

1902 - Serving Our Community for 120 Years - 2022
WEST BAY SANITARY DISTRICT
AGENDA OF BUSINESS
REGULAR MEETING OF THE DISTRICT BOARD
WEDNESDAY, DECEMBER 14, 2022 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



General Manager

Sergio Ramirez

District General Counsel

Anthony Condotti, Esq.

AGENDA OF BUSINESS

NOTICE OF PUBLIC PARTICIPATION BY TELECONFERENCE or ZOOM ONLY

Pursuant to California Assembly Bill 361, members of the West Bay Sanitary District Board of Directors and Staff may participate in this meeting via a teleconference. In the interest of reducing the spread of COVID- 19, members of the public are allowed to participate telephonically only, and may submit comments in advance by email addressed to treese@westbaysanitary.org by 4:00 p.m. on Wednesday, December 14th.

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

<https://us06web.zoom.us/j/82499115233?pwd=TmlCMjVyMkl4U29zdk11QUhCaWZiZz09>

Meeting ID: 824 9911 5233 Passcode: 604893 or by phone, call: 1-669-900-6833 Meeting ID: 824 9911 5233 Passcode: 604893

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

NOTE: The Board may take action on any agendized item unless specifically designated a "discussion" item or a "report."

1. Call to Order and Roll Call
2. Communications from the Public
3. Public Hearing: Consideration of Proposed Solid Waste/Recycling Collection Rates for the Year 2023 Pg. 3-1
4. Consideration of Resolution to Approve Solid Waste/Recycling Collection Rates and "Rates for Other Services" Effective January 1, 2023 Pg. 4-1

5. Consent Calendar

Matters listed under this item are considered routine and will be enacted by one motion. The motion, seconds, and vote are applicable to any included resolutions and recorded accordingly. There will be no separate discussion of these items unless specifically requested by a member of the Board.

- A. Approval of Minutes for Regular meeting November 9, 2022 Pg. 5A-1
- B. Approval of the Financial Activity Report Authorizing Payment of Certain Bills and Salaries and Consideration of Other Financial Matters thru November 30, 2022 Pg. 5B-1
- C. WBSD Operations and Maintenance Report – November 2022 Pg. 5C-1
- D. Town of Los Altos Hills Operations and Maintenance Report for Work Performed by WBSD – November 2022 Pg. 5D-1
- E. Town of Woodside Operations and Maintenance Report for Work Performed by WBSD – November 2022 Pg. 5E-1
- F. Consider Approval of Resolution Authorizing District to Implement Teleconferenced Public Meetings Pursuant to Assembly Bill 361 Pg. 5F-1
- G. Consider Approving Resolution of Intention to Annex Certain Territory (35 Possum Lane, Portola Valley) to the West Bay Sanitary District On-Site Wastewater Disposal Zone and to Establish the Date and Time of Public Hearing Pg. 5G-1
- H. Consider Approving Resolution of Intention to Annex Certain Territory (115 Sausal Drive, Portola Valley) to the West Bay Sanitary District On-Site Wastewater Disposal Zone and to Establish the Date and Time of Public Hearing Pg. 5H-1
- I. Consider Authorizing the General Manager to Issue Class 3 Sewer Permit No. 1627 for the Construction of Wastewater Facilities for 0 Alpine Road, Unincorporated Santa Clara, California Pg. 5I-1
- J. Consider Resolution Accepting Deed of Easement Pursuant to Class 3 Sewer Permit No. 1607 for Construction of Wastewater Facilities for 4 Navajo Pl, Portola Valley, California Pg. 5J-1
- K. Consider Accepting Sewer Facilities Constructed Pursuant to Class 3 Sewer Permit No. 1607 for Construction of Wastewater Facilities for 4 Navajo Place, Portola Valley, California Pg. 5K-1
- L. Bank of the West Monthly Investment Portfolio Statements Pg. 5L-1
- M. Consider Resolution Accepting Deed of Easement Pursuant to Class 3 Sewer Permit No. 1024 for Construction of Wastewater Facilities for 214 Grove Drive, Portola Valley, California Pg. 5M-1

6. General Manager's Report Pg. 6-1

7. Discussion and Direction with the Finance Advisory Committee Pg. 7-1

8. Consider Adopting the District's Audited Financial Statements for the Year Ended June 30, 2022 Pg. 8-1

9. Consider Approving the Financial Statements FY 2021-22, Year Ending 6/30/2022 Pg. 9-1

10. Consider Approving the Financial Statements FY 2022-23, 1st Quarter Ending 9/30/2022 Pg. 10-1

11. Consider Approval of Additional Contributions from LAIF to the Reserves Pg. 11-1

12. Consider Resolution to Elect to the District Board, President, and Secretary, and Appoint a Treasurer and Consider Appointment of Committee Appointees and Alternates Pg. 12-1

13. Consider Authorizing the General Manager to Issue the Call for Bids for the District's Capital Improvement Project – Point Repairs (High Frequency Pipeline Replacement and Repairs Pg. 13-1

14. Consider Authorizing General Manager to Extend the Agreement for Engineering Staff Augmentation Services with Freyer & Laureta, Inc. Pg. 14-1

15. December 14th Update Report on District Response to Corona Virus Pg. 15-1
16. Consider Resolution Authorizing General Manager to Submit for an increase to a Clean Water State Revolving Fund Application for the “Avy Altschul Pump Station” and Approve the Reimbursement Resolution to Manage the Funding if Awarded Pg. 16-1
17. Discussion and Direction on Sharon Heights Recycled Water Plant Pg. 17-1
18. Consider Approval of an Agreement between West Bay Sanitary District and the City of Menlo Park Regarding Provision of Recycled Water Service within the Menlo Park Municipal Water District Service Area and Authorize the General Manager to Execute the Agreement Pg. 18-1
19. Discussion and Direction on Bayfront Recycled Water Project and Status Update Pg. 19-1
20. Report and Discussion on South Bayside Waste Management Authority (SBWMA) Pg. 20-1
21. Report and Discussion on Silicon Valley Clean Water (SVCW) Plant Pg. 21-1
22. Closed Session
 - A. PUBLIC EMPLOYMENT/CONFERENCE WITH LABOR NEGOTIATORS
Agency Designated Representatives: Sergio Ramirez; Tony Condotti
Employees: All Represented and Unrepresented Employees
 - B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION/CONF. WITH LABOR NEGOTIATORS
Agency designated representatives: Board President/Legal Counsel
Unrepresented employee: General Manager
23. Comments or Reports from Members of the District Board and Consider Items to be Placed on Future Agenda
24. Adjournment

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

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WEST BAY SANITARY DISTRICT AGENDA ITEM 3

To: *Board of Directors*

From: *Sergio Ramirez, General Manager*

Subject: *Public Hearing: Consideration of Proposed Solid Waste/Recycling Collection Rates for the Year 2023*

Background

As a member of the South Bayside Waste Management Authority (SBWMA), West Bay Sanitary District, as well as the other Member Agencies is closing the eleventh year of the Collection Services provided by Recology San Mateo County. The transition to these services commencing on January 1, 2011 has been significant in not just the expanded scope of services but also on diversion of materials from landfill. We've seen significant increases in residential recycling and organic materials collection. Solid waste generation has significantly decreased. The collection services now include more convenient weekly collection of single stream recycling, organic materials (yard trimmings and food scraps) and solid waste. The Shoreway Environmental Center which is operated by South Bay Recycling has undergone substantial capital improvements to facilitate single stream recycling service provided by Recology, enhance onsite public recycling activities and greatly improve traffic circulation.

The Board has expressed the need to actively move rates toward a "cost for service" level. This requires rates to be adjusted so customers are paying their fair share for the service they receive. To accomplish this, rate adjustments will be necessary in both increases and reductions to the rates. Considerations taken for such adjustments are as follows:

- The 20-gallon, 32-gallon, and 64-gallon container rates need to increase to fully cover the cost for collection and processing;
- The 96-gallon container rate is currently covering their cost for collection and processing, no adjustment necessary for 2023;
- The Commercial bin rates are currently covering their cost for collection and processing, no adjustment necessary for 2023; and,
- The Implementation of the proposed rate adjustments will assist in balancing the cost of service in the program with the rates being charged.

In the past, residential rates were set to incentivize the use of smaller containers and promote more recycling. This was done by making small residential container rates much lower than the larger residential containers. With the outreach efforts over the past 10 years and educating residents on the importance of recycling, Staff feels the incentive aspect of the rate is no longer warranted. In some cases, it's been reported that the 20-gallon container users may be contributing to cross contamination of recyclables because the can is too small for their need and excess waste ends up in the recycling container. Therefore, if a customer really needs a 32-gallon container versus a 20-gallon container the price difference should not be set artificially low so as to dissuade someone from acquiring the size can that best fits their needs. This should help avoid the unintended consequence of cross contamination, by having the 20-gallon can rate set too low. The Board's goal is to have customers pay rates that are more in line with the actual cost of service.

In addition, the District has participated in talks with the County of San Mateo (County) to potentially have the County manage the District's solid waste collection program. The District's solid waste program is in the unincorporated areas of the County. It appears it would be beneficial to the public to have the County manage the solid waste program in these areas, as they do other parts of the County. The process has begun and has included several meetings with San Mateo Local Agency Formation Commission (LAFCo). LAFCo approval and a vote by the SBWMA Joint Powers Authority will be required. The next step is to enter into a Memorandum of Understanding with the County and the District.

Analysis

HF&H Consultants, LLC were contracted in 2022 to perform a rate analysis for the 2023 rates (Attachment 1). The rate study analyzed rates that are more in line with "Cost for Service" and reviewed rates for residential and commercial services. The HF&H rate model project rates for the next three years. On October 12, 2022 the Board decided to consider raising rates to the projected 2023 costs in the rate study and establish a date for a public hearing on the new Solid Waste rates for December 14, 2022. Future increases will be evaluated on a year-by-year basis.

At its October 12, 2022 meeting, the District's Board was presented with a rates study recommending adjustments to the rates to achieve cost of service levels for solid waste and recycling collection. Over the past 5 years, the District has chosen to implement, as part of a 3-to 5-year plan, rate adjustments for residential and commercial which will close the gap between the rates and the cost for the 20-gallon and 32-gallon services while generating sufficient revenue to cover the projected collection and processing costs. The recommended adjustments will bring each service level to their actual cost of service.

Proposed Maximum Solid Waste Rates for 2023

Customer Service Level	MONTHLY RATES			QUARTERLY RATES		
	Current Monthly Rate	Proposed Monthly Rate	Monthly Increase (Decrease)	Current Quarterly Rate	Proposed Quarterly Rate	Quarterly Increase
<i>Residential:</i>						
20 gallon can	\$48.75	\$50.00	\$1.25	\$146.25	\$150.00	\$3.75
32 gallon can	\$55.25	\$56.00	\$0.75	\$165.75	\$168.00	\$2.25
64 gallon can	\$72.00	\$72.75	\$0.75	\$216.00	\$218.25	\$2.25
96 gallon can	\$105.00	\$105.00	\$0.00	\$315.00	\$315.00	\$0.00
Commercial: (Per Pick Up)						
	Current	Proposed	Increase per pick up			
1 yard bin	\$176.27	\$176.27	\$0.00	n/a	n/a	n/a
2 yard bin	\$334.54	\$334.54	\$0.00	n/a	n/a	n/a
3 yard bin	\$372.53	\$372.53	\$0.00	n/a	n/a	n/a
4 yard bin	\$496.70	\$496.70	\$0.00	n/a	n/a	n/a
6 yard bin	\$615.76	\$615.76	\$0.00	n/a	n/a	n/a
32-Gallon Cart	\$55.25	\$56.00	\$0.75	n/a	n/a	n/a
64-Gallon Cart	\$72.00	\$72.75	\$0.75	n/a	n/a	n/a
96-Gallon Cart	\$105.00	\$105.00	\$0.00	n/a	n/a	n/a

Proposition 218

For a rate increase to be considered for adoption, public noticing and majority protest procedures as outlined by Proposition 218 need to be followed (Attachment 2). Notifications were distributed on October 26, 2022.

Fiscal Impact

Staff reviewed several rate options to fund the solid waste service program for 2023. Staff received confirmation from the Board as to the desired rate structure below, which meets the needs expressed by the Board members.

Recommendation

The General Manager recommends the adoption of a \$1.25 rate increase applied to the residential 20-gallon container, a \$0.75 rate increase applied to the 32-gallon container, a \$0.75 rate increase applied to the 64-gallon container, and no increase to the 96-gallon container and the Commercial Bin rates for 2023. In addition, the General Manager recommends the adoption of the rates for “Rate for Other Services” as described in attachment 3 of this report.

Therefore; after allowing public comment and closing the Public Hearing, and provided that less than fifty percent of the District’s solid waste ratepayers appeared at the Public Hearing to protest the proposed rate increase, the General Manager recommends:

1. The Board adopt the rate adjustments presented at the Public Hearing dated for December 14, 2022, for the proposed refuse collection rates for year 2023 effective January 1, 2023, including the “Rates for Other Services” (Attachment 3); and
2. Accept the 2023 Projections in the Solid Waste Rate Study by HF&H dated October 12, 2022.

Attachments: Attachment 1— Solid Waste/Recycling Rate Study for 2023

Attachment 2— Proposition 218 notice

Attachment 3 – “Rates for Other Services” Attachment Q

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October 7, 2022

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

Sent via e-mail

Subject: Update the District's Solid Waste/Recycling Rate Model

Dear Mr. Ramirez:

HF&H Consultants, LLC (HF&H), at your request, has reviewed the West Bay Sanitary District's (District) projected calendar year 2023 residential and commercial costs and revenues as presented in the draft report submitted by the South Bayside Waste Management Authority (SBWMA) to determine the estimated surplus/shortfall for each customer class (residential and commercial). Additionally, we have updated the District's solid waste/recycling "cost of service" rate model to reflect 2023 projected results.

Based upon the findings described in this report and the feedback received from our preliminary findings and recommendations presented to the District's Board at its September 28, 2022 meeting, the District's Board proposed the following rate adjustments for 2023.

Container Size Serviced 1X/Week	Residential	Commercial	Proposed \$ Increase	Proposed 2023 Rate
20 Gallon	2.56% Increase	N/A	\$1.25	\$50.00
32 Gallon	1.36% Increase	1.36% Increase	\$0.75	\$56.00
64 Gallon	1.04% Increase	1.04% Increase	\$0.75	\$72.75
96 Gallon	0.0% Increase	0.0% Increase	\$0.00	\$105.00
All Bins	N/A	0.0% Increase	\$0.00	Varies

The adjustments for both residential and commercial rates will better reflect the cost of service, while generating sufficient revenue to cover the projected collection and processing costs for 2023. As part of a multi-year plan, similar adjustments were implemented in previous years.

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BACKGROUND

As a member of the SBWMA, the District transitioned collection services and operation of the Shoreway Recycling and Disposal Center in San Carlos from Allied Waste/Republic to Recology San Mateo County (RSMC) and South Bay Recycling (SBR). RSMC and SBR took over collection services and operation of the Shoreway Environmental Center (Shoreway), respectively, beginning January 1, 2011. The District entered into a new 15-year agreement with RSMC with operations to start January 1, 2021.

Annually, the SBWMA provides the District with its allocation of the projected costs to provide collection service and operation of Shoreway. This information is utilized in the rate-setting process. A rate model was developed by HF&H and adopted by the District's Board of Directors (Board) on December 14, 2011.

The purpose of this update was to better reflect the cost of service, while generating sufficient revenue to cover the projected collection and processing costs through a three-year planning period (2023-2025) and providing recommended rates for the first year of the three-year planning period (2023) to be adopted by the Board.

SCOPE OF WORK

Based on the results, provided by the SBWMA for the 2023 rate-setting process, HF&H updated the "cost of service" model previously developed and enhanced the cost allocation methodology between residential container sizes.

We performed the following procedures as part of our review:

- Obtained cost, rate, and current customer account data from the District and Recology;
- Prepared a summary schedule projecting the District's revenues for 2023 and revenue for the next three years (through 2025).
- Prepared a summary schedule projecting Recology collection costs for the next three years (through 2025). Based on recent inflationary increases and discussions with the SBWMA and Recology we assumed inflationary collection cost increases of 5.5% and 4.5% in 2024 and 2025, respectively. Anticipated increases in fuel and labor are driving the higher-than cost normal increases;
- Prepared a summary schedule projecting SBWMA tip fee costs at the Shoreway Environmental Center, for the next three years (through 2025). Based on recent inflationary increases and discussions with the SBWMA we assumed inflationary tip fee cost increases of 10.0% and 4.5% in 2024 and 2025, respectively. The increases reflect the anticipated costs increases to comply with SB 1383 and the impact of the procurement of a new operator of the Shoreway Environmental Center, as the current operator agreement will expire December 31, 2023;

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- Prepared a schedule projecting residential and commercial revenue requirement through 2025 with the objective of the residential revenue to equal the costs to provide the service; and,
- Prepared a schedule proposing adjustments to the rates for the various residential carts with the objective of specific cart size revenue to equal its respective cost to provide the service.

LIMITATIONS

Our conclusions are based, in part, on Recology’s projections of its financial results of operations included in “SBWMA Final Report Reviewing the 2023 Recology Compensation Application” presented to the SBWMA Board at their September 22, 2022 meeting. Actual results of operations will usually differ from projections because events and circumstances frequently do not occur as expected and the difference may be significant.

FINDINGS

General

HF&H has updated the prior year’s rate structure analysis following its two-step process. The first step divides the solid waste collection system into two customer classes: residential and commercial. For purposes of this study, we are including multi-family customers with the commercial customer class and we have not factored any surplus or deficit from the prior year revenue reconciliations. We then reviewed the revenues and the revenue requirements for each customer class independently.

Revenue Requirement (RSMC & SBR)	2022	2023	Variance Year over Year \$	Variance Year over Year %
Collection Cost	\$1,132,870	\$1,182,552	\$49,682	4.4%
Disposal/Processing	538,744	542,023	3,279	0.6%
Agency Fees (on net revenue)	105,261	103,475	-1,786	-1.7%
Total Costs	\$1,776,875	\$1,828,050	\$51,175	2.9%

The second step is to further review the residential customer class by examining the rate and cost to provide service for each size of container (20 gallon, 32 gallon, 64 gallon and 96 gallon).

Step 1 – Residential and Commercial Customer Classes

The following table shows the Rate Year 2023 revenue requirement by customer class. At current rates (2022 rates), the solid waste collection system as a whole is projected to generate slightly more than the

Mr. Sergio Ramirez
October 7, 2022
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requirement, \$38,467 excess of revenue compared to costs. While rates may not need to increase to cover 2023 projected costs, costs to cover recent state regulations (e.g., SB 1383)

**Table 1:
2023 Projected Revenue and Costs by Customer Class**

	<i>Residential</i>	<i>Commercial</i>	<i>Total</i>
Projected Revenue at <u>Current Rates</u> ¹	\$1,578,300	\$288,217	\$1,866,517 A
Projected 2023 Costs by Service Sector			
Collection	\$1,011,868	\$170,684	\$1,182,552
Disposal/Processing	461,962	80,061	542,023
Agency Fees	88,430	15,045	103,475
Total Costs	<u>\$1,562,259</u>	<u>\$265,790</u>	<u>\$1,828,050 B</u>
Excess (Deficiency) of Revenues vs Costs	<u>\$ 16,040</u>	<u>\$ 22,427</u>	<u>\$ 38,467 A-B=C</u>
Projected Rate Adjustment	-1.02%	-7.78%	-2.06%

¹ Projected Revenue is based on Recology's Compensation Application

NOTE: The amounts shown above are for 2023 activity only. Prior year surplus/shortfalls (i.e., the balancing account held at Recology) are NOT included.

If the District elects to have the residential customer class rates generate sufficient revenue to cover its costs, rates could be adjusted all at once or over a period of time. The table below shows possible rate adjustments to both customer classes over a three-year period, assuming cost increase projections as discussed on Page 2 of this report.

**Table 2:
2023 Proposed and 2024-2025 Projected Average Rate Adjustments**

		<i>Residential</i>	<i>Commercial</i>
1	2023 - Proposed	1.66%	0.00%
2	2024 - Projected	2.86%	0.00%
4	2025 - Projected	3.23%	4.00%

The following table shows the projected revenues after the above rate adjustments. By 2025, the revenues are just slightly above the cost for commercial and slightly below the cost for residential, making use of the District's positive balancing account with Recology. Use of the balancing account allows the District to reduce rate volatility even when costs increase greater than inflation.



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**Table 3:
 Three-year Projected Revenue and Costs**

Projections - Balance Revenue & Costs over 3 Years									
	1			2			3		
	2023			2024			2025		
	Residential	Commercial	Total	Residential	Commercial	Total	Residential	Commercial	Total
Proposed Average Rate Adjustment	1.66%	0.00%		2.86%	0.00%		3.23%	4.00%	
Total Revenue	\$1,604,499	\$288,743	\$1,893,242	\$1,650,403	\$288,835	\$1,939,238	\$1,703,705	\$299,805	\$2,003,510
Assumptions:									
1) Cost Increase	"Projected"	"Projected"		5.50%	5.50%		4.50%	4.50%	
2) Disposal/Processing Increase	"Projected"	"Projected"		10.00%	10.00%		4.50%	4.50%	
Collection	\$1,011,868	\$170,684	\$1,182,552	\$1,067,520	\$180,072	\$1,247,592	\$1,115,559	\$188,175	\$1,303,734
Disposal/Processing	461,962	80,061	542,023	508,158	88,067	596,225	531,025	92,030	623,055
Agency Fees	88,430	15,045	103,475	94,541	16,088	110,629	98,795	16,812	115,607
Total Costs	1,562,259	265,790	1,828,050	1,670,219	284,228	1,954,447	1,745,379	297,018	2,042,397
Excess (Deficiency) Amount	\$42,240	\$22,953	\$65,192	(\$19,816)	\$4,608	(\$15,209)	(\$41,674)	\$2,787	(\$38,887)
Excess (Deficiency) Percentage	2.63%	7.95%	3.44%	-1.20%	1.60%	-0.78%	-2.45%	0.93%	-1.94%

Step 2 – Residential Container Rates

We reviewed the residential rates by container size and compared the rates to the cost of service by container size projected by the SBWMA, which assumed the variable cost between container sizes is primarily the disposal cost. Additionally HF&H updated the cost of service by container size using the same approach used in the rate model from the previous year. We have assumed the following:

- **Organics collection costs** are fixed per household as every customer receives the same size container and is serviced at the same frequency (64 gallon cart, serviced 1 time per week). For 2023, the fixed cost is \$24.49 per home per month;
- **Recycling collection costs** are also fixed per household for the same reason as above, (64 gallon cart - serviced 1 time per week). For 2023, the fixed cost is \$13.56 per home per;
- **Disposal cost** is variable based upon the capacity/gallon size of the solid waste cart serviced. For 2023 the projected variable cost is \$0.157 per gallon;
- **Fixed solid waste (SW) route/collection costs** are costs that do not vary based on the level of service received (e.g., customer service costs, IT costs, etc.). For 2023, the fixed cost is \$3.41 per home per month ; and,
- **All other SW route/collection costs** are attributed to each cart size using equivalent cart units (ECU) calculated by applying routing metrics. (The ECU basic principle establishes the numeric relationship between cart size and route capacities.) For 2023, the projected monthly cost per ECU is \$5.476 multiplied by a factor of:

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- 1.000 for a 20 gallon cart;
- 1.600 for a 32 gallon cart;
- 3.627 for a 64 gallon cart; and,
- 6.080 for a 96 gallon cart.

The following tables shows the current rates (2022), the SBWMA and the HF&H projected 2023 costs by cart size.

Table 4a:
HF&H Projected 2023 Costs by Residential Container Size

<i>Analysis of Costs by Size of Container</i>				
	20	32	64	96
Organics Collection Cost	\$ 24.29	\$ 24.29	\$ 24.29	\$ 24.29
Recycling Collection Cost	\$ 13.56	13.56	13.56	13.56
Disposal Cost (\$0.157 per gallon)	\$ 3.13	5.01	10.02	15.03
Fixed Solid Waste Cost	\$ 3.41	3.41	3.41	3.41
All Other Solid Waste Cost				
	\$5.4757	X a factor of	1.000	1.600
			3.627	6.080
		<u>5.48</u>	<u>8.76</u>	<u>19.86</u>
			<u>33.29</u>	
* Monthly Cost per Cart per HF&H	\$ 49.86	\$ 55.03	\$ 71.13	\$ 89.58

* Rounded to the nearest cent

Table 4b:
Comparison of Current Residential Rates and Projected 2023 Costs by Container Size

<i>Analysis of Costs by Size of Container</i>							
<u>Subscription</u>	<u>Container Size</u>	<u>Current Mo. Rate</u>	<u>* 2023 Mo Cost per Cart</u>	<u>Excess (Deficiency) of Revenues vs Costs</u>	<u>Projected Rate Adjustment</u>	<u>2021 Variance before Adjustment</u>	
17%	376	20	\$48.75	\$49.86	(\$1.11)	2.3%	12.7%
56%	1234	32	\$55.25	\$55.03	\$0.22	-0.4%	4.8%
22%	491	64	\$72.00	\$71.13	\$0.87	-1.2%	-4.2%
4%	96	96	\$105.00	\$89.58	\$15.42	-14.7%	-17.4%
100%	2197						

* Rounded to the nearest cent

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The following table shows the projected adjustments in future years to continue to work towards the cost of service. These are projections based upon annual assumed increases in costs and would need to be revised as the actual costs are known and projections revised.

**Table 5:
Proposed and Projected Residential Rate Adjustments (2023-2025)**

	<i>Container Size</i>							
	20 gallon		32 gallon		64 gallon		96 gallon	
Current Rate →		\$48.75		\$55.25		\$72.00		\$105.00
Proposed 2023	2.56%	\$50.00	1.36%	\$56.00	1.04%	\$72.75	0.00%	\$105.00
Projected 2024	3.00%	\$51.50	3.13%	\$57.75	3.09%	\$75.00	0.00%	\$105.00
2025	3.89%	\$53.50	3.45%	\$59.74	3.34%	\$77.51	0.00%	\$105.00
2025 Projected Cost of Service		\$55.67		\$61.45		\$79.42		\$100.02

Rate Structure Summary

Current Rate Structure

Under the current rate structure, rate revenue (assuming current rates and no use of prior year surplus or shortfall) is projected to produce an excess of approximately \$38,467 in revenue for the forthcoming year (see Table 1).

Rate Adjustments

Residential and Commercial Customer Class

In the first step described above, HF&H divided the solid waste collection system into two customer classes: residential and commercial and modeled a rate structure which achieved a cost of service balance between the customer classes over the next few years. Overall revenue from residential rates are increased by 1.66% and revenue from commercial rates are kept flat in 2023 (see Table 2 and Table 3).

Recommendation

As we have seen in other jurisdictions over the past few years, the District's rate structure encourages customers to "downsize" their solid waste container by placing more materials in their recyclable material and organics carts, rather than in their solid waste containers, which ultimately reduces the amount of trash sent to the landfill. However, as customers reduce their container size, less revenue is generated but there is not an equal reduction of the cost to drive by, collect, and process the materials.

Mr. Sergio Ramirez
October 7, 2022
Page 8 of 8

At its September 28, 2022 meeting, the District's Board proposed to implement, as part of its multi-year plan began more than five years ago, the following rate adjustments for residential and commercial rates that will close the gap between the rates and the cost for the 20-gallon cart service, while generating sufficient revenue to cover the projected collection and processing costs for 2023.

**Table 6:
District's Board Proposed Rate Adjustments**

Rates by Size of Container						
	<u>Residential</u>				<u>Commercial</u>	
	20 Gallon	32 Gallon	64 Gallon	96 Gallon	1YD Bin 1x/week	3YD Bin 1x/week
Current Rates	\$48.75	\$55.25	\$72.00	\$105.00	\$176.27	\$372.53
Proposed Rate Adjustment	2.56%	1.36%	1.04%	0.00%	0.00%	0.00%
2023 Proposed Rate / Mo.	\$50.00	\$56.00	\$72.75	\$105.00	\$176.27	\$372.53
Increase (Decrease) / Mo.	\$1.25	\$0.75	\$0.75	\$0.00	\$0.00	\$0.00
2021 Projected Revenue at Proposed Rates						
	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>			
Projected Revenue at <u>Current Rates</u> ¹	\$1,578,300	\$288,217	\$1,866,517			
2023 <u>Proposed Rate</u> Revenue	\$1,604,435	\$288,743	\$1,893,178 A			
2023 Proposed Costs	1,562,259	265,790	1,828,050 B			
Excess Amount	\$42,176	\$22,953	\$65,128 A - B = C			
Excess Percentage	2.6%	7.9%	3.4%			

¹ Projected revenue at current rates is based upon the actual revenue for the first 8 months of 2022, annualized.

* * * *

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

Sincerely,

HF&H CONSULTANTS, LLC



Rick Simonson
Senior Vice President

Rates for Other Services

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

Service Category	Rate	Description of Rate
Backyard Collection Service—Single Family Dwelling	For one Solid Waste Cart: \$22.91 (0-50 ft) \$26.72 (51-100 ft)	Rates vary based on distance & number of carts. Contact the District for rates for distances beyond 100 feet and for more than one solid waste cart.
Return Trip Cost—Single Family Dwelling (Request to provide collection service after the regularly scheduled collection day)	\$19.10	Per collection event.
On-Call Bulky Item Collection	\$103.80	Per each collection event beyond first 2 per year. (Each customer receives 2 free bulky collections per year)
Distance charge—MFD and Commercial Accounts	A – 10% of base monthly rate B – 25% of base monthly rate	A – 51 to 100 feet from access by contractor's collection vehicle B – 101 feet or more from access by contractor's collection vehicle
Container Relocation Service	A – 12% of base monthly rate each container B – 27% of base monthly rate each container	A – 51 to 100 feet from access by contractor's collection vehicle B – 101 feet or more from access by contractor's collection vehicle
Extra Pick-Up Cost—MFD and Commercial Accounts	25% of the base monthly rate for the size of container collected once per week	Per collection event
Additional Targeted Recyclable Materials or Organic Materials Cart Rental	A -- \$ 3.82	A – Monthly rental fee (any size cart, minimum 6 months)
Collection of Contaminated Targeted Recyclable Materials or Organic Materials Container	25% of the base monthly rate for the size of container collected once per week Plus: \$19.10	Per collection event
Key Service	A -- \$10.82 per month B -- \$12.09 per month	A – Residential Customers B – Commercial Customers
Lock Purchase	\$21.63 –one time charge	One-time charge per account. No fee for replacement locks.
Overage Fee	100% of base monthly rate	Per collection event
Overage Bags	50% of the base monthly rate or \$10.17 minimum	Rate per bag
Container Cleaning	A – \$63.64 B – \$108.18	A – per Cart B – per Bin or Drop-Box
Dirty Cart Replacement	A – \$82.72 B – \$95.45 C – \$108.18	A – per 32 gallon Cart B – per 64 gallon Cart C – per 96 gallon Cart
Additional Compost Material Delivery	A – \$159.09 B – \$318.18	A – One way delivery B – Round trip delivery

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500 Laurel Street
Menlo Park, CA 94025



Important Information - Notice of Public Hearing
"Solid Waste & Recyclable Material Rate Increase"
Wednesday, December 14, 2022 at 7:00 p.m.

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

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

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

The District must receive your letter in a sealed envelope by 3:00 p.m. on December 14, 2022 or it must be presented at the District Board meeting on December 14, 2022 prior to the close of the public hearing on this matter or by Zoom Meeting <https://us06web.zoom.us/j/82499115233?pwd=TmlCMjVvMkl4U29zdk11QUhCaWZiZz09> Meeting ID: 824 9911 5233 Passcode: 604893

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

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

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

MATERIALS IN THE WEST BAY SANITARY DISTRICT

The District Board of the West Bay Sanitary District hereby gives public notice of its intent to increase some of the existing residential rates for the collection of recyclable materials, compost, and refuse for 2023. The District Board plans to consider this rate increase at a public hearing on December 14, 2022 at 7:00 p.m. in the Board Conference Room located at 500 Laurel Street, Menlo Park or by Zoom or telephone to encourage social distancing <https://us06web.zoom.us/j/82499115233?pwd=TmICMjVyMkI4U29zdk11QUhCaWZiZz09> Meeting ID: 824 9911 5233 Passcode: 604893

The need for this increase was discussed by the District Board at the September 28, 2022 Regular Board meeting, and is further detailed in the staff report for this matter and the Draft Report by HF&H Consultants (Rate Study), both of which are available at the District Office located at 500 Laurel Street, Menlo Park or online at www.westbaysanitary.org

Approximately fifty-six percent (56%) of residential service containers are a 32 gallon size. The new rate for 2023 for a 32 gallon container would increase from \$55.25 per month to \$56.00 per month, a \$.75 per month increase. The new rate for the 20 gallon container would increase from \$48.75 per month to \$50.00 per month, a \$1.25 per month increase. 20 gallon containers will be grandfathered to current users but are no longer available to new customers or to customers wishing to migrate down to a 20 gallon container. As further detailed in the Rate Study, the purpose of these increases is to align the Solid Waste Rates with the actual proportionate cost of providing the service to customers in each Customer Service Level.

For comparison purposes, the maximum typical residential rates for 32 gallon containers for SBWMA Cities including Burlingame, Belmont, Hillsborough, Menlo Park, Redwood City, San Carlos, and San Mateo, range from a low of \$26.21 (Foster City) to a high of \$59.40 (Hillsborough), based upon 2022 rates.

Proposed Maximum Solid Waste Rates for 2023

Customer Service Level	MONTHLY RATES			QUARTERLY RATES		
	Current Monthly Rate	Proposed Monthly Rate	Monthly Increase (Decrease)	Current Quarterly Rate	Proposed Quarterly Rate	Quarterly Increase
<i>Residential:</i>						
20 gallon can	\$48.75	\$50.00	\$1.25	\$146.25	\$150.00	\$3.75
32 gallon can	\$55.25	\$56.00	\$0.75	\$165.75	\$168.00	\$2.25
64 gallon can	\$72.00	\$72.75	\$0.75	\$216.00	\$218.25	\$2.25
96 gallon can	\$105.00	\$105.00	\$0.00	\$315.00	\$315.00	\$0.00
<i>*Commercial:(Per Pick Up)</i>						
1 yard bin	\$176.27	\$176.27	\$0.00	n/a	n/a	n/a
2 yard bin	\$334.54	\$334.54	\$0.00	n/a	n/a	n/a
3 yard bin	\$372.53	\$372.53	\$0.00	n/a	n/a	n/a
4 yard bin	\$496.70	\$496.70	\$0.00	n/a	n/a	n/a
6 yard bin	\$615.76	\$615.76	\$0.00	n/a	n/a	n/a
32-Gallon Cart	\$55.25	\$56.00	\$0.75	n/a	n/a	n/a
64-Gallon Cart	\$72.00	\$72.75	\$0.75	n/a	n/a	n/a
96-Gallon Cart	\$105.00	\$105.00	\$0.00	n/a	n/a	n/a

(Continued) Rates for Other Services

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



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NECESSITY FOR THE NEW RATES

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

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

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

The West Bay Sanitary District hereby gives notice of a public hearing to be held at its Board meeting on December 14, 2022, at 7:00 p.m. in the District's "Ronald W. Shepherd" Administration Building located at 500 Laurel Street, Menlo Park, CA or by Zoom or telephone to encourage social distancing <https://us06web.zoom.us/j/82499115233?pwd=TmICMjVyMkI4U29zdk11QUhCaWZiZz09> Meeting ID: 824 9911 5233 Passcode: 604893 At this hearing, the Board of Directors will consider public comment as well as written protests by ratepayers regarding the proposed increase in monthly collection rates. If written protests are presented by a majority of the affected ratepayers prior to the close of the public hearing, the Board of Directors will not increase the rates as a matter of State law, however levels of service may be impacted.

ATTACHMENT Q - 2023 ADDITIONAL SERVICES

For Rate Years Eleven (2021) through the remaining Rate Years in the Term, the Charges for additional services specified in Attachment Q shall be adjusted annually in accordance with Attachment K.

The Charges for additional services for Rate Year Ten (2020) shall be the Charges for Rate Year Ten (2020) as determined under the 2009 Franchise Agreement. These are the Charges that will be adjusted as provided in Attachment K of this Agreement to determine the Charges for Rate Year Eleven (2021).

Two additional services are included in this Attachment Q there were not in Attachment Q of the 2009 Franchise Agreement. The two new services are Container Relocation Service and Agency-Specific Reporting for Abandoned Waste Collections. Charges for these services are presented in the table below.

	Service	Reference	Agency-Approved Charge	Description
Additional Services for Customers				
1	Single-Family Dwelling Backyard Collection Service	Section 5.02.A	See Charges in the table at the end of this Attachment	See Charges in the table at the end of this Attachment
2	Long Distance Service for MFD, Mixed Use, and Commercial Accounts (Note: only applicable to Containers with wheels)	Sections 5.02.B, 5.02.C; and 8.02.B	A – 10% of base monthly Rate of the Collection Rate for each Container requiring Long Distance Service B – 25% of base monthly Rate of the Collection Rate for each Container requiring Long Distance Service	A – Distance greater than 50 feet and less than or equal to 100 feet B – Distance greater than 100 feet Distance shall be measured from the face of the curb, or from the edge of the roadway nearest the closest edge of the Container, if there is no curb.

ATTACHMENT Q - 2023 ADDITIONAL SERVICES

	Service	Reference	Agency-Approved Charge	Description
3	Container Relocation Service	Sections 5.02B and 8.02B	A – 12% of base monthly Rate of the Collection Rate for each Container requiring Container Relocation Service B – 27% of base monthly Rate of the Collection Rate for each Container requiring Container Relocation Service	A – Distance greater than 50 feet and less than or equal to 100 feet B – Distance greater than 100 feet Distance shall be measured from the face of the curb, or from the edge of the roadway nearest the closest edge of the Container, if there is no curb.
4	On-Call Pick-up for SFD, MFD, Mixed Use, and Commercial Customers	Sections 5.02.A, 5.02.B, and 5.02.C	25% of the base monthly Rate for the size of Container Collected once per week	Per Collection event per Container for Collection requested by Customer
5	Return Trip (SFD, MFD, Mixed Use, or Commercial)	Sections 5.02.A, B, C; 5.03.A, B, C; 5.04.A, B, C	\$19.10 for SFD \$19.10 for Commercial, Mixed Use, and MFD	Per Collection event (i.e., request to return and provide Collection service after the Customer failed to properly set out their Container(s) for regularly scheduled Collection)
6	Additional Targeted Recyclable Materials or Organic Materials Cart Service for SFD	Sections 5.03.A and 5.04.A	\$3.82 per Recycling Cart \$3.82 per Organic Materials Cart	Per Cart per month (any Cart size). Six month minimum charge required. Includes one-time Cart delivery upon start of service and removal of Cart when service is discontinued by Customer.
7	Additional On-Call Bulky Item Collection	Sections 5.05, 5.06	\$103.80	Per Bulky Item Collection event (in addition to the events provided at no charge to Customer pursuant to Section 5.12)

ATTACHMENT Q - 2023 ADDITIONAL SERVICES

	Service	Reference	Agency-Approved Charge	Description
8	Collect Contaminated Targeted Recyclable Materials or Organic Materials Container	Section 6.03.A and 8.02.F	25% of the base monthly Solid Waste Rate for the size of Container Collected once per week plus Return Trip Fee if applicable	Per Collection event for Container with Contamination Level greater than the maximum level pursuant to Table 1 in Section 6.02.B
9	Lock Service (Key Service)	Section 8.02.B	A – \$10.82 per usage B – \$12.09 per usage	Monthly cost: A – Residential Customers B – Commercial Customers
10	Lock Purchase	Section 8.02.B	\$21.63 per lock	Per lock
11	Overage Service	Section 8.02.G	100% of the base monthly Solid Waste Collection Rate	Per Collection event (after the first two events)
12	Overage Bags Cost	Section 8.02.G	50% of the base monthly Solid Waste Collection Rate or \$10.17 minimum	Per bag
13	Container Cleaning Service	Section 8.05.D	A – \$63.64 B – \$108.18	A – per Cart B – per Bin or Drop-Box Charge only applies to cleaning or Container exchange in addition to the service to be provided at no charge to the Customer pursuant to Section 8.05.D

ATTACHMENT Q - 2023 ADDITIONAL SERVICES

	Service	Reference	Agency-Approved Charge	Description
14	Dirty Cart Replacement (Exchange) Service	Section 8.05.D	A – \$82.72 B – \$95.45 C – \$108.18	A – per 32 gallon Cart B – per 64 gallon Cart C – per 96 gallon Cart Charge only applies to cleaning or Container exchange in addition to the service to be provided at no charge to the Customer pursuant to Section 8.05.D
Additional Services for Agency				
15	Additional Confidential Document Destruction Service Event	Section 5.07	\$1,527.28	Per event
16	Additional Compost Material Delivery	Section 5.11	A – \$159.09 per delivery B – \$318.18 per delivery	A – “one-way” only delivery by Contractor where Contractor delivers to and unloads compost at an Agency-approved location B – “Round-trip” delivery by Contractor where Contractor delivers compost in a Drop Box to an Agency-approved location and returns at a later time or date to pick up the Drop Box and any remaining compost (charge includes the delivery of and later pick-up of the Drop Box)
17	Community Drop-Off Events	Section 5.13	\$21,636.42 per event or day	Per event or day targeting 5,000 households. Does not include disposal or public education expenses.
18	Collection for Agency-Sponsored and Non-Agency sponsored Community Events	Section 5.08	A – \$3,818.19 B – \$6,363.65 C – \$9,545.48	A – One day event with a projected 2,500 or fewer attendees B – One (1) or two (2) day events with a projected 2,501 to 7,500 attendees per day C – One (1) or two (2) day events with a projected 7,501 to 10,000 attendees per day

ATTACHMENT Q - 2023 ADDITIONAL SERVICES

Backyard Collection Service Charge for Single-Family Dwellings* (Section 5.02.A)				
Distance from Curb**	Backyard Charge for Customers with One (1) Solid Waste Cart	Backyard Charge for Customers with Two (2) Solid Waste Carts	Backyard Charge for Customers with Three (3) Solid Waste Carts	Backyard Charge for Customers with Four (4) Solid Waste Carts
Distance <= 50 feet	\$22.91	\$36.55	\$73.11	\$109.66
50 < Distance <= 100 feet	\$26.72	\$40.37	\$76.92	\$113.48
100 < Distance <= 150 feet	\$30.54	\$44.20	\$80.75	\$117.30
150 < Distance <= 200 feet	\$34.36	\$48.01	\$84.57	\$121.11
200 < Distance <= 250 feet	\$38.18	\$51.83	\$88.37	\$124.93
250 < Distance <= 300 feet	\$42.00	\$55.64	\$92.20	\$128.74
300 < Distance <= 350 feet	\$45.82	\$59.46	\$96.01	\$132.57
Each additional 50 foot increment over 350 feet	Amount equals the difference between the Charge for 250 to 300 feet and 300 to 350 feet			

* Backyard Collection Service Charges are charges added to the base monthly Rate for Single-Family Collection service, and cover the provision of Backyard Collection Service for all of Customer's Solid Waste, Recyclable Materials, and Organic Materials Carts.

** Distance shall be measured from the face of the curb, or from the edge of the roadway nearest the closest edge of the Cart, if there is no curb.

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 4**

To: Board of Directors

From: Sergio Ramirez, General Manager

**Subject: Consideration of Resolution to Approve Solid Waste/Recycling
Collection Rates and "Rates for Other Services" Effective
January 1, 2023**

Following the Public Hearing and the close of public comment and there being less than 50% ratepayer protest to the proposed rate increase, the General Manager recommends the Board approve the attached resolution adopting the proposed Solid Waste/Recycling Collection rate increase for 2023 applied to all rate categories and for "Rates for Other Services" effective January 1, 2023, as attached to the resolution and according to Proposition 218.

RESOLUTION NO. _____(2022)

**RESOLUTION APPROVING SOLID WASTE/RECYCLING COLLECTION RATES FOR
2023**

WHEREAS, on February 24, 2010 the District Board approved the Franchise Agreement with Recology San Mateo County for Recyclable Materials, Organic Materials, and Solid Waste Collection Services; and

WHEREAS, on October 12, a regular meeting of the West Bay Sanitary District Board was held to discuss the with the Board and the public the need for an increase in the Solid Waste/Recycling Collection Rates for 2023; and

WHEREAS, the District Board directed staff to proceed with the public notification procedures as outlined by Proposition 218 for the consideration of new Solid Waste/Recycling Collection rates; and

WHEREAS, on October 26, 2022, notifications were sent to approximately 2,218 residential and commercial customers in the West Bay Sanitary District; and

WHEREAS, on December 14, 2022 a Public Hearing was held to present to the West Bay Sanitary District Board and the public a review of the Solid Waste/Recycling Collection Rates for 2023; and

WHEREAS, the District received a minimal number of responses and protests; and

WHEREAS, per Proposition 218, based on the low protest rate, the District may proceed with the proposed rate increase.

NOW, THEREFORE, BE IT RESOLVED by the District Board that the Solid Waste/Recycling Collection rates for 2023 shall be as follows effective January 1, 2023:

Proposed Maximum Solid Waste Rates for 2023

Customer Service Level	MONTHLY RATES			QUARTERLY RATES		
	Current Monthly Rate	Proposed Monthly Rate	Monthly Increase (Decrease)	Current Quarterly Rate	Proposed Quarterly Rate	Quarterly Increase
<i>Residential:</i>						
20 gallon can	\$48.75	\$50.00	\$1.25	\$146.25	\$150.00	\$3.75
32 gallon can	\$55.25	\$56.00	\$0.75	\$165.75	\$168.00	\$2.25
64 gallon can	\$72.00	\$72.75	\$0.75	\$216.00	\$218.25	\$2.25
96 gallon can	\$105.00	\$105.00	\$0.00	\$315.00	\$315.00	\$0.00
<i>*Commercial:(Per Pick Up)</i>						
	Current	Proposed	Increase per pick up			
1 yard bin	\$176.27	\$176.27	\$0.00	n/a	n/a	n/a
2 yard bin	\$334.54	\$334.54	\$0.00	n/a	n/a	n/a
3 yard bin	\$372.53	\$372.53	\$0.00	n/a	n/a	n/a
4 yard bin	\$496.70	\$496.70	\$0.00	n/a	n/a	n/a
6 yard bin	\$615.76	\$615.76	\$0.00	n/a	n/a	n/a
32-Gallon Cart	\$55.25	\$56.00	\$0.75	n/a	n/a	n/a
64-Gallon Cart	\$72.00	\$72.75	\$0.75	n/a	n/a	n/a
96-Gallon Cart	\$105.00	\$105.00	\$0.00	n/a	n/a	n/a

BE IT FURTHER RESOLVED that the collection rates for “Other Services” shall be as shown in the attached Exhibit A “Rates for Other Services” for 2023 effective January 1, 2023.

PASSED AND ADOPTED by the District Board of the West Bay Sanitary District at a regular meeting thereof held on 14th day of December, 2022, by the following votes:

Ayes:

Noes:

Absent:

Abstain:

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

Attest:

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

ATTACHMENT Q - 2023 ADDITIONAL SERVICES

For Rate Years Eleven (2021) through the remaining Rate Years in the Term, the Charges for additional services specified in Attachment Q shall be adjusted annually in accordance with Attachment K.

The Charges for additional services for Rate Year Ten (2020) shall be the Charges for Rate Year Ten (2020) as determined under the 2009 Franchise Agreement. These are the Charges that will be adjusted as provided in Attachment K of this Agreement to determine the Charges for Rate Year Eleven (2021).

Two additional services are included in this Attachment Q there were not in Attachment Q of the 2009 Franchise Agreement. The two new services are Container Relocation Service and Agency-Specific Reporting for Abandoned Waste Collections. Charges for these services are presented in the table below.

	Service	Reference	Agency-Approved Charge	Description
Additional Services for Customers				
1	Single-Family Dwelling Backyard Collection Service	Section 5.02.A	See Charges in the table at the end of this Attachment	See Charges in the table at the end of this Attachment
2	Long Distance Service for MFD, Mixed Use, and Commercial Accounts (Note: only applicable to Containers with wheels)	Sections 5.02.B, 5.02.C; and 8.02.B	A – 10% of base monthly Rate of the Collection Rate for each Container requiring Long Distance Service B – 25% of base monthly Rate of the Collection Rate for each Container requiring Long Distance Service	A – Distance greater than 50 feet and less than or equal to 100 feet B – Distance greater than 100 feet Distance shall be measured from the face of the curb, or from the edge of the roadway nearest the closest edge of the Container, if there is no curb.

ATTACHMENT Q - 2023 ADDITIONAL SERVICES

	Service	Reference	Agency-Approved Charge	Description
3	Container Relocation Service	Sections 5.02B and 8.02B	A – 12% of base monthly Rate of the Collection Rate for each Container requiring Container Relocation Service B – 27% of base monthly Rate of the Collection Rate for each Container requiring Container Relocation Service	A – Distance greater than 50 feet and less than or equal to 100 feet B – Distance greater than 100 feet Distance shall be measured from the face of the curb, or from the edge of the roadway nearest the closest edge of the Container, if there is no curb.
4	On-Call Pick-up for SFD, MFD, Mixed Use, and Commercial Customers	Sections 5.02.A, 5.02.B, and 5.02.C	25% of the base monthly Rate for the size of Container Collected once per week	Per Collection event per Container for Collection requested by Customer
5	Return Trip (SFD, MFD, Mixed Use, or Commercial)	Sections 5.02.A, B, C; 5.03.A, B, C; 5.04.A, B, C	\$19.10 for SFD \$19.10 for Commercial, Mixed Use, and MFD	Per Collection event (i.e., request to return and provide Collection service after the Customer failed to properly set out their Container(s) for regularly scheduled Collection)
6	Additional Targeted Recyclable Materials or Organic Materials Cart Service for SFD	Sections 5.03.A and 5.04.A	\$3.82 per Recycling Cart \$3.82 per Organic Materials Cart	Per Cart per month (any Cart size). Six month minimum charge required. Includes one-time Cart delivery upon start of service and removal of Cart when service is discontinued by Customer.
7	Additional On-Call Bulky Item Collection	Sections 5.05, 5.06	\$103.80	Per Bulky Item Collection event (in addition to the events provided at no charge to Customer pursuant to Section 5.12)

ATTACHMENT Q - 2023 ADDITIONAL SERVICES

	Service	Reference	Agency-Approved Charge	Description
8	Collect Contaminated Targeted Recyclable Materials or Organic Materials Container	Section 6.03.A and 8.02.F	25% of the base monthly Solid Waste Rate for the size of Container Collected once per week plus Return Trip Fee if applicable	Per Collection event for Container with Contamination Level greater than the maximum level pursuant to Table 1 in Section 6.02.B
9	Lock Service (Key Service)	Section 8.02.B	A – \$10.82 per usage B – \$12.09 per usage	Monthly cost: A – Residential Customers B – Commercial Customers
10	Lock Purchase	Section 8.02.B	\$21.63 per lock	Per lock
11	Overage Service	Section 8.02.G	100% of the base monthly Solid Waste Collection Rate	Per Collection event (after the first two events)
12	Overage Bags Cost	Section 8.02.G	50% of the base monthly Solid Waste Collection Rate or \$10.17 minimum	Per bag
13	Container Cleaning Service	Section 8.05.D	A – \$63.64 B – \$108.18	A – per Cart B – per Bin or Drop-Box Charge only applies to cleaning or Container exchange in addition to the service to be provided at no charge to the Customer pursuant to Section 8.05.D

ATTACHMENT Q - 2023 ADDITIONAL SERVICES

	Service	Reference	Agency-Approved Charge	Description
14	Dirty Cart Replacement (Exchange) Service	Section 8.05.D	A – \$82.72 B – \$95.45 C – \$108.18	A – per 32 gallon Cart B – per 64 gallon Cart C – per 96 gallon Cart Charge only applies to cleaning or Container exchange in addition to the service to be provided at no charge to the Customer pursuant to Section 8.05.D
Additional Services for Agency				
15	Additional Confidential Document Destruction Service Event	Section 5.07	\$1,527.28	Per event
16	Additional Compost Material Delivery	Section 5.11	A – \$159.09 per delivery B – \$318.18 per delivery	A – “one-way” only delivery by Contractor where Contractor delivers to and unloads compost at an Agency-approved location B – “Round-trip” delivery by Contractor where Contractor delivers compost in a Drop Box to an Agency-approved location and returns at a later time or date to pick up the Drop Box and any remaining compost (charge includes the delivery of and later pick-up of the Drop Box)
17	Community Drop-Off Events	Section 5.13	\$21,636.42 per event or day	Per event or day targeting 5,000 households. Does not include disposal or public education expenses.
18	Collection for Agency-Sponsored and Non-Agency sponsored Community Events	Section 5.08	A – \$3,818.19 B – \$6,363.65 C – \$9,545.48	A – One day event with a projected 2,500 or fewer attendees B – One (1) or two (2) day events with a projected 2,501 to 7,500 attendees per day C – One (1) or two (2) day events with a projected 7,501 to 10,000 attendees per day

ATTACHMENT Q - 2023 ADDITIONAL SERVICES

Backyard Collection Service Charge for Single-Family Dwellings* (Section 5.02.A)				
Distance from Curb**	Backyard Charge for Customers with One (1) Solid Waste Cart	Backyard Charge for Customers with Two (2) Solid Waste Carts	Backyard Charge for Customers with Three (3) Solid Waste Carts	Backyard Charge for Customers with Four (4) Solid Waste Carts
Distance <= 50 feet	\$22.91	\$36.55	\$73.11	\$109.66
50 < Distance <= 100 feet	\$26.72	\$40.37	\$76.92	\$113.48
100 < Distance <= 150 feet	\$30.54	\$44.20	\$80.75	\$117.30
150 < Distance <= 200 feet	\$34.36	\$48.01	\$84.57	\$121.11
200 < Distance <= 250 feet	\$38.18	\$51.83	\$88.37	\$124.93
250 < Distance <= 300 feet	\$42.00	\$55.64	\$92.20	\$128.74
300 < Distance <= 350 feet	\$45.82	\$59.46	\$96.01	\$132.57
Each additional 50 foot increment over 350 feet	Amount equals the difference between the Charge for 250 to 300 feet and 300 to 350 feet			

* Backyard Collection Service Charges are charges added to the base monthly Rate for Single-Family Collection service, and cover the provision of Backyard Collection Service for all of Customer's Solid Waste, Recyclable Materials, and Organic Materials Carts.

