

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

WEST BAY SANITARY DISTRICT

AGENDA OF BUSINESS

REGULAR MEETING OF THE DISTRICT BOARD

WEDNESDAY, FEBRUARY 24, 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 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, February 24<sup>th</sup>.

To participate by telephone or Zoom meeting, public comments can be made by joining Zoom meeting at: <https://zoom.us/j/94218356757?pwd=YWcvcGlaeUswZmpNRmZsYnVrcFkzQT09>  
Meeting ID: 942 1835 6757 Passcode: 502172

Or by phone, call: 1-669-900-6833 Meeting ID: 942 1835 6757 Passcode: 502172

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 February 10, 2021 Pg. 3A-1

- B. Consideration of Accepting Sewer Facilities Constructed Pursuant to Class 3 Sewer Permit No. 1099 for the Construction of Wastewater Facilities for 35 Sioux Way, Portola Valley, California Pg. 3B-1
  
- 4. Consideration of the Establishment of a Public Hearing Date for Proposed Increase in Sewer Service Charges as Required by Proposition 218, Adopt the Updated Sewer Rate Study and Provide Staff Direction Regarding the Sewer Service Charge Rate Adjustment and the Mailing of the Proposition 218 Notice for a Public Hearing Pg. 4-1
  
- 5. District Manager's Report Pg. 5-1
  
- 6. Consideration to Authorize District Manager to enter into Agreement for Engineering Design Services for the "Bayfront Sanitary Sewer Improvements Study" with Freyer & Laureta, Inc. Pg. 6-1
  
- 7. Consideration to Approve the Financial Statements FY 2020-21, Second Quarter Ending 12/31/2020 Pg. 7-1
  
- 8. February 24<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. Comments or Reports from Members of the District Board and Consider Items to be Placed on Future Agenda
  
- 14. Adjournment

The West Bay Sanitary District does not discriminate against persons with disabilities. Upon request, the agenda and agenda packet can be provided in a format to accommodate special needs. If you require a copy of the agenda or related materials in an alternative format to accommodate a disability, or if you wish to attend this public meeting and will require special assistance or other special equipment, please call the District at (650) 321-0384 at least five days in advance and we will make every reasonable attempt to provide such an accommodation.



*1902 - Serving Our Community for over 110 Years - 2021*

**WEST BAY SANITARY DISTRICT  
MINUTES OF THE REGULAR MEETING OF THE DISTRICT BOARD  
WEDNESDAY, FEBRUARY 10, 2021 AT 7:00 P.M.**

**1. Call to Order**

President Dehn called the meeting to order at 7:03 PM

**Roll Call**

BOARD MEMBERS PRESENT: President Dehn, Treasurer Thiele-Sardiña, Director Moritz by Zoom, Director Otte

BOARD MEMBERS ABSENT: Secretary Walker

STAFF MEMBERS PRESENT: Ramirez, Condotti by Zoom

Others Present: Dave Richardson Woodard & Curran

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

**3. Consent Calendar**

Motion to Approve by: Otte 2<sup>nd</sup> by: Moritz 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 January 27, 2021
- B. Approval of the Financial Activity Report Authorizing Payment of Certain Bills and Salaries and Consideration of Other Financial Matters thru January 31, 2021
- C. WBSD Operations and Maintenance Report – January 2021
- D. Town of Los Altos Hills Operations and Maintenance Report for Work Performed by WBSD – January 2021
- E. Town of Woodside Operations and Maintenance Report for Work Performed by WBSD – January 2021
- F. Bank of the West Monthly Investment Portfolio Statements
- G. Consideration of Resolution Consenting to Annexation of Territory to the West Bay Sanitary District by the San Mateo County Local Agency Formation Commission – 60 Valencia Court, Portola Valley (079-122-170) Lands of Gray

#### 4. District Manager's Report

##### 1) Comments: **Administrative:**

- a. West Bay Staff held a meeting and discussion with the San Mateo County, LAFCo, Town of Woodside, and Menlo Country Club regarding a potential Menlo Country Club recycled water facility.
- b. The California Sanitation Risk Management Authority (CSRMA) has completed the annual Final Premium Audit and will return \$8,596.00 to the District. In addition, CSRMA will return a dividend to the District of about \$21,917.00.
- c. Staff is preparing a letter of appreciation for the work Anderson Pacific performed on the Recycled Water Facility.

##### 2) **Finance:**

- a. The Board Packet includes the monthly Financial Activity Report for the Board's review and approval.
- b. The Finance Manager and District Manager have instructed Bank of the West to liquidate the SHGCC deposit account but not at a loss otherwise allow the investment to reach maturity. Bank of the West has stated some of the account will reach maturity this spring.
- c. Payroll has been working on and verifying deductions and contributions on the new Prime Pay module in order to streamline payroll.
- d. Staff will be reviewing the latest draft to the HF&H Sewer Service Rate Study for 2022.

##### 3) **CIP & IT Projects:**

###### a. **Levee Improvement Project:**

- i. The Bayfront Environmental Impact Report Draft is complete. The Board authorized the District Manager to commence the 45 day comment period which has now ended. F&L is gathering comments from approximately 6 entities and responding accordingly.

###### b. **Construction Capital Improvement Projects (CIP)**

- i. District Manager has sent the notice to proceed to Precision Pipeline for the North Bay and Ringwood pipeline replacement project. The contractor is required to start construction by March 15, 2021.
- ii. The metal storage building contractor, Aztec, should begin staging at the FERFF before the end of February 2021.

#### 4) **Operations and Maintenance:**

##### a. **Collection System:**

- i. The Pipeline Inspection crew is CCTV inspecting in the Flood Circle area.
- ii. The two newest maintenance staff will begin to prepare for the Commercial Driver's License.

##### b. **Training:**

- i. COVID 19 Staff trained on the new COVID Prevention Plan on February 2nd.

#### 5) **Water Quality:**

##### a. **Sharon Heights Golf and Country Club:**

- i. The District and Sharon Heights O&M meeting continue monthly.
- ii. Staff has begun to deliver SHGCC samples to SVCW as a trial.

##### b. **Bayfront Recycled Water Plant (BRWP):**

- i. Environmental Impact Report (EIR) comment period has concluded.
- ii. Staff met with Facebook and the Signature Group regarding the plan for a .6MGD recycled water facility at Bayfront with the option to upsize to .8MGD.

##### c. **West Bay:**

- i. Staff will begin FOG inspections by visiting facilities and then following up by email.
- ii. Staff will begin to sample near Bayfront Park to support future projects in the area.
- iii. Staff has retained the "As-Needed Services" of the previous Anderson Pacific, Chief Plant Operator (CPO) to help support the District's CPO for the first part of 2021.

#### 6) **Fleet and Facilities:**

##### a. **Vehicle Maintenance:**

- i. Redwood City has been repairing vehicles and equipment successfully for several months.
- ii. Working on new Service Van and should be completed by the end of February.

#### 7) **Personnel:**

- i. As of February 1st the District is now fully staffed after approximately 4 years of attrition and promotions.

#### 8) **Upcoming Events:**

- a. **Regular Board Meeting:** February 10, 2021
- b. **Next Regular Board meetings:** February 24, 2021

#### 9) **Misc./Action Items from Previous Meeting:**

- a. **West Bay SSOs:** Zero SSOs for January 2021.
- b. **LAH Contract:** Had 3 SSOs in 2020. Negotiations for the next contract will begin.
- c. **Town of Woodside Contract:** No SSOs for 2020. Crews cleaned the entire system in 2020. Negotiations for the next contract will begin.
- d. **Revenue:** The District received approximately \$121,000.00 in revenue from services rendered. In addition, the District received \$3,292,019.08 from the San Mateo County Assessor's Office. The District paid \$636,710.00 to SVCW for the January O&M and Capital expenses. In addition, the District made three SVCW bond payments for \$753,550.42 (2014 Bonds), \$502,875.00 (2015 Bonds), and \$ 634,418.75 (2018 Bonds).

**5. February 10<sup>th</sup> Update Report on District Response to Corona Virus**

Comments: Updated training on the Response Program was provided on February 2.

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

Comments: District Manager Ramirez reported that no recycled water was delivered in January due to the rain. The second plumbing loop has been added by SHCCC so that they may now irrigate more of the course staff. Met with Stanford University regarding possible recycled water use.

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

Comments: District Manager Ramirez reported the EIR comment period has concluded. Dave Richardson of Woodard Curran presented an update on the project via Zoom.

**8. Discussion and Direction on Menlo Country Club Recycled Water Project and Status Update**

Comments: District Manager Ramirez stated that LAFCo will require an application to extend the District's sphere of influence to the Fair Oaks area and establish an "Out of Area" service agreement with Menlo Country Club. Apparently, the Fair Oaks Sanitary District does not have the ability to provide recycled water.

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

Comments: President Dehn reported there will not be a Board meeting until March. SBWMA has appointed the new Board positions. SBWMA reviewed the new outreach program. She also reported that SBWMA does not have a mechanism to transport recyclables to the commodity markets because of the lack of shipping services. SBWMA is looking into other options.

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

Comments: None.

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

Comments: None.

**12. Adjournment Time:** The meeting was adjourned at 8:20 PM

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Secretary

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

**To:** *Board of Directors*

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

**Subject:** **Consideration to Accept Sewer Facilities Constructed Pursuant to Class 3 Sewer Permit No. 1099 for the Construction of Wastewater Facilities for 35 Sioux Way, Portola Valley, California**

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Background

This permit request was for the construction of a Septic Tank Effluent Pump (STEP) system to connect to the existing STEP force main on the street to serve 35 Sioux Way.

Analysis

The Board issued this Permit at the Regular Meeting of August 14, 2019.

The work has been completed and has been inspected, tested, and approved by staff as being in conformance with District Standards. The property owner has submitted a one-year guarantee for the work in the form of a maintenance bond.

Recommendation

The Projects Manager recommends that the Board accepts these facilities and directs the District Manager to approve the Class 3 Permit No. 1099.

Attachments: Class 3 Permit No. 1099  
Exhibit A: Site map

# WEST BAY SANITARY DISTRICT

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

Permit Number  
No 1099

Type \_\_\_\_\_

## APPLICATION FOR CLASS 3 SEWER PERMIT

To the WEST BAY SANITARY DISTRICT:

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

35 Sioux way, P.V

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

Residential  Non-residential Development at said location.

ENGINEER'S

Name \_\_\_\_\_

Address \_\_\_\_\_

CONTRACTOR'S

Name \_\_\_\_\_

Address \_\_\_\_\_

OWNER'S

Name \_\_\_\_\_

Address \_\_\_\_\_

Applicant's Signature

Signed by - Please Print Name

Address \_\_\_\_\_

Receipt of \$ 545 Application Fee is hereby acknowledged

Receipt of \$ 2,000  Cash deposit or  Performance Bond

Date

Comments

Step System

Approved by the District Board on \_\_\_\_\_

Application approved and permit issued:

**WEST BAY SANITARY DISTRICT**

**Sergio Ramirez, District Manager**

Date \_\_\_\_\_

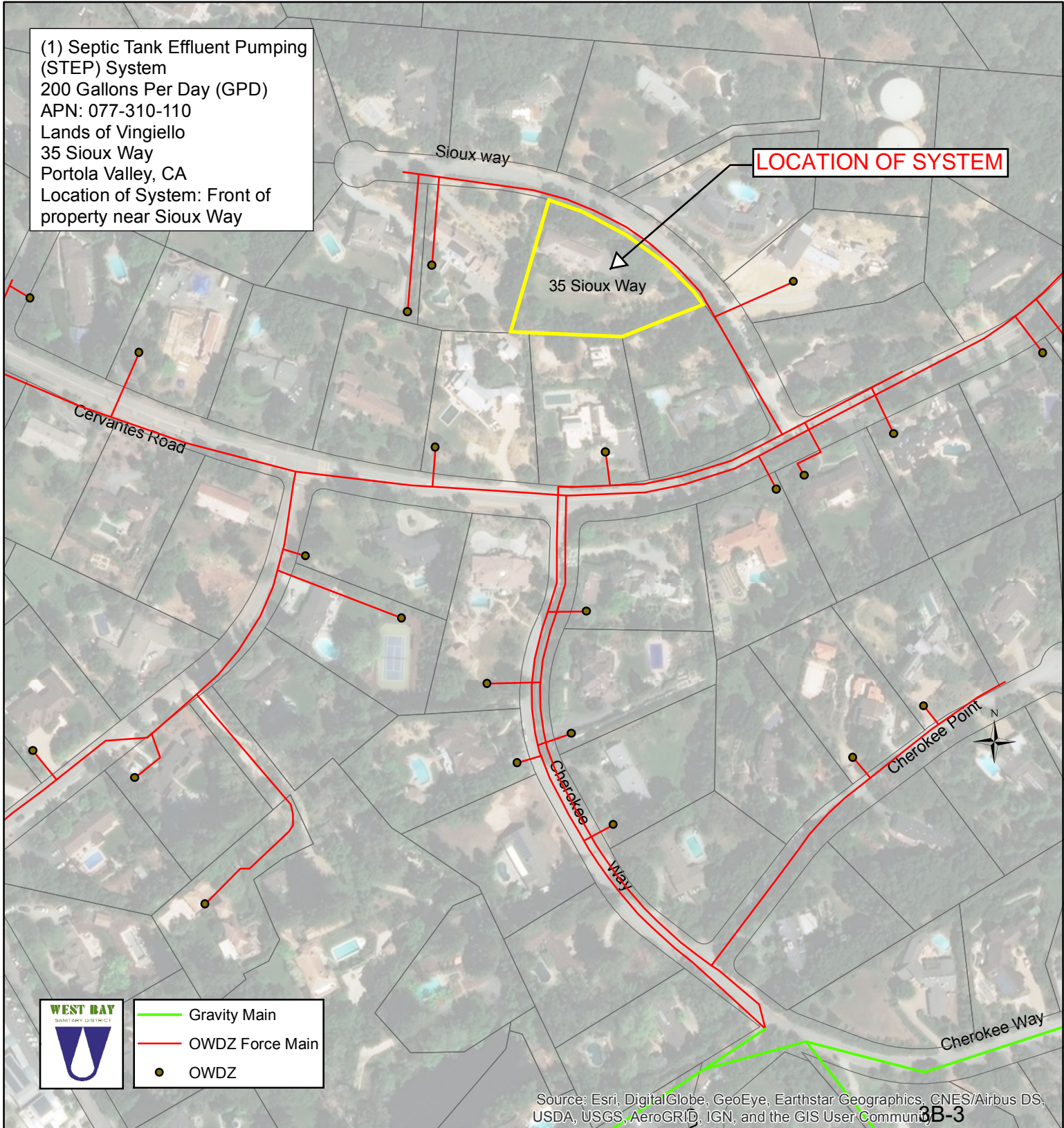
By \_\_\_\_\_

Final Acceptance by the District Board on \_\_\_\_\_

# WEST BAY SANITARY DISTRICT EXHIBIT "A" SITE LOCATION 35 SIOUX WAY PORTOLA VALLEY, CA SEPTIC TANK EFFLUENT PUMPING (STEP) SYSTEM

(1) Septic Tank Effluent Pumping (STEP) System  
 200 Gallons Per Day (GPD)  
 APN: 077-310-110  
 Lands of Vingiello  
 35 Sioux Way  
 Portola Valley, CA  
 Location of System: Front of property near Sioux Way

LOCATION OF SYSTEM



— Gravity Main  
— OWDZ Force Main  
● OWDZ

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## WEST BAY SANITARY DISTRICT AGENDA ITEM 4

**To:** *Board of Directors*

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

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

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### Background

In August of 2020 the District contracted with HF&H Consultants to prepare an updated FY 2021-22 sewer rate study and sewer rate model that would serve to amend the existing financial plan completed by HF&H which was included in the 2011 Master Plan.

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

A Sewer Rate Study Workshop was held on January 27, 2021 in which preliminary information regarding anticipated rate adjustments, options for alternate rate structures, biochemical and suspended solids loading charges, and cost of service analysis were discussed. The Board directed HF&H to complete the Sewer Rate Study for the FY 2021-22 and present the findings in a final draft report.

### Analysis

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

4.0% in 2020-21 and for the next four years thereafter. The rate study included a Cost of Service Analysis and the report recommended that the Non-Residential rates increase for each of the loading factors, Bio-Chemical Oxygen Demand and Total Suspended Solids. To soften the impact, these increases were phased in over approximately three years. During the budget workshop the Board directed HF&H to consider a more modest 2.5% increase to the rates for FY2021-22 in the model.

This year the District reviewed the current cost of service for the Onsite Wastewater Disposal Zone customers. Approximately 80 homes in the Portola Valley area (located within the On-Site Wastewater Disposal Zone) pay higher charges for the maintenance of the STEP or Grinder Sewer Collection Systems that they require. The District currently charges an additional \$470 annually to maintain these collection systems. To realign charges with the cost of service, charges for the maintenance of the STEP/Grinder Sewer Collection Systems are proposed to increase annually over five fiscal years. For fiscal year 2021/22, the proposed STEP/Grinder Sewer Collection System charge is \$620, an increase of \$150.

Following considerable Board discussion at the January 27th Board meeting, over the proposed rate increase, and the effects on the cash flow in the months of July through November, when the District receives no tax roll revenue, the Board gave direction to consider the above recommended approach to future sewer service charges, allowing that continued annual rate studies will need to be conducted to adjust to changes in the economic environment.

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

The forecast increases are slightly lower than last year's projections for FY2021-22. Of the overall 2.5% proposed rate increase in FY 2021-22, a large portion is attributable to increases in SVCW's projected costs over the next five fiscal years and a modest amount is attributable to increases in the District's local operations and capital expenses over the next five fiscal years. The increases attributable to SVCW are due to increased debt service expense for the SVCW treatment plant Capital Improvement Plan. The treatment plant is the midst of implementing a Capital Improvement Plan that includes projects to replace agency pump stations, force mains, and plant infrastructure, which were deferred for many years. Recent efforts to refund bonds and refinance other debt could change projections for SVCW next fiscal year.

Included in the FY 2021-22 rate adjustments is the expense of meeting the District's share of debt service for bonds and SRF loans to fund the SVCW's Capital Improvement Program. The District anticipates the estimated total for the SVCW Capital Improvement Program to exceed \$900 million over the years. The District's debt service expense will eventually exceed \$12.7 million per year up to \$17.7 million to fund the expense of debt service in order to finance the SVCW Capital Improvement Program. In FY 2021-22, SVCW's Op Ex. and Cap Ex. are approximately 45% of the District's total revenue requirement.

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

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

Our JPA partners' rates for FY 2021-22 are not yet known. Based on 8 hcf of sewer flow per single-family household, Belmont currently charges \$129.16 per month, Redwood City charges \$85.44 per month, and San Carlos charges \$102.33. The proposed 2.5% increase in West Bay Sanitary District's sewer service charge compares to our JPA partners' current charges favorably. The proposed West Bay Sanitary District rate per single-family household would be equal to \$104.55 per month.

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

- SVCW has expended approximately \$571M through December 1, 2020 and estimates spending an additional \$381M in CIP expenditures over the next ten years. The majority of the remaining CIP expenditures is attributed to RESCU projects (~\$257M). Of the \$381M, \$102M is allocable to West Bay Sanitary District.
- SVCW has refinanced existing 2014, 2015 bonds to issue a new 2020 bond.
- SVCW plans to issue an additional SRF loan in FY 2021-22. The District will be required to pay \$0.4M initially, increasing to \$2.1M annually by FY 2023-24.
- West Bay may further decrease the impact of these bonds by using the Rate Stabilization reserve to buy down future debt in 2025 or later.
- Negotiated MOU salary increases of 4% per year.
- The District may be adding an additional position in the Water Quality or Pump Station Department. The salary would be partially offset by the STEP/Grinder O&M fees and the Recycled Water Facilities.

These changes in West Bay's overall economic picture translated to a needed residential rate increase in the order of 2.5% for FY 2021/22 based on SVCW plant improvement projections and the District's CIP plans. The attached Final Draft Sewer

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

#### Fiscal Impact

A 2.5% increase in residential sewer service charges will result in annual sewer service rates for a single family home increasing from \$1,224 to \$1,255 per year. For homes (approximately 80 homes) within the OWDZ (Onsite Wastewater Disposal Zone), primarily in Portola Valley, the anticipated sewer service charge will increase from \$1,694 to \$1,875 per household. Overall, this equates to an increase in revenues of approximately \$775,000 per year.

#### Recommendation

The District Manager is seeking Board policy direction to increase sewer service charge rates to cover costs outlined above and in the revised rate study and the 2011 Financial Plan. A rate increase of approximately 2.5% per SFR and increases in non-residential (commercial/industrial) rates averaging 2.5% is needed to meet the anticipated revenue requirements for FY2021-22.

Therefore, the District Manager recommends:

1. The Board adopt the updated Sewer Rate Study and set a Public Hearing date for April 28, 2021 to review the proposed sewer service charge increase for the year FY 2021-22 (effective July 1, 2021); and
2. Provide staff direction regarding the sewer service charge rate adjustment for FY 2021-22, the revised rate study, and the mailing of the Proposition 218 notice for a public hearing to be held on April 28, 2021 prior to adoption of the sewer service charges for FY 2021-22.

#### Attachments:

Final Draft Sewer Rate Study by HF&H Consultants dated February 18, 2021  
Draft 218 Notice of Public Hearing Mailer  
Public Hearing Notice





# WEST BAY SANITARY DISTRICT FY 2021-22 SEWER RATE STUDY



February 18, 2021 - Draft Report



HF&H Consultants, LLC

DRAFT

# West Bay Sanitary District

500 Laurel Street  
Menlo Park, CA 94025



## FY 2021-22 Sewer Rate Study

February 18, 2021

### HF&H Consultants, LLC

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



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DRAFT



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February 18, 2021

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

**Subject: FY 2021-22 Sewer Rate Study - Draft Report**

Dear Mr. Ramirez:

HF&H Consultants (HF&H) is pleased to submit this draft report to update the West Bay Sanitary District's (District's) FY 2021-22 sewer rates. The report summarizes the analysis that was conducted to develop the recommended rates. The analysis updates last year's projections to reflect the District's and Silicon Valley Clean Water's (SVCW) current operating and capital costs.

The overall increase in revenue will allow the District to:

- Fund inflationary increases in existing staff and sewer collection system operating and maintenance costs;
- Fund an additional Operator III in FY 2020-21 (whose costs will be split 50/50 with Sharon Heights) and an additional full-time Pump Mechanic in FY 2021-22 to support operations due to growth and additional treatment operations;
- Fund \$8.2 million in annual capital projects for the District-maintained collection system;
- Fully-fund the District's share of SVCW's projected operating and capital costs to operate the wastewater treatment plant which grows from \$12.7 million to \$17.7 million over the five-year study period;
- By FY 2024-25, fully fund the District's OPEB/PERS unfunded accrued liability obligation, estimated to be \$5.8 million;
- By FY 2025-26, reach the targeted levels of the District's operating, capital, rate stabilization, and emergency reserve balances;
- Manage expected reductions in commercial revenue resulting from COVID-19 stay-at-home orders, which has reduce commercial water use by approximately 9%; and,
- Adapt to large, expected increases in SVCW debt service in subsequent years beyond FY 2025-26 without resorting to sharp increases in rates beyond the this five-year planning period.



\* \* \* \* \*

A copy of the rate model is included in the appendix.

We appreciate this opportunity to continue working for the District.

Very truly yours,  
HF&H CONSULTANTS, LLC

John W. Farnkopf, P.E.  
Senior Vice President

Richard J. Simonson, CMC  
Senior Vice President

DRAFT

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## ACRONYMS

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

## **ACKNOWLEDGEMENTS**

### **District Board**

Fran Dehn, President  
David Walker, Secretary  
Roy Thiele-Sardina, Treasurer  
Edward Moritz, Member  
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## Sewer Rate Study

DRAFT

DRAFT

## **1. BACKGROUND AND SUMMARY**

### **1.1. Background**

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

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

### **1.2. Five-Year Financial Plan**

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

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

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

### 1.3 Recent Rate Increases

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

**Figure 1-1. Recent Rates and Rate Increases**

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Residential Sewer Service Charge	\$1,031	\$1,072	\$1,126	\$1,177	\$1,224
Percentage Increase		4.0%	5.0%	4.5%	4.0%
Annual Increase - \$ per Year		\$41	\$54	\$51	\$47

The increases during this period were primarily attributable to SVCW’s increasing debt service allocation to the District to fund treatment plant upgrades and, secondarily, to inflationary increases in the District’s operating and annual capital repair and replacement expenses.

### 1.4. Current Sewer Rates

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

Residential customers are charged per dwelling unit. In addition, approximately 80 homes in the Portola Valley area (located within the On-Site Wastewater Disposal Zone) pay higher charges (currently \$470 per year) for the maintenance of the Septic Tank Effluent Pump (STEP) system or Grinder Sewer Collection Systems that they require.

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

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

Current rates for FY 2020-21 were adopted by the Board in April 2020, as follows:

**Figure 1-2. Current Rates**

	<b>Current FY 2020-21</b>
<b><u>Residential (charge per DU per year)</u></b>	
Single Family, Multi Family	\$1,224
On-site Wastewater Disposal Zone	\$1,694
<b><u>Commercial (charge per CCF)</u></b>	
Retail/Commercial	\$9.86
Institution/Public	\$9.24
Restaurants/Bakeries	\$20.78
Supermarkets with Grinders	\$21.01
Hospitals	\$10.20
Hotels with Dining Facilities	\$16.78
<b><u>Industrial (measured)</u></b>	
Flow Rate Charge per CCF	\$7.28
BOD Rate Charge per pound	\$1.28
TSS Rate Charge per pound	\$1.46

## 1.5. Findings and Recommendations

### 1.5.1 Projected Rate Increases During Five-Year Planning Period

Figure 1-3 indicates the annual rate increases projected for the five-year planning period, beginning with FY 2021-22. The increases indicated below reflect updated assumptions and currently available information. Annual revenues will increase greater than the rate increase in most years as the District continues to experience growth in the number of customers served. The increase in total revenues will be partially offset by projected reductions to commercial revenues. Work-from-orders, as well as business hour restrictions resulting from the COVID-19 pandemic have decreased commercial wastewater discharge, thus lowering commercial revenue, as commercial rates are flow based. This decrease in commercial revenues is projected to continue in FY 2021-22, though to a lesser degree, with commercial revenues back to “normal” levels by FY 2022-23. In future years, revenues outpace proposed rate increases due to growth in the number of dwelling units. The five-year financial plan assumes 73 new dwelling units each year through FY 2025-26. Note: due to the District billing on the tax roll, the projected annual revenue increases reflect a one-year delay in the realization of the

revenue from growth. For example, the growth which occurs in FY 2021-22 will first appear on the tax rolls in FY 2022-23.

**Figure 1-3. Projected Rate and Revenue Increases**

Fiscal Year	Projected Rate Increase	Projected Revenue Increase
FY 2021-22	2.5%	0.5%
FY 2022-23	2.5%	4.0%
FY 2023-24	2.5%	4.0%
FY 2024-25	2.5%	2.8%
FY 2025-26	2.5%	2.8%

**1.5.2 Proposed Rates for FY 2021-22**

The following figure shows the current FY 2020-21 rates and the proposed FY 2021-22 rates, which reflect a 2.5% across-the-board increase to all rates. In addition, we are recommending an additional \$150 increase to those customers within the On-Site Wastewater Disposal Zone for the increases in costs to maintain the STEP or Grinder Sewer Collection Systems that they require<sup>1</sup>.

**Figure 1-4. Current and Proposed FY 2021-22 Rates**

	Current	FY 2021-22 Proposed		
	FY 2020-21	Rate	\$ Chg	% Chg
<b><u>Residential (charge per DU per year)</u></b>				
Single Family, Multi Family	\$1,224	\$1,255	\$31	2.5%
On-site Wastewater Disposal Zone <sup>1</sup>	\$1,694	\$1,875	\$181	10.7%
<b><u>Commercial (charge per CCF)</u></b>				
Retail/Commercial	\$9.86	\$10.11	\$0.25	2.5%
Institution/Public	\$9.24	\$9.47	\$0.23	2.5%
Restaurants/Bakeries	\$20.78	\$21.30	\$0.52	2.5%
Supermarkets with Grinders	\$21.01	\$21.54	\$0.53	2.5%
Hospitals	\$10.20	\$10.46	\$0.25	2.5%
Hotels with Dining Facilities	\$16.78	\$17.20	\$0.42	2.5%
<b><u>Industrial (measured)</u></b>				
Flow Rate Charge per CCF	\$7.28	\$7.46	\$0.18	2.5%
BOD Rate Charge per pound	\$1.28	\$1.31	\$0.03	2.5%
TSS Rate Charge per pound	\$1.46	\$1.50	\$0.04	2.5%

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



## 2. REVENUE REQUIREMENT PROJECTIONS

A spreadsheet model was developed to derive revenue requirements for a five-year planning period, FY 2021-22 through FY 2025-26. The revenue requirements represent the costs that must be covered by revenue from rates and other sources. The District’s Operations & Maintenance (O&M) budget for FY 2020-21 served as the starting point for projecting the District’s expenses and revenues. SVCW provided the projections of all future SVCW expenses, including debt service, used in the model. The escalation factors summarized in **Figure 2-1** were incorporated in the model for projecting expenses and revenues.

