

1902 - Serving Our Community for over 115 Years - 2021
WEST BAY SANITARY DISTRICT
AGENDA OF BUSINESS
REGULAR MEETING OF THE DISTRICT BOARD
WEDNESDAY, SEPTEMBER 22, 2021 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

Sergio Ramirez

District Legal Counsel

Anthony Condotti, Esq.

AGENDA OF BUSINESS

NOTICE OF PUBLIC PARTICIPATION BY TELECONFERENCE or ZOOM ONLY

Pursuant to Governor Newsom's Executive Order N-29-20, members of the West Bay Sanitary District Board of Directors and Staff may participate in this meeting via a teleconference. In the interest of reducing the spread of COVID- 19, members of the public are allowed to participate telephonically only, and may submit comments in advance by email addressed to treese@westbaysanitary.org by 4:00 p.m. on Wednesday, September 22nd.

To participate by telephone or Zoom meeting, public comments can be made by joining Zoom meeting at:

<https://us06web.zoom.us/j/82878525433?pwd=UEhPN1pHZ1JxejlzSzZjV2IBSHBHZz09>

Meeting ID: 828 7852 5433 Passcode: 296853

Or by phone, call: 1-669-900-6833 Meeting ID: 828 7852 5433 Passcode: 296853

Following receipt of public comment and open session items, the Board will adjourn to closed session. Reportable action, if any, will be available upon inquiry within twenty-four (24) hours.

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 - Annexing Certain Territory within the West Bay Sanitary District's On-Site Wastewater Disposal Zone – Lands of Oak Hills Ranch LLC (193 Meadow Drive, Portola Valley) Pg. 3-1
4. Consideration of Adopting Resolution Ordering Annexation of Certain Parcels in the Territory of West Bay Sanitary District to the West Bay Sanitary District's On-Site Wastewater Disposal Zone Including Certain Determinations, Findings and Declarations of the District Board – Lands of Oak Hills Ranch LLC (193 Meadowood Drive, Portola Valley) Pg. 4-1

5. 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 September 8, 2021 Pg. 5A-1
 - B. Consider Resolution Authorizing the President and Secretary to Enter into Agreement Creating Covenants Running With the Land for 193 Meadowood Drive, Portola Valley Pg. 5B-1
 - C. Consider Authorizing the District Manager to Consent to the Abandonment of Public Utility Easement at 248 Oakhurst Place, Menlo Park Pg. 5C-1
6. Consider Approving an Agreement with Menlo Country Club and a Resolution Allowing the District Manager to Authorize an Application for a Grant from the State Water Resources Control Board for a Water Recycling Planning Study in Collaboration with Menlo Country Club Pg. 6-1
7. Consider Authorizing District Manager to Submit a Clean Water State Revolving Fund Application for the “Bayfront Recycled Water Facility Project” and Adopt the Reimbursement and Authorizing Resolutions Pg. 7-1
8. District Manager’s Report Pg. 8-1
9. Discussion and Direction on Solid Waste Rates 2022 Proposition 218 Notice Mailer Pg. 9-1
10. Consider to Approve the Financial Statements FY 2020-21, Fourth Quarter Ending 6/30/2021 Pg. 10-1
11. Report by the Finance Advisory Committee Pg. 11-1
12. Consider Approving Investment Policy and Resolution Pg. 12-1
13. Consider Approving Debt Management Policy Pg. 13-1
14. Consider Approving Capitalization Policy Pg. 14-1
15. Consider Approving Performance Merit Pay Program for FY2021-2022 Pg. 15-1
16. September 22nd Update Report on District Response to Corona Virus Pg. 16-1
17. Discussion and Direction on Sharon Heights Recycled Water Plant Pg. 17-1
18. Discussion and Direction on Bayfront Recycled Water Facility and Status Update Pg. 18-1
19. Report and Discussion on South Bayside Waste Management Authority (SBWMA) Pg. 19-1
20. Report and Discussion on Silicon Valley Clean Water (SVCW) Plant Pg. 20-1

21. Closed Session

- A. CONF. WITH LABOR NEGOTIATORS (Cal. Govt. Code § 54957.6)
Agency designated representatives: District Manager/Legal Counsel
Represented, Unrepresented & Exempt employees

- 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

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

23. 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.

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WEST BAY SANITARY DISTRICT AGENDA ITEM 3

To: *Board of Directors*

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

Subject: *Public Hearing - Annexing Certain Territory Within the West Bay Sanitary District's On-Site Wastewater Disposal Zone – Lands of Oak Hills Ranch LLC (193 Meadowood Drive, Portola Valley)*

Background

On July 28, 2021, the Board adopted a Resolution of intention to annex the parcel referenced above to the District's On-Site Wastewater Disposal Zone. The Public Hearing date was established as September 22, 2021.

Analysis

The District's **Master Resolution Governing Annexations of Territory to the West Bay Sanitary District On-Site Disposal Zone** states: "Pursuant to Section 6959 of the Health and Safety Code, the date of the Public Hearing shall be commenced no less than 45 days nor more than 60 days from the date of adoption of the Resolution of Intention, and the Public Hearing shall be completed no more than 90 days after the first day of the hearing."

In accordance with Section 6960, and 6960.1 of the same code, reviews and reports of findings are required of both the County Health Officer and Regional Water Quality Control Board. Additionally, Section 6960.3 of this code requires the review and approval by a local agency formation commission, which has adopted rules and regulations affecting the functions and services of special districts.

The San Mateo County Health Officer has responded by a letter of approval dated August 23, 2021 a copy of which is attached; the San Francisco Bay Regional Water Quality Control Board responded by a letter of approval dated August 23, 2021, a copy of which is attached; and the San Mateo Local Agency Formation Commission has approved per their Resolution No. 1264 dated May 19, 2021, a copy of which is attached.

Fiscal Impact

Property owners have paid all annexation fees and the fiscal impact would be additional sewer service charge revenue to the District once the parcel is connected.

Report to the District Board for the Regular Meeting of September 22, 2021

Recommendation

The Board is asked to close the Public Hearing following public comment.

Attachments: San Mateo County Health Officer Letter

San Francisco Bay Regional Water Quality Control Board Letter

San Mateo Local Agency Formation Commission Resolution No. 1264



August 23, 2021

APN 077-211-110

Todd Reese
West Bay Sanitary District
500 Laurel Street
Menlo Park, CA 94025

Dear Mr. Reese:

**SUBJECT: ANNEXATION, 193 MEADOW DRIVE, PORTOLA VALLEY,
APN 077-211-110**

Thank you for the June 25, 2021, letter of *Intention to Annex Certain Territory* to District's On-Site Wastewater Disposal Zone for the subject parcel. County Environmental Health has reviewed the letter of intent and has no objection to the annexation of this parcel into the District's on-site wastewater disposal zone. The existing onsite wastewater treatment system(s) (OWTS) must be destroyed under permit with Environmental Health upon connection to the West Bay system.

Should you have any questions, please call me at (650) 372-6279.

Sincerely,

Gregory J. Smith, PG, REHS
Supervisor Water Protection and Land Use Programs

cc: Laura Russell, Planning Director, Town of Portola Valley





San Francisco Bay Regional Water Quality Control Board

August 23, 2021
File: CW-255833

Bill Kitajima (bkitajima@westbaysanitary.org)
Projects & IT Manager
West Bay Sanitary District
500 Laurel Street
Menlo Park, California 94025-3486

Approval to Annex Certain Territory (Lands of Oak Hills Ranch LLC) to the West Bay Sanitary District On-Site Wastewater Disposal Zone: APN: 077-211-110

Dear Bill Kitajima:

The Regional Water Board hereby approves the annexation of the subject parcel to the On-Site Wastewater Disposal Zone of the West Bay Sanitary District (District). The property owners applied to the District for annexation “for the purpose of obtaining sewer service for a single-family residence.” To connect to existing District sewer facilities, the property owners require a Grinder Pump System that the District must maintain. Therefore, this parcel must be annexed into the District's disposal zone.

The Regional Water Board's approval is conditional upon the District (1) retaining responsibility for operation and maintenance of the grinder pump system, and (2) ensuring the proper operation and maintenance of the other sewerage facilities serving the parcel. Disposal of sewage onto soils within the disposal zone is not approved.

If you have any questions, please contact me at (510) 622-2407, or via e-mail at gaurav.mittal@waterboards.ca.gov.

Sincerely,

Gaurav Mittal
Water Resource Control Engineer

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF SAN MATEO
MAKING DETERMINATIONS, APPROVING LAFCO FILE 21-06 -
ANNEXATION OF 193 MEADOWOOD DRIVE, PORTOLA VALLEY
TO THE WEST BAY SANITARY DISTRICT,
WAIVING CONDUCTING AUTHORITY PROCEEDINGS, AND ANNEXATION
TO THE ON-SITE WASTEWATER DISPOSAL ZONE**

RESOLVED, by the Local Agency Formation Commission of the County of San Mateo, State of California, that

WHEREAS, a proposal for the annexation of certain territory to the West Bay Sanitary District in the County of San Mateo was heretofore filed with the Executive Officer of this Local Agency Formation Commission pursuant to Title 5, Division 3, commencing with Section 56000 of the Government Code; and

WHEREAS, the Executive Officer has reviewed the proposal and prepared a report, including the recommendations thereon, the proposal and report having been presented to and considered by this Commission; and

WHEREAS, it appears to the satisfaction of this Commission that all owners of the land included in the proposal consent to the proceeding; and

WHEREAS, a public hearing by this Commission was held on the proposal and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to the proposal and the Executive Officer's report; and

WHEREAS, the landowners and District have requested that the Commission waive conducting authority proceedings pursuant to government code Section 56837(c); and

WHEREAS, the proposal is categorically exempt from the environmental review requirements of

the California Environmental Quality Act (CEQA) under State CEQA Guidelines Section 15319(a) & (b) (Annexations of Existing Facilities and Lots for Exempt Facilities); and

NOW, THEREFORE, the Local Agency Formation Commission of the County of San Mateo DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. This proposal is approved, subject to the following conditions: None.

Section 2. The boundaries as set forth in the application are hereby approved as submitted and are as described in Exhibit "A" attached hereto and by this reference incorporated herein.

Section 3. The territory consists of 2.7 acres, is found to be uninhabited, and is assigned the following distinctive short form designation: Annexation of 193 Meadowood Drive, Portola Valley to the West Bay Sanitary District.

Section 4. Conducting authority proceedings are hereby waived in accordance with Government Code Section 56663 and this annexation is hereby ordered.

Section 5. Subsequent annexation to the On-Site Wastewater Disposal Zone is hereby approved.

APPROVED
SAN MATEO LOCAL AGENCY
FORMATION COMMISSION
455 COUNTY CENTER
REDWOOD CITY, CA 94063

EXHIBIT B PAGE 2 OF 3

Regularly passed and adopted this 19th day of May 2021.

Ayes and in favor of said resolution:

Commissioners: Ann Draper
Don Horsley
Ric Lohman
Joshua Cosgrove
Harvey Rarback
Mike O'Neill
Warren Slocum

Noes and against said resolution:

none


Commissioners Absent and/or Abstentions:

Commissioners: none



Chair
Local Agency Formation Commission
County of San Mateo
State of California

ATTEST:


Executive Officer
Local Agency Formation Commission

Date: 7-15-21

I certify that this is a true and correct copy of the resolution above set forth.

Date: 7-15-21


Clerk to the Commission
Local Agency Formation Commission

APPROVED
SAN MATEO LOCAL AGENCY
FORMATION COMMISSION
455 COUNTY CENTER
REDWOOD CITY, CA 94063
EXHIBIT B PAGE 3 OF 3

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WEST BAY SANITARY DISTRICT AGENDA ITEM 4

To: *Board of Directors*

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

Subject: *Consideration of Adopting Resolution Ordering Annexation of Certain Parcels in the Territory of West Bay Sanitary District to the West Bay Sanitary District's On-Site Wastewater Disposal Zone Including Certain Determinations, Findings and Declarations of the District Board – Lands of Oak Hills Ranch LLC (193 Meadowood Drive, Portola Valley)*

Background

This property will utilize a Grinder Pump system; consequently this property must be annexed into the District's On-Site Wastewater Disposal Zone. The proponent shall be required to connect to the existing force main along Meadowood Drive by means of a short main extension.

Analysis

Following the Public Hearing to annex certain territory to the District's On-Site Wastewater Disposal Zone, the attached resolution would formally complete the annexation of the referenced Lands of Oak Hills Ranch LLC.

Fiscal Impact

Property owners have paid all annexation fees and the fiscal impact would be additional sewer service charge revenue to the District once the parcel is connected.

Recommendation

Subject to the final review by legal counsel and the findings of the resolution holding true through the public hearing (i.e., protests by less than 35 percent of the voters and landholders), it is recommended by the Projects & IT Manager that the Board adopt the resolution as drafted.

Attachment: Resolution _____ (2021), Map, Legal/Geographic Description

WEST BAY SANITARY DISTRICT

RESOLUTION NO. _____ (2021)

RESOLUTION ORDERING ANNEXATION OF CERTAIN TERRITORY OF WEST BAY SANITARY DISTRICT TO THE WEST BAY SANITARY DISTRICT ON-SITE WASTEWATER DISPOSAL ZONE INCLUDING CERTAIN DETERMINATIONS, FINDINGS AND DECLARATIONS OF THE DISTRICT BOARD (LANDS OF OAK HILLS RANCH LLC)

The District Board of West Bay Sanitary District determines, finds and declares as follows:

(a) The proceedings, which are the subject of the Resolution, are undertaken pursuant to Chapter 3 of Part 2 of Division 5 (commencing with Section 6950) of the California Health & Safety (“H & S”) Code having to do with the formation of, and annexations to, on-site wastewater disposal zones.

(b) On July 28, 2021 the District Board approved and adopted Resolution No. 2250 (2021), “RESOLUTION OF INTENTION TO ANNEX CERTAIN TERRITORY TO THE WEST BAY SANITARY DISTRICT ON-SITE WASTEWATER DISPOSAL ZONE.” Among other things, Resolution No. 2250 (2021) described the area to be annexed to the zone, the name and address of the applicant and the number, type, volume and location of on-site wastewater disposal systems proposed.

(c) Pursuant to Resolution No. 2250 (2021), a public hearing was noticed in the manner required by H&S § 6958. The public hearing was commenced on September 22, 2021 and closed on September 22, 2021.

(d) Prior to the close of the hearing, the District Board received and considered reports from the following public officials and agencies as required by law:

- i. From the Public Health and Environmental Protection Division, Health Services Agency of the County of San Mateo, a letter dated August 23, 2021, constituting the report of the local health officer specifying the matters required by H & S § 6960.1.
- ii. From the California Regional Water Quality Control Board, San Francisco Bay Region, a letter dated August 23, 2021 constituting the report of the affected regional water quality control board with regard to the matters required by H & S § 6960.1 and approving the proposed plan for wastewater disposal by the affected regional water quality control board required by H & S § 6960.4.
- iii. From San Mateo Local Agency Formation Commission, a letter by which the commission approved annexation to the District and the District’s On-Site Wastewater Disposal Zone.

(e) At all times during the public hearing, the District was prepared to hear and receive any oral or written protests, objections and evidence which might be offered. No oral or written protests, objections or evidence in opposition to the proposal were made, presented or filed at any time. Therefore, pursuant to H & S § 6963, it is determined that written protests filed and not withdrawn prior to the conclusion of the public hearing represented:

- i. Less than 35 percent of the number of voters who reside in the territory to be annexed to the zone; and
- ii. Less than 35 percent of the number of owners of real property in the territory to be annexed to the zone who also own not less than 35 percent of the assessed value of real property in the territory to be annexed to the zone.

(f) The number and types of on-site wastewater disposal systems proposed to be acquired, operated, maintained and monitored in the territory to be annexed to the zone are in conformity with and do not exceed the limitations set forth in the reports referred to (d) i. and ii. above.

(g) The territory proposed for annexation to the zone contains two (2) voters as defined in the Elections Code.

(h) Operation of the zone in the territory to be annexed will not result in land uses that are not consistent with general plans, zoning ordinances or other land use regulations of the Town of Portola Valley, the County of San Mateo or any other affected public agency.

In consideration of the foregoing determinations, findings and declarations,

IT IS RESOLVED by the District Board as follows:

1. The territory described in Exhibit "A" shall be annexed to the West Bay Sanitary District On-Site Wastewater Disposal Zone.
2. This annexation shall be accomplished without an election and confirmation of voters within the area to be annexed shall not be required on the question of such annexation.
3. The exterior boundaries of the annexation shall include the same territory described in Exhibit "A" to Resolution No. 2250 (2021), which Exhibit "A" is attached to this Resolution and incorporated herein by reference.
4. There shall be one on-site wastewater disposal system serving one residential user in the territory to be annexed to the zone, which system the District will either acquire, operate, maintain or monitor, as the case may be, all as set forth in Exhibit "B" to Resolution No. 2250 (2021), which Exhibit "B" is attached to this Resolution and incorporated herein by reference.
5. Operations of the portions of the zone annexed herein shall be financed by a system of fees and charges imposed upon persons who make use of the on-site wastewater disposal system in the territory annexed to the zone. The fees and charges will be structured to take into account the actual costs of operating and administering the zone and the maintenance, repair and replacement of wastewater facilities within the

territory annexed to the zone. The fees and charges will, to the extent applicable, include the cost of transporting zone-generated wastewaters to appropriate wastewater treatment facilities.

Passed and adopted by the District Board of West Bay Sanitary District at a regular meeting thereof held on the 22nd day of September, 2021 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

Attest:

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

“EXHIBIT A”

DATE: 06-8-2021
ANNEXED TO: WEST BAY SANITARY DISTRICT
NAME OF ANNEXATION: WEST BAY SANITARY DISTRICT

**GEOGRAPHIC DESCRIPTION
LANDS OF OAK HILL RANCH LLC
AND PORTIONS OF MEADOWOOD DRIVE
PROPOSED WEST BAY SANITARY DISTRICT ANNEXATION
2.71 ACRE +/- PARCEL**

ALL THAT REAL PROPERTY IN THE TOWN OF PORTOLA VALLEY, COUNTY OF SAN MATEO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

BEING ALL OF LOT A, AND PORTIONS OF MEADOWOOD DRIVE, AS DESIGNATED ON THE MAP ENTITLED “RECORD OF SURVEY RESUBDIVISION OF LOT 4 TRACT 738”, SAN MATEO COUNTY, CALIFORNIA, FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON MARCH 28, 1958 IN BOOK 4 OF LLS MAPS AT PAGE 19, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

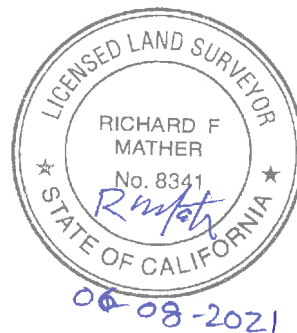
BEGINNING AT THE MOST NORTHWESTERLY CORNER OF SAID LOT THENCE ALONG THE NORTHERLY LINE OF SAID LOT THE FOLLOWING THREE (3) COURSES:

1. NORTH 85°27'34" EAST 360.69 FEET (1);
2. SOUTH 36°47'05" EAST 277.27 FEET (2);
3. SOUTH 68°22'32" EAST 242.60 FEET (3) TO A POINT ON THE WESTERLY RIGHT OF WAY OF MEADOWOOD DRIVE, 60 FEET IN WIDTH;

THENCE ALONG SAID RIGHT OF WAY SOUTH 29°11'18" WEST 20.17 FEET (4);
THENCE LEAVING SAID RIGHT OF WAY, NORTH 68°22'32" WEST 440.78 FEET (5);
THENCE SOUTH 14°22'09" WEST 205.81 FEET (6);
THENCE NORTH 44°17'00" WEST 150.00 FEET (7);
THENCE NORTH 90°00'00" WEST 223.64 FEET (8);
THENCE NORTH 11°45'57" EAST 235.00 FEET (9) TO THE **POINT OF BEGINNING**.

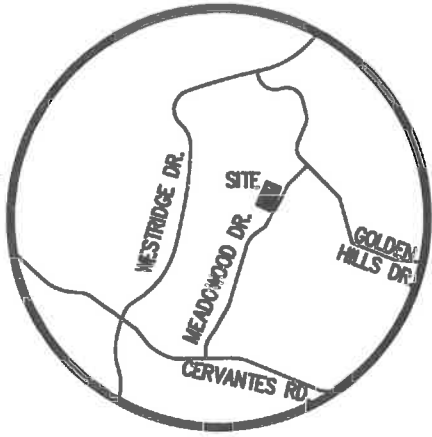
CONTAINING 2.71 ACRES +/-

FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.



**WEST BAY SANITARY DISTRICT
(193 MEADOWOOD DRIVE)**

DISCLAIMER: FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.



VICINITY MAP
NO SCALE

LOT B
4 LLS 19
APN 077-211-120

POINT OF BEGINNING

N11°45'57"E
235.00' (9)

LOT 1
45 RSM 40
APN
077-211-060

N85°27'34"E
360.69' (1)

LOT A
4 LLS 19
APN 077-211-110

N90°00'00"W
223.64' (8)

LOT 8
BLOCK 6
50 RSM 45
APN 077-290-130

S68°22'32"E
242.60' (3)

S36°47'05"E
277.27' (2)

S29°11'18"W
20.17' (4)

N68°22'32"W
440.78' (5)

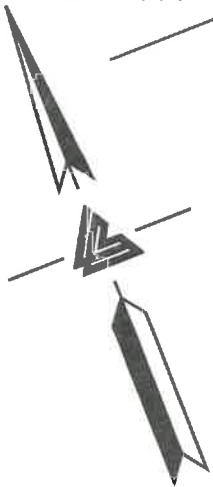
S14°22'09"W
205.81' (6)

LOT 5
45 RSM 40
APN 077-211-050

N44°17'00"W
150.00' (7)

RESOLUTION
#1213

MEADOWOOD DRIVE (60')



06-08-2021



SCALE: 1" = 150'

JOB NO 2210666



LEA & BRAZE ENGINEERING, INC.

CIVIL ENGINEERS • LAND SURVEYORS

BAY AREA REGION
2495 INDUSTRIAL PKWY WEST
HAYWARD, CALIFORNIA 94545
(P) (510) 887-4086
(F) (510) 887-3019

SACRAMENTO REGION
3017 DOUGLAS BLVD, # 300
ROSEVILLE, CA 95661
(P) (916)966-1338
(F) (916)797-7363

WWW.LEABRAZE.COM

EXHIBIT 'B'

PLAT TO ACCOMPANY LEGAL DESCRIPTION FOR PROPOSED SEWER ANNEXATION, LANDS OF OAK HILL RANCH LLC AND PORTIONS OF MEADOWOOD DRIVE, TOWN OF PORTOLA VALLEY, SAN MATEO COUNTY

NAME: SUBJECT PROPERTY CLOSURE CALCS
North: 3971.2362' East: 6328.0886'

Segment #1 : Line

Course: N85° 27' 34"E Length: 360.69'
North: 3999.7901' East: 6687.6466'

Segment #2 : Line

Course: S36° 47' 05"E Length: 277.27'
North: 3777.7270' East: 6853.6787'

Segment #3 : Line

Course: S68° 22' 32"E Length: 242.60'
North: 3688.3238' East: 7079.2043'

Segment #4 : Line

Course: S29° 11' 18"W Length: 20.16'
North: 3670.7237' East: 7069.3727'

Segment #5 : Line

Course: N68° 22' 32"W Length: 440.78'
North: 3833.1605' East: 6659.6150'

Segment #6 : Line

Course: S14° 22' 09"W Length: 205.81'
North: 3633.7888' East: 6608.5395'

Segment #7 : Line

Course: N44° 17' 00"W Length: 150.00'
North: 3741.1732' East: 6503.8084'

Segment #8 : Line

Course: N90° 00' 00"W Length: 223.64'
North: 3741.1732' East: 6280.1684'

Segment #9 : Line

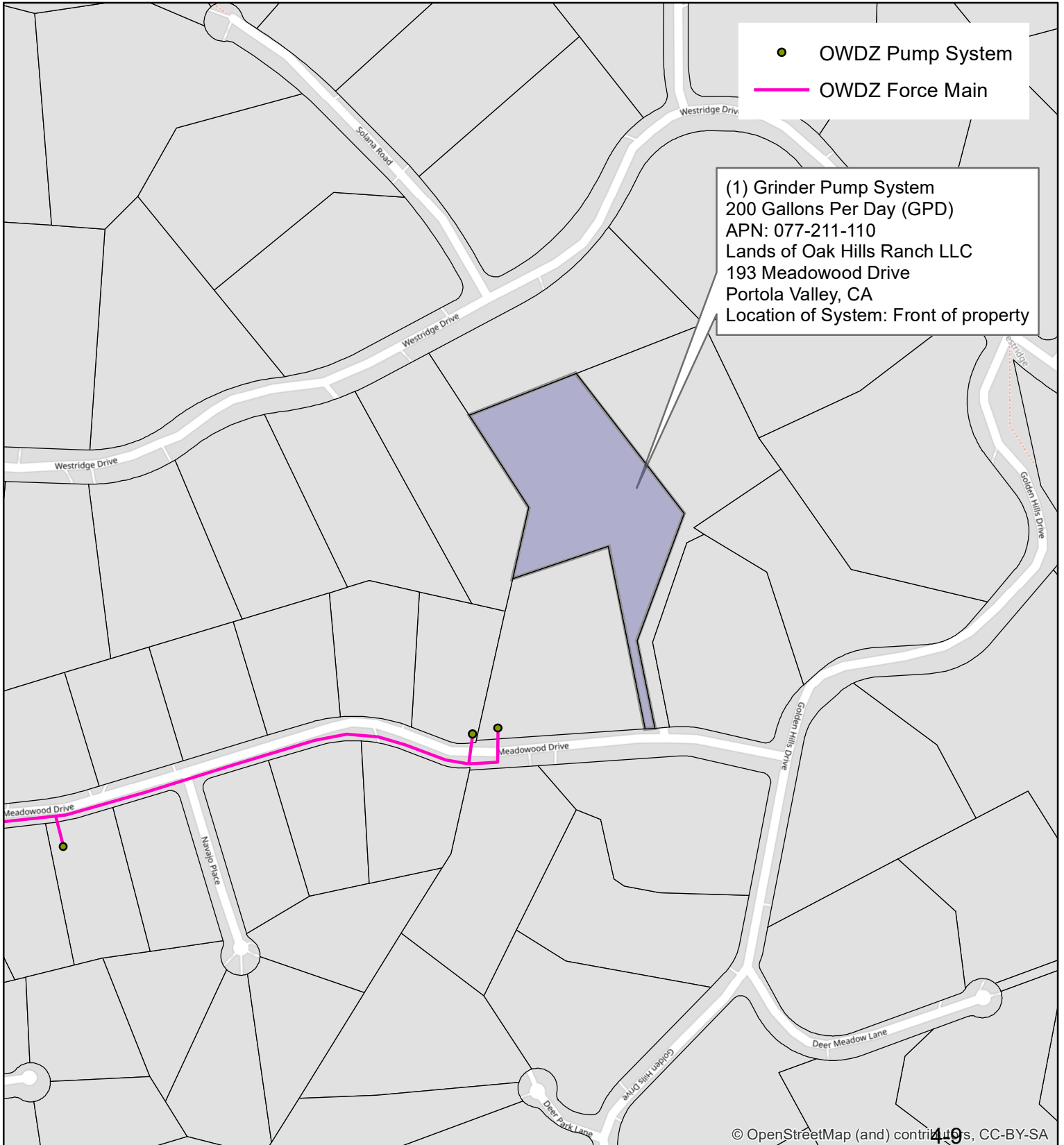
Course: N11° 45' 57"E Length: 235.00'
North: 3971.2357' East: 6328.0878'

Perimeter: 2155.94' Area: 118242.91 Sq. Ft.
Error Closure: 0.0010 Course: S58° 22' 27"W
Error North: -0.00051 East: -0.00082

Precision 1: 2155950.00



WEST BAY SANITARY DISTRICT
EXHIBIT "B"
SITE LOCATION
193 MEADOWOOD DRIVE
PORTOLA VALLEY, CA
GRINDER SYSTEM



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

WEST BAY SANITARY DISTRICT
MINUTES OF THE REGULAR MEETING OF THE DISTRICT BOARD
WEDNESDAY, SEPTEMBER 8, 2021 AT 7:00 P.M.