** Distance shall be measured from the face of the curb, or from the edge of the roadway nearest the closest edge of the Cart, if there is no curb.

590 Ygnacio Valley Road, Suite 105
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Robert D. Hilton, Emeritus
John W. Farnkopf, PE
Laith B. Ezzet, CMC
Richard J. Simonson
Marva M. Sheehan, CPA
Robert C. Hilton

October 7, 2022

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

Sent via e-mail

Subject: Update the District's Solid Waste/Recycling Rate Model

Dear Mr. Ramirez:

HF&H Consultants, LLC (HF&H), at your request, has reviewed the West Bay Sanitary District's (District) projected calendar year 2023 residential and commercial costs and revenues as presented in the draft report submitted by the South Bayside Waste Management Authority (SBWMA) to determine the estimated surplus/shortfall for each customer class (residential and commercial). Additionally, we have updated the District's solid waste/recycling "cost of service" rate model to reflect 2023 projected results.

Based upon the findings described in this report and the feedback received from our preliminary findings and recommendations presented to the District's Board at its September 28, 2022 meeting, the District's Board proposed the following rate adjustments for 2023.

Container Size Serviced 1X/Week	Residential	Commercial	Proposed \$ Increase	Proposed 2023 Rate
20 Gallon	2.56% Increase	N/A	\$1.25	\$50.00
32 Gallon	1.36% Increase	1.36% Increase	\$0.75	\$56.00
64 Gallon	1.04% Increase	1.04% Increase	\$0.75	\$72.75
96 Gallon	0.0% Increase	0.0% Increase	\$0.00	\$105.00
All Bins	N/A	0.0% Increase	\$0.00	Varies

The adjustments for both residential and commercial rates will better reflect the cost of service, while generating sufficient revenue to cover the projected collection and processing costs for 2023. As part of a multi-year plan, similar adjustments were implemented in previous years.

Mr. Sergio Ramirez
October 7, 2022
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BACKGROUND

As a member of the SBWMA, the District transitioned collection services and operation of the Shoreway Recycling and Disposal Center in San Carlos from Allied Waste/Republic to Recology San Mateo County (RSMC) and South Bay Recycling (SBR). RSMC and SBR took over collection services and operation of the Shoreway Environmental Center (Shoreway), respectively, beginning January 1, 2011. The District entered into a new 15-year agreement with RSMC with operations to start January 1, 2021.

Annually, the SBWMA provides the District with its allocation of the projected costs to provide collection service and operation of Shoreway. This information is utilized in the rate-setting process. A rate model was developed by HF&H and adopted by the District's Board of Directors (Board) on December 14, 2011.

The purpose of this update was to better reflect the cost of service, while generating sufficient revenue to cover the projected collection and processing costs through a three-year planning period (2023-2025) and providing recommended rates for the first year of the three-year planning period (2023) to be adopted by the Board.

SCOPE OF WORK

Based on the results, provided by the SBWMA for the 2023 rate-setting process, HF&H updated the "cost of service" model previously developed and enhanced the cost allocation methodology between residential container sizes.

We performed the following procedures as part of our review:

- Obtained cost, rate, and current customer account data from the District and Recology;
- Prepared a summary schedule projecting the District's revenues for 2023 and revenue for the next three years (through 2025).
- Prepared a summary schedule projecting Recology collection costs for the next three years (through 2025). Based on recent inflationary increases and discussions with the SBWMA and Recology we assumed inflationary collection cost increases of 5.5% and 4.5% in 2024 and 2025, respectively. Anticipated increases in fuel and labor are driving the higher-than cost normal increases;
- Prepared a summary schedule projecting SBWMA tip fee costs at the Shoreway Environmental Center, for the next three years (through 2025). Based on recent inflationary increases and discussions with the SBWMA we assumed inflationary tip fee cost increases of 10.0% and 4.5% in 2024 and 2025, respectively. The increases reflect the anticipated costs increases to comply with SB 1383 and the impact of the procurement of a new operator of the Shoreway Environmental Center, as the current operator agreement will expire December 31, 2023;

Mr. Sergio Ramirez
October 7, 2022
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- Prepared a schedule projecting residential and commercial revenue requirement through 2025 with the objective of the residential revenue to equal the costs to provide the service; and,
- Prepared a schedule proposing adjustments to the rates for the various residential carts with the objective of specific cart size revenue to equal its respective cost to provide the service.

LIMITATIONS

Our conclusions are based, in part, on Recology's projections of its financial results of operations included in "SBWMA Final Report Reviewing the 2023 Recology Compensation Application" presented to the SBWMA Board at their September 22, 2022 meeting. Actual results of operations will usually differ from projections because events and circumstances frequently do not occur as expected and the difference may be significant.

FINDINGS

General

HF&H has updated the prior year's rate structure analysis following its two-step process. The first step divides the solid waste collection system into two customer classes: residential and commercial. For purposes of this study, we are including multi-family customers with the commercial customer class and we have not factored any surplus or deficit from the prior year revenue reconciliations. We then reviewed the revenues and the revenue requirements for each customer class independently.

Revenue Requirement (RSMC & SBR)	2022	2023	Variance Year over Year \$	Variance Year over Year %
Collection Cost	\$1,132,870	\$1,182,552	\$49,682	4.4%
Disposal/Processing	538,744	542,023	3,279	0.6%
Agency Fees (on net revenue)	105,261	103,475	-1,786	-1.7%
Total Costs	\$1,776,875	\$1,828,050	\$51,175	2.9%

The second step is to further review the residential customer class by examining the rate and cost to provide service for each size of container (20 gallon, 32 gallon, 64 gallon and 96 gallon).

Step 1 – Residential and Commercial Customer Classes

The following table shows the Rate Year 2023 revenue requirement by customer class. At current rates (2022 rates), the solid waste collection system as a whole is projected to generate slightly more than the

Mr. Sergio Ramirez
October 7, 2022
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requirement, \$38,467 excess of revenue compared to costs. While rates may not need to increase to cover 2023 projected costs, costs to cover recent state regulations (e.g., SB 1383)

**Table 1:
2023 Projected Revenue and Costs by Customer Class**

	<i>Residential</i>	<i>Commercial</i>	<i>Total</i>
Projected Revenue at <u>Current Rates</u> ¹	\$1,578,300	\$288,217	\$1,866,517 A
Projected 2023 Costs by Service Sector			
Collection	\$1,011,868	\$170,684	\$1,182,552
Disposal/Processing	461,962	80,061	542,023
Agency Fees	88,430	15,045	103,475
Total Costs	<u>\$1,562,259</u>	<u>\$265,790</u>	<u>\$1,828,050 B</u>
Excess (Deficiency) of Revenues vs Costs	<u>\$ 16,040</u>	<u>\$ 22,427</u>	<u>\$ 38,467 A-B=C</u>
Projected Rate Adjustment	-1.02%	-7.78%	-2.06%

¹ Projected Revenue is based on Recology's Compensation Application

NOTE: The amounts shown above are for 2023 activity only. Prior year surplus/shortfalls (i.e., the balancing account held at Recology) are NOT included.

If the District elects to have the residential customer class rates generate sufficient revenue to cover its costs, rates could be adjusted all at once or over a period of time. The table below shows possible rate adjustments to both customer classes over a three-year period, assuming cost increase projections as discussed on Page 2 of this report.

**Table 2:
2023 Proposed and 2024-2025 Projected Average Rate Adjustments**

		<i>Residential</i>	<i>Commercial</i>
1	2023 - Proposed	1.66%	0.00%
2	2024 - Projected	2.86%	0.00%
4	2025 - Projected	3.23%	4.00%

The following table shows the projected revenues after the above rate adjustments. By 2025, the revenues are just slightly above the cost for commercial and slightly below the cost for residential, making use of the District's positive balancing account with Recology. Use of the balancing account allows the District to reduce rate volatility even when costs increase greater than inflation.

Mr. Sergio Ramirez
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**Table 3:
 Three-year Projected Revenue and Costs**

Projections - Balance Revenue & Costs over 3 Years									
	1			2			3		
	2023			2024			2025		
	Residential	Commercial	Total	Residential	Commercial	Total	Residential	Commercial	Total
Proposed Average Rate Adjustment	1.66%	0.00%		2.86%	0.00%		3.23%	4.00%	
Total Revenue	\$1,604,499	\$288,743	\$1,893,242	\$1,650,403	\$288,835	\$1,939,238	\$1,703,705	\$299,805	\$2,003,510
Assumptions:									
1) Cost Increase	"Projected"	"Projected"		5.50%	5.50%		4.50%	4.50%	
2) Disposal/Processing Increase	"Projected"	"Projected"		10.00%	10.00%		4.50%	4.50%	
Collection	\$1,011,868	\$170,684	\$1,182,552	\$1,067,520	\$180,072	\$1,247,592	\$1,115,559	\$188,175	\$1,303,734
Disposal/Processing	461,962	80,061	542,023	508,158	88,067	596,225	531,025	92,030	623,055
Agency Fees	88,430	15,045	103,475	94,541	16,088	110,629	98,795	16,812	115,607
Total Costs	<u>1,562,259</u>	<u>265,790</u>	<u>1,828,050</u>	<u>1,670,219</u>	<u>284,228</u>	<u>1,954,447</u>	<u>1,745,379</u>	<u>297,018</u>	<u>2,042,397</u>
Excess (Deficiency) Amount	<u>\$42,240</u>	<u>\$22,953</u>	<u>\$65,192</u>	<u>(\$19,816)</u>	<u>\$4,608</u>	<u>(\$15,209)</u>	<u>(\$41,674)</u>	<u>\$2,787</u>	<u>(\$38,887)</u>
Excess (Deficiency) Percentage	2.63%	7.95%	3.44%	-1.20%	1.60%	-0.78%	-2.45%	0.93%	-1.94%

Step 2 – Residential Container Rates

We reviewed the residential rates by container size and compared the rates to the cost of service by container size projected by the SBWMA, which assumed the variable cost between container sizes is primarily the disposal cost. Additionally HF&H updated the cost of service by container size using the same approach used in the rate model from the previous year. We have assumed the following:

- **Organics collection costs** are fixed per household as every customer receives the same size container and is serviced at the same frequency (64 gallon cart, serviced 1 time per week). For 2023, the fixed cost is \$24.49 per home per month;
- **Recycling collection costs** are also fixed per household for the same reason as above, (64 gallon cart - serviced 1 time per week). For 2023, the fixed cost is \$13.56 per home per;
- **Disposal cost** is variable based upon the capacity/gallon size of the solid waste cart serviced. For 2023 the projected variable cost is \$0.157 per gallon;
- **Fixed solid waste (SW) route/collection costs** are costs that do not vary based on the level of service received (e.g., customer service costs, IT costs, etc.). For 2023, the fixed cost is \$3.41 per home per month ; and,
- **All other SW route/collection costs** are attributed to each cart size using equivalent cart units (ECU) calculated by applying routing metrics. (The ECU basic principle establishes the numeric relationship between cart size and route capacities.) For 2023, the projected monthly cost per ECU is \$5.476 multiplied by a factor of:

Mr. Sergio Ramirez
 October 7, 2022
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- 1.000 for a 20 gallon cart;
- 1.600 for a 32 gallon cart;
- 3.627 for a 64 gallon cart; and,
- 6.080 for a 96 gallon cart.

The following tables shows the current rates (2022), the SBWMA and the HF&H projected 2023 costs by cart size.

Table 4a:
HF&H Projected 2023 Costs by Residential Container Size

<i>Analysis of Costs by Size of Container</i>				
	20	32	64	96
Organics Collection Cost	\$ 24.29	\$ 24.29	\$ 24.29	\$ 24.29
Recycling Collection Cost	\$ 13.56	13.56	13.56	13.56
Disposal Cost (\$0.157 per gallon)	\$ 3.13	5.01	10.02	15.03
Fixed Solid Waste Cost	\$ 3.41	3.41	3.41	3.41
All Other Solid Waste Cost				
	\$5.4757 X a factor of	1.000	1.600	3.627
		5.48	8.76	33.29
			19.86	
* Monthly Cost per Cart per HF&H	\$ 49.86	\$ 55.03	\$ 71.13	\$ 89.58

* Rounded to the nearest cent

Table 4b:
Comparison of Current Residential Rates and Projected 2023 Costs by Container Size

<i>Analysis of Costs by Size of Container</i>							
Subscription	Container Size	Current Mo. Rate	* 2023 Mo Cost per Cart	Excess (Deficiency) of Revenues vs Costs	Projected Rate Adjustment	2021 Variance before Adjustment	
17%	376	20	\$48.75	\$49.86	(\$1.11)	2.3%	12.7%
56%	1234	32	\$55.25	\$55.03	\$0.22	-0.4%	4.8%
22%	491	64	\$72.00	\$71.13	\$0.87	-1.2%	-4.2%
4%	96	96	\$105.00	\$89.58	\$15.42	-14.7%	-17.4%
100%	2197						

* Rounded to the nearest cent

Mr. Sergio Ramirez
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The following table shows the projected adjustments in future years to continue to work towards the cost of service. These are projections based upon annual assumed increases in costs and would need to be revised as the actual costs are known and projections revised.

**Table 5:
Proposed and Projected Residential Rate Adjustments (2023-2025)**

	<i>Container Size</i>							
	20 gallon		32 gallon		64 gallon		96 gallon	
Current Rate→		\$48.75		\$55.25		\$72.00		\$105.00
Proposed 2023	2.56%	\$50.00	1.36%	\$56.00	1.04%	\$72.75	0.00%	\$105.00
Projected 2024	3.00%	\$51.50	3.13%	\$57.75	3.09%	\$75.00	0.00%	\$105.00
2025	3.89%	\$53.50	3.45%	\$59.74	3.34%	\$77.51	0.00%	\$105.00
2025 Projected Cost of Service		\$55.67		\$61.45		\$79.42		\$100.02

Rate Structure Summary

Current Rate Structure

Under the current rate structure, rate revenue (assuming current rates and no use of prior year surplus or shortfall) is projected to produce an excess of approximately \$38,467 in revenue for the forthcoming year (see Table 1).

Rate Adjustments

Residential and Commercial Customer Class

In the first step described above, HF&H divided the solid waste collection system into two customer classes: residential and commercial and modeled a rate structure which achieved a cost of service balance between the customer classes over the next few years. Overall revenue from residential rates are increased by 1.66% and revenue from commercial rates are kept flat in 2023 (see Table 2 and Table 3).

Recommendation

As we have seen in other jurisdictions over the past few years, the District's rate structure encourages customers to "downsize" their solid waste container by placing more materials in their recyclable material and organics carts, rather than in their solid waste containers, which ultimately reduces the amount of trash sent to the landfill. However, as customers reduce their container size, less revenue is generated but there is not an equal reduction of the cost to drive by, collect, and process the materials.

Mr. Sergio Ramirez
October 7, 2022
Page 8 of 8

At its September 28, 2022 meeting, the District's Board proposed to implement, as part of its multi-year plan began more than five years ago, the following rate adjustments for residential and commercial rates that will close the gap between the rates and the cost for the 20-gallon cart service, while generating sufficient revenue to cover the projected collection and processing costs for 2023.

**Table 6:
District's Board Proposed Rate Adjustments**

Rates by Size of Container						
	<u>Residential</u>				<u>Commercial</u>	
	20 Gallon	32 Gallon	64 Gallon	96 Gallon	1YD Bin 1x/week	3YD Bin 1x/week
Current Rates	\$48.75	\$55.25	\$72.00	\$105.00	\$176.27	\$372.53
Proposed Rate Adjustment	2.56%	1.36%	1.04%	0.00%	0.00%	0.00%
2023 Proposed Rate / Mo.	\$50.00	\$56.00	\$72.75	\$105.00	\$176.27	\$372.53
Increase (Decrease) / Mo.	\$1.25	\$0.75	\$0.75	\$0.00	\$0.00	\$0.00
2021 Projected Revenue at Proposed Rates						
	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>			
Projected Revenue at <u>Current Rates</u> ¹	\$1,578,300	\$288,217	\$1,866,517			
2023 <u>Proposed Rate</u> Revenue	\$1,604,435	\$288,743	\$1,893,178 A			
2023 Proposed Costs	1,562,259	265,790	1,828,050 B			
Excess Amount	\$42,176	\$22,953	\$65,128 A - B = C			
Excess Percentage	2.6%	7.9%	3.4%			

¹ Projected revenue at current rates is based upon the actual revenue for the first 8 months of 2022, annualized.

* * * *

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

Sincerely,

HF&H CONSULTANTS, LLC



Rick Simonson
Senior Vice President



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**WEST BAY SANITARY DISTRICT
MINUTES OF THE REGULAR MEETING OF THE DISTRICT BOARD
WEDNESDAY, NOVEMBER 9, 2022 AT 7:00 P.M.**

1. Call to Order

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

Roll Call

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

BOARD MEMBERS ABSENT: None

STAFF MEMBERS PRESENT: Ramirez, Reese, Fisher, and General Counsel Condotti by Zoom

Others Present: Thomas Barker, Ron Code – EDS, Rich Laureta – Freyer & Laureta, Eileen McLaughlin - CCCR

2. Communications from the Public: None.

3. Public Hearing - Annexing Certain Territory within the West Bay Sanitary District's On-Site Wastewater Disposal Zone – Lands of Pistol & Khorsand (0 Alpine Road, Palo Alto)

Motion to Open by: Moritz 2nd by: Thiele-Sardiña Vote: AYE: 5 NAY: 0 Abstain: 0

Discussion/Comments: None

Motion to Close by: Moritz 2nd by: Thiele-Sardiña Vote: AYE: 5 NAY: 0 Abstain: 0

4. Consider Adopting Resolution Ordering Annexation of Certain Parcels in the Territory of West Bay Sanitary District to the West Bay Sanitary District's On-Site Wastewater Disposal Zone Including Certain Determinations, Findings and Declarations of the District Board – Lands of Pistol & Khorsand (0 Alpine Road, Palo Alto)

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

Discussion/Comments: None.

5. Public Hearing - Annexing Certain Territory within the West Bay Sanitary District's On-Site Wastewater Disposal Zone – Lands of Davidson (20 Shoshone Place, Portola Valley)

Motion to Open by: Moritz 2nd by: Walker Vote: AYE: 5 NAY: 0 Abstain: 0

Discussion/Comments: None.

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

6. Consider Adopting Resolution Ordering Annexation of Certain Parcels in the Territory of West Bay Sanitary District to the West Bay Sanitary District's On-Site Wastewater Disposal Zone Including Certain Determinations, Findings and Declarations of the District Board – Lands of Davidson (20 Shoshone Place, Portola Valley)

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

Discussion/Comments: None.

7. Consent Calendar

CONSIDERATION OF ITEM(S) REMOVED FROM THE CONSENT CALENDAR

Discussion/Comments: None.

- A. Approval of Minutes for Regular Meeting October 26, 2022
- B. Approval of the Financial Activity Report Authorizing Payment of Certain Bills and Salaries and Consideration of Other Financial Matters thru October 31, 2022
- C. WBSD Operations and Maintenance Report – October 2022
- D. Town of Los Altos Hills Operations and Maintenance Report for Work Performed by WBSD – October 2022
- E. Town of Woodside Operations and Maintenance Report for Work Performed by WBSD – October 2022
- F. Consider Approval of Resolution Authorizing District to Implement Teleconferenced Public Meetings Pursuant to Assembly Bill 361
- G. Consideration of Resolution Consenting to Annexation of Territory to the West Bay Sanitary District by the Santa Clara County Local Agency Formation Commission – 0 Alpine Road, Palo Alto, Lands of Pistol & Khorsand
- H. Consideration of Resolution Consenting to Annexation of Territory to the West Bay Sanitary District by the San Mateo County Local Agency Formation Commission – 20 Shoshone Place, Portola Valley, Lands of Davidson
- I. Consider Authorizing the General Manager to Issue the Class 3 Permit for the Sewer Realignment Required for 358 Walsh Road, Atherton and Ratify Authorizing the General Manager to Execute an Agreement with Pacific Peninsula Group
- J. Bank of the West Monthly Investment Portfolio Statements Pg. 7J-1

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

8. General Manager's Report

Discussion/Comments: General Manager Ramirez reported flow monitoring is to begin in November. He reported 2023 Master Plan proposals are due November 18th. He also reported the Ravenswood Road pipe replacement project is underway and the Alberní Easement project will be next. The Bayfront Park Sewer Improvements project has been awarded to Ranger Pipeline. He also informed the Board recruitments for Project Manager and Associate Engineer are underway. He continued to report that Recology returned the 2021 overage in the amount of approximately \$200,000. General Manager Ramirez reported the District's booth at the recent Halloween Hoopla event was a great success. He continued to report that the next Board meeting will be held on December 14th and that the Board should consider cancelling the November 23th meeting. He reminded the Board the Thanksgiving Lunch will be held on November 8th and the Holiday luncheon on December 8th. Lastly, General Manager Ramirez reported the annual Almanac Newsletter is scheduled

for December 9th and will coincide with the District's 120th anniversary on December 10th. The complete General Manager's written report is in the November 9th, 2022 agenda packet.

9. Presentation and Discussion on the Parcel Management System by Engineering Data Software for the San Mateo County Tax Roll

Discussion/Comments: Thomas Barker and Ron Code of Engineering Data Software (EDS) gave a presentation on their Parcel Management System for the San Mateo County Tax Roll sewer service charges. General Manager Ramirez reported the new system would replace the District's outdated COSMO database and the Utility Management Solution software with a more user friendly system and EDS would provide their software to coordinate with the County of San Mateo's Assessor's Office on an annual basis. Board consensus was to move ahead with implementing the software pending an agreement.

10. Presentation and Discussion on the Levee Improvements and Bayfront Recycled Water Facility Funding

Discussion/Comments: Rich Laureta and Dave Richardson gave an update on the Ecotone Levee, Bayfront Recycled Water Project, and the schedule for the projects. They reported the Levee Project received a grant from the National Fish & Wildlife Foundation (NFWF) in the amount of \$4,884,112 matching contribution by the District will need to be \$5,487,578. The total levee estimated cost is \$14,875,000 and it's anticipated bid opening in March/April 2023. The Bayfront Recycled Water Project construction cost are estimated between \$56,600,000 to \$66,817,000 and has received a total SRF loan award of \$52,000,000. They reported a request to increase the SRF loan is possible if costs have increased but the request must be made prior to signing agreements with the State. Funding for the project would total \$66,817,000 and would come from commercial developers and recycled water users in the area. The Board discussed the State Water Board grant of \$15,000,000 for the project and how it could help offset inflationary cost of the project.

11. Consider Authorizing the General Manager to Consent to the Abandonment of Public Utility Easement at 5 Robert S. Drive, Menlo Park

Motion to Approve by: Thiele-Sardiña 2nd by: Moritz Vote: AYE: 5 NAY: 0 Abstain: 0

Discussion/Comments: General Manager Ramirez stated that the District does not have any sewer facilities in this public utility easement.

12. Report and Discussion on Sharon Heights Recycled Water Plant

Discussion/Comments: General Manager Ramirez reported the plant treated 7.9 million gallons a day (MGD) and delivered 4.6 MGD in October. He also reported that an appraisal is underway for the easement area for the Avy Pump Station. General Counsel Condotti reported the school district made it clear it wants full-market value for the easement. General Manager Ramirez reported Sharon Heights Golf & Country Club (SHGCC) has requested an increase to the SRF application up to \$950,000. Board consensus was to bring the additional SRF application request for consideration at the next Board meeting. General Counsel Condotti also reported SHGCC has been negotiating with a vendor to build a solar project to install solar facilities on the SHGCC parking lot, buildings, and other structures. SHGCC is interested in the District entering into a similar contract for installation of solar facilities on the District easement areas for the recycled water treatment facility.

General Counsel Condotti said that his office is discussing a contract with SHGCC and the vendor. An agreement will be brought to the Board for consideration.

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

Discussion/Comments: None.

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

Discussion/Comments: None.

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

Discussion/Comments: Director Otte reported the next meeting is on Monday, November 12th. He also reported the main pipeline that conducts the secondary treatment to the filters is leaking and is in need of repair. He continued to report the SVCW Manager issued an emergency declaration so they can perform the repair.

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

Discussion/Comments: None.

17. Adjournment Time: The meeting was adjourned at 9:02 PM



WEST BAY SANITARY DISTRICT
Financial Activity Report
November 2022

Date: *December 14, 2022*

To: *Board of Directors*

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

Subject: *Approve Monthly Financial Activity Report*

Financial Activity for the month of November 2022.

Receipt Summary:

Commercial Deposits	38,344.43
Deposits in Transit/(Prior Period)	0.00
Credit Cards	5,709.78
Franchise Fees	9,041.16
San Mateo County [Tax Roll]	0.00
Other Receipts	16.50
Transfers	1,000,000.00
Total Receipts	<u><u>1,053,111.87</u></u>

Withdrawal Summary

Total Checks	382,373.95
Total Corp Cards	17,129.02
Total Bank Wires/ACHs	1,150,174.17
External Withdrawals	1,549,677.14
Total Internal Bank Transfers	-
Total Withdrawals	<u><u>1,549,677.14</u></u>

Fund Expenditure Summary by Budget Category

100	Operations	696,358.19
200	Capital	132,244.66
300	Solid Waste	12,363.75
500	Recycled Water	117,153.54
800	Silicon Valley Clean Water	591,557.00
Expenditures by Fund		<u><u>1,549,677.14</u></u>

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

President _____

Secretary _____

**West Bay Sanitary District
Receipts
November 2022**

RECEIPT NUMBER	RECEIPT DATE	DESCRIPTION	AMOUNT
462737	11/1/2022	Michael Demoss: 1843 Santa Cruz Ave, MP, SSC FY 2022-23	640.00
462738	11/1/2022	Peter Callander: 3330 Alpine Rd., PV, SSC FY 2022-23	1,280.00
462739	11/1/2022	Robert Allen: 211 Nathorst Ave, PV, SSC FY 2022-23	1,280.00
462740	11/2/2022	OHC of California: Refund Lab/TPA paid	30.00
462741	11/3/2022	Bayshore Plumbers: 375 Hedge Rd, MP, Permit	290.00
462742	11/4/2022	TJH Norcal LLC: 972 Olive St., MP, ADU Connection Fee	3,443.00
462743	11/4/2022	TJH Norcal LLC: 316 Grayson Ct., MP, ADU Connection Fee	3,443.20
462744	11/4/2022	Thomas James Homes: 972 Olive St, MP, Permit / ADU bal.\$0.20	290.20
462745	11/4/2022	Thomas James Homes: 316 Grayson Ct, MP, Permit	290.00
462746	11/3/2022	WBSD: Transfer LAIF to BofW	1,000,000.00
462747	11/8/2022	Thomas James Homes: 69 Cornell Rd, MP, Permit	290.00
462748	11/8/2022	Michael & Sharon Brugos: 1850 Stanford, MP, SSC FY 2022-23	640.00
462749	11/9/2022	Innovative Homes: 520 Hobart St. MP, ADU/C1 Permit Fee	4,540.50
462750	11/9/2022	Payal Prasad: 520 Hobart St., MP, ADU short pmt \$54.00	53.50
462751	11/9/2022	TJH Norcal LLC: 440 University Dr., MP, ADU Connection Fee	3,443.20
462752	11/9/2022	Greg Gallo: 309 Princeton Road, MP, Permit	170.00
462753	11/10/2022	Huo Family Trust: 510 Pope St, MP, Permit	170.00
462754	11/10/2022	24/7 Rooter & Plumbing: 4 Elder Ct, MP, Permit	290.00
462755	11/14/2022	Pacific Peninsula Group: 39 Barry Ln, ATH, Permit	170.00
462756	11/14/2022	Bayshore Plumbers: 375 Hedge Rd, MP, Permit	65.00
462757	11/16/2022	Bayshore Plumbers: 1035 Pine St, MP, Permit	290.00
462758	11/15/2022	Recology: , SW Franchise Fee 10/2022	9,041.16
462759	11/17/2022	Alon Ralph Krashinsky: 35 Possum Ln, PV, OWDZ/Annex&Deposit	3,370.00
462760	11/17/2022	Central Payment: , Settlement Class Action Case #8:17-cv-003	1,520.14
462761	11/18/2022	Van Shadow Stables: 3899 Alpine Rd, PV, SSC FY 2022-23	2,050.00
462762	11/18/2022	Carla Carstens: 4135 Alpine Rd, PV, SSC FY 2022-23	2,050.00
462763	11/21/2022	In & Out Plumbing & Construction: 4 Coleman Pl, MP, Permit	290.00
462764	11/21/2022	Changras & Frey Construction: 1799 Stanford Ave, MP, Permit	170.00
462765	11/21/2022	TJH Norcal LLC: 280 San Luis, MP, ADU Connection Fee	6,456.00
462766	11/21/2022	Thomas James Homes: 280 San Luis Drive, MP, Permit	290.00
462767	11/21/2022	Bell Plumbing of San Mateo: 2158 Cedar Ave, MP, Permit	290.00
462768	11/21/2022	Mike Allen: 285 Camino Al Lago, Ath, Permit	290.00
462769	11/18/2022	BofW: Refund Primepay Charge 11/10/22	16.50
462770	11/23/2022	Bayshore Plumbers: 36 Politzer Dr, MP, Permit	290.00
462771	11/28/2022	Void Blank Receipt	0.00
462772	11/28/2022	Bertrand Amelin&Maneli Noorkami: 18 Patterson A, MP, Permit	290.00
462773	11/28/2022	Bertrand Amelin&Maneli Noorkami: 18 Patterson A, MP,ADU Conn	3,443.20
462774	11/29/2022	Precise Printing: Credit SW Mailing 8/2022, Inv.#27328	135.19
462775	11/29/2022	Yuting Wang: 376 Fletcher Dr, ATH, Permit	311.08
462776	11/29/2022	Joseph Tse: 395 Atherton Ave, Ath, Permit	290.00
462777	11/29/2022	Gary Pollack Construction: 84 Elena Dr, Ath, Permit	290.00
462778	11/30/2022	Jenny Rios Home: 17 Lowery Dr, Ath, Permit	290.00
462779	11/30/2022	Carl & Yvette Young: 75 Fairview Ave, Ath, Permit	540.00
462780	11/30/2022	Bayshore Plumbers: 36 Fairview Ave, ATH, Permit	290.00
Total Receipts			<u>\$1,053,111.87</u>

**West Bay Sanitary District
Financial Activity Report
Withdrawals
November 2022**

CHECK	DATE	PAYEE	PURPOSE	AMOUNT
69709	11/3/2022	Matheson Tri-Gas, Inc.	Tank Rentals 10/2022	81.27
69710	11/3/2022	Void	Void Check	0.00
69711	11/3/2022	Alpha Analytical Laboratories	Daily Coliform Samples - SHGCC RW Facility 10/2022	765.00
69712	11/3/2022	Battery Junction Wholesale	Rayovac Alkaline 6V Lantern Battery (52) 10/2022	844.56
69713	11/3/2022	CSDA	2023 Membership Renewal	8,810.00
69714	11/3/2022	CalPERS Longterm Care Program	LTC Withholding 10/16/22-10/31/22	67.27
69715	11/3/2022	Cintas	Uniform Service 10/26/22	913.66
69716	11/3/2022	Comcast	Internet - Laurel St 10/20/22-11/19/22	309.30
69717	11/3/2022	The Concept Genie	Staff Holiday/120 Anniversary Gifts (48)	1,808.22
69718	11/3/2022	The Almanac	Advertising, Public Notice 9/2022	2,706.00
69719	11/3/2022	FedEx	Shipped Harben Pump For Repairs 8/2022	937.28
69720	11/3/2022	Navia Benefit Solutions	Commuter & FSA Fees 10/2022 & FSA Contributions PR 11/4/22	756.93
69721	11/3/2022	Grainger	Pump Station Parts & Material 10/2022	547.63
69722	11/3/2022	Sione Lolohea	CWEA Training Reimbursement S. Lolohea	325.00
69723	11/3/2022	City Of Menlo Park - Water	Water Service - Sept-Oct 2022	3,063.24
69724	11/3/2022	Napa Auto Parts	Vehicle Parts 10/2022	84.18
69725	11/3/2022	R.A. Nosek Investigations	New Hire Background Check - Dominic N. 10/2022	310.00
69726	11/3/2022	Occupational Health Centers	Health Screenings - 10/25/22	67.00
69727	11/3/2022	Void	Void Check	0.00
69728	11/3/2022	Pacific Gas & Electric	Electric Service - Sept-Oct 2022	20,427.05
69729	11/3/2022	Peninsula Truck Repair Inc.	Unit 215 Repairs 8/2022	5,760.77
69730	11/3/2022	Preferred Alliance	DOT Testing Admin Fees 9/2022	230.69
69731	11/3/2022	Principal Life Insurance	Dental, Vision, Life, AD&D, Disability Ins 11/2022	6,053.30
69732	11/3/2022	Teamsters Local No. 350	Union Dues 11/2022	1,008.00
69733	11/3/2022	Teletrac Navman US	GPS For District Vehicles 11/2022	271.96
69734	11/3/2022	Woodard & Curran	Woodside Reclaimed Water Facility 9/2022 & Avy PS CEQA Services 9/20	34,398.28
69735	11/3/2022	John Urbanowiqz	Reim Agmt: Winchell Conn #5	5,521.53
69736	11/3/2022	Carla Carstens	Reim Agmt: Winchell Conn #5	5,521.53
69737	11/3/2022	Judy Klein	Reim Agmt: Winchell Conn #5	5,521.53
69738	11/3/2022	Blake Winchell	Reim Agmt: Winchell Conn #5	5,521.53
69739	11/8/2022	Bay Area Paving Co. Inc.	Asphalt and Concrete Restoration - Hillview Dr 8/2022	5,300.00
69740	11/8/2022	Annette Bergeron	Travel: Preferred Alliance Training A.Bergeron 10/2022	131.48
69741	11/8/2022	California Water Service	Water Service - Sept-Oct 2022	35.74
69742	11/8/2022	City Of Foster City	CalOpps - Project Manager Posting 10/2022	540.00
69743	11/8/2022	Cleanserv Universal Services	Janitorial Service 11/2022	1,075.00
69744	11/8/2022	CPS HR Consulting	HR Consulting Services 8/28/22-10/1/22	281.25
69745	11/8/2022	FedEx	National Auto Fleet Group 11/1/2022	57.38
69746	11/8/2022	HF&H Consultants, LLC	Solid Waste Rate Study 9/2022	12,363.75
69747	11/8/2022	IEDA	Consulting Fees 11/2022	814.00
69748	11/8/2022	Kone Pasadena	Elevator Maintenance 11/2022	298.69
69749	11/8/2022	City Of Menlo Park-Fuel	Fuel: District Vehicles 10/2022	13,411.80
69750	11/8/2022	Pacific Gas & Electric	Electric Service - Georgia Ln 9/29/22-10/27/22	509.28
69751	11/8/2022	Todd Reese	15 Year Service Award T.Reese 11/19/2007	225.00
69752	11/8/2022	Rupert Sandoval	10 Year Service Award R.Sandoval 11/13/2012	150.00
69753	11/8/2022	Seekzen Systems	IT Consulting Service 10/2022	475.00
69754	11/8/2022	Sharp Business Systems	Monthly Lease for Copiers 11/2022	1,206.28
69755	11/8/2022	TPX Communications	District VoIP & Fiber Service 10/2022	3,188.37
69756	11/8/2022	Verizon Wireless	Internet - 10/2/22-11/1/22	65.69
69757	11/8/2022	Vision Communications Co.	Radio Air Time 11/2022 & Radio Replacements	3,025.51
69758	11/17/2022	Navia Benefit Solutions	FSA Contributions PR 11/18/22	631.93
69759	11/17/2022	Home Depot Credit Services	Tools 10/2022	246.19
69760	11/22/2022	Stephen Albano	Claim: 999 Ringwood Ave, ATH 5/3/22	39,231.90
69761	11/22/2022	A-A Lock & Alarm	Padlocks (26) 10/2022	512.64
69762	11/22/2022	Void	Void Check	0.00
69763	11/22/2022	Alpha Analytical Laboratories	Daily Coliform Samples - SHGCC RW Facility 10/2022	1,085.00
69764	11/22/2022	Veolia Water North America	Water Service - Purdue Ave 10/2/22-11/1/22	48.04
69765	11/22/2022	ReadyRefresh By Nestle	Water Delivery 10/2022	82.82
69766	11/22/2022	Annette Bergeron	Tuition Reimbursment A.Bergeron 4/1/22-9/30/22	3,720.00
69767	11/22/2022	CASA	Membership Renewal 2023	14,300.00
69768	11/22/2022	California Water Service	Water Service - Oct-Nov 2022	3,267.65
69769	11/22/2022	CalPERS Longterm Care Program	LTC Withholding 11/1/22-11/15/22	67.27
69770	11/22/2022	Cintas	Uniform Service 10/12 & 11/9	1,890.48
69771	11/22/2022	Core & Main	Couplers & Supplies 10/2022	3,170.70
69772	11/22/2022	Du-All Safety, LLC	DuAll Safety Maintenance Contract 10/2022	1,800.00

**West Bay Sanitary District
Financial Activity Report
Withdrawals
November 2022**

69773	11/22/2022	FedEx	Shipping - 11/2022	190.91
69774	11/22/2022	Grainger	Misc Parts & Supplies 10/2022	1,186.39
69775	11/22/2022	Hach Company	Service Contract - Flo Dar Maintenance/Reporting 11/2022	12,993.75
69776	11/22/2022	City Of Menlo Park - Water	Water Service - Sept-Nov 2022	1,466.18
69777	11/22/2022	Menlo Park Hardware Co. #14016	Miscellaneous Parts & Tools 10/2022	139.69
69778	11/22/2022	Morse Hydraulics	Hose & Hydraulic Fittings Replacement 11/2022	321.15
69779	11/22/2022	National Auto Fleet Club	Purchase A New 2022 Ford F550 1/2 Jetter 11/2022	131,650.66
69780	11/22/2022	North Bay Pensions	Actuary GASB 68 Report for FY 2021-22 Audit	1,500.00
69781	11/22/2022	R.A. Nosek Investigations	New Hire Background Check - Javier H. 11/9/22	299.00
69782	11/22/2022	Occasions, Etc.	Years of Service Gifts: R.Sandoval 10yrs/B.Scheidt 25yrs	279.02
69783	11/22/2022	Occupational Health Centers	Health Screenings - Bobby H. 10/26/22	67.00
69784	11/22/2022	Pacific Gas & Electric	Electric Service - Oct-Nov 2022	478.77
69785	11/22/2022	Paxxo (USA) Inc	Bags for Drums - 11/2022	568.46
69786	11/22/2022	PBM	Asphalt 10/2022	212.00
69787	11/22/2022	Project Ergonomics	Ergonomic Office Chair R.Hullsman 11/2022	488.80
69788	11/22/2022	Preferred Alliance	DOT Testing Admin Fees 10/2022	230.69
69789	11/22/2022	Recology Peninsula Services	Recology Waste 2 Yard Bin - SHGCC 10/2022	249.39
69790	11/22/2022	Red Wing Shoe Store	Safety Boots - George S. 11/3/22	207.63
69791	11/22/2022	Redwood General Tire Co., Inc.	Tire Repair 11/14/22	45.00
69792	11/22/2022	County of San Mateo	Void Check	0.00
69793	11/22/2022	Spartan Tool	Cable, Splice, & Blades 8/2022	2,109.33
69794	11/22/2022	Staples Credit Plan	Office Supplies 10/2022	683.18
69795	11/22/2022	Towne Ford	Vehicle Repair 10/2022	380.32
69796	11/22/2022	Bosco Oil Inc DbA Valley Oil	Oil For Harben Pump 10/2022	322.09
69797	11/22/2022	Leaf Capital Funding LLC	Fujitsu Scanner Monthly Lease 12/2022	462.99
				382,373.95

Corporate Cards:

GL	DATE	Account Name	Description	Amount
54103	11/15/2022	Vehicle & Equipment Supplies	Monney: Unit 208 Alarm Installation	739.17
54121	11/15/2022	General Eng, Surveys, Studies	SMC Recorder: Easement Documents	278.00
54158	11/15/2022	Computer Software R & M	Monthly Subscriptions - Duo.com, Zoom, Go to Meeting	147.55
54159	11/15/2022	Computer Hardware R & M	Dell: Desktop Apple: Tablet & Keyboard Samsung: Tablet Best Buy: US	1,486.76
54174	11/15/2022	Mgmt Conf. & District Meetings	Round Table: Lunch Meeting Alpine Inn: Interview Panel - Lunch	198.73
54176	11/15/2022	Business Meetings	Jeffreys: Business Meeting	51.92
54203	11/15/2022	Licenses & Permits	SMC Recorder: Grant Deed of Easement Docs	474.00
54270	11/15/2022	Equipment Expense	SP Ghost Controls: Admin Gate Adapter	69.00
Statement			US Bank - CalCards - Credit Cards	3,445.13

GL	DATE	Account Name	Description	Amount
54158	11/18/2022	Computer Software R & M	Monthly Subscriptions - Duo.com, Zoom, Go to Meeting	178.79
54159	11/18/2022	Computer Hardware R & M	Dell: Desktop Apple: Tablet & Keyboard Samsung: Tablet Best Buy: US	1,215.62
54205	11/18/2022	Bank Expenses	US Bank: CalCard Late Fee 8/2022-9/2022	2.00
Statement			US Bank - CalCards - Credit Cards	1,396.41

54028	11/21/2022	Commuter Benefits	Fastrak: Communter Benefit	1,280.00
54080	11/21/2022	Memberships	CWEA: Membership Renewals Peloton: Membership	446.00
54091	11/21/2022	Stationary and Office Supplies	Amazon, Costco, Haikudeck, Peabody Fine Arts, QR Code: Office Supplies	1,367.66
54101	11/21/2022	Ops Supplies & Materials	Home Depot: Operating Supplies	837.21
54103	11/21/2022	Vehicle & Equipment Supplies	Summit Truck: Locks for Unit 208 Amazon: Supplies for Unit 220	398.37
54119	11/21/2022	Misc Contract Services	SMA Subscription SMC Recorder - Scanning Project	333.00
54121	11/21/2022	General Eng, Surveys, Studies	SMC Recorder: Various Easement Documents	256.00
54129	11/21/2022	Recruitment	Indeed: Job Posting Safeway: Interview Snacks	77.69
54131	11/21/2022	Advertisement & Legal Notices	The Daily Post: Legal Ad for Master Plan RFP	1,012.50
54132	11/21/2022	Printing Forms & Cards	DLX: AP Checks	450.70
54133	11/21/2022	Public Outreach	Amazon: Event Costume	131.82
54155	11/21/2022	Alarm/Radio/Telemetry/Notific	Hach: Claros Website Package - Annual Renewal	1,224.00
54157	11/21/2022	Building Repairs & Maint.	Spirit Halloween: Admin Decorations	93.79
54159	11/21/2022	Computer Hardware R & M	Apple: Tablet & Keyboard	1,530.81
54173	11/21/2022	Dept Training & EE Development	Safeway: Lunch OWP: Training Manuals	482.23
54174	11/21/2022	Mgmt Conf. & District Meetings	Round Table, Chipotle, Ikes, Togos: Meeting	529.91
54175	11/21/2022	CWEA Conf/Section Mtgs	CWEA: Test Fees	460.00
54176	11/21/2022	Business Meetings	Jefferys, Alpine Inn: Business Meeting	104.80
54178	11/21/2022	Board Training Conferences	Ethics Training for Board Members	228.00

**West Bay Sanitary District
Financial Activity Report
Withdrawals
November 2022**

54191	11/21/2022	Internet	Comcast: PSPS Internet - SHRWF	166.76
54202	11/21/2022	Other Misc. Operating Expense	Amazon: Publications	117.23
54203	11/21/2022	Licenses & Permits	Dropbox: Storage Annual Fee - SHRWF	199.00
54207	11/21/2022	Vallombrosa Center	Vallombrosa: Victor G. 10/3/22-10/10/22	560.00

Statement	Bank of the West - Credit Cards	12,287.48
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Bank Transfers:

DATE	PAYEE	PURPOSE	AMOUNT
11/1/2022	CalPERS	Retirement Contributions PR 10/21/2022	23,167.08
11/2/2022	PayTrace	Credit Card Processing Fees	663.51
11/3/2022	SVCW	SVCW Monthly Operating Contribution	591,557.00
11/3/2022	ADP	Payroll Taxes - Board 9/2022	97.20
11/3/2022	ADP	Payroll Taxes - Board 10/2022	452.26
11/3/2022	ADP	Director Fees Oct 2022	2,539.62
11/3/2022	ADP	Payroll Taxes - Check Date: 11/4/2022	35,933.01
11/3/2022	ADP	Employee Payroll - Check Date: 11/4/2022	112,784.94
11/4/2022	MissionSquare	Deferred Compensation, Formerly: ICMA	7,665.93
11/7/2022	ADP	Payroll Taxes - Check Date 11/6/2022	36,915.33
11/7/2022	ADP	PMPP - Check Date 11/9/2022	106,676.83
11/10/2022	Primepay	PR Fees (BofW Refunded 11/18/22, CR-462769)	16.50
11/14/2022	ADP	ADP Fees	535.00
11/14/2022	CalPERS	Health Premiums	55,267.03
11/17/2022	ADP	Payroll Taxes - Check Date 11/18/22	34,155.89
11/17/2022	ADP	Employee Payroll - Check Date: 11/18/2022	110,415.93
11/18/2022	MissionSquare	Deferred Compensation, Formerly: ICMA	7,665.93
11/21/2022	Bank of the West	Bank Fees	137.26
11/25/2022	ADP	ADP Fees	270.00
11/25/2022	CalPERS	Retirement Contributions PR 11/4/2022	23,257.92
Bank Wires/ACHs from BofW Checking			1,150,174.17

Internal Bank Transfers:

DATE	PAYEE	PURPOSE	AMOUNT
Bank Transfers from BofW Checking			0.00

Summaries:

Withdrawal Summary

Total Checks	382,373.95
Total Corp Card	17,129.02
Total Bank Wires / ACHs	1,150,174.17
Total Internal Bank Transfers	0.00
Total Withdrawals	1,549,677.14

**West Bay Sanitary District
Expenditures By Vendor
7/01/2022 to 11/30/2022**

Withdrawals	Total by Vendor YTD FY 2022-23	Withdrawals November 2022
AAA Fire Protection Services	1,323.05	-
AAA Rentals	11,433.50	-
A-A Lock & Alarm	512.64	512.64
Action Towing	1,157.75	-
Abila	4,952.07	-
ADP Fees	3,365.00	805.00
ADP-Wage Garnishment	5,721.53	-
Aerzen USA Corp.	2,400.00	-
Airgas Usa, LLC	550.35	-
Stephen Albano	39,231.90	39,231.90
Allied Crane	955.18	-
The Almanac	4,158.00	2,706.00
Alpha Analytical Laboratories	8,965.00	1,850.00
Aqua Natural Solutions	1,211.04	-
Domenic Andrighetto	471.87	-
AT&T	3,581.45	-
Atchison, Barisone & Condotti	39,885.72	-
Seth Avila	250.00	-
Aztec Consultants	15,722.05	-
Bank of the West - Credit Cards	55,716.00	12,287.48
Bank of the West	1,238.48	137.26
Battery Junction Wholesale	2,477.43	844.56
Bay Alarm	13,513.65	-
Bay Area Air Quality Mgmt Dist	484.00	-
Bay Area Barricade Service Inc	1,936.33	-
Bay Area Paving Co. Inc.	23,273.00	5,300.00
Bay Reprographic, Inc.	530.48	-
Bayside Equipment Company	1,107.77	-
Annette Bergeron	7,571.48	3,851.48
Jed M. Beyer	96.50	-
Richard W. & Sandra W. Boyce	3,494.44	-
Bosco Oil Inc DBA Valley Oil	322.09	322.09
CA Dept Of Tax & Fee Admin	-	-
CASA	14,300.00	14,300.00
CA State Disbursement Unit	-	-
CPS HR Consulting	1,070.00	281.25
Calgon Carbon Corporation	3,084.16	-
Calif. Labor Law Poster Service	192.00	-
CA Regional Water Quality	25,637.00	-
California Water Service	14,886.91	3,303.39
CalPERS - Actuary Fee	-	-
CalPERS - Admin Fees	600.00	-
CalPERS - Unfunded Accrued Liability	10,690.00	-
CalPERS - GASB Fee	1,050.00	-
CalPERS - Retirement	265,132.86	46,425.00
CalPERS - Health Premiums	279,107.13	55,267.03
CalPERS - 1959 Survivor Billing	1,677.90	-
CalPERS Longterm Care Program	510.86	134.54
Carla Carstens	5,521.53	5,521.53
Michael Chang	1,263.16	-
ChemsearchFE	625.57	-
George Choi & Michele Ono	3,494.44	-
Cintas	16,558.95	2,804.14
City of Foster City	1,600.00	540.00
City of Menlo Park	615.02	-
City of Menlo Park-Fuel	70,643.66	13,411.80
City of Menlo Park - Water	11,461.09	4,529.42
Cleanserv Universal Services	5,875.00	1,075.00
Comcast	2,283.47	309.30

**West Bay Sanitary District
Expenditures By Vendor
7/01/2022 to 11/30/2022**

Withdrawals	Total by Vendor YTD FY 2022-23	Withdrawals November 2022
The Concept Genie	8,236.37	1,808.22
Consolidated Parts, Inc	5,084.39	-
Core & Main	15,879.39	3,170.70
Costco	60.00	-
CSDA	8,810.00	8,810.00
CSRMA c/o Alliant Insurance	220,638.37	-
Cues, Inc.	3,950.00	-
CWEA	495.00	-
Alan & Lauren Denenberg	3,494.44	-
Dewey Pest Control	9,000.00	-
Dolphin Graphics	1,801.66	-
Du-All Safety, LLC	9,000.00	1,800.00
Ronald Dalman & Jocelyn Dunn	471.87	-
Duke's Root Control, Inc	267,966.64	-
FedEx	1,700.21	1,185.57
Fischer Compliance LLC	8,225.00	-
Freyer & Laureta	303,728.42	-
Dorothy Garcia Bachler	3,494.44	-
Goldstreet Design Agency, Inc.	4,000.00	-
Victor Garcia	250.00	-
Govconnection, Inc.	1,697.76	-
Governmentjobs.Com, Inc	4,479.01	-
Grainger	20,310.06	1,734.02
Gurtner Living Trust	471.87	-
HF&H Consultants, LLC	16,158.75	12,363.75
Hach Company	73,008.12	12,993.75
Hadronex, Inc.	41,545.86	-
Harben California	5,769.81	-
Harrington Industrial Plastics	166.12	-
Yvonne Harrosh	25,848.00	-
Home Depot Credit Services	2,760.22	246.19
Bob Hulsmann	634.88	-
Mark & Rebecca Hilderbrand	3,494.44	-
ICMA	63,489.56	-
IEDA	4,070.00	814.00
Institute For Local Government	225.00	-
Interstate Traffic Control	153.13	-
Kimball Midwest	3,245.24	-
Bill Kitajima	30,768.33	-
Judy Klein	5,521.53	5,521.53
Kone Pasadena	1,493.45	298.69
Alison Krausz	471.87	-
Leaf Capital Funding LLC	2,361.25	462.99
Sione Lolohea	325.00	325.00
Mallory Co.	6,602.35	-
Matheson Tri-Gas, Inc.	365.53	81.27
Medco Supply Company	728.16	-
Menlo Park Hardware Co. #14016	139.69	139.69
Mid Peninsula Abstracts	830.00	-
Mid State Container Sales, Inc	5,185.00	-
Piterman Milanendra	-	-
Mission Clay Products, LLC	4,706.98	-
MissionSquare	-	15,331.86
Mission Valley Ford	5,957.00	-
Katrina Montinola	471.87	-
Morse Hydraulics	415.38	321.15
Municipal Maintenance Equip.	15,455.38	-
Napa Auto Parts	1,331.55	84.18
National Auto Fleet Club	131,650.66	131,650.66

**West Bay Sanitary District
Expenditures By Vendor
7/01/2022 to 11/30/2022**

Withdrawals	Total by Vendor YTD FY 2022-23	Withdrawals November 2022
Navia Benefit Solutions	7,119.30	1,388.86
Paul Andrew Nelson	385.00	-
NeoPost	900.00	-
Carrie Nevoli - Petty Cash	342.20	-
Keri Nicholas	471.87	-
North Bay Pensions	1,500.00	1,500.00
Occasions, Etc.	279.02	279.02
Occupational Health Centers	1,509.00	134.00
Ogasawara Landscape Maint.	4,630.00	-
Omega Industrial Supply, Inc.	5,383.29	-
Ovivo Usa, LLC	238.38	-
Paxxo (USA) Inc	568.46	568.46
PBM	639.63	212.00
Pacific Gas & Electric	134,477.64	21,415.10
Paytrace	3,042.29	663.51
Peninsula Truck Repair Inc.	5,760.77	5,760.77
Pier 2 Marketing	1,000.00	-
Charles A. Planje	1,584.00	-
Precise Printing And Mailing	2,211.35	-
Preferred Alliance	2,137.85	461.38
PrimePay Fees	939.75	16.50
Principal Life Insurance	31,023.90	6,053.30
Project Ergonomics	488.80	488.80
Quadient Leasing USA, Inc.	536.88	-
Quincy Compressor	2,161.19	-
R.A. Nosek Investigations	1,801.00	609.00
R.D. Kincaide, Inc.	13,122.14	-
Readyrefresh By Nestle	1,405.73	82.82
Recology Peninsula Services	1,246.95	249.39
Red Wing Shoe Store	3,376.96	207.63
Redwood General Tire Co., Inc.	1,685.23	45.00
City Of Redwood City	9,678.32	-
Todd Reese	225.00	225.00
Rich Voss Trucking	580.00	-
SVCW - Monthly Operating Contribution	2,957,785.00	591,557.00
SVCW 2018 Bonds	1,229,792.20	-
SVCW 2021 A-B Bonds	2,308,956.76	-
SVCW - SRF Debt	506,765.21	-
Silicon Valley Clean Water	2,775.00	-
Michael Scandalios	471.87	-
Rupert Sandoval	200.00	150.00
County of San Mateo	173.00	-
San Mateo County Assessor	-	-
San Mateo County Tax Collector	990.00	-
San Mateo County Health	1,947.00	-
County of San Mateo - LAFCO	22,323.00	-
County of Santa Clara	-	-
Robert J. Scheidt	821.03	-
Seekzen Systems	35,889.00	475.00
Sensera Systems	2,148.00	-
Sharp Business Systems	6,051.25	1,206.28
Bob Sick	1,587.36	-
Daniel Siegel	471.87	-
Spartan Tool	3,849.48	2,109.33
Staples Credit Plan	3,998.66	683.18
Steven Creek Quarry, Inc.	1,127.68	-
Sutter EAP	413.25	-
TJB Investments LLC	25,394.71	-
TPX Communications	15,679.70	3,188.37

