

1902 - Serving Our Community for over 115 Years - 2021
WEST BAY SANITARY DISTRICT
AGENDA OF BUSINESS
REGULAR MEETING OF THE DISTRICT BOARD
WEDNESDAY, DECEMBER 8, 2021 AT 7:00 P.M.
RONALD W. SHEPHERD ADMINISTRATION BUILDING,
500 LAUREL STREET, MENLO PARK, CALIFORNIA 94025

Board Members

Fran Dehn, President
David Walker, Secretary
Roy Thiele-Sardiña, Treasurer
Edward P. Moritz, Member
George Otte, Member

District Manager

Sergio Ramirez

District Legal Counsel

Anthony Condotti, Esq.

AGENDA OF BUSINESS

NOTICE OF PUBLIC PARTICIPATION BY TELECONFERENCE or ZOOM ONLY

Pursuant to 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 8th.

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

<https://us06web.zoom.us/j/84425104056?pwd=NzINWUVrSC84T1V6L05YeIREbGtRQT09> Meeting ID: 844 2510 4056 Passcode: 203810 or 1-669-900-6833 Meeting ID: 844 2510 4056 Passcode: 203810

Or by phone, call: 1-669-900-6833 Meeting ID: 844 2510 4056 Passcode: 203810

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 2022 Pg. 3-1
4. Consider Resolution to Approve Solid Waste/Recycling Collection Rates Effective January 1, 2022, and adoption of the rates for “Rates for Other Services” Pg. 4-1

5. Consider a General Regulation Amending the Code of General Regulations to Add Section 303 to Article III, Adopting and Incorporating a Mandatory Organic Waste Disposal Reduction Ordinance by Reference as Appendix "A" to the Code of General Regulations to Comply with Senate Bill (SB) 1383, *California's Short-Lived Climate Pollutants Reduction Act (2016)*, and to Add Section 1004(f) to Article X to Establish the County of San Mateo's Enforcement Authority for Edible Food Recovery Pursuant to the Mandatory Organic Waste Disposal Reduction Ordinance Pg. 5-1
6. Consider Resolution Approving the Implementation of SB 1383 Memorandum of Understanding (MOU) with the South Bayside Waste Management Authority (SBWMA) Pg. 6-1
7. Consider Resolution Approving Memorandum of Understanding (MOU) with San Mateo County Office of Sustainability for Implementation of Senate Bill (SB) 1383 Compliant Edible Food Recovery Program Pg. 7-1
8. Discussion and Acceptance of the HF&H Recycled Water Financial Plan for the Bayfront Recycled Water Facility Pg. 8-1
9. Consider Resolution Authorizing District Manager to Submit 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. 9-1
10. 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 10, 2021 Pg. 10A-1
 - B. Approval of the Financial Activity Report Authorizing Payment of Certain Bills and Salaries and Consideration of Other Financial Matters thru November 30, 2021 Pg. 10B-1
 - C. WBSD Operations and Maintenance Report – November 2021 Pg. 10C-1
 - D. Town of Los Altos Hills Operations and Maintenance Report for Work Performed by WBSD – November 2021 Pg. 10D-1
 - E. Town of Woodside Operations and Maintenance Report for Work Performed by WBSD – November 2021 Pg. 10E-1
 - F. Consider Resolution Authorizing the President and Secretary to Enter into Agreement Creating Covenants Running With the Land for 160 Fawn Lane, Portola Valley Pg. 10F-1
 - G. Consider Resolution Accepting Deed of Easement Pursuant to Class 3 Sewer Permit No. 1131 for the Construction of Wastewater Facilities for 20 Navajo Pl, Portola Valley, California Pg. 10G-1
 - H. Consider Accepting Sewer Facilities Constructed Pursuant to Class 3 Sewer Permit No. 1131 for the Construction of Wastewater Facilities for 20 Navajo Place, Portola Valley, California Pg. 10H
 - I. Consider Authorizing the District Manager to Issue Class 3 Sewer Permit No. 1607 for the Construction of Wastewater Facilities for 4 Navajo Pl, Portola Valley, California Pg. 10I-1

- J. Consider Authorizing the District Manager to Issue Class 3 Sewer Permit No. 1613 for the Construction of Wastewater Facilities for 305 Cervantes Rd, Portola Valley, California Pg. 10J-1
 - K. Consider Approval of Resolution Authorizing District to Implement Teleconferenced Public Meetings Pursuant to Assembly Bill 361 Pg. 10K-1
11. District Manager's Report Pg. 11-1
 12. Consider Adopting the District's Audited Financial Statements for the Year Ended June 30, 2021 Pg. 12-1
 13. Consider a General Regulation Amending the Code of General Regulations for the adoption of Updated Silicon Valley Clean Water Local Limits to be Included in the West Bay Sanitary District Code of General Regulations Pg. 13-1
 14. Consider Resolution to Elect to the District Board, President, and Secretary, and Appoint a Treasurer and Consider Appointment of Committee Appointees and Alternates Pg. 14-1
 15. December 8th Update Report on District Response to Corona Virus Pg. 15-1
 16. Discussion and Direction on Sharon Heights Recycled Water Plant Pg. 16-1
 17. Discussion and Direction on Bayfront Recycled Water Project and Status Update Pg. 17-1
 18. Report and Discussion on South Bayside Waste Management Authority (SBWMA) Pg. 18-1
 19. Report and Discussion on Silicon Valley Clean Water (SVCW) Plant Pg. 19-1
 20. Closed Session
 - A. CONF. WITH LABOR NEGOTIATORS (Cal. Govt. Code § 54957.6)
Agency designated representatives: District Manager/Legal Counsel
Represented, Unrepresented & Exempt employees
 - B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION/CONF. WITH LABOR NEGOTIATORS
Agency designated representatives: Board President/Legal Counsel
Unrepresented employee: District Manager
 - C. 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
 21. Comments or Reports from Members of the District Board and Consider Items to be Placed on Future Agenda
 22. 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.



WEST BAY SANITARY DISTRICT AGENDA ITEM 3

To: *Board of Directors*

From: *Sergio Ramirez, District Manager*

Subject: *Public Hearing: Consideration of Proposed Solid Waste/Recycling Collection Rates for the Year 2022*

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. In order to accomplish this, rate adjustments will be necessary in both increases and reductions to the rates. Considerations taken for such adjustments are as follow:

- The 20 gallon container rate nor the 32 gallon container rate are paying for the true cost for collection and processing;
- Based on revenue requirements Commercial customers are not required to contribute more towards the refuse collection program at this time; and
- Implementation of the proposed rate adjustments will assist in balancing the cost of service in the program.

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 true cost for service.

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 2020 to perform a rate analysis for the 2021 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 study project rates for approximately four years. On September 8, 2021 the Board decided to consider raising rates to the projected 2022 costs in the rate study and establish a date for a public hearing on the new Solid Waste rates for December 8, 2021.

As we have seen in other jurisdictions over the past few years the District's rate structure has encouraged 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; ultimately, reducing the amount of trash sent to the landfill. As customers reduce their container size, less revenue is generated; however, there is not an equal reduction of the cost to drive to, collect, and process the materials. Only 23.0% of residents (those customers receiving 64- or 96-gallon service) cover the fixed costs to provide such service (see Table 4 of the HF&H Rate Study). The District has been able to keep the residential rates lower than necessary, as was the industry practice, some commercial revenues have contributed more than the cost of their services. Because of these factors the District will consider increasing the 20-gallon and 32-gallon rates a greater percentage than the 64 and 96 gallon rates in order to have the smaller containers pay a larger percentage of their fixed costs but still remain lower than the 64 gallon rate to provide some incentive to customers to reduce the amount of materials disposed of in the landfill. The aligning of residential rates to the cost of service at each container size and the overall

reduction of the commercial customer class rates by a flat percentage over time, will achieve the District’s objective of a cost of service rate structure.

At its September 8, 2021 meeting, the District’s Board was presented with a rates study suggesting 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.

**District Board Proposed Rate Adjustments
Solid Waste/Recycling Collection Rates for 2022**

Customer	Current Monthly Rate	Proposed Monthly Rate	Monthly Increase	Current Quarterly Rate	Proposed Quarterly Rate	Quarterly Increase
Service Level						
<i>Residential:</i>						
20 gallon cart	\$46.00	\$48.75	\$2.75	\$138.00	\$146.25	\$8.25
32 gallon cart	\$53.50	\$55.25	\$1.75	\$160.50	\$165.75	\$5.25
64 gallon cart	\$72.00	\$72.00	\$0.00	\$216.00	\$216.00	\$0.00
96 gallon cart	\$105.00	\$105.00	\$0.00	\$315.00	\$315.00	\$0.00
*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	\$53.50	\$53.50	\$0.00	n/a	n/a	n/a
64-Gallon Cart	\$72.00	\$72.00	\$0.00	n/a	n/a	n/a
96-Gallon Cart	\$105.00	\$105.00	\$0.00	n/a	n/a	n/a

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 12, 2021.

Fiscal Impact

Staff reviewed several rate options to fund the solid waste service program for 2022. Staff received confirmation from the Board as to the desired rate structure below, which meets the needs expressed by the Board members.

Recommendation

The District Manager recommends the adoption of a \$2.75 rate increase applied to the residential 20 gallon container, a \$1.75 rate increase applied to the 32 gallon container, zero increases to the 64 and 96 gallon container, and the Commercial Bin rates for 2022. In addition the District Manager recommends the adoption of the rates for “Rate for Other Services” as described in attachment 3 of this report. With the adoption of these adjustments, West Bay’s rates for residential and commercial customers would become closer to a “cost of service” level.

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 District Manager recommends:

1. The Board adopt the rate adjustments presented at the Public Hearing dated for December 8, 2021, for the proposed refuse collection rates for year 2022 effective January 1, 2022, including the “Rates for Other Services” (Attachment 3); and
2. Accept the 2022 Projections in the Solid Waste Rate Study by HF&H dated October 1, 2020.

Attachments: Attachment 1—Solid Waste/Recycling Rate Study for 2021

Attachment 2—218 notice

Attachment 3 – “Rates for Other Services” Attachment Q

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October 1, 2020

Mr. Sergio Ramirez
 District 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 2021 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 2021 projected results.

Based upon the findings described in this report and presented to the District's Board at its September 09, 2020 meeting, the District's Board proposed the following rate adjustments for 2021.

Container Size Serviced 1X/Week	Residential	Commercial	Proposed \$ Increase	Proposed 2021 Rate
20 Gallon	6.98% Increase	N/A	\$3.00	\$46.00
32 Gallon	4.90% Increase	4.90% Increase	\$2.50	\$53.50
64 Gallon	0.0% Increase	0.0% Increase	\$0.00	\$72.00
96 Gallon	0.0% Increase	0.0% Increase	\$0.00	\$105.00
All Bins	N/A	5% Decrease	Varies	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 2021. As part of a multi-year plan, similar adjustments were implemented in previous years. Increases projected for 2022 are anticipated to be slightly higher than basic cost of living increases for the smaller gallon containers and flat for larger gallon containers and bins.

Mr. Sergio Ramirez
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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.

Based on results provided by the SBWMA for setting rates in 2017, there was no rate adjustment increase required, as combined revenue in general was sufficient to cover total costs. However, the District requested HF&H to prepare an analysis of the then-current solid waste rates and propose a revised rate structure for residential and overall adjustment to commercial carts, commercial bins, and commercial compactor rates. The purpose of the analysis was to better reflect the cost of service, while generating sufficient revenue to cover the projected collection and processing costs for 2017 through 2025.

SCOPE OF WORK

Based on the results, provided by the SBWMA for the 2021 rate-setting process, HF&H updated the "cost of service" model previously developed and enhanced the cost allocation methodology between residential container sizes. The cost projections reflect the first year under the new agreement with RSMC.

We performed the following procedures as part of our review:

- Obtained cost, rate and current customer account data from the District and the final September 17 2020 SBWMA report;
- Prepared a summary schedule projecting the District's revenues for 2021 and revenue for the next five years (through 2026). We assumed an annual 3.5% inflation to costs over the 5-year period;
- Prepared a schedule projecting residential and commercial revenue requirement through 2026 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.

Mr. Sergio Ramirez
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LIMITATIONS

Our conclusions are based, in part, on Recology's projections of its financial results of operations included in the September 24th "SBWMA Final Report Reviewing the 2021 Recology Compensation Application". 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. During this initial step it was noted that the year over year increases in revenue requirement was less than the previously assumed 6% disposal costs but similar to the assumed 7.7% increase in collection costs as shown below:

Revenue Requirement (RSMC & SBR)	2020	2021	Variance Year over Year \$	Variance Year over Year %
Collection Cost	\$1,028,165	\$1,106,508	\$78,343	7.6%
Disposal/Processing	542,709	545,437	2,728	0.5%
Agency Fees (on net revenue)	94,252	101,430	7,178	7.6%
Total Costs	\$1,665,126	\$1,753,375	\$88,249	5.3%

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 2021 revenue requirement by customer class. At current rates (2020 rates), the solid waste collection system as a whole is projected to generate slightly more than the requirement, \$18,058 excess of revenue compared to costs. However, as shown below, the residential customer class' revenue is approximately 0.36% below its costs.

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Table 1:
2021 Projected Revenue and Costs by Customer Class

<i>Analysis of Residential and Commercial Revenues and Costs</i>			
	<i>Residential</i>	<i>Commercial</i>	<i>Total</i>
Projected Revenue at <u>Current Rates</u> ¹	\$1,490,960	\$280,473	\$1,771,433 A
Projected 2021 Costs			
Collection	\$924,701	\$181,807	\$1,106,508
Disposal/Processing	\$486,870	\$58,567	545,437
Agency Fees	\$84,694	\$16,736	101,430
Total Costs	<u>\$1,496,265</u>	<u>\$257,110</u>	<u>\$1,753,375 B</u>
Excess (Deficiency) of Revenues vs Costs	<u>(\$5,305)</u>	<u>\$23,363</u>	<u>\$18,058 A-B=C</u>
Projected Rate Adjustment	0.36%	-8.33%	-1.02%

NOTE: The amounts shown above are for 2021 activity only. Prior year surplus/shortfalls are NOT included.

¹ Projected Revenue is based upon the first 5 months of 2020 actual revenue annualized.

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 four-year period, assuming costs will usually increase annually by 3.5%.

Table 2:
Proposed Average Rate Adjustments

		<i>Residential</i>	<i>Commercial</i>
1	2021	1.80%	-4.34%
2	2022	2.67%	0.20%
3	2023	3.51%	3.34%
4	2024	3.39%	3.34%

The following table shows the projected revenues after the above rate adjustments. By 2022, the revenues are just slightly above the cost for residential and slightly above the cost for commercial.

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Table 3:
4-year Projected Revenue and Costs

Projections - Balance Revenue & Costs over 4 Years												
	1			2			3			4		
	2021		Total	2022		Total	2023		Total	2024		Total
Proposed Average Rate Adjustment	1.80%	-4.34%		2.67%	0.20%		3.51%	3.34%		3.39%	3.34%	
Total Revenue	\$1,517,797	\$268,291	\$1,786,088	\$1,558,341	\$268,836	\$1,827,177	\$1,612,976	\$277,821	\$1,890,797	\$1,667,701	\$287,102	\$1,954,803
Assumptions:												
1) Cost Increase	"Projected"	"Projected"		3.50%	3.50%		3.50%	3.50%		3.50%	3.50%	
2) Disposal/Processing Increase	"Projected"	"Projected"		3.50%	3.50%		3.50%	3.50%		3.50%	3.50%	
Collection	\$924,701	\$181,807	\$1,106,508	\$957,065	\$188,170	\$1,145,236	\$990,563	\$194,756	\$1,185,319	\$1,025,232	\$201,573	\$1,226,805
Disposal/Processing	486,870	58,567	545,437	503,910	60,617	564,527	521,547	62,738	584,286	539,801	64,934	604,736
Agency Fees	84,694	14,422	99,117	87,659	14,927	102,586	90,727	15,450	106,176	93,902	15,990	109,892
Total Costs	1,496,265	254,797	1,751,062	1,548,634	263,714	1,812,349	1,602,837	272,944	1,875,781	1,658,936	282,498	1,941,433
Excess (Deficiency) Amount	\$21,532	\$13,495	\$35,026	\$9,706	\$5,122	\$14,828	\$10,140	\$4,876	\$15,016	\$8,765	\$4,605	\$13,370
Excess (Deficiency) Percentage	1.42%	5.03%	1.96%	0.62%	1.91%	0.81%	0.63%	1.76%	0.79%	0.53%	1.60%	0.68%

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. Since this is the first year of the new Agreement with RSMC there are some significant variances due to the negotiation process and the reclassification of costs from RSMC's 2011 proposal. 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 2021, the fixed cost is \$24.56 per home per month (a 2.33% increase from 2020's cost of \$24.00);
- **Recycling collection costs** are also fixed per household for the same reason as above, (64 gallon cart - serviced 1 time per week). For 2021, the fixed cost is \$12.39 per home per month (a 4.73% increase from 2020's cost of \$11.83);
- **Disposal cost** is variable based upon the capacity/gallon size of the solid waste cart serviced. For 2021 the projected variable cost is \$0.155 per gallon (a 6.16% increase from 2020's cost of \$0.146);
- **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 2021, the fixed cost is \$3.20 per home per month (a 23.07% increase from 2020's cost of \$2.60); 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

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relationship between cart size and route capacities.) For 2021, the projected monthly cost per ECU is \$5.218 multiplied by a factor of:

- 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 (2020), the SBWMA and the HF&H projected 2021 costs by cart size.