1. **Call to Order**

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

Roll Call

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

BOARD MEMBERS ABSENT: None

STAFF MEMBERS PRESENT: Ramirez, Condotti by Zoom

Others Present: All by Zoom: TJ Carter, Joe La Marina and Julia Au – SBWMA, Dave Richardson and Tony Valdivia – Woodard & Curran, Tammy Del Bene – Recology

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

3. **Consent Calendar**

CONSIDERATION OF ITEM(S) REMOVED FROM THE CONSENT CALENDAR

Discussion/Comments: None.

- A. Approval of Minutes for Special meeting August 18, 2021 Pg. 3A-1
- B. Approval of the Financial Activity Report Authorizing Payment of Certain Bills and Salaries and Consideration of Other Financial Matters thru August 31, 2021 Pg. 3B-1
- C. WBSD Operations and Maintenance Report – August 2021 Pg. 3C-1
- D. Town of Los Altos Hills Operations and Maintenance Report for Work Performed by WBSD – August 2021 Pg. 3D-1
- E. Town of Woodside Operations and Maintenance Report for Work Performed by WBSD – August 2021 Pg. 3E-1
- F. Bank of the West Monthly Investment Portfolio Statements Pg. 3F-1
- G. Consideration of Authorizing the District Manager to Consent to the Abandonment of Public Utility Easement at 1701 Bay Laurel Drive, Menlo Park Pg. 3G-1
- H. Consideration of Accepting Sewer Facilities Constructed Pursuant to Class 3 Sewer Permit No. 1086 for the Construction of Wastewater Facilities for 155 Cherokee Way, Portola Valley, California Pg. 3H-1
- I. Consideration of Accepting Sewer Facilities Constructed Pursuant to Class 3 Sewer Permit No. 1134 for the Sewer Main Extension Required for the Connections of 1525 and 1535 Altschul Avenue, Menlo Park

Motion to Approve by: Moritz 2nd by: Otte Vote: AYE: 5 NAY: 0 Abstain: 0

4. Presentation by South Bayside Waste Management Authority (SBWMA) the Implementation of California Senate Bill (SB) 1383 Short-Lived Climate Pollutants: Organic Waste Methane Emissions Reductions

Discussion/Comments: TJ Carter with SBWMA reported that in November 2020, CalRecycle received a Notice of Approval of Regulatory Action from the Office of Administrative Law (OAL), making SB 1383 Short-Lived Climate Pollutants regulations final and set to go into effect on January 1, 2022. On January 1, 2024, the regulations may require local jurisdictions to impose penalties for noncompliance on regulated entities subject to their authority. Director Moritz shared concerns that SB 1383 will cost the rate payers. He was also concerned about the need to enter into MOUs with the County of San Mateo and SBWMA. Joe La Mariana with SBWMA explained the MOUs will help offset the workload from the District. Mr. La Mariana stated the Board will need to adopt enforcement ordinances and enter into the MOUs to comply with SB 1383. Board consensus was to place the item on the October agenda with a model ordinance and MOUs for the Board's discussion.

5. Presentation by Engineering Consultant, Woodard & Curran on Technical Memorandums for the Bayfront Recycled Water Facility Capital and Operations & Maintenance Costs

Discussion/Comments: Dave Richardson with Woodard & Curran presented the Technical Memorandums to the Board. One identified the Capital cost of construction for the Bayfront Recycled Water Facility and its distribution system and the other identified the ongoing Operations & Maintenance (O&M) cost for the recycled water facility and its infrastructure. Director Walker asked if .6MGD to .8MGD would be large enough to serve the Bayfront Area. Director Otte requested that the team explore the use of solar power when building the facility. The Board's consensus was to explore solar power and proceed with plans to build the facility as long as developers are willing to contribute to the project.

6. District Manager's Report

Discussion/Comments: District Manager Ramirez reported that the LAFCo's Municipal Services Review (MSR) is current underway and the District is compiling the requested information to provide for the report. He stated the District's annual audit is underway. He updated the Board that the Ringwood Ave. CIP project was completed on September 3. He also reported that the Finance Advisory Committee is scheduled to meet on September 14. The complete District Manager's written report is in the September 8, 2021 agenda packet.

7. Consideration to Set a Public Hearing for December 8, 2021 to Review Proposed Solid Waste and Recycling Rates for the Year 2022 and Provide Staff Direction by Minute Order Regarding the Rate Adjustment for 2022 and Mailing of the Proposition 218 Notice for a Public Hearing

Motion to Approve by: Moritz 2nd by: Otte Vote: AYE: 5 NAY: 0 Abstain: 0

Discussion/Comments: District Manager Ramirez gave a presentation on the proposed 2022 rates, and reported that the proposed rate increase would generate an additional \$29,235 in revenue. He also reported the proposed rates would bring the cost of service closer to the actual cost for providing the service to the residential 20 and 32 gallons carts. The Board of Directors set the Public Hearing to consider the rate increase for December 8, 2021.

8. Discussion of Cost Sharing and Direction on the Recycled Water Main extension at 100 Terminal Avenue, Menlo Park, CA

Discussion/Comments: District Manager Ramirez discussed partnering with the City of Menlo Park on a recycled water main extension at the proposed Menlo Park Community Center at 100 Terminal Avenue, Menlo Park. Board consensus was to participate in cost sharing in the main installation. The Board would like to know the cost difference between the City installing a private three inch service line versus installing a main extension. The Board does not want to contribute to the full installation of a main extension.

9. September 8th Update Report on District Response to Corona Virus

Discussion/Comments: District Manager Ramirez reported that the District is considering mandatory COVID-19 vaccinations for staff.

10. Report and Discussion on Sharon Heights Recycled Water Facility (SHRWF)

Discussion/Comments: District Manager Ramirez gave an update on the facility and finance options for the proposed Avy Altschul Pump Station.

11. Discussion and Direction on Bayfront Recycled Water Project and Status Update

Discussion/Comments: District Counsel Condotti stated that he plans to have principles of an agreement in the form of an MOU with Facebook soon. Board consensus was to bring the MOU for review at a future Board meeting.

12. Consider Authorizing District Manager to Execute the Agreement with HF&H to Conduct a Recycled Water Financial Plan for the Bayfront Recycled Water Facility

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

Discussion/Comments: The Board of Directors authorized the financial plan agreement.

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

Discussion/Comments: None.

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

Discussion/Comments: Director Otte reported that the WIFIA loan is now complete.

15. Closed Session

Entered closed session at 10:03 p.m. Left closed session at 10:24 p.m.

- A. CONF. WITH LABOR NEGOTIATORS (Cal. Govt. Code § 54957.6)
Agency designated representatives: District Manager/Legal Counsel
Represented, Unrepresented & Exempt employees

- 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

Reportable action: None.

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

Discussion/Comments: None.

17. Adjournment Time: The meeting was adjourned at 10:25 PM



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 5B**

To: Board of Directors

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

Subject: Consider Resolution Authorizing the President and Secretary to Enter into Agreement Creating Covenants Running With the Land for 193 Meadowood Drive, Portola Valley

Background

The attached agreement requires that a property owner, who seeks inclusion in the District's On-Site Wastewater Disposal Zone, shall protect and maintain certain portions of the system to ensure continuity of service.

Analysis

It had been staff's experience that transfer of the property from one owner to another invariably resulted in a failure to maintain the system as previously agreed. The attached Covenants of Agreements Running with the Land ensures that all future owners are required to comply with the District's Code of General Regulations and Specifications.

Fiscal Impact

Property owners have paid all annexation fees and the fiscal impact would be additional sewer service charge revenue to the District once the parcel is connected.

Recommendation

The Projects & IT Manager recommends the Board to approve the Resolution as presented.

Attachments: Resolution _____ (2021)
Covenants Running with the Land

RESOLUTION NO. _____ (2021)

RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF “AGREEMENT CREATING COVENANTS RUNNING WITH THE LAND,” BY AND BETWEEN STEVE & TRAE VASSALLO, OWNERS OF REAL PROPERTY, AND THE WEST BAY SANITARY DISTRICT

The District Board finds and determines as follows:

- A. The proposed Agreement provides adequate protection for the District’s interests so as to justify the requested action.

Based upon the foregoing findings and determinations,

IT IS RESOLVED by the District Board as follows:

The Agreement is approved and the President and Secretary are authorized and directed to execute the Agreement. The District Manager is directed to record the Agreement in the Official Records of San Mateo County.

Passed and adopted by the District Board of the West Bay Sanitary District at a regular meeting thereof held on the 22nd day of September 2021, by the following vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

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

Attest:

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

Recording Requested By:)
)
WEST BAY SANITARY DISTRICT)
)
And When Recorded, Mail To:)
)
West Bay Sanitary District)
500 Laurel Street)
Menlo Park, California 94025-3486)
Attn: District Manager)

(Space above this line for Recorder's Use)

AGREEMENT CREATING COVENANTS RUNNING WITH THE LAND

Agreement entered into by and between West Bay Sanitary District, a public agency of the State of California ("District") and Steve & Trae Vassallo, owners of the property at 193 Meadowood Drive, ("Proponents").

RECITALS

1. Proponents represent that they are the owners of certain real property situated in the Town of Portola Valley, San Mateo County, California, which is commonly known as 193 Meadowood Drive, and which is more particularly described as follows:

Lot A in Block , as shown on that certain map entitled "Resubdivision of Lot 4, Tract 738, Oak Hills", filed in the office of the County Recorder of said County and State, on March 28, 1958 in Book 4 of maps at pages 19.

Containing an area of 2.686 acres, more or less (the "Real Property").

2. *Proponents' Real Property is developed with a single family residence. The residence is served by a septic tank/leachfield wastewater disposal system that has failed and cannot be repaired. Use of the present system must be discontinued or it is probable that conditions adversely affecting the public health, safety and welfare will develop on the Real Property and, potentially, off-site.*

or

Proponents' Real Property is developed with a single family residence. The residence is served by a septic tank/leachfield wastewater disposal system that is unable to meet current standards.

or

Proponents' Real Property is undeveloped. The proposed residence can not be served by a septic tank/leachfield wastewater disposal system.

3. To maintain wastewater disposal service to the site, Proponents have annexed the Real Property to the District and are seeking service from the District.

4. To obtain District administered wastewater disposal services for the Real Property, Proponents propose to construct certain unconventional wastewater disposal facilities (the "Septic Tank Effluent Pumping (STEP)" / "Grinder Pump System"), 344 linear feet of sanitary sewer force main and to connect to the District's public facilities located in Meadowood Drive.

5. The STEP/Grinder Pump System to be constructed by Proponents is similar to several other wastewater disposal systems constructed on other properties within the District which also connect to the District's sewer system. These systems differ substantially from traditional gravity sewer systems found elsewhere in the District's service area, and because of these differences, the District is regulating the use and operation of these systems through an On-Site Wastewater Disposal Zone. (See Health & Safety Code Sections 6950 et seq.; "The Zone".)

6. Proponents are willing to accept the stated conditions and they desire to enter into this Agreement with the District to fulfill the intentions of the parties.

TERMS AND CONDITIONS

In consideration of the foregoing Recitals and the following Terms and Conditions, it is mutually agreed by District and Proponents as follows:

1. The Proponents shall construct a new STEP/Grinder Pump System according to the District's Standard Details. All pumping equipment, control equipment, telemetry equipment, pipelines, power and phone lines, etc., are a part of the construction costs to be borne by the proponent. The applicant shall submit information about the location, type and size of all equipment and facilities to the District for review and approval. Final determination of the size, location and equipment used in the construction of the STEP/Grinder Pump System shall be at the sole discretion of the District.

2. The Proponents shall coordinate all inspection and testing with the District. The Proponents shall notify the District 48 hours in advance for inspections and testing. After completion of the initial construction, the Proponents shall guarantee the work for one-year by a maintenance bond or cash deposit for 50% of the work.

3. The Proponents shall supply the District with one extra pump of the same type and size to be installed.

4. A recorded easement on the individual property is required for District access to the STEP/Grinder Pump System for routine maintenance and repair. This easement must meet the requirements of the District's Code of General Regulations, be granted to the District, and must be recorded on the title of the property. The District must have full vehicular access at all times to the areas with wastewater facilities.

5. Any septic tanks to be abandoned shall be abandoned in accordance with County Health requirements and copy of abandonment permit is given to the District.

6. The Proponents and their successor shall be responsible to provide and maintain the following appurtenances:

- (a) A dedicated telephone line.
- (b) Electrical power for the telemetry and grinder system.
- (c) A separate 220 Volt circuit and breaker shall be provided for the STEP/Grinder Pump and shall be labeled in the circuit box as, "Do Not Touch – For STEP/Grinder Pump Use Only."

7. The proponent shall disclose to the District any secondary pumping system and changes to the internal plumbing of the residence prior to any work and connection to the grinder system. The District reserves the right to reject any Proposal/ Design which may impact the ability of the STEP/Grinder System to function effectively or result in excessive maintenance costs. Such determination shall be made at the sole discretion of the District.

8. All costs associated with the correction of the prohibitions referenced in this agreement shall be conducted at the sole cost of the Property Owner. The District shall invoice the Property Owner directly. The charge shall be the actual salary of District employees and equipment for the time necessary for the correction times 1.75, or the actual cost of Contractors Services, times 1.75. Such costs may be charged in addition to penalties authorized by the District's Code of General Regulations.

PROHIBITIONS

In addition to the Prohibitions contained in the District's Code of General Regulations, the following prohibitions shall specifically apply to properties in the District's On-Site Wastewater Disposal Zone:

1. Proponents shall not under any circumstances, change or add any secondary pumping systems without the written consent of the District.
2. Proponents shall not, under any circumstances, allow or permit changes to the infrastructure or equipment of the STEP/Grinder Pumping System without the written consent of the District. Proponents are specifically instructed not to allow disconnection or reconfiguration of telephone and electrical systems.
3. The proponent shall not under any circumstances connect swimming pool, spa, or any storm drains to piping that discharges into the grinder pump unit.

ADHERENCE TO DISTRICT REGULATIONS

With respect to all matters referred to in this Agreement, including the construction of the STEP/Grinder Pump System, its connection to the District's system, the use and operation of the STEP/Grinder Pump System and the use of the District's wastewater facilities, Proponents shall at all times fully comply with all applicable District regulations. Proponents shall operate and maintain the STEP/Grinder Pump System so that at all times it remains in good operating condition and repair. Except to the extent District accepts responsibility for some portion or portions of Proponents' STEP/Grinder Pump System and the systems of other persons similarly situated and for which the District hereafter imposes a uniform system of fees and charges applicable to all such persons, the responsibility, including all costs and expenses, for the construction, use, operation, maintenance, repairs and replacement of the Grinder Pump System shall be borne exclusively by Proponents, and the District shall have no responsibility for such matters whatsoever.

ENFORCEMENT RIGHTS OF DISTRICT

In addition to the rights and remedies established by this Agreement, the District shall have all rights and remedies otherwise afforded under applicable provisions of law to enforce this Agreement, including (a) Proponents' obligation to pay and the District's right to collect fees and charges and (b) District's right to correct violations of District's regulations.

ATTORNEY FEES

In the event of any litigation between the parties to interpret or enforce this Agreement, the prevailing party shall be entitled to recover its attorney fees, court costs and litigation expenses incurred in the litigation.

BINDING EFFECT

This Agreement shall be binding upon and inure to the benefit of the respective parties, their assigns, beneficiaries, personal representatives and successors in interest.

Executed at Menlo Park, California on the dates set forth.

DISTRICT:

WEST BAY SANITARY DISTRICT
A Public Agency

Printed Name:

By: _____ Date: _____
President of the District Board

Printed Name:

And by: _____ Date: _____
Secretary of the District Board

PROPONENTS:

Printed Name: *STEVE VASSALLO*

By: *[Signature]* _____ Date: *8/31/2021*

Printed Name: *TJAE VASSALLO*

By: *[Signature]* _____ Date: *Aug 31, 2021*

(Attach Notary Acknowledgement Certificate)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Santa Clara)

On August 31, 2021 before me, Melanie Lee Anderson
(insert name and title of the officer)

personally appeared Steve and Trae Vassallo,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature Melanie Lee Anderson (Seal)



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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 5C**

To: Board of Directors

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

**Subject: Consider Authorizing the District Manager to Consent to the
Abandonment of Public Utility Easement at 248 Oakhurst Place,
Menlo Park**

Background

Morgan Smith Architect on behalf of the property owner has requested the abandonment of portions of an existing 10' Public Utility Easement (PUE) and 5' PUE at 248 Oakhurst Place in Menlo Park. The City of Menlo Park is requiring consent by all utility companies/owners that may have an interest in the easement.

Analysis

The District does not have any utilities within the public utility easement.

Fiscal Impact

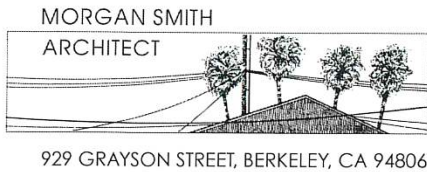
None

Recommendation

The Projects and IT Manager recommends the District Board authorize the District Manager to provide a "no objection" letter to the requester.

Attachment: Exhibit A – Letter from Morgan Smith Architect
Exhibit B – Plat & Legal of PUE Vacation, Tract Map
Exhibit C - West Bay Site Map

Exhibit



Received

SEP 6 2021

West Bay Sanitary District

West Bay Sanitary District
Attn: Mr. Bill Kitajima
500 Laurel Street
Menlo Park, CA 94025-3486

8-26-2021

SUBJECT: REQUEST FOR UTILITY APPROVAL OF THE VACATION OF:
Oakhurst Place - 10' Public Utility Easement Abandonment

Dear Mr. Bill Kitajima:

As the owner's agent of the property located at 248 Oakhurst Place, I am applying to the City of Menlo Park for the vacation of the 10' Public Utility Easement across the property. One of the requirements of the City's application is the consent of your company to vacate, or vacate with the retention of an easement which meets your requirements.

Attached for your convenience are copies of the following:

- Assessor's Parcel Map for APN 055-301-050
- Final Map of Tract Number
- Plat of the property showing the easement / right-of-way to be vacated
- Property description and/or description of the easement
- Explanation of the proposed disposition of the easement or right-of-way, and an anticipated date by which I need the information.

If you have any questions regarding this request, please contact me at (510) 841-6100 or meching@smitharch.com. A response through email would be greatly appreciated.

Meching Mai
Morgan Smith Architect
929 Grayson Street
Berkeley, CA 94710

Exhibit

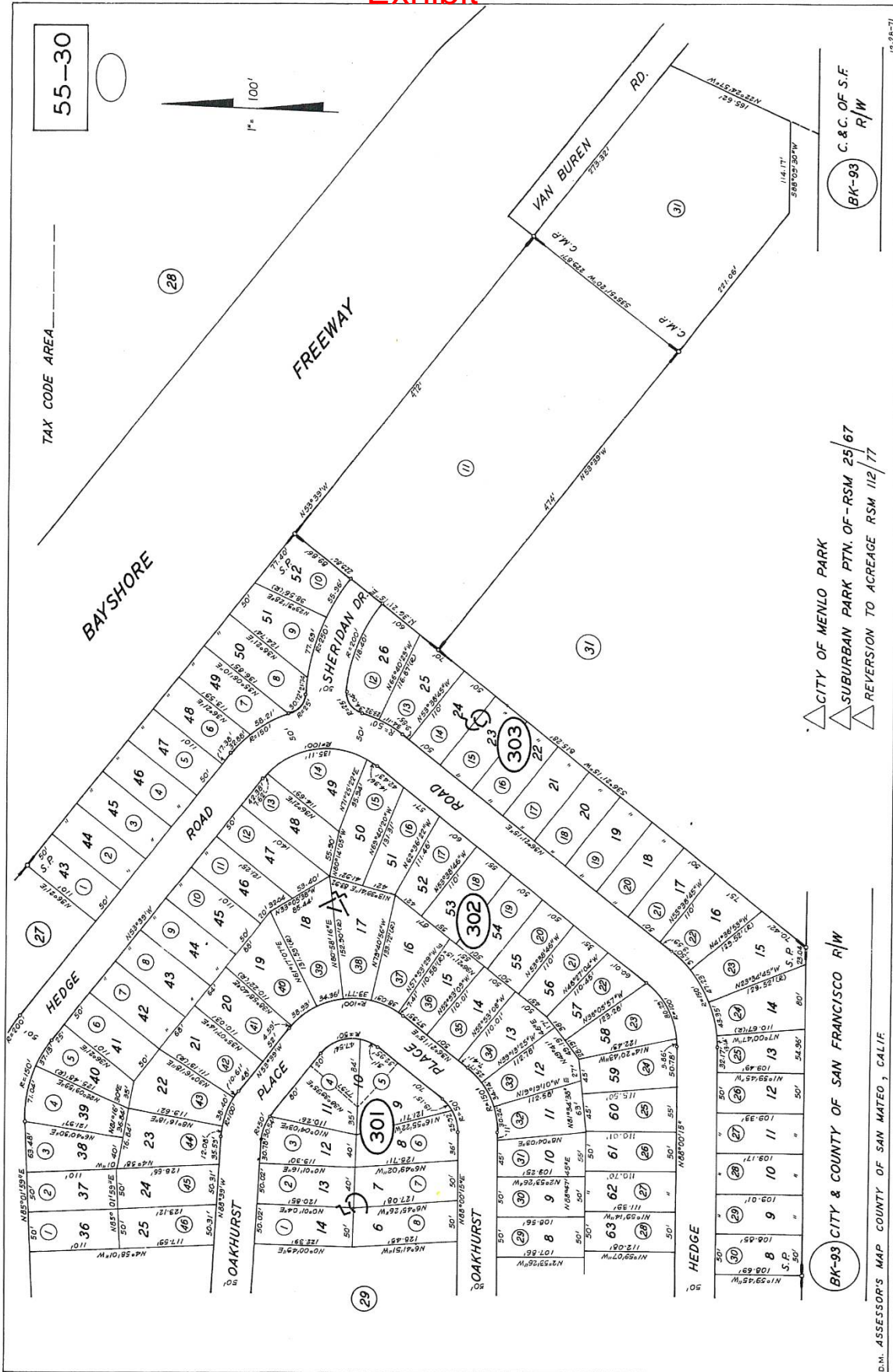


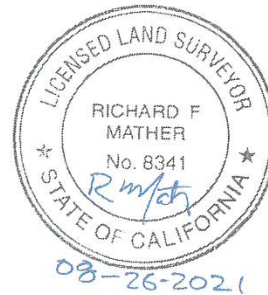
EXHIBIT "A"
LEGAL DESCRIPTION FOR
PUBLIC UTILITY EASEMENT VACATION
248 OAKHURST PLACE, MENLO PARK, CALIFORNIA

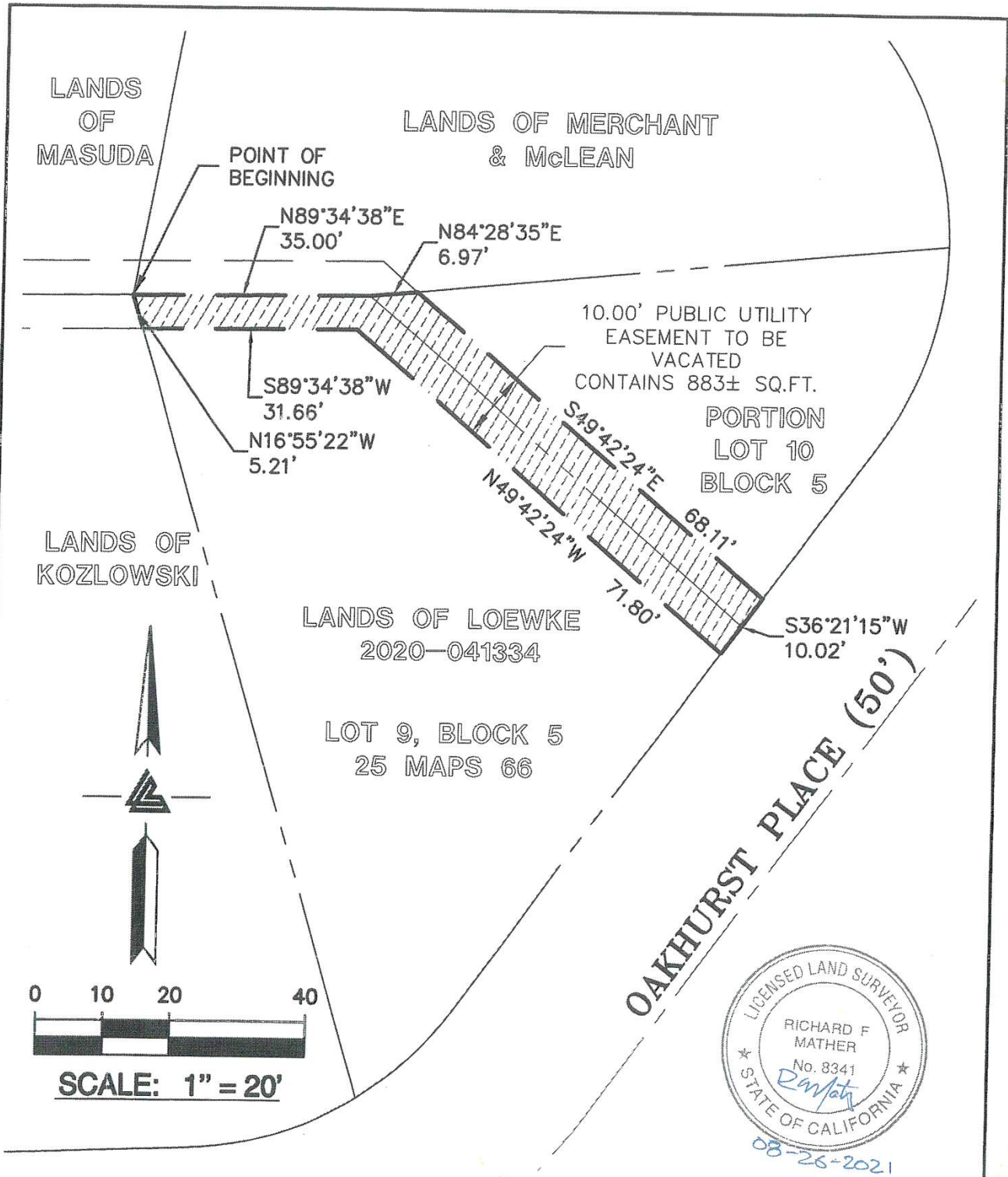
All that certain real property, situate in the City of Menlo Park, County of San Mateo, State of California, being part of the land of Loewke as described in that certain Grant Deed recorded May 8, 2020 as Instrument No. 2020-041334, Official Records of San Mateo County, and being a portion of Lots 9 and 10, Block 5 as shown on "Tract No. 560 Suburban Park", filed for record on July 17, 1946 in Book 25 of Maps at Pages 66 through 70, Records of San Mateo County, as shown on Exhibit "B" made a part hereof, more particularly described as follows:

Beginning at the most Westerly corner of said Lands, said point being the West corner of said Lot 9; thence along the northerly line of said Lands North 89°34'38" East, 35.00 feet and North 84°28'35" East, 6.97 feet; thence leaving said line South 49°42'24" East, 68.11 feet to a point on the northwesterly right of way of Oakhurst Place as shown on said Map; thence along said right of way South 36°21'15" West, 10.02 feet; thence leaving said line North 49°42'24" West, 71.80 feet; thence South 89°34'38" West, 31.66 feet to a point on the westerly line of said Lands; thence along said line North 16°55'22" West, 5.21 feet to the **Point of Beginning**.

Containing 883 square feet, more or less.

END OF DESCRIPTION





LEA & BRAZE ENGINEERING, INC.