**West Bay Sanitary District
Expenditures By Vendor
7/01/2022 to 11/30/2022**

Withdrawals	Total by Vendor YTD FY 2022-23	Withdrawals November 2022
Teamsters Local No. 350	4,967.00	1,008.00
Teletrac Navman US	1,631.76	271.96
Telstar Instruments, Inc.	2,934.00	-
Thomas & Associates	491.92	-
William & Susan Thomas	3,494.44	-
Towne Ford	76,782.80	380.32
Uline	955.33	-
Underground Service Alert	13,714.45	-
Univar Solutions USA	4,576.61	-
John Urbanowiqz	5,521.53	5,521.53
US Bank - CalCards - Credit Cards	4,841.54	4,841.54
U.S. Jetting, LLC.	2,018.52	-
US Standard Products Corp	942.32	-
Veolia Water North America	210.79	48.04
Verizon Wireless	6,058.51	65.69
Video Voice Data Communication	10,708.95	-
Ramon & Kelly W. Villareal	3,494.44	-
Vision Communications Co.	6,440.06	3,025.51
Andrew & Kathy L. Waddell	3,494.44	-
Weco Industries	44,558.38	-
The Weed Solution	3,500.00	-
West Yost & Associates	3,578.00	-
Western States Tool & Supply	523.42	-
Israel White	1,436.71	-
Blake Winchell	5,521.53	5,521.53
Woodard & Curran	156,086.06	34,398.28
Young's Auto Supply Center	666.47	-
Total Vendor Withdrawals	10,095,298.38	1,109,706.13
Wages & Payroll Taxes		
Salaries/Wages - Net Pay	1,276,557.81	223,200.87
Directors Fees - Net Pay	13,336.38	2,539.62
Payroll Taxes	438,848.51	107,553.69
Performance Merit Program - Net Pay	106,676.83	106,676.83
Total Payroll	1,835,419.53	439,971.01
Total External Withdrawals	11,930,717.91	1,549,677.14
WBSD Transfers:		
WBSD LAIF Account	-	-
WBSD Investment Accounts	2,202,111.08	-
Public Agency Retirement Services	-	-
Other Transfers	-	-
Total Transfers	2,202,111.08	-
Total Withdrawals	14,132,828.99	1,549,677.14

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

To: Board of Directors

From: Bob Hulsmann, Operations Superintendent

Subject: WBSD Operations and Maintenance Report – November 2022

Month	Basin PM Pipe Cleaning	High Freq. PM Pipe Cleaning	Un-Sche. Pipe Cleaning	WBSD CCTV Insp.	Pipe Patch Repairs	Open Trench Repairs	Pump Sta. PM	Pump Sta. Unsch. Repairs	SSO	SSO	Service Calls- Unit 208			
	Miles	Miles	Miles	Miles	Qty.	Qty.	Qty.	Qty.	Cat. 1	Cat. 2&3s	Call Outs	Sch PM	Unsch. PM	USA's
January	9.4	4.8	0.1	0.7	3	3	64	0	0	0	83	10	1	164
February	10.2	7.3	1.2	2.8	3	10	46	0	0	0	76	5	0	165
March	14.5	0.2	0.3	2.8	3	12	63	0	0	0	84	14	0	225
April	17.3	3.8	0.5	2.7	6	8	63	0	0	1	48	9	0	224
May	7.3	8.6	0.5	3.4	6	11	60	0	0	0	47	6	1	193
June	17.2	0.3	0.5	2.1	16	9	73	0	0	0	46	14	0	234
July	7.4	5.3	0.8	2.5	7	7	68	0	0	0	78	6	0	266
August	7.7	2.1	1.3	5.2	11	9	77	0	0	1	90	15	0	319
Sept.	12.0	0.7	1.0	1.9	8	13	65	0	0	0	65	10	0	211
Oct.	8.1	5.5	0.4	0.3	6	10	69	0	0	0	82	8	0	187
Nov.	1.0	14.8	0.4	2.7	4	6	71	0	0	0	91	0	0	526
Dec														
Yr to date	112.1	53.4	7.0	27.1	73	98	719	0	0	2	790	97	2	2714
2022 Goals	120.0	50.0	n/a	45-50	50-65	90	n/a	<10	<	4	n/a	n/a	n/a	n/a
2021 Results	*123	*50	8.6	**46	**55	91	834	2	0	4	944	n/a	n/a	2294
2020 Results	134.2	51.0	8.4	29.6	72	85	754	6	0	0	1012	89	5	2362
2019 Results	112.0	48.2	6.9	42.7	60	86	967	6	0	4	1063	75	33	2850
2018 Results	134.2	48.5	7.4	42.1	66	63	1256	6	0	4	1139	134	89	2525
2017 Results	126.4	52	6	25	66	97	1265	8	2	3	700	178	61	3218

*=Including TOW; **=Including LAH & TOW

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

To: Board of Directors

From: Bob Hulsmann, Operations Superintendent

Subject: Town of Los Altos Hills - Operations and Maintenance Report for Work Performed by WBSD – November 2022

Town of Los Altos Hills O & M Report 21/22									
	Basin PM Pipe Clean- ing	High Freq. PM Pipe Clean- ing	Un- Sche. Pipe Clean- ing	WBSD CCTV Insp.	Pump Sta. PM	Pump Sta. Unsch. Repairs	SSO	SSO	Service Calls
Month							Cat. 1	Cat. 2&3s	Call Outs
Temp Help	Miles	Miles	Miles	Miles	Qty.	Qty.			
January	0.1	0.7	0.0	1.7	5	0	0	0	0
February	1.2	0.2	0.2	1.1	5	0	0	1	0
March	1.5	0.3	0.1	1.3	5	0	0	0	0
April	0.0	1.6	0.3	0.0	4	0	0	0	0
May	1.5	1.6	0.0	0.8	4	0	0	0	0
June	3.0	0.5	0.1	0.5	4	0	0	0	0
July	1.2	0.5	0.0	0.9	4	0	0	0	0
*August 22	0.1	1.1	0.0	0.9	4	0	0	0	0
Sept.	1.6	1.3	0.1	0.9	4	0	0	0	0
Oct.	0.9	1.4	0.4	1.1	4	0	0	0	0
Nov.	0.4	1.6	0.0	0.7	4	0	0	1	1
Dec	0.5	0.7	0.5	0.1	4	0	0	0	0
** Yr to date	12.0	11.5	1.7	10.0	51	0	0	2	1
FY22/23Goals	10.6	14.4	n/a	8.1	52	n/a	n/a	n/a	n/a

* = August- Start of Contract, **= Past 12 Months



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

To: Board of Directors

From: Bob Hulsmann, Operations Superintendent

Subject: Town of Woodside Operations and Maintenance Report for Work Performed by WBSD – November 2022



Yearly Summary Report



12/7/2022
9:51 AM

Dates Between 12/1/2021 and 11/30/2022

Month	Basin PM Pipe Cleaning (miles)	High Freq PM Pipe Cleaning (miles)	Unscheduled Pipe Cleaning (miles)	CCTV Inspection (miles)	Pump Stations Preventive Maintenance Qty	Pump Stations Unscheduled Repairs Qty	SSO Cat 1	SSO Cat 2 & 3	Service Calls Call Outs
January	0.0	0.0	0.0	0.0	0.0	8	0.0	0.0	0.0
February	0.00	0.0	0.0	0.0	0.0	8	0.0	0.0	0.0
March	0.00	0.2	0.0	0.0	0.0	8	0.0	0.0	1.0
April	0.00	0.0	0.0	1.1	0.0	10	0.0	0.0	0.0
May	0.00	0.0	0.0	0.0	0.0	8	0.0	0.0	0.0
June	0.00	0.3	0.0	0.0	0.0	8	0.0	0.0	0.0
July	0.00	0.0	0.0	0.0	0.0	8	0.0	0.0	0.0
August	0.00	0.0	0.0	0.0	0.0	8	0.0	0.0	0.0
September	0.19	0.3	0.0	0.0	0.0	8	0.0	0.0	0.0
October	0.00	0.0	0.0	0.0	0.0	8	0.0	0.0	0.0
November	0.00	0.0	0.0	0.0	0.0	8	0.0	0.0	0.0
December	4.43	0.0	0.0	0.0	0.0	10	0.0	0.0	0.0
Totals	4.62	0.6	0.0	1.1	0.0	100	0.0	0.0	1.0

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M E M O R A N D U M

October 22, 2021

TO: Board of Directors, West Bay Sanitary District

FROM: Tony Condotti, District Legal Counsel

RE: Resolution Authorizing District to Implement Teleconferenced Public Meetings Pursuant to Assembly Bill 361

RECOMMENDATION: Adopt resolution authorizing District to continue the use of teleconferenced meetings pursuant to Assembly Bill 361.

BACKGROUND: On March 4, 2020, Governor Newsom issued a proclamation of State of Emergency in response to the developing COVID-19 pandemic. Due to the continued spread of the virus, the Governor issued Executive Order N-29-20 on March 17, 2020, which included a provision authorizing suspensions to the Ralph M. Brown Act's ("Brown Act") teleconferencing rules in order to facilitate virtual meetings while public health orders were in place.

On June 11, 2021, the Governor issued Executive Order N-08-21, which provided that the Brown Act teleconferencing suspensions would expire after September 30, 2021. On September 16, 2021, the Governor signed Assembly Bill 361 ("AB 361"), an urgency measure taking effect immediately, which amended the Brown Act to allow local legislative bodies to continue using teleconferencing and virtual meeting technology provided certain conditions are met.

DISCUSSION: AB 361 allows for teleconferenced meetings during a declared State of Emergency, as defined under the California Emergency Services Act, if one of the following circumstances apply: (1) State of local officials have imposed or recommended measures to promote social distancing; (2) The legislative body is meeting to determine whether, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; or (3) The legislative body has determined that, as a result of the emergency, meeting in person presents imminent risks to the health or safety of attendees.¹

The Governor's March 4, 2020 proclamation of State of Emergency is still in effect. Measures continue to exist that impose and recommend measures to promote social distancing. The California Department of Public Health recommends that individuals wear masks in indoor

¹ Cal. Gov't Code § 54953(e)(1)(A)-(C)

public settings.² Additionally, San Mateo County requires that face coverings continue to be worn in indoor settings for all individuals in the County.³

Moreover, in recent months, the highly transmissible delta variant has caused increases in positive cases and hospitalizations locally and throughout the State. According to the CDC, community transmission of COVID-19 in San Mateo County is moderate, however the nature of the pandemic is unpredictable and transmission rates have the potential to rise quickly. As such, holding meetings in person would present imminent risks to the health or safety of attendees due to the continued spread of COVID-19.

To continue teleconferenced meetings under AB 361, the Board of Directors will need to declare every thirty (30) days that it has reconsidered the circumstances of the State of Emergency and either (1) the State of Emergency continues to directly impact the ability of the members to meet safely in person; or (2) State or local health officials continue to impose or recommend measures to promote social distancing.⁴

FISCAL IMPACT: No significant fiscal impact.

² See CDPH, *Guidance for the Use of Face Coverings* (July 28, 2021), <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/guidance-for-face-coverings.aspx>.

³ See <https://cmo.smcgov.org/press-release/oct-7-2021-bay-area-health-officers-issue-criteria-lifting-covid-19-indoor-masking>.

⁴ Cal. Gov't Code § 54953(e)(3).

RESOLUTION NO. _____ (2022)

IN THE DISTRICT BOARD OF THE WEST BAY SANITARY DISTRICT
COUNTY OF SAN MATEO, STATE OF CALIFORNIA

**A Resolution of the District Board of the West Bay Sanitary District
Authorizing Remote Teleconference Meeting of the Legislative Bodies of the
West Bay Sanitary District Pursuant to Brown Act Provisions**

The Board of Directors of the West Bay Sanitary District (“Agency”) does resolve as follows:

WHEREAS, the West Bay Sanitary District is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of West Bay Sanitary District’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District’s legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, on March 4, 2020, Governor Newsom issued a Proclamation of State of Emergency in response to the COVID-19 pandemic; and,

WHEREAS, on March 17, 2020, Governor Newsom issued Executive Order N-29-20 that suspended the teleconferencing rules set forth in the California Open Meeting law, Government code Section 54950 et seq. (the “Brown Act”), provided certain requirements were met and followed; and

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order N-08-21 that clarified the suspension of the teleconferencing rules set forth in the Brown Act, and further provided that those provisions would remain suspended through September 30, 2021; and,

WHEREAS, on September 16, 2021, Governor Newsom signed AB 361 which provides that a legislative body subject to the Brown Act may continue to meet without fully complying with the teleconferencing rules in the Brown Act, provided that a State of Emergency is declared by the Governor pursuant to Government Code section 8625, and either state or local officials have imposed or recommended measures to promote social distancing, or the legislative body determines that meeting in person would present imminent risks to the health or safety of attendees, and further requires that certain findings be made by the legislative body every thirty (30) days; and,

WHEREAS, the State of Emergency proclaimed by the Governor on March 4, 2020 remains in effect; and,

WHEREAS, California Department of Public Health (“CDPH”) and the federal Centers for Disease Control and Prevention (“CDC”) caution that the Delta variant of COVID-19, currently the dominant strain of COVID-19 in the country, is more transmissible than prior variants of the virus, may cause more severe illness, and that even fully vaccinated individuals can spread the virus to others resulting in rapid and alarming rates of COVID-19 cases and hospitalizations (<https://www.cdc.gov/coronavirus/2019-ncov/variants/delta-variant.html>); and,

WHEREAS, other variants of COVID-19 exist, and it is unknown at this time whether other variants may result in a new surge in COVID-19 cases; and,

WHEREAS, the CDC has established a “Community Transmission” metric with 4 tiers designed to reflect a community’s COVID-19 case rate and percent positivity; and,

WHEREAS, San Mateo County currently has a Community Transmission metric of “moderate” which indicates an elevated risk of transmission;

WHEREAS, due to the seriousness of the current pandemic situation, the CDPH has required that all unvaccinated persons wear facial coverings indoors, and the CDC and CDPH recommend that all persons, regardless of vaccination status, wear facial coverings indoors; and,

WHEREAS, the Board of Directors is empowered to take actions necessary to protect public, health, welfare and safety within the region; and,

WHEREAS, the District has an important governmental interest in protecting the health, safety and welfare of those who participate in meetings of the Board of Directors and other District committees; and,

WHEREAS, in the interest of public health and safety, as affected by the emergency caused by the spread of COVID-19, the Board of Directors deems it necessary to find that meeting in person for meetings of the Board of Directors and District committees and subcommittees would present imminent risks to the health or safety of attendees, and thus intends to invoke the provisions of AB 361 related to teleconferencing as provided in subdivision (e) of Government Code section 54953; and

WHEREAS, all teleconferenced meetings of the District Board of Directors and related committees or subcommittees shall comply with the requirements to provide the public with access to meetings as prescribed in paragraph (2) of subdivision (e) of Government Code section 54953;

WHEREAS, State of California and County of San Mateo health officials recommend various social distancing measures, including wearing mask indoors and limiting occupancies at meeting locations; and

WHEREAS, the Board of Directors does hereby find and determine that the above conditions create a heightened risk to the health and safety of attendees; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the West Bay Sanitary District does hereby resolve as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. The Board of Directors finds that as a result of the ongoing proclaimed State of Emergency in California due to the COVID-19 pandemic, and COVID-19's continued spread, holding in person meetings of District legislative bodies would present imminent risks to the health or safety of attendees

Section 3. The General Manager and legislative bodies of West Bay Sanitary District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 4. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) thirty days from its adoption, or (ii) such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of West Bay Sanitary District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the District Board of the West Bay Sanitary District at a regular meeting thereof held on 14th day of December, 2022, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

Attest:

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

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

To: Board of Directors

From: Todd Reese, Office & Communications Manager

Subject: Consider Approving Resolution of Intention to Annex Certain Territory (35 Possum Lane, Portola Valley) to the West Bay Sanitary District On-Site Wastewater Disposal Zone and to Establish the Date and Time of Public Hearing

Background

This property will utilize a STEP system; consequently this property must be annexed into the District's On-Site Wastewater Disposal Zone. The proponent shall be required to install a STEP system and connect to a WBSD force main (FM) located near the intersection of Westridge Drive and Meadow Lane.

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

Analysis

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

Fiscal Impact

None.

Recommendation

The General Manager recommends that the District Board adopt the attached Resolution of Intention to Annex Certain Territory to the West Bay Sanitary District On-Site Wastewater Disposal Zone and request February 8, 2023 as the date of the public hearing.

Attachments: Resolution
LAFCo Certificate of Completion

RESOLUTION NO. _____(2023)

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

Lands of Krashinsky & Liu

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

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

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

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

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

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

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

In consideration of the foregoing findings and determinations,

IT IS RESOLVED by the District Board as follows:

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

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

Date: February 8, 2023
Time: 7:00 PM
Place: West Bay Sanitary District Offices
500 Laurel Street
Menlo Park, CA 94025

& via Zoom

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

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

Passed and adopted by the District Board of the West Bay Sanitary District at a regular meeting thereof held on the 14th day of December, 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

Attest:

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

2022-063499 CONF

10:35 am 08/26/2022 CCL Fee: NO FEE

Count of Pages 7

Recorded in Official Records

County of San Mateo

Mark Church

Assessor-County Clerk-Recorder



(This space for Recorder's use only)

RECORDING REQUESTED BY:

SAN MATEO LAFCO
LOCAL AGENCY FORMATION COMMISSION

WHEN RECORDED, PLEASE SEND TO:

San Mateo LAFCo

LAF 124

SHORT-FORM DESIGNATION OF DOCUMENT:

Annexation of 35 Possum Lane, Portola Valley to the West Bay Sanitary District

RECORDER'S CODE: CCL

(Exempt from filing fees per Government Code 6103)



LOCAL AGENCY FORMATION COMMISSION

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

CERTIFICATE OF COMPLETION

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

1. The short-form designation, as determined by LAFCo, is Annexation of 35 Possum Lane, Portola Valley to the West Bay Sanitary District.
2. The name of each district or city involved in this change of organization or reorganization and the kind or type of change of organization ordered for each city or district are as follows:

City or District

Type of Change of Organization

West Bay Sanitary District

Annexation

3. The above-listed cities and/or districts are located within the following counties: San Mateo County and Santa Clara County.
4. A description of the boundaries of the above-cited change of organization or reorganization is shown on the attached map, marked Exhibit A and by reference incorporated herein.
5. The territory involved in this change of organization or reorganization is uninhabited.
6. This change of organization has been approved subject to the following terms and conditions, if any: None.
7. The resolution confirming this change of organization was adopted on July 20, 2022 by LAFCo, is marked Exhibit B, and by reference incorporated herein.

I hereby certify that I have examined the above-cited resolution, including any terms and conditions, and the map description and have found these documents to be in compliance with Resolution 1293, adopted on July 20, 2022.

Dated: August 26, 2022

Rob Bartoli
Executive Officer

COMMISSIONERS: MIKE O'NEILL, CHAIR, CITY ▪ ANN DRAPER, VICE CHAIR, PUBLIC ▪ HARVEY RARBACK, CITY ▪ DON HORSLEY, COUNTY
▪ WARREN SLOCUM, COUNTY ▪ KATI MARTIN, SPECIAL DISTRICT ▪ RIC LOHMAN, SPECIAL DISTRICT

ALTERNATES: VACANT, SPECIAL DISTRICT ▪ DIANA REDDY, CITY ▪ JAMES O'NEILL, PUBLIC ▪ DAVE PINE, COUNTY

STAFF: ROB BARTOLI, EXECUTIVE OFFICER ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK



**ANNEXATION TO WEST BAY SANITARY DISTRICT
GEOGRAPHIC DESCRIPTION
LANDS OF KRASHINSK AND LIU/ 35 POSSUM LANE
TOWN OF PORTOLA VALLEY
CALIFORNIA**

All that certain real property situate in the Town of Portola Valley, County of San Mateo, State of California, being all of that property described in that certain Trust Transfer Deed recorded on April 20, 2022 as Document Number 2022-033690, along with a portion of Possum Lane as shown on that certain Tract Map No. 871 entitled "Corte Madera Acres", filed for record on September 1, 1959, in Book 52 of Maps, at page 11, San Mateo County Records, State of California, and being more particularly described as follows:

COMMENCING at a monument on the centerline of Possum Lane, as shown on said map;

Thence along said centerline, South 74°50'00" East, 10.65 feet to the **POINT OF BEGINNING**;

Thence continuing along said centerline (Course 1), South 74°50'00" East, 200.00 feet;

Thence leaving said centerline (Course 2), South 15°10'00" West, 25.00 feet to the easterly line of said Trust Transfer Deed;

Thence along said easterly line (Course 3), South 15°10'00" West, 239.77 feet to the southeasterly corner of said Trust Transfer Deed;

Thence leaving said easterly line and along the southerly line of said Trust Transfer Deed (Course 4), North 75°00'00" West, 200.00 feet to the southwesterly corner of said Trust Transfer Deed;

Thence leaving said southerly line and along the westerly line of said Trust Transfer Deed (Course 5), North 15°10'00" East, 240.35 feet to the northwesterly corner of said Trust Transfer Deed, also being the southerly right of way of Possum Lane;

Thence leaving last said line (Course 6), North 15°10'00" East, 25.00 feet to the **POINT OF BEGINNING**.

Containing a total computed acreage of 1.22 acres, more or less.

A plat showing the above described parcel is attached hereto and made a part hereof.

Christopher S. Martin, PLS 9179



8/18/2022

Dated

For assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as the basis of an offer for sale of the land described.

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

END OF DESCRIPTION

EXHIBIT A PAGE 1 OF 2

S74°50'00"E

10.65'

POB

POC

N15°10'00"E 25.00'(6)

S74°50'00"E 200.00'(1)

S15°10'00"W 25.00'(2)

S15°10'00"W 239.77'(3)

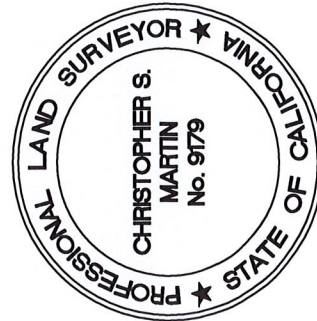
TOTAL ANNEXATION
AREA = 1.22± ACRES

LOT 8
52 RSM 11
77-051-030

77-051-020

LEGEND

- ADJACENT LOT LINE
- PROPOSED WEST BAY
- SANITARY DISTRICT BOUNDARY
- ROAD CENTERLINE
- POINT OF BEGINNING
- POINT OF COMMENCEMENT
- RIGHT OF WAY
- POB
- POC
- R/W



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

EXHIBIT A PAGE 2 OF 2



77-051-040

N75°00'00"W 200.00'(4)

76-302-110



255 SHORELINE DR.,
SUITE 200
REDWOOD CITY, CA 94065
(650) 482-6300
www.bkf.com

ANNEXATION TO THE WEST BAY SANITARY DISTRICT LANDS
OF KRASHINSK AND LIU/ 35 POSSUM LANE, TOWN OF
PORTOLA VALLEY (APN 077-051-030)

SUBJECT PLAT EXHIBIT
WEST BAY SANITARY DISTRICT ANNEXATION
JOB NO. 201361
BY CSW APPR. CSM DATE 8/2/2022
2 OF 2

RESOLUTION NO. 1293

EXHIBIT B PAGE 1 OF 2

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF SAN MATEO
MAKING DETERMINATIONS, APPROVING LAFCO FILE 22-06 -
ANNEXATION OF 35 POSSUM LANE, PORTOLA VALLEY, (APN 077-051-030)
TO THE WEST BAY SANITARY DISTRICT AND THE ON-SITE WASTEWATER DISPOSAL ZONE, AND
WAIVING CONDUCTING AUTHORITY PROCEEDINGS**

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

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

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

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

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

WHEREAS, the landowners and District have requested that the Commission waive conducting authority proceedings pursuant to government code Section 56662(a); and

WHEREAS, the proposal is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under State CEQA Guidelines Section 15319(a) & (b) (Annexations of Existing Facilities and Lots for Exempt Facilities); and

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

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

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

Section 3. The territory consists of 1.65 acres, is found to be uninhabited, and is assigned the following distinctive short form designation: Annexation of 35 Possum Lane, Portola Valley to the West Bay Sanitary District.

Section 4. Conducting authority proceedings are hereby waived in accordance with Government Code Section 56662(a) and this annexation is hereby ordered.

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

APPROVED
SAN MATEO LOCAL AGENCY
FORMATION COMMISSION
455 COUNTY CENTER
REDWOOD CITY, CA 94063
EXHIBIT B PAGE 2 OF 3

Regularly passed and adopted this 20th day of July 2022.

Ayes and in favor of said resolution:

Commissioners: Don Horsley
Ric Lohman
Kati Martin
Harvey Rarback
Warren Slocum
Ann Draper, Vice Chair
Mike O'Neill, Chair

Noes and against said resolution:

None

Commissioners Absent and/or Abstentions:

Commissioners: None

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

EXHIBIT B PAGE 3 OF 3

Michael O'Neil

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

ATTEST:

Rolando J. Bartolof

Executive Officer
 Local Agency Formation Commission

Date: 7/20/2022

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

Date: _____

 Clerk to the Commission
 Local Agency Formation Commission



WEST BAY SANITARY DISTRICT AGENDA ITEM 5H

To: *Board of Directors*

From: *Todd Reese, Office & Communications Manager*

Subject: *Consider Approving Resolution of Intention to Annex Certain Territory (115 Sausal Drive, Portola Valley) to the West Bay Sanitary District On-Site Wastewater Disposal Zone and to Establish the Date and Time of Public Hearing*

Background

This property will utilize a Grinder Pump system; consequently this property must be annexed into the District's On-Site Wastewater Disposal Zone. The proponent shall be required to install a Grinder Pump system and connect to a WBSD force main (FM) located on Sausal Drive and Antonio Drive.

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

Analysis

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

Fiscal Impact

None.

Recommendation

The General Manager recommends that the District Board adopt the attached Resolution of Intention to Annex Certain Territory to the West Bay Sanitary District On-Site Wastewater Disposal Zone and request February 8, 2023 as the date of the public hearing.

Attachments: Resolution
LAFCo Certificate of Completion

Report to the District Board for the Regular Meeting of December 14, 2022

RESOLUTION NO. _____(2022)

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

Lands of Ramies and Abedraabbo

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

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

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

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

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

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

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

In consideration of the foregoing findings and determinations,

IT IS RESOLVED by the District Board as follows:

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

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

Date: February 8, 2023
Time: 7:00 PM
Place: West Bay Sanitary District Offices
500 Laurel Street
Menlo Park, CA 94025

& via Zoom

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

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

Passed and adopted by the District Board of the West Bay Sanitary District at a regular meeting thereof held on the 14th day of December, 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

Attest:

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

2022-076638 CONF

10:57 am 11/01/2022 CCL Fee: NO FEE

Count of Pages 7

Recorded in Official Records

County of San Mateo

Mark Church

Assessor-County Clerk-Recorder



RECORDING REQUESTED BY:

SAN MATEO LAFCO
LOCAL AGENCY FORMATION COMMISSION

WHEN RECORDED, PLEASE SEND TO:

San Mateo LAFCo

LAF 124

SHORT-FORM DESIGNATION OF DOCUMENT:

Annexation of 115 Sausal Drive, Portola Valley to the West Bay Sanitary District

RECORDER'S CODE: CCL

(Exempt from filing fees per Government Code 6103)



LOCAL AGENCY FORMATION COMMISSION

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

CERTIFICATE OF COMPLETION

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

1. The short-form designation, as determined by LAFCo, is Annexation of 115 Sausal Drive, Portola Valley to the West Bay Sanitary District
2. The name of each district or city involved in this change of organization or reorganization and the kind or type of change of organization ordered for each city or district are as follows:

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

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

3. The above-listed cities and/or districts are located within the following counties: San Mateo County and Santa Clara County.
4. A description of the boundaries of the above-cited change of organization or reorganization is shown on the attached map, marked Exhibit A and by reference incorporated herein.
5. The territory involved in this change of organization or reorganization is uninhabited.
6. This change of organization has been approved subject to the following terms and conditions, if any: None.
7. The resolution confirming this change of organization was adopted on September 21, 2022 by LAFCo, is marked Exhibit B, and by reference incorporated herein.

I hereby certify that I have examined the above-cited resolution, including any terms and conditions, and the map description and have found these documents to be in compliance with Resolution 1295, adopted on September 21, 2022.

Dated: November 1, 2022

Rob Bartoli
Executive Officer

COMMISSIONERS: MIKE O'NEILL, CHAIR, CITY • ANN DRAPER, VICE CHAIR, PUBLIC • HARVEY RARBACK, CITY • DON HORSLEY, COUNTY • WARREN SLOCUM, COUNTY • KATI MARTIN, SPECIAL DISTRICT • RIC LOHMAN, SPECIAL DISTRICT

ALTERNATES: VACANT, SPECIAL DISTRICT • DIANA REDDY, CITY • JAMES O'NEILL, PUBLIC • DAVE PINE, COUNTY

STAFF: ROB BARTOLI, EXECUTIVE OFFICER • SOFIA RECALDE, MANAGEMENT ANALYST • TIMOTHY FOX, LEGAL COUNSEL • ANGELA MONTES, CLERK

EXHIBIT A PAGE 1 OF 2 LEGAL DESCRIPTION

**ANNEXATION TO THE WEST BAY SANITARY DISTRICT
LANDS OF RAMIES AND ABEDRABBO/115 SAUSAL DRIVE
AND A PORTION OF SAUSAL DRIVE
TOWN OF PORTOLA VALLEY, CALIFORNIA**

All that real property situated in the Town of Portola Valley, County of San Mateo, State of California, described as follows:

BEGINNING at the northeasterly corner of Lot 1, Block 1, as shown on that certain map entitled "Tract No. 695 Alpine Hills Subdivision of a portion of Rancho El Corte Madera, San Mateo County, California", which Map was filed in the Office of the Recorder of San Mateo County, State of California on September 28, 1954 in Book 40 of Maps, Pages 15, 16 and 17, thence, proceeding clockwise the following courses and distances:

- (1) South 22°22'45" West, 258.92 feet along the easterly line of said parcel to the southeasterly corner of said parcel; thence,
- (2) North 66°27'03" West, 142.42 feet along the southerly line of said parcel along that certain Annexation, Resolution No. 1247; thence,
- (3) North 26°36'37" West, 179.19 feet along that certain Annexation, Resolution No. 1247 to the centerline of Sausal Drive; thence,
- (4) along said centerline of Sausal Drive North 63°23'23" East, 103.94 feet; thence,
- (5) continuing along said centerline of Sausal Drive along a tangent curve to the right with radius of 200.00 feet, length of 119.98 feet, and through a central angle of 34°22'23"; thence,
- (6) continuing along said centerline along a tangent curve to the right with radius of 1,200.00 feet, length of 107.24 feet, and through a central angle of 5°07'13"; thence,
- (7) Leaving said centerline, South 12°53'00" West, 25.00 feet to the **POINT OF BEGINNING**.

Containing 55,920 square feet (1.28 acres) more or less.

For assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as the basis for an offer for sale of the land described.


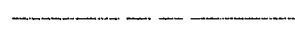



June 23, 2022

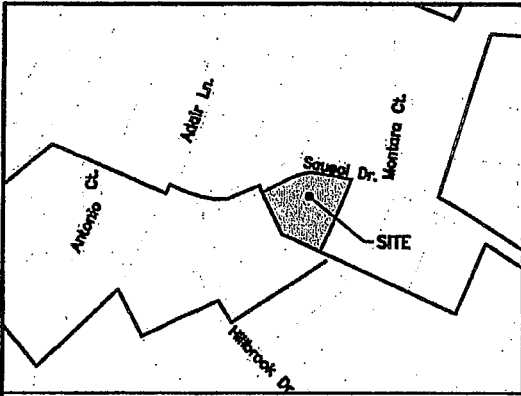
FREYER & LAURETA, INC.

Page 1 of 1

LEGEND

-  PROPOSED ANNEXATION BOUNDARY LINE
-  EXISTING PROPERTY LINE
-  EXISTING WEST BAY SANITARY DISTRICT BOUNDARY LINE

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



LOCATION MAP
(NOT TO SCALE)

$R=200.00'$
 $D=34^{\circ}22'23''$
 $L=119.98'$ (5)
 120 SAUSAL DRIVE
 APN: 079-060-270

$R=1200.00'$
 $D=5^{\circ}07'13''$
 $L=107.24'$ (6)

110 SAUSAL DRIVE
 APN: 079-092-010

SAUSAL DRIVE

$N63^{\circ}23'23''E$ 103.94' (4)

POINT OF BEGINNING

$S12^{\circ}53'00''W$
 25.00' (7)

APN: 079-091-060
 115 SAUSAL DRIVE
 LANDS OF RAMIES AND
 ABEDRABBO
 RESOLUTION # _____

105 SAUSAL DRIVE
 APN: 079-091-020



96 HILLBROOK DRIVE
 APN: 079-074-300

$N28^{\circ}36'37''W$
 179.19' (3)

$S22^{\circ}22'45''W$ 258.92' (1)

WEST BAY SANITARY
 DISTRICT ANNEXATION
 RESOLUTION #1247



SCALE
 1" = 60'

LAFCO FILE NO 19-12
 APPROVED
 SAN MATEO LOCAL AGENCY
 FORMATION COMMISSION
 455 COUNTY CENTER
 REDWOOD CITY, CA 94063

HILLBROOK DRIVE
 APN: 079-074-310

$N66^{\circ}27'03''W$ 142.42' (2)

TOWN OF PORTOLA VALLEY 06/23/2022

EXHIBIT A PAGE 2 OF 2

FREYER & LAURETA, INC.

CIVIL ENGINEERS • SURVEYORS • CONSTRUCTION MANAGERS
 (415)534-7070 • www.freyerlaureta.com

ANNEXATION TO THE WEST BAY SANITARY DISTRICT
 LANDS OF RAMIES AND ABEDRABBO
 115 SAUSAL DRIVE
 AND A PORTION OF SAUSAL DRIVE

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF SAN MATEO
MAKING DETERMINATIONS, APPROVING LAFCO FILE 22-07 -
ANNEXATION OF 155 SAUSAL DRIVE, PORTOLA VALLEY, (APN 079-091-060)
TO THE WEST BAY SANITARY DISTRICT AND THE ON-SITE WASTEWATER DISPOSAL ZONE, AND
WAIVING CONDUCTING AUTHORITY PROCEEDINGS**

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

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

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

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

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

WHEREAS, the proposal is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under State CEQA Guidelines Section 15319(a) & (b) (Annexations of Existing Facilities and Lots for Exempt Facilities); and

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

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

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

- Section 3. The territory consists of 1.28 acres, is found to be uninhabited, and is assigned the following distinctive short form designation: Annexation of 115 Sausal Drive, Portola Valley to the West Bay Sanitary District.

- Section 4. Conducting authority proceedings are hereby waived in accordance with Government Code Section 56662(a) and this annexation is hereby ordered.

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

APPROVED
SAN MATEO LOCAL AGENCY
FORMATION COMMISSION
455 COUNTY CENTER
REDWOOD CITY, CA 94063
EXHIBIT B PAGE 2 OF 3

Regularly passed and adopted this 21st day of September 2022.

Ayes and in favor of said resolution:

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

Commissioners:

Don Horsley

Kati Martin

Harvey Rarback

Ann Draper, Vice Chair

Mike O'Neill, Chair

EXHIBIT B PAGE 3 OF 3

Noes and against said resolution:

None

Commissioners Absent and/or Abstentions:

Commissioners: Warren Slocum

Ric Lohman

Michael Davis

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

ATTEST:

Robert J. Bartol

Executive Officer
Local Agency Formation Commission

Date: 9/22/2022

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

Date: _____

Clerk to the Commission
Local Agency Formation Commission



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

To: Board of Directors

From: Todd Reese, Office & Communication Manager

Subject: Consider Authorizing the General Manager to Issue Class 3 Sewer Permit No. 1627 for the Construction of Wastewater Facilities for 0 Alpine Road, Unincorporated Santa Clara, California

Background

This permit request is for the construction of a septic tank effluent pump (STEP) that will connect to the existing main on Old Alpine Road.

Analysis

The plans, profiles, and engineering calculations for the proposed facilities have been reviewed by staff and corrections have been made to conform to District requirements. Owner has paid all associated fees.

Recommendation

The Office & Communications Manager recommends that the Board direct the District Manager to authorize the District Manager to issue Class 3 Sewer Permit No. 1627.

Attachment: Class 3 Permit No. 1627
Site Map
Resolution ____ (2022)
Notice of Exemption

WEST BAY SANITARY DISTRICT

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

Permit Number
1627

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

0 Alpine Road, unincorporated Santa Clara County apr: 182-36-018

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

Residential Non-residential Development at said location.

ENGINEER'S

PETER CARLINO
Name

2495 INDUSTRIAL PKWY HAYWARD,
Address CA 94545

CONTRACTOR'S

TBD
Name

Address

OWNER'S

PARISA KHORSAND
Name

1488 GILMOR ST, MOUNTAIN VIEW
Address CA, 94040

[Signature]
Applicant's Signature

PARISA KHORSAND
Signed by - Please Print Name

Address

Receipt of \$ 585.00 Application Fee is hereby acknowledged [Signature] 12/6/2022
Date

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

Comments Please Reach out to Avery Cobe at
5172908075, avery@medesignarchitects.co for further questions

Installing STEP System

Approved by the District Board on _____

Application approved and permit issued:

WEST BAY SANITARY DISTRICT

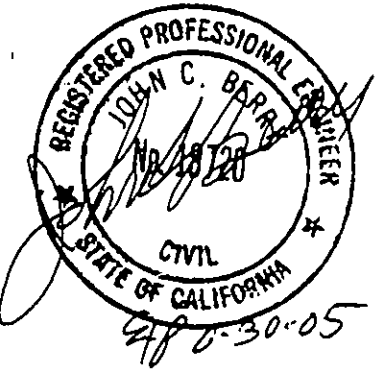
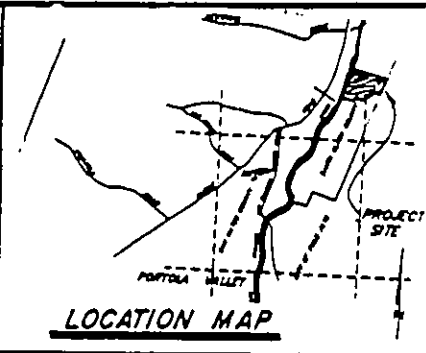
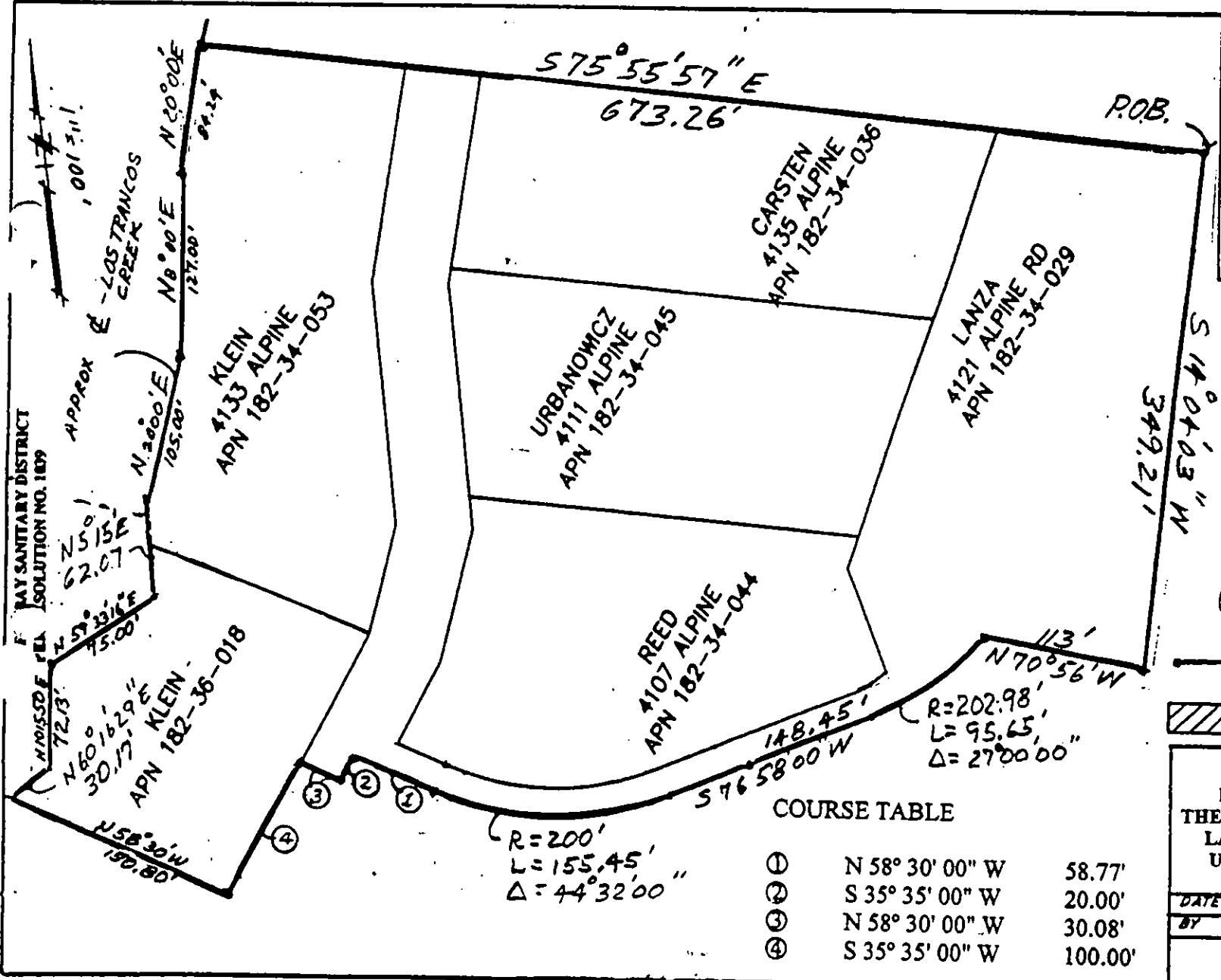
Sergio Ramirez, General Manager


Date _____

By _____

Final Acceptance by the District Board on _____

(SEE PERMIT CONDITIONS ON REVERSE)



——— BOUNDARY LINE OF PROPOSED ANNEXATION
 PROPOSED ANNEXATION

COURSE TABLE

①	N 58° 30' 00" W	58.77'
②	S 35° 35' 00" W	20.00'
③	N 58° 30' 00" W	30.08'
④	S 35° 35' 00" W	100.00'

EXHIBIT A
 PROPOSED ANNEXATION TO
 THE WEST BAY SANITARY DISTRICT
 LANDS OF KLEIN, LANZA, REED
 URBANOWICZ, AND CARSTENS

DATE	3/8/02	SCALE
BY		

RESOLUTION NO. _____ (2022)

IN THE DISTRICT BOARD OF THE WEST BAY SANITARY DISTRICT
COUNTY OF SAN MATEO, STATE OF CALIFORNIA

BE IT RESOLVED, by the District Board of West Bay Sanitary District, County of San Mateo, State of California, as follows:

ENVIRONMENTAL IMPACT REVIEW

Name of Project: 0 Alpine Road, unincorporated Santa Clara County, California – septic tank effluent pump (STEP) system

Location: 0 Alpine Road, unincorporated Santa Clara County, California

Entity or Person Undertaking Project: Parisa Khorsand & Valentin Pistol

Determination of the District Board:

This District Board of West Bay Sanitary District determines, upon Staff recommendation, that another public agency, specifically the Santa Clara County LAFCo, is the lead agency for this project.

The District Board hereby certifies that it has reviewed the Negative Declaration prepared for this project and has considered the contents thereof. The Board finds that this document is adequate for use by the District in its review of the project.

The District Board finds that the following feasible alternatives and/or mitigation measures within its powers, would substantially lessen any significant effects which the project would have on the environment:

N/A

The Board certifies that the Negative Declaration has been prepared and completed in compliance with the California Environmental Quality Act and the State Guidelines.

The Board finds that the project Environmental Impact Report identifies the following significant effects:

N/A

The Board further finds that for each of these significant effects.

- N/A Changes or alterations have been required in, or incorporated, into the project which mitigate or avoid the significant environmental effects thereof as identified in the Environmental Impact Report.
- N/A Such changes or alterations are within the responsibility and jurisdiction of a public agency other than the District. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- N/A Specific economic, social, or other considerations make infeasible the mitigation measures or project alternatives identified in the Environmental Impact Report.

Based upon the foregoing, and upon compliance with District regulations and requirements, as applicable, the project is hereby:

- _____ Approved
- _____ Disapproved

The General Manager of West Bay Sanitary District is directed to prepare a Notice of Determination pursuant to the provisions of the State Guidelines Implementing the California Environmental Quality Act adopted by Resolution No. IIO5 of this District Board. The District Manager is ~~(further)~~ (not) directed to prepare and file a Statement of Overriding Consideration pertaining to the approval of this project pursuant to the provisions of the same Guidelines.

Passed and adopted by the District Board of West Bay Sanitary District at a regular meeting thereof held on the 14th day of December, 2022, by the following vote:

- Ayes:
- Noes:
- Abstain:
- Absent:

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

Attest:

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

Notice of Exemption

To: County Clerk
County of Santa Clara

From: West Bay Sanitary District

Project Title: 0 Alpine Road – STEP System

Project Location – Specific: 0 Alpine Road, unincorporated Santa Clara County,
CA 94028

Project Location – Town: unincorporated Santa Clara County

Project Location – County: Santa Clara

Description of Project: STEP System

Name of Public Agency Approving Project: West Bay Sanitary District

Name of Person or Agency Carrying Out Project: Parisa Khorsand & Valentin Pistol

Exempt Status:

CEQA Guidelines Section 15601(b)(3), General Rule;

Categorical Exemption. Class 3 – Section 15303 (a) (d) of the State CEQA Guidelines.

(a) Single-family residences not in conjunction with the building of two or more units.

(d) Water main, sewage, electrical, gas and other utility extensions of reasonable length to serve such construction.

Reasons why project is exempt:

This project is exempt from CEQA because it can be “seen with certainty that there is no possibility that the activity in question may have a significant impact on the environment.” This certainty is based on the District’s past experience with numerous sewer construction projects of this nature, and the mitigated measures included in all such projects to alleviate any impacts. Most project elements also are exempt as extension of utilities of a reasonable length to serve such construction.

Lead Agency: West Bay Sanitary District

Lead Agency Contact Person: Sergio Ramirez (650) 321-0384

Signature Date: _____ Title: General Manager

“PRELIMINARY REVIEW”

0 Alpine Road, Palo Alto, CA – STEP System
December 5, 2022

INTRODUCTION. At the December 14, 2022, District Board Meeting, the Board will consider the approval of the Class 3 sewer permit for the construction of a STEP system for the Lands of Khorsand & Pistol; and the authorization for the filing of a California Environmental Quality Act (CEQA) “Notice of Exemption” for the project. This project is proposed by the property owners, Parisa Khorsand & Valentin Pistol.

EXEMPTION REVIEW. In compliance with CEQA Guidelines, this “preliminary review” of the STEP System Project at 0 Alpine Road was conducted to determine whether the project is exempt from CEQA. Based on this review, staff has concluded that the project is exempt from CEQA under several sections of the guidelines. In summary, the project would not have any significant impacts on the environment because it includes little or no expansion of capacity, and will employ mitigation measures to alleviate any impacts.

This preliminary review presents and elaborates upon the rationale for the conclusions reached by staff.

Staff has concluded that all project elements are exempt under CEQA Guidelines section 15061(b)(3) (known as the “General Rule”), since it can be “seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.”

This certainty is based on the District’s past experience with numerous sewer construction projects of this nature, and the mitigation measures included in all such projects to alleviate any impacts.

Past Experience. The District has completed many miles of sewer construction projects and pump station rehabilitation projects in residential areas throughout Menlo Park, Atherton, the County of San Mateo, and the Portola Valley area. While construction-related impacts on land use, traffic, noise, air quality, erosion, drainage, public safety, and cultural resources can occur, no significant environmental impacts have resulted from this work.

The reasons these have been “less-than-significant” include the short-term nature of construction activities, application of the District’s standard construction mitigation measures, good community relations outreach programs to inform project area residents of construction activities, and active coordination with local jurisdictions.

Construction Mitigation Measures. Specific impact mitigation measures will be included in the proposed project to avoid, minimize, reduce, or rectify for construction-related impacts. These measures are used on all sewer construction projects. The measures address dust control; erosion control; noise control; protection of soils; provision for adequate drainage; protection and restoration of structures; precautions for working

near sensitive and unique vegetation, protection and restoration of vegetation, landscaping, and improvements; public health and safety precautions; community notifications; traffic control; and preservation of cultural resources.

Most project elements also are exempt as extension of utilities of a reasonable length to serve such construction.

Staff has concluded that most project elements are “categorically exempt” under CEQA Guidelines Section 15303 (a) (Single-family residences not in conjunction with the building of two or more units) and Section 15303 (d) (Water main, sewage, electrical, gas and other utility extensions of reasonable length to serve such construction).

This project is being implemented to provide sanitary sewer service to this parcel and remove the on-site septic system.

CONCLUSION. Based on the information presented herein, staff has concluded that all of the installation of the Grinder Pump System and force main extension is exempt from CEQA under the CEQA Guidelines Section 15061(b)(3) (the General Rule), and that most project elements are also exempt under CEQA Guideline Section 15303(a) and (d).



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

To: Board of Directors

From: Todd Reese, Office & Communications Manager

Subject: Consider Resolution Accepting Deed of Easement Pursuant to Class 3 Sewer Permit No. 1607 for the Construction of Wastewater Facilities for 4 Navajo Pl, Portola Valley, California

Background

The District requires an easement to maintain the flow from the Grinder system that serves 4 Navajo Place. The easement includes ingress and egress to the location of the Grinder system and is conforming to District specifications.

Recommendation

The Office & Communications Manager recommends that the Board adopt the attached Resolution accepting the Deed of Easement.

Attachments: Resolution ____ (2022), Grant Deed of Easement

RESOLUTION NO. _____ (2022)

IN THE DISTRICT BOARD OF THE WEST BAY SANITARY DISTRICT

COUNTY OF SAN MATEO, STATE OF CALIFORNIA

BE IT RESOLVED that the President and Secretary of the West Bay Sanitary District be and are hereby authorized to accept the attached Grant Deed of Easement by and between the following parties:

Donald E. Turnquist & Patricia A. Turnquist

BE IT FURTHER RESOLVED that the General Manager is hereby directed to place the same on record.

Passed and adopted by the District Board of the West Bay Sanitary District at a regular meeting thereof held on the 14th day of December, 2022, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

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

Attest:

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

RECORDING REQUESTED BY: WEST BAY SANITARY DISTRICT	
WHEN RECORDED MAIL TO: WEST BAY SANITARY DISTRICT 500 LAUREL STREET MENLO PARK, CA 94025	
Title Order No. N/A	
Escrow No. N/A	
Parcel No.	

GRANT DEED OF EASEMENT

THE UNDERSIGNED GRANTOR(S) DECLARE(S):

DOCUMENTARY TRANSFER TAX is \$0 CITY TAX is \$0 DEED TO PUBLIC AGENCY

computed on the full value of the property conveyed, or

computed on full value less value of liens or encumbrances remaining at the time of sale,

this is a conveyance of an easement and the consideration and value is less than \$100, R & T 11911 & R&T 11922.

Unincorporated area of San Mateo County

City/Town of _____

FOR NO CONSIDERATION, receipt of which is hereby acknowledged, I (we)

DONALD E. TURNQUIST & PATRICIA A. TURNQUIST

Hereby GRANT(S) to:

West Bay Sanitary District, a Public Agency organized and existing under the laws of the State of California,

A perpetual easement to construct, install, maintain, use, repair, remove, replace any and all pipeline, fittings, and related facilities necessary for the operation of a wastewater conveyance system in the area described as follows over the following described real property in the Town of Portola Valley, County of San Mateo, State of California; more particularly described in Exhibit "A" and "B", attached hereto, and by this reference incorporated herein.

West Bay Sanitary District, its employees and agents shall have the right to enter upon the herein described real property at any and all times with such tools and equipment as may be necessary or convenient for the exercise of the rights herein granted to West Bay Sanitary District.

No building or structure of any kind shall be constructed upon the herein described easement, and should a building or structure be erected in violation of this provision, West Bay and its successors and assigns may still exercise all rights herein granted and shall have the right to remove, or cause grantor to remove, at Grantors expense, any building or structure that may be erected upon or over the said parcel of real property. West Bay Sanitary District shall not be held liable in any manner whatsoever for any damages thereby incurred, nor shall West Bay have any obligation to replace any structure that may be removed from said property.

This grant of easement shall be binding upon and shall inure to the benefit of the respective administrators, executors, personal representatives, successors and assigns of the parties hereto.