Table 4a:
HF&H Projected 2021 Costs by Residential Container Size

Analysis of Costs by Size of Container				
	20	32	64	96
Organics Collection Cost	\$24.56	\$24.56	\$24.56	\$24.56
Recycling Collection Cost	12.39	12.39	12.39	12.39
Disposal Cost (\$0.15 per gallon)	3.10	4.95	9.90	14.86
Fixed Solid Waste Cost	3.20	3.20	3.20	3.20
All Other Solid Waste Cost				
	<i>\$5.2180 X a factor of</i>	<i>1.000</i>	<i>1.600</i>	<i>3.627</i>
	<u>\$5.22</u>	<u>\$8.35</u>	<u>\$18.92</u>	<u>\$31.73</u>
* Monthly Cost per Cart per HF&H	\$48.45	\$53.44	\$68.97	\$86.72

* Rounded to the nearest cent

Table 4b:
Comparison of 2020 Residential Rates and Projected 2021 Costs by Container Size

Analysis of Costs by Size of Container							
<u>Subscription</u>	<u>Container Size</u>	<u>Current Mo. Rate</u>	<u>* 2021 Mo Cost per Cart</u>	<u>Excess (Deficiency) of Revenues vs Costs</u>	<u>Projected Rate Adjustment</u>	<u>Prior Years Variance before Adjustment</u>	
19% 427	20	\$43.00	\$48.45	(\$5.45)	12.7%	19.6%	
57% 1262	32	\$51.00	\$53.44	(\$2.44)	4.8%	5.3%	
19% 428	64	\$72.00	\$68.97	\$3.03	-4.2%	-6.9%	
4% 81	96	\$105.00	\$86.72	\$18.28	-17.4%	-19.3%	
100% 2198							

* Rounded to the nearest cent

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The following table shows possible adjustments to achieve the desired residential customer class results from Step 1 and align the rates to the cost of service at each residential container size from Step 2. 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:
Possible Residential Rate Adjustments to Achieve Cost of Service by Cart Size

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

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 \$18,058 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 in four to five years. Overall revenue from residential rates are increased by 1.80% and revenue from commercial rates are decreased by 4.34% in 2021 (see Table 2 and Table 3).

Mr. Sergio Ramirez
 October 1, 2020
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Residential Cost of Service by Container Size

The District continues to elect to address the commercial customers as a class, but revise and align individual residential rates to “cost-of-service” rates, where the residential rates would have a fixed component regardless of solid waste container size (organics, recycling and some solid waste collection costs are fixed), plus variable costs and a per-gallon disposal rate. This type of rate structure may be more equitable, but may not be reasonable to implement all at once; resulting in rate increases being phased in following a multi-year plan. After the first phase of larger increases to the residential 20 and 32 gallon in prior years, our updated scenario, as modeled above, results in an 6.98% increase to 20-gallon rates and a 4.9% increase to 32-gallon rates in 2021 and subsequent 5.98% to 3.24% increases over the next 5 years. The 64-gallon rates would remain flat in 2021 and 2022 with a 3.47% increase in 2023 and 3.36% to 3.14% increases thereafter. The 96-gallon rates would remain flat in 2021 and over the next 5 years. (See Table 5).

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. Only 23% of residents (those customers receiving 64- or 96-gallon service) cover the fixed costs to provide such service (see Table 4b). The District has been able to keep the residential rates lower than necessary because, as was the industry practice, commercial revenues have contributed more than the cost of their services. In the future, the District should continue increasing the 20-gallon and 32-gallon rates a greater percentage than the 64-, and 96-gallon rates to have them pay a larger percentage of their fixed costs but still be lower than the 64-gallon rate to incentivize customers to reduce the amount of materials disposed of in the landfill. The aligning of residential rates to the cost of service at each container size and the overall reduction of the commercial customer class bin rates by a flat percentage over time, achieves the District’s objective of a cost-of-service rate structure (see Table 6).

At its September 09, 2020 meeting, the District’s Board proposed to implement, as part of its multi-year plan established 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 and 32-gallon services, while generating sufficient revenue to cover the projected collection and processing costs for 2021.

Mr. Sergio Ramirez
 October 1, 2020
 Page 9 of 9

**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	\$43.00	\$51.00	\$72.00	\$105.00	\$185.55	\$392.14
Proposed Rate Adjustment	6.98%	4.90%	0.00%	0.00%	-5.00%	-5.00%
2021 Proposed Rate / Mo.	\$46.00	\$53.50	\$72.00	\$105.00	\$176.27	\$372.53
Increase (Decrease) / Mo.	\$3.00	\$2.50	\$0.00	\$0.00	(\$9.28)	(\$19.61)
2021 Projected Revenue at Proposed Rates						
	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>			
Projected Revenue at <u>Current Rates</u> ¹	\$1,490,960	\$280,473	\$1,771,433			
2021 <u>Proposed Rate</u> Revenue	\$1,517,797	\$268,291	\$1,786,088 A			
2021 Proposed Costs	1,496,265	254,797	1,751,062 B			
Excess Amount	\$21,532	\$13,495	\$35,026 A - B = C			
Excess Percentage	1.4%	5.0%	2.0%			

¹ Projected revenue at current rates is based upon the actual revenue for the first 5 months of 2020, 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) 977-6961.

Sincerely,

HF&H CONSULTANTS, LLC



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

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

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

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

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

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

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

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

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

MATERIALS IN THE WEST BAY SANITARY DISTRICT

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

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

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

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

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

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

(Continued) Rates for Other Services

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



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NECESSITY FOR THE NEW RATES

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

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

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

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

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

ATTACHMENT 3
ATTACHMENT Q - 2022
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 3
ATTACHMENT Q - 2022
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	\$18.33 for SFD \$18.33 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	\$3.66 per Recycling Cart \$3.66 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	\$99.63	Per Bulky Item Collection event (in addition to the events provided at no charge to Customer pursuant to Section 5.12)

ATTACHMENT 3
ATTACHMENT Q - 2022
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 – \$10.38 per usage B – \$11.61 per usage	Monthly cost: A – Residential Customers B – Commercial Customers
10	Lock Purchase	Section 8.02.B	\$20.76 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 \$9.76 minimum	Per bag
13	Container Cleaning Service	Section 8.05.D	A – \$61.08 B – \$103.84	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 3
ATTACHMENT Q - 2022
ADDITIONAL SERVICES

	Service	Reference	Agency-Approved Charge	Description
14	Dirty Cart Replacement (Exchange) Service	Section 8.05.D	A – \$79.40 B – \$91.62 C – \$103.84	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	\$1,465.94	Per event
16	Additional Compost Material Delivery	Section 5.11	A – \$152.70 per delivery B – \$305.40 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	\$20,767.50 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 – \$3,664.85 B – \$6,108.09 C – \$9,162.13	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 3
ATTACHMENT Q - 2022
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	\$21.99	\$35.09	\$70.17	\$105.26
50 < Distance <= 100 feet	\$25.65	\$38.75	\$73.84	\$108.92
100 < Distance <= 150 feet	\$29.32	\$42.42	\$77.51	\$112.59
150 < Distance <= 200 feet	\$32.98	\$46.08	\$81.17	\$116.25
200 < Distance <= 250 feet	\$36.65	\$49.74	\$84.82	\$119.91
250 < Distance <= 300 feet	\$40.31	\$53.41	\$88.49	\$123.57
300 < Distance <= 350 feet	\$43.98	\$57.07	\$92.16	\$127.24
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.



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 4**

To: *Board of Directors*

From: *Sergio Ramirez, District Manager*

Subject: **Consideration of Resolution to Approve Solid Waste/Recycling Collection Rates Effective January 1, 2022, and adoption of the rates for “Rates for Other Services”**

Following Public Hearing and close of public comment and there being less than 50% ratepayer protest to the proposed rate increase, per Proposition 218, the District Manager recommends the Board approve the attached resolution adopting the proposed Solid Waste/Recycling Collection rate increase for 2022 applied to all rate categories effective January 1, 2022, and adoption of the rates for “Rates for Other Services” as attached to the resolution.

RESOLUTION NO. _____(2021)

**RESOLUTION APPROVING SOLID WASTE/RECYCLING COLLECTION RATES FOR
2022**

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 September 8, 2021, 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 2022; 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 11, 2021, notifications were sent to approximately 2,227 residential and commercial customers in the West Bay Sanitary District; and

WHEREAS, on December 8, 2021 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 2022; 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 2022 shall be as follows effective January 1, 2022:

Solid Waste/Recycling Collection Rates for 2022

Customer	Current Monthly Rate	Proposed Monthly Rate	Monthly Increase	Current Quarterly Rate	Proposed Quarterly Rate	Quarterly Increase
Service Level						
<i>Residential:</i>						
20 gallon cart	\$46.00	\$48.75	\$2.75	\$138.00	\$146.25	\$8.25
32 gallon cart	\$53.50	\$55.25	\$1.75	\$160.50	\$165.75	\$5.25
64 gallon cart	\$72.00	\$72.00	\$0.00	\$216.00	\$216.00	\$0.00
96 gallon cart	\$105.00	\$105.00	\$0.00	\$315.00	\$315.00	\$0.00

<i>*Commercial:(Per Pick Up)</i>	Current	Proposed	Increase per pick up			
1 yard bin	\$176.27	\$176.27	\$0.00	n/a	n/a	n/a
2 yard bin	\$334.54	\$334.54	\$0.00	n/a	n/a	n/a
3 yard bin	\$372.53	\$372.53	\$0.00	n/a	n/a	n/a
4 yard bin	\$496.70	\$496.70	\$0.00	n/a	n/a	n/a
6 yard bin	\$615.76	\$615.76	\$0.00	n/a	n/a	n/a
32-Gallon Cart	\$53.50	\$53.50	\$0.00	n/a	n/a	n/a
64-Gallon Cart	\$72.00	\$72.00	\$0.00	n/a	n/a	n/a
96-Gallon Cart	\$105.00	\$105.00	\$0.00	n/a	n/a	n/a

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 2022 effective January 1, 2022.

PASSED AND ADOPTED by the District Board of the West Bay Sanitary District at a regular meeting thereof held on 8th day of December, 2021, by the following votes:

Ayes:

Noes:

Absent:

Abstain:

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

Attest:

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

For Rate Years Twelve (2022) 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 Eleven (2021) shall be the Charges for Rate Year Eleven (2021) 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 Twelve (2022).

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.

	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	\$18.33 for SFD \$18.33 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	\$3.66 per Recycling Cart \$3.66 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	\$99.63	Per Bulky Item Collection event (in addition to the events provided at no charge to Customer pursuant to Section 5.12)

	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 – \$10.38 per usage B – \$11.61 per usage	Monthly cost: A – Residential Customers B – Commercial Customers
10	Lock Purchase	Section 8.02.B	\$20.76 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 \$9.76 minimum	Per bag
13	Container Cleaning Service	Section 8.05.D	A – \$61.08 B – \$103.84	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

	Service	Reference	Agency-Approved Charge	Description
14	Dirty Cart Replacement (Exchange) Service	Section 8.05.D	A – \$79.40 B – \$91.62 C – \$103.84	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	\$1,465.94	Per event
16	Additional Compost Material Delivery	Section 5.11	A – \$152.70 per delivery B – \$305.40 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	\$20,767.50 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 – \$3,664.85 B – \$6,108.09 C – \$9,162.13	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

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	\$21.99	\$35.09	\$70.17	\$105.26
50 < Distance <= 100 feet	\$25.65	\$38.75	\$73.84	\$108.92
100 < Distance <= 150 feet	\$29.32	\$42.42	\$77.51	\$112.59
150 < Distance <= 200 feet	\$32.98	\$46.08	\$81.17	\$116.25
200 < Distance <= 250 feet	\$36.65	\$49.74	\$84.82	\$119.91
250 < Distance <= 300 feet	\$40.31	\$53.41	\$88.49	\$123.57
300 < Distance <= 350 feet	\$43.98	\$57.07	\$92.16	\$127.24
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.



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 5**

To: Board of Directors

From: Sergio Ramirez, District Manager

Subject: Consider a General Regulation Amending the Code of General Regulations to Add Section 303 to Article III, Adopting and Incorporating a Mandatory Organic Waste Disposal Reduction Ordinance by Reference as Appendix "A" to the Code of General Regulations to Comply with Senate Bill (SB) 1383, California's Short-Lived Climate Pollutants Reduction Act (2016), and to Add Section 1004(f) to Article X to Establish the County of San Mateo's Enforcement Authority for Edible Food Recovery Pursuant to the Mandatory Organic Waste Disposal Reduction Ordinance

Recommendation

It is recommended that the West Bay Sanitary District Board of Directors approve the attached General Regulation amendment to add Section 303 to Article III, to adopt a Mandatory Organic Waste Disposal Reduction Ordinance (hereinafter referred to as "Ordinance") and to add Section 1004(f) to Article X, to establish San Mateo County's enforcement authority for Edible Food Recovery pursuant to the Ordinance.

Summary

As required by SB 1383, jurisdictions throughout the State must adopt an ordinance or other similarly enforceable mechanism by January 1, 2022, to mandate that organic waste generators, haulers, and other entities subject to the requirements of SB 1383 regulations and subject to the jurisdiction's authority, comply with SB 1383 regulatory requirements (California Code of Regulations, Title 14, Section 18981.2.a). The General Regulation Amendment adopting the Ordinance supports establishment of enforceable SB 1383-related requirements for organic waste generators, haulers, and other entities subject to West Bay Sanitary District's authority.

Analysis

The West Bay Sanitary District modified the model enforcement ordinance provided by South Bayside Waste Management Authority (SBWMA), which requires specific

language for compliance of collection programs provided in the SBWMA service area. The Ordinance assumes the use of a Standard Compliance Approach with a 3-container collection system, as defined by SB 1383.

Ordinance sections include the following:

- Purpose and findings
- Definitions
- Requirements for single family generators
- Requirements for commercial businesses
- Waivers
- Requirements for commercial edible food generators
- Requirements for food recovery organizations and services
- Requirements for haulers and facility operators
- Self-hauler requirements
- Inspections and investigations by jurisdiction
- Enforcement

The ordinance includes the regulatory required components of an SB 1383 ordinance.

Key Ordinance requirements are highlighted below (this is not a comprehensive list).

- Single-family homes must have organics collection service and properly sort their materials.
- Businesses and Multi-family buildings must have organics collection service and properly sort their materials.
- Businesses must supply, through their hauler, an adequate number of labeled, color coded containers for employees, contractors, tenants and customers, provide education to new tenants, provide access to jurisdictions to confirm compliance.
- The largest commercial edible food generators (includes supermarkets, large groceries, food service providers, distributors and wholesale food vendors) must divert edible food through a written agreement with food recovery organizations and keep specified records by January 1, 2022. West Bay Sanitary District will delegate the authority to administer this program to the County of San Mateo Office of Sustainability.
- Large commercial edible food generators (includes large restaurants, large hotels, large health facilities, large venues and events, large state agencies and local education agencies) must divert edible food through a written agreement with food recovery organizations and keep specified records, by January 1, 2024.

- Generators have the option to self-haul source separated organic waste.
- The right to inspect and enforce the requirements are contained in the Ordinance, as are penalties for violations.

The Ordinance authorizes both West Bay Sanitary District and the County of San Mateo Office of Sustainability to serve as enforcement agencies to maximize flexibility and allow the County of San Mateo Office of Sustainability to enforce aspects of the Edible Food Recovery Program, which will be undertaken through the Edible Food Recovery Memorandum Of Understanding between the Office of Sustainability and each participating jurisdiction. The amendment to the Code of General Regulations adding Article X, Section 1004(f) to the Code of General Regulations establishes the County's enforcement authority for the Edible Food Recovery provisions pursuant to the Ordinance.

Though West Bay Sanitary District may designate a public or private entity to fulfill some of its SB 1383 regulatory responsibilities via contracts or written agreements, the District itself remains responsible for its SB 1383 compliance and enforcing other entities' compliance with the SB 1383 regulatory items contained in the Ordinance. Under SB 1383 regulations, the District is also not allowed to delegate the authority to impose civil penalties to a private entity.

Per the SB 1383 Implementation Memorandum of Understanding, the West Bay Sanitary District will delegate many compliance responsibilities to the South Bayside Waste Management Authority. Additionally, the West Bay Sanitary District will delegate enforcement authority to the County of San Mateo Office of Sustainability per the Edible Food Recovery Memorandum of Understanding.

Background

In September 2016, SB 1383 (Lara, Chapter 395, Statutes of 2016) established statewide methane emissions reduction targets in an effort to reduce emissions of short-lived climate pollutants in various sectors of California's economy. It includes statewide goals to reduce the disposal of organic waste and recover edible food for human consumption. To accomplish these statewide goals, SB 1383 regulations, which were approved on November 3rd 2020, include prescriptive requirements for jurisdictions related to recycling and organics collection, inspection, and enforcement policies and programs and edible food recovery.

The West Bay Sanitary District needs to comply with nearly all SB 1383 requirements by January 1, 2022 with the significant exception that enforcement actions do not need to commence until January 1, 2024.

More information regarding SB 1383 can be found online at www.calrecycle.ca.gov/organics/slcp/.

Fiscal Impact

The South Bayside Waste Management Authority expects solid waste rates to increase between 3 and 7 percent. Staff will continually monitor potential additional costs for staff and/or for other programs necessary in the implementation of this proposed Ordinance

Failure to comply with the SB 1383 regulations can result in fines of up to \$10,000 per day from CalRecycle.

Environmental Impact

Approval of the General Regulation amending the Code of General Regulations to adopt and incorporate the Ordinance, and to authorize the County of San Mateo to enforce the Edible Food Recovery provisions of the Ordinance are exempt from California Environmental Quality Act (CEQA) review because they do not constitute a project under CEQA pursuant to Guideline (b)(5), which provides that organizational and administrative activities of governments that will not result in physical changes in the environment are not considered projects for CEQA purposes.

Attachments:

1. General Regulation Amendment adopting Mandatory Organic Waste Disposal Reduction Ordinance and authorizing the County of San Mateo to enforce the Edible Food Recovery provisions in the Ordinance

WEST BAY SANITARY DISTRICT

GENERAL REGULATION NO. _____

**A GENERAL REGULATION AMENDING GENERAL REGULATION NO. 58
"A GENERAL REGULATION ADOPTING CODE OF GENERAL REGULATIONS"**

BE IT ORDAINED AND ENACTED BY THE District Board of West Bay Sanitary District that General Regulation No. 58, "A General Regulation Adopting Code of General Regulations," passed and approved on November 27, 1982, as heretofore amended, is hereby further amended as follows:

Section 1. Article III, Section 303 is hereby added to read as follows:

The District's Mandatory Organic Waste Disposal Reduction Ordinance, as set forth in Appendix "A" is hereby adopted as part of Article III of the Code of General Regulations and incorporated by reference into this Section 303 and made a part hereof.

