

*1902 - Serving Our Community for over 115 Years - 2021*  
**WEST BAY SANITARY DISTRICT  
AGENDA OF BUSINESS  
SPECIAL MEETING OF THE DISTRICT BOARD  
WEDNESDAY, AUGUST 18, 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](mailto:treese@westbaysanitary.org) by 4:00 p.m. on Wednesday, August 18<sup>th</sup>.

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

<https://us06web.zoom.us/j/82303190994?pwd=NjYxRlltRGdQVzhKOTRmdCszUis3QT09>

Meeting ID: 823 0319 0994 Passcode: 223661

Or by phone, call: 1-669-900-6833 Meeting ID: 823 0319 0994 Passcode: 223661

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. 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 July 28, 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 July 31, 2021 Pg. 3B-1
- C. WBSD Operations and Maintenance Report – July 2021 Pg. 3C-1
- D. Town of Los Altos Hills Operations and Maintenance Report for Work Performed by WBSD – July 2021 Pg. 3D-1
- E. Town of Woodside Operations and Maintenance Report for Work Performed by WBSD – July 2021 Pg. 3E-1
- F. Bank of the West Monthly Investment Portfolio Statements Pg. 3F-1

- G. Consider Resolution Consenting to Annexation of Territory to the West Bay Sanitary District by the San Mateo County Local Agency Formation Commission – 130 Shawnee Pass, Portola Valley (077-033-030), Lands of Mckelvy Pg. 3G-1
  - H. Consideration of a Resolution of Intention to Annex Certain Territory (130 Shawnee Pass) to the West Bay Sanitary District On-Site Wastewater Disposal Zone and to Establish the Date and Time of Public Hearing Pg. 3H-1
4. Consider Approving and Authorizing 2021A and 2021B Wastewater Revenue Notes and two Water Infrastructure Finance and Innovation Act Loans by Approving and Authoring Appendix C in Connection with Issuance and Sale of SVCW 2021 Wastewater Revenue Notes, Approving an Amendment to the Financial Agreement, and Approving the Continuing Disclosure Certificate in Connection with the 2021 Notes Pg. 4-1
  5. Discussion and Direction on the 2022 Solid Waste Rate Study Analysis Pg. 5-1
  6. District Manager’s Report Pg. 6-1
  7. Consider Adoption of Resolution Approving the Audited (Internally) & Updated Sewer System Management Plan (SSMP) and Authorizing Re-Certification of Same for 2021 Pg. 7-1
  8. August 18<sup>th</sup> Update Report on District Response to Corona Virus Pg. 8-1
  9. Report and Discussion on Sharon Heights Recycled Water Plant Pg. 9-1
  10. Discussion and Direction on Bayfront Recycled Water Project and Status Update Pg. 10-1
  11. Report and Discussion on South Bayside Waste Management Authority (SBWMA) Pg. 11-1
  12. Report and Discussion on Silicon Valley Clean Water (SVCW) Plant Pg. 12-1
  13. Closed Session
    - A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION/CONF. WITH LABOR NEGOTIATORS  
Agency designated representatives: District Manager/Legal Counsel  
Unrepresented & Exempt employees: Unrepresented Staff
    - 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
  14. Comments or Reports from Members of the District Board and Consider Items to be Placed on Future Agenda
  15. 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.



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

**WEST BAY SANITARY DISTRICT  
MINUTES OF THE REGULAR MEETING OF THE DISTRICT BOARD  
WEDNESDAY, JULY 28, 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,  
Director Moritz, Director Otte

BOARD MEMBERS ABSENT: Treasurer Thiele-Sardiña

STAFF MEMBERS PRESENT: Ramirez, Werness, Darcy Pruitt/ABC Law by Zoom

Others Present: Dave Richardson – Woodward & Curran, Kip Praul –  
Menlo Country Club

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

**3. Consent Calendar**

Motion to Approve by: Moritz 2<sup>nd</sup> by: Otte Vote: AYE: 4 NAY: 0 Abstain: 0

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

Comments: None.

- A. Approval of Minutes for Regular meeting July 14, 2021
- B. Consider Authorizing the District Manager to Issue the Class 3 Permit for the Sewer Main Abandonment and New Manhole at 100 Terminal Avenue, Menlo Park, CA
- C. Consider Authorizing the District Manager to Issue Class 3 Sewer Permit No. 1608 for the Construction of Wastewater Facilities for 20 Sioux Way, Portola Valley, California
- D. Consider Authorizing the District Manager to Issue Class 3 Sewer Permit No. 1605 for the Construction of Wastewater Facilities for 30 Cheyenne Point, Portola Valley, California
- E. Consider Accepting Sewer Facilities Constructed Pursuant to Class 3 Sewer Permit No. 1102 for the Construction of Wastewater Facilities for 40 Sioux Way, Portola Valley, California
- F. Consider Resolution Consenting to Annexation of Territory to the West Bay Sanitary District by the San Mateo County Local Agency Formation Commission – 193 Meadowood Drive, Portola Valley (077-211-110), Lands of Oak Hills Ranch LLC
- G. Consider Resolution of Intention to Annex Certain Territory (193 Meadowood Drive) to the West Bay Sanitary District On-Site Wastewater Disposal Zone and to Establish the Date and Time of Public Hearing

#### 4. District Manager's Report

Comments: District Manager Ramirez reported that staff participated in mutual aid training with the Menlo Park Fire District. The training was on trench rescue. Menlo Park Fire District has said that if a trench rescue is needed in the District, they will call West Bay Sanitary District for support. He also reported that he gave a talk in Morro Bay at a CWEA event on the 1904 pipeline that is being replaced on Ringwood Ave. in Menlo Park. He was asked to speak on the exfiltration matter or lack thereof. He went on to give an update on the proposed Solid Waste Rate Study. The board requested a full staff report to analyze whether a rate study should be performed this year or not. The complete District Manager's written report is in the July 28, 2021 agenda packet.

#### 5. Consider Authorizing District Manager to Execute the Agreement for Engineering Services from Freyer & Laureta, Inc. for the Permitting and Agency Coordination for the Flow Equalization & Resource Recovery Facility Levee Improvement Project and Authorize the District Manager to Approve up to Ten Percent Contingency for Additional Work on an As-Needed Basis

Motion to Approve by: Walker 2<sup>nd</sup> by: Moritz Vote: AYE: 4 NAY: 0 Abstain: 0

Comments: District Manager Ramirez reported that staff will need assistance in the permitting process. Rich Laureta, with Freyer and Laureta, added that the permitting will require coordination with several regulatory agencies.

#### 6. Consider Approving to Support the Menlo Country Club Recycled Water Facility by applying for a State Water Resources Control Board Water Recycling Grant (50:50 cost share with the State)

Motion to Approve by: Moritz 2<sup>nd</sup> by: Walker Vote: AYE: 4 NAY: 0 Abstain: 0

Comments: District Manager Ramirez asked for direction on supporting the Woodside Recycled Water Facility. Dave Richardson with Woodard Curran, representing Menlo Country Club, was present and asked for support in applying for a planning grant through the state. The Board discussed the matter and eventually agreed to support the application with a condition that it does not obligate the District to build such recycled water facility. District Manager Ramirez reported that several steps would be required before moving to construction and that the matter would come back to the Board. Director Otte requested that a Memorandum of Agreement (MOA) be established prior to applying for the grant. Direction was given to District Manager Ramirez to proceed in supporting the project with a condition that a MOA be established as well as a formal resolution.



**7. Consider Approving Extension of Financial Audit Contract Fiscal Year 2020-21**

Motion to Approve by: Walker 2<sup>nd</sup> by: Moritz Vote: AYE: 4 NAY: 0 Abstain: 0

Comments: District Manager Ramirez reported that staff was seeking approval to exercise the third year option of the contract. The Board approved the final extension with the current auditor with a condition that the District conduct a request for proposals for a new auditor next year.

**8. Consider Approving Purchase a 2022 Ford F550 ½ Inch Jetter**

Motion to Approve by: Otte 2<sup>nd</sup> by: Walker Vote: AYE: 4 NAY: 0 Abstain: 0

Comments: None

**9. July 28<sup>th</sup> Update Report on District Response to Corona Virus**

Comments: District Manager Ramirez reported that District staff are updating the response plan.

**10. Consider Approving Engineering Services Proposal for a Pump Station Design Project at Avy Ave. & Altschul Ave. in Menlo Park**

Motion to Approve by: Walker 2<sup>nd</sup> by: Otte Vote: AYE: 4 NAY: 0 Abstain: 0

Comments: District Manager Ramirez reported that the recent flow study data shows 98K gallons of flow and that Sharon Heights Golf & Country Club (SHGCC) has agreed to pay for the new pump station. He also reported that SHGCC will fully reimburse the District the \$78,500 cost of the project design. The Board approved the engineering services proposal with the condition it reflects the remaining \$78,500 for the project.

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

Comments: District Manager Ramirez reported that 52M gallons of recycled water have been delivered to SHGCC and a total of 120M gallons have been processed. The Board requested an ongoing recycled water production and delivery report going forward.

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

Comments: District Manager Ramirez reported that meetings with developers are on-going and include conversations around recycled water connection fees vs. developer contribution in aid of construction. He also reported that staff met with HF&H regarding conducting a financial plan for the project.

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

Comments: President Dehn reported that SBWMA discussed potential regulations and public policies. She also stated that the Organic to Energy Pilot Project is completed and proved to be successful. She continued to report that the Recology fleet will need to be upgraded by 2025.

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

Comments: None.

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

Comments: None.

**23. Adjournment Time:** The meeting was adjourned at 8:56 PM



**WEST BAY SANITARY DISTRICT**  
**Financial Activity Report**  
**July 2021**

**Date:** *August 18, 2021*

**To:** *Board of Directors*

**From:** *Annette Bergeron, Personnel & Accounting Specialist*  
*Debra Fisher, Finance Manager*

**Subject:** *Approve Monthly Financial Activity Report*

**Financial Activity for the month:**

**Receipt Summary:**

Commercial Deposits	148,199.52
Deposits in Transit	0.00
Credit Cards	6,814.06
Credit Cards	6,011,075.18
<b>Total Receipts</b>	<b><u>6,166,088.76</u></b>

**Withdrawal Summary**

Total Checks	848,141.67
Total Corp Card	8,532.76
Total Bank Transfers	5,898,232.32
Total Internal Bank Transfers	-
<b>Total Withdrawals</b>	<b><u>6,754,906.75</u></b>

<b><u>Fund</u></b>	<b><u>Expenditure Summary by Budget Category</u></b>	
100	Operations	873,145.49
200	Capital	499,540.30
300	Solid Waste	0.00
500	Recycled Water	37,089.60
800	Silicon Valley Clean Water	5,345,131.36
	<b>Summary by Fund</b>	<b><u>6,754,906.75</u></b>

Presented to West Bay Sanitary District Board of Directors for review and approval.

President \_\_\_\_\_

Secretary \_\_\_\_\_

**WEST BAY SANITARY DISTRICT**  
**Receipts & Incoming Transfers**  
**July 2021**

RECEIPT NUMBER	DEPOSIT DATE	DESCRIPTION	AMOUNT
461919	7/1/2021	Adams Pool Solutions: 50 Valparaiso Ave, At Discharge Permit	4,699.77
461920	7/16/2021	Cesar Donofrio: 20 Sioux Way, PV., Connection & Permit Fees	11,376.00
461921	7/16/2021	Lassiter Excavating, Inc.: 177 Glenwood Ave, ATH, Permit	334.48
461922	7/2/2021	Build Home Construction: 2191 Mills Ave, MP, Permit	170.00
461923	7/1/2021	Discount Plumbing: 261 Vine St, MP, Permit	355.00
461925	7/6/2021	Chris Romero: 151 Mimosa Way, PV, Permit	460.00
461926	7/16/2021	Sarah Murphy: 30 Cheyenne Point, PV, Flynn Reim Agmt	20,374.22
461927	7/16/2021	United States Treasury: Refund Overpmt SS Form 941, 3/31/20	2,645.01
461928	7/6/2021	EJ Plumbing: Tehama Ave, MP, Permit	290.00
461929	7/16/2021	Level 10 Construction: 100 Terminal Ave, MP, Pool Discharge	3,725.91
461930	7/16/2021	Mcmills Construction: 1465 Bay Laurel Dr, MP, Permit	290.00
461931	7/7/2021	Pacific Peninsula Group: 95 Mesa Ct, ATH., Permit	355.00
461932	7/7/2021	Shoreway Plumbing: 52 Isabella Ave, ATH, Permit	290.00
461933	7/9/2021	Rooter Hero: 239 Echo Lane, PV, Permit	290.00
461934	7/11/2021	Bayshore Plumbers: 951 Coleman Ave, MP, Permit	290.00
461935	7/16/2021	Vicki Smothers: 1117 Jervis Ave, EPA, Permit	290.00
461936	7/13/2021	Bayshore Plumbers: 215 Santa Margarita Ave, MP, Permit	290.00
461937	7/13/2021	Sridhar PATHi: 4414 Fair Oaks Ave, MP, Permit	290.00
461938	7/16/2021	Morgan Stanley/D.McKelvy: 130 Shawnee Pass PV, Annex Fees & Pub. Deposit	3,370.00
461940	7/16/2021	L3 Randtron Antenna Systems	2,060.86
461941	7/16/2021	Preston Pipelines: 100 Terminal Ave, MP, Permit Deposit & Fees	2,755.00
461942	7/14/2021	Wizard Plumbing: 281 Floresta Way, MP, Permit	290.00
461943	7/14/2021	Discount Plumbing: 1020 Mallet Ct, MP, Permit	290.00
461944	7/15/2021	Thomas James Homes: 2156 Sterling Ave, MP, Permit	290.00
461945	7/16/2021	Wizard Plumbing: 1149 Marsh Rd, RWC, Permit	290.00
461946	7/29/2021	CSRMA: Wellness/Safety Reim FY 2020-21	1,125.23
461947	7/19/2021	HPS Palo Alto Inc: 231 Oakhurst Place, MP, Permit	290.00
461948	7/29/2021	Town Of Woodside: Quarterly Sewer Maintenance April-June	18,186.58
461949	7/29/2021	Villa Homes: 299 Menlo Oaks Dr, MP, Permit & ADU Connection	5,815.65
461950	7/20/2021	Vic Thadani: 1061 Lucky Ave, MP, Permit	290.00
461951	7/20/2021	Rebuild Green: 33 Ashfield Rd, ATH, Permit	170.00
461952	7/21/2021	Villa Plumbing, Alonso Moreno: 133 Burns Ave, ATH, Permit	170.00
461953	7/29/2021	Pacific Peninsula Group: 368 Camino Al Lago, ATH, Permit & Connection Fees	8,791.00
461954	7/22/2021	Aparajit Raghavan: 1975 Valparaiso Ave., MP, Permit	95.00
461955	7/29/2021	State Of California: EDD Tax Overpayment Refund	11.11
461956	7/29/2021	SLAC: 2575 Sand Hill Road, MP	415.00
461957	7/23/2021	Thomas James Homes: 2110 Prospect St, MP, Permit	170.00
461958	7/26/2021	Aprotre Lic: 333 Atherton Ave, ATH, Permit	195.00
461959	7/29/2021	United States Treasury: Refund Overpmt SS Form 941, 2020	2,548.68
461960	7/27/2021	Innovative Homes Llc: 520 Hobart St, MP, Permit	170.00
461961	7/27/2021	Mohammad Javanbakht: 1095 Colby Ave, MP, Permit	170.00
461962	7/29/2021	Town Of Los Altos Hills: MSA 6/2021	11,978.58
461964	7/29/2021	Norwood Construction, Inc: 6 Cowell Lane, ATH, Permit	290.00
461965	7/15/2021	Bayshore Plumbers: 417 Oak Grove Ave, MP, Permit	290.00
461966	7/29/2021	Rescue Rooter Plumbing: 2539 Illinois St, EPA, Permit	290.00
461967	7/30/2021	2161 Mills LLC: 2161 Mills Ave, MP, Permits	580.00
461968	7/29/2021	2161 Mills LLC: 2161 Mills Ave, MP, Connnetion Fees	8,501.00
461971	7/29/2021	Dorian Mckelly: 130 Shawnee Pass, PV, Permit, Deposit & Connection Fees	38,309.50
<b>Total Deposits</b>			<b>\$155,013.58</b>
<b>WIRE/ACH TRANSFERS RECEIVED</b>			
461917	7/1/2021	SMC: Sewer Service Fees FY 2020-21	529,510.30
461924	7/1/2021	SHGCC: SRF Loan Installment #4 and O&M 7/2021	103,322.42
461939	7/16/2021	Silicon Valley Clean Water: FEF Fee WBSD FY 2021/22	368,490.44
461963	7/28/2021	Primepay: Refund Overpmt SS Form 941, 3/31/21	958.33
461969	7/23/2021	LAIF: Transfer from LAIF Acct.	3,500,000.00
461970	7/30/2021	LAIF: Transfer from LAIF Acct.	1,500,000.00
461972	7/15/2021	Recology: Franchise Fee 5/2021	8,793.69
<b>Total Transfer to BofW Checking</b>			<b>\$6,011,075.18</b>
<b>TOTAL DEPOSITS</b>			<b>\$6,166,088.76</b>

**WEST BAY SANITARY DISTRICT**  
**Financial Activity Report**  
**Withdrawals**  
**July 2021**

CHECK	DATE	TO WHOM PAYABLE	PURPOSE	AMOUNT
67996	7/7/2021	Void	Printing Error	0.00
67997	7/7/2021	Bay Alarm	Alarm Svc 7/1/21-10/1/21	5,235.33
67998	7/7/2021	Wex Bank (Chevron)	Fuel For Unit 202, 220; Oil Change for 224 6/2021	225.29
67999	7/7/2021	Navia Benefit Solutions	Flexible Spending Account PR Contributions	766.88
68000	7/7/2021	Franchise Tax Board	Wage Garnishment	325.00
68001	7/7/2021	Lasky Trade Printing	Printing Stationary	1,229.06
68002	7/7/2021	Abila	Abila Maintenance FY 2021-22	4,649.82
68003	7/7/2021	Omega Industrial Supply, Inc.	Natural Way For Syphon, Grease Control 6/2021	884.32
68004	7/7/2021	Pacific Gas & Electric	Electric Service - Stowe Ln 5/20/21-6/20/21	111.84
68005	7/7/2021	Pier 2 Marketing	Quarterly Website Maintenance Q3 2021	500.00
68006	7/7/2021	Red Wing Shoe Store	Employee Safety Boots (4 EE) 5/2021	837.65
68007	7/7/2021	Seekzen Systems	IT Consulting Service 7/2021	7,975.00
68008	7/7/2021	Sensera Systems	FERRF Construction Camera 7/2021	1,716.00
68009	7/7/2021	Tritech Software Systems	Lucity Annual Renewal 8/1/21-7/31/22	13,309.58
68010	7/7/2021	Underground, Inc.	Unit 226 WiFi Box Repair 3/2021	116.78
68011	7/14/2021	Alpha Analytical Laboratories	Daily Coliform Samples 6/2021	240.00
68012	7/14/2022	Avery Associates, Inc.	District Manager Recruitment 4/2020	5,500.00
68013	7/14/2021	Victor Garcia	Boot Reimbursement Victor Garcia	232.10
68014	7/14/2021	California Water Service	Water Service - 6/2021	24.14
68015	7/14/2021	Cintas Corp.	Uniform Cleaning 6/30/21	691.03
68016	7/14/2021	Cleanserv Universal Services	Janitorial Service 5/2021	1,075.00
68017	7/14/2021	Dell Marketing L.P.	2-Year Extension of Warranty Renewal for NAS Server	1,471.93
68018	7/14/2021	Du-All Safety, LLC	Du-all Safety Training Contract 6/2021	1,620.00
68019	7/14/2021	Navia Benefit Solutions	Commuter Benefit Svc Fee & FSA PR Contributions	791.88
68020	7/14/2021	Franchise Tax Board	Wage Garnishment	439.66
68021	7/14/2021	Governmentjobs.Com DbA Neogov	NeoGov Subscription 7/16/21-7/15/22	4,118.37
68022	7/14/2021	IEDA	Labor Relations Consulting Fees 7/2021	814.00
68023	7/14/2021	Kone Pasadena	Elevator Maintenance 7/2021	282.80
68024	7/14/2021	City Of Menlo Park - Water	Water Service - May-June 2021	85.47
68025	7/14/2021	Occupational Health Centers	Physical/Testing - 6/23/21-6/29/21	881.00
68026	7/14/2021	Pacific Gas & Electric	Electric Service - May-June 2021	4,087.65
68027	7/14/2021	Charles A. Planje	Consultant Fees - SHGCC Plant	3,168.00
68028	7/14/2021	Recology Peninsula Services	Recology - 2yd Bin Garbage - SHGCC 6/2021	249.39
68029	7/14/2021	Sharp Business Systems	Monthly Lease for Copiers 7/2021	1,086.42
68030	7/14/2021	Tpx Communications	District VoIP and Fiber Service 6/2021	2,954.28
68031	7/14/2021	Towne Ford Sales	Unit 220 Turbo Outlet Tube 6/2021	108.00
68032	7/14/2021	Verizon Wireless	SHRWF Internet - 6/2/21-7/1/21	404.12
68033	7/21/2021	AT&T	Telemetry & Alarms 6/13/21-7/12/21	1,051.02
68034	7/21/2021	Readyrefresh By Nestle	Water Delivery 6/2021	120.75
68035	7/21/2021	Atchison, Barisone & Condotti	Attorney Fees 6/2021	7,337.98
68036	7/21/2021	Aztec Consultants	New Metal Storage Building Project - 5% Retention Escrow	7,549.55
68037	7/21/2021	Aztec Consultants	New Metal Storage Building Project	63,514.15
68038	7/21/2021	Bobcat Of Fremont	Bobcat Repairs 4/2021	3,322.21
68039	7/21/2021	CSRMA C/O Alliant Insurance	WC Deposit FY 2021-22	70,840.00
68040	7/21/2021	CSRMA C/O Alliant Insurance	Vehicle Program FY 2021-22	20,573.00
68041	7/21/2021	California Water Service	Water Service - May-June 2021	2,941.90
68042	7/21/2021	CalPERS Long-Term Care Program	LTC Withholding 7/1/21-7/15/21	35.36
68043	7/21/2021	Jason Kambic	Exterior Painting - Admin & Maint Bldgs 6/2021	12,235.58
68044	7/21/2021	Comcast	Internet - 2006 Sand Hill Rd 7/15/21-8/14/21	140.08
68045	7/21/2021	CPS HR Consulting	Writing Minutes and Meeting Notes 7/14/21	3,750.00
68046	7/21/2021	Hadronex, Inc.	Smartcover System Annual Warranty Package 7/1/21-6/30/22	34,632.00
68047	7/21/2021	HF&H Consultants, LLC	2021 Update SW Rate Model June 2021	55.00
68048	7/21/2021	Home Depot Credit Services	New HR Office 6/2021	1,883.19
68049	7/21/2021	City Of Menlo Park - Water	Water Service - June-July 2021	1,726.77
68050	7/21/2021	Quadient Leasing USA, Inc.	Postage Meter Lease 8/10/21-11/9/21	281.92
68051	7/21/2021	Occupational Health Centers	Hepatitis B Vaccines 7/8/21	164.00
68052	7/21/2021	Omega Industrial Supply, Inc.	PPE Wipes, Cleaner & Hand Sanitizer 3/2021	3,153.06
68053	7/21/2021	Pacific Gas & Electric	Electric Service - June-July 2021	150.53
68054	7/21/2021	Preferred Alliance	Testing 6/2021	388.20
68055	7/21/2021	Questyme USA	APC Replacement Battery Cartridges for PCs 7/2021	1,390.04
68056	7/21/2021	City Of Redwood City	Unit 210 Service & Repairs 2/2021	3,127.93
68057	7/21/2021	County Of San Mateo	Notice of Exemption - 30 Holden Court, PV; APN: 079-092-150	50.00

**WEST BAY SANITARY DISTRICT**  
**Financial Activity Report**  
**Withdrawals**  
**July 2021**

68058	7/21/2021	Staples Credit Plan	Office Supplies 06/2021	444.66
68059	7/21/2021	Teamsters Local No. 350	Union Dues 8/2021	976.00
68060	7/21/2021	VAR Technology Finance	Fujitsu Fi-7900 Scanner Monthly Lease	462.99
68061	7/21/2021	Verizon Wireless	Cellular Service - 6/16/21-7/15/21	1,038.78
68062	7/29/2021	AAA Rentals	3 Yard Dump Trailer	832.26
68063	7/29/2021	A-A Lock & Alarm	Padlocks - 7/2021	337.05
68065	7/29/2021	Alpha Analytical Laboratories	Daily Coliform Samples June-July 2021	720.00
68066	7/29/2021	Readyrefresh By Nestle	Water Delivery 6/11/21-7/10/21	277.12
68067	7/29/2021	BAGG Engineers	North Bay / Ringwood: Compaction Testing & Field Density Testing	20,555.00
68068	7/29/2021	Bay Area Paving Co. Inc.	Asphalt Repair After Pont Repairs on Willow Rd 7/2021	14,400.00
68069	7/29/2021	CalPERS Long-Term Care Program	LTC Withholding 7/16/21-7/31/21	35.36
68070	7/29/2021	Wex Bank (Chevron)	Fuel 7/2021	75.00
68071	7/29/2021	Comcast	Internet - 500 Laurel & 2900 Sand Hill Rd July-Aug 2021	542.50
68072	7/29/2021	Navia Benefit Solutions	Flexible Spending Account PR Contributions 7/30/21	766.88
68073	7/29/2021	Franchise Tax Board	Wage Garnishment	325.00
68074	7/29/2021	Freyer & Laureta	North Bay Road & Ringwood CIP Design, Bayfront Park Entrance Design, & New M	7,842.50
68075	7/29/2021	Grainger	Operating Supplies	962.83
68076	7/29/2021	Granite Rock, Inc.	Rehab Rock & Asphalt	181.87
68077	7/29/2021	Hach Company	HACH 27 Meters Maint & Reporting 7/2021	13,275.00
68078	7/29/2021	Lisandro Marquez	Reim: Office of Water Programs Study Guides (5)	438.65
68079	7/29/2021	City Of Menlo Park	Metal Building: Fire Flow Test & Santa Cruz Middle Manhole Raising	44,154.00
68080	7/29/2021	Ogasawara Landscape Maint.	FERRF Pruning, Landscaping, & Weed Abatement; Building Maintenance	5,000.00
68081	7/29/2021	Pacific Gas & Electric	Electric Service - May-July	1,003.04
68082	7/29/2021	Ditch Witch West	Repair to Ditch Witch 7/2021	635.75
68083	7/29/2021	Peninsula Battery Inc.	New Battery for Old Case Backhoe 6/2021	117.26
68084	7/29/2021	Peninsula Building Supply	Gloves	271.30
68085	7/29/2021	Precise Concrete Sawing, Inc.	Saw Cut Asphalt for Point Repairs Before City Paving Project	900.00
68086	7/29/2021	Precision Engineering	North Bay Road & Ringwood Avenue CIP 5	360,314.10
68087	7/29/2021	Principal Life Insurance Co.	Insurance 8/1/21-8/31/21	6,607.45
68088	7/29/2021	Sergio Ramirez	CWEA Conference 7/2021	439.44
68089	7/29/2021	City Of Redwood City	Unit 208 Service & Repairs	1,929.06
68090	7/29/2021	Roberts & Brune Company	Couplers	1,255.31
68091	7/29/2021	County Of San Mateo - LAFCO	SMC LAFCO Contribution FY 2021-22	32,610.00
68092	7/29/2021	County Of San Mateo	LSSA Recording Fee: 261 Vine St, MP. APN: 074-102-020	20.00
68093	7/29/2021	San Mateo County Health	Hamilton / Henderson, Willow, Sausal Vista Pump Station Permits	954.00
68094	7/29/2021	Robert J. Scheidt	Goals Luncheon Food	405.84
68095	7/29/2021	Silicon Valley Clean Water	SVCW Total Coliform Samples 6/2021	600.00
68096	7/29/2021	Sunstate Equipment	Rental on a Ditch Witch Vacuum Trailer	2,134.10
68097	7/29/2021	Target Specialty Products	Bio Barrier	1,880.94
68098	7/29/2021	Delta Diablo Sanitation Dist.	Western Recycled Water Coalition Membership & Supplemental Cost Share 2021	13,738.44
68099	7/29/2021	Western States Tool & Supply	Repair to the Husqvarna Gas Saw	60.18

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**848,141.67**

**WEST BAY SANITARY DISTRICT**  
**Financial Activity Report**  
**Withdrawals**  
**July 2021**

**Corporate Cards:**

GL	DATE	Account Number & Name	Description	Amount
16730	7/22/2021	Plant and Administration	Desks	693.56
16750	7/22/2021	Flow Equalization	Security Monitoring	60.00
54028	7/22/2021	Commuter Benefits	Fastrak: Transportation Expenses	615.00
54091	7/22/2021	Stationary and Office Supplies	Office Supplies	382.62
54101	7/22/2021	Ops Supplies & Materials	Operating Supplies	379.93
54103	7/22/2021	Vehicle & Equipment Supplies	Floor Mats, Seat Covers and Side Steps Unit 217	1,260.95
54106	7/22/2021	Small Tools	Stainless Steet Chain Links: Flow Monitoring / Sampling	202.49
54151	7/22/2021	Fleet/Vehicle R&M	Brake Controler	319.68
54153	7/22/2021	Lift Stations/FEF	Pump For Fountain	23.04
54158	7/22/2021	Computer Software R & M	Log Me In, Zoom: Monthly Subscriptions	421.71
54159	7/22/2021	Computer Hardware R & M	GoPro, Computer Cables, APC Batteries	1,089.94
54174	7/22/2021	Mgmt Conf. & District Meetings	Business Meetings	429.03
54175	7/22/2021	CWEA Conf/Section Mtgs	CWEA Conference, Trainings	1,383.23
54176	7/22/2021	Business Meetings	Business Meetings	101.58
54207	7/22/2021	Vallombrosa Center	Vallombrosa: On Call Lodging	1,170.00
<b>Bank of the West - Credit Cards</b>				<b>8,532.76</b>