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBITS "A" AND "B" MADE A PART HEREOF

Also Known As:

4 NAVAJO PLACE, PORTOLA VALLEY, CA 94028

Assessor's Parcel Number:

077-300-130

Executed on Sept. 12, 2022, at

PORTOLA VALLEY, CA

(City and State)

PATRICIA A. TURNQUIST

Patricia A. Turnquist

Printed Name

Signature

Executed on Sept. 12, 2022, at

PORTOLA VALLEY, CA

(City and State)

DONALD E. TURNQUIST

Donald E. Turnquist

Printed Name

Signature(s)

(ATTACH NOTARY CERTIFICATE)

CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

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

State of California)

County of SAN MATEO)

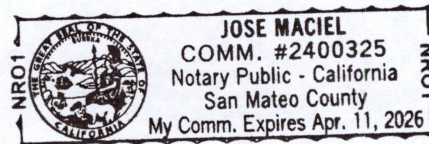
On SEPTEMBER 12TH, 2022 before me, JOSE MACIEL, NOTARY PUBLIC,
(here insert name and title of the officer)

personally appeared DONALD ERIC TURNQUIST & PATRICIA ANN TURNQUIST

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

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

WITNESS my hand and official seal.



Signature _____

(Seal)

Optional Information

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____

containing _____ pages, and dated _____.

The signer(s) capacity or authority is/are as:

- Individual(s)
- Attorney-in-Fact
- Corporate Officer(s) _____
Title(s)

- Guardian/Conservator
- Partner - Limited/General
- Trustee(s)
- Other: _____

representing: _____
Name(s) of Person(s) or Entity(ies) Signer is Representing

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
 form(s) of identification credible witness(es)

Notarial event is detailed in notary journal on:
 Page # _____ Entry # _____

Notary contact: _____

Other

- Additional Signer(s) Signer(s) Thumbprint(s)
- _____



County of San Mateo TRANSFER TAX AFFIDAVIT

DTT AFFIDAVIT

Per San Mateo County Ordinance Code 2.93.050

NOTICE: Any material misrepresentation of fact in this affidavit is a misdemeanor under section 2.93.120 of the San Mateo County real property tax code. Any person who makes such a representation is subject to prosecution for such offense.

The Assessor-Clerk-Recorder reserves the right to report potentially fraudulent recordings to the District Attorney's Real Estate Fraud Unit.

This form must accompany any document that requires a Documentary Transfer Tax declaration, including but not limited to; Agreement for Sale; Assignment of Lease; Deed in Lieu of Foreclosure; Easement; Grant Deed; Land Contract; Lease; Memorandum of Lease;

1. LOCATION OF PROPERTY: Assessor's Parcel Number: 077-300-130 City: PORTOLA VALLEY, CA 94028
Street Address: 4 NAVAJO PLACE Document To Be Recorded: EASEMENT

2. IS THIS A FORECLOSURE OR TRUSTEE SALE? Yes No (If yes, complete this section.)

a. Is the transferee the Beneficiary or Mortgagee? Yes No

b. Please provide. Name of Trustee: _____
Date of original Deed of Trust: _____

3. IS THIS A LEASE? Yes No (If yes or no, complete this section.)

a. Is remaining term of lease, including renewal options, greater than 35 years? Yes No

b. If NO, submit a copy of the lease, or summary, or terms.

c. If YES, enter the value of the lease interest on line 9a. (For tax calculations.)

4. IS THIS A GIFT IN WHOLE OR IN PART? Yes No (If yes, give a complete explanation.)

Name of the Donor: _____

Name of the Donee: _____

Please be aware that certain gifts in excess of \$13,000 per calendar year may trigger a Federal Gift Tax. In such cases, the Transferor/Donor may be required to fill out a Form 709 (Federal Gift Tax Return) with the Internal Revenue Service. Please also be aware that the information stated on this document may be given to and used by governmental agencies, including the Internal Revenue Service.

I, as the Transferor/Donor declare under penalty of perjury that I have read the above paragraph and acknowledge that a Federal Gift Tax may be triggered.

Signature of Donor: _____ Print Donor Name: _____ Donor Phone: _____
SIGNATURE ON REVERSE STILL REQUIRED.

5. ARE YOU ADDING OR REMOVING A CO-OWNER FOR REFINANCING PURPOSES? Yes No Initial here: _____
If yes, initial to the right to indicate your agreement with the statement below and sign on reverse.

The proportional ownership interest will revert back to its original holding within one (1) month from the date of recording; otherwise I will pay the applicable transfer tax.

TRANSFER TAX AFFIDAVIT, pg. 2

6. ARE YOU MOVING TITLE INTO OR OUT OF A TRUST? Yes No / Into Out of / Revocable Irrevocable

a. Name of Trust: _____ b. Date of Trust: _____

c. Name of Trustor(s): _____

d. Name(s) of Currently Active Trustee(s): _____

e. If this transaction changes who is on title or the proportional interest of how title is held, further explanation is required and may require additional time to review.

Attach additional page(s) if necessary.

7. DO YOU CONTEND THAT NO TRANSFER TAX IS DUE FOR A REASON NOT EXPLAINED IN #1-6? Yes No
(If yes, give a complete explanation.)


a. The nature of the transaction is: DEED OF EASEMENT


b. The reason (exemption) you claim no tax is due: DEED TO PUBLIC ENTITY


8. IS THIS A TRANSFER BETWEEN LEGAL ENTITIES? Yes No

IF YES, TRANSFERS INVOLVING LEGAL ENTITIES MUST PROVIDE, PREFERRABLY ONE (1) WEEK IN ADVANCE, APPLICABLE DOCUMENTATION. SOME EXAMPLES ARE LISTED BELOW. THIS TYPE OF TRANSACTION WILL REQUIRE 1-3 BUSINESS DAYS TO REVIEW.

Entity ownership documentation is required if you are a:

 **Corporation**—A copy of the Articles of Incorporation amendments and any other documents showing the shares issued and share ownership; or

 **LLC**—A copy of the Operating Agreement, amendments, and any other documentation showing the partners and ownership percentage; or

 **Partnership**— A copy of the Partner Agreement, amendments and any other documents showing the partners and ownership percentage.

For all legal entities, provide the names of individuals and specific percentages held by each individual prior to and following the transfer.

9. **TAXABLE TRANSACTIONS:** Complete the following and calculate the tax below. Tax is calculated as \$0.55 per \$500 of line 9D. Example, \$100,000 value/\$500 increments = 200. 200 increments x \$0.55 = \$110 in tax due. You may also use \$1.10

A) Consideration paid or value. \$ _____

B) Full cash value. Less liens.

C) If less liens, loan amount assumed. \$ _____

D) Total consideration or value less liens. (Line A minus line C.) \$ _____

E) Tax due. \$ N/A

I DECLARE OR AFFIRM UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Are you the Transferee, Transferor, Both, or Representative with full knowledge of foregoing. Signature still required.

Signature of Transferee: _____

Print Name: _____

Address of Transferee: _____

Phone Number of Transferee: ()

Signature of Transferor: 

DONALD E. TURNQUIST
Print Name

4 NAVAJO PLACE
Address of Transferor:

Phone Number of Transferor: 650- () 851-8566

PORTOLA VALLEY, CA 94028
Place of Execution: (City, County, State where executed.)

SEPT. 12, 2022
Date of Execution



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

To: Board of Directors

From: Todd Reese, Office & Communications Manager

Subject: Consider Accepting Sewer Facilities Constructed Pursuant to Class 3 Sewer Permit No. 1607 for the Construction of Wastewater Facilities for 4 Navajo Place, Portola Valley, California

Background

This permit request was for the construction of a grinder pump system and force main to serve 4 Navajo Place, Portola Valley .

Analysis

The Board issued this Permit at the Regular Meeting of December 8, 2021.

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 Office & Communications Manager recommends that the Board accepts these facilities and directs the General Manager to approve the Class 3 Permit No. 1607.

Attachments: Class 3 Permit No. 1607
Exhibit A: Site map

WEST BAY SANITARY DISTRICT

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

Permit Number
1607

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

4 Nasaajo Pl Portola Valley

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

Residential Non-residential Development at said location.

ENGINEER'S

Precision Engineering
Name

1331 B Old County Rd Belmont CA 94002
Address

CONTRACTOR'S

Casey Construction
Name

619 Sylvan Way Emerald Hills CA
Address

OWNER'S

Don + Patty Tronquist
Name

4 Nasaajo Place Portola Valley
Address

A Tronquist
Applicant's Signature

A J Beck II
Signed by - Please Print Name

PO Box 4253 Carrol CA
Address

Receipt of \$ 585 Application Fee is hereby acknowledged [Signature] 43121 6/28/2021
Date

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

Comments Grinder Pump System

Approved by the District Board on _____

Application approved and permit issued:

WEST BAY SANITARY DISTRICT
Sergio Ramirez, District Manager

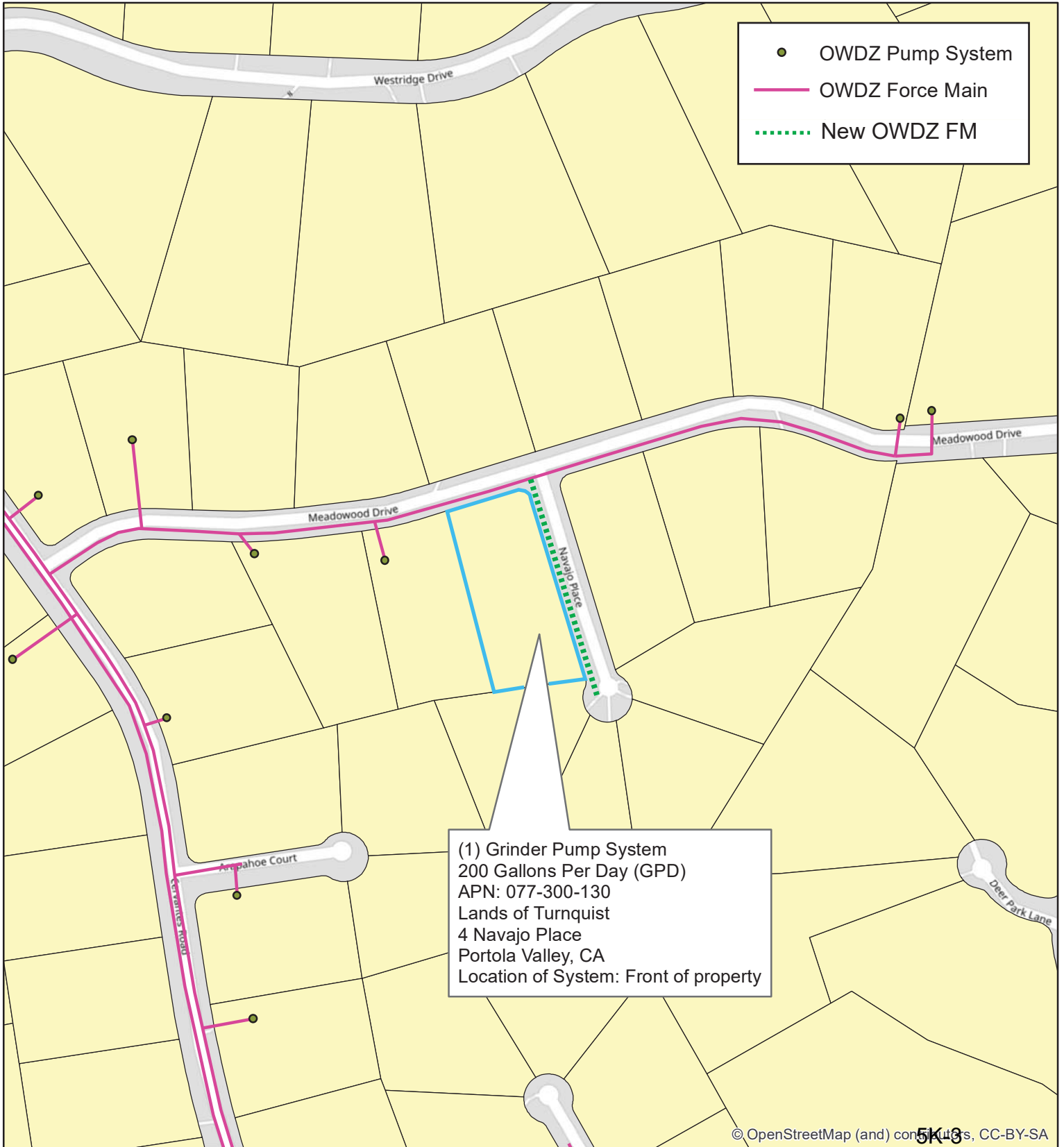
Date _____

By _____

Final Acceptance by the District Board on _____



WEST BAY SANITARY DISTRICT
EXHIBIT "B"
SITE LOCATION
4 NAVAJO PLACE
PORTOLA VALLEY, CA
GRINDER SYSTEM



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

To: Board of Directors

From: Debra Fisher, Finance Manager

Subject: Bank of the West Monthly Investment Portfolio Statements

Background

In October 2010 the District named Bank of the West as the District’s Investment advisor and approved an investment of \$5 million in available funds to establish the Emergency Capital Reserve. Subsequently, the Board has established several additional reserves to provide financial stability for the District. On June 9, 2021, the Board approved the Operating Reserve increased to six months of operations, based on the current budget, held in the Local Agency Investment Fund (LAIF), in order to have the funds more accessible. This is necessary, as Operating Reserves are intended to fund the District between July 1st and December each year, when the County of San Mateo delivers the first installment of sewer service charges collected through tax rolls, which accounts for the majority of funding.

Excess funds over the current monthly expenditures are held in Local Agency Investment Fund (LAIF), which are equivalent to cash and may earn higher yields without a long term commitment. Operating Reserves, customer deposits, current capital projects, and Solid Waste Funds are held in LAIF.

Restricted funds for Sharon Heights Golf & Country Club (SHGCC), as required for the Clean Water State Revolving Fund (SRF) loan are held in a separate account.

There are currently five separate investment reserves maintained to support the goals of the District, along with reserves held in LAIF, the Vehicle & Equipment Reserve held in a money market account, and the restricted Pension Trust and Recycled Water State Revolving Fund (SRF) Reserves. Annual contributions are made in accordance with the Board approved budget in order to reach the target balances for each reserve.

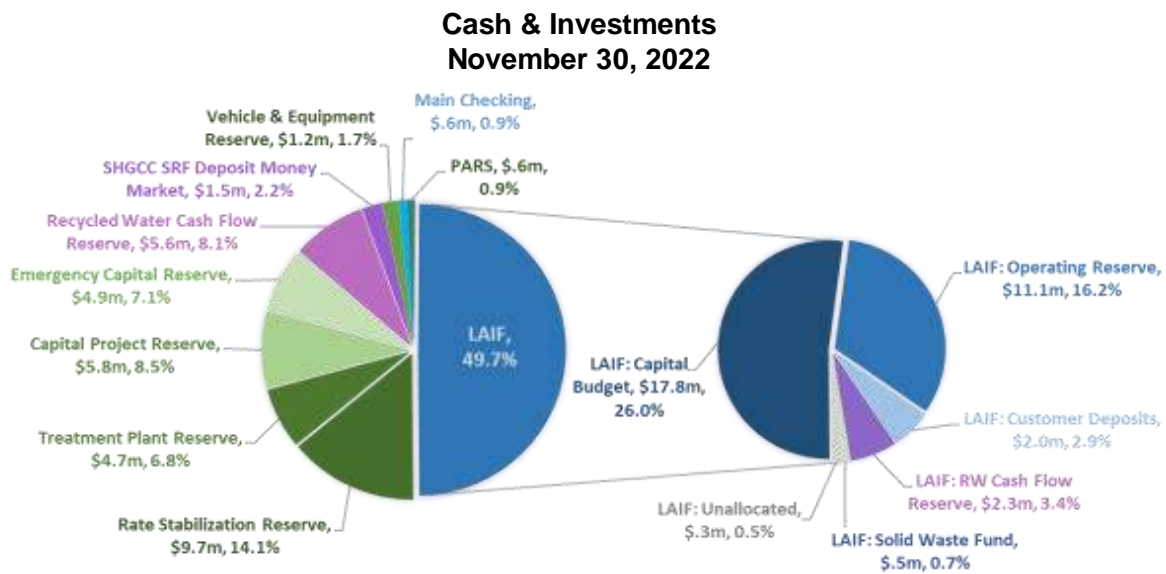
<u>Reserve Account</u>	<u>Originated</u>	<u>Target Balance</u>	<u>Target</u>
Operating Reserve	11/26/2014	\$11.1 million	Achieved
Rate Stabilization Reserve	10/30/2015	\$10 million	Unfulfilled
Treatment Plant Reserve	8/01/2021	\$12 million	Unfulfilled
Capital Project Reserve	11/26/2014	\$6 million	Unfulfilled
Emergency Capital Reserve	10/19/2010	\$5 million	Unfulfilled
Recycled Water Cash Flow	11/18/2016	\$8 million	Unfulfilled
Recycled Water SRF Reserve	3/01/2018	\$1.46 million	Achieved
Vehicle & Equipment Reserve	8/18/2011	\$1 million	Achieved

Fiscal Impact

The District has approximately \$68.7 million in all reserve and bank accounts as of November 30, 2022, including restricted funds. There are \$3.95 million in transfers in the approved FY 2022-23 Budget. Fund transfers will be completed after receipt of sewer service fees through the San Mateo County Tax Roll.

- \$35,956,604 is in cash equivalent accounts, which are used for operations, current capital expenditures, and customer deposits.
- \$30,606,878 is in unrestricted investment accounts.
- \$607,888 is in restricted Public Agency Retirement Services (PARS Trust), as of October 31, 2022 (current statement not yet available).
- \$1,516,673 is the restricted deposit held for SHGCC SRF Loan Reserves.

Effective July 1, 2022, the Operating Reserve target increased to \$11.1 million for six months of operations, based on the approved budget for Fiscal Year 2022-23. At November 30, 2022 there are five funds that are under their target balance. Four are \$701 thousand under, due to fluctuations in market values, which will be recovered as the District holds investments until they mature. The Treatment Plant Reserve, created August 1, 2021 and expected to be funded over five years, is \$7.34 million under the target.



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

Recommendation

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

Attached: 2022-11 Investments



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

To: Board of Directors

From: Todd Reese, Office & Communications Manager

Subject: Consider Resolution Accepting Deed of Easement Pursuant to Class 3 Sewer Permit No. 1024 for the Construction of Wastewater Facilities for 214 Grove Drive, Portola Valley, California

Background

The District requires an easement to maintain the flow from the Grinder system that serves 214 Grove Drive. The easement includes ingress and egress to the location of the Grinder system and is conforming to District specifications.

Recommendation

The Office & Communications Manager recommends that the Board adopt the attached Resolution accepting the Deed of Easement.

Attachments: Resolution ____ (2022), Grant Deed of Easement

RESOLUTION NO. _____ (2022)

IN THE DISTRICT BOARD OF THE WEST BAY SANITARY DISTRICT

COUNTY OF SAN MATEO, STATE OF CALIFORNIA

BE IT RESOLVED that the President and Secretary of the West Bay Sanitary District be and are hereby authorized to accept the attached Grant Deed of Easement by and between the following parties:

Elizabeth Peck Repass Homes, Trustee of the Elizabeth Peck Repass Holmes Family Trusted
dated June 27, 2016

BE IT FURTHER RESOLVED that the General Manager is hereby directed to place the same on record.

Passed and adopted by the District Board of the West Bay Sanitary District at a regular meeting thereof held on the 14th day of December, 2022, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

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

Attest:

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

RECORDING REQUESTED BY:
WEST BAY SANITARY DISTRICT

WHEN RECORDED MAIL TO:
WEST BAY SANITARY DISTRICT
500 LAUREL STREET
MENLO PARK, CA 94025

Title Order No. N/A
Escrow No. N/A
Parcel No.

GRANT DEED OF EASEMENT

THE UNDERSIGNED GRANTOR(S) DECLARE(S):

DOCUMENTARY TRANSFER TAX is \$0 CITY TAX is \$0 **DEED TO PUBLIC AGENCY**

computed on the full value of the property conveyed, or

computed on full value less value of liens or encumbrances remaining at the time of sale,

this is a conveyance of an easement and the consideration and value is less than \$100, R & T 11911 & R&T 11922.

Unincorporated area of San Mateo County

City/Town of _____

FOR NO CONSIDERATION, receipt of which is hereby acknowledged, I (we)

Elizabeth Peck Repass Holmes, Trustee of the Elizabeth Peck Repass Holmes Family Trust dated June 27, 2016

Hereby GRANT(S) to:

West Bay Sanitary District, a Public Agency organized and existing under the laws of the State of California,

A perpetual easement to construct, install, maintain, use, repair, remove, replace any and all pipeline, fittings, and related facilities necessary for the operation of a wastewater conveyance system in the area described as follows over the following described real property in the Town of Portola Valley, County of San Mateo, State of California; more particularly described in Exhibit "A" and "B", attached hereto, and by this reference incorporated herein.

West Bay Sanitary District, its employees and agents shall have the right to enter upon the herein described real property at any and all times with such tools and equipment as may be necessary or convenient for the exercise of the rights herein granted to West Bay Sanitary District.

No building or structure of any kind shall be constructed upon the herein described easement, and should a building or structure be erected in violation of this provision, West Bay and its successors and assigns may still exercise all rights herein granted and shall have the right to remove, or cause grantor to remove, at Grantors expense, any building or structure that may be erected upon or over the said parcel of real property. West Bay Sanitary District shall not be held liable in any manner whatsoever for any damages thereby incurred, nor shall West Bay have any obligation to replace any structure that may be removed from said property.

This grant of easement shall be binding upon and shall inure to the benefit of the respective administrators, executors, personal representatives, successors and assigns of the parties hereto.

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBITS "A" AND "B" MADE A PART HEREOF

Also Known As: **214 GROVE DRIVE, PORTOLA VALLEY, CA**

Assessor's Parcel Number: **079-030-150**

Executed on December 2, 2022 at Menlo Park, CA
(City and State)

~~Elizabeth Peck Repass Holmes~~
Printed Name Elizabeth Peck Repass Holmes
Signature

Executed on _____ at _____
(City and State)

Printed Name _____

**PLEASE SEE
NOTARY ATTACHMENT**
(ATTACH NOTARY CERTIFICATE)

Signature(s) _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

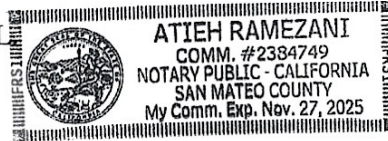
State of California

County of San Mateo

On Dec 2nd / 2022 before me, Atieh Ramezani, Notary Public, personally appeared Elizabeth Peck Repass Holmes

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under Penalty of Perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS MY HAND AND OFFICIAL SEAL



Signature of Notary Public

(Notary Seal)

OPTIONAL INFORMATION

The acknowledgment contained within this document is in accordance with California law. Any certificate of acknowledgment performed within the State of California shall use the preceding wording pursuant to Civil Code section 1189. An acknowledgment cannot be affixed to a document sent by mail or otherwise delivered to a notary public, including electronic means, whereby the signer did not personally appear before the notary public, even if the signer is known by the notary public. In addition, the correct notarial wording can only be signed and sealed by a notary public. The seal and signature cannot be affixed to a document without the correct notarial wording.

DESCRIPTION OF ATTACHED DOCUMENT

CAPACITY CLAIMED BY SIGNER

Grant Deed of Easement
(Title of document)
Number of Pages 2 (Including acknowledgment)
Document Date 12/02/22

- Individual
- Corporate Officer
- Partner
- Attorney-In-Fact
- Trustee
- Other: _____

EXHIBIT A

**INGRESS/EGRESS AND MAINTENANCE EASEMENT
TO THE WEST BAY SANITARY DISTRICT
214 GROVE DRIVE (APN 079-030-150)
PORTOLA VALLEY, CALIFORNIA**

That real property being all of Lot 22 and a portion of Lot 23, as shown on that certain map entitled "Tract No. 608 – Stonegate, Subdivision of a Portion of Corte Madera Rancho" filed in the office of the County Recorder of San Mateo County, State of California, on September 29, 1948, in Volume 29 of Maps at Pages 31-33, being more particularly described as follows:

BEGINNING at the northerly-most corner of said parcel; thence, proceeding clockwise South 63°16'00" East, 91.80 feet; to the **TRUE POINT OF BEGINNING**, thence the following courses and distances:

- (1) South 63°16'00" East, 18 feet; thence,
- (2) South 26°44'00" West, 10 feet; thence,
- (3) North 63°16'00" West, 18 feet; thence,
- (4) North 26°44'00" East, 10 feet to the **TRUE POINT OF BEGINNING**.

Containing 180 square feet, more or less.



September 12, 2022



SCALE
1" = 50'

GROVE DRIVE

TRUE POINT OF BEGINNING

POINT OF BEGINNING

S65°50'00"E
84.77'

S63°16'00"E
131.51'

S63°16'00"E
91.80'

S63°16'00"E
91.80'

WEST BAY
SANITARY DISTRICT
MAINTENANCE AND
INGRESS/EGRESS
EASEMENT

LINE TABLE

L1	S63°16'00"E	18'
L2	S26°44'00"W	10'
L3	N63°16'00"W	18'
L4	N26°44'00"E	10'

N24°10'00"E
214.02'

214 GROVE DRIVE
APN: 079-030-150

LEGEND

- PARCEL BOUNDARY LINE
- EXISTING PROPERTY LINE
- - - - INGRESS/EGRESS EASEMENT

GROVE DRIVE

N24°27'00"E
125.97'

S63°16'00"E
169.96'

S63°16'00"E
148.42'

N59°46'10"E
34.57'

TOWN OF PORTOLA VALLEY 9/12/22



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

EXHIBIT B
PLAT TO ACCOMPANY
LEGAL DESCRIPTION

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
JENNIFER L. WALKER, ESQ.
LEACH AND WALKER, A P.C.
24591 SILVER CLOUD COURT, SUITE 250
MONTEREY, CA 93940

2021-022850

5:00 pm 02/10/21 DE Fee: 23.00
Count of Pages 3
Recorded in Official Records
County of San Mateo
Mark Church
Assessor-County Clerk-Recorder

3



APN: 079-030-150

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

The undersigned grantor(s) declare(s): **This transfer is exempt from the Housing Fee per GC sec 27388.1(a)(2); transfer of real property that is a residential dwelling to an owner-occupier.**

Documentary transfer tax is \$... -0-... **No tax consequence.** ~~Intervenor transfer for no consideration~~

() computed on full value of property conveyed, or **R&T C 11930** Gift deed

() computed on full value less value of liens and encumbrances remaining at time of sale.

() Unincorporated area: (x) City of Portola Valley

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

RANDOLPH K. REPASS, Trustee of the RANDOLPH K. REPASS 1996 REVOCABLE TRUST
dated June 25, 1996

hereby grants to

ELIZABETH PECK REPASS HOLMES, Trustee of the ELIZABETH PECK REPASS HOLMES FAMILY
TRUST dated June 27, 2016

All of the Grantors' interest in the following described real property in the County of San Mateo, State of California:

See Exhibit A attached hereto and made a part hereof

Commonly known as: 214 Grove Drive, Portola Valley, CA 94028

RANDOLPH K. REPASS 1996 REVOCABLE TRUST dated June 25, 1996

Date: December 9, 2020

RANDOLPH K. REPASS, Trustee

Mail Tax Statements to: Elizabeth Peck Repass Holmes, Trustee
214 Grove Drive, Portola Valley, CA 94028

ACKNOWLEDGMENT

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

STATE OF CALIFORNIA <
< ss.
COUNTY OF SANTA CRUZ <

On December 9, 2020, before me, KELLY A. NICHOLAS, Notary Public, personally appeared RANDOLPH K. REPASS who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted executed the instrument.

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

WITNESS my hand and official seal.

Signature: *Kelly A. Nicholas*
Notary Public, State of California

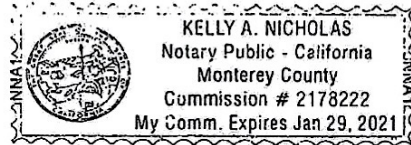


Exhibit A

THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL I:

ALL OF LOT 22, AS DESIGNATED ON THE MAP ENTITLED "TRACT NO. 608 STONEGATE SUBDIVISION OF A PORTION OF CORTE MADERA RANCHO SAN MATEO COUNTY, CALIFORNIA," WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATES OF CALIFORNIA, ON SEPTEMBER 29, 1948 IN BOOK 29 OF MAPS, AT PAGES 31, 32 AND 33.

PARCEL II:

A PORTION OF LOT 23, AS DESIGNATED ON THE MAP ENTITLED "TRACT NO. 608 STONEGATE SUBDIVISION OF A PORTION OF CORTE MADERA RANCHO SAN MATEO COUNTY, CALIFORNIA", WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON SEPTEMBER 29, 1948 IN BOOK 29 OF MAPS AT PAGES 31, 32 AND 33.

BEGINNING AT THE MOST NORTHERLY CORNER OF LOT 23, AS SHOWN ON THE AFOREMENTIONED MAP; THENCE FROM SAID POINT OF BEGINNING SOUTH 63° 16' EAST 20.00 FEET ALONG THE LINE BETWEEN LOTS 22 AND 23, AS SHOWN ON SAID MAP; THENCE LEAVING SAID LINE SOUTH 59° 46' 10" WEST 34.57 FEET TO A POINT ON THE NORTHEASTERLY LINE OF GROVE DRIVE AS SHOWN ON AFOREMENTIONED MAP; THENCE ALONG SAID NORTHEASTERLY LINE NORTH 24° 27' EAST 29.00 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 079-030-150

When embossed, this is certified to be a true copy of the records of the San Mateo Assessor-County Clerk-Recorder.

Mark Church, Assessor-County Clerk-Recorder

By _____



5M-10

NOV 14 2022



To: Board of Directors
From: Sergio Ramirez, General Manager
Subject: General Manager's Report

1) Administrative:

- a. Freyer and Laureta Inc. assisted Staff and the Master Plan Committee with the review of the 2023 Master Plan proposals.
- b. The CSRMA Pooled Liability Committee recommended to move from a pooled liability from \$500 thousand to \$750 thousand self-insurance reserve. This could have a significant savings and allows for a 5.68% annual increase rather than the expected 13.43%. During the meeting it was reported that agencies are still experiencing Inflow and Infiltration issues during large storms. The Committee recommended CSRMA staff look at incentivizing those agencies to upsize pipelines to limit wet weather related claims. Lastly, it was reported the Employment Practice Liability Incentive Program will require deductibles to move from \$25K to \$50. However, if staff participates in CSRMA training, deductibles will remain at \$25K.
- c. Developers have been inquiring about projects in the Town of Atherton and Portola Valley related to the towns' housing element. Both have asked if the District has capacity to support their expected growth. More information will need to be provided to the District prior to addressing capacity.

2) Finance:

- a. Finance Manager, Debra Fisher and the Auditors completed FY22/23's audit.

3) CIP Projects:

a. Construction Capital Improvement Program (CIP):

- i. The Bayfront Park Sewer Improvements Project was awarded to Ranger Pipelines Inc. Construction should begin in the next 60 days.
- ii. Construction began for the public sewer main project at the intersection of Ravenswood and Laurel St.
- iii. Two pipeline segments in an easement at Albern Street and Menalto Avenue will be replaced. The project was approved by the Board at the September 14th Regular Board Meeting.

b. Levee Improvement Project:

- i. The District is expecting to receive permits from the United States Army Corps of Engineers' (USACE) by the end of 2022 so the project can go to bid by January 2023.

Report to the District Board for the Regular Meeting of December 14, 2022

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

- 4) **Information Technology (IT):**
 - a. Staff will begin migrating to Microsoft Office 365 in early 2023.
- 5) **Operations and Maintenance:**
 - a. **Collection System:**
 - i. Crews have been cleaning pipelines to avoid Sanitary Sewer Overflows (SSOs).
 - b. **Pump Facilities:**
 - i. The vendor to the ISAC System, which uses telephone lines and dial-up modems to communicate alarms, will no longer support the system.
 - c. **Training:**
 - i. Staff will receive training on the updated Sewer System Management Plan (SSMP) before the end of the year. The SSMP was approved by the Board of Directors on September 28, 2022.
- 6) **Water Quality:**
 - a. **Sharon Heights Golf and Country Club (SHGCC):**
 - i. SHGCC has obtained an estimate from a contractor for the Avy Altschul Pump Station Project. The cost of the project is now estimated to be \$750 to \$950 thousand.
 - ii. The West Bay/SHGCC facility produced 5.9 million gallons for the month of November, however, only 310,000 gallons were received by the Club. The facility is not producing at a minimum level.
 - b. **Bayfront Recycled Water Facility (BRWF):**
 - i. The State's SRF program has added the Bayfront Reclaimed Water Facility project to its Intended Use Plan. The initial approval is for \$52 million. Staff may be requesting for additional funds.
 - ii. The Board should consider approving the Project Management Agreement with Woodard and Curran to obtain a 30% design and assist in securing a Guaranteed Maximum Price (GMP) by a qualified design build team.
 - iii. The City of Menlo Park approved the Recycled Water Purveyor MOU on December 6, 2022. This will establish the District as the reclaimed water provider for the Bayfront Recycled Water Facility within the City's municipal water service area.
 - c. **Woodside Recycled Water Facility (BRWF):**
 - i. The Woodside Recycled Water Facility feasibility is underway.
- 7) **Fleet and Facilities:**
 - a. **Vehicle Maintenance:**
 - i. The District received its half inch hydro jetter and is being outfitted with traffic control lights and a radio.
- 8) **Personnel:**
 - i. The recruitment for the Project Manager position was successful.
 - ii. The Associate Engineering job interviews will take place on December 20th.

Report to the District Board for the Regular Meeting of December 14, 2022

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

9) **Upcoming Events:**

- a. **Next Regular Board Meetings:** Wednesdays, January 11th and 25th. The Board should consider canceling the December 28th Regular Board Meeting because of the Holiday.

10) **Misc. Items:**

- a. **West Bay:** The District has experienced 2 sanitary sewer overflow (SSO) in 2022.
- b. **Town of Los Altos Hills:** Crews continue to clean and video inspect the Town's system.
- c. **Town of Woodside:** Crews will be cleaning the entire system for the Town at the end of the year.

Report to the District Board for the Regular Meeting of December 14, 2022

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

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 7**

To:*Board of Directors*

From:*Sergio Ramirez, General Manager*

Subject:*Discussion and Direction with the Finance Advisory Committee*

Members of the Finance Advisory Committee will give a report on their recent meeting with Chaven Associates regarding the annual audit, the General Manager, and the Finance Manager.

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WEST BAY SANITARY DISTRICT AGENDA ITEM 8

To: *Board of Directors*

From: *Sergio Ramirez, General Manager*
Debra Fisher, Finance Manager

Subject: *Consider Adopting the District's Audited Financial Statements for the Year Ended June 30, 2022*

Background

The District contracted with Chavan & Associates, LLP to conduct the FY 2021-22 audit. The final draft of the audited Financial Statements prepared by Chavan & Associates, LLP is attached.

Analysis

The result of the audit, as stated in the report, indicated there were no deficiencies identified in internal control over financial reporting that were considered to be material weaknesses. The auditors express that the financial statements present fairly the financial statements of the District.

Fiscal Impact

The Change in Net Position from the prior year's audited financial statements is a net increase of \$15,938,622, including the prior period adjustments of \$1,303,206, and an ending Net Position of \$159,939,775.

Recommendation

The General Manager and the Finance Manager recommend the District Board adopt the audited financial statements for the year ended June 30, 2022.

Attachments: 2021-22 WBSD Financial Audit Report
 2021-22 WBSD Governance Communications

WEST BAY SANITARY DISTRICT

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2022**

* * *



Chavan & Associates, LLP
Certified Public Accountants
15105 Concord Circle, Ste 130
Morgan Hill, CA 95037

West Bay Sanitary District

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
West Bay Sanitary District
Menlo Park, California

Report on the Financial Statements

We have audited the accompanying financial statements of the West Bay Sanitary District (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the West Bay Sanitary District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

District management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAGAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of pension contributions - CalPERS, schedule of proportionate share of net pension liability, and schedule of OPEB contributions, and schedule of changes in net OPEB liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential



part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited the District's June 30, 2021 financial statements, and we expressed unmodified audit opinions on the respective financial statements in our report dated November 22, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

C & A LLP

November 22, 2022
Morgan Hill, California

MANAGEMENT'S DISCUSSION AND ANALYSIS

West Bay Sanitary District
Management's Discussion and Analysis
June 30, 2022

Management's Discussion & Analysis

The West Bay Sanitary District (District) is a Special District for the State of California providing 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 has been serving the community since 1902, expanding over the years to operate and maintain 216 miles of pipeline and 12 pump stations. The District also operates the Sharon Heights Recycled Water Facility (SHRWF) with one influent pump station, 89 step/grinder private pumps for customers in the Portola Valley area, and 60 miles of pipeline and four pump stations for the Towns of Los Altos Hills and Woodside.



Mission Statement

The West Bay Sanitary District is dedicated to protecting the public health and the environment by providing cost effective sanitary sewer service.

We are committed to providing our customers with wastewater disposal services utilizing the highest technical, environmental, and safety standards available; to providing the very best customer service; to ensuring the fiscal viability of our District by applying sound business principles and to ensuring the optimum operation of our infrastructure by employing professional maintenance and replacement practices.

Overview of the Financial Statements

The District has issued its financial statements for the fiscal year ended June 30, 2022, in conformity with the format prescribed by the provisions of the Governmental Accounting Standards Board (GASB). For financial reporting purposes, the District operates as a special-purpose government engaged in business type activities, following accrual accounting methods, similar to those of non-profit organizations. The District is governed by five at large elected Board of Directors, serving four year terms.

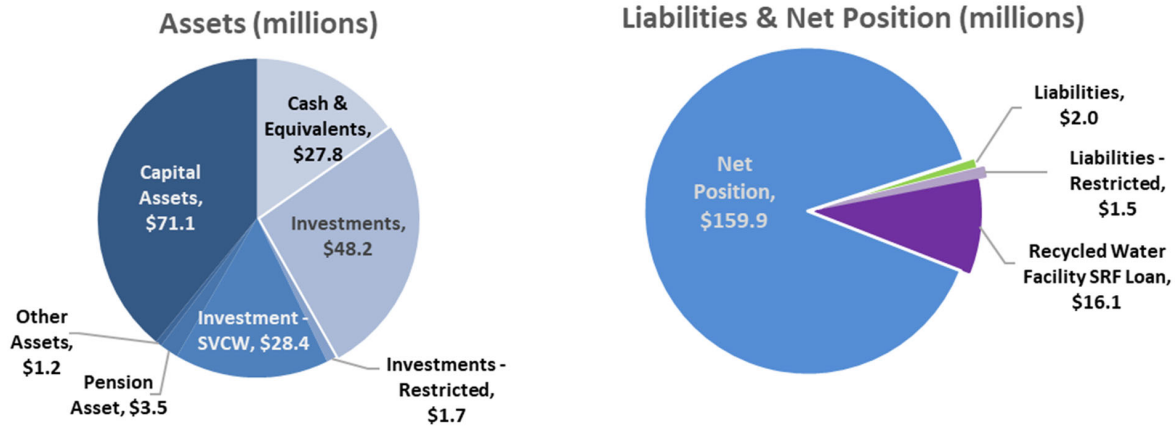
This financial report includes three parts: management's discussion and analysis, the basic financial statements, and supplemental information.

- The basic financial statements include the Statement of Net Position; Statement of Revenues, Expenses, and Change in Net Position; and Statement of Cash Flows, for the combined operations of the District for the fiscal years ended June 30, 2022 and 2021. The notes to the basic financial statements are an integral part of the basic financial statements and provide details on accounting policies, assets, and other information in the statements.
- Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as presented in the table of contents, be presented to supplement the basic financial statements.

West Bay Sanitary District
Management's Discussion and Analysis
 June 30, 2022

Financial Analysis of the District

Net Position



The Statement of Net Position summary is provided in Table 1 to highlight the changes from June 30, 2021 to June 30, 2022. The District's total net position increased by \$15.9 million, or 11%, predominately from an increase in investments and valuation of the District's share of the California Public Employees' Retirement System (PERS) Miscellaneous Pool after payoff of the Unfunded Accrued Liability (UAL) in FY 2020-21, resulting in a \$3.49 million pension assets, as of June 30, 2022.

Current assets increased as the District transferred \$4.1 million to fund investment reserves to target levels, which have been invested in short-term securities as long-term yields are unattractive. The District holds restricted funds for Sharon Heights Golf & Country Club's (SHGCC) deposit for the California Clean Water State Revolving Fund (SRF) Loan in a money market account, as requested by SHGCC representatives.

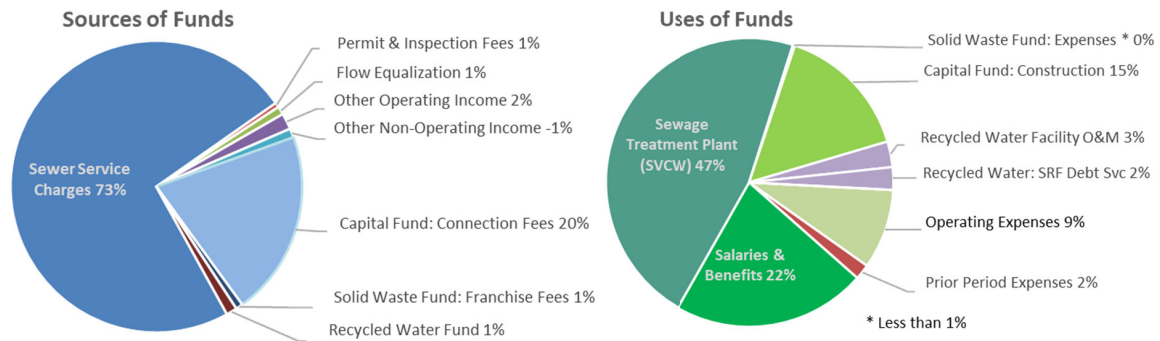
The position in the Silicon Valley Clean Water (SVCW) is based on the unaudited, Analysis of Net Position [by member] for year ended June 30, 2022. Capital Assets, net of depreciation, increased by \$230 thousand with capital additions of net \$2.5 million and depreciation of \$3.6 million. The District wrote off \$1.77 million in assets under \$20 thousand, with \$1.3 million in accumulated depreciation. Total liabilities decreased by \$2.27 million primarily due to reconciliations of customer deposits and connection fees for SVCW capital.

Table 1
Statement of Net Position

	FY 2021-22	FY 2020-21	Change	Percentage
Assets				
Current Assets	59,079,334	51,317,398	7,761,937	15%
Non-Current Assets	122,957,418	114,443,091	8,514,327	7%
Total Assets	182,036,752	165,760,489	16,276,264	10%
Deferred Outflows of Resources	242,338	132,838	109,500	82%
Current Liabilities	2,534,633	3,496,040	(961,407)	-27%
Non-Current Liabilities	17,082,437	18,392,345	(1,309,908)	-7%
Total Liabilities	19,617,070	21,888,385	(2,271,315)	-10%
Deferred Inflows of Resources	2,722,245	3,788	2,718,457	71765%
Net Position	159,939,775	144,001,153	15,938,622	11%

West Bay Sanitary District
Management's Discussion and Analysis
June 30, 2022

Changes in Net Position



The Statement of Revenue, Expense, & Changes in Net Position by Fund in Table 2 compares the Operating and other activities in Fiscal Year 2021-22 and 2020-21. Operating revenues decreased by 4% due to a 28% decrease in non-residential sewer service charges and 20% increase in other revenues. Total General Fund operating expenses, which include collection, general administration, and depreciation, decreased \$600 thousand or 3% from the prior year. The District's salary and benefits decreased 5%, even with union negotiated wage increases of 4%, due to open positions.

Sewage Treatment Plant is the wastewater transmission, treatment, and effluent disposal services is provided by Silicon Valley Clean Water (SVCW), formerly South Bayside System Authority, which was created in 1975 under a Joint Exercise of Powers Agreement to construct and operate a sewage treatment facility at Redwood Shores for the District and the cities of Belmont, San Carlos, and Redwood City. As a member of SVCW, the District is liable for its share of the operating expenses and debt. For the year ending June 30, 2022, the District's share was 23.06%. Sewer treatment plant expense includes all funds paid to or on behalf of SVCW decreased 4%.

The Capital Fund received connection fees of \$7.44 million, were almost 68 times higher than the prior year. The Solid Waste Fund represents the net solid waste collection franchise fees from Recology and direct expenses. The Recycled Water Fund represents the net activity for the Sharon Heights Recycled Water Facility (SHRWF), which is a partnership with Sharon Heights Golf & Country Club (SHGCC) to provide recycled water for irrigation and a proposed Bayfront Recycled Water Facility (BFRWF).

Table 2
Statement of Revenue, Expense, & Change in Net Position

	FY 2021-22	FY 2020-21	Change	Percentage
Operating Revenues	31,049,135	32,279,613	(1,230,478)	-4%
Operating Expenses	(12,246,437)	(12,632,995)	386,558	-3%
Sewage Treatment Plant (SVCW)	(12,233,027)	(12,740,977)	507,950	-4%
Operating Income (Loss)	6,569,671	6,905,641	(335,969)	-5%
Non-Operating Rev / Exp	(979,520)	1,208,428	(2,187,948)	-181%
Income Before Contributions & Special Items	5,590,152	8,114,069	(2,523,917)	-31%
Pension Adjustment (GASB 68)	937,667	-	937,667	
Recycled Water Fund: Capital Contribution	662,911	662,911	-	0%
Capital Fund: Connection Fees	7,444,686	110,097	7,334,589	6662%
Change in Net Position	14,635,416	8,887,077	5,748,339	65%
Prior Period Adjustment	1,303,206	(755,728)	2,058,934	-272%
Change in Net Position - Adjusted	15,938,622	8,131,349	7,807,273	96%

West Bay Sanitary District
Management's Discussion and Analysis
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Budgetary Highlights

The District adopted the annual budget for fiscal year 2021-22 on June 8, 2022, after reviewing at a Budget Workshop with the Board of Directors on May 9, 2022. The budget is prepared on the accrual basis of accounting by Fund for operations and includes planned capital expenditures for the year and capital carry-overs from the prior year. The District maintains separate long-term financial plans for vehicle and equipment replacement and multi-year capital projects. Table 3 shows a comparison of actual to budget for the General Fund and net of other Funds for the year ended June 30, 2022.

District operating revenue was 0.25% over budget. Total operating expenses were 10% under budget. Sewage treatment expenses were 1% lower than expected, due to refinancing of debt.

The Recycled Water Fund receives a flat contribution from SHGCC each year of \$662.9 thousand to cover the annual SRF loan payment. Connection fees to the Capital Fund soared were almost 30 times the approved budget.

Table 3
Actual vs. Budget Report

	FY 2021-22	Budget	Variance	Percentage
Operating Revenues	31,049,135	30,972,898	76,238	0%
Operating Expenses	(12,246,437)	(13,677,563)	1,431,126	-10%
Sewage Treatment Plant (SVCW)	(12,233,027)	(12,396,490)	163,462	-1%
Operating Income (Loss)	6,569,671	4,898,845	1,670,826	34%
Non-Operating Rev / Exp	(979,520)	193,949	(1,173,469)	-605%
Income Before Contributions & Special Items	5,590,152	5,092,794	497,357	10%
Pension Adjustment (GASB 68)	937,667	-	937,667	
Recycled Water Fund: Capital Contribution	662,911	662,911	-	0%
Capital Fund: Connection Fees	7,444,686	250,000	7,194,686	2878%
Change in Net Position	14,635,416	6,005,705	8,629,710	144%
Prior Period Adjustment	1,303,206	-	1,303,206	
Change in Net Position - Adjusted	15,938,622	6,005,705	9,932,917	165%

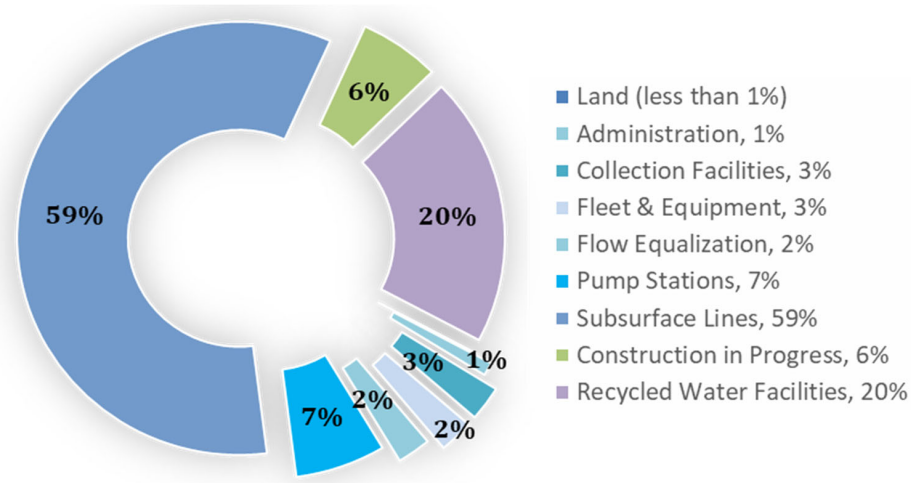
The District has \$41 million in Capital Budget balance, including \$27.6 million in carryover from fiscal year 2020-21 and \$13 million increase from fiscal year 2021-22. The Capital Fund is comprised of the net increase in the General Fund, less current capital expenditures, plus interest, and funds contributed or transferred to fund capital projects. Table 4 summarizes the capital budget for the fiscal year ended June 30, 2022. Capital project expenditures were \$9.4 million under budget as a result of delays caused by county and state shutdowns due to the COVID-19 pandemic.

Table 4
Capital Budget
Actual vs. Budget Report

	FY 2021-22	Budget	Variance	Percentage
Transfer from Operations	10,664,195	9,368,697	(1,295,499)	-12%
Capital Expenditures	(4,329,484)	(13,751,750)	(9,422,266)	218%
State Revolving Fund	-	-	-	
Connection Charges	7,444,686	250,000	(7,194,686)	-97%
Interest Income	(372,312)	350,000	722,312	-194%
Transfers to Capital Reserves	-	2,871,315	2,871,315	
Change in Capital Budget	13,407,085	(911,738)	(14,318,823)	-107%
Beginning Capital Budget Balance	27,659,548	41,066,633	13,407,085	48%
Ending Capital Budget Balance	41,066,633	40,154,895	(911,738)	-2%

West Bay Sanitary District
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June 30, 2022

Capital Assets



Capital Assets increased 2% before depreciation and were flat net of accumulated depreciation. The District had capital expenditures of \$4.3 million, including \$4.1 million for capital projects for administration, collection facilities, vehicles and equipment, and replacement and rehabilitate of sewer infrastructure. The SHRWF was completed and accepted on July 27, 2020, with the District assuming management on January 27, 2021. SHRWF was funded by a State of California, Clean Water State Revolving Fund (CWSRF) loan of \$17.3 million and Water Recycling Funding Program (WRF) \$5.26 million grant. Additionally, the District expended \$326 thousand on the Bayfront Recycled Water Facility Project, which is still in the planning phase. Table 5 shows a summary of capital assets owned by the District as of June 30, 2022.

Table 5
Capital Assets

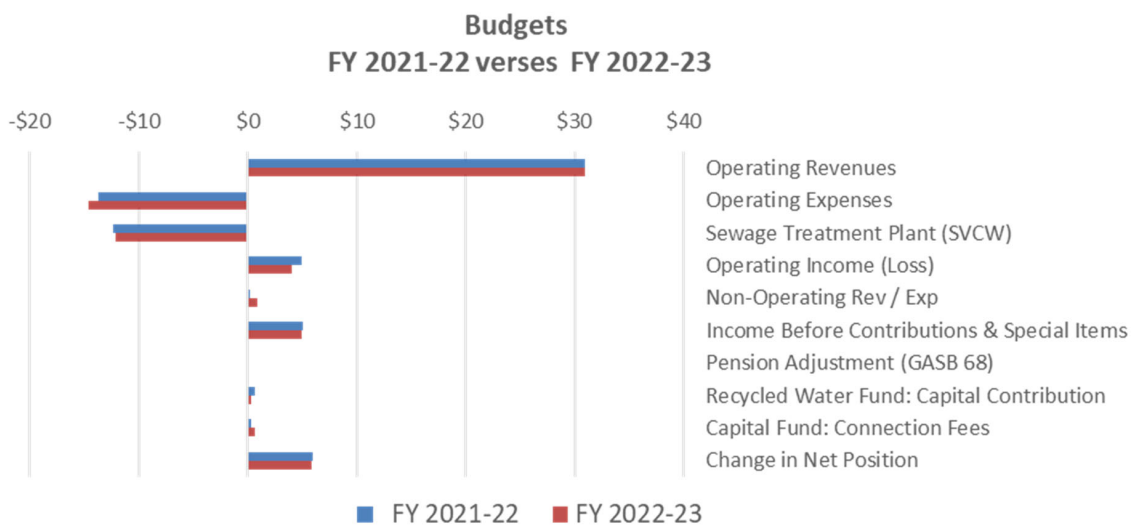
Assets	FY 2021-22	FY 2020-21	Change	Percentage
Land	44,467	44,467	-	0%
Construction in Progress	6,631,205	2,367,198	4,264,007	180%
Pump Stations	7,413,864	7,916,203	(502,339)	-6%
Fleet & Equipment	2,814,646	3,006,893	(192,247)	-6%
Administration	1,127,140	1,381,277	(254,137)	-18%
Flow Equalization	2,776,288	3,049,594	(273,306)	-9%
Collection Facilities	2,930,433	2,884,719	45,714	2%
Subsurface Lines	66,097,994	66,671,137	(573,143)	-1%
Recycled Water Facilities	22,647,052	22,647,052	(0)	0%
Capital Assets	112,483,090	109,968,540	2,514,549	2%
Depreciation	(41,340,145)	(39,056,193)	(2,283,952)	6%
Net Capital Assets	71,142,944	70,912,347	230,597	0.3%

West Bay Sanitary District
Management's Discussion and Analysis
June 30, 2022

Future Budget

The District is governed in part by provisions of the California Constitution that require the District to set rates that cover only the costs of operation and maintenance (O&M), and capital. General economic conditions have a limited effect on the District for sewer service charges. Accordingly, the District sets the sewer rates to its users to cover the costs of O&M and strives to stabilize capital costs with a ten year Master Plan and reserves for Rate Stabilization and Capital.