Section 2. Article X, Section 1004(f) is hereby added to read as follows:

The County of San Mateo, the District's Designee for Edible Food Recovery, is hereby authorized to and may enforce the Edible Food Recovery provisions in the District's Mandatory Organic Waste Disposal Reduction Ordinance as adopted by reference in Article III, Section 303, upon entry into a Memorandum of Understanding with the County of San Mateo. The County's enforcement authority includes, without limitation, the authority to inspect, investigate, hold hearings, issue citations and/or assess administrative fines on behalf of the District as its Designee for Edible Food Recovery.

Section 3. Upon adoption this General Regulation shall be entered in the minutes of the District Board and a summary of this General Regulation prepared by the District Counsel shall be published once in the Almanac newspaper, being a newspaper of general circulation in the District. A certified copy of the full text of this General Regulation shall be posted in the office of the Clerk of the Board.

Section 4. This General Regulation shall become effective upon expiration of the week of publication.

Passed and approved by the District Board of the West Bay Sanitary District on December 8, 2021 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

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

Attest:

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

APPENDIX "A"

AN ORDINANCE OF THE WEST BAY SANITARY DISTRICT ADOPTING MANDATORY ORGANIC WASTE DISPOSAL REDUCTION REGULATIONS

SECTION 1. PURPOSE AND FINDINGS

The Board of the West Bay Sanitary District finds and declares:

WHEREAS, State recycling law, Assembly Bill 939 of 1989, the California Integrated Waste Management Act of 1989 (California Public Resources Code Section 40000, et seq., as amended, supplemented, superseded, and replaced from time to time), requires cities and counties to reduce, reuse, and recycle (including composting) Solid Waste generated in their Jurisdictions to the maximum extent feasible before any incineration or landfill disposal of waste, to conserve water, energy, and other natural resources, and to protect the environment.

WHEREAS, State recycling law, Assembly Bill 341 of 2011 (approved by the Governor of the State of California on October 5, 2011, which amended Sections 41730, 41731, 41734, 41735, 41736, 41800, 42926, 44004, and 50001 of, and added Sections 40004, 41734.5, and 41780.01 and Chapter 12.8 (commencing with Section 42649) to Part 3 of Division 30 of, and added and repealed Section 41780.02 of, the Public Resources Code, as amended, supplemented, superseded and replaced from time to time), places requirements on businesses and Multi-Family property owners that generate a specified threshold amount of Solid Waste to arrange for recycling services and requires Jurisdictions to implement a Mandatory Commercial Recycling program.

WHEREAS, State organics recycling law, Assembly Bill 1826 of 2014 (approved by the Governor of the State of California on September 28, 2014, which added Chapter 12.9 (commencing with Section 42649.8) to Part 3 of Division 30 of the Public Resources Code, relating to Solid Waste, as amended, supplemented, superseded, and replaced from time to time), requires businesses and Multi-Family property owners that generate a specified threshold amount of Solid Waste, Recycling, and Organic Waste per week to arrange for recycling services for that waste, requires Jurisdictions to implement a recycling program to divert Organic Waste from businesses subject to the law, and requires Jurisdictions to implement a Mandatory Commercial Organics Recycling program.

WHEREAS, SB 1383, the Short-lived Climate Pollutant Reduction Act of 2016, requires CalRecycle to develop regulations to reduce organics in landfills as a source of methane. The regulations place requirements on multiple entities including Jurisdictions, residential households, Commercial Businesses and business owners, Commercial Edible Food Generators, haulers, Self-Haulers, Food Recovery Organizations, and Food Recovery Services to support achievement of Statewide Organic Waste disposal reduction targets.

WHEREAS, SB 1383, the Short-lived Climate Pollutant Reduction Act of 2016, requires Jurisdictions to adopt and enforce an ordinance or enforceable mechanism to implement relevant provisions of SB 1383 Regulations. This ordinance will also help reduce food insecurity by requiring Commercial Edible Food Generators to arrange to have the maximum amount of their Edible Food, that would otherwise be disposed, be recovered for human consumption.

WHEREAS, Even if the District delegates responsibility for enforcement to another public entity, the District itself will remain ultimately responsible for compliance of this ordinance as required in 14 CCR Section 18981.2 (c).

SECTION 2. DEFINITIONS

- (a) “Blue Container” has the same meaning as in 14 CCR Section 18982(a)(5) and shall be used for the purpose of storage and collection of Source Separated Recyclable Materials or Source Separated Blue Container Organic Waste.
- (b) “Black Container” has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and collection of Black Container Waste.
- (c) “Black Container Waste” means Solid Waste that is collected in a Black Container that is part of a three-container Organic Waste collection service that prohibits the placement of Organic Waste or Source Separated Recyclables in the Black Container as specified in 14 CCR Sections 18984.1(a) and (b), or as otherwise defined in 14 CCR Section 17402(a)(6.5).
- (d) “CalRecycle” means California's Department of Resources Recycling and Recovery, which is the Department designated with responsibility for developing, implementing, and enforcing SB 1383 Regulations on Jurisdictions (and others).
- (e) “California Code of Regulations” or “CCR” means the State of California Code of Regulations. CCR references in this ordinance are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR” refers to Title 14 of CCR).
- (f) “Commercial Business” or “Commercial” means a firm, partnership, proprietorship, joint-stock company, corporation, or association, whether for-profit or nonprofit, strip mall, industrial facility, or a multifamily residential dwelling, or as otherwise defined in 14 CCR Section 18982(a)(6). A Multi-Family Residential Dwelling that

consists of fewer than five (5) units is not a Commercial Business for purposes of implementing this ordinance.

- (g) “Commercial Edible Food Generator” includes a Tier One or a Tier Two Commercial Edible Food Generator as defined in this ordinance. For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators pursuant to 14 CCR Section 18982(a)(7).
- (h) “Compliance Review” means a review of records by the District or its designated entity to determine compliance with this ordinance.
- (i) “Community Composting” means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or, as otherwise defined by 14 CCR Section 18982(a)(8).
- (j) “Compost” has the same meaning as in 14 CCR Section 17896.2(a)(4), which stated, as of the effective date of this ordinance, that “Compost” means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized facility.
- (k) “Container Contamination” or “Contaminated Container” means a container, regardless of color, that contains Prohibited Container Contaminants, or as otherwise defined in 14 CCR Section 18982(a)(55).
- (l) “C&D” means construction and demolition debris.
- (m) “Designated Source Separated Organic Waste Facility”, as defined in 14 CCR Section 18982(14.5), means a Solid Waste facility that accepts a Source Separated Organic Waste collection stream as defined in 14 CCR Section 17402(a)(26.6) and complies with one of the following:
 - (1) The facility is a “transfer/processor,” as defined in 14 CCR Section 18815.2(a)(62), that is in compliance with the reporting requirements of 14 CCR Section 18815.5(d), and meets or exceeds an annual average Source Separated organic content Recovery rate of 50 percent between January 1, 2022 and December 31, 2024 and 75 percent on and after January 1, 2025 as calculated pursuant to 14 CCR Section 18815.5(f) for Organic Waste received from the Source Separated Organic Waste collection stream.
 - (A) If a transfer/processor has an annual average Source Separated organic content Recovery rate lower than the rate required in Paragraph 1 of this definition for two (2) consecutive reporting periods, or three (3) reporting periods within three (3) years, the facility shall not qualify as a “Designated Source Separated Organic Waste Facility”.

- (2) The facility is a “composting operation” or “composting facility” as defined in 14 CCR Section 18815.2(a)(13), that pursuant to the reports submitted under 14 CCR Section 18815.7 demonstrates that the percent of the material removed for landfill disposal that is Organic Waste is less than the percent specified in 14 CCR Section 17409.5.8(c)(2) or 17409.5.8(c)(3), whichever is applicable, and, if applicable, complies with the digestate handling requirements specified in 14 CCR Section 17896.5. The definition of composting operation includes in-vessel digestion as regulated in 14 CCR Section 17896.
- (A) If the percent of the material removed for landfill disposal that is Organic Waste is more than the percent specified in 14 CCR Section 17409.5.8(c)(2) or 17409.5.8(c)(3), for two (2) consecutive reporting periods, or three (3) reporting periods within three (3) years, the facility shall not qualify as a “Designated Source Separated Organic Waste Facility.” For the purposes of this ordinance, the reporting periods shall be consistent with those defined in 14 CCR Section 18815.2(a)(49).
- (n) i. “Designee” means an entity that the District contracts with or otherwise arranges to carry out any of the District’s responsibilities of this ordinance as authorized in 14 CCR Section 18981.2. A Designee may be a government entity, a hauler, a private entity, or a combination of those entities.
- ii. “Designee for Edible Food Recovery” means the County of San Mateo’s Office of Sustainability with which the District has a Memorandum of Understanding for the purposes of Edible Food Recovery including, but not limited to, inspection, investigation, and enforcement of the Edible Food Recovery provisions of this ordinance. Contact information for the Designee for Edible Food Recovery can be found on the County of San Mateo’s Office of Sustainability website.
- (o) “District Enforcement Official” means the District manager, county administrative official, chief operating officer, executive director, or other executive in charge or their authorized Designee(s) who is/are partially or whole responsible for enforcing the ordinance. See also “Designee for Edible Food Recovery.”
- (p) “Edible Food” means food intended for and fit for human consumption and collected or received from a Tier One or Tier Two Commercial Edible Food Generator. For the purposes of this ordinance “Edible Food” is not Solid Waste if it is recovered and not discarded. Nothing in this ordinance or in 14 CCR, Division 7, Chapter 12 requires or authorizes the Recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code.
- (q) “Edible Food Recovery” means actions to collect, receive, and/or re-distribute Edible Food for human consumption from Tier One and Tier Two Commercial Edible Food Generators that otherwise would be disposed.

- (r) "Enforcement Action" means an action of the District or County of San Mateo's Office of Sustainability to address non-compliance with this ordinance including, but not limited to, issuing administrative citations, fines, penalties, or using other remedies.
- (s) "Excluded Waste" means hazardous substance, hazardous waste, infectious waste, designated waste, volatile, corrosive, medical waste, infectious, regulated radioactive waste, and toxic substances. Excluded wastes also includes construction materials, dirt, rock and concrete, electronic waste and batteries, fluorescent lights, hazardous waste, liquids and grease, medicines and sharps and treated wood.

These include material that facility collectors and operator(s), which receive materials from the District and its generators, reasonably believe(s) would, as a result of or upon acceptance, transfer, processing, or disposal, be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be disposed of in Class III landfills or accepted at the facility by permit conditions, waste that in the District's, or its Designee's reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose the District, or its Designee, to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe collection, processing, recycling, treatment, and disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code. Excluded Waste does not include household batteries placed in a sealed clear plastic bag placed on top of the black can, or any other universal wastes if such materials are defined as allowable materials for collection through the District's collection programs and the generator or customer has properly placed the materials for collection pursuant to instructions provided by the District or its Designee for collection services.

- (t) "Food Distributor" means a company that distributes food to entities including, but not limited to, Supermarkets and Grocery Stores.
- (u) "Food Facility" has the same meaning as in Section 113789 of the Health and Safety Code.
- (v) "Food Recovery" means actions to collect, receive and or re-distribute edible food for human consumption from Tier One and Tier Two Commercial Edible Food Generators, that otherwise would be disposed.
- (w) "Food Recovery Organization" means an entity that engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities or as otherwise defined in 14 CCR Section 18982(a)(25), including, but not limited to:

- (1) A food bank as defined in Section 113783 of the Health and Safety Code;
- (2) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety code; and,
- (3) A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code.

A Food Recovery Organization is not a Commercial Edible Food Generator for the purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12 pursuant to 14 CCR Section 18982(a)(7).

If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this ordinance.

- (x) “Food Recovery Service” means a person or entity that collects and transports Edible Food from a Tier One or Tier Two Commercial Edible Food Generator to a Food Recovery Organization or other entities for Edible Food Recovery. A Food Recovery Service is not a Commercial Edible Food Generator for the purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12 pursuant to 14 CCR Section 18982(a)(7).
- (y) “Food Scraps” means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, and grease when such materials are Source Separated from other Food Scraps.
- (z) “Food Service Provider” means an entity primarily engaged in providing food services to institutional, governmental, commercial, or industrial locations of others based on contractual arrangements with these types of organizations.
- (aa) “Food-Soiled Paper” is compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons and should be placed in the green compost container with food scraps.
- (bb) “Food Waste” means Food Scraps, Food-Soiled Paper, and bio-plastics labeled “BPI Certified Compostable”.
- (cc) “Green Container” has the same meaning as in 14 CCR Section 18982(a)(29) and shall be used for the purpose of storage and collection of Source Separated Green Container Organic Waste.
- (dd) “Greenhouse gas (GHG)” means carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFC), perfluorocarbons (PFC) and other fluorinated greenhouse gases.

- (ee) “Greenhouse gas emission reduction” or “greenhouse gas reduction” means a calculated decrease in greenhouse gas emissions relative to a project baseline over a specified period of time, resulting from actions designed to achieve such a decrease.
- (ff) “Grocery Store” means a store primarily engaged in the retail sale of canned food; dry goods; fresh fruits and vegetables; fresh meats, fish, and poultry; and any area that is not separately owned within the store where the food is prepared and served, including a bakery, deli, and meat and seafood departments, or as otherwise defined in 14 CCR Section 18982(a)(30).
- (gg) “High Diversion Organic Waste Processing Facility” means a facility that is in compliance with the reporting requirements of 14 CCR Section 18815.5(d) and meets or exceeds an annual average Mixed Waste organic content Recovery rate of 50 percent between January 1, 2022 and December 31, 2024, and 75 percent after January 1, 2025, as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the “Mixed waste organic collection stream” as defined in 14 CCR Section 17402(a)(11.5); or, as otherwise defined in 14 CCR Section 18982(a)(33).
- (hh) “Inspection” means a site visit where the District or its designee, reviews records, containers, and an entity’s collection, handling, recycling, or landfill disposal of Organic Waste or Edible Food handling to determine if the entity is complying with requirements set forth in this ordinance, or as otherwise defined in 14 CCR Section 18982(a)(35).

“Inspection” for the purposes of Edible Food Recovery, means actions to review contracts and other records related to the recovery of edible food and may occur off-site via email and other forms of electronic communication, as well as the on-site review of an entity’s records and collection, handling and other procedures for the recovery of edible food to determine if the entity is complying with the requirements of this ordinance.

- (ii) “Large Event” means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this ordinance.
- (jj) “Large Venue” means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena,

hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this ordinance.

- (kk) “Local Education Agency” means a school district, charter school, or county office of education that is not subject to the control of city or county regulations related to Solid Waste, or as otherwise defined in 14 CCR Section 18982(a)(40).
- (ll) “Mixed Waste Organic Collection Stream” or “Mixed Waste” means Organic Waste collected in a black container that is required by 14 CCR Sections 18984.1, 18984.2 or 18984.3 to be taken to a High Diversion Organic Waste Processing Facility or as otherwise defined in 14 CCR Section 17402(a)(11.5). This definition is only applicable to select commercial and MF customers provided with a two container collection system. Three container collection system customers will use the black container waste definition instead.
- (mm) “Multi-Family Residential Dwelling” or “Multi-Family” means of, from, or pertaining to residential premises with five (5) or more dwelling units. Multi-Family premises do not include hotels, motels, or other transient occupancy facilities, which are considered Commercial Businesses. Under the SB 1383 Regulations and in this Ordinance, Multi-Family Residential Dwellings with five (5) or more units are included under the definition of a Commercial Business per 14 CCR Section 18982(a)(6).
- (nn) “Non-Compostable Paper” includes but is not limited to paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41).
- (oo) “Non-Organic Recyclables” means non-putrescible and non-hazardous recyclable wastes including but not limited to bottles, cans, metals, plastics and glass, or as otherwise defined in 14 CCR Section 18982(a)(43).
- (pp) “Notice of Violation (NOV)” means a notice that a violation has occurred that includes a compliance date to avoid an action to seek penalties, or as otherwise defined in 14 CCR Section 18982(a)(45) or further explained in 14 CCR Section 18995.4.
- (qq) “Organic Waste” means Solid Wastes containing material originated from living organisms and their metabolic waste products, including but not limited to food, green material, landscape and pruning waste, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate,

and sludges or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined by 14 CCR Section 18982(a).

- (rr) “Organic Waste Generator” means a person or entity that is responsible for the initial creation of Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(48).
- (ss) “Paper Products” include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling, or as otherwise defined in 14 CCR Section 18982(a)(51).
- (tt) “Printing and Writing Papers” include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint, and other uncoated writing papers, posters, index cards, calendars, brochures, reports, magazines, and publications, or as otherwise defined in 14 CCR Section 18982(a)(54).
- (uu) “Prohibited Container Contaminants”
 - (1) For those generators provided with a three container collection system (blue, green and black): “Prohibited Container Contaminants” means the following: (i) discarded materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the District’s Blue Container; (ii) discarded materials placed in the Green Container that are not identified as acceptable Source Separated Green Container Organic Waste for the District’s Green Container; (iii) discarded materials placed in the Black Container that are acceptable Source Separated Recyclable Materials and/or Source Separated Green Container Organic Wastes that belong in the District’s Green or Blue Container and (iv) Excluded Waste placed in any container.
 - (2) For those (limited commercial and MF) generators provided with two-container (blue/black) collection service for Source Separated Recyclable Materials and mixed materials): “Prohibited Container Contaminants” means the following: (i) discarded materials placed in a Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the District’s Blue Container; (ii) discarded materials placed in the Black Container that are identified as acceptable Source Separated Recyclable Materials, which are to be separately collected in the District’s Blue Container; and, (iii) Excluded Waste placed in any container.
- (vv) “Recovered Organic Waste Products” means products made from California, landfill-diverted recovered Organic Waste processed in a permitted or otherwise authorized facility, or as otherwise defined in 14 CCR Section 18982(a)(60).
- (ww) “Recovery” means any activity or process described in 14 CCR Section 18983.1(b), or as otherwise defined in 14 CCR Section 18982(a)(49).