CIVIL ENGINEERS • LAND SURVEYORS

BAY AREA REGION
2495 INDUSTRIAL PKWY WEST
HAYWARD, CALIFORNIA 94545
(P) (510) 887-4086
(F) (510) 887-3019

SACRAMENTO REGION
3017 DOUGLAS BLVD, # 300
ROSEVILLE, CA 95661
(P) (916)966-1338
(F) (916)797-7363

WWW.LEABRAZE.COM

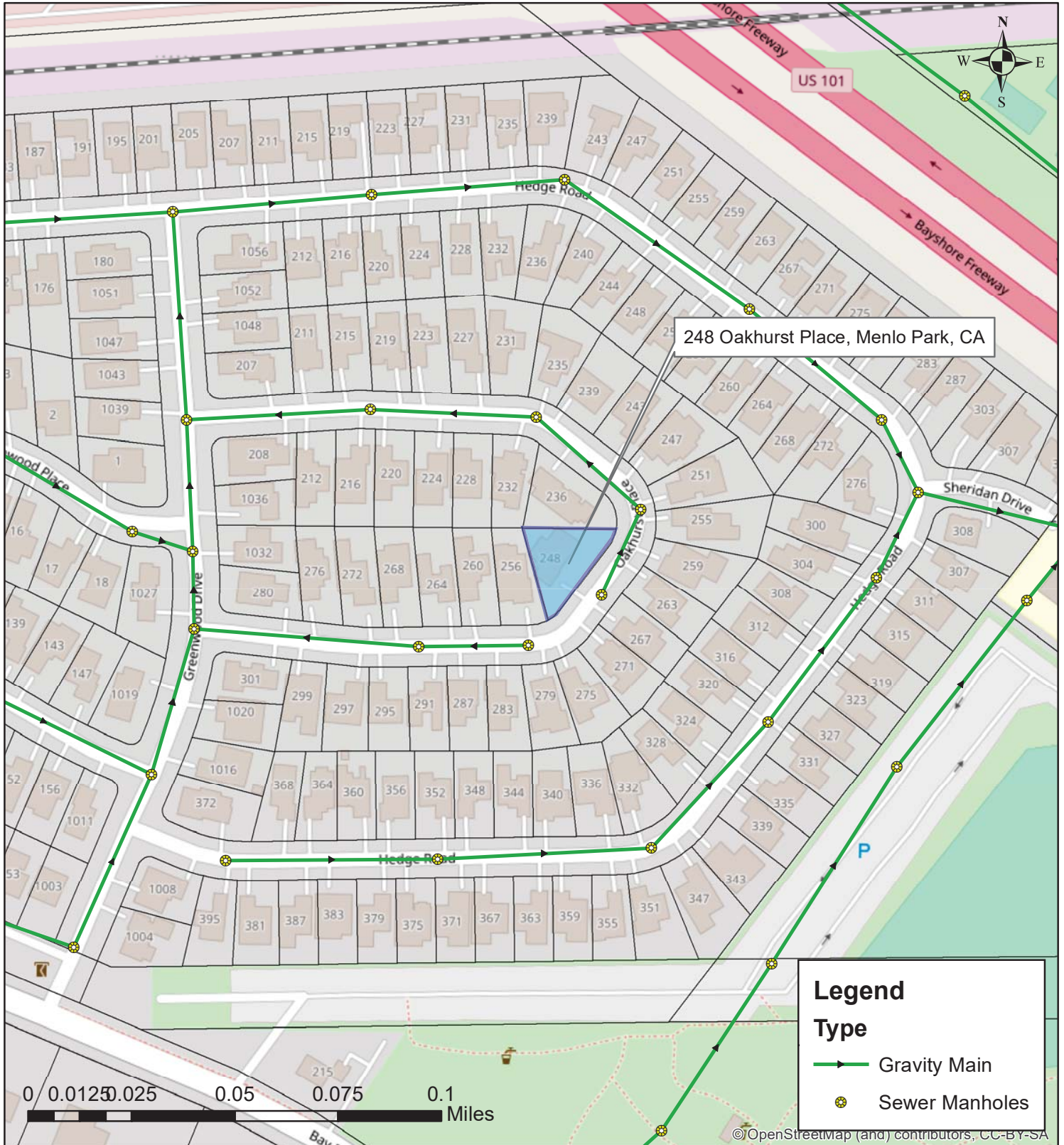
EXHIBIT 'B'
PLAT TO ACCOMPANY LEGAL
DESCRIPTION FOR PUBLIC UTILITY
EASEMENT VACATION
248 OAKHURST PLACE MENLO
PARK, CA

JOB NO 2200508

SCALE: 1" = 20'



WEST BAY SANITARY DISTRICT
EXHIBIT "C"
SITE LOCATION
248 OAKHURST PLACE
MENLO PARK, CA





**WEST BAY SANITARY DISTRICT
AGENDA ITEM 6**

To: Board of Directors

From: Sergio Ramirez, District Manager

Subject: Consider Approving an Agreement with Menlo Country Club and a Resolution Allowing the District Manager to Authorize an Application for a Grant from the State Water Resources Control Board for a Water Recycling Planning Study in Collaboration with Menlo Country Club

Background:

On July 28, 2021, the Board approved applying for a planning grant for the proposed Woodside Recycled Water Facility Project in collaboration with Menlo Country Club (MCC) with the understanding that West Bay Sanitary District (WBSD) would not be obligated to construct the recycled water facility.

Two actions are being requested:

- 1) Approve the Agreement between WBSD and MCC that arranges for WBSD to participate as a public partner in the planning study.
- 2) Approve a resolution allowing the District Manager to authorize an application for a grant from the State Water Resources Control Board. The grant would be based on 50:50 cost share with the state and would not exceed \$150,000.00. The total cost of the work outlined would be \$300,000. The grant would be used to execute 50% of the work outlined in "The Plan of Study," which is attached for reference.

Analysis:

The Plan of Study is a required part of the application for the recycled water project planning grant. If the grant is approved, MCC would reimburse WBSD for the cost of the planning study for the Woodside Recycled Water Facility Project.

If the project is feasible and WBSD agreed with Menlo Country Club to construct the facility, WBSD would own and operate the facility and become the recycled water purveyor for the Woodside Recycled Water Facility area.

Fiscal Impact:

The costs to the District would be associated with District staff time for application review, meetings, and legal services associated with the agreement. MCC will make an initial deposit of \$20,000.00 to the District to cover such efforts. The fiscal impact to the District for outside services would be zero.

Recommendation:

The District Manager recommends the District Board approve the Agreement with Menlo Country Club and recommends the District Board approve the authorizing resolution needed to contract with the State for the matching State Water Grant.

Attachments:

- 1) MOA for approval
- 2) Resolution for approval
- 3) Draft Plan of Study (for information)

AGREEMENT BETWEEN WEST BAY SANITARY DISTRICT AND MENLO COUNTRY
CLUB
FOR A FEASIBILITY STUDY
OF A RECYCLED WATER TREATMENT FACILITY

This AGREEMENT BETWEEN WEST BAY SANITARY DISTRICT AND MENLO COUNTRY CLUB FOR A FEASIBILITY STUDY OF A RECYCLED WATER TREATMENT FACILITY (“Agreement”) is made and entered into on the date by which it has been executed by all parties hereto (the “Effective Date”), by and between the West Bay Sanitary District (“West Bay”) and the Menlo Country Club (“Club”) (collectively “Parties”) and provides as follows:

RECITALS

WHEREAS, West Bay is a Sanitary District organized and existing under the Sanitary District Act of 1923 (Cal. Health & Safety Code § 6400, et seq.), and provides wastewater collection and conveyance services to the Cities of Menlo Park, Atherton and Portola Valley, and portions of East Palo Alto, Woodside and unincorporated San Mateo and Santa Clara counties; and

WHEREAS, Club is a corporation duly organized and existing under the laws of the State of California that owns and operates a golf course and related facilities that are currently irrigated with potable water purchased from the San Francisco Public Utilities Commission (SFPUC); and

WHEREAS, numerous golf courses throughout California now use recycled water for irrigation purposes and such use has been shown to be beneficial and is consistent with State law and water policy; and

WHEREAS, the Parties have preliminarily concluded that recycled water may be suitable for use as a substitute for the potable water currently used to irrigate the golf course, and are mutually interested in determining the feasibility of substituting recycled water for some or all of the potable water now used to irrigate the golf course; and

WHEREAS, West Bay has indicated a willingness to serve as a public partner for purposes of applying for a grant (the “SWRCB Grant”) from the State Water Resources Control Board (SWRCB) to conduct a feasibility study (the “Feasibility Study”) at a cost estimated at \$150,000, up to 50% of which may be recoverable by West Bay in the form of an SWRCB grant.

WHEREAS, Club agrees to reimburse West Bay for all Feasibility Study costs that are in excess of any grant from SWRCB; and

WHEREAS, the scope of this Memorandum of Understanding is limited to a study to assess the feasibility of a recycled water facility at Club (“Facility”).

TERMS

1. The parties agree to negotiate in good faith and on a regular basis to resolve issues.
2. West Bay agrees to apply to the SWRCB for grant funding for the Feasibility Study.

3. Within ten (10) days of the Effective Date of this Agreement, Club shall deposit with West Bay the sum of twenty thousand dollars (\$20,000.00) (the “Initial Deposit”) as an estimate of West Bay’s costs associated with the preparation/negotiation of this Agreement and the SWRCB Grant application, including staff time and legal and other professional services associated therewith. Should the Initial Deposit be insufficient to reimburse West Bay for the full costs incurred, Club agrees to supplement the Deposit as necessary and reasonable to fund its completion.
4. The Feasibility Study shall, at a minimum, contain the following:
 - a. Estimated cost of planning, design and construction of the Facility
 - b. Point at which it would be proposed to divert sewage to the Facility and the method of diversion
 - c. Volume and characteristics of sewage at proposed point of diversion. Projections to include expected flow variances based on time of day and other considerations.
 - d. Projected characteristics of the recycled water output from the Facility, including:
 - i. Annual and daily production capacity (afy)
 - ii. Daily production capacity (mgd)
 - iii. Building footprint
 - iv. Point of delivery
 - e. Analysis of alternative package plant technologies and selection of preferred alternative
 - f. Projected storage capacity to store surplus plant output during wet and/or cool periods
 - g. Projected cost of annual plant operation and management (O&M)
5. The Parties agree that Club shall reimburse West Bay for all costs incurred by West Bay for the Feasibility Study that are in excess of those provided by any SWRCB Grant including, but not limited to staff time and legal and other professional services, upon receipt of invoices therefor document such costs. Payment shall be made by Club to West Bay within 30 days of written notice by West Bay of amounts due. Payment shall be sent to the address specified for notice, below.
6. Upon completion of the Feasibility Study, West Bay agrees to deliver a copy thereof to Club for its use in assessing whether to continue to pursue development of a recycled water treatment facility to irrigate Club’s golf course and landscaping.

7. Nothing contained herein shall be construed by the Parties as constituting a commitment by West Bay to construct a recycled water treatment facility. Club acknowledges and agrees that a separate agreement with West Bay will be required for that purpose, and that such agreement shall require that Club fund the full cost of construction, operation and maintenance of such facility.
8. Attorney Fees. In the event of any litigation between the parties to interpret or enforce this Agreement, the prevailing party shall be entitled to recover its attorney fees, court costs and litigation expenses incurred in the litigation.
9. Entire Agreement. The parties acknowledge that no representations or inducements have been made other than those expressed herein; that this Agreement supersedes any and all prior memoranda, correspondence, conversations, negotiations and agreements pertaining to the matters herein expressed; and that this Agreement constitutes the entire agreement between them.
10. Governing Law and Forum. The validity, construction and effect of this Agreement shall be governed by the laws of the State of California, and the parties hereby consent to the exclusive jurisdiction of the courts of the state of California for resolution of any dispute arising hereunder, with venue in San Mateo County Superior Court.
11. Notices. Any formal notice by any party hereto shall be in writing and delivered to the parties as set forth below:
 - a. To West Bay:

West Bay Sanitary District
500 Laurel Street
Menlo Park, CA 94026
Attn.: Sergio Ramirez, District Manager
Email: sramirez@westbaysanitary.org
Tel: 650-321-0384
 - b. To Club:

Menlo Country Club
2300 Woodside Road
Woodside, California 94062
Attn.: TJ Bianchi, President
Tel: 650-366-5751
12. Electronic Signatures. Each party agrees that this Agreement and any other documents to be delivered in connection herewith may be electronically signed, and that any electronic signatures appearing on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized person on the day and year first above written.

“CLUB”

MENLO COUNTRY CLUB
A California Corporation

Dated: _____

By: _____
TJ Bianchi, President

“WEST BAY”

WEST BAY SANITARY DISTRICT

Dated: _____

By: _____
Sergio Ramirez, District Manager

APPROVED AS TO FORM:

Tony Condotti, District Counsel

RESOLUTION NO. _____(2021)
OF THE DISTRICT BOARD OF THE WEST BAY SANITARY
DISTRICT COUNTY OF SAN MATEO, STATE OF CALIFORNIA

BE IT RESOLVED by the District Board that the District Manager (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the West Bay Sanitary District, a Financial Assistance Application for a grant agreement from the State Water Resources Control Board in the amount not to exceed One Hundred Fifty Thousand Dollars and No Cents (\$150,000.00) for a planning study of the Woodside Recycled Water Facility Project.

BE IT FURTHER RESOLVED that this Authorized Representative, or designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

BE IT FURTHER RESOLVED that the Authorized Representative, or designee, is designated to represent the West Bay Sanitary District in carrying out the West Bay Sanitary District's responsibilities under the grant agreement, including certifying disbursement requests on behalf of the West Bay Sanitary District and compliance with applicable state and federal laws.

PASSED AND ADOPTED by the District Board of the West Bay Sanitary District at a regular meeting thereof held on 22ND day of September, 2021, by the following votes:

Ayes:

Noes:

Absent:

Abstain:

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

Attest:

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

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the District Board of the West Bay Sanitary District held on September 22, 2021.

Secretary of the District Board 6-7

Attachment 1 – Plan of Study

West Bay Sanitary District

Woodside Recycled Water Facility Project

Water Recycling Facilities Planning Grant Application

September 2021

TO: SWRCB Water Recycling Funding Program (WRFP)
CC: Sergio Ramirez, West Bay Sanitary District
Steve Gonzalez, Menlo Country Club
PREPARED BY: Martha de Maria y Campos, P.E. – Woodard & Curran
REVIEWED BY: Janet Fordunski, P.E. – Woodard & Curran
DATE: September 22, 2021
RE: **Plan of Study**
Woodside Recycled Water Project
WRFP Planning Grant Application

INTRODUCTION

The West Bay Sanitary District (WBSD) has agreed to be the lead agency for Woodside Recycled Water Facility Project, which would create a local supply of non-potable recycled water through treated raw wastewater using a satellite treatment facility located on private property at the Menlo Country Club (MCC) in the Town of Woodside. After facing mandatory water restrictions, MCC studied how to reduce irrigation water demand and then transition the golf course irrigation supply to non-potable water to achieve a drought-resilient source of irrigation water for its facility. After years of study, the MCC concluded that the most feasible option to produce a local supply of water for irrigation would be to recycle raw wastewater flowing past the golf course in a pipeline in Woodside Road using a satellite treatment and storage facilities constructed on the golf course grounds. The recycled water supply potentially could be augmented by capturing and reusing golf course drainage and local stormwater which flows into through the golf course in Redwood Creek.

WBSD has experience implementing comparable recycled water satellite treatment facilities through public-private partnerships, such as the Sharon Heights Recycled Water Project, which is similar in scale and purpose to the proposed Woodside Road Recycled Water Project.

Recycled water projects such as these are driven by recurring droughts that stress available regional water supplies and result in mandatory water restrictions for customers. This plan of study is the result of a long term effort in to address the issue, coupled with cooperation between public and private stakeholders in the region, to create a project concept with multiple public benefits. The proposed Project would have the following benefits to the following public entities:

- San Francisco Public Utilities Commission (SFPUC) and its member agencies will benefit through increased access to potable water;
- Fair Oaks Sanitary District (FOSD) will benefit from reduced wastewater flow in the sewer system and reduced charges to treat that flow of wastewater downstream;
- Town of Woodside will benefit from reduced wastewater flow in the sewer system and reduced charges to treat that flow of wastewater downstream;
- Sequoia Union High School District (SUHSD) could potentially benefit from access to recycled water to irrigate its sports fields at Woodside High School.

PLAN OF STUDY SCOPE REQUIREMENTS

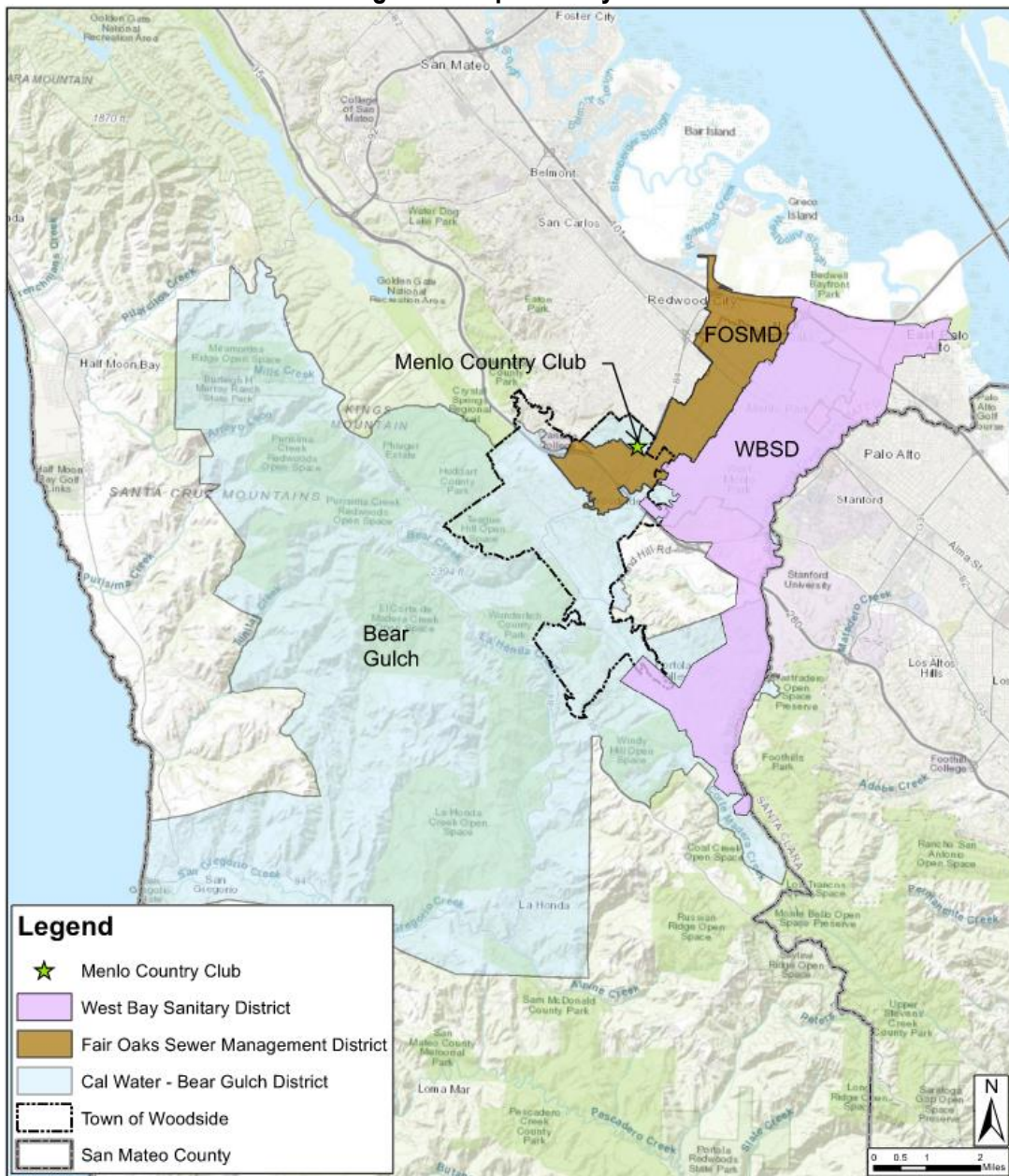
As described on pages A3 of the *Water Recycling Funding Program Guidelines* (amended on October 16, 2019), this Plan of Study includes the following 14 components.

1. A description of the recycled water service area that will be studied.
2. The potential sources of recycled water and a brief summary of the unit processes currently in use at existing treatment facilities.
3. A description of the current disposal/reuse of the wastewater that is proposed to be recycled.
4. A map of the study area showing the sources of recycled water and potential service area(s). The map should clearly show the study area boundary and boundaries of other associated agencies, such as community or sewer services districts, municipalities, and water supply agencies.
5. General description of current sources of fresh water, including quantity and potential future demand.
6. Identification of the water and wastewater agencies having jurisdictions over the sources of recycled water and/or the potential service area.
7. A general description of water recycling and fresh/potable water supply alternatives that may be evaluated.
8. A description of the opportunities for stakeholder participation, for example, public meeting with the local community members, potential recycled water users, and other agencies that have a stake in the study.
9. A schedule with the start and completion dates of major tasks associated with the study.
10. A list of potential problems that may cause delays of the study and description of the proposed actions to reduce the impact of these potential problems.
11. Identification of the entities that will be conducting the study and description of their roles. This may include a description of proposed subcontracts with consultants or interagency agreements with other agencies, and any force account work.
12. Proposed budget for the study, including estimated costs of specific tasks including the recycled water market assessment, alternatives development and analysis, recommended project development, draft and final reports, and quality control.
13. Sources of financing, and sources of funds for cash flow until grant reimbursement.
14. Proposed Report outline. The applicant should consult Appendix B in the WRFPP Guidelines for a suggested outline and list of required study subject areas.

1. RECYCLED WATER STUDY AREA

The Recycled Water Study Area is located on the San Francisco Peninsula in San Mateo County, sometimes called “West Bay.” The Project is located in the water service areas of both California Water Service (CalWater) and SFPUC, with SFPUC being the provider of irrigation water for the MCC golf course and adjacent landscaped areas. The Project would recycle wastewater from both the Town of Woodside and unincorporated San Mateo County located upgradient (southwest) of MCC. The recycled water satellite facility would be constructed at MCC in the Town of Woodside within the Fair Oaks Sewer Management District (FOSMD). WBSD would own and operate the recycled water satellite facility. Figure 1 shows the location of MCC and the boundaries of the Town of Woodside and applicable water and sewer agencies.

Figure 1: Map of Study Area



2. POTENTIAL SOURCES OF RECYCLED WATER

The closest existing supply of recycled water is produced at Silicon Valley Clean Water (SVCW) located near the Bay and distributed by Redwood City's Public Works Services Department. A study assessed the feasibility of conveying recycled water through Redwood City to MCC utilizing a pipe alignment within the Cal Water service area (Woodard & Curran, 2017). Conveyance of this recycled water required a pump station and the construction of 6 miles of pipe with four locations that would require trenchless technology to cross two roads and two railroads. The results of this study will be used as one of the project alternatives in the proposed study.

3. CURRENT DISPOSAL OF WASTEWATER PROPOSED TO BE RECYCLED

Currently, wastewater in the Woodside Road sewer flows to SVCW where it is treated at a two-stage biological treatment facility and discharged to a deep-water channel in the San Francisco Bay. A portion of the SVCW effluent is further treated and supplied to customers through Redwood City's recycled water distribution system.

4. MAP OF THE STUDY AREA

Wastewater from the FOSMD collection system would be the source of recycled water for the Project. There are two potential manholes in Woodside Road adjacent to MCC from which this wastewater could be drawn (MH 4949 and MH 4873). According to the capacity analysis conducted as part of the *Fair Oaks Sewer Maintenance District Sewer Master Plan* in 2015, flow metering indicated there is an estimated average daily flow of 150,000 gallons per day available during a normal rainfall year. Figure 2 shows the FOSMD collection system model nodes. Figure 3: Aerial View of Study Area Figure 3 is an aerial view of the Study Area with callouts for Manholes 4949 and 4873. Also displayed are the general locations of the two water sources and Redwood Creek which conveys stormwater and golf course drainage.

Figure 2: Fair Oaks Sewer Maintenance District Collection System

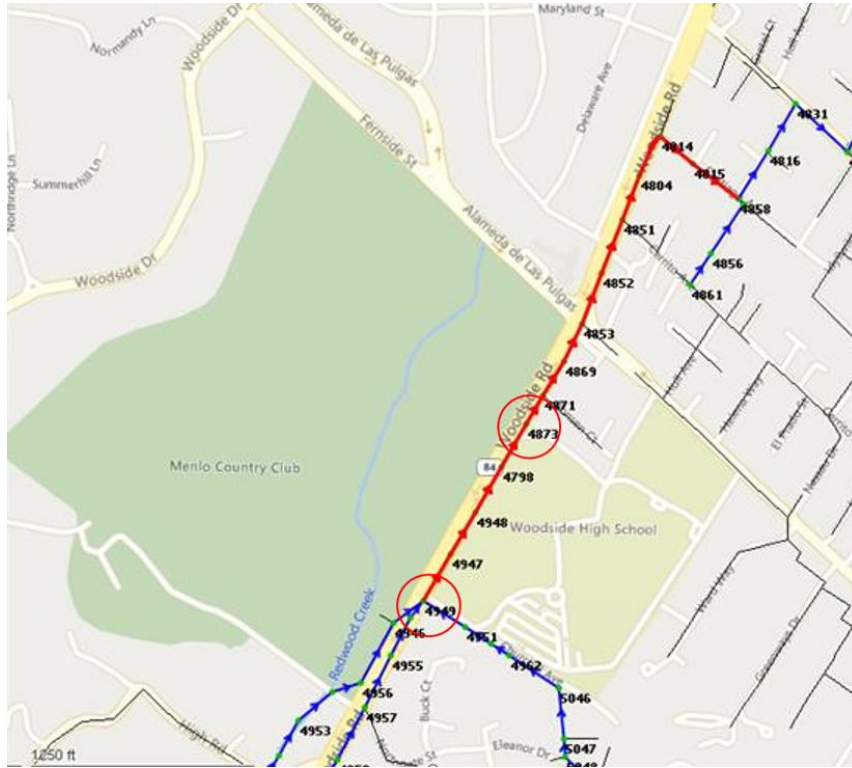
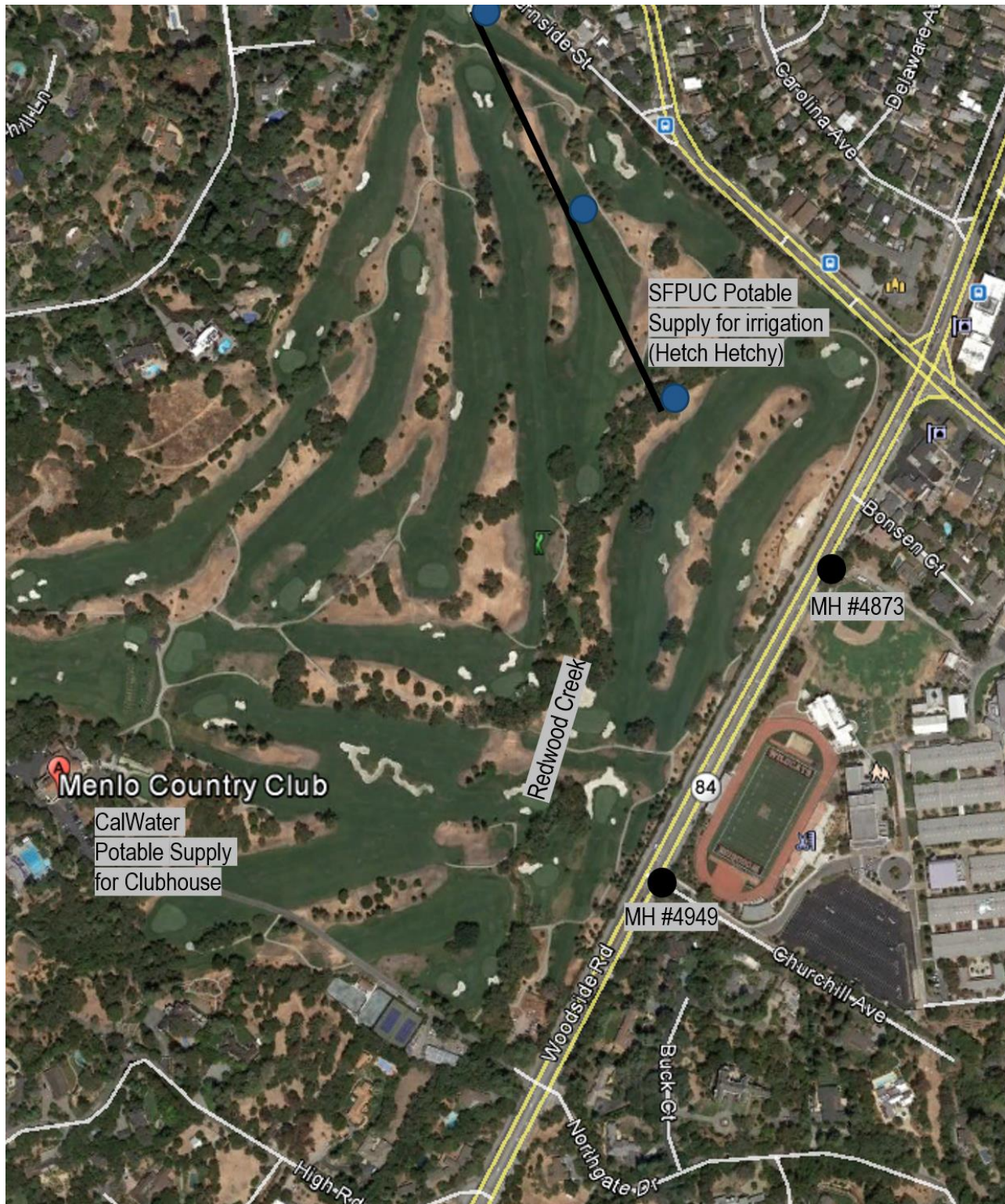


Figure 3: Aerial View of Study Area



5. CURRENT SOURCES OF FRESH WATER AND POTENTIAL FUTURE DEMAND

SFPUC and Cal Water are the water purveyors for the Study Area. Cal Water provides potable water from its Bear Gulch distribution system for domestic uses at the MCC clubhouse, while SFPUC provides potable water from its Hetch Hetchy system for irrigation of the MCC golf course and adjacent landscaped areas.