The District provides an essential government function, therefore essential sanitary and sewer services continued during the shutdown due to the COVID-19 Declaration of National Emergency and Shelter in Place Orders effective March 19, 2020, with minimal disruption, completing 100% of internal maintenance and performance goals for 2020, 98% in 2021, and 98% in 2022.



While the District continued to operate, the shutdown effected vendors, resulting in higher costs for personal protective equipment (PPE) and some delays, especially in capital projects. Construction costs have continued to rise and have shortages, causing delays and occasionally requiring postponement of a capital project. Renewal in private construction resulted in high connection fees in FY 2021-22 and anticipated increases in future sewer service charges. Many commercial customers were shutdown over the prior two years, resulting in lower water usage, which reduces sewer service charges in the following year. Non-residential charges are not expected to rebound until FY 2023-24. Non-residential customers represented 3% of all customers and 17% of revenue, in FY 2021-22, down from 23% in FY 2020-21, while the number of commercial customers is unchanged. Sewer Service Fees for residential customers are not impacted, as they pay flat rates. The District increased sewer service charges 2.5% effective 7/1/2021 and 2% effective 7/1/2022. Table 6 shows a budget comparison from fiscal year 2021-22 to fiscal year 2022-23. The District anticipates flat Operating Revenues for fiscal year 2022-23. Operating Expenses are expected to rise 7% for fiscal year 2022-23.

Sewage Treatment Plant (SVCW) expenses will decrease due to refinancing of debt by SVCW in FY 2020-21, to take advantage of lower interest rates, and reduced flows from the District.

Non-Operating Revenue budget increased to account for interest income and changes in market value on the \$40 million in District reserves and \$76 million in total cash and investments, as of June 30, 2022.

West Bay Sanitary District
Management's Discussion and Analysis
June 30, 2022

Table 6
Budget Reports

	FY 2021-22	FY 2022-23	Change	Percentage
Operating Revenues	30,972,898	30,887,959	(84,938)	0%
Operating Expenses	(13,677,563)	(14,674,382)	(996,819)	7%
Sewage Treatment Plant (SVCW)	(12,396,490)	(12,177,351)	219,139	-2%
Operating Income (Loss)	4,898,845	4,036,227	(862,619)	-21%
Non-Operating Rev / Exp	193,949	853,468	659,519	77%
Income Before Contributions & Special Items	5,092,794	4,889,694	(203,100)	-4%
Recycled Water Fund: Capital Contribution	662,911	250,000	(412,911)	-165%
Capital Fund: Connection Fees	250,000	662,911	412,911	62%
Change in Net Position	6,005,705	5,802,605	(203,100)	-4%

Factors Bearing on the Future

The District is committed to its mission of protecting public health and the environment. As part of that mission, the District has worked with local partners to build and operate recycled water facilities. Beyond the benefits of providing recycled water for landscaping and other uses, recycling water from the District system reduces future processing costs to all sewer service customers, by reducing flows and ultimately discharges destined to the San Francisco Bay.

The Sharon Heights Recycled Water Facility (SHRWF) project was completed in FY 2020-21 and accepted effective July 27, 2020, for a total of \$22,647,052 to build the 0.5 million gallons per day (MGD) recycled water capacity. \$22,267,257 was received from the California Clean Water State Revolving Fund (SRF), including a \$5,259,800 Water Recycling Funding Program Construction Grant and a net SRF Loan of \$17,117,420. The SHRWF is a public-private partnership with SHGCC, who reimburses O&M expense and makes capital contributions to cover the annual SRF loan payments. The first SRF loan payment was made in March 2021, with a current balance of \$16,119,635, as of June 30, 2022. In 2021-22, 97.1 MG were treated and 61.6 million gallons of recycled water were delivered to the SHGCC pond for irrigation.

The District is currently designing a new 0.6 MGD recycled water treatment and distribution facility, with the ability to expand to 0.8 MGD, on the Flow Equalization and Resource Recovery Facility (FERRF) site. The District was awarded a \$15 million grant from the California State Water Recycling Funding Program (WRFP), representing 35% of projected construction costs of \$56.6 million and an initial \$37 million SRF loan. The grant may increase, based on final construction costs, currently projected as \$66.8 million. The District has identified interested developers for 56% of the capacity, with 44% remaining for existing and new customers, with a cash estimate for the District of \$8.8 million, excluding land and existing infrastructure value.

In December 2018, the District Board provided direction to include a “Living Shoreline” to levee improvement plans to enhance the shoreline, while providing flood and sea level rise protection at FERRF. As part of a regional effort to extend resilient living shoreline around San Francisco Bay, the District has worked with experts to design an Ecotone Levee with 3.5 acre living shoreline on the north side of the project site. This will protect the site from 100-year floods, protect the bay from contamination of raw sewage occurring if storm surge and sea level rise breach the flow equalization ponds, while mitigating loss of wetlands and conserving and creating marsh and upland habitat. The District was awarded a \$4,884,112 million grant to fund a portion of the Ecotone Levee Project by the National Fish and Wildlife Foundation (NFWF). The funds are matching, requiring a 112% contribution by the District of \$5.5 million.

West Bay Sanitary District
Management's Discussion and Analysis
June 30, 2022

West Bay Sanitary District – 1902 to 2022

In October 1902, a petition signed by 35 residents was presented to the Board of Supervisors of San Mateo County requesting that an election be called for the formation of a sanitary district. The Menlo Park Sanitary District was created with the election held on December 10, 1902 at the Menlo Park Hotel (shown on the right). In 1981, the name was changed to West Bay Sanitary District, to better represent the expanding service area. In 1975, the District joined with the Cities of Belmont, Redwood City, and San Carlos in a Joint Powers Agreement establishing the South Bayside System Authority (now Silicon Valley Clean Water), for a regional wastewater treatment plant, replacing the District's local plant.



In 2022, the District celebrates 120 years of serving the communities of City of Menlo Park, Atherton, Portola Valley, areas of East Palo Alto, Woodside, and unincorporated San Mateo and Santa Clara counties.



District's old treatment plant, Flow Equalization Pond, 1960 Administration Building, 2009 Administration Building (left to right).

Contacting the District

This financial report is designed to provide a general overview of the District's finances and demonstrate the District's accountability for the funds it receives. If you have any questions related to the District, please contact the District at 500 Laurel Street, Menlo Park, CA 94025 or call (650) 321-0384.



BASIC FINANCIAL STATEMENTS

West Bay Sanitary District
Statement of Net Position
June 30, 2022
(With Comparative Totals as of June 30, 2022)

Assets	2022	2021
Current Assets:		
Cash and cash equivalents	\$ 47,532,929	\$ 41,002,499
Investments	8,879,384	7,895,568
Restricted cash and investments	1,515,974	1,282,313
Accounts receivable	831,578	671,544
Interest receivable	238,586	156,960
Prepaid expenses and other current assets	80,883	84,094
Total Current Assets	59,079,334	51,092,978
Noncurrent Assets:		
Investments	19,684,019	13,998,084
Investment in Silicon Valley Clean Water	28,430,708	29,519,631
Restricted cash and investments	209,699	237,452
Net Pension asset	3,490,048	-
Capital assets:		
Non-depreciable	6,675,673	2,411,664
Depreciable net of accumulated depreciation	64,467,272	68,500,682
Total Capital Assets - Net	71,142,945	70,912,346
Total Noncurrent Assets - Net	122,957,419	114,667,513
Total Assets	\$ 182,036,753	\$ 165,760,491
 Deferred Outflows of Resources		
OPEB adjustments	\$ 101,067	\$ 132,838
Pension adjustments	141,271	-
Total Deferred Outflows of Resources	\$ 242,338	\$ 132,838
 Liabilities		
Current Liabilities:		
Accounts payable	\$ 304,123	\$ 1,384,289
Payroll and related liabilities	536,887	595,425
Customer deposits	1,191,909	1,715,205
State Revolving Fund Loan	501,715	496,747
Total Current Liabilities	2,534,634	4,191,666
Noncurrent Liabilities:		
Net OPEB liability	6,113	118,683
Customer deposits	1,458,404	1,458,404
State Revolving Fund Loan	15,617,920	16,119,635
Total Noncurrent Liabilities	17,082,437	17,696,722
Total Liabilities	\$ 19,617,071	\$ 21,888,388
 Deferred Inflows of Resources		
OPEB adjustments	\$ 28,593	\$ 3,788
Pension adjustments	2,693,652	-
Total Deferred Inflows of Resources	\$ 2,722,245	\$ 3,788
 Net Position		
Net Investment in Capital Assets	\$ 55,023,310	\$ 54,295,964
Unrestricted:		
Capital fund budget	41,066,633	25,061,834
Invested in Silicon Valley Clean Water	28,430,708	29,519,631
Operations	10,749,600	9,365,827
Unreserved	24,669,524	25,757,897
Total Net Position	\$ 159,939,775	\$ 144,001,153

The notes to the financial statements are an integral part of this statement.

West Bay Sanitary District
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2022
(With Comparative Totals for the Fiscal Year Ended June 30, 2022)

	2022	2021
Operating Revenues:		
Service charges	\$ 29,637,018	\$ 31,090,378
Flow equalization uses	368,490	355,000
Permit and inspection fees and other services	210,666	224,200
Other operating revenues	832,961	610,036
Total operating revenues	31,049,135	32,279,614
Operating Expenses:		
Sewage treatment plant (SVCW)	12,233,027	12,740,978
Sewage collection and general administration:		
Salaries and benefits	5,885,910	6,276,336
Materials and supplies	573,943	501,554
Insurance	229,776	235,354
Contract services	611,993	368,977
Professional services	433,014	319,593
Repairs and maintenance	291,398	297,135
Utilities	329,988	390,844
Other operating expenses	241,980	504,084
Total sewage collection and general administration	8,598,002	8,893,877
Depreciation	3,648,434	3,739,121
Total operating expenses	24,479,463	25,373,976
Operating Income (Loss)	6,569,672	6,905,638
Nonoperating Revenues (Expenses):		
Investment income	(410,875)	363,553
Interest expense	(166,164)	(125,580)
Increase (decrease) of equity in Silicon Valley Clean Water	(1,088,923)	297,792
Other nonoperating revenues	686,442	672,665
Total nonoperating revenues (expenses)	(979,520)	1,208,430
Income before contributions	5,590,152	8,114,068
Capital Contributions:		
Recycled Water Fund: Capital Contributions	662,911	662,911
Capital Fund: Connection Fees	7,444,686	110,097
Total capital contributions	8,107,597	773,008
Special Item: Pension Credit	937,667	-
Change in Net Position	14,635,416	8,887,076
Beginning Net Position	144,001,153	135,869,805
Prior Period Adjustments	1,303,206	(755,728)
Beginning Net Position - As Adjusted	145,304,359	135,114,077
Ending Net Position	\$ 159,939,775	\$ 144,001,153

The notes to the financial statements are an integral part of this statement.

West Bay Sanitary District
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022
(With Comparative Totals for the Fiscal Year Ended June 30, 2022)

	2022	2021
Cash Flows from Operating Activities:		
Cash received from customers	\$ 32,119,464	\$ 33,392,475
Cash payments to suppliers for goods and services	(16,472,527)	(14,615,800)
Cash payments to employees for services	(4,483,601)	(4,288,579)
Cash payments of benefits on behalf of employees	(1,516,841)	(6,853,484)
Net Cash Provided (Used) by Operating Activities	<u>9,646,495</u>	<u>7,634,612</u>
Cash Flows from Capital and Related Financing Activities:		
Cash received from connection fees	7,444,686	110,097
Cash received from the State Revolving Fund loan	-	19,263
Principal paid for the State Revolving Fund loan	(496,747)	-
Cash received from surplus franchise fees	204,901	-
Cash received from capital contributions	662,911	662,911
SHGCC SRF loan payment advance	-	(679,330)
Interest payments	(166,164)	(161,872)
Cash received on the sale of capital assets	602	-
Purchases and construction of capital assets	(4,329,486)	(2,200,302)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>3,320,703</u>	<u>(2,249,233)</u>
Cash Flows from Investing Activities:		
Transfers to investment accounts	(8,137,346)	(3,738,500)
Transfers from investment accounts	1,103,111	1,321,758
Investment income	597,467	1,165,038
Net Cash Provided (Used) by Investing Activities	<u>(6,436,768)</u>	<u>(1,251,704)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	6,530,430	4,133,675
Cash and Cash Equivalents Beginning	41,002,499	36,868,824
Cash and Cash Equivalents Ending	<u>\$ 47,532,929</u>	<u>\$ 41,002,499</u>
Reconciliation of Operating Income to Cash Flows Provided by Operating Activities:		
Operating Income (Loss)	\$ 6,569,672	\$ 6,905,638
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	3,648,434	3,739,121
Pension credit	937,667	-
Prior period adjustments	1,303,206	(755,728)
Net change in:		
Accounts receivable	(160,034)	1,130,242
Prepaid expenses and other current assets	3,211	622,597
Deferred outflows of resources	(109,500)	963,631
Accounts payable	(1,080,166)	196,220
Payroll and related liabilities	(58,538)	70,654
Construction deposits	-	(17,381)
Customer deposits	(523,296)	-
Compensated absences	-	78,562
Net OPEB liability	(112,570)	7,444
Net pension asset/liability	(3,490,048)	(4,738,776)
Deferred inflows of resources	2,718,457	(567,612)
Net Cash Provided (Used) by Operating Activities	<u>\$ 9,646,495</u>	<u>\$ 7,634,612</u>

The notes to the financial statements are an integral part of this statement.

West Bay Sanitary District
Notes to Financial Statements
June 30, 2022

NOTE 1 - NATURE OF ORGANIZATION

West Bay Sanitary District (District) is a State of California Special District and was formed for the purpose of protecting water quality and the associated public health. The District is responsible for wastewater collections, treatment, reclamation and disposal. The District performs the services of wastewater collection, and together with three other public entities is part of a Joint Powers District for the treatment, disposal and reclamation of wastewater. The District is also responsible for refuse (solid waste) collection, treatment, disposal and reclamation. It franchises with a solid waste organization to perform these refuse services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

The District's Basic Financial Statements are prepared in accordance with the policies and procedures for California special districts. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, and as prescribed by the Governmental Accounting Standards Board and Audits of State and Local Governmental Units, issued by the American Institute of Certified Public Accountants.

The District is accounted for as an enterprise fund because the intent of the governing body is that the cost (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

An enterprise fund is used to account for activities similar to those in the private sector, where the proper matching of revenues and costs is emphasized and the full accrual basis of accounting is required. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the enterprise are recorded on its statement of net position, and under the full accrual basis of accounting, all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred.

Enterprise funds are accounted for on a cost of services or economic resources measurement focus, which means that all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with their activity are included on their balance sheets. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred outflow of resources related to the recognition of the net pension liability and net OPEB liability reported in the Statement of Net Position.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of

West Bay Sanitary District
Notes to Financial Statements
June 30, 2022

resources related to the recognition of the District's benefit plans liability reported in the Statement of Net Position.

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred inflows from unearned revenue.

The District applies all applicable Governmental Accounting Standards Board (GASB) pronouncements for certain accounting and financial reporting guidance. In December of 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. In June of 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 also amends GASB 62 and AICPA Pronouncements paragraphs 64, 74, and 82. The Generally Accepted Accounting Principles (GAAP) hierarchy sets forth what constitutes GAAP for all state and local governmental entities. It establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. The sources of authoritative GAAP are categorized in descending order of authority as follows:

- a. Officially established accounting principles—GASB Statements (Category A)
- b. GASB Technical Bulletins; GASB Implementation Guides; and literature of the AICPA cleared by the GASB (Category B).

If the accounting treatment for a transaction or other event is not specified by a pronouncement in Category A, a governmental entity should consider whether the accounting treatment is specified by a source in Category B.

Statement of Net Position

The statement of net position is designed to display the financial position of the District. The District's net position are classified into three categories as follows:

- Net Investment in Capital Assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position, as applicable.
- Restricted - This component of net position consists of constraints placed on an assets use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or law and regulations of other governments, and reduced by liabilities and deferred inflows of resources related to those assets. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation. The District applies restricted resources when an

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expense is incurred for purposes for which both restricted and unrestricted net position is available.

- Unrestricted - This component of net position consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position is the operating statement for proprietary funds. This statement distinguishes between operating and non-operating revenues and expenses and presents a separate subtotal for operating revenues, operating expenses, and operating income. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for services. Operating expenses for the District include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Service Charges

Service Charges are collected for providing sewer services within the District's territory. The majority of revenues are collected by the County of San Mateo through annual property tax billings. Customers not included in tax roll are manually billed by District.

Connection Fees

Connection fees are reported as revenue only to the extent the amount equals the costs of the physical connection to the system.

Budgets and Budgetary Accounting

Budgets are prepared on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted by the Board of Directors. Project-length financial plans are adopted for all capital projects funds.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash represents balances that can be readily withdrawn without substantial notice or penalty. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates and have an original maturity date of three months or less.

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Investments

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB No.3)*, certain disclosure requirements for Deposits and Investment Risks were made in the areas of interest rate risk and credit risk. The credit risk disclosures include the following components; overall credit risk, custodial credit risk and concentrations of credit risk. In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

The District participates in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code section 16429 under the oversight of the Treasurer of the State of California. Investment in LAIF are reported at the market value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

Accounts Receivables

Receivables include amounts due from collection services and other assessments or resources. All receivables are current and reported net of an allowance for uncollectible accounts as applicable. The allowance for uncollectible accounts was zero as of June 30, 2022.

Capital Assets

Property, plant and equipment are recorded at cost or, if contributed, at estimated value at the time of

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acquisition to the District are stated at estimated fair value at the time of contribution. District policy has set the capitalization threshold for reporting capital assets at \$20,000 if an asset has an estimated useful life in excess of one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The purpose of depreciation is to spread the cost of plant and equipment equitably among all customers over the life of these assets, so that each customer's bill includes a pro rata share of the cost of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of plant and equipment cost.

Depreciation of all plant and equipment in service is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the statement of net position as a reduction in the book value of the capital assets.

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

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

Long-Term Liabilities

Long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

Compensated Absences

Compensated absences include vacation leave, floating holidays and comp time. Vested or accumulated vacation leave is recorded as an expense and liability as the benefits accrue to the employees. The following summarizes the changes in compensated absences during the year:

Description	Balance July 01, 2021	Additions	Adjustments/ Deductions	Balance June 30, 2022	Due Within One Year
Compensated Absences	380,051	70,298	62,588	387,761	387,761

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB Statement No. 68, *accounting and financial reporting for Pensions – an amendment of GASB Statement No. 27* requires that the reported results must pertain to liability and asset information within certain defined time frames. During the fiscal year ended June 30, 2022, the District obtained an actuarial valuation for its pension plan in order determine the amount required to fully fund its

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unfunded pension liability. As of June 30, 2022 the District had a net pension asset. For the period, the following time frames were used.

Valuation Date	June 30, 2020
Measurement Date	June 30, 2022
Measurement Period	July 1, 2020 to June 30, 2022

Other Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the District's Retiree Benefits Plan (the OPEB Plan) and additions to/deductions are based on when they are due and payable in accordance with the benefit terms for the measurement period included in the OPEB plan's actuarial reports. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

New Accounting Pronouncements

GASB Statement No. 87, Leases

The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. As of June 30, 2022, the District did not have any material contracts required to be reported as leases per GASB 87.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans

The statement (1) requires that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan and (2)

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clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement are effective as follows:

- The requirements in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately
- The requirements in paragraphs 6–9 of this Statement are effective for fiscal years beginning after June 15, 2021
- All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021

The District did not report any significant accounting changes from the implementation of this Statement during the year ended June 30, 2022.

Upcoming New Accounting Pronouncements

The District is currently analyzing its accounting practices to determine the potential impact on the financial statements of the following recent GASB Statements:

GASB Statement No. 91, *Conduit Debt Obligations*

The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement also clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitment and voluntary commitments extended by issuers and arrangements associated with the debt obligations; and improving required note disclosures. The requirements of this Statement were initially to be effective for financial statements for periods beginning after December 15, 2020 but have been delayed to periods beginning after December 15, 2021, pursuant to GASB Statement No. 95. Earlier application is encouraged.

GASB Statement No. 94, *Public-Private Partnerships and Public-Public Partnerships and Availability Payment Arrangements*

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government

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compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are to be effective for financial statements for periods beginning after June 15, 2022. Earlier application is encouraged.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

GASB 96 provides guidance on accounting for Subscription-Based Information Technology Arrangements (SBITA) where the government contracts for the right to use another party's software. The standards for SBITAs are based on the standards established in GASB Statement No. 87, *Leases*. *GASB 96 is effective for fiscal years beginning after June 15, 2022.*

GASB Statement No. 99, *Omnibus 2022*

Omnibus statements are issued by GASB to address practice issues identified after other standards have been approved for implementation. Omnibus statements "clear up the loose ends" for recent prior statements GASB has issued. This Omnibus addresses recent pronouncements, including GASB 87 – Leases, GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and GASB 96 – *Subscription-Based Information Technology Arrangements*. Effective Date: The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Earlier application is encouraged and is permitted by topic.

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections in previously issued financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 101, *Compensated Absences*

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services

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already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

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NOTE 3 - CASH AND INVESTMENTS

The District's cash and investments consisted of the following as of June 30, 2022 and 2021:

Description	Rating	Fair Value June 30, 2022	Maturities			Concen- trations
			12 Months or Less	13 - 24 Months	25 - 60 Months	
Bank of the West Investments:						
Fixed Income	AA+/BBB	\$ 27,197,059	\$ 7,513,040	\$ 13,958,580	\$ 5,725,439	34.95%
Cash	N/A	1,366,344	1,366,344	-	-	1.76%
Total Bank of West Investments	AAA	28,563,403	8,879,384	13,958,580	5,725,439	36.70%
Restricted Investments:						
Cash with fiscal agents - PARS	N/A	209,699	209,699	-	-	0.27%
Total Restricted Investments		209,699	209,699	-	-	0.27%
Cash and Cash Equivalents:						
Cash on hand and in banks	N/A	896,157	896,157	-	-	1.15%
Money Market	N/A	2,705,197	2,705,197	-	-	3.48%
LAIF	N/A	45,446,749	45,446,749	-	-	58.40%
Petty Cash	N/A	800	800	-	-	0.00%
Total Cash and Cash Equivalents		49,048,903	49,048,903	-	-	63.03%
Total Cash and Investments		\$ 77,822,005	\$ 58,137,986	\$ 13,958,580	\$ 5,725,439	100.00%

Cash Deposits

Interest bearing bank balances are insured up to \$250,000 per bank by the Federal Deposit Insurance Corporation ("FDIC"). The bank balance of the District's cash in bank, which was \$1,000,007, exceeded the insured limit by \$747,128 as of June 30, 2022. None of the District's deposits with financial institutions in excess of FDIC limits were held in uncollateralized accounts. All of the District's accounts met the collateral and categorization requirements as noted in the following paragraphs.

Collateral and Categorization Requirements

The California Government Code requires California banks and savings and loan associations to secure an agency's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of at least 150% of an agency's total deposits.

Investment Policy

The District's investment guidelines as defined by its written investment policy were approved by the Board of Directors. Implementation and direction is established by an internal finance committee. Monthly, the Board reviews the investment balances. Investments are ratified quarterly by the Board.

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The District's investment policy follows the California Government Code which authorizes the District to invest in the following:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Passbook Savings Account Demand Deposits	N/A	None	None
California Asset Management Program (CAMP)	N/A	None	None

Fair Value Measurements

GASB 72 established a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

All of the Districts investments were valued using Level 2 inputs as noted above.

California Local Agency Investment Fund

The District participates in an investment pool managed by the State of California known as the Local Agency Investment Fund (LAIF), which has invested a portion of the pooled funds in structured notes and asset-backed securities, defined as follows:

- Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
- Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

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LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, the structured notes and asset-backed securities are subject to market risk as to change in interest rates.

LAIF allows local agencies such as the District to participate in the Pooled Money Investment Account (PMIA) managed by the State Treasurers Office and overseen by the Pooled Money Investment Board and State Treasurer investment committee. A Local Agency Investment Advisory Board oversees LAIF. The investments with LAIF are not classified for credit risk due to their diverse nature and are stated at cost, which approximates fair value. One hundred percent of the pooled funds are invested in non-derivative financial products. The balance in LAIF is available for withdrawal on demand. The PMIA fair value balance, as of June 30, 2022, was approximately \$232 billion.

Risk Disclosures

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below:

- *Interest Rate Risk* - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. In order to limit loss exposure due to Interest Rate Risk, the investment policy limits the length of maturity of investments
- *Credit Risk* - Credit risk is the risk of loss due to the failure of the security issuer. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. In order to limit loss exposure due to Credit Risk, the investment policy limits purchases of investments to those rated A-1 by Standard & Poor's or P-1 by Moody's Investors Service.
- *Custodial Credit Risk* - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Or, in the case of investments, the risk of loss of the investment due to failure, impairment or malfeasance of the third party whose name in which the investment is held and who has physical possession of the instrument. In order to limit loss exposure due to Custodial Credit Risk, the investment policy requires all securities be received and delivered using the standard delivery versus payment (DVP) procedure, and all securities be held by a third-party bank or trust department under the terms of a custody or trustee agreement. None of the District's investments were subject to custodial credit risk.
- *Concentration of Credit Risk* - See the chart above for the District's limitations on the amount that can be invested in any one issuer.

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NOTE 4 - INVESTMENT IN SILICON VALLEY CLEAN WATER

Silicon Valley Clean Water (SVCW), formerly South Bayside System Authority, was founded in 1975 as the successor to the Strategic Consolidation Sewerage Plan, from which SVCW took title to property including sanitary sewerage pumping stations, as well as transmission and outfall facilities originally constructed by that plan. SVCW is a joint exercise of powers agency between the District, the Cities of Belmont, Redwood City, and San Carlos. The Agency’s wastewater treatment plant is in Redwood City and serves more than 220,000 people and businesses in service areas. SVCW provides wastewater transmission, treatment, and effluent disposal services member agencies. At June 30, 2022 and 2021, the District had approximately 23.06% and 23.38%, respectively, in equity interest in SVCW, which is reported using the equity method of accounting. The District’s investment in SVCW at June 30, 2022 and 2021 was \$28,430,708 and \$29,519,631, respectively, as reflected on the statement of net position. The change in the investment for the years ended June 30, 2022 and 2021 was a decrease of \$1,088,923 and a increase of \$297,792, respectively, as reflected in the statement of revenues, expenses and changes in net position. During the year ended June 30, 2022, the District contributed \$7,163,748 toward the cost of operating and maintaining the facility and paid debt principal and interest of \$5,069,279 that included the State revolving fund loan and the financing agreements to finance the construction and rehabilitation of the SVCW’s wastewater system.

The 2022 changes in the District’s equity share was mostly attributed to the fact that not all members share in the long-term debt, only the net position, or equity, of the participating members decreases upon the issuance of new debt, while the “non-debt” member’s net position increases. In addition, the non-debt members contribute more cash into the JPA than other members to cover their share of capital improvements, which increases the equity share of non-debt members and decreases the share of other participating agencies. SVCW's governing commission consists of four members, one appointed from each of the four participating agencies. SVCW’s condensed audited financial information is presented below for the year ended June 30, 2021, (most recent information available):

	June 30, 2022
Total Assets	\$ 928,143,063
Deferred Outflows of Resources	26,635,391
Total Liabilities	821,218,780
Deferred Inflows of Resources	10,259,797
Total Equity	123,299,877
Total Revenues	50,189,224
Total Expenditures	53,172,148

Financial statements may be obtained by mailing a request to Silicon Valley Clean Water, 1400 Radio Road, Redwood City, CA 94065.

The District entered into financing agreements with SVCW for repayment of the District’s allocated share of bonds and State Water Resource Control Board loans with an outstanding balance of \$303,312,633 as of June 30, 2022, including principal and interest. The financing agreements are secured by a pledge of the District’s sewer revenue as defined under the financing agreements. For fiscal year 2022, gross Sewer Fund revenues, including operating revenues and non-operating

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interest earnings, amounted to \$29,637,018. The annual debt service commitments are summarized as follows:

Fiscal year ending:	Principal	Interest	Total
2023	\$ 2,872,784	\$ 2,205,885	\$ 5,078,669
2024	2,919,764	2,156,270	5,076,034
2025	4,300,086	2,470,547	6,770,633
2026	4,510,773	2,448,188	6,958,961
2027	4,563,684	2,389,048	6,952,732
2028-2032	32,630,705	17,933,407	50,564,112
2033-2037	38,383,547	15,405,132	53,788,679
2038-2042	40,602,959	11,402,318	52,005,277
2043-2047	38,605,845	7,267,230	45,873,075
2048-2052	32,539,639	3,870,528	36,410,167
2053-2057	25,402,719	1,694,662	27,097,381
2058-2062	6,565,064	171,849	6,736,913
Total debt service	<u>\$ 233,897,569</u>	<u>\$ 69,415,064</u>	<u>\$ 303,312,633</u>

NOTE 5 - CAPITAL ASSETS (PROPERTY, PLANT AND EQUIPMENT)

The District's capital assets consisted of the following as of June 30, 2022:

Description	Balance June 30, 2021	Additions	Adjustments & Deletions	Balance June 30, 2022
Non-depreciable Capital Assets:				
Land	\$ 44,467	\$ -	\$ -	\$ 44,467
Construction in progress	2,367,197	4,264,009	-	6,631,206
Total non-depreciable capital assets	<u>2,411,664</u>	<u>4,264,009</u>	<u>-</u>	<u>6,675,673</u>
Depreciable Capital Assets:				
Pump stations	7,916,203	21,593	(523,932)	7,413,864
Fleet	3,006,893	-	(192,247)	2,814,646
Plant and administration facilities	1,381,277	-	(254,137)	1,127,140
Buildings	3,049,594	-	(119,161)	2,930,433
Flow equalization facilities	2,884,719	-	(108,431)	2,776,288
Subsurface lines	66,671,137	43,884	(617,027)	66,097,994
SHGCC Recycled Water Facility	22,647,052	-	-	22,647,052
Total depreciable capital assets	<u>107,556,875</u>	<u>65,477</u>	<u>(1,814,935)</u>	<u>105,807,417</u>
Less accumulated depreciation for:				
Pump stations	(3,764,066)	(217,795)	285,559	(3,696,302)
Fleet	(2,027,066)	(176,946)	157,760	(2,046,252)
Plant and administration facilities	(1,021,147)	(65,426)	218,921	(867,652)
Buildings	(1,475,364)	(84,986)	57,309	(1,503,041)
Flow equalization facilities	(2,694,458)	(89,485)	97,639	(2,686,304)
Subsurface lines	(27,375,808)	(2,260,991)	547,294	(29,089,505)
SHGCC Recycled Water Facility	(698,284)	(752,805)	-	(1,451,089)
Total accumulated depreciation	<u>(39,056,193)</u>	<u>(3,648,434)</u>	<u>1,364,482</u>	<u>(41,340,145)</u>
Total depreciable capital assets - net	<u>68,500,682</u>	<u>(3,582,957)</u>	<u>(450,453)</u>	<u>64,467,272</u>
Total capital assets - net	<u>\$ 70,912,346</u>	<u>\$ 681,052</u>	<u>\$ (450,453)</u>	<u>\$ 71,142,945</u>

Depreciation expense for the year ended June 30, 2022 and 2021 was \$3,648,434 and \$3,739,121, respectively.

West Bay Sanitary District
Notes to Financial Statements
June 30, 2022

The following details construction in progress as of June 30, 2022:

Project	Balance
FEF Metal Storage Building	\$ 1,215,098
Levee Design	846,058
Gilbert Bay North / North Bay / Ringwood	3,841,962
Bayfront	728,088
Total Construction in Progress	\$ 6,631,206

NOTE 6 - NONCURRENT LIABILITIES

The District's noncurrent liabilities consisted of the following as of June 30, 2022:

Description	Balance July 01, 2021	Additions	Adjustments/ Deductions	Balance June 30, 2022	Due Within One Year
Net OPEB Liability	\$ 118,683	\$ 111,125	\$ 223,695	\$ 6,113	\$ -
State Revolving Fund Loan	16,616,382	166,164	662,911	16,119,635	501,715
Total Noncurrent Liabilities	\$ 16,735,065	\$ 277,289	\$ 886,606	\$ 16,125,748	\$ 501,715

State Revolving Fund Loan

The District has entered into a \$22,595,000 agreement with the State Water Resources Control Board (SWRCB or State Revolving Fund Loan) to finance the Sharon Heights Recycled Water project. The final funding includes a grant of \$5,259,800, federal loan of \$987,014, and state loan of \$16,020,443. Through June 30, 2022, the SRF loan balance was \$16,119,635. The loan funds and accrued interest annual installments commenced on March 31, 2021, one year after the state recognized the project completion on March 31, 2020. Sharon Heights Golf & Country Club pre-funds the annual SRF loan payments. The District accepted project completion July 26, 2020. The following summarizes the total debt service to be repaid by June 30, 2050:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 501,715	\$ 161,196	\$ 662,911
2024	506,732	156,179	662,911
2025	511,799	151,112	662,911
2026	516,917	145,994	662,911
2027	522,086	140,825	662,911
2028-32	2,689,796	624,759	3,314,554
2033-37	2,827,002	487,552	3,314,554
2038-42	2,971,208	343,347	3,314,554
2043-47	3,122,769	191,785	3,314,554
2048-50	1,949,611	39,122	1,988,732
Total Debt Service	\$ 16,119,635	\$ 2,441,870	\$ 18,561,504

West Bay Sanitary District
Notes to Financial Statements
June 30, 2022

NOTE 7 - BOARD COMMITMENTS OF NET POSITION

Commitments are imposed by the District’s Board to reflect future spending plans or concerns about the availability of future resources. Commitments may be modified, amended or removed by Board action. Commitments for future capital assets replacement is the portion of net position to be used for new equipment and for emergency and scheduled replacement of capital facilities paid from connection fees. Commitments for operations have been set aside to reserve approximately five months of operating expenses. The Board committed the following unrestricted net position as of June 30, 2022:

Description	Balance
Capital fund budget	\$ 41,066,633
Invested in Silicon Valley Clean Water	28,430,708
Operations	10,749,600
Total Committed Unrestricted Net Position	<u>\$ 80,246,941</u>

NOTE 8 - DEFERRED COMPENSATION PLAN

District employees may defer a portion of their compensation under a District-sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this Plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefits of plan participants and their beneficiaries. Since the assets held under these plans are not the District's property and are not subject to District control, they are not included in these financial statements.

NOTE 9 - RISK MANAGEMENT

The District participates in a joint powers agreement (JPA) with other sanitary districts in the State to form California Sanitation Risk Management Authority (CSRMA). The purpose of CSRMA is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group, thereby reducing its cost. The District is insured for the costs of claims through CSRMA and commercial insurance carriers for the following:

Type of Coverage	Limits	Deductibles
General Liability	15,500,000	25,000
Employment Practices Liability	15,500,000	25,000
Worker's Compensation	750,000	None
Excess Worker's Compensation Liability	Statutory Limits	None
Mobile Equipment	767,005	2,000
Special Form Property	1,003,385	5,000
Public Official Bond	100,000	None

West Bay Sanitary District
Notes to Financial Statements
June 30, 2022

The District has incurred two claims that have not exceeded its insurance coverage limits in the last three years. Audited condensed financial information for CSRMA is presented below for the year ended June 30, 2021 (most recent information available):

	June 30, 2021
Total Assets	\$ 31,110,033
Total Liabilities	24,687,781
Total Equity	6,422,252
Total Revenues	15,793,441
Total Expenditures	16,584,260

NOTE 10 - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plans

Plan Description - All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan (the Plan); cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension Plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Tier 2 and PEPRA members with five years of total service are eligible to retire at age 55 with statutorily reduced benefits until the age of 60 and 62 respectfully. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous		
	Tier 1	Tier 2	PEPRA
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 Years	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	55	60	62
Monthly benefits as a			
% of eligible compensation	2.50%	2.00%	2.00%
Required employee contribution rates	8.000%	7.000%	6.750%
Required employer contribution rates	11.590%	8.650%	7.590%

West Bay Sanitary District
Notes to Financial Statements
June 30, 2022

Employees Covered - At June 30, 2022, the following employees were covered by the benefit terms for the Plan:

	<u>Miscellaneous</u>
Active	31
Transferred	9
Separated	13
Retired	25
Total	78

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rates are the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2022, the District made the following pension contributions:

	<u>Miscellaneous</u>
Contributions - employer	\$ 348,274

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022, the District had fully funded its proportionate share of the Plan and had a net pension asset of \$3,490,048. The District's net pension asset/liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan are measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension Plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2022 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2021	0.14056%
Proportion - June 30, 2022	-0.18376%
Change - Increase/(Decrease)	-0.32432%

West Bay Sanitary District
Notes to Financial Statements
June 30, 2022

For the year ended June 30, 2022, the District recognized a pension credit of \$937,667.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ -	\$ -
Differences between Expected and Actual Experience	141,271	-
Differences between Projected and Actual Investment Earnings	-	2,098,091
Differences between Employer's Contributions and Proportionate Share of Contributions	-	595,561
Change in Employer's Proportion	-	-
Pension Contributions Made Subsequent to Measurement Date	-	-
Total	\$ 141,271	\$ 2,693,652

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/ (Inflows) of Resources
2023	\$ (692,779)
2024	(692,779)
2025	(642,301)
2026	(524,522)
2027	-
Thereafter	-
Total	\$ (2,552,381)

West Bay Sanitary District
Notes to Financial Statements
June 30, 2022

Actuarial Assumptions - The total pension liabilities in the June 30, 2021, actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	(1)
Investment Rate of Return	7.00% (2)
Mortality	(3)

- (1) Varies by entry age and service
- (2) Net of pension plan investment expenses, including inflation
- (3) Derived using CalPERS' membership data for all funds

Discount Rate - The discount rate used to measure the total pension liability was 7.15 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

West Bay Sanitary District
Notes to Financial Statements
June 30, 2022

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 (b)</u>	<u>Real Return Years 11+ (c)</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

- (a) In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (b) An expected inflation of 2.0% used for this period.
- (c) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability for the Plans, calculated using the discount rate for the Plans, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability \$	(471,656)
Current	7.15%
Net Pension Liability \$	(3,490,048)
1% Increase	8.15%
Net Pension Liability \$	(5,985,310)

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

West Bay Sanitary District
Notes to Financial Statements
June 30, 2022

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS

Plan Description

The District's single employer defined benefit postemployment healthcare plan provides health care benefits to eligible retirees in accordance with a Board resolution.

Benefits Provided

The District contributes toward post-retirement benefits for employees who retire under PERS after age 50 and choose coverage under CalPERS medical plans. The District pays the amount of the PEMHCA minimum contribution. Payments are made for the lifetime of the retired employee and covered dependent spouse (or domestic partner), provided that they remain covered under CalPERS medical plans. Retirees are required to pay the balance of the monthly medical premiums. The District does not provide any other post-retirement health and welfare benefits.

The District contracts with CalPERS to administer its retiree health benefit plan. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. The District chooses among the menu of benefit provisions and adopts certain benefit provisions by Board resolution.

Employees Covered by Benefit Terms

The benefit terms covered the following employees:

Active employees	28
Inactive employees	<u>7</u>
Total employees	<u>35</u>

Contributions

The District makes contributions based on an actuarially determined rate and are approved by the authority of the District's Board. Total contributions during the year were \$62,264. Total contributions included in the measurement period were \$87,458. The actuarially determined contribution for the measurement period was \$9,832. The District's contributions were 1.59% of covered employee payroll during the fiscal year ended June 30, 2022. Employees are not required to contribute to the plan.

West Bay Sanitary District
Notes to Financial Statements
June 30, 2022

Actuarial Assumptions

The following summarized the actuarial assumptions for the OPEB plan included in this fiscal year:

Valuation Date:	June 30, 2019
Measurement Date:	June 30, 2019
Actuarial Cost Method:	Entry-Age Normal Cost Method
Amortization Period:	20 years
Asset Valuation Method:	Level percentage of payroll,
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.75%
Payroll Increases	3.00%
Healthcare Trend Rate	5.00%
Investment Rate of Return	6.00%
Mortality	2014 CalPERS OPEB
Retirement	2017 CalPERS OPEB Model for miscellaneous public employees with 2.5% at 55

Discount Rate

The projection of cash flows used to determine the discount rate assumed that the District contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was set to be equal to the long-term expected rate of return which was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

West Bay Sanitary District
Notes to Financial Statements
June 30, 2022

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage of Portfolio	Long-Term Expected Rate of Return
US Large Cap	43.00%	7.795%
US Small Cap	23.00%	7.795%
Long-Term Corporate Bonds	12.00%	5.290%
Long-Term Government Bonds	6.00%	4.500%
Treasury Inflation-Protected Securities (TIPS)	5.00%	7.795%
US Real Estate	8.00%	7.795%
All Commodities	3.00%	7.795%
Total	100.00%	

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2019 (measurement date), and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019 (valuation date) for the fiscal year ended June 30, 2022 (reporting date). The following summarizes the changes in the net OPEB liability during the year ended June 30, 2022:

Fiscal Year Ended June 30, 2022 (Measurement Date June 30, 2021)	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2021	\$ 392,416	\$ 273,733	\$ 118,683
Service cost	7,544	-	7,544
Interest in Total OPEB Liability	19,856	-	19,856
Employer contributions	-	87,458	(87,458)
Actual investment income	-	54,267	(54,267)
Administrative expenses	-	(1,755)	1,755
Net changes	27,400	139,970	(112,570)
Balance at June 30, 2022	\$ 419,816	\$ 413,703	\$ 6,113

Covered Employee Payroll	\$ 3,922,592
Total OPEB Liability as a % of Covered Employee Payroll	10.70%
Plan Fid. Net Position as a % of Total OPEB Liability	98.54%
Service Cost as a % of Covered Employee Payroll	0.19%
Net OPEB Liability as a % of Covered Employee Payroll	0.16%

West Bay Sanitary District
Notes to Financial Statements
June 30, 2022

Deferred Inflows and Outflows of Resources

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 38,803	\$ -
Difference between actual and expected earnings	-	26,861
Change in assumptions	-	1,732
OPEB contribution subsequent to measurement date	62,264	-
Totals	\$ 101,067	\$ 28,593

Of the total amount reported as deferred outflows of resources related to OPEB, \$62,264 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2023	\$ (216)
2024	(621)
2025	(445)
2026	(446)
2027	6,283
Thereafter	5,655
Total	\$ 10,210

OPEB Expense

The following summarizes the OPEB expense by source during the year ended June 30, 2022:

Service cost	\$ 7,544
Interest in TOL	19,856
Expected investment income	(20,623)
Difference between actual and expected experience	6,577
Difference between actual and expected earnings	(8,545)
Change in assumptions	(293)
Administrative expenses	1,755
OPEB Expense	\$ 6,271

West Bay Sanitary District
Notes to Financial Statements
June 30, 2022

The following summarizes changes in the net OPEB liability as reconciled to OPEB expense during the year ended June 30, 2022:

Net OPEB liability ending	\$	6,113
Net OPEB liability beginning		<u>(118,683)</u>
Change in net OPEB liability		(112,570)
Changes in deferred outflows		6,577
Changes in deferred inflows		24,806
Employer contributions and implicit subsidy		<u>87,458</u>
OPEB Expense	\$	<u>6,271</u>

Sensitivity to Changes in the Discount Rate

The net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher, is as follows:

	Discount Rate		
	(1% Decrease)	6.00%	(1% Increase)
Net OPEB Liability (Asset)	\$	9,047	\$
		6,113	\$
			3,732

Sensitivity to Changes in the Healthcare Cost Trend Rates

The net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates, is as follows:

	Trend Rate		
	(1% Decrease)	5.00%	(1% Increase)
Net OPEB Liability (Asset)	\$	3,807	\$
		6,113	\$
			8,960

NOTE 12 - SHARON HEIGHTS GOLF AND COUNTRY CLUB COST SHARING PLAN

West Bay Sanitary District has a long-term agreement with Sharon Heights Golf and Country Club (SHGCC) to contribute toward the cost of a recycled water treatment facility. The agreement included the facilities planning, design, environmental review, permitting, construction and full cost incurred thereafter for operations and maintenance. The District received a grant easement in perpetuity for the location of the recycled water treatment facility and the District has ownership of the treatment facility and all the recycled water. SHGCC has the right to receive the first 400 gallons per day of recycled water.

The District received a California Clean Water State Revolving Fund (SRF) loan to build the recycled water treatment facility. The long-term agreement between the District and SHGCC establishes the terms and conditions of pre-payments each year by SHGCC to the District for the full

West Bay Sanitary District
Notes to Financial Statements
June 30, 2022

annual SRF loan payment over the life of the loan, with 2.2 times the annual payment held as a deposit.

Through June 30, 2022, total costs for the designed-build phase were as follows:

Description	Design/Build Phase
Procurement	\$ 18,882
Project Management	1,460,876
Legal	58,903
Water Sampling	63,744
Audit Fees	9,750
Civil Engineers	195,309
Inspection	20,230
General Construction	20,744,677
PG&E	74,681
Total	\$ 22,647,052

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Litigation

The District may be at risk of becoming a defendant in certain lawsuits which arise in the normal course of business. District management is of the opinion that the ultimate outcome of such matters will not have a significant effect on the financial position of the District.

Construction Related Contracts

The District had outstanding contracts, including purchase orders, totaling \$5,958,767 as of June 30, 2022.

NOTE 14 - SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY JPA

The District is a member of the South Bayside Waste Management Authority, a Joint Powers Authority that facilitates the financing, administration, management, review, monitoring and enforcement of solid waste, recyclable material and plant material collection activities within SBWMA's service area.

The following summarizes the most recent available financial information of SBWMA:

Total Assets	\$ 74,506,626
Total Liabilities	54,235,476
Total Equity	20,271,150
Total Revenues	54,187,325
Total Expenditures	53,131,579

West Bay Sanitary District
Notes to Financial Statements
June 30, 2022

NOTE 15 - PRIOR PERIOD ADJUSTMENTS

During the year, the District increased its beginning net position by to correct the following items:

Connection fees	\$ 822,949
Customer deposits	637,329
Supplemental connection fees	293,381
Capital assets adjustments	<u>(450,453)</u>
Total	<u>\$ 1,303,206</u>

REQUIRED SUPPLEMENTARY INFORMATION

West Bay Sanitary District
Schedule of Pension Contributions - CalPERS
June 30, 2022

Miscellaneous Plan									
Plan Measurement Date									
Fiscal Year Ended	2014 2015	2015 2016	2016 2017	2017 2018	2018 2019	2019 2020	2020 2021	2021 2022	
Contractually Required Contributions	\$ 368,713	\$ 399,280	\$ 387,500	\$ 413,896	\$ 297,313	\$ 295,459	\$ 398,336	\$ 348,274	
Contributions in Relation to Contractually Required Contributions	368,713	399,280	387,500	413,896	297,313	295,459	6,592,343	348,274	
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,194,007)</u>	<u>\$ -</u>	
Covered Payroll	\$ 2,411,343	\$ 2,544,628	\$ 2,799,216	\$ 2,795,654	\$ 2,806,611	\$ 3,264,521	\$ 3,436,890	\$ 3,765,114	
Contributions as a % of Covered Payroll	15.29%	15.69%	13.84%	14.80%	10.59%	9.05%	191.81%	9.25%	

Notes to Schedule:

Valuation Date: June 30, 2020
Assumptions Used: Entry Age Method used for Actuarial Cost Method
Level Percentage of Payroll and Direct Rate Smoothing
3.8 Years Remaining Amortization Period
Inflation Assumed at 2.5%
Investment Rate of Returns set at 7.15%
CalPERS mortality table based on CalPERS' experience and include 15 years of projected
ongoing mortality improvement using 90 percent of Scale MP 2016 published by the Society of

Fiscal year 2015 was the first year of implementation, therefore only six years are shown.
The CalPERS discount rate was increased from 7.5% to 7.65% in the District's fiscal year 2016 and then decreased from 7.65%
to 7.15% in the District's fiscal year 2018.
The CalPERS inflation assumption was decreased from 2.75% to 2.50% during the District's fiscal year 2019.
The CalPERS mortality assumptions was adjusted in the District's fiscal year 2019.

West Bay Sanitary District
Schedule of Proportionate Share of Net Pension Liability
June 30, 2022

Miscellaneous and Safety Plan								
Plan Measurement Date	2014	2015	2016	2017	2018	2019	2020	2021
Fiscal Year Ended	2015	2016	2017	2018	2019	2020	2021	2022
Proportion of Net Pension Liability	0.10822%	0.12849%	0.12750%	0.12991%	0.12991%	0.13721%	0.14056%	-0.06453%
Proportionate Share of Net Pension Liability	\$ 2,674,755	\$ 3,524,991	\$ 4,429,092	\$ 5,120,961	\$ 5,054,719	\$ 5,494,504	\$ -	\$ (3,490,048)
Covered Payroll	\$ 2,339,003	\$ 2,411,343	\$ 2,544,628	\$ 2,799,216	\$ 2,795,654	\$ 2,806,611	\$ 3,264,521	\$ 3,436,890
Proportionate Share of NPL as a % of Covered Payroll	114.35%	146.18%	174.06%	182.94%	180.81%	195.77%	181.61%	-101.55%
Plan's Fiduciary Net Position as a % of the TPL	81.15%	78.29%	73.58%	72.32%	73.42%	73.03%	72.52%	115.26%

Fiscal year 2015 was the first year of implementation, therefore only six years are shown.
The CalPERS discount rate was increased from 7.5% to 7.65% in the District's fiscal year 2016 and then decreased from 7.65% to 7.15% in the District's fiscal year 2018.
The CalPERS mortality assumptions was adjusted in the District's fiscal year 2019.

West Bay Sanitary District
Schedule of OPEB Contributions
June 30, 2022

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially determined contribution (ADC)	\$ 11,604	\$ 11,579	\$ 16,607	\$ 17,602	\$ 9,832
Less: actual contribution in relation to ADC	(9,418)	(5,120)	(5,120)	(87,458)	(62,264)
Contribution deficiency (excess)	<u>\$ 2,186</u>	<u>\$ 6,459</u>	<u>\$ 11,487</u>	<u>\$ (69,856)</u>	<u>\$ (52,432)</u>
Covered employee payroll	\$ 2,795,654	\$ 2,806,611	\$ 3,697,419	\$ 3,808,342	\$ 3,922,592
Contributions as a percentage of covered employee payroll	0.34%	0.18%	0.14%	2.30%	1.59%

Notes to Schedule:

Assumptions and Methods

Valuation Date:	June 30, 2019
Measurement Date:	June 30, 2019
Actuarial Cost Method	Entry-Age Normal
Amortization Period	20 years
Asset Valuation Method	Level percentage of payroll, closed
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.50%
Payroll Increases	3.00%
Investment Rate of Return	6.75%, Net of OPEB plan investment expenses, including inflation
Mortality	6.75%, Net of OPEB plan investment expenses, including inflation
Service Requirement	2014 CalPERS OPEB Assumptions Model for "public agency miscellaneous"

Other Notes

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

No change in benefit terms and discount rates.

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Contributions were not based on a measure of pay.

West Bay Sanitary District
Schedule of Net OPEB Liability
June 30, 2022

	2018	2019	2020	2021	2022
Total OPEB liability					
Service cost	\$ 6,513	\$ 6,708	\$ 6,909	\$ 7,254	\$ 7,544
Interest	16,476	17,188	17,672	18,732	19,857
Differences between expected and actual experience	-	-	66,449	-	-
Changes of assumptions	-	-	(2,612)	-	-
Benefit payments	(7,909)	(14,335)	(17,333)	(7,850)	-
Net change in Total OPEB Liability	15,080	9,561	71,085	18,136	27,401
Total OPEB Liability - beginning	278,553	293,633	303,194	374,279	392,415
Total OPEB Liability - ending	<u>\$ 293,633</u>	<u>\$ 303,194</u>	<u>\$ 374,279</u>	<u>\$ 392,415</u>	<u>\$ 419,816</u>
Plan fiduciary net position					
Employer contributions	\$ 232,909	\$ 14,335	\$ 17,333	\$ 5,120	\$ 87,458
Net investment income	10,234	12,089	15,717	13,423	54,267
Benefit payments	(7,909)	(14,335)	(17,333)	(7,850)	-
Administrative expense	-	-	-	-	(1,755)
Net change in plan fiduciary net position	235,234	12,089	15,717	10,693	139,970
Plan fiduciary net position - beginning	-	235,234	247,323	263,040	273,733
Plan fiduciary net position - ending	<u>\$ 235,234</u>	<u>\$ 247,323</u>	<u>\$ 263,040</u>	<u>\$ 273,733</u>	<u>\$ 413,703</u>
Net OPEB liability	\$ 58,399	\$ 55,871	\$ 111,239	\$ 118,682	\$ 6,113
Plan fiduciary net position as a percentage of the total OPEB liability	80.11%	81.57%	70.28%	69.76%	98.54%
Covered employee payroll	\$ 2,799,216	\$ 2,795,654	\$ 2,806,611	\$ 3,697,419	\$ 3,808,342
Net OPEB Liability as a percentage of covered payroll	2.09%	2.00%	3.96%	3.21%	0.16%
Total OPEB Liability as a percentage of covered payroll	10.49%	10.85%	13.34%	10.61%	11.02%

Other Notes

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

No change in benefit terms and discount rates.