- (xx) “Regional Agency” means the South Bayside Waste Management Authority (SBWMA) as a regional agency as defined in Public Resources Code Section 40181.
- (yy) “Remote Monitoring” means the use of the internet of things (IoT) and/or wireless electronic devices to visualize the contents of Blue Containers, Green Containers, and Black Containers for purposes of identifying the quantity of materials in containers (level of fill) and/or presence of Prohibited Container Contaminants.
- (zz) “Renewable Gas” means gas derived from Organic Waste that has been diverted from a California landfill and processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recycle Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).
- (aaa) “Restaurant” means an establishment primarily engaged in the retail sale of food and drinks for on-premises or immediate consumption, or as otherwise defined in 14 CCR Section 18982(a)(64).
- (bbb) “SB 1383” means Senate Bill 1383 of 2016 approved by the Governor on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a Statewide effort to reduce emissions of short-lived climate pollutants as amended, supplemented, superseded, and replaced from time to time.
- (ccc) “SB 1383 Regulations” or “SB 1383 Regulatory” means or refers to, for the purposes of this ordinance, the Short-Lived Climate Pollutants: Organic Waste Reduction regulations developed by CalRecycle and adopted in 2020 that created 14 CCR, Division 7, Chapter 12 and amended portions of regulations of 14 CCR and 27 CCR.
- (ddd) SBWMA means the South Bayside Waste Management Authority, a regional agency, as defined in Public Resources Section 40181, serving its member agencies on recycling and waste issues.
- (eee) “Self-Hauler” means a person, who hauls Solid Waste, Organic Waste or recyclable material he or she has generated to another person. Self-hauler also includes a person who back-hauls waste, or as otherwise defined in 14 CCR Section 18982(a)(66). Back-haul means generating and transporting Organic Waste to a destination owned and operated by the generator using the generator’s own employees and equipment, or as otherwise defined in 14 CCR Section 18982(a)(66)(A). “Self-Hauler” for the purposes of Edible food recovery, means a commercial edible food generator who holds a contract with and hauls edible food to a Food Recovery Organization or other site for redistribution according to the requirements of this ordinance.

- (fff) “Single-Family” means of, from, or pertaining to any residential premises with fewer than five (5) units.
- (ggg) “Solid Waste” has the same meaning as defined in State Public Resources Code Section 40191, which defines Solid Waste as all putrescible and nonputrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, dewatered, treated, or chemically fixed sewage sludge which is not hazardous waste, manure, vegetable or animal solid and semi-solid wastes, and other discarded solid and semisolid wastes, with the exception that Solid Waste does not include any of the following wastes:
- (1) Hazardous waste, as defined in the State Public Resources Code Section 40141.
 - (2) Radioactive waste regulated pursuant to the State Radiation Control Law (Chapter 8 (commencing with Section 114960) of Part 9 of Division 104 of the State Health and Safety Code).
 - (3) Medical waste regulated pursuant to the State Medical Waste Management Act (Part 14 (commencing with Section 117600) of Division 104 of the State Health and Safety Code). Untreated medical waste shall not be disposed of in a Solid Waste landfill, as defined in State Public Resources Code Section 40195.1. Medical waste that has been treated and deemed to be Solid Waste shall be regulated pursuant to Division 30 of the State Public Resources Code.
- (hhh) “Source Separated” means materials, including commingled recyclable materials, that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or processing those materials for recycling or reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products, which meet the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of the ordinance, Source Separated shall include separation of materials by the generator, property owner, property owner’s employee, property manager, or property manager’s employee into different containers for the purpose of collection such that Source Separated materials are separated from Black container Waste or other Solid Waste for the purposes of collection and processing.
- (iii) “Source Separated Blue Container Organic Waste” means Source Separated Organic Wastes that can be placed in a Blue Container including clean paper and cardboard.
- (jjj) “Source Separated Green Container Organic Waste” means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended

for the separate collection of Organic Waste, excluding Source Separated Blue Container Organic Waste, carpets, Non-Compostable Paper, and textiles. Acceptable materials include food scraps, food soiled paper, plants and bio-plastics labeled BPI Certified Compostable.

(kkk) “Source Separated Recyclable Materials” means Source Separated Non-Organic Recyclables and Source Separated Blue Container Organic Waste and includes clean paper and cardboard, glass bottles, cans and plastic bottles, tubs and containers.

(lll) “State” means the State of California.

(mmm) “Supermarket” means a full-line, self-service retail store with gross annual sales of two million dollars (\$2,000,000), or more, and which sells a line of dry grocery, canned goods, or nonfood items and some perishable items, or as otherwise defined in 14 CCR Section 18982(a)(71).

(nnn) “Tier One Commercial Edible Food Generator” means a Commercial Edible Food Generator that is one of the following:

- (1) Supermarket.
- (2) Grocery Store with a total facility size equal to or greater than 10,000 square feet.
- (3) Food Service Provider.
- (4) Food Distributor.
- (5) Wholesale Food Vendor.

If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this ordinance.

(ooo) “Tier Two Commercial Edible Food Generator” means a Commercial Edible Food Generator that is one of the following:

- (1) Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet.
- (2) Hotel with an on-site Food Facility and 200 or more rooms.
- (3) Health facility with an on-site Food Facility and 100 or more beds.
- (4) Large Venue.
- (5) Large Event.

- (6) A State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet.
- (7) A Local Education Agency facility with an on-site Food Facility.

If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this ordinance.

- (ppp) “West Bay Sanitary District” or “District” is the entity responsible for ensuring solid waste, recycling and organics service is provided in accordance with SB 1383 guidelines.
- (qqq) “Wholesale Food Vendor” means a business or establishment engaged in the merchant wholesale distribution of food, where food (including fruits and vegetables) is received, shipped, stored, prepared for distribution to a retailer, warehouse, distributor, or other destination, or as otherwise defined in 14 CCR Section 189852(a)(76).

SECTION 3. REQUIREMENTS FOR SINGLE-FAMILY GENERATORS

Single-Family Organic Waste Generators shall comply with the following requirements except Single-Family generators that meet the Self-Hauler requirements in Section 9 of this ordinance:

- (a) Shall subscribe to the District’s Organic Waste collection services for all Organic Waste generated as described below in Section 3(b). The District shall have the right to review the number and size of a generator’s containers to evaluate adequacy of capacity provided for each type of collection service for proper separation of materials and containment of materials; and, Single-Family generators shall adjust its service level for its collection services as requested by the District. Generators may additionally manage their Organic Waste by preventing or reducing their Organic Waste, managing Organic Waste on site, and/or using a Community Composting site pursuant to 14 CCR Section 18984.9(c).
- (b) Shall participate in the District’s three container Organic Waste collection service(s) by placing designated materials in designated containers as described below, and shall not place Prohibited Container Contaminants in collection containers.

Generator shall place Source Separated Green Container Organic Waste, including Food Waste, in the Green Container; Source Separated blue container organic waste and recyclable Materials in the Blue Container; and Black container Waste in the Black container, per the District’s and collector guidelines. Generators shall not place materials designated for the Black container into the Green Container or Blue Container.

SECTION 4. REQUIREMENTS FOR COMMERCIAL BUSINESSES

Note that Commercial Businesses includes Multi-Family Residential Dwellings of five (5) and more units.

Generators that are Commercial Businesses, including Multi-Family Residential Dwellings, shall:

- (a) Subscribe to the District's three container collection services and comply with requirements of those services as described below in Section 4(b), except Commercial Businesses that meet the Self-Hauler requirements in Section 9 of this ordinance. The District shall have the right to review the number and size of a generator's containers and frequency of collection to evaluate adequacy of capacity provided for each type of collection service for proper separation of materials and containment of materials; and, Commercial Businesses shall adjust their service level for their collection services as requested by the District.
- (b) Participate in the District's Organic Waste collection service(s) by placing designated materials in designated containers as described below. Commercial businesses that meet the self-hauler requirements in Section 9 of this ordinance are excluded from this requirement.
 - (A) Generator shall place Source Separated Green Container Organic Waste, including Food Waste, in the Green Container; Source Separated Blue container organic waste and source separated Recyclable Materials in the Blue Container; and Black container Waste in the Black container. Generator shall not place materials designated for the Black container into the Green Container or Blue Container.
 - (B) Generators that are offered two container service (this will be limited to a specified number of commercial and MF generators on an invitation only basis, based on waste quantities and type, and availability of new organics to energy processing system) shall place only source separated blue container organic waste and source separated recyclable materials in a blue container and all other materials (mixed waste) in a black container.
- (c) Supply and allow access to an adequate number, size and location of collection containers with sufficient labels or colors (conforming with Sections 4(d)(1) and 5(d)(2) below) for employees, contractors, tenants, and customers, consistent with Jurisdiction's Blue Container, Green Container, and Black container collection service or, if self-hauling, per the Commercial Businesses' instructions to support its compliance with its self-haul program, in accordance with Section 9.
- (d) Excluding Multi-Family Residential Dwellings, provide containers for the collection of Source Separated Green Container Organic Waste and Source Separated Recyclable Materials in all indoor and outdoor areas where disposal containers are

provided for customers, for materials generated by that business. Such containers do not need to be provided in restrooms. If a Commercial Business does not generate any of the materials that would be collected in one type of container, then the business does not have to provide that particular container in all areas where disposal containers are provided for customers. Pursuant to 14 CCR Section 18984.9(b), the containers provided by the business shall have either:

- (1) A body or lid that conforms with the container colors provided through the collection service provided by the District, with either lids conforming to the color requirements or bodies conforming to the color requirements or both lids and bodies conforming to color requirements. A Commercial Business is not required to replace functional containers, including containers purchased prior to January 1, 2022, that do not comply with the requirements of the subsection prior to the end of the useful life of those containers, or prior to January 1, 2036, whichever comes first.
 - (2) Container labels that include language or graphic images, or both, indicating the primary material accepted and the primary materials prohibited in that container, or containers with imprinted text or graphic images that indicate the primary materials accepted and primary materials prohibited in the container. Pursuant 14 CCR Section 18984.8, the container labeling requirements are required on new containers commencing January 1, 2022.
- (e) Multi-Family Residential Dwellings are not required to comply with container placement requirements or labeling requirement in Section 4(d) pursuant to 14 CCR Section 18984.9(b).
 - (f) To the extent practical through education, training, inspection, and/or other measures, excluding Multi-Family Residential Dwellings, prohibit employees from placing materials in a container not designated for those materials per the District's Blue Container, Green Container, and Black container collection service or, if self-hauling, per the Commercial Businesses' instructions to support its compliance with its self-haul program, in accordance with Section 9.
 - (g) Excluding Multi-Family Residential Dwellings, annually inspect Blue Containers, Green Containers, and Black containers for contamination and inform employees if containers are contaminated and of the requirements to keep contaminants out of those containers pursuant to 14 CCR Section 18984.9(b)(3).
 - (h) Annually provide information to employees, contractors, tenants, and customers about Organic Waste Recovery requirements and about proper sorting of Source Separated Green Container Organic Waste and Source Separated Recyclable Materials.
 - (i) Provide education information before or within fourteen (14) days of occupation of the premises to new tenants that describes requirements to keep Source Separated Green Container Organic Waste and Source Separated Recyclable

Materials separate from Black container Waste (when applicable) and the location of containers and the rules governing their use at each property.

- (j) Provide or arrange access for the District or its agent to their properties during all Inspections conducted in accordance with Section 10 of this ordinance to confirm compliance with the requirements of this ordinance.
- (k) Accommodate and cooperate with the District's Remote Monitoring program for Inspection of the contents of containers for Prohibited Container Contaminants, which may be implemented at a later date, to evaluate generator's compliance with Section 4(b). Should a remote monitoring program be used by the District it shall involve installation of Remote Monitoring equipment on or in the Blue Containers, Green Containers, and Black containers.
- (l) At Commercial Business's option and subject to any approval required from the District, implement a Remote Monitoring program for Inspection of the contents of its Blue Containers, Green Containers, and Black containers for the purpose of monitoring the contents of containers to determine appropriate levels of service and to identify Prohibited Container Contaminants. Generators may install Remote Monitoring devices on or in the Blue Containers, Green Containers, and Black containers subject to written notification to or approval by the District or its Designee.
- (m) If a Commercial Business wants to self haul, meet the Self-Hauler requirements in Section 9 of this ordinance.
- (n) Nothing in this Section prohibits a generator from preventing or reducing waste generation, managing Organic Waste on site, or using a Community Composting site pursuant to 14 CCR Section 18984.9(c).
- (o) Commercial Businesses that are Tier One or Tier Two Commercial Edible Food Generators shall comply with Edible Food Recovery requirements, pursuant to the Edible Food Recovery provisions of this ordinance in Section 6.

SECTION 5. WAIVERS FOR GENERATORS

(a) De Minimis Waivers: The District may waive a Commercial Business' obligation (including Multi-Family Residential Dwellings) to comply with some or all of the Organic Waste requirements of this ordinance if the Commercial Business provides documentation that the business generates below a certain amount of Organic Waste material as described in Section 5(a)(2) below. Commercial Businesses requesting a de minimis waiver shall:

- (1) Submit an application specifying the services that they are requesting a waiver from and provide documentation as noted below in (2) (A) or (B).
- (2) Provide documentation that either:

- (A) The Commercial Business' total Solid Waste collection service is two cubic yards or more per week and Organic Waste subject to collection in the Green Container comprises less than 20 gallons per week per applicable container of the business' total waste; or,
- (B) The Commercial Business' total Solid Waste collection service is less than two cubic yards per week and Organic Waste subject to collection in the Green Container comprises less than 10 gallons per week per applicable container of the business' total waste.
- (3) Notify the District if circumstances change such that Commercial Business's Organic Waste exceeds threshold required for waiver, in which case waiver will be rescinded.
- (4) Provide written verification of eligibility for de minimis waiver every 5 years, if the District has approved de minimis waiver.
- (b) Physical Space Waivers: The District may waive a Commercial Business' or property owner's obligations (including Multi-Family Residential Dwellings) to comply with some or all of the recyclable materials and/or Organic Waste collection service requirements if the District has evidence from its own staff, a hauler, licensed architect, or licensed engineer demonstrating that the premises lacks adequate space for the collection containers required for compliance with the Organic Waste collection requirements of Section 4.

A Commercial Business or property owner may request a physical space waiver through the following process:

- (1) Submit an application form specifying the type(s) of collection services for which they are requesting a compliance waiver.
- (2) Provide documentation that the premises lacks adequate space for Blue Containers and/or Green Containers including documentation from its hauler, licensed architect, or licensed engineer.
- (3) Provide written verification to the District that it is still eligible for physical space waiver every five years, if the District has approved application for a physical space waiver.

SECTION 6. REQUIREMENTS FOR TIER ONE AND TIER TWO COMMERCIAL EDIBLE FOOD GENERATORS

- (a) Tier One Commercial Edible Food Generators must comply with the requirements of this Section 6 commencing January 1, 2022, and Tier Two Commercial Edible Food Generators must comply commencing January 1, 2024, pursuant to 14 CCR Section 18991.3.

- (b) Large Venue or Large Event operators not providing food services, but allowing for food to be provided by others, shall require Food Facilities operating at the Large Venue or Large Event to comply with the requirements of this Section commencing January 1, 2024.
- (c) Tier One and Tier Two Commercial Edible Food Generators shall comply with the following requirements:
 - (1) Arrange to recover the maximum amount of Edible Food that would otherwise be disposed.
 - (2) Use the CalRecycle Model Food Recovery Agreement or the contractual elements contained in the Requirements for Food Recovery Organizations and Food Recovery Services section of this Ordinance to contract with, or otherwise enter into a written agreement with Food Recovery Organizations or Food Recovery Services for:
 - (A) The collection of Edible Food for Edible Food Recovery from the Tier One or Tier Two Commercial Edible Food Generator's premises; or,
 - (B) the acceptance of Edible Food that the Tier One or Tier Two Commercial Edible Food Generator self-hauls to the Food Recovery Organization.
 - (3) Contract with Food Recovery Organizations and Food Recovery Services able to demonstrate a positive reduction in greenhouse gas emissions from their Edible Food Recovery activity. A list of Food Recovery Organizations and Food Recovery Services is available on the County of San Mateo Office of Sustainability website.
 - (4) Shall not intentionally spoil Edible Food that is capable of being recovered by a Food Recovery Organization or a Food Recovery Service.
 - (5) Allow the District's enforcement entity or their Designee for Edible Food Recovery to access the premises and inspect procedures and review records related to Edible Food Recovery and/or provide them electronically if requested by the District or the Designee for Edible Food Recovery.
 - (6) Keep records that include the following information:
 - (A) A list of each Food Recovery Organization or a Food Recovery Service that collects or receives Edible Food from the Tier One or Tier Two Commercial Edible Food Generator pursuant to a contract or written agreement as required by this Ordinance.
 - (B) A copy of all contracts or written agreements established under the provisions of this Ordinance.

- (C) A record of the following information for each of those Food Recovery Services or Food Recovery Organizations:
 - (i) The name, address and contact information of the Food Recovery Service or Food Recovery Organization.
 - (ii) The types of food that will be collected by or self-hauled to the Food Recovery Service or Food Recovery Organization.
 - (iii) The established schedule or frequency that food will be collected or self-hauled.
 - (iv) The quantity of food, measured in pounds recovered per month, collected or self-hauled to a Food Recovery Service or Food Recovery Organization for Food Recovery.
- (7) No later than June 30th of each year commencing no later than July 1, 2022 for Tier One Commercial Edible Food Generators and July 1, 2024 for Tier Two Commercial Edible Food Generators, they shall provide an annual Edible Food Recovery report to the Designee for Edible Food Recovery that includes, but is not limited to, the following information: a list of all contracts with Food Recovery Organizations and Food Recovery Services, the amount and type of Edible Food donated to Food Recovery Organizations and Food Recovery Services, the schedule of Edible Food pickup by Food Recovery Organizations and Food Recovery Services, a list of all types of Edible Food categories they generate, such as “baked goods,” that are not accepted by the Food Recovery Organizations and Food Recovery Services with whom they contract, the contact information for the manager and all staff responsible for Edible Food Recovery, and certification that all staff responsible for Edible Food Recovery have obtained a food handler card through an American National Standards Institute (ANSI) accredited training provider that meets ASTM International E2659-09 Standard Practice for Certificate Programs, such as ServSafe. With the exception of the food safety and handling training certification, Tier One and Tier Two Commercial Edible Food Generators may coordinate with their Edible Food Recovery contractors to supply this information. The Designee for Edible Food Recovery will assist in the preparation of these reports by providing guidance and a template located on the County of San Mateo Office of Sustainability website.
- (8) Mandate their Edible Food Recovery staff learn and follow the donation guidelines and attend trainings conducted by Food Recovery Organizations or Food Recovery Services with which they contract regarding best practices and requirements for the timely identification, selection, preparation, and storage of Edible Food to ensure the maximum amount of Edible Food is recovered and to avoid supplying food for collection that is

moldy, has been improperly stored, or is otherwise unfit for human consumption.