**Figure 2-1. Key Modeling Assumptions**

Assumptions	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
(1) General Inflation	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%
(2) Utilities	Per Budget	7.0%	7.0%	7.0%	7.0%	7.0%
(3) Salaries	Per Budget	4.0%	4.0%	4.0%	4.0%	4.0%
(4) Benefits	Per Budget	4.0%	4.0%	4.0%	4.0%	4.0%
(5) PERS Unfunded Accrued Liability	Per Budget	-23.7%	9.6%	7.5%	7.6%	1.1%
(6) SVCW O&M Expenses Increase %	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%
(7) Interest on Earnings	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
(8) Miscellaneous	Per Budget	1.0%	1.0%	1.0%	1.0%	1.0%
(9) Los Altos Hills, Woodside Revenue Change	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%
(10) Construction Cost Inflation	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%
(11) Increase in Annual Residential Customers	Per Budget	73	73	73	73	73
(12) Number of Total Residential Customer Accounts	19,515	19,588	19,661	19,734	19,807	19,880
(13) Annual Percentage in Residential Account Growth	Per Budget	0.4%	0.4%	0.4%	0.4%	0.4%
(14) Annual Increase in Salaries for OT due to Growth	Per Budget	0.0%	0.0%	0.5%	0.5%	0.5%
(15) Non-resid. rev. decrease due to COVID (% chng fro	Per Budget	-10.0%	-5.0%	0.0%	0.0%	0.0%

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

### 2.1. District O&M Expenses

The District’s net O&M expenses (summarized by category in **Figure 2-2**) are projected to increase from approximately \$8.9 million to \$11.3 million over the five-year planning period. The District’s expenses are increasing more rapidly than the rate of inflation due to future staffing level additions, the end of approximately \$400,000 in annual non-operating revenue from the flow equalization cost sharing agreement (eff. FY 2024-25), and increases in operating expenses due to a growing customer base. With the regional focus on residential development, the District projects an annual increase of 73 accounts per year, with a total of 365 accounts added by the end of the planning period.

**Figure 2-2. District O&M Expense Summary**

	Current Year	Five-Year Planning Period				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Salaries	\$3,963,828	\$4,272,381	\$4,443,276	\$4,642,444	\$4,850,543	\$5,067,973
Benefits	\$2,841,502	\$2,955,162	\$3,073,369	\$3,196,303	\$3,324,155	\$3,457,122
PERS Unfunded Accrued Liability	\$382,655	\$292,110	\$320,110	\$344,109	\$370,109	\$374,000
Contractual/Professional Services	\$976,220	\$1,009,145	\$1,043,166	\$1,078,320	\$1,114,644	\$1,152,176
Other O&M	\$1,595,472	\$1,578,680	\$1,703,848	\$1,691,056	\$1,820,387	\$1,811,930
Non-Operating Revenue	<u>(\$816,184)</u>	<u>(\$838,650)</u>	<u>(\$861,769)</u>	<u>(\$885,561)</u>	<u>(\$499,029)</u>	<u>(\$511,898)</u>
Net District Operating Costs	\$8,943,493	\$9,268,828	\$9,722,000	\$10,066,670	\$10,980,809	\$11,351,303
		3.6%	4.9%	3.5%	9.1%	3.4%

**2.2. District Capital Expenses**

The District’s capital expenses are summarized by category in **Figure 2-3**. The District’s annual budgeted capital expenditures range from a low of \$7.9 million (in FY 2021-22) to \$9.0 million (in FY 2023-24), during the five-year planning period. On average, the District expects to spend approximately \$8.2 million annually on these projects (during the five-year planning period FY 2021-22 to FY 2025-26).

Collection Facilities and Underground Pipe Replacement and Rehabilitation projects make up the bulk of the District’s planned improvements. The primary Collection Facilities project planned for FY 2021-22 through FY 2023-24 is the Levee (FERRF) Improvements. In FY 2023-24 through the end of the planning period, the District anticipates several large scale pipe replacement or rehabilitation projects.

**Figure 2-3. CIP Summary**

	Current Year	Five-Year Planning Period				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Administration	\$350,000	\$0	\$1,500,000	\$500,000	\$0	\$0
Collection Facilities	\$2,245,550	\$6,500,000	\$6,500,000	\$2,500,000	\$500,000	\$500,000
Pipe Replacement and/or Rehab.	\$4,800,000	\$1,200,000	\$200,000	\$5,825,000	\$7,000,000	\$7,397,500
Capacity	\$1,500,000	\$0	\$0	\$0	\$0	\$0
Construction Proj. Environ Review	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Manhole Raising	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Allow. For Unanticipated Cap Exp	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Vehicles and Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Total Capital Expenses	\$9,105,550	\$7,910,000	\$8,410,000	\$9,035,000	\$7,710,000	\$8,107,500
Less: Connection Fee Revenue	<u>(\$250,000)</u>	<u>(\$505,087)</u>	<u>(\$505,087)</u>	<u>(\$505,087)</u>	<u>(\$505,087)</u>	<u>(\$505,087)</u>
Net Capital Expenses	\$8,855,550	\$7,404,913	\$7,904,913	\$8,529,913	\$7,204,913	\$7,602,413
		-16%	7%	8%	-16%	6%

The District plans to fund these capital improvements from connection fee revenue and sewer service charge revenue on a pay-as-you-go (PAYGo) basis without issuing debt, which continues the District’s historical practice.

### **2.3. District Reserves**

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

#### **2.3.1. Operations Reserve Minimum Balance**

The Operations Reserve provides working capital for monthly O&M expenses. There is a nine-month lag between sewer service charge payments from the County tax assessor; therefore, the minimum Operations Reserve balance is set equal to five months of O&M expenses to provide adequate cash flow. If this minimum balance is maintained, the District should be able to fund its monthly operations cash flow over this extended period without relying on the Capital Reserve for a short-term loan. Maintaining the minimum balance for the Operations Reserve is recommended as the highest priority for the District's three reserves.

#### **2.3.2. Emergency Reserve Target Balance**

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

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

#### **2.3.3. Capital Reserve Target Balance**

The Capital Reserve provides liquidity to fund construction for projects that are funded on a PAYGo basis (as opposed to those that are funded from debt). With adequate capital reserves, the District is able to pay contractors without encroaching on the Operations or Emergency Reserves. Historically, the initial target reserve balance was \$3.5 million. However, construction cost escalation, averaging 15% annually over the last four years, has raised the costs to perform capital improvements. Rising costs correlate to increases in replacement of underground pipelines, as evidenced in **Figure 2-3**. In light of rising costs, the Board revised the target balance to \$6.0 million. Maintaining the target balance

for the Capital Reserve is recommended after meeting the minimum balances for the Operations and Emergency Reserves.

#### **2.3.4. Vehicle and Equipment Replacement Fund**

The Vehicle and Equipment Replace fund provides resources to replace District fleet vehicles and operations equipment. The District maintains a schedule for replacement based on the useful life of the asset. The target reserve balance of \$0.6 million ensures there are sufficient funds on hand to keep up with the retirement of old equipment or vehicles with the purchase of their replacements. In past years, a small portion of the Capital reserve budget included vehicle and equipment replacement costs. However, going forward, the District has requested this fund to be tracked separately from the Capital Reserve.

#### **2.3.5. Rate Stabilization Reserve Fund**

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

#### **2.3.6. Recycled Water Project Reserve Fund**

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

#### **2.3.7. OPEB/PERS Retirement Liability Reserve Fund**

In February 2018, the Board established a reserve fund to offset the District's unfunded pension liability. As of June 30, 2020, the District's unfunded liability was just under \$6 million and the reserve fund balance was \$2,036,722. In 2020-21 the District contributed an additional \$2.6 million, including \$1.6 million transferred from the reserve fund. The projected unfunded liability as of June 30, 2021 is \$3.3 million. The District plans to continue making additional transfers of \$1 million each year until the outstanding balance is zero. Our analysis shows our goal will be met by the end of June 30, 2024.

## 2.4. SVCW Expenses

In FY 2021-22, SVCW’s treatment charge projects as 45% of the District’s total revenue requirement, and is the District’s single largest expense, which will increase to 48% of the District’s total revenue requirement by FY 2025-26. The District’s treatment charge is allocated in proportion to the number of its EDUs compared with the other SVCW member agencies, currently 26.84%. As shown in **Figure 2-4**, SVCW’s cost has recently increased significantly to fund the debt service on a series of bonds and SRF loans, that has been issued to fund the rehabilitation of its interceptors, pump stations, and wastewater treatment plant.

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

SVCW Projected Expenses	Current Year			Projected		
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Net Operating Expense	\$6,883,538	\$7,090,044	\$7,302,746	\$7,521,828	\$7,747,483	\$7,979,907
Revenue-Funded Capital (PAYGo)	\$347,712	\$402,600	\$402,600	\$402,600	\$402,600	\$402,600
Debt Reserves	\$409,274	\$543,421	\$677,819	\$812,224	\$946,635	\$1,081,052
<b>Debt Service</b>						
Existing Bonds (2014, 2015, 2018)	\$4,593,692	\$1,839,213	\$1,834,338	\$1,837,963	\$1,834,963	\$1,835,338
2020 Refunding Bonds (New)	\$0	\$2,845,087	\$2,848,607	\$2,840,584	\$2,848,749	\$2,842,521
Fixed-Rate Bond Issue #1	\$0	\$0	\$0	\$0	\$302,594	\$302,594
Existing SRF	\$506,765	\$726,842	\$726,842	\$726,842	\$726,842	\$726,842
SRF for Conveyance Planning	\$0	\$409,614	\$409,614	\$409,614	\$409,614	\$409,614
New SRF Loan(s)	\$0	\$0	\$0	\$1,774,308	\$1,774,308	\$1,774,308
Subtotal SVCW Debt Service	\$5,100,457	\$5,820,756	\$5,819,401	\$7,589,310	\$7,897,069	\$7,891,216
<b>Subtotal, SVCW</b>	<b>\$12,740,981</b>	<b>\$13,856,821</b>	<b>\$14,202,566</b>	<b>\$16,325,962</b>	<b>\$16,993,787</b>	<b>\$17,354,775</b>
SVCW Expenses due to growth	\$0	\$26,423	\$53,538	\$81,362	\$109,916	\$139,219
<b>Total, SVCW Project Expenses</b>	<b>\$12,740,981</b>	<b>\$13,883,243</b>	<b>\$14,256,103</b>	<b>\$16,407,325</b>	<b>\$17,103,703</b>	<b>\$17,493,994</b>

## 2.5. Total Revenue Requirements

The foregoing modeling assumptions lead to the projected revenue requirements shown in Figure 2-5.

**Figure 2-5. Projected Revenue Requirements**

	Current Year		Five-Year Planning Period			
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
SVCW Operating Expenses	\$7,640,524	\$8,062,488	\$8,436,703	\$8,818,014	\$9,206,634	\$9,602,778
SVCW Debt Service	\$5,100,457	\$5,820,756	\$5,819,401	\$7,589,310	\$7,897,069	\$7,891,216
WBSD Capital Imp. Program	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413
WBSD Operating Expenses	\$8,943,493	\$9,268,828	\$9,722,000	\$10,066,670	\$10,980,809	\$11,351,303
Contribution To/(From) Reserves	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Projected Revenue Req't.</b>	<b>\$29,413,887</b>	<b>\$30,881,485</b>	<b>\$31,707,516</b>	<b>\$34,203,408</b>	<b>\$35,813,925</b>	<b>\$36,574,710</b>

Highlights of the District’s projected revenue requirements are as follows:

- The District will fund an average of \$9.0 million annually in SVCW operating expenses, including PAYGo Capital projects and increased costs due to a growing customer base.

- The District will fund an average of \$7.0 million annually in SVCW debt service.
- There are 3.5% average annual increases in District O&M costs.
- \$8.2 million annually in District PAYGo capital projects.
- The District plans to continue making annual transfers to the District's OPEB/PERS unfunded liability reserve and will meet the full liability amount by FY 2023-24.
- All Operating, Capital, Rate Stabilization, OPEB/PERS, and Emergency reserve levels will be funded to their respective target levels by FY 2024-25.

## 2.6. Revenue Increases

The District's revenue requirements increase over the next five years. Current rates cannot support the projected revenue requirements shown in **Figure 2-5**. As stated previously, the District projects 0.4% annual growth in customer accounts which will provide an additional \$1.3 million in additional revenue. Revenue derived from growth helps to offset rate increases required to generate additional revenue. As a result, the increases in annual revenue will be greater than the increases in rate revenue. **Figure 2-6** summarizes the annual increase in revenue requirement and the recommended rate increases.

**Figure 2-6. Annual Revenue Increases**

	Five-Year Planning Period				
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Projected Revenue Requirement Increases	5.0%	2.7%	7.9%	4.7%	2.1%
Proposed Rate Increases	2.5%	2.5%	2.5%	2.5%	2.5%

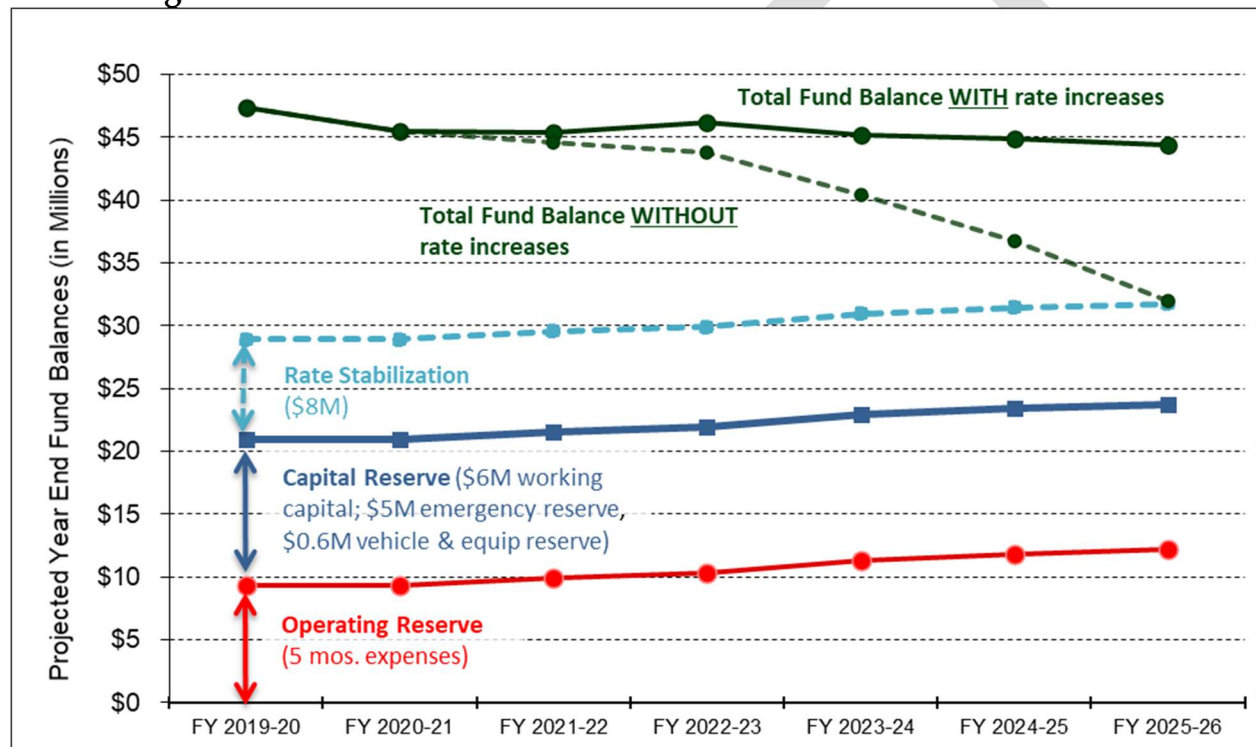
## 2.7. Fund Balance

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

This strong position provides the District with opportunities to use reserves for future anticipated expenses. For example, the District anticipates increases in SVCW debt service beyond FY 2025-26. With its reserve position, the District can fund these increased costs without resorting to sharp increases in future rates or having to participate in debt-financing with the SVCW, much like the District did in 2019 when the Board authorized contributing \$13.5 million ( in two payments) from the District's reserves to reduce the

District’s proportionate share of an SVCW bond obligation, which resulted in lower interest expenses for the District over the 30-year term of the bond. In addition, during the rate study period, the District is exploring the possibility of installing a new Bayfront Recycled Water Facility to produce 0.5 million gallons per day (MGD) of recycled water. Other than the recycled water facility itself, the system improvements would include new influent and effluent pump stations, as well as, piping to transport the recycled water to customers in the Menlo Park Bayshore Area. The District will have the opportunity to use reserves, which currently exceed the target, to fund these improvements that have yet to be fully vetted.

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



**2.7.1 Minimum Fund Balance**

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

**2.7.2 Target Fund Balance**

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

vehicle and equipment replacement fund (\$0.6 million), and rate stabilization reserves (\$8.0 million). The capital allowance provides working capital to maintain sufficient funds in order to pay contractors so that work can proceed without delay. Emergency reserves help manage risks associated with sudden asset failures caused by emergencies such as natural disasters or human error. Emergency reserves are a form of capital reserve that can provide a measure of self-insurance so that immediate funding is available for disaster recovery until loans can be arranged. The vehicle and equipment replacement fund provides for the scheduled replacement of the District’s fleet vehicles and operational equipment.

### 3. PROJECTED RATE INCREASES

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

**Figure 3-1. Projected Rates - Residential**

	ADOPTED	Five-Year Planning Period				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Residential Sewer Service Charge	\$1,224	\$1,255	\$1,286	\$1,318	\$1,351	\$1,385
Percentage Increase		2.5%	2.5%	2.5%	2.5%	2.5%
Annual Increase - \$ per Year		\$31	\$31	\$32	\$33	\$34

**Figure 3-2. Projected Rates – Commercial and Industrial**

	Adopted	Projected				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
<i>Annual Increase</i>		2.5%	2.5%	2.5%	2.5%	2.5%
<b>Commercial (charge per CCF)</b>						
Retail/Commercial	\$9.86	\$9.86	\$10.10	\$10.36	\$10.62	\$10.88
Institution/Public	\$9.24	\$9.24	\$9.47	\$9.71	\$9.95	\$10.20
Restaurants/Bakeries	\$20.78	\$20.78	\$21.30	\$21.83	\$22.38	\$22.94
Supermarkets with Grinders	\$21.01	\$21.01	\$21.54	\$22.07	\$22.63	\$23.19
Hospitals	\$10.20	\$10.20	\$10.46	\$10.72	\$10.99	\$11.26
Hotels with Dining Facilities	\$16.78	\$16.78	\$17.20	\$17.63	\$18.07	\$18.52
<b>Industrial (measured)</b>						
Flow Rate Charge per CCF	\$7.28	\$7.28	\$7.47	\$7.65	\$7.84	\$8.04
BOD Rate Charge per pound	\$1.28	\$1.28	\$1.31	\$1.35	\$1.38	\$1.41
TSS Rate Charge per pound	\$1.46	\$1.46	\$1.50	\$1.54	\$1.58	\$1.62

#### 3.1. STEP/Grinder Charges

The District has approximately 79 single family residential customers located in the On-Site Wastewater Disposal Zone who require either Septic Tank Effluent Pumping systems (STEP) or Grinder Pumping systems. These customers are currently charged



an additional \$470 annually for the services the District provides these customers to service and replace their pumps and appurtenances.

Last year, the District re-examined the service costs specific to these customers and found the revenues collected have not been keeping pace with the annual rate increases. **Figure 3-3** details the current cost to provide STEP/grinder system maintenance for these customers.

**Figure 3-3. Annual STEP/Grinder System Costs**

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

As shown in **Figure 3-4**, the FY 2019-20 charge of \$320 was insufficient to cover the \$919 annual cost of service per account. Rather than increase the STEP/Grinder charge to meet the cost of service in one year, the increases will be phased in over five fiscal years. This phasing will avoid rate shock and will allow the District to recoup the cost of service by FY 2024-25. **Figure 3-4** calculates the increase for this additional service over five consecutive years. The increase in FY 2021-22 will be the second annual phased increase.

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

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

Figure 3-5 summarizes the proposed annual STEP/Grinder charge over the next five fiscal years, assuming an annual increase of \$150 per account through FY 2024-25. FY 2025-26 increases to the STEP/Grinder charge assume a 2.5% increase which follows the recommended increase to the base service charge.

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

	ADOPTED	Five-Year Planning Period				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Annual STEP/Grinder Charge	\$470	\$620	\$770	\$920	\$1,070	\$1,097
<i>\$ Increase</i>		\$150	\$150	\$150	\$150	\$27

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

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

	ADOPTED	Five-Year Planning Period				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Base Service Charge	\$1,224	\$1,255	\$1,286	\$1,318	\$1,351	\$1,385
Annual STEP/Grinder Charge	\$470	\$620	\$770	\$920	\$1,070	\$1,097
Annual Bill	\$1,694	\$1,875	\$2,056	\$2,238	\$2,421	\$2,482
<i>\$ Increase</i>		\$181	\$181	\$182	\$183	\$61

### 3.2. Summary of Proposed Rates for FY 2021-22

Figure 3-7 provides a schedule of proposed FY 2021-22 rates for all customer types, as discussed above.

**Figure 3-7. FY 2021-22 Proposed Rates**

	Current	FY 2021-22 Proposed		
	FY 2020-21	Rate	\$ Chg	% Chg
<b><u>Residential (charge per DU per year)</u></b>				
Single Family, Multi Family	\$1,224	\$1,255	\$31	2.5%
On-site Wastewater Disposal Zone	\$1,694	\$1,875	\$181	10.7%
<b><u>Commercial (charge per CCF)</u></b>				
Retail/Commercial	\$9.86	\$10.11	\$0.25	2.5%
Institution/Public	\$9.24	\$9.47	\$0.23	2.5%
Restaurants/Bakeries	\$20.78	\$21.30	\$0.52	2.5%
Supermarkets with Grinders	\$21.01	\$21.54	\$0.53	2.5%
Hospitals	\$10.20	\$10.46	\$0.25	2.5%
Hotels with Dining Facilities	\$16.78	\$17.20	\$0.42	2.5%
<b><u>Industrial (measured)</u></b>				
Flow Rate Charge per CCF	\$7.28	\$7.46	\$0.18	2.5%
BOD Rate Charge per pound	\$1.28	\$1.31	\$0.03	2.5%
TSS Rate Charge per pound	\$1.46	\$1.50	\$0.04	2.5%

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

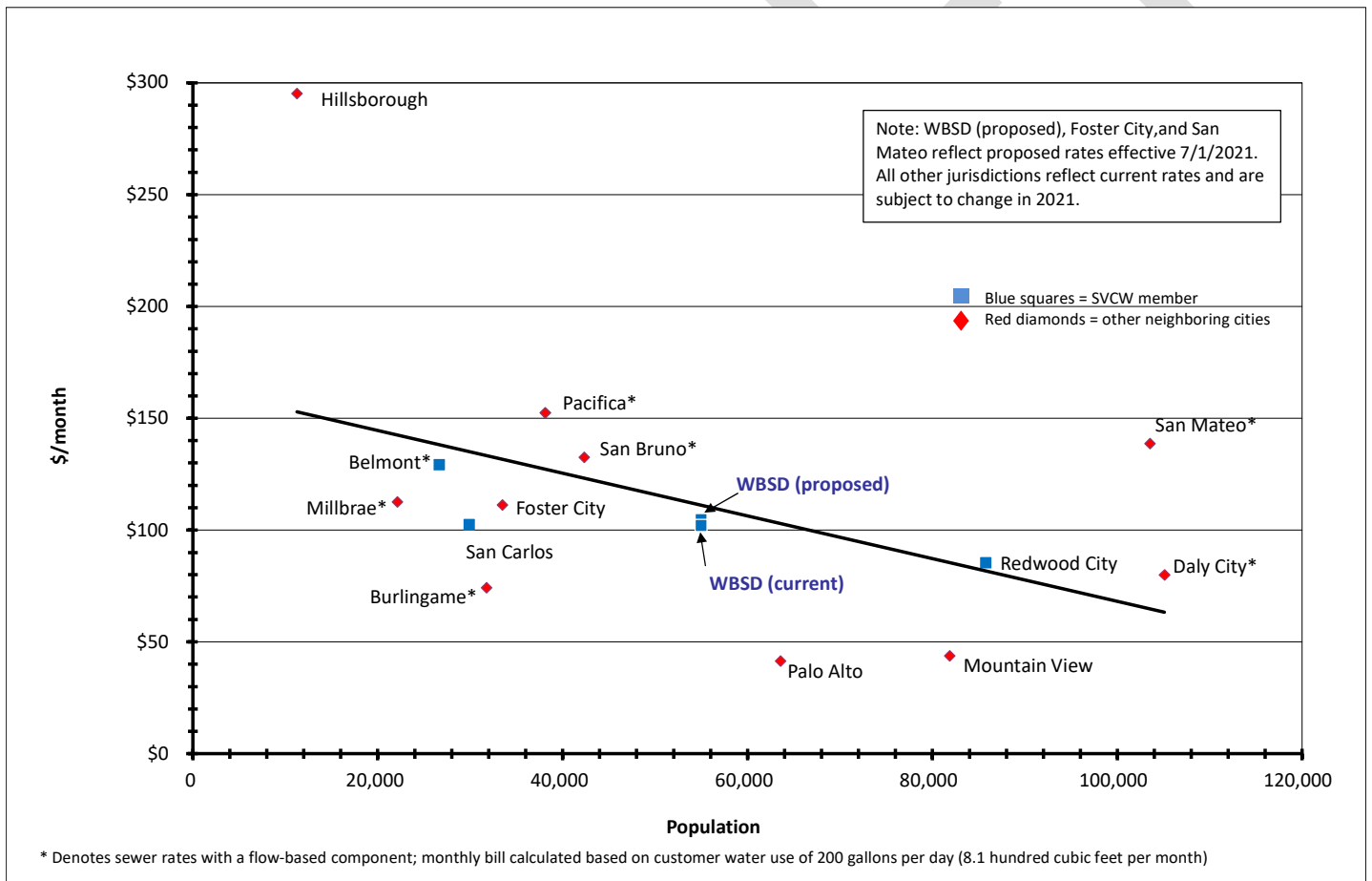
**Figure 3-8. Projected Rates (FY 2021-22 through FY 2025-26)**

	Adopted	Projected				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
<b><u>Residential (charge per DU per year)</u></b>						
Single Family, Multi Family	\$1,224	\$1,255	\$1,286	\$1,318	\$1,351	\$1,385
On-site Wastewater Disposal Zone	\$1,694	\$1,875	\$2,056	\$2,238	\$2,421	\$2,482
<b><u>Commercial (charge per CCF)</u></b>						
Retail/Commercial	\$9.86	\$10.11	\$10.36	\$10.62	\$10.88	\$11.16
Institution/Public	\$9.24	\$9.47	\$9.71	\$9.95	\$10.20	\$10.45
Restaurants/Bakeries	\$20.78	\$21.30	\$21.83	\$22.38	\$22.94	\$23.51
Supermarkets with Grinders	\$21.01	\$21.54	\$22.07	\$22.63	\$23.19	\$23.77
Hospitals	\$10.20	\$10.46	\$10.72	\$10.98	\$11.26	\$11.54
Hotels with Dining Facilities	\$16.78	\$17.20	\$17.63	\$18.07	\$18.52	\$18.99
<b><u>Industrial (measured)</u></b>						
Flow Rate Charge per CCF	\$7.28	\$7.46	\$7.65	\$7.84	\$8.04	\$8.24
BOD Rate Charge per pound	\$1.28	\$1.31	\$1.34	\$1.38	\$1.41	\$1.45
TSS Rate Charge per pound	\$1.46	\$1.50	\$1.53	\$1.57	\$1.61	\$1.65

### 3.3. Residential Sewer Charge Comparison

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

**Figure 3-9. Comparison of Monthly Residential Bills**



## APPENDIX A. SEWER RATE MODEL

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	A	B	C	D	E	F	G	H	I
1		<b>West Bay Sanitary District</b>							
2		<b>Sewer Rate Study</b>							
3		<b>Table 1A. Summary</b>							
4									
5		<b>RESIDENTIAL</b>							
6									
7		<b>Adopted</b>							
8		<i>Fiscal Year:</i>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>Notes</b>
9	1	<b>Base Service Charges</b>	4.0%	2.5%	2.5%	2.5%	2.5%	2.5%	To Tables 3, 4
10	2	<i>Cumulative Increase</i>		2.5%	5.1%	7.7%	10.4%	13.1%	
11	3	<b>\$ Increase</b>		\$31	\$31	\$32	\$33	\$34	
12	4	<b>Residential Bill (annual)</b>	\$1,224	\$1,255	\$1,286	\$1,318	\$1,351	\$1,385	
13	5	<i>% incr</i>		2.5%	2.5%	2.5%	2.5%	2.5%	
14	6	<b>Annual STEP/Grinder Charge</b>	\$320	\$470	\$620	\$770	\$920	\$1,070	
15	7	<i>Proposed Annual Increases (\$)</i>	\$150	\$150	\$150	\$150	\$150	\$27	To Table 3
16	8	<b>Total Annual STEP/Grinder Charge</b>	\$470	\$620	\$770	\$920	\$1,070	\$1,097	
17	9								
18	10	<i>Base Service Charge (from above)</i>	\$1,224	\$1,255	\$1,286	\$1,318	\$1,351	\$1,385	
19	11	<b>Total Annual Bill (Base + STEP/Grinder)</b>	\$1,694	\$1,875	\$2,056	\$2,238	\$2,421	\$2,482	
20	12			10.7%	9.7%	8.9%	8.2%	2.5%	
21									
22		<b>COMMERCIAL &amp; INDUSTRIAL</b>							
23									
24		<b>Adopted</b>							
25		<i>Fiscal Year:</i>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	
26		<i>% Increase</i>		2.5%	2.5%	2.5%	2.5%	2.5%	
27		<b>Commercial (charge per CCF)</b>							
28		Retail/Commercial	\$9.86	\$10.11	\$10.36	\$10.62	\$10.89	\$11.16	
29		Institution/Public	\$9.24	\$9.47	\$9.71	\$9.95	\$10.20	\$10.46	
30		Restaurants/Bakeries	\$20.78	\$21.30	\$21.83	\$22.38	\$22.94	\$23.51	
31		Supermarkets with Grinders	\$21.01	\$21.54	\$22.08	\$22.63	\$23.20	\$23.78	
32		Hospitals	\$10.20	\$10.46	\$10.72	\$10.99	\$11.26	\$11.54	
33		Hotels with Dining Facilities	\$16.78	\$17.20	\$17.63	\$18.07	\$18.52	\$18.98	
34									
35		<b>Industrial (measured)</b>							
36		Flow Rate Charge per CCF	\$7.28	\$7.46	\$7.65	\$7.84	\$8.04	\$8.24	
37		BOD Rate Charge per pound	\$1.28	\$1.31	\$1.34	\$1.37	\$1.40	\$1.44	
38		TSS Rate Charge per pound	\$1.46	\$1.50	\$1.54	\$1.58	\$1.62	\$1.66	