**Bank Transfers:**

DATE	TO WHOM PAYABLE	PURPOSE	AMOUNT
7/1/2021	SVCW	Monthly Operating Contribution	596,979.00
7/2/2021	Paytrace	Credit Card Processing Fees	658.72
7/2/2021	PrimePay	Employee Payroll & Board of Director Fees - Check Date: 7/2/2021	116,993.32
7/2/2021	PrimePay	Payroll Taxes	35,076.11
7/2/2021	ICMA	Deferred Compensation	10,428.26
7/8/2021	PrimePay	PrimePay Fees	693.80
7/12/2021	CalPERS	Health Premiums	55,124.48
7/16/2021	PrimePay	Employee Payroll - Check Date: 7/16/2021	120,060.64
7/16/2021	PrimePay	Payroll Taxes	36,010.86
7/16/2021	ICMA	Deferred Compensation	10,002.87
7/19/2021	NeoPost	Postage	300.00
7/20/2021	Bank of the West	Bank Fees	323.02
7/26/2021	Zions Bank	SVCW 2018 Bonds	2,438,837.50
7/26/2021	Zions Bank	SVCW 2021 Bonds A-B	2,309,314.86
7/30/2021	PrimePay	Employee Payroll - Check Date: 7/30/2021	118,287.34
7/30/2021	PrimePay	Payroll Taxes	40,108.93
7/30/2021	ICMA	Deferred Compensation	9,032.61
<b>Bank Transfers From BofW Checking</b>			<b>5,898,232.32</b>

**Internal Bank Transfers:**

DATE	TO WHOM PAYABLE	PURPOSE	AMOUNT
<b>Bank Transfers From BofW Checking</b>			<b>0.00</b>

**Summaries:**

**Withdrawal Summary**

Total Checks	848,141.67
Total Corp Card	8,532.76
Total Bank Transfers	5,898,232.32
Total Internal Bank Transfers	-
<b>Total Withdrawals</b>	<b>6,754,906.75</b>

**WEST BAY SANITARY DISTRICT**  
**Expenditures Summary FY 2021-22**  
**7/01/2021 to 07/31/2021**

REGULAR PAYABLES	TOTAL BY VENDOR	WITHDRAWALS
	YTD FY 2020-21	July 2021
A-A Lock & Alarm	337.05	337.05
AAA Rentals	832.26	832.26
Abila	4,649.82	4,649.82
Alpha Analytical Laboratories	960.00	960.00
AT&T	1,051.02	1,051.02
Atchison, Barisone & Condotti	7,337.98	7,337.98
Avery Associates, Inc.	5,500.00	5,500.00
Aztec Consultants	71,063.70	71,063.70
BAGG Engineers	20,555.00	20,555.00
Bank of the West - Credit Cards	8,532.76	8,532.76
Bank of the West	323.02	323.02
Bay Alarm	5,235.33	5,235.33
Bay Area Paving Co. Inc.	14,400.00	14,400.00
Bobcat of Fremont	3,322.21	3,322.21
California Water Service	2,966.04	2,966.04
CalPERS - Actuary Fee	-	-
CalPERS - Unfunded Accrued Liability	-	-
CalPERS - Retirement	-	-
CalPERS - Health Premiums	55,124.48	55,124.48
CalPERS - 1959 Survivor Billing	-	-
Calpers Long-Term Care Program	70.72	70.72
Cintas Corp.	691.03	691.03
City of Menlo Park	44,154.00	44,154.00
City of Menlo Park-Fuel	-	-
City of Menlo Park - Water	1,812.24	1,812.24
Cleanserv Universal Services	1,075.00	1,075.00
Comcast	682.58	682.58
CPS HR Consulting	3,750.00	3,750.00
CSRMA c/o Alliant Insurance	91,413.00	91,413.00
Dell Marketing L.P.	1,471.93	1,471.93
Delta Diablo Sanitation Dist.	13,738.44	13,738.44
Ditch Witch West	635.75	635.75
Du-All Safety, Llc	1,620.00	1,620.00
Franchise Tax Board	1,089.66	1,089.66
Freyer & Laureta	7,842.50	7,842.50
Victor Garcia	232.10	232.10
GovernmentJobs.com dba NeoGov	4,118.37	4,118.37
Grainger	962.83	962.83
Granite Rock, Inc.	181.87	181.87
Hach Company	13,275.00	13,275.00
Hadronex, Inc.	34,632.00	34,632.00
HF&H Consultants, LLC	55.00	55.00
Home Depot Credit Services	1,883.19	1,883.19
ICMA	29,463.74	29,463.74
IEDA	814.00	814.00
Jason Kambic	12,235.58	12,235.58
Kone Pasadena	282.80	282.80
Lasky Trade Printing	1,229.06	1,229.06
Lisandro Marquez	438.65	438.65
Navia Benefit Solutions	2,325.64	2,325.64
NeoPost	300.00	300.00
Occupational Health Centers	1,045.00	1,045.00
Ogasawara Landscape Maint.	5,000.00	5,000.00
Omega Industrial Supply, Inc.	4,037.38	4,037.38
Pacific Gas & Electric	5,353.06	5,353.06
Paytrace	658.72	658.72
Peninsula Battery Inc.	117.26	117.26
Peninsula Building Supply	271.30	271.30
Pier 2 Marketing	500.00	500.00
Charles A. Planje	3,168.00	3,168.00
Precise Concrete Sawing, Inc.	900.00	900.00
Precision Engineering	360,314.10	360,314.10
Preferred Alliance	388.20	388.20
PrimePay Fees	693.80	693.80
Principal Life Insurance Co.	6,607.45	6,607.45
Quadiant Leasing USA, Inc.	281.92	281.92
Questyme USA	1,390.04	1,390.04
Sergio Ramirez	439.44	439.44
Readyrefresh By Nestle	397.87	397.87
Recology Peninsula Services	249.39	249.39
Red Wing Shoe Store	837.65	837.65
City of Redwood City	5,056.99	5,056.99
Roberts & Brune Company	1,255.31	1,255.31
SVCW Bond - 2014 Bond	-	-
SVCW Bond - 2015 Bond	-	-
SVCW Bond - 2018 Bond	-	-
SVCW Bond - 2021 Bond	2,438,837.50	2,438,837.50
SVCW - Monthly Operating Contribution	2,309,314.86	2,309,314.86
SVCW - SRF Debt	596,979.00	596,979.00
Silicon Valley Clean Water	-	-
County of San Mateo	600.00	600.00
San Mateo County Tax Collector	70.00	70.00
San Mateo County Health	-	-
County of San Mateo - LAFCO	954.00	954.00
County of Santa Clara	32,610.00	32,610.00
	-	-



**WEST BAY SANITARY DISTRICT**  
**Expenditures Summary FY 2021-22**  
**7/01/2021 to 07/31/2021**

REGULAR PAYABLES	TOTAL BY VENDOR	WITHDRAWALS
	YTD FY 2020-21	July 2021
Robert J. Scheidt	405.84	405.84
Seekzen Systems	7,975.00	7,975.00
Sensera Systems	1,716.00	1,716.00
Sharp Business Systems	1,086.42	1,086.42
Staples Credit Plan	444.66	444.66
Sunstate Equipment	2,134.10	2,134.10
SWRCB - SHRWF SRF Loan	-	-
TPX Communications	2,954.28	2,954.28
Target Specialty Products	1,880.94	1,880.94
Teamsters Local No. 350	976.00	976.00
Towne Ford Sales	108.00	108.00
Tritech Software Systems	13,309.58	13,309.58
Underground, Inc.	116.78	116.78
VAR Technology Finance	462.99	462.99
Verizon Wireless	1,442.90	1,442.90
Western States Tool & Supply	60.18	60.18
Wex Bank (Chevron)	300.29	300.29
<b>TOTAL REGULAR PAYABLES</b>	<b>7/29/2021</b>	<b>6,288,369.55</b>
<b>SALARIES, WAGES &amp; WITHHOLDINGS</b>		
Salaries/Wages - Net Pay	351,261.30	351,261.30
Directors Fees - Net Pay	4,080.00	4,080.00
Payroll Taxes	111,195.90	111,195.90
Performance Merit Program - Net Pay	-	-
<b>TOTAL SALARIES RELATED</b>	<b>466,537.20</b>	<b>466,537.20</b>
<b>TOTAL WITHDRAWALS</b>	<b>510,943.20</b>	<b>6,754,906.75</b>
<b>WBSD Transfers:</b>		
Transfer to WBSD LAIF Account	-	-
Transfer to WBSD Investment Accounts	-	-
Other Transfers	-	-
<b>Transfer to WBSD Accounts</b>	<b>-</b>	<b>-</b>

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**WEST BAY SANITARY DISTRICT  
AGENDA ITEM 3C**

**To: Board of Directors**

**From: Bob Hulsmann, Operations Superintendent**

**Subject: WBSD Operations and Maintenance Report – July 2021**

Month	Basin PM Pipe Clean- ing	High Freq. PM Pipe Clean- ing	Un- Sche. Pipe Clean- ing	WBSD CCTV Insp.	Pipe Patch Repairs	Open Trench Repairs	Pump Sta. PM	Pump Sta. Unsch. Repairs	SSO	SSO	Service Calls- Unit 208			
	Miles	Miles	Miles	Miles	Qty.	Qty.	Qty.	Qty.	Cat. 1	Cat. 2&3s	Call Outs	Sch PM	Unsch. PM	USA's
January	11.4	4.7	1.2	2.7	5	5	61	0	0	0	79	12	0	153
February	4.6	7.1	0.5	2.9	5	8	66	0	0	0	68	5	0	190
March	16.8	0.1	0.4	4.8	2	8	73	0	0	0	87	14	0	230
April	9.9	5.0	0.1	0.8	5	8	79	0	0	0	76	9	0	195
May	10.7	9.7	0.3	1.1	4	8	70	0	0	0	74	11	0	213
June	14.4	0.1	0.4	3.1	1	15	83	0	0	2	70	12	0	167
July	8.1	5.0	0.8	1.0	2	9	81	0	0	0	58	11	0	179
<b>Yr to date</b>	<b>75.9</b>	<b>31.7</b>	<b>3.7</b>	<b>16.4</b>	<b>24</b>	<b>61</b>	<b>513</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>512</b>	<b>74</b>	<b>0</b>	<b>1327</b>
<b>2021 Goals</b>	<b>120.0</b>	<b>50.0</b>	<b>n/a</b>	<b>45-50</b>	<b>65</b>	<b>90</b>	<b>n/a</b>	<b>&lt;10</b>	<b>0-2</b>	<b>3 to 5</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
2020 Results	134.2	51.0	8.4	29.6	72	85	754	6	0	0-Jan	1012	89	5	2362
2019 Goals	112.0	48.2	6.9	42.7	60	86	967	6	0	4	1063	75	33	2850
2018 Results	134.2	48.5	7.4	42.1	66	63	1256	6	0	4	1139	134	89	2525
2017 Results	126.4	51.5	5.7	24.8	66	97	1265	8	2	3	700	178	61	3218
2016 Results	126.4	49	6	33	65	94	1188	5	0	8	798	167	155	3222
2015Results	126.4	55	21	46	65	90	1349	6	0	5	798	174	185	2125
2014Results	126.4	63	20	48	65	78	1328	10	2	12	771	183	72	1834

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**WEST BAY SANITARY DISTRICT  
AGENDA ITEM 3D**

**To: Board of Directors**

**From: Bob Hulsmann, Operations Superintendent**

**Subject: Town of Los Altos Hills - Operations and Maintenance Report for Work Performed by WBSD – July 2021**

	Basin PM Pipe Clean- ing	High Freq. PM Pipe Clean- ing	Un- Sche. Pipe Clean- ing	WBSD CCTV Insp.	Pump Sta. PM	Pump Sta. Unsch. Repairs	SSO	SSO	Service Calls
Month							Cat. 1	Cat. 2&3s	Call Outs
Temp Help	Miles	Miles	Miles	Miles	Qty.	Qty.			
January	1.2	1.3	0.0	0.0	4	0	0	0	0
February	1.7	0.2	0.0	1.3	4	0	0	0	1
March	1.4	1.2	0.0	1.5	4	0	0	0	0
April	1.0	1.6	0.1	0.9	4	0	0	1	0
May	0.1	2.1	0.0	1.2	4	0	0	0	0
June	0.5	0.4	0.0	0.1	4	0	0	0	0
July	0.0	1.1	0.1	0.9	4	0	0	0	1
*August	1.8	1.1	0.4	1.0	4	0	0	1	0
Sept.	1.8	0.5	0.0	1.9	4	0	0	0	0
Oct.	1.7	0.8	0.0	0.8	4	0	0	0	0
Nov.	1.1	0.2	2.1	0.0	4	0	0	0	0
Dec	1.3	1.5	0.5	0.9	4	0	0	0	0
<b>** Yr to date</b>	<b>13.6</b>	<b>12.0</b>	<b>3.2</b>	<b>10.5</b>	<b>48</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>
FY20/21Goals	17.4	16.9	n/a	9.3	52	n/a	n/a	n/a	n/a

\* = Start of contract, \*\* = Lucity Data

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**WEST BAY SANITARY DISTRICT  
AGENDA ITEM 3E**

**To: Board of Directors**

**From: Bob Hulsmann, Operations Superintendent**

**Subject: Town of Woodside Operations and Maintenance Report for Work  
Performed by WBSD – July 2021**

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Please see next page for work performed.

\*= July Start of Contract. Data shows 2020/2021 PMPP year.



## Yearly Summary Report

8/5/2021  
11:49 AM

Dates Between 6/1/2020 and 7/30/2021

Month	Basin PM Pipe Cleaning (miles)	High Freq PM Pipe Cleaning (miles)	Unscheduled Pipe Cleaning (miles)	CCTV Inspection (miles)	Pump Stations Preventive Maintenance Qty	Pump Stations Unscheduled Repairs Qty	SSO Cat 1	SSO Cat 2 & 3	Service Calls Call Outs
January	0.0	0.0	0.0	0.0	8	0.0	0.0	0.0	0.0
February	0.00	0.0	0.0	0.0	8	0.0	0.0	0.0	0.0
March	0.00	0.3	0.0	0.0	8	0.0	0.0	0.0	0.0
April	0.00	0.0	0.0	0.0	10	0.0	0.0	0.0	0.0
May	0.00	0.0	0.0	0.9	8	0.0	0.0	0.0	0.0
June	0.00	0.5	0.0	0.2	8	0.0	0.0	0.0	0.0
July	0.00	0.0	0.0	0.0	10	0.0	0.0	0.0	0.0
August	0.00	0.0	0.0	0.0	11	0.0	0.0	0.0	0.0
September	0.00	0.3	0.0	0.0	12	0.0	0.0	0.0	0.0
October	0.00	0.0	0.0	0.0	9	0.0	0.0	0.0	0.0
November	0.00	0.0	0.0	0.0	12	0.0	0.0	0.0	0.0
December	4.44	0.0	0.0	0.0	10	0.0	0.0	0.0	0.0
<b>Totals</b>	<b>4.44</b>	<b>1.0</b>	<b>0.0</b>	<b>1.1</b>	<b>114</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>





## WEST BAY SANITARY DISTRICT AGENDA ITEM 3F

**To:** *Board of Directors*

**From:** *Debra Fisher, Finance Manager*

**Subject:** *Bank of the West Monthly Investment Portfolio Statements*

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The District has established several reserve accounts to facilitate efficient cash flow for district operations and capital expenditures. Target balances have been set by the Board to accomplish District goals and are evaluated annually. The District Reserve Policy was reviewed and approved June 9, 2021, creating a new Treatment Plant Reserve and allocating equity to fund the target balances of other reserves.

The Operating Reserve is set at six months of operating expenditures to fund the District during the periods between receipts of sewer service fees from the County of San Mateo from the property tax roll and held in the Local Agency Investment Fund (LAIF). Additional short term reserves are also held in LAIF, as funds are liquid and yields are equivalent to reserve account. The Equipment Replacement Reserve is held in a money market account. The balance as of July 31, 2021 is \$816 thousand. The \$8 million Recycled Water Cash Flow Reserve is held in Bank of the West (BW) and LAIF.

The Recycled Water SRF Reserve was established pursuant to an agreement with Sharon Heights Golf & Country Club (SHGCC) and requirements with the California State Water Resources Control Board, as a deposit for the State Revolving Fund (SRF) loan for the Sharon Heights Recycled Water Facility, as of July 30, 2021 all funds have been transferred to a money market account, as requested by SHGCC management. The Recycled Water SRF Money Market (MM) has a balance of \$1.5 million.

<u>District Reserve Accounts</u>	<u>Target Balance</u>	<u>Target</u>
Operating Reserve (LAIF)	\$10.7 million	Achieved
Treatment Plant Reserve	\$12 million	Unfulfilled
Rate Stabilization Reserve	\$10 million	Achieved
Capital Project Reserve	\$6 million	Achieved
Emergency Capital Reserve	\$5 million	Achieved
Recycled Water Cash Flow Reserve (BW&LAIF)	\$8 million	Achieved
Recycled Water SRF Money Market	\$1.46 million	Achieved
Equipment Replacement Reserve	\$0.9 million	Unfulfilled

Attached are the monthly statement synopsis indicating the amount of each reserve fund the District holds in the Bank of the West Investment Portfolios. Quarterly reports on the Investment Portfolios will include the details of investments of each reserve account.

### Recommendation

The Finance Manager recommends the District Board accept the Investment Portfolio Statements by affirming and approving the items listed in the Consent Calendar.



**WBSD - OPERATING RESERVE**

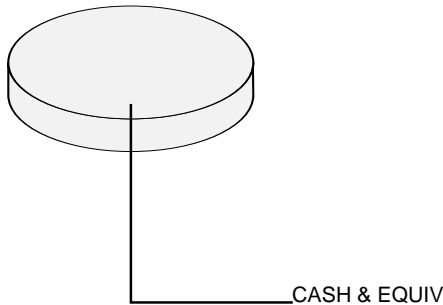
Account Number:  
 Statement Period:

07/01/21 -  
 07/31/21

WEST BAY SANITARY DISTRICT  
 500 LAUREL STREET  
 MENLO PARK CA 94025

**Fiduciary**  
 Chuen Ying Lee  
 (408) 645-3234  
**Portfolio**  
 Michael D. Smith  
 (408) 490-2079

**Asset Allocation**



**Asset Valuation**

Description	Market Value	% of Account
Cash & Equiv	1,250.00	100.0%
<b>Total Portfolio</b>	<b>\$ 1,250.00</b>	<b>100.0%</b>
Accrued Income	19.50	
<b>Total Valuation</b>	<b>\$ 1,269.50</b>	

**Market Reconciliation**

	Current Period	Year To Date
<b>Beginning Market Value</b>	<b>\$ 9,554,609.56</b>	<b>\$ 9,554,609.56</b>
Income		
Interest.....	16,067.68	16,067.68
Disbursements.....	-1,538.53	-1,538.53
Cash Transfers.....	-1,060,723.93	-1,060,723.93
Realized Gains/(Losses).....	0.00	0.00
Change In Accrued Income.....	-56,178.31	-56,178.31
Change In Market Appreciation/(Depreciation).....	-8,665.46	-8,665.46
Non-Cash Asset Changes.....	-8,442,301.51	-8,442,301.51
<b>Ending Market Value</b>	<b>\$ 1,269.50</b>	<b>\$ 1,269.50</b>



**WBSD - RATE STABILIZATION RESERVE**

Account Number:  
 Statement Period:

07/01/21 -  
 07/31/21

WEST BAY SANITARY DISTRICT  
 RATE STABILIZATION RESERVE  
 500 LAUREL STREET  
 MENLO PARK CA 94025

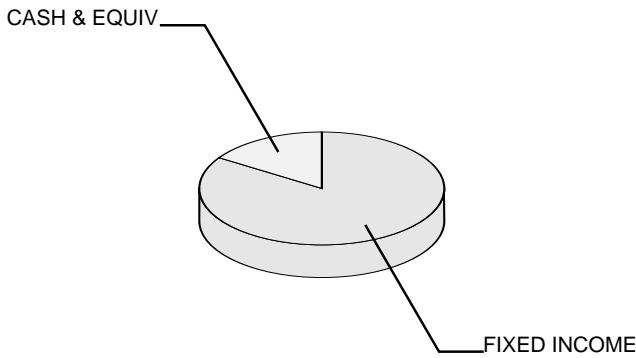
**Fiduciary**

Chuen Ying Lee  
 (408) 645-3234

**Portfolio**

Michael D. Smith  
 (408) 490-2079

**Asset Allocation**



**Asset Valuation**

Description	Market Value	% of Account
Cash & Equiv	1,588,799.21	16.0%
Fixed Income	8,366,027.03	84.0%
<b>Total Portfolio</b>	<b>\$ 9,954,826.24</b>	<b>100.0%</b>
Accrued Income	53,577.34	
<b>Total Valuation</b>	<b>\$ 10,008,403.58</b>	

**Market Reconciliation**

	Current Period	Year To Date
<b>Beginning Market Value</b>	<b>\$ 4,257,666.02</b>	<b>\$ 4,257,666.02</b>
Income		
Interest.....	4,004.69	4,004.69
Disbursements.....	-687.21	-687.21
Realized Gains/(Losses).....	0.00	0.00
Change In Accrued Income.....	38,533.06	38,533.06
Change In Market Appreciation/(Depreciation).....	12,371.22	12,371.22
Non-Cash Asset Changes.....	5,696,515.80	5,696,515.80
<b>Ending Market Value</b>	<b>\$ 10,008,403.58</b>	<b>\$ 10,008,403.58</b>



**WBSD - CAPITAL PROJECT RESERVE**

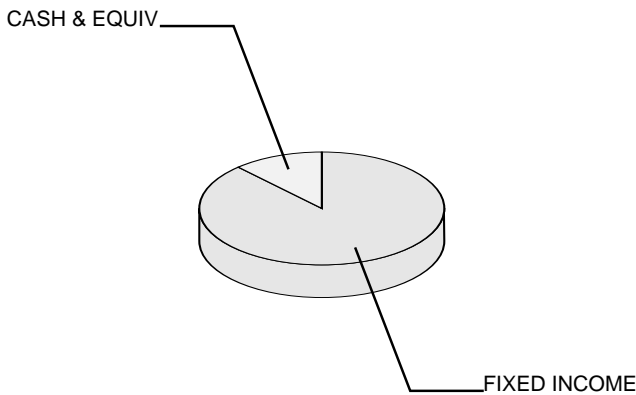
Account Number:  
 Statement Period:

07/01/21 -  
 07/31/21

WEST BAY SANITARY DISTRICT  
 500 LAUREL STREET  
 MENLO PARK CA 94025

**Fiduciary**  
 Chuen Ying Lee  
 (408) 645-3234  
**Portfolio**  
 Michael D. Smith  
 (408) 490-2079

**Asset Allocation**



**Asset Valuation**

Description	Market Value	% of Account
Cash & Equiv	711,872.14	11.9%
Fixed Income	5,250,822.59	88.1%
<b>Total Portfolio</b>	<b>\$ 5,962,694.73</b>	<b>100.0%</b>
Accrued Income	38,933.85	
<b>Total Valuation</b>	<b>\$ 6,001,628.58</b>	

**Market Reconciliation**

	Current Period	Year To Date
<b>Beginning Market Value</b>	<b>\$ 3,474,068.91</b>	<b>\$ 3,474,068.91</b>
Income		
Interest.....	5,324.29	5,324.29
Disbursements.....	-558.69	-558.69
Cash Transfers.....	547,000.00	547,000.00
Realized Gains/(Losses).....	0.00	0.00
Change In Accrued Income.....	14,077.90	14,077.90
Change In Market Appreciation/(Depreciation).....	5,156.56	5,156.56
Non-Cash Asset Changes.....	1,956,559.61	1,956,559.61
<b>Ending Market Value</b>	<b>\$ 6,001,628.58</b>	<b>\$ 6,001,628.58</b>



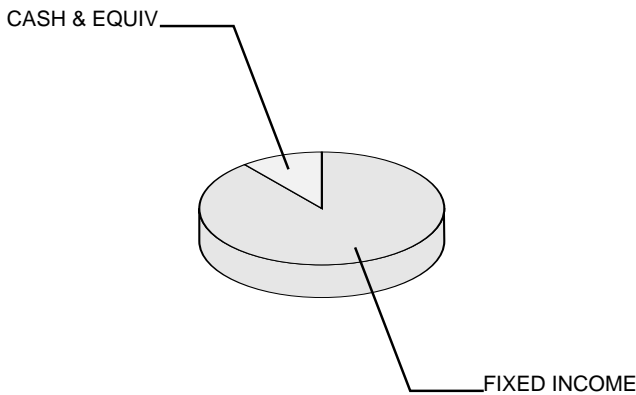
**WBSD - EMERGENCY CAPITAL RESERVE**

**Account Number:** 07/01/21 -  
**Statement Period:** 07/31/21

WEST BAY SANITARY DISTRICT  
 500 LAUREL STREET  
 MENLO PARK CA 94025

**Fiduciary**  
 Chuen Ying Lee  
 (408) 645-3234  
**Portfolio**  
 Michael D. Smith  
 (408) 490-2079

**Asset Allocation**



**Asset Valuation**

Description	Market Value	% of Account
Cash & Equiv	561,337.79	11.3%
Fixed Income	4,411,685.76	88.7%
<b>Total Portfolio</b>	<b>\$ 4,973,023.55</b>	<b>100.0%</b>
Accrued Income	31,591.43	
<b>Total Valuation</b>	<b>\$ 5,004,614.98</b>	

**Market Reconciliation**

	Current Period	Year To Date
<b>Beginning Market Value</b>	<b>\$ 4,119,549.77</b>	<b>\$ 4,119,549.77</b>
Income		
Interest.....	6,772.08	6,772.08
Disbursements.....	-663.19	-663.19
Cash Transfers.....	233,400.00	233,400.00
Realized Gains/(Losses).....	0.00	0.00
Change In Accrued Income.....	6,358.30	6,358.30
Change In Market Appreciation/(Depreciation).....	5,414.09	5,414.09
Non-Cash Asset Changes.....	633,783.93	633,783.93
<b>Ending Market Value</b>	<b>\$ 5,004,614.98</b>	<b>\$ 5,004,614.98</b>



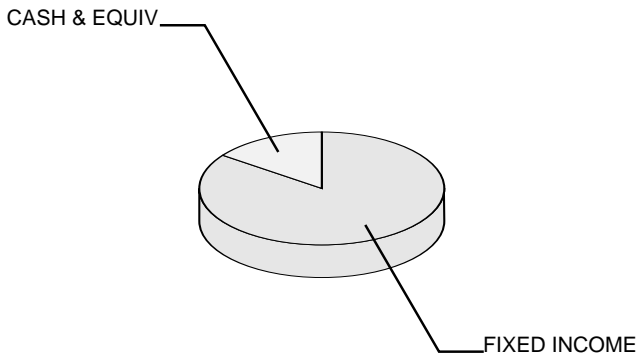
**WBSD - RECYCLED WATER CASH FLOW**

**Account Number:** 07/01/21 -  
**Statement Period:** 07/31/21

WEST BAY SANITARY DISTRICT  
 RECYCLED WATER CASH FLOW  
 500 LAUREL STREET  
 MENLO PARK CA 94025

**Fiduciary**  
 Chuen Ying Lee  
 (408) 645-3234  
**Portfolio**  
 Michael D. Smith  
 (408) 490-2079

**Asset Allocation**



**Asset Valuation**

Description	Market Value	% of Account
Cash & Equiv	95,062.00	14.5%
Fixed Income	559,942.75	85.5%
<b>Total Portfolio</b>	<b>\$ 655,004.75</b>	<b>100.0%</b>
Accrued Income	5,771.90	
<b>Total Valuation</b>	<b>\$ 660,776.65</b>	

**Market Reconciliation**

	Current Period	Year To Date
<b>Beginning Market Value</b>	<b>\$ 229,869.44</b>	<b>\$ 229,869.44</b>
Income		
Interest.....	53.49	53.49
Disbursements.....	-37.05	-37.05
Cash Transfers.....	24,938.53	24,938.53
Realized Gains/(Losses).....	0.00	0.00
Change In Accrued Income.....	4,673.49	4,673.49
Change In Market Appreciation/(Depreciation).....	-577.90	-577.90
Non-Cash Asset Changes.....	401,856.65	401,856.65
<b>Ending Market Value</b>	<b>\$ 660,776.65</b>	<b>\$ 660,776.65</b>



**WBSD - RECYCLED WATER SRF RESERVE**

Account Number:  
 Statement Period:

07/01/21 -  
 07/31/21

WEST BAY SANITARY DISTRICT  
 RECYCLED WATER SRF RESERVE  
 500 LAUREL STREET  
 MENLO PARK CA 94025

**Fiduciary**  
 Chuen Ying Lee  
 (408) 645-3234  
**Portfolio**  
 Michael D. Smith  
 (408) 490-2079

**Market Reconciliation**

	Current Period	Year To Date
<b>Beginning Market Value</b>	<b>\$ 257,887.64</b>	<b>\$ 257,887.64</b>
Disbursements.....	-255,409.97	-255,409.97
Cash Transfers.....	255,385.40	255,385.40
Realized Gains/(Losses).....	0.00	0.00
Change In Accrued Income.....	-2,234.57	-2,234.57
Change In Market Appreciation/(Depreciation).....	956.70	956.70
Non-Cash Asset Changes.....	-256,585.20	-256,585.20
<b>Ending Market Value</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

**Asset Position As of 07/31/21**

Asset Description	Units	Market Value Cost	Est. Annual Income Accruals	Current Yield
<b>Cash</b>				
Principal Cash		0.00 0.00	0.00	0.00%
Income Cash		0.00 0.00	0.00	0.00%
<b>Total Cash</b>		<b>\$ 0.00</b> <b>\$ 0.00</b>	<b>0.00</b> <b>0.00</b>	<b>0.00%</b>
<b>Total Market Value</b>		<b>\$ 0.00</b> <b>\$ 0.00</b>	<b>0.00</b> <b>0.00</b>	<b>0.00%</b>
<b>Total Market Value Plus Accruals</b>		<b>\$ 0.00</b>		

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**WEST BAY SANITARY DISTRICT  
AGENDA ITEM 3G**

**To: Board of Directors**

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

**Subject: Consider Resolution Consenting to Annexation of Territory to the West Bay Sanitary District by the San Mateo County Local Agency Formation Commission – 130 Shawnee Pass, Portola Valley (077-033-030), Lands of Mckelvy**

---

Background

The owners of the property located at 130 Shawnee Pass, Portola Valley, Lands of Mckelvy have requested the Local Agency Formation Commission (LAFCo) annex their property to the West Bay Sanitary District for the purposes of obtaining sanitary sewer service. The parcel will be a single-family residence and Accessory Dwelling Unit that will need to connect to the existing grinder system force main located on Shawnee Pass. A short main extension will also be required.