- (9) Tier One and Tier Two Commercial Edible Food Generators who self-haul Edible Food shall require those transporting Edible Food for recovery to obtain a food handler card through an American National Standards Institute (ANSI) accredited training provider that meets ASTM International E2659-09 Standard Practice for Certificate Programs, such as ServSafe and follow the best practices and standards for proper temperature control, methods, and procedures for the safe handling and transport of food.
- (d) Nothing in this Ordinance shall be construed to limit or conflict with the protections provided by the California Good Samaritan Food Donation Act of 2017, the Federal Good Samaritan Act, or share table and school food donation guidance pursuant to Senate Bill 557 of 2017 (approved by the Governor of the State of California on September 25, 2017, which added Article 13 [commencing with Section 49580] to Chapter 9 of Part 27 of Division 4 of Title 2 of the Education Code, and to amend Section 114079 of the Health and Safety Code, relating to food safety, as amended, supplemented, superseded and replaced from time to time).

SECTION 7. REQUIREMENTS FOR FOOD RECOVERY ORGANIZATIONS AND SERVICES

- (a) Food Recovery Services operating in the District and collecting or receiving Edible Food directly from Tier One and/or Tier Two Commercial Edible Food Generators via a contract or written agreement established under the requirements of this Ordinance, shall maintain the following records:
 - (1) The name, address, and contact information for each Tier One and Tier Two Commercial Edible Food Generator from which the service collects Edible Food.
 - (2) The quantity in pounds of Edible Food by type collected from each Tier One and Tier Two Commercial Edible Food Generator per month.
 - (3) The quantity in pounds of Edible Food by type transported to each Food Recovery Organization or redistribution site per month.
 - (4) The name, address, and contact information for each Food Recovery Organization or redistribution site that the Food Recovery Service transports Edible Food to for Edible Food Recovery.
- (b) Food Recovery Organizations operating in the District and collecting or receiving Edible Food directly from Tier One and/or Tier Two Commercial Edible Food Generators via a contract or written agreement established under the requirements of this Ordinance, or receiving Edible Food from Food Recovery Services or from other Food Recovery Organizations, shall maintain the following records:

- (1) The name, address, and contact information for each Tier One and Tier Two Commercial Edible Food Generator, Food Recovery Service, or other Food Recovery Organization from which the organization collects or receives Edible Food.
 - (2) The quantity in pounds of Edible Food by type collected or received from each Tier One or Tier Two Commercial Edible Food Generator, Food Recovery Service, or other Food Recovery Organization per month.
 - (3) The name, address, and contact information for other Food Recovery Organizations or redistribution sites that the Food Recovery Organization transports Edible Food to for Edible Food Recovery.
- (c) Food Recovery Organizations and Food Recovery Services operating in the District shall inform Tier One and Tier Two Commercial Edible Food Generators from which they collect or receive Edible Food about California and Federal Good Samaritan Food Donation Act protection in written communications, such as in their contract or agreement established as required by this Ordinance.
- (d) Commencing no later than July 1, 2022, Food Recovery Organizations and Food Recovery Services operating in the District and collecting or receiving Edible Food from Tier One and Tier Two Commercial Edible Food Generators or any other source shall report to the Designee for Edible Food Recovery the following: a detailed Edible Food activity report of the information collected as required under this Ordinance, including weight in pounds by type and source of Edible Food, the schedule/frequency of pickups/drop-offs of Edible Food from/to each Edible Food source or redistribution site, brief analysis of any necessary process improvements or additional infrastructure needed to support Edible Food Recovery efforts, such as training, staffing, refrigeration, vehicles, etc., and an up to date list of Tier One and Tier Two Commercial Edible Food Generators with whom they have contracts or agreements established as required under this Ordinance. The Designee for Edible Food Recovery will assist in the preparation of these reports by providing guidance and a template located on the County of San Mateo Office of Sustainability website. This Edible Food activity report shall be submitted quarterly, or at the discretion of the Designee for Edible Food Recovery, less frequently, and shall cover the activity that occurred since the period of the last submission.
- (e) Food Recovery Organizations and Food Recovery Services operating in the District shall contact the Designee for Edible Food Recovery to discuss the requirements of this Ordinance before establishing new contracts or agreements with Tier One or Tier Two Commercial Edible Food Generators and in order to maintain existing contracts or agreements for the recovery of Edible Food with Tier One and Tier Two Commercial Edible Food Generators.
- (f) In order to provide the required records to the State, the District, or the Designee for Edible Food Recovery, and Tier One or Tier Two Commercial Edible Food Generators, contracts between Food Recovery Organizations and Food Recovery

Services operating in the District and Tier One and Tier Two Commercial Edible Food Generators shall either:

- (1) Use the Model Food Recovery Agreement developed by the State of California's Department of Resources Recycling and Recovery (CalRecycle,) and include a clause requiring the Food Recovery Organization or Food Recovery Service to report to the Tier One and Tier Two Commercial Edible Food Generators with whom they have contracts the annual amount of Edible Food recovered and to inform them of the tax benefits available to those who donate Edible Food to non-profits
- (2) Or include in their contracts the following elements:
 - (A) List/description of allowable foods the Food Recovery Organization/Food Recovery Service will receive.
 - (B) List/description of foods not accepted by the Food Recovery Organization/Food Recovery Service.
 - (C) Conditions for refusal of food.
 - (D) Food safety requirements, training, and protocols.
 - (E) Transportation and storage requirements and training.
 - (F) A protocol for informing the Tier One or Tier Two Commercial Edible Food Generators of a missed or delayed pickup.
 - (G) Notice that donation dumping is prohibited.
 - (H) Provisions to collect sufficient information to meet the record-keeping requirements of this Ordinance.
 - (I) Fees/financial contributions/acknowledgement of terms for the pickup and redistribution of Edible Food.
 - (J) Terms and conditions consistent with the CalRecycle Model Food Recovery Agreement.
 - (K) Information supplying the Tier One or Tier Two Commercial Edible Food Generators with the annual amount of Edible Food recovered and informing them of the tax benefits that may be available to those who donate Edible Food to non-profits.
 - (L) Contact name, address, phone number, and email for both responsible parties, including the current on-site staff responsible for Edible Food Recovery.

- (M) Food Recovery Organizations accepting self-hauling of Edible Food from Tier One and Tier Two Commercial Edible Food Generators must provide a schedule, including days of the week and acceptable times for drop-offs, and information about any limitation on the amount of food accepted, and/or the packaging requirements or other conditions of transport, such as, but not limited to, maintaining proper temperature control, and other requirements for the safe handling and transport of food, the self-hauler must follow for the Edible Food to be accepted.
- (g) Food Recovery Organizations and Food Recovery Services operating in the District shall demonstrate that all persons, including volunteers and contracted workers using their own vehicle, involved in the handling or transport of Edible Food, have obtained a food handler card through an American National Standards Institute (ANSI) accredited training provider that meets ASTM International E2659-09 Standard Practice for Certificate Programs, such as ServSafe.
- (h) Food Recovery Organizations and Food Recovery Services operating in the District shall use the appropriate temperature control equipment and methods and maintain the required temperatures for the safe handling of Edible Food recovered from Tier One and Tier Two Commercial Edible Food Generators for the duration of the transportation of the Edible Food for redistribution, including Edible Food transported by private vehicles.
- (i) In order to ensure recovered Edible Food is eaten and to prevent donation dumping, Food Recovery Organizations and Food Recovery Services operating in the District shall provide documentation that all redistribution sites which are not themselves Food Recovery Organizations to which they deliver Edible Food have a feeding or redistribution program in place to distribute, within a reasonable time, all the Edible Food they receive. Such documentation may include a website address which explains the program or pamphlets/brochures prepared by the redistribution site.
- (j) Food Recovery Organizations and Food Recovery Services operating in the District unable to demonstrate a positive reduction in GHG emissions for their Edible Food Recovery operational model cannot contract with Tier One and Tier Two Commercial Edible Food Generators in the District for the purpose of recovering Edible Food as defined in this Ordinance. Food Recovery Organizations and Food Recovery Services contracting to recover Edible Food from a Tier One and Tier Two Commercial Edible Food Generator for redistribution shall consult with the District's Designee for Edible Food Recovery to document that their overall operational model will achieve a greenhouse gas emissions reduction. Such review may analyze route review, miles traveled for pick-up and redistribution, amount of food rescued, and the likelihood of consumption after redistribution.

- (k) Food Recovery Organizations and Food Recovery Services operating in the District shall visually inspect all Edible Food recovered or received from a Tier One and Tier Two Commercial Edible Food Generator. If significant spoilage is found, or if the food is otherwise found to be unfit for redistribution for human consumption, Food Recovery Organizations and Food Recovery Services shall immediately notify the Designee for Edible Food Recovery using the process found on the County of San Mateo Office of Sustainability's website. The notice shall include:
- (1) The type and amount, in pounds, of spoiled food or food unfit for redistribution for human consumption, or provide a photographic record of the food, or both.
 - (2) The date and time such food was identified.
 - (3) The name, address and contact information for the Tier One or Tier Two Commercial Edible Food Generator which provided the food.
 - (4) The date and time the food was picked up or received.
 - (5) A brief explanation of why the food was rejected or refused.
- (l) Contracts between Tier One or Tier Two Commercial Edible Food Generators and Food Recovery Organizations or Food Recovery Services shall not include any language prohibiting Tier One or Tier Two Commercial Edible Food Generators from contracting or holding agreements with multiple Food Recovery Organizations or Food Recovery Services listed on the County of San Mateo Office of Sustainability website.
- (m) Food Recovery Organizations and Food Recovery Services operating in the District shall conduct trainings and develop educational material such as donation guidelines and handouts to provide instruction and direction to Tier One and Tier Two Commercial Edible Food Generators with whom they contract regarding best practices and requirements for the timely identification, selection, preparation, and storage of Edible Food to ensure the maximum amount of Edible Food is recovered and to avoid the collection of food that is moldy, has been improperly stored, or is otherwise unfit for human consumption.
- (n) Edible Food Recovery Capacity Planning
- (1) Food Recovery Services and Food Recovery Organizations. In order to support Edible Food Recovery capacity planning assessments or other such studies, Food Recovery Services and Food Recovery Organizations operating in the District shall provide information and consultation to the District and its Designee for Edible Food Recovery upon request, regarding existing, or proposed new or expanded, Edible Food Recovery capacity that could be accessed by the District and its Tier One and Tier Two Commercial Edible Food Generators. A Food Recovery Service or Food Recovery

Organization contacted by the District or its Designee for Edible Food Recovery shall respond to such requests for information within 60 days.

- (o) Allow the District's enforcement entity or their Designee for Edible Food Recovery to access the premises and inspect procedures and review records related to Edible Food Recovery and/or provide them electronically if requested by the District or the Designee for Edible Food Recovery.

SECTION 8. REQUIREMENTS FOR HAULERS AND FACILITY OPERATORS

(a) Requirements for Haulers

- (1) Exclusive Franchised hauler providing residential, Commercial, or industrial Organic Waste collection services to generators within the District's boundaries shall meet the following requirements and standards as a condition of approval of a contract, agreement, or other authorization with the District to collect Organic Waste:

- (A) Through written notice to the District annually on or before June 30th, identify, for customers with three container collection, the facilities to which they will transport Organic Waste including facilities for Source Separated Recyclable Materials and Source Separated Green Container Organic Wastes and black container waste.

Through written notice to the District annually on or before June 30th, identify, for customers with two container collection system, the facilities to which they will transport Source Separated Recyclable Materials and black container waste,

- (B) For customers with three container collection, transport Source Separated Blue Container Waste to a facility that recovers those materials and Source Separated Green Container Organic Waste to a facility, operation, activity, or property that recovers Organic Waste as defined in 14 CCR, Division 7, Chapter 12, Article 2.

For customers with two container collection, transport Source Separated Blue Container Waste to a facility that recovers those materials and black container waste to a high diversion organic waste processing facility.

- (C) Obtain approval from the District to haul Organic Waste, unless it is transporting Source Separated Organic Waste to a Community Composting site.

- (2) Franchised hauler with authorization to collect Organic Waste shall comply with education, equipment, signage, container labeling, container color, contamination monitoring, reporting, and other requirements contained

within its franchise agreement, permit, license, or other agreement entered into with the District.

- (b) Requirements for Facility Operators and Community Composting Operations
 - (1) Owners of facilities, operations, and activities that recover Organic Waste, including, but not limited to, Compost facilities, in-vessel digestion facilities, and publicly-owned treatment works shall, upon the District's request, provide information regarding available and potential new or expanded capacity at their facilities, operations, and activities, including information about throughput and permitted capacity necessary for planning purposes. Entities contacted by the District shall respond within 60 days.
 - (2) Community Composting operators, upon the District's request, shall provide information to the District to support Organic Waste capacity planning, including, but not limited to, an estimate of the amount of Organic Waste anticipated to be handled at the Community Composting operation. Entities contacted by the District shall respond within 60 days.

SECTION 9. SELF-HAULER REQUIREMENTS

- (a) Self-Haulers shall source separate all recyclable materials and Organic Waste (materials that the District otherwise requires generators to separate for collection in the District's organics and recycling collection program) generated on-site from Solid Waste in a manner consistent with 14 CCR Sections 18984.1 and 18984.2, or shall haul Organic Waste to a High Diversion Organic Waste Processing Facility as specified in 14 CCR Section 18984.3.
- (b) Self-Haulers shall haul their Source Separated Recyclable Materials to a facility that recovers those materials; and haul their Source Separated Green Container Organic Waste to a Solid Waste facility, operation, activity, or property that processes or recovers Source Separated Organic Waste. Alternatively, Self-Haulers may haul Organic Waste to a High Diversion Organic Waste Processing Facility.
- (c) Self-Haulers that are Commercial Businesses (including Multi-Family Residential Dwellings) shall keep a record of the amount of Organic Waste delivered to each Solid Waste facility, operation, activity, or property that processes or recovers Organic Waste; this record shall be subject to Inspection by the District. The records shall include the following information:
 - (1) Delivery receipts and weight tickets from the entity accepting the waste.
 - (2) The amount of material in cubic yards or tons transported by the generator to each entity.

- (3) If the material is transported to an entity that does not have scales on-site, or employs scales incapable of weighing the Self-Hauler's vehicle in a manner that allows it to determine the weight of materials received, the Self-Hauler is not required to record the weight of material but shall keep a record of the entities that received the Organic Waste.
- (d) Self-Haulers that are Commercial Businesses (including Multi-Family Self-Haulers) shall provide information collected in Section 9(c) to the District if requested.
- (e) A residential Organic Waste Generator that self hauls Organic Waste is not required to record or report information in Section 9(c) and (d).

SECTION 10. INSPECTIONS AND INVESTIGATIONS BY THE DISTRICT AND/OR ITS DESIGNEE

- (a) The District's representatives and/or its designated entity, including the Designee for Edible Food Recovery are authorized to conduct Inspections and investigations, at random or otherwise, of any collection container, collection vehicle loads, or transfer, processing, or disposal facility for materials collected from generators, or Source Separated materials to confirm compliance with this ordinance by Organic Waste Generators, Commercial Businesses (including Multi-Family Residential Dwellings), property owners, Tier One and Tier Two Commercial Edible Food Generators, haulers, Self-Haulers, Food Recovery Services, and Food Recovery Organizations, subject to applicable laws.

This Section does not allow the District to enter the interior of a private residential property for Inspection.

For the purposes of inspecting Commercial Business containers for compliance with Section 4(b) of this ordinance, the District may conduct container Inspections for Prohibited Container Contaminants using Remote Monitoring, and Commercial Businesses shall accommodate and cooperate with the Remote Monitoring pursuant to Section 4(k) of this ordinance.

- (b) Regulated entity shall provide or arrange for access during all Inspections (with the exception of residential property interiors) and shall cooperate with the District's employee or its designated entity or Designee for Edible Food Recovery during such Inspections and investigations. Such Inspections and investigations may include confirmation of proper placement of materials in containers, Edible Food Recovery activities, records, or any other requirement of this ordinance described herein. Failure to provide or arrange for: (i) access to an entity's premises; (ii) installation and operation of Remote Monitoring equipment; or (ii) access to records for any Inspection or investigation is a violation of this ordinance and may result in penalties described.

- (c) Any records obtained by the District or Designee for Edible Food Recovery during its Inspections, Remote Monitoring, and other reviews shall be subject to the requirements and applicable disclosure exemptions of the Public Records Act as set forth in Government Code Section 6250 et seq.
- (d) The District's representatives, its designated entity, and/or Designee for Edible Food Recovery are authorized to conduct any Inspections, Remote Monitoring, or other investigations as reasonably necessary to further the goals of this ordinance, subject to applicable laws.
- (e) The District and Designee for Edible Food shall receive written complaints from persons regarding an entity that may be potentially non-compliant with SB 1383 Regulations, including receipt of anonymous complaints.