	A	B	C	D	E	F	G	H	I
1	<b>West Bay Sanitary District</b>								
2	<b>Sewer Rate Study</b>								
3	<b>Table 1B. General</b>								
4									
5	<b>List of Model Worksheets</b>								
6	Table 1A. Summary								
7	Table 1B. General								
8	Table 2. Revenue Requirement								
9	Table 3. Revenue Increases								
10	Table 4. Reserves								
11	Table 5. Capital Projects								
12	Table 6. WBSD Service								
13									
14	<b>Assumptions</b>		<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>Notes</b>
16	(1)	General Inflation	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%	To Table 2
17	(2)	Utilities	Per Budget	7.0%	7.0%	7.0%	7.0%	7.0%	To Table 2
18	(3)	Salaries	Per Budget	4.0%	4.0%	4.0%	4.0%	4.0%	To Table 2
19	(4)	Benefits	Per Budget	4.0%	4.0%	4.0%	4.0%	4.0%	To Table 2
20	(5)	PERS Unfunded Accrued Liability	Per Budget	-23.7%	9.6%	7.5%	7.6%	1.1%	From Table 2
21	(6)	SVCW O&M Expenses Increase %	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%	From Table 2
22	(7)	Interest on Earnings		0.25%	0.25%	0.25%	0.25%	0.25%	To Table 4
23	(8)	Miscellaneous	Per Budget	1.0%	1.0%	1.0%	1.0%	1.0%	To Table 2
24	(9)	Los Altos Hills, Woodside Revenue Change	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%	To Table 2
25	(10)	Construction Cost Inflation	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%	To Table 5
26	(11)	Increase in Annual Residential Customers	Per Budget	73	73	73	73	73	To Table 3
27	(12)	Number of Total Residential Customer Accounts		19,515	19,588	19,661	19,734	19,807	19,880
28	(13)	Annual Percentage in Residential Account Growth	Per Budget	0.4%	0.4%	0.4%	0.4%	0.4%	To Table 2
29	(14)	Annual Increase in Salaries for OT due to Growth	Per Budget	0.0%	0.0%	0.5%	0.5%	0.5%	to Table 2
30	(15)	Non-resid. rev. decrease due to COVID (% chng from p	Per Budget	-10.0%	-5.0%	0.0%	0.0%	0.0%	To Table 3
31									
32	<b>Target Fund Balances</b>								
33	<u>Operating Fund</u>								
34		Purpose	For O&M cash flow during the year						
35		Minimum balance	Cannot go negative						
36		Target balance	Five months of operating expenses						
37			(to accommodate biannual receipt of fees from County tax roll)						
38	<u>Capital Asset Fund</u>								
39		Purpose	To be used for replacement of Facilities						
40		Minimum balance	Cannot go negative						
41		Target balance	\$6,000,000						
42									
43	<u>Emergency Capital Fund</u>								
44		Purpose	To be used for sewer emergencies						
45		Minimum balance	Cannot go negative						
46		Target balance	\$5,000,000						
47									
48	<u>Rate Stabilization Fund</u>								
49		Purpose	Allow a margin of safety for the uncertainty of SVCW capital costs						
50		Minimum balance	Cannot go negative						
51		Target balance	\$8,000,000						
52									
53	<u>Vehicle &amp; Equipment Replacemend Fund</u>								
54		Purpose	To be used for replacement of Equipment						
55		Minimum balance	Cannot go negative						
56		Target balance	\$600,000						



	A	B	C	D	E	F	G	H	I
1	<b>West Bay Sanitary District</b>								
2	<b>Sewer Rate Study</b>								
3	<b>Table 2. Revenue Requirement</b>								
4									
5			<b>Budgeted</b>	<b>Projected</b>					
6		<b>Tbl. 1B</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>Notes</b>
7	<b>SVCW Projected Expenses</b>								
8	<b>Operating and Capital PAYGo Expenses</b>								
9	Operating Expenses		\$6,883,538	\$7,090,044	\$7,302,746	\$7,521,828	\$7,747,483	\$7,979,907	SVCW Expenses per District February 2021 Draft
10	Operating Expenses due to growth (HF&H est.)	(13)		26,423	53,538	81,362	109,916	139,219	est. impact on expenses due to growth
11	Transfer to Cash Reserves (CIP)		402,600	536,800	671,000	805,200	939,400	1,073,600	
12	Transfer to Operating Reserves		6,674	6,621	6,819	7,024	7,235	7,452	
13	Revenue-Funded Capital (PAYGo)		347,712	402,600	402,600	402,600	402,600	402,600	
14	<b>Subtotal SVCW Operating/PAYGo Expenses</b>		<b>\$7,640,524</b>	<b>\$8,062,488</b>	<b>\$8,436,703</b>	<b>\$8,818,014</b>	<b>\$9,206,634</b>	<b>\$9,602,778</b>	
15	<b>Debt Service</b>								
16	2014 Bond (\$55 million)		\$1,145,480	\$0	\$0	\$0	\$0	\$0	
17	2015 Bond (\$60 million)		1,610,500	0	0	0	0	0	
18	2018 Bond		1,837,713	1,839,213	1,834,338	1,837,963	1,834,963	1,835,338	
19	2020 Refunding Bonds (New)		0	2,845,087	2,848,607	2,840,584	2,848,749	2,842,521	
20	Fixed-Rate Bond Issue #1		0	0	0	0	302,594	302,594	
21	Existing SRF		506,765	726,842	726,842	726,842	726,842	726,842	
22	SRF for Conveyance Planning		0	409,614	409,614	409,614	409,614	409,614	
23	New SRF Loan(s)		0	0	0	1,774,308	1,774,308	1,774,308	
24	New WIFIA Loan(s)		0	0	0	0	0	0	
25	<b>Subtotal SVCW Debt Service</b>		<b>\$5,100,457</b>	<b>\$5,820,756</b>	<b>\$5,819,401</b>	<b>\$7,589,310</b>	<b>\$7,897,069</b>	<b>\$7,891,216</b>	
26	<b>Total SVCW Expenses</b>		<b>\$12,740,981</b>	<b>\$13,883,243</b>	<b>\$14,256,103</b>	<b>\$16,407,325</b>	<b>\$17,103,703</b>	<b>\$17,493,994</b>	
27	<i>Annual Change</i>			9.0%	2.7%	15.1%	4.2%	2.3%	
28									
29	<b>Operating Expenses</b>								
30	Salaries	(3),(13)	\$3,963,828	\$4,122,381	\$4,287,276	\$4,480,204	\$4,681,813	\$4,892,495	
31	Salary & Benefits for New FTE - Pump Stations	(3)		\$150,000	\$156,000	\$162,240	\$168,730	\$175,479	
32	Employee Benefits	(4)	\$2,841,502	\$2,955,162	\$3,073,369	\$3,196,303	\$3,324,155	\$3,457,122	
33	PERS Unfunded Accrued Liability	(5)	382,655	292,110	320,110	344,109	370,109	374,000	PERS Projections
34	Director's Fees	(1)	\$42,320	\$43,590	\$44,897	\$46,244	\$47,632	\$49,060	
35	Election Expense		\$70,000	\$0	\$70,000	\$0	\$70,000	\$0	
36	Gasoline, Oil and Fuel	(1),(13)	\$70,000	\$72,361	\$74,800	\$77,321	\$79,926	\$82,617	
37	Insurance	(1),(13)	\$173,290	\$179,135	\$185,174	\$191,414	\$197,862	\$204,524	
38	Memberships	(1),(13)	\$51,450	\$53,185	\$54,978	\$56,831	\$58,745	\$60,723	
39	Office Expense	(1),(13)	\$35,500	\$36,697	\$37,934	\$39,213	\$40,534	\$41,899	
40	Operating Supplies	(1),(13)	\$375,345	\$388,004	\$401,085	\$414,601	\$428,567	\$442,998	
41	Contractual Services	(1),(13)	\$481,000	\$497,223	\$513,985	\$531,306	\$549,204	\$567,696	
42	Professional Services	(1),(13)	\$495,220	\$511,922	\$529,181	\$547,014	\$565,440	\$584,480	
43	Printing and Publications	(1),(13)	\$62,500	\$64,608	\$66,786	\$69,037	\$71,362	\$73,765	
44	Rents and Leases	(1),(13)	\$40,000	\$41,349	\$42,743	\$44,183	\$45,672	\$47,210	
45	Repairs and Maintenance	(1),(13)	\$297,900	\$307,947	\$318,329	\$329,056	\$340,141	\$351,594	
46	Research and Monitoring	(1),(13)	\$20,000	\$20,675	\$21,372	\$22,092	\$22,836	\$23,605	
47	Travel and Meetings	(1)	\$56,200	\$57,886	\$59,623	\$61,411	\$63,254	\$65,151	
48	Utilities	(2),(13)	\$196,550	\$211,041	\$226,597	\$243,297	\$261,225	\$280,470	
49	Other Operating Expense	(1)	\$199,700	\$205,691	\$211,862	\$218,218	\$224,764	\$231,507	
50	Admin Alloc to Recycled Water Fund	(1)	(\$19,283)	(\$20,705)	(\$22,231)	(\$23,869)	(\$25,628)	(\$27,516)	
51	OH Alloc to Solid Waste Fund	(1)	(\$103,000)	(\$110,594)	(\$118,746)	(\$127,498)	(\$136,892)	(\$146,977)	
52	<b>Total Operating Expenditures</b>		<b>\$9,732,677</b>	<b>\$10,079,668</b>	<b>\$10,555,124</b>	<b>\$10,922,728</b>	<b>\$11,449,449</b>	<b>\$11,831,901</b>	
53	<i>Annual Change</i>			3.6%	4.7%	3.5%	4.8%	3.3%	
54	<b>Non-Operating Expenditures</b>								
55	Non-Operating Expense	(1)	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753	\$6,956	
56	Contrib. to LAFCo	(1)	\$21,000	\$21,630	\$22,279	\$22,947	\$23,636	\$24,345	
57	<b>Subtotal, Non-Operating Expenditures</b>		<b>\$27,000</b>	<b>\$27,810</b>	<b>\$28,644</b>	<b>\$29,504</b>	<b>\$30,389</b>	<b>\$31,300</b>	
58	<i>Annual Change</i>			3.0%	3.0%	3.0%	3.0%	3.0%	
59									
60	<b>Total Expenses</b>		<b>\$22,500,658</b>	<b>\$23,990,721</b>	<b>\$24,839,872</b>	<b>\$27,359,556</b>	<b>\$28,583,541</b>	<b>\$29,357,195</b>	
61	<i>Annual Change</i>			6.6%	3.5%	10.1%	4.5%	2.7%	

	A	B	C	D	E	F	G	H	I
1	West Bay Sanitary District								
2	Sewer Rate Study								
3	Table 2. Revenue Requirement								
4									
5									
6		Tbl. 1B	Budgeted	Projected					
62			FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Notes
63	<b>Non-Operating Revenues</b>								
64	Flow Equalization Cost Sharing	(1)	(\$365,184)	(\$376,140)	(\$387,424)	(\$399,046)	\$0	\$0	Flow equalization cost sharing ends FY 2023-24 per District
65	Permit & Inspection Fees	(8)	(\$100,000)	(\$101,000)	(\$102,010)	(\$103,030)	(\$104,060)	(\$105,101)	
66	Other Operating Revenue (Los Altos Hills, Woodside)	(9)	(\$350,000)	(\$360,500)	(\$371,315)	(\$382,454)	(\$393,928)	(\$405,746)	
67	Other Non-Operating Income (excl. interest)	(8)	(\$1,000)	(\$1,010)	(\$1,020)	(\$1,030)	(\$1,041)	(\$1,051)	
68	<b>Subtotal, Non-Operating Income</b>		(\$816,184)	(\$838,650)	(\$861,769)	(\$885,561)	(\$499,029)	(\$511,898)	
69				2.8%	2.8%	2.8%	-43.6%	2.6%	
70	<b>Other Transfers to/(from)</b>								
71	Operating (General) Fund		\$0	\$0	\$0	\$0	\$0	\$0	From Table 4
72	Operating Reserve		\$0	\$0	\$0	\$0	\$0	\$0	From Table 4
73	Capital Projects Fund (for PAYGo projects)		\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	From Table 4
74	Emergency Capital Reserves		\$0	\$0	\$0	\$0	\$0	\$0	From Table 4
75	Vehicle & Equipment Replacement Fund		\$0	\$0	\$0	\$0	\$0	\$0	From Table 4
76	<b>Total Transfers</b>		\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	
77				0.0%	0.0%	0.0%	0.0%	0.0%	
78	<b>Total Revenue Requirement</b>		<b>\$29,413,887</b>	<b>\$30,881,485</b>	<b>\$31,707,516</b>	<b>\$34,203,408</b>	<b>\$35,813,925</b>	<b>\$36,574,710</b>	To Table 3
79	Annual Change			5.0%	2.7%	7.9%	4.7%	2.1%	
80	Cumulative Change			5.0%	7.8%	16.3%	21.8%	24.3%	
81									
82	Source: West Bay Sanitary District FY 2020/21 Budget								

	A	B	C	D	E	F	G	H
1	<b>West Bay Sanitary District</b>							
2	<b>Sewer Rate Study</b>							
3	<b>Table 3. Revenue Increases</b>							
4								
5								
6		<b>Estimated</b>	<b>Projected</b>					
7		<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>Notes</b>
8	<b>Rate Revenue @ Current Rates</b>							
9	Residential	\$23,984,939						
10	Non-Residential	\$7,185,691						
11	Total Rate Revenue @ Current Rates	\$31,170,630	\$31,170,630	\$31,170,630	\$31,170,630	\$31,170,630	\$31,170,630	FY 2020/21 Tax Roll spreadsheet provided by District
12	Less: Reduction in Non-Residential Wastewater		(\$718,569)	(\$359,285)	\$0	\$0	\$0	COVID-related decrease in water use
13	Plus: Additional Revenue from Residential Growth		89,352	178,704	268,056	357,408	446,760	
14	<b>Adjusted Revenue at Current Rates</b>		<b>\$30,541,413</b>	<b>\$30,990,049</b>	<b>\$31,438,686</b>	<b>\$31,528,038</b>	<b>\$31,617,390</b>	To Below
15								
16	Revenue Requirement	(\$29,413,887)	(\$30,881,485)	(\$31,707,516)	(\$34,203,408)	(\$35,813,925)	(\$36,574,710)	From Table 2
17	<b>To/(From) operations before Rate Incr.</b>	\$1,756,743	(\$340,072)	(\$717,467)	(\$2,764,722)	(\$4,285,887)	(\$4,957,320)	To Table 4
18								
19								
20	<b>Increase in Rate Revenue</b>		<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	From Table 1B
21	Cumulative Increase in Rate Revenue		2.5%	5.1%	7.7%	10.4%	13.1%	To Table 1A
22	<b>Revenue from Rate Increases</b>							
23			FY 2021-22 (eff. July 1, 2021)	\$763,535	\$774,751	\$785,967	\$788,201	\$790,435
24			FY 2022-23 (eff. July 1, 2022)		\$794,120	\$805,616	\$807,906	\$810,196
25			FY 2023-24 (eff. July 1, 2023)			\$825,757	\$828,104	\$830,451
26			FY 2024-25 (eff. July 1, 2024)				\$848,806	\$851,212
27			FY 2025-26 (eff. July 1, 2025)					\$872,492
28	<b>Total Revenue from Rate Increases</b>	\$0	\$763,535	\$1,568,871	\$2,417,340	\$3,273,017	\$4,154,785	
29	<b>Total Current Revenue</b>	\$31,170,630	\$30,541,413	\$30,990,049	\$31,438,686	\$31,528,038	\$31,617,390	From Above
30	<b>Subtotal Revenue</b>	\$31,170,630	\$31,304,948	\$32,558,921	\$33,856,026	\$34,801,055	\$35,772,175	To Line 44
31								
32	<b>STEP System Additional Charge</b>		<b>\$150</b>	<b>\$150</b>	<b>\$150</b>	<b>\$150</b>	<b>\$27</b>	From Table 1B
33	Current STEP System Customers		79	79	79	79	79	
34	Cumulative Additional STEP System Customers			10	10	10	10	
35	<b>Subtotal</b>		79	89	89	89	89	
36								
37	<b>Revenue from Additional STEP System Charge Increases</b>							
38			FY 2021-22 (eff. July 1, 2021)	\$11,850	\$11,850	\$11,850	\$11,850	\$11,850
39			FY 2022-23 (eff. July 1, 2022)		\$13,350	\$13,350	\$13,350	\$13,350
40			FY 2023-24 (eff. July 1, 2023)			\$13,350	\$13,350	\$13,350
41			FY 2024-25 (eff. July 1, 2024)				\$13,350	\$13,350
42			FY 2025-26 (eff. July 1, 2025)					\$2,381
43	<b>Total Revenue from STEP System Rate Increases</b>		\$11,850	\$25,200	\$38,550	\$51,900	\$54,281	
44	<b>Subtotal Revenue</b>	\$31,170,630	\$31,304,948	\$32,558,921	\$33,856,026	\$34,801,055	\$35,772,175	From Line 30
45		\$31,170,630	\$31,316,798	\$32,584,121	\$33,894,576	\$34,852,955	\$35,826,455	
46	Revenue Requirement	(\$29,413,887)	(\$30,881,485)	(\$31,707,516)	(\$34,203,408)	(\$35,813,925)	(\$36,574,710)	From Above
47	<b>To/(From) operations after Rate Incr.</b>	<b>\$1,756,743</b>	<b>\$435,313</b>	<b>\$876,605</b>	<b>(\$308,832)</b>	<b>(\$960,970)</b>	<b>(\$748,255)</b>	To Table 4

	A	B	C	D	E	F	G	H	I	J	K
1	West Bay Sanitary District										
2	Sewer Rate Study										
3	Table 4. Reserves										
4											
5			Tbl.	Actual	Budgeted						
6			1B	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Notes
7											
8	<b>OPERATING (GENERAL) FUND</b>										
9	<b>Revenue Increases</b>										
10						2.5%	2.5%	2.5%	2.5%	2.5%	From Table 1A
11											
12	<b>Transfers (To)/From</b>										
13											To Table 2
14											(To)/From Below
15											(To)/From Below
16											(To)/From Below
17											(To)/From Below
18											(To)/From Below
19											(To)/From Below
20											(To)/From Below
21											
22											
23											all remaining cash after reserves
24											
25											
26	<b>OPERATING RESERVE</b>										
27											
28	<b>Transfers (To)/From</b>										
29											
30											
31											
32											
33											
34											
35											
36											

	A	B	C	D	E	F	G	H	I	J	K
1	<b>West Bay Sanitary District</b>										
2	<b>Sewer Rate Study</b>										
3	<b>Table 4. Reserves</b>										
4											
5			<b>Tbl.</b>	<b>Actual</b>	<b>Budgeted</b>						
6			<b>1B</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>Notes</b>
37	<b>CAPITAL ASSET FUND</b>										
38	Beginning Balance				\$2,781,875	\$5,469,377	\$6,269,512	\$6,109,247	\$5,322,019	\$5,861,135	
39	<b>Revenues</b>										
40	Connection Charges				\$250,000	\$505,087	\$505,087	\$505,087	\$505,087	\$505,087	From Table 5
41	<b>Capital Projects</b>										
42	Administration				(\$350,000)	\$0	(\$1,500,000)	(\$500,000)	\$0	\$0	From Table 5
43	Collection Facilities				(\$2,245,550)	(\$6,500,000)	(\$6,500,000)	(\$2,500,000)	(\$500,000)	(\$500,000)	From Table 5
44	Pipe Repl & Rehab				(\$4,800,000)	(\$1,200,000)	(\$200,000)	(\$5,825,000)	(\$7,000,000)	(\$7,397,500)	From Table 5
45	Capacity				(\$1,500,000)	\$0	\$0	\$0	\$0	\$0	From Table 6
46	Environmental Review				(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	From Table 5
47	Manhole Raising				(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	From Table 5
48	Allow for Unanticipated Cap Exp				(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	From Table 5
49	Vehicles & Equipment				\$0	\$0	\$0	\$0	\$0	\$0	From Table 5
50	Subtotal Expenses				(\$9,105,550)	(\$7,910,000)	(\$8,410,000)	(\$9,035,000)	(\$7,710,000)	(\$8,107,500)	
51											
52	Payment to SVCW (to reduce debt obligation)				\$0	\$0	\$0	\$0	\$0	\$0	
53											
54	Net Capital Expenditures to be paid by Rates				(\$8,855,550)	(\$7,404,913)	(\$7,904,913)	(\$8,529,913)	(\$7,204,913)	(\$7,602,413)	
55											
56	<b>Transfers (To)/From</b>										
57	Revenue Requirement- PayGo Capital				\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	To Table 2
58	Operating General Fund				\$3,800,000	\$460,000	\$0	\$0	\$0	\$0	From Above
59	Rate Stabilization Fund				\$0	\$0	\$0	\$0	\$0	\$0	From Below
60	Subtotal Transfers				\$11,529,413	\$8,189,413	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	
61	Fund Subtotal				\$5,455,738	\$6,253,877	\$6,094,012	\$5,308,747	\$5,846,519	\$5,988,135	
62	Estimated Interest Earnings (7)				\$13,639	\$15,635	\$15,235	\$13,272	\$14,616	\$14,970	
63	<b>Ending Balance</b>				<b>\$2,781,875</b>	<b>\$5,469,377</b>	<b>\$6,269,512</b>	<b>\$6,109,247</b>	<b>\$5,322,019</b>	<b>\$5,861,135</b>	<b>\$6,003,105</b>
64	Target Balance				\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	From Table 1B
65											
66	<b>EMERGENCY CAPITAL RESERVES</b>										
67	Beginning Balance				\$3,904,702	\$4,938,017	\$4,950,362	\$4,962,738	\$4,975,145	\$4,987,582	
68	<b>Transfers (To)/From</b>										
69	Revenue Requirements				\$0	\$0	\$0	\$0	\$0	\$0	To Table 2
70	Operating General Fund				\$1,021,000	\$0	\$0	\$0	\$0	\$0	To Above
71	Subtotal Transfers				\$1,021,000	\$0	\$0	\$0	\$0	\$0	
72	Fund Subtotal				\$4,925,702	\$4,938,017	\$4,950,362	\$4,962,738	\$4,975,145	\$4,987,582	
73	Estimated Interest Earnings (7)				\$12,314	\$12,345	\$12,376	\$12,407	\$12,438	\$12,469	
74	<b>Ending Balance</b>				<b>\$3,904,702</b>	<b>\$4,938,017</b>	<b>\$4,950,362</b>	<b>\$4,962,738</b>	<b>\$4,975,145</b>	<b>\$4,987,582</b>	<b>\$5,000,051</b>
75	Minimum Balance				\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	
76	Target Balance				\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	
77											

	A	B	C	D	E	F	G	H	I	J	K
1	West Bay Sanitary District										
2	Sewer Rate Study										
3	Table 4. Reserves										
4											
5											
6			Tbl.	Actual	Budgeted						
7			1B	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Notes
78	<b>RATE STABILIZATION FUND</b>										
79		Beginning Balance			\$1,408,407	\$7,903,116	\$7,922,874	\$7,942,681	\$7,962,537	\$7,982,444	
80		Payment to SVCW			\$0	\$0	\$0	\$0	\$0	\$0	
81	<b>Transfers (To)/From</b>										
82		Operating General Fund			\$6,475,000	\$0	\$0	\$0	\$0	\$0	To Table 2
83		Recycled Water Project Fund			\$0	\$0	\$0	\$0	\$0	\$0	
84		Capital Fund			\$0	\$0	\$0	\$0	\$0	\$0	To Above
85		Subtotal Transfers			\$6,475,000	\$0	\$0	\$0	\$0	\$0	
86		Fund Subtotal			\$7,883,407	\$7,903,116	\$7,922,874	\$7,942,681	\$7,962,537	\$7,982,444	
87		Estimated Interest Earnings (7)			\$19,709	\$19,758	\$19,807	\$19,857	\$19,906	\$19,956	
88		<b>Ending Balance</b>			<b>\$1,408,407</b>	<b>\$7,903,116</b>	<b>\$7,922,874</b>	<b>\$7,942,681</b>	<b>\$7,962,537</b>	<b>\$7,982,444</b>	<b>\$8,002,400</b>
89		Target Balance			\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	
90											
91											
92	<b>VEHICLE &amp; EQUIPMENT REPLACEMENT FUND</b>										
93		Beginning Balance			\$ 607,251	\$ 608,769	\$ 610,291	\$ 611,817	\$ 613,346	\$ 614,880	
94	<b>Transfers (To)/From</b>										
95		Revenue Requirement			\$0	\$0	\$0	\$0	\$0	\$0	To Table 2
96		Operating General Fund			\$0	\$0	\$0	\$0	\$0	\$0	
97		Subtotal Transfers			\$0	\$0	\$0	\$0	\$0	\$0	
98		Fund Subtotal			\$ 607,251	\$ 608,769	\$ 610,291	\$ 611,817	\$ 613,346	\$ 614,880	
99		Estimated Interest Earnings (7)			\$1,518	\$1,522	\$1,526	\$1,530	\$1,533	\$1,537	
100		<b>Ending Balance</b>			<b>\$607,251</b>	<b>\$608,769</b>	<b>\$610,291</b>	<b>\$611,817</b>	<b>\$613,346</b>	<b>\$614,880</b>	<b>\$616,417</b>
101		Target Balance			\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	
102	<b>RECYCLED WATER PROJECT FUND (not included in Fund Balance graph)</b>										
103		Beginning Balance			\$8,742,313	\$8,764,169	\$8,786,079	\$8,808,045	\$8,830,065	\$8,852,140	
104											
105	<b>SRF Reimbursement</b>										
106	<b>Expenditures</b>										
107											
108	<b>Transfers (To)/From</b>										
109		Revenue Requirements			\$0	\$0	\$0	\$0	\$0	\$0	
110		Operating Fund			\$0	\$0	\$0	\$0	\$0	\$0	
111		Rate Stabilization Reserve			\$0	\$0	\$0	\$0	\$0	\$0	
112		Capital Asset Fund			\$0	\$0	\$0	\$0	\$0	\$0	From Above
113		Subtotal Transfers			\$0	\$0	\$0	\$0	\$0	\$0	
114		Fund Subtotal			\$8,742,313	\$8,764,169	\$8,786,079	\$8,808,045	\$8,830,065	\$8,852,140	
115		Estimated Interest Earnings (7)			\$21,856	\$21,910	\$21,965	\$22,020	\$22,075	\$22,130	
116		<b>Ending Balance</b>			<b>\$8,742,313</b>	<b>\$8,764,169</b>	<b>\$8,786,079</b>	<b>\$8,808,045</b>	<b>\$8,830,065</b>	<b>\$8,852,140</b>	<b>\$8,874,270</b>
117											
118	<b>OPEB/PERS Unfunded Liabilities (not included in Fund Balance graph)</b>										
119		Beginning Balance			\$2,036,722	\$2,077,456	\$2,119,005	\$1,141,385	\$654,213	\$667,297	
120	<b>Transfers (To)/From</b>										
121		Revenue Requirements			\$0	\$0	\$0	\$0	\$0	\$0	From Table 2
122		Additional Liability Payment			(2,600,000)	(1,000,000)	(1,000,000)	(500,000)	-	-	
123		Operating Fund			\$2,600,000	\$1,000,000	\$0	\$0	\$0	\$0	From Above
124		Subtotal Transfers			\$0	\$0	(\$1,000,000)	(\$500,000)	\$0	\$0	
125		Fund Subtotal			\$2,036,722	\$2,077,456	\$1,119,005	\$641,385	\$654,213	\$667,297	
126		Estimated Interest Earnings			\$40,734	\$41,549	\$22,380	\$12,828	\$13,084	\$13,346	2% earnings per year (District)
127		<b>Ending Balance</b>			<b>\$2,036,722</b>	<b>\$2,077,456</b>	<b>\$2,119,005</b>	<b>\$1,141,385</b>	<b>\$654,213</b>	<b>\$667,297</b>	<b>\$680,643</b>
128		Unfunded Liability + OPEB Target			2,500,000	1,500,000	500,000	-	-	-	Per District