The Cal Water Bear Gulch District is in San Mateo County and the service area includes the communities of Atherton, Portola Valley, Woodside, portions of Menlo Park, and adjacent unincorporated portions of San Mateo County. The Bear Gulch District delivers a combination of local surface water and surface water purchased from the City and County of San Francisco (SFPUC). Local surface water is collected and treated at the Bear Gulch District’s reservoir and treatment plant in Atherton and comprises about 11 percent of total supply. The remaining 89 percent of Bear Gulch District supply is purchased from the SFPUC.

5.1 Cal Water

Table 1 summarizes the current sources of water and their estimated availability as presented in Cal Water’s 2015 Urban Water Management Plan (UWMP) for the Bear Gulch District. Table 2 presents potential future water demands, based on projections developed in 2020.

Table 1: Cal Water Bear Gulch District Water Supplies (AFY)

Supply	2015	2020	2025	2030	2035	2040
Purchased or Imported Water	28,404	37,430	37,485	37,852	38,354	38,972
Surface Water	437	1,260	1,260	1,260	1,260	1,260
Ground Water	1,312	1,535	1,535	1,535	1,535	1,535
Total	30,153	40,225	40,280	40,647	41,149	41,767

Table 2: Cal Water Bear Gulch District Potential Future Water Demands (AFY)

2015	2020	2025	2030	2035	2040
10,401	14,367	14,378	14,496	14,643	14,811

5.2 SFPUC

Over 2.7 million people in San Francisco and throughout the Bay Area rely on water supplied by the SFPUC to meet their daily water needs. The San Francisco Regional Water System (RWS) is municipally owned infrastructure operated by the SFPUC, a department of the City and County of San Francisco, and serves both retail and wholesale customers. The RWS draws an average of 85% of its supply from the Tuolumne River watershed, collected in Hetch Hetchy Reservoir in Yosemite National Park. This water feeds into an aqueduct system delivering water 167 miles by gravity to Bay Area reservoirs and customers. The remaining 15% of the RWS supply is drawn from local surface waters in the Alameda and Peninsula watersheds. The split between these resources varies from year to year depending on the water year hydrology and operational circumstances.

Table 3 summarizes the current sources of water and estimated availability as presented in SFPUC’s 2020 Urban Water Management Plan (UWMP) Public Review draft. Table 4 presents potential future water demands. Water restrictions prompted many water agencies and their large irrigation customers to investigate drought-resistant sources of water for irrigation needs. As can be observed by the large projected increases for recycled water supply noted in the table, SFPUC intends to transition its “non-City” retail customers, such as MCC, to non-potable supplies and/or other water systems where feasible.

Table 3: SFPUC Retail Water Supply (AFY)

Supply	2020	2025	2030	2035	2040	2045
RWS Supply Utilized by Retail Customers	74,480	75,264	75,600	76,832	78,960	82,544
Groundwater	2,464	1,568	2,688	3,808	4,928	4,928
Recycled Water	112	2,352	2,800	2,800	2,800	2,800
Total	77,056	79,184	81,088	83,440	86,688	90,272

Table 4: SFPUC Potential Future Water Demands (AFY)

2020	2025	2030	2035	2040	2045
77,056	79,184	81,088	83,440	86,688	90,272

5.3 MCC

A description of Cal Water and SFPUC’s current sources of water and potential future demands are provided in Section 4. MCC currently receives water from two suppliers for potable and irrigation demands: 1) California Water Service (Cal Water) provides potable water from its Bear Gulch distribution system for domestic uses at the clubhouse, and 2) provides potable water from its Hetch Hetchy system for irrigation of the golf course.

MCC renovated the golf course to reduce irrigation water demand by replacing turf and installing different “less thirsty” turf species. The renovation was completed in August 2021. The reduction in irrigation demand is projected to be approximately 25 percent, from about 78 million gallons per year to 60 million gallons per year. Data will be available soon and provided in the study.

Based on previous theoretical evapotranspiration (ET_o) calculations, MCC has an average day demand of approximately 0.36 MGD during the irrigation season, increasing to an average demand of approximately 0.50 MGD in peak summer months (SFPUC 2010).

Table 5: MCC Golf Course Irrigation Demands

Type	Demand: Based on Previous Meter Records	Demand: Based on ET _o Calculations
Average Annual Demand	0.18 MGD	0.22 MGD
Peak Month, Average Day Demand	0.48 MGD	0.50 MGD
Peak Day Demand	0.72 MGD	0.51 MGD

6. WATER AND WASTEWATER AGENCIES HAVING JURISDICTION

6.1 Potable Water

SFPUC and Cal Water are the water purveyors for the Study Area. Cal Water provides potable water from its Bear Gulch distribution system for domestic uses at the MCC clubhouse, while SFPUC provides potable water from its Hetch Hetchy system for irrigation of the MCC golf course and adjacent landscaped areas. As discussed in Section 2, Cal Water evaluated a recycled water project in 2017 (Woodard & Curran, 2017).

6.2 Wastewater

The Woodside Recycled Water Facility Project involves several public agencies. The Project would withdraw wastewater from the FOSMD sewer in Woodside Road (Highway 84), which runs adjacent to the MCC and is owned

by Caltrans. MCC is located within the Town of Woodside in San Mateo County. The Woodside sewer system is the Town Center Sewer Assessment District (TCSAD) which discharges into the Fair Oaks Sewer Maintenance District (FOSMD).

The Woodside sewer system serves 156 residential connections and 24 commercial, industrial, and institutional customers with operations and maintenance services provided through service contracts with WBSD and the Collection System Maintenance Services (CSMS).

WBSD provides wastewater collection and conveyance services to the City of Menlo Park, Atherton, Portola Valley, and areas of East Palo Alto, the Town of Woodside and unincorporated San Mateo and Santa Clara counties, with the majority of WBSD located within San Mateo County. WBSD conveys raw wastewater to Silicon Valley Clean Water (SVCW) for treatment and discharge to the San Francisco Bay. Since MCC is not within the service area of the WBSD, approval by the San Mateo Local Area Formation Commission (LAFCO) is required for WBSD to be MCC's recycled water purveyor.

FOSMD provides wastewater collection services to an approximate 5-square mile area and serves approximately 7,200 customers in the unincorporated communities of North Fair Oaks and Sequoia Tract, portions of the City of Redwood City, and Towns of Atherton and Woodside. The collection system includes approximately 82 miles of 4- to 33-inch diameter sewer pipelines. FOSMD is operated and maintained by the County of San Mateo Department of Public Works. FOSMD wastewater flows increase moving east from MCC and toward the Bay, where the sewer districts flows are discharged into the City of Redwood City's sewer system and treated at the SVCW facility.

The San Francisco Public Utilities Commission (SFPUC) and Cal Water are the water purveyors for the Study Area. Cal Water provides potable water from its Bear Gulch distribution system for domestic uses at the MCC clubhouse, while SFPUC provides potable water from its Hetch Hetchy system for irrigation of the MCC golf course. As discussed in Section 2, CalWater evaluated a recycled water project in 2017 (Woodard & Curran, 2017).

7. WATER RECYCLING AND FRESH WATER SUPPLY ALTERNATIVES

As discussed in Section 2, the closest existing source of recycled water is from Redwood City's Public Works Services Department located about 6 miles downhill from the Project. Cal Water studied the feasibility of conveying recycled water from Redwood City to both MCC and Woodside High School utilizing a pipe alignment within the Cal Water service area (Woodard & Curran, 2017). Conveyance of recycled water required a pump station and the construction of 6 miles of pipe with four locations that would require trenchless technology to cross two roads and two railroads. The results of this study will be used as one of the project alternatives in the Study.

The sources of fresh water include potable water from CalWater and SFPUC. In addition, there is a seasonal stormwater supply that flows in Redwood Creek through the golf course (Figure 3). The Study would assess whether stormwater can be captured and blended with recycled water produced from the Project.

8. STAKEHOLDER PARTICIPATION OPPORTUNITIES

Before preparation of this Plan of Study, stakeholder involvement and outreach focused on meetings with the Town of Woodside, WBSD, FOSMD, MCC, and the County of San Mateo Local Agency Formation Commission (LAFCO). Should WBSD and MCC decide to move forward with a recycled water project, it would initiate more extensive public involvement with these stakeholders plus the Sequoia Union High School District, SFPUC; Cal Water, and SVCW. Public involvement will also occur through the environmental review and public project approval process. The Town of Woodside has expressed interest in supporting the Woodside Recycled Water Project from an environmental compliance standpoint, without becoming the lead agency for funding agreements. If additional public outreach is appropriate, measures being considered include:

- A press release describing the Project
- Presentations to the affected institutions and agencies
- Development of fact sheets describing the concept being studied

9. SCHEDULE

The Study is planned to be completed in mid-2022, pending approval of this planning grant and review time for draft deliverables by SWRCB staff. Additionally, a draft report review meeting would be conducted with SWRCB prior to selecting the recommended project. The schedule is shown in Table 6.

Table 6: Projected Schedule for Feasibility Study Development

	Schedule						
	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Feasibility Study: Apply for planning grant (50% potential); Wastewater flow monitoring and sampling; Studies; Feasibility Report							

10. POTENTIAL PROJECT CHALLENGES

- Since MCC is not within the service area of the WBSD, an approval by the San Mateo Local Area Formation Commission (LAFCO) is required for WBWD to be MCC's recycled water purveyor.
- The wastewater to be recycled currently flows to SVCW for treatment. An agreement with SVCW would have to allow for the wastewater to be recycled instead of treated at SVCW.
- Obtaining funding for the Project.
- Construction of facilities in Woodside Road will be time consuming due to approvals and permits required from Caltrans.

11. ENTITIES CONDUCTING STUDY

The Study will be contracted to a qualified consultant with experience in feasibility studies for recycled water projects. The selected consultant will be the primary author of the Study, with WBSD and MCC staff providing input and review throughout development of the Study.

12. PROPOSED BUDGET

The budget for the Recycled Water Study is summarized in Table 7.

Table 7: Budget for Recycled Water Study

Recycled Water Study	Cost
Feasibility Study (To be itemized)	\$300,000
Total	\$300,000

13. SOURCES OF FINANCING AND CASH FLOW UNTIL GRANT REIMBURSEMENT

Menlo Country Club would provide the match for the planning grant as well as the cash flow for the Study until grant reimbursement. The terms of the draft agreement between WBSD and MCC can be found in Attachment 5.

Table 8: Funding Sources for Recycled Water Study

Agency	Contribution
WBSD	\$0
MCC (50% Match)	\$150,000
SWRCB Recycled Water Planning Grant (this application)	\$150,000
Recycled Water Study Total	\$300,000

14. PROPOSED RECYCLED WATER STUDY REPORT OUTLINE

The study outline will generally follow the Recommended Outline for Recycled Water Project Reports provided in Appendix B of the *Water Recycling Funding Program Guidelines*, with the following sections to be included:

1. INTRODUCTION
 - 1.1 Report Background
 - 1.2 Report Objectives
 - 1.3 Planning Documents

2. PLAN SETTING
 - 2.1 Study Area Characteristics
 - 2.1.1 Land Use
 - 2.1.2 Hydrologic Features
 - 2.1.3 Groundwater Basins
 - 2.1.4 Population Projections
 - 2.2 Water Supply Characteristics and Facilities
 - 2.2.1 Water Supplies
 - 2.2.2 Water Supply Facilities and Storage
 - 2.2.3 Water Quality
 - 2.2.4 Water Demand Projections
 - 2.2.5 Water Supply Projections
 - 2.2.6 Potable Water Rates
 - 2.3 Wastewater Characteristics and Facilities
 - 2.3.1 Existing Facilities
 - 2.3.2 Wastewater Flow
 - 2.3.3 Wastewater Quality

3. REGULATORY, PERMITTING, AND LEGAL REQUIREMENTS
 - 3.1 Regulatory Overview
 - 3.2 Non-Potable Reuse Regulations
 - 3.4 State Water Resources Control Board Policies
 - 3.4.1 Anti-degradation Policies
 - 3.4.2 Recycled Water Policy

- 3.5 Central Coast RWQCB Requirements
- 3.6 Permitting Recycled Water Projects
 - 3.6.1 Non-Potable Projects
 - 3.6.2 Effluent Rights

- 4. RECYCLED WATER MARKET
 - 4.1 Non-Potable Reuse Market

- 5. ALTERNATIVES DEVELOPMENT & ANALYSIS
 - 5.1 Recycled Water Supply Options
 - 5.2 Recycled Water Alternatives Development
 - 5.2.1 Planning and Design Assumptions
 - 5.2.2 Alternatives Cost Estimate Basis
 - 5.3 Alternatives Definition
 - 5.3.1 Alternative 1 - Recycled Water Source 1
 - 5.3.2 Alternative 2 - Recycled Water Source 2
 - 5.3.2 Alternative 3 - Non-Recycled Water Source
 - 5.3.3 Summary of Alternatives Evaluation

- 6. RECOMMENDED PROJECT
 - 6.1 Recycled Water Supply
 - 6.2 Recycled Water Customers
 - 6.3 Facilities
 - 6.3.1 Water Reclamation Facility
 - 6.3.2 Distribution System
 - 6.3.3 Storage
 - 6.4 Recommended Project Cost Estimate

- 7. IMPLEMENTATION PLAN
 - 7.1 Institutional Needs
 - 7.1.1 Interagency/Customer Agreements
 - 7.1.2 Permitting
 - 7.1.3 Right of Way Acquisition
 - 7.2 Funding Opportunities
 - 7.3 Financing Plan
 - 7.3.1 Recycled Water Pricing
 - 7.4 Technical Studies
 - 7.5 Environmental Review
 - 7.6 Engineering, Design, and Construction Activities
 - 7.7 Implementation Schedule

- 8. CONCLUSIONS

- 9. REFERENCES

15. REFERENCES

- Todd Engineers (2010). *Menlo Country Club Feasibility Study for Development of Alternative Water Supply for Golf Course Irrigation*: dated September 22, 2010.
- Kennedy/Jenks (2010). *Final Feasibility Study for Developing an Alternative Water Supply for Golf Course Irrigation: prepared for the Menlo Country Club*: dated December 22, 2010.
- Kennedy/Jenks (2012). *Final Water Recycling Feasibility Study Update: prepared for the City of Redwood City*: dated September 11, 2012.
- Kennedy/Jenks (2012). *Redwood City Recycled Water Project, Recycled Water Storage Facility Evaluation at Menlo Country Club, Technical Memo (Final)*: dated August 28, 2012.
- PACE Turf LLC (2015). *Menlo Country Club Water Source Comparison*: dated July 22, 2015.
- Kennedy/Jenks (2015). *Technical Memo #1 (Final), Redwood Creek Pipeline Conceptual Design and Cost Estimate*: dated December 8.
- Kennedy/Jenks (2016). *Proposal for Recycled Water Storage Facility Design and Bidding Services, Menlo Country Club – Woodside, California*: dated January 26.
- RMC (2016). *Menlo Country Club Recycled Water Alternatives Evaluation, Final Technical Memorandum*: dated June 13, 2016
- Woodard & Curran (2017). *Phase 1 Feasibility Study - Menlo Country Club Recycled Water Project*, prepared for California Water Service Company: dated June 27, 2017

Attachment 2 – Authorizing Resolution

West Bay Sanitary District

Woodside Recycled Water Facility Project

Water Recycling Facilities Planning Grant Application

September 2021

Attachment 3 – Certification for Compliance with Water Metering

West Bay Sanitary District is not a water supplier.
This form is not required unless CalWater or SFPUC become partners

Attachment 4 – Water Conservation and Water Management Certification Form

West Bay Sanitary District is not a water supplier.
This form is not required unless CalWater or SFPUC become partners

**Attachment 5 – Relevant Service,
Management, Operating or Joint Powers
Agreements**

**Draft Agreement for a Feasibility Study of a Recycled Water
Treatment Facility
between
West Bay Sanitary District & Menlo Country Club**



WEST BAY SANITARY DISTRICT AGENDA ITEM 7

To: *Board of Directors*

From: *Sergio Ramirez, District Manager*

Subject: *Consider Authorizing District Manager to Submit a Clean Water State Revolving Fund Application for the “Bayfront Recycled Water Facility Project” and Adopt the Reimbursement and Authorizing Resolutions*

Background

The Bayfront Recycled Water Facilities Plan was completed in 2019. Since finalizing this plan, the District has been coordinating with the City of Menlo Park and potential recycled water customers to better understand their recycled water needs, and an EIR for the project has been completed. Using this new information, the District and Woodard & Curran updated the demand estimates, capacity needs for the recycled water facility, recycled water distribution system, phasing of the project, and estimated capital and operation and maintenance costs for the project.

The District has been preparing a Clean Water State Revolving Fund (CWSRF) funding application to secure loan and potential grant funding for the Bayfront Recycled Water Facility Project. Total costs included in the CWSRF application is \$66,600,000, which includes capital costs for the Bayfront Recycled Water Facility and the ecotone levee. The Project has an initial treatment capacity of 0.6 million gallons per day (MGD), with potential to expand to 0.8 MGD. The CWSRF program is administered at the State level by the State Water Resources Control Board. To be eligible for this funding, the State requires the District’s Board of Directors pass two resolutions. The first is a Reimbursement Resolution, which commits the District to repaying the CWSRF loan funding if awarded. The second is an Authorizing Resolution, which authorizes the District Manager to sign and submit the completed application. This authorization also designates the District Manager to enter into a contract for the CWSRF funding, if awarded, and represent the District during contracting and administration of the funds.

Analysis

The resolutions are requirements for the District’s Bayfront Recycled Water Facility CWSRF application. The CWSRF loan will serve as the primary source of funding for project construction.

Report to the District Board for the Regular Meeting of September 22, 2021

Fiscal Impact

The CWSRF application is requesting \$66,600,000 in low-cost loan. At the discretion of the State Water Resources Control Board and availability of grant funds, a portion of this request may be provided as grant under the Water Recycling Funding Program.

The cost for the CWSRF loan will be reimbursed by developers and users of recycled water as they join in the project.

Recommendation

The District Manager recommends the District Board Authorize the District Manager to submit the CWSRF application for the Bayfront Recycled Water Facility Project and authorize the District Manager to repay the loan consistent with the terms of the CWSRF agreement.

RESOLUTION NO. _____ (2021

AUTHORIZING RESOLUTION

WHEREAS, West Bay Sanitary District is pursuing funding for the Bayfront Recycled Water Facility through the Clean Water State Revolving Fund and/or Water Recycling Funding Program;

RESOLVED by the Board of Directors of the West Bay Sanitary District (the "Entity"), AS FOLLOWS:

The District Manager (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Bayfront Recycled Water Facility (the "Project").

This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Directors of the West Bay Sanitary District held on September 22, 2021.

AYES:

NOES:

ABSTAIN:

ABSENT:

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

Attest:

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

RESOLUTION NO. _____ (2021)

REIMBURSEMENT RESOLUTION

WHEREAS, the West Bay Sanitary District (the "Agency") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water system, including certain treatment facilities, pipelines and other infrastructure (the "Project"); and

WHEREAS, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"), and

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the Agency desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Agency; and

WHEREAS, the Agency has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, THE AGENCY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$66.6 million.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of our knowledge, this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This resolution is adopted as official intent of the Agency in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. All the recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

AYES:

NOES:

ABSTAIN:

ABSENT:

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the BOARD OF DIRECTORS OF THE WEST BAY SANITARY DISTRICT held on September 22, 2021.

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

Attest:

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

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WEST BAY SANITARY DISTRICT AGENDA ITEM 8

To: *Board of Directors*

From: *Sergio Ramirez, District Manager*

Subject: *District Manager's Report*

1) Administrative:

- a. District staff has requested a proposal from HF&H consultants to perform this year's Sewer Service Charge rate study.
- b. Staff has prepared this year's Prop 218 Notice for Solid Waste and Recycling Rates. The final review will occur at the September 22, 2021 Board Meeting.

2) Finance:

- a. District staff is working with the auditors in preparation for this year's financial audit.
- b. The Finance Manager has begun to invoice SHGCC for the Avy Altschul Pump Station design.
- c. The Finance Committee met on September 14, 2021 to:
 - i. Receive an update from the Bank of the West.
 - ii. Review the Investment Policy, Debt Management and Capitalization Policies.

3) CIP & IT Projects:

a. Levee Improvement Project:

- i. Staff continues to work on the Levee and Bayfront Facility SRF loan application. A Resolution will be brought to the Board on September 22, 2021.

b. Construction Capital Improvement Program (CIP)

- i. The Metal Storage Building at the Flow Equalization Resource Recovery Facility is under construction. The foundation has now been poured. The project should be completed by December of 2021.
- ii. The Ringwood Avenue pipeline, originally installed in 1904, has been replaced. The District may have to pay delay/mobilization charges to the County (per the County permit.)
- iii. Freyer & Laureta Inc. is working on the Bayfront Improvement project including the Influent Pump Station layout and large diameter pipe reconstruction design. Design should be completed by December 2021.

4) Operations and Maintenance:

a. Collection System:

- i. District crews have been working on wrapping up the Performance Merit Pay Program goals.

Report to the District Board for the Regular Meeting of September 22, 2021

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

- b. **Training:**
 - i. CPR training for staff will occur on September 20, 2021.
- 5) **Water Quality:**
 - a. **Sharon Heights Golf and Country Club (SHGCC):**
 - i. The recycled water facility is working well.
 - ii. Freyer and Laureta Inc. is working on the design of a proposed pump station at Altschul Ave. and Avy Ave. in Menlo Park for SHGCC.
 - iii. Staff is reviewing grant opportunities for the pump station project. The Board is considering an alternate means to fund the project in order to remain on schedule.
 - b. **Bayfront Recycled Water Facility (BRWF):**
 - i. The Board has directed the District Manager to work on a Financial Plan for the BRWF project. An agreement with HF&H was approved by the Board on September 8, 2021.
 - ii. District Counsel is working on principles of an agreement and MOU for certain developers in the Bayfront area.
 - c. **Menlo Country Club:**
 - i. Staff worked on an MOA with District Counsel in support of the Woodside Recycled Water Facility. The MOA will include applying for a planning grant. The grant has now been increased to a 50/50 match up to \$300,000 making the grant \$150,000. Menlo Country Club will deposit \$20,000.00 to cover staff time and legal services.
 - d. **West Bay:**
 - i. Staff is in discussions with the City of Menlo Park on installing recycled water pipe on Chilco Street (near Instagram and Facebook).
- 6) **Fleet and Facilities:**
 - a. **Vehicle Maintenance:**
 - i. Vehicle maintenance is going well by using Redwood City's services.
 - ii. The retired 2004 Ford F-450 was auctioned off in September. The vehicle had an excess of 147,000 miles and had many repairs done over the years.
- 7) **Personnel:**
 - i. Field Supervisor, Art Hildebrand, announced his retirement effective September 13, 2021.
- 8) **Upcoming Events:**
 - a. **Next Regular Board Meetings:** September 22, 2021 and October 13, 2021.
- 9) **Misc./Action Items from Previous Meeting:**
 - a. **West Bay SSOs:** No SSO's for August 2021
 - b. **Town of Los Altos Hills:** One SSO in August 2021. SSO was for one gallon.
 - c. **Town of Woodside:** Routine Pump Station Maintenance was performed in August 2021.
 - d. **Revenue:** Received a connection fee for approximately \$500,000.00 from Mid-Pen Housing for their project on Willow Road.

Report to the District Board for the Regular Meeting of September 22, 2021

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



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 9**

To: Board of Directors

From: Sergio Ramirez, District Manager

**Subject: Discussion and Direction on Solid Waste Rates 2022
Proposition 218 Notice Mailer**

Background

As a member of the South Bayside Waste Management Authority (SBWMA), West Bay Sanitary District, as well as the other Member Agencies is closing the eleventh year of the Collection Services provided by Recology San Mateo County (Recology). The transition to these services commencing on January 1, 2011 have been significant in not just the expanded scope of services but also on diversion of materials from landfill. The District and SBWMA have entered into a Restated Agreement with Recology, to continue to serve the District's Solid Waste and Recycling customers for an additional ten years. The new term began in January of 2021.

The Board has expressed the need to actively move rates toward a "cost of service" level. This requires rates to be adjusted so customers are paying their fair share for the service they receive. In order to accomplish this, rate adjustments have been necessary, with both increases and reductions.

The Board's goal is to have customers pay rates that are more in line with the cost of service. This approach is also more compliant with Proposition 218 (Cal. Const. Art. XIII § 6), which requires that rates for property-related services, like solid waste and refuse collection, be proportionate to the actual cost of service attributable to each property receiving such service.

During the August 18, 2021 meeting the Board of Directors directed staff to prepare a 218 Notice for consideration. The 218 Notice will propose an increase to the 2022 rates as projected in the 2021 Solid Waste Rate Study.

During the September 8, 2021 meeting the Board of Directors set the public hearing to consider an increase in the residential rates and reviewed the proposed Proposition 218 Notice mailer. That version of the mailer omitted the commercial cart rates. Although commercial rates will not increase in 2022, it is important that the Board of Directors approve the complete Proposition 218 Notice mailer.

Analysis

HF&H Consultants, LLC were contracted in 2020 to perform an analysis for 2021-2026 rates. The rate study analyzed rates that are more in line with "Cost of Service" and reviewed rates for residential and commercial services. The 2020 Solid Waste Rate Study increased rates in 2021 by an average of 5% adding approximately \$18 thousand in revenue. According to the rate study, the necessary 2022 projected increases were +5.98% for the 20 gallon cart and +3.27% for the 32 gallon cart.