SECTION 11. ENFORCEMENT

- (a) Violation of any provision of this ordinance shall constitute grounds for issuance of a Notice of Violation and assessment of a fine by a District Enforcement Official, Designee for Edible Food Recovery, or representative. Enforcement Actions under this ordinance are issuance of an administrative citation and assessment of a fine. The District's procedures on imposition of administrative fines set forth in Article X, Section 1004 of the Code of General Regulations are hereby incorporated in their entirety, as modified from time to time, and shall govern the imposition, enforcement, collection, and review of administrative citations issued to enforce this ordinance and any rule or regulation adopted pursuant to this ordinance, except as otherwise indicated in this ordinance.
- (b) Other remedies allowed by law may be used, including civil action or prosecution as misdemeanor or infraction. The District or Designee for Edible Food Recovery may pursue civil actions in the California courts to seek recovery of unpaid administrative citations. The District or Designee for Edible Food Recovery may choose to delay court action until such time as a sufficiently large number of violations, or cumulative size of violations exist such that court action is a reasonable use of District or Designee for Edible Food Recovery staff and resources.
- (c) Responsible Entity for Enforcement
 - (1) Enforcement pursuant to this ordinance may be undertaken by the District's Enforcement Official, which may be the District manager or their designee, legal counsel, or combination thereof, or Designee for Edible Food Recovery.
 - (A) The District's Enforcement Official(s) and Designee for Edible Food Recovery (for Edible Food Recovery provisions) will interpret ordinance; determine the applicability of waivers, if violation(s) have

occurred; implement Enforcement Actions; and, determine if compliance standards are met.

- (B) The District's Enforcement Official(s) and Designee for Edible Food Recovery (for Edible Food Recovery provisions) may issue Notices of Violation(s).

(d) Process for Enforcement

- (1) The District's Enforcement Officials or Designee for Edible Food Recovery and/or their Designee will monitor compliance with the ordinance randomly and through Compliance Reviews, Route Reviews, investigation of complaints, and an Inspection program (that may include Remote Monitoring). Section 10 establishes the District's and Designee for Edible Food Recovery's right to conduct Inspections and investigations.
- (2) The District or Designee for Edible Food Recovery may issue an official notification to notify regulated entities of its obligations under the ordinance.
- (3) For incidences of Prohibited Container Contaminants found in containers, the District will issue a Notice of Violation to any generator found to have Prohibited Container Contaminants in a container. Such notice will be provided via a cart tag or other communication immediately upon identification of the Prohibited Container Contaminants or within 30 days after determining that a violation has occurred. If the District observes Prohibited Container Contaminants in a generator's containers on more than two (2) consecutive occasion(s), the District may assess contamination processing fees or contamination penalties on the generator.

The Jurisdiction or its Designee for Edible Food Recovery will issue a Notice of Violation to any Tier One or Tier Two Commercial Edible Food Generator found to have Edible Food in any waste container or to any Food Recovery Organization or Food Recovery Service found to have Edible Food recovered from a Tier One or Tier Two Edible Food Generator in a waste collection container which has not been documented by a notice of significant spoilage as required in this Ordinance. Such notice will be provided by email communication immediately upon identification of the violation or within three (3) calendar days after determining that a violation has occurred. If the Jurisdiction or its Designee for Edible Food Recovery observes Edible Food in a Tier One or Tier Two Commercial Edible Food Generator, or Food Recovery Organization, or Food Recovery Service waste container on more than two (2) consecutive occasion(s), the Jurisdiction or its Designee for Edible Food Recovery may assess an administrative citation and fine, pursuant to the Edible Food Recovery penalties provisions contained in this Ordinance, on the Tier One or Tier Two Commercial Edible Food Generator, Food Recovery Organization, or Food Recovery Service.

- (4) With the exception of violations of generator contamination of container contents addressed under Section 11(d)(3), the District or Designee for Edible Food Recovery shall issue a Notice of Violation requiring compliance within 60 days of issuance of the notice.
- (5) Absent compliance by the respondent within the deadline set forth in the Notice of Violation, the District or Designee for Edible Food Recovery (for the Edible Food Recovery provisions) shall commence an action to impose penalties via an administrative citation and fine, pursuant to its Administrative citation and fine procedures.

For the purposes of Edible Food Recovery, the Designee for Edible Food Recovery shall commence an action to impose penalties, via an administrative citation and fine, pursuant to the Edible Food Recovery penalties provisions contained in this Ordinance.

Notices shall be sent to “owner” at the official address of the owner maintained by the tax collector for the District or if no such address is available, to the owner at the address of the dwelling or Commercial property or to the party responsible for paying for the collection services, depending upon available information

(e) Penalty Amounts for Types of Violations

The penalty levels for violations unrelated to the Edible Food Recovery requirement are as follows:

- (1) For a first violation, the amount of the base penalty shall be \$50 to \$100 per violation.
- (2) For a second violation, the amount of the base penalty shall be \$100 to \$200 per violation.
- (3) For a third or subsequent violation, the amount of the base penalty shall be \$250 to \$500 per violation.

The penalty levels for Edible Food Recovery violations are as follows:

- (1) For a first violation, the amount of the base penalty shall be \$100 per violation.
- (2) For a second violation, the amount of the base penalty shall be \$200 per violation.
- (3) For a third or subsequent violation, the amount of the base penalty shall be \$500 per violation.

(f) Compliance Deadline Extension Considerations

The District or Designee for Edible Food Recovery (the County for edible food generator and food recovery organization and services requirements) may extend the compliance deadlines set forth in a Notice of Violation issued in accordance with Section 11 if it finds that there are extenuating circumstances beyond the control of the respondent that make compliance within the deadlines impracticable, including the following:

- (1) Acts of God such as earthquakes, wildfires, flooding, and other emergencies or natural disasters;
- (2) Delays in obtaining discretionary permits or other government agency approvals; or,
- (3) Deficiencies in Organic Waste recycling infrastructure or Edible Food Recovery capacity and the District is under a corrective action plan with CalRecycle pursuant to 14 CCR Section 18996.2 due to those deficiencies.

(g) Appeals Process

Persons receiving an administrative citation containing a penalty for an uncorrected violation may request a hearing to appeal the citation. A hearing will be held only if it is requested within the time prescribed and consistent with the District's or Designee for Edible Food Recovery's procedures in the District's or Designee for Edible Food Recovery's codes for appeals of administrative citations. Evidence may be presented at the hearing. The District or Designee for Edible Food Recovery will appoint a hearing officer who shall conduct the hearing and issue a final written order.

(h) Education Period for Non-Compliance

Beginning January 1, 2022 and through December 31, 2023, the District or Designee for Edible Food Recovery (for edible food generator and food recovery organization and service requirements) may conduct Inspections, Remote Monitoring, Route Reviews or waste evaluations, and Compliance Reviews, depending upon the type of regulated entity, to determine compliance, and if the District or Designee for Edible Food Recovery determines that Organic Waste Generator, Self-Hauler, hauler, Tier One Commercial Edible Food Generator, Food Recovery Organization, Food Recovery Service, or other entity is not in compliance, it shall provide educational materials and/or, for the purposes of Edible Food Recovery, training to the entity describing its obligations under this ordinance and a notice that compliance is required by January 1, 2022, and that violations may be subject to administrative civil penalties starting on January 1, 2024.

(i) Civil Penalties for Non-Compliance

Beginning January 1, 2024, if the District or Designee for Edible Food Recovery (Designee for Edible Food determination only for Tier 1 and Tier 2 Commercial

Edible food generator and food recovery organization and service requirements) determines that an Organic Waste Generator, Self-Hauler, hauler, Tier One or Tier Two Commercial Edible Food Generator, Food Recovery Organization, Food Recovery Service, or other entity is not in compliance with this ordinance, it shall document the noncompliance or violation, issue a Notice of Violation, and take Enforcement Action pursuant to Section 11, as needed.



WEST BAY SANITARY DISTRICT AGENDA ITEM 6

To: *Board of Directors*

From: *Sergio Ramirez, District Manager*

Subject: *Consider Resolution Approving the Implementation of SB 1383 Memorandum of Understanding (MOU) with the South Bayside Waste Management Authority (SBWMA)*

Recommendation

It is recommended that the Board of Directors approve the attached resolution approving the Implementation of SB 1383 Memorandum of Understanding (MOU) with the South Bayside Waste Management Authority.

Executive Summary

The Board of the South Bayside Waste Management Authority ("SBWMA" or "Agency") is recommending that SBWMA's Member Agencies adopt a resolution approving an MOU between SBWMA and its Member Agencies to help Member Agencies meet the regulatory requirements of SB 1383, a statewide effort to reduce emissions of short-lived climate pollutants. This MOU identifies six (6) important areas of technical support (see page two) that, once approved, SBWMA staff will execute on behalf of our member agencies. It also identifies key areas of member agency SB 1383 compliance responsibilities.

Background

In September 2016, SB 1383 (Lara, Chapter 395, Statutes of 2016) established statewide methane emissions reduction targets in an effort to reduce emissions of short-lived climate pollutants (food scraps, yard debris, paper products) in various sectors of California's economy. It includes statewide goals to reduce the disposal of organic waste and recover edible food for human consumption. To accomplish these statewide goals, SB 1383 regulations, which were approved on November 3rd 2020, include prescriptive requirements for jurisdictions related to recycling and organics collection, inspection, and enforcement policies and programs and edible food recovery. The SBWMA and its Member Agencies must comply with nearly all SB 1383 requirements by January 1, 2022, with the significant exception that enforcement actions do not need to commence until January 1, 2024.

The SBWMA Board of Directors approved the SBWMA SB 1383 Compliance Plan on November 19, 2020, which outlined anticipated responsibilities between the SBWMA and its Member Agencies. The SBWMA drafted an Implementation of SB 1383 MOU detailing the roles and responsibilities of the SBWMA and its Member Agencies based on the SB 1383 program implementation and management requirements identified in the law. The draft MOU was provided to the SBWMA Technical Advisory Committee at their May 13th and June 10th meetings. The SBWMA Board considered the MOU at its June 24, 2021, regular meeting and recommended its approval by Member Agencies.

Analysis/Discussion

SB 1383 allows a jurisdiction to designate a public or private entity to fulfill its SB 1383 responsibilities. As detailed in the SBWMA SB 1383 Compliance Plan, the SBWMA will take on a significant portion of the SB 1383 program responsibilities. These responsibilities have been detailed in Attachment A in the form of a MOU between SBWMA and all 11 Member Agencies. There will be one MOU between the SBWMA and all 11 Member Agencies.

Note that while SB 1383 allows for delegation of responsibilities to others, it states that “a jurisdiction shall remain ultimately responsible for compliance with the requirements of this chapter.” It also states that a jurisdiction may not delegate its authority to impose civil penalties, or to maintain an action to impose civil penalties, to a private entity.

The following list summarizes the SB 1383-related responsibilities the SBWMA will perform under the MOU:

- 1) **Education and outreach.** The SBWMA shall provide educational materials and community outreach to organic waste generators in English, Spanish, and Chinese that explain and provide information on the requirements of the SB 1383 regulations.
- 2) **Procurement.** The SBWMA shall annually notify each Member Agency of its Organic Waste product procurement target, as required and determined by CalRecycle. Before CalRecycle releases the official procurement targets for each Jurisdiction on January 1, 2022 and every five years thereafter, the SBWMA shall assist the Jurisdictions in calculating estimates of the procurement targets.
- 3) **Reporting and recordkeeping.** The SBWMA will be the primary recordkeeper for all the information and documents required in the Implementation Record. Each Member Agency will be given access to their own set of records through a cloud-based software.
- 4) **Organics waste processing capacity and diversion planning.** The SBWMA will work with the County of San Mateo to estimate existing Organics processing and Edible Food Recovery capacities available in the service area, and if either are found lacking, SBWMA will assist Member Agencies in creating an implementation plan to expand capacity.
- 5) **Model Tools.** The SBWMA will revise the Model Tools (waste disposal reduction ordinance and procurement), which were created by CalRecycle and HF&H to aid the SB 1383 implementation process, to better fit the Member Agencies’ needs. The SBWMA will assist the Member Agencies in tailoring the language further as necessary, although it will ultimately be the Member Agencies’ responsibility to use or adopt them.
- 6) **Complaints and waivers.** The SBWMA will support the Member Agencies in complaint and violation investigations. The SBWMA will collect and forward

complaints alleging non-compliance to Member Agencies, including the names and associated contact information of generators who repeatedly refuse to comply with the regulations, and will support Member Agencies in complaint investigation.

SB 1383 allows for the ability of public entities to waive organic waste collection for de minimus volumes and physical space limitations. The SBWMA will administer the waiver program on behalf of the Member Agencies, including collecting waiver requests, verifying waiver eligibility, and approving waivers. The SBWMA will coordinate with Member Agencies, as needed, on waiver approval.

Member Agencies will be responsible for:

- 1) All other parts of the SB 1383 regulations not detailed in the MOU.
- 2) **Sharing of information.** Sharing information with the SBWMA as information is available including all data, documents, contact information and other necessary information for the SBWMA to carry out responsibilities in the MOU.
- 3) **Staff and funding.** The SBWMA has hired one full-time Program Manager II to manage the SB 1383 program on the participating member agency's behalf. Additional costs shall be jointly shared by Member Agencies through the garbage tipping fee rate. Budget changes related to the MOU will be integrated into the Agency's regular budget process, as approved by the SBWMA Board.

Fiscal Impact

There are no direct costs associated with the MOU.

Environmental Impact

Approval of the MOU is exempt from California Environmental Quality Act (CEQA) review because it does not constitute a project under CEQA pursuant to Guideline 15378 (b)(5), which provides that organizational and administrative activities of governments that will not result in physical changes in the environment are not considered projects for CEQA purposes.

Attachments:

1. Resolution Approving the Implementation of SB 1383 Memorandum of Understanding (MOU) with the South Bayside Waste Management Authority (SBWMA)

Attachment 1

RESOLUTION NO. _____ (2021)

RESOLUTION OF WEST BAY SANITARY DISTRICT APPROVING THE IMPLEMENTATION OF SB 1383 MEMORANDUM OF UNDERSTANDING (MOU) WITH THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY (SBWMA)

WHEREAS, the State of California passed SB 1383 (Chapter 395, Statutes of 1383), which required the California Department of Resources Recycling and Recovery (CalRecycle) to adopt regulations to reduce organic waste by 50 percent from its 2014 baseline level by 2020 and 75 percent by 2025; and

WHEREAS, CalRecycle has finalized regulations and revised Chapter 12 (Short-lived Climate Pollutants) of Division 7 of Title 14 of the California Code of Regulations (“SB 1383 Regulations”); and

WHEREAS, the SB 1383 Regulations require local agencies or jurisdictions, among other things, to implement programs requiring organic waste generators and waste haulers to meet minimum standards for organic waste collection services, inspect waste containers for prohibited contamination of materials, provide education and outreach information to organic waste generators, report to CalRecycle on compliance with SB 1383 Regulations, and maintain records of compliance with SB 1383 Regulations; and

WHEREAS, Jurisdictions may designate a public or private entity to fulfill its requirements of Chapter 12: Short-lived Climate Pollutants, including utilizing a Joint Powers Authority, except that the Jurisdictions shall remain ultimately responsible for compliance; and

WHEREAS, The SBWMA developed an Implementation of SB 1383 Memorandum of Understanding (MOU) detailing the roles and responsibilities between SBWMA and its Member Agencies; and

WHEREAS, The SBWMA Board of Directors considered the Implementation of SB 1383 MOU to its Member Agencies at its regularly scheduled meeting held June 24, 2021, and adopted Resolution 2021-17 recommending that Member Agencies approve the MOU; and

WHEREAS, The West Bay Sanitary District agrees with the roles and responsibilities detailed in the Implementation of SB 1383 MOU; and

WHEREAS, Environmental review is not required because adoption of the MOU is not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline 15378 (b)(5) (organizational or administrative activities of governments not project).

NOW, THEREFORE BE IT RESOLVED that the Board of Directors hereby approves the Implementation of SB 1383 Memorandum of Understanding with the SBWMA Member Agencies, attached hereto as **Exhibit A**.

PASSED AND ADOPTED as a Resolution of the Board of Directors of the West Bay Sanitary District, at the regular meeting held on the 8th day of DECEMBER, 2021, by the following vote:

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 7

To: *Board of Directors*

From: *Sergio Ramirez, District Manager*

Subject: *Consider Resolution Approving Memorandum of Understanding (MOU) with San Mateo County Office of Sustainability for Implementation of Senate Bill (SB) 1383 Compliant Edible Food Recovery Program*

Recommendation

It is recommended that the Board of Directors approve the attached resolution approving the Memorandum of Understanding (MOU) with San Mateo County Office of Sustainability for implementation of an SB 1383-compliant Edible Food Recovery Program.

Executive Summary

State of California Department of Resources Recycling and Recovery (CalRecycle) SB 1383 regulations (Set forth in Title 14, Division 7, Chapter 12 of the California Code of Regulations ("Regulations")) require jurisdictions to establish edible food recovery programs and strengthen their food recovery networks. Further, the regulations require jurisdictions to enforce recovery of the maximum amount of edible food by edible food generators like supermarkets and restaurants, and place responsibility on San Mateo County to ensure that jurisdictions complete analysis, infrastructure development, and capacity planning.

The San Mateo County Office of Sustainability has developed a County-wide Edible Food Recovery Program that will enable all parties to be compliant with SB 1383 regulations. In order to participate in this program, West Bay Sanitary District needs to enter into a Memorandum of Understanding (MOU) with the County Office of Sustainability that is Exhibit A to this report. By entering into the MOU, West Bay Sanitary District will formally delegate program responsibility and delineate roles and responsibilities for the Edible Food Recovery program.

By law, regulated edible food generators are required to participate in edible food recovery and to have a contract for this purpose. The costs are anticipated to be recovered through fees for service between the generators and the recovery organizations, which is how this model is structured.

Background

In September 2016, SB 1383 (Lara, Chapter 395, Statutes of 2016) established statewide methane emissions reduction targets in an effort to reduce emissions of short-lived climate pollutants (food scraps, yard debris, paper products) in various sectors of California's economy. Among many new requirements, the law establishes a target that not less than 20 percent of edible food that is currently disposed, state-wide, be recovered for human consumption. In order to achieve this goal, generators and jurisdictions are required to divert "the maximum amount possible."

The San Mateo County Office of Sustainability has taken the initiative to develop an edible food recovery program to ensure that all jurisdictions within the County comply with the analysis, infrastructure development, and capacity planning necessary to recover as much as possible of the edible food that is wasted in San Mateo County each year. The County, along with the cities and local jurisdictions, determined that one countywide program would increase the likelihood that the maximum amount of edible food could be recovered and would produce efficient economies of scale, saving time and money. Therefore, the San Mateo County Office of Sustainability has taken a leading role over the last three years to develop an SB 1383-compliant Edible Food Recovery Program for the region.

