



1902 - Serving Our Community for over 110 Years - 2020

**WEST BAY SANITARY DISTRICT
MINUTES OF THE SPECIAL MEETING OF THE DISTRICT BOARD
WEDNESDAY, NOVEMBER 18, 2020 AT 7:00 P.M.**

1. Call to Order

President Dehn called the meeting to order at 7:01 PM

Roll Call

BOARD MEMBERS PRESENT: President Dehn, Secretary Walker,
Director Moritz, Director Otte

BOARD MEMBERS ABSENT: Treasurer Thiele-Sardiña

STAFF MEMBERS PRESENT: Ramirez, Tory Thomson with ABC Law by ZOOM

Others Present: Matt Anderson and Teresa Herrera w/ SVCW, Elisa Lee and Dave Richardson w/ Woodard Curran, Lora Carpenter w/ Fieldman, Rolapp & Associates, Rich Laureta w/ F&L consultants, and Former DM, Phil Scott.

2. Communications from the Public: None.

3. Report by Silicon Valley Clean Water (SVCW) Staff

Comments: SVCW CFO/Assistant Manager, Matt Anderson and SVCW Manager gave a presentation via Zoom on the SVCW Financial Plan. CFO Anderson reported on the 2014 and 2015 Bond refunding opportunity at a lower rate. The lower rate could save about \$500K per year in cash flow. The District could see a combined savings including the Net Present Value of \$2.6 million.

4. Approve and Adopt Resolution Consenting to the Issuance by Silicon Valley Clean Water of Refunding Bonds to Refund All or a Portion of the 2014 Bonds and 2015 Bonds with the Principal Amount Allocated to West Bay Sanitary District not to exceed \$65 Million and Authorizing the District Manager to Approve Related Financing Documents and Actions Needed to Close the Bond Issue

Motion to Approve by: Moritz 2nd by: Otte. Vote: AYE: 4 NAY: 0 Abstain: 0

Comments: None.

5. District Manager's Report

1) Administrative:

- a. Developers in East Palo Alto and the City of East Palo Alto continue to seek help from West Bay to provide sewer services. LAFCo has approved an RFP for a Municipal Services Review of EAP Sanitary District, City of East Palo Alto, and West Bay Sanitary District.
- b. Los Alto Hills has approached LAFCo about annexing the Town into the West Bay Sanitary District. Town Staff will seek approval from their Town Council for an RFP from a consultant to perform a feasibility study. Director Moritz asked about the possible Los Altos Hills annexation. His concern is that we understand the exact condition of their system and implications for taking on a system such as that. He also asked if LAFCo required a Los Altos Hills resident to be on the District Board. District Manager Ramirez explained the residents of Los Altos Hills would have the

right to vote a resident in but that more information would be needed from LAFCo as the process moves forward.

- c. Working with LAFCo on a CEQA review for the Stonegate Annexation in Portola Valley. The Stonegate Annexation will annex approximately 6 parcels into the District; currently the parcels are being served by septic tank.
- d. Staff has received the Fujitsu scanner for the Pilot Scanning Project.
- e. Staff is researching a PG&E Energy Efficiency Retrofit Program for the Admin, Maintenance, and FERFF Buildings.

2) Finance:

- a. Silicon Valley Clean Water WIFIA Refinance is complete. Bond Refunding is in progress.
- b. SVCW recently confirmed the interest rate for the new SRF Loan program is now 0.90% with this news, the SVCW Commission will proceed with approval of the SRF loan, according to SVCW CFO, Matt Anderson.
- c. Staff met with HF&H to discuss the ongoing Sewer Service Rate Study for 2021.
- d. End of the 2019/2020 Fiscal Year audit is nearly complete.

3) CIP & IT Projects:

a. Levee Improvement Project:

- i. F&L is continuing to work on the Environmental Impact Report and preparing a Draft. The Draft is expected on November 16th, 2020. Staff will bring the EIR Draft to the Board on December 9th, 2020.
- ii. Aztec, the metal storage building contractor, received comments from the City on their 2nd submittal and will be working on their 3rd submittal to the City. If everything goes well, the District should receive the permit before Christmas 2020.

b. Construction Capital Improvement Projects (CIP)

- i. District Manager Ramirez reported the bids for the upcoming collection system rehabilitation project are now closed. Bids came in below the Engineers Estimate. President Dehn asked if there was more than one bidder. District Manager Ramirez stated there were a total of four bids with the next highest bid being approximately \$300K from the lowest bid.
- ii. Received Maintenance Building Feasibility Study update. Contractor will provide the Board a report at the November 18, 2020 Board Meeting.