Analysis

Attached for the Board's review is the Geographic/Legal Description (Exhibit A) of the property to be annexed, and the LAFCo Resolution No. 1262 (Exhibit B) approving the annexation.

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 Manager recommends that the District Board approve the Resolution as presented.

Attachments: Resolution \_\_\_\_\_ (2021)  
Exhibit A – Geographic/Legal Description  
Exhibit B – LAFCo Resolution No. 1262

---

**RESOLUTION NO. \_\_\_\_ (2021)**

**IN THE DISTRICT BOARD OF THE WEST BAY SANITARY DISTRICT**

**COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

\*\*\*\*\*

**A Resolution Consenting to the Annexation of Lands of Mckelvy  
(APN 077-033-030) to the West Bay Sanitary District**

**WHEREAS:**

1. A petition for annexation of the property described herein to this District was initiated by the property owners.
2. The Local Agency Formation Commission (LAFCo) of San Mateo County assigned the following distinctive short form designation: Annexation of 130 Shawnee Pass, Portola Valley to the West Bay Sanitary District
3. The property to be annexed is described as follows:  
See Exhibit "A" attached hereto and by this reference made a part hereof.
4. The said property is uninhabited.
5. The conditions of annexation are:
  - a. In the event that, pursuant to rules, regulations or ordinances of the District, as now or hereafter amended, the District shall require any payment of a fixed or determinable amount of money either as a lump sum or installments, for the acquisition, transfer, use or right of use of all or any part of the existing property, real or personal, of the District, such payment will be made to the District in the manner and at the time as provided by rules, regulations or ordinances of the District, as now or hereafter amended.
  - b. Upon and after the effective date of said annexation, the territory, and all persons entitled to vote by reason of residing or owning land within the territory, shall be subject to the jurisdiction of the District; shall have the same rights and duties as if the territory had been a part of the District upon its original formation; shall be liable for the payment of principal, interest and any other amounts which shall become due on account of any outstanding or then-authorized but thereafter issued bonds, including revenue bonds, or other contracts or obligations of the District; shall be subject to the levying or fixing and collection of any and all taxes, assessments, service charges, rentals or rates as may be necessary to provide for such payment; and shall be subject to all of the rates, rules, regulations and ordinances of the District, as now or hereafter amended.

6. The proposed annexation is for the interest of the landowners and present and future inhabitants within the District and within the said property to be annexed.
7. The LAFCo of San Mateo County has adopted Resolution 1262 (Exhibit "B") ordering annexation of the referenced territory to the West Bay Sanitary District.

**NOW, THEREFORE, BE IT RESOLVED** that:

- a. The above described property, pursuant to the order of the San Mateo County LAFCo, is hereby annexed to the West Bay Sanitary District, and the District Manager is directed to make such distribution of this Resolution as is required by law or is desirable.
- b. Pursuant to Government Code Section 56837, the District consents to waiver conducting authority proceedings.
- c. The regular San Mateo County Assessment Roll will be used to collect sewer service charges.
- d. The territory will not be taxed for bonded indebtedness.

\*\*\*\*\*

Passed and adopted by the District Board of the West Bay Sanitary District at a special meeting thereof held on the 18<sup>th</sup> day of August, 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

**“EXHIBIT A”**

DATE: 01-26-2021  
ANNEXED TO: WEST BAY SANITARY DISTRICT  
NAME OF ANNEXATION: WEST BAY SANITARY DISTRICT

**GEOGRAPHIC DESCRIPTION  
LANDS OF MCKELVY  
AND PORTIONS OF SHAWNEE PASS  
PROPOSED WEST BAY SANITARY DISTRICT ANNEXATION  
1.53 ACRE +/- PARCEL**

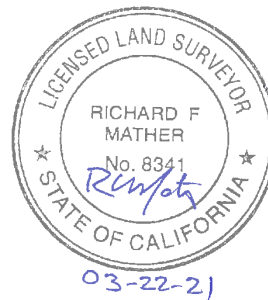
ALL THAT REAL PROPERTY IN THE TOWN OF PORTOLA VALLEY, COUNTY OF SAN MATEO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

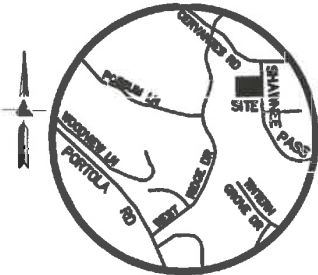
BEING ALL OF LOT 12 BLOCK 2, AND PORTIONS OF SHAWNEE PASS, AS DESIGNATED ON THE MAP ENTITLED “TRACT NO. 761, ARROWHEAD MEADOWS UNIT NO.2, SAN MATEO COUNTY, CALIFORNIA, BEING A PORTION OF THE RANCHO EL CORTE MADERA SUBDIVISION”, FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON MAY 29, 1958 IN BOOK 48 OF MAPS AT PAGES 48 TO 49, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE MOST SOUTHWESTERLY CORNER OF SAID LOT THENCE ALONG THE WESTERLY LINE OF SAID LOT NORTH 07°58'13" EAST 137.75 FEET (1);  
THENCE CONTINUING ALONG SAID WESTERLY LINE NORTH 03°30'00" WEST 40.00 FEET (2) TO THE NORTHWEST CORNER OF SAID LOT;  
THENCE LEAVING SAID WESTERLY LINE NORTH 86°30'00" EAST 300.00 FEET (3) TO A POINT ON THE EASTERLY RIGHT OF WAY OF SAID SHAWNEE PASS, 50 FEET IN WIDTH;  
THENCE ALONG THE EASTERLY RIGHT OF WAY OF SAID SHAWNEE PASS SOUTH 03°30'00" EAST 250.43 FEET (4) TO A POINT OF THAT CERTAIN ANNEXATION RESOLUTION NO. 2050, SAID POINT LYING ON THE WESTERLY LINE OF LOT 1, BLOCK 5 OF SAID MAP AND THE BEGINNING OF A CURVE TO THE LEFT WITH A RADIUS OF 275.00 FEET;  
THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 31°45'00" AN ARC LENGTH 152.39 FEET (5);  
THENCE LEAVING SAID EASTERLY RIGHT OF WAY AND SAID ANNEXATION DOCUMENT, SOUTH 54°45'00" WEST 50.00 FEET (6) TO A POINT ON THE WESTERLY RIGHT OF WAY OF SAID SHAWNEE PASS, TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT, TO WHICH A RADIAL BEARS SOUTH 54°45'00" WEST;  
THENCE ALONG SAID WESTERLY RIGHT OF WAY THROUGH SAID CURVE WITH A RADIUS OF 325.00 FEET, THROUGH A CENTRAL ANGLE OF 31°45'00", AN ARC LENGTH OF 180.10 FEET (7);  
THENCE NORTH 03°30'00" WEST 75.43 FEET (8) TO THE SOUTH EAST CORNER OF SAID LOT 12;  
THENCE LEAVING SAID RIGHT OF WAY ALONG THE SOUTHERLY LINE OF SAID LOT, SOUTH 86°30'00" WEST 277.39 FEET (9) TO THE **POINT OF BEGINNING**.

CONTAINING 1.53 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.



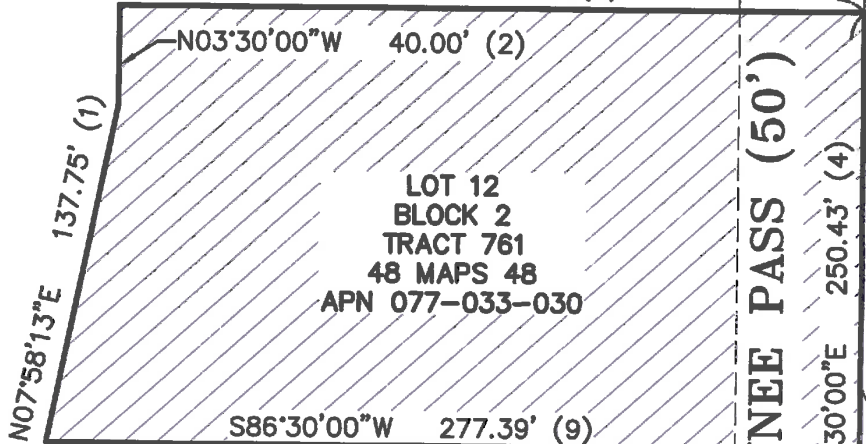


VICINITY MAP  
NO SCALE

**WEST BAY SANITARY DISTRICT  
(130 SHAWNEE PASS)**

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

**LOT 11, BLOCK 2  
TRACT 761  
48 MAPS 48  
APN 077-033-040  
N86°30'00"E 300.00' (3)**



**LOT 2  
BLOCK 5  
TRACT 761  
48 MAPS 48  
APN  
077-031-030**

**SHOSHONE  
PLACE (50')**

**LOT 1  
BLOCK 5  
TRACT 761  
48 MAPS 48  
APN  
077-032-010  
R=275.00'  
L=152.39' (5)  
D=31'45"00"**

**LOT 14 (7)  
BLOCK 2  
TRACT 761  
48 MAPS 48  
APN 077-033-010**  
R=325.00'  
L=180.10'  
D=31'45"00"

**RESOLUTION  
#2050**



03-22-21



**SCALE: 1" = 70'**

JOB. NO. 2201475-SU

**(RADIAL)  
S54°45'00"W 50.00' (6)**



**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  
PROPOSED SEWER ANNEXATION  
LANDS OF MCKELVY AND PORTIONS OF  
SHAWNEE PASS.  
TOWN OF PORTOLA VALLEY  
SAN MATEO COUNTY, CALIFORNIA**

North: 5094.2799' East: 5541.0490'

Segment #1 : Line

Course: N07° 58' 13"E Length: 137.75'  
North: 5230.6993' East: 5560.1493'

Segment #2 : Line

Course: N03° 30' 00"W Length: 40.00'  
North: 5270.6247' East: 5557.7074'

Segment #3 : Line

Course: N86° 30' 00"E Length: 300.00'  
North: 5288.9392' East: 5857.1478'

Segment #4 : Line

Course: S03° 30' 00"E Length: 250.43'  
North: 5038.9763' East: 5872.4362'

Segment #5 : Curve

Length: 152.39' Radius: 275.00'  
Delta: 31°45'00" Tangent: 78.21'  
Chord: 150.45' Course: S19° 22' 30"E  
Course In: N86° 30' 00"E Course Out: S54° 45' 00"W  
RP North: 5055.7647' East: 6146.9233'  
End North: 4897.0467' East: 5922.3479'

Segment #6 : Line

Course: S54° 45' 00"W Length: 50.00'  
North: 4868.1894' East: 5881.5158'

Segment #7 : Curve

Length: 180.10' Radius: 325.00'  
Delta: 31°45'00" Tangent: 92.43'  
Chord: 177.80' Course: N19° 22' 30"W  
Course In: N54° 45' 00"E Course Out: S86° 30' 00"W  
RP North: 5055.7616' East: 6146.9244'  
End North: 5035.9202' East: 5822.5308'

Segment #8 : Line

Course: N03° 30' 00"W      Length: 75.43'  
North: 5111.2095'      East: 5817.9259'

Segment #9 : Line

Course: S86° 30' 00"W      Length: 277.39'  
North: 5094.2752'      East: 5541.0533'

Perimeter: 1463.48'      Area: 66431.78 Sq. Ft.  
Error Closure:      0.0064      Course: S42° 21' 58"E  
Error North:      -0.00470      East: 0.00428

Precision 1: 228007.81

RESOLUTION NO. 1262

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
OF THE COUNTY OF SAN MATEO  
MAKING DETERMINATIONS, APPROVING LAFCO FILE 21-04 -  
ANNEXATION OF 130 SHAWNEE PASS, 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 1.5 acres, is found to be uninhabited, and is assigned the following distinctive short form designation: Annexation of 130 Shawnee Pass, 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

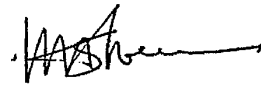
APPROVED  
 SAN MATEO LOCAL AGENCY  
 FORMATION COMMISSION  
 455 COUNTY CENTER  
 REDWOOD CITY, CA 94063  
 EXHIBIT B PAGE 3 OF 3

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: 6-21-21

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

Date: 6-21-21

  
 Clerk to the Commission  
 Local Agency Formation Commission



## WEST BAY SANITARY DISTRICT AGENDA ITEM 3H

**To:** *Board of Directors*

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

**Subject:** *Consideration of a Resolution of Intention to Annex Certain Territory (130 Shawnee Pass) to the West Bay Sanitary District On-Site Wastewater Disposal Zone and to Establish the Date and Time of Public Hearing*

---

### 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 install a grinder system and short main extension that will connect to the existing force main on Shawnee Pass.

Notice of the Public Hearing is required in accordance with the Government Code and during the notice period, staff shall seek written approval for the proposed annexation from all affected agencies.

### Analysis

During the notice period staff shall work with the proponent to obtain design, easement and other approvals, which shall be presented to the Board when the Class 3 Permit is issued.

### Fiscal Impact

None.

### Recommendation

The Projects and IT Manager recommends that the District Board adopt the attached Resolution of Intention to Annex Certain Territory to the West Bay Sanitary District On-Site Wastewater Disposal Zone and request October 13, 2021 as the date of the public hearing.

Attachments: Resolution  
Exhibit A - Plat & Legal  
Exhibit B - Site Map  
Exhibit C - LAFCo Certificate of Completion

---

**RESOLUTION NO. \_\_\_\_\_(2021)**

**RESOLUTION OF INTENTION TO ANNEX CERTAIN TERRITORY TO THE WEST BAY  
SANITARY DISTRICT ON-SITE WASTEWATER DISPOSAL ZONE**

Lands of Mckelvy

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

A. This Resolution of Intention is adopted pursuant to the District's "Zone Master Annexation Resolution" ("ZOMAR"), which was adopted by the District Board August 12, 1996. The provisions of ZOMAR are incorporated by reference into this Resolution of Intention.

B. The District has received an application to annex a parcel of real property (the "Parcel") to the District's On-Site Wastewater Disposal Zone (the "Zone"). The Parcel is described in Exhibit "A" attached to this Resolution of Intention and the description contained in the Exhibits are incorporated by reference. The name and address of the applicants and the number, type, volume and location of on-site wastewater disposal system which is proposed to operate on the parcel to be annexed are described in Exhibit "B" attached to this Resolution of Intention and the information contained in the Exhibit are incorporated by reference.

C. The applicants have demonstrated to the satisfaction of the District Board that the Parcel constitutes "real property" for the purposes of Section 2(b) of ZOMAR in that:

All of the conditions described in Subsections i., ii., iii., iv. and v. of ZOMAR Section 2(b) are satisfied; or

Other conditions exist which demonstrate that the Parcel will benefit directly or indirectly from the activities of the Zone. If applicable, those conditions are also set forth in Exhibit "B" and are incorporated by reference.

D. All of the conditions and requirements of ZOMAR Sections 2(a), 2(c), 2(d) and 2(e) have been fully satisfied.

In consideration of the foregoing findings and determinations,

**IT IS RESOLVED** by the District Board as follows:

1. It is the intention of the District Board to annex the Parcel to the Zone pursuant to the provisions of ZOMAR and applicable provisions of law.
2. In conjunction with a meeting of the District Board to be duly and regularly called and conducted, the Board will conduct a Public Hearing for the purpose of considering all matters pertaining to this Resolution of Intention.

The time, date and place of the Public Hearing are:

Date: October 13, 2021  
Time: 7:00 PM  
Place: West Bay Sanitary District Offices  
500 Laurel Street  
Menlo Park, CA 94025

& via Zoom

At the Public Hearing, all interested persons will be heard.

3. This Resolution of Intention shall be published and copies shall be delivered to the persons and entities as specified in ZOMAR Section 2(e)(i.).
4. A true copy of this Resolution of Intention shall promptly be filed for record in the office of the County Recorder of the County of San Mateo.
5. The District Manager shall cause the matters set forth in Sections 3 and 4 of this Resolution of Intention to be completed as directed.

\*\*\*\*\*

Passed and adopted by the District Board of the West Bay Sanitary District at a special meeting thereof held on the 18<sup>th</sup> day of August, 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

**“EXHIBIT A”**

DATE: 01-26-2021

ANNEXED TO: WEST BAY SANITARY DISTRICT

NAME OF ANNEXATION: WEST BAY SANITARY DISTRICT

**GEOGRAPHIC DESCRIPTION  
LANDS OF MCKELVY  
AND PORTIONS OF SHAWNEE PASS  
PROPOSED WEST BAY SANITARY DISTRICT ANNEXATION  
1.53 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 12 BLOCK 2, AND PORTIONS OF SHAWNEE PASS, AS DESIGNATED ON THE MAP ENTITLED “TRACT NO. 761, ARROWHEAD MEADOWS UNIT NO.2, SAN MATEO COUNTY, CALIFORNIA, BEING A PORTION OF THE RANCHO EL CORTE MADERA SUBDIVISION”, FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON MAY 29, 1958 IN BOOK 48 OF MAPS AT PAGES 48 TO 49, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE MOST SOUTHWESTERLY CORNER OF SAID LOT THENCE ALONG THE WESTERLY LINE OF SAID LOT NORTH 07°58'13" EAST 137.75 FEET (1);  
THENCE CONTINUING ALONG SAID WESTERLY LINE NORTH 03°30'00" WEST 40.00 FEET (2) TO THE NORTHWEST CORNER OF SAID LOT;  
THENCE LEAVING SAID WESTERLY LINE NORTH 86°30'00" EAST 300.00 FEET (3) TO A POINT ON THE EASTERLY RIGHT OF WAY OF SAID SHAWNEE PASS, 50 FEET IN WIDTH;  
THENCE ALONG THE EASTERLY RIGHT OF WAY OF SAID SHAWNEE PASS SOUTH 03°30'00" EAST 250.43 FEET (4) TO A POINT OF THAT CERTAIN ANNEXATION RESOLUTION NO. 2050, SAID POINT LYING ON THE WESTERLY LINE OF LOT 1, BLOCK 5 OF SAID MAP AND THE BEGINNING OF A CURVE TO THE LEFT WITH A RADIUS OF 275.00 FEET;  
THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 31°45'00" AN ARC LENGTH 152.39 FEET (5);  
THENCE LEAVING SAID EASTERLY RIGHT OF WAY AND SAID ANNEXATION DOCUMENT, SOUTH 54°45'00" WEST 50.00 FEET (6) TO A POINT ON THE WESTERLY RIGHT OF WAY OF SAID SHAWNEE PASS, TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT, TO WHICH A RADIAL BEARS SOUTH 54°45'00" WEST;  
THENCE ALONG SAID WESTERLY RIGHT OF WAY THROUGH SAID CURVE WITH A RADIUS OF 325.00 FEET, THROUGH A CENTRAL ANGLE OF 31°45'00", AN ARC LENGTH OF 180.10 FEET (7);  
THENCE NORTH 03°30'00" WEST 75.43 FEET (8) TO THE SOUTH EAST CORNER OF SAID LOT 12;  
THENCE LEAVING SAID RIGHT OF WAY ALONG THE SOUTHERLY LINE OF SAID LOT, SOUTH 86°30'00" WEST 277.39 FEET (9) TO THE **POINT OF BEGINNING**.

CONTAINING 1.53 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.



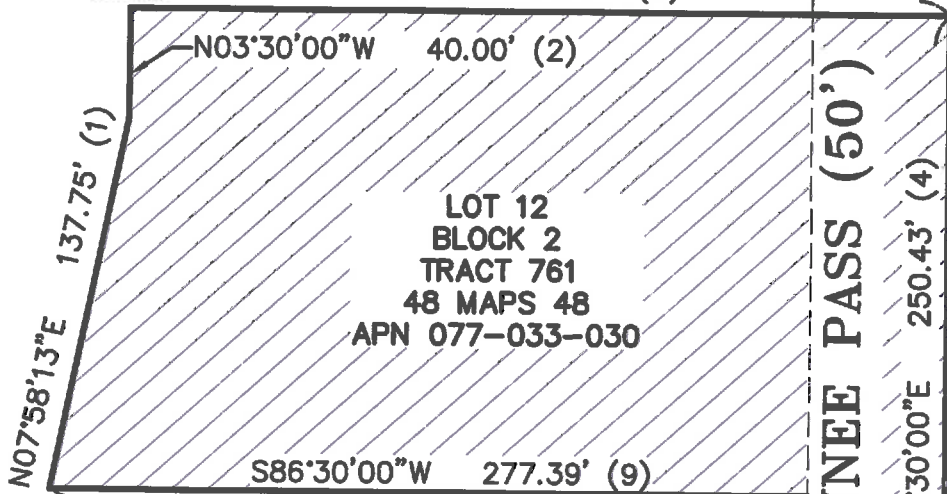
**WEST BAY SANITARY DISTRICT  
(130 SHAWNEE PASS)**

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 11, BLOCK 2  
TRACT 761  
48 MAPS 48  
APN 077-033-040  
N86°30'00"E 300.00' (3)**



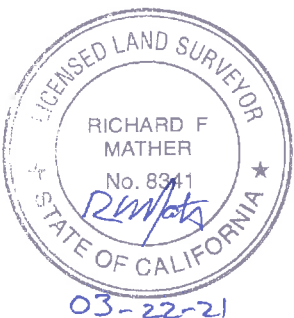
**LOT 2  
BLOCK 5  
TRACT 761  
48 MAPS 48  
APN  
077-031-030**

**SHOSHONE  
PLACE (50')**

**LOT 1  
BLOCK 5  
TRACT 761  
48 MAPS 48  
APN  
077-032-010  
R=275.00'  
L=152.39' (5)  
D=31'45'00"**

**RESOLUTION  
#2050**

**LOT 14 (7)  
BLOCK 2  
TRACT 761  
48 MAPS 48  
APN 077-033-010**



**SCALE: 1" = 70'**

JOB. NO. 2201475-SU

(RADIAL)  
S54°45'00"W 50.00' (6)

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

**EXHIBIT 'B'  
PLAT TO ACCOMPANY LEGAL DESCRIPTION  
PROPOSED SEWER ANNEXATION  
LANDS OF MCKELVY AND PORTIONS OF  
SHAWNEE PASS.  
TOWN OF PORTOLA VALLEY  
SAN MATEO COUNTY, CALIFORNIA**

North: 5094.2799'      East: 5541.0490'

Segment #1 : Line

Course: N07° 58' 13"E      Length: 137.75'  
North: 5230.6993'      East: 5560.1493'

Segment #2 : Line

Course: N03° 30' 00"W      Length: 40.00'  
North: 5270.6247'      East: 5557.7074'

Segment #3 : Line

Course: N86° 30' 00"E      Length: 300.00'  
North: 5288.9392'      East: 5857.1478'

Segment #4 : Line

Course: S03° 30' 00"E      Length: 250.43'  
North: 5038.9763'      East: 5872.4362'

Segment #5 : Curve

Length: 152.39'      Radius: 275.00'  
Delta: 31°45'00"      Tangent: 78.21'  
Chord: 150.45'      Course: S19° 22' 30"E  
Course In: N86° 30' 00"E      Course Out: S54° 45' 00"W  
RP North: 5055.7647'      East: 6146.9233'  
End North: 4897.0467'      East: 5922.3479'

Segment #6 : Line

Course: S54° 45' 00"W      Length: 50.00'  
North: 4868.1894'      East: 5881.5158'

Segment #7 : Curve

Length: 180.10'      Radius: 325.00'  
Delta: 31°45'00"      Tangent: 92.43'  
Chord: 177.80'      Course: N19° 22' 30"W  
Course In: N54° 45' 00"E      Course Out: S86° 30' 00"W  
RP North: 5055.7616'      East: 6146.9244'  
End North: 5035.9202'      East: 5822.5308'



Segment #8 : Line

Course: N03° 30' 00"W      Length: 75.43'

North: 5111.2095'      East: 5817.9259'

Segment #9 : Line

Course: S86° 30' 00"W      Length: 277.39'

North: 5094.2752'      East: 5541.0533'

Perimeter: 1463.48'      Area: 66431.78 Sq. Ft.

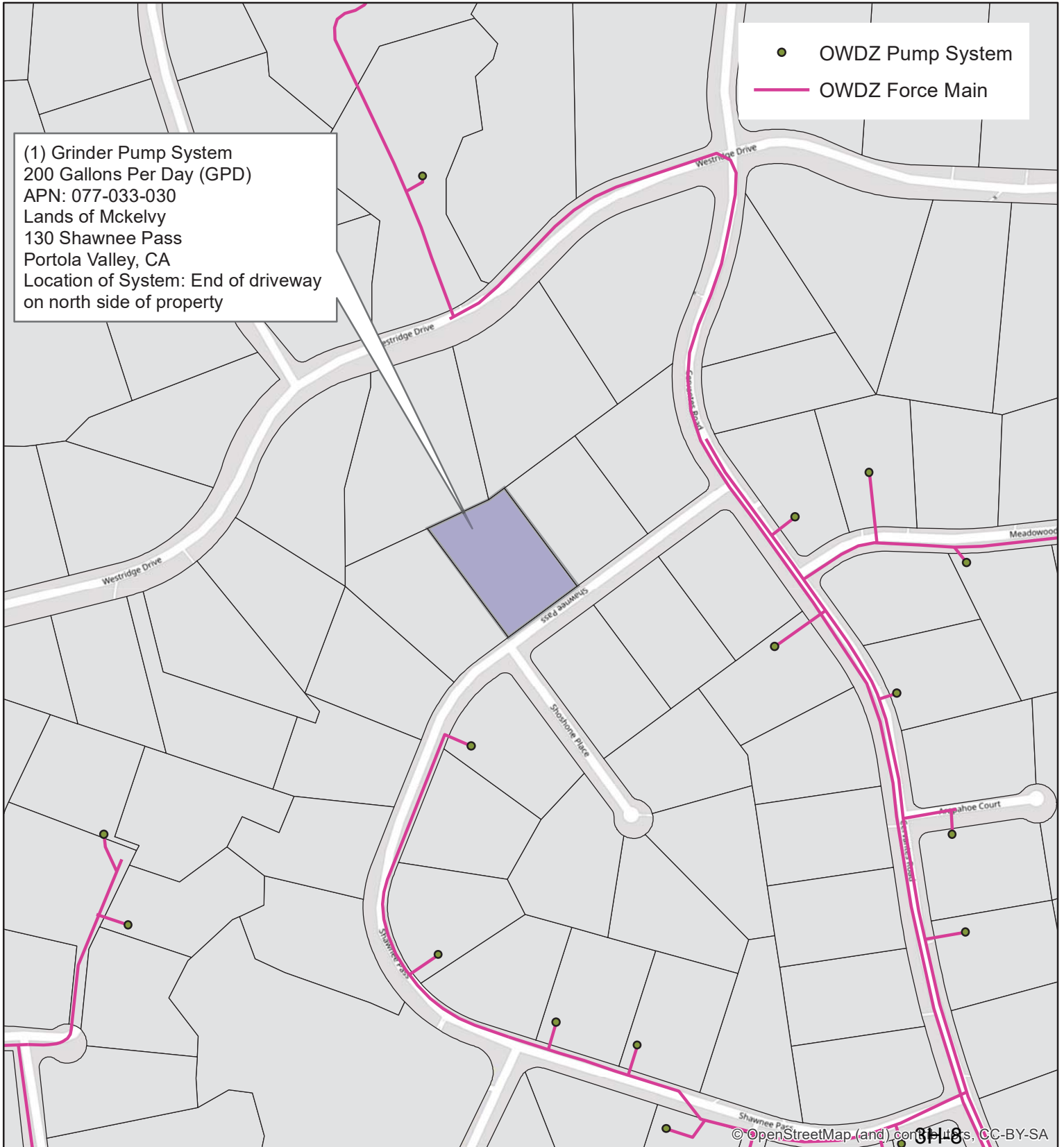
Error Closure:      0.0064      Course: S42° 21' 58"E

Error North:      -0.00470      East: 0.00428

Precision 1: 228007.81



WEST BAY SANITARY DISTRICT  
EXHIBIT "B"  
SITE LOCATION  
130 SHAWNEE PASS  
PORTOLA VALLEY, CA  
GRINDER SYSTEM





**LOCAL AGENCY FORMATION COMMISSION**

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

**CERTIFICATE OF COMPLETION**

Pursuant to Government Code Section 57200, this Certificate is issued by the Executive Officer of the Local Agency Formation Commission of San Mateo County, California.

1. The short-form designation, as determined by LAFCo, is Annexation of 130 Shawnee Pass, Portola Valley to the West Bay Sanitary District.
2. The name of each district or city involved in this change of organization or reorganization and the kind or type of change of organization ordered for each city or district are as follows:

<u>City or District</u>	<u>Type of Change of Organization</u>
-------------------------	---------------------------------------

West Bay Sanitary District	Annexation
----------------------------	------------

3. The above-listed cities and/or districts are located within the following counties: San Mateo County only.
4. A description of the boundaries of the above-cited change of organization or reorganization is shown on the attached map, marked Exhibit A and by reference incorporated herein.
5. The territory involved in this change of organization or reorganization is uninhabited.
6. This change of organization has been approved subject to the following terms and conditions, if any: None.
7. The resolution confirming this change of organization was adopted on May 19, 2021 by LAFCo, is marked Exhibit B, and by reference incorporated herein.