Actuarially determined contribution rates are calculated as of June 30, two years prior to Contributions were not based on a measure of pay

SUPPLEMENTARY INFORMATION

West Bay Sanitary District
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Budget Amounts	Actual (GAAP Basis)	Variance
Operating Revenues:			
Service charges	\$ 29,740,626	\$ 29,637,018	\$ (103,608)
Flow equalization uses	368,490	368,490	-
Permit and inspection fees and other services	100,000	210,666	110,666
Other operating revenues	763,782	832,961	69,179
Total operating revenues	<u>30,972,898</u>	<u>31,049,135</u>	<u>76,237</u>
Operating Expenses:			
Sewage treatment plant (SVCW)	12,396,490	12,233,027	163,463
Sewage collection and general administration:			
Salaries and benefits	6,440,333	5,885,910	554,423
Materials and supplies	532,368	573,943	(41,575)
Insurance	261,055	229,776	31,279
Contract services	665,475	611,993	53,482
Professional services	562,220	433,014	129,206
Repairs and maintenance	350,425	291,398	59,027
Utilities	426,853	329,988	96,865
Other operating expenses	483,931	241,980	241,951
Total sewage collection and general administration	<u>9,722,660</u>	<u>8,598,002</u>	<u>1,124,658</u>
Depreciation	3,954,902	3,648,434	306,468
Total operating expenses	<u>26,074,052</u>	<u>24,479,463</u>	<u>1,594,589</u>
Operating Income (Loss)	<u>4,898,846</u>	<u>6,569,672</u>	<u>1,670,826</u>
Nonoperating Revenues (Expenses):			
Investment income	352,000	(410,875)	(762,875)
Interest expense	(166,164)	(166,164)	-
Increase (decrease) of equity in Silicon Valley Clean Water	-	(1,088,923)	(1,088,923)
Other nonoperating expenses	(502,747)	(9,061)	493,686
Other nonoperating revenues	510,860	695,503	184,643
Total nonoperating revenues (expenses)	<u>193,949</u>	<u>(979,520)</u>	<u>(1,173,469)</u>
Income before contributions	5,092,795	5,590,152	497,357
Capital Contributions	912,911	8,107,597	7,194,686
Special Item: Pennsion Credit	-	937,667	937,667
Change in Net Position	6,005,706	14,635,416	7,629,710
Prior Period Adjustments	-	1,303,206	1,303,206
Beginning Net Position	144,001,153	144,001,153	-
Ending Net Position	<u>\$ 150,006,859</u>	<u>\$ 159,939,775</u>	<u>\$ 8,995,249</u>

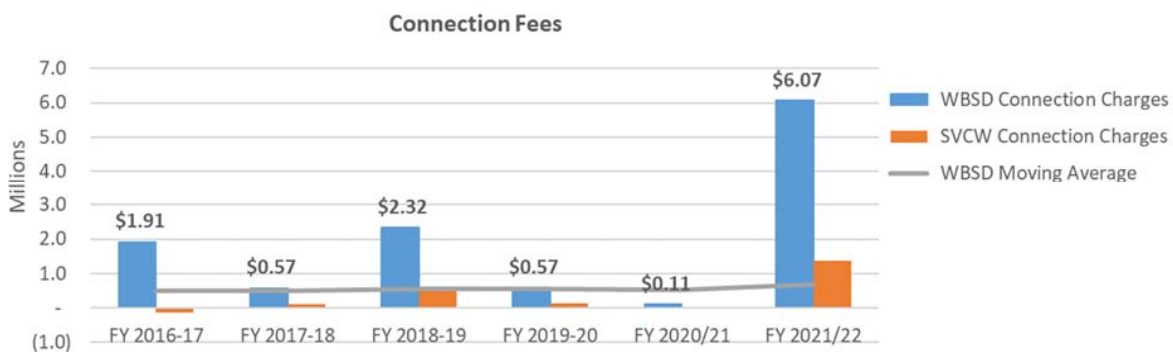
West Bay Sanitary District
Schedule of Combining Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2022

	General Fund	Capital Fund	Solid Waste Fund	Recycled Water Fund	Silicon Valley Clean Water Fund	Total
Operating Revenues:						
Service charges	\$ 29,637,018	\$ -	\$ -	\$ -	\$ -	\$ 29,637,018
Flow equalization uses	368,490	-	-	-	-	368,490
Permit and inspection fees and other services	210,666	-	-	-	-	210,666
Other operating revenues	721,559	-	111,402	-	-	832,961
Total operating revenues	30,937,733	-	111,402	-	-	31,049,135
Operating Expenses:						
Sewage treatment plant (SVCW)	-	-	-	-	12,233,027	12,233,027
Sewage collection and general admin.:						
Salaries and benefits	5,699,499	-	-	186,411	-	5,885,910
Materials and supplies	556,200	-	-	17,743	-	573,943
Insurance	195,029	-	-	34,747	-	229,776
Contract services	611,993	-	-	-	-	611,993
Professional services	375,268	-	-	57,746	-	433,014
Repairs and maintenance	270,584	-	-	20,814	-	291,398
Utilities	179,576	-	-	150,412	-	329,988
Other operating expenses	152,362	-	60,189	29,429	-	241,980
Total sewage collection and gen. admin.	8,040,511	-	60,189	497,302	-	8,598,002
Depreciation	-	2,895,629	-	752,805	-	3,648,434
Total operating expenses	8,040,511	2,895,629	60,189	1,250,107	12,233,027	24,479,463
Operating Income (Loss)	22,897,222	(2,895,629)	51,213	(1,250,107)	(12,233,027)	6,569,672
Nonoperating Revenues (Expenses):						
Investment income	(400,064)	-	-	(10,811)	-	(410,875)
Interest expense	-	-	-	(166,164)	-	(166,164)
Increase (decrease) of equity in SVCW	-	-	-	-	(1,088,923)	(1,088,923)
Other nonoperating revenues (expenses)	(9,061)	602	204,901	490,000	-	686,442
Transfers in (out)	(12,233,027)	-	-	-	12,233,027	-
Total nonoperating revenues (expen.)	(12,642,152)	602	204,901	313,025	11,144,104	(979,520)
Income before contributions	10,255,070	(2,895,027)	256,114	(937,082)	(1,088,923)	5,590,152
Capital Contributions:						
Recycled Water Fund: Capital Contributions	-	-	-	662,911	-	662,911
Capital Fund: Connection Fees	-	7,444,686	-	-	-	7,444,686
Total capital contributions	-	7,444,686	-	662,911	-	8,107,597
Special Item: Pension Credit	937,667	-	-	-	-	937,667
Change in Net Position	11,192,737	4,549,659	256,114	(274,171)	(1,088,923)	14,635,416
Beginning Net Position	27,289,616	73,623,881	263,205	13,304,820	29,519,631	144,001,153
Prior Period Adjustments	930,709	372,497	-	-	-	1,303,206
Beginning Net Position - As Adjusted	28,220,325	73,996,378	263,205	13,304,820	29,519,631	145,304,359
Ending Net Position	\$ 39,413,062	\$ 78,546,037	\$ 519,319	\$ 13,030,649	\$ 28,430,708	\$ 159,939,775

West Bay Sanitary District Annual Capacity Fee Report AB1600

West Bay Sanitary District (District) charges connection fees to developers or home owners to connect to the District’s public wastewater service. The purpose of the sewer connection fee is to equalize the cost of acquisition, construction, and installation of the District’s facilities so that each resident or property owner pays their proportionate share of such costs.

The District has recognized an average of \$678 thousand in Connection Fees since Fiscal Year 1984-85. Prior to FY 2014-15, which recognized \$5.7 million in connections fees, these fees were fairly stable, averaging \$241 thousand in the prior thirty years. Connections fees have varied widely over the past six years, fluctuating from year to year, as can be seen on the chart below. The connection fees received show the growth of the District by year. The line on the chart below indicates the moving average of connection fees received since 1984. Connection fees of \$7.92 per GPD are also collected to fund treatment plant construction at Silicon Valley Clean Water (SVCW), which the District has a 23.06% share.



In 1987, the State Legislature passed Assembly Bill 1600 (AB1600) which added Section 66000, et seq., to the California Government Code, known collectively as the Mitigation Fee Act. Section 66013 provides guidance on fees imposed for sewer connections to a public sewer system or capacity charges that such fees shall not exceed the estimated reasonable cost of providing the service for which the fee is imposed. Capacity charges include a charge for public facilities in existence at the time imposed or for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged.

In compliance with AB1600, the District accounts for all connection fees in a Capital Fund, separate from the General Fund for sewer service operations. In fiscal year 2021-22, the District received \$7,444,686 in connection fees, for approximately 138 thousand gallons per day (GPD) of additional capacity, with \$7,445 in applied interest income. The District expended \$4 million on all construction, with \$2.57 million specifically for wastewater infrastructure. Table 1 shows the revenues and expenditures applied to capacity increases. Additional connections to the District’s system and construction were low in FY 2020-21, due to COVID-19 shutdowns. The District does not carry negative balances, therefore the beginning and ending balance of Connection Fees is zero, due to several years of net negative balances.

**Table 1
Connection Fee and Capacity Charges**

<u>Summary of Connection Fees</u>	<u>FY 2021-22</u>	<u>GPD</u>	<u>FY 2020-21</u>
Connection Fees	\$ 7,444,686	138,120	\$ 110,097
Allocated Interest	7,445		110
Total Connection Fee Revenue	\$ 7,452,131		\$ 110,207
Capacity Project Expenditures	(2,572,978)		(1,266,758)
Net Connection Fees (Deficit)	\$ 4,879,152		\$ (1,156,551)
Beginning Balance Available	\$ -		\$ -
Ending Balance Available	\$ -		\$ -

**West Bay Sanitary District
Annual Capacity Fee Report
AB1600**

Connection fees fund 100% of wastewater infrastructure projects, with any deficit funded by the Capital Fund. Table 2 details the wastewater infrastructure projects with actual expenditures recognized and the approved budget for FY 2021-22, with the approved budget for FY 2022-23 to show future planned infrastructure improvements to the system.

**Table 2
Wastewater Infrastructure Projects**

Projects	Actual FY 2021-22	Budget FY 2021-22	Budget FY 2022-23
Pump Stations	21,593	65,000	200,000
Other Subsurface Line Projects	43,884	130,000	100,000
Isabella, Gilbert & Bay North - Phase 2		2,500,000	
Lower Ringwood/ North Bay	2,506,710	1,500,000	
Stowe Lane		200,000	200,000
Willow Pump Station Rehabilitation			700,000
Bayfront Park Sanitary Sewer Improvements	792		1,250,000
Misc Point Repairs (High Freq. List Repairs)			2,000,000
Total Wastewater Infrastructure Projects	2,572,978	4,395,000	4,450,000

In addition to the \$2.57 million in construction, in FY 2021-22, the District expended \$1.43 million on two other projects in CIP. The District transferred \$2.87 million to Treatment Plant Reserves; Capital Reserves; Capital Project, Emergency Capital, and Vehicle & Equipment Reserves. The District paid \$5.82 million to SVCW or for SVCW bonds, other debt, and SVCW capital reserves. Table 3 shows all expenditures and transfers for the Capital Fund and capital contributions for SVCW, excluding operating expenses.

**Table 3
Construction Expenditures**

Capital Fund - Construction	Actual FY 2021-22	Budget FY 2021-22	Budget FY 2022-23
Administration	-	35,000	350,000
Collection Facilities	-	600,000	600,000
Vehicles & Equipment	-	201,750	762,500
Pump Stations	21,593	65,000	200,000
Subsurface Lines	43,884	130,000	100,000
Construction Projects	3,938,242	11,720,000	12,280,000
Total Capital Fund Construction	4,003,719	12,751,750	14,292,500
Capital Reserve Transfers	2,871,315	2,871,315	3,089,881
SVCW - Capital & Debt Contributions	5,819,591	5,983,045	5,455,503
Total Construction, Transfers, & Contributions	12,694,625	21,606,110	22,837,884
Recycled Water Fund - Construction	Actual FY 2021-22	Budget FY 2021-22	Budget FY 2022-23
Recycled Water - Sharon Heights	-	-	2,000,000
Recycled Water - Bayfront	325,765	1,000,000	2,250,000
Total Recycled Water Fund Construction	325,765	1,000,000	4,250,000
Silicon Valley Clean Water (SVCW)	Actual FY 2021-22	Budget FY 2021-22	Budget FY 2022-23
SVCW - Operating Fund	6,413,436	6,413,445	6,721,848
SVCW - Capital & Debt	5,819,591	5,983,045	5,455,503
Total SVCW Expenditures	12,233,027	12,396,490	12,177,351

The District has a ten year construction plan to facilitate timely maintenance and rehabilitation of the wastewater infrastructure and add capacity for current and future users. The District estimates average construction of \$6.5 million each year for a total of approximately 32.55 miles of pipeline projects over the ten year construction plan. District construction consistently exceeds connection fees with the balance funded from other Capital Fund sources.

**INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
West Bay Sanitary District
Menlo Park, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the West Bay Sanitary District (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 22, 2022.

Internal Control over Financial Reporting

Management is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and



material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C & A LLP

November 22, 2022
Morgan Hill, California



To the Board of Directors of the
West Bay Sanitary District

We have audited the basic financial statements of the West Bay Sanitary District as of and for the year ended June 30, 2022, and have issued our report thereon dated November 22, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Generally Accepted Auditing Standards and Government Auditing Standards

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the West Bay Sanitary District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing West Bay Sanitary District's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.



Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated with management.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the West Bay Sanitary District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during June 30, 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements include unfunded liabilities and related expenses based on assumptions in actuarial studies performed on defined benefit plans.

We evaluated the key factors and assumptions used to develop the identified estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting West Bay Sanitary District's financial statements relate to cash and investments, capital assets, long-term obligations and defined benefit plans.



Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no material, corrected misstatements noted during the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the West Bay Sanitary District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in a letter dated November 22, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with the West Bay Sanitary District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the West Bay Sanitary District's auditors.



Chavan and Associates, LLP
Certified Public Accountants

This report is intended solely for the information and use of the Board and management of the West Bay Sanitary District and is not intended to be and should not be used by anyone other than these specified parties.

C & A LLP

November 22, 2022
Morgan Hill, California



WEST BAY SANITARY DISTRICT AGENDA ITEM 9

To: *Board of Directors*

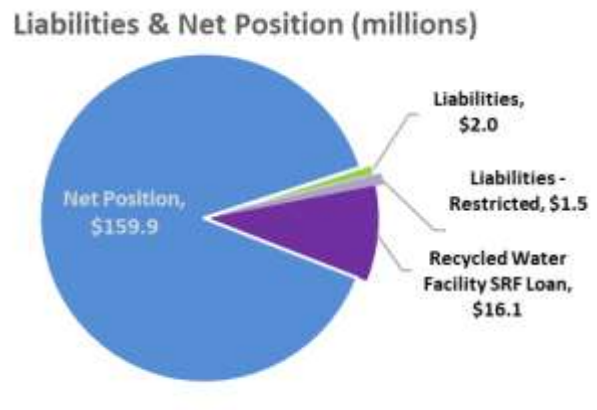
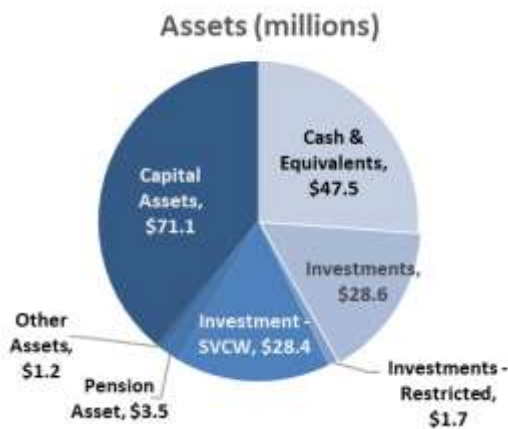
From: *Debra Fisher, Finance Manager*

Subject: *Consider Approving the Financial Statements FY 2021-22,
Year Ending 6/30/2022*

Background

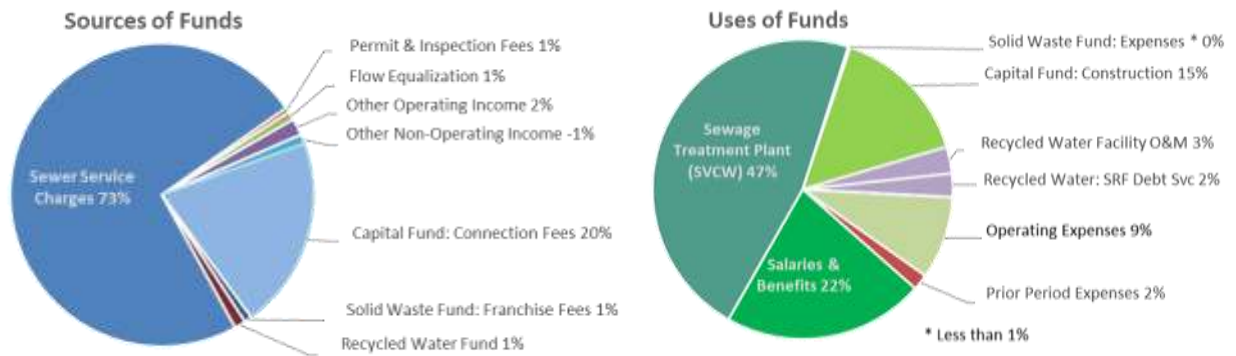
Attached for the Board’s review are the District’s Unaudited Financial Statements for the year ending June 30, 2022. The Statement of Revenue, Expenses, and Changes in Net Position is reported by fund to better view the primary operations and other activities in; General, Capital, Solid Waste, and Recycled Water Funds.

Fiscal Impact



The District had \$182,036,752 in total assets as of June 30, 2022, with total liabilities of \$19,617,070, for a Net Position of \$159,939,775, with Deferred Outflows and Inflows of Resources of \$242,338 and \$2,722,245, respectively.

In Fiscal Year 2021-22, the District had gross Revenue of \$41,185,957 and gross Expenditures of \$25,247,335, for a total \$15,938,622, increase in Net Position, including non-operating income and expense, pension adjustments, and prior period adjustments, through the year ending June 30, 2022 for all Funds.



General and SVCW Funds:

General and Treatment Plant Funds are combined to show total sanitary system operations. Operating Revenue was \$30,937,733, 100.2% of the annual budget. Operating Expense was \$20,273,538, 94% of the annual budget. This includes direct Operating Expenses of \$8,040,511, 88% of the annual budget and current Sewer Treatment Plant Expense, managed by Silicon Valley Clean Water (SVCW) of \$12,233,027, 99% of the annual budget. The Net Operating Income was \$10,664,195 through June 30, 2022.

Non-Operating Revenues and Expenses had a \$1,498,048 net decrease, from \$563,144 Interest Income, plus gains, losses, and fees on investments, netting to a \$400,065 decrease and \$1,088,923 in loss recognized on the investment in SVCW, plus a \$9,061 write off. The General and SVCW Funds has a \$9,166,147 increase in Net Position through June 30, 2022, excluding \$937,667 positive in pension adjustment, due to GASB 68 reconciliation and \$930,709 positive prior period adjustment.

Capital Fund:

The Capital Fund recognized revenue \$8,268,237 in total revenue; \$7,444,686 in current Connection Fees, \$822,949 in prior period connection fees, plus \$602 gain on the sale of assets.

Current expenses include \$2,895,629 in depreciation. The District also recognized \$450,452 in prior period adjustment to write off assets due to a policy change to increase capitalization to \$20,000. Capital Expenditures of \$4,003,719 are recognized as assets, increasing the District's Net Position.

Solid Waste Fund:

The Solid Waste Fund recognized \$111,402 in Franchise Fees, 111% of the annual budget, and \$204,901 in surplus from Recology, which manages solid waste collection for the District.

Solid Waste Expenditures of \$60,189 was recognized for annual notification mailing and overhead allocation, through June 30, 2022.

The Solid Waste Fund increased \$256,114, to a Net Position of \$519,319, as of June 30, 2022.

Recycled Water Fund:

The Recycled Water Fund includes the Sharon Heights Recycled Water Facility (SHRWF) and the Bayfront Project. All income in this fund is recognized as Non-Operating. The District recognized \$1,250,107 in total expenses and net income of \$313,026 in Non-Operating Income and Expense.

The SHRWF recognized \$488,991 in Non-Operating Revenue from Sharon Heights Golf & Country Club (SHGCC). Operating Expenditures were \$1,225,862, including \$752,805 in depreciation of the facility.

The Bayfront Project had \$15,764 in expenditures towards receiving grant funding and licensing and \$325,765 in capital expenditures in FY 2021-22, for total project Construction in Progress (CIP) expenditures of \$727,296.

Financial Statements Summary:

The following is a summary of the Statement of Changes in Revenue, Expenses, and Net Position, based on the year ending June 30, 2022.

Statement of Revenue, Expenses and Changes in Net Position				
<u>Financial Statement</u>	<u>Prior Year</u> FY 2020-21	<u>Actual</u> FY 2021-22	<u>Approved Budget</u> FY 2021-22	<u>Annual Budget</u> v Actual
Operating Revenues	32,279,613	31,049,135	30,972,898	100%
Operating Expenses	(12,632,995)	(12,246,437)	(13,677,563)	90%
SVCW	(12,740,977)	(12,233,027)	(12,396,490)	99%
Operating Income (Loss)	6,905,641	6,569,671	4,898,845	134%
Non-Operating Rev / Exp	1,208,428	(979,520)	193,949	-505%
Income Before Contributions & Special Items	8,114,069	5,590,152	5,092,794	110%
Pension Adjustment (GASB 68)		937,667		
Recycled Water Fund: Capital Contribution	662,911	662,911	662,911	100%
Capital Fund: Connection Fees	110,097	7,444,686	250,000	2978%
Change in Net Position	8,887,077	14,635,416	6,005,705	244%
Prior Period Adjustment	(755,728)	1,303,206		
Change in Net Position - Adjusted	8,131,349	15,938,622	6,005,705	265%

Recommendation

The Finance Manager recommends the Board approve the Unaudited Financial Statement for Fiscal Year 2021-22, for the year ending June 30, 2022.

Attached: Financial Report 4th Qtr FY 2021-22

WEST BAY SANITARY DISTRICT



Preliminary

Unaudited Financial Statements

Fiscal Year 2021-2022

Year Ending

June 30, 2022

Financial Report Fiscal Year Ending June 30, 2022

The West Bay Sanitary District (District) provides wastewater collection and conveyance services to the City of Menlo Park, Atherton, and Portola Valley, and areas of East Palo Alto, Woodside and unincorporated San Mateo and Santa Clara counties. The District conveys raw wastewater, via the Menlo Park Pump Station and force main, to Silicon Valley Clean Water (SVCW) for treatment and discharge to the San Francisco Bay. The District was originally formed in December 1902 as the Menlo Park Sanitary District under the Sanitary Sewer Act of 1891. The District operated as the Menlo Park Sanitary District from 1902 until 1981 when its name was changed to the West Bay Sanitary District to more accurately reflect the service area. The powers of the District are established by the State of California Health and Safety Code. The District serves a population of 20,128 households and commercial establishments. The District additionally participates, as a member of the South Bayside Waste Management Authority (SBWMA), in the collection and processing of solid waste, recyclable material, and organic material. The District owns and operates the Sharon Heights Recycled Water Facility (SHRWF), through a 2017 long term agreement with Sharon Heights Golf & Country Club (SHGCC) to deliver recycled water.

The District issues its unaudited financial statements for the year ended June 30, 2022, for fiscal year 2021-22 in conformity with the format prescribed by the provisions of Governmental Accounting Standards. This report is an overview of the District's financial activities for the period.

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**West Bay Sanitary District
Statement of Net Position
Fiscal Year 2021-22**

	Prior Year FY 2020-21	Unaudited FY 2021-22
Assets		
Current Assets		
Cash & Equivalents	41,310,949	47,532,928
Investments	7,895,568	8,879,384
Cash & Investments - Restricted	1,198,284	1,515,974
Accounts Receivable	142,033	450,160
Accrued Revenue	529,510	381,418
Interest Receivable	156,960	238,586
Prepaid Expenses	84,094	80,883
Total Current Assets	51,317,398	59,079,334
Non-Current Assets		
Investments	13,431,746	19,684,019
Restricted Investments	579,368	209,699
Investment in SVCW	29,519,631	28,430,708
Net Pension Asset	-	3,490,048
Capital Assets:		
Property, Plant & Equipment	109,968,539	112,483,090
Accumulated Depreciation	(39,056,193)	(41,340,145)
Total Capital Assets	70,912,346	71,142,944
Total Non-Current Assets	114,443,091	122,957,418
Total Assets	165,760,489	182,036,752
Deferred Outflows of Resources	132,838	242,338
Liabilities		
Current Liabilities		
Accounts Payable	1,203,257	304,122
Accrued Payroll & Taxes	595,423	536,887
Customer Deposits	1,697,359	1,191,910
SRF Note Payable	496,747	501,715
Total Current Liabilities	3,992,787	2,534,633
Non-Current Liabilities		
OPEB Liability	118,683	6,113
Net Pension Liability		
SRF Deposit - SHGCC	1,657,281	1,458,404
SRF Note Payable	16,119,635	15,617,920
Total Liabilities	21,888,385	19,617,070
Deferred Inflows of Resources	3,788	2,722,245
Net Position		
Net Investment in Capital Assets	54,295,964	55,023,310
Investment In SVCW	29,519,631	28,430,708
Capital Fund Budget	25,061,834	41,066,633
Operation Reserve	9,395,827	10,749,600
Unrestricted Fund Balance	26,483,626	23,366,318
Total Net Position	144,756,881	158,636,569
Prior Period Adjustment	(755,728)	1,303,206
Total Net Position	144,001,153	159,939,775

**West Bay Sanitary District
Statement of Revenues, Expenses & Changes in Net Position
Fiscal Year 2021-22**

	Prior Year FY 2020-21	Unaudited Actual FY 2021-22	Approved Budget FY 2021-22	Budget v Actual FY 2021-22
Operating Revenues				
Sewer Service Charges	31,090,378	29,637,018	29,740,626	(103,608)
Flow Equalization	355,000	368,490	368,490	0
Permit & Inspection Fees	224,200	210,666	100,000	110,666
Other Operating Revenue	610,035	832,960	763,781	69,179
Operating Revenues	32,279,613	31,049,135	30,972,898	76,238
Operating Expenses				
Salaries & Benefits	6,200,235	5,885,910	6,440,333	(554,424)
Materials & Supplies	501,556	573,943	532,368	41,575
Insurance	219,914	229,776	261,055	(31,279)
Contract Services	331,600	611,993	665,475	(53,482)
Professional Services	292,932	433,014	562,220	(129,206)
Repairs & Maintenance	297,134	291,398	350,425	(59,027)
Utilities	390,792	329,988	426,853	(96,864)
Other Operating Expenses	659,710	241,980	483,932	(241,952)
Depreciation	3,739,121	3,648,434	3,954,902	(306,468)
Total WBSD Operating Expenses	12,632,995	12,246,437	13,677,563	(1,431,126)
Sewage Treatment Plant (SVCW)	12,740,977	12,233,027	12,396,490	(163,462)
Total Operating Expenses	25,373,972	24,479,464	26,074,052	(1,594,589)
Operating Income (Loss)	6,905,641	6,569,671	4,898,845	1,670,826
Non-Operating Revenues (Expenses)				
Investment Income	363,553	(410,875)	352,000	(762,875)
Interest Expense	(125,580)	(166,164)	(166,164)	-
Other Non-Operating Income	672,664	686,442	510,860	175,582
Other Non-Operating Expenses	-	-	(502,747)	502,747
Increase (Decrease) in SVCW	297,792	(1,088,923)	-	(1,088,923)
Inter-Fund Transfers	-	-	-	-
Total Non-Operating Revenues (Expenses)	1,208,428	(979,520)	193,949	(1,173,469)
Change in Net Position before Contributions & Special Items	8,114,069	5,590,152	5,092,794	497,357
Increase (Decrease) in Pension (GASB 68)	-	937,667	-	937,667
Capital Contributions				
Recycled Water Fund	662,911	662,911	662,911	-
Capital Fund: Connection Fees	110,097	7,444,686	250,000	6,531,775
Change in Net Position	8,887,077	14,635,416	6,005,705	7,966,800
Beginning Net Position	135,869,805	144,001,153	144,001,153	
Prior Period Adjustment	(755,728)	1,303,206	-	
Ending Net Position	144,001,153	159,939,775	150,006,859	

**West Bay Sanitary District
Statement of Revenues, Expenses & Changes in Net Position
Budget versus Actual
Fiscal Year 2021-22**



	Prior Year FY 2020-21	Unaudited Actual FY 2021-22	Approved Budget FY 2021-22	Budget v Actual FY 2021-22	YTD % Budget
Operating Revenues	32,175,127	30,937,733	30,872,898	64,836	100%
Operating Expenses					
General Fund Expense	8,132,059	8,040,511	9,107,711	(1,067,200)	88%
Sewage Treatment Plant (SVCW)	12,740,977	12,233,027	12,396,490	(163,462)	99%
Total Operating Expenses	20,873,036	20,273,538	21,504,201	(1,230,663)	94%
Operating Income (Loss)	11,302,090	10,664,195	9,368,697	1,295,499	114%
Non-Operating Revenues (Expenses)					
Non-Operating Revenues	709,797	(409,125)	351,000	(760,125)	-117%
Non-Operating Expenses	-	(1,088,923)	(6,000)	(1,082,923)	
Total Non-Operating Revenues (Expenses)	709,797	(1,498,048)	345,000	(1,843,048)	-434%
Change in Net Position by Fund					
General & SVCW Funds	12,011,888	9,166,147	9,713,697	(547,550)	94%
Capital Fund	(3,040,837)	(2,895,027)	(3,200,000)	146,683	90%
Solid Waste Fund	19,800	256,114	(5,090)	261,204	-5032%
Recycled Water Fund	(876,782)	(937,082)	(1,415,813)	478,731	124%
Change in Net Position, before Capital Contributions	8,114,069	5,590,152	5,092,794	497,357	97%
Other Adjustment					
Pension Adjustment (GASB 68)	-	937,667	-	-	
Capital Contributions					
Capital Contribution - Connection Fees	110,097	7,444,686	250,000	7,194,686	2978%
Capital Contribution - SHGCC	662,911	662,911	662,911	-	100%
Change in Net Position	8,887,077	14,635,416	6,005,705	7,692,043	219%
Beginning Net Position	135,869,805	144,001,153	144,001,153		
Prior Period Adjustment	(755,728)	1,303,206			
Ending Net Position	144,001,153	159,939,775	150,006,859		

Revenues:

For the year ending June 30, 2022, total combined revenues are \$41,185,957,624 including the General, SVCW, Capital, Solid Waste, and Recycled Water Funds.

General & SVCW Funds:**Revenues:**

The General Fund had \$31,459,317 in revenue, including \$930,709 in prior year revenue, 101% of the annual budget. Excluding prior period, the revenues would be 98% of the approved budget.

- **Sewer Service Charges.** Total revenue of \$29,637,018 is recognized for the fiscal year, 100% of the budget. 99.8% of all charges are made through the County of San Mateo tax roll and paid to the District in installments, with 1% outstanding at yearend. Manual invoices are issued to customers not on the San Mateo County tax roll, including customers in Santa Clara County, due in two payments; half on 11/1/21 and half on 2/1/22.
- **Permit Fees.** Permit & Inspection Fees of \$210,666, 211% of the annual budget.
- **Flow Equal.** The District received the \$368,490 contract with Silicon Valley Clean Water (SVCW) for use of the Flow Equalization Facility Pond in fiscal year 2021-22.
- **Other Operating Income.** A total of \$721,559 was recognized through yearend; 109% of the annual budget.
 - Revenue from Los Altos Hills was \$398,532
 - Revenue from Town of Woodside was \$94,170
 - Revenue from HACH Contract for private pump station maintenance is billed through the SMC tax roll and accrued monthly; \$186,300 is recognized.
 - This is a pass through expense, charged to customers in arrears of coverage.
 - Revenue of \$13,925 is for billed staff time.
 - An additional \$540 was from other sources; late fees, misc. charges and reimbursements
- **Non-Operating Revenues:** The District recognized total non-operating revenue of negative \$409,125.
 - Interest Income \$563,114
 - Net loss on investments \$963,179
 - Write off invoice, corrected and rebilled \$9,061

West Bay Sanitary District
General Fund
Fiscal Year 2021-22
June 30, 2022

General Fund	Prior Year FY 2020-21	Unaudited Actual FY 2021-22	Budget FY 2021-22	Budget v Actual FY 2021-22	YTD % Annual Budget
Revenue					
Sewer Service Charges					
Residential	23,914,761	24,443,597	24,547,205	(103,608)	100%
Non-Residential	7,175,616	5,193,421	5,193,421	-	100%
Total Sewer Service Charges	31,090,378	29,637,018	29,740,626	(103,608)	100%
Permit & Inspection Fees	224,200	210,666	100,000	110,666	211%
Flow Equalization	355,000	368,490	368,490	0	100%
Other Operating Income	505,549	721,559	663,781	57,777	109%
Total Operating Revenues	32,175,127	30,937,733	30,872,898	64,836	100%
Non-Operating Revenues					
Interest Income	619,667	563,114	350,000	213,114	161%
Gain/Loss on Securities	(386,257)	(935,427)	-	(935,427)	
Gain/Loss on PARS Trust	126,975	(27,753)	-	(27,753)	
Other Non-Op. Inc.	349,413	(9,061)	1,000	(10,061)	
Total Non-Operating Revenues	709,797	(409,125)	351,000	(760,125)	-117%
Revenue Prior Years		930,709		930,709	
Total General Fund Revenue	32,884,924	31,459,317	31,223,898	235,420	101%

Expenditures:

For the year ending June 30, 2022, total combined expenditures are \$25,247,335 including the General, SVCW, Capital, Solid Waste, and Recycled Water Funds.

General & SVCW Funds:**Expenditures:**

For the year ending June 30, 2022, total Expenses were \$20,424,794, 95% of the annual budget,

- **WBSD Operating Expenses.** General Fund Expenses were \$8,040,511, 88% of the annual budget. Expenses are shown on the Expense Analysis on the following page, with overhead allocations to the Solid Waste and Recycled Water Fund deducted.
 - Salaries and Benefits were under budget by 9%, primarily due to open positions during the year.
 - Fuel costs were \$117,370, 168% of the annual budget, as fuel costs have risen significantly.
 - Memberships were \$69,912, 119% of the annual budget. This was due to \$17,070 in payments for three years (2019-2021) to USA North for the newly created California Underground Facilities Safe Excavation Board (Dig Safe Board), pursuant to Government Code Section 4216.16. New regulations require additional fees per 811 call tickets to fund this new board.

- San Mateo Local Agency Formation Commission (LAFCo) was \$32,610, 111% of the annual budget.
- The other expenditures average 67% of the annual budget.
- **External Operating Expenses.** These include \$12,233,027 paid to SVCW, which is 99% of the annual budget for SVCW and 60% of total Operating Expenses. The District holds a 23.06% share of SVCW's Net Position as of June 30, 2022 Unaudited Analysis of Net Position, down from 23.38% share at the end of the prior year. Expenses are recognized as Sewage Treatment Plant under Operating Expenses on the audited financial statements. The District is tracking internally in a separate SVCW Fund.
 - SVCW Operating & Capital Contributions were \$7,163,748, 100% of the annual budget.
 - SVCW Debt payments were \$5,069,279, 97% of the annual budget. The District owes \$55.7 million for the new 2021 Bonds, which replaced the 2014 and 2015 bonds at the historically low rates.
- **Non-Operating Expenses:** The District recognized a \$1,088,923 in net non-operating expenses.
 - The District recognized a \$1,088,823 loss on our investment in SVCW.

Other Adjustments:

- The District recognized an increase in pension of \$937,667 and a net pension asset of \$3,490,048 due to Governmental Accounting Standards Board Statement No. 68 (GASB 68) reconciliation of the district's share in the California Public Employees' Retirement System (CalPERS). This is an accounting entry and does not represent actual income.
- Combining Fund Statements show the \$12,233,027 inter-fund transfer between the General and SVCW funds, which nets to zero.

Prior Period Adjustment: The District recognized \$930,709 in prior year revenue for reconciliations of expenses against customer deposits which were expended in prior years.

Change in Net Position:

The General and SVCW Funds combined had a Change in Net Position of \$9,166,147 through June 30, 2022, including \$10,664,195 net Operating Income. The Change in Net Position is added to the Capital Budget for future capital projects.

The District reports separately, the Capital Fund, Solid Waste Fund, and Recycled Water Fund. The total Change in Net Position for the District is \$14,635,416 for FY 2021-22, with a \$1,303,206 positive prior period adjustment. The District's total Net Position was \$159,939,775, as of June 30, 2022.

West Bay Sanitary District
 General & SVCW Funds
 Expense Analysis
 Fiscal Year 2021-22
 June 30, 2022

	Prior Year FY 2020-21	Unaudited Actual FY 2021-22	Approved Budget FY 2021-22	Budget v Actual FY 2021-22	YTD % Annual Budget
Salaries & Wages	4,122,741	4,150,340	4,363,442	213,102	95%
Employee Benefits	1,892,087	1,504,198	1,834,191	329,993	82%
Directors- Fees	41,110	38,690	42,320	3,630	91%
Election Expense	4	-	-	-	
Gasoline, Oil & Fuel	48,621	117,370	70,000	(47,370)	168%
Insurance	204,178	178,566	235,960	57,394	76%
Memberships	54,803	69,912	58,660	(11,252)	119%
Office Expense	27,747	30,457	39,600	9,143	77%
Operating Supplies	416,607	352,451	393,425	40,974	90%
Contract Services	331,600	573,867	665,475	91,608	86%
Professional Services	248,752	368,254	510,220	141,966	72%
Printing & Publications	35,915	41,156	67,500	26,344	61%
Rents & Leases	37,375	38,126	51,700	13,574	74%
Repairs & Maintenance	293,248	270,583	338,425	67,842	80%
Research & Monitoring	17,175	7,014	20,000	12,986	35%
Training, Meetings & Travel	19,631	23,013	56,200	33,187	41%
Utilities	209,122	179,576	232,500	52,924	77%
LAFCo	28,067	32,610	29,400	(3,210)	111%
Other Operating Expenses	97,767	76,813	219,340	142,527	35%
Equipment Expense		55,923	-	(55,923)	
OPEB Expense (GASB 75)	76,098	6,270	-	(6,270)	
Transfer to Solid Waste	(55,000)	(57,090)	(105,090)	(48,000)	54%
Transfer to Recycled Water	(15,590)	(17,589)	(15,557)	2,032	113%
Total WBSD Operating Expenses	8,132,059	8,040,511	9,107,711	1,067,200	88%
SVCW - Operating Fund	6,883,536	6,406,764	6,059,061	(347,703)	106%
SVCW - Operating Reserve	6,672	6,672	354,384	347,712	2%
SVCW - SRF Reserve Contribution	-	-	-	-	
SVCW - Capital Contributions	750,312	750,312	750,312	-	100%
SVCW - 2009 Bond (\$55 Mil)	-	-	-	-	
SVCW - 2014 Bond (\$65 Mil)	1,145,480	-	-	-	
SVCW - 2015 Bond (\$60 Mil)	1,610,500	-	-	-	
SVCW - 2018 Bond	1,837,713	1,838,028	1,839,213	1,185	100%
SVCW - Cash in Lieu of 2018 Bond	-	-	-	-	
SVCW - 2021 Bonds (\$55.6m)	-	2,724,486	2,743,273		99%
SVCW - SRF Debt C-06-5216-110	-	-	-	-	
SVCW - SRF WWTP Debt C-06-5216-120	506,765	506,765	506,765	0	100%
SVCW - SRF Debt C-06-8069-110			143,482		
Total External Operating Expenses (SVCW)	12,740,977	12,233,027	12,396,490	1,194	99%
Total Operating Expenses	20,873,036	20,273,538	21,504,201	1,068,394	94%
Other Non Operating Expense			6,000	6,000	
Loss on Investment SVCW		1,088,923		(1,088,923)	
Other Adjustments					
Pension Adjustment (GASB 68)	-	(937,667)	-	937,667	
Prior Period Adjustments	755,728				
Total General & SVCW Fund Expenses	21,628,764	20,424,794	21,510,201	923,138	95%

Capital Fund:

For period ending June 30, 2022, total Capital Expenditures were \$4,003,719, 31% of the annual budget. A detailed schedule of Capital Fund Expenditures is included on page 12. The Recycled Water Fund is separate, beginning on page 14.

Capital Fund Revenue:

Connection Fees were \$7,444,686, far exceeding the \$250,000 annual budget. The District also reported \$822,949 in connection fees, as a prior period adjustment, for fees received and originally recognized as a liability for the SVCW treatment plant. Fees connected with SVCW were transferred to the Treatment Plant Reserve, to reserve for future plant funding of cash in lieu of further debt.

The District also realized a gain of \$602 on the sale of a retired 2004 F450 Diesel Truck, which was fully depreciated.

West Bay Sanitary District
Capital Fund
Revenues

Capital Fund	Prior Year FY 2020-21	Unaudited Actual FY 2021-22	Budget FY 2021-22	Budget v Actual FY 2021-22	YTD % Annual Budget
Connection Fees	110,097	7,444,686	250,000	7,194,686	2978%
Gain/Loss on Sale of Assets		602		602	
Revenue Prior Period		822,949		822,949	
Total Capital Fund Revenue	110,097	8,268,237	250,000	8,018,237	3307%

Capital Fund Expenses:

The Capital Fund records all changes in District Operating Assets.

- **Depreciation.** Depreciation expense of \$2,895,629 is 90% of the annual budget.
- **Prior Period Adjustments.** The largest variances from the budget is the write off of assets under \$20,000, which resulted in a net \$\$450,452 prior period expense, with the write off of \$1,770,412 in assets, less \$1,319,961 in accumulated depreciation. The change in capitalization policy was effective fiscal year 2021-22, increasing the minimum from \$5,000 to \$20,000. This will also result in higher operating and maintenance expenses, as new purchases under the limit will be expensed.

West Bay Sanitary District
Capital Fund
Expenditures

Capital Fund	Prior Year FY 2020-21	Unaudited Actual FY 2021-22	Annual Budget FY 2021-22	Budget v Actual FY 2021-22	YTD % Annual Budget
Depreciation	3,040,837	2,895,629	3,200,000	304,371	90%
Prior Period Expenses		450,452	-	(450,452)	
Capital Fund Expenditures	3,040,837	3,346,081	3,200,000	(146,081)	105%

Capital Fund Assets:

Capital spending was \$4,003,719, 31% of the \$12,751,750 annual capital budget. Incomplete projects are recorded in Construction in Progress (CIP) expenditures until completed and transferred (Details on page 12).

- **Administration.** There were no administrative expenditures capitalized. All these expenses will be expensed, in line with the \$20,000 minimum capitalization policy.
- **Collection Facilities - Buildings.** There were no facilities expenditures completed.
- **Vehicle & Equipment.** There were no new vehicles or equipment expenditures. A 2004 F450 Diesel Truck was sold for \$602 in September 2021 through a public auction, with an original cost of \$45,686 and zero book value. The Jet Truck may need to be carried over to next fiscal year, as vendor awaits the chassis.
- **Subsurface Lines and Other.**
 - **Pump Stations.** \$21,593 was expended on the pump and valve replacement program.
 - **Subsurface Lines.** \$43,884 was expended on manhole raising projects. The flow monitoring study was expensed.
- **Construction in Progress (CIP).** These are new or continuing constructions projects that are recorded separately and capitalized when completed. CIP is not depreciated until completed. \$3,938,242 was expended, 35% of the \$11,370,000 budget for CIP.
 - **Levee Project.** \$354,742 was expended for levee design.
 - **Metal Storage Building.** \$1,075,998 was expended from the net \$1,100,000 budget.
 - **Pipeline Replacement & Rehab Engineering** There were no expenditures.
 - **Pipeline Replacement & Rehab Construction.** \$2,506,710 was expended on the Lower Ringwood / North Bay Project and \$792 to initiate the Bayfront Entrance project.

Reserves:

The District has budgeted \$4,092,512 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 transfers were completed in FY 2021-22.

- **Reserves.** The District budgeted \$4,092,512 for unrestricted reserve accounts.
 - **Operating Reserve:** \$1,221,197 was allocated to the Operating Reserve, which is held in Local Agency Investment Fund (LAIF), increasing reserve to six months of current operation expense.
 - **Treatment Plant Reserve:** Established September 2021, the first transfer of \$2.5 million was completed May 20, 2022.
 - **Vehicle & Equip Replacement Reserve:** Budget transfer of \$371,315 was completed March 3, 2022.
- **Restricted Reserves.** There were no budget transfers to restricted reserve accounts in FY 2021-22. A transfer of \$5 million from the Recycled Water Cash Flow Reserve in LAIF to the separate investment account was completed May 20, 2022.

West Bay Sanitary District
Capital Expenditure Analysis
Fiscal Year 2021-22
June 30, 2022

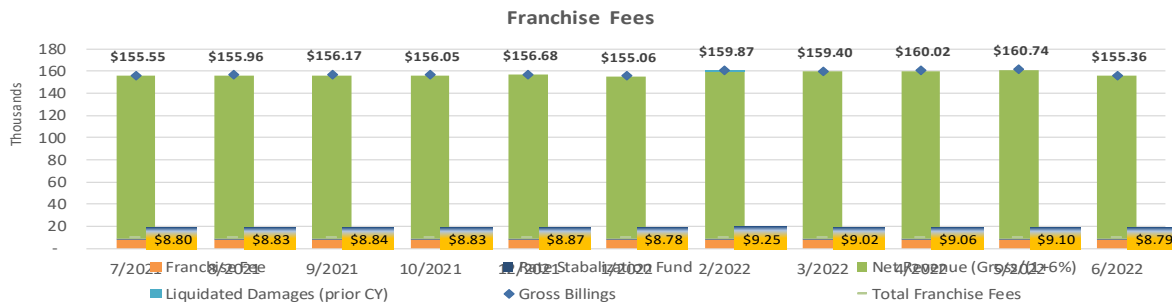
	Actual FY 2020-21	Actual 6/30/2022	Budget FY 2021-22	Variance Budget Balance	YTD % Annual Budget
Plant & Administration					
District Office Interior	3,547	-	10,000	10,000	0%
District Office Exterior	-	-	10,000	10,000	0%
Server Replacement Program			15,000	15,000	0%
Total Administration	3,547	-	35,000	35,000	0%
Collection Facilities - Buildings					
FERRF Improvements & Demolition of Treatment Plant	6,671		500,000	500,000	0%
Corporate Yard Renovation Feasibility Study	15,039		350,000	350,000	0%
Allowance For Unanticipated Capital Expenditures	2,800		100,000	100,000	0%
Total Collection Facilities	24,510	-	950,000	950,000	0%
Vehicle & Equipment					
Pipehunter Replace (Carryover)	23,250		-	-	
Pump Supervisor Truck - Unit 217 W/ 1/2 T Crane	87,290		-	-	
Water Quality Supervisor Vehicle	42,738		-	-	
Jet Truck, Superduty F550 4x4, 1/2in Jetter - Unit 228			165,000		
Sales of Vehicles		(45,686)		45,686	
Mainline CCTV Camera	23,835		-	-	
Flo Dar Equipment (Flow Meters)			36,750	36,750	0%
Total Vehicle & Equipment	177,112	(45,686)	201,750	82,436	-23%
Subsurface Lines and Other					
Pump Stations					
Pump & Valve Replacement Program	42,224	21,593	45,000		48%
Private Pump & Panel Replacements	19,601		15,000	15,000	0%
Pump Station Fence/Roof Replacement & Repair	3,000		5,000		0%
Total Pump Stations	64,825	21,593	65,000	43,407	33%
Flow Monitoring Study			30,000	30,000	0%
Manhole Raising (Paving Projects)		43,884	100,000	56,116	44%
Total Subsurface Lines	-	43,884	130,000	86,116	34%
Construction In Progress					
Levee Survey & GPS Update	385,782	354,742	60,000	(294,742)	591%
Levee Improvement			6,000,000		
Metal Storage Building - Phase 1 & 2	24,834	1,075,998	1,100,000	24,002	98%
Construction Projects Environmental Review			10,000	10,000	0%
Pipeline Replacement & Rehab Engineering					
Isabella, Gilbert, Bay North, Coyote Hill - Phase 1			-	-	
Pipeline Replacement & Rehab Construction					
Belle Haven III & Alpine	39,647				
Isabella, Gilbert & Bay North - Phase 2			2,500,000	2,500,000	0%
Lower Ringwood/ North Bay	1,162,285	2,506,710	1,500,000	(1,006,710)	167%
Bayfront Entrance		792			
Stowe Lane			200,000		
Total Construction In Progress	1,612,548	3,938,242	11,370,000	7,431,758	35%
Total Capital Expenditures	1,882,542	4,003,719	12,751,750	8,748,031	31%

Solid Waste Fund:

The District is a member of South Bayside Waste Management Authority (SBWMA), a joint powers authority which contracts with Recology to provide recycling, compost, and garbage collection services. The Solid Waste Fund had a net increase of \$256,144, to a Net Position of \$519,319, as of June 30, 2022.

- **Solid Waste Fund Revenue.** Franchise fees were \$111,402, 111% of the annual budget. This represents 6% of the Net Revenue of Recology; 5% in Franchise Fees and 1% from Rate Stabilization Fund.
- **Solid Waste Fund Expense.** Allocated expenses for the Solid Waste program of \$60,189 was recognized for annual notification mailing and overhead allocation, 57% of the annual budget. The District elected to refrain from completing a rate study in FY 2021-22, as the prior year study sufficiently projected the current year.
- **Other Non-Operating Income (Expense).** A surplus from 2021 of \$204,901 was recognized and recorded as a receivable at yearend. Funds were received subsequent to yearend.

**West Bay Sanitary District
Solid Waste Fund
Fiscal Year 2021-22
June 30, 2022**



	Prior Year FY 2020-21	Actual FY 2021-22	Budget FY 2021-22	Variance Budget v Actual	YTD % Annual Budget
Income					
Operating Income					
Franchise	104,487	111,402	100,000	11,402	111%
Total Income	104,487	111,402	100,000	11,402	111%
Expenditures					
Allocated Operating Expense					
Rate Studies	27,755	0	42,000	(42,000)	0%
Mailings	1,932	1,911	5,000	(3,089)	38%
Public Relations	0	1,188	1,000	188	119%
Overhead Expense Allocation From Genera	55,000	57,090	57,090	0	100%
Total Allocated Operating Expense	84,686	60,189	105,090	(44,901)	57%
Non-Operating Income & Expenditures					
Surplus	0	204,901	0	204,901	
Total Non-Operating Income & Expenditu	0	204,901	0	204,901	
Solid Waste Fund					
Beginning Balance	243,405	263,205	263,205	-	100%
Contribution To Solid Waste Fund	19,800	256,114	(5,090)	261,204	-5032%
Ending Balance	263,205	519,319	258,115	261,204	201%

Recycled Water:

The Recycled Water Fund includes the Sharon Heights Recycled Water Facility (SHRWF) and the Bayfront Recycled Water Facility (BFRWF) Project. SHRWF is a public/private partnership with Sharon Heights Golf & Country Club (SHGCC) to deliver recycled water. Details follow on page 15-16. BFRWF will be a public/private partnership with several developers and the District maintaining extra capacity to sell to prospective customers. Details follow on page 17. Below is a summary of Recycled Water Fund capital expenditures and income and expenses.

The District has funds in a Recycled Water Cash Flow Reserve, which was initially created for the SHRWF to cover expenditures which were reimbursed through a State of California State Revolving Fund (SRF) loan and is continuing to serve for the BFRWF Project. The District recognized \$7,957 decrease in the fair market value of investments in this reserve.

SHRWF was accepted from the contractor, Anderson Pacific, effective July 27, 2020 and the District assumed full management of the facility beginning January 27, 2021. The final project was capitalized for \$22,780,298 in fiscal year 2020-21.

The District completed an initial BFRWF Plan in February 2019, with Board approval of the project on May 12, 2021. Construction completion is scheduled for early 2026.

**Recycled Water Fund
Capital Expenditures**

	Actual FY 2020-21	Actual 6/30/2022	Budget FY 2021-22	Variance Budget Balance	YTD % Annual Budget
<u>Recycled Water Fund</u>					
Recycled Water Facility - SHGCC	261,537	-	-	-	
Bayfront Entrance Improvements	88,222	325,765	1,000,000	674,235	33%
Total Resource Recovery	349,760	325,765	1,000,000	674,235	33%

**West Bay Sanitary District
Recycled Water Fund
Fiscal Year 2021-22
June 30, 2022**

Recycled Water Fund	WBSD	SHRWF	BFRWF	Total
Salaries & Benefits	-	(186,411)	-	(186,411)
Other Operating Expense	-	(295,127)	(15,764)	(310,891)
Depreciation	-	(752,805)	-	(752,805)
Operating Income (Expense)	-	(1,234,344)	(15,764)	(1,250,107)
Non-Operating Income	(7,957)	487,147	-	479,189
Non-Operating Expense	-	(166,164)	-	(166,164)
Capital Contributions	-	662,911	-	662,911
Net Change in Position	(7,957)	(250,450)	(15,764)	(274,171)

Sharon Heights Recycled Water Facility

The Sharon Heights Recycled Water Facility (SHRWF) project was completed in FY 2020-21 and accepted effective July 27, 2020, for a total of \$22,647,052 to build the 0.5 MGD plant. \$22,267,257 was received from the California Clean Water State Revolving Fund (SRF), including a \$5,259,800 Water Recycling Funding Program Construction Grant and a net SRF Loan of \$17,117,420. The first SRF loan payment was made in March 2021, with annual payments thereafter. The SRF loan balance is \$16,119,635, as of June 30, 2022.

Operation & Maintenance (O&M) expense are paid by the District. Sharon Heights Golf & Country Club (SHGCC) pays an estimated budget amount monthly. Summary Recycled Water Fund statements is below, with detailed expenditure schedule on page 15.

- **Expense.** Total expenditures were \$1,234,344, including depreciation of the facility.
 - Operating Expenses were \$481,539, 98% of the annual budget.
 - Depreciation Expense was \$752,805, 100% of the annual budget.

- **Non-Operating Income & Expenses.**
 - *Revenue.* \$488,991 was recognized as non-operating income from SHGCC. This represents billing for O&M.
 - Non-Operating Income was a net decrease of \$1,844, including Interest Income and losses on the SHGCC restricted reserve accounts.
 - Non-Operating Expense was \$166,164 for interest expense on the SRF loan payment March 30, 2022. The principal of \$496,747 reduces the loan balance.

- **Capital Contributions**
 - Funds of \$662,911 received from SHGCC for the payment of the SRF loan principal and interest are recorded as Capital Contributions.