4) Operations and Maintenance:

a. Large Diameter Pipe Project:

- i. Crews continue to work on the 54 inch outfall pipeline near the Menlo Park Pump Station. The work is required to be done during the off peak hours.
- ii. The 18 inch easement pipeline in the Burn's Easement will be next.

b. Training:

- i. COVID 19 Staff Re-Training was conducted on November 16, 2020.

5) Water Quality:

a. Sharon Heights Golf and Country Club:

- i. The District has presented Sharon Heights with the estimated annual O&M costs as required by the Long Term Agreement. O&M is projected to cost \$496,845 annually with an expected "true up" at the end of the year.
- ii. FOG inspection will resume in 4th quarter. Inspections will begin with our dining and facilities with Grease Removal Device (Outdoor Interceptors).

- iii. Operations going well. To date over 19 million gallons of recycled water has been delivered.
- b. **Bayfront Recycled Water Plant (BRWP):**
 - i. Environmental Impact Report (EIR) draft will be submitted on December 9th to the Board.
 - ii. Staff and Woodard and Curran have met with four potential Bayfront Recycled Water Facility partners, individually. Woodard and Curran will give the Board an update at the November 18th meeting.
- c. **HACH Service Contract:** District Manager Ramirez reported that the new HACH contract is ready for implementation after the District Counsel's review as approved by the District Board. The new contract will cost approximately initially \$27K to implement and \$16K per month thereafter. This would allow the transfer of ownership of 27 FloDAR meters to HACH. HACH would then be responsible to monitor, maintain, repair, and replace the meters. Director Moritz clarified the Board would need to carry about \$200K until it is recovered in the next tax roll.

6) **Fleet and Facilities:**

- a. **Vehicle Maintenance:**
 - i. Staff has met with the City of Redwood City to plan vehicle maintenance services.
 - ii. Working on new Service Truck and should be completed by the end of December.

7) **Upcoming Events:**

- d. **November 25, 2020 Meeting:** Cancelled
- e. **Next Regular Board meetings:** December 9, 2020
- f. **Consider Cancelling December 23rd Meeting.**

8) **Misc./Action Items from Previous Meeting:**

- g. **West Bay SSOs:** Zero SSOs for October (18 months in a row w/o SSO).
- h. **LAH Contract:** Zero SSO for October. 2 SSO in 2020. Continuing to maintain the collection system and both Publicly Owned Pump Stations.
- i. **Town of Woodside Contract:** Continuing to maintain High Frequency cleaning downtown and both Publicly Owned Pump Stations.
- j. **Revenue:** Received approximately \$93,108 for permits issued, reimbursements, and approximately \$49,000 for services rendered to the Towns of Lost Altos Hills and Woodside.

6. **Consent Calendar**

Motion to Approve by: Otte 2nd by: Walker Vote: AYE: 4 NAY: 0 Abstain: 0

CONSIDERATION OF ITEM(S) REMOVED FROM THE CONSENT CALENDAR

Comments: None.

- A. Approval of Minutes for Regular meeting October 28, 2020
- B. Approval of the Financial Activity Report/Withdrawal Order Authorizing Payment of Certain Bills and Salaries and Consideration of Other Financial Matters for November 18, 2020
- C. WBSD Operations and Maintenance Report – October 2020

- D. Town of Los Altos Hills Operations and Maintenance Report for Work Performed by WBSD – October 2020
- E. Town of Woodside Operations and Maintenance Report for Work Performed by WBSD – October 2020
- F. Bank of the West Monthly Investment Portfolio Statements
- G. Consideration of Authorizing the District Manager to Issue the Class 3 Permit for the Sewer Extension Required for the Connections of 1525 and 1535 Altschul Avenue, Menlo Park
- H. Consideration of Accepting Sewer Facilities Constructed Pursuant to Class 3 Sewer Permits No. 1060, 1061, 1062 & 1063 for the Construction of Wastewater Facilities for 20, 30 & 40 Meadow Lane, Portola Valley, California (Formerly 1260 Westridge Drive)

7. Report and Discussion on the City of East Palo Alto – Upcoming Projects

Comments: District Manager Ramirez reported LAFCo has approved a Municipal Services Review on East Palo Alto Sanitary District. The issue arose from EPA developers and the City of EPA letters to the LAFCo Commission asking to review EPA Sanitary District's practices. Meanwhile, EPA developers have offered to pay for the cost of a consultant to review West Bay's system to see if the District can accommodate new EPA development. Director Moritz asked if the consultant was going to look at the condition of the system and make improvement recommendations if necessary. District Manager Ramirez stated yes.

