laboratory Operations
- C. Financial Reports
 - 1. Investment Report
- D. Engineering Projects Status Update
- E. Commission Requested Staff-Level Action Items
- F. RESCU Program Design-Build Project Status Update

6. MATTERS OF COMMISSION MEMBER'S INTEREST

7. CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR

8. BUSINESS ITEMS

A. CONSIDERATION OF RESOLUTION ADOPTING REVISION TO SILICON VALLEY CLEAN WATER'S INVESTMENT POLICY AND GUIDELINES

Proposed Action:

Move adoption of RESOLUTION APPROVING AND ADOPTING REVISION "S" TO ADMINISTRATIVE POLICY 1992-01 ESTABLISHING SILICON VALLEY CLEAN WATER'S INVESTMENT POLICY AND GUIDELINES

B. CONSIDERATION OF RESOLUTION ADOPTING THE 2020 CIP UPDATE AND CORRESPONDING CEQA CONCLUSIONS

Proposed Action:

Move adoption of RESOLUTION APPROVING AND ADOPTING THE 2020 UPDATE OF THE SILICON VALLEY CLEAN WATER CAPITAL IMPROVEMENT PROGRAM AND CORRESPONDING CEQA CONCLUSIONS

C. CONSIDERATION OF MOTION TO RECEIVE AND ACCEPT PRESENTATION OF LONG RANGE FINANCIAL PLAN – 2020 UPDATE

Proposed Action:

Move approval of RECEIPT AND ACCEPTANCE OF SILICON VALLEY CLEAN WATER LONG RANGE FINANCIAL PLAN – 2020 UPDATE

9. CLOSED SESSION

A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Property Description: County of San Mateo (APN(s):095-220-140, 046-082-010, 046-081-790, 046-081-580, 095-030-230)

SVCW Negotiators: SVCW Manager, Teresa A. Herrera; SVCW Authority Engineer, Kim Hackett

Negotiating Parties: County of San Mateo

Under Negotiation: Price and terms

10. RECONVENE IN OPEN SESSION – Announce action taken in Closed Session, if any.

11. ADJOURN

CONSENT CALENDAR

NOTICE TO PUBLIC

All matters listed under CONSENT CALENDAR are considered to be routine. There may be discussion on items on the CONSENT CALENDAR. All items will be enacted by one motion with a roll call vote unless members of the Commission, staff, or public request specific items be removed from the CONSENT CALENDAR for separate action.

7. A. APPROVAL OF MINUTES – December 16, 2019

- B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED DECEMBER 13, 2019 AND DECEMBER 27, 2019 AND NECESSARY PAYMENTS THROUGH DECEMBER 27, 2019

- C. CONSIDERATION OF MOTION ACCEPTING CONTROL BUILDING HVAC IMPROVEMENTS PROJECT AND AUTHORIZATION TO FILE NOTICE OF COMPLETION

Proposed Action:

Move approval of MOTION TO ACCEPT THE CONTROL BUILDING HVAC IMPROVEMENTS (PROJECT #259) AND AUTHORIZE FILING NOTICE OF COMPLETION – RODAN BUILDERS

- D. CONSIDERATION OF MOTION APPROVING TASK ORDER AMENDMENT TO RESCU PROGRAM'S COMPLIANCE MONITORING SERVICES BY RGM KRAMER

Proposed Action:

Move approval of TASK ORDER AMENDMENT SCOPE OF WORK AND BUDGET FOR COMPLIANCE MONITORING SERVICES FOR THE RESCU PROGRAM (CIP #9500) IN AN AMOUNT NOT TO EXCEED \$475,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – RGM KRAMER INCORPORATED

- E. CONSIDERATION OF MOTION AUTHORIZING PURCHASE ORDER CONTRACT FOR EMERGENCY ROADWAY REPAIRS IN THE WEST ACCESS ROAD ASSOCIATED WITH DUAL MEDIA FILTER FEED LINE EMERGENCY REPAIRS PROJECT (PROJECT #313)

Proposed Action:

Move approval of PURCHASE ORDER CONTRACT FOR ROADWAY REPAIRS (PROJECT #313) IN AN AMOUNT NOT TO EXCEED \$98,000, AUTHORIZE MANAGER TO EXECUTE SAID PURCHASE ORDER CONTRACT AND TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – ANDREINI BROTHERS, INC.

- F. CONSIDERATION OF RESOLUTION APPROVING SIDE LETTER OF AGREEMENT BETWEEN SILICON VALLEY CLEAN WATER AND STATIONARY ENGINEERS, LOCAL 39

Proposed Action:

Move adoption of RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF SIDE LETTER AGREEMENT MODIFYING THE MEMORANDUM OF UNDERSTANDING BETWEEN SILICON VALLEY CLEAN WATER AND STATIONARY ENGINEERS, LOCAL 39

- G. CONSIDERATION OF RESOLUTION AND MOTION APPROVING MASTER SERVICES AGREEMENT AND TASK ORDER WITH INTEGRAL GROUP, INC. FOR BUILDING MECHANICAL SYSTEMS (ALSO KNOWN AS HEATING, VENTILATION, AND AIR CONDITIONING OR HVAC) CONSULTING SERVICES

Proposed Actions:

- i. Move adoption of RESOLUTION APPROVING MASTER SERVICES AGREEMENT FOR BUILDING MECHANICAL SYSTEM CONSULTING SERVICES WITH INTEGRAL GROUP INC.
- ii. Move approval of TASK ORDER SCOPE OF WORK AND BUDGET FOR ENGINEERING DESIGN SERVICES FOR LABORATORY BUILDING HVAC REHABILITATION (CIP #9251) IN AN AMOUNT NOT TO EXCEED \$102,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – INTEGRAL GROUP INC.

- H. CONSIDERATION OF RESOLUTION APPROVING CONTRACT CHANGE ORDER TO GRAVITY PIPELINE PROJECT

Proposed Action:

Move adoption of RESOLUTION AUTHORIZING THE SILICON VALLEY CLEAN WATER MANAGER TO APPROVE CONTRACT CHANGE ORDER FOR THE GRAVITY PIPELINE PROJECT IN THE AMOUNT OF \$111,568 – BARNARD-BESSAC JOINT VENTURE

- I. CONSIDERATION OF MOTION APPROVING CONTRACT CHANGE ORDER FOR NEW 12KV SWITCHGEAR PROJECT (CIP #9807)

Proposed Action:

Move approval of CONTRACT CHANGE ORDER FOR NEW 12KV SWITCHGEAR PROJECT (CIP #9807) IN THE AMOUNT OF \$198,480 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – JFSHEA/PARSONS JOINT VENTURE