The County has already created a collaborative partnership with Second Harvest Food Bank and additional smaller partners such that over 2,750 tons of edible food were recovered and redistributed county-wide in 2020. Samaritan House and additional food recovery organization partners have been or will be integrated into the program in 2021

Analysis/Discussion

In order to participate in the County's Edible Food Recovery program, West Bay Sanitary District must enter into a Memorandum of Understanding with the County that is Exhibit A to this report. By entering into the MOU, West Bay Sanitary District formally delegates program responsibility and delineates roles and responsibilities for the Edible Food Recovery program. It is important to note that, while the District is permitted under SB 1383 and its related regulations to delegate the daily operation of the program, West Bay Sanitary District remains ultimately responsible for ensuring that any program to which it delegates responsibility continues to meet SB 1383 requirements.

The MOU requires West Bay Sanitary District to take certain action including, but not limited to, adopting an ordinance establishing an Edible Food Recovery program as required under the regulations, including the specific provisions provided by the County Office of Sustainability for edible food recovery definitions, requirements for Tier One (supermarkets with revenue of at least \$2 million, grocery stores with facilities at least 10,000 sq. ft., food service providers, food distributors, and wholesale food vendors) and Tier Two (restaurants with facilities at least 5,000 sq. ft. or 250+ seats, hotels with an on-site food facility and 200+ rooms, large events, local education agency with an onsite food facility, and non-local entities) Edible Food Generators, and requirements for Food Recovery Organizations and Food Recovery Services.

Additionally, the MOU requires West Bay Sanitary District to provide the County Office of Sustainability with a list and schedule of “large events” occurring in its territory as defined by the regulations (large events are those that serve an average of more than 2,000 individuals per day) and be responsible for coordinating the required edible food recovery regulations for those “large events” occurring in its territory. The MOU also requires the District to develop a method to accept written complaints, including anonymous complaints, regarding an entity that may be potentially non-compliant with the Edible Food Recovery requirements.

To sustain the program, the County’s Edible Food Recovery Program will charge a fee to regulated edible food generators (e.g., supermarkets, large restaurants and institutions). The program will run a regular pickup of edible food from businesses and immediately re-distribute that food at food distribution sites organized by Second Harvest. This innovative strategy requires no investment in built infrastructure for the aggregation or storage of food but instead hands it out the same day it is picked up, taking advantage of the refrigeration and storage capacity of the ultimate recipients of the food. It allows for the freshest food to reach consumers, but there are significant costs for vehicles and labor.

At this time the participant fee structure is under development and will ultimately be dependent upon the number of program participants. While SB 1383 regulations require covered generators to have an Edible Food Recovery contract on January 1, 2022, agencies are not permitted to conduct enforcement activities until January 1, 2024, so there will be a two-year program development and expansion period wherein the County’s program will add covered generators as they have the capacity to manage the workload to ensure that the program is reliable and efficient and worth the fee charged.

The Board of Directors will separately be asked to consider the adoption of an “enforcement ordinance” which is required under SB 1383 in order to enforce the many provisions of SB 1383 for which the District is responsible. Among the provisions in that ordinance is the requirement that regulated businesses contract with food recovery organizations/services for the diversion of their excess edible food. The ordinance further gives to the County Office of Sustainability the authority, along with the District, to inspect, investigate, hold hearings, issue citations, and/or assess administrative fines on behalf of the District, as its Designee, for Edible Food Recovery.

Fiscal Impact

There is no direct cost to the District to participate in the program, which will receive revenues from edible food generators who will be required to comply with recovery requirements of SB 1383 through a SB 1383 ordinance that is also on the December 8, 2021 agenda to be adopted and incorporated into the Code of General Regulations.

Environmental Impact

Approval of the MOU is exempt from California Environmental Quality Act (CEQA) review because it does not constitute a project under CEQA pursuant to Guideline

15378 (b)(5), which provides that organizational and administrative activities of governments that will not result in physical changes in the environment are not considered projects for CEQA purposes.

Attachments:

1. Resolution Approving the Memorandum Of Understanding With San Mateo County Office Of Sustainability For Implementation Of Senate Bill (SB) 1383 Compliant Edible Food Recovery Program

Attachment 1

RESOLUTION NO. _____ (2021)

**RESOLUTION OF WEST BAY SANITARY DISTRICT APPROVING THE
MEMORANDUM OF UNDERSTANDING WITH SAN MATEO COUNTY OFFICE
OF SUSTAINABILITY FOR IMPLEMENTATION OF SENATE BILL (SB) 1383
COMPLIANT EDIBLE FOOD RECOVERY PROGRAM**

WHEREAS, the State of California passed SB 1383 (Chapter 395, Statutes of 1383), which required the California Department of Resources Recycling and Recovery (CalRecycle) to adopt regulations to reduce organic waste by 50 percent from its 2014 baseline level by 2020 and 75 percent by 2025 and increase edible food recovery by 20% by 2025; and

WHEREAS, CalRecycle has finalized regulations and revised Chapter 12 (Short-lived Climate Pollutants) of Division 7 of Title 14 of the California Code of Regulations (“SB 1383 Regulations”); and

WHEREAS, the SB 1383 Regulations require local agencies or jurisdictions, among other things, to establish an edible food recovery program; and

WHEREAS, Jurisdictions may designate a public or private entity to fulfill its requirements of Chapter 12: Short-lived Climate Pollutants, including utilizing a Joint Powers Authority, except that the Jurisdictions shall remain ultimately responsible for compliance; and

WHEREAS, the County of San Mateo Office of Sustainability developed an Edible Food Recovery Program Memorandum of Understanding (MOU) detailing the roles and responsibilities between the County Office of Sustainability and its program partners; and

WHEREAS, The West Bay Sanitary District agrees with the roles and responsibilities detailed in the Edible Food Recovery MOU; and

NOW, THEREFORE BE IT RESOLVED that the Board of Directors hereby approves the resolution approving the Memorandum Of Understanding With San Mateo County Office Of Sustainability For Implementation Of Senate Bill (SB) 1383 Compliant Edible Food Recovery Program, attached hereto as **Exhibit A**.

PASSED AND ADOPTED as a Resolution of the Board of Directors of the West Bay Sanitary District, at the regular meeting held on the 8th day of DECEMBER, 2021, by the following vote:

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



WEST BAY SANITARY DISTRICT AGENDA ITEM 8

To: *Board of Directors*

From: *Sergio Ramirez, District Manager*

Subject: *Discussion and Acceptance of the HF&H Recycled Water
Financial Plan for the Bayfront Recycled Water Facility*

Background

At the May 12, 2021 Regular Board Meeting, the Board of Directors certified the Final Environmental Impact Report (FEIR) and Mitigation Monitoring and Reporting Program (MMRP) for the project. The FEIR is the California Environmental Quality Act (CEQA) document for the Levee Improvement and Bayfront Recycled Water Treatment Facility Project at the Flow Equalization and Resource Recovery Facility (FERRF). The levee improvement portion of the project will build up the levees and protect the twenty acre site from King Tide flooding, and sea level rise to prevent inundation of the facility.

The Bayfront Recycled Water Facility (BRWF) will provide approximately 600,000 gallons or .6 million gallons per day (.6MGD) of recycled water (peak average) per day to the Bayfront Area of Menlo Park. The District has identified several potential user of recycled water including the proposed Willow Village development in the current Menlo Industrial area South/East of Willow Road and Hamilton Ave in Menlo Park. The Willow Village development has a need for approximately 260,000 gallons (.26MGD) per day of recycled water. The use of such water will benefit the community because it will offset the need for potable drinking water of the same quantity. The recycled water will be used for irrigation and commercial toilet flushing, rather than using potable drinking water from the San Francisco Public Utility Commission (SFPUC) whom provides the City of Menlo Park with water from the Hetch Hetchy Reservoir.

Woodard & Curran (W&C) has developed two Technical Memorandums (Memos). One to identify the cost of construction for the Bayfront Recycled Water Facility and its distribution system, and the other to identify the ongoing Operations & Maintenance (O&M) cost for the recycled water facility and its infrastructure.

At the July 14, 2021 Regular Board Meeting the Board directed the District Manager to work on developing a financial plan to analyze the cost implications of building the recycled water infrastructure. At the September 8, 2021 Regular Board Meeting the Board of Directors approved an agreement with HF&H Consultants, LLC to conduct the financial plan.

At the October 27, 2021 Regular Board Meeting the Board received a presentation by HF&H on the draft financial report. During the meeting it was reported that the Recycled Water Committee would discuss the details of the report.

On November 23, 2021 the Recycled Water Committee met with District Staff and HF&H to discuss the Financial Plan in detail. During the meeting the Recycled Water Committee discussed the need to have users of the recycled water pay for their appropriate capacity and capital, as well as the operation & maintenance of the proposed facility.

Analysis

HF&H Consultants, LLC, has prepared the Financial Plan for the District's proposed Bayfront Recycled Water Facilities Plan.

The purpose of the Financial Plan is to provide the District with financial information for use in its planning for negotiations with developers. The Financial Plan will be used to develop a funding strategy from sources such as user charge rates, contributions in aid of construction, and other sources.

HF&H Consultants, LLC will deliver the Recycled Water Financial Plan for the Bayfront Recycled Water Facility to the Board of Directions for discussion and acceptance baring any direction or changes provided by the Board.

Fiscal Impact

No direct fiscal impact at this time.

Recommendation

The District Manager recommends the District Board accept the HF&H Recycled Water Financial Plan for the Bayfront Recycled Water Facility.

Attachments: HF&H Financial Plan for the Bayfront Recycled Water Facility dated December 3, 2021.



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TECHNICAL MEMORANDUM

To: Sergio Ramirez, District Manager, West Bay Sanitary District
From: Rick Simonson, Senior Vice President, HF&H
John Farnkopf, Senior Vice President, HF&H
Date: December 3, 2021
Subject: Recycled Water Facility Financial Plan

This memorandum outlines potential funding strategies to develop a recycled water facility at the District for distribution to new developments and existing District customers within the Bayfront area.

The financial plan and proposed recycled water processing and distribution system supports water conservation efforts and is line with California's Recycled Water Policies and contributes the sustainability and well fair of the San Francisco Bay and region as a whole.

I. INTRODUCTION

According to a technical memorandum¹ prepared by Woodard & Current (W&C) a proposed recycled water facility will initially treat 0.6 million gallons per day (MGD) of wastewater and would be completed in time to deliver recycled water by 2025. Subsequently, the facility may be expanded, without needing additional basins, to provide 0.8 MGD, if the demand is there.

The proposed project would divert wastewater from the 36-inch sewer pipeline near the intersection of Bayfront Expressway and Marsh Road and pump the wastewater to a treatment and storage facility to be constructed at the former wastewater treatment plant at the end of Marsh Road, near the entrance of the Bedwell Bayfront Park. The new treatment facility would include grit removal and fine screening, biological reactor tanks, a membrane bioreactor treatment system, and ultraviolet disinfection. The product water would be stored in a recycled water tank and a distribution pump station would be used to deliver recycled water to customers in the Bayfront area.

A preliminary recycled water market assessment was conducted as part of a market survey in 2014. Subsequently, W&C updated and refined the assessment through meetings with established customers (e.g., Facebook) and local developers (i.e., Signature, Tarlton, Greystar) to establish likely demand. W&C's refined market survey found 0.4 MGD of potential demand

¹ "Bayfront Recycled Water Project - Opinion of Probable Project Cost - Draft", July 22, 2021, Woodard & Curran, Tony Valdivia, Elisa Lee, Shelly Masuda, Dave Richardson



from developers that have already expressed an interest and up to as much as 0.28 MGD of demand from existing Facebook properties.

This memorandum discusses:

1. Projected capital and operating costs to construct and operate the proposed facility, which is based on two technical memorandums prepared by W&C (each dated July 22, 2021).
2. Project funding and the projected costs to future users. There are three stages for when users may connect. Each stage has its own requirements for how much and when a new connection must contribute to pay for the cost to construct the facility and the on-going O&M expenses.
3. Cost comparison with the District's Sharon Heights facility.

II. OVERVIEW OF RECYCLED WATER FACILITIES CAPITAL COSTS

W&C's opinion of the probable cost to construct the recycled water treatment facility and distribution system at \$56,600,000, in 2023 dollars, the projected year in which construction will begin (Section 2.6, Page 4 of W&C's July 22, 2021 capital cost technical memorandum). The projected construction cost does not include the cost of the land and land improvements (e.g., levee protection project) necessary to prepare the proposed site of the treatment facility. The proposed site is Bayfront property that is owned by the District. The estimated value of the land and the necessary improvements is \$20,000,000, which increases the total project cost to \$76,600,000 (in 2023\$).

III. OVERVIEW OF RECYCLED WATER FACILITIES O&M COSTS

Once constructed and operations begin, W&C's opinion of the probable annual Operating and Maintenance costs to treat and deliver recycled water is \$1,901,462, in 2021 dollars (Table 1, Page 4 of W&C's July 22, 2021 O&M cost technical memorandum²).

IV. PROJECT FUNDING

There is a demonstrated demand for recycled water in the Bayfront area. The City of Menlo Park requires new development of 250,000 square feet or larger to use recycled water for irrigation and approved indoor uses (e.g., toilet flushing, cooling systems). These developments will be required to either construct on-site facilities to treat and re-distribute wastewater or receive water from a recycled water producer. Economies of scale can be realized if one regional facility is constructed to accommodate the demand for many instead of many smaller facilities for each development.

² "Bayfront Recycled Water Project - Opinion of Probable O&M Cost - Draft", July 22, 2021, Woodard & Curran, Tony Valdivia, Shelly Masuda, Dave Richardson



The \$76,600,000 in capital costs to construct the proposed facility can be funded through Contributions in Aid of Construction (CAIC) from the interested developers identified by the recent market assessment or debt financing with a low-interest loan from the State Revolving Fund (SRF) or a combination of the two. The market assessment survey identified six new developments that will be required to use recycled water. **Figure 1** identifies the developers and their projected average peak day demand (in Million Gallons per Day (MGD)).

Figure 1. Interested Developers and Projected Recycled Water Needs

Project/Developer	Average Day of Peak Month Demand	% of Peak Demand
	(MGD)	
Willow Village (Signature)	0.260	43.3%
123 Independence (Sobrato)	0.001	0.1%
1350 Adams (Tarlton)	0.039	6.5%
Menlo Portal (Greystar)	0.013	2.1%
Menlo Uptown (Greystar)	0.012	2.0%
Menlo Flats (Greystar)	0.007	1.1%
CS Bio	0.006	1.0%
WBSD Extra Capacity	0.263	43.9%
	0.600	100.0%

The interested developers identified in the market assessment make up 56.1% of the total 0.6 MGD capacity. The remaining 43.9% of capacity would be used to serve existing District customers or other new developments not currently identified. For example, Facebook, one of the District’s largest current customers has shown interest in recycled water and they estimate a need of 0.28 MGD.

Contributions in Aid of Construction

Based on the total projected construction costs of \$76,600,000 for the 0.60 MGD of peak demand (600,000 gallons per day), the cost for developers to buy capacity in the system is \$127.67 per gallon of Average Day of Peak Month Demand ($\$76,600,000 \div 600,000$ gallons). The estimated contribution for each of the interested developers is summarized in **Figure 2**. For example, the developer of the Willow Village project would contribute approximately \$33,193,000 (260,000 gallons per day x \$127.67 per gallon). Any contributions in aid of construction received prior to beginning construction of the facility will reduce the amount the District needs to debt finance.

The currently projected cost for developers to buy capacity in the system, \$127.67 per gallon of Average Day of Peak Month Demand, does not take into consideration any grant funding. Any grant funding received by the District will be considered in order to reduce the construction costs used to derive the per gallon buy-in cost and could therefore benefit all developers/connectors. The District will continue to pursue grant opportunities made available for a project of this type.



Figure 2. Estimated Capital Contributions in Aid of Construction

Project/Developer	Average Day of Peak Month Demand	% of Peak Demand	Allocate Total Project Cost
	(MGD)		\$76,600,000
Willow Village (Signature)	0.260	43.3%	\$ 33,193,000
123 Independence (Sobrato)	0.001	0.1%	\$ 74,000
1350 Adams (Tarlton)	0.039	6.5%	\$ 4,979,000
Menlo Portal (Greystar)	0.013	2.1%	\$ 1,628,000
Menlo Uptown (Greystar)	0.012	2.0%	\$ 1,513,000
Menlo Flats (Greystar)	0.007	1.1%	\$ 843,000
CS Bio	0.006	1.0%	\$ 766,000
WBSD Extra Capacity	0.263	43.9%	\$ 33,604,000
	0.600	100.0%	\$ 76,600,000
Total Average Day of Peak Month Demand (0.6 MGD)			÷ 600,000
Buy-in Cost (per gallon of Avg. Day Peak Month Demand)			\$ 127.67

Debt-financing (if needed)

The District plans on debt-financing the remaining capital needed after the contributions in aid of construction have been received from developers. The District has begun the process to procure \$66.6 million (\$76.6 million less \$10.0 million in contributed land value) in a low-interest loan from the State Revolving Fund (SRF). This would be the maximum amount necessary to construct the facility if no developers contributed upfront contributions in aid of construction. Current interest rates are less than 2% on a 30-year loan.

Three Stages of Connections

Future customers can connect during one of three stages. The cost to connect increases with each stage.

- **Stage 1. Customers who make upfront Contributions in Aid of Construction (CIAC)**
 - ❑ Pays a one-time upfront capital payment based on MGD of peak month capacity needed (currently estimated at \$127.67 per gallon of average day peak month demand needed).
 - ❑ Pays on-going O&M charges based on actual use. The cost of on-going O&M will be shared among the customers receiving recycled water service.
 - ❑ No debt-service payments or connection fees will be charged.
 - ❑ Stage 1 customers can connect at anytime after construction is completed. Capacity is reserved for them until connected.

- **Stage 2. Customers who do not make upfront payments and connect during Year 1**
 - ❑ In lieu of a one-time upfront capital payment, annually pays a proportionate share of annual debt service (including interest) on the original construction loan.
 - ❑ Shares in on-going O&M charges with Stage 1 customers.



- Stage 2 customers must connect prior to the first debt-service payment is due on the original construction loan.
- No connection fees will be charged.