	A	B	C	D	E	F	G	H	I	J
1		<b>West Bay Sanitary District</b>								
2		<b>Sewer Rate Study</b>								
3		<b>Table 5. Capital Projects</b>								
4										
5				<b>Budgeted</b>	<b>Projected</b>				<b>Five-Year</b>	
6				<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>Subtotal</b>
7		<b>Administration</b>								
8		Corporate Yard Maintenance Building		350,000	-	1,500,000	500,000	-	-	2,000,000
9		Administration Subtotal		350,000	\$0	\$1,500,000	\$500,000	\$0	\$0	2,000,000
10		<b>Collection Facilities</b>								
11		Metal Storage Building		745,550						-
12		FERRF (Levee)		1,000,000	6,000,000	6,000,000	2,000,000	0	-	14,000,000
13		FEF		500,000	500,000	500,000	500,000	500,000	500,000	2,500,000
14		Collection Facilities Subtotal		\$2,245,550	\$6,500,000	\$6,500,000	\$2,500,000	\$500,000	\$500,000	16,500,000
15		<b>Equipment Replacement</b>								
16		Large Diameter Trunkline Cleaning & CCTV		-	-	-	-	-	-	-
17		Equipment Replacement Subtotal		\$0	\$0	\$0	\$0	\$0	\$0	\$0
18		<b>Pipe Replacement and Rehabilitation</b>								
19		Pump Station Miscellaneous		-	-	200,000	-	200,000	-	400,000
20		Bay Road North		3,000,000	-	-	-	-	-	-
21		Gilbert		500,000	-	-	1,500,000	-	-	1,500,000
22		Atherton Civic Center		800,000	-	-	-	-	-	-
23		Isabella		500,000	-	-	-	-	-	-
24		Willow Road PS - Piping		-	200,000	-	-	-	-	200,000
25		Santa Margarita		-	-	-	700,000	-	-	700,000
26		Camino al Lago		-	-	-	1,155,000	-	-	1,155,000
27		Santa Cruz		-	-	-	-	-	700,000	700,000
28		Avy		-	-	-	175,000	-	-	175,000
29		Vine		-	-	-	770,000	-	-	770,000
30		Marsh Road CIPP (Remaining)		-	-	-	1,125,000	-	-	1,125,000
31		Westminster		-	-	-	-	5,000,000	-	5,000,000
32		Stowe Lane Pump Station		-	-	-	-	-	1,300,000	1,300,000
33		Stowe Lane PS xcrossing SFPUC sag		-	-	-	-	-	297,500	297,500
34		ECR @ Glenwood		-	-	-	-	-	500,000	500,000
35		University		-	-	-	-	1,800,000	4,600,000	6,400,000
36		Alameda Campo Bello to Harrison (Bad Soil)		-	-	-	-	-	-	-
37		Hermosa		-	-	-	-	-	-	-
38		Santa Cruz		-	-	-	-	-	-	-
39		College Park		-	-	-	-	-	-	-
40		Downtown		-	-	-	-	-	-	-
41		Flood Park		-	-	-	-	-	-	-
42		East Palo Alto		-	-	-	-	-	-	-
43		Menalto Easements		-	-	-	-	-	-	-
44		Lorelei		-	-	-	-	-	-	-
45		Sharon Heights (Basin 60)		-	-	-	-	-	-	-

	A	B	C	D	E	F	G	H	I	J
1		West Bay Sanitary District								
2		Sewer Rate Study								
3		Table 5. Capital Projects								
4										
5				<b>Budgeted</b>	<b>Projected</b>			<b>Five-Year</b>		
6				<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>Subtotal</b>
46		Walsh (Basin 50)		-	-	-	-	-	-	-
47		Weekend Acres/SLAC (Basin 40)		-	-	-	-	-	-	-
48		Encinal A		-	-	-	-	-	-	-
49		Ladera (Basin 30)		-	-	-	-	-	-	-
50		Portola Valley (Basin 10)		-	-	-	-	-	-	-
51		Los Trancos (Basin 20)		-	-	-	-	-	-	-
52		101 Crossing (SD xcrossing)		-	-	-	-	-	-	-
53		Stevenson		-	-	-	-	-	-	-
54		MacBain		-	-	-	400,000	-	-	400,000
55		Elena		-	-	-	-	-	-	-
56		Fair Oaks		-	-	-	-	-	-	-
57		Encinal B		-	-	-	-	-	-	-
58		Berkeley		-	-	-	-	-	-	-
59		Bayfront Entry Improvements		-	1,000,000	-	-	-	-	1,000,000
60		Pipe Replacement and Rehabilitation Subtotal		4,800,000	1,200,000	200,000	5,825,000	7,000,000	7,397,500	21,622,500
61		<b>Capacity</b>								
62		Lower Ringwood		1,500,000	-	-	-	-	-	-
63		Valparaiso		-	-	-	-	-	-	-
64		Willow Gravity Main		-	-	-	-	-	-	-
65		Upper Ringwood		-	-	-	-	-	-	-
66		Santa Cruz Avy		-	-	-	-	-	-	-
67		Cambridge Laurel		-	-	-	-	-	-	-
68		Middlefield at Fair Oaks		-	-	-	-	-	-	-
69		Capacity Subtotal		\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$0
70		<b>Other</b>								
71		Construction Projects Environmental Review		\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
72		Manhole Raising		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
73		Allow for Unanticipated Cap Exp		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
74		Other Subtotal		\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$1,050,000
75										
76		<b>Total Capital Expenses</b>		\$9,105,550	\$7,910,000	\$8,410,000	\$9,035,000	\$7,710,000	\$8,107,500	\$41,172,500
77		Less: Connection Fee Revenue		(\$250,000)	(\$505,087)	(\$505,087)	(\$505,087)	(\$505,087)	(\$505,087)	(\$2,525,435)
78		<b>Net PAYGo Capital Expenses</b>		\$8,855,550	\$7,404,913	\$7,904,913	\$8,529,913	\$7,204,913	\$7,602,413	\$38,647,065
79		to be paid by Rates								
79							<b>5-year CIP Average:</b>		\$7,729,413	
80										



	A	B	C	D	E	F	G	H
1	<b>West Bay Sanitary District</b>							
2	<b>Sewer Rate Study</b>							
3	<b>Table 6. WBSD Service</b>							
4								
5		<b>Budgeted</b>			<b>Projected</b>			
6		<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>Notes</b>
7	<b>Debt Coverage Ratio</b>							
8	<b>Revenue Sources</b>							
9	Sewer Service Charges	\$31,170,630	\$31,316,798	\$32,584,121	\$33,894,576	\$34,852,955	\$35,826,455	From Table 3
10	Flow Equalization Cost Sharing	\$365,184	\$376,140	\$387,424	\$399,046	\$0	\$0	From Table 2
11	Permit & Inspection Fees	\$100,000	\$101,000	\$102,010	\$103,030	\$104,060	\$105,101	From Table 2
12	Other Operating Revenue (Los Altos Hills, Woodside)	\$350,000	\$360,500	\$371,315	\$382,454	\$393,928	\$405,746	From Table 2
13	Other Non-Operating Income (excl. interest)	\$1,000	\$1,010	\$1,020	\$1,030	\$1,041	\$1,051	From Table 2
14	Sharon Heights SRF	\$675,541	\$675,541	\$675,541	\$675,541	\$675,541	\$675,541	From FY 2020-21 Budget
15	Connection fees	\$250,000	\$505,087	\$505,087	\$505,087	\$505,087	\$505,087	From Table 5
16	Investment Interest	\$113,553	\$113,237	\$115,272	\$112,787	\$111,978	\$110,705	
17	Subtotal	\$33,025,908	\$33,449,312	\$34,741,790	\$36,073,553	\$36,644,590	\$37,629,686	
18								
19	<b>Operating Expenses</b>							
20	SVCW Operating Expenses	(\$6,883,538)	(\$7,090,044)	(\$7,302,746)	(\$7,521,828)	(\$7,747,483)	(\$7,979,907)	From Table 2
21	SVCW Operating Expenses due to growth	\$0	(\$26,423)	(\$53,538)	(\$81,362)	(\$109,916)	(\$139,219)	
22	WBSD Operating Expenses	(\$9,732,677)	(\$10,079,668)	(\$10,555,124)	(\$10,922,728)	(\$11,449,449)	(\$11,831,901)	
23	Subtotal	(\$16,616,215)	(\$17,196,135)	(\$17,911,408)	(\$18,525,918)	(\$19,306,848)	(\$19,951,027)	
24								
25	<b>Net Revenue</b>	<u>\$16,409,693</u>	<u>\$16,253,178</u>	<u>\$16,830,382</u>	<u>\$17,547,634</u>	<u>\$17,337,742</u>	<u>\$17,678,660</u>	
26								
27	<b>Debt Service</b>							
28	SVCW Debt Service							
29	2014 Bond (\$55 million)	\$1,145,480	\$0	\$0	\$0	\$0	\$0	From Table 2
30	2015 Bond (\$60 million)	\$1,610,500	\$0	\$0	\$0	\$0	\$0	From Table 2
31	2018 Bond	\$1,837,713	\$1,839,213	\$1,834,338	\$1,837,963	\$1,834,963	\$1,835,338	From Table 2
32	2020 Refunding Bonds (New)	\$0	\$2,845,087	\$2,848,607	\$2,840,584	\$2,848,749	\$2,842,521	From Table 2
33	Fixed-Rate Bond Issue #1	\$0	\$0	\$0	\$0	\$302,594	\$302,594	From Table 2
34	Existing SRF	\$506,765	\$726,842	\$726,842	\$726,842	\$726,842	\$726,842	From Table 2
35	SRF for Conveyance Planning	\$0	\$409,614	\$409,614	\$409,614	\$409,614	\$409,614	From Table 2
36	New SRF Loan(s)	\$0	\$0	\$0	\$1,774,308	\$1,774,308	\$1,774,308	From Table 2
37	New WIFIA Loan(s)	\$0	\$0	\$0	\$0	\$0	\$0	From Table 2
38	Subtotal	\$5,100,457	\$5,820,756	\$5,819,401	\$7,589,310	\$7,897,069	\$7,891,216	
39	Sharon Heights SRF	\$675,541	\$675,541	\$675,541	\$675,541	\$675,541	\$675,541	
40	Total Debt Service	\$5,775,998	\$6,496,297	\$6,494,942	\$8,264,851	\$8,572,610	\$8,566,757	
41								
42								
43	Debt coverage ratio	2.84	2.50	2.59	2.12	2.02	2.06	
44								



# WEST BAY SANITARY DISTRICT

PUBLIC HEARING ON PROPOSED INCREASE IN SEWER SERVICE CHARGES April 28, 2021

(Please Share This Information with Tenants)

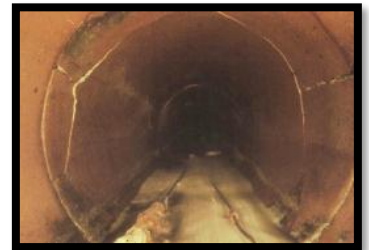


The West Bay Sanitary District provides sewer service to approximately 55,000 customers in areas of Menlo Park, Atherton, Portola Valley, East Palo Alto, Woodside, and Unincorporated San Mateo and Santa Clara Counties. The District, established in 1902, owns and operates more than 200 miles of main line sewers and 13 pumping stations throughout the service area. The District's sewer system is aging. In order to meet our goal of providing safe, reliable service to our customers, the District proposes a sewer service rate change effective July 1, 2021, through the annual property tax bill beginning in November 2021.

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

## Collection System Infrastructure Replacements

Since 2010, the District has been committed to a system-wide rehabilitation and replacement infrastructure program. The District's goal is to proactively replace the entire 210-mile sewer system before it reaches the end of its useful life. More than half of the District's sewer lines are in excess of 50 years old. These older lines often experience heavy root intrusion, corrosion, and local failures. Gaps in the pipeline system admit groundwater during wet weather; this additional water floods the system and, if severe, could result in overflows from the existing system manholes. During heavy storm events the regional plant relies on the Flow Equalization Facility (FEF) behind Bedwell Park in Menlo Park, to store raw wastewater until it can be treated at the regional plant. The levee around the FEF must be raised to protect the site and the San Francisco Bay from contamination. The additional rain and groundwater increases the flows that need treatment at the regional treatment plant (see below). The estimated cost of this infrastructure program is approximately \$7.9 million annually, which has increased significantly in recent years as construction costs continue to rise at a rate greater than inflation.



Cracked Clay Sewer Pipe

In addition, the District has implemented an aggressive preventive maintenance program in accordance with guidelines established by the State Water Resources Control Board. In order to continue to fund these sewer system operations and infrastructure improvements on a pay-as-you-go basis, which ultimately keeps costs down for the ratepayers, the sewer service charge must be increased slightly in fiscal year 2021/22.

## SVCW Treatment Plant Improvements

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

## Proposed Rates

A sewer service charge rate study, completed by the District's rate consultant, HF&H Consultants (HF&H), found District rates need to increase to cover operating and capital expenses for fiscal year 2020/21. A cost-of-service analysis was completed in February 2021 to ensure each customer class's proportionate share of the District's costs was accurate. Residential and Commercial/industrial rates are proposed to increase by 2.5%.

Approximately 80 homes in the Portola Valley area (located within the On-Site Wastewater Disposal Zone) pay higher charges for the maintenance of the STEP or Grinder Sewer Collection Systems that they require. The District currently charges an additional \$470 annually to maintain these collection systems. Based on the 2020 study, the current cost of service per account exceeded the fiscal year 2019/20 charge by \$599. To realign charges with the cost of service, charges for the maintenance of the STEP/Grinder Sewer Collection Systems are proposed to increase annually over five fiscal years. For fiscal year 2021/22, the second of five years, the proposed STEP/Grinder Sewer Collection System charge is \$620, an increase of \$150.

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

### Summary of Current and Proposed Rates

	Current FY 2020/21	Proposed FY 2021/22
<b>Residential (per Dwelling Unit)</b>		
Single Family, Multi-Family	\$1,224	\$1,255
On-site Wastewater Disposal Zone	\$1,694	\$1,875
<b>Commercial (per CCF)</b>		
Retail/Commercial	\$9.86	\$10.11
Institution/Public	\$9.24	\$9.47
Restaurants	\$20.78	\$21.30
Supermarkets with Grinders	\$21.01	\$21.54
Hospitals	\$10.20	\$10.46
Hotels with Dining Facilities	\$16.78	\$17.20
<b>Industrial</b>		
Flow rate (per CCF)	\$7.28	\$7.46
BOD (per pound)	\$1.28	\$1.31
TSS (per pound)	\$1.46	\$1.50

### Single-Family Rate Breakdown

Component	Current	Proposed (per dwelling unit) FY2020/21
Collection	\$702 (57%)	\$691
Treatment	\$522 (43%)	\$564
<b>Total</b>	<b>\$1,224</b>	<b>\$1,255</b>

## Fairness Principle

Customers pay only for the proportional cost of their service. The proposed rate increase will provide funds to pay for the District's planned operational costs, capital improvements through June of 2022 (including engineering, administrative, and implementation costs.) The proposed rate increase will also cover the ongoing SVCW Operations & Maintenance costs, as well as, repay the District's share of principal and interest on SVCW loans and bonds, for their capital construction during this period.



SVCW Regional Treatment Plant

## Emergency Service

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

If your property does not have a conforming cleanout (which looks like a 4-inch capped pipe near the street or near your home), it is recommended that you install one. The District will provide a courtesy cleaning, if a home or business has a conforming cleaning out. A permit must be obtained from the District office. All new installations require conforming cleanouts. Please visit our website for more information.

[www.westbaysanitary.org](http://www.westbaysanitary.org)



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

**Important Information – Notice of Public Hearing**  
**Wednesday, April 28, 2021 at 7:00 p.m.**

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San Bruno, CA  
Permit No. 655



## WEST BAY SANITARY DISTRICT

### NOTICE OF PUBLIC HEARING

Notice is given that the Board of Directors of West Bay Sanitary District will conduct a Regular Meeting and Public Hearing on **Wednesday evening, April 28, 2021 at 7:00 p.m.**

The location of the meeting: West Bay Sanitary District  
Ronald W. Shepherd Administration Building  
500 Laurel Street  
Menlo Park, California 94025 or by Zoom or Telephone  
<https://zoom.us/j/98246432426?pwd=TTF4aFZlazZjT2dyc0ZlZXUxRTZzdz09> Meeting ID: 982 4643 2426  
Passcode: 162687 or telephone 669-900-6833 Meeting ID: 982 4643 2426 Passcode: 162687

The purpose of the Public Hearing will be to consider a proposed increase in Sewer Service Charge fees for all District customers, for fiscal year 2021/22. At the Public Hearing, any interested persons may address the District Board. The proposed rates are \$ 1,255 per Single Family Residence for fiscal year 2021/22, which is a \$31 increase from fiscal year 2020/21. For customers in the On-Site Wastewater Disposal Zone, the proposed rates are \$1,875 for fiscal year 2021/22, which is a \$181 increase from fiscal year 2020/21. Proposed rates for Commercial or Industrial Customers are set forth on Page One of this Notice.

If you wish to file a written protest, please send a letter in a sealed envelope to the address above. Your letter must identify the real property you own or rent by street address and assessor's parcel number (APN). Your letter must be legibly signed by any one of the current property owners or ratepayers of record. The District must receive your letter in a sealed envelope by 4:00 p.m. on April 28, 2021, or it must be presented at the District Board meeting on April 28, 2021 prior to the close of the public hearing. Any person interested, including all sanitary sewer customers of the West Bay Sanitary District, may appear at the public hearing and be heard on any matter related to the proposed increase in rates. At the public hearing, the agency shall consider all written protests against the proposed fees. If written protests against the proposed fees are presented by a majority of District customers, the District shall not adjust the fees. 4-47



**NOTICE OF PUBLIC HEARING  
WEST BAY SANITARY DISTRICT  
500 LAUREL STREET  
MENLO PARK, CA 94025**

**NOTICE IS GIVEN** that the District Board of West Bay Sanitary District will conduct a public hearing on Wednesday, April 28, 2021, at 7:00 p.m. The hearing will be held in the District's Board Room located at 500 Laurel Street, Menlo Park or by Zoom or telephone

<https://zoom.us/j/98246432426?pwd=TTF4aFZlazZjT2dyc0ZlZXUxRTZzdz09>

Meeting ID: 982 4643 2426 Passcode: 162687 or telephone 669-900-6833

Meeting ID: 982 4643 2426 Passcode: 162687

The purpose of the Public Hearing is to consider a proposed increase in sewer services charges for fiscal year 2021/2022. Additional information is available through the District's website at [www.westbaysanitary.org](http://www.westbaysanitary.org) and on the official notice that was mailed to every parcel address that pays District rates.

The annual sewer service charge will increase from \$1,224 per single family residence to \$1,255 in fiscal year 2021/2022. Approximately 80 homes in the Portola Valley area (located within the On-Site Wastewater Disposal Zone) who pay higher charges for the maintenance of their STEP or Grinder Sewer Collection Systems will increase from \$1,694 per single family residence to \$1,875 in fiscal year 2021/2022 in order to realign charges with the cost of service, charges for the maintenance of the STEP/Grinder Sewer Collection Systems. Non-residential rates will increase proportionately according to loading characteristics. The increased charges are required to fund needed maintenance, reconstruction to the sewer system, levee improvements, and expenses for the Silicon Valley Clean Water regional wastewater treatment plant.

Protests against the proposed rate increase must be submitted in writing by 4:00pm on April 28, 2021, and signed by the property owner, must identify the owner(s) of the property for which the protest is entered, and must include the property address and assessor's parcel number (APN).

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Sergio Ramirez, District Manager

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## WEST BAY SANITARY DISTRICT AGENDA ITEM 5

**To:** *Board of Directors*

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

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

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**1) Administrative:**

- a. The Board of Directors should consider an update to the Board Goals/Strategic Plan.
- b. District Manager would like to set up an Ad Hoc Committee to review the new Personnel Policy.
- c. Staff has prepared the letter of appreciation for the work Anderson Pacific performed on the Recycled Water Facility.
- d. Housen and Associates is completing the EPA Development Flow Study. Information will be shared during the Board meeting on February 24, 2021.

**2) Finance:**

- a. District Manager would like to ask the Finance Advisory Committee to review the new Purchasing Policy and Investment Policy.
- b. Payroll has been working on and verifying deductions and contributions on the new Prime Pay module in order to streamline payroll. The implementation is nearing completion.
- c. Staff has reviewed the latest draft to the HF&H Sewer Service Rate Study for 2022.

**3) CIP & IT Projects:**

**a. Levee Improvement Project:**

- i. F&L is gathering EIR comments from approximately 6 entities and is responding accordingly.

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

- i. The Board should consider hiring for the design of the Bayfront Entrance Improvements in order to stay ahead of three different projects in the area. The other projects include work by San Mateo County, Salt Pound Restoration, and the City of Menlo Park. The improvements would include the replacement of the thirty six inch Reinforced Concrete Pipe that was recently discovered to be poor condition.
- ii. The metal storage building contractor, Aztec, should begin staging at the FERFF before the end of February 2021.

**4) Operations and Maintenance:**

**a. Collection System:**

- i. Crews have been working in Los Altos Hills.

**b. Training:**

---

### Report to the District Board for the Regular Meeting of February 24, 2021

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

- i. Hazardous Materials training was conducted on February 17, 2021.
- 5) **Water Quality:**
- a. **Sharon Heights Golf and Country Club:**
    - i. The District and Sharon Heights O&M meeting continue monthly.
  - b. **Bayfront Recycled Water Facility (BRWF):**
    - i. District Manager would like to discuss the Woodard & Curran to provide support services for the next steps in the BRWF.
    - ii. Discuss the Western Recycled Water Coalition February 11<sup>th</sup> meeting.
    - iii. Environmental Impact Report (EIR) could be certified by April 2021.
    - iv. Menlo Park City Staff reported some last minute concerns with the Water Purveyor MOU which are being addressed.
    - v. District Manager will be scheduling meeting to include the Recycled Water Ad Hoc Committee and District Counsel, as we continue talks with Developers.
  - c. **West Bay:**
    - i. Staff will begin to sample near Bayfront Park to support future projects in the area.
    - ii. Staff has been using the “As-Needed Services” of the previous Anderson Pacific, Chief Plant Operator (CPO) to help support the District’s CPO for the first part of 2021.
- 6) **Fleet and Facilities:**
- a. **Vehicle Maintenance:**
    - i. Maintenance Staff Managers are reviewing the need for an additional hydro cleaning machine for collection system maintenance.
- 7) **Personnel:**
- i. Personnel Policy is under review.
- 8) **Upcoming Events:**
- a. **Regular Board Meeting:** February 24, 2021
  - b. **Next Regular Board meetings:** March 10, 2021
- 9) **Misc./Action Items from Previous Meeting:**
- a. **West Bay SSOs:** Zero SSOs for January 2021.
  - b. **LAH Contract:** Had 3 SSOs in 2020. Negotiations for the next contract will begin.
  - c. **Town of Woodside Contract:** No SSOs for 2020. Crews cleaned the entire system in 2020. Negotiations for the next contract will begin.
  - d. **Revenue:** Invoiced Los Altos Hills for the work performed in January.

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## Report to the District Board for the Regular Meeting of February 24, 2021

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



## WEST BAY SANITARY DISTRICT AGENDA ITEM 6

**To: Board of Directors**

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

**Subject: Consideration to Authorize District Manager to enter into Agreement for Engineering Design Services for the “Bayfront Sanitary Sewer Improvements Project” with Freyer & Laureta, Inc.**

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### Background

The entrance of Bayfront Park in Menlo Park is the location of significant upcoming projects. Two major diversion projects are underway. They include the Bayfront Canal and Atherton Channel Project & the South Bay Salt Pond Restoration Project. In addition to this, the City of Menlo Park is currently in the design phase of improvements to the park’s entrance. The District has a need for significant work within this same area. The work includes an influent pump station and multiple pipes for sewage & recycled water conveyance required for the future Bayfront Recycled Water Facility at the Flow Equalization and Resource Recovery Facility (FERRF). The other significant work includes, replacing a portions of the 30-inch and 36-inch sewer main along Bayfront Expressway at the front of the park entrance. The segment was recently discovered, to be in poor condition, during the District’s recent in-house large-diameter CCTV project.

Coordination on these major projects will greatly benefit all agencies involved and the community as a whole. The District has requested engineering, surveying and design services from Freyer & Laureta, Inc. for the needed work. The engineer would plan on aligning all pipelines in order to avoid future disruption of the City’s improvements to the Park entrance area.

### Analysis

The Proposed Tasks for the Agreement include:

Task 1 – Project Management and Coordination

- Attend meetings, coordinate, provide QA/QC & monitor budget.

Task 2 – Site Investigation, Data Collection, Record Research

- Topographic survey, determining inverts, site improvement determination, utility & easement research, & CAD design.



Task 3 – Pump Station/Pipe Alignment Study

- Design work for pump station, sanitary sewer pipes & recycled water pipe.
- Study of the District's existing diversion pump station, and how it factors into the future sewer improvements and/or the ability to remove it.
- Engineer's estimate of costs.

Task 4 – Easement/Permit Coordination

- Project and permitting coordination with all jurisdictional agencies.

Task 5 –Construction Document Preparation

- Design of Proposed Improvements

*Total Budget \$194,100.*

Fiscal Impact

The Capital Asset Fund for Fiscal Year 2020-2021 for Pipeline Replacement and Rehab Engineering was budgeted for \$350,000. The total design services for this project is \$194,100. The total appropriation is \$213,510 which included 10% contingency.

Recommendation

The Projects & IT Manager recommends the District Board Authorize the District Manager to enter into the agreement for Engineering Design Services from Freyer & Laureta, Inc. for the Bayfront Sanitary Sewer Improvements Project and authorize the District Manager to approve up to ten percent contingency for additional work on an as-needed basis, if necessary.

February 19, 2021

Mr. Bill Kitajima  
Projects Manager  
West Bay Sanitary District  
500 Laurel Street  
Menlo Park, California 94025

**Re: ENGINEERING SERVICES PROPOSAL – BAYFRONT SANITARY SEWER  
IMPROVEMENT PROJECT, MENLO PARK**

Dear Mr. Kitajima:

Thank you for your proposal request to provide engineering and surveying services to study and design sanitary sewer improvements in Bayfront Expressway between Chrysler Drive and the Menlo Park Pump and at the entrance into Bayfront Park and to begin the encroachment permit process for the project. The need for this project is driven by five current projects:

- 1) The City of Menlo Park Bayfront Park Entrance Improvement Project
- 2) The District's Bayfront Recycled Water Facility Project
- 3) The District's need to replace the 36-inch sewer crossing the roadway into Bayfront Park and portions of the 30-inch sewer along Bayfront Expressway
- 4) The Bayfront Canal and Atherton Channel Project
- 5) The South Bay Salt Pond (SBSP) Restoration Project

The City of Menlo Park has a project currently being designed that includes improvements to the roadway into Bayfront Park. This project is awaiting the construction completion of the Bayfront Canal/Atherton Channel Project and the SBSP Project, both of which include large diameter drainage culverts crossing the main driveway into the park. The City's improvement project would then extend from Bayfront Expressway past the SBSP Project. The extent of the projects can be seen on Exhibit 1.

Understanding the scope of these two large diameter culvert projects and the City's plan to improve the roadway, the District reviewed infrastructure that would need to be installed and/or improved prior to the City's entrance improvements. The District examined the condition of the 36-inch pipeline that crosses the Bayfront entry was found in need of repair. Furthermore, the District will need to install pipe to divert flow from the District's existing conveyance system to a future pump station that will ultimately deliver water to the Bayfront Recycled Water Facility and also construct pipelines to convey wastewater to the future Recycled Water Facility at the Flow Equalization and Resource Recovery Facility (FERRF), return wastewater from the FERRF to the Menlo Park Pump Station, and to convey recycled water to the Bayfront area. The recycled water line would also have to cross Bayfront Expressway

which would impact the City's project as well. The anticipated piping can also be seen in Exhibit 1.

The proposal includes services to perform the boundary and topographic survey of the project area including marking corners of the Menlo Park Pump Station property, to perform a study to determine pipe alignments for the future Recycled Water Facility, design for the pipe alignments, and design for the replacement of the 36-inch main line crossing the roadway into Bayfront Park and portions of the 30-inch along Bayfront Expressway. The study will be formatted in a way to determine the recommended pipe alignments for initial coordination with Caltrans, the City, and Cargill (owners of the roadway into the Park) prior to preparation of construction documents.

The goal is to be in position to install these pipelines prior to construction of the new Bayfront Entrance Improvements to avoid future trenching across these new improvements.

### **Description of Services**

We propose the following services.

#### **Task I: Project Management and Coordination**

- Freyer & Laureta (F&L) will attend meetings to coordinate this project. 8 meetings are budgeted.
- F&L will provide QA/QC and monitor schedule and budget.

#### **Task II: Site Investigation, Data Collection, Record Research**

- Topographic survey will be performed in the areas shown in Exhibit 2. An aerial survey will be performed (20-scale) and supplemental ground surveys will be performed to locate utilities.
- Vertical control will be based on NAVD 88 benchmark.
- Inverts and pipe sizes for all entering and exiting pipes within sanitary sewer manholes will be determined. This will assist in designing the diversion structures from existing main lines.
- Inverts, pipe sizes and direction of flow will be collected for storm drain lines, manholes, and catch basins. Understanding adjacent gravity drainage systems are essential for sanitary sewer design.
- Visible improvements, driveways, and utilities, including existing U.S.A. markings within the park entrance driveway and Bayfront Expressway will be located. As noted, utility surveys will be performed by supplemental ground survey.
- Utility research will be performed, and utility locations interpreted from utility company system drawings will be drawn onto the survey base.
- Existing easements granted to the District from Cargill will be located.
- Limits of Caltrans Right of Way will be located.
- As requested by the District, the property corners of the Menlo Park Pump Station will be monumented by tags and a map will be recorded at the County that defines the locations

of the tags. Either a Corner Record Survey or Record of Survey will be recorded, as directed by the County.