According to Recology it expects an increase of 1.9% but as of now has not fully accounted for the new level of services required by SB1383. According to Recology, revenue requirements are not yet known. If the revenue requirement for 2022 substantially increase, the Board will need to understand that it may need to draw from reserves in order to meet the required revenue. The projected balance for June 30, 2022 in the Solid Waste Reserve is \$247 thousand.

The costs of notification is approximately \$5,000 and would be paid by the District and recovered through Franchise Fees. Following the required minimum 45 day noticing period, the District Board would then consider adoption of the proposed rates at its December 8, 2021 meeting, for an effective date of January 1, 2022. If adopted, the new rates would be included in Recology's first full billing cycle which would be for January, February, and March 2022.

Fiscal Impact

Staff has reviewed the rate options to fund the solid waste and recycling collection program for 2022. The current 2021 rates are expected to produce a projected excess of approximately \$11,006, as of June 30, 2021, in revenue over projected cost for service, with \$254,411 in reserves.

The proposed rate adjustment for 2022 and the savings by not performing this year's 2022 rate study should cover any shortfalls for the 2022 year. If not, the Board will need to subsidize revenue requirements with the Solid Waste Reserve.

Recommendation

The District Manager recommends the Board approve, by consensus, the revised Proposition 218 Notice for 2022 to consider a \$2.75 rate increase applied to the residential 20-gallon container, a \$1.75 rate increase applied to the 32-gallon container, no increase to the 64-gallon container and the 96 gallon container, and no increase in the commercial rates.

Attachment: Revised 218 notice for 2022

Rates for Other Services

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

Service Category	Rate	Description of Rate
Backyard Collection Service—Single Family Dwelling	For one Solid Waste Cart: \$21.99 (0-50 ft) \$25.65 (51-100 ft)	Rates vary based on distance & number of carts. Contact the District for rates for distances beyond 100 feet and for more than one solid waste cart.
Return Trip Cost (Request to provide collection service after the regularly scheduled collection day)	\$18.33	Per collection event.
On-Call Bulky Item Collection	\$99.63	Per each collection event beyond first 2 per year. (Each customer receives 2 free bulky collections per year)
Distance charge—MFD and Commercial Accounts	A – 10% of base monthly rate B – 25% of base monthly rate	A – 51 to 100 feet from access by contractor's collection vehicle B – 101 feet or more from access by contractor's collection vehicle
Container Relocation Service	A – 12% of base monthly rate each container B – 27% of base monthly rate each container	A – 51 to 100 feet from access by contractor's collection vehicle B – 101 feet or more from access by contractor's collection vehicle
On-Call Pick-up for SFD, MFD, Mixed Use, and Commercial Customers	25% of the base monthly rate for the size of container collected once per week	Per collection event
Additional Targeted Recyclable Materials or Organic Materials Cart Rental	A - \$3.66 per Recycling Cart B - \$3.66 per Organic Materials Cart	Six month minimum charge required for any size cart.
Collection of Contaminated Targeted Recyclable Materials or Organic Materials Container	25% of the base monthly rate Solid Waste for the size of container collected once per week. Plus: return trip fee if applicable.	Per collection event
Key Service	A -- \$10.38 per usage B -- \$11.61 per usage	A – Residential Customers B – Commercial Customers
Lock Purchase	\$20.76 – per lock	One-time charge per account.
Overage Fee	100% of base monthly Solid Waste rate	Per collection event
Overage Bags	50% of the base monthly rate or \$9.76 minimum	Rate per bag
Container Cleaning	A – \$61.08 B – \$103.84	A – per Cart B – per Bin or Drop-Box
Dirty Cart Replacement	A – \$79.40 B – \$91.62 C – \$103.84	A – per 32 gallon Cart B – per 64 gallon Cart C – per 96 gallon Cart
Additional Compost Material Delivery	A – \$152.70 B – \$305.40	A – One way delivery B – Round trip delivery

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Important Information - Notice of Public Hearing
"Solid Waste & Recyclable Material Rate Increase"
Wednesday, December 8, 2021 at 7:00 p.m.

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

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

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

The District must receive your letter in a sealed envelope by 3:00 p.m. on December 8, 2021 or it must be presented at the District Board meeting on December 8, 2021 prior to the close of the public hearing on this matter or by Zoom Join Zoom Meeting <https://us06web.zoom.us/j/84425104056pwd=NzINWUVrSC84TlV6L05YeIREBGRQT09> Meeting ID: 844 2510 4056 Passcode: 203810 or telephone 1-669-900-6833 Meeting ID: 844 2510 4056 Passcode: 203810

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

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

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

MATERIALS IN THE WEST BAY SANITARY DISTRICT

The District Board of the West Bay Sanitary District hereby gives public notice of its intent to increase some of the existing residential rates for the collection of recyclable materials, compost, and refuse commencing Jan. 1, 2022.

The District Board plans to consider this rate increase at a public hearing on December 8, 2021 at 7:00 p.m. in the Board Conference Room located at 500 Laurel Street, Menlo Park or by Zoom or telephone to encourage social distancing <https://us06web.zoom.us/j/84425104056?pwd=NzlnWUVrSC84T1V6L05YeIREbGtRQT09> Meeting ID: 844 2510 4056 Passcode: 203810 or 1-669-900-6833 Meeting ID: 844 2510 4056 Passcode: 203810

The need for this increase was discussed by the District Board at the September 8, 2021 Regular Board meeting, and is further detailed in the staff report for this matter, which are available at the District Office located at 500 Laurel Street, Menlo Park or online at www.westbaysanitary.org

Approximately fifty-six percent (56%) of residential service containers are a 32 gallon size. The new rate for 2022 for a 32 gallon container would increase from \$53.50 per month to \$55.25 per month, a \$1.75 per month increase. The new rate for the 20 gallon container would increase from \$46.00 per month to \$48.75 per month, a \$2.75 per month increase. 20 gallon containers will be grandfathered to current users but are no longer available to new customers or to customers wishing to migrate down to a 20 gallon container. As further detailed in the Rate Study in 2020, the purpose of these increases is to align the Solid Waste Rates with the actual proportionate cost of providing the service to customers in each customer service level.

The proposed rate increases will align rates for 20 and 32 gallon carts with the actual cost of providing service received by the two smaller carts. All rates for other carts and commercial bins will remain the same.

Customer	Current Monthly Rate	Proposed Monthly Rate	Monthly Increase	Current Quarterly Rate	Proposed Quarterly Rate	Quarterly Increase
Service Level						
<i>Residential:</i>						
20 gallon cart	\$46.00	\$48.75	\$2.75	\$138.00	\$146.25	\$8.25
32 gallon cart	\$53.50	\$55.25	\$1.75	\$160.50	\$165.75	\$5.25
64 gallon cart	\$72.00	\$72.00	\$0.00	\$216.00	\$216.00	\$0.00
96 gallon cart	\$105.00	\$105.00	\$0.00	\$315.00	\$315.00	\$0.00
<i>*Commercial: (Per Pick Up)</i>						
	Current	Proposed	Increase per pick up			
1 yard bin	\$176.27	\$176.27	\$0.00	n/a	n/a	n/a
2 yard bin	\$334.54	\$334.54	\$0.00	n/a	n/a	n/a
3 yard bin	\$372.53	\$372.53	\$0.00	n/a	n/a	n/a
4 yard bin	\$496.70	\$496.70	\$0.00	n/a	n/a	n/a
6 yard bin	\$615.76	\$615.76	\$0.00	n/a	n/a	n/a
32-Gallon Cart	\$53.50	\$53.50	\$0.00	n/a	n/a	n/a
64-Gallon Cart	\$72.00	\$72.00	\$0.00	n/a	n/a	n/a
96-Gallon Cart	\$105.00	\$105.00	\$0.00	n/a	n/a	n/a

(Continued) Rates for Other Services

*Commercial bin rates reflect collection charge for **one** pick up per week; To calculate charge for more than one collection per week, multiply rate by number of collections per week. For example, 1-Cubic Yard Bin (at current rate) collected 3 times per week = \$528.81 (\$176.27 x 3 collections/wk)



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NECESSITY FOR THE NEW RATES

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

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

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

The West Bay Sanitary District hereby gives notice of a public hearing to be held at its Board meeting on December 8, 2021, at 7:00 p.m. in the District's "Ronald W. Shepherd" Administration Building located at 500 Laurel Street, Menlo Park, CA or by Zoom or telephone to encourage social distancing <https://us06web.zoom.us/j/84425104056?pwd=NzlnWUVrSC84T1V6L05YeIREbGtRQT09> Meeting ID: 844 2510 4056 Passcode: 203810 or 1-669-900-6833 Meeting ID: 844 2510 4056 Passcode: 203810

At this hearing, the Board of Directors will consider public comment as well as written protests by ratepayers regarding the proposed increase in monthly collection rates. If written protests are presented by a majority of the affected ratepayers prior to the close of the public hearing, the Board of Directors will not increase the rates as a matter of State law, however levels of service may be impacted.



WEST BAY SANITARY DISTRICT AGENDA ITEM 10

To: *Board of Directors*

From: *Debra Fisher, Finance Manager*

Subject: *Consideration to Approve the Financial Statements
FY 2020-21, Year Ending 6/30/2021*

Background

Attached for the Board's review are the District's Unaudited Financial Statements for the year ending June 30, 2021. The Statement of Revenue, Expenses, and Changes in Net Position is reported by fund to better view the primary operations and other activities in; General, Capital, Solid Waste, and Recycled Water Funds.

Fiscal Impact

The District had total Revenue of \$34,097,995, total Expenditures of \$26,179,183, for a total \$7,918,813 increase in Net Position, through the year ending June 30, 2021 for all Funds.

General Fund:

Operating Revenue was \$32,182,046, 2% above the annual budget. Operating Expense was \$24,593,503, 3% under the annual budget. This includes direct Operating Expenses of \$11,852,526 and contributions to Silicon Valley Clean Water (SVCW) of \$12,740,977, both 3% under the annual budget. The Net Operating Income was \$7,588,542 through June 30, 2021, excluding any auditor adjustments.

Non-Operating Revenues and Expenses had a \$412,006 net increase, from Interest Income, Gains, and Losses on Investments, less investment fees. There were no Non-Operating Expenses. The General Fund has an \$8,000,548 increase in Net Position through June 30, 2021.

Capital Fund:

The Capital Fund recognized revenue for Connection Fees of \$103,178, 41% of the annual budget. \$219 thousand received in the first quarter was recognized as revenue in the prior year.

Capital Expenditures of \$1,850,542 are recognized as assets, increasing the District's Net Position.

Solid Waste Fund:

The Solid Waste Fund recognized \$104,487 in Franchise Fees from Recology, which manages solid waste collection for the District, 97% of the annual budget, with June 2021 fees of \$8,794 outstanding at the end of the year.

Solid Waste Expenditures of \$84,686 was recognized for rate studies, annual notification mailing, and overhead allocation, through June 30, 2021.

The Solid Waste Fund increased \$19,800, to a Net Position of \$263,205, as of June 30, 2021.

Recycled Water Fund:

The Recycled Water Fund includes the Sharon Heights Recycled Water Facility and the Bayfront Project.

Sharon Heights Recycled Water Facility (SHRWF) was accepted July 27, 2020 and had final capital expenditures of \$261,537, for a total of \$22,647,052, with a California Clean Water State Revolving Fund (SRF) Loan of \$17,117,420. The first SRF loan payment was made in March 2021, reducing the SRF loan balance to \$16,616,382, as of June 30, 2021.

The SHRWF recognized \$630,201 in Revenue, including reimbursement of contractor's operation and maintenance expense of \$272,392 and receivable of \$61,355 from Sharon Heights Golf & Country Club (SHGCC) for expenses over estimated operations & maintenance charged through June 30, 2021. Expenditures were \$1,375,413, including \$698,284 in depreciation of the facility.

The Bayfront Project had \$88,222 in capital expenditures in FY 2020-21, for total project Construction in Progress (CIP) expenditures of \$401,530.

Financial Statements Summary:

The following is a summary of the Statement of Changes in Revenue, Expenses, and Net Position, based on the quarter ending June 30, 2021.

Financial Statement	Actual - FY 2019-20	Actual - FY 2020-21	Budget - FY 2020-21	Budget v Actual FY 2020-21
Operating Revenues	30,911,792	32,182,046	31,589,242	102%
Operating Expenses	(10,560,063)	(11,852,526)	(12,271,022)	97%
SVCW	(19,551,977)	(12,740,977)	(13,153,679)	97%
Operating Income (Loss)	799,752	7,588,542	6,164,542	123%
Non-Operating Rev / Exp	9,997,634	412,006	63,000	654%
General Fund	10,797,385	8,000,548	6,227,541	128%
Capital Fund	572,970	103,178	250,000	41%
Solid Waste Fund	49,713	19,800	5,000	396%
Recycled Water Fund	2,429,741	(204,713)	(675,541)	30%
Change in Net Position	13,849,809	7,918,813	5,807,000	136%
Prior Period Adjustment	(1,443,710)			
Change in Net Position - Adjusted	12,406,099			

Recommendation

The Finance Manager recommends the Board approve the Unaudited Financial Statement for Fiscal Year 2020-21, for the year ending June 30, 2021.

WEST BAY SANITARY DISTRICT



Preliminary

Unaudited Financial Statements

Fiscal Year 2020-2021

Year Ending

June 30, 2021

Financial Report June 30, 2021

The West Bay Sanitary District (District) provides wastewater collection and conveyance services to the City of Menlo Park, Atherton, and Portola Valley, and areas of East Palo Alto, Woodside and unincorporated San Mateo and Santa Clara counties. The District conveys raw wastewater, via the Menlo Park Pump Station and force main, to Silicon Valley Clean Water (SVCW) for treatment and discharge to the San Francisco Bay. The District was originally formed in December 1902 as the Menlo Park Sanitary District under the Sanitary Sewer Act of 1891. The District operated as the Menlo Park Sanitary District from 1902 until 1981 when its name was changed to the West Bay Sanitary District to more accurately reflect the service area. The powers of the District are established by the State of California Health and Safety Code. The District serves a population of 20,170 households and commercial establishments. The District additionally participates, as a member of the South Bayside Waste Management Authority (SBWMA), in the collection and disposition of solid waste, recyclable material, and organic material. The District owns and operates the Sharon Heights Recycled Water Facility (SHRWF), through a 2017 long term agreement with Sharon Heights Golf & Country Club (SHGCC) to deliver recycled water.

The District has issued its unaudited financial statements for the year ended June 30, 2021, for fiscal year 2020-21 in conformity with the format prescribed by the provisions of Governmental Accounting Standards. This report is an overview of the District's financial activities for the period.

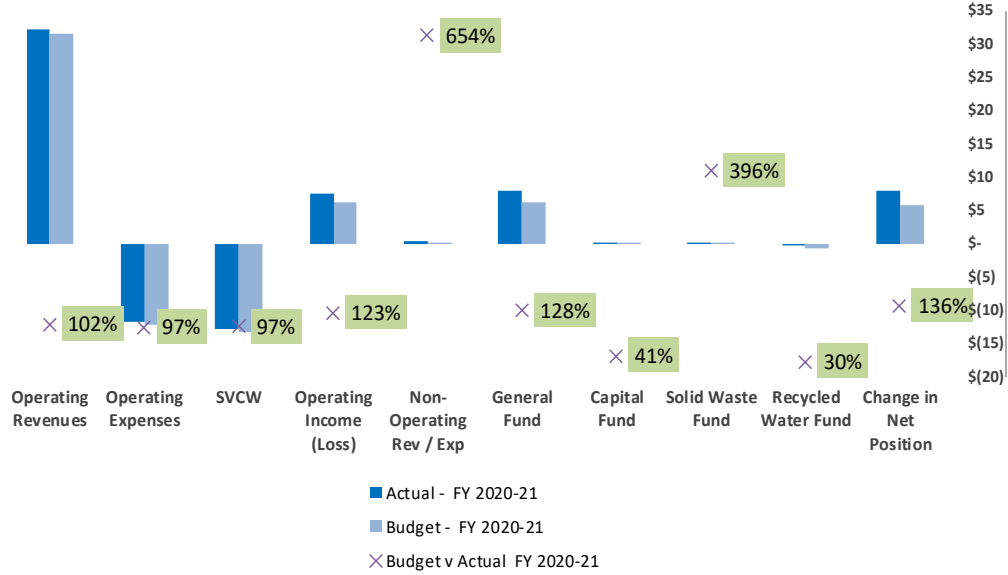
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WEST BAY SANITARY DISTRICT
Statement of Net Position
Fiscal Year 2020-21
June 30, 2021

	<u>Prior Year</u> <u>FY 2019-20</u>	<u>Unaudited</u> <u>FY 2020-21</u>
Assets		
Current Assets		
Cash & Investments	36,868,825	49,206,517
Cash & Investments - Restricted		1,198,284
Accounts Receivable	2,442,672	151,191
Interest Receivable	249,607	156,960
Accrued Revenue		529,510
Prepaid Expenses	706,691	84,094
Total Current Assets	40,267,794	51,326,555
Non-Current Assets		
Investments	17,854,352	13,431,746
Restricted Investments	3,293,339	579,368
Investment in SVCW	29,221,839	29,221,839
Capital Assets:		
Property, Plant & Equipment	107,768,237	109,968,539
Accumulated Depreciation	(35,317,072)	(39,056,193)
Total Capital Assets	72,451,165	70,912,346
Total Non-Current Assets	122,820,694	114,145,299
Total Assets	163,088,488	165,471,855
Deferred Outflows of Resources	1,096,469	203,603
Liabilities		
Current Liabilities		
Accounts Payable	2,635,396	1,203,257
Accrued Payroll & Taxes	446,209	595,423
Connection Fees Payable	1,563,699	1,498,602
Construction Deposits	17,381	(119)
SRF Advance - SHGCC	135,112	198,877
Total Current Liabilities	4,797,796	3,496,040
Non-Current Liabilities		
OPEB Liability	111,239	111,239
Net Pension Liability	5,494,504	0
SRF Deposit - SHGCC	743,095	1,657,281
SRF Note Payable	16,597,119	16,616,382
Total Liabilities	27,743,753	21,880,941
Deferred Inflows of Resources	571,400	5,899
Net Position		
Net Investment in Capital Assets	55,854,046	54,295,964
Investment In SVCW	29,221,839	29,221,839
Capital Fund Budget	19,986,051	27,293,276
Operation Reserve	9,498,293	9,395,827
Unrestricted Fund Balance	22,753,286	23,581,711
Total Net Position	137,313,515	143,788,617
Prior Period Adjustment	(1,443,710)	
Total Net Position	135,869,805	143,788,617

WEST BAY SANITARY DISTRICT
Statement of Revenue, Expenses and Changes in Net Position
Fiscal Year 2020-21
June 30, 2021



	Prior Year FY 2019-20	Unaudited Actual 6/30/2021	Budget 6/30/2021	Budget v Actual 6/30/2021	YTD % Annual Budget
Operating Revenues	30,911,792	32,182,046	31,589,242	592,803.19	102%
Operating Expenses					
General Fund Expense	8,516,794	8,811,689	9,371,022	(559,333)	94%
Capital (Depreciation)	2,043,269	3,040,837	2,900,000	140,837	105%
Total WBSD Operating Expenses	10,560,063	11,852,526	12,271,022	(418,496)	97%
Sewage Treatment Plant (SVCW)	19,551,977	12,740,977	13,153,679	(412,701)	97%
Total Operating Expenses	30,112,040	24,593,503	25,424,701	(831,198)	97%
Operating Income (Loss)	799,752	7,588,542	6,164,542	1,424,001	123%
Non-Operating Revenues (Expenses)					
Non-Operating Revenues	9,997,634	412,006	69,000	343,006	597%
Non-Operating Expenses	-	-	(6,000)	6,000	
Total Non-Operating Revenues (Expenses)	9,997,634	412,006	63,000	349,006	654%
Change in Net Position by Fund					
General Fund	10,797,385	8,000,548	6,227,541	1,773,006	128%
Capital Fund	572,970	103,178	250,000	(146,822)	41%
Solid Waste Fund	49,713	19,800	5,000	14,800	396%
Recycled Water Fund	2,429,741	(204,713)	(675,541)	470,828	30%
Change in Net Position	13,849,809	7,918,813	5,807,000	2,111,812	136%

Revenues:

For the year ending June 30, 2021, total combined revenues are \$34,097,995, including the General, Capital, Solid Waste, and Recycled Water Funds.

General Fund:**Revenues:**

The General Fund had \$32,594,051 in total Revenues, 3% above the annual budget.

- **Sewer Service Charges.** Total revenue of \$31,090,378 is recognized for Fiscal Year 2020-21, 1% above the annual budget. \$30,562,071 has been received from the county of San Mateo, with \$529,510 accrued, which was received July 1, 2021. The remaining balance represents manual invoices to customers not on the San Mateo County Tax Roll, including customers in Santa Clara County. Manual invoices are due in two payments; half on 11/1/20 and half on 2/1/21, with \$2,344 outstanding at yearend.
- **Permit Fees.** Permit & Inspection Fees of \$231,119, 231% of the annual budget.
- **Flow Equal.** The District received the \$355,000 contract with Silicon Valley Clean Water (SVCW) for use of the Flow Equalization Facility Pond in fiscal year 2020-21.
- **Other Operating Income.** A total of \$505,549 was billed through June 30, 2021; 144% of the annual budget.
 - Revenue from Los Altos Hills was \$410,403
 - Revenue from Town of Woodside was \$75,692
 - Sampling & Monitoring invoices were \$7,273
 - These are billed to District customers to reimburse SVCW expenses
 - Reimbursement of Contractor Damages of \$6,333 were received
 - An additional \$5,848 was from other sources; late fees, misc. charges and reimbursements
- **Other Non-Operating Revenues:** The District recognized total non-operating revenue of \$412,006. The majority from interest income.
 - Interest Income \$619,667
 - Net loss on investments \$259,283
 - Insurance Dividend \$28,923
 - Settlements / Claims Reimbursement \$15,318
 - Miscellaneous \$7,380

General Fund

General Fund	Prior Year FY 2019-20	Actual 6/30/2021	Budget 6/30/2021	Budget v Actual 6/30/2021	Annual Budget FY 2020-21	YTD % Annual Budget
Sewer Service Charges						
Residential	23,078,995	23,914,761	23,912,216	2,546	23,912,216	100%
Non-Residential	6,924,752	7,175,616	6,861,843	313,774	6,861,843	105%
Total Sewer Service Charges	30,003,748	31,090,378	30,774,058	316,319	30,774,058	101%
Permit & Inspection Fees	148,144	231,119	100,000	131,119	100,000	231%
Flow Equalization	351,138	355,000	365,184	(10,183)	365,184	97%
Other Operating Income (LAH & TOW)	408,763	505,549	350,000	155,549	350,000	144%
Total Operating Revenues	30,911,792	32,182,046	31,589,242	592,803	31,589,242	102%
Non-Operating Revenues						
Interest Income	1,078,141	619,667	50,000	569,667	50,000	1239%
Gain/Loss on Securities	44,846	(386,257)		(386,257)		
Gain/Loss on PARS Trust	90,406	126,975		126,975		
Gain/Loss on Sale of Assets	4,907	-		-		
Other Non-Op. Inc.	8,779,333	51,621	19,000	32,621	19,000	272%
Total Non-Operating Revenues	9,997,634	412,006	69,000	343,006	69,000	597%
Total General Fund Revenue	40,909,426	32,594,051	31,658,242	935,809	31,658,242	103%

Expenditures:

For the year ending June 30, 2021, total combined expenditures are \$26,179,183, including the General, Capital, Solid Waste, and Recycled Water Funds.

General Fund:**Expenditures:**

For the year ending June 30, 2021, total Expenses were \$24,593,503, 3% under the annual budget excluding payoff of California Public Employees' Retirement System (PERS) Unfunded Accrued Liability (UAL). With the liability payment, expenditures were 18% over budget.

- **WBSD Operating Expenses.** General Fund Expenses were \$11,852,526, including \$3,040,837 in Capital Depreciation, 3% under the annual budget. Expenses are shown on the Expense Analysis on the following page, with overhead allocations to the Solid Waste and Recycled Water Fund deducted.
 - The largest variances from the budget were Employee Benefits, including the PERS UAL payoff. The District paid \$6,259,864 in total Pension Unfunded Accrued Liability, through June 30, 2021, including \$1.6 million transferred from the PARS Pension Trust, which offset the liability. A transfer was authorized by the board at the FY 2020-21 Budget Workshop, with an additional payoff to fully settle the liability approved May 12, 2021, which saved the district several million over the original PERS UAL payment schedule. The UAL had a balance of \$5,494,504, with \$1,032,836 in Deferred Outflows and \$565,501 in Deferred Inflows of Resources, as of June 30, 2020. These balances are all zero, as of June 30, 2021. The

payoff and subsequent elimination of the liability, may be considered a change in accounting principles, which will be addressed in the audited financial statements.

- Insurance was 18% over budget, due to higher than estimated increases.
- Operating Supplies is 11% over budget. This is primarily due to increased costs for personal protective equipment (PPE) and costs increases due to shortages and increased demand, due to COVID-19. The District provides PPE to all staff in order to keep the District open.
- San Mateo Local Agency Formation Commission (LAFCo) was \$28,087, 34% over the annual budget.
- Depreciation is 5% higher, due to completed CIP projects.
- The other budget items under the annual budget average 83% of the annual budget.
- **External Operating Expenses.** These include \$12,740,977 paid to SVCW, which is 3% under the annual budget. The District holds a 23.91% share of SVCW's Net Position as of June 30, 2020 Unaudited Analysis of Net Position. SVCW's Net Position as of June 30, 2021 is not yet available.
 - SVCW Operating & Capital Contributions were \$7,640,520, 98% of the annual budget
 - SVCW Debt payments were \$5,100,457, 96% of the annual budget. The 2014 and 2015 Bonds were refinanced, along with the 2011 SRF debt, therefore the District saved \$220,077 in FY 2020-21. The District owes \$55.7 million for the new 2021 Bonds, which replaced the 2014 and 2015 bonds, with payments commencing in 2021-22. SVCW refinanced debt to take advantage of historically low rates, which produced savings on the District's share of the debt of \$6.4 million, net present value.
- **Non-Operating Expenses.** There were no Non-Operating Expenses. Previously, SVCW and LAFCo were shown as non-operating expenses. Statements were aligned with audited financial statements, effective June 30, 2020; current expenses are recognized as Sewage Treatment Plant under Operating Expenses. The District is tracking internally in a separate SVCW Fund.

Change in Net Position:

The General Fund had Net Operating Income of \$7,588,542 through June 30, 2021. With the \$412,006 net increase in Non-Operating Revenues and Expenses, for an \$8,000,548 increase in Net Position through June 30, 2021.

The District reports separately, the Capital Fund, Solid Waste Fund, and Recycled Water Fund. The total Change in Net Position for the District is \$7,918,813.