■ **Stage 3. Customers who connect after Year 1**

- Annually, pays a proportionate share (along with Stage 2 customers) of annual debt service (including interest) on the original construction loan.
- Pays a one-time connection fee equal to a proportionate share of retired debt (including interest) at the time of connection. Connection fees increase annually as retired debt service accumulates.
- Shares in on-going O&M charges with Stage 1 and Stage 2 customers based on actual use.

IV. COST COMPARISON WITH SHARON HEIGHTS RECYCLED WATER FACILITY

The District has experience planning, constructing, and operating a recycled water facility. The District began delivering recycled water to the Sharon Heights Golf and Country Club (Sharon Heights) in July 2020. The facility construction was funded with a low-interest SRF loan. Sharon Heights is the sole user of the facility and is responsible for repaying the construction loan and annual O&M costs at the facility. The cost to Sharon Heights is approximately \$17.35 per hundred cubic foot (CCF) of capacity. **Figure 3** compares a range of projected costs to construct and operate the Bayfront Facility with to the District's costs to build and operated the Sharon Heights facility.

Figure 3. Effective Cost per CCF (in 2023\$)

	Sharon Heights	Bayfront Facility	Bayfront Facility
Capital Cost		Upfront Pymt	Debt Financed
100% Upfront Payment		\$2,553,333	
100% Debt Financed	\$716,681		\$3,669,952
Annual O&M Cost	\$443,050	\$2,017,261	\$2,017,261
Total	\$1,159,731	\$4,570,594	\$5,687,213
Annual Total (MG)	50	141	141
Annual Total (CCF)	66,840	188,490	188,490
Total \$ per CCF	\$17.35	\$24.25	\$30.17

[1] reflects upfront payment amortized over 30 years for comparison purposes

[2] assumes SRF loan at 1.9% for 30-year term

[3] reflects estimated O&M costs (2021\$) from W&C tech memo and actual O&M costs for the Sharon Heights facility for FY 2020-21, both escalated to 2023\$



- Cost estimates for Bayfront Facility - \$24.25 to \$30.17 per hundred cubic foot (CCF = 748.052 gallons) of water supplied, depending on method of capital contribution by customer (debt financed versus upfront payment).

- Capital and O&M costs on a per CCF basis for the Bayfront Facility are trending higher than the Sharon Heights project. The following factors play a role in the higher costs:
 - Bayfront requires a new water distribution system; Sharon Heights had an existing distribution system in place.
 - Construction cost inflation; Sharon Heights was bid 4-5 years ago.
 - Bayfront requires storage tanks be built; Sharon Heights had a natural storage pond.
 - Bayfront project requires additional processing for indoor commercial uses; Sharon Heights is exclusively for irrigation



To: Board of Directors

From: Sergio Ramirez, District Manager

Subject: Consider Resolution Authorizing District Manager to Submit 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 District 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 costs included in the CWSRF application is \$500,000. The Project will allow the offset of approximately 100,000 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 District Manager to sign

and submit the completed application. This authorization also designates the District Manager to enter into a contract for the CWSRF funding, if awarded, and represent the District during contracting and administration of the funds.

Analysis

The resolutions are requirements for the District's 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 is requesting \$500,000 in a low-cost loan. The cost for the CWSRF application and loan will be reimbursed by SHGCC. Additionally, SHGCC will submit to the District a \$20 thousand deposit to cover District Staff efforts in the project.

Recommendation

The District Manager recommends the District Board approve the Resolutions authorizing the District Manager to submit the CWSRF application for the Avy Altschul Pump Station Project and authorize the District Manager to repay the loan consistent with the terms of the CWSRF agreement.

RESOLUTION NO: _____ (2021)

AUTHORIZING RESOLUTION

WHEREAS, West Bay Sanitary District is pursuing funding for the 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 District Manager (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the 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 8, 2021.

(David A. Walker, Secretary, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)

RESOLUTION NO: _____ (2021)

REIMBURSEMENT RESOLUTION

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

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

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

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

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

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

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

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$500,000.

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 8, 2021.

(David A. Walker, Secretary and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)

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

1. Call to Order

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

Roll Call

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

BOARD MEMBERS ABSENT: None

STAFF MEMBERS PRESENT: Ramirez, Condotti by Zoom

Others Present: None

2. Communications from the Public: None.

3. Consent Calendar

CONSIDERATION OF ITEM(S) REMOVED FROM THE CONSENT CALENDAR

Discussion/Comments: None.

- A. Approval of Minutes for Regular meeting October 27, 2021
- B. Approval of the Financial Activity Report Authorizing Payment of Certain Bills and Salaries and Consideration of Other Financial Matters thru October 31, 2021
- C. WBSD Operations and Maintenance Report – October 2021
- D. Town of Los Altos Hills Operations and Maintenance Report for Work Performed by WBSD – October 2021
- E. Town of Woodside Operations and Maintenance Report for Work Performed by WBSD – October 2021
- F. Consider Resolution Accepting Deed of Easement Pursuant to Class 3 Sewer Permit No. 1132 for the Construction of Wastewater Facilities for 17 Redberry Ridge, Portola Valley, California
- G. Consider Accepting Sewer Facilities Constructed Pursuant to Class 3 Sewer Permit No. 1132 for the Construction of Wastewater Facilities for 17 Redberry Ridge, Portola Valley, California
- H. Consider Resolution Consenting to Annexation of Territory to the West Bay Sanitary District by the San Mateo County Local Agency Formation Commission – Parcel 2 Lake Road, Portola Valley (080-072-610) Lands of Quellmalz
- I. Bank of the West Monthly Investment Portfolio Statements

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

4. District Manager's Report

Discussion/Comments: District Manager Ramirez reported that the LAFCo Municipal Services Review report should be submitted to the District in January. He also reported that the solar energy quote by Spreak Energy was \$215K. The solar installation would have an annual savings of \$26K. He continued to report that the annual newsletter is being developed to run in the Almanac. The Board consensus was to run a one page ad this year versus a two page ad. He also reported that the November 24 Board meeting will be cancelled and the next meeting will be on December 8. In addition, District Manager Ramirez reported that a Finance Advisory Committee meeting will be scheduled to review the audit. The complete District Manager's written report is in the November 10, 2021 agenda packet.

5. Discussion and Direction on District Board Strategic Goals

Discussion/Comments: The Board discussed their goals and would like to form a committee to review and update the current Strategic Plan. Include climate action and sustainability goals, as well as, goals to support the Sharon Heights Recycled Water Plant, Bayfront Recycled Water Facility, and Woodside Recycled Water Plant. The Board appointed Director Moritz and Director Otte to the Strategic Plan Review Committee.

6. Consider Approval of Resolution Authorizing District to Implement Teleconferenced Public Meetings Pursuant to Assembly Bill 361

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

Discussion/Comments: District Counsel Condotti advised this item should be on the consent calendar moving forward.

7. November 10th Update Report on District Response to Corona Virus

Discussion/Comments: District Manager Ramirez reported that an email has been sent to staff advising them of the COVID-19 vaccination mandate. A staff meeting was held on November 8 to conduct training on the policy and to address any questions.

8. Report and Discussion on Sharon Heights Recycled Water Plant

Discussion/Comments: District Manager Ramirez reported that 7.6M gallons of water were treated in October and 2.6M gallons were delivered to the holding pond. He also reported that Sharon Heights Golf & Country Club (SHGCC) staff discharged reclaimed water from the holding pond into the storm drain. District Manager Ramirez presented the time line for the Avy Altschul Pump Station SRF loan process. SHGCC understands the project will be delayed.

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

Discussion/Comments: District Manager Ramirez reported that the project has made it into the third round of grant consideration by the National Fish & Wildlife Foundation. He also reported that the City of Menlo Park has agreed to pay \$140K for the recycled water pipeline for new the Community Center project. Board consensus was to support paying for the difference between a three-inch service line and a twelve-inch recycled water main. The District's share in the cost will be approximately \$338K. Secretary Walker requested a chart be presented to the Board showing a breakdown for these costs.

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

Discussion/Comments: President Dehn reported that SBWMA priorities in 2022 will be the legislation on batteries and plastics. She also reported that the Shoreway Environmental Center Operations Agreement RFP has been posted and closes on January 12.

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

Discussion/Comments: Director Otte reported that the next Commission meeting will be held on November 15. He also reported an unexpected trenchless equipment repair.

12. Closed Session

Entered closed session at 8:43 p.m. Left closed session at 8:53 p.m.

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

Reportable action: None.

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

Discussion/Comments: President Dehn reported that she spoke with Deputy City Manager Justin Murphy of the City of Menlo Park who mentioned the shared expense for the Menlo Park Community Campus recycled water pipeline. Mr. Murphy mentioned that the project may have to go to City Council for approval for their portion of the recycled water pipe project.

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

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WEST BAY SANITARY DISTRICT
Financial Activity Report
November 2021

Date: *December 8, 2021*

To: *Board of Directors*

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

Subject: *Approve Monthly Financial Activity Report*

Financial Activity for the month:

Receipt Summary:

Commercial Deposits	168,676.64
Deposits in Transit / <Prior Period Receipts>	10,221.02
Credit Cards	6,722.25
Other Receipts	135,971.59
Transfers	0.00
Total Receipts	<u><u>321,591.50</u></u>

Withdrawal Summary

Total Checks	540,258.17
Total Corp Card	7,109.69
Total Bank Transfers	1,132,889.87
Total Internal Bank Transfers	-
Total Withdrawals	<u><u>1,680,257.73</u></u>

<u>Fund</u>	<u>Expenditure Summary by Budget Category</u>	
100	Operations	683,140.63
200	Capital	294,788.23
300	Solid Waste	1,188.00
500	Recycled Water	104,161.87
800	Silicon Valley Clean Water	596,979.00
Expenditures by Fund		<u><u>1,680,257.73</u></u>

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

President _____

Secretary _____

WEST BAY SANITARY DISTRICT
Receipts & Incoming Transfers
November 2021

RECEIPT NUMBER	RECEIPT DATE	DESCRIPTION	AMOUNT
462119	11/1/2021	Ben Franklin Plumbing: 1583 Kavanaugh Dr, EPA, Permit	290.00
462120	11/1/2021	A.Schmidt, Level 10 Const: 100 Terminal Ave, MP NRD Permit	582.25
462121	11/1/2021	Town of Woodside: Quarterly MSA 11/2021-9/2021	12,053.00
462122	11/1/2021	L & V Lehmann Trust: 850 Los Trancos Rd, PV, SSC FY 2021-22	1,255.00
462123	11/1/2021	Jerome Joondeph: 40 Tagus Ct, PV, SSC FY 2021-22	937.50
462124	11/2/2021	Nicholas Rouse: 209 Marmona Dr, MP, Permit	170.00
462125	11/2/2021	Katharine Carroll: 130 Golden Oak Dr, PV, SSC FY 2021-22	937.50
462126	11/2/2021	Maria Geenen: 255 Golden Oaks Dr, PV, SSC FY 2021-22	937.50
462127	11/2/2021	Diane Toole: 250 Alamos Rd, PV, SSC FY 2021-22	627.50
462128	11/3/2021	Paragon Custom Builders: 88 Faxon Rd, Ath, Permit	290.00
462129	11/4/2021	K.W. Reeves Association: 163 Ramona Rd, PV, SSC FY 2021-22	627.50
462130	11/4/2021	Steven Kull/Nancy Lindborg: 305 Cervantes Rd., PV, C3 Permit	2,585.00
462131	11/4/2021	Greg Gallo: 263 Princeton Rd, MP, Permit	460.00
462132	11/5/2021	Lucille Mills: 20 Toro Ct, PV, SSC FY 2021-22	937.50
462133	11/8/2021	Roto Rooter: 316 Laurel Ave, MP, Permit	290.00
462134	11/8/2021	Thomas James Homes: 816 Laurel Ave, MP, Permit	170.00
462135	11/10/2021	Raab Michael: 1555 Santa Cruz Ave, MP, Permit	290.00
462136	11/10/2021	Rooter Hero: 124 Glenwood Ave, Ath, Permit	290.00
462137	11/12/2021	Benchmark Builders: 54 Reservoir Rd, Ath, ADU Conn/Permit	6,240.70
462138	11/12/2021	Benchmark Builders: 70 Maple Leaf Wy, Ath, ADU Conn/Permit	3,690.40
462139	11/12/2021	Van Acker Construction: 261 Park Ln, Ath, Permit	170.00
462140	11/9/2021	Primepay: Refund PR Taxes 11/8/21 Reverse Direct Deposit	538.58
462141	11/10/2021	Primepay: Refund PR 11/8/21 Reverse Direct Deposit	832.88
462142	11/12/2021	Recology: SW Franchise Fees 10/2021	8,833.21
462143	11/15/2021	Mehdi Jazayeri: 335 Fletcher Dr, Ath, Permit	290.00
462144	11/15/2021	Van Acker Construction: 261 Park Lane, Ath., Permit	290.00
462145	11/15/2021	Van Acker Construction: 273 Park Lane, Ath., Permit	290.00
462146	11/16/2021	Slatery Properties: 143 Lake Rd., PV, Conn, RA, Permits, C3	107,342.68
462147	11/16/2021	Thomas James Homes: 2003 Mills Ave, MP, ADU Conn Fees	3,400.40
462148	11/16/2021	Thomas James Homes: 1420 Franks Lane, MP, ADU Conn/Permit	3,400.40
462173	11/16/2021	Thomas James Homes: 1420 Franks Lane, MP, ADU Conn/Permit	290.00
462149	11/17/2021	Villa Plumbing: 960 Menlo Oaks Drive, MP, Permit	95.00
462150	11/17/2021	Cottage Technologies: 1198 Sherman Ave, MP, ADU Conn/Permit	5,815.65
462151	11/17/2021	American Construction & Excavation, Inc.: 628 Partridge Ave, MP, Permit	290.00
462152	11/17/2021	Erica Delgado: 2770 Fordham St, EPA, Permit	290.00
462153	11/17/2021	Steven Kull: 305 Cervantes Rd., PV, Conn Fees/Permit	8,791.00
462154	11/16/2021	David Canning: Permit: 11 Greenwood, MP, Permit	460.00
462155	11/18/2021	Marvin Argueta: Red Wing Reimburse: Inserts	2.41
462156	11/19/2021	Teresa R. Luchinger: 35 Palmer Ln., PV, SSC FY 2021-22	1,255.00
462157	11/19/2021	SF20G: 2151 Valparaiso Ave., MP, ADU Conn Fees/Permit	3,690.00
462158	11/22/2021	Eps/Express Plumbing: 9 Valley Rd, Ath, C3 Permit	2,585.00
462159	11/22/2021	Trench Free Inc.: 77 Marsh Rd, Ath, Permit	355.00
462160	11/22/2021	Ladera Recreation District: 150 Andeta Way, PV, PD Permit	1,925.37
462161	11/23/2021	Wizard Plumbing: 2157 Avy Ave, MP, Permit	290.00
462162	11/23/2021	SHGCC: SRF Loan Installment #9, O&M 12/2021, & Avy Pump Station	125,766.92
462163	11/24/2021	JPM Construction: 930 Hermosa Way, MP, Permit	95.00
462164	11/29/2021	Gold Wing Engineering: Permit: 184 Spruce, Permit	290.00
462165	11/29/2021	Ramin Dariani: 2018 Sand Hill Rd, MP, ADU Conn/Permit	5,815.65
462166	11/29/2021	Autumn Bristol: 1020 Coleman Ave, MP, ADU Conn/Permit	3,690.00
462167	11/29/2021	BK Custom Builders: Permit: 1870 Oakdell, Permit	290.00
462168	11/30/2021	Brother & Brother Builders: 181 Erica Way, MP, Permit	290.00
462169	11/30/2021	Randazzo Enterprises: 4 Manor Pl, MP, Permit	170.00
Total Receipts			\$321,591.50

WEST BAY SANITARY DISTRICT
Financial Activity Report
Withdrawals
November 2021

CHECK	DATE	TO WHOM PAYABLE	PURPOSE	AMOUNT
68411	11/4/2021	Matheson Tri-Gas, Inc.	Tank Rentals 10/2021	63.11
68412	11/4/2021	Alpha Analytical Laboratories	Daily Coliform Samples 10/2021	260.00
68413	11/4/2021	BAGG Engineers	North Bay/Ringwood: Field Density Testing 9/2021	4,815.00
68414	11/4/2021	Bay Area Paving Co. Inc.	Paving After Point Repairs to Sewer Main 10/2021	9,040.00
68415	11/4/2021	Bayside Equipment Company	Generator Service and Repair, Unit 218: Fuel Leak Repair 10/2021	1,115.98
68416	11/4/2021	CWEA	CWEA Certification Renewal Fee	96.00
68417	11/4/2021	California Water Service	Water Service - Sept-Oct 2021	23.46
68418	11/4/2021	Core & Main	Couplers & Supplies 10/2021	1,859.85
68419	11/4/2021	Cues, Inc.	GraniteNet Premium Inspection Annual Support Plan 10/2021	3,950.00
68420	11/4/2021	Federal Express	Shipping Charges - Weco 10/21/2021	167.34
68421	11/4/2021	Navia Benefit Solutions	Flexible Spending Account PR Contributions, Commuter Fees	791.88
68422	11/4/2021	Franchise Tax Board	Wage Garnishment	325.00
68423	11/4/2021	Golden Gate Truck Center	Replacement Mirror Bracket 7/2021	116.50
68424	11/4/2021	Grainger	Pump Station Parts and Material 10/2021	59.53
68425	11/4/2021	Kimball Midwest	Misc Supplies & Tools 9/2021	1,708.35
68426	11/4/2021	HF&H Consultants, LLC	Bayfront Recycled Water Finacial Plan 9/2021	3,423.25
68427	11/4/2021	Harrington Industrial Plastics	Tank Repair Unit 218 9/2021	111.37
68428	11/4/2021	City Of Menlo Park - Water	Water Service - Sept-Oct 2021	155.39
68429	11/4/2021	City Of Menlo Park-Fuel	Fuel: District Vehicles 10/2021	9,095.63
68430	11/4/2021	Carrie Nevoli - Petty Cash	Petty Cash Replenishment	232.80
68431	11/4/2021	Nixon-Egli Equipment Company	Hydraulic Filter