8. Report by Finance Advisory Group

Comments: Director Moritz reported on the meeting with the Investment Team and Treasure Thiele-Sardiña, Finance Manager Debra Fisher, and District Manager Ramirez. He reported the District's investment is doing as good as expected. He reported the investment is performing at over 2%. Secretary Walker asked about how LAIF funds are performing. Director Moritz said the \$27M in LAIF is performing at approximately 1.8 to 1.9%.

9. Report & Discussion on Commuter Benefits Program

Comments: District Manager Ramirez reported the Commuter Benefit is going well. Approximately 7 cars have been taken off of the road by the program. The cost for the benefit is down over all this year, in large part, due to the Amtrak train not running a regular schedule so 4 staff are commuting in a District vehicle to the valley instead of the train.

10. Consideration of Establishing January 13, 2021 as the Date of Public Hearing to Consider a General Regulation Amending the Code of General Regulations for Board Member Compensation

Motion to Approve by: Moritz 2nd by: Walker Vote: AYE: 4 NAY: 0 Abstain: 0

Comments: District Manager Ramirez stated the Board can increase the meeting rate up to 5% to \$241.50. The Board approved establishing January 13th 2021 as the date to hold a Public Hearing with the condition the rate is only raised to \$240.00 per meeting rather than the full 5%.

11. November 18th Update Report on District Response to Corona Virus

Comments: District Manager Ramirez reported Staff had a training update on November 16th and that they are being asked to stay home if they are not feeling well. President Dehn, said she will share a presentation by the County of what the State is requiring, starting on January 1, 2021, mandatory reporting on COVID-19 breakouts at work.

12. Report and Discussion on Sharon Heights Recycled Water Plant

Comments: District Manager Ramirez reported SHGCC has received the O&M projections for 2021 for the operation of the recycled water plant. The cost is projected to be \$480K per year including PG&E cost. PG&E rates have gone up significantly and have caused projection to go up. Excluding PG&E the cost for O&M is expected to be \$258K per year. Director Moritz, inquired if Staff has met with SLAC regarding the use of the recycled water. District Manager Ramirez stated Staff and SLAC have met and will continue to increase their interest in recycled water.

13. Discussion and Direction on Bayfront Recycled Water Treatment Facility and Status Update

Comments: District Manager Ramirez reported the EIR Draft should be ready for the next Board meeting at which point the Board will be asked to begin the 45 day waiting period. President Dehn, expressed her interest in having the City of Menlo Park have the opportunity to review and comment on the EIR as well as others.

Dave Richardson and Elissa Lee with Woodard Curran gave a presentation on the Bayfront Recycled Water Facility and developer meetings. President Dehn asked if the existing building could be retrofitted to use recycled water. Director Moritz asked if we should build the facility to a certain capacity more than what is currently in demand. Secretary Walker was concerned about depending on development that may not happen and sizing the plant too big. He asked if the District had a backup plan. Woodard Curran displayed the cost and options to finance the plant on their presentation through ZOOM. Director Otte stated he would like to see the developer contribute their funding including cash. Secretary Walker, was concerned that West Bay would be funding a portion of the plant. Director Moritz stated West Bay would collect the upfront cost back from connection fees to the recycled water. Director Otte would like to see a better projection on the potential users beyond new development so that the plant could be properly sized at .4, .6, or .8 MGD. Director Moritz asked the team to look at a recycled water rate that would be fixed and variable in order to recover capital and operational costs. The Board's general consensus was to continue moving forward with building the recycled water plant.

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

Comments:

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

Comments: Director Otte said he had no further comments other than all the work that had gone into refunding the 2014 and 2015 bonds.

16. Report and Discussion on Maintenance Building Feasibility Study

Comments: This item was tabled to December 9th, 2020.

17. Closed Session

Entered closed session at 9:26 p.m. Left closed session at 9:35 p.m.

Reportable action: The Board approved a tuition reimbursement for the Water Quality Manager.

A. CONFERENCE WITH LABOR NEGOTIATORS

Agency Designated Representative: District Manager

Unrepresented employees: Water Quality Manager

B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Cal. Govt. Code §54956.9(d))

Name of Case: *1740 Oak Avenue, LP v. West Bay Sanitary District, et al.* – SM CSC

Case No. 18CIV02183

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

Comments: None.

19. Adjournment Time: The meeting was adjourned at 9:36 PM

/s/ David Walker

Secretary