West Bay Sanitary District
 Recycled Water Fund
 Sharron Heights Recycled Water Facility
 Fiscal Year 2021-22
 June 30, 2022

	Prior Year FY 2020-21	Actual FY 2021-22	Approved Budget FY 2021-22	Budget v Actual FY 2021-22	YTD % Annual Budget
Fund Expenditures					
Operating Expense	677,129	481,539	489,868	8,329	98%
Depreciation Expense	698,284	752,805	754,902	2,097	100%
Total Fund Expenditures	1,375,413	1,234,344	1,244,770	10,426	99%
Non-Operating Income / Expense					
Sharon Heights Golf & County Club	621,043	488,991	489,868	877	100%
Interest Income/Change in FMV	3,168	(1,844)	2,000	3,844	-92%
Interest Expense (SRF Loan)	(125,580)	(166,164)	(166,164)	0	100%
Principal (SRF Loan)			(496,747)		
Net Change in Fund	498,631	320,983	(171,043)	(492,026)	-188%
Capital Contributions					
Sharon Heights Golf & Country Club	662,911	662,911	662,911	0	100%
Net Change in Position	(213,871)	(250,450)	(752,902)	(502,452)	33%

**West Bay Sanitary District
Recycled Water Fund
Sharron Heights Recycled Water Facility
Fiscal Year 2021-22
June 30, 2022**

Fund Expenditures - Detail	Actual FY 2020-21	Actual FY 2021-22	Approved Budget FY 2021-22	Budget v Actual FY 2021-22	YTD % Annual Budget
<u>Operating Expense</u>					
District Wages					
Plant Operator	83,902	79,554	103,000	23,446	77.2%
Indirect Labor	9,307	29,411	19,992	(9,419)	
Overtime	15,829	23,232	10,000	(13,232)	232.3%
Standby	8,130	18,620	19,817	1,197	94.0%
Total District Wages	117,169	150,818	152,810	1,992	113.6%
Employee Benefits	27,129	35,594	47,571	11,977	74.8%
Total Salaries, Wages & Benefits	144,298	186,411	200,381	13,969	103.3%
<u>Other Operating Expense</u>					
Gasoline, Oil & Fuel	0	0	0	0	
Insurance	15,737	34,747	25,095	(9,652)	138.5%
Memberships	150	0	0	0	
Office Expense	0	33	0	(33)	
Operating Supplies	8,579	17,709	12,600	(5,109)	140.6%
Contractual Services	0	0	0	0	
Professional Services	16,426	28,613	10,000	(18,613)	286.1%
Printing & Publications	0	0	0	0	
Rents & Leases	0	0	0	0	
Repairs & Maintenance	3,886	20,814	12,000	(8,814)	173.5%
Research & Monitoring	9,485	19,060	27,375	8,315	69.6%
Training, Meetings & Travel	0	0	0	0	
Utilities	181,669	150,412	194,353	43,940	0.0%
Licenses & Permits	19,664	6,150	12,500	6,350	3711.6%
Other Operating Expenses	982	0	0	0	
Subtotal Operating Expenses	400,876	463,950	494,303	30,353	98%
Operations & Maintenance (Contract)	260,663	0	0	0	
Administrative Expense	15,590	17,589	15,557	(2,032)	2982.3%
Total SHRWF Operating Expenses	677,129	481,539	509,860	28,321	98.3%
Depreciation	698,284	752,805	754,902	2,097	99.7%
Total Operating Expense	1,375,413	1,234,344	1,264,762	30,418	99.2%
<u>Non-Operating Income & Expense</u>					
Non-Operating Income					
Sharon Heights Golf & County Club	621,043	488,991	509,860	20,869	-0.7%
Interest Income	21,566	1,668	2,000	332	83.4%
Gain/Loss on Reserves	(18,398)	(3,512)	0	3,512	
Other Non-Operating Income	0	0			
Total Non-Operating Income	624,211	487,147	511,860	24,713	99.0%
Non-Operating Expense					
Principal Payment (SRF Loan)	(501,038)	(496,747)	(496,747)	0	100.0%
Interest Expense (SRF Loan)	(125,580)	(166,164)	(166,164)	0	100.0%
Total Non-Operating Expense	(125,580)	(166,164)	(662,911)	0	100.0%
Total Non-Operating Income & Expense	498,631	320,983	(151,051)	(472,034)	98.6%
Capital Contributions					
SRF Loan Payment	662,911	662,911	662,911	0	100.0%
Total Capital Contributions	662,911	662,911	662,911	0	100.0%
Net Change in Position	(213,871)	(250,450)	(752,902)	(502,452)	97.8%

Recycled Water:

Bayfront Recycled Water Facility (BFRWF)

The District completed an initial BFRWF Plan in February 2019. After completing required Environmental Impact Report (EIR) and other regulatory requirements, on May 12, 2021, the District Board approved the project to build a 0.6 million gallons per day (MGD) recycled water facility at the District’s Flow Equalization and Resource Recovery Facility (FERRF) site.

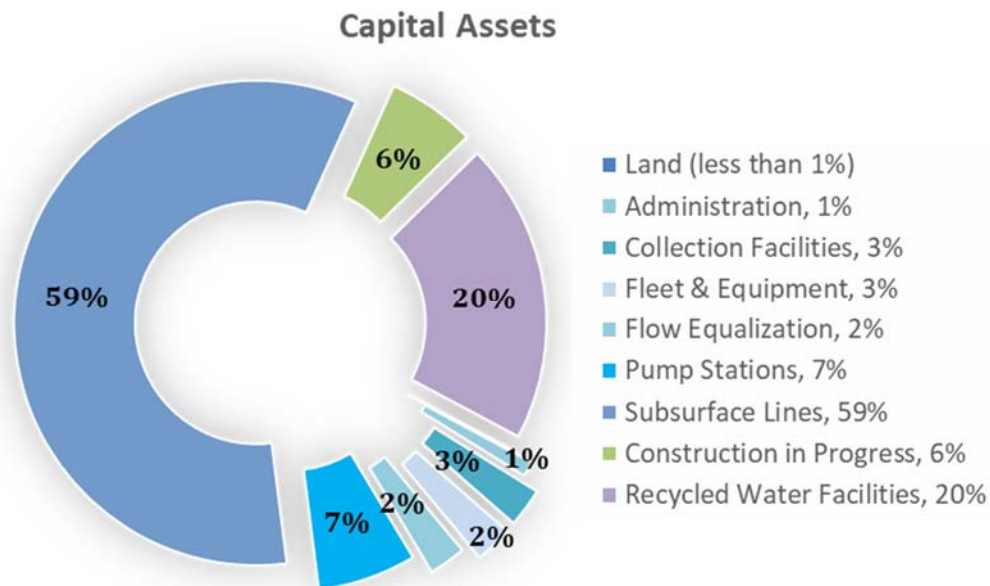
BFRWF had \$325,765 in capital expenditures in FY 2021-22, 33% of the approved budget, for total project Construction in Progress (CIP) expenditures of \$727,296.

In FY 2021-22 the BFRWF project had \$15,764 in expenditures for professional services working towards receiving grant funding.

The District was awarded a \$15 million grant from the California State Water Recycling Funding Program (WRFP), representing 35% of projected construction costs of \$56.6 million and an initial \$37 million SRF loan. The grant may increase, based on final construction costs.

The District was also awarded a \$4,884,112 million grant to fund a portion of the Ecotone Levee Project, for a living shoreline to protect the site from flooding and sea level rise by the National Fish and Wildlife Foundation (NFWF). The funds are matching, requiring a 112% contribution by the District of \$5.5 million. No funds have been received on either grant.

Recycled Water Fund represents 20% of all District assets.



West Bay Sanitary District
Statement of Revenues, Expenses & Changes in Net Position
Combining Fund Statements
Fiscal Year 2021-22
Unaudited

	General Fund	Capital Fund	Solid Waste Fund	Recycled Water Fund	Silicon Valley Clean Water Fund	Unaudited Actual
	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22
Operating Revenues						
Sewer Service Charges	29,637,018	-	-	-	-	29,637,018
Flow Equalization	368,490	-	-	-	-	368,490
Permit & Inspection Fees	210,666	-	-	-	-	210,666
Other Operating Revenue	721,559	-	111,402	-	-	832,960
Operating Revenues	30,937,733	-	111,402	-	-	31,049,135
Operating Expenses						
Salaries & Benefits	5,699,498	-	-	186,411	-	5,885,910
Materials & Supplies	556,201	-	-	17,743	-	573,943
Insurance	195,029	-	-	34,747	-	229,776
Contract Services	611,993	-	-	-	-	611,993
Professional Services	375,268	-	-	57,746	-	433,014
Repairs & Maintenance	270,583	-	-	20,814	-	291,398
Utilities	179,576	-	-	150,412	-	329,988
Other Operating Expenses	152,362	-	60,189	29,429	-	241,980
Depreciation	-	2,895,629	-	752,805	-	3,648,434
Total WBSD Operating Expenses	8,040,511	2,895,629	60,189	1,250,107	-	12,246,437
Sewage Treatment Plant (SVCW)					12,233,027	12,233,027
Total Operating Expenses	8,040,511	2,895,629	60,189	1,250,107	12,233,027	24,479,464
Operating Income (Loss)	22,897,223	(2,895,629)	51,213	(1,250,107)	(12,233,027)	6,569,671
Non-Operating Revenues (Expenses)						
Investment Income	(400,065)	-	-	(10,811)	-	(410,875)
Interest Expense	-	-	-	(166,164)	-	(166,164)
Other Non-Operating Income	(9,061)	602	204,901	490,000	-	686,442
Other Non-Operating Expenses	-	-	-	-	-	-
Increase (Decrease) in SVCW	-	-	-	-	(1,088,923)	(1,088,923)
Inter-Fund Transfers	(12,233,027)	-	-	-	12,233,027	-
Total Non-Operating Revenues (Expenses)	(12,642,153)	602	204,901	313,026	11,144,104	(979,520)
Change in Net Position by Fund	10,255,070	(2,895,027)	256,114	(937,082)	(1,088,923)	5,590,152
Pension Adjustment (GASB 68)	937,667	-	-	-	-	937,667
Capital Contributions						
Recycled Water Fund	-	-	-	662,911	-	662,911
Capital Fund: Connection Fees	-	7,444,686	-	-	-	7,444,686
Change in Net Position	11,192,737	4,549,659	256,114	(274,171)	(1,088,923)	14,635,416
Beginning Net Position	27,289,616	73,623,882	263,205	13,304,820	29,519,631	144,001,153
Prior Period Adjustment	930,709	372,497	-	-	-	1,303,206
Ending Net Position	39,413,062	78,546,037	519,319	13,030,649	28,430,708	159,939,775

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 10**

To: Board of Directors

From: Debra Fisher, Finance Manager

**Subject: Consider Approving the Financial Statements FY 2022-23,
First Quarter Ending 9/30/2022**

Background

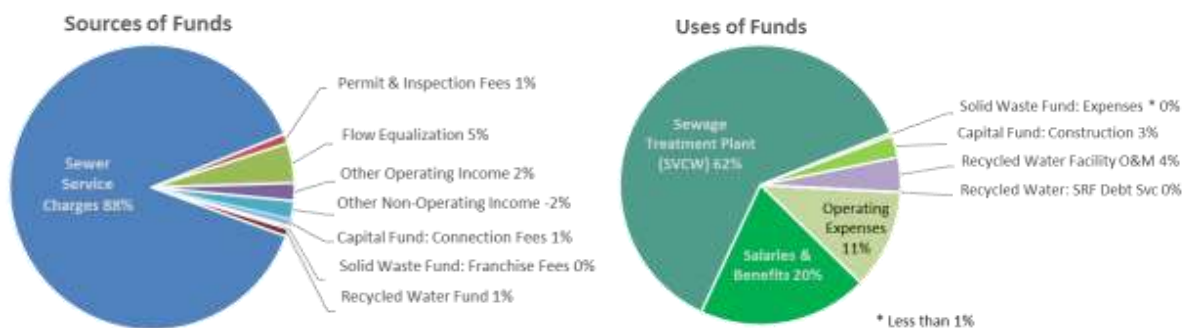
Attached for the Board’s review are the District’s Unaudited Financial Statements for the year ending September 30, 2022. The Statement of Revenue, Expenses, and Changes in Net Position is reported by fund to better view the primary operations and other activities in; General, Capital, Solid Waste, and Recycled Water Funds.

Fiscal Impact



The District had \$181,691,641 in total assets as of September 30, 2022, with total liabilities of \$20,138,695, for a Net Position of \$159,034,226, with Deferred Outflows and Inflows of Resources of \$203,525 and \$2,722,245, respectively.

The District had gross Revenue of \$8,185,622 and gross Expenditures of \$9,091,171, for a total \$905,549 decrease in Net Position, including non-operating income and expense, through the quarter ending September 30, 2022 for all Funds. This District also expended \$216,652 on capital construction.



General and SVCW Funds:

General and Treatment Plant Funds are combined to show total sanitary system operations. Operating Revenue was \$8,188,850, 27% of the annual budget. Operating Expense was \$7,979,041, 36% of the annual budget. This includes direct Operating Expenses of \$2,665,622 26% of the annual budget and current Sewer Treatment Plant Expense, managed by Silicon Valley Clean Water (SVCW) of \$5,313,420, 44% of the annual budget. The Net Operating Income was \$209,808 through September 30, 2022.

Non-Operating Revenues and Expenses had a \$173,388 net decrease, from Interest Income, Gains, and Losses on Investments, less investment fees. The General and SVCW Funds has a \$36,421 increase in Net Position through September 30, 2022.

Capital Fund:

The Capital Fund recognized revenue \$71,334 in total revenue from current Connection Fees. Current expenses include \$735,816 in depreciation. Capital Expenditures of \$213,704 are recognized as assets, increasing the District’s Net Position.

Solid Waste Fund:

The Solid Waste Fund recognized \$27,058 in Franchise Fees, 25% of the annual budget, from Recology, which manages solid waste collection for the District.

Solid Waste Expenditures of \$34,080 was recognized for rate studies, annual notification mailing, and overhead allocation.

The Solid Waste Fund decreased \$7,022, to a Net Position of \$512,297, as of September 30, 2022.

Recycled Water Fund:

The Recycled Water Fund includes the Sharon Heights Recycled Water Facility (SHRWF) and the Bayfront Project. All income in this fund is recognized as Non-Operating. The District recognized \$342,987 in total expenses and a net \$72,046 in Non-Operating Income and Expense.

The SHRWF recognized \$141,949 in Non-Operating Revenue from Sharon Heights Golf & Country Club (SHGCC). Operating Expenditures were \$341,369, including \$186,628 in depreciation of the facility.

The Bayfront Project had \$1,153 in expenditures towards receiving grant funding and \$2,948 in capital expenditures in FY 2022-23, for total project Construction in Progress (CIP) expenditures of \$730,244.

Financial Statements Summary:

The following is a summary of the Statement of Changes in Revenue, Expenses, and Net Position, based on the quarter ending September 30, 2022.

Statement of Revenue, Expenses and Changes in Net Position				
Financial Statement	Prior Year	Actual	Approved Budget	Annual Budget
	FY 2021-22	1st Qtr FY 22-23	FY 2022-23	v Actual
Operating Revenues	31,049,135	8,215,908	30,887,959	27%
Operating Expenses	(12,246,437)	(3,777,751)	(14,674,382)	26%
SVCW	(12,233,027)	(5,313,420)	(12,177,351)	44%
Operating Income (Loss)	6,569,671	(875,263)	4,036,227	-22%
Non-Operating Rev/Exp	(979,520)	(101,621)	853,468	-12%
Income Before Contributions & Special Items	5,590,152	(976,884)	4,889,694	-20%
Pension Adjustment (GASB 68)	937,667	-		
Recycled Water Fund: Capital Contribution	662,911	-	662,911	0%
Capital Fund: Connection Fees	7,444,686	71,334	250,000	29%
Change in Net Position	14,635,416	(905,549)	5,802,605	-16%
Prior Period Adjustment	1,303,206	-		
Change in Net Position - Adjusted	15,938,622	(905,549)	5,802,605	-16%

Recommendation

The Finance Manager recommends the Board approve the Unaudited Financial Statement for Fiscal Year 2022-23, for the quarter ending September 30, 2022.

Attached: Financial Report 1st Qtr FY 2022-23

WEST BAY SANITARY DISTRICT



Unaudited Financial Statements

Fiscal Year 2022-2023

First Quarter Ending

September 30, 2022

Financial Report Fiscal Year 2022-2023 Quarter Ending September 30, 2022

The West Bay Sanitary District (District) provides wastewater collection and conveyance services to the City of Menlo Park, Atherton, and Portola Valley, and areas of East Palo Alto, Woodside and unincorporated San Mateo and Santa Clara counties. The District conveys raw wastewater, via the Menlo Park Pump Station and force main, to Silicon Valley Clean Water (SVCW) for treatment and discharge to the San Francisco Bay. The District was originally formed in December 1902 as the Menlo Park Sanitary District under the Sanitary Sewer Act of 1891. The District operated as the Menlo Park Sanitary District from 1902 until 1981 when its name was changed to the West Bay Sanitary District to more accurately reflect the service area. The powers of the District are established by the State of California Health and Safety Code. The District serves a population of 20,172 households and commercial establishments. The District additionally participates, as a member of the South Bayside Waste Management Authority (SBWMA), in the collection and processing of solid waste, recyclable material, and organic material. The District owns and operates the Sharon Heights Recycled Water Facility (SHRWF), through a 2017 long term agreement with Sharon Heights Golf & Country Club (SHGCC) to deliver recycled water.

The District issues its unaudited financial statements for the quarter ended September 30, 2022, for fiscal year 2022-23 in conformity with the format prescribed by the provisions of Governmental Accounting Standards. This report is an overview of the District's financial activities for the period.

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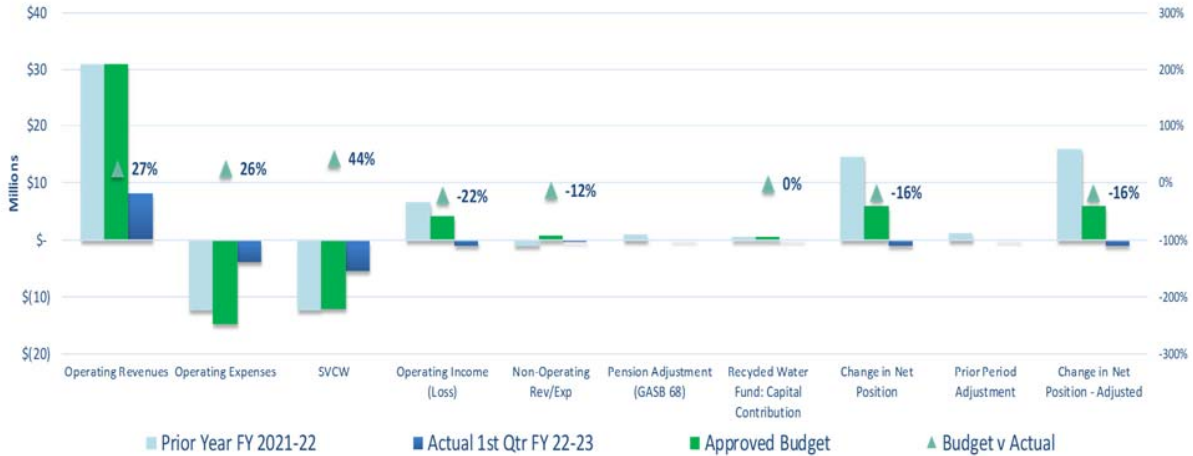
**West Bay Sanitary District
Statement of Net Position
Fiscal Year 2022-23
September 30, 2022**

	Prior Year FY 2021-22	Unaudited 1st Qtr FY 22-23
Assets		
Current Assets		
Cash & Equivalents	47,532,928	39,000,220
Investments	8,879,384	21,128,475
Cash & Investments - Restricted	1,515,974	1,516,253
Accounts Receivable	450,160	219,329
Accrued Revenue	381,418	7,548,685
Interest Receivable	238,586	270,261
Prepaid Expenses	80,883	130,604
Total Current Assets	59,079,334	69,813,825
Non-Current Assets		
Investments	19,684,019	9,330,044
Restricted Investments	209,699	189,864
Investment in SVCW	28,430,708	28,430,708
Net Pension Asset	3,490,048.0000	3,490,048
Capital Assets:		
Property, Plant & Equipment	112,483,090	112,699,742
Accumulated Depreciation	(41,340,145)	(42,262,590)
Total Capital Assets	71,142,944	70,437,152
Total Non-Current Assets	122,957,418	111,877,816
Total Assets	182,036,752	181,691,641
Deferred Outflows of Resources	242,338	203,525
Liabilities		
Current Liabilities		
Accounts Payable	304,122	576,376
Accrued Payroll & Taxes	536,887	638,250
Customer Deposits	1,191,910	1,339,917
SRF Note Payable	501,715	501,715
Total Current Liabilities	2,534,633	3,056,258
Non-Current Liabilities		
OPEB Liability	6,113	6,113
Net Pension Liability		
SRF Deposit - SHGCC	1,458,404	1,458,404
SRF Note Payable	15,617,920	15,617,920
Total Liabilities	19,617,070	20,138,695
Deferred Inflows of Resources	2,722,245	2,722,245
Net Position		
Net Investment in Capital Assets	55,023,310	55,023,310
Investment In SVCW	28,430,708	28,430,708
Capital Fund Budget	41,066,633	41,015,184
Operation Reserve	10,749,600	10,749,600
Unrestricted Fund Balance	23,366,318	23,815,424
Total Net Position	158,636,569	159,034,226
Prior Period Adjustment	1,303,206	
Total Net Position	159,939,775	159,034,226

West Bay Sanitary District
Statement of Revenues, Expenses & Changes in Net Position
Fiscal Year 2022-23
September 30, 2022

	Prior Year FY 2021-22	Unaudited Actual 1st Qtr FY 22-23	Approved Budget FY 2022-23	Budget v Actual FY 2022-23
Operating Revenues				
Sewer Service Charges	29,637,018	7,538,524	29,524,654	26%
Flow Equalization	368,490	386,915	200,000	193%
Permit & Inspection Fees	210,666	91,639	386,915	24%
Other Operating Revenue	832,960	198,831	776,390	26%
Operating Revenues	31,049,135	8,215,908	30,887,959	27%
Operating Expenses				
Salaries & Benefits	5,885,910	1,743,483	6,773,845	26%
Materials & Supplies	573,943	173,625	694,169	25%
Insurance	229,776	18,736	377,663	5%
Contract Services	611,993	471,640	837,572	56%
Professional Services	433,014	150,330	717,419	21%
Repairs & Maintenance	291,398	106,394	398,068	27%
Utilities	329,988	117,030	443,371	26%
Other Operating Expenses	241,980	74,069	479,470	15%
Depreciation	3,648,434	922,445	3,952,805	23%
Total WBSD Operating Expenses	12,246,437	3,777,751	14,674,382	26%
Sewage Treatment Plant (SVCW)	12,233,027	5,313,420	12,177,351	44%
Total Operating Expenses	24,479,464	9,091,171	26,851,733	34%
Operating Income (Loss)	6,569,671	(875,263)	4,036,227	-22%
Non-Operating Revenues (Expenses)				
Investment Income	(410,875)	(244,769)	501,600	125,400
Interest Expense	(166,164)	-	(161,196)	-
Other Non-Operating Income	686,442	143,149	519,064	129,766
Other Non-Operating Expenses	-	-	(6,000)	(1,500)
Increase (Decrease) in SVCW	(1,088,923)	-	-	-
Inter-Fund Transfers	-	-	-	-
Total Non-Operating Revenues (Expenses)	(979,520)	(101,621)	853,468	253,666
Change in Net Position before Contributions & Special Items	5,590,152	(976,884)	4,889,694	1,262,723
Increase (Decrease) in Pension (GASB 68)	937,667	-	-	228,228
Capital Contributions	-	-	-	-
Recycled Water Fund	662,911	-	662,911	-
Capital Fund: Connection Fees	7,444,686	71,334	250,000	-
Change in Net Position	14,635,416	(905,549)	5,802,605	1,490,950
Beginning Net Position	144,001,153	144,001,153	144,001,153	-
Prior Period Adjustment	1,303,206	-	-	-
Ending Net Position	159,939,775	143,095,604	149,803,759	-

West Bay Sanitary District
Statement of Revenue, Expenses and Changes in Net Position
Fiscal Year 2022-23
September 30, 2022



	Prior Year FY 2021-22	Unaudited Actual 1st Qtr FY 22-23	Approved Budget 1st Qtr FY 22-23	Budget v Actual 1st Qtr FY 22-23	Approved Budget FY 2022-23	YTD % Budget
Operating Revenues	30,937,733	8,188,850	7,984,676	204,174	30,777,959	27%
Operating Expenses						
General Fund Expense	8,040,511	2,665,622	2,621,513	44,109	10,089,960	26%
Sewage Treatment Plant (SVCW)	12,233,027	5,313,420	3,044,338	2,269,082	12,177,351	44%
Total Operating Expenses	20,273,538	7,979,041	5,665,850	2,313,191	22,267,311	36%
Operating Income (Loss)	10,664,195	209,808	2,318,825	(2,109,017)	8,510,648	2%
Non-Operating Revenues (Expenses)						
Non-Operating Revenues	(409,125)	(173,388)	125,250	(298,638)	501,000	-35%
Non-Operating Expenses	(1,088,923)	-	(1,500)	1,500	(6,000)	
Total Non-Operating Revenues (Expenses)	(1,498,048)	(173,388)	123,750	(297,138)	495,000	-35%
Change in Net Position by Fund						
General & SVCW Funds	9,166,147	36,421	2,442,575	(2,406,154)	9,005,648	0%
Capital Fund	(2,895,027)	(735,816)	(800,000)	(64,184)	(3,200,000)	23%
Solid Waste Fund	256,114	(6,184)	503	(6,687)	2,010	-308%
Recycled Water Fund	(937,082)	(271,304)	(1,491,912)	1,220,608	(829,001)	33%
Change in Net Position, before Capital Contributions	5,590,152	(976,884)	151,166	(1,128,050)	4,978,657	-20%
Other Adjustment						
Pension Adjustment (GASB 68)	937,667	-	-	-	-	
Capital Contributions						
Capital Contribution - Connection Fees	7,444,686	71,334	62,500	8,834	250,000	29%
Capital Contribution - SHGCC	662,911	-	-	-	-	#DIV/0!
Change in Net Position	14,635,416	(905,549)	213,666	(1,119,216)	5,228,657	-17%
Beginning Net Position	144,001,153	159,939,775	159,939,775		159,939,775	
Prior Period Adjustment	1,303,206	-	-		-	
Ending Net Position	159,939,775	159,034,226	160,153,442		165,168,432	

Revenues:

For the quarter ending September 30, 2022, total combined revenues are \$8,185,622 including the General, SVCW, Capital, Solid Waste, and Recycled Water Funds.

General Fund:**Revenues:**

The General Fund had \$8,015,462 in revenue, 26% of the annual budget.

- **Sewer Service Charges.** Total revenue of \$30,227,095 is recognized for the fiscal year as accrued revenue and applied to income monthly as earned. \$7,538,524 was recognized as earned, through September 30, 2022. 99.8% of all charges are made through the County of San Mateo tax roll and paid to the District in installments, with the first payment due in December 2022. Manual invoices are issued to customers not on the San Mateo County tax roll, including customers in Santa Clara County, due in two payments; half on 11/1/22 and half on 2/1/23.
- **Permit Fees.** Permit & Inspection Fees of \$91,639, 46% of the annual budget.
- **Flow Equal.** The District received the \$386,915 contract with Silicon Valley Clean Water (SVCW) for use of the Flow Equalization Facility Pond in fiscal year 2022-23.
- **Other Operating Income.** A total of \$171,773 was recognized through yearend; 26% of the annual budget.
 - Revenue from Los Altos Hills was \$98,014
 - Revenue from Town of Woodside was \$14,347
 - Revenue from HACH Contract for private pump station maintenance is billed through the SMC tax roll and accrued monthly; \$38,812 is recognized.
 - This is a pass through expense, charged to customers in arrears of coverage.
 - Revenue of \$20,035 is for billed staff emergency line repair.
 - An additional \$564 was from other sources; late fees, bid fees, and other misc. charges and reimbursements.
- **Other Non-Operating Revenues:** The District recognized total non-operating revenue of \$173,388 negative.
 - Interest Income \$256,282
 - Net loss on investments \$430,870
 - Other Income \$1,200

West Bay Sanitary District
General Fund
Fiscal Year 2022-23
September 30, 2022

General Fund	Prior Year FY 2021-22	Unaudited Actual 1st Qtr FY 22-23	Budget 1st Qtr FY 22-23	Budget v Actual 1st Qtr FY 22-23	Approved Budget FY 2022-23	YTD % Annual Budget
Revenue						
Sewer Service Charges						
Residential	24,443,597	6,240,168	6,082,808	157,360	24,331,233	26%
Non-Residential	5,193,421	1,298,355	1,298,355	-	5,193,421	25%
Total Sewer Service Charges	29,637,018	7,538,524	7,381,164	157,360	29,524,654	26%
Permit & Inspection Fees	210,666	91,639	50,000	41,639	200,000	46%
Flow Equalization	368,490	386,915	386,915	1	386,915	100%
Other Operating Income	721,559	171,773	166,598	5,175	666,390	26%
Total Operating Revenues	30,937,733	8,188,850	7,984,676	204,174	30,777,959	27%
Non-Operating Revenues						
Interest Income	563,114	256,282	125,000	131,282	500,000	51%
Gain/Loss on Securities	(935,427)	(372,221)	-	(372,221)		
Gain/Loss on PARS Trust	(27,753)	(58,648)	-	(58,648)		
Other Non-Op. Inc.	(9,061)	1,200	250	950	1,000	
Total Non-Operating Revenues	(409,125)	(173,388)	125,250	(298,638)	501,000	-35%
Revenue Prior Years	930,709	-	-	-		
Total General Fund Revenue	31,459,317	8,015,462	8,109,926	(94,463)	31,278,959	26%

Expenditures:

For the quarter ending September 30, 2022, total combined expenditures are \$9,091,171 including the General, SVCW, Capital, Solid Waste, and Recycled Water Funds.

General & SVCW Funds:**Expenditures:**

For the quarter ending September 30, 2022, total Expenses were \$7,979,041, 36% of the annual budget,

- **WBSD Operating Expenses.** General Fund Expenses were \$2,665,622, 26% of the annual budget. Expenses are shown on the Expense Analysis on the following page, with overhead allocations to the Solid Waste and Recycled Water Fund deducted.
 - Salaries and Benefits were 26% of the budget.
 - Fuel costs were \$41,709, 41% of the annual budget, as fuel costs have continued to rise and the District incurred additional commuter fuel costs, before train schedules returned to normal.
 - Contract Services were 58% of the budget.
 - Root foaming for the full year was completed early and was also done for LAH for \$55,553, which was passed through on their invoice.
 - San Mateo Local Agency Formation Commission (LAFCo), for full year, was 63% of annual budget.
 - The other expenditures average 20% of the annual budget.

- **External Operating Expenses.** These include \$5,313,420 paid to SVCW, which is 44% of the annual budget for SVCW and 67% of total Operating Expenses. The District holds a 23.06% share of SVCW's Net Position as of June 30, 2022 Unaudited Analysis of Net Position. Expenses are recognized as Sewage Treatment Plant under Operating Expenses on the audited financial statements. The District is tracking internally in a separate SVCW Fund.
 - SVCW Operating Contributions were \$1,512,711, 23% of the annual budget.
 - SVCW Capital Contributions were \$261,960, 5% of the annual budget.
 - SVCW Debt payments were \$3,538,749, 70% of the annual budget.

- **Non-Operating Income(Expenses).** The District recognized a \$173,388 in non-operating expenses.
 - Net loss on investments were \$174,588, recorded as negative revenue.
 - \$256,282 Interest Income.
 - \$430,870 Loss in Fair Market Value of Investments, which District plans to hold until maturity.
 - The District received \$1,200 in miscellaneous non-operating income.

Change in Net Position:

The General and SVCW Funds combined had a Change in Net Position of \$36,421 through September 30, 2022, including \$209,808 net Operating Income. The Change in Net Position is added to the Capital Budget for future capital projects.

The District reports separately, the Capital Fund, Solid Waste Fund, and Recycled Water Fund. The total Change in Net Position for the District is \$905,549 decrease, through September 30, 2022. The total Net Position was \$159,034,226, as of September 30, 2022.

West Bay Sanitary District
General Fund
Fiscal Year 2022-23
September 30, 2022

	Prior Year	Unaudited Actual	Budget	Budget v Actual	Approved Budget	YTD %
	FY 2021-22	1st Qtr FY 22-23	1st Qtr FY 22-23	1st Qtr FY 22-23	FY 2022-23	Annual Budget
Salaries & Wages	4,150,340	1,157,535	1,165,410	7,875	4,661,639	25%
Employee Benefits	1,504,198	514,947	470,329	(44,617)	1,881,317	27%
Directors- Fees	38,690	8,250	11,003	2,753	44,013	19%
Election Expense	-		17,500	17,500	70,000	
Gasoline, Oil & Fuel	117,370	41,709	25,625	(16,084)	102,500	41%
Insurance	178,566	11,025	62,166	51,140	248,663	4%
Memberships	69,912	21,027	20,086	(941)	80,345	26%
Office Expense	30,457	6,968	11,039	4,072	44,157	16%
Operating Supplies	352,451	107,141	108,641	1,500	434,562	25%
Contract Services	573,867	452,436	194,370	(258,066)	777,480	58%
Professional Services	368,254	122,919	143,245	20,326	572,979	21%
Printing & Publications	41,156	7,969	18,334	10,365	73,335	11%
Rents & Leases	38,126	19,204	15,023	(4,181)	60,092	32%
Repairs & Maintenance	270,583	103,005	96,415	(6,590)	385,660	27%
Research & Monitoring	7,014		5,000	5,000	20,000	
Training, Meetings & Travel	23,013	6,961	27,764	20,803	111,057	6%
Utilities	179,576	54,335	59,463	5,128	237,851	23%
LAFCo	32,610	22,323	35,280	12,957	35,280	63%
Other Operating Expenses	76,813	12,622	57,848	45,225	231,390	5%
Equipment Expense	55,923	11,831	96,750	84,919	96,750	12%
OPEB Expense (GASB 75)	6,270	3,192	-	(3,192)		
Transfer to Solid Waste	(57,090)	(14,873)	(14,873)	-	(59,490)	25%
Transfer to Recycled Water	(17,589)	(4,905)	(4,905)	-	(19,620)	25%
Total WBSD Operating Expenses	8,040,511	2,665,622	2,621,513	(44,109)	10,089,960	26%
SVCW - Operating Fund	6,406,764	1,506,984	1,506,986	2	6,027,944	25%
SVCW - Operating Reserve	6,672	5,727	173,476	167,749	693,904	1%
SVCW - Capital Contributions	750,312	261,960	94,209	(167,752)	376,834	70%
SVCW - 2018 Bond	1,838,028	1,229,792	458,585	(771,208)	1,834,338	67%
SVCW - 2021 Bonds (\$55.6m)	2,724,486	2,308,957	684,392	(1,624,565)	2,737,566	84%
SVCW - SRF WWTP Debt C-06-5216-120	506,765		126,691	126,691	506,765	
Total External Operating Expenses (SVCW)	12,233,027	5,313,420	3,044,338	(2,269,082)	12,177,351	44%
Total Operating Expenses	20,273,538	7,979,041	5,665,850	(2,313,191)	22,267,311	36%
Other Non Operating Expense			1,500	1,500	6,000	
Loss on Investment SVCW	1,088,923			-		
Other Adjustments						
Pension Adjustment (GASB 68)	(937,667)	-	-	-		
Prior Period Adjustments						
Total General & SVCW Fund Expenses	20,424,794	7,979,041	5,667,350	(2,311,691)	22,273,311	36%

Capital Fund:

For period ending September 30, 2022, total Capital Expenditures were \$216,069, 2% of the annual budget. A detailed schedule of Capital Fund Expenditures is included on page 12. The Recycled Water Fund is separate, beginning on page 14.

Capital Fund Revenue:

Connection Fees were \$71,334, 29% of the annual budget.

Capital Fund

Capital Fund	Actual	Unaudited Actual	Budget	Budget v Actual	Approved Budget	YTD %
	FY 2021-22	1st Qtr FY 22-23	1st Qtr FY 22-23	1st Qtr FY 22-23	FY 2022-23	Annual Budget
Connection Fees	7,444,686	71,334	62,500	8,834	250,000	29%
Gain/Loss on Sale of Assets	602			-		
Revenue Prior Period	822,949			-		
Total Capital Fund Revenue	8,268,237	71,334	62,500	8,834	250,000	29%

Capital Fund Expenses:

The Capital Fund records all changes in District Operating Assets.

- **Depreciation.** Depreciation expense of \$735,816 is 23% of the annual budget.

Capital Fund	Unaudited Actual	Unaudited Actual	Budget	Budget v Actual	Approved Budget	YTD %
	FY 2021-22	1st Qtr FY 22-23	1st Qtr FY 22-23	1st Qtr FY 22-23	FY 2022-23	Annual Budget
Depreciation	2,895,629	735,816	800,000	64,184	3,200,000	23%
Prior Period Expenses	450,452	-	-	-	-	
Capital Fund Expenditures	3,346,081	735,816	800,000	64,184	3,200,000	23%

Capital Fund Assets:

Capital spending was \$216,069, 2% of the \$14,292,500 annual capital budget. Incomplete projects are recorded in Construction in Progress (CIP) expenditures until completed and transferred.

- **Administration.** There were no administrative expenditures capitalized.
- **Collection Facilities - Buildings.** There were no facilities expenditures completed.
- **Vehicle & Equipment.** A mainline CCTV camera was purchased for \$20,575.
- **Subsurface Lines and Other.**
 - **Pump Stations.** There were no pump and valve replacement program expenses.
 - **Subsurface Lines.** There were no subsurface lines completed.
- **Construction in Progress (CIP).** These are new or continuing constructions projects that are recorded separately and capitalized when completed. CIP is not depreciated until completed. \$195,495 was expended, 2% of the \$12,280,000 budget for CIP.
 - **Levee Project.** \$150,233 was expended for levee design.

- **Metal Storage Building.** \$15,722 was expended to complete the project.
- **Pipeline Replacement & Rehab Engineering** There were no expenditures.
- **Pipeline Replacement & Rehab Construction.** \$29,539 was expended; \$2,959 on the Bayfront entrance project and \$26,580 miscellaneous point repairs.
- **Resource Recovery.** There are two recycled water facilities projects in the Recycled Water Fund.
 - **Sharron Heights Recycled Water Facility.** The facility was accepted from the contractor, Anderson Pacific, effective July 27, 2020. The final project was capitalized for \$22,780,298 in fiscal year 2020-21.
 - **Bayfront.** The proposed Bayfront Recycled Water Project is in early developments. \$583 was expended in the first quarter FY 2022-23.

Reserves:

The District has budgeted \$4,282,856 in total transfers; \$4,149,218 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, and \$133,638 in transfers for employee pension and insurance.

- **Reserves.** The District budgeted \$4,282,856 for unrestricted reserves.
 - **Operating Reserve:** \$361,837 was allocated to the Operating Reserve, which is held in Local Agency Investment Fund (LAIF).
- **Restricted Reserves.** There were no budget transfers to restricted reserve.

Reserve Transfers	Actual 9/30/2022	Budget FY 2022-23	Variance Budget Balance	YTD % Annual
Contributions To Reserves				
Operating Reserves Transfers (Target Goal 6mo/Ops)	359,337	359,337	-	100%
Rate Stabilization (Target Goal \$8M)	-	300,000	300,000	0%
Capital Reserves				
Capital Project Reserves Transfers (Target Goal \$6M)		200,000	200,000	0%
Emergency Capital Reserves Transfer (Target Goal \$5M)		200,000	200,000	0%
Treatment Plant Reserve (Target Goal \$12M)		2,500,000	2,500,000	0%
Vehicle & Equip Replacement Reserve		389,881	389,881	0%
Recycled Water Facility Cash Flow Reserve		200,000	200,000	0%
Recycled Water SRF Reserve - Restricted		-	-	
Reserve Transfers	359,337	4,149,218	3,789,881	9%
Other Reserve Contributions				
PARS Irrevocable Trust - Retirement		50,000	50,000	0%
PARS Irrevocable Trust - OPEB		25,000	25,000	0%
Self-Insurance Reserve		58,638	58,638	0%
Total Contributions To Reserves	718,674	4,282,856	3,564,182	17%

West Bay Sanitary District
 Capital Expenditures
 Fiscal Year 2022-23
 September 30, 2022

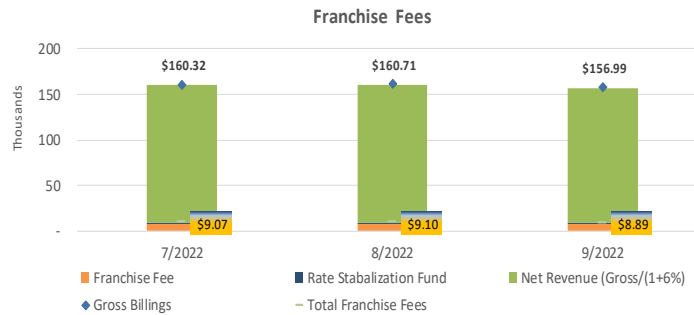
	Actual 9/30/2022	Budget FY 2022-23	Variance Budget Balance	YTD % Annual Budget
<u>Plant & Administration</u>				
10 Year Master Plan		350,000	350,000	0%
Total Administration	-	350,000	350,000	0%
<u>Collection Facilities - Buildings</u>				
FERRF Improvements & Demolition of Treatment Plant		500,000	500,000	0%
Allowance For Unanticipated Capital Expenditures		100,000	100,000	0%
Total Collection Facilities	-	600,000	600,000	0%
<u>Equipment Replacement - Funded From The Equipment Replacement Fund</u>				
<u>Equipment</u>				
CCTV Transporter & Track Module	20,575	22,500	1,925	91%
<u>Vehicles</u>				
Source Control - Ford F250 Lightning (Replace Unit 214)		75,000	75,000	0%
Jet Truck, Superduty F550 4x4, 1/2in Jetter - Unit 228		165,000		
Combo Vacuum/Jetter Truck - Unit 229 (Replace Unit 205)		500,000		
Sales of Vehicles			-	
Total Vehicle & Equipment	20,575	762,500	76,925	3%
<u>Subsurface Lines and Other</u>				
<u>Pump Stations</u>				
Pump & Valve Replacement Program		200,000		0%
Private Pump & Panel Replacements		-	-	
Pump Station Fence/Roof Replacement & Repair		-		
Total Pump Stations	-	200,000	200,000	0%
Manhole Raising (Paving Projects)		100,000	100,000	0%
Total Subsurface Lines	-	100,000	100,000	0%
<u>Construction In Progress</u>				
Levee Survey & GPS Update	150,233	60,000	(90,233)	250%
Levee Improvement		7,000,000		
Metal Storage Building - Phase 1 & 2	15,722	-	(15,722)	
<u>Pipeline Replacement & Rehab Engineering</u>				
Corporate Yard Renovation Design		350,000	350,000	0%
Construction Projects Environmental Review		20,000	20,000	0%
Spot Repair Design (High Frequency List)		350,000	350,000	0%
Pipeline Replacement Design		350,000	350,000	0%
Stowe Lane Design		200,000	200,000	0%
<u>Pipeline Replacement & Rehab Construction</u>				
Willow Pump Station Rehabilitation		700,000	700,000	0%
Bayfront Park Sanitary Sewer Improvements	2,959	1,250,000	1,247,041	0%
Misc Point Repairs (High Freq. List Repairs)	26,580	2,000,000	1,973,420	1%
Total Construction In Progress	195,495	12,280,000	12,084,505	2%
Total Capital Expenditures	216,069	14,292,500	14,076,431	2%

Solid Waste Fund:

The District is a member of South Bayside Waste Management Authority (SBWMA), a joint powers authority which contracts with Recology to provide recycling, compost, and garbage collection services. The Solid Waste Fund had a net decrease of \$6,184, to a Net Position of \$513,135, as of September 30, 2022.

- **Solid Waste Fund Revenue.** Franchise fees were \$27,058, 25% of the annual budget. This represents 6% of the Net Revenue of Recology; 5% in Franchise Fees and 1% from Rate Stabilization Fund.
- **Solid Waste Fund Expense.** Allocated expenses for the Solid Waste program of \$33,243 was recognized for a rate study, annual notification mailing, and overhead allocation, 31% of the annual budget.

West Bay Sanitary District
Solid Waste
Fiscal Year 2022-23
September 30, 2022



	Prior Year FY 2021-22	Actual 1st Qtr FY 22-23	Budget 1st Qtr FY 22-23	Variance Budget v Actual	Approved Budget FY 2022-23	YTD % Annual Budget
Income						
Operating Income						
Franchise	111,402	27,058	27,500	(442)	110,000	25%
Total Income	111,402	27,058	27,500	(442)	110,000	25%
Expenditures						
Allocated Operating Expense						
Rate Studies	0	16,159	10,500	5,659	42,000	38%
Mailings	1,911	2,211	1,250	961	5,000	44%
Public Relations	1,188	0	375	(375)	1,500	0%
Overhead Expense Allocation	57,090	14,873	14,873	0	59,490	25%
Total Allocated Operating Expense	60,189	33,243	26,998	6,245	107,990	31%
Non-Operating Income & Expenditures						
Surplus	204,901	0	0	0	0	
Total Non-Operating Income & Expenditu	204,901	0	0	0	0	
Solid Waste Fund						
Beginning Balance	263,205	519,319	519,319	-	519,319	100%
Contribution To Solid Waste Fund	256,114	(6,184)	503	(6,687)	2,010	-308%
Ending Balance	519,319	513,135	519,821	(6,687)	521,329	98%

Recycled Water:

The Recycled Water Fund includes the Sharon Heights Recycled Water Facility (SHRWF) and the Bayfront Recycled Water Facility (BFRWF) Project. SHRWF is a public/private partnership with Sharon Heights Golf & Country Club (SHGCC) to deliver recycled water. Details follow on page 14-15. BFRWF will be a public/private partnership with several developers and the District maintaining extra capacity to sell to prospective customers. Details follow on page 16.

**Recycled Water Fund
Capital Expenditures**

	Actual FY 2021-22	Actual 9/30/2022	Budget FY 2022-23	Variance Budget Balance	YTD % Annual Budget
<u>Recycled Water Fund</u>					
Recycled Water Facility - SHGCC	-	-	-	-	
Sharon Heights RWF - Avy Pump Station			500,000	500,000	0%
Sharon Heights RWF - Solar Project Lease			1,500,000	1,500,000	0%
Bayfront Recycled Water Facility - Project Mgmt	325,765		1,000,000	1,000,000	0%
Bayfront - Reclaimed Water Pipelines		583	1,250,000	1,249,417	0%
Total Resource Recovery	325,765	583	4,250,000	3,000,000	0%

The District has funds in a Recycled Water Cash Flow Reserve, which was initially created for the SHRWF to cover expenditures which were reimbursed through a State of California State Revolving Fund (SRF) loan and is continuing to serve for the BFRWF Project. The District recognized \$70,460 decrease in the fair market value of investments in this reserve.

SHRWF was accepted July 27, 2020 and the District assumed full management of the facility beginning January 27, 2021.

The District completed an initial BFRWF Plan in February 2019, with Board approval of the project on May 12, 2021. Construction completion is scheduled for early 2026.

West Bay Sanitary District
Recycled Water Fund
Fiscal Year 2022-23
September 30, 2022

Recycled Water Fund	WBSD	SHRWF	BFRWF	Total
Salaries & Benefits	-	(59,559)	-	(59,559)
Other Operating Expense	-	(95,731)	(1,153)	(96,884)
Depreciation	-	(186,628)	-	(186,628)
Operating Income (Expense)	-	(341,918)	(1,153)	(343,071)
Non-Operating Income	(70,460)	142,227	-	71,767
Non-Operating Expense	-	-	-	-
Capital Contributions	-	-	-	-
Net Change in Position	(70,460)	(199,690)	(1,153)	(271,304)

Sharon Heights Recycled Water Facility

The Sharon Heights Recycled Water Facility (SHRWF) project was completed in FY 2020-21 and accepted effective July 27, 2020, for a total of \$22,647,052 to build the 0.5 MGD plant. \$22,267,257 was received from the California Clean Water State Revolving Fund (SRF), including a \$5,259,800 Water Recycling Funding Program Construction Grant and a net SRF Loan of \$17,117,420. The first SRF loan payment was made in March 2021, with annual payments thereafter. The SRF loan balance is \$16,119,635, as of September 30, 2022.

Operation & Maintenance (O&M) expense are paid by the District. Sharon Heights Golf & Country Club (SHGCC) pays an estimated budget amount monthly. Summary Recycled Water Fund statements is below, with detailed expenditure schedule on page 15.

- **Expense.** Total expenditures were \$341,918, including depreciation of the facility.
 - Operating Expenses were \$155,289, 27% of the annual budget.
 - Depreciation Expense was \$186,628, 25% of the annual budget.
- **Non-Operating Income & Expenses.**
 - *Revenue.* \$141,949 was recognized as non-operating income from SHGCC. This represents billing for O&M.
 - Non-Operating Income was a net increase of \$279, from Interest Income.
- **Capital Contributions**
 - Funds of \$198,873 received from SHGCC for the payment of the SRF loan principal and interest are carried as a liability and recorded as Capital Contributions, when the loan is paid.

West Bay Sanitary District
 Recycled Water Fund
 Sharron Heights Recycled Water Facility
 Fiscal Year 2022-23
 September 30, 2022

	Prior Year FY 2021-22	Actual 1st Qtr FY 22-23	Budget 1st Qtr FY 22-23	Budget v Actual 1st Qtr FY 22-23	Approved Budget FY 2022-23	YTD % Annual Budget
Fund Expenditures						
Operating Expense	481,539	155,289	142,016	(13,273)	568,064	27%
Depreciation Expense	752,805	186,628	188,201	1,573	752,805	25%
Total Fund Expenditures	1,234,344	341,918	330,217	(11,701)	1,320,869	26%
Non-Operating Income / Expense						
Sharon Heights Golf & County Club	488,991	141,949	129,516	(12,433)	518,064	27%
Interest Income/Change in FMV	(1,844)	279	400	121	1,600	17%
Interest Expense (SRF Loan)	(166,164)	0	0	0	(161,196)	0%
Net Change in Fund	320,983	142,227	129,916	(12,311)	358,468	40%
Capital Contributions						
Sharon Heights Golf & Country Club	662,911	0	0	0	662,911	0%
Net Change in Position	(250,450)	(199,690)	(200,301)	(611)	(299,490)	67%

West Bay Sanitary District
 Recycled Water Fund
 Sharron Heights Recycled Water Facility
 Fiscal Year 2022-23
 September 30, 2022

Fund Expenditures - Detail	Prior Year FY 2021-22	Actual 1st Qtr FY 22-23	Budget 1st Qtr FY 22-23	Budget v Actual 1st Qtr FY 22-23	Approved Budget FY 2022-23	YTD % Annual Budget
<u>Operating Expense</u>						
District Wages						
Plant Operator	79,554	30,784	22,509	(8,274)	90,037	34.2%
Indirect Labor	29,411	830	4,998	4,168	19,992	4.2%
Overtime	23,232	11,284	7,500	(3,784)	30,000	37.6%
Standby	18,620	5,320	4,941	(379)	19,764	26.9%
Total District Wages	150,818	48,217	39,948	(8,269)	159,793	30.2%
Employee Benefits	35,594	11,341	6,771	(4,571)	27,083	41.9%
Total Salaries, Wages & Benefits	186,411	59,559	46,719	(12,840)	186,876	31.9%
<u>Other Operating Expense</u>						
Gasoline, Oil & Fuel	0	0	0	0	-	
Insurance	34,747	7,710	8,750	1,040	35,000	22.0%
Memberships	0	0	0	0	-	
Office Expense	33	0	0	0	-	
Operating Supplies	17,709	5,977	4,050	(1,927)	16,200	36.9%
Contractual Services	0	0	12,500	12,500	50,000	0.0%
Professional Services	28,613	2,934	2,500	(434)	10,000	29.3%
Printing & Publications	0	0	0	0	-	
Rents & Leases	0	0	0	0	-	
Repairs & Maintenance	20,814	3,389	3,102	(287)	12,408	27.3%
Research & Monitoring	19,060	7,165	5,610	(1,555)	22,440	31.9%
Training, Meetings & Travel	0	0	0	0	-	
Utilities	150,412	62,695	51,380	(11,315)	205,520	0.0%
Licenses & Permits	6,150	955	2,500	1,545	10,000	1503.8%
Other Operating Expenses	0	0	0	0	-	
Subtotal Operating Expenses	463,950	150,384	137,111	(13,273)	548,444	27%
Operations & Maintenance (Contract)	0	0	0	0	-	
Administrative Expense	17,589	4,905	4,905	0	19,620	766.5%
Total SHRWF Operating Expenses	481,539	155,289	142,016	(13,273)	568,064	27.3%
Depreciation	752,805	186,628	188,201	1,573	752,805	24.8%
Total Operating Expense	1,234,344	341,918	330,217	(11,701)	1,320,869	25.9%
<u>Non-Operating Income & Expense</u>						
Non-Operating Income						
Sharon Heights Golf & County Club	488,991	141,949	129,516	(12,433)	518,064	0.0%
Interest Income	1,668	279	400	121	1,600	17.4%
Gain/Loss on Reserves	(3,512)	0	0	0	0	
Other Non-Operating Income	0	0	0	0		
Total Non-Operating Income	487,147	142,227	129,916	(12,311)	519,664	27.4%
Non-Operating Expense						
Principal Payment (SRF Loan)	(496,747)	0	0	0	(501,715)	0.0%
Interest Expense (SRF Loan)	(166,164)	0	0	0	(161,196)	0.0%
Total Non-Operating Expense	(166,164)	0	0	0	(161,196)	0.0%
Total Non-Operating Income & Expense	320,983	142,227	129,916	(12,311)	358,468	39.7%
Capital Contributions						
SRF Loan Payment	662,911	0	0	0	662,911	0.0%
Total Capital Contributions	662,911	0	0	0	662,911	0.0%
Net Change in Position	(250,450)	(199,690)	(200,301)	(611)	(299,490)	66.7%

Recycled Water:

Bayfront Recycled Water Facility (BFRWF)

The District completed an initial BFRWF Plan in February 2019. After completing required Environmental Impact Report (EIR) and other regulatory requirements, on May 12, 2021, the District Board approved the project to build a 0.6 million gallons per day (MGD) recycled water facility at the District’s Flow Equalization and Resource Recovery Facility (FERRF) site.