- Survey information will be translated to AutoCad drawings for use in the design effort.

### Task III: Pump Station/Pipe Alignment Study

- Prepare drawings that incorporate recommended pump station and sanitary sewer pipe alignments. The gravity sewer alignments from existing District infrastructure to the future diversion pump station will be studied to allow positive drainage to the Menlo Park Pump Station in absence of the diversion pump station, allowing the system to still operate without the diversion pump station in place. Drawings will be in AutoCAD format at a scale appropriate to show the necessary information (most probably 20-scale). Drawings will show plan view and will be set up for seamless transition to construction documents.
- Prepare drawings that incorporate the recycled water pipeline alignment, including the Bayfront Expressway crossing from Bayfront Park to Marsh Road.
- Prepare Engineer's schedule of probable construction costs on the preliminary alignments.
- Electronic files of the drawings will be provided to the District upon request.

### Task IV: Easement/Permit Coordination

- Coordinate project and permitting with the City of Menlo Park, Caltrans, and other appropriate jurisdictional agencies.
- Coordinate access with Cargill and determine additional access easements required, if any.

### Task V: Construction Document Preparation

- Assist in finalizing permitting with the City of Menlo Park, Caltrans, and other appropriate jurisdictional agencies.
- Prepare construction drawings. Drawings will be in AutoCAD format at a scale appropriate to show the necessary information (most probably 20-scale). Drawings will show plan and profile and appropriate construction details and notes.
- Prepare Engineer's schedule of probable construction costs.
- We will prepare two review submittals: 90%, and 100%. Three sets of check prints and three copies of the contract specifications will be provided with each review submittal.
- Following approval, one set of reproducible drawings and one set of specifications will be provided to the District for the bidding and construction phases of the project.
- Electronic files of the drawings and specifications will be provided to the District upon request.

**Exclusions**

This proposal has the following exclusions:

- The scope of services does not include payment of any permit fees.
- Geotechnical Investigation is not included in this proposal.
- Potholing is not included in this proposal.
- Preparation of plats and legal descriptions for new easements if the need for new easements is determined. If determined, F&L can provide an added services proposal to create these easements.

**Proposed Fee Schedule**

All work will be on a time and materials (t&m) basis, not exceed the following limits without District authorization:

Project Management and Coordination	\$8,600
Site Investigation, Data Collection, Record Research	\$62,000
Pump Station/Pipe Alignment Study	\$38,000
Easement/Permit Coordination	\$25,900
Construction Document Preparation	<u>\$59,600</u>
	\$194,100

Bill, thank you for allowing us to submit this proposal to you and for your consideration. If you have any questions, please feel free to call us.

Sincerely,

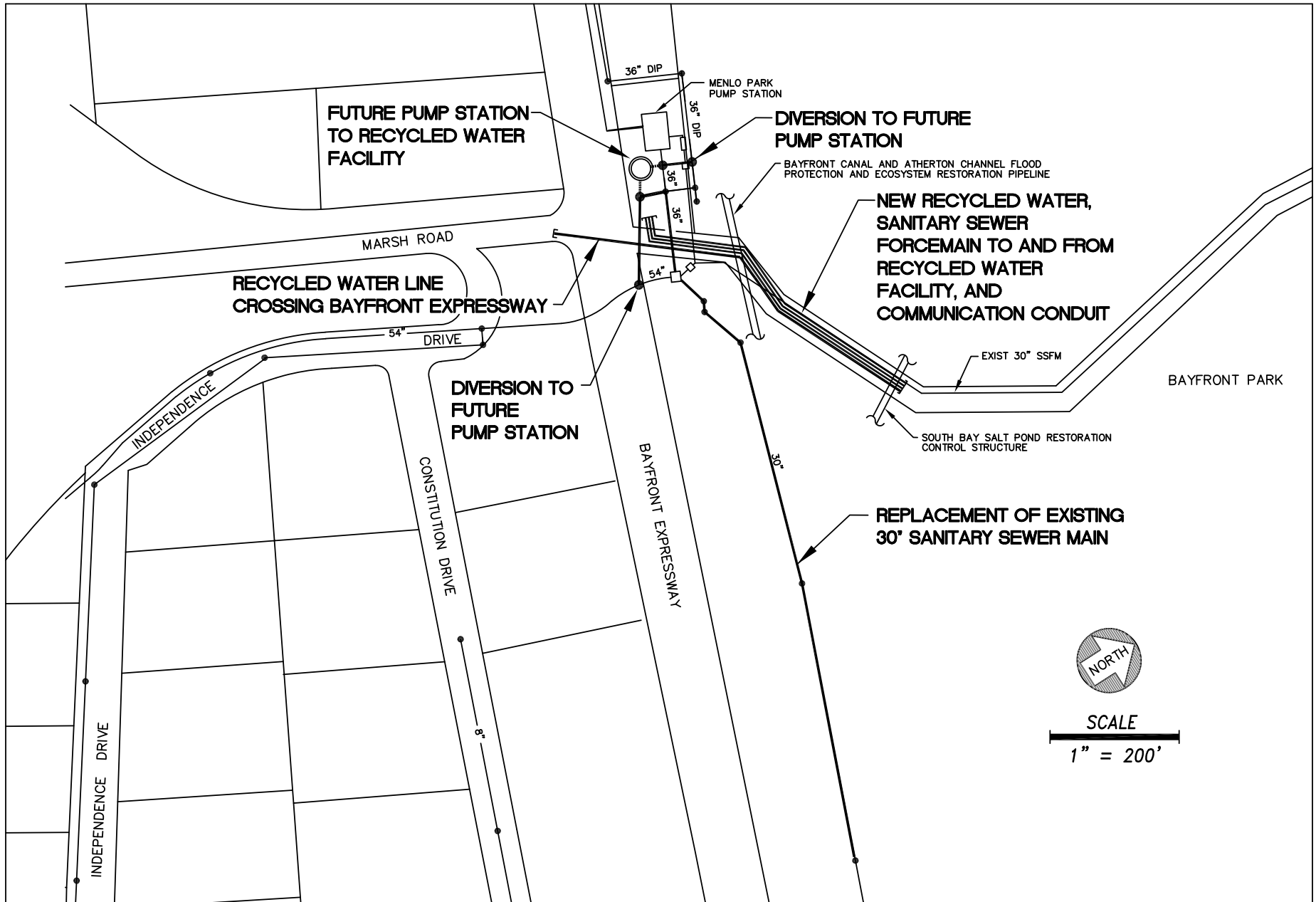
**FREYER & LAURETA, INC.**



Richard J. Laureta, P.E.  
President

**ESTIMATED BUDGET FOR ENGINEERING SERVICES**  
**Bayfront Sewer Improvement Project**  
 West Bay Sanitary District

TASKS	ESTIMATED LABOR (Hours)					TOTAL LABOR COST (\$)	EXPENSES AND ADMINISTRATION				ESTIMATED COST	
	Personnel & Rates (\$/hr)						UNIT	QNTY	UNIT COST (\$)	5% MARKUP (\$)	TOTAL COST PER ITEM (\$)	SUB TOTALS (\$)
	F&L Administrative	2-Man Survey Crew	F&L Staff Engineer II	F&L Project Manager	F&L Principal							
	85	350	130	205	235							
<b>Task I: Project Management and Coordination</b>												
Meetings				8	8	\$3,520					\$3,520	
Monitor budget and project schedule					4	\$940					\$940	
QA/QC				8	8	\$3,520					\$3,520	
Monthly progress and cost summary report, invoices	2				2	\$640					\$640	
Subtotal Labor Hours - Task I	2			16	22	\$8,620	Estimated Cost - Task I				\$8,600	
<b>Task II: Site Investigation, Data Collection, Record Research</b>												
Review existing records, drawings, limits of project, field reconnaissance			80	8	2	\$12,510					\$12,510	
Utility Coordination			40	2		\$5,610					\$5,610	
Perform field investigation and survey of project area		48	16	8	2	\$20,990	Aerial Survey	1	\$10,000	\$500	\$31,490	
Set Property Corners		16	16	4	2	\$8,970					\$8,970	
Develop design Base Map including utilities, right of way, easements			16	4	2	\$3,370					\$3,370	
Subtotal Labor Hours - Task II		64	168	26	8	\$51,450	Estimated Cost - Task II				\$62,000	
<b>Task III: Pump Station/Pipe Alignment Study</b>												
Prepare Pump Station and Sanitary Sewer Pipe Alignments			120	24	8	\$22,400					\$22,400	
Prepare Recycled Water Utility Alignments			80	16	8	\$15,560					\$15,560	
Subtotal Labor Hours - Task III			200	40	16	\$37,960	Estimated Cost - Task III				\$38,000	
<b>Task IV: Easement/Permit Coordination</b>												
Coordinate Easement with Cargill			24	16	16	\$10,160					\$10,160	
Coordinate with City of Menlo Park			16	8	8	\$5,600					\$5,600	
Coordinate Encroachment Permit with Caltrans			24	16	16	\$10,160					\$10,160	
Subtotal Labor Hours - Task IV			64	40	40	\$25,920	Estimated Cost - Task IV				\$25,900	
<b>Task V: Construction Document Preparation</b>												
Project Design			260	80	40	\$59,600					\$59,600	
Subtotal Labor Hours - Task V			260	80	40	\$59,600	Estimated Cost - Task V				\$59,600	
<b>Total Labor Hours</b>	<b>2</b>	<b>64</b>	<b>692</b>	<b>202</b>	<b>126</b>	<b>\$183,550</b>	<b>Total Estimated Cost</b>				<b>\$194,100</b>	

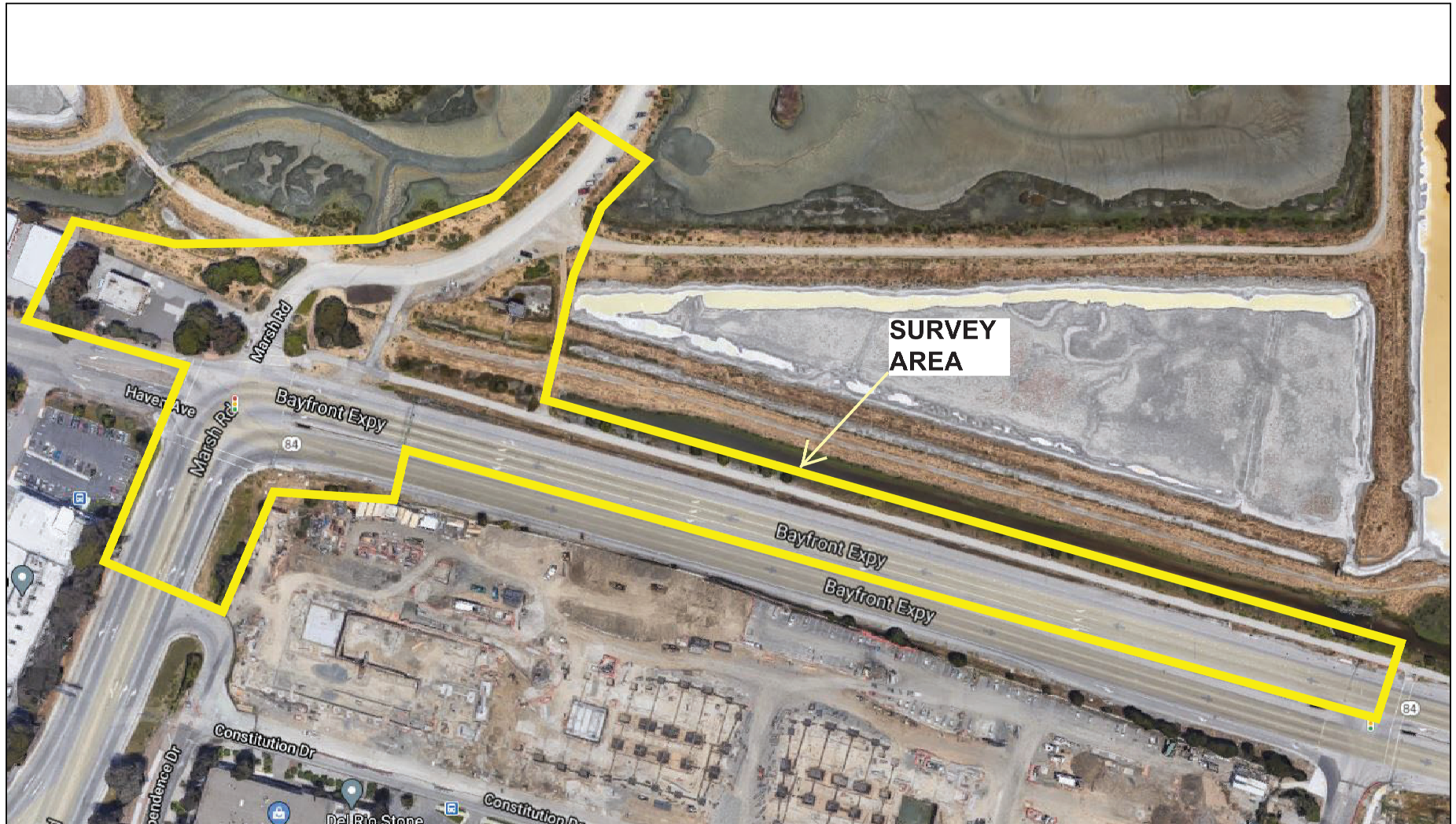


SCALE  
1" = 200'

**FL** **FREYER & LAURETA, INC.**  
CIVIL ENGINEERS • SURVEYORS • CONSTRUCTION MANAGERS

144 North San Mateo Drive • San Mateo, CA 94401  
(650)344-9901 • Fax (650)344-9920  
www.freyerlaureta.com

**EXHIBIT 1**  
**SANITARY SEWER AND RECYCLED WATER**  
**PIPELINE STUDY**





**AGREEMENT FOR PROFESSIONAL SERVICES  
BETWEEN WEST BAY SANITARY DISTRICT  
AND  
FREYER & LAURETA, INC.**

THIS AGREEMENT, hereinafter referred to as “Agreement”, made and effective on this \_\_day of \_\_\_\_\_ 2021, by and between West Bay Sanitary District, hereinafter referred to as “District”, and Freyer and Laureta, Inc., hereinafter referred to as “Consultant.” (District and Consultant are referred to individually as a “Party” and collectively, as the “Parties”).

WITNESSETH:

WHEREAS, the District desires engineering and surveying services to study and design sanitary sewer improvements in the Bayfront Park entrance area, and this effort requires the services of a consultant; and

WHEREAS, Consultant has available, and offers to provide, personnel and facilities necessary to accomplish such work as may be requested by the District;

NOW, THEREFORE, the District and Consultant agree as follows:

I. DESCRIPTION OF PROJECT

Task 1 – Project Management and Coordination

- Freyer & Laureta (F&L) will attend meetings to coordinate this project. 8 meetings are budgeted.
- F&L will provide QA/QC and monitor schedule and budget.

Task 2 – Site Investigation, Data Collection, Record Research

- Topographic survey will be performed in the areas shown in Exhibit 2. An aerial survey will be performed (20-scale) and supplemental ground surveys will be performed to locate utilities.
- Vertical control will be based on NAVD 88 benchmark.
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tags. Either a Corner Record Survey or Record of Survey will be recorded, as directed by the County.

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- Prepare Engineer’s schedule of probable construction costs on the preliminary alignments.
- Electronic files of the drawings will be provided to the District upon request.

### Task 4 – Easement/Permit Coordination

- Coordinate project and permitting with the City of Menlo Park, Caltrans, and other appropriate jurisdictional agencies.
- Coordinate access with Cargill and determine additional access easements required, if any.

### Task 5 - Construction Document Preparation

- Assist in finalizing permitting with the City of Menlo Park, Caltrans, and other appropriate jurisdictional agencies.
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- Following approval, one set of reproducible drawings and one set of specifications will be provided to the District for the bidding and construction phases of the project.
- Electronic files of the drawings and specifications will be provided to the District upon request.

## II. SCOPE OF SERVICES

Consultant agrees to perform those services described in the attached proposal, listed as Exhibit “A” from Consultant dated February 18, 2021 entitled “Engineering Services Proposal – Bayfront Sanitary Sewer Improvement Project, Menlo Park, CA”, hereinafter referred to as “Proposal.”

No changes in the scope of services shall be made without the District's prior written approval.

### III. TIME FOR COMPLETION

The work is scheduled for completion within twelve months after receiving the District's Notice to Proceed.

### IV. COMPENSATION

For services to be performed by Consultant, the District agrees to pay, and Consultant agrees to accept, compensation in an amount not to exceed the total amount described in the Proposal. Any change requiring compensation in excess of the sum specified in the Proposal shall only be approved in advance in writing by the District's authorized representative. Consultant shall invoice the District on a time and materials cost basis for services provided under this Agreement in accordance with the Proposal.

Consultant shall submit invoices for services completed each month. The District shall pay such invoices within forty-five (45) days after their receipt. If payment is not made within forty-five (45) days, interest on the unpaid balance will accrue at a rate of one and one-half percent (1.5%) per month compounded monthly.

### V. RESPONSIBILITY OF CONSULTANT

Consultant agrees that in undertaking the duties to be performed hereunder, it shall act as an independent consultant for and on behalf of the District. The District shall not direct the work and means for accomplishment of the services and work to be performed hereunder. The District, however, retains the right to require that work performed by Consultant meet specific standards without regard to the manner and means of accomplishment thereof, and Consultant agrees to exercise due professional care to provide work product that is adequate and sufficient to meet the purposes for which that was prepared.

### VI. INDEMNIFICATION

For General Services: To the fullest extent permitted by law, Consultant agrees to indemnify, defend, and hold harmless the District, its directors, officers, employees from and against any and all claims, demands, actions, liabilities, damages, judgments, or expenses (including attorneys' fees and costs) arising from the acts or omissions of Consultant's employees or agents in any way related to the obligations or in the performance of services under this Agreement, except for design professional services as defined in Civil Code § 2782.8, and except where caused by the sole or active negligence, or willful misconduct of the District.

For Design Professional Services under Civil Code §2782.8: To the fullest extent permitted by law, Consultant agrees to indemnify, defend, and hold harmless the District, its directors, officers, and employees from and against any and all claims, demands, actions, liabilities, damages, or expenses (including attorneys' fees and costs) arising from the negligence, recklessness, or willful misconduct of the Consultant, Consultant's employees, or agents in any way related to the obligations or in the performance of design professional services under this Agreement as defined in Civil Code §2782.8, except where caused by the sole or active negligence, or willful misconduct of the District. The costs to defend charged to the Consultant relating to design professional services shall not exceed the Consultant's proportionate percentage of fault per Civil Code §2782.8.

## VII. INSURANCE

Consultant shall procure and maintain insurance during the Term, as may be extended by written amendment, with insurers licensed to do business in the State of California and with a Best's rating of no less than A:VII., for the following minimum insurance coverages.

A. Commercial General Liability insurance, including products and completed operations, property damage, bodily injury, personal and advertising injury with limits of not less than \$1,000,000 each occurrence and \$2,000,000 aggregate.

B. Automobile Liability insurance of \$1,000,000 per accident covering automobile bodily injury and property damage, including all owned (if any), hired and non-owned autos. If Consultant acquires any owned vehicles, Consultant shall provide insurance as above.

C. Worker's Compensation insurance and Occupational Disease insurance, with statutory limits as required by law, and Employer's Liability insurance, of \$1,000,000 per accident for bodily injury or disease covering all workplaces involved in this Agreement. Consultant shall provide an endorsement with a waiver of subrogation in the District's favor for all work performed by Consultant and its employees relating to payment of any loss, including attorney's fees.

D. All general liability policies shall be endorsed to name the District Parties as additional insureds as to the Services. Consultant's insurance coverage is primary insurance and any insurance maintained by the District Parties shall not contribute with it.

E. Consultant shall also provide Professional Liability Insurance (Errors and Omissions) appropriate to Consultant's profession with limits of liability in amounts not less than \$2,000,000 per occurrence or claim and \$4,000,000 aggregate.

F. Contractors Pollution Liability applicable to the work being performed, with a limit no less than \$2,000,000 per claim or occurrence and \$2,000,000 aggregate per policy period of one year.

G. Claims Made Policies - Consultant shall provide evidence of coverage for at least five (5) years after the date of completion of the services under this Agreement. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a retroactive date prior to the Agreement effective date or start of work date, Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of services under this Agreement.

H. Consultant shall require and verify that all of Consultant's subcontractors maintain insurance meeting all of the requirements stated herein, and Consultant shall ensure that the District Parties are an additional insured on insurance required from subcontractors.

I. Consultant shall provide the District with Certificates of Insurance and endorsements, on forms acceptable to District, or other evidence of insurance acceptable to District, prior to commencement of any work under this Agreement. Each insurance policy

required above shall provide that there will be no cancellation of coverage without prior written notice to District.

J. If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the District requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the District.

## VIII. TERMINATION

The District may terminate this Agreement for its convenience with written notice of not less than 10 calendar days prior to an effective termination date. The District or Consultant may terminate the Agreement for material breach of Agreement by providing written notice to the other party not less than 5 calendar days prior to an effective termination date.

Upon notice of termination, the Consultant will immediately take action not to incur any additional obligations, costs or expenses, except as may be reasonably necessary to terminate its activities. The District's only obligation to the Consultant will be just and equitable payment for materials and/or services authorized by, and received to the satisfaction of, the District up to and including the effective date of termination. All finished or unfinished materials, supplies, goods, or documents procured or produced under the Agreement will become property of the District upon the termination date. District reserves the right to obtain services elsewhere, and the defaulting Consultant will be liable for the difference between the prices set forth in the terminated Agreement and the actual cost to the District. In no event will the District be liable for any loss of profits on the resulting order or portion thereof so terminated. After the effective date of termination, Consultant will have no further claims against the District under the Agreement. Termination of the Agreement pursuant to this paragraph may not relieve the Consultant of any liability to District for damages sustained by the District because of any breach of the Agreement by Consultant, and District may withhold any payments to Consultant for the purpose of set-off until such time as the exact amount of damages due District from Consultant is determined.

The rights and remedies provided in this section will not be exclusive and are in addition to any other rights and remedies provided by law or under the contract.

## IX. SUBCONTRACTS

Except as provided in the Proposal, and otherwise with prior written approval of the District, Consultant shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement. If at any time, the District determines any subcontractor is incompetent or unqualified, Consultant will be notified and will be expected to immediately cancel the subcontract. Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, unless otherwise agreed to by the District in writing. Consultant shall ensure that the District, its directors, officers, and employees are additional insureds on insurance required from subcontractors.

## X. OTHER TERMS

1. Compliance with Laws. All activities of Consultant, its employees, subcontractors and/or agents will be carried out in compliance with all applicable federal, state and local laws.

2. Conflicts of Interest. Consultant owes District a duty of undivided loyalty in performing the work and services under this Agreement. Consultant on behalf of itself, its employees and subcontractors, covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Consultant acknowledges that it is aware of and agrees to comply with the provisions of the Political Reform Act, Section 1090 of the Government Code. Consultant will immediately advise District if Consultant learns of a conflicting financial interest of Consultant's during the term of this Agreement. Consultant owes District a duty of undivided loyalty in performing the work and services under this Agreement.
3. Property of District. The work, or any portion, of Consultant in performing this Agreement shall become the property of the District. The Consultant shall be permitted to retain copies or such work for information and reference in connection with the District's use. All materials and work product, whether finished or unfinished, shall be delivered to the District upon completion of contract services or termination of this Agreement for any reason. Consultant agrees that all copyrights which arise from creation of project-related documents and materials pursuant to this Agreement shall be vested in the District, and Consultant waives and relinquishes all claims to copyright or other intellectual property rights in favor of the District. Any work product related to this Agreement shall be confidential, not to be used by the Consultant on other projects or disclosed to any third party, except by agreement in writing by the District.
4. Consultant's Records. Consultant shall maintain accurate accounting records and other written documentation pertaining to the costs incurred for this project. Such records and documentation shall be kept available at Consultant's office during the period of this Agreement, and after the term of this Agreement for a period of three years from the date of the final District payment for Consultant's services.
5. Prevailing Wage. To the extent that the work or services to be performed under this Agreement may be considered a "public work" pursuant and subject to Labor Code section 1720 *et seq.*, Consultant (and any subconsultant performing the work or services) shall conform to any and all prevailing wage requirements applicable to such work/and or services under this Agreement. Consultant (and any subconsultant) shall adhere to the prevailing wage determinations made by the Director of Industrial Relations (DIR) pursuant to California Labor Code Part 7, Chapter 1, Article 2, applicable to the work, if any. All workers employed in the execution of a public works contract (as such term is defined California Labor Code section 1720 *et seq.* and section 1782(d)(1)) must be paid not less than the specified prevailing wage rates for the type of work performed. Reference: California Labor Code sections 1720, 1774 and 1782.

Consultant agrees to be bound by the prevailing wage requirements to the extent applicable to the scope of work and services under this Agreement, including, but not limited to, the following:

- a. If a worker is paid less than the applicable prevailing wage rate owed for a calendar day (or any portion thereof), Consultant shall pay the worker the difference between the prevailing wage rate and the amount actually paid for each calendar day (or

portion thereof) for which the worker(s) was paid less than the prevailing wage rate, as specified in Labor Code section 1775;

b. Consultant shall maintain and make available payroll and worker records in accordance with Labor Code sections 1776 and 1812;

c. If Consultant employs (and/or is legally required to employ) apprentices in performing the work and/or services under this Agreement, Consultant shall ensure compliance with Labor Code section 1777.5;

d. Consultant is aware of the limitations imposed on overtime work by Labor Code sections 1810 *et seq.* and shall be responsible for any penalties levied in accordance with Labor Code section 1813 for failing to pay required overtime wages;

e. Consultant shall post a copy of the applicable wage rates at each jobsite at a location readily available to its workers.

Any failure of Consultant and/or its subconsultant to comply with the above requirements relating to a public work project shall constitute a breach of this Agreement that excuses the District's performance of this Agreement at the District's sole and absolute option, and shall be at the sole risk of Consultant. Consultant on behalf of itself, any subconsultant, agree to indemnify, defend and hold harmless the District and its directors, officers, and employees from and against any and all claims, liabilities, losses, costs, expenses, attorney's fees, damages, expenses, fines, financial consequences, interest, and penalties, of any kind or nature, arising from or relating to any failure (or alleged failure) of the Consultant and any subconsultant to pay prevailing wages or to otherwise comply with the requirements of prevailing wage law relating to a public work.

6. Registration with DIR. Consultant acknowledges that it and/ any subconsultant shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, unless currently registered with the DIR and qualified to perform public work pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)]. A bid shall not be accepted nor any contract or subcontract entered into without proof of the Consultant or subconsultant's current registration to perform public work. Labor Code section 1771.1(b).

7. Dispute Resolution. The Parties agree to attempt in good faith to resolve through negotiation any dispute, claim or controversy arising out of or relating to this Agreement. Either party may initiate negotiations by providing written notice in letter form to the other party, setting forth the subject of the dispute and the relief requested. Promptly upon such notification, the Parties shall meet at a mutually agreeable time and place in order to exchange relevant information and perspective, and to attempt to resolve the dispute. In the event that no resolution is achieved, and if, but only if, the parties mutually agree, then prior to pursuing formal legal action, the parties shall make a good faith effort to resolve the dispute by non-binding mediation or negotiations between representatives with decision-making power, who, to the extent possible, shall not have had substantive involvement in the matters of the dispute. To the extent that the dispute involves or

relates to a public works project, the Parties agree to attempt to resolve the dispute by complying with the claims process as set forth in Public Contract Code section 9204(e). Parties also reserve the right to exercise any and all other remedies available.

8. Force Majeure. Neither party hereto shall be considered in default in the performance of its obligation hereunder to the extent that the performance of any such obligation, except the payment of money, is prevented or delayed by any cause, natural disaster, act of god, pandemic, or other peril, existing or future, which is beyond the reasonable control of the affected party. Each party hereto shall give notice promptly to the other of the nature and extent of any Force Majeure claimed to delay, hinder or prevent performance of the services under this Agreement. In the event either party is prevented or delayed in the performance of its respective obligation by reason of such Force Majeure, there may be an equitable adjustment of the schedule and Consultant compensation based on the District's sole discretion.
9. Assignment. This Agreement may not be assigned by either the District or Consultant without the prior written consent of the other.
10. Benefit. Except as herein provided, this Agreement shall inure to the benefit of the assigns, heirs, and successors of the parties to this Agreement.
11. Independent Contractor. In the performance of its work, it is expressly understood that Consultant, including Consultant's agents, servants, employees, and subcontractors, is an independent contractor solely responsible for its acts and omissions, and Consultant shall not be considered an employee of the District for any purpose. Consultant agrees to comply with AB5, codified at Labor Code section 2750.3, and shall indemnify, defend and hold harmless the District Parties against any and all claims, demands, demands, actions, damages or judgments, including associated costs of investigation and defense arising in any manner related to this Agreement that an employee, agent or independent contractor of Consultant was misclassified.
12. Consultant Not an Agent. Except as the District may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of the District in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind the District to any obligation whatsoever.
13. Complete Agreement. This Agreement, along with any attachments, is the full and complete integration of the parties' agreement with respect to the matters addressed herein, and that this Agreement supersedes any previous written or oral agreements between the parties with respect to the matters addressed herein.
12. Severability. The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the other provisions unenforceable, invalid or illegal.
13. Waiver. Waiver by any party of any portion of this Agreement shall not constitute a waiver of the same or any other portion hereof.
14. Governing Law. This Agreement shall be governed by and interpreted in accordance with California law.