I hereby certify that I have examined the above-cited resolution, including any terms and conditions, and the map description and have found these documents to be in compliance with Resolution 1262, adopted on May 19, 2021.

Dated: June 21, 2021

Martha Poyatos  
Executive Officer

**COMMISSIONERS:** WARREN SLOCUM, CHAIR, COUNTY • MIKE O'NEILL, VICE CHAIR, CITY • HARV  
 • JOSHUA COSGROVE, SPECIAL DISTRICT • RIC LOHMAN, SPECIAL DISTRICT  
**ALTERNATES:** KATI MARTIN, SPECIAL DISTRICT • DIANA REDDY, CITY • JAMES O'NEILL, PUB  
 MARTHA POYATOS, EXECUTIVE OFFICER • REBECCA ARCHER, LEGAL COUN  
**STAFF:** ANALYST • ANGELA MONTES, CLERK

**2021-094132 CONF**

3:58 pm 06/21/21 CCL Fee: NO FEE

Count of pages 7

Recorded in Official Records

County of San Mateo

Mark Church

Assessor-County Clerk-Recorder



\* \$ R 0 0 0 3 0 931-9 4 0 \$ \*

**"EXHIBIT A"**

DATE: 01-26-2021

ANNEXED TO: WEST BAY SANITARY DISTRICT

NAME OF ANNEXATION: WEST BAY SANITARY DISTRICT

**GEOGRAPHIC DESCRIPTION  
LANDS OF MCKELVY  
AND PORTIONS OF SHAWNEE PASS  
PROPOSED WEST BAY SANITARY DISTRICT ANNEXATION  
1.53 ACRE +/- PARCEL**

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

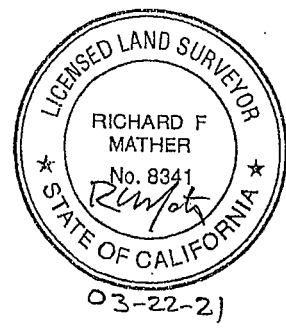
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CONTAINING 1.53 ACRES +/-

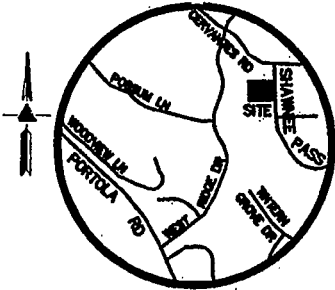
FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.

APPROVED  
SAN MATEO LOCAL AGENCY  
FORMATION COMMISSION  
455 COUNTY CENTER  
REDWOOD CITY, CA 94063  
EXHIBIT A PAGE 1 OF 2



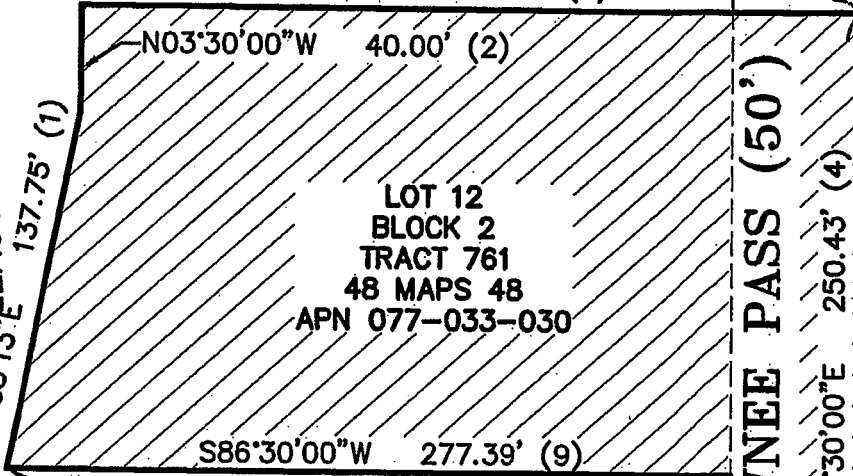
**WEST BAY SANITARY DISTRICT  
(130 SHAWNEE PASS)**

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 11, BLOCK 2  
TRACT 761  
48 MAPS 48  
APN 077-033-040  
N86°30'00"E 300.00' (3)**



**LOT 2  
BLOCK 5  
TRACT 761  
48 MAPS 48  
APN  
077-031-030**

**SHOSHONE  
PLACE (50')**

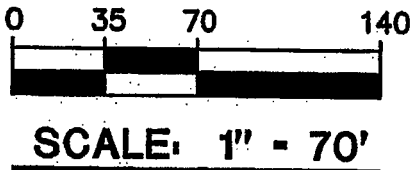
**LOT 1  
BLOCK 5  
TRACT 761  
48 MAPS 48  
APN  
077-032-010  
R=275.00'  
L=152.39' (5)  
D=31'45"00"**

**RESOLUTION  
#2050**

**LOT 14 (7) L=180.10'  
BLOCK 2 D=31'45"00"  
TRACT 761  
48 MAPS 48  
APN 077-033-010**

**(RADIAL)  
S54°45'00"W 50.00' (6)**

APPROVED 3/18/20  
SAN MATEO LOCAL AGENCY  
FORMATION COMMISSION  
455 COUNTY CENTER  
REDWOOD CITY, CA 94063



JOB. NO. 2201475-SU



**LEA & BRAZE ENGINEERING, INC.**

CIVIL ENGINEERS • LAND SURVEYORS

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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) 797-7383

WWW.LEABRAZE.COM

**EXHIBIT 'B'  
PLAT TO ACCOMPANY LEGAL DESCRIPTION  
PROPOSED SEWER ANNEXATION  
LANDS OF MCKELVY AND PORTIONS OF  
SHAWNEE PASS.  
TOWN OF PORTOLA VALLEY  
SAN MATEO COUNTY, CALIFORNIA**

RESOLUTION NO. 1262

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
OF THE COUNTY OF SAN MATEO  
MAKING DETERMINATIONS, APPROVING LAFCO FILE 21-04 -  
ANNEXATION OF 130 SHAWNEE PASS, 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 1.5 acres, is found to be uninhabited, and is assigned the following distinctive short form designation: Annexation of 130 Shawnee Pass, 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

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

EXHIBIT B PAGE 3 OF 3

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: 6-21-21

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

Date: 6-21-21



Clerk to the Commission  
 Local Agency Formation Commission





## WEST BAY SANITARY DISTRICT AGENDA ITEM 4

**To:** *Board of Directors*

**From:** *Sergio Ramirez, District Manager*

**Subject:** *Consider Approving and Authorizing 2021A and 2021B Wastewater Revenue Notes and two Water Infrastructure Finance and Innovation Act Loans by Approving and Authoring Appendix C in Connection with Issuance and Sale of SVCW 2021 Wastewater Revenue Notes, Approving an Amendment to the Financial Agreement, and Approving the Continuing Disclosure Certificate in Connection with the 2021 Notes*

---

### PURPOSE

Adoption of a Resolution authorizing the West Bay Sanitary District (the "District") to pay its allocable share of debt service on the Silicon Valley Clean Water ("SVCW") 2021A and 2021B Wastewater Revenue Notes (the "2021 Notes") and two Water Infrastructure Finance and Innovation Act loans (the "WIFIA Loans") and to approve certain specified documents below. The District previously executed an Amended Financing Agreement with SVCW to pay for its allocable share of the capital expenditures and funding sources for the capital improvement program (the "CIP") of SVCW. The District's allocable share of principal amount is not to exceed \$38,918,000 for the WIFIA Loans and not to exceed \$38,918,000 for the 2021 Notes (in each case exclusive of capitalized interest).

### BACKGROUND

The District is a Member Agency of SVCW a joint powers authority created to, among other things, manage and operate wastewater treatment and disposal facilities for the City of Redwood City, the City of San Carlos, the City of Belmont and West Bay Sanitary District. SVCW is responsible for arranging funding for the wastewater treatment and disposal facilities.

SVCW launched a Capital Improvement Program ("CIP") in 2008 to address critical infrastructure needs, including rehabilitation of the Wastewater Treatment Plant and replacement of the conveyance system including the forcemain and related pump stations. SVCW has frequently updated the CIP, most recently in January 2020, with the entire program currently estimated to cost approximately \$951 million from inception

to completion of projects thus far identified. As of May 1, 2021, approximately \$650 million of the CIP has been spent on projects, including significant construction of its Regional Environmental Sewer Conveyance Upgrade (“RESCU”), replacement of sections of forcemain, upgrades to electrical systems, improvements to both liquid- and solids-handling processes, installation of cogeneration solutions, and construction of influent screens. Demonstrable benefits of these projects include enhanced safety, lowered environmental risk, improved reliability of treatment operations, and reduced electricity costs. To provide financing for the CIP, the Authority has previously issued multiple series of revenues bonds, entered into financing agreements with the California State Water Resources Control Board, and executed one WIFIA Loan / Notes transaction.

Construction of RESCU, SVCW’s largest CIP initiative, began in 2018 and is being delivered using a progressive design-build method. When complete in 2023 it will include a new 3.2-mile gravity pipeline, new headworks facilities, and rehabilitation of two pump stations. The total estimated cost of RESCU is approximately \$554 million. To date, funding for RESCU includes earlier Wastewater Revenue Bonds, a 2019 WIFIA Loan, recently-executed Clean Water State Revolving Fund Loans (“CWSRF”), and some Member cash contributions. SVCW has applied to the EPA for another WIFIA Loan to complete RESCU funding.

A series of Wastewater Treatment Plant (“WWTP”) projects are currently planned that will be completed by 2026. These projects include rehabilitation of fixed film reactors, improvements to digesters, construction of new sidestream nutrient removal solutions, and repairs to pipe systems throughout the plant. These projects are also proposed to be partially funded through a specific WIFIA Loan.

## ANALYSIS

In accordance with the 2021 update of its Long-Range Finance Plan (“LRFP”), SVCW strives to obtain the lowest-cost financing available through government-subsidized loan programs. In addition to several bond issuances, funding includes seven low-interest CWSRF loans for principal amounts totaling \$226 million. SVCW also executed a \$218 million WIFIA Loan in 2019 specific to the RESCU program with a low interest rate and favorable repayment terms. As SVCW approaches the final planning for known projects, it intends to pursue two additional WIFIA Loans.

WIFIA loans fund up to 49% of eligible project costs at an interest rate equal to the corresponding US Treasury State and Local Government Series interest rate, based upon the weighted average life of the WIFIA Loan plus one basis point (0.01%). WIFIA loans also offer flexible amortization with customized repayment schedules, if requested and approved, which may include a repayment period up to 35 years after substantial completion of the project and prepayment (\$1 million minimum, subject to negotiation and EPA approval) at any time without penalty.

As negotiated, WIFIA loan terms permit SVCW to use proceeds to either (i) fund the construction of RESCU and certain WWTP projects or (ii) retire interim funding that is used to fund construction. This feature permits SVCW to issue short-term tax-exempt obligations (2021 Notes) at very low interest rates to pay for projects. These 2021 Notes would later be retired at maturity using proceeds from the WIFIA Loans.

The 2021 Notes proceeds would fund approximately \$68.9 million of construction expenditures through March 2023 for RESCU and another \$70.7 million through December 2026 for WWTP projects. The all-in true interest cost of the 2021 Notes, at the time of this writing, is estimated at approximately 1.36% based upon current market conditions. This presents savings as compared to the higher taxable WIFIA Loans interest rate estimated at ~2.07% based on current market conditions. Each series of the 2021 Notes will be sized to equal the related WIFIA Loan and, once construction is complete, SVCW would use proceeds from the WIFIA Loans to repay the interim notes at maturity. The 2021 Notes are currently structured to provide funds and earnings thereon to pay interest through their final maturity.

Members' participation in the WIFIA Loans and the 2021 Notes is based on the respective capital percentage allocation defined in the JPA. Proceeds from the 2021 Notes will be approximately \$152 million in total, used to fund construction costs, capitalized interest and costs of issuance.

The current financing schedule highlighting key activities and participation is below:

- July 2021: SVCW and Members participate in Credit reviews
- July-August 2021: Commission, Member Councils/Boards adopt resolutions
- August 2021: Close WIFIA Loans,
- September 2021: price 2021 Notes, Closing documents, 2021 Note proceeds are delivered

The proposed resolution approves Appendix C to the SVCW Preliminary Official Statement for the 2021 Notes in substantially final form and authorizes specific individuals to take certain actions and execute documentation to facilitate the sale and closing of the 2021 Notes. The Preliminary Official Statement is the disclosure document that will be used by SVCW to sell the 2021 Notes. Appendix C is the portion of the Preliminary Official Statement directly related to the District which will be disclosed to potential investors regarding the 2021 Notes.

The District Manager recommends approval of the resolution to authorize the District to approve Appendix C to the POS as well as an Amendment to the Financing Agreement to participate in the SVCW 2021 Notes issue and WIFIA Loans and execute necessary documentation as outlined above.

#### FINANCIAL IMPACT

Issuance of approximately \$145 million in 2021 Notes will not increase annual debt service for the Members. The WIFIA Loan will require total debt service for the Authority

of \$214.8 million over 31 years, assuming each series of the 2021 Notes are taken out by the related WIFIA Loan with final maturity in FY 2060.

### RECOMMENDATION

Move adoption of RESOLUTION OF THE BOARD OF THE DISTRICT:

1. APPROVING AND AUTHORIZING USE OF APPENDIX C OF THE PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH ISSUANCE AND SALE OF SILICON VALLEY CLEAN WATER 2021 WASTEWATER REVENUE NOTES TO PROVIDE ADDITIONAL FINANCING FOR WASTEWATER TREATMENT PROJECTS
2. APPROVING AN AMENDMENT TO THE FINANCING AGREEMENT TO FACILITATE THE EXECUTION AND DELIVERY OF TWO WIFIA LOANS AND 2021 NOTES
3. APPROVING CONTINUING DISCLOSURE CERTIFICATE TO BE EXECUTED AND DELIVERED BY THE DISTRICT IN CONNECTION WITH THE 2021 NOTES.

RESOLUTION NO. \_\_\_\_\_ (2021)

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE WEST BAY SANITARY DISTRICT AUTHORIZING EXECUTION AND DELIVERY OF AN AMENDMENT TO FINANCING AGREEMENT WITH SILICON VALLEY CLEAN WATER RELATING TO AMENDMENTS TO AN EXISTING WIFIA LOAN AGREEMENT, ADDITIONAL WIFIA LOAN AGREEMENTS AND REVENUE NOTES, AND APPROVING RELATED DOCUMENTS AND OFFICIAL ACTIONS**

**WHEREAS**, in order to provide for the transmission, treatment and disposal of wastewater, the City of Belmont, the City of Redwood City, the City of San Carlos and the West Bay Sanitary District (collectively, the “Members”) have previously entered into a Joint Exercise of Powers Agreement, dated as of November 13, 1975, as amended to the date hereof (as amended, the “Joint Powers Agreement”), under which Silicon Valley Clean Water (formerly known as the South Bayside System Authority) has been organized as a joint powers authority (the “Authority”), which is a public entity separate and apart from the Members; and

**WHEREAS**, under the Joint Powers Agreement, the Authority owns and operates a sub-regional wastewater treatment plant and related conveyance facilities which serve the Members (the “Project”), and in order to provide financing for the Project the Authority has previously issued multiple series of its Wastewater Revenue Bonds and the West Bay Sanitary District (the “District”) has entered into a financing agreement, as amended to the date hereof (the “Original Financing Agreement”), with respect to such bond issues; and

**WHEREAS**, in order to provide funds to finance additions to the Project, the Authority has executed and delivered a loan agreement (the “2020 WIFIA Loan Agreement”) for a loan (the “2020 WIFIA Loan”) and is proposing to execute and deliver two additional loan agreements (the “2021 WIFIA Loan Agreements” and, together with the 2020 WIFIA Loan Agreement, the “WIFIA Loan Agreements”) with the United States Environmental Protection Agency (the “EPA”), as WIFIA lender for additional loans under the authority of the Water Infrastructure Finance and Innovation Act (the “2021 WIFIA Loans” and together with the 2020 WIFIA Loan, the “WIFIA Loans”); and

**WHEREAS**, in order to provide interim financing for additions to the Project, the Authority has issued and is proposing to issue additional notes prior to the draw on the WIFIA Loans by the Authority; and

**WHEREAS**, under the Joint Powers Agreement, the Members are obligated to pay their allocable share of debt service on the WIFIA Loans and, prior to the draw on the WIFIA Loans, the notes, as such allocable shares are determined in accordance with the provisions of the Joint Powers Agreement; and

**WHEREAS**, the Authority has requested that the District enter into a fifth amendment to the Original Financing Agreement in substantially the form on file with

the Secretary (the “Fifth Amendment to Financing Agreement, and, together with the Original Financing Agreement, the “Financing Agreement”) in order to facilitate the delivery of the 2021 WIFIA Loans and, prior to the draw on the 2021 WIFIA Loans, the notes relating thereto, and to provide that the District’s allocated share of debt service on such notes will be paid on a subordinate basis to the payments with respect to the Authority’s outstanding bonds and the WIFIA Loans; and

**WHEREAS**, the Authority and the EPA are proposing to amend the 2020 WIFIA Loan Agreement to conform to previously executed amendments to the financing agreements between the Authority and the Members required by the State Water Resources Control Board in connection with low-cost State Revolving Fund loans; and

**WHEREAS**, pursuant to Government Code Section 5852.1, certain information relating to the Financing Agreement is set forth in Exhibit A attached to this Resolution, and such information is hereby disclosed and made public; and

**WHEREAS**, this Board of Directors wishes to approve the Fifth Amendment to Financing Agreement, and related documents and actions, in furtherance of the public purposes of the District.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the West Bay Sanitary District, California, as follows:

**Section 1. Execution and Delivery of Additional WIFIA Loan Agreements, Amendments and the Issuance of the Notes.** The Board of Directors hereby consents to the execution and delivery of the 2021 WIFIA Loan Agreements by the Authority to provide additional financing for the Project and the issuance of the notes by the Authority for the purpose of providing interim financing for the Project; provided however, that the principal amount of the 2021 WIFIA Loans and the principal amount of the notes allocated to the District, in each case, shall not exceed \$38,918,000 (exclusive of capitalized interest). The Board of Directors hereby consents to the Authority and the EPA entering into amendments to the 2020 WIFIA Loan Agreement to conform to certain executed amendments to the financing agreements between the Authority and the Members required by the State Water Resources Control Board in connection with low-cost State Revolving Fund loans.

**Section 2. Approval of Fifth Amendment to Financing Agreement.** The Board of Directors hereby approves the Fifth Amendment to Financing Agreement between the Authority and the District in substantially the form on file with the Secretary, to which copy reference is hereby made for the full particulars thereof, and the President, the Treasurer or the District Manager are each hereby authorized and directed to execute said amendment and the Secretary is hereby authorized and directed to attest thereto, for and on behalf of the District.

**Section 3. District Portion of Official Statement.** The Board of Directors hereby approves the preparation and distribution of Appendix C to the Preliminary Official Statement for the notes (the “Preliminary Official Statement”), which contains

information relating to the District, and in the forepart of the Preliminary Official Statement under the captions “PARTICIPATING MEMBERS” and “CERTAIN PARTICIPATING MEMBER RISK FACTORS,” excluding, however, any information under such caption which pertains specifically to any other Member (together “District Portion”), in substantially the form on file with the Secretary. The District Manager is hereby authorized to execute a certificate pursuant to Rule 15c2-12 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934 (the “Exchange Act”), relating to the District Portion of the Preliminary Official Statement. The District Manager is hereby authorized and directed to approve any changes in or additions to the portions of the final Official Statement which relate to the District. The District Manager is hereby authorized and directed to approve and deliver the District Portion of the Official Statement for the notes (the “Official Statement”) in substantially the form provided for the Preliminary Official Statement, with such changes, insertions and omissions as may be approved by such officers. The District Manager is authorized and directed to execute and deliver a certificate to the Authority pursuant to Rule 10b-5 promulgated under the Exchange Act with respect to the District Portion of the Official Statement.

**Section 4. Approval of Continuing Disclosure Certificate.** The Board of Directors hereby approves the form of the Continuing Disclosure Certificate to be delivered by the District with respect to the notes, in the form on file with the Secretary together with any modifications thereof as may be approved by the District Manager or the Secretary, whose execution thereof shall be conclusive evidence of the approval of any such modifications. The District Manager and the Secretary are each hereby authorized and directed to execute the final form of the Continuing Disclosure Certificate for and on behalf of the District.

**Section 5. Approval of Closing Documents.** The President, the District Manager, the Treasurer and the Secretary and their duly authorized deputies, designees or agents are each hereby authorized and directed, in their respective official capacities, to execute or attest thereto, any and all closing certificates which are necessary or appropriate to effectuate the purposes of the Financing Agreement, the execution and delivery of the 2021 WIFIA Loan Agreements, the amendments to the 2020 WIFIA Loan Agreement and the issuance and sale of the notes by the Authority.

**Section 6. Effective Date.** This Resolution shall take effect immediately upon its passage and adoption.

I hereby certify that the foregoing Resolution was passed and adopted by the Board of Directors of the West Bay Sanitary District at a special meeting thereof duly held on the 18<sup>th</sup> day of August, 2021 by a vote of a majority of its members:

AYES:

NOES:

ABSENT:

ABSTAINED:

RECUSED:

\_\_\_\_\_  
President of the Board of Directors 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



## **EXHIBIT A**

### **GOOD FAITH ESTIMATES PURSUANT TO GOVERNMENT CODE SECTION 5852.1**

Set forth below are good faith estimates of Fieldman, Rolapp & Associates, Inc., the municipal advisor to Silicon Valley Clean Water, as required under Section 5852.1 of the California Government Code (the "Code"). The following estimates have no bearing on, and should not be misconstrued as, any not-to-exceed financial parameters authorized by resolution. The following are estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth below.

#### **Wastewater Revenue Notes, Series 2021A**

- (a) The true interest cost of the 2021A Notes is estimated at 0.83%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.
- (b) The finance charge of the 2021A Notes, including all fees and charges paid to third parties, is estimated at \$154,297.
- (c) Proceeds of the 2021A Notes allocated to the District for the sale of the 2021A Notes, including the estimated principal amount of the proposed 2021A Notes of \$18,492,760, plus the proposed premium of \$1,118,812, less the finance charges set forth in (b) above and capitalized interest fund of \$1,411,682, is equal to \$18,045,593 (estimated amount for the Project Fund).
- (d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$18,492,760 (does not include interest payable from the capitalized interest fund referenced in section (c)).

#### **Wastewater Revenue Notes, Series 2021B**

- (a) The true interest cost of the 2021B Notes is estimated at 1.27%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.
- (b) The finance charge of the 2021B Notes, including all fees and charges paid to third parties, is estimated at \$164,328.
- (c) Proceeds of the 2021B Notes allocated to the District for the sale of the 2021B Notes, including the estimated principal amount of the proposed 2021B Notes of \$19,818,656, plus the proposed premium of \$1,619,581, less the finance charges set forth in (b) above and capitalized interest fund of \$2,707,486, is equal to \$18,566,422 (estimated amount for the Project Fund).

- (d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$19,818,656 (does not include interest payable from the capitalized interest fund referenced in section (c)).

#### **RESCU WIFIA Loan**

- (a) The true interest cost of the loan is estimated at 1.92%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.
- (b) The finance charge of the loan, including all fees and charges paid to third parties, is estimated at \$53,680 (inclusive of the application fee). The annual servicing fee, operation and construction period fees have not yet been determined.
- (c) Proceeds of the loan allocated to the District, including the estimated principal amount of the proposed loan of \$19,585,020, will be available to fund \$18,493,877 of eligible project costs and the applicable deferred interest. The finance charges set forth in (b) above are not included in the loan proceeds.
- (d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$27,312,816 (total of all payments the District will make to pay debt service on the loan plus the finance charges set forth in section (b) which are not paid from proceeds of the loan).

#### **WWTP WIFIA Loan**

- (a) The true interest cost of the loan is estimated at 1.92%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.
- (b) The finance charge of the loan, including all fees and charges paid to third parties, is estimated at \$53,680 (inclusive of the application fee). The annual servicing fee, operation and construction period fees have not yet been determined.
- (c) Proceeds of the loan allocated to the District, including the estimated principal amount of the proposed loan of \$20,988,085, will be available to fund \$19,818,773 of eligible project costs and the applicable deferred interest. The finance charges set forth in (b) above are not included in the loan proceeds.
- (d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$28,926,067 (total of all payments the District will make to pay debt service on the loan plus the finance charges set forth in section (b) which are not paid from proceeds of the loan).

## **FIFTH AMENDMENT TO FINANCING AGREEMENT**

This FIFTH AMENDMENT TO FINANCING AGREEMENT (this “Fifth Amendment”), dated as of August 1, 2021, is between SILICON VALLEY CLEAN WATER, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the “Authority”), and the WEST BAY SANITARY DISTRICT, a sanitary district duly organized and existing under the laws of the State of California (the “District”), and further amends in part the Financing Agreement dated as of December 1, 2008 (the “Original Financing Agreement”), as amended by the First Amendment to Financing Agreement dated as of March 20, 2014 (the “First Amendment”), by the Second Amendment to Financing Agreement dated as of May 1, 2019 (the “Second Amendment”), by the Third Amendment to Financing Agreement dated as of November 1, 2020 (the “Third Amendment”) and by the Fourth Amendment to Financing Agreement dated as of December 1, 2020 (the “Fourth Amendment” and together with the Original Financing Agreement, the First Amendment, the Second Amendment and the Third Amendment, the “Financing Agreement”), each by and between the Authority and the District.

### **BACKGROUND:**

1. In order to provide for the transmission, treatment and disposal of wastewater, the cities of Belmont, Redwood City and San Carlos and the West Bay Sanitary District (collectively, the “Members”) have previously entered into a Joint Exercise of Powers Agreement dated as of November 13, 1975, as amended and as it may be further amended from time to time (the “Joint Powers Agreement”), under which the Authority has been organized as a joint powers authority which is a public entity separate and apart from the Members.

2. Under the Joint Powers Agreement, the Authority owns and operates a sub-regional wastewater treatment plant and related conveyance facilities which serve the Members, and the Commission of the Authority has approved a 10-Year Capital Improvement Program for the construction of improvements to such plant and facilities, including the Regional Environmental Sewer Conveyance Upgrade Program (the “RESCU WIFIA Project”) and the Wastewater Treatment Plant Reliability Upgrades project (the “WWTP WIFIA Project”). The RESCU WIFIA Project and the WWTP WIFIA Project are referred to in the related WIFIA Loan Agreement (as defined below) as the Project.

3. In order to provide funding for the RESCU WIFIA Project, the Authority executed and delivered a WIFIA Loan Agreement dated November 17, 2020 (the “2020 RESCU WIFIA Loan Agreement”) with the United States Environmental Protection Agency, acting by and through its administrator (“EPA”), as WIFIA lender (the “WIFIA Lender”), for a loan (the “2020 RESCU WIFIA Loan”) to be made by the EPA under the authority of the Water Infrastructure Finance and Innovation Act and the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”).

4. In order to provide interim financing for the RESCU WIFIA Project prior to drawing on the 2020 RESCU WIFIA Loan, the Authority has issued and sold notes under the provisions of the Act (the “2019 Notes”) under an Indenture of Trust dated as of May 1, 2019 (the “2019 Bond Indenture”), between the Authority and Zions Bancorporation, National Association (formerly known as Zions Bank, a Division of ZB, National Association), as trustee, and the Authority expects to repay the 2019 Notes at maturity from a draw on the 2020 RESCU WIFIA Loan.

5. In order to provide additional funding for the RESCU WIFIA Project, the Authority has authorized the execution and delivery of a WIFIA Loan Agreement (RESCU) II dated as of August 26, 2021 (the “2021 RESCU WIFIA Loan Agreement”) with the EPA, as WIFIA lender, for a loan (the “2021 RESCU WIFIA Loan”) to be made by the EPA under the authority of the Water Infrastructure Finance and Innovation Act and the Act.

6. In order to provide funding for the WWTP WIFIA Project, the Authority has authorized the execution and delivery of a WIFIA Loan Agreement (WWTP) dated August 26, 2021 (the “2021 WWTP WIFIA Loan Agreement”) with the EPA, as WIFIA lender, for a loan (the “2021 WWTP WIFIA Loan”) to be made by the EPA under the authority of the Water Infrastructure Finance and Innovation Act and the Act.

7. In order to provide additional interim financing for the RESCU WIFIA Project prior to drawing on the 2021 RESCU WIFIA Loan and interim financing for the WWTP WIFIA Project prior to drawing on the 2021 WWTP WIFIA Loan, the Authority has authorized the issuance and sale of notes under the provisions of the Act (the “2021 Notes”) under an Indenture of Trust dated as of August 1, 2021 (the “2021 Bond Indenture”), between the Authority and Zions Bancorporation, National Association, as trustee, and the Authority expects to repay the 2021 Notes at maturity from a draw on the 2021 RESCU WIFIA Loan and the 2021 WWTP WIFIA Loan.

8. Under the Joint Powers Agreement, the Members are obligated to pay their allocable share of debt service on bonds and other obligations issued or incurred by the Authority to finance and refinance the Project (as defined in the Joint Powers Agreement, including the RESCU WIFIA Project and the WWTP WIFIA Project) as such allocable shares are determined in accordance with the existing provisions of the Joint Powers Agreement.

9. In order to provide security for bonds and other obligations issued or incurred by the Authority to provide financing for the Project, the District and the Authority have previously entered into the Original Financing Agreement, as amended.

10. The Authority and the District wish to enter into this Fifth Amendment to amend certain provisions of the Financing Agreement.

#### **AGREEMENT:**

In consideration of the foregoing and the material covenants hereinafter contained, the District and the Authority formally agree as follows:

**Section 1. Definitions.** All capitalized terms used in this Fifth Amendment and not defined herein shall have the respective meanings given such terms in the Financing Agreement.