WEST BAY SANITARY DISTRICT
Expense Analysis
Fiscal Year 2020-21
June 30, 2021

	Prior Year FY 2019-20	Unaudited Actual 6/30/2021	Budget 6/30/2021	Budget v Actual 6/30/2021	YTD % Annual Budget
Salaries & Wages	4,079,527	4,122,741	3,963,828	(158,913)	104%
Employee Benefits	2,491,455	2,647,815	2,841,502	193,687	93%
Directors- Fees	30,740	41,110	42,320	1,210	97%
Election Expense		4	70,000	69,996	0%
Gasoline, Oil & Fuel	52,364	48,621	70,000	21,379	69%
Insurance	131,737	204,178	173,290	(30,888)	118%
Memberships	51,936	54,803	51,450	(3,353)	107%
Office Expense	37,674	27,747	35,500	7,753	78%
Operating Supplies	356,797	416,607	375,345	(41,262)	111%
Contract Services	365,977	331,600	481,000	149,400	69%
Professional Services	306,236	248,752	495,220	246,468	50%
Printing & Publications	63,452	35,915	62,500	26,585	57%
Rents & Leases	24,824	37,375	40,000	2,625	93%
Repairs & Maintenance	271,062	293,248	297,900	4,652	98%
Research & Monitoring	10,285	17,175	20,000	2,825	86%
Training, Meetings & Travel	39,949	19,631	56,200	36,569	35%
Utilities	145,796	209,122	196,550	(12,572)	106%
Other Operating Expenses	107,333	97,767	112,242	14,475	87%
LAFCo	20,152	28,067	21,000	(7,067)	134%
Pension Expense (GASB 68)			-	-	
OPEB Expense (GASB 75)			87,458	87,458	
Depreciation	2,043,269	3,040,837	2,900,000	(140,837)	105%
Transfer to Solid Waste	(70,501)	(55,000)	(103,000)	(48,000)	-82%
Transfer to Recycled Water	-	(15,590)	(19,283)	(3,693)	-329%
Total WBSD Operating Expenses	10,560,063	11,852,526	12,271,022	418,496	97%
SVCW - Operating Fund	6,864,372	6,883,536	6,728,448	(155,088)	102%
SVCW - Operating Reserve	14,112	6,672	354,384	347,712	2%
SVCW - SRF Reserve Contribution	268,404		-	-	
SVCW - Capital Contributions	452,076	750,312	750,312	-	100%
SVCW - 2009 Bond (\$55 Mil)	810,663		-	-	
SVCW - 2014 Bond (\$65 Mil)	1,144,887	1,145,480	1,145,480	-	100%
SVCW - 2015 Bond (\$60 Mil)	1,019,906	1,610,500	1,610,500	-	100%
SVCW - 2018 Bond	1,834,713	1,837,713	1,837,713	-	100%
SVCW - Cash in Lieu of 2018 Bond	6,416,002		-	-	
SVCW - SRF Debt Service (2011 Debt)	220,077		220,077	220,077	
SVCW - SRF WWTP Debt C-06-5216-120	506,765	506,765	506,765	-	100%
Total External Operating Expenses	19,551,977	12,740,977	13,153,679	412,701	97%
Other Non Operating Expense			6,000	6,000	
Prior Period Adjustments	4,152,375		-	-	
Total General Fund Expenses	34,264,416	24,593,503	25,430,701	837,198	97%

Report to the District Board for the Regular Meeting of September 22, 2021

Capital Fund:

For year ending June 30, 2021, total Capital Expenditures and Reserve Transfers were \$6,299,302, 46% of the annual budget; \$1,850,542 for Capital Fund, \$4,099,000 in reserve transfers, and \$349,760 for Recycled Water Fund. A detailed schedule of Capital Fund Expenditures is included on page 10. The Recycled Water Fund begins on page 14.

Capital Fund Revenue:

Connection Fees were \$103,178, 41% of the annual budget. \$219 thousand received in the first quarter was recognized as revenue in the prior year.

Capital Asset Fund

Capital Asset Fund	Prior Year FY 2019-20	Actual 6/30/2021	Budget 6/30/2021	Budget v Actual 6/30/2021	YTD % Annual Budget
Connection Fees	572,970	103,178	250,000	(146,822)	41%
Total Capital Asset Fund Revenue	572,970	103,178	250,000	(146,822)	41%

Capital Fund Expenses:

Capital spending was \$1,850,542, 20% of the budget. Several individual capital expenditure items have been moved on the report to align them with the general ledger account where they are coded, providing better transparency. This changes the subtotals on the report, while the total budget of \$9,428,000 is unchanged.

- **Administration.** A total of \$3,547 was expended on Administration, 10% of the \$35,000 budget; District Office Interior and Exterior, and the Server Replacement Program. Levee Surveys has been moved to Construction in Progress and Flow Monitoring Study has been moved to Subsurface Lines.
- **Collection Facilities - Buildings.** A total of \$9,471, 9% of the annual budget of 100,000 was expended. The Allowance for Unanticipated Capital was moved under Buildings, to record the purchase of a 20 foot storage container located at the FEERF facility and used for storage, at a cost of \$2,800.
- **Vehicle & Equipment.** \$177,112 was expended on new vehicles and equipment, 78% of the \$228,000 budget.
 - Two vehicles were purchased, for a combined 7% under budget:
 - Vehicle 217, Pump Supervisor Truck, 2011 F-350 was replaced
 - Vehicle 227 is for the new Recycled Water Chief Operator
 - Pipehunter replacement parts were purchased for \$23,250, 7% under budget.
 - A Mainline CCTV Camera was purchased for \$23,835, 15% under budget.
 - The budgeted \$360,500 to the Vehicle & Equipment Replacement Reserve was transferred in December 2020, after receipt of Sewer Service Charges from the Tax Roll.

	Actual FY 2019-20	Actual 6/30/2021	Budget FY 2020-21	Variance Budget Balance	YTD % Annual Budget
Vehicle Replacement Program					
Bank of the West Money Mkt, Less Contributions	337,251	607,251	-	(607,251)	
Interest		1,744			
Contributions	270,000	360,500	360,500	-	100%
Total Vehicle & Equipment Expenditures	(346,175)	(153,277)	(228,000)	(74,723)	67%
Net Vehicle & Equipment Program	261,076	816,217	132,500	(683,717)	616%

- **Subsurface Lines and Other.** Construction in Progress expenditures was separated to align with the general ledger and asset schedules.
 - **Pump Stations.** \$64,825 was expended on Pump Stations. .
 - **Subsurface Lines.** There were no direct expenditures on current Subsurface Lines. \$7,253,197 in subsurface line construction was completed and transferred from CIP.
- **Construction in Progress (CIP).** These are new or continuing constructions projects that are recorded separately and capitalized when completed. CIP is not depreciated until completed. \$1,595,587 was expended, 18% of the \$8,870,000 budget for CIP.
 - **Levee & Sheet Piling Project.** \$385,782 was expended for levee design. On June 24, 2020 the Board approved expenditures of \$341,198, plus 10% for “Flow Equalization and Resource Recovery Facility Levee Improvements Construction Documents Preparation”. The original design budget was \$60,000, although the total budget for the design and project is \$1,560,000.
 - **Corporate Yard and Metal Storage Building.** \$39,872 was expended from the net \$1,450,000 budget.
 - **Pipeline Replacement & Rehab Engineering** There were no expenditures.
 - **Pipeline Replacement & Rehab Construction.** \$1,169,932 was expended on Belle Haven III & Alpine and Isabella, Gilbert & Bay North Projects, 8% of the \$5,500,000 budget.
- **Resource Recovery.** There are two projects for recycled water facilities, which expended \$349,760, through June 30, 2021. Both are recorded under the Recycled Water Fund.
 - **Sharron Heights Recycled Water Facility.** The facility was accepted from the contractor, Anderson Pacific, effective July 27, 2020. The final expenditures of \$261,537 were recorded and the project was capitalized for \$22,780,298.
 - **Bayfront.** The proposed Bayfront Recycled Water Project is in early developments. \$88,222 was expended, through June 30, 2021.

	Actual FY 2019-20	Actual 6/30/2021	Budget FY 2020-21	Variance Budget Balance	YTD % Annual Budget
Resource Recovery					
Recycled Water Facility - SHGCC	7,133,813	261,537	-	(261,537)	
Bayfront Resource Recovery (Environmental Impact Rep	-	88,222	300,000	211,778	29%
Total Resource Recovery	7,133,813	349,760	300,000	(49,760)	117%

WEST BAY SANITARY DISTRICT
Capital Expenditure Analysis
Fiscal Year 2020-21
June 30, 2021

	Actual FY 2019-20	Actual 6/30/2021	Budget FY 2020-21	Variance Budget Balance	YTD % Annual Budget
<u>Plant & Administration</u>					
District Office Interior	11,400	3,547	10,000	6,453	35%
District Office Exterior	-	-	10,000	10,000	0%
Server Replacement Program	1,500	-	15,000	15,000	0%
Write-off Obsolete Items, older than 2009	(301,144)	-	-	-	-
Total Administration	(288,245)	3,547	35,000	31,453	10%
<u>Collection Facilities - Buildings</u>					
FERRF Improvements & Demolition of Treatment Plant	20,679	6,671	-	(6,671)	-
Allowance For Unanticipated Capital Expenditures	221,792	2,800	100,000	97,200	3%
Total Collection Facilities	242,471	9,471	100,000	90,529	9%
<u>Vehicle & Equipment</u>					
Pipehunter Replace (Carryover)	220,071	23,250	25,000	1,750	93%
Service Truck - Unit 208	53,568	-	-	-	-
Operations Superintendent SUV - Unit 206	48,183	-	-	-	-
Pump Supervisor Truck - Unit 217 W/ 1/2 T Crane (Deferred In 18/19)	-	87,290	90,000	2,710	97%
Water Quality Supervisor Vehicle	-	42,738	50,000	7,262	85%
Other Vehicles Improvements & Small Equipment	1,005	-	-	-	-
Sales of Vehicles	(34,356)	-	-	-	-
Mainline CCTV Camera	23,726	23,835	28,000	4,165	85%
Flo Dar Equipment (Flow Meters)	33,979	-	35,000	35,000	0%
Total Vehicle & Equipment	346,175	177,112	228,000	50,888	78%
<u>Subsurface Lines and Other</u>					
<u>Pump Stations</u>					
Pump & Valve Replacement Program	48,496	42,224	40,000	-	106%
Private Pump & Panel Replacements	17,691	19,601	20,000	399	98%
Pump Station Fence/Roof Replacement & Repair	14,380	3,000	5,000	-	60%
Total Pump Stations	80,567	64,825	65,000	175	100%
Flow Monitoring Study	29,986	-	30,000	30,000	0%
Smart Covers (2)	9,983	-	-	-	-
Manhole Raising (Paving Projects)	22,434	-	100,000	100,000	0%
Total Subsurface Lines And Other	142,969	64,825	195,000	130,175	33%
<u>Construction In Progress</u>					
Levee Survey & GPS Update	44,488	385,782	60,000	(325,782)	643%
Sheet Piling Project	363,297	-	1,500,000	1,500,000	0%
Corporate Yard Renovation Feasibility Study	-	15,039	350,000	334,961	4%
Metal Storage Building - Phase 1	2,708	24,834	852,550	827,716	3%
Metal Storage Building - Phase 2	-	-	247,450	247,450	0%
Construction Projects Environmental Review	-	-	10,000	10,000	0%
<u>Pipeline Replacement & Rehab Engineering</u>					
Isabella, Gilbert, Bay North, Coyote Hill - Phase 1	213,804	-	350,000	350,000	0%
<u>Pipeline Replacement & Rehab Construction</u>					
Belle Haven III & Alpine	1,203,914	7,647	-	-	-
<i>Town Of Atherton Civic Center - Dinklespeil</i>	517,280	-	-	-	-
Isabella, Gilbert & Bay North - Phase 1 (Carryover \$1.5m)	-	-	1,500,000	1,500,000	0%
Isabella, Gilbert & Bay North - Phase 2	-	-	2,500,000	2,500,000	0%
Lower Ringwood/ North Bay	-	1,162,285	1,500,000	337,715	77%
Private ECR Project Improvements (Credited to Connection F	25,500	-	-	-	-
Write Off Discontinued CIP Projects 2002-2005 & misc	(141,979)	-	-	-	-
Total Construction In Progress	2,229,012	1,595,587	8,870,000	7,274,413	18%
Total Capital Expenditures	2,672,383	1,850,542	9,428,000	7,577,458	20%

Reserves:

The District has budgeted \$4,099,000 in transfers to reserve accounts to protect cash flow between sewer service fee payments from the county, maintain fiscal stability, and reserve for future projects. All budgeted transfers were completed after the receipt of Sewer Service Charges from the Tax Roll in December 2020, excluding the Operating Reserve, as this reserve has reached the target of \$9 million, with a balance of \$9,545,822.

- **Reserves.** The budgeted \$4,099,000 was transferred to unrestricted reserve accounts, as follows:
 - **Operating Reserve:** No transfers into the Operating Reserve.
 - **Emergency Capital Reserve:** Transferred \$200,000
 - **Capital Project Reserve:** Transferred \$683,500
 - **Rate Stabilization Reserve:** Transferred \$2,855,000; the original budget of \$1,555,000 and the budgeted \$1.3 million for the Operating Reserve was transferred to the Rate Stabilization to fund the reserve target.
 - **Vehicle & Equip Replacement Reserve:** Transferred \$360,500
- **Restricted Reserves.** There is no budget for transfers to restricted reserve accounts in FY 2020-21.

**WEST BAY SANITARY DISTRICT
Capital Expenditure Analysis
Fiscal Year 2020-21
June 30, 2021**

	Actual FY 2019-20	Actual 6/30/2021	Budget FY 2020-21	Variance Budget Balance	YTD % Annual Budget
Contributions To Reserves					
Operating Reserves Transfers (Target Goal \$9M)	1,300,000		1,300,000	1,300,000	0%
Rate Stabilization/Bond Reserve (Target Goal \$8M)	-	2,855,000	1,555,000	(1,300,000)	184%
Capital Reserves					
Emergency Capital Reserves Transfer (Target Goal \$5M)	200,000	200,000	200,000		100%
Capital Project Reserves Transfers (Target Goal \$6M)	683,000	683,500	683,500	-	100%
Vehicle & Equip Replacement Reserve	270,000	360,500	360,500		100%
Recycled Water Facility Cash Flow Reserve	-		-	-	
Recycled Water SRF Reserve - Restricted	675,541		-	-	
Total Contributions To Reserves	3,128,541	4,099,000	4,099,000	-	100%

Solid Waste:

The Solid Waste Fund had a net increase of \$19,800, approximately four times the annual budget, to a Net Position of \$263,205, as of June 30, 2021.

- **Solid Waste Fund Revenue.** Franchise fees were \$104,487, 97% of the annual budget. With June 2021 fees of \$8,794 outstanding at the end of the year, from Recology, which manages solid waste collection for the District.
- **Solid Waste Fund Expense.** Allocated expenses for the Solid Waste program of \$84,686 was recognized for rate studies, annual notification mailing, and overhead allocation, through June 30, 2021, 82% of the annual budget.

**West Bay Sanitary District
Solid Waste Fund
Fiscal Year 2020-21
June 30, 2021**

	Prior Year FY 2019-20	Actual 6/30/2021	Budget 6/30/2021	Variance Budget v Actual	YTD % Annual Budget
Income					
Operating Income					
Franchises	120,214	104,487	108,000	(3,513)	97%
Total Income	120,214	104,487	108,000	(3,513)	97%
Expenditures					
Allocated Operating Expense					
Rate Studies	16,501	27,755	42,000	(14,245)	66%
Mailings	5,000	1,932	5,000	(3,068)	39%
Public Relations	1,000	0	1,000	(1,000)	0%
Overhead Expense Allocation From Genera	48,000	55,000	55,000	0	100%
Total Allocated Operating Expense	70,501	84,686	103,000	(18,314)	82%
Solid Waste Fund					
Beginning Balance	193,692	243,405	243,405	-	100%
Contribution To Solid Waste Fund	49,713	19,800	5,000	14,800	396%
Ending Balance	243,405	263,205	248,405	14,800	106%

Recycled Water:***Sharon Heights Recycled Water Facility***

Capital expenditures on the Sharon Heights Recycled Water Facility (SHRWF) totaled \$261,537, for a project total of \$22,647,052. \$22,267,257 has been received from the State Revolving Fund, including a \$5,259,800 Water Recycling Funding Program Construction Grant and a net SRF Loan of \$17,117,420.

The facility was accepted from the contractor, Anderson Pacific, effective July 27, 2020. The contractor managed the facility for six months, from July 27, 2020 through January 26, 2021. The District assumes full management of the facility beginning January 27, 2021. Contractor costs are paid by the District and billed to Sharon Heights Golf & Country Club (SHGCC); these expenses are recorded as Operation & Maintenance (O&M) expense, less the PG&E, which is originally paid by the District, in the Recycled Water Fund and receipts are recorded as Income. Summary Recycled Water Fund statements are included on page 15, with detailed expenditure schedule on page 16.

- **Revenue.** \$630,201 was recognized as income from SHGCC. This represents billing for O&M through June 31, 2021 and \$61,355 accrual of actual expenses over the budgeted O&M billed. District Salary and benefits were included, effective January 27, 2021.
- **Expense.** Total expenditures were \$1,375,413, including depreciation of the facility.
 - Operating Expenses were \$677,129.
 - Direct District expenses were \$400,876, including PG&E, which was billed to Anderson Pacific and included in O&M paid to them and ultimately billed and received from SHGCC, from 7/1/20 through 1/26/21.
 - O&M by Anderson Pacific was \$272,392, for management through January 27, 2021. The total added to the SHRW budget for contractor O&M is \$377,716, including an additional \$52,716 for utilities overage, as the PG&E rate was higher than stated in original contract.
 - Depreciation Expense was \$698,284.
- **Non-Operating Income & Expenses**
 - Non-Operating Income was \$666,079, including the SRF Loan Deposit, Interest Income, and losses on the SHGCC restricted reserve accounts.
 - Non-Operating Expenses was \$125,580, in Interest Expense on the SRF loan accrued from 7/1/20 through 3/31/21.
 - The first SRF loan payment was made March 30, 2021. The \$662,910.88 payment included \$501,038.29 which reduced the loan principal and \$161,872.59 in interest.

Bayfront Recycled Water Project

The Bayfront Project recognized \$88,222 in capital expenditures.

West Bay Sanitary District
Recycled Water Fund
Sharron Heights Recycled Water Facility
Fiscal Year 2020-21
June 30, 2021

	Actual FY 2019-20	Actual 6/30/2021	Budget 6/30/2021	Budget v Actual 6/30/2021	YTD % Annual Budget
Fund Income					
Operating Income					
Sharon Heights Golf & County Club		630,201	417,617	(212,584)	151%
Total Operating Income	0	630,201	417,617	(212,584)	150.9%
Fund Expenditures					
Operating Expense (Excluding Depreciation)	0	677,129	417,617	(259,512)	162.1%
Depreciation Expense	0	698,284	0	(698,284)	
Total Fund Expenditures	0	1,375,413	417,617	(957,796)	329.3%
Net Income (Loss)	0	(745,212)	0	745,212	
Non-Operating Income / Expense					
Non-Operating Income	5,259,800	666,079	0	(666,079)	
Non-Operating Expense	(146,255)	(125,580)	(675,541)	(549,961)	18.6%
Total Non-Operating Income/Expense	5,113,545	540,499	(675,541)	(1,216,040)	-80.0%
Net Fund Balance For Fiscal Year	5,113,545	(204,713)	(675,541)	(470,828)	30%

	Actual FY 2019-20	Actual 6/30/2021
Net Position		
Assets		
SHGCC SRF Reserve - Restricted	1,530,350	257,888
SHGCC SRF Money Mkt - Restricted	0	1,282,313
Accounts Receivable	708,440	61,355
Interest Receivable	3,996	2,235
Prepaid Insurance		3,219
Capital Assets		
Sharon Heights Recycle Water Facility	22,385,514	0
Accumulated Depreciation	0	(698,284)
Total Assets	24,628,300	908,725
Liabilities		
Accounts Payable	258,754	29,084
Payroll Liability		14,652
Payroll Taxes	0	136
Notes Payable - SRF Loan	16,597,119	16,616,382
SRF Loan Deposit		1,458,404
SRF Loan Payment Advance Installments	135,108	198,877
Accrued Interest - SRF Loan	36,292	0
Total Liabilities	17,027,273	18,317,534
Net Position	7,601,026	(17,408,810)

West Bay Sanitary District

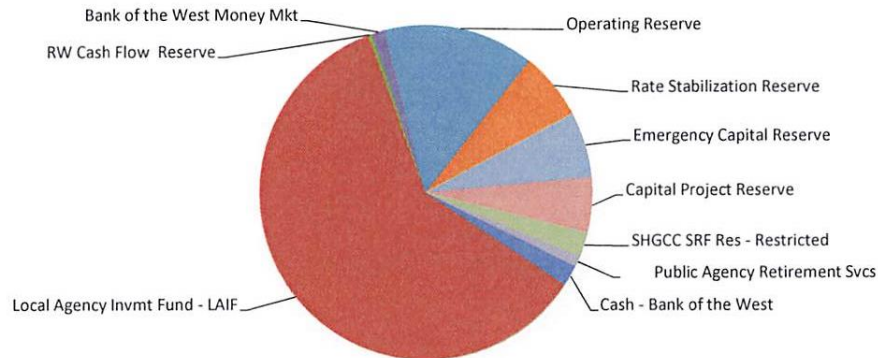
Report to the District Board for the Regular Meeting of September 22, 2021

Recycled Water Fund
Sharron Heights Recycled Water Facility
Fiscal Year 2020-21
June 30, 2021

Fund Expenditures - Detail	Actual FY 2019-20	Actual 6/30/2021	Budget 6/30/2021	Budget v Actual 6/30/2021	YTD % Annual Budget
<u>Operating Expense</u>					
District Wages					
Plant Operator		83,902	61,255	(22,647)	137.0%
Indirect Labor		9,307	0	(9,307)	
Overtime		15,829		(15,829)	
Standby		8,130	2,173	(5,957)	374.1%
Total District Wages		117,169	63,428	(53,741)	184.7%
Employee Benefits		27,129	47,571	20,442	57.0%
Total Salaries, Wages & Benefits	0	144,298	110,999	(33,298)	130.0%
<u>Other Operating Expense</u>					
Gasoline, Oil And Fuel		0	0	0	
Insurance		15,737	9,252	(6,485)	170.1%
Memberships		150	0	(150)	
Office Expense		0	0	0	
Operating Supplies		8,579	4,800	(3,779)	178.7%
Contractual Services		0	0	0	
Professional Services		16,426	34,992	18,566	46.9%
Printing And Publications		0	0	0	
Rents And Leases		0	0	0	
Repairs And Maintenance		3,886	12,000	8,114	32.4%
Research And Monitoring		9,485	66,000	56,515	14.4%
Training, Meetings & Travel		0	0	0	
Utilities		181,669	126,792	(54,877)	0.8%
Licenses & Permits		19,664	0	(19,664)	
Other Operating Expenses		982	33,499	32,517	0.0%
Subtotal Operating Expenses	0	400,876	398,334	(2,542)	101%
Operations & Maintenance - Anderson Pacific *		260,663	0	(260,663)	
Administrative Expense		15,590	19,283	3,693	2078.9%
Total SHRWF Operating Expenses		677,129	417,617	(259,512)	162.1%
Depreciation		698,284	0	(698,284)	
Total Operating Expense	0	1,375,413	417,617	(957,796)	329.3%
<u>Non-Operating Income & Expense</u>					
<u>Non-Operating Income / Deposits</u>					
Sinking Fund		0	144,148	144,148	0.0%
SHGCC Loan Deposits		662,911	675,541	12,630	98.1%
Grant	5,259,800	0	0	0	
Interest Income		21,566	0	(21,566)	
Gain/Loss on Reserves		(18,398)	0	18,398	
Total Non-Operating Income	5,259,800	666,079	819,689	153,610	81.3%
<u>Non-Operating Expense</u>					
SRF Loan Payment (Principal)			(513,668)		
Interest Expense (SRF Loan)	146,255	(125,580)	(161,873)	(36,293)	77.6%
Total Non-Operating Expense	146,255	(125,580)	(675,541)	(549,961)	18.6%
Total Non-Operating Income & Expense	5,113,545	540,499	144,148	(396,351)	375.0%

* External O&M not in original budget. Anderson Pacific O&M contract, effective 7/27/20, was \$345,083 including a low estimate for electric service. Expense is pass through to SHGCC; actual amount excludes PG&E.

**WEST BAY SANITARY DISTRICT
Schedule of Cash and Investments
Fiscal Year 2020-21
June 30, 2021**



Description	Target	Principal Amount	Accrued Interest	Yield
Bank of the West, Commercial Account		1,343,099.25		0.16%
NAVIA Commuter Checking Account		2,163.50		0.00%
Petty Cash		1,000.00		
Bank of the West Money Market Account		816,217.48		0.18%
Local Agency Investment Fund (LAIF)		38,840,018.82	32,295.38	0.33%
Cash & Equivalent Accounts		41,002,499.05	32,295.38	
Bank of the West Reserves Accounts				
Bank Of The West -Operating Reserve - Securities	\$9.5 million	8,710,966.97	56,197.81	2.18%
Bank Of The West -Operating Reserve - Cash		787,444.78		0.03%
Bank Of The West - Rate Stabilization Reserve - Securities	\$6 million	2,857,140.01	15,044.28	2.12%
Bank Of The West - Rate Stabilization Reserve - Cash		1,385,481.73		0.03%
Bank Of The West -Emergency Capital Reserve - Securities	\$5 million	3,947,487.74	25,233.13	1.22%
Bank Of The West -Emergency Capital Reserve - Cash		146,828.90		0.03%
Bank Of The West -Capital Project Reserve - Securities	\$6 million	3,389,106.42	24,855.95	2.31%
Bank Of The West -Capital Project Reserve - Cash		60,106.54		0.03%
Bank Of The West - Recycled Water Cash Flow Reserve - Securities	\$8 million	188,664.00	1,098.41	2.19%
Bank Of The West - Recycled Water Cash Flow Reserve - Cash		40,107.03		0.03%
Bank of the West Reserve Accounts		21,513,334	122,430	
Bank Of The West - Recycled Water SRF Reserve - Securities		255,628.50	2,234.57	3.12%
Bank Of The West - Recycled Water SRF Reserve - Cash		24.57		0.03%
Bank Of The West - Recycled Water SRF Money Market		1,282,312.87		0.11%
Restricted - Bank of the West Reserve Account		1,537,966	2,235	
Total Cash and Investments		64,053,799.11	156,959.53	
PARS Irrevocable Trust - OPEB		413,702.99		
PARS Irrevocable Trust - Retirement		237,451.50		
Total PARS Irrevocable Trust (offset liabilities)		651,154.49		

Certification:

The District Manager/Chief Fiscal Officer and Finance Manager of West Bay Sanitary District represents that the above investments are in accordance with the West Bay Sanitary District Statement of Investment Policy.

Investment Policy adopted by the District Board on October 14, 1996, revised annually, last approved October 10, 2018.

[Signature] 9/15/21
District Manager/CFO Date

[Signature] 9/14/21
Finance Manager Date



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 11**

To: Board of Directors

From: Sergio Ramirez, District Manager

Subject: Report by the Finance Advisory Committee

Members of the Finance Advisory Committee will give a report on their recent meeting with Bank of the West, the District Manager, and the Finance Manager.

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WEST BAY SANITARY DISTRICT AGENDA ITEM 12

To: *Board of Directors*

From: *Debra Fisher, Finance Manager*

Subject: *Consider to Approve Investment Policy and Resolution*

Background

The District is reviewing current policies to insure that District accounting is completed in line with the Board of Directors direction. A unique investment policy is needed to outline the District's objectives for investments, insure compliance with California Government Code, and direct the District's investment advisors within regulatory guidelines. The District current investment policy is established in Resolution No. 2198 (2020).

Staff met with the Finance Committee on September 14, 2021 to review an Investment Policy. Holdings in bank accounts (Policy Item No. 10) was reviewed and \$1 million was determined as an appropriate maximum, in order to limit risk, while insuring the District has adequate funds for timely processing of payments in the course of normal business.

The Resolution corresponds to the Investment Policy and supports the authority delegated in the policy.

Fiscal Impact

None.

Recommendation

The Finance Manager recommends the Board approve the Investment Policy and Investment Resolution.