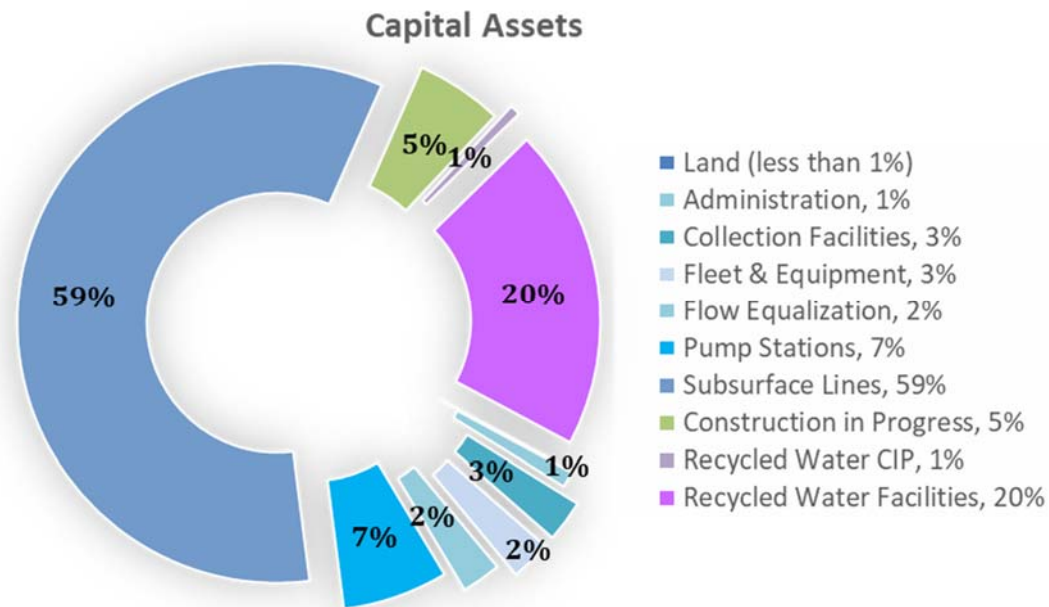
BFRWF had \$583 in capital expenditures year to date, for total project Construction in Progress (CIP) expenditures of \$730,244.

In FY 2022-23 the BFRWF project had \$1,153 in expenditures for professional services working towards receiving grant funding.

The District was awarded a \$15 million grant from the California State Water Recycling Funding Program (WRFP), representing 35% of projected construction costs of \$56.6 million and an initial \$37 million SRF loan. The grant may increase, based on final construction costs.

The District was also awarded a \$4,884,112 million grant to fund a portion of the Ecotone Levee Project, for a living shoreline to protect the site from flooding and sea level rise by the National Fish and Wildlife Foundation (NFWF). The funds are matching, requiring a 112% contribution by the District of \$5.5 million. No funds have been received on either grant.

Recycled Water Fund represents 21% of all District assets, including CIP for Bayfront.



West Bay Sanitary District
Statement of Revenues, Expenses & Changes in Net Position
By Fund
First Quarter Fiscal Year 2022-23

	General Fund	Capital Fund	Solid Waste Fund	Recycled Water Fund	Silicon Valley Clean Water Fund	Unaudited Actual
	1st Qtr FY 22-23	1st Qtr FY 22-23	1st Qtr FY 22-23	1st Qtr FY 22-23	1st Qtr FY 22-23	1st Qtr FY 22-23
Operating Revenues						
Sewer Service Charges	7,538,524	-	-	-	-	7,538,524
Flow Equalization	386,915	-	-	-	-	386,915
Permit & Inspection Fees	91,639	-	-	-	-	91,639
Other Operating Revenue	171,773	-	27,058	-	-	198,831
Operating Revenues	8,188,850	-	27,058	-	-	8,215,908
Operating Expenses						
Salaries & Benefits	1,683,924	-	-	59,559	-	1,743,483
Materials & Supplies	167,648	-	-	5,977	-	173,625
Insurance	11,025	-	-	7,710	-	18,736
Contract Services	471,640	-	-	-	-	471,640
Professional Services	122,919	-	16,159	11,252	-	150,330
Repairs & Maintenance	103,005	-	-	3,389	-	106,394
Utilities	54,335	-	-	62,695	-	117,030
Other Operating Expenses	51,125	-	17,084	5,860	-	74,069
Depreciation	-	735,816	-	186,628	-	922,445
Total WBSD Operating Expenses	2,665,622	735,816	33,243	343,071	-	3,777,751
Sewage Treatment Plant (SVCW)					5,313,420	5,313,420
Total Operating Expenses	2,665,622	735,816	33,243	343,071	5,313,420	9,091,171
Operating Income (Loss)	5,523,228	(735,816)	(6,184)	(343,071)	(5,313,420)	(875,263)
Non-Operating Revenues (Expenses)						
Investment Income	(174,588)	-	-	(70,182)	-	(244,769)
Interest Expense					-	-
Other Non-Operating Income	1,200	-	-	141,949	-	143,149
Other Non-Operating Expenses						-
Total Non-Operating Revenues (Expenses)	(173,388)	-	-	71,767	-	(101,621)
Change in Net Position by Fund	5,349,841	(735,816)	(6,184)	(271,304)	(5,313,420)	(976,884)
Pension Adjustment (GASB 68)	-					-
Capital Contributions						
Recycled Water Fund				-		-
Capital Fund: Connection Fees		71,334				71,334
	5,349,841	(664,482)	(6,184)	(271,304)	(5,313,420)	(905,549)
Beginning Net Position	39,413,062	78,546,037	519,319	13,030,649	28,430,708	159,939,775
Ending Net Position	44,762,903	77,881,555	513,135	12,759,345	23,117,288	159,034,226

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 11**

To: Board of Directors

**From: Debra Fisher, Finance Manager
Sergio Ramirez, General Manager**

Subject: Consider Approving Additional Contributions from LAIF to the Reserves

Background

The District currently has five separate investment reserves maintained to support the goals of the District, along with reserves held in LAIF, the Vehicle & Equipment Reserve held in a money market account, and the restricted Pension Trust and Recycled Water State Revolving Fund (SRF) Reserves. Annual contributions are made in accordance with the Board approved budget in order to reach the target balances for each reserve. There are \$4.3 million in transfers in the approved FY 2022-23 Budget.

Reserve Transfers	Approved Budget FY 2022-23	Variance Budget Balance	YTD % Annual
<u>Contributions To Reserves</u>			
Operating Reserves Transfers (Target Goal 6mo/Ops)	359,337	-	100%
Rate Stabilization (Target Goal \$8M)	300,000	300,000	0%
<u>Capital Reserves</u>			
Capital Project Reserves Transfers (Target Goal \$6M)	200,000	200,000	0%
Emergency Capital Reserves Transfer (Target Goal \$5M)	200,000	200,000	0%
Treatment Plant Reserve (Target Goal \$12M)	2,500,000	2,500,000	0%
Vehicle & Equip Replacement Reserve	389,881	389,881	0%
Recycled Water Facility Cash Flow Reserve	200,000	200,000	0%
Recycled Water SRF Reserve - Restricted	-	-	
Reserve Transfers	4,149,218	3,789,881	9%
<u>Other Reserve Contributions</u>			
PARS Irrevocable Trust - Retirement	50,000	50,000	0%
PARS Irrevocable Trust - OPEB	25,000	25,000	0%
Self-Insurance Reserve	58,638	58,638	0%
Total Contributions To Reserves	4,282,856	3,564,182	17%

Excess funds over the current monthly expenditures are held in Local Agency Investment Fund (LAIF), which are equivalent to cash.

On December 2, 2022, the District Finance Committee met and discusses the investment portfolios with the Bank of the West investment advisor. It was discussed that the District may achieve higher yields by purchasing investments in the three (3) to four (4) year range, which is within the five (5) year Investment Policy, without further board approval. The Finance Committee determined the best course would be to

achieve balanced portfolios with approximately 25% held in one, two, three, and four year bonds.

The Finance Committee suggests that the District move an additional \$10 million from LAIF to the Bank of the West investment reserve accounts to achieve higher yields on the total funds held by the District.

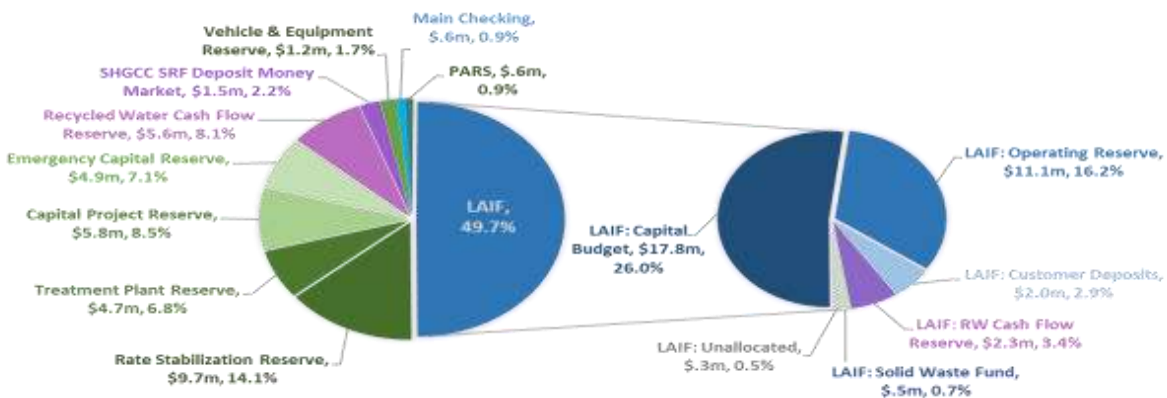
Analysis

The District’s annual approved budget is \$26.85 million for Operating Expenditures and \$18,542,500 for total Capital Expenditures, including all programs. Currently, the District has expended approximately \$9.7 million for Operations and \$493 thousand on capital, with \$35 million remaining in the fiscal year.

As of November 30, 2022, the District had the following fund balances:

- Cash & Equivalents \$35,856,604
- Investment Accounts \$30,606,878, with \$208,037 in cash, 1%
- Restricted Accounts \$2,124,561

West Bay Sanitary District
Cash & Investments
November 30, 2022



District’s cash and equivalents currently available is \$32.2 million, excluding \$3.7 million in liabilities and allocated funds. The District also anticipates receiving approximately \$14 million from San Mateo County in December 2022 for sewer services charged through the tax roll.

The District has sufficient funds to allocate an additional \$10 million to the Bank of the West investment reserve accounts.

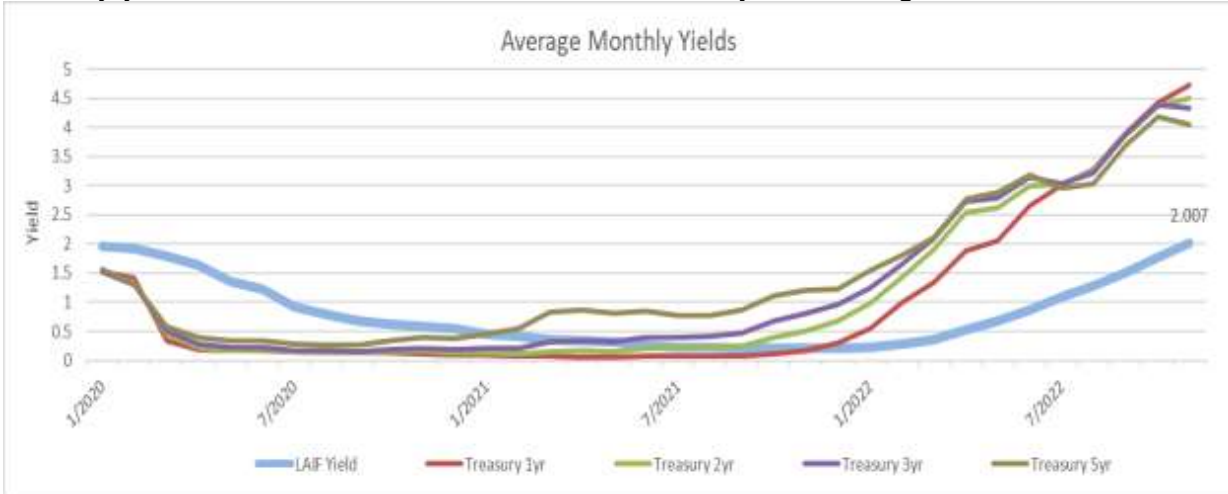
The chart to the right shows the current portfolios’ par values and market value by year of maturity, 20% of the investments will mature in the current year and 77% by June 30, 2023. All



investments mature within four years.

Fiscal Impact

Based on the current yields, the District may earn higher yields on available funds. Compared with LAIF, Treasuries are earning 2.7, 2.49, 2.33, and 2.05 over LAIF for 1 year, 2 years, 3 years, and 5 years, respectively. The chart below shows the average monthly yields in LAIF and Treasuries at one to five years through November 30, 2022.



The District investment reserves are currently \$8,044,476 under target balances. A \$10 million transfer could fund all reserves to their target level, with the balance distributed equally between the funds.

<u>Reserve Account</u>	<u>Originated</u>	<u>Target Balance</u>	<u>Balance to Target</u>	<u>Transfer</u>
Operating Reserve	11/26/2014	\$11.1 million	Achieved	
Rate Stabilization Reserve	10/30/2015	\$10 million	\$290,781	\$767,700
			\$7,343,703	\$7,916,10
Treatment Plant Reserve	8/01/2021	\$12 million		0
Capital Project Reserve	11/26/2014	\$6 million	\$192,821	\$479,000
Emergency Capital Reserve	10/19/2010	\$5 million	\$142,625	\$381,100
Recycled Water Cash Flow	11/18/2016	\$8 million	\$74,546	\$456,100
Recycled Water SRF Reserve	3/01/2018	\$1.46 million	Achieved	
Vehicle & Equipment Reserve	8/18/2011	\$1 million	Achieved	

Recommendation

The Finance Manager recommends the Board authorize the General Manager to transfer \$10 million in additional contributions from LAIF to the Reserve accounts in FY 2022-23.

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WEST BAY SANITARY DISTRICT AGENDA ITEM 12

To: *Board of Directors*

From: *Sergio Ramirez, General Manager*

Subject: *Consider Resolution to Elect to the District Board, President, and Secretary, and Appoint a Treasurer and Consider Appointment of Committee Appointees and Alternates*

Background

The Board requires Board members to serve as President, and Secretary effective January 1, 2023. This item requires nominations for election and Board selection of these positions. The Treasurer position is also required and subject to Presidential appointment.

Finally, Committee appointees and alternates must also be selected as necessary, to serve as District representatives for the SVCW Commission and the SBWMA JPA Board, and on Ad-Hoc committees and advisory groups such as Finance and Recycled Water. These appointments can be done by Presidential appointment.

Analysis

Per Elections Code Section 10554:

“Elective officers, elected or appointed pursuant to this part, take office at noon on the first Friday in December next following the general district election. Prior to taking office, each elective officer shall take the official oath and execute any bond required by the principal act.”

Fiscal Impact

None

Recommendation

The General Manager recommends the current District Board President preside over the Election of Officers and selection of committee appointees and alternates.

Report to the District Board for the Regular Meeting of December 14, 2022

RESOLUTION NO. _____ (2022)

RESOLUTION APPROVING ELECTION AND APPOINTMENT OF OFFICERS OF THE WEST BAY SANITARY DISTRICT BOARD

WHEREAS, The DISTRICT BOARD requires a President, Secretary and Treasurer; and

WHEREAS, the DISTRICT BOARD has requested nominations and voted by majority to elect the DISTRICT BOARD Officers as follows:

President: _____

Secretary: _____

And,

WHEREAS, the District President has appointed the following Board Member as Treasurer as follows:

Treasurer: _____

and,

WHEREAS, these appointments are effective January 1, 2023.

NOW, THEREFORE, BE IT RESOLVED that the District Board of the West Bay Sanitary District, County of San Mateo, State of California, does hereby approve the election and appointment of the above mentioned Officers of the District Board and conveys on these Officers all benefits, privileges, honors and responsibilities appointed unto the respective office.

PASSED AND ADOPTED by the District Board of the West Bay Sanitary District at a regular meeting thereof held on 14th day of December, 2022, by the following votes:

Ayes:

Noes:

Absent:

Abstain:

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

Attest:

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

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WEST BAY SANITARY DISTRICT AGENDA ITEM 13

To: *Board of Directors*

From: *Sergio Ramirez, General Manager*

Subject: *Consideration Authorizing the General Manager to Issue the Call for Bids for the District's Capital Improvement Project – Point Repairs (High Frequency Pipeline Replacement and Repairs)*

Background

District Staff has been able to maintain the sewer system well and has minimized the amount of Sanitary Sewer Overflows (SSOs) to record levels. The Board has approved multiple pipeline replacement projects which have also contributed to SSO reduction and have limited Inflow and Infiltration into the system. The sewer system has been maintained using aggressive cleaning schedules. Many pipe segments require cleaning every three, six, and twelve months. Replacing or repairing these high frequency schedules are the next step in improving the sewer system.

During the July 13th, 2022 Regular Board Meeting, the District Board approved a design project to replace and repair sewer pipelines that are on a high frequency cleaning schedule due to root intrusion, sags, damaged pipe, and other structural issues. These high frequency pipelines involve additional maintenance and work force. The District has determined that replacing and repairing sewer pipelines along these pipe segments would alleviate some of the required maintenance and work force so maintenance staff can concentrate in other areas. However, the amount of repairs is so large that the project will have to be conducted in a phased approach over three to four years.

West Bay system mapping is based on a grid pattern spread across the District, known as Block Maps. The first phase of the project included: 1) main lines that are the highest priority projects determined by District Staff, 2) within areas of planned street surface improvements and 3) any point repairs needed within the same Block Maps in which planned street improvements are within.

Analysis

The design engineering firm, Freyer & Laureta (F&L) reached out to the City of Menlo Park, the Town of Atherton, San Mateo County, and the Town of Portola Valley to obtain their planned street improvements for 2023 and overlaid them over the list of

point repairs provided by District Staff. Using the criteria for selected projects, the anticipated construction cost to replace or repair the high frequency pipelines exceeded \$12.5 million based on current market conditions. The project was re-evaluated to account for priority projects and in areas of planned street improvements. The anticipated cost for the first phase of the project is \$4.2 million with no contingency, based on current market conditions.

Fiscal Impact

The Capital Assets Fund for Fiscal Year 2022-2023 has an approved budget of \$2 million. The project's anticipated cost for priority pipeline replacements and point repairs within planned surface improvement areas is \$4.2 million as indicated above, \$2.2 million over the budget amount.

Recommendation

The General Manager recommends the District Board of Directors authorize the General Manager to issue a call for bids for the District's Capital Improvement Project – Point Repairs for priority projects and point repairs within areas of planned surface improvements.



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 14**

To: Board of Directors

From: Sergio Ramirez, General Manager

Subject: Consider Authorizing General Manager to Extend the Agreement for Engineering Staff Augmentation Services with Freyer & Laureta, Inc.

Background

The District's Project Manager and Engineering Technician positions are vacant. Freyer & Laureta, Inc. (F&L) has been contracted to provide staff augmentation engineering services to help the General Manager during the Project Manager's and Engineering Technician's absence.

Analysis

F&L is currently contracted through December 2022. The District requested F&L to provide a proposal for staff augmentation services from January 2023 through February 2023. Services include 40 hours of Staff Engineering plus Principal oversight and consultation averaging 4 hours a week, for 9 weeks.

Fiscal Impact

The proposed on-call engineering services for 44 hours per week for 9 weeks is \$70,200.

Recommendation

The General Manager recommends the District Board Authorize the General Manager to enter into the agreement for On-Call Engineering Staff Augmentation Services from Freyer & Laureta, Inc.

November 25, 2022

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

**Re: PART-TIME STAFF AUGMENTATION PROPOSAL
WEST BAY SANITARY DISTRICT**

Dear Mr. Ramirez,

Thank you for your proposal request to provide additional weeks of staff augmentation services for the District. We are pleased to present the following Scope of Professional Services and Fee Schedule.

Task 1 – Staff Augmentation

- Freyer & Laureta (F&L) will provide staff engineering augmentation and consultation for an average of 40 hours a week for 9 weeks (January 2 through March 3, 2023), with Principal oversight and consultation averaging 4 hours a week for 9 weeks.

Proposed Fee Schedule

All work will be on a time and materials basis, not to exceed the following limits without District authorization. Please see attached Estimated Budget Table for fee breakdown.

Task 1 – Staff Augmentation **\$70,200**

Thanks again for this opportunity. Please let me know if you have any questions.

Sincerely,
FREYER & LAURETA, INC.



Richard J. Laureta, P.E.
President

Headquarters

150 Executive Park Blvd, Ste 4200
San Francisco, CA 94134
(415) 534-7070

North Bay Office

505 San Marin Dr, Ste A220
Novato, CA 94945
(415) 534-7070

East Bay Office

825 Washington Street, Ste 237
Oakland, CA 94607
(510) 937-2310

South Bay Office

20863 Stevens Creek Blvd, Ste 400
Cupertino, CA 95014
(408) 516-1090

ESTIMATED BUDGET FOR ENGINEERING SERVICES - STAFF AUGMENTATION
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 Staff Engineer IV	F&L Principal							
	170	250							
Task I: Staff Augmentation									
Staff Augmentation/Consultation (approx. 40 hrs/week and 4hrs/week, 9 week duration, for Staff Engineer and Principal, respectively)	360	36	\$70,200					\$70,200	
Subtotal Labor Hours - Task I	360	36	\$70,200	Estimated Cost - Task I				\$70,200	
Total Labor Hours	360	36	\$70,200	Total Estimated Cost				\$70,200	

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WEST BAY SANITARY DISTRICT AGENDA ITEM 15

To: *Board of Directors*

From: *Sergio Ramirez, General Manager*

Subject: *December 14th, 2022 Update Report on District Response to Corona Virus*

Background

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

Analysis

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

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

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

Report to the District Board for the Regular Meeting of December 14, 2022

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

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

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

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

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

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

The District will now be faced with transitioning back to normal operations. The District Office is open on Friday by appointment only. Construction activities are increasing and

inspections are being scheduled much more frequently. Social Distancing and PPE will continue to be key elements of District life for the foreseeable future.

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

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

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

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

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

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

September 23 update: Two employees are currently out sick and in quarantine due to a possible exposure to COVID-19 per District's protocol memorialized in our August 12, 2020 update (above) "*When an employee has been in contact with a known or possible COVID 19 positive patient or been in contact with someone who has been in contact*

with a confirmed COVID 19 positive patient they will be asked to stay home for a 14-day self-quarantine period and will be asked to be tested for COVID 19.” Once the employees test negative for COVID-19, or quarantine for 14 days, they will be allowed back to work.

October 14 update: No updates at this time.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

October 13, 2021 update: There is no further update since the September 22, 2021 Board meeting.

October 27, 2021 update: There is no further update since the October 13, 2021 Board meeting.

November 10, 2021 update: An email was sent to staff letting them know that West Bay will mandate COVID-19 vaccinations.

December 8, 2021 update: On November 8, 2021 the District Manager and Safety Officer (Water Quality Manager) held training regarding the COVID-19 vaccine mandate. Staff has been submitting proof of vaccination to Human Resources since the training was held.

January 12, 2022 update: All employees and Board Members have provided proof of vaccination by the December 30 deadline.

January 26, 2022 update: State indoor mask mandate in effect until February 15. Front office staff is working from home two days per week to limit exposure.

February 9, 2022 update: Staff is working with DuALL Safety to update the response plan and will incorporate the latest CDC guidelines and requirements.

February 23, 2022 update: Staff is working with District Counsel to incorporate all of the recent guidelines with the various government bodies, if possible.

March 9, 2022 update: The office staff has returned to an in-full office work schedule after the latest COVID-19 surge. The District has prepared an update to COVID-19 Response Plan and will hold training in March.

March 23, 2022 update: Staff was trained on updated COVID-19 Response Plan on March 10. Masks are no longer required at this time unless staff is helping the public.

June 8, 2022 update: With the recent surge in COVID-19 cases, the District has two employees out with COVID-19 and three others working from home as a precaution.

June 22, 2022 update: One more staff member has contracted COVID-19. Everyone else is back on duty.

July 13, 2022 update: All staff members are back on full duty. The District's General Counsel has updated the COVID-19 Response Plan. Staff will be implementing and training on the revision in July.

August 10, 2022 update: Staff received training on the COVID-19 Response Plan revisions on August 1st. The revisions include a 48 hours testing requirement prior to returning to work from traveling outside of the state or country.

December 14, 2022 update: The District's General Counsel is reviewing the COVID-19 Response Plan and will provide necessary updates.

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 was 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. Cost are continuing to be tracked in FY2022-23.

Recommendation

The General Manager recommends the Board accept this report and provide comments to the General 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 16**

To: Board of Directors

From: Sergio Ramirez, General Manager

Subject: Consider Resolution Authorizing General Manager to Submit for an increase to a Clean Water State Revolving Fund Application for the “Avy Altschul Pump Station” and Approve the Reimbursement Resolution to Manage the Funding if Awarded

Background

At the Regular Board Meeting on May 26, 2021, the General Manager reported on the need to conduct a flow study at Avy Ave & Altschul Ave in Menlo Park to analyze if there is enough flow in the area to construct a second pick point for the West Bay/ Sharon Heights Recycled Water Facility. It was also reported that Sharon Heights Golf and Country Club (SHGCC) offered to pay for the flow study prior to proceeding with the design of a pump station. The Board of Directors agreed by consensus to conduct the initial flow study which would be paid by SHGCC.

On July 28, 2021, the Board approved an agreement with Freyer and Laureta to move forward with the design phase for the pump station at Avy Ave & Altschul Ave. The project would add additional flow to the Phil Scott Pump Station at Sandhill Road and Oak Ave. The added flow would benefit the West Bay/Sharon Heights Recycled Water Facility and provide additional recycled water to meet demand.

SHGCC has explored several options to finance the proposed pump station. The most lucrative has been to seek a State Revolving Fund Loan from the State Water Board in a public / private partnership. On October 13, 2021, the Board approved entering into an agreement with SHGCC to prepare and submit an SRF loan application for the project.

The District is in the process of preparing a Clean Water State Revolving Fund (CWSRF) funding application to secure loan and potential grant funding for the Avy Altschul Pump Station. Total original costs included in the CWSRF application was \$500,000 but due to inflationary cost and contractor pricing, it is estimated the project will cost \$750,000 to \$950,000 by the time the contract is awarded.

The Project will allow the offset of approximately 50,000 gallons/day of potable water during peak months. The CWSRF program is administered at the State level by the

State Water Resources Control Board. To be eligible for this funding, the State requires the District's Board of Directors pass two resolutions. The first is a Reimbursement Resolution, which commits the District to repaying the CWSRF loan funding if awarded. The second is an Authorizing Resolution, which authorizes the General Manager to sign and submit the completed application. This authorization also designates the General Manager to enter into a contract for the CWSRF funding, if awarded, and represent the District during contracting and administration of the funds.

Analysis

The resolutions are requirements for the District's Avy Altschul Pump Station CWSRF application. The CWSRF loan will serve as the primary source of funding for project construction.

Fiscal Impact

The CWSRF application will now request \$950,000 in a low-cost loan. The cost for the CWSRF application and loan will be reimbursed by SHGCC. Additionally, SHGCC has submit to the District a \$20 thousand deposit to cover District Staff efforts in the project.

Recommendation

The General Manager recommends the District Board approve the Resolutions authorizing the General Manager to submit for an increase to the CWSRF application for the Avy Altschul Pump Station Project and authorize the General Manager to repay the loan consistent with the terms of the CWSRF agreement.

RESOLUTION NO: _____ (2022)

REIMBURSEMENT RESOLUTION

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

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

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

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

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

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

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

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$950,000.

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

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

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

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

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

AYES:

NOES:

ABSENT

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the BOARD OF DIRECTORS OF THE WEST BAY SANITARY DISTRICT held on December 14, 2022.

(David A. Walker, Secretary and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)

RESOLUTION NO: _____ (2022)

AUTHORIZING RESOLUTION

WHEREAS, West Bay Sanitary District is pursuing funding for the Avy Altschul Pump Station through the Clean Water State Revolving Fund and/or Water Recycling Funding Program;

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

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

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

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

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Directors of the West Bay Sanitary District held on December 14, 2022.

(David A. Walker, Secretary, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 17**

To: Board of Directors

From: Sergio Ramirez, General Manager

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

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

Recycled Water Facility Production Data:

2020	Treated	Delivered
August	8.8MG	8.2MG
September	8.2MG	5.1MG
October	7.4MG	4.5MG
November	5MG	1.4MG
December	4.7MG	.55MG
2021	Treated	Delivered
January	4.8MG	.23MG
February	4.4MG	.13MG
March	5.9MG	1.8MG
April	8.5MG	7.6MG
May	9.3.MG	8.2MG
June	9.8MG	8.7MG
July	9.5MG	9.1MG
August	9.4MG	9.0MG
September	9.1MG	6.9MG*
October	7.6MG	2.6MG**
November	5.2MG	0
December	4.7MG	0

Report to the District Board for the Regular Meeting of December 14, 2022

2022	Treated	Delivered
January	4.4MG	97,000 gallons
February	4.4MG	1.5MG
March	6.6MG	3.5MG
April	7.6MG	3.8MG
May	9.2MG	7.4MG
June	9.8MG	8.7MG
July	9.6MG	8.1MG
August	9.2MG	8.1MG
September	8.6MG	6.7MG
October	7.9MG	4.6MG
November	5.9MG	310,000 gallons

* Sharon Heights substantially tapered off their water usage for September which is the reason for the large discrepancy between treated and delivered.

** Treatment was reduced in the second half of the month. Rain in late October and an irrigation equipment malfunctions caused water delivery to decrease.

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.



WEST BAY SANITARY DISTRICT AGENDA ITEM 18

To: *Board of Directors*

From: *Sergio Ramirez, General Manager*

Subject: *Consider Approval of an Agreement between West Bay Sanitary District and the City of Menlo Park Regarding Provision of Recycled Water Service within the Menlo Park Municipal Water District Service Area and Authorize the General Manager to Execute the Agreement*

Background

The West Bay Sanitary District Bayfront Recycled Water Project (also known as the "Project") is the planned construction of a water supply project that will deliver recycled water produced by the District at a Bayfront Recycled Water Facility located at the Flow Equalization and Resource Recovery Facility (FERFF). Recycled water will be conveyed from the recycled water treatment facility to a series of storage tanks and a distribution system for irrigation purposes, commercial use, and any approved means.

As a water purveyor, Menlo Park Municipal Water (MPMW) is required to provide recycled water to potential users within its service area boundary. If recycled water requests from customers within the MPMW service area boundary cannot be met in a reasonable time frame, MPMW can delegate the requests to a recycled water producer. Under this Agreement (Attachment A), MPMW would designate the District as the recycled water purveyor for customers in the Bayfront Area as shown on the map in Exhibit A of the agreement. Pursuant to State law, the City of Menlo Park must adopt a recycled water ordinance designating areas within the MPMW service area that can, or may in the future, use recycled water and establish rules and regulations governing the use and distribution of recycled water. The District and the City will be working to develop ordinances prior to completion of the recycled water facilities in the 2025-2026 timeframe.

Analysis

Under California Water Code §13580, et seq., the Water Recycling Act of 1991 (Recycling Act) requires that water purveyors, such as MPMW, identify potential uses for recycled water and potential recycled water customers within their service areas. As part of this requirement, and to help offset potential future

shortfalls in water supply, MPMW evaluated the feasibility of developing a recycled water program as part of the Water System Master Plan (WSMP), which was adopted in 2018. The WSMP identified potential areas that could be served with recycled water and the feasibility of acquiring recycled water from the cities of Redwood City, Palo Alto, and the West Bay Sanitary District.

This agreement would designate the District as the recycled water purveyor to the area identified in the exhibit to the agreement, as well as other sections of its service area which will be constructed in three phases:

- Phase 1 would serve new developments in the Bayfront area. This phase is estimated to be constructed by approximately 2025.
- Phase 2 would serve the area within the MPMW that is south of Highway 101 and north of Middlefield Road. It is not anticipated that this phase would be initiated until water users in this area, and the City of Menlo Park, express a strong desire to promote this phase. Furthermore, the extension of service would require an extensive recycled water distribution system expansion.
- Phase 3 would serve the area within the MPMW south of Middlefield Road, including the City Hall complex and related municipal facilities..

The Phase 1 facilities are currently in the design phase and construction is expected to be completed in 2025 (or early 2026.)

Fiscal Impact

There is no direct fiscal impact of approving the agreement with the City of Menlo Park. The District has received \$52 million in funding from the State Revolving Fund Loan (\$37 million in a loan and \$15 million in grants.) Other funding contributions for the recycled water facility will come from Contributions In Aid of Construction from developers and other reclaimed water users. The District will also consider a Recycled Water Connection fee for subsequent users to pay for capital, retired debt, and overhead. The District will consider establishing appropriate reclaimed water rates subject to proposition 218.

Recommendation

The General Manager recommends the Board adopt the resolution and authorize the General Manager to execute the Agreement with the City of Menlo Park regarding provision of recycled water service within the Menlo Park Municipal Water Service Area.

Attachment: Agreement with City of Menlo Park

AGREEMENT

BETWEEN CITY OF MENLO PARK AND WEST BAY SANITARY DISTRICT REGARDING PROVISION OF RECYCLED WATER SERVICE WITHIN MENLO PARK MUNICIPAL WATER SERVICE AREA

This Agreement is made by and between the West Bay Sanitary District ("West Bay") and the City of Menlo Park ("City" or "MPMW") (collectively the "Parties") and provides as follows:

RECITALS

WHEREAS, the City of Menlo Park is a municipal corporation and a general law city organized and existing under the laws of the State of California, and is the operator of Menlo Park Municipal Water, a division of the Menlo Park Public Works Department, and retail supplier of water to approximately 16,000 customers through approximately 4,300 service connections within the Menlo Park service area; and

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

WHEREAS, the Water Recycling Act of 1991 ("Recycling Act") (Cal. Water Code §13575, et seq.) requires retail water suppliers, like MPMW, to identify potential uses for recycled water within their service areas, potential customers for recycled water service within their service areas, and, within a reasonable time, potential sources of recycled water; and

WHEREAS, the Recycling Act requires a retail water supplier that receives a request from a customer enter into an agreement to provide recycled water, if recycled water is available, or can be made available, to the retail water supplier for sale to the customer, and authorizes a retail water supplier to delegate to a recycled water producer or a recycled water wholesaler its responsibility to provide recycled water; and

WHEREAS, the City delegates the authority to West Bay to provide recycled water under Water Code Section 13580.5(a)(2), subject to West Bay's compliance with Water Code section 13580.7(b) – (d) with respect to rate setting for recycled water, and indemnification of the City for any related damages and claims against the City arising out of West Bay's recycled water rates and distribution;

WHEREAS, West Bay is authorized, pursuant to Section 6512 of the Sanitary District Act to "acquire, plan, construct, reconstruct, alter, enlarge, lay, renew, replace, maintain, and operate... water recycling and distribution systems..."; and

WHEREAS, West Bay has notified MPMW of its future ability to provide recycled water in accordance with Cal. Government Code Section 65604; and

WHEREAS, West Bay owns and operates a Flow Equalization and Resource Recovery Facility (FERRF) on its retired wastewater treatment plant site at 1700 Marsh Road in Menlo Park, north of Bedwell Bayfront Park; and

WHEREAS, West Bay plans to construct a 0.6 Million Gallons per Day (MGD) Membrane Bioreactor (MBR) Ultraviolet (UV) disinfection satellite recycled water treatment facility capable to upsize to 0.8 MGD, and associated pump stations and piping on the FERRF, that will provide up to 220 Acre-feet per Year (AFY), and potentially more in the future, of recycled water to commercial customers in the Bayfront area of Menlo Park and offset the delivery of potable water by the City; and

WHEREAS, the City of Menlo Park encourages and supports the use of recycled water and as part of the Land Use Element of its General Plan in response to frequent statewide drought conditions and concerns about the long term viability of continuing to irrigate exclusively with SFPUC potable water; and

WHEREAS, at the direction of Menlo Park City Council on October 29, 2019, City staff have been meeting with West Bay to discuss options for jointly pursuing the parties' mutual interests in conserving available potable water supplies, protecting the environment and natural resources, and reducing the volume of treated wastewater discharged into the San Francisco Bay; and

WHEREAS, West Bay has completed a study, funded by West Bay, prepared by Woodard & Curran (the "Feasibility Study"), demonstrating the feasibility of constructing a recycled water treatment facility (the "Project") in the Bayfront area, to be located at the FERRF behind the Bedwell Bayfront Park to produce recycled water for irrigation of landscaped areas, cooling towers, flushing of toilets, and other permitted uses; and

WHEREAS, West Bay prepared and certified an Environmental Impact Report (EIR) for the recycled water facility where the EIR considered three phases of the distribution of recycled-water, and as users are added to the distribution system they will be subject to appropriate project level review under the California Environmental Quality Act (CEQA); and

WHEREAS, West Bay has preliminarily concluded that recycled water will be suitable for use as a substitute for the potable water currently used to irrigate the landscaping and flush toilets, and other permitted uses and to that end are seeking to enter into User Agreements with potential key customers Establishing Principles of Agreement for Design, Construction and Operation of Recycled Water Treatment Facility (the "User Agreements"), the purpose of which is to determine the demand for substituting recycled water permitted for some of the potable water in the customer facilities and provide a framework for preparation of a long-term agreement for the design, permitting, and construction of the Project; and

WHEREAS, California's Urban Water Management Planning Act ("UWMP Act") (Cal. Water Code §10610, et seq.) requires urban water suppliers that have 3,000 or more connections, or that supply at least 3,000 acre-feet per year (AFY) of water, to submit a UWMP to the California Department of Water Resources (DWR) every five years; and

WHEREAS, the UWMP Act was amended in 2009 to require water suppliers to reduce urban water use by twenty percent statewide by 2020; and

WHEREAS, pursuant to the UWMP Act, on May 25, 2021 MPMW adopted Resolution No. 6630 adopting its 2020 Urban Water Management Plan, the purpose of which is to:

- Identify measures to be implemented or projects to be undertaken to reduce water demands and address water supply shortfalls;
- Identify six stages of action to address up to 10 percent, up to 20 percent, up to 30 percent, up to 40 percent, up to 50 percent, and greater than 50 percent reduction in water supplies during dry water years;
- Identify actions to be implemented in the event of a catastrophic interruption in water supplies;
- Assess the reliability of the sources during normal, single-dry and multiple-dry water years up to five years; and

WHEREAS, in 2018 MPMW evaluated the potential for using recycled water to reduce potable water demands, and identified parcels within its service area as potential recycled water users using approximately 531 acre feet of water annually, and several relatively large potential recycled water users; and

WHEREAS, in 2018 MPMW completed a Water System Master Plan that includes an evaluation of recycled water opportunities as a means of providing a safe and reliable supply of non-potable water for the its customers; and

WHEREAS, by enactment of the Recycling Act, the State of California has found and declared that:

1. The State of California is subject to periodic drought conditions.
2. The development of traditional water resources in California has not kept pace with the state's population, which is growing at the rate of over 700,000 per year.
3. There is a need for a reliable source of water for uses not related to the supply of potable water to protect investments in agriculture, greenbelts, and recreation and to replenish groundwater basins, and protect and enhance fisheries, wildlife habitat, and riparian areas.
4. The environmental benefits of recycled water include a reduced demand for water in the Sacramento-San Joaquin Delta that is otherwise needed to maintain water quality, reduced discharge of waste into the ocean, and the enhancement of groundwater basins, recreation, fisheries, and wetlands.
5. The use of recycled water has proven to be safe from a public health standpoint, and the State Water Resources Control Board is regularly updating regulations for the use of recycled water to expand the safe use of recycled water Statewide.
6. The use of recycled water is a cost-effective, reliable method of helping to meet California's water supply needs.

7. The development of the infrastructure to distribute recycled water will provide jobs and enhance the economy of the state.
8. Retail water suppliers and recycled water producers and wholesalers should promote the substitution of recycled water for potable water and imported water in order to maximize the appropriate cost-effective use of recycled water in California.
9. Recycled water producers, retail water suppliers, and entities responsible for groundwater replenishment should cooperate in joint technical, economic, and environmental studies, as appropriate, to determine the feasibility of providing recycled water service.
10. Retail water suppliers and recycled water producers and wholesalers should be encouraged to enter into contracts to facilitate the service of recycled and potable water by the retail water suppliers in their service areas in the most efficient and cost-effective manner.
11. Recycled water producers and wholesalers and entities responsible for groundwater replenishment should be encouraged to enter into contracts to facilitate the use of recycled water for groundwater replenishment if recycled water is available and the authorities having jurisdiction approve its use.

WHEREAS, wholesale prices set by recycled water producers and recycled water wholesalers, and rates that retail water suppliers are authorized to charge for recycled water, should reflect an equitable sharing of the costs and benefits associated with the development and use of recycled water; and

WHEREAS, the Recycling Act authorizes a recycled water producer or recycled water wholesaler that has identified a potential use or customer that is within the service territory or jurisdiction of a retail water supplier to request a retail water supplier to enter into an agreement to provide recycled water to the potential customer; and

WHEREAS, West Bay plans to construct a 0.6 Million Gallons per Day (MGD) Membrane Bioreactor (MBR) Ultraviolet (UV) disinfection satellite recycled water treatment facility capable to upsize to 0.8 MGD, and associated pump stations and piping on the FERRF, that will provide up to 220 Acre-feet per Year (AFY), and potentially more in the future, of recycled water to commercial customers in the Bayfront area of Menlo Park and offset the delivery of potable water by the City. The proposed project is consistent with and in furtherance of the Parties' mutual goals, interests, and long-term water supply planning objectives; and

WHEREAS, the Parties have determined that it is desirable, in their mutual interest and consistent with their responsibilities and authority under the UWMP Act and Recycling Act for the MPMW to delegate to West Bay its responsibility under the Recycling Act to provide recycled water in accordance with the terms of this Agreement; and

WHEREAS, West Bay will develop a Recycled Water Ordinance and establish a Recycled Water Service Area as part of a future resolution; and

WHEREAS, West Bay and the City of Menlo Park have planned improvement projects at the FERRF and Bedwell Bayfront Park entrance area that require easements from each other to construct; and

WHEREAS, West Bay's Flow Equalization and Resource Recovery Facility (FERRF) abuts City land to the north, south, and east, and the City owns a small sliver of land north of the FERRF and Bayfront Park to the south and east as shown on Exhibit "B"; and

WHEREAS, the planned levee improvements encroach over the sliver and also small areas of Bayfront Park adjacent to the northeast and southwest corners of the FERRF, and these improvements will require granting of easement(s) from the City to the West Bay to construct the Levee Improvement Project, the City will work with West Bay to provide for the granting of such easements; and

WHEREAS, the City has street improvements planned at the corner of Haven and Marsh Road, the Haven Avenue Streetscape Project, that requires encroachment into the Menlo Park Pump Station; and

WHEREAS, these improvements will require granting of easement(s) from West Bay to the City, and West Bay will work with the City to provide for the granting of such easements; and

WHEREAS, it is understood that the easements in final form will be brought to City Council and West Bay Board for approval and it is understood that both the City and West Bay are amenable to granting easements needed to construct the Levee Improvements Project and the Haven Avenue Streetscape Project, respectively.

NOW, THEREFORE, the Parties agree as follows:

AGREEMENT

1. Delegation. Pursuant to California Water Code Section 13580.5(a)(2), Menlo Park hereby delegates to West Bay Sanitary District the responsibility to provide recycled water to the Bayfront Area, and to other applicable customers within the Recycled Water Purveyor Boundary as shown on the map attached hereto as Exhibit A – Phase I. After consultation with City, West Bay may provide recycled water to service areas as shown in Phases 2 and 3. West Bay shall start the Local Agency Formation Commission (LAFCO) process after the MOU is approved by the City Council. West Bay shall prepare project level CEQA documents for future facilities serving Phases 2 and 3, and shall do public outreach and coordination with Cal Water, as appropriate, for users within their boundary.

2. Customer Offers and Rate-Setting. West Bay Sanitary District shall provide customers with information required by Water Code section 13580.7(f) in any offer to provide water service. In accordance with California Water Code Sections 13580.5(c) and 13580.7, rates for the supply of recycled water service provided to customers under this Agreement shall be set by West Bay Sanitary District. In setting rates, West Bay Sanitary District shall comply with the requirements of any applicable law, which may include but not be limited to Water Code Section 13580.7, Article XIID of the California Constitution and/or Government Code section 53750 et seq. To the fullest extent permitted by law, West Bay Sanitary District shall defend, indemnify and hold

harmless City, and its officials, officers, employees, agents, and volunteers, from and against any and all liability, loss, damage, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, civil penalties and fines, expenses and costs (including, without limitation, claims expenses, attorney's fees and costs and fees of litigation) (collectively, "Liability") of every nature, whether actual, alleged or threatened, arising out of or in connection with West Bay Sanitary District's rate setting practices or the provision of recycled water service under this Agreement.

3. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

EXECUTED and effective on the date by which it has been duly approved and executed by all Parties hereto.

WEST BAY SANITARY DISTRICT

Dated: _____

BY: _____

Sergio Ramirez
General Manager

CITY OF MENLO PARK

Dated: _____

BY: _____

Justin I. C. Murphy
City Manager

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Tony Condotti
General Counsel

Nira F. Doherty
City Attorney

EXHIBIT A
WEST BAY DESIGNATED RECYCLED WATER PURVEYOR BOUNDARY MAP
 Phase 1 (Map also shows Phase 2 & 3)

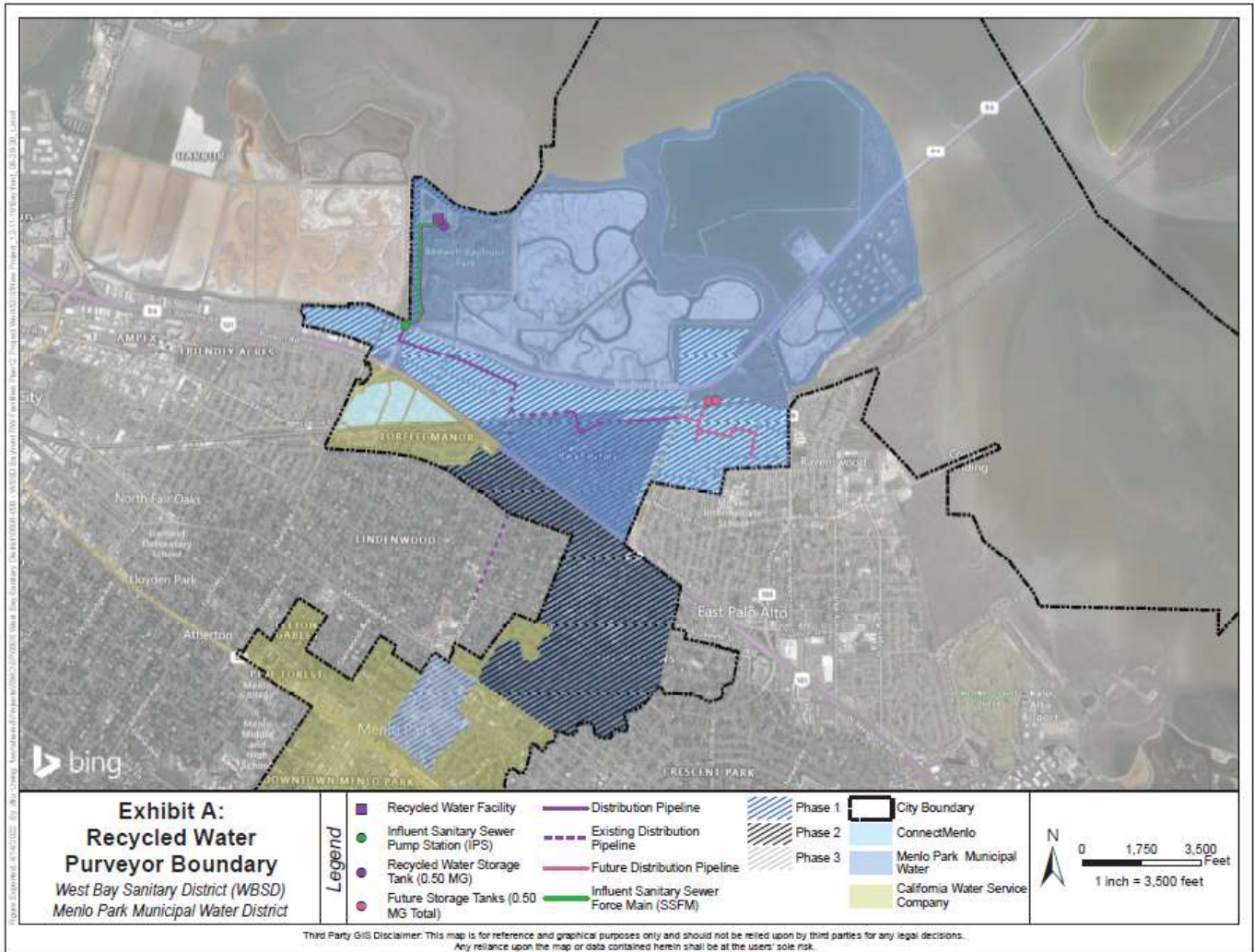
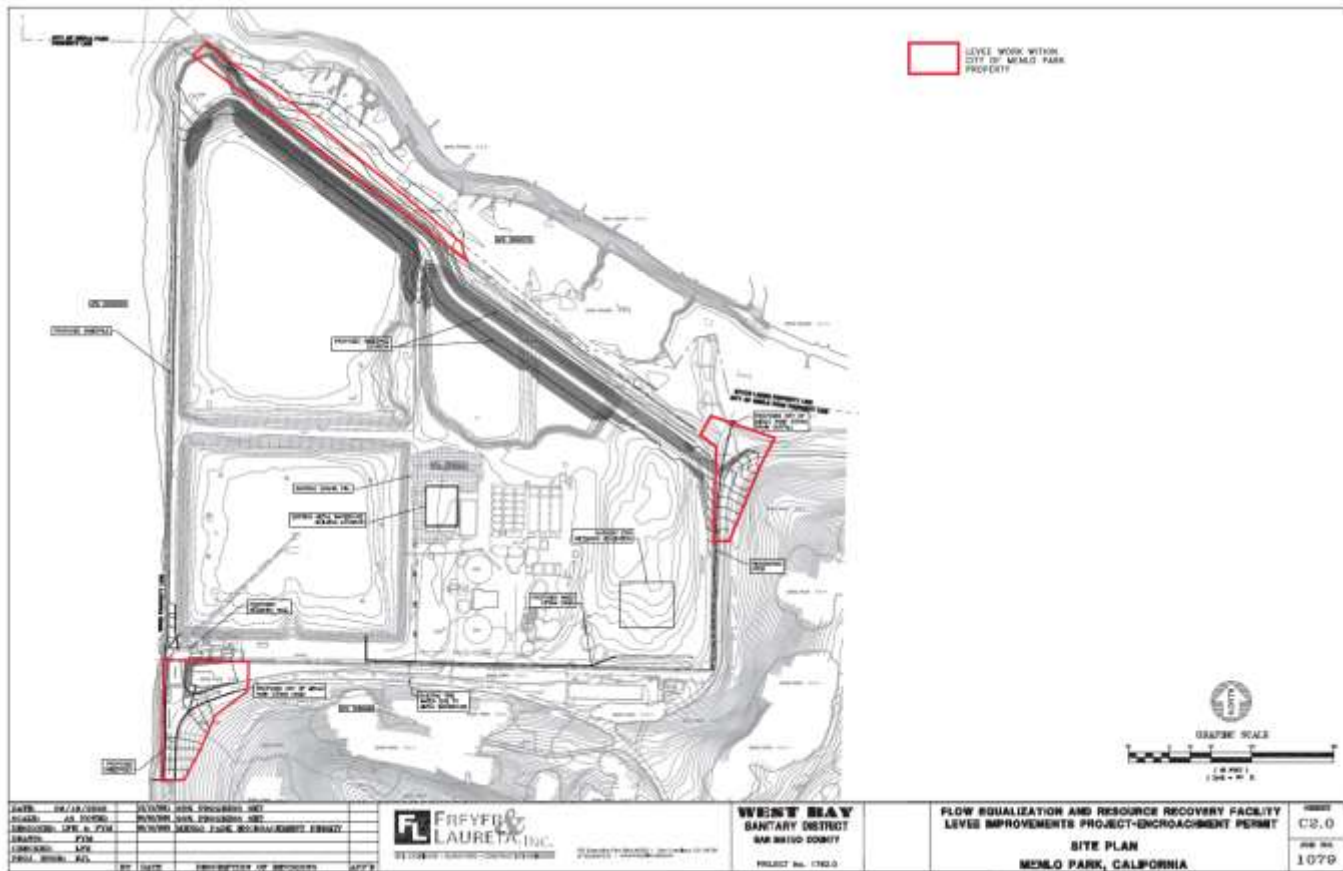


EXHIBIT B

Site Plan showing encroachment within the City of Menlo Park Bedwell Bayfront Park for West Bay Sanitary District's Levee Improvements.





**WEST BAY SANITARY DISTRICT
AGENDA ITEM 19**

To: Board of Directors

From: Sergio Ramirez, General Manager

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

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

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

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 20**

To: Board of Directors

From: Sergio Ramirez, General Manager

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

The District's representative to South Bayside Waste Management Authority (SBWMA), President Fran Dehn, will report on any pertinent items regarding SBWMA business.

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