**Section 2. WIFIA Financing Program.** The District and the Authority hereby agree that each WIFIA Loan, the 2019 Notes and the 2021 Notes shall each constitute Bonds under the Financing Agreement, as amended by this Fifth Amendment, and the District’s Allocable Share of each WIFIA Loan shall be payable from SBSA Bond Payments secured by a first lien and pledge on the Net Revenues and that the District’s Allocable Share of the 2019 Notes and the 2021 Notes shall be payable from SBSA Bond Payments secured by a second lien and subordinate pledge on the Net Revenues.

**Section 3. Amendments to Definitions.** The definition of “Allocable Share,” as set forth in the Financing Agreement is hereby amended and restated in its entirety to read as follows:

“Allocable Share” means, with respect to any Bonds, the portion of the Bond Interest and Redemption Expenses and other fees and payments relating to such Bonds which are allocated to the District. The Authority and the District agree that the Allocable Share with respect to the 2020 RESCU WIFIA Loan is 28.6%. The Authority and the District agree that the Allocable Share with respect to the 2021 RESCU WIFIA Loan is 26.84%. The Authority and the District agree that the Allocable Share with respect to the 2021 WWTP WIFIA Loan is 26.84%.”

The definition of “WIFIA Financing Program” as set forth in the Financing Agreement is hereby amended in its entirety to read as follows:

“WIFIA Financing Program” means each WIFIA Loan, each WIFIA Loan Agreement, the 2019 Notes, the 2021 Notes, and any other notes or other obligations issued or incurred by the Authority that the Authority designates in writing as part of the WIFIA Financing Program and to which the EPA consents in writing.”

The definition of “WIFIA Loan” as set forth in the Financing Agreement is hereby amended in its entirety to read as follows:

“WIFIA Loan” shall mean each of the 2020 RESCU WIFIA Loan, the 2021 RESCU WIFIA Loan, the 2021 WWTP WIFIA Loan, and any other loan that the District and the Authority designate in writing as a WIFIA Loan under this Financing Agreement and to which the EPA consents in writing.”

The definition of “WIFIA Loan Agreement” as set forth in the Financing Agreement is hereby amended in its entirety to read as follows:

“WIFIA Loan Agreement” shall mean each of the 2020 RESCU WIFIA Loan Agreement, the 2021 RESCU WIFIA Loan Agreement, the 2021 WWTP WIFIA Loan Agreement, and any other loan agreement that the District and the Authority designate in writing as a WIFIA Loan Agreement under this Financing Agreement and to which the EPA consents in writing.”

The definition of “WIFIA Project” as set forth in the Financing Agreement is hereby amended in its entirety to read as follows:

“WIFIA Project” means each of the RESCU WIFIA Project, the WWTP WIFIA Project and any additional project of the Authority financed from proceeds of a WIFIA Loan.”

**Section 4. Provisions of the Financing Agreement in Effect.** Except as expressly modified herein, all of the provisions of the Financing Agreement shall remain in full force and effect. The District hereby confirms that the provisions in the Second Amendment, including Exhibit A thereto, apply to the 2021 RESCU WIFIA Loan and the 2021 WWTP WIFIA Loan, as such provisions have been further amended, including as amended by this Fifth Amendment.

**Section 5. Governing Law.** This Fifth Amendment shall be construed and governed in accordance with the laws of the State of California applicable to contracts made and performed in such state.

**Section 6. Partial Invalidity.** If any section, paragraph, sentence, clause or phrase of this Fifth Amendment shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Fifth Amendment. The parties hereby declare that they each would have entered into this Fifth Amendment and each and every other section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Fifth Amendment may be held illegal, invalid or unenforceable.

**Section 7. Execution in Counterparts.** This Fifth Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority and the District have caused this Fifth Amendment to be executed in their respective names by their duly authorized officers, all as of the date first above written.

**SILICON VALLEY CLEAN WATER**

By \_\_\_\_\_  
Manager

ATTEST:

By \_\_\_\_\_  
Secretary Pro Tem

**WEST BAY SANITARY DISTRICT**

By \_\_\_\_\_  
President

ATTEST:

By \_\_\_\_\_  
Secretary

*[Signature Page – West Bay – Fifth Amendment to Financing Agreement]*



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**SILICON VALLEY CLEAN WATER  
WASTEWATER REVENUE NOTES,  
SERIES 2021A**

\$ \_\_\_\_\_  
**SILICON VALLEY CLEAN WATER  
WASTEWATER REVENUE NOTES,  
SERIES 2021B**

**WEST BAY SANITARY DISTRICT  
CONTINUING DISCLOSURE CERTIFICATE**

This CONTINUING DISCLOSURE CERTIFICATE (this “Disclosure Certificate”) is executed and delivered by the WEST BAY SANITARY DISTRICT (the “Participating Member”) in connection with the issuance of the Silicon Valley Clean Water Wastewater Revenue Notes, Series 2021A (the “2021A Notes”) and the Silicon Valley Clean Water Wastewater Revenue Notes, Series 2021B (the “2021B Notes” and together with the 2021A Notes, the “Notes”). The Notes are being issued pursuant to an Indenture of Trust, dated as of August 1, 2021 (the “Indenture”), by and between Silicon Valley Clean Water (the “Authority”) and Zions Bancorporation, National Association, as trustee. The Notes are payable from revenues, including payments to be made by the Participating Member under a Financing Agreement (the “Financing Agreement”), between the Authority and the Participating Member.

The Participating Member covenants and agrees as follows:

**Section 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the Participating Member for the benefit of the holders and beneficial owners of the Notes and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

**Section 2. Definitions.** In addition to the definitions set forth above and in the Indenture and the Financing Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the Participating Member pursuant to, and as described in, Sections 3 and 4.

“*Annual Report Date*” means the date that is nine months after the end of the Participating Member’s fiscal year (currently March 31 based on the Participating Member’s fiscal year end of June 30).

“*Dissemination Agent*” means, initially, the Participating Member, or any successor Dissemination Agent designated in writing by the Participating Member and which has filed with the Participating Member a written acceptance of such designation.

“*Financial Obligation*” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the final official statement executed by the Authority in connection with the issuance of the Notes.

“*Participating Underwriter*” means the original underwriter of the Notes required to comply with the Rule in connection with offering of the Notes.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

### **Section 3. Provision of Annual Reports.**

(a) The Participating Member shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2022, with the report for the 2020-21 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4. Not later than 15 Business Days prior to the Annual Report Date, the Participating Member shall provide the Annual Report to the Dissemination Agent (if other than the Participating Member). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the Participating Member) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Participating Member to determine if the Participating Member is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the Participating Member may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the Participating Member’s fiscal year changes, it shall give notice of such change in the same manner as for an Annual Report. The Participating Member shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the Participating Member hereunder.

(b) If the Participating Member does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the Participating Member, in a timely manner, shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the Participating Member, file a report with the Participating Member certifying that the Annual Report has been provided under this Disclosure Certificate, and stating the date it was provided.

**Section 4. Content of Annual Reports and Notice of Financial Obligation.** The Annual Report for the Participating Member shall contain or incorporate by reference the following:

(a) The Participating Member's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Participating Member's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the Participating Member for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

(i) revenues by class of user for the Wastewater System for the most recently completed fiscal year;

(ii) the top ten Wastewater System users by revenue for the most recently completed fiscal year;

(iii) a description of any revisions to the wastewater rates which were adopted or which took effect during the most recently completed fiscal year;

(iv) the Wastewater System's revenues and expenses and Net Revenues, including debt service and coverage ratios, for the most recently completed fiscal year; and

(v) a description of any additional indebtedness incurred by the Participating Member during the most recently completed fiscal year which is payable from revenues of the Wastewater System.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the Participating Member shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) The Participating Member shall provide to the MSRB, in an electronic format prescribed by the MSRB, notices of:

(i) Incurrence of a Financial Obligation of the Participating Member, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Participating Member, any of which affect security holders, if material; and

(ii) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Participating Member, any of which reflect financial difficulties.

(e) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Participating Member or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The Participating Member shall clearly identify each such other document so included by reference.

**Section 5. Identifying Information for Filings with the MSRB.** All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

**Section 6. Termination of Reporting Obligation.** The Participating Member's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes. If such termination occurs prior to the final maturity of the Notes, the Participating Member shall give notice of such termination as follows: the Participating Member shall, or shall cause the Dissemination Agent (if not the Participating Member) to, file a notice of such termination with the MSRB, in an electronic format as prescribed by the MSRB.

**Section 7. Dissemination Agent.** The Participating Member may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Participating Member. Any Dissemination Agent may resign by providing 30 days' written notice to the Participating Member.

**Section 8. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the Participating Member may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a) or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Notes, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Notes in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Notes.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Participating Member to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

**Section 9. Additional Information.** Nothing in this Disclosure Certificate shall be deemed to prevent the Participating Member from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report, in addition to that which is required by this Disclosure Certificate. If the Participating Member chooses to include any information in any Annual Report in addition to that which is specifically required by this Disclosure Certificate, the Participating Member shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report.

**Section 10. Default.** If the Participating Member fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Notes may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Participating Member to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Participating Member to comply with this Disclosure Certificate shall be an action to compel performance.

**Section 11. Duties, Immunities and Liabilities of Dissemination Agent.**

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Participating Member agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the Participating Member hereunder, and shall not be deemed to be acting in any fiduciary capacity for the Participating Member, the Bond holders or any other party. The obligations of the Participating Member under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Notes.

(b) The Dissemination Agent shall be paid compensation by the Participating Member for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

**Section 12. Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the Participating Member, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Notes, and shall create no rights in any other person or entity.

**Section 13. Counterparts.** This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Dated: August \_\_, 2021

**WEST BAY SANITARY DISTRICT**

By \_\_\_\_\_  
Sergio Ramirez  
District Manager

**EXHIBIT A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Silicon Valley Clean Water

Name of Issue: Silicon Valley Clean Water  
Wastewater Revenue Notes, Series 2021A and Series 2021B

Date of Issuance: \_\_\_\_\_, 2021

NOTICE IS HEREBY GIVEN that the Participating Member has not provided an Annual Report with respect to the above-named Notes as required by the Participating Member Continuing Disclosure Certificate, dated \_\_\_\_\_, 2021. The Participating Member anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

**DISSEMINATION AGENT**

By \_\_\_\_\_  
By:  
Its:

## APPENDIX C

### INFORMATION ABOUT WEST BAY SANITARY DISTRICT

*The information set forth in Appendix C has been provided by West Bay Sanitary District for inclusion in this Official Statement. The Authority has not reviewed and makes no representations or warranties with respect to the information set forth in this Appendix C. Unless otherwise provided, capitalized terms used and not otherwise defined in this Appendix C have the meanings ascribed to them in the forepart of this Official Statement.*

#### **West Bay Sanitary District**

The West Bay Sanitary District (the “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 is located in the northern part of Silicon Valley approximately 26 miles south of San Francisco, between San Francisco and San Jose. 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 approximately 55,000 via approximately 20,170 predominantly residential sewer service connections. Most recently the District has constructed and is operating the Sharon Heights Recycled Water Treatment Plant. The plant recycles up to 0.5 MGD of recycled water for irrigation, street sweeping, and dust control.

#### **Form of Government**

The District is governed by a five-member Board of Directors whose members are elected at large from the District’s service area to staggered terms of four years. The current members of the Board of Directors are:

<i>Director</i>	<i>Current Term Expires</i>
Fran Dehn, President	November 2024
David Walker, Secretary	November 2024
Roy Thiele-Sardiña, Treasurer	November 2022
Edward P. Moritz	November 2022
George Otte*	November 2024

\* Vice Chair of the Silicon Valley Clean Water Commission.  
Source: West Bay Sanitary District.

Day to day activities of the District are managed by a District Manager, who is appointed by the Board of Directors and oversees a staff of approximately 30 employees.

#### **District Leadership**

***Sergio Ramirez, District Manager.*** Mr. Ramirez has over 25 years of water and wastewater experience. Mr. Ramirez was appointed District Manager in June 2020 after serving for ten years as the District’s Operations Superintendent. Mr. Ramirez holds a Bachelor’s Degree in Business Administration from Notre Dame de Namur of Belmont, California and holds a Grade IV in Collection System Maintenance from the California Water Environment Association (“CWEA”). Mr. Ramirez is a long time CWEA member and has served as Chairman on several CWEA committees over the years.



**Bill Kitajima, Projects & IT Manager.** With over 20 years at the District, Mr. Kitajima manages all capital improvement projects and Collection System Master Planning, prioritizes CIP projects, and oversees engineering, bidding and construction of all CIP projects. Mr. Kitajima also manages all databases and computer/server operations and replacements and day to day technical operations.

**Debra Fisher, Finance Director.** Ms. Fisher joined the District in March 2020. She brings twenty years of experience in government finance at Special Districts in California. Ms. Fisher holds a Bachelor’s Degree in Business Management and Accounting and a Master’s Degree in Business Administration

**Bob Hulsmann, Operations Superintendent.** Mr. Hulsmann was promoted to the position of Operations Superintendent in July 2020. In this position he oversees the Operations and Maintenance of the District’s collection system. He joined the West Bay team 10 years ago and has over 30 years’ experience in the wastewater industry. He holds a California Water Environment Association Grade III certificate in Mechanical Technology and a Grade IV in Collection System Maintenance.

**The Wastewater System**

The District owns and operates a sanitary sewer collection system consisting of approximately 210 miles of sewer pipelines ranging in size from 3 to 54 inches in diameter, and 12 sewer pump stations. The District’s wastewater collection system is in good operating condition and has an average age of approximately 50 years, with an estimated life of 90 years. The District owns a flow equalization facility, which has the capacity to hold approximately 18 million gallons of untreated wastewater. The District’s wastewater is conveyed to the Authority for treatment and disposal. The District also operates and maintains a recycled water plant in Sharon Heights, Menlo Park.

**Wastewater Flow to Authority**

The following table shows the District’s recent average daily wastewater flows to the Authority.

**TABLE C1  
WEST BAY SANITARY DISTRICT  
ANNUAL WASTEWATER FLOW**

	<i>2015-16</i>	<i>2016-17</i>	<i>2017-18</i>	<i>2018-19</i>	<i>2019-20</i>
Average Daily Flow (mgd)	3.8	3.9	3.4	3.5	2.8

Source: Silicon Valley Clean Water.

The decrease in average daily flow from fiscal year 2016-17 to 2017-18 was a result of less groundwater intrusion into the District’s wastewater system due to the replacement and lining of pipes and a decrease of new construction within the District.

**Service Area & Customer Base**

The District’s sewer service area is approximately 14 square miles and includes the City of Menlo Park, portions of the Cities of East Palo Alto and Atherton, portions of the Towns of Woodside and Portola Valley, and portions of unincorporated San Mateo and Santa Clara counties.

The following table shows a history of residential and non-residential sewer accounts for the last five audited District fiscal years. Residential accounts comprised approximately 97% of the District's customer base in fiscal year 2019-20.

**TABLE C2  
WEST BAY SANITARY DISTRICT  
HISTORICAL SEWER ACCOUNTS**

	<u>2015-16</u>		<u>2016-17</u>		<u>2017-18</u>		<u>2018-19</u>		<u>2019-20</u>	
	<i>Accounts</i>	<i>% of Total</i>	<i>Accounts</i>	<i>% of Total</i>	<i>Accounts</i>	<i>% of Total</i>	<i>Accounts</i>	<i>% of Total</i>	<i>Accounts</i>	<i>% of Total</i>
Residential	18,585	97%	18,867	97%	19,455	97%	19,505	97%	19,515	97%
Commercial	<u>610</u>	<u>3</u>	<u>622</u>	<u>3</u>	<u>620</u>	<u>3</u>	<u>609</u>	<u>3</u>	<u>612</u>	<u>3</u>
Total	19,195	100%	19,489	100%	20,075	100%	20,114	100%	20,127	100%

Source: West Bay Sanitary District.

The following table shows a history of sewer service charge revenues broken down by residential and non-residential sewer accounts for the last five District fiscal years. In fiscal year 2019-20, residential customers accounted for 77% of the District's total sewer service charge revenues.

**TABLE C3  
WEST BAY SANITARY DISTRICT  
HISTORICAL SEWER SERVICE CHARGE REVENUES**

	<u>2015-16</u>		<u>2016-17</u>		<u>2017-18</u>		<u>2018-19</u>		<u>2019-20</u>	
	<i>Revenues</i>	<i>% of Total</i>	<i>Revenues</i>	<i>% of Total</i>	<i>Revenues</i>	<i>% of Total</i>	<i>Revenues</i>	<i>% of Total</i>	<i>Revenues</i>	<i>% of Total</i>
Residential	\$18,177,405	78%	\$19,616,295	80%	\$20,951,143	79%	\$21,997,676	75%	\$23,030,740	77%
Commercial	<u>5,030,737</u>	<u>22</u>	<u>4,866,919</u>	<u>20</u>	<u>5,440,555</u>	<u>21</u>	<u>7,502,196</u>	<u>25</u>	<u>6,995,092</u>	<u>23</u>
Total	\$23,208,142	100%	\$24,483,214	100%	\$26,391,698	100%	\$29,499,872	100%	\$30,025,832	100%

Source: West Bay Sanitary District.

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The following table lists the District's 10 largest accounts by revenue for fiscal year 2019-20, the last audited fiscal year for which such information is available.

**TABLE C4  
WEST BAY SANITARY DISTRICT  
LARGEST CUSTOMERS, FISCAL YEAR 2019-20**

	<i>Description</i>	<i>Service Charges</i>	<i>% of Total</i>
<b><u>10 Largest Sewer Accounts</u></b>			
Hibiscus Properties LLC	Commercial	\$ 1,472,048	4.90%
Leland Stanford Jr University	Hotel	757,715	2.52
Facebook Inc.	Commercial	583,630	1.94
United States of America	Hospital	503,625	1.68
Anton Menlo Blackhorse LLC	Mixed Use Retail and Residential	465,294	1.55
Stanford Research Institute	Institutional	376,129	1.25
Spieker Richard Tod Tr	Residential (apartments)	348,392	1.16
Maximus Sg New Gf Owner LLC	Residential (apartments)	330,737	1.10
MP Hamilton 777 Properties LLC	Mixed Use Retail and Residential	229,515	0.76
CV Menlo Park LLC	Residential (apartments)	<u>171,842</u>	<u>0.57</u>
Subtotal		<b>\$ 5,238,927</b>	<b>17.45%</b>
All Other Customers		\$24,786,905	82.55%
<b>Total</b>		<b>\$30,025,832</b>	<b>100%</b>

Source: West Bay Sanitary District.

### **Sewer Utility Regulatory Issues**

**General.** Regulatory requirements applicable to the District's sanitary sewer collection system are contained in or imposed by regulation pursuant to the Federal Water Pollution Control Act, as amended, and the State of California Porter Cologne Water Quality Control Act of 1969, as amended. Both federal and State regulations are administered through the San Francisco Bay Regional Water Quality Control Board. The District is not aware of any environmental or regulatory issues that would adversely impact its ability to provide sewer collection service.

**Waste Discharge Requirements.** The District is not subject to independent waste discharge requirements in connection with operation of its sanitary sewer collection system because it sends its sewage to the Authority for treatment and discharge.

### **Wastewater Rates & Billing**

The District's wastewater rates and charges are independently established by the Board of Directors and do not require approval by any other legal entity. Single family residential customers are billed a flat annual charge for sewer service which is collected on property tax bills. Non-residential customers pay volumetric charges based on customer class and metered water use.

In April 2021, the District's Board of Directors approved a one-year 2.5% rate increase for fiscal year 2021-22. A hearing was held on April 28, 2021, in compliance with Article XIID of the California Constitution and the increased rates went into effect on July 1, 2021. The District expects to continue reviewing rate annually to continue to fund debt service and maintain healthy funding for capital improvement needs. There can be no assurance that any or future proposed rate increases will be approved following protest opposition under the Proposition 218 process.

The District's rates for fiscal years 2017-18 through 2021-22 are shown in the following table. The rate increases below were adopted to support the District's allocable share of debt service for the Authority's

capital improvement program (“CIP”) as well as the Authority’s operations and the District’s operating and capital programs. The District adopted its rates in compliance with Article XIII D of the California Constitution. See “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS — Articles XIII C and XIII D” in the forepart of this Official Statement herein.

**TABLE C5  
WEST BAY SANITARY DISTRICT  
ADOPTED SEWER RATES**

	<i>2017-18</i>	<i>2018-19</i>	<i>2019-20</i>	<i>2020-21</i>	<i>2021-22</i>
<b>Residential</b> (annual charge)	\$1,072	\$1,126	\$1,177	\$1,224	\$1,255
<i>Monthly Equivalent</i>	89.33	93.83	98.08	102.00	104.58
<b>Non-Residential/Commercial</b>					
Flow - \$ per hcf	\$8.38	\$7.90	\$7.00	\$7.28	\$7.46
BOD - \$ per pound	0.59	0.90	1.23	1.28	1.31
SS - \$ per pound	0.67	0.99	1.41	1.46	1.50

Source: West Bay Sanitary District.

Each year, the District calculates the wastewater charge for the upcoming fiscal year for each parcel in the District’s service area. These charges are submitted to San Mateo County for collection on the County’s property tax bills except for approximately 39 customers located in Santa Clara County and San Mateo County not in a tax rate area, which are billed directly). The District’s wastewater charges are listed as a separate item on the tax bill and are collected at the same time and in the same manner as the County’s *ad valorem* property taxes. The District’s charges are subject to the same penalties and payment enforcement as the County’s taxes, which include the potential to foreclose on properties with payment delinquencies.

San Mateo County’s property tax bills are due in equal installments on November 1 and February 1 of each fiscal year and become delinquent if not paid by December 10 and April 10 respectively. San Mateo County is on the Teeter Plan under which the County pays the District the full amount of all charges assessed on the County’s tax rolls, and also retains any penalties due to payment delinquency. The County pays the District for 100% of its annual wastewater billings, regardless of payment delinquencies. The County has the option to discontinue an agency’s participation in the Teeter Plan.

As of June 30, 2019, 0.03% of the sewer utility bills were 30 days delinquent, which represents approximately 4.0% of the total amounts billed for fiscal year 2019. As of June 30, 2020, 0.02% of sewer utility bills were 30 days delinquent, which represents 4% of the total sewer service charges, including the final payment from San Mateo County, which was received July 1, 2020.

As a result of the coronavirus outbreak (see the caption “CERTAIN PARTICIPATING MEMBER RISK FACTORS — Coronavirus” in the forepart of the Official Statement), the Governor signed Executive Order N-61-20 (“Order N-61-20”). Under Order N-61-20 (and Order N-08-21 extending Order N-61-20), certain provisions of the State Revenue and Taxation Code were suspended until June 30, 2021 to the extent said provisions require the County tax collector to impose penalties, costs or interest for the failure to pay secured or unsecured property taxes, or to pay a supplemental bill, before the date that such taxes become delinquent, subject to certain conditions set forth in in Order N-61-20. Order N-61-20 has not materially adversely impacted the timing or amount of receipt of the wastewater charges by the District from the County. As described above, the District’s wastewater charges are included in the County’s Teeter Plan. The County has notified the District that it does not plan to modify the Teeter Plan as a result of the COVID-19 outbreak.

As described under the caption CERTAIN PARTICIPATING MEMBER RISK FACTORS—Natural Disasters—*Drought*,” on July 8, 2021, due to ongoing drought conditions, Governor Gavin Newsom signed an

executive order calling on all residents in the State to voluntarily reduce water use by 15% from 2020 levels. The District's sewer service charges for non-residential/commercial customers are flow-based. Decreases in water use due to conservation efforts could lead to a decrease in sewer service charges from the District's non-residential/commercial customers. In fiscal year 2019-20, non-residential accounts constituted approximately 23% of total sewer service charge revenues.

### **Connection Fees for New Development**

The District levies a sewer connection charge on new applicants for wastewater service and applicants for expanded service. The purpose of the charge is to recover a proportionate share of costs of District facilities benefiting new connections to the wastewater system. The District's connection fees are established by the Board of Directors. The District's current residential connection charge is a fixed, one-time charge of \$6,919 per residential unit. The fee for non-residential connections is based on the estimated wastewater discharge for each new account, as determined by the District.

In addition, pursuant to the Joint Powers Agreement, the District also collects the Authority's connection fees and periodically remits payment of these fees to the Authority. The Authority's connection fee revenues are not Net Revenues of the District's wastewater system available to pay the District's allocable share of debt service on the SVCW 2021 Notes. See "THE AUTHORITY AND THE WASTEWATER SYSTEM — Capacity Fees for New Development" in the forepart of this Official Statement.

The total connection charges collected by the District from new non-residential accounts, including both the District's and Authority's connection fees, are subject to a minimum charge of \$8,501 per connection.

### **Future Capital Needs**

The District has budgeted spending approximately \$12.7 million in fiscal year 2021-22 (which includes a carryover of approximately \$6 million in capital projects budgeted in fiscal year 2020-21) and anticipates spending between approximately \$7.3 million and \$8.1 million per year for capital improvements to the District's wastewater system through fiscal year 2023-24. This level of expenditures represents an increase from the amounts spent on capital improvements annually in recent history. These improvements primarily include repairs, replacements, and other upgrades to the District's collection system pipelines, but also include some pump station improvements. The District anticipates funding these improvements on a pay-as-you-go, cash basis.

The District is currently in the planning stages for a recycled water project in the East Menlo Park area currently called the Bayfront Recycled Water Project. Current plans estimate that the project, if completed, would produce up to 0.6 mgd of recycled water per day. The District has applied for a loan in the amount of \$52 million from the SWRCB to fund the project and is also seeking funding from grants. Subject to securing funding for the project, the current estimate is that construction of the project will be completed in 2025. No assurances can be made that any such funding will be secured or that the project will be completed.

In addition, the District anticipates financing its allocable share of costs for the Authority's CIP, equal to approximately \$8.5 million (as of June 30, 2021) through 2025-26 (after taking into account proceeds from the SVCW 2018 Bonds, SVCW 2019 Notes, the SVCW 2021 Notes, the existing Authority State Loans, the 2021 RESCU WIFIA Loan, the 2021 WWTP WIFIA Loan and the 2020 RESCU WIFIA Loan) through cash and other long-term debt issued by the Authority and/or the District. See the caption "THE AUTHORITY AND THE WASTEWATER SYSTEM — Capital Improvement Program."

### **Outstanding District Debt**

The District incurred obligations in connection with the issuance by the Authority of the SVCW 2018 Bonds, the 2021 RESCU WIFIA Loan, the 2021 WWTP WIFIA Loan, the 2020 RESCU WIFIA Loan, the

SVCW 2019 Notes, the SVCW 2021 Bonds, the SVCW 2021 Notes, the existing Authority SRF Loans, and the Line of Credit, as described in “THE AUTHORITY AND THE WASTEWATER SYSTEM — Outstanding Debt”. The District’s payment obligations to the Authority with respect to the Authority SRF Loans and the Line of Credit are payable from Net Revenues on an unsecured basis. The District has an existing State Revolving Fund from the State Water Resources Control Board (the “West Bay SRF Loan”) that is secured by Net Revenues on a parity with the District’s obligation to pay its allocated share of debt service on the SVCW 2021 Bonds, the SVCW 2018 Bonds, the 2021 RESCU WIFIA Loan, the 2021 WWTP WIFIA Loan and the 2020 RESCU WIFIA Loan under the West Bay Financing Agreement.