RESOLUTION NO. ____~~(2020)~~(2021)

A RESOLUTION ESTABLISHING INVESTMENT AND PROCEDURE POLICY FOR THE WEST BAY SANITARY DISTRICT AND AMENDING RESOLUTION NO. 1996 ~~(2016)~~, 2198 (2020)

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To ensure sound investment practices, which also meet legislative guidelines, the District Board of the West Bay Sanitary District finds and determines as follows:

WHEREAS, the District's Deferred Compensation Investment Funds are specifically excluded from this Policy and:

WHEREAS, the District's operating funds and bond proceeds may be invested in securities authorized by California Government Code Section 53601 and the Local Agency Investment Fund (LAIF), and Bank of the West Investment Management & Trust pursuant to Government Code Section 53630, and:

WHEREAS, with respect to investments with banks and/or savings and loan associations:

1. It is the policy of the District Board to satisfy the requirements of California Government Code Section 53637 by investing with those banks and savings and loan associations agreeing to pay the highest rate of interest, and:

2. Investments and deposits shall comply with all requirements of California Government Code §§ 53600 et seq. and §§ 53630 et seq. Notwithstanding this section, and with the exception of those funds deposited with the Local Agency Investment Fund, the Chief Fiscal Officer shall invest only in the instruments specifically authorized and approved by the District Board and recorded in the minutes of a meeting thereof, and:

3. All deposits shall be secured with eligible securities as provided in California Government Code §§ 53651, except that real estate secured promissory notes, as described in Section 53651(m), shall not be acceptable, and provided, further, that security may be waived to the extent that deposits are insured by the FDIC, and:

~~4. The total amount of all funds deposited in any single bank or savings and loan association shall not exceed \$500,000.00 in the aggregate at any time. The only authorized exceptions to this policy are those accounts required as holding accounts for other investments (i.e. Bank of the West Investment Management & Trust and the PARS Irrevocable Trust) or accounts required to process accounts payable and accounts receivable (i.e. Checking Account or Money Market account with Bank of the West) and:~~

5. ~~The District adopted the Public Agency Retirement Service Irrevocable Trust account for the proposed pre-funding of Other Post-Employment Benefits and designated the District Manager as Plan Administrator to make deposits as directed by the Board as well as withdrawals and reimbursement of expenses paid on behalf of eligible recipients by PERS.~~

~~6. Notwithstanding the exceptions provided here, it is the intent of the District Board that funds shall be invested and deposited into those institutions which provide the highest possible interest rate. Funds in these accounts shall be carefully monitored by the Chief Fiscal Officer to ensure compliance with this policy, and:~~

WHEREAS, deposits with the Local Agency Investment Fund in the State Treasury shall be made pursuant to California Government Code § 16429.1, and:

WHEREAS, the appointment of the District Manager as the Deputy Secretary/Deputy Treasurer of the District Board, as Chief Fiscal Officer of the West Bay Sanitary District and granting the District Manager the authority to transfer funds to and from the LAIF, the Bank of the West Investment Management & Trust, the Public Agency Retirement Service, and to open accounts and invest funds in approved financial institutions, and to reinvest funds at maturity of deposit is necessary to ensure continuity of the District's operations, processes and procedures, and:

WHEREAS, pursuant to Health and Safety Code § 6487, the District Board acting by resolution may authorize the District Manager to sign releases, receipts and similar documents in the name of the District, and:

WHEREAS, the District Manager shall be deemed the Chief Fiscal Officer for the purposes of Section 53646 of the California Government Code.

NOW, THEREFORE in consideration of the foregoing, the District Board hereby establishes the following procedures for the transfer and investment of District monies:

1. The District Manager, without the prior approval of the District Board, may transfer to and from LAIF and the Bank of the West Money Market funds designated by the District Board as short-term operating reserves, which are required to meet the current expenses of the District. The District Manager shall provide the District Board ~~in the Financial Activity Report with a written statement showing the total transfers each transfer~~ at the next regular meeting of the District Board following the month date of such transfer.
2. The District Manager shall transfer to and from ~~LAIF, and~~ Bank of the West Investment Management & Trust those monies designated by the District Board as long-term investment funds, ~~as recommended by the Bank of the West Investment Advisor~~, and as approved by the District Board. The District Manager shall make such transfers only upon a specific instruction to do so, given by the District Board at a public meeting thereof. The District Manager shall provide the District Board with a ~~written~~ statement explaining showing each transfer at the next regular meeting of the District Board following the date of such transfer and provide quarterly investment statements showing the details of all transactions, at the next regular meeting of the District Board following their availability.
3. The District Manager (Plan Administrator) may make deposits to PARS as directed by the Board. The District Manager (Plan Administrator), without prior approval of the District Board, may make withdrawals from PARS for the reimbursement of expenses paid on behalf of eligible recipients ~~of~~ PERS for Other Post-Employment Benefits.
4. The District Board shall annually review and approve the District's Investment Policy.
5. The District Manager (Chief Fiscal Officer) shall render a quarterly report to the District Board showing the type of investment, institution, date of maturity, amount of deposit, and rate of interest. The quarterly report shall specify in detail investments made pursuant to subdivision (i) of Section 53601, Section 53601.1, and subdivision (i) of Section 53635. The report shall also state its relationship to this statement of investment policy. The report shall be presented to the District Board within 30 days of the end of the quarter reported.
6. In carrying out the functions of these policies and procedures, the District Manager (Chief

Fiscal Officer) shall consult regularly with the Board Treasurer and/or Board President.

In consideration of the foregoing findings and determinations,

IT IS RESOLVED as follows:

The District Manager of West Bay Sanitary District effective July 1, 2020, Sergio Ramirez, is appointed Deputy Secretary/Deputy Treasurer of the District Board, the Chief Fiscal Officer of the West Bay Sanitary District and authorized to act for and on behalf of the District and the District Board to transfer funds to and from the Local Agency Investment Fund, the Bank of the West Investment Management & Trust and the Public Agency Retirement Service, in accordance with this resolution.

The District Manager is authorized to open Certificate of Deposit accounts in the name of the District, when instructed to do so by the District Board. Within 60 days of maturity of a Certificate of Deposit, the District Manager shall advise the Board of the rates offered for redeposit. Pursuant to instructions by the District Board, the District Manager is authorized to liquidate or redeposit Certificates of Deposit as instructed, provided, however, that all such deposits and redeposit shall be limited exclusively to negotiable certificates of deposit meeting the requirements of Government Code § 53635 (h).

The District Manager is expressly authorized to sign and execute on behalf of the District such applications, receipts and other documents as may reasonably and necessarily be required to conduct these activities, and to give directions telephonically regarding these matters.

PASSED AND ADOPTED by the District Board of the West Bay Sanitary District at a regular meeting thereof held on the ~~September 22~~ ~~June 10~~, 2020~~1~~, by the following vote:

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Ayes:

Noes:

Abstain:

Absent:

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

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

RESOLUTION NO. ____ (2021)

A RESOLUTION ESTABLISHING INVESTMENT AND PROCEDURE POLICY FOR THE WEST BAY SANITARY DISTRICT AND AMENDING RESOLUTION NO. 1996 (2016), 2198 (2020)

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WHEREAS, the District's operating funds and bond proceeds may be invested in securities authorized by California Government Code Section 53601 and the Local Agency Investment Fund (LAIF), and Bank of the West Investment Management & Trust pursuant to Government Code Section 53630, and:

WHEREAS, with respect to investments with banks and/or savings and loan associations:

1. It is the policy of the District Board to satisfy the requirements of California Government Code Section 53637 by investing with those banks and savings and loan associations agreeing to pay the highest rate of interest, and:
2. Investments and deposits shall comply with all requirements of California Government Code §§ 53600 et seq. and §§ 53630 et seq. Notwithstanding this section, and with the exception of those funds deposited with the Local Agency Investment Fund, the Chief Fiscal Officer shall invest only in the instruments specifically authorized and approved by the District Board and recorded in the minutes of a meeting thereof, and:
3. All deposits shall be secured with eligible securities as provided in California Government Code §§ 53651, except that real estate secured promissory notes, as described in Section 53651(m), shall not be acceptable, and provided, further, that security may be waived to the extent that deposits are insured by the FDIC, and:
5. The District adopted the Public Agency Retirement Service Irrevocable Trust account for the proposed pre-funding of Other Post-Employment Benefits and designated the District Manager as Plan Administrator to make deposits as directed by the Board as well as withdrawals and reimbursement of expenses paid on behalf of eligible recipients by PERS.

WHEREAS, deposits with the Local Agency Investment Fund in the State Treasury shall be made pursuant to California Government Code § 16429.1, and:

WHEREAS, the appointment of the District Manager as the Deputy Secretary/Deputy Treasurer of the District Board, as Chief Fiscal Officer of the West Bay Sanitary District and granting the District Manager the authority to transfer funds to and from the LAIF, the Bank of the West Investment Management & Trust, the Public Agency Retirement Service, and to open accounts and invest funds in approved financial institutions, and to reinvest funds at maturity of deposit is necessary to ensure continuity of the District's operations, processes and procedures, and:

WHEREAS, pursuant to Health and Safety Code § 6487, the District Board acting by resolution may authorize the District Manager to sign releases, receipts and similar documents in the name of the District, and:

WHEREAS, the District Manager shall be deemed the Chief Fiscal Officer for the purposes of Section 53646 of the California Government Code.

NOW, THEREFORE in consideration of the foregoing, the District Board hereby establishes the following procedures for the transfer and investment of District monies:

1. The District Manager, without the prior approval of the District Board, may transfer to and from LAIF and the Bank of the West Money Market funds designated by the District Board as short-term operating reserves, which are required to meet the current expenses of the District. The District Manager shall provide the District Board in the Financial Activity Report the total transfers at the next regular meeting of the District Board following the month of such transfer.
2. The District Manager shall transfer to and from Bank of the West Investment Management & Trust those monies designated by the District Board as long-term investment funds and as approved by the District Board. The District Manager shall make such transfers only upon a specific instruction to do so, given by the District Board at a public meeting thereof. The District Manager shall provide the District Board with a statement explaining each transfer at the next regular meeting of the District Board following the date of such transfer and provide quarterly investment statements showing the details of all transactions, at the next regular meeting of the District Board following their availability.
3. The District Manager (Plan Administrator) may make deposits to PARS as directed by the Board. The District Manager (Plan Administrator), without prior approval of the District Board, may make withdrawals from PARS for the reimbursement of expenses paid on behalf of eligible recipients of PERS for Other Post-Employment Benefits.
4. The District Board shall annually review and approve the District's Investment Policy.
5. The District Manager (Chief Fiscal Officer) shall render a quarterly report to the District Board showing the type of investment, institution, date of maturity, amount of deposit, and rate of interest. The quarterly report shall specify in detail investments made pursuant to subdivision (i) of Section 53601, Section 53601.1, and subdivision (i) of Section 53635. The report shall also state its relationship to this statement of investment policy. The report shall be presented to the District Board within 30 days of the end of the quarter reported.
6. In carrying out the functions of these policies and procedures, the District Manager (Chief Fiscal Officer) shall consult regularly with the Board Treasurer and/or Board President.

In consideration of the foregoing findings and determinations,

IT IS RESOLVED as follows:

The District Manager of West Bay Sanitary District effective July 1, 2020, Sergio Ramirez, is appointed Deputy Secretary/Deputy Treasurer of the District Board, the Chief Fiscal Officer of the West Bay Sanitary District and authorized to act for and on behalf of the District and the District Board to transfer funds to and from the Local Agency Investment Fund, the Bank of the West Investment Management & Trust and the Public Agency Retirement Service, in accordance with this resolution.

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District Manager shall advise the Board of the rates offered for redeposit. Pursuant to instructions by the District Board, the District Manager is authorized to liquidate or redeposit Certificates of Deposit as instructed, provided, however, that all such deposits and redeposit shall be limited exclusively to negotiable certificates of deposit meeting the requirements of Government Code § 53635 (h).

The District Manager is expressly authorized to sign and execute on behalf of the District such applications, receipts and other documents as may reasonably and necessarily be required to conduct these activities, and to give directions telephonically regarding these matters.

PASSED AND ADOPTED by the District Board of the West Bay Sanitary District at a regular meeting thereof held on the September 22, 2021, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

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

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

WEST BAY



West Bay Sanitary District Investment Policy

Approved by a motion of the District Board on

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

INVESTMENT POLICY

Reviewed: 9/22/21

Approved:

Introduction

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities.

The investment policies and practices of the West Bay Sanitary District (District) are based on state law and prudent money management. All funds will be invested in accordance with the District's investment policy and the California Government Code.

Scope

This investment policy applies to all funds and investment activities under the direction of the District.

Prudence

The standard of prudence to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

Objectives

The primary objectives, in priority order, of the investment activities of the District shall be:

- 1) Safety. Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
- 2) Liquidity. The District shall maintain sufficient investments in liquid accounts to meet anticipated cash flow needs for the next six to twelve months. Liquidity refers to the ability to sell at any given moment with a minimal chance of losing principal or interest.
- 3) Return on Investment. The investment portfolio of the District shall be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.

Delegation of Authority

The Board of Directors delegates day-to-day responsibility for investments to the District Manager/Chief Fiscal Officer (CFO). This delegation of authority shall be in effect for a one-year period and must be reviewed, and if still applicable, renewed annually. If authority has been delegated, the District staff shall submit a quarterly report of investment transactions to the Board of Directors, as required by California Government Code, Section 53607.

The Board may delegate the authority to invest, reinvest, sell, or exchange securities on behalf of the District to a registered investment advisor. The registered investment advisor shall follow this Policy and such other written investment instructions as provided.

The Board of Directors shall monitor and review all investments for consistency with this investment policy.

Investment Procedures

The District shall establish written investment procedures for the District's investment program consistent with this Policy. The procedures should include reference to: safekeeping, wire transfer agreements, banking service contracts, cash flow forecasting, and collateral/depository agreements.

Ethics and Conflict of Interest

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the CFO and Finance Manager any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the District.

Authorized Financial Dealers and Institutions

The CFO, Finance Manager, or the District's registered investment advisor, shall maintain a list of authorized broker/dealers and financial institutions which are approved for investment purposes, and it shall be the policy of the District to purchase securities only from those authorized institutions. The CFO, Finance Manager, or investment advisor shall have written criteria for inclusion on the approved list. The list should be reviewed by the Board of Directors annually.

Permitted Investment Instruments (in conformity with California G.C. §53601)

The District shall attempt to limit its investments in any one bank or corporation to no more than 5% of the District's total investments at the time of purchase.

- 1) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- 2) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

- 3) Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency, or registered treasury notes or bonds of any of the other 49 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, provided that the obligations are rated in one of the two highest categories by a Nationally Recognized Statistical Rating Organization.
- 4) Banker's Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by a Nationally Recognized Statistical Rating Organization. Purchases of Banker's Acceptances may not exceed 180 days maturity or 40 percent of the District's total funds available for investment or 30 percent in the bankers' acceptances of any one commercial bank..
- 5) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided by a Nationally Recognized Statistical Rating Organization (NRSRO). The issuing entity shall meet all of the following conditions of paragraph a or b:
 - a. The entity meets the following criteria:
 - i. Is organized and operating within the United States as a general corporation
 - ii. Has total assets in excess of \$500 million
 - iii. Has debt other than commercial paper, if any, that is rated in a rated category of "A" or higher rating by a Nationally Recognized Statistical Rating Organization.
 - b. The entity meets the following criteria:
 - i. Is organized within the United States as a special purpose corporation, trust, or limited liability company
 - ii. Has program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
 - iii. Has commercial paper that is rated "A-1" or higher, or the equivalent, by a Nationally Recognized Statistical Rating Organization.

Purchases of eligible commercial paper shall have a maximum maturity of 270 days or less and may not exceed 25 percent of the District's total funds available for investment. Investments also may not represent more than 10 percent of the outstanding commercial paper of any single corporate issue.

- 6) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Medium-term corporate notes shall be rated in a rating category of "A" or its equivalent or better by a Nationally Recognized Statistical Rating Organization.

Purchase of medium-term corporate notes may not exceed 30 percent of the District's investment portfolio.

- 7) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. The Board of Directors of the District, the CFO, or other officials of the District having legal custody of the money are prohibited from investing the District's funds, or funds in the custody of the District, in negotiable certificates of deposit issued by a state or federal credit union if a member of the Board of Directors or any person with investment decision making authority in the administrative office manager's office, budget office, auditor-controller's office, or CFO's office of the District also

serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee, or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

Purchase of negotiable certificates of deposit may not exceed 30 percent of the District's total funds available for investment, and the issuing institution must be rated in a rated category of "A" long-term or "A-1" short-term or its equivalent or better by a Nationally Recognized Statistical Rating Organization.

- 8) FDIC insured or fully collateralized time certificates of deposit in financial institutions located in California, including U.S. branches of foreign banks licensed to do business in California. All time deposits must be collateralized in accordance with California Government Code section 53652, either at 150% by promissory notes secured by first mortgages and first trust deeds upon improved residential property in California eligible under section (m) of section 53651 or at 110% by eligible marketable securities listed in subsections (a) through (l) and (n) and (o) of section 53651. Eligible securities of the class described in subsection (p) of section 53651 must be collateralized at 105% of the total amount of all deposits of a depository secured by those eligible securities. The District, at its discretion and by majority vote of the Board of Directors, on a quarterly basis, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance.

Purchases in any single bank or institution shall not exceed \$500,000 in the aggregate at any time.

- 9) State of California's Local Agency Investment Fund

Investment in LAIF may not exceed the investment limitation imposed by LAIF.

- 10) Insured checking, savings, or money market account.

Holdings in any single account shall not exceed \$1,000,000 in the aggregate at any time, with the exception of holdings account for other investments, Bank of the West Investment Management and Public Agency Retirement Services (PARS) Trust, the Sharon Heights Golf & Country Club SRF Deposit Money Market, and general accounts for timely processing of payments in normal business.

- 11) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.). To be eligible for investment pursuant to this subdivision these companies shall either: (1) attain the highest ranking letter and numerical rating provided by not less than two Nationally Recognized Statistical Rating Organizations and (2) have an investment advisor registered with the Securities and Exchange Commission with not less than five years' experience investing in securities and obligations authorized by Government Code Section 53601 and with assets under management in excess of \$500,000,000.

The purchase price of shares shall not exceed 20 percent of the District's total funds available for investment.

- 12) Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a Nationally Recognized Statistical Rating Organization and rated in a rating

category of "AA" or its equivalent or better by a Nationally Recognized Statistical Rating Organization.

Purchase of securities authorized may not exceed 20 percent of the District's total funds available for investment.

13) The California Asset Management Program.

14) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of at least "AA" by a Nationally Recognized Statistical Rating Organization.

Purchases of these securities shall not exceed 30 percent of the District's total funds available for investment.

Credit criteria listed in this section refers to the credit of the issuing organization at the time the security is purchased. The District may from time to time be invested in a security whose rating is downgraded. If a rating drops below a rating category of "A," the investment advisor shall notify the CFO and Finance Manager and recommend a plan of action. The CFO shall contact the Finance Committee to apprise it of the downgrade and the investment advisor's recommendation. The Committee shall report both the downgrade and any action taken to the Board of Directors at the Board of Directors' next regularly scheduled meeting.

Any percentage limitations for a particular category of investment are applicable only at the date of purchase. Percentage limitations will be applied separately to the individual portfolios.

Ineligible Investments (in conformity with California Government Code Section 53601.6)

The District shall not invest any funds in inverse floaters, range notes, mortgage-derived, interest-only strips, or in any security that could result in zero interest accrual if held to maturity.

Safekeeping and Custody

The assets of the District shall be secured through the third-party custody and safekeeping procedures. Bearer instruments shall be held only through third-party institutions. Collateralized securities shall be purchased using the delivery vs. payment procedure.

Maximum Maturity

To the extent possible, investments will be matched to the anticipated cash flow requirements of each reserve account. No investment in any reserve account shall be made in any security that at the time of the investment has a term remaining to maturity in excess of five years, unless the Board of Directors has granted express authority to make an investment either specifically or as a part of an investment program approved by the Board of Directors no less than three months prior to the investment, as required by California Government Code §53601. Additionally, purchases of investments greater than five years will not begin until staff has provided authorization to the District's investment advisor. The maximum maturity for all other sectors is five years, or less, in conformity with Code.

Internal Controls

The CFO and/or Finance Manager shall establish a set of internal controls which will be documented and communicated to the Board of Directors. The internal controls of the District shall be reviewed by the District's independent auditor each year.

Performance Evaluation

As a reference point for the performance of the District's portfolios, the total return of each reserve account will be compared with the total return of the Merrill Lynch 1-5 Year U.S. Treasury Index.

Reporting Requirements

The Finance Manager shall render a quarterly investment report to the Board. The report shall include the following information for each individual investment:

- Type of investment instrument
- Issuer Name
- Maturity date
- Purchase price
- Par value
- Current market value and the source of the valuation
- Overall portfolio yield based on cost

The quarterly report also shall (i) state compliance of the portfolio to the investment policy, or manner in which the portfolio is not in compliance, (ii) include a description of any of the District's funds, investments, or programs that are under the management of contracted parties, including lending programs, and (iii) include a statement denoting the ability of the District to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

Investment Policy Adoption

The District's investment policy shall be adopted by resolution of its Board of Directors. The Policy shall be reviewed by the Board of Directors annually and any modifications made thereto must be approved by the Board of Directors. The annual review shall also consider revisions to the California Government Code and denote such.

The District Board of Directors shall insure that funds are invested in a manner which will provide the maximum security of principal invested, with secondary emphasis on achieving the highest rate of return while meeting the cash flow needs and conforming to all applicable State statutes governing the investment of public funds.

General Policy on Accounting for Investments

The District shall record cash in Local Agency Investment Fund (LAIF) at face value, as this is the definitive value of the District in LAIF. LAIF is exempt from Governmental Accounting Standards Board (GASB) Statement Numbers 72 and 79, requiring applying measurement at fair market value or amortized cost, since it is part of the California State Pooled Money Investment Account (PMIA).

Responsibilities (Summarized)

Board Responsibility

Annually review Investment policy and approve any modifications, review the list of authorized broker/dealers and financial institutions which are approved for investment purposes, and review and renew delegation of the day-to-day responsibility for investments to the District Manager/Chief Fiscal Officer (CFO) for a one-year period.

Monitor and review all investments quarterly for consistency with this investment policy.

Staff Responsibility

The CFO, Finance Manager, or the District's registered investment advisor, shall maintain a list of authorized broker/dealers and financial institutions which are approved for investment purposes. The District's investment advisor shall provide monthly and quarterly investment reports. The purpose of the monthly report is to advise the District of the investments types held. The CFO or Finance Manager must review and submit the quarterly investment reports to the Board of Directors. In addition, the CFO or Finance Manager shall submit a quarterly investment report outlining the investment details to the Board of Directors.

The CFO and Finance Manager shall be responsible for oversight of the daily investment balances and ensure that the District investments follow the Board of Director's approved investment policy.

District staff shall be responsible for monthly reconciliation of all investment accounts and prepare in a timely manner. Staff will provide monthly summaries to the Board of Directors of all investment accounts.

The CFO or Finance Manager shall establish separate written investment procedures for the District's investment program consistent with this Policy. The procedures should include safekeeping, wire transfer arrangements, banking service contracts, cash flow forecasting, and collateral/depository agreements.

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 13**

To: *Board of Directors*

From: *Debra Fisher, Finance Manager*

Subject: *Consider Approving Debt Management Policy*

Background

The District is reviewing current policies to insure that District accounting is completed in line with the Board of Directors' direction.

Staff met with the Finance Committee on September 14, 2021 and reviewed the Debt Management Policy. The committee recommended removing duplicate language regarding the use of debt to fund infrastructure and facilities improvements.

Fiscal Impact

None

Recommendation

The Finance Manager recommends the Board approve the Debt Management Policy.

WEST BAY



West Bay Sanitary District

Debt Management Policy

Approved by a motion of the District Board on
June 13, 2018

Revised September 22, 2021

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

Debt Management Policy

Reviewed: 6/13/18, 9/22/21

Approved:

This Debt Management Policy (the "Debt Policy") of the West Bay Sanitary District (District) was approved by the District Board to be effective as of the date first set forth above. The Debt Policy may be utilized by staff with the discretion to deviate as determined appropriate by the District Manager, and may be amended by the District Board as it deems appropriate from time to time in the prudent management of the debt and capital financing needs of the District.

1. Findings

This Debt Policy is intended to comply with Government Code Section 8855(i), effective on ~~June 13, 2018~~ September 22, 2021, and shall govern all debt undertaken by the District. The District hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the District's sound financial position.
- Ensure the District has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the District's credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future ratepayers and constituents of the District.
- Ensure that the District's debt is consistent with the District's planning goals and objectives and capital improvement program or budget, as applicable.

2. Policies

A. Purposes For Which Debt May Be Issued

Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the District. Long-term debt financings are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services.
- When the project to be financed will provide benefit to constituents over multiple years.
- When total debt does not constitute an unreasonable burden to the District and its ratepayers.

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- When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses. The District may use long-term debt financings subject to the following conditions:

- The project to be financed must be approved by the District Board.
- The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
- The District estimates that sufficient revenues will be available to service the debt through its maturity.
- The District determines that the issuance of the debt will comply with the applicable state and federal law.

Short-term debt. Short-term debt may be issued to provide financing for the District's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment.

Financings on Behalf of Other Entities. The District may also find it beneficial to issue debt on behalf of other governmental agencies (or JPAs i.e. SVCW) or private third parties in order to further the public purposes of the District. In such cases, the District shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

B. Types of Debt

The following types of debt are allowable under this Debt Policy:

- General obligation bonds (GO Bonds)
- Bond or grant anticipation notes (BANs)
- Lease revenue bonds, certificates of participation (COPs) and lease-purchase transactions
- Water/Recycled Water revenue bonds, wastewater revenue bonds, COPs and other public enterprise financings
- Pension obligation bonds, judgment obligation bonds and other bonds issued to discharge liabilities of the District
- State Revolving ~~Loan~~ Funds Loan

- Lines of Credit

The District Board may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy. Debt shall be issued as fixed rate debt.

C. Relationship of Debt to Capital Improvement Program and Budget

The District is committed to long-term capital planning. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's capital budget and the capital improvement plan.

The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes.

~~The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.~~

The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

D. Policy Goals Related to Planning Goals and Objectives

The District is committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's annual operations budget.

It is a policy goal of the District to protect ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the District to realize, whenever possible, and subject to any overriding non-financial policy considerations, total debt service savings which are at least equal to or greater than the principal amount of the bonds being refunded plus costs of refinancing.

E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. Without limiting the foregoing, the District will periodically review the requirements of and will remain in compliance with the following:

- Any continuing disclosure undertakings entered into by the District in accordance with SEC Rule 15c2-12.
- Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance.
- The District's investment policies as they relate to the use and investment of bond proceeds.

Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the District upon the submission of one or more written requisitions by the District Manager of the District (or his or her written designee), or (b) by the District, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the District.



West Bay Sanitary District

Debt Management Policy

Approved by a motion of the District Board on
June 13, 2018
Revised September 22, 2021

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

Debt Management Policy

Reviewed: 6/13/18, 9/22/21

Approved:

This Debt Management Policy (the “Debt Policy”) of the West Bay Sanitary District (District) was approved by the District Board to be effective as of the date first set forth above. The Debt Policy may be utilized by staff with the discretion to deviate as determined appropriate by the District Manager, and may be amended by the District Board as it deems appropriate from time to time in the prudent management of the debt and capital financing needs of the District.

1. Findings

This Debt Policy is intended to comply with Government Code Section 8855(i), effective on September 22, 2021, and shall govern all debt undertaken by the District. The District hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the District’s sound financial position.
- Ensure the District has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the District’s credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future ratepayers and constituents of the District.
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Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses. The District may use long-term debt financings subject to the following conditions:

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Financings on Behalf of Other Entities. The District may also find it beneficial to issue debt on behalf of other governmental agencies (or JPAs i.e. SVCW) or private third parties in order to further the public purposes of the District. In such cases, the District shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

B. Types of Debt

The following types of debt are allowable under this Debt Policy:

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- Pension obligation bonds, judgment obligation bonds and other bonds issued to discharge liabilities of the District
- State Revolving Funds Loan

- Lines of Credit

The District Board may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy. Debt shall be issued as fixed rate debt.

C. Relationship of Debt to Capital Improvement Program and Budget

The District is committed to long-term capital planning. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's capital budget and the capital improvement plan.

The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes.

The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

D. Policy Goals Related to Planning Goals and Objectives

The District is committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's annual operations budget.

It is a policy goal of the District to protect ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the District to realize, whenever possible, and subject to any overriding non-financial policy considerations, total debt service savings which are at least equal to or greater than the principal amount of the bonds being refunded plus costs of refinancing.

