



1902 - Serving Our Community for over 110 Years - 2018

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

1. Call to Order

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

Roll Call

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

BOARD MEMBERS ABSENT: None

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

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

2. Communications from the Public: None

4. Discussion on District Reimbursement Agreement Procedures

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

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

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

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

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

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

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

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

5. Consent Calendar

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

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

CONSIDERATION OF ITEM(S) REMOVED FROM THE CONSENT CALENDAR

Comments: None

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

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

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

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

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

Comments: None

8. Report & Discussion on Commuter Benefits Program

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

9. District Manager's Report

Comments:

1. CIP Project:

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

2. Affiliate Agency/Association News:

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

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

3. Upcoming Events:

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

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

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

4) Misc./Action Items from Previous Meeting:

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

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

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

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

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

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

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

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

14. Closed Session

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

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

Reportable action: None.

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

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

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

/s/ Fran Dehn

Signature