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**TABLE C6  
WEST BAY SANITARY DISTRICT  
OUTSTANDING DEBT\***

Fiscal Year Ending June 30	Parity Debt				Other Debt				Subordinate Debt			Total		
	2018 Bonds	2021A Bonds	2021B Bonds	West Bay SRF Loan <sup>(1)</sup>	2020 RESCU WIFIA Loan <sup>(2)</sup>	2021 RESCU WIFIA Loan <sup>(3)</sup>	2021 WWTP WIFIA Loan <sup>(4)</sup>	Existing SRF Loan	Conveyance Planning SRF Loan	Estimated Future Authority SRF Loans Payments <sup>(5)</sup>	Series 2019 Notes <sup>(6)</sup>		Series 2021A Notes <sup>(7)</sup>	Series 2021B Notes <sup>(8)</sup>
2022	\$ 1,839,212.50	\$ 2,521,854.19	\$ 221,418.75	\$ 662,910.88	--	--	--	\$ 506,765.21	\$ 143,481.93	--	--	--	--	--
2023	1,834,337.50	2,515,891.26	221,675.00	662,910.88	--	--	--	506,765.21	143,481.93	--	--	--	--	--
2024	1,837,962.50	2,511,506.46	219,800.00	662,910.88	--	--	--	506,765.21	143,481.93	\$ 1,774,307.81	\$ 59,775,000.00	--	--	--
2025	1,834,962.50	2,524,678.96	217,675.00	662,910.88	--	--	--	506,765.21	143,481.93	1,774,307.81	--	--	--	--
2026	1,835,337.50	2,517,521.83	220,175.00	662,910.88	--	--	--	506,765.21	143,481.93	1,774,307.81	--	--	--	--
2027	1,838,837.50	2,510,667.68	217,300.00	662,910.88	--	--	--	506,765.21	143,481.93	1,774,307.81	--	--	--	--
2028	1,835,462.50	2,514,133.06	219,050.00	662,910.88	\$ 2,604,193.32	--	--	506,765.21	143,481.93	1,774,307.81	--	--	--	--
2029	1,835,212.50	2,507,335.06	220,300.00	662,910.88	2,604,193.33	--	--	506,765.21	143,481.93	1,774,307.81	--	--	--	--
2030	1,837,837.50	2,511,150.76	216,175.00	662,910.88	2,604,193.32	--	--	506,765.21	143,481.93	1,774,307.81	--	--	--	--
2031	1,838,212.50	2,347,680.96	216,675.00	662,910.88	2,604,193.33	--	--	506,765.21	143,481.93	1,774,307.81	--	--	--	--
2032	1,836,337.50	2,343,800.91	217,700.00	662,910.88	2,604,193.31	--	--	506,765.21	143,481.93	1,774,307.81	--	--	--	--
2033	1,837,337.50	2,338,002.51	219,300.00	662,910.88	2,604,193.33	--	--	506,765.21	143,481.93	1,774,307.81	--	--	--	--
2034	1,836,637.50	2,339,509.91	--	662,910.88	2,604,193.32	--	--	506,765.21	143,481.93	1,774,307.81	--	--	--	--
2035	1,834,218.75	2,333,376.56	--	662,910.88	2,604,193.32	--	--	506,765.21	143,481.93	1,774,307.81	--	--	--	--
2036	1,835,300.00	2,334,655.91	--	662,910.88	2,604,193.32	--	--	506,765.21	143,481.93	1,774,307.81	--	--	--	--
2037	1,835,000.00	2,333,153.36	--	662,910.88	2,604,193.32	--	--	506,765.21	143,481.93	1,774,307.81	--	--	--	--
2038	1,837,400.00	2,328,094.16	--	662,910.88	2,604,193.32	--	--	--	143,481.93	1,774,307.81	--	--	--	--
2039	1,837,750.00	2,319,377.06	--	662,910.88	2,604,193.33	--	--	--	143,481.93	1,774,307.81	--	--	--	--
2040	1,836,800.00	2,317,782.71	--	662,910.88	2,604,193.32	--	--	--	143,481.93	1,774,307.81	--	--	--	--
2041	1,834,500.00	1,564,446.36	--	662,910.88	2,604,193.33	--	--	--	143,481.93	1,774,307.81	--	--	--	--
2042	1,835,400.00	1,558,859.33	--	662,910.88	2,604,193.33	--	--	--	143,481.93	1,774,307.81	--	--	--	--
2043	1,839,000.00	1,560,825.16	--	662,910.88	2,604,193.32	--	--	--	143,481.93	1,774,307.81	--	--	--	--
2044	1,834,125.00	1,561,453.14	--	662,910.88	2,604,193.32	--	--	--	143,481.93	1,774,307.81	--	--	--	--
2045	1,837,050.00	413,060.98	--	662,910.88	2,604,193.32	--	--	--	143,481.93	1,774,307.81	--	--	--	--
2046	1,838,750.00	416,094.65	--	662,910.88	2,604,193.33	--	--	--	143,481.93	1,774,307.81	--	--	--	--
2047	1,837,850.00	--	--	662,910.88	2,604,193.32	--	--	--	143,481.93	1,774,307.81	--	--	--	--
2048	1,838,712.50	--	--	662,910.88	2,604,193.33	--	--	--	143,481.93	1,774,307.81	--	--	--	--
2049	1,836,587.50	--	--	662,910.88	2,604,193.32	--	--	--	143,481.93	1,774,307.81	--	--	--	--
2050	--	--	--	662,910.88	2,604,193.33	--	--	--	143,481.93	1,774,307.81	--	--	--	--
2051	--	--	--	--	2,604,193.31	--	--	--	143,481.93	1,774,307.81	--	--	--	--
2052	--	--	--	--	2,604,193.32	--	--	--	--	1,774,307.81	--	--	--	--
2053	--	--	--	--	2,604,193.32	--	--	--	--	1,774,307.81	--	--	--	--
2054	--	--	--	--	2,604,193.32	--	--	--	--	--	--	--	--	--
2055	--	--	--	--	2,604,193.33	--	--	--	--	--	--	--	--	--
2056	--	--	--	--	2,604,193.33	--	--	--	--	--	--	--	--	--
2057	--	--	--	--	2,604,193.33	--	--	--	--	--	--	--	--	--
2058	--	--	--	--	2,604,193.17	--	--	--	--	--	--	--	--	--
Total	\$ 51,426,131.25	\$ 53,044,912.93	\$ 2,627,243.75	\$ 19,224,415.52	\$ 80,729,992.87	--	--	\$ 8,108,243.28	\$ 4,304,457.90	\$ 53,229,234.30	\$ 59,775,000.00	--	--	--

(Footnotes on following page)

(Continued from previous page)

\* Totals may not sum due to independent rounding.

- (1) Pursuant to an agreement between the District and Sharon Heights Golf and Country Club (“Sharon Heights”), Sharon Heights is expected to reimburse the District for all debt service payments on the West Bay SRF Loan and operating costs of the Sharon Heights Recycled Water Treatment Plant.
- (2) Assuming a four-year deferment on the 2020 RESCU WIFIA Loan after substantial completion of the portion of the RESCU program financed by the 2020 RESCU WIFIA Loan, payment obligations of the District under the 2020 RESCU WIFIA Loan is not expected to begin until fiscal year 2027-28. Assumes a draw of \$218,000,000 by the Authority, the maximum amount able to be borrowed under the 2020 RESCU WIFIA Loan, on March 1, 2024.
- (3) Assuming a four-year deferment on the 2021 RESCU WIFIA Loan after substantial completion of the 2021 RESCU WIFIA Project, payment obligations of the District under the 2021 RESCU WIFIA Loan is not expected to begin until fiscal year 2027-28. Assumes a draw of approximately \$64,600,000 by the Authority, the maximum amount able to be borrowed under the 2021 RESCU WIFIA Loan, on March 1, 2024.
- (4) Assuming a four-year deferment on the 2021 WWTP WIFIA Loan after substantial completion of the 2021 WWTP WIFIA Project, payment obligations of the District under the 2021 WWTP WIFIA Loan is not expected to begin until fiscal year 2029-30. Assumes a draw of approximately \$70,600,000 by the Authority, the maximum amount able to be borrowed under the 2021 WWTP WIFIA Loan, on March 1, 2026.
- (5) Reflects estimated payments on the 2021 Authority SRF Loans described in the forepart of the Official Statement under the caption “INTRODUCTION—Other Debt of the Authority.”
- (6) Net of capitalized interest through fiscal year 2023-24. The principal of the SVCW 2019 Notes is expected to be paid with proceeds of the 2020 RESCU WIFIA Loan.
- (7) Net of capitalized interest through fiscal year 2023-24. The principal of the SVCW 2021A Notes is expected to be paid with proceeds of the 2021 RESCU WIFIA Loan.
- (8) Net of capitalized interest through fiscal year 2025-26. The principal of the SVCW 2021B Notes is expected to be paid with proceeds of the 2021 WWTP WIFIA Loan.

Source: West Bay Sanitary District.

## **Pension and Other Employee Benefit Costs**

A significant portion of the District’s operation costs are employee costs, including pension and post-retirement medical benefit costs.

The District contributes to the California Public Employees’ Retirement System (“PERS”), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California.

In fiscal year 2020-21, the District transferred approximately \$5.9 million from available funds to PERS to pay all of the District’s unfunded liability for all three tiers of its PERS plan, together with its normal cost for fiscal year 2021-22. The payoff of the unfunded liability is not reflected in the following sections which describe the costs and funded status of the District’s PERS plan prior to such payoff. The unfunded liability balance is zero for all three tiers of the District’s PERS plan as of June 30, 2021. The payoff of the unfunded liability, including any additional unfunded liability that may accrue, will be reflected in the District’s audited financial statements for fiscal year 2021-22 and PERS actuarial valuations as of June 30, 2021 for the District’s PERS plan (which is expected to be issued in the third quarter of 2022).

***Pension.*** Three-year trend information for the District’s pension plan is set forth below:



**Three-Year Trend of Annual Pension Cost (Employer Portion)**

<i>Fiscal year ended June 30</i>	<i>Annual pension cost (APC)</i>	<i>Percentage of APC contributed</i>
2018	\$413,896	100%
2019	297,313	100
2020	295,459	100

Source: West Bay Sanitary District 2020 Audit Report.

**Three-Year Trend of Funded Status of the Plan**

*Miscellaneous Plan Tier 1 (2.5% at 55 years)*

<i>Valuation Date (June 30)</i>	<i>Accrued Liability</i>	<i>Share of Pool's Market Value of Assets</i>	<i>Plan's Share of Pool's Unfunded Liability</i>	<i>Funded Ratio</i>	<i>Annual Covered Payroll</i>	<i>UAAL as a Percentage of Payroll</i>
2017	\$17,814,311	\$12,916,258	\$4,898,053	72.5%	\$2,143,803	228.5%
2018	19,542,390	13,915,290	5,627,100	71.2	2,025,779	277.8
2019	20,589,426	14,677,921	5,911,505	71.3	2,005,213	294.8

Source: PERS Actuarial Report July 2020.

*Miscellaneous Plan Tier 2 (2% at 60 years)*

<i>Valuation Date (June 30)</i>	<i>Accrued Liability</i>	<i>Share of Pool's Market Value of Assets</i>	<i>Plan's Share of Pool's Unfunded Liability</i>	<i>Funded Ratio</i>	<i>Annual Covered Payroll</i>	<i>UAAL as a Percentage of Payroll</i>
2017	\$0	\$(30)	\$30	0.0%	\$0	0.00%
2018	0	(25)	25	0.0	0	0.00
2019	0	0	0	0.0	0	0.00

Source: PERS Actuarial Report July 2020.

*Miscellaneous Plan PEPRA (2% at 62 years)*

<i>Valuation Date (June 30)</i>	<i>Accrued Liability</i>	<i>Share of Pool's Market Value of Assets</i>	<i>Plan's Share of Pool's Unfunded Liability</i>	<i>Funded Ratio</i>	<i>Annual Covered Payroll</i>	<i>UAAL as a Percentage of Payroll</i>
2017	\$133,475	\$128,602	\$4,873	96.3%	\$ 574,424	0.8%
2018	234,064	216,694	17,370	92.6	754,034	0.2
2019	386,264	356,109	30,155	92.2	1,004,146	0.3

Source: PERS Actuarial Report July 2020.

PERS has announced a preliminary investment return of 21.3% for fiscal year 2020-21 which would trigger the funding risk mitigation policy and lower the discount rate beginning fiscal year 2023-24. A 7.0% discount rate is currently part of the assumptions used to determine the District's projected contributions for fiscal year 2022-23. The District can make no projections at this time with respect to the effect of PERS investment return for fiscal year 2020-21 on the District's future contribution rate. As described above, the District paid its existing unfunded liability to PERS in fiscal year 2020-21.

See the caption “CERTAIN PARTICIPATING MEMBER RISK FACTORS — Coronavirus” in the forepart of the Official Statement.

For more information with respect to the District’s Defined Benefit Pension Plan obligations, see Note 10 to the District’s audited financial statements attached hereto as Exhibit C-I.

**Recent Changes by PERS.** On November 18, 2015, the PERS Board adopted a funding risk mitigation policy intended to incrementally lower its discount rate – its assumed rate of investment return – in years of good investment returns, help pay down the pension fund’s unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. The policy establishes a mechanism to reduce the discount rate in years when investment returns outperform the existing discount rate, currently 7.0%. PERS expects that reducing the volatility of investment returns will increase the long-term sustainability of PERS pension benefits for members. In February 2017, the PERS Board revised the funding risk mitigation policy. The revisions suspended the policy until fiscal year 2020-21, and a decrease of the required first excess investment return threshold from 4 to 2 percent. More information about the funding risk mitigation policy can be accessed through PERS’ web site at the following website address: <https://www.calpers.ca.gov>.

The reference to this Internet website is provided for reference and convenience only. The information contained within the website may not be current, has not been reviewed by the District and is not incorporated in this Official Statement by reference.

On December 21, 2016, the PERS Board voted to lower its discount rate from 7.5% to 7.0% over three years according to the following schedule.

<i>Valuation Date</i>	<i>Fiscal Year Required Contribution</i>	<i>Discount Rate</i>
June 30, 2016	2018-19	7.375%
June 20, 2017	2019-20	7.250
June 30, 2018	2020-21	7.000

On February 14, 2018, the PERS Board adopted revisions to its actuarial amortization policy. Major revisions that affect State plans were made to the amortization of investment gains and losses, as well as to actuarial surplus. For the amortization of investment gains and losses, the amortization period was reduced from 30 years to 20 years, and the 5-year direct smoothing process was removed from the end of the amortization period. Amortization of actuarial surplus was eliminated. These policy revisions will be applied to the amortization of investment gains and losses, and actuarial surplus, experienced on or after June 30, 2019. These revisions affect contributions starting in fiscal year 2020-21.

**Other Post-Employment Benefits (OPEB).** In June 2015, the Governmental Accounting Standards Board (“GASB”) issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefit Other Than Pension, which is effective for the fiscal year ended June 30, 2019. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployments benefits or OPEB). For the fiscal year ending June 30, 2019, the District restated its beginning net position as part of implementation of this Statement.

The District’s net OPEB liability was measured as of June 30, 2019 (measurement date), and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019 (valuation date) for the fiscal year ended June 30, 2020 (reporting date). The following summarizes the changes in the net OPEB liability during the year ended June 30, 2020:

	<i>Increase (Decrease)</i>		
	<i>Total OPEB Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net OPEB Liability</i>
<b>Balance at June 30, 2019</b>	\$ 303,194	\$ 247,323	\$ 55,871
Service cost	6,909	--	6,909
Interest in Total OPEB Liability	17,672	--	17,672
Employer contributions	--	9,418	(9,418)
Balance of difference between actual and expected experience	66,449	7,915	58,534
Balance of changes in assumptions	(2,612)	--	(2,612)
Actual investment income	--	15,717	(15,717)
Benefit payments	(17,333)	(17,333)	--
<b>Net changes</b>	<b>71,085</b>	<b>15,717</b>	<b>55,368</b>
<b>Balance at June 30, 2020</b>	<b>\$ 374,279</b>	<b>\$ 263,040</b>	<b>\$ 111,239</b>

Source: West Bay Sanitary District 2020 Audit Report.

The District's annual contributions to its OPEB plan are based on the actuarially determined contribution ("ADC"). The ADC represents the annual employer contribution that along with member contributions and investment income is projected to fully fund the OPEB plan over a static 30 years beginning in fiscal year 2015-16. The following tables show the District's contributions to the OPEB plan and the funded status of the OPEB plan for the last two fiscal years:

#### Trend of Annual OPEB Plan Contributions

<i>Fiscal year ended June 30</i>	<i>Actuarially Determined Contribution</i>	<i>Actual Contribution</i>	<i>Contribution Deficiency/(Excess)</i>
2018	\$11,604	\$(7,860)	\$3,744
2019	11,579	(9,418)	2,161
2020	16,607	(5,120)	11,487

Source: West Bay Sanitary District 2020 Audit Report.

#### Funded Status of the OPEB Plan

<i>Fiscal Year Ended (June 30)</i>	<i>Plan OPEB Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net OPEB Liability/(Asset)</i>	<i>Plan Fiduciary Net Position as % of OPEB Liability</i>	<i>Annual Covered Payroll</i>	<i>Net OPEB Liability as a % of payroll</i>
2018	\$293,633	\$235,234	\$58,399	80.1%	\$2,799,216	2.09%
2019	303,194	247,323	55,871	81.6	2,795,654	2.00
2020	374,279	263,040	111,239	70.3	2,806,611	3.96

Source: West Bay Sanitary District 2020 Audit Report.

For more information with respect to the District's Other Post Employment Benefits obligations, see Note (11) to the District's audited financial statements attached hereto as Exhibit C-I.

#### Historical Revenues and Expenses and Debt Service Coverage

The table on the following page shows a history of revenues, expenses, and net revenues based on information provided in the District's audited financial statements and by the District. These results have been derived from the audited financial statements of the District, but exclude certain receipts which are not included as Gross Revenues under the West Bay Financing Agreement and certain non-cash items and include

certain other adjustments. For more information with respect to the operating results of the District, see the District's audited financial statements attached hereto as Exhibit C-I. The Auditor (as defined below) has not reviewed the information set forth in the following table.

**TABLE C7  
WEST BAY SANITARY DISTRICT  
HISTORIC OPERATING RESULTS AND DEBT SERVICE COVERAGE  
FISCAL YEAR ENDED JUNE 30**

	2016	2017	2018	2019	2020
<b>GROSS REVENUES<sup>(1)</sup></b>					
Sewer Service Charges <sup>(2)</sup>	\$ 23,208,142	\$ 24,483,213	\$ 26,391,698	\$ 29,499,873	\$ 30,003,748
Connection Fees <sup>(3)</sup>	1,281,475	1,912,132	570,181	2,324,721	572,970
Investment Earnings & Other Revenues <sup>(4)</sup>	1,555,251	1,790,634	1,508,310	2,712,368	2,474,761
Sharon Heights Reimbursement <sup>(5)</sup>	--	--	--	--	878,207
<b>Total Revenues</b>	<u>\$ 26,044,868</u>	<u>\$ 28,185,979</u>	<u>\$ 28,470,189</u>	<u>\$ 34,536,962</u>	<u>\$ 33,929,686</u>
<b>OPERATION AND MAINTENANCE COSTS</b>					
Operating Expenses	\$ 18,467,856	\$ 18,906,942	\$ 20,694,823	\$ 27,060,288	\$ 30,182,545
Less Depreciation	(1,514,901)	(1,652,638)	(1,868,991)	(2,102,004)	(2,043,269)
Less SBSA Bond Payments and District Share of Other Authority Obligations <sup>(6)</sup>	(2,393,178)	(3,142,143)	(3,666,678)	(5,498,794)	(11,953,013)
Less Authority Non-Operating Payments <sup>(7)</sup>	(153,494)	(410,664)	(414,948)	(7,262,832)	(734,592)
<b>Total Operation and Maintenance Costs</b>	<u>\$ 14,406,283</u>	<u>\$ 13,701,497</u>	<u>\$ 14,744,206</u>	<u>\$ 12,196,658</u>	<u>\$ 15,451,671</u>
<b>NET REVENUES</b>	<b>\$ 11,638,585</b>	<b>\$ 14,484,482</b>	<b>\$ 13,725,983</b>	<b>\$ 22,340,304</b>	<b>\$ 18,478,015</b>
<b>Financing Agreement Supported Authority Debt Debt<sup>(8)</sup></b>					
SVCW 2008 Bonds	\$ 154,689	\$ --	\$ --	\$ --	\$ --
SVCW 2009 Bonds (Net) <sup>(9)</sup>	766,010	965,792	968,710	964,652	810,663
SVCW 2014 Bonds	1,145,509	1,144,324	1,144,175	1,144,768	1,144,887
SVCW 2015 Bonds	106,893	811,950	826,950	824,050	1,019,907
SVCW 2018 Bonds	--	--	--	1,838,480	1,834,713
<b>Total Financing Agreement Supported Authority Debt</b>	<u>\$ 2,173,101</u>	<u>\$ 2,922,066</u>	<u>\$ 2,939,835</u>	<u>\$ 4,771,951</u>	<u>\$ 4,810,168</u>
<b>District Share of Other Authority Obligations<sup>(10)</sup></b>					
SRF Loan	\$ 220,077	\$ 220,077	\$ 726,843	\$ 726,843	\$ 726,843
Total District Share of Other Authority Obligations	\$ 220,077	\$ 220,077	\$ 726,843	\$ 726,843	\$ 726,843
<b>Total Financing Agreement Supported Authority Debt and District Share of Other Authority Obligations</b>	<b>\$ 2,393,178</b>	<b>\$ 3,142,143</b>	<b>\$ 3,666,678</b>	<b>\$ 5,498,794</b>	<b>\$ 5,537,011</b>
<b>Total Financing Agreement Supported Authority Debt and District Share of Other Authority Obligations Coverage<sup>(11)</sup></b>	<b>4.86</b>	<b>4.61</b>	<b>3.74</b>	<b>4.06</b>	<b>3.34</b>

(1) Revenues shown are based on accrual basis under GAAP. See Note 2 of the West Bay Financial Statements attached hereto as Exhibit C-I.  
(2) Includes "Service charges."  
(3) Reflects "Capital Contributions" in the West Bay Financial Statements.  
(4) Includes flow equalization uses, permit and inspection fees and other services, other operating revenues, investment income and other nonoperating revenues.  
(5) Pursuant to an agreement between West Bay and Sharon Heights Golf and Country Club ("Sharon Heights"), Sharon Heights is expected to reimburse West Bay for all debt service payments on the West Bay SRF Loan and operating costs of the Sharon Heights Recycled Water Treatment Plant.

(Footnotes continued on following page)

(Continued from previous page)

- (6) Represents: (i) the District's SBSA Bond Payments under the West Bay Financing Agreement and (ii) the District's proportionate share of the Authority's other obligations payable from Net Revenues. Remaining treatment operating expenses paid to the Authority are included in the Operating Expenses. Includes the \$6.4 million cash-in-lieu payment to the Authority for capital costs.
- (7) Represents West Bay share of the Authority's pay-go capital expenditures.
- (8) Represents the District's SBSA Bond Payments due under the West Bay Financing Agreement with respect to the Authority's outstanding Bonds which have a first pledge of and lien upon Net Revenues. Amounts shown are net of reserve and interest credits received by West Bay.
- (9) Represents SBSA Bond Payments with respect to the SVCW 2009 Bonds, net of the District's proportionate share of Refundable Credits received as a result of receipt by the Authority of cash subsidy payments from the United States Treasury.
- (10) Represents West Bay share of the Authority's other obligations which are payable after the SBSA Bond Payments that have a first pledge of and lien upon the Net Revenues pursuant to the West Bay Financing Agreement.
- (11) Represents Net Revenues divided by "Total Financing Agreement Supported Authority Debt and District Share of Other Authority Obligations."

Source: West Bay Sanitary District.

### **Projected Revenues, Expenses, and Debt Service Coverage**

The unaudited actual results for the fiscal year ended June 30, 2021 and the estimated projected operating results and debt service coverage of the District for the fiscal years ending June 30, 2022 through 2024 are set forth below. Such projected operating results exclude certain revenue sources which are not included as Gross Revenues under the West Bay Financing Agreement. The projected operating results reflect certain significant assumptions concerning future events and circumstances. The financial forecast represents the District's estimate of projected financial results based on the assumptions stated in the footnotes to the chart set forth below. Such assumptions are material in the development of the District's financial projections, and variations in the assumptions may produce substantially different financial results. Actual operating results achieved during the projection period may vary from those presented in the forecast and such variations may be material.

Under the West Bay Financing Agreement, the District may issue additional obligations constituting Parity Debt, which debt would be secured by a pledge of and first lien upon the Net Revenues, senior to the District's allocable share of SVCW 2021 Notes. See "SECURITY FOR THE OBLIGATIONS — Financing Agreements" in the forepart of this Official Statement and "APPENDIX F — SUMMARY OF PRINCIPAL LEGAL DOCUMENTS" attached hereto.

The District anticipates that its allocable share of debt service on the SVCW 2019 Notes, the SVCW 2021A Notes and the SVCW 2021B Notes at maturity will be paid by the Authority from proceeds of the 2020 RESCU WIFIA Loan, the 2021 RESCU WIFIA Loan and the 2021 WWTP WIFIA Loan, respectively. The District's ability to pay its allocable share of debt service on each series of such notes is dependent on the availability of proceeds of the related WIFIA loan or, if such proceeds were not to be available at the maturity of such notes, SVCW's ability to issue and sell refunding obligations prior to the maturity of such notes. See the captions "INTRODUCTION — WIFIA Loans" and "CERTAIN AUTHORITY RISK FACTORS — Failure to Issue Refunding Bonds or Notes" in the forepart of this Official Statement.

As shown in Table C8 below, the District's obligation to pay its share of the Authority SRF Loans is currently not secured by SBSA Bond Payments under the West Bay Financing Agreement. The Fourth Amendment to Financing Agreement entered into by the District amended the West Bay Financing Agreement to provide that on and after the Parity Debt Date, such payments will be secured by a lien on SBSA Bond Payments on a parity with the Authority's Bonds which have a first lien on SBSA Bond Payments senior to the SVCW 2021 Notes. See the caption "INTRODUCTION — SWRCB Parity Date" in the Official Statement.

**TABLE C8  
WEST BAY SANITARY DISTRICT  
PROJECTED OPERATING RESULTS AND DEBT SERVICE COVERAGE  
FISCAL YEAR ENDING JUNE 30\***

	2021 <sup>(1)</sup>	2022 <sup>(2)</sup>	2023	2024
<b>GROSS REVENUES</b>				
Sewer Service Charges <sup>(3)</sup>	\$ 31,169,407	\$ 29,740,626	\$ 33,760,558	\$ 34,779,528
Connection Fees <sup>(4)</sup>	116,166	250,000	1,725,000	1,725,000
Investment Earnings & Other Revenues <sup>(5)</sup>	1,411,074	1,483,371	1,077,971	1,095,736
Sharon Heights Reimbursement <sup>(6)</sup>	1,231,756	1,174,771	1,223,108	1,253,057
<b>Total Revenues</b>	<b>\$ 33,928,403</b>	<b>\$ 32,648,768</b>	<b>\$ 37,786,637</b>	<b>\$ 38,853,320</b>
<b>OPERATION AND MAINTENANCE COSTS</b>				
Operating Expenses <sup>(7)</sup>	\$ 13,583,728	\$ 10,372,472	\$ 11,325,600	\$ 11,775,151
Authority Operating Expenses <sup>(8)</sup>	7,640,520	6,225,028	7,302,746	7,521,828
<b>Total Operation and Maintenance Costs</b>	<b>\$ 21,224,248</b>	<b>\$ 16,597,500</b>	<b>\$ 18,628,346</b>	<b>\$ 19,296,979</b>
<b>NET REVENUES</b>	<b>\$ 12,704,155</b>	<b>\$ 16,051,268</b>	<b>\$ 19,158,291</b>	<b>\$ 19,556,341</b>
<b>Parity Financing Agreement Supported Authority Debt and West Bay SRF Loan<sup>(9)</sup></b>				
SVCW 2014 Bonds <sup>(10)</sup>	\$ 1,145,480	\$ --	\$ --	\$ --
SVCW 2015 Bonds <sup>(10)</sup>	1,610,500	--	--	--
SVCW 2018 Bonds	1,837,713	1,839,213	1,834,338	1,837,963
SVCW 2021A Bonds	--	2,521,854	2,515,891	2,511,506
SVCW 2021B Bonds	--	221,419	221,675	219,800
West Bay SRF Loan	662,911	662,911	662,911	662,911
2020 RESCU WIFIA Loan <sup>(11)</sup>	--	--	--	--
2021 RESCU WIFIA Loan <sup>(12)</sup>	--	--	--	--
2021 WWTP WIFIA Loan <sup>(13)</sup>	--	--	--	--
<b>Total Parity Financing Agreement Supported Authority Debt and West Bay SRF Loan</b>	<b>\$ 5,256,603</b>	<b>\$ 5,245,396</b>	<b>\$ 5,234,815</b>	<b>\$ 5,232,180</b>
<b>Parity Financing Agreement Supported Authority Debt and West Bay SRF Loan Debt Coverage<sup>(14)</sup></b>	<b>2.42</b>	<b>3.06</b>	<b>3.66</b>	<b>3.74</b>
<b>Net Revenues Available to Pay Other Authority Obligations and Other District Debt</b>	<b>\$ 7,447,551</b>	<b>\$ 10,805,872</b>	<b>\$ 13,923,477</b>	<b>\$ 14,324,162</b>
<b>District Share of Other Authority Obligations<sup>(15)</sup></b>				
SRF Loans	506,765	650,247	650,247	650,247
Future SRF Loans <sup>(16)</sup>	--	--	--	1,774,308
<b>Total District Share of Other Authority Obligations</b>	<b>\$ 506,765</b>	<b>\$ 650,247</b>	<b>\$ 650,247</b>	<b>\$ 2,424,555</b>
<b>Total Financing Agreement Supported Authority Debt Service, West Bay SRF Loan and District Share of Other Authority Obligations</b>	<b>\$ 5,763,368</b>	<b>\$ 5,895,643</b>	<b>\$ 5,885,062</b>	<b>\$ 7,656,735</b>
<b>Total Financing Agreement Supported Authority Debt Service, West Bay SRF Loan and District Share of Other Authority Obligations Coverage<sup>(17)</sup></b>	<b>2.20</b>	<b>2.72</b>	<b>3.26</b>	<b>2.55</b>
<b>Net Revenues Available to Pay Subordinate Financing Agreement Supported Authority Debt</b>	<b>\$ 6,940,787</b>	<b>\$ 10,155,625</b>	<b>\$ 13,273,230</b>	<b>\$ 11,899,607</b>
<b>Subordinate Financing Agreement Supported Authority Debt<sup>(18)</sup></b>				
Series 2019 Notes <sup>(19)</sup>	--	--	--	--
Series 2021A Notes <sup>(20)</sup>	--	--	--	--
Series 2021B Notes <sup>(21)</sup>	--	--	--	--
<b>Total Subordinate Financing Agreement Supported Authority Debt</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>
<b>Subordinate Financing Agreement Supported Authority Debt Coverage</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Net Revenues Available to Pay Capital &amp; Other Non-Operating</b>	<b>\$ 6,940,787</b>	<b>\$ 10,155,625</b>	<b>\$ 13,273,230</b>	<b>\$ 11,899,607</b>

	2021 <sup>(1)</sup>	2022 <sup>(2)</sup>	2023	2024
<b>Capital &amp; Other Non-Operating</b>				
District Capital Improvements <sup>(22)</sup>	\$ 1,823,576	\$ 12,751,750	\$ 7,262,254	\$ 7,620,122
Authority Pay-Go Capital Funding	756,986	938,729	1,080,419	1,214,824
<b>Total Capital &amp; Other Non-Operating</b>	<b>\$ 2,580,562</b>	<b>\$ 13,690,479</b>	<b>\$ 8,342,673</b>	<b>\$ 8,834,946</b>
<b>Net Revenues (Deficit) Available After Capital &amp; Other Non-Operating<sup>(23)</sup></b>	<b>\$ 4,360,225</b>	<b>\$ (3,534,854)</b>	<b>\$ 4,930,556</b>	<b>\$ 3,064,661</b>

\* Totals may not sum due to independent rounding.

(1) Fiscal year 2020-21 based unaudited actuals through March 30, 2021 and estimates through June 30, 2021.

(2) Fiscal year 2020-21 based on budgeted amounts.

(3) Decrease in fiscal year 2021-22 reflects budgeted decrease in non-residential sewer service charges due to reduced flows in fiscal year 2020-21. The District attributes such reduced flows from non-residential customers due to partial shutdowns of business resulting from the COVID-19 pandemic. Fiscal year 2022-23 assumes an annual rate increase of 3%. Fiscal year 2023-24 assumes an annual rate increase of 2%. No assurances can be made that such rate increases will be approved. See the caption “— Wastewater Rates & Billing” herein.

(4) Projected to increase starting in fiscal year 2022-23.

(5) Includes interest income and maintenance contracts with other entities.

(6) Pursuant to an agreement between West Bay and Sharon Heights, Sharon Heights is expected to reimburse West Bay for all debt service payments on the West Bay SRF Loan and operating costs of the Sharon Heights Recycled Water Treatment Plant.

(7) Decrease in fiscal year 2021-22 primarily reflects the elimination of the payment toward the unfunded liability of the PERS plan as a result of the payoff of such liability in fiscal year 2020-21. See the caption “Pension and Other Employee Benefit Costs” above.

(8) The Authority’s operating expenses assume 3% annual increases for personnel (including benefits) and utilities and 3% annual increases for administrative expenses, equipment and supplies, and professional services.

(9) Represents the District’s SBSA Bond Payments due under the West Bay Financing Agreement with respect to the Authority’s outstanding Bonds which have a first pledge of and lien upon Net Revenues and the District’s obligation under the West Bay SRF Loan. Amounts shown are gross of any reserve and interest credits that may be received by West Bay.

(10) In March 2021, the SVCW 2014 Bonds and the SVCW 2015 Bonds were refunded from a portion of the proceeds of the SVCW 2021A Bonds.

(11) Assuming a four-year deferment on the 2020 RESCU WIFIA Loan, after substantial completion of the project, payment obligations of the District under the 2020 RESCU WIFIA Loan is not expected to begin until fiscal year 2027-28.

(12) Assuming a four-year deferment on the 2021 RESCU WIFIA Loan, after substantial completion of the project, payment obligations of the District under the 2021 RESCU WIFIA Loan is not expected to begin until fiscal year 2027-28.

(13) Assuming a four-year deferment on the 2021 WWTP WIFIA Loan, after substantial completion of the project, payment obligations of the District under the 2021 WWTP WIFIA Loan is not expected to begin until fiscal year 2029-30.

(14) Represents Net Revenues divided by “Total Parity Financing Agreement Supported Authority Debt and West Bay SRF Loan.”

(15) Represents the District’s share of other Authority obligations which are payable after the SBSA Bond Payments that have a first pledge of and lien upon the Net Revenues pursuant to the West Bay Financing Agreement. On and after the Parity Debt Date, the District’s obligation to pay its share of the Authority SRF Loans will be secured by a lien on SBSA Bond Payments on a parity with the Authority’s Bonds which have a first lien on SBSA Bond Payments. See the caption “INTRODUCTION — SWRCB Parity Date” in the Official Statement.

(16) Reflects the District’s estimated share of the 2021 Authority SRF Loans. Payment dates (including the initial payment date) may be revised based on the final amortization of the loans. See the caption “INTRODUCTION—Other Debt of the Authority” in the forepart of the Official Statement.

(17) Represents Net Revenues divided by “Total Financing Agreement Supported Authority Debt Service, West Bay SRF Loan and District Share of Other Authority Obligations.”

(18) Represents the District’s obligations which are secured by SBSA Bond Payments under the West Bay Financing Agreement junior to the pledge of an lien upon SBSA Bond Payments secured the obligations shown under “Total Parity Financing Agreement Supported Authority Debt and West Bay SRF Loan” and the West Bay SRF Loan.

(19) Debt service is shown net of capitalized interest through fiscal year 2023-24. The principal of and interest on the SVCW 2019 Notes are expected to be paid with proceeds of the 2020 RESCU WIFIA Loan.

(20) Debt service is shown net of capitalized interest through fiscal year 2023-24. The principal of and interest on the SVCW 2021A Notes are expected to be paid with proceeds of the 2021 RESCU WIFIA Loan.

(21) Debt service is shown net of capitalized interest through fiscal year 2025-26. The principal of and interest on the SVCW 2021B Notes are expected to be paid with proceeds of the 2021 WWTP WIFIA Loan.

(22) Increase in fiscal year 2021-22 capital improvement costs primarily reflects approximately \$6 million of capital projects carried over from the fiscal year 2020-21 capital improvement budget.

(23) Any excess Capital & Other Non-Operating expenses are paid out of District’s cash and investments.

Source: West Bay Sanitary District.

## **Absence of Litigation**

The District is not aware of any action, suit, or proceeding known to be pending or threatened, that would affect the validity of the District's Financing Agreement with the Authority, or materially adversely impact the District's finances.

## **Financial Statements**

The District's financial statements and auditor's report for the fiscal year ending June 30, 2020 are attached hereto as Exhibit C-I. The District's financial statements were audited by Chavan & Associates, LLP (the "Auditor"). The Auditor's letter concludes that the District's financial statements present fairly, in all material respects, the respective financial position of the District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year that ended in accordance with accounting principles generally accepted in the United States of America. The Auditor has not been asked to consent to the inclusion of the District's audited financial statements in this Official Statement. The Auditor has not been engaged to perform and has not performed, since the date of the financial statements and auditor's report for the fiscal year ending June 30, 2020, any procedures on the financial statements addressed therein. The Auditor has not performed any procedures relating to this Official Statement.

## **Constitutional Limitations on Appropriations and Charges**

Articles XIII A, XIII B, XIII C and XIII D of the California State Constitution were adopted as a measure that qualified for the ballot pursuant to California's initiative process. From time to time other initiatives could be proposed and adopted affecting the ability of the District to increase revenues sufficient to make payments to the Authority under the Joint Powers Agreement or the West Bay Financing Agreement.

The District is subject to the property tax limitations set forth in Article XIII A of the California State Constitution. However, no property taxes levied or collected by the District are pledged to the payment of SBSA Bond Payments under the West Bay Financing Agreement.

See the captions "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES" and "PARTICIPATING MEMBERS — Articles XIII C and XIII D and the Participating Members' Sewer Rates and Charges" in the forepart of this Official Statement.

## **Continuing Disclosure**

The District has covenanted in a Continuing Disclosure Certificate for the benefit of the Owners and Beneficial Owners of the SVCW 2021 Notes to provide certain financial information and operating data relating to the District by not later than nine months after the end of the District's fiscal year (currently March 31) (the "Annual Report"), commencing with the Annual Report that is due March 31, 2022. The Annual Report will be filed by the District with EMMA. The specific nature of the information as well as certain enumerated events to be contained in the Annual Reports is set forth in Appendix G to this Official Statement. These covenants have been made in order to assist the Underwriter in complying with Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission.



## PARTICIPATING MEMBERS

### General

Each of the Participating Members in this 2021 Notes issue has covenanted to pay its allocable share of debt service on the 2021 Notes. Set forth below is certain general information with respect to the Participating Members and their wastewater systems.

- **City of Redwood City** – Redwood City is located approximately 25 miles south of San Francisco, roughly midway between San Francisco and San Jose, and has a population of approximately 85,992 people. Redwood City owns and operates a sanitary sewer collection system consisting of approximately 200 miles of sewer pipelines and 31 sewer lift stations. In addition to providing wastewater service within its boundaries, the City also conveys wastewater from five County sewer maintenance districts and a small sewer assessment district that is part of the Town of Woodside to the Authority for treatment and effluent disposal pursuant to agreements with each agency. See Appendix A—“INFORMATION ABOUT REDWOOD CITY’S WASTEWATER SYSTEM” attached hereto.
- **City of San Carlos** – San Carlos is located approximately 22 miles south of San Francisco and about 26 miles north of San Jose. San Carlos has a population of approximately 30,080 people and owns and operates a sanitary sewer collection system consisting of approximately 105 miles of sewer pipelines ranging in size from 5 to 27 inches in diameter, and 6 sewer lift stations. In addition to providing wastewater service within its boundaries, San Carlos also conveys wastewater from four County sewer maintenance districts to the Authority for treatment and effluent disposal pursuant to agreements with each agency. See Appendix B—“INFORMATION ABOUT THE CITY OF SAN CARLOS WASTEWATER SYSTEM” attached hereto.
- **West Bay Sanitary District** – The West Bay Sanitary District is an independent special district that provides wastewater service to the City of Menlo Park and surrounding areas. West Bay is located approximately 26 miles south of San Francisco, between San Francisco and San Jose. West Bay serves a population of approximately 55,000 people and owns and operates a sanitary sewer collection system consisting of approximately 210 miles of sewer pipelines, and 12 sewer pump stations. See Appendix C—“INFORMATION ABOUT THE WEST BAY SANITARY DISTRICT” attached hereto.
- **City of Belmont** - The City of Belmont is located approximately 20 miles south of San Francisco and has a population of approximately 27,388 people. The City of Belmont owns and operates a sanitary sewer collection system consisting of approximately 80 miles of sewer pipelines and 12 sewer lift stations. See Appendix D—“INFORMATION ABOUT THE CITY OF BELMONT SEWER TREATMENT SYSTEM” attached hereto.

### Comparative Residential Sewer Charges

**Wastewater Rates.** Each of the Participating Members’ wastewater rates, other than Belmont, has increased in recent years, and it is anticipated that such rates will continue to increase annually. See the sections entitled “Wastewater Rates” in each of Appendices A through C for information about Redwood City’s, San Carlos’ and West Bay’s current wastewater rates. The table below shows single-family residential monthly sewer charges for each of Redwood City, San Carlos, and West Bay since for fiscal years 2017-18 through 2021-22.

**TABLE 7  
SILICON VALLEY CLEAN WATER  
SINGLE-FAMILY RESIDENTIAL MONTHLY SEWER SERVICE CHARGES**

	<b>2017-18</b>	<b>2018-19</b>	<b>2019-2020</b>	<b>2020-21</b>	<b>2021-22</b>
Redwood City	\$76.68	\$78.24	\$81.76	\$85.44	\$89.28
San Carlos	93.26	97.93	102.33	106.93	111.74
West Bay	89.33	93.83	98.08	102.00	104.58

Source: Redwood City, San Carlos and West Bay.

Belmont’s Sewer Treatment Facility Charges were established by the Belmont City Council in 2009 at annual rates that vary by customer class, as set forth in Appendix D attached hereto. Belmont’s Sewer Treatment Facility Charges have remained unchanged since they were first levied.

See Appendices A through D attached hereto for further information on historical and adopted sewer rate increases for each of the Participating Members.

**Comparative Rates.** The following table shows a comparison of regional monthly sewer service charges for a typical single-family home billed as of August 1, 2021.

**TABLE 8  
SILICON VALLEY CLEAN WATER  
SINGLE-FAMILY RESIDENTIAL MONTHLY SEWER SERVICE CHARGES**

City of Palo Alto	\$41.37
Mountain View*	48.72
Harbor Industrial SMD	51.25
Sunnyvale	53.38
South San Francisco	64.58
Brisbane*	68.16
Fair Oaks SMD	82.08
<b>Redwood City</b>	<b>89.28</b>
<b>West Bay Sanitary</b>	<b>104.58</b>
<b>San Carlos</b>	<b>111.74</b>
Oak Knoll SMD	124.58
Kensington Square SMD	129.17
San Bruno*	131.23
Devonshire CSD	131.67
<b>Belmont*</b>	<b>135.83</b>
Edgewood SMD	135.83
Emerald Lake SMD Zone 1	136.67
Emerald Lake Hts Zone 2	136.67
San Mateo*	137.67
Millbrae*	138.01
Crystal Springs CSD	138.67
Pacifica*	150.51
Burlingame Hills SMD	151.00
Scenic Heights CSD	174.58
Hillsborough	307.08

\* Based on 800 cubic feet of monthly winter water use. All others use fixed charges that do not vary with consumption.

Source: Prepared by the Authority based on data from each agency's published rates.

### **Teeter Plan**

The County Board of Supervisors utilizes the alternative method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in section 4701 et seq. of the California Revenue and Taxation Code. Generally, the Teeter Plan provides for a tax distribution procedure in which secured roll taxes and assessments are distributed to taxing agencies within the County on the basis of the tax and assessment levy, rather than on the basis of actual tax and assessment collections. The County then receives all future delinquent tax and assessment payments and penalties. Pursuant to the Teeter Plan, the County establishes a tax and assessment losses reserve fund and a tax resources account, and each entity levying or entitled to receipt of property taxes in the County may draw on the amount of uncollected taxes and assessments credited to its fund, in the same manner as if the amount credited had been collected.

Once adopted, a county's Teeter Plan will remain in effect in perpetuity unless the board of supervisors orders its discontinuance or unless prior to the commencement of a fiscal year a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two-thirds of the participating districts in the county. An electing county may, however, opt to discontinue the Teeter Plan with respect to any levying agency in the county if the board of supervisors, by action taken not later than July 15 of a fiscal year, elects to discontinue the

procedure with respect to such levying agency and the rate of secured tax delinquencies in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll by that agency.

Sewer service charges for San Carlos (other than certain governmental agencies, which are billed directly), Belmont and West Bay are billed on the County's property tax bills. Charges of sewer districts served by Redwood City are placed on the County's property tax bills. Redwood City conducts its own billing. As described above, the County's Teeter Plan currently applies to the Participating Members, however, the County has the option to discontinue any Participating Member with respect to the Teeter Plan.

On June 14, 2021, the Redwood City held a public hearing to consider placing Redwood City's sewer service charges on the County's property tax bills. No decision was reached and Redwood City's city council directed staff to conduct further research and public outreach for further consideration on the matter.

### **Articles XIII C and XIII D and the Participating Members' Water Rates and Charges**

The Participating Members' current sewer rates (see Appendices A through D attached hereto) were adopted by the governing bodies of the respective Participating Members following notice to property owners and a public hearing held at least 45 days after the notice had been mailed, in compliance with the *Bighorn* decision. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES —Proposition 218" herein.

The Participating Members believe their sewer rates and charges do not constitute "taxes" under Article XIII C as revised by Proposition 26 because (i) as described in subsection 1(e)(7) of Article XIII C, the Participating Members' sewer rates and charges are "property-related fees imposed in accordance with the provisions of Article XIII D" (and are also charges for a "property-related service" as defined in subsection 2(g) of Article XIII D) and (ii), as described in subsection 1(e)(2) of Article XIII C, the sewer rates and charges are charged for "a specific government service or product provided directly to the payor that is not provided to those not charged."

As a wholesale entity charging its members in accordance with the Financing Agreements and Joint Powers Agreement, the Authority does not believe its rates and charges are subject to the procedural or substantive provisions of Article XIII D. Such provisions of Article XIII D are, however, applicable to the Participating Members. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES" herein and Appendices A through D attached hereto.

### **CERTAIN PARTICIPATING MEMBER RISK FACTORS**

The following factors, along with other information in this Official Statement, should be considered by potential investors in evaluating the risks in the purchase of the 2021 Notes.

#### **Wastewater System Expenses**

There can be no assurance that the wastewater system operation and maintenance expenses of the Participating Members will be consistent with the levels described in Appendices A through D to this Official Statement. Increases in the cost of staffing, energy, or other expenses could increase operation and maintenance costs of the Participating Member wastewater systems and, resultantly, reduce amounts available to the Participating Members to make payments to the Authority under the Financing Agreements or the Joint Powers Agreement. Furthermore, there can be no assurance that any other entity with regulatory authority over the Participating Members'

wastewater systems will not adopt further restrictions on operation of those wastewater systems, leading to increased rates.

### **Demand for the Sewer Service**

Commercial/non-residential sewer rates charged by Redwood City, San Carlos and West Bay are based on volume. Demand for sewer service, as indicated by annual wastewater flows to the Authority as set forth in Appendices A through D attached hereto, has fluctuated in recent fiscal years for various reasons, including water conservation by residential, commercial and industrial users of the Participating Members as well as a diversion of flows by West Bay to its recycled water facility. There can be no assurance that the demand for sewer service provided by the Participating Members' wastewater systems will be maintained at current or historical levels. Reduction in the level of demand could require an increase in rates or charges in order to produce Net Revenues or Surplus Revenues sufficient to comply with each Participating Member's obligations under the Financing Agreements to pay SBSA Bond Payments or Authority Bond Payments.

### **Senior Debt of the Participating Members**

The Participating Members are authorized by the respective Financing Agreements to issue indebtedness with a lien on Net Revenues or Sewer Treatment Facility Revenues, as applicable, on a senior basis to the SBSA Bond Payments or Authority Bond Payments securing the 2021 Notes, if certain financial tests are met. See the caption "SECURITY FOR THE 2021 NOTES—Financing Agreements—Additional Debt of Participating Members" herein. These financial tests may involve, to some extent, projections of Net Revenues or Sewer Treatment Facility Revenues. There can be no assurance that the assumptions which form the basis of such projections, if any, will be actually realized subsequent to the date of such projections. If such assumptions are not realized, the amount of future Net Revenues or Surplus Revenues may be less than projected, and the actual amount of Net Revenues or Surplus Revenues may be insufficient to pay SBSA Bond Payments or Authority Bond Payments.

Additionally, the obligation of Redwood City, San Carlos and West Bay to pay their share of operation and maintenance costs of the Authority is senior to their obligations to pay SBSA Bond Payments and Authority Bond Payments under the Financing Agreements, representing debt service on the Prior SVCW Bonds, the 2021 Notes, the 2020 RESCU WIFIA Loan, the 2021 RESCU WIFIA Loan and the 2021 WWTP WIFIA Loan. See Appendix F—"FINANCING AGREEMENTS" attached hereto.

### **Parity Debt of the Participating Members**

The Participating Members are authorized by the respective Financing Agreements to incur indebtedness with a lien on Net Revenues or Surplus Revenues, as applicable, on a parity basis with the SBSA Bond Payments or Authority Bond Payments securing the 2021 Notes, if certain financial tests are met. See the caption "SECURITY FOR THE 2021 NOTES—Financing Agreements" herein and Appendix F—"FINANCING AGREEMENTS" attached hereto. These financial tests may involve, to some extent, projections of Net Revenues and Surplus Revenues, as applicable. There can be no assurance that the assumptions which form the basis of such projections, if any, will be actually realized subsequent to the date of such projections. If such assumptions are not realized, the amount of future Net Revenues or Surplus Revenues may be less than projected, and the actual amount of Net Revenues or Surplus Revenues may be insufficient to pay SBSA Bond Payments or Authority Bond Payments.

### **Coronavirus**

The outbreak of the new highly transmissible strain of the coronavirus known as COVID-19 has spread to numerous countries across the globe, including the United States. Impacts to the Participating Members associated with the COVID-19 outbreak have included, but are not limited to, changes to wastewater flows and loading volumes amongst communities, increasing costs and challenges to the public health system in and around the Participating Members' service areas, cancellations of public events and disruption of the regional and local economy with corresponding decreases in the Participating Members' wastewater system revenues.

On April 2, 2020, Governor Newsom signed Executive Order N-42-20, which, among other things, (i) suspends the authority of water systems from suspending water service for non-payment, (ii) orders that residential service to occupied residences that has been discontinued for nonpayment since March 4, 2020 be restored and (iii) provides that the SWRCB will identify best practices, guidelines, or both to be implemented during the COVID-19 emergency (a) to address non-payment or reduced payments, (b) to promote and to ensure continuity of service by water systems and wastewater systems, and (c) to provide measures such as the sharing of supplies, equipment and staffing to relieve water systems under financial distress. In June 2021, the Governor extended Executive Order No. N-42-20 through September 30, 2021.

Other than with respect to certain sewer districts that it serves, Redwood City includes the charges for water and sewer services on a combined utility bill to each of its customers. As a result, in addition to water service, the Redwood City is not suspending sewer service for non-payment. San Carlos and West Bay's sewer utility fees are collected on property tax bills sent by the County (other than with respect to certain governmental agencies served by San Carlos' wastewater system, which are billed directly). See Appendices A through D hereto for a discussion on actions that the Participating Members have taken in response to COVID-19 and the Governor's orders with respect thereto.

With widespread vaccination currently underway in the United States and many countries worldwide, some of the governmental-imposed stay-at-home orders and restrictions on operations of schools and businesses implemented to respond to and control the outbreak have been eased. However, restrictions may be re-imposed in various jurisdictions from time to time as local conditions warrant. The impact of any such future restrictions on the operations and finances of the Participating Members is unknown and there can be no assurance that the outbreak of COVID-19 will not affect the Participating Members' ability to pay their allocated shares of debt service on the 2021 Notes under their Financing Agreements. See the caption "CERTAIN AUTHORITY RISK FACTORS—Coronavirus."

## **Natural Disasters**

**General.** The Participating Members, like all northern California communities, are subject to unpredictable seismic activity, fires, floods, or other natural disasters. A severe natural disaster, such as an earthquake, fire, or flood, could result in substantial damage to each of the Participating Members, including their wastewater systems. Such an event—which could increase the costs of operating and maintaining the Participating Members' wastewater systems and could reduce revenues as a result of widespread damage—could adversely impact the Participating Members' ability to pay their SBSA Bond Payment or Authority Payments.

**Seismic Activity.** Each of the Participating Members could experience ground shaking, ground failure, landslides or fault creep related to major faults in the area. The San Andreas, fault, located approximately two miles west of the Participating Members, and the Hayward fault, located approximately 14 miles east of the Participating Members, are both active. Historic earthquakes have caused strong ground shaking and damage in the San Francisco Bay Area, the most recent being the magnitude 6.9 Loma Prieta earthquake on the San Andreas Fault in October 1989. The

epicenter was approximately 50 miles south of the Participating Members and caused strong ground shaking for about 20 seconds.

The casualty and liability insurance of the Participating Members may not cover losses due to earthquake. San Carlos carries earthquake insurance, however Redwood City, Belmont and West Bay do not. If there were to be an occurrence of severe seismic activity in the service areas of the Participating Members, there could be substantial damage to and interference with the operations of a Participating Member, which could impact the receipt of Net Revenues or Surplus Revenues, as applicable.

**Flooding.** A portion of each of the Participating Members' service areas is mapped within the 100-year flood plain and has potential for flooding if rain events exceed the floodplain capacity.

**Fire.** Wildfires have occurred in recent years in different regions of the State and a number of fires were recently burning in California, damaging and threatening thousands of homes. There can be no assurance fires will not occur in the boundaries of the Participating Members in the future, leading to decreased usage of any of the Participating Members' wastewater system, and a decline in Net Revenues or Surplus Revenues, as applicable, available to pay SBSA Bond Payments or Authority Bond Payments.

**Drought.** On April 1, 2015, for the first time in California's history, Governor Edmund G. Brown directed the SWRCB to implement mandatory water reductions in cities and towns across California to reduce water usage by 25%, which in many cases led to declines in wastewater usage as well. Although most of such mandatory water reductions have since been lifted, the State has since enacted permanent restrictions on water usage. Belmont's Sewer Treatment Facility Charges are charged at fixed rates, while only the other Participating Members' rates for non-residential customers are volume-based. There can be no assurance that future drought conditions would not re-appear in the future, leading to decreased usage of each Participating Member's wastewater system, and a potential decline in Net Revenues or Surplus Revenues, as applicable, available to the Participating Members with which to pay SBSA Bond Payments and Authority Bond Payments. Additionally, there can be no assurance that the State's permanent water usage restrictions will not lead to decreased usage of each Participating Members' wastewater system resulting in lower collection of volumetric rates.

On July 8, 2021, due to ongoing drought conditions, Governor Gavin Newsom signed an executive order calling on all residents in the State to voluntarily reduce water use by 15% from 2020 levels. Redwood City, San Carlos and West Bay's non-residential/commercial sewer accounts are charged based on flow. There can be no assurance that reduced water use due to drought conditions and the State's permanent water usage restrictions will not lead to decreased usage of the Members' wastewater systems and with respect to Redwood City, San Carlos and West Bay, decreased sewer service charges.

**Climate Change.** Climate change caused by human activities may have adverse effects on the Participating Members' wastewater systems. Climate change can also result in more variable weather patterns throughout the State, which can lead to longer and more severe droughts as well as increased risk of flooding and a rise in sea levels. Certain of the Participating Members' wastewater system facilities are located adjacent to the San Francisco Bay and may be negatively impacted by flooding and a rise in sea levels. The Participating Members each consider the potential effects of climate change in their planning.

Projections of the impacts of global climate change on the Participating Members are complex and depend on many factors that are outside the Participating Members' control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change

are based on assumptions contained in such studies, but actual events may vary materially. Also, the scientific understanding of climate change and its effects continues to evolve. Accordingly, while the Participating Members have considered climate change, including potential sea level rise in the San Francisco Bay, in their respective wastewater system facilities, the Participating Members are unable to forecast with certainty when adverse impacts of climate change will occur or the extent of such impacts. While the impacts of climate change may be mitigated by the Participating Members' past and future investment in adaptation strategies, the Participating Members can give no assurance about the net effects of those strategies and whether the Participating Members will be required to take additional adaptive mitigation measures.

In accordance with the California Global Warming Solutions Act of 2006 (Assembly Bill No. 32), the State Attorney General's Office now requires that local governments examine local policies and large-scale planning efforts to determine how to reduce greenhouse gas emissions. Additionally, the State has enacted the California Global Warming Solutions Act of 2006 (Senate Bill No. 32), which established a revised statewide GHG emission reduction target of 40% below 1990 levels by 2030.

Redwood City. Redwood City adopted a Climate Action Plan (the "2013 CAP") on April 22, 2013 that contained strategies to reduce emissions 15% below 2005 levels by 2020. Since the adoption of the 2013 CAP, a majority of recommended strategies therein are on-going programs, have been completed by Redwood City, or have been superseded by subsequent reduction measures. On November 16, 2020, Redwood City adopted the 2030 Climate Action Plan, which identifies greenhouse gas emission reduction targets through 2030, builds on Redwood City's recent 2013 CAP implementation experiences, and adds sea level rise and climate adaptation strategies.

San Carlos. San Carlos is in the process of developing a new Climate Mitigation and Action Plan ("CMAP"). The San Carlos CMAP will act as a blueprint for how San Carlos will address climate change and will include new and updated climate action strategies consistent with state efforts to reduce greenhouse gas emissions 40% by 2030 and 80 % by 2050 relative to 1990 levels. The CMAP will also look at how San Carlos is vulnerable to climate hazards such as sea level rise and bayshore flooding and incorporate policies to help build a more resilient community. The CMAP serves as an update to San Carlos' first Climate Action Plan adopted in 2009.

West Bay. West Bay has not adopted a climate action plan, however West Bay management takes climate change factors into consideration during planning and operations.

Belmont. Belmont adopted a Climate Action Plan on November 14, 2017 that contained strategies to reduce emissions 15% below 2005 levels by 2020 and 50% below 2005 levels by 2035.

The Participating Members are unable to predict the impact that any current or future laws and regulations related to climate change and the effects of climate change will have on the revenues of the Participating Members. Such effects could be material.

### **Limitations on Remedies Available; Bankruptcy**

The enforceability of the rights and remedies of the Owners and the obligations of any of the Participating Members may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; equitable principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty



of the State and its governmental bodies in the interest of servicing a significant and legitimate public purpose. Bankruptcy proceedings, or the exercising of powers by the federal or State government, if initiated, could subject the Owners to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights.

### **Limited Obligations**

The SBSA Bond Payments and Authority Bond Payments are limited obligations of the Participating Members payable solely from and secured solely by the Net Revenues and Surplus Revenues, as applicable, of their respective wastewater systems. If for any reason, any Participating Member does not have Net Revenues or Surplus Revenues, as applicable, available in an amount sufficient to make its SBSA Bond Payments or Authority Bond Payments, the Participating Member will not be obligated to utilize any other of its funds to make SBSA Bond Payments or Authority Bond Payments.

The obligation of the Participating Members to pay the SBSA Bond Payments and Authority Bond Payments does not constitute an obligation of any Participating Member for which the Participating Member is obligated to levy or pledge any form of taxation or for which the Participating Member has levied or pledged any form of taxation. Each of the Participating Members has covenanted to establish rates and charges for its wastewater system to yield Gross Revenues or Surplus Revenues, as applicable, sufficient to make the SBSA Bond Payments and Authority Bond Payments.

The obligation of each Participating Member to pay SBSA Bond Payments or Authority Bond Payments does not constitute a debt of that Participating Member or the State or any of its political subdivisions, and does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

If the Gross Revenues generated by Redwood City, San Carlos or West Bay were insufficient to pay that Participating Member's Operation and Maintenance Costs and SBSA Bond Payments and Authority Bond Payments under the respective Financing Agreements, there would likely not be Net Revenues available to pay SBSA Bond Payments or Authority Bond Payments. Belmont's obligation to pay operation and maintenance costs of the Authority and its own sewer treatment facility is subordinate to its obligations relating to the Prior Belmont Bonds, SVCW 2019 Notes, the 2021 Notes, the 2020 RESCU WIFIA Loan, the 2021 RESCU WIFIA Loan, the 2021 WWTP WIFIA Loan and the Authority SRF Loans.

See the caption "SECURITY FOR THE 2021 NOTES—Financing Agreements" herein and Appendix E—"FINANCING AGREEMENTS" attached hereto.

### **No Cross Collateralization**

The Net Revenues or Sewer Treatment Facility Revenues, as applicable, from one Participating Member's wastewater system are pledged solely to that Participating Member's obligations under the Financing Agreement to which it is a party. No Participating Member has any liability or responsibility for the SBSA Bond Payment or Authority Bond Payment of another Participating Member.

### **Change in Law**

In addition to the other limitations described herein, the California electorate or Legislature could adopt a constitutional amendment, legislation, or an initiative with the effect of reducing

revenues payable to or collected by the Participating Members. Additionally, changes in State or federal regulations could result in a reduction in revenues payable to or collected by the Participating Members. There is no assurance that the California electorate or Legislature will not at some future time approve additional limitations that could have the effect of reducing the Net Revenues or Surplus Revenues, as applicable, of a Participating Member and adversely affecting the security of the 2021 Notes.

## **Collection of Property Taxes**

Sewer service charges from San Carlos (other than with respect to certain governmental agencies served by San Carlos' wastewater system, which are billed directly), Belmont and West Bay are billed on the County's property tax bills. The County has adopted the Teeter Plan, under which the County pays each agency for the full amount of sewer service charges assessed on the County's tax rolls. See the caption "PARTICIPATING MEMBERS — Teeter Plan." The County has the option to discontinue an agency's participation in the Teeter Plan, and there is no assurance that the County or San Carlos, Belmont and West Bay will continue to participate in the Teeter Plan.

On June 14, 2021, the Redwood City held a public hearing to consider placing Redwood City's sewer service charges on the County's property tax bills. No decision was reached and Redwood City's city council directed staff to conduct further research and public outreach for further consideration on the matter.

Failure of San Carlos, Belmont or West Bay to properly levy or collect service charges or fees in connection with its wastewater systems, or the discontinuance of the County's or a Participating Member's participation in the Teeter Plan, could result in a delay or decrease in the collection of Net Revenues by San Carlos and West Bay and Surplus Revenues by Belmont and the failure of San Carlos and West Bay to generate Net Revenues and the failure of Belmont to generate Surplus Revenues in an amount sufficient to pay SBSA Bond Payments or Authority Bond Payments.

## **Cybersecurity**

The Participating Members, like many other public and private entities, rely on large and complex technology environments to conduct their operations. As recipients and providers of personal, private, or sensitive information, the Participating Members are subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the Participating Members' digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. To date, none of the Participating Members has experienced an attack on its computer operating system which resulted in a breach of its cybersecurity systems that are in place. However, no assurances can be given that the Participating Members' efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of any of the Participating Members. Each of the Participating Members carries cybersecurity insurance.

## **Failure of the Authority to Refund the 2021 Notes**

The Authority's ability to pay principal on the 2021 Notes is dependent on the Authority's ability to receive proceeds of the 2021 RESCU WIFIA Loan or the 2021 WWTP WIFIA Loan, as applicable, or to issue and sell refunding obligations prior to the maturity of the respective series of the 2021 Notes. See the captions "CERTAIN AUTHORITY RISK FACTORS—Failure of SVCW to Refund the Notes" and "INTRODUCTION—WIFIA Loans" herein.



## WEST BAY SANITARY DISTRICT AGENDA ITEM 5

**To:** *Board of Directors*

**From:** *Sergio Ramirez, District Manager*

**Subject:** *Discussion and Direction on the 2022 Solid Waste Rate Study Analysis*

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### **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. The transition to these services commencing on January 1, 2011 has been significant in not just the expanded scope of services but also on diversion of materials from landfill. We've seen significant increases in residential recycling and organic materials collection while solid waste generation has significantly decreased. The Shoreway Environmental Center which is operated by South Bay Recycling will again undergo substantial capital improvements to facilitate single stream recycling service provided by Recology, enhance onsite public recycling activities, provide for fire suppression, and improve the quality of recyclables.

The District has performed annual rates studies to make certain the District has the revenue required to provide the solid waste and recycling collection services. HF&H Consultants, LLC provide an estimate this year to perform a rate analysis for the 2022 rates. The Board of Directors asked staff to provide a report and analysis on whether the Board should contract with HF&H Consultants again this year or should the District use the projections in the 2021 study to set rates for 2022.

The previous rate studies have looked into rates that are more in line with "Cost for Service" for residential and commercial services. This has allowed the District to achieve its goal within 10%.

### **Analysis**

The prior 2021 Solid Waste Rate Study increased rates by an average of 5% adding approximately \$18 thousand in revenue. This was an excess of \$35 thousand of the revenue required to provide the service. According to the 2021 Solid Waste Rate Study, the 2022 projected increases were +5.98% for the 20 gallon cart and +3.27% for the 32 gallon cart. If the Board voted to raise rate by the projected amount this year, it would generate enough revenue need in the projections for 2022.

The proposed 2022 Solid Waste Rate Study estimate is approximately \$42 thousand. This includes approximately \$12 thousand for Franchise Assignment Transition Assistance with the County of San Mateo if needed.

According to Recology of San Mateo County (Recology) it expects an increase of 1.9% but as of now has not fully accounted for 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 2021 Solid Waste Rate Study Projection are listed below:

**Table 5:**  
**Possible Residential Rate Adjustments to Achieve Cost of Service by Cart Size**

		<i>Container Size</i>							
		20 gallon		32 gallon		64 gallon		96 gallon	
Current Rate→		\$43.00		\$51.00		\$72.00		\$105.00	
<b>Proposed 2021</b>	<b>6.98%</b>	<b>\$46.00</b>	<b>4.90%</b>	<b>\$53.50</b>	<b>0.00%</b>	<b>\$72.00</b>	<b>0.00%</b>	<b>\$105.00</b>	
<b>Projected 2022</b>	5.98%	\$48.75	3.27%	\$55.25	0.00%	\$72.00	0.00%	\$105.00	
<b>2023</b>	4.61%	\$51.00	3.62%	\$57.25	3.47%	\$74.50	0.00%	\$105.00	
<b>2024</b>	4.41%	\$53.25	3.50%	\$59.25	3.36%	\$77.00	0.00%	\$105.00	
<b>2025</b>	4.23%	\$55.50	3.80%	\$61.50	3.25%	\$79.50	0.00%	\$105.00	
<b>2026</b>	4.06%	\$57.75	3.24%	\$63.50	3.14%	\$82.00	0.00%	\$105.00	
<b>2026 Projected Cost of Service</b>		<b>\$57.54</b>		<b>\$63.47</b>		<b>\$81.91</b>		<b>\$103.00</b>	

If a new rate structure for 2022 is approved by the Board as projected above, a Prop 218 notice will be required. District Staff will prepare the 218 Notice and site the 2021 Solid Waste Rate Study Projections in table 5.

**Fiscal Impact**

No Fiscal Impact at this time.

**Recommendation**

Staff recommends discussion and feedback from the Board of Directors in order to provide Staff with direction on how to proceed with the rate study, present to the Board a rate structure recommendation in September 2021, and set a 2022 rate increase Public Hearing in December.

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Robert D. Hilton, Emeritus  
John W. Farnkopf, PE  
Laith B. Ezzet, CMC  
Richard J. Simonson, CMC  
Marva M. Sheehan, CPA  
Rob Hilton, CMC

July 12, 2021

***Sent via e-mail***

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

**Subject: Proposal to Update the District's Solid Waste/Recycling Rate Model for RY 2022 and Optional Technical Assistance**

Dear Mr. Ramirez:

HF&H Consultants, LLC (HF&H) is pleased to present this proposal to the West Bay Sanitary District (District) to review and update the District's solid waste/ recycling collection rate model to reflect projected results for 2022. The current rate model was developed by HF&H and adopted by the District's Board of Directors (Board) on December 13, 2017.

### **Background**

As a member of the South Bayside Waste Management Authority (SBWMA or Rethink Waste), the District transitioned collection services and operation of the Shoreway Recycling and Disposal Center in San Carlos from Allied Waste/Republic to Recology San Mateo County (RSMC) and South Bay Recycling (SBR). RSMC and SBR took over collection services and operation of the Shoreway Environmental Center (Shoreway), respectively, beginning January 1, 2011.

Annually, the SBWMA provides the District with its allocation of the projected costs to provide collection service and operation of Shoreway. This information is utilized in the rate-setting process.

### **Work Scope**

#### **Task 1. Obtain Cost, Rate and Current Customer Account Data**

HF&H will contact RSMC or the SBWMA to obtain: 1) actual year-to-date revenues; 2) current rates; and, 3) current customer account data by type and level of service (e.g., residential customers with one 32-gallon can, two 32-gallon cans, etc. and commercial customers with one 2-yard bin serviced 2 times per week, one 4-yard bin serviced 3 times per week).



Mr. Sergio Ramirez  
July 12, 2021  
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HF&H will utilize the current account and rate data to project the District's overall revenue to be generated by the District's **current** solid waste rates. We will compare the projected revenue to projected costs (based on RSMC's preliminary 2022 revenue requirement and projected 2022 SBWMA disposal/processing expenses) to determine the necessary overall rate increase that will generate sufficient revenue to cover costs.

### **Task 2. Update Rate Model and "Cost of Service" Model**

Based on the information gathered in Task 1, we will update the multi-year rate model (through 2027) to reflect year-to-date actual results and compare the results to what was anticipated when the 2021 rate increases were adopted by the Board. We will also update the "Cost of Service" model developed as part of the 2021 rate setting process.

If there is a significant rate adjustment required for 2022, we will identify the specific causes (e.g., lower-than-anticipated revenue due to a decline in subscription levels, higher-than-anticipated collection and/or disposal costs) and determine the reasonableness of the cause based on our industry knowledge.

### **Task 3. Technical Assistance (Optional / as needed)**

HF&H will prepare for and conduct a conference call with District staff to confirm the District's objectives for any additional assistance required.

Based on the discussion with District staff, we will prepare for and attend up to two meetings with the District, the County of San Mateo County (County), and the Local Agency Formation Commission (LAFCo), to facilitate the Franchise assignment process.

### **Task 4. Franchise Assignment (Transition Assistance - Optional/ as needed)**

HF&H will provide additional assistance to West Bay in their efforts to transition an assignment of their Solid Waste Franchise to another SBWMA member agency to the County. This assistance would be in the form of advice, document review and/or preparation (i.e., applications, MOUs, resolutions, staff reports).

HF&H will assist the District in the preparation of a public outreach announcement and mailer, as well as attend up to three public meetings to present the change in the solid waste oversight and respond to any questions that may arise.

Mr. Sergio Ramirez  
July 12, 2021  
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## **Task 5. Communicate Results**

HF&H will confer with District staff to review the model and discuss the alternative rate scenarios. We will revise the rate scenarios, if necessary, and work with District staff to develop the final 2022 rate scenarios to present to the Board.

HF&H will draft a letter report summarizing our findings and a summary of the rate structure options. We will also prepare a separate draft letter report summarizing our findings of the analysis performed related to the transferring of management of solid waste activities to the County. We will meet with District staff via a conference call to discuss the draft reports and revise them, if necessary.

HF&H will assist the District in the preparation of the Proposition 218 Notification and mailer, as well update the Attachment Q Rate Sheet.

We will prepare presentations to the Board and attend up to three Board meetings to further discuss and present the 2022 rates.

## **Staffing**

We propose the following staff for this engagement. Both have worked on this engagement in prior years and have the historical understanding to complete the project.

### **Rick Simonson, CMC, Senior Vice President – Engagement Director**

As Engagement Director, Mr. Simonson will prepare and supervise the performance of our proposed scope of work, manage the project schedule, and draft the findings and recommendations and other work products. He will supervise and review the work performed by staff assigned to the project to ensure that it is performed in accordance with the proposed scope of work, our detailed work plans, and meets the District's objectives. Mr. Simonson will:

- Attend all key meetings with District staff; and,
- Present our recommendations and options to the Board.

Mr. Simonson has over 25 years of financial and accounting/audit experience, with over 20 years at HF&H. Mr. Simonson has been conducting an annual sewer service charge rate study for the District since 2015 and has periodically assisted the District with solid waste-related rate analyses throughout his 20 years at HF&H.

Mr. Sergio Ramirez  
 July 12, 2021  
 Page 4 of 5

**Marva Sheehan, CPA, Vice President – Engagement Advisor**

Ms. Sheehan has been the Engagement Director for this analysis for the last several years. As Engagement Advisor, she will be available to provide insight into prior years review results, as necessary. She will also ensure there is year over year continuity in the review and the reporting of our findings.

**Dave Hilton, Project Manager – Engagement Analyst**

As Engagement Analyst, Mr. Hilton will perform the analysis as prescribed in our scope of work. He performed this analysis last year and is very familiar with both the District's objectives and RSMC's and the SBWMA's reporting format.

This project management team will be assisted, as necessary, by other qualified staff working under our direct supervision.

**Schedule**

Based on the procedures described above and information provided by District staff, we developed the following preliminary schedule for the performance of the engagement and delivery of key work products.

Milestone	Deliverable	Estimated Completion Date
Commence Engagement		Wednesday, August 11, 2021
Update Prior Year Rate Model		
Determine Rate Adjustment for 2022	Preliminary Rate Scenarios	Wednesday, August 25, 2021
Prepare Draft Report	Draft Report	Wednesday, September 1, 2021
Preliminary Rate Adjustment Board Presentation	Presentation	Wednesday, September 8, 2021
Prepare Final Report and update Prop 218 Notice	Final Report & Notice	Thursday, September 23, 2021
Preliminary Rate Adjustment Board Presentation	Presentation	Wednesday, October 13, 2021
Final Board Presentation	Presentation	Wednesday, December 8, 2021

At the commencement of the engagement, we will meet with District staff to review and agree upon a final, more-detailed schedule for the performance of the engagement. We are prepared to commence this engagement promptly and pursue the completion of the engagement diligently. Nevertheless, we are dependent on the performance of certain activities by persons outside our control. Should the engagement become delayed for any reason, we will immediately notify the District.



Mr. Sergio Ramirez  
July 12, 2021  
Page 5 of 5

### Projected Fees

Due to the nature of this engagement, we propose to bill you on a time-and-materials basis at our standard billing rates (attached). Our estimated fees (including out-of-pocket expenses) for performing this project as described above is \$42,200, inclusive of the optional tasks, depending on the availability of data, the complexity of the procedures, and the number of meetings we attend. If additional fees are necessary, we will inform you before proceeding. Also, it is possible that our level of effort will be less and if so, we will, of course, bill you the lesser amount.

\* \* \* \*

We appreciate the opportunity to be of continued service to the District. We value our relationship with you and the District and are committed to providing you the highest level of service in the performance of this matter for you. Should you have any questions, please feel free to call me at (925) 977-6957.

Sincerely,  
HF&H Consultants, LLC

Accepted on behalf of the West Bay Sanitary District  
this \_\_\_\_\_ day of \_\_\_\_\_, 2021

Rick Simonson, CMC  
Senior Vice President

\_\_\_\_\_  
Sergio Ramirez  
District Manager

Attachments:

- A. Fee Estimate
- B. Standard Hourly Rates and Billing Arrangements

cc: Kim Erwin, HF&H

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# ATTACHMENT A: FEE ESTIMATE

## West Bay Sanitary District Fee Estimate

		R Simonson \$285	M Sheehan \$285	D Hilton \$230	Associate \$160	Administrative \$115	Total Hours	Proposed Cost
Task 1	Gather / Review 2022 Revenue Requirement and Customer Account Data	1	0	2	1	0	4	\$ 905
Task 2	Prepare Baseline Revenue Requirement and Update "Cost of Service" Model through 2027	6	2	8	17	0	33	\$ 6,840
Task 3	Technical Assistance (Optional / as needed)	10	3	10	0	0	23	\$ 6,005
Task 4	Franchise Assignment (Transition Assistance-Optional / as needed)	20	3	16	10	4	53	\$ 12,295
Task 5	Communication of Findings	18	3	27	8	6	62	\$ 14,165
	Engagement Management	2	0	4	0	0	6	\$ 1,490
	<b>Total Labor - All Tasks</b>	<b>57</b>	<b>11</b>	<b>67</b>	<b>36</b>	<b>10</b>	<b>181</b>	<b>\$ 41,700</b>
	Out-of-Pocket Expenses							\$ 500
	<b>Total Budget</b>							<b>\$ 42,200</b>

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# ATTACHMENT B: HF&H STANDARD HOURLY RATES AND BILLING ARRANGEMENTS

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(Effective January 1, 2021)<sup>1</sup>

## Professional Fees

Hourly rates for professional and administrative personnel are as follows:

<u>Position</u>	<u>Rate</u>
President	\$305
Senior Vice President & Vice President	\$280 - \$300
Senior Project Manager	\$260 - \$285
Senior Associate/Project Manager	\$199 - \$235
Associate Analyst	\$159 - \$165
Assistant Analyst	\$120 - \$160
Administrative Staff	\$100 - \$120

## Direct Expenses

Standard charges for common direct expenses are as follows:

Automobile Travel	Prevailing IRS mileage rate
Airfare and Public Transit	Actual Cost

## Billing Policies

Our policy is to bill for our services based on the standard hourly rates of the staff member assigned, multiplied by the time required to perform the client-related tasks, plus the direct expenses and subcontractor services as described above. In implementing this policy, we adhere to the following practices:

- It is our standard practice to e-mail invoices to our clients, although hard copies of invoices can be sent to clients on request.
- We round to the nearest one-quarter hour (e.g., if two hours and 55 minutes are spent on a task, it is recorded as three hours, if two hours and 5 minutes are spent on a task, it is recorded as two hours). A minimum charge of one-quarter hour is charged for any client work performed in a day.
- We do not markup out-of-pocket expenses, however, we may charge administrative or professional time related to the provision of the goods and services associated with these charges.
- Mileage fees are based on the round-trip distance from the point of origin.

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<sup>1</sup> Litigation Support and Expert Witness Services are not covered by this schedule of fees and expenses.



## **ATTACHMENT B: HF&H STANDARD HOURLY RATES AND BILLING ARRANGEMENTS**

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- If a client's change to a previously scheduled meeting results in penalties being assessed by a third party (e.g., airline cancellation fee), then the client will bear the cost of these penalties.

While no minimum fee for a consulting engagement has been established, it is unlikely (given the nature of our services) that we can gain an understanding of a client's particular requirement, identify alternatives, and recommend a solution in less than twenty-four hours.

### **Insurance**

We maintain the following policies of insurance with carriers doing business in California:

- Comprehensive General Liability Insurance (\$2,000,000 Occurrence/\$4,000,000 Aggregate)
- Workers' Compensation (\$1,000,000)
- Professional Liability Insurance (\$2,000,000 Occurrence/\$2,000,000 Aggregate)
- Hired and Non-Owned Auto Liability<sup>2</sup> (\$2,000,000)
- Umbrella Liability (\$3,000,000 Occurrence/\$3,000,000 Aggregate)

All costs incurred in complying with special insurance, licensing, or permit requirements, including but not limited to naming client as an additional insured and waiver of subrogation, become the responsibility of the client and are not included in the fees for services or direct charges but are billed in addition to the contract at cost, plus any professional or administrative fees.

### **Invoices and Payment for Services**

Our time reporting and billing system has certain standard formats that are designed to provide our clients with a detailed invoice of the time and charges associated with their engagement. (We typically discuss these with our clients at our kick-off meeting.) We are also pleased to provide our clients with a custom invoice format, but we will have to bill the client for any additional costs associated with their unique requirements.

Billings for professional services and charges are submitted every month, in order that our clients can more closely monitor our services.

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<sup>2</sup> HF&H Consultants does not own any company automobiles.



## WEST BAY SANITARY DISTRICT AGENDA ITEM 6

**To:** *Board of Directors*

**From:** *Sergio Ramirez, District Manager*

**Subject:** *District Manager's Report*

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**1) Administrative:**

- a. District staff is evaluating a proposal from HF&H consultants to perform this year's Solid Waste rate study.
- b. The Student Intern is approaching her allotted one thousand hours. This position was hired under the vacated Part-time Clerical Assistant position. A new student intern may have to be rehired and retrained to assume, primarily, the scanning project duties and answering telephones.
- c. County of San Mateo has let the District know that it does not have time to work on the Solid Waste Franchise divestiture until the fall. Apparently, they are very busy preparing SB1383 related ordinances.

**2) Finance:**

- a. District staff is working with Silicon Valley Clean Water (SVCW) staff and their consultants on the final debt financing. SVCW staff will present under a specific agenda item on their efforts.
- b. The Finance Manager has prepared the SVCW annual 2018 - 2021 bond payments for approximately \$3.3 million.

**3) CIP & IT Projects:**

**a. Levee Improvement Project:**

- i. Staff continues to work on the Levee and Bayfront Facility SRF loan application.
- ii. The National Fish and Wildlife Foundation is reviewing the ecotone levee grant application. A "virtual site visit" has been scheduled so that the foundation can further understand the project.

**b. Construction Capital Improvement Program (CIP)**

- i. The Metal Storage Building at the Flow Equalization Resource Recovery Facility is under construction. An updated time-lapse video will be available at the Board Meeting.
- ii. The Ringwood Avenue pipeline, originally installed in 1904, is being replaced. The time of completion is scheduled for August 30<sup>th</sup>, 2021. If the job is not completed by August 30<sup>th</sup> the District will have to pay delay/mobilization charges to the County (per the County permit.)
- iii. Freyer & Laureta Inc. is working on the Bayfront Improvement projects including the Influent Pump Station layout and large diameter pipe reconstruction design.

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### Report to the District Board for the Special Meeting of August 18, 2021

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

- 4) **Operations and Maintenance:**
  - a. **Collection System:**
    - i. District crews worked with the City of Redwood City to restore a public sewer main on Marsh Road, Redwood City, after their contractor struck the District's pipeline.
  - b. **Training:**
    - i. The annual training consultant agreement with DuAll Safety has been begun.
- 5) **Water Quality:**
  - a. **Sharon Heights Golf and Country Club (SHGCC):**
    - i. The recycled water facility delivered approximately 9 million gallons of recycled water to the golf course in July.
    - ii. Freyer and Laureta Inc. is working on the design of a proposed pump station at Altschul Ave. and Avy Ave. in Menlo Park.
    - iii. Staff is reviewing grant opportunities for the pump station project.
  - b. **Bayfront Recycled Water Facility (BRWF):**
    - i. The Board has directed the District Manager to work on a Financial Plan for the BRWF project.
    - ii. District Counsel is working on an MOU for certain developers in the Bayfront area.
  - c. **Menlo County Club:**
    - i. Staff is working on an MOU with District Counsel in support of the Woodside Recycled Water Facility. The MOU will include applying for a planning grant.
  - d. **West Bay:**
    - i. Staff is in discussions with the City of Menlo Park on installing recycled water pipe near O'Brien Drive (an area adjacent to the proposed Willow Village development.)
- 6) **Fleet and Facilities:**
  - a. **Vehicle Maintenance:**
    - i. Vehicle maintenance is going well by using Redwood City's services.
- 7) **Personnel:**
  - i. Revised Personnel Policy training is scheduled in Tuesday, August 17, 2021.
- 8) **Upcoming Events:**
  - a. **Special Board Meeting:** August 18th, 2021
  - b. **Next Regular Board meetings:** September 8<sup>th</sup> followed by September 22<sup>nd</sup>, 2021.
- 9) **Misc./Action Items from Previous Meeting:**
  - a. **West Bay SSOs:** No SSO's in July 2021
  - b. **Town of Los Altos Hills:** One SSO in July 2021
  - c. **Town of Woodside:** Routine Pump Station Maintenance was performed in July 2021.
  - d. **Revenue:**
    - i. Received remnants Sewer Service Charges payment for FY20/21 from San Mateo County in the amount of \$529,510.30.

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## Report to the District Board for the Special Meeting of August 18, 2021

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





**WEST BAY SANITARY DISTRICT  
AGENDA ITEM 7**

**To:** *Board of Directors*

**From:** *Sergio Ramirez, District Manager  
Jed Beyer, Water Quality Manager*

**Subject:** *Consider Adoption of Resolution Approving the Audited (Internally) & Updated Sewer System Management Plan (SSMP) and Authorizing Re-Certification of Same for 2021*

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**Background**

On May 2, 2006 the State Water Resource Control Board (SWRCB) adopted the Statewide General Waste Discharge Requirements for SSOs (SSO WDR). The SSO WDR established statewide requirements for operating, maintaining, and managing a wastewater collection system. The SSO WDR applies to all public collection system agencies in California that own or operate collection systems comprised of more than one mile of pipe or sewer lines, which convey untreated wastewater to a publicly owned treatment works (POTW). The SSO WDR also mandated a statewide reporting program in that requires electronic reporting of all SSOs to the SWRCB, and the preparation and implementation of a Sewer System Management Plan (SSMP). The SSO WDR requires the agency to prepare an SSMP, which is to contain eleven elements outlined in the Statewide SSO WDR.

Effective management of a wastewater collection system as defined in the SSO WDR includes:

- Maintaining or improving the condition of the collection system infrastructure in order to provide reliable service into the future.
- Cost-effectively minimizing infiltration/inflow (I/I) and providing adequate sewer capacity to accommodate design storm flows: and
- Minimizing the number and impact of SSOs that occur notwithstanding implementation of the SSMP.

The District previously completed the various SSMP elements in a manner that addressed SWRCB requirements. The District's initial SSMP was adopted under Resolution # 1642 on December 12, 2007. At that time, the Board requested that staff attempt to update the SSMP annually and bring the updated document back to the Board for approval.

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**Report to the District Board for the Special Meeting of August 18, 2021**

The purpose of the initial SSMP was to identify programs and activities for the effective management of a collection system, referred to as elements in the SSMP (noted below) that will reduce the number of SSOs. Resources and timelines were also identified to ensure the ability of the District to make these programs and activities successful in reducing SSOs. The 11 Elements of a compliant SSMP are:

1) District Goals, 2) Organization, 3) Overflow Emergency Response Plan (OERP), 4) Fats, Oil and Grease (FOG) Control, 5) Legal Authority, 6) Measures & Activities, 7) Design & Construction Standards, 8) Capacity Management, 9) Monitoring, Measurement & Program Modifications, 10) SSMP Audits, and 11) Communication Plan.

Element #10 requires bi-annual audits and 5-year audits & updates to the SSMP. The 5-year audit is due next year (2022), where the District will contract with a regulatory consultant to complete the 5-year audit requirement.

The SSMP must be re-certified in the On-line SSO Database and the form sent to the SWRCB.

### **Analysis:**

To comply with the SSO-WDR, AM Consulting was hired in 2017 to perform a thorough review of the current SSMP as required per the State General Waste Discharge Requirements for Sanitary Sewer Systems. The 5-year analysis included the review of internal documents, several past SSMP internal audits, the Districts database and all records utilized to monitor and maintain the Districts collection system. Additionally, AM Consulting spent three days on site meeting with staff and performing field evaluations on Collection System Maintenance Operations.

Though AM Consulting concluded the District is being well managed and maintained, as indicated by its improved SSO Performance, and that the Districts SSMP met or exceeded the SSO-WDR requirements for a compliant SSMP.

Strategies that are working well:

- Standardization of Pump Stations; minimizing the need for a large inventory of electrical & mechanical components
- Performing Condition Assessments of every sewer main to ensure defects are corrected in a timely manner
- Emergency Preparedness; staff performing periodic drills with by-pass equipment
- Post SSO Failure Causal Analysis to prevent a reoccurrence of an SSO at the same location

Minor housekeeping changes were made to this year's SSMP update to include staff updates, organizational charts, format, step/grinder totals, cleaning frequencies, and update applicable spreadsheets and forms.

As required per the SSO WDR, the SSMP must be reviewed, audited and recertified every five years. This report is intended to meet that requirement.

**Fiscal Impact:**

The Fiscal Impact to the District for the update and recertification of the SSMP consists of staff time required for the update, preparation of the resolution, and certification to the State Water Resource Control Board.

**Recommendation:**

The District Manager recommends that the District Board approve the SSMP as revised, accept the audit, and authorize the SSMP re-certification to the State Water Resource Control Board through the California Integrated Water Quality System.

Note: A clean copy of the SSMP will be available for review at the Board meeting.

**RESOLUTION NO. (2021)**

**IN THE DISTRICT BOARD OF THE WEST BAY SANITARY DISTRICT**

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**A RESOLUTION APPROVING THE WEST BAY SANITARY DISTRICT "SEWER SYSTEM MANAGEMENT PLAN, ACCEPTING THE 2021 ANNUAL AUDIT FOR THE SSMP, AND AUTHORIZING RE-CERTIFICATION OF THE 2021 SSMP TO THE STATE WATER RESOURCES CONTROL BOARD THROUGH THE CALIFORNIA INTEGRATED WATER QUALITY SYSTEM"**

**WHEREAS**, the State Water Resource Control Board (State Water Board) adopted Water Quality Order 2006-0003-DWR which requires the District's Sewer System Management Plan (SSMP) to be audited, revised & re-certified every five years; and

**WHEREAS**, the District has performed this annual internal audit; and

**WHEREAS**, the SSMP has been revised to include the audit's recommendations; and

**WHEREAS**, the District Board has reviewed and discussed the revised SSMP in a public meeting on August 18, 2021, and

**WHEREAS**, District staff will annually submit updates of the SSMP to the District Board for approval.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the West Bay Sanitary District:

1. Approves the Sewer System Management Plan, and
2. Accepts the 2021 annual audit of the SSMP, and
3. Directs District staff to re-certify the SSMP with the State Water Resource Control Board through the California Water Quality Integrated System.

\*\*\*\*\*

Passed and adopted by the District Board of West Bay Sanitary District at a special meeting thereof held on the 18th day of August 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

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## WEST BAY SANITARY DISTRICT AGENDA ITEM 8

**To:** *Board of Directors*

**From:** *Sergio Ramirez, District Manager*

**Subject:** *August 18<sup>th</sup>, 2021 Update Report on District Response to Corona Virus*

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### **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 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.

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**Report to the District Board for the Special Meeting of August 18, 2021**

*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 be 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 be 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 3<sup>rd</sup> 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.

### **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 9

**To: Board of Directors**

**From: Sergio Ramirez, District Manager**

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

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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:

<b>2020</b>	<b>Treated</b>	<b>Delivered</b>
August	8.8MG	8.2MG
September	8.2MG	5.1MG
October	7.4MG	4.5MG
November	5MG	1.4MG
December	4.7MG	.55MG
<b>2021</b>	<b>Treated</b>	<b>Delivered</b>
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
	MG=Million Gallons	

The following is a disclosure statement required for any document, written report or brochure prepared in whole or in part pursuant to the Finance Agreement with the State Water Resources Control Board for the West Bay Sanitary District Recycled Water Project - Sharon Heights:

*Funding for this project has been provided in full or in part through an agreement with the State Water Resources Control Board. California's Clean Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds. The contents of this document do not necessarily reflect the views and policies of the foregoing, nor does mention of trade names or commercial products constitute endorsement or recommendation for use.*

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**Report to the District Board for the Special Meeting of August 18, 2021**

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**WEST BAY SANITARY DISTRICT  
AGENDA ITEM 10**

**To: Board of Directors**

**From: Sergio Ramirez, District Manager**

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

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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 11**

**To: Board of Directors**

**From: Sergio Ramirez, District Manager**

**Subject: Report and Discussion on South Bayside Waste Management Authority (SBWMA)**

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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 12**

**To:** *Board of Directors*

**From:** *Sergio Ramirez, District Manager*

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

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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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**Report to the District Board for the Special Meeting of August 18, 2021**

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