E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. Without limiting

the foregoing, the District will periodically review the requirements of and will remain in compliance with the following:

- Any continuing disclosure undertakings entered into by the District in accordance with SEC Rule 15c2-12.
- Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance.
- The District's investment policies as they relate to the use and investment of bond proceeds.

Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the District upon the submission of one or more written requisitions by the District Manager of the District (or his or her written designee), or (b) by the District, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the District.

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WEST BAY SANITARY DISTRICT AGENDA ITEM 14

To: *Board of Directors*

From: *Debra Fisher, Finance Manager*

Subject: *Consider Approving Capitalization Policy*

Background

The District is reviewing current policies to insure that District accounting is completed in line with the Board of Directors direction. A unique capitalization policy is needed to determine the level when purchases are capitalized, as opposed to expensing.

Staff met with the Finance Committee on September 14, 2021 to review a sample Capitalization Policy. The committee recommended a \$20,000 capitalization limit.

Fiscal Impact

The District has a total of \$136,750 in the approved capital budget for fiscal year 2021-22 that are individually under \$20,000. Under the new policy, these will be expensed instead of capitalized. In addition, there is \$1,458,742 in capitalized assets under \$20,000, as of June 30, 2021, with a book value of \$288,307 which would be expensed in FY 2021-22.

Capital Assets Fiscal Year 2021-22 Summary

Budget Item	Additional Expense Amount	Capitalized under \$20,000	One Time Write-Offs
Pump Stations	\$65,000	243,743.38	106,024.94
Equipment	\$36,750	148,244.38	35,689.73
Administration	\$35,000	254,136.59	35,216.02
Buildings		119,160.11	61,851.30
Flow Equalization		108,430.99	10,791.60
Subsurface Lines		585,026.33	38,733.32
Total	\$136,750	1,458,741.78	288,306.91

Recommendation

The Finance Manager recommends the Board approve the Capitalization Policy.

WEST BAY



West Bay Sanitary District

Capitalization Policy

Approved by a motion of the District Board on

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

Capitalization Policy

Reviewed: 9/22/21

Approved:

Purchases

Fixed assets are those purchased or acquired with an original cost of \$20,000 or more and shall be reported at historical costs or estimated historical cost. Major additions shall be capitalized while repair and maintenance costs are to be expensed. All major additions are approved by the Board with the Budget. All other significant purchases not included in the Budget are approved by the Board of Directors, in line with the Purchasing Policy.

Construction in Progress (CIP)

All construction projects with a total value of over \$20,000 will be recorded in CIP until completed. Cumulative costs, including costs below \$20,000, will be documented by project during construction. Completed projects will be transferred to the correct category of asset.

Depreciation

Depreciation shall be determined using the straight-line method, over the useful lives of the related assets. Land is not depreciated, because it is considered to have an infinite useful life. CIP is not depreciated until completed.

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

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

Disposal of Assets

All significant asset disposals of \$20,000 or more must be approved by the Board of Directors. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized in the Statement of Revenues, Expenses, and Changes in Net Assets in the current year.

Staff Responsibility

Accounting staff shall maintain a fixed asset schedule to include all asset purchases, annual depreciation, and accumulated depreciation for current assets in use.

Staff performs periodic inventory to insure fixed assets are not impaired.

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 15**

To: Board of Directors

From: Bob Hulsmann, Operations Superintendent

**Subject: Consider Approving Performance Merit Pay Program for
FY2021-2022**

Background

In October 2010, the Board requested the District Manager to draft a program to recognize employees for their outstanding achievements in meeting productivity goals and exceeding standard performance measures. In September of 2012 the Board approved the Performance Merit Pay Program (Program). Additionally, the Program was introduced by the Board to Staff and approved during negotiations. Staff immediately began working on the Program's aggressive goals in October of 2012.

The Board discussed and approved a maximum program budget which was included in the past nine fiscal budgets and approved the criteria with the established goals based on recommendations from the District Manager.

Analysis

The Board adopted Director Moritz' template for using performance measures identified in our monthly Operations & Maintenance reports. Using this template, the District Manager and staff inserted figures for the expected base productivity level for each performance measure and the optimum target goal productivity level. The program also includes a scenario of productivity falling somewhere between the base and target goal productivity levels to show an example of achieving a portion of the goal and how it's weight factor affects the overall total performance (see Exhibit A.)

The purpose of such a program is to award staff for meeting or exceeding performance goals. The goals are not for normal performance (base) but to recognize extraordinary performance. The Performance Merit Pay Program is not guaranteed; payouts may vary from one year to the next. The intent of this program is to continue productivity at a high level, sustain high productivity levels, and reward the efforts of District staff for their performance in continuing the efficiency and quality of work and reducing Sanitary Sewer Overflows (SSOs). Management recalculates and reassesses the base for each performance measure and the goal that is expected to be achieved from one year to the next.

There are ten performance elements with the greatest weight given to the reduction of Sanitary Sewer Overflows. This year goals for Fats Oils and Grease (FOG) inspections as well as Document Scanning will be added to include more staff in the program. Staff is in the process of establishing Recycled Water goals. This area is new to the District. Staff will be better able to determine the expected base productivity over the next year and will introduce a goal for the department at that time. In addition, staff will work on Finance and CIP Department goals.

Staff is requesting the Board approve the goals for the next Program year (Oct. 2021 through Sept. 2022) to be paid out in FY 2021/22 (November 2022) and provide for the consideration of exception to an SSO when it clearly derives from a Contractor's negligence or pandemic related issues.

Fiscal Impact

The total budgeted amount for FY2021/2022 is \$160,000 maximum pay out. This will provide for a maximum merit payout of up to \$5000 for each Full-time employee.

Recommendation

The Operations Superintendent and the District Manager recommend the Board approve the revised Performance Merit Pay Program for 2021-2022 per Exhibit "A".

Attachment: Performance Merit Pay Program 2021-2022



WEST BAY SANITARY DISTRICT
PERFORMANCE MERIT PAY PROGRAM 2021-2022

Purpose

Performance Merit Pay Program (PMPP) is meant as an award for meeting or exceeding performance goals. The goals are not for "normal" performance. They are to recognize extraordinary performance. The annual goals are not static from one year to another. The goals can be expected to increase each year. The annual budget for payouts, if any and goals are established at the sole discretion of the WBSD Board of Directors and after the year's end, taking into consideration the recommendations of the District Manager.

Caveats

PMPP is not a guaranteed payout. Participants should be aware that a payout in one year may not be the same as the following year, or that it's possible no payout will be made.

If ANY evidence is found that any report required by a government agency is not filed timely and without accurate data, this program will be cancelled for the entire year for all participants.

Participants

This program would apply to all bargaining unit members and unrepresented employees except:

- Any employee terminated for cause or during probationary period
- Any employee who has been disciplined for cause by suspension without pay or temporary pay reduction in lieu of suspension
- Any employee who voluntarily separates employment with the District, except for retirement.

All other employees who are on the WBSD payroll during the 12-month period designated for the PMPP, and have worked in excess of 90 days in the PMPP year, are eligible to participate in the achieved payout. This includes full time, temporary employees, and employees on leave of absence without pay. Payouts will be pro-rated based on percent of time worked based on the full year being 100%. Pro-rated payments will be determined by dividing the actual number of work days an individual worked in the year by the maximum workdays in the annual PMPP period.

EXAMPLE:

- A long time employee retires on March 31.
- There were 126 workdays between October 1 and March 31(See definition of annual period below).
- There are 247 workdays in a full year.
- Thus, the retiree would receive 126/247nds, or 51% of an annual payout.

Payments

PMPP payments will be made after all data has been collected to calculate performance. Each PMPP period will begin October 1 and run through September 30. Assuming no problem is encountered with the data collection and completion of all calculations, payout checks can be expected to be issued in mid-November.

Payments are treated as normal income to the individual participant and are subject to all applicable taxes. Those taxes will be withheld by WBSD and sent to the applicable tax authority, same as in the case of a normal paycheck.

Individual payouts to eligible participants will be determined by dividing the full and pro-rated amounts into the Total Available PMPP Payout that has been designated by the WBSD Board of Directors for the budget period in which the payout is to be made.

Total Available Payout

Each budget period, or mid-year budget, the WBSD Board of Directors may designate a Total Available PMP Amount that will be available to cover the cost of participant payments. This amount will also be known as the Maximum Merit Payout. The final Total Payout Amount will be calculated by multiplying the sum of all Performance Merit Factors by the Total Available PMP Amount (Not to exceed \$5,000 per FTE)

EXAMPLE: For the period October 1, 2021 through September 30, 2022 Total PMPP Amount is set at \$160,000.00.

The MAXIMUM Merit Payout (100%) would be calculated as follows:

There were 32 full time employees who worked the entire period (October through September).

32 x 247 workdays = 7904 workdays

However, of the 32 FTE's:

One individual retired on July 15, 2022,

The period October 1 through July 15 had only 196 workdays

There were also two part-time employees who each were employed for a period of 100 workdays.

2 workers x 100 workdays = 200 workdays

Total workdays in the year for FTE's and PTE's = 7,610 + 200 = 7,610 workdays

The maximum factor payout per work day would be:

\$160,000.00 / 7,904 workdays = \$20.24 per work day

The full time workers could receive up to: 247 workdays x \$20.24 = \$5,000.00

The retiree could receive: 196 workdays x \$20.24 = \$3,967.04

Each of the part time employees could receive: 100 workdays x \$20.24 = \$2,024.00

Total Possible Payout: =\$153,015.04

NOTE: Each of the MAXIMUM Merit Payout amounts would be subject to the final Total Performance Factor that is described and calculated in the next section.

Performance Factors

A set of ten Performance Elements will be tracked and included in the calculation of a final Total Performance Factor. A Base Level and Target Goal Level will be set for performance in each Performance Element for the PMP period. The difference between the Base Level and the Target Goal Level will be measured as a percent of attainment. Each Performance element is "weighted" in its portion of the Total PMP Performance Factor. The sum of all the Performance Elements may not exceed 100%. Total PMP Performance Factor is used to calculate the final payouts.

EXAMPLE: (Numbers are fictitious)

Final Annual Payouts:

- Full Time Employees - \$5,000.00 x 90.0 % = \$ 4,500.00 x 29
 - Retiree - \$3,967.04 x 90.0 % = \$ 3,570.34 x 1
 - Part Time employee - \$2,024.00 x 90.0 % = \$ 1,821.60 x 2
- Total = \$137,713.54

<u>Performance Element</u>	<u>Target</u>			<u>Actual</u>	<u>% of Goal</u>	<u>Weight</u>	<u>Value</u>
	<u>Base</u>	<u>Goal</u>	<u>Spread</u>				
1. Customer Satisfaction (surveys) (Good or better responses) Formula: Actual minus base, difference divided by spread (Goal minus base) (96.5-90=6.5; 6.5 / 8=81.3%)	90%	98%	8	96.5%	81.3 %	0.08	0.065
2. Safety, (Incidents of Work Lost/Yr) (3=0%, 2=33%, 1=66%, 0=100%)	3	0	3	0	100.0 %	0.08	0.080
3. Miles Pipe CCTV'd / Manhour (Base is 40 miles@4,860 man-hours (3 ee x 1620 hrs) (Goal is 50 miles@3,240 man-hours (2 ee x 1620 hrs) (Scenario Actual 50 miles, 3,704 hours(2.28 ee x 1620 hrs/ee))	.0082	.0154	.0072	.0135	88 %	0.09	0.079
4. Miles Pipe Cleaned / Manhour (Base = 160 miles @ 4,617 man-hours (2men @1443 hrs + 2men 3days/wk@865hrs) (Goal = 170 miles @ 4,617 man-hours (3,240 hrs + 1,944 hrs = 4,617) (Scenario Actual = 189 miles @ 4,617 man-hours)	.0347	.0366	.0019	.0365	95%	0.15	0.143
5. FOG inspections (New) (449= 0%, 450 = 50%, 500 = 75%, 550 = 100%)	450	550	100	455	50%	0.08	0.016
6. Pipe Repair Dig-ups / Manhour (Base = 75 (810 x 3 = 2,430 hrs) (Goal = 90 (810 x 3 = 2,430 hrs) (Scenario Actual = 90@2,430 man-hours (3men@1640/2 hrs))	.0309	.0370	.0061	.0370	100 %	0.05	0.040
7. Pipe Repair Patches / Manhour (Base = 50 (810 x 3 = 2,430 hrs) (Goal = 65 (810 x 3 = 2,430 hrs) (Scenario Actual = 65 @ 2,430 man-hours (3men@1640/2 hrs))	.0206	.0267	.0061	.0267	100 %	0.05	0.040
8. SSO's (Any Category) (New) (Base of 7, Goal of 4) (Scenario Actual 1)(7=0%, 6/33%, 5/67%, 4/100%)	7	4	3	1	67 %	0.25	0.168
9. Scanning/ E-Filing (Base=44 Boxes, Goal = 50 Boxes) (Scenario Actual=48) (45= 16.6%, 46= 33%, 47=50%,48 =66.6, 49=83.3, 50=100%)	44	50	5	48	66.6%	0.10	0.066
10. Quality Control – line cleaning (test 60) (Base=8, Goal=0, Scenario Actual= 3 to be re-cleaned) 8=0%, 7=12.5%, 6= 25%, 5=37.5%, 4=50%, 3=62.5%, 2=75%, 1=87.5%, 0=100%	8	0	8	7	12.5%	0.07	0.0087
						1.0	0.7057

DEFINITIONS

Base – The Base figure will be the level of performance below which no PMPP will be paid.

Target Goal – This level of productivity will be set to reflect extraordinary performance. Achieving or exceeding the goal for each Performance Factor will result in the calculation of 100% payout for the given Performance Factor. 100% is the maximum performance for any single element.

Weight – Each factor is assigned a portion of the total weight of 100%. The amount of weight indicates the importance of the factor relative to the other factors.

Value – The difference between the Base and the Goal level will determine the Percent Factor shown as the Value in the table above that will be paid for each Performance Factor. The sum of all Performance Factors will be the Payout during each annual period.

Spread – The difference between the **Target Goal** and the **Base**. The **Actual** minus the **Base** is then divided by the **Spread** to find the **% of Goal** achieved.

Customer Satisfaction – An ongoing survey of all WBSD customers that call in for service will be made to measure the level of customer satisfaction with the service provided by the District. The results of that survey will determine the level of satisfaction used in the annual PMP. The base performance measure is 90% of all surveys collected result in an Excellent or Above Average rating in each of the overall survey category. The survey will be conducted monthly and tabulated from October through September with the results calculated for November payout, if approved.

Safety Incidents of Work Lost / yr) – The number of incidents that result in work lost due to a work related accident. This lost time accident would not be a first aid incident but an accident/injury that resulted in the employee being required to recover at home prior to returning to work.

Miles of Pipe CCTV'd per Man-Hour – The average miles of pipe CCTV'd each month will be calculated over the twelve month PMPP period. Calculation will be made to the nearest tenth of a mile. The average monthly number of Man-Hours spent on the task of CCTV will be calculated. The average miles will be divided by the average Man-Hours to determine the monthly average number of mile of pipe CCTV'd per Man-Hour.

Miles of Pipe Cleaned per Man-Hour – The average miles of pipe cleaned in the Basin and High Frequency cleaning each month will be calculated over the twelve-month period of the PMPP period. Calculation will be made to the nearest tenth of a mile. The average monthly number of man-hours spent on the task of cleaning pipe will be calculated. The Average Miles will be divided by the Average Man-Hours to determine the monthly average number of miles of Pipe Cleaned per Man-Hour.

FOG Inspections, Annual Total – FOG inspections are performed on a regular basis at commercial facilities and maintain consistent compliance with the District's Code of General Regulations. Reducing FOG in the collection system helps reduce sanitary sewer overflows.

Pipe Repairs / Dig-Ups per Man-Hour - The average number of pipe repairs and dig-ups each month will be calculated over the twelve-month period of the PMP period. Calculation will be made to the nearest whole number. The average monthly number of man-hours spent on the task of making pipe repairs and dig-ups will be calculated. The Average Repairs and Dig-Ups will be divided by the Average Man-Hours to determine the monthly average number of Pipe Repairs / Dig-Ups per Man-Hour.

Pipe Repairs / Patches per Man-Hour - The average number of pipe repairs and patches each month will be calculated over the twelve-month period of the PMPP period. Calculation will be made to the nearest whole number. The average monthly number of man-hours spent on the task of making pipe repairs and patches will be calculated. The Average Repairs and Patches will be divided by the Average Man-Hours to determine the monthly average number of Pipe Repairs / Patches per Man-Hour.

SSO's (any Category), Annual Total – A sanitary sewer overflow as defined by the State Water Resources Control Board. The base and target goal should decrease each year until the optimum spill ratio is reached.

Scanning / E- Filing- The scanning of District documents and filing electronically is part of the District's effort to reduced paper and to conveniently locate files when needed. The average file box contains 2000 – 2500 sheets of paper.

Quality Control –Sewer main pipelines are picked at random for CCTV inspection from the list of lines cleaned the previous month to assess the quality of cleaning performed. Any lines inspected which are found to need further cleaning count against the goal but more importantly are reviewed to determine if a change in cleaning methods appropriate, if a repair is necessary or if operator error is a factor.



WEST BAY SANITARY DISTRICT AGENDA ITEM 16

To: *Board of Directors*

From: *Sergio Ramirez, District Manager*

Subject: *September 22nd, 2021 Update Report on District Response to Corona Virus*

Background

In early March of 2020, the outbreak of Corona Virus in the USA caused Federal, State and Local governments to enact several laws, regulations and guidelines to mitigate the impact of the spread and severity of the virus including Shelter in Place. The District has been busy employing measures to meet those regulations and guidelines as well as taking action to ensure the safe working conditions of staff and minimize exposure of and interaction with the public.

Analysis

The District has thus far taken action in regards to: Shelter in Place, Social Distancing, Personal Protective Equipment, and the Injury and Illness Prevention Program (IIPP).

Shelter in Place: The District as a wastewater agency has been designated as an “Essential Service” and supplied employees with letters drafted by legal counsel that can be shown to legal authorities, if required, to justify their travel to, during and from work. In addition, the District has developed a Modified Work Schedule that requires individuals to stay at home or telecommute in order to reduce interaction and thus the potential of any spread of the virus among District staff. The District has also implemented the use of Zoom for meetings to reduce the need for consultants, partners, the public and Board member to attend in person. A camera and large screen have been installed to accommodate this mode of virtual meetings.

Social Distancing: District staff has employed several measures related to Social Distancing including; limiting meeting size to 10, marking seating spots at tables with 6

Report to the District Board for the Regular Meeting of September 22, 2021

foot separation, signage encouraging 6 foot distancing, separation of reporting stations to include the FERRF, Plexi-glass shields at the counter and between workspaces that cannot achieve 6 foot distancing, and closing of the District Office to the public unless by appointment.

Personal Protective Equipment (PPE): The District has been engaged in supplying employees and Board members with several forms of Personal Protective Equipment and emphasizing the frequent and regular use of this equipment. These items include: The distribution of hand sanitizer to employees and Board members, wipes for counters, chairs and tables, installation of hand sanitizer at counter, tables and offices, N95 masks to all employees, increased counts coveralls, face shields, goggles etc.

This has caused the District to reassess its inventory and at what levels of existing stock should trigger new orders so that the District can maintain adequate levels of important supplies to carry us not only through traditionally thought of natural disasters but pandemics such as this. To that end staff has developed an improved inventory check list that includes contact information for ordering, expected lag times in ordering, minimum levels of stock, Trigger-levels for ordering, dates of stock added to inventory and so on. This should help us be better prepared for future events where PPE can be in short supply or difficult to obtain and District operations can continue uninterrupted.

Injury and Illness Prevention Program: The District has made a significant effort in the way of training employees in how to deal with the COVID 19 response. We have developed SOP's for both field staff and office staff in dealing with customers while maintaining social distancing, utilizing PPE, and remote permitting etc. We have complied with local health officials requirement to complete and post at all entrances the Social Distancing Protocols and used that and our SOP's as a basis for developing a comprehensive COVID 19 Preparedness and Response program.

The District has taken great efforts to inform the public of changes in business procedures during this time including website postings, posting notices and information on all entrance doors, mailings of letters and flyers to residents, and ads in Facebook and YouTube. The use of Wipes has emerged as a huge problem for the District and our outreach has included addressing this problem in the flyers, ads, and correspondence to persuade our constituents to refrain from flushing wipes.

May 13 update: The District has found that it takes at least 3 weeks from the date of order to delivery of consumable PPE items such as; N95 face masks (we have received 2,000 masks since the first March order), 500 face shields, and 150 goggles to protect the field staff from droplets and mist while cleaning the sewer lines.

The District will now be faced with transitioning back to normal operations. The District Office is open on Friday by appointment only. Construction activities are increasing and inspections are being scheduled much more frequently. Social Distancing and PPE will continue to be key elements of District life for the foreseeable future.

May 27 update: The District has opened the office to the public on Tuesdays and Thursdays. Stickers on the floors and notices on the doors and shields at the counters have been placed to remain compliant with the Health Dept. Wipes and signs have been placed in the bathrooms. All the departments except Administration have returned to normal work hours (which are mostly 9/80 schedule but crews are still separated with the Satellite Office/Corp Yard. As a result of these changes have updated the COVID 19 response plan and affixed to entry doors as required.

June 10 update: Staff is resuming normal Pre-COVID 19 work schedules beginning June 8, with the exception of some of the Admin staff. Office hours will open up to Monday through Thursday 9am to 3pm.

June 24 update: As of Friday, June 12 the Administration Office was open by appointment. Office hours continue to be open Monday through Thursday 9am to 3pm. Staff is continuing to make a concerted effort to be available to the public and contractors for business.

July 8 update: The current YouTube advertisement advising customers not to flush wipes or towels has been viewed by 220,653 people and 24% or 50,759 have viewed the video to completion.

August 12 update: When an employee has been in contact with a known or possible COVID 19 positive patient or been in contact with someone who has been in contact with a confirmed COVID 19 positive patient they will asked to stay home for a 14-day self-quarantine period and will be asked to be tested for COVID 19. If the employee is well enough during the self-quarantine period, they will work from home during this time. As soon as the employee is COVID 19 negative, they will be asked to return to work.

September 9 update: The District's COVID-19 Preparedness and Response Program has been updated through DuAll Safety to include usage of current San Mateo County Health Department signage, updated social distancing protocol (verbiage and links for continuing SIP order), CDC updates on Coronavirus symptoms, addition of cloth face mask and San Mateo County Health guidelines. Training to be scheduled for September with DuAll Safety (by ZOOM) for all current updates. Staff has purchased two disinfecting fog machines to disinfect surfaces in the Admin and Maintenance Buildings, and Operations Building at FERFF. Disinfection of surface are being done weekly.

September 23 update: Two employees are currently out sick and in quarantine due to a possible exposure to COVID-19 per District's protocol memorialized in our August 12, 2020 update (above) "*When an employee has been in contact with a known or possible COVID 19 positive patient or been in contact with someone who has been in contact with a confirmed COVID 19 positive patient they will asked to stay home for a 14-day self-quarantine period and will be asked to be tested for COVID 19.*" Once the

employees test negative for COVID-19, or quarantine for 14 days, they will be allowed back to work.

October 14 update: No updates at this time.

October 28 update: Updated training on the Response Program will be conducted in October. Two office employees were experiencing COVID-19 symptoms and were asked to work from home until test results were available. Both employees tested negative and have returned to work.

November 18 update: Updated training on the Response Program will be conducted on November 16.

December 9 update: The District is following all County of San Mateo increased COVID-19 restrictions and has cancelled our Holiday Luncheon out of an abundance of caution.

January 13, 2021 update: The front office is now limiting customers inside the lobby to no more than one. Others are asked to socially distance outside while they wait. Staff is working on the new COVID-19 Prevention Emergency Temporary Standards regarding prevention and reporting outbreaks.

January 27, 2021 update: The new COVID-19 Prevention Plan is complete and staff will receive training shortly.

February 10, 2021 update: Updated training on the Response Program was provided on February 2.

February 24, 2021 update: District Manager issued COVID-19 Vaccine letter to staff so they may schedule their vaccine on or after February 22, 2021 as part of the Phase 1B.

March 10, 2021 update: To date 7 employees have received at least one vaccine shot and approximately 3 others have received appointments.

March 24, 2021 update: Approximately 10 employees have been vaccinated.

April 14, 2021 update: The front office is back open to the public with limited hours of 9am-3pm Monday thru Friday with one customer being allowed in the lobby at a time. All four front office staff have received their second vaccine. Approximately, 33% of all staff have received one or more vaccine shots.

April 28, 2021 update: Approximately 50% of West Staff has been vaccinated. Effective May 3rd the Administrative staff will begin to work in the office full time, rather than from home, as they were for one to two days per week.

May 12, 2021 update: West Bay staff is back to working in the office full time and we are continuing have the front office opened to the public Monday through Friday. Over 50% of all staff are now vaccinated.

May 26, 2021 update: According to voluntary data, approximately 70% of West Bay staff have been vaccinated. Staff continues to follow Health Department guidelines.

June 9, 2021 update: Staff is following the County and State updates closely as restrictions ease up.

June 23, 2021 update: The District has made no changes to our existing COVID-19 policy but it is currently under review for updates and we are following Cal/OSHA and County of San Mateo requirements.

July 14, 2021 update: Staff is working with legal counsel and Du-All Safety to update the COVID 19 Response Plan. Training will take place in July on the updated plan.

July 28, 2021 update: There is no update since the July 14, 2021 Board meeting.

August 18, 2021 update: There is no further update since the July 14, 2021 Board Meeting.

September 8, 2021 update: The District is considering mandatory vaccination for staff.

September 22, 2021 update: District Manager and Legal Counsel will meet with Teamsters Local 350 to discuss mandatory vaccination.

Fiscal Impact

While there has been considerable expense to implementing some of the COVID 19 mitigation measures such as; converting the FERRF office space (approx. \$2,000), purchasing PPE for stock (\$8,000 to \$10,000), Public Outreach (\$10,500), Zoom Meeting Equipment (approx. \$6,000) these expenses were absorbed in the Operating budget. The FY2020-21 Budget could be substantially impacted by the effects of the national COVID 19 response. To date approximately \$5300.00 has been spent in PPE, \$2000.00 in disinfecting equipment, and \$1927.00 in producing and updating the COVID 19 Response Plan.

Recommendation

The District Manager recommends the Board accept this report and provide comments to the District Manager in regards to the report. Additional information may be available at the Board meeting as conditions and responses are rapidly changing throughout the COVID-19 pandemic.

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WEST BAY SANITARY DISTRICT AGENDA ITEM 17

To: Board of Directors

From: Sergio Ramirez, District Manager

Subject: Discussion and Direction on the West Bay and Sharon Heights Recycled Water Facility

A discussion will be held on the Sharon Heights Recycled Water Facility and other events related to the recycled water plant. The Board will have opportunity to provide direction to staff and legal counsel.

Recycled Water Facility Production Data:

2020	Treated	Delivered
August	8.8MG	8.2MG
September	8.2MG	5.1MG
October	7.4MG	4.5MG
November	5MG	1.4MG
December	4.7MG	.55MG
2021	Treated	Delivered
January	4.8MG	.23MG
February	4.4MG	.13MG
March	5.9MG	1.8MG
April	8.5MG	7.6MG
May	9.3.MG	8.2MG
June	9.8MG	8.7MG
July	9.5MG	9.1MG
August	9.4MG	9.0MG

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.

Report to the District Board for the Regular Meeting of September 22, 2021

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 18**

To: Board of Directors

From: Sergio Ramirez, District Manager

**Subject: Discussion and Direction on the Bayfront Recycled Water Project
and Status Update**

A discussion will be held on the District's Bayfront Recycled Water Projects and other events related to the recycled water projects including financing, environmental review, design/build issues and grant applications.

The Board will have opportunity to provide direction to staff and legal counsel.

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 19**

To: Board of Directors

From: Sergio Ramirez, District Manager

Subject: Report and 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.

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 20**

To: Board of Directors

From: Sergio Ramirez, District Manager

**Subject: Report and Discussion on Silicon Valley Clean Water (SVCW)
Plant**

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

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