15. Contract Interpretation. Each party acknowledges that it has reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.
16. Counterparts. This Agreement may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each one shall be deemed an original and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding on and effective regarding all parties. A scanned, electronic, facsimile, or other copy of a party's signature shall have the same force and effect as an original signature.

[SIGNATURE PAGE FOLLOWS]

XI. ACKNOWLEDGMENT

By their signatures below, the parties herein acknowledge that they have read and understand the terms of this Agreement, and are authorized to execute this Agreement.

WEST BAY SANITARY DISTRICT  
“A Special District”

CONSULTANT  
“Freyer & Laureta, Inc.”

By \_\_\_\_\_  
Signature

By \_\_\_\_\_  
Signature

Sergio Ramirez, District Manager  
Typed Name and Title

\_\_\_\_\_  
Typed Name and Title

APPROVED AS TO FORM

\_\_\_\_\_  
DISTRICT COUNSEL

NOTES

1. Corporation - signature of two (2) officers required, or one (1) officer plus corporate seal
2. Partnership - signature of a partner required
3. Sole Proprietorship - signature of proprietor required
4. Although it may be necessary on occasion to modify or change some of the provisions of this Standard Agreement, those occasions should be rare. Consultants should be strongly encouraged to accept the terms if they wish to do business with the DISTRICT. Any proposed changes should, of course, be cleared through the DISTRICT Attorney’s Office.\
5. All contracts must be reviewed and approved as to form by the DISTRICT Counsel prior to execution by the DISTRICT.

**EXHIBIT "A"**  
**SCOPE OF SERVICES**



## WEST BAY SANITARY DISTRICT AGENDA ITEM 7

**To:** *Board of Directors*

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

**Subject:** *Subject: Consideration to Approve the Financial Statements  
FY 2020-21, Second Quarter Ending 12/31/2020*

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### **Background**

Attached for the Board's review are the District's Financial Statements for the quarter ending December 31, 2020. Each fund is reported separated to better view the primary operations and other activities in; General, Capital, Solid Waste, and Recycled Water Funds.

### **Fiscal Impact**

The District had a \$1,650,299 increase in Net Position, through the second quarter ending December 31, 2020.

### **General Fund:**

Operating Revenue was \$16,345,289, 52% of the annual budget. Operating Expense was \$15,219,127, 56% of annual budget. This includes contributions to Silicon Valley Clean Water (SVCW) of \$7,029,873, 53% of annual budget, due to debt payments in the first quarter which is 60% of the District's total annual debt budget to SVCW. The Net Operating Income was \$1,126,162 through December 31, 2020.

Non-Operating Revenues and Expenses had a \$302,359 net increase, from Interest Income, Gains, and Losses on Investments. There were no Non-Operating Expenses. The General Fund has a \$1,428,521 increase in Net Position through December 31, 2020 after recognizing six months of sewer service revenue, of which \$24,420 was outstanding.

### **Capital Fund:**

The Capital Fund recognized revenue for Connection Fees of \$262,634, 105% of the annual budget, with most received in the first quarter.

Capital Expenditures of \$479,404 are recognized as assets, increasing the District's Net Position.

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**Solid Waste Fund:**

The Solid Waste Fund recognized \$51,334 in Franchise Fees from Recology, which manages solid waste collection for the District, with December’s fees of \$8,581 outstanding at the end of the quarter.

Solid Waste Expenditures of \$27,500 was recognized for the overhead allocation, through December 31, 2020.

**Recycled Water Fund:**

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

Sharon Heights Recycled Water Facility was accepted July 27, 2020 and had final capital expenditures of \$261,537, for a total of \$17,117,420.

The Bayfront Project had \$24,418 in capital expenditures.

The Recycled Water Fund recognized \$310,069 in Revenue, principally for reimbursement of contractor’s operation and maintenance expense, and Expenditures of \$640,530, including \$287,299 in depreciation of the facility.

The following is a summary of the Statement of Changes in Revenue, Expenses, and Net Position, based on the quarter ending December 31, 2020.

<u>Financial Statement</u>	<u>Actual FY 2019-20</u>	<u>Actual - Q2 2020-21</u>	<u>FY Budget - Q2 2020-21</u>	<u>FY Budget v Actual - Q2 FY 2020-21</u>
Operating Revenues	30,911,792	16,345,289	15,794,621	103%
Operating Expenses	10,560,063	7,901,954	6,938,408	114%
SVCW	19,551,977	7,029,873	6,830,222	103%
Operating Income (Loss)	799,752	1,413,461	2,025,991	70%
Non-Operating Rev / Exp	9,997,634	302,359	447,344	68%
Capital Fund	572,970	262,634	125,000	210%
Solid Waste Fund	49,713	23,834	2,500	953%
Recycled Water Fund	2,429,741	(351,989)	(204,065)	172%
<b>Change in Net Position</b>	<b>13,849,809</b>	<b>1,650,299</b>	<b>2,396,770</b>	<b>69%</b>
Prior Period Adjustment	(1,443,710)			
	<b>12,406,099</b>			

**Recommendation**

The Finance Manager recommends the Board approve the Financial Statement for Fiscal Year 2020-21, for the Second Quarter ending December 31, 2020.

Attachment: Financial Report, FY 2020-21, Second Quarter Ending December 31, 2020

# **WEST BAY SANITARY DISTRICT**



## **Preliminary Financial Statements**

**Fiscal Year 2020-2021**

**Second Quarter**

**Ending December 31, 2020**

**Financial Report  
Second Quarter  
December 31, 2020**

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 conveys raw wastewater, via the Menlo Park Pump Station and force main, to Silicon Valley Clean Water (SVCW) for treatment and discharge to the San Francisco Bay. The District was originally formed in December 1902 as the Menlo Park Sanitary District under the Sanitary Sewer Act of 1891. The District operated as the Menlo Park Sanitary District from 1902 until 1981 when its name was changed to the West Bay Sanitary District to more accurately reflect the service area. The powers of the District are established by the State of California Health and Safety Code. The District serves a population of 20,170 households and commercial establishments.

The District has issued its financial statements for the second quarter ended December 31, 2020, for fiscal year 2020-21 in conformity with the format prescribed by the provisions of Governmental Accounting Standards. This report is an overview of the District’s financial activities for the period.

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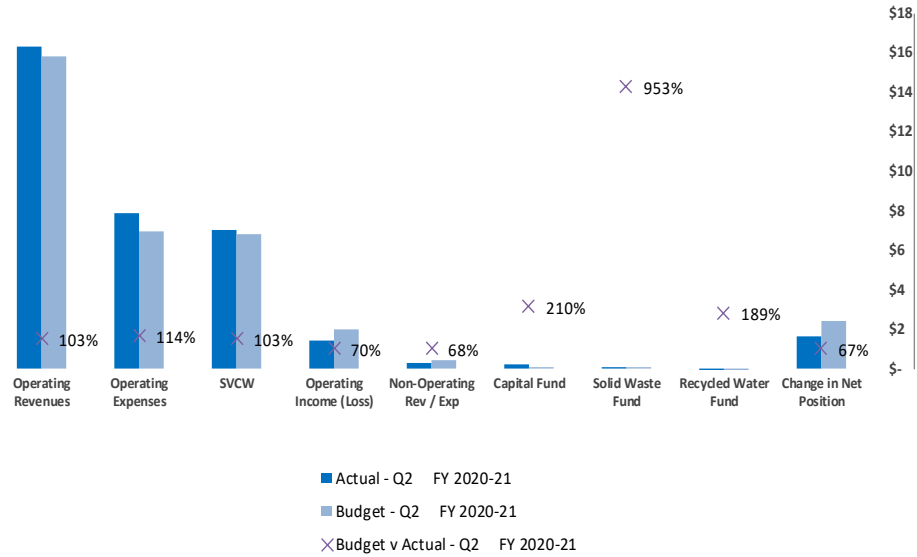
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**WEST BAY SANITARY DISTRICT**  
**Statement of Net Position**  
**Fiscal Year 2020-21**  
**December 31, 2020**

	Prior Year FY 2019-20	2nd Quarter FY 2020-21
<b>Assets</b>		
Current Assets		
Cash & Investments	36,868,825	40,947,299
Accounts Receivable	2,442,672	654,246
Interest Receivable	249,607	171,535
Accrued Revenue		24,420
Prepaid Expenses	706,691	84,845
<b>Total Current Assets</b>	<b>40,267,794</b>	<b>41,882,346</b>
Non-Current Assets		
Investments	17,854,352	20,362,397
Restricted Investments	3,293,339	2,069,415
Investment in SVCW	29,221,839	29,221,839
Capital Assets:		
Property, Plant & Equipment	107,768,237	108,533,596
Accumulated Depreciation	(35,317,072)	(37,001,512)
<b>Total Capital Assets</b>	<b>72,451,165</b>	<b>71,532,085</b>
<b>Total Non-Current Assets</b>	<b>122,820,694</b>	<b>123,185,736</b>
<b>Total Assets</b>	<b>163,088,488</b>	<b>165,068,082</b>
<b>Deferred Outflows of Resources</b>	<b>1,096,469</b>	<b>1,096,469</b>
<b>Liabilities</b>		
Current Liabilities		
Accounts Payable	2,635,396	2,670,507
Accrued Payroll & Taxes	446,209	303,729
Connection Fees Payable	1,563,699	1,823,928
Construction Deposits	17,381	(119)
SRF Advance - SHGCC	135,112	(897,248)
<b>Total Current Liabilities</b>	<b>4,797,796</b>	<b>3,900,797</b>
Non-Current Liabilities		
OPEB Liability	111,239	111,239
Net Pension Liability	5,494,504	5,494,504
SRF Deposit - SHGCC	743,095	1,481,821
SRF Note Payable	16,597,119	17,117,420
<b>Total Liabilities</b>	<b>27,743,753</b>	<b>28,105,780</b>
<b>Deferred Inflows of Resources</b>	<b>571,400</b>	<b>571,400</b>
<b>Net Position</b>		
Net Investment in Capital Assets	55,854,046	54,414,665
Investment In SVCW	29,221,839	29,221,839
Capital Fund Budget	20,131,840	21,030,442
Operation Reserve	9,498,293	9,395,827
Unrestricted Fund Balance	22,607,497	23,424,598
<b>Total Net Position</b>	<b>137,313,515</b>	<b>137,487,371</b>
<b>Prior Period Adjustment</b>	<b>(1,443,710)</b>	
<b>Total Net Position</b>	<b>135,869,805</b>	<b>137,487,371</b>



**WEST BAY SANITARY DISTRICT**  
**Statement of Revenue, Expenses and Changes in Net Position**  
**Fiscal Year 2020-21**  
**December 31, 2020**



	Prior Year FY 2019-20	Actual 12/31/2020	Budget 12/31/2020	Budget v Actual 12/31/2020	Annual Budget FY 2020-21	YTD % Annual Budget
<b>Operating Revenues</b>	<b>30,911,792</b>	<b>16,345,289</b>	<b>15,794,621</b>	<b>550,667.41</b>	<b>31,589,242</b>	<b>52%</b>
<b>Operating Expenses</b>						
General Fund Expense	8,516,794	6,217,515	5,488,408	729,106	10,976,816	57%
Capital (Depreciation)	2,043,269	1,684,440	1,450,000	234,440	2,900,000	58%
<b>Total WBSD Operating Expenses</b>	<b>10,560,063</b>	<b>7,901,954</b>	<b>6,938,408</b>	<b>963,546</b>	<b>13,876,816</b>	<b>57%</b>
Sewage Treatment Plant (SVCW)	19,551,977	7,029,873	6,830,222	199,651	13,153,679	53%
<b>Total Operating Expenses</b>	<b>30,112,040</b>	<b>14,931,828</b>	<b>13,768,630</b>	<b>1,163,197</b>	<b>27,030,495</b>	<b>55%</b>
<b>Operating Income (Loss)</b>	<b>799,752</b>	<b>1,413,461</b>	<b>2,025,991</b>	<b>(612,530)</b>	<b>4,558,747</b>	<b>31%</b>
<b>Non-Operating Revenues (Expenses)</b>						
Non-Operating Revenues	9,997,634	302,359	444,344	(141,985)	69,000	438%
Non-Operating Expenses	-	-	3,000	(3,000)	6,000	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>9,997,634</b>	<b>302,359</b>	<b>447,344</b>	<b>(144,985)</b>	<b>75,000</b>	<b>403%</b>
<b>Capital Fund</b>	<b>572,970</b>	<b>262,634</b>	<b>125,000</b>	<b>137,634</b>	<b>250,000</b>	<b>105%</b>
<b>Solid Waste Fund</b>	<b>49,713</b>	<b>23,834</b>	<b>2,500</b>	<b>21,334</b>	<b>5,000</b>	<b>477%</b>
<b>Recycled Water Fund</b>	<b>2,429,741</b>	<b>(384,722)</b>	<b>(204,065)</b>	<b>(180,657)</b>	<b>(263,982)</b>	<b>146%</b>
<b>Change in Net Position</b>	<b>13,849,809</b>	<b>1,617,566</b>	<b>2,396,770</b>	<b>(779,204)</b>	<b>4,624,765</b>	<b>35%</b>

**Revenues:**

For quarter ending December 31, 2020, total combined revenues are \$17,274,534, including the General, Capital, Solid Waste, and Recycled Water Funds.

**General Fund:**

- **Sewer Service Charges.** Total revenue of \$31,169,407 is expected for Fiscal Year 2020-21, with 15,584,703 recognized through 12/31/20, 51% of the annual budget. \$15,556,840 is accrued, with the balance manual invoices to customers not on the San Mateo County Tax Roll. The first Tax Roll receipt was received December 16, 2020, for \$15,518,902. Manual invoices are due in two payments; half on 11/1/20 and half on 2/1/21.
- **Permit Fees.** Permit & Inspection Fees of \$119,956, 120% of the annual budget.
- **Flow Equal.** The total billed amount of \$355,000 was received.
- **Other Operating Income.** A total of \$285,629 was billed through 12/31/20; 82% of the annual budget.
  - Revenue from Los Altos Hills was \$233,428
  - Revenue from Town of Woodside was \$42,284
  - An additional \$590 from other sources
- **Other Non-Operating Revenues:** The District recognized total non-operating revenue of \$302,359. The majority from interest income.

**General Fund**

General Fund	Prior Year FY 2019-20	Actual 12/31/2020	Budget 12/31/2020	Budget v Actual 12/31/2020	Annual Budget FY 2020-21	YTD % Annual Budget
Sewer Service Charges						
Residential	23,078,995	11,991,858	11,956,108	35,750	23,912,216	50%
Non-Residential	6,924,752	3,592,846	3,430,921	161,924	6,861,843	52%
Total Sewer Service Charges	30,003,748	15,584,703	15,387,029	197,674	30,774,058	51%
Permit & Inspection Fees	148,144	119,956	50,000	69,956	100,000	120%
Flow Equalization	351,138	355,000	182,592	172,409	365,184	97%
Other Operating Income (LAH & TOW)	408,763	285,629	175,000	110,629	350,000	82%
<b>Total Operating Revenues</b>	<b>30,911,792</b>	<b>16,345,289</b>	<b>15,794,621</b>	<b>550,667</b>	<b>31,589,242</b>	<b>52%</b>
<b>Non-Operating Revenues</b>						
Interest Income	1,078,141	338,148	25,000	313,148	50,000	676%
Gain/Loss on Securities	44,846	(151,431)		(151,431)		
Gain/Loss on PARS Trust	90,406	92,944		92,944		
Gain/Loss on Sale of Assets	4,907			-		
Other Non-Op. Inc.	8,779,333	22,698	419,344	(396,647)	19,000	119%
<b>Total Non-Operating Revenues</b>	<b>9,997,634</b>	<b>302,359</b>	<b>444,344</b>	<b>(141,985)</b>	<b>69,000</b>	<b>438%</b>
<b>Total General Fund Revenue</b>	<b>40,909,426</b>	<b>16,647,648</b>	<b>16,238,966</b>	<b>408,682</b>	<b>31,658,242</b>	<b>53%</b>

**Expenditures:**

For quarter ending December 31, 2020, total Expenses were \$14,931,828, 55% of the annual budget.

- **WBSD Operating Expenses.** General Fund Expenses were \$7,901,954, including \$1,684,440 in Capital Depreciation, 57% of the annual budget. Expenses are shown on the Expense Analysis on the following page in total, with allocations to the Solid Waste and Recycled Water Fund deducted in aggregate.
  - The largest variances from the budget were Employee Benefits of \$3,571,778, which is at 86% of the annual budget, and includes \$1,382,655 Pension Unfunded Accrued Liability FY 2020-21 payment and an additional \$1.6 million paydown from funds transferred from the PARS Pension Trust. The transfer was authorized by the board at the FY 2020-21 Budget Workshop, and with a five year fresh start plan, will save approximately \$3.9 million for the District.
  - Utilities is \$220,042, including PG&E for the Sharon Heights Recycled Water Facility, which was much higher than anticipated. Total Utilities were 68% of the annual budget.
  - The other budget items average under 29% of the annual budget.
- **External Operating Expenses.** These include \$7,029,873 paid to SVCW, which is 53% of the annual budget. The District holds a 23.91% share of SVCW's Net Position as of June 30, 2020 Unaudited Analysis of Net Position.
  - SVCW Operating & Capital Contributions were \$3,820,260, 49% of annual budget
  - SVCW Debt payments were \$3,209,613, 60% of annual budget.
- **Non-Operating Expenses.** There were no Non-Operating Expenses. Previously, SVCW and LAFCo were shown as non-operating expenses. Statements were aligned with audited financial statements, effective June 30, 2020; current expenses are recognized as Sewage Treatment Plant under Operating Expenses.

**Change in Net Position:**

The Net Operating Income was \$1,413,461 through December 31, 2020. With the \$302,359 net increase in Non-Operating Revenues and Expenses, the General Fund has a \$1,715,820 increase in Net Position through 12/31/20. Including the Capital, Solid Waste, and Recycled Water Funds, the increase was \$1,617,566.

**WEST BAY SANITARY DISTRICT**  
**Expense Analysis**  
**Fiscal Year 2020-21**  
**December 31, 2020**

	Prior Year FY 2019-20	Actual 12/31/2020	Budget 12/31/2020	Budget v Actual 12/31/2020	Annual Budget FY 2020-21	YTD % Annual Budget
Salaries & Wages	4,079,527	1,948,392	2,013,628	65,236	4,027,256	48%
Employee Benefits	2,491,455	3,571,778	2,084,082	(1,487,695)	4,168,165	86%
Directors- Fees	30,740	17,940	119,602	101,662	239,205	7%
Election Expense		4	78,729	78,725	157,458	
Gasoline, Oil & Fuel	52,364	19,502	35,000	15,498	70,000	28%
Insurance	131,737	94,388	100,271	5,883	200,542	47%
Memberships	51,936	15,335	25,725	10,390	51,450	30%
Office Expense	37,674	17,390	17,750	360	35,500	49%
Operating Supplies	356,797	168,512	190,073	21,560	380,145	44%
Contract Services	365,977	215,542	240,500	24,958	481,000	45%
Professional Services	306,236	146,595	265,106	118,511	530,212	28%
Printing & Publications	63,452	8,913	31,250	22,337	62,500	14%
Rents & Leases	24,824	18,282	20,000	1,718	40,000	46%
Repairs & Maintenance	271,062	108,167	154,950	46,783	309,900	35%
Research & Monitoring	10,285		43,000	43,000	86,000	
Training, Meetings & Travel	39,949	10,144	28,100	17,956	56,200	18%
Utilities	145,796	220,042	161,671	(58,371)	323,342	68%
Other Operating Expenses	107,333	71,205	168,100	96,895	336,199	21%
LAFCo	20,152	28,067	10,500	(17,567)	21,000	134%
Depreciation	2,043,269	1,684,440	1,450,000	(234,440)	2,900,000	58%
Transfer to Solid Waste	(70,501)	(27,500)	(51,500)	(24,000)	(103,000)	-27%
Transfer to Recycled Water	-	(435,183)	(248,129)	187,055	(496,257)	-78%
<b>Total WBSD Operating Expenses</b>	<b>10,560,063</b>	<b>7,901,954</b>	<b>6,938,408</b>	<b>(963,546)</b>	<b>13,876,816</b>	<b>57%</b>
SVCW - Operating Fund	6,864,372	3,441,768	3,364,224	(77,544)	6,728,448	51%
SVCW - Operating Reserve	14,112	3,336	177,192	173,856	354,384	1%
SVCW - SRF Reserve Contribution	268,404		-	-		
SVCW - Capital Contributions	452,076	375,156	375,156	-	750,312	50%
SVCW - 2009 Bond (\$55 Mil)	810,663		-	-		
SVCW - 2014 Bond (\$65 Mil)	1,144,887	391,929	572,740	180,811	1,145,480	34%
SVCW - 2015 Bond (\$60 Mil)	1,019,906	1,107,625	805,250	(302,375)	1,610,500	69%
SVCW - 2018 Bond	1,834,713	1,203,294	918,856	(284,438)	1,837,713	65%
SVCW - Cash in Lieu of 2018 Bond	6,416,002		-	-		
SVCW - SRF Debt Service (2011 Debt)	220,077		110,039	110,039	220,077	
SVCW - SRF Debt Service (2012 Debt)	506,765	506,765	506,765	-	506,765	100%
<b>Total External Operating Expenses</b>	<b>19,551,977</b>	<b>7,029,873</b>	<b>6,830,222</b>	<b>(199,651)</b>	<b>13,153,679</b>	<b>53%</b>
Other Non Operating Expense			3,000	3,000	6,000	
Prior Period Adjustments	4,152,375		-	-		
<b>Total General Fund Expenses</b>	<b>34,264,416</b>	<b>14,931,828</b>	<b>13,771,630</b>	<b>(1,160,197)</b>	<b>27,036,495</b>	<b>55%</b>

**Capital Fund:**

For quarter ending December 31, 2020, total Capital Expenditures and Reserve Transfers were \$3,278,404, 24% of the annual budget, excluding the Recycled Water Facility expenditures. A detailed schedule of Capital Expenditures is included on page 10.

**Capital Fund Revenue:**

Connection Fees were \$262,634, 105% of the annual budget.

**Capital Asset Fund**

Capital Asset Fund	Prior Year FY 2019-20	Actual 12/31/2020	Budget 12/31/2020	Budget v Actual 12/31/2020	Annual Budget FY 2020-21	YTD % Annual Budget
Connection Fees	572,970	262,634	125,000	137,634	250,000	105%
<b>Total Capital Asset Fund Revenue</b>	<b>572,970</b>	<b>262,634</b>	<b>125,000</b>	<b>137,634</b>	<b>250,000</b>	<b>105%</b>

**Capital Fund Expenses:**

Capital spending was \$479,404, 5% of the budget. Several individual capital expenditure items have been moved on the report to align them with the general ledger account where they are coded, providing better transparency. This changes the subtotals on the report, while the total budget of \$9,428,000 is unchanged.

- **Administration.** A total of \$3,408 was expended on Administration, 10% of the \$35,000 budget; District Office Interior and Exterior, and the Server Replacement Program. Levee Surveys has been moved to Construction in Progress and Flow Monitoring Study has been moved to Subsurface Lines.
- **Collection Facilities - Buildings.** The Allowance for Unanticipated Capital was moved under Buildings, to record the purchase of a 20 foot storage container located at the FEERF facility and used for storage.
- **Vehicle & Equipment.** \$177,112 was expended on new vehicles and equipment, 78% of the \$228,000 budget.
  - Two vehicles were purchased, for a combined 7% under budget:
    - Vehicle 217, Pump Supervisor Truck, 2011 F-350 was replaced
    - Vehicle 227 is for the new Recycled Water Chief Operator
  - A Mainline CCTV Camera was purchased for \$23,835, 15% under budget.
  - The budgeted \$360,500 to the Vehicle & Equipment Replacement Reserve was transferred in December, after the first receipt of Sewer Service Charges from the Tax Roll.

	Actual FY 2019-20	Actual 12/31/2020	Budget FY 2020-21	Variance Budget Balance	YTD % Annual Budget
<b>Vehicle Replacement Program</b>					
Bank of the West Money Mkt, Less Contributions	337,251	607,987	607,251	(736)	100%
Contributions	270,000	360,500	360,500	-	100%
Total Vehicle & Equipment Expenditures	(346,175)	(177,112)	(228,000)	(50,888)	78%
<b>Net Vehicle &amp; Equipment Program</b>	<b>261,076</b>	<b>791,375</b>	<b>739,751</b>	<b>(51,624)</b>	<b>107%</b>

- **Subsurface Lines and Other.** There were no expenditures on current Pump Stations and Subsurface Lines. Construction in Progress expenditures was separated to align with the general ledger and asset schedules.
  - **Pump Stations.** There were no expenditures on Pump Stations.
  - **Subsurface Lines.** There were no expenditures on current Subsurface Lines.
  
- **Construction In Progress (CIP).** These are new constructions projects that are recorded separately and capitalized when completed. CIP is not depreciated until completed. \$296,084 was expended, 3% of the \$8,870,000 budget for CIP.
  - **Levee & Sheet Piling Project.** \$170,065 was expended for levee design. On June 24, 2020 the Board approved expenditures of \$341,198, plus 10% for “Flow Equalization and Resource Recovery Facility Levee Improvements Construction Documents Preparation”. The original design budget was \$60,000, although the total budget for the design and project is \$1,560,000.
  - **Corporate Yard and Metal Storage Building.** There were no expenditures from the net \$1,450,000 budget.
  - **Pipeline Replacement & Rehab Engineering** There were no expenditures.
  - **Pipeline Replacement & Rehab Construction.** \$126,019 was expended on Belle Haven III & Alpine and Isabella, Gilbert & Bay North Projects, 2% of the \$5,500,000 budget.
  
- **Resource Recovery.** There are two projects for recycled water facilities, which expended \$285,955, through 12/31/20. Both are recorded under the Recycled Water Fund.
  - **Sharron Heights Recycled Water Facility.** The facility was accepted from the contractor, Anderson Pacific, effective July 27, 2020. The final expenditures of \$261,537 were recorded and the project was capitalized for \$22,780,298.
  - **Bayfront.** The proposed Bayfront Recycled Water Project is in early developments. \$24,418 was expended, through 12/31/20.

	Actual FY 2019-20	Actual 12/31/2020	Budget FY 2020-21	Variance Budget Balance	YTD % Annual Budget
<b>Resource Recovery</b>					
Recycled Water Facility - SHGCC	7,133,813	261,537	-	(261,537)	
Bayfront Resource Recovery (Environmental Impact Report)	-	24,418	300,000	275,582	8%
<b>Total Resource Recovery</b>	<b>7,133,813</b>	<b>285,955</b>	<b>300,000</b>	<b>14,045</b>	<b>95%</b>

**WEST BAY SANITARY DISTRICT  
Capital Expenditure Analysis  
Fiscal Year 2020-21  
December 31, 2020**

	Actual FY 2019-20	Actual 12/31/2020	Budget FY 2020-21	Variance Budget Balance	YTD % Annual Budget
<b><u>Plant &amp; Administration</u></b>					
District Office Interior	11,400	2,853	10,000	7,147	29%
District Office Exterior	-	555	10,000	9,445	6%
Server Replacement Program	1,500		15,000	15,000	0%
Write-off Obsolete Items, older than 2009	(301,144)		-	-	
<b>Total Administration</b>	<b>(288,245)</b>	<b>3,408</b>	<b>35,000</b>	<b>31,592</b>	<b>10%</b>
<b><u>Collection Facilities - Buildings</u></b>					
FERRF Improvements & Demolition of Treatment Plant	20,679		-	-	
Allowance For Unanticipated Capital Expenditures	221,792	2,800	100,000	97,200	3%
<b>Total Collection Facilities</b>	<b>242,471</b>	<b>2,800</b>	<b>100,000</b>	<b>97,200</b>	<b>3%</b>
<b><u>Vehicle &amp; Equipment</u></b>					
Pipehunter Replace (Carryover)	220,071	23,250	25,000	1,750	93%
Service Truck - Unit 208	53,568		-	-	
Operations Superintendent SUV - Unit 206	48,183		-	-	
Pump Supervisor Truck - Unit 217 W/ 1/2 T Crane (Deferred In 18/19)		87,290	90,000	2,710	97%
Water Quality Supervisor Vehicle		42,738	50,000	7,262	85%
Other Vehicles Improvements & Small Equipment	1,005	-		-	
Sales of Vehicles	(34,356)			-	
Mainline CCTV Camera	23,726	23,835	28,000	4,165	85%
Flo Dar Equipment (Flow Meters)	33,979		35,000	35,000	0%
<b>Total Vehicle &amp; Equipment</b>	<b>346,175</b>	<b>177,112</b>	<b>228,000</b>	<b>50,888</b>	<b>78%</b>
<b><u>Subsurface Lines and Other</u></b>					
<b><u>Pump Stations</u></b>					
Pump & Valve Replacement Program	48,496		40,000		0%
Private Pump & Panel Replacements	17,691		20,000	20,000	0%
Pump Station Fence Replacement & Repair	14,380		5,000		0%
<b>Total Pump Stations</b>	<b>80,567</b>	<b>-</b>	<b>65,000</b>	<b>65,000</b>	<b>0%</b>
Flow Monitoring Study	29,986		30,000	30,000	0%
Smart Covers (2)	9,983		-	-	
Manhole Raising (Paving Projects)	22,434		100,000	100,000	0%
<b>Total Subsurface Lines And Other</b>	<b>142,969</b>	<b>-</b>	<b>195,000</b>	<b>195,000</b>	<b>0%</b>
<b><u>Construction In Progress</u></b>					
Levee Survey & GPS Update	44,488	170,065	60,000	(110,065)	283%
Sheet Piling Project	363,297		1,500,000	1,500,000	0%
Corporate Yard Renovation Feasibility Study	-		350,000	350,000	0%
Metal Storage Building - Phase 1	2,708		852,550	852,550	0%
Metal Storage Building - Phase 2	-		247,450	247,450	0%
Construction Projects Environmental Review	-		10,000	10,000	0%
<b><u>Pipeline Replacement &amp; Rehab Engineering</u></b>					
Isabella, Gilbert, Bay North, Coyote Hill - Phase 1	213,804		350,000	350,000	0%
<b><u>Pipeline Replacement &amp; Rehab Construction</u></b>					
Belle Haven III & Alpine	1,203,914	39,647			
Town Of Atherton Civic Center - Dinklespeil	517,280				
Isabella, Gilbert & Bay North - Phase 1 (Carryover \$1.5m)		86,372	1,500,000	1,413,628	6%
Isabella, Gilbert & Bay North - Phase 2			2,500,000	2,500,000	0%
Lower Ringwood			1,500,000	1,500,000	0%
Private ECR Project Improvements (Credited to Connection F	25,500				
Write Off Discontinued CIP Projects 2002-2005 & misc	(141,979)				
<b>Total Construction In Progress</b>	<b>2,229,012</b>	<b>296,084</b>	<b>8,870,000</b>	<b>8,573,916</b>	<b>3%</b>
<b>Total Capital Expenditures</b>	<b>2,672,383</b>	<b>479,404</b>	<b>9,428,000</b>	<b>8,948,596</b>	<b>5%</b>

**Reserves:**

The District has budgeted \$4,099,000 in transfers to reserve accounts to protect cash flow between sewer service fee payments from the county, maintain fiscal stability, and reserve for future projects. All budgeted transfers were completed after the receipt of Sewer Service Charges from the Tax Roll in December, excluding the Operating Reserve, as this reserve has reached the target of \$9 million, with a balance of \$9,565,833, as of 12/31/20.

- **Reserves.** There were no transfers to unrestricted reserve accounts.
  - **Emergency Capital Reserve:** Transferred \$200,000
  - **Capital Project Reserve:** Transferred \$683,500
  - **Rate Stabilization Reserve:** Transferred \$1,555,000
  - **Vehicle & Equip Replacement Reserve:** Transferred \$360,500
  
- **Restricted Reserves.** There is no budget for transfers to restricted reserve accounts in FY 2020-21.

**WEST BAY SANITARY DISTRICT  
Capital Expenditure Analysis  
Fiscal Year 2020-21  
December 31, 2020**

	Actual FY 2019-20	Actual 12/31/2020	Budget FY 2020-21	Variance Budget Balance	YTD % Annual Budget
<b>Contributions To Reserves</b>					
Operating Reserves Transfers (Target Goal \$9M)	1,300,000		1,300,000	1,300,000	0%
Rate Stabilization/Bond Reserve (Target Goal \$8M)	-	1,555,000	1,555,000	-	100%
<b>Capital Reserves</b>					
Emergency Capital Reserves Transfer (Target Goal \$5M)	200,000	200,000	200,000		100%
Capital Project Reserves Transfers (Target Goal \$6M)	683,000	683,500	683,500	-	100%
Vehicle & Equip Replacement Reserve	270,000	360,500	360,500		100%
Recycled Water Facility Cash Flow Reserve	-		-	-	
Recycled Water SRF Reserve - Restricted	675,541		-	-	
<b>Total Contributions To Reserves</b>	<b>3,128,541</b>	<b>2,799,000</b>	<b>4,099,000</b>	<b>1,300,000</b>	<b>68%</b>



**Solid Waste:**

The Solid Waste Fund had a net increase of \$23,834, over four times the annual budget, through 12/31/20.

- **Solid Waste Fund Revenue.** Franchise fees were \$51,334, 48% of the annual budget.
- **Solid Waste Fund Expense.** Allocated expenses for the Solid Waste program were \$27,500, 27% of the annual budget.

**WEST BAY SANITARY DISTRICT  
Solid Waste Fund  
Fiscal Year 2020-21  
December 31, 2020**

	Prior Year FY 2019-20	Actual 12/31/2020	Budget 12/31/2020	Variance Budget v Actual	Annual Budget FY 2020-21	YTD % Annual Budget
<b>Income</b>						
Operating Income						
Franchises	120,214	51,334	54,000	2,666	108,000	48%
<b>Total Income</b>	<b>120,214</b>	<b>51,334</b>	<b>54,000</b>	<b>2,666</b>	<b>108,000</b>	<b>48%</b>
<b>Expenditures</b>						
Allocated Operating Expense						
Rate Studies	16,501	0	21,000	21,000	42,000	0%
Mailings	5,000	0	2,500	2,500	5,000	0%
Public Relations	1,000	0	500	500	1,000	0%
Overhead Expense Allocation From Genera	48,000	27,500	27,500	0	55,000	50%
<b>Total Allocated Operating Expense</b>	<b>70,501</b>	<b>27,500</b>	<b>51,500</b>	<b>24,000</b>	<b>103,000</b>	<b>27%</b>
<b>Solid Waste Fund</b>						
Beginning Balance	193,692	243,405	243,405	-	243,405	100%
Contribution To Solid Waste Fund	49,713	23,834	2,500	(21,334)	5,000	477%
<b>Ending Balance</b>	<b>243,405</b>	<b>267,239</b>	<b>245,905</b>	<b>(21,334)</b>	<b>248,405</b>	<b>108%</b>

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

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

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

Summary Recycled Water Fund statements are included on page 13, with detailed expenditure schedule on page 14.

- **Revenue.** \$310,069 was recognized as income from SHGCC. This represents billing for O&M through 12/31/20.
- **Expense.** Total expenditures were \$697,640, including \$287,299 in depreciation of the recycled water facility.
  - Operating Expenses were \$640,530.
    - Direct District expenses were \$148,486, including PG&E, which was billed to Anderson Pacific and included in O&M paid to them and ultimately billed and received from SHGCC.
    - O&M by Anderson Pacific was \$204,745, through 12/31/20. The total added to the SHRW budget for contractor O&M is \$345,083. This includes an additional \$20,083 for utilities overage, as the PG&E rate was higher than stated in original contract.
  - Non-Operating Income & Expenses were \$54,262, net decrease.
    - Non-Operating Income was \$2,849, including Interest Income and losses on the SHGCC restricted reserve account.
    - Non-Operating Expenses was \$57,111, in Accrued Interest Expense on the SRF loan through 12/31/20.

***Bayfront Recycled Water Project***

The Bayfront Project recognized \$24,418 in capital expenditures.

**West Bay Sanitary District  
Recycled Water Fund  
Sharon Heights Recycled Water Facility  
Fiscal Year 2020-21  
December 31, 2020**

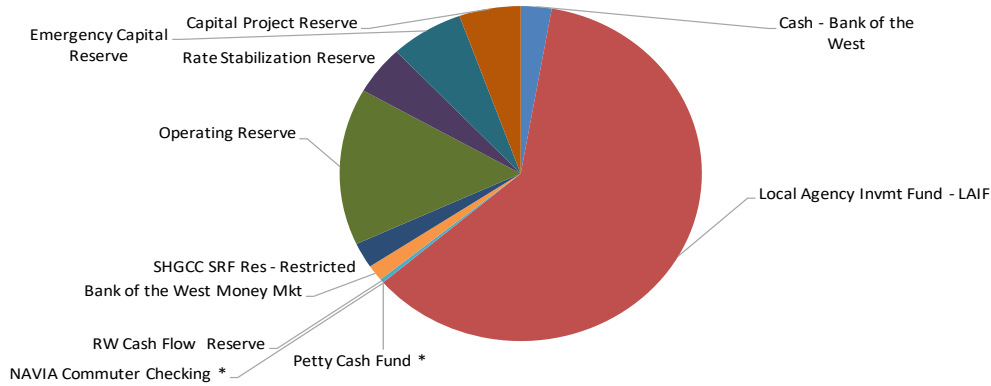
	Actual FY 2019-20	Actual 12/31/2020	Budget 12/31/2020	Budget v Actual 12/31/2020	Annual Budget FY 2020-21	YTD % Annual Budget
<b>Fund Income</b>						
Operating Income						
Sharon Heights Golf & County Club		310,069	412,874	102,805	825,748	38%
<b>Total Operating Income</b>	0	310,069	412,874	515,678	825,748	37.6%
<b>Fund Expenditures</b>						
Operating Expense (Excluding Depreciation)	0	353,230	412,874	59,644	825,748	42.8%
Depreciation Expense	0	287,299	0	(287,299)	0	
<b>Total Fund Expenditures</b>	0	640,530	412,874	(227,656)	825,748	77.6%
<b>Net Income (Loss)</b>	0	(330,460)	0	330,460	0	
<b>Non-Operating Income / Expense</b>						
Non-Operating Income	5,935,341	2,849	0	(2,849)	0	
Non-Operating Expense	(146,255)	(57,111)	0	57,111	(675,541)	8.5%
<b>Total Non-Operating Income/Expense</b>	5,789,086	(54,262)	0	(621,279)	(675,541)	8.0%
<b>Net Fund Balance For Fiscal Year</b>	5,789,086	(384,722)	0	(290,818)	(675,541)	57%

	Actual FY 2019-20	Actual 12/31/2020	Budget 12/31/2020	Budget v Actual 12/31/2020	Annual Budget FY 2020-21	YTD % Annual Budget
<b>Net Position</b>						
<b>Assets</b>						
SHGCC SRF Reserve - Restricted	1,530,350	1,551,179				
Accounts Receivable	708,440	198,840				
Interest Receivable	3,996	(2,037)				
<b>Capital Assets</b>						
Sharon Heights Recycle Water Facility	22,385,514	22,647,052				
Accumulated Depreciation	0	(287,299)				
<b>Total Assets</b>	24,628,300	24,107,735				
<b>Liabilities</b>						
Accounts Payable	258,754	82,260				
Payroll Taxes	0	442				
Notes Payable - SRF Loan	16,597,119	17,117,420				
SRF Loan Deposit		1,481,821				
SRF Loan Payment Advance Installments	135,108	584,573	405,325	(179,249)	675,541	86.5%
Accrued Interest - SRF Loan	36,292	93,403				
<b>Total Liabilities</b>	17,027,273	19,359,920	405,325	(179,249)	675,541	
<b>Net Position</b>	7,601,026	4,747,815				

**West Bay Sanitary District  
Recycled Water Fund  
Sharron Heights Recycled Water Facility  
Fiscal Year 2020-21  
December 31, 2020**

Fund Expenditures - Detail	Actual FY 2019-20	Actual 12/31/2020	Budget 12/31/2020	Budget v Actual 12/31/2020	Annual Budget FY 2020-21	YTD % Annual Budget
<b><u>Operating Expense</u></b>						
Salaries & Wages		30,783	31,714	931	63,428	48.5%
Employee Benefits		12,583	23,786	11,202	47,571	26.5%
Indirect Labor		0	19,878	19,878	39,756	0.0%
<b>Total Salaries, Wages &amp; Benefits</b>	<b>0</b>	<b>43,367</b>	<b>75,378</b>	<b>32,011</b>	<b>150,755</b>	<b>28.8%</b>
<b><u>Other Operating Expense</u></b>						
Gasoline, Oil And Fuel		0	0	0	0	
Insurance		6,259	4,626	(1,633)	9,252	67.7%
Memberships		0	0	0	0	
Office Expense		0	0	0	0	
Operating Supplies		712	6,300	5,588	12,600	5.6%
Contractual Services		0	0	0	0	
Professional Services		695	5,000	4,305	10,000	7.0%
Printing And Publications		0	0	0	0	
Rents And Leases		0	0	0	0	
Repairs And Maintenance		0	6,000	6,000	12,000	0.0%
Research And Monitoring		0	15,056	15,056	30,112	0.0%
Training, Meetings & Travel		0	0	0	0	
Utilities		89,055	115,176	26,121	230,352	38.7%
Administrative Expense		7,797	7,797	(0)	15,593	50.0%
Other Operating Expenses		601	5,000	4,399	10,000	6.0%
<b>Subtotal Operating Expenses</b>	<b>0</b>	<b>148,486</b>	<b>240,332</b>	<b>91,846</b>	<b>480,664</b>	<b>31%</b>
Operations & Maintenance - Anderson Pacific *		204,745	172,542	(32,203)	345,083	59.3%
Depreciation		287,299	0	(287,299)	0	
<b>Total Operating Expense</b>	<b>0</b>	<b>640,530</b>	<b>412,874</b>	<b>(227,656)</b>	<b>825,748</b>	<b>77.6%</b>
<b><u>Non-Operating Income &amp; Expense</u></b>						
<b><u>Other Non-Operating Income / Deposits</u></b>						
Sinking Fund		0	0	0	0	
Long Term Agreement Reserve	675,541	0	0	0	0	
Grant	5,259,800	0	0	0	0	
Interest Income		16,983	0	(16,983)	0	
Gain/Loss on Reserves		(14,134)	0	14,134	0	
<b>Total Non-Operating Income</b>	<b>5,935,341</b>	<b>2,849</b>	<b>0</b>	<b>(2,849)</b>	<b>0</b>	
<b><u>Other Non-Operating Expense</u></b>						
SRF Loan Payment	0	0	0	0	(675,541)	0.0%
Interest Expense (SRF Loan)	146,255	(57,111)	0	57,111	0	
<b>Total Non-Operating Expense</b>	<b>146,255</b>	<b>(57,111)</b>	<b>0</b>	<b>57,111</b>	<b>(675,541)</b>	<b>8.5%</b>
<b>Total Non-Operating Income &amp; Expense</b>	<b>5,789,086</b>	<b>(54,262)</b>	<b>0</b>	<b>54,262</b>	<b>(675,541)</b>	<b>8.0%</b>
<b>Total Expense</b>	<b>146,255</b>	<b>697,640</b>	<b>412,874</b>	<b>(284,767)</b>	<b>150,207</b>	<b>464.5%</b>

**WEST BAY SANITARY DISTRICT  
Schedule of Cash and Investments  
Fiscal Year 2020-21  
December 31, 2020**



Description	Target	Principal Amount	Accrued Interest	Yield
Bank of the West, Commercial Account		1,722,391.66		0.16%
NAVIA Commuter Checking Account		2,163.50		0.00%
Petty Cash		1,000.00		
Bank of the West Money Market Account		968,487.39		0.23%
<b>Local Agency Investment Fund (LAIF)</b>		<b>38,253,256.35</b>	<b>47,042.31</b>	<b>0.63%</b>
<b>Cash &amp; Equivalent Accounts</b>		<b>40,947,298.90</b>	<b>47,042.31</b>	
<b>Bank of the West Reserves Accounts</b>				
Bank Of The West -Operating Reserve - Securities	\$9 million	8,160,128.81	61,079.35	2.24%
Bank Of The West -Operating Reserve - Cash		1,344,625.15		0.03%
Bank Of The West -Emergency Capital Reserve - Securities	\$5 million	2,962,326.63	23,340.45	1.80%
Bank Of The West -Emergency Capital Reserve - Cash		1,138,544.01		0.03%
Bank Of The West -Capital Project Reserve - Securities	\$6 million	2,325,265.16	27,794.62	2.08%
Bank Of The West -Capital Project Reserve - Cash		1,123,051.30		0.03%
Bank Of The West - Rate Stabilization Reserve - Securities	\$8 million	1,211,285.14	8,017.82	1.01%
Bank Of The West - Rate Stabilization Reserve - Cash		1,747,762.64		0.03%
Bank Of The West - Recycled Water Cash Flow Reserve - Securities		186,896.30	1,375.61	2.14%
Bank Of The West - Recycled Water Cash Flow Reserve - Cash		41,422.85		0.03%
<b>Bank of the West Reserve Accounts</b>		<b>20,241,308</b>	<b>121,608</b>	
Bank Of The West - Recycled Water SRF Reserve - Securities (Restricted)		351,318.99	2,885.22	0.66%
Bank Of The West - Recycled Water Cash SRF Reserve - Cash		1,185,026.29		0.03%
<b>Restricted - Bank of the West Reserve Account</b>		<b>1,536,345</b>	<b>2,885</b>	
<b>Total Cash and Investments</b>		<b>62,724,952.17</b>	<b>171,535.38</b>	
PARS Irrevocable Trust - OPEB		306,523.09		
PARS Irrevocable Trust - Retirement		223,142.64		
<b>Total PARS Irrevocable Trust (offset liabilities)</b>		<b>529,665.73</b>		

**Certification:**

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

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

_____ District Manager/CFO	_____ Date	_____ Finance Manager	_____ Date
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# **WEST BAY SANITARY DISTRICT**



## **Preliminary Financial Statements**

**Fiscal Year 2020-2021**

**Second Quarter**

**Ending December 31, 2020**

**Financial Report  
Second Quarter  
December 31, 2020**

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 conveys raw wastewater, via the Menlo Park Pump Station and force main, to Silicon Valley Clean Water (SVCW) for treatment and discharge to the San Francisco Bay. The District was originally formed in December 1902 as the Menlo Park Sanitary District under the Sanitary Sewer Act of 1891. The District operated as the Menlo Park Sanitary District from 1902 until 1981 when its name was changed to the West Bay Sanitary District to more accurately reflect the service area. The powers of the District are established by the State of California Health and Safety Code. The District serves a population of 20,170 households and commercial establishments.

The District has issued its financial statements for the second quarter ended December 31, 2020, for fiscal year 2020-21 in conformity with the format prescribed by the provisions of Governmental Accounting Standards. This report is an overview of the District’s financial activities for the period.

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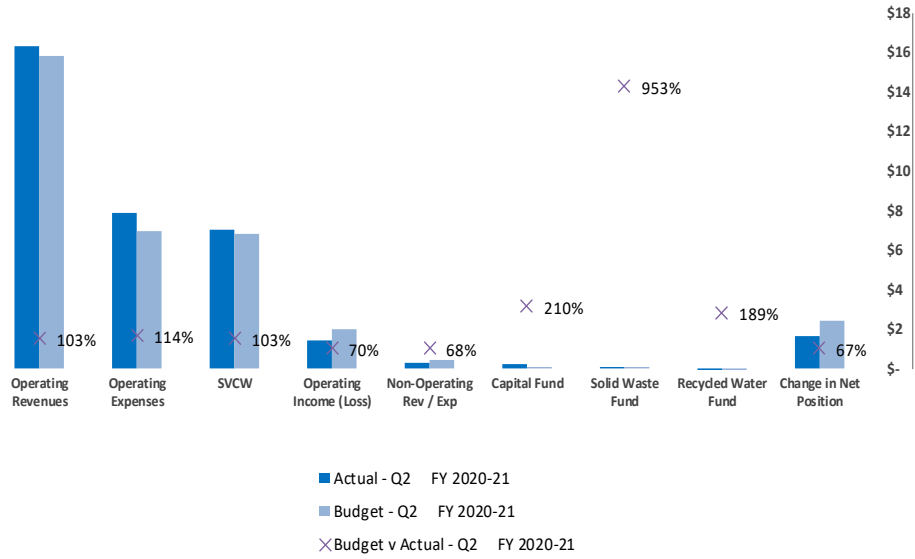
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**WEST BAY SANITARY DISTRICT**  
**Statement of Net Position**  
**Fiscal Year 2020-21**  
**December 31, 2020**

	<u>Prior Year</u> <u>FY 2019-20</u>	<u>2nd Quarter</u> <u>FY 2020-21</u>
<b>Assets</b>		
Current Assets		
Cash & Investments	36,868,825	40,947,299
Accounts Receivable	2,442,672	654,246
Interest Receivable	249,607	171,535
Accrued Revenue		24,420
Prepaid Expenses	706,691	84,845
<b>Total Current Assets</b>	<b>40,267,794</b>	<b>41,882,346</b>
Non-Current Assets		
Investments	17,854,352	20,362,397
Restricted Investments	3,293,339	2,069,415
Investment in SVCW	29,221,839	29,221,839
Capital Assets:		
Property, Plant & Equipment	107,768,237	108,533,596
Accumulated Depreciation	(35,317,072)	(37,001,512)
<b>Total Capital Assets</b>	<b>72,451,165</b>	<b>71,532,085</b>
<b>Total Non-Current Assets</b>	<b>122,820,694</b>	<b>123,185,736</b>
<b>Total Assets</b>	<b>163,088,488</b>	<b>165,068,082</b>
<b>Deferred Outflows of Resources</b>	<b>1,096,469</b>	<b>1,096,469</b>
<b>Liabilities</b>		
Current Liabilities		
Accounts Payable	2,635,396	2,670,507
Accrued Payroll & Taxes	446,209	303,729
Connection Fees Payable	1,563,699	1,823,928
Construction Deposits	17,381	(119)
SRF Advance - SHGCC	135,112	(897,248)
<b>Total Current Liabilities</b>	<b>4,797,796</b>	<b>3,900,797</b>
Non-Current Liabilities		
OPEB Liability	111,239	111,239
Net Pension Liability	5,494,504	5,494,504
SRF Deposit - SHGCC	743,095	1,481,821
SRF Note Payable	16,597,119	17,117,420
<b>Total Liabilities</b>	<b>27,743,753</b>	<b>28,105,780</b>
<b>Deferred Inflows of Resources</b>	<b>571,400</b>	<b>571,400</b>
<b>Net Position</b>		
Net Investment in Capital Assets	55,854,046	54,414,665
Investment In SVCW	29,221,839	29,221,839
Capital Fund Budget	20,131,840	21,030,442
Operation Reserve	9,498,293	9,395,827
Unrestricted Fund Balance	22,607,497	23,424,598
<b>Total Net Position</b>	<b>137,313,515</b>	<b>137,487,371</b>
<b>Prior Period Adjustment</b>	<b>(1,443,710)</b>	
<b>Total Net Position</b>	<b>135,869,805</b>	<b>137,487,371</b>



**WEST BAY SANITARY DISTRICT**  
**Statement of Revenue, Expenses and Changes in Net Position**  
**Fiscal Year 2020-21**  
**December 31, 2020**



	Prior Year FY 2019-20	Actual 12/31/2020	Budget 12/31/2020	Budget v Actual 12/31/2020	Annual Budget FY 2020-21	YTD % Annual Budget
<b>Operating Revenues</b>	<b>30,911,792</b>	<b>16,345,289</b>	<b>15,794,621</b>	<b>550,667.41</b>	<b>31,589,242</b>	<b>52%</b>
<b>Operating Expenses</b>						
General Fund Expense	8,516,794	6,217,515	5,488,408	729,106	10,976,816	57%
Capital (Depreciation)	2,043,269	1,684,440	1,450,000	234,440	2,900,000	58%
<b>Total WBSD Operating Expenses</b>	<b>10,560,063</b>	<b>7,901,954</b>	<b>6,938,408</b>	<b>963,546</b>	<b>13,876,816</b>	<b>57%</b>
Sewage Treatment Plant (SVCW)	19,551,977	7,029,873	6,830,222	199,651	13,153,679	53%
<b>Total Operating Expenses</b>	<b>30,112,040</b>	<b>14,931,828</b>	<b>13,768,630</b>	<b>1,163,197</b>	<b>27,030,495</b>	<b>55%</b>
<b>Operating Income (Loss)</b>	<b>799,752</b>	<b>1,413,461</b>	<b>2,025,991</b>	<b>(612,530)</b>	<b>4,558,747</b>	<b>31%</b>
<b>Non-Operating Revenues (Expenses)</b>						
Non-Operating Revenues	9,997,634	302,359	444,344	(141,985)	69,000	438%
Non-Operating Expenses	-	-	3,000	(3,000)	6,000	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>9,997,634</b>	<b>302,359</b>	<b>447,344</b>	<b>(144,985)</b>	<b>75,000</b>	<b>403%</b>
<b>Capital Fund</b>	<b>572,970</b>	<b>262,634</b>	<b>125,000</b>	<b>137,634</b>	<b>250,000</b>	<b>105%</b>
<b>Solid Waste Fund</b>	<b>49,713</b>	<b>23,834</b>	<b>2,500</b>	<b>21,334</b>	<b>5,000</b>	<b>477%</b>
<b>Recycled Water Fund</b>	<b>2,429,741</b>	<b>(384,722)</b>	<b>(204,065)</b>	<b>(180,657)</b>	<b>(263,982)</b>	<b>146%</b>
<b>Change in Net Position</b>	<b>13,849,809</b>	<b>1,617,566</b>	<b>2,396,770</b>	<b>(779,204)</b>	<b>4,624,765</b>	<b>35%</b>

**Revenues:**

For quarter ending December 31, 2020, total combined revenues are \$17,274,534, including the General, Capital, Solid Waste, and Recycled Water Funds.

**General Fund:**

- **Sewer Service Charges.** Total revenue of \$31,169,407 is expected for Fiscal Year 2020-21, with 15,584,703 recognized through 12/31/20, 51% of the annual budget. \$15,556,840 is accrued, with the balance manual invoices to customers not on the San Mateo County Tax Roll. The first Tax Roll receipt was received December 16, 2020, for \$15,518,902. Manual invoices are due in two payments; half on 11/1/20 and half on 2/1/21.
- **Permit Fees.** Permit & Inspection Fees of \$119,956, 120% of the annual budget.
- **Flow Equal.** The total billed amount of \$355,000 was received.
- **Other Operating Income.** A total of \$285,629 was billed through 12/31/20; 82% of the annual budget.
  - Revenue from Los Altos Hills was \$233,428
  - Revenue from Town of Woodside was \$42,284
  - An additional \$590 from other sources
- **Other Non-Operating Revenues:** The District recognized total non-operating revenue of \$302,359. The majority from interest income.

**General Fund**

General Fund	Prior Year FY 2019-20	Actual 12/31/2020	Budget 12/31/2020	Budget v Actual 12/31/2020	Annual Budget FY 2020-21	YTD % Annual Budget
Sewer Service Charges						
Residential	23,078,995	11,991,858	11,956,108	35,750	23,912,216	50%
Non-Residential	6,924,752	3,592,846	3,430,921	161,924	6,861,843	52%
Total Sewer Service Charges	30,003,748	15,584,703	15,387,029	197,674	30,774,058	51%
Permit & Inspection Fees	148,144	119,956	50,000	69,956	100,000	120%
Flow Equalization	351,138	355,000	182,592	172,409	365,184	97%
Other Operating Income (LAH & TOW)	408,763	285,629	175,000	110,629	350,000	82%
<b>Total Operating Revenues</b>	<b>30,911,792</b>	<b>16,345,289</b>	<b>15,794,621</b>	<b>550,667</b>	<b>31,589,242</b>	<b>52%</b>
<b>Non-Operating Revenues</b>						
Interest Income	1,078,141	338,148	25,000	313,148	50,000	676%
Gain/Loss on Securities	44,846	(151,431)		(151,431)		
Gain/Loss on PARS Trust	90,406	92,944		92,944		
Gain/Loss on Sale of Assets	4,907			-		
Other Non-Op. Inc.	8,779,333	22,698	419,344	(396,647)	19,000	119%
<b>Total Non-Operating Revenues</b>	<b>9,997,634</b>	<b>302,359</b>	<b>444,344</b>	<b>(141,985)</b>	<b>69,000</b>	<b>438%</b>
<b>Total General Fund Revenue</b>	<b>40,909,426</b>	<b>16,647,648</b>	<b>16,238,966</b>	<b>408,682</b>	<b>31,658,242</b>	<b>53%</b>

**Expenditures:**

For quarter ending December 31, 2020, total Expenses were \$14,931,828, 55% of the annual budget.

- **WBSD Operating Expenses.** General Fund Expenses were \$7,901,954, including \$1,684,440 in Capital Depreciation, 57% of the annual budget. Expenses are shown on the Expense Analysis on the following page in total, with allocations to the Solid Waste and Recycled Water Fund deducted in aggregate.
  - The largest variances from the budget were Employee Benefits of \$3,571,778, which is at 86% of the annual budget, and includes \$1,382,655 Pension Unfunded Accrued Liability FY 2020-21 payment and an additional \$1.6 million paydown from funds transferred from the PARS Pension Trust. The transfer was authorized by the board at the FY 2020-21 Budget Workshop, and with a five year fresh start plan, will save approximately \$3.9 million for the District.
  - Utilities is \$220,042, including PG&E for the Sharon Heights Recycled Water Facility, which was much higher than anticipated. Total Utilities were 68% of the annual budget.
  - The other budget items average under 29% of the annual budget.
- **External Operating Expenses.** These include \$7,029,873 paid to SVCW, which is 53% of the annual budget. The District holds a 23.91% share of SVCW's Net Position as of June 30, 2020 Unaudited Analysis of Net Position.
  - SVCW Operating & Capital Contributions were \$3,820,260, 49% of annual budget
  - SVCW Debt payments were \$3,209,613, 60% of annual budget.
- **Non-Operating Expenses.** There were no Non-Operating Expenses. Previously, SVCW and LAFCo were shown as non-operating expenses. Statements were aligned with audited financial statements, effective June 30, 2020; current expenses are recognized as Sewage Treatment Plant under Operating Expenses.

**Change in Net Position:**

The Net Operating Income was \$1,413,461 through December 31, 2020. With the \$302,359 net increase in Non-Operating Revenues and Expenses, the General Fund has a \$1,715,820 increase in Net Position through 12/31/20. Including the Capital, Solid Waste, and Recycled Water Funds, the increase was \$1,617,566.

**WEST BAY SANITARY DISTRICT**  
**Expense Analysis**  
**Fiscal Year 2020-21**  
**December 31, 2020**

	Prior Year FY 2019-20	Actual 12/31/2020	Budget 12/31/2020	Budget v Actual 12/31/2020	Annual Budget FY 2020-21	YTD % Annual Budget
Salaries & Wages	4,079,527	1,948,392	2,013,628	65,236	4,027,256	48%
Employee Benefits	2,491,455	3,571,778	2,084,082	(1,487,695)	4,168,165	86%
Directors- Fees	30,740	17,940	119,602	101,662	239,205	7%
Election Expense		4	78,729	78,725	157,458	
Gasoline, Oil & Fuel	52,364	19,502	35,000	15,498	70,000	28%
Insurance	131,737	94,388	100,271	5,883	200,542	47%
Memberships	51,936	15,335	25,725	10,390	51,450	30%
Office Expense	37,674	17,390	17,750	360	35,500	49%
Operating Supplies	356,797	168,512	190,073	21,560	380,145	44%
Contract Services	365,977	215,542	240,500	24,958	481,000	45%
Professional Services	306,236	146,595	265,106	118,511	530,212	28%
Printing & Publications	63,452	8,913	31,250	22,337	62,500	14%
Rents & Leases	24,824	18,282	20,000	1,718	40,000	46%
Repairs & Maintenance	271,062	108,167	154,950	46,783	309,900	35%
Research & Monitoring	10,285		43,000	43,000	86,000	
Training, Meetings & Travel	39,949	10,144	28,100	17,956	56,200	18%
Utilities	145,796	220,042	161,671	(58,371)	323,342	68%
Other Operating Expenses	107,333	71,205	168,100	96,895	336,199	21%
LAFCo	20,152	28,067	10,500	(17,567)	21,000	134%
Depreciation	2,043,269	1,684,440	1,450,000	(234,440)	2,900,000	58%
Transfer to Solid Waste	(70,501)	(27,500)	(51,500)	(24,000)	(103,000)	-27%
Transfer to Recycled Water	-	(435,183)	(248,129)	187,055	(496,257)	-78%
<b>Total WBSD Operating Expenses</b>	<b>10,560,063</b>	<b>7,901,954</b>	<b>6,938,408</b>	<b>(963,546)</b>	<b>13,876,816</b>	<b>57%</b>
SVCW - Operating Fund	6,864,372	3,441,768	3,364,224	(77,544)	6,728,448	51%
SVCW - Operating Reserve	14,112	3,336	177,192	173,856	354,384	1%
SVCW - SRF Reserve Contribution	268,404		-	-		
SVCW - Capital Contributions	452,076	375,156	375,156	-	750,312	50%
SVCW - 2009 Bond (\$55 Mil)	810,663		-	-		
SVCW - 2014 Bond (\$65 Mil)	1,144,887	391,929	572,740	180,811	1,145,480	34%
SVCW - 2015 Bond (\$60 Mil)	1,019,906	1,107,625	805,250	(302,375)	1,610,500	69%
SVCW - 2018 Bond	1,834,713	1,203,294	918,856	(284,438)	1,837,713	65%
SVCW - Cash in Lieu of 2018 Bond	6,416,002		-	-		
SVCW - SRF Debt Service (2011 Debt)	220,077		110,039	110,039	220,077	
SVCW - SRF Debt Service (2012 Debt)	506,765	506,765	506,765	-	506,765	100%
<b>Total External Operating Expenses</b>	<b>19,551,977</b>	<b>7,029,873</b>	<b>6,830,222</b>	<b>(199,651)</b>	<b>13,153,679</b>	<b>53%</b>
Other Non Operating Expense			3,000	3,000	6,000	
Prior Period Adjustments	4,152,375		-	-		
<b>Total General Fund Expenses</b>	<b>34,264,416</b>	<b>14,931,828</b>	<b>13,771,630</b>	<b>(1,160,197)</b>	<b>27,036,495</b>	<b>55%</b>

**Capital Fund:**

For quarter ending December 31, 2020, total Capital Expenditures and Reserve Transfers were \$3,278,404, 24% of the annual budget, excluding the Recycled Water Facility expenditures. A detailed schedule of Capital Expenditures is included on page 10.

**Capital Fund Revenue:**

Connection Fees were \$262,634, 105% of the annual budget.

**Capital Asset Fund**

Capital Asset Fund	Prior Year FY 2019-20	Actual 12/31/2020	Budget 12/31/2020	Budget v Actual 12/31/2020	Annual Budget FY 2020-21	YTD % Annual Budget
Connection Fees	572,970	262,634	125,000	137,634	250,000	105%
<b>Total Capital Asset Fund Revenue</b>	<b>572,970</b>	<b>262,634</b>	<b>125,000</b>	<b>137,634</b>	<b>250,000</b>	<b>105%</b>

**Capital Fund Expenses:**

Capital spending was \$479,404, 5% of the budget. Several individual capital expenditure items have been moved on the report to align them with the general ledger account where they are coded, providing better transparency. This changes the subtotals on the report, while the total budget of \$9,428,000 is unchanged.

- **Administration.** A total of \$3,408 was expended on Administration, 10% of the \$35,000 budget; District Office Interior and Exterior, and the Server Replacement Program. Levee Surveys has been moved to Construction in Progress and Flow Monitoring Study has been moved to Subsurface Lines.
- **Collection Facilities - Buildings.** The Allowance for Unanticipated Capital was moved under Buildings, to record the purchase of a 20 foot storage container located at the FEERF facility and used for storage.
- **Vehicle & Equipment.** \$177,112 was expended on new vehicles and equipment, 78% of the \$228,000 budget.
  - Two vehicles were purchased, for a combined 7% under budget:
    - Vehicle 217, Pump Supervisor Truck, 2011 F-350 was replaced
    - Vehicle 227 is for the new Recycled Water Chief Operator
  - A Mainline CCTV Camera was purchased for \$23,835, 15% under budget.
  - The budgeted \$360,500 to the Vehicle & Equipment Replacement Reserve was transferred in December, after the first receipt of Sewer Service Charges from the Tax Roll.

	Actual FY 2019-20	Actual 12/31/2020	Budget FY 2020-21	Variance Budget Balance	YTD % Annual Budget
<b>Vehicle Replacement Program</b>					
Bank of the West Money Mkt, Less Contributions	337,251	607,987	607,251	(736)	100%
Contributions	270,000	360,500	360,500	-	100%
Total Vehicle & Equipment Expenditures	(346,175)	(177,112)	(228,000)	(50,888)	78%
<b>Net Vehicle &amp; Equipment Program</b>	<b>261,076</b>	<b>791,375</b>	<b>739,751</b>	<b>(51,624)</b>	<b>107%</b>

- **Subsurface Lines and Other.** There were no expenditures on current Pump Stations and Subsurface Lines. Construction in Progress expenditures was separated to align with the general ledger and asset schedules.
  - **Pump Stations.** There were no expenditures on Pump Stations.
  - **Subsurface Lines.** There were no expenditures on current Subsurface Lines.
  
- **Construction In Progress (CIP).** These are new constructions projects that are recorded separately and capitalized when completed. CIP is not depreciated until completed. \$296,084 was expended, 3% of the \$8,870,000 budget for CIP.
  - **Levee & Sheet Piling Project.** \$170,065 was expended for levee design. On June 24, 2020 the Board approved expenditures of \$341,198, plus 10% for “Flow Equalization and Resource Recovery Facility Levee Improvements Construction Documents Preparation”. The original design budget was \$60,000, although the total budget for the design and project is \$1,560,000.
  - **Corporate Yard and Metal Storage Building.** There were no expenditures from the net \$1,450,000 budget.
  - **Pipeline Replacement & Rehab Engineering** There were no expenditures.
  - **Pipeline Replacement & Rehab Construction.** \$126,019 was expended on Belle Haven III & Alpine and Isabella, Gilbert & Bay North Projects, 2% of the \$5,500,000 budget.
  
- **Resource Recovery.** There are two projects for recycled water facilities, which expended \$285,955, through 12/31/20. Both are recorded under the Recycled Water Fund.
  - **Sharron Heights Recycled Water Facility.** The facility was accepted from the contractor, Anderson Pacific, effective July 27, 2020. The final expenditures of \$261,537 were recorded and the project was capitalized for \$22,780,298.
  - **Bayfront.** The proposed Bayfront Recycled Water Project is in early developments. \$24,418 was expended, through 12/31/20.

	Actual FY 2019-20	Actual 12/31/2020	Budget FY 2020-21	Variance Budget Balance	YTD % Annual Budget
<b>Resource Recovery</b>					
Recycled Water Facility - SHGCC	7,133,813	261,537	-	(261,537)	
Bayfront Resource Recovery (Environmental Impact Report)	-	24,418	300,000	275,582	8%
<b>Total Resource Recovery</b>	<b>7,133,813</b>	<b>285,955</b>	<b>300,000</b>	<b>14,045</b>	<b>95%</b>

**WEST BAY SANITARY DISTRICT  
Capital Expenditure Analysis  
Fiscal Year 2020-21  
December 31, 2020**

	Actual FY 2019-20	Actual 12/31/2020	Budget FY 2020-21	Variance Budget Balance	YTD % Annual Budget
<b><u>Plant &amp; Administration</u></b>					
District Office Interior	11,400	2,853	10,000	7,147	29%
District Office Exterior	-	555	10,000	9,445	6%
Server Replacement Program	1,500		15,000	15,000	0%
Write-off Obsolete Items, older than 2009	(301,144)		-	-	
<b>Total Administration</b>	<b>(288,245)</b>	<b>3,408</b>	<b>35,000</b>	<b>31,592</b>	<b>10%</b>
<b><u>Collection Facilities - Buildings</u></b>					
FERRF Improvements & Demolition of Treatment Plant	20,679		-	-	
Allowance For Unanticipated Capital Expenditures	221,792	2,800	100,000	97,200	3%
<b>Total Collection Facilities</b>	<b>242,471</b>	<b>2,800</b>	<b>100,000</b>	<b>97,200</b>	<b>3%</b>
<b><u>Vehicle &amp; Equipment</u></b>					
Pipehunter Replace (Carryover)	220,071	23,250	25,000	1,750	93%
Service Truck - Unit 208	53,568		-	-	
Operations Superintendent SUV - Unit 206	48,183		-	-	
Pump Supervisor Truck - Unit 217 W/ 1/2 T Crane (Deferred In 18/19)		87,290	90,000	2,710	97%
Water Quality Supervisor Vehicle		42,738	50,000	7,262	85%
Other Vehicles Improvements & Small Equipment	1,005	-		-	
Sales of Vehicles	(34,356)			-	
Mainline CCTV Camera	23,726	23,835	28,000	4,165	85%
Flo Dar Equipment (Flow Meters)	33,979		35,000	35,000	0%
<b>Total Vehicle &amp; Equipment</b>	<b>346,175</b>	<b>177,112</b>	<b>228,000</b>	<b>50,888</b>	<b>78%</b>
<b><u>Subsurface Lines and Other</u></b>					
<b><u>Pump Stations</u></b>					
Pump & Valve Replacement Program	48,496		40,000		0%
Private Pump & Panel Replacements	17,691		20,000	20,000	0%
Pump Station Fence Replacement & Repair	14,380		5,000		0%
<b>Total Pump Stations</b>	<b>80,567</b>	<b>-</b>	<b>65,000</b>	<b>65,000</b>	<b>0%</b>
Flow Monitoring Study	29,986		30,000	30,000	0%
Smart Covers (2)	9,983		-	-	
Manhole Raising (Paving Projects)	22,434		100,000	100,000	0%
<b>Total Subsurface Lines And Other</b>	<b>142,969</b>	<b>-</b>	<b>195,000</b>	<b>195,000</b>	<b>0%</b>
<b><u>Construction In Progress</u></b>					
Levee Survey & GPS Update	44,488	170,065	60,000	(110,065)	283%
Sheet Piling Project	363,297		1,500,000	1,500,000	0%
Corporate Yard Renovation Feasibility Study	-		350,000	350,000	0%
Metal Storage Building - Phase 1	2,708		852,550	852,550	0%
Metal Storage Building - Phase 2	-		247,450	247,450	0%
Construction Projects Environmental Review	-		10,000	10,000	0%
<b><u>Pipeline Replacement &amp; Rehab Engineering</u></b>					
Isabella, Gilbert, Bay North, Coyote Hill - Phase 1	213,804		350,000	350,000	0%
<b><u>Pipeline Replacement &amp; Rehab Construction</u></b>					
Belle Haven III & Alpine	1,203,914	39,647			
Town Of Atherton Civic Center - Dinklespeil	517,280				
Isabella, Gilbert & Bay North - Phase 1 (Carryover \$1.5m)		86,372	1,500,000	1,413,628	6%
Isabella, Gilbert & Bay North - Phase 2			2,500,000	2,500,000	0%
Lower Ringwood			1,500,000	1,500,000	0%
Private ECR Project Improvements (Credited to Connection F	25,500				
Write Off Discontinued CIP Projects 2002-2005 & misc	(141,979)				
<b>Total Construction In Progress</b>	<b>2,229,012</b>	<b>296,084</b>	<b>8,870,000</b>	<b>8,573,916</b>	<b>3%</b>
<b>Total Capital Expenditures</b>	<b>2,672,383</b>	<b>479,404</b>	<b>9,428,000</b>	<b>8,948,596</b>	<b>5%</b>

**Reserves:**

The District has budgeted \$4,099,000 in transfers to reserve accounts to protect cash flow between sewer service fee payments from the county, maintain fiscal stability, and reserve for future projects. All budgeted transfers were completed after the receipt of Sewer Service Charges from the Tax Roll in December, excluding the Operating Reserve, as this reserve has reached the target of \$9 million, with a balance of \$9,565,833, as of 12/31/20.

- **Reserves.** There were no transfers to unrestricted reserve accounts.
  - **Emergency Capital Reserve:** Transferred \$200,000
  - **Capital Project Reserve:** Transferred \$683,500
  - **Rate Stabilization Reserve:** Transferred \$1,555,000
  - **Vehicle & Equip Replacement Reserve:** Transferred \$360,500
  
- **Restricted Reserves.** There is no budget for transfers to restricted reserve accounts in FY 2020-21.

**WEST BAY SANITARY DISTRICT  
Capital Expenditure Analysis  
Fiscal Year 2020-21  
December 31, 2020**

	Actual FY 2019-20	Actual 12/31/2020	Budget FY 2020-21	Variance Budget Balance	YTD % Annual Budget
<b>Contributions To Reserves</b>					
Operating Reserves Transfers (Target Goal \$9M)	1,300,000		1,300,000	1,300,000	0%
Rate Stabilization/Bond Reserve (Target Goal \$8M)	-	1,555,000	1,555,000	-	100%
<b>Capital Reserves</b>					
Emergency Capital Reserves Transfer (Target Goal \$5M)	200,000	200,000	200,000		100%
Capital Project Reserves Transfers (Target Goal \$6M)	683,000	683,500	683,500	-	100%
Vehicle & Equip Replacement Reserve	270,000	360,500	360,500		100%
Recycled Water Facility Cash Flow Reserve	-		-	-	
Recycled Water SRF Reserve - Restricted	675,541		-	-	
<b>Total Contributions To Reserves</b>	<b>3,128,541</b>	<b>2,799,000</b>	<b>4,099,000</b>	<b>1,300,000</b>	<b>68%</b>



**Solid Waste:**

The Solid Waste Fund had a net increase of \$23,834, over four times the annual budget, through 12/31/20.

- **Solid Waste Fund Revenue.** Franchise fees were \$51,334, 48% of the annual budget.
- **Solid Waste Fund Expense.** Allocated expenses for the Solid Waste program were \$27,500, 27% of the annual budget.

**WEST BAY SANITARY DISTRICT  
Solid Waste Fund  
Fiscal Year 2020-21  
December 31, 2020**

	Prior Year FY 2019-20	Actual 12/31/2020	Budget 12/31/2020	Variance Budget v Actual	Annual Budget FY 2020-21	YTD % Annual Budget
<b>Income</b>						
Operating Income						
Franchises	120,214	51,334	54,000	2,666	108,000	48%
<b>Total Income</b>	<b>120,214</b>	<b>51,334</b>	<b>54,000</b>	<b>2,666</b>	<b>108,000</b>	<b>48%</b>
<b>Expenditures</b>						
Allocated Operating Expense						
Rate Studies	16,501	0	21,000	21,000	42,000	0%
Mailings	5,000	0	2,500	2,500	5,000	0%
Public Relations	1,000	0	500	500	1,000	0%
Overhead Expense Allocation From Genera	48,000	27,500	27,500	0	55,000	50%
<b>Total Allocated Operating Expense</b>	<b>70,501</b>	<b>27,500</b>	<b>51,500</b>	<b>24,000</b>	<b>103,000</b>	<b>27%</b>
<b>Solid Waste Fund</b>						
Beginning Balance	193,692	243,405	243,405	-	243,405	100%
Contribution To Solid Waste Fund	49,713	23,834	2,500	(21,334)	5,000	477%
<b>Ending Balance</b>	<b>243,405</b>	<b>267,239</b>	<b>245,905</b>	<b>(21,334)</b>	<b>248,405</b>	<b>108%</b>

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

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

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

Summary Recycled Water Fund statements are included on page 13, with detailed expenditure schedule on page 14.

- **Revenue.** \$310,069 was recognized as income from SHGCC. This represents billing for O&M through 12/31/20.
- **Expense.** Total expenditures were \$697,640, including \$287,299 in depreciation of the recycled water facility.
  - Operating Expenses were \$640,530.
    - Direct District expenses were \$148,486, including PG&E, which was billed to Anderson Pacific and included in O&M paid to them and ultimately billed and received from SHGCC.
    - O&M by Anderson Pacific was \$204,745, through 12/31/20. The total added to the SHRW budget for contractor O&M is \$345,083. This includes an additional \$20,083 for utilities overage, as the PG&E rate was higher than stated in original contract.
  - Non-Operating Income & Expenses were \$54,262, net decrease.
    - Non-Operating Income was \$2,849, including Interest Income and losses on the SHGCC restricted reserve account.
    - Non-Operating Expenses was \$57,111, in Accrued Interest Expense on the SRF loan through 12/31/20.

***Bayfront Recycled Water Project***

The Bayfront Project recognized \$24,418 in capital expenditures.

**West Bay Sanitary District  
Recycled Water Fund  
Sharon Heights Recycled Water Facility  
Fiscal Year 2020-21  
December 31, 2020**

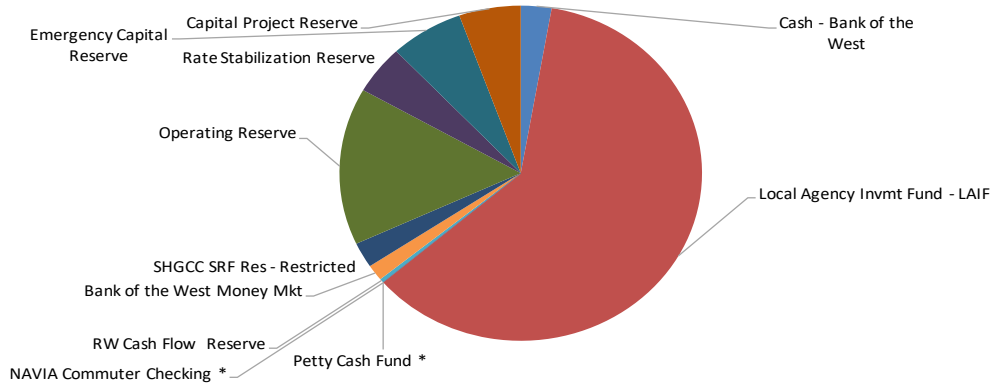
	Actual FY 2019-20	Actual 12/31/2020	Budget 12/31/2020	Budget v Actual 12/31/2020	Annual Budget FY 2020-21	YTD % Annual Budget
<b>Fund Income</b>						
Operating Income						
Sharon Heights Golf & County Club		310,069	412,874	102,805	825,748	38%
<b>Total Operating Income</b>	0	310,069	412,874	515,678	825,748	37.6%
<b>Fund Expenditures</b>						
Operating Expense (Excluding Depreciation)	0	353,230	412,874	59,644	825,748	42.8%
Depreciation Expense	0	287,299	0	(287,299)	0	
<b>Total Fund Expenditures</b>	0	640,530	412,874	(227,656)	825,748	77.6%
<b>Net Income (Loss)</b>	0	(330,460)	0	330,460	0	
<b>Non-Operating Income / Expense</b>						
Non-Operating Income	5,935,341	2,849	0	(2,849)	0	
Non-Operating Expense	(146,255)	(57,111)	0	57,111	(675,541)	8.5%
<b>Total Non-Operating Income/Expense</b>	5,789,086	(54,262)	0	(621,279)	(675,541)	8.0%
<b>Net Fund Balance For Fiscal Year</b>	5,789,086	(384,722)	0	(290,818)	(675,541)	57%

	Actual FY 2019-20	Actual 12/31/2020	Budget 12/31/2020	Budget v Actual 12/31/2020	Annual Budget FY 2020-21	YTD % Annual Budget
<b>Net Position</b>						
<b>Assets</b>						
SHGCC SRF Reserve - Restricted	1,530,350	1,551,179				
Accounts Receivable	708,440	198,840				
Interest Receivable	3,996	(2,037)				
<b>Capital Assets</b>						
Sharon Heights Recycle Water Facility	22,385,514	22,647,052				
Accumulated Depreciation	0	(287,299)				
<b>Total Assets</b>	24,628,300	24,107,735				
<b>Liabilities</b>						
Accounts Payable	258,754	82,260				
Payroll Taxes	0	442				
Notes Payable - SRF Loan	16,597,119	17,117,420				
SRF Loan Deposit		1,481,821				
SRF Loan Payment Advance Installments	135,108	584,573	405,325	(179,249)	675,541	86.5%
Accrued Interest - SRF Loan	36,292	93,403				
<b>Total Liabilities</b>	17,027,273	19,359,920	405,325	(179,249)	675,541	
<b>Net Position</b>	7,601,026	4,747,815				

**West Bay Sanitary District  
Recycled Water Fund  
Sharron Heights Recycled Water Facility  
Fiscal Year 2020-21  
December 31, 2020**

Fund Expenditures - Detail	Actual FY 2019-20	Actual 12/31/2020	Budget 12/31/2020	Budget v Actual 12/31/2020	Annual Budget FY 2020-21	YTD % Annual Budget
<b><u>Operating Expense</u></b>						
Salaries & Wages		30,783	31,714	931	63,428	48.5%
Employee Benefits		12,583	23,786	11,202	47,571	26.5%
Indirect Labor		0	19,878	19,878	39,756	0.0%
<b>Total Salaries, Wages &amp; Benefits</b>	<b>0</b>	<b>43,367</b>	<b>75,378</b>	<b>32,011</b>	<b>150,755</b>	<b>28.8%</b>
<b><u>Other Operating Expense</u></b>						
Gasoline, Oil And Fuel		0	0	0	0	
Insurance		6,259	4,626	(1,633)	9,252	67.7%
Memberships		0	0	0	0	
Office Expense		0	0	0	0	
Operating Supplies		712	6,300	5,588	12,600	5.6%
Contractual Services		0	0	0	0	
Professional Services		695	5,000	4,305	10,000	7.0%
Printing And Publications		0	0	0	0	
Rents And Leases		0	0	0	0	
Repairs And Maintenance		0	6,000	6,000	12,000	0.0%
Research And Monitoring		0	15,056	15,056	30,112	0.0%
Training, Meetings & Travel		0	0	0	0	
Utilities		89,055	115,176	26,121	230,352	38.7%
Administrative Expense		7,797	7,797	(0)	15,593	50.0%
Other Operating Expenses		601	5,000	4,399	10,000	6.0%
<b>Subtotal Operating Expenses</b>	<b>0</b>	<b>148,486</b>	<b>240,332</b>	<b>91,846</b>	<b>480,664</b>	<b>31%</b>
Operations & Maintenance - Anderson Pacific *		204,745	172,542	(32,203)	345,083	59.3%
Depreciation		287,299	0	(287,299)	0	
<b>Total Operating Expense</b>	<b>0</b>	<b>640,530</b>	<b>412,874</b>	<b>(227,656)</b>	<b>825,748</b>	<b>77.6%</b>
<b><u>Non-Operating Income &amp; Expense</u></b>						
<b><u>Other Non-Operating Income / Deposits</u></b>						
Sinking Fund		0	0	0	0	
Long Term Agreement Reserve	675,541	0	0	0	0	
Grant	5,259,800	0	0	0	0	
Interest Income		16,983	0	(16,983)	0	
Gain/Loss on Reserves		(14,134)	0	14,134	0	
<b>Total Non-Operating Income</b>	<b>5,935,341</b>	<b>2,849</b>	<b>0</b>	<b>(2,849)</b>	<b>0</b>	
<b><u>Other Non-Operating Expense</u></b>						
SRF Loan Payment	0	0	0	0	(675,541)	0.0%
Interest Expense (SRF Loan)	146,255	(57,111)	0	57,111	0	
<b>Total Non-Operating Expense</b>	<b>146,255</b>	<b>(57,111)</b>	<b>0</b>	<b>57,111</b>	<b>(675,541)</b>	<b>8.5%</b>
<b>Total Non-Operating Income &amp; Expense</b>	<b>5,789,086</b>	<b>(54,262)</b>	<b>0</b>	<b>54,262</b>	<b>(675,541)</b>	<b>8.0%</b>
<b>Total Expense</b>	<b>146,255</b>	<b>697,640</b>	<b>412,874</b>	<b>(284,767)</b>	<b>150,207</b>	<b>464.5%</b>

**WEST BAY SANITARY DISTRICT  
Schedule of Cash and Investments  
Fiscal Year 2020-21  
December 31, 2020**



Description	Target	Principal Amount	Accrued Interest	Yield
Bank of the West, Commercial Account		1,722,391.66		0.16%
NAVIA Commuter Checking Account		2,163.50		0.00%
Petty Cash		1,000.00		
Bank of the West Money Market Account		968,487.39		0.23%
<b>Local Agency Investment Fund (LAIF)</b>		<b>38,253,256.35</b>	<b>47,042.31</b>	<b>0.63%</b>
<b>Cash &amp; Equivalent Accounts</b>		<b>40,947,298.90</b>	<b>47,042.31</b>	
<b>Bank of the West Reserves Accounts</b>				
Bank Of The West -Operating Reserve - Securities	\$9 million	8,160,128.81	61,079.35	2.24%
Bank Of The West -Operating Reserve - Cash		1,344,625.15		0.03%
Bank Of The West -Emergency Capital Reserve - Securities	\$5 million	2,962,326.63	23,340.45	1.80%
Bank Of The West -Emergency Capital Reserve - Cash		1,138,544.01		0.03%
Bank Of The West -Capital Project Reserve - Securities	\$6 million	2,325,265.16	27,794.62	2.08%
Bank Of The West -Capital Project Reserve - Cash		1,123,051.30		0.03%
Bank Of The West - Rate Stabilization Reserve - Securities	\$8 million	1,211,285.14	8,017.82	1.01%
Bank Of The West - Rate Stabilization Reserve - Cash		1,747,762.64		0.03%
Bank Of The West - Recycled Water Cash Flow Reserve - Securities		186,896.30	1,375.61	2.14%
Bank Of The West - Recycled Water Cash Flow Reserve - Cash		41,422.85		0.03%
<b>Bank of the West Reserve Accounts</b>		<b>20,241,308</b>	<b>121,608</b>	
Bank Of The West - Recycled Water SRF Reserve - Securities (Restricted)		351,318.99	2,885.22	0.66%
Bank Of The West - Recycled Water Cash SRF Reserve - Cash		1,185,026.29		0.03%
<b>Restricted - Bank of the West Reserve Account</b>		<b>1,536,345</b>	<b>2,885</b>	
<b>Total Cash and Investments</b>		<b>62,724,952.17</b>	<b>171,535.38</b>	
PARS Irrevocable Trust - OPEB		306,523.09		
PARS Irrevocable Trust - Retirement		223,142.64		
<b>Total PARS Irrevocable Trust (offset liabilities)</b>		<b>529,665.73</b>		

**Certification:**

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

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

_____ District Manager/CFO	_____ Date	_____ Finance Manager	_____ Date
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## WEST BAY SANITARY DISTRICT AGENDA ITEM 8

**To:** *Board of Directors*

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

**Subject:** *February 24<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 Regular Meeting of February 24, 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 asked to stay home for a 14-day self-quarantine period and will be asked to be tested for COVID 19. If the employee is well enough during the self-quarantine period, they will work from home during this time. As soon as the employee is COVID 19 negative, they will be asked to return to work.

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

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

*October 14 update:* No updates at this time.



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

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

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

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

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

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

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

### **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.



## 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.

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

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

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**WEST BAY SANITARY DISTRICT  
AGENDA ITEM 10**

**To:            *Board of Directors***

**From:         *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 Regular Meeting of February 24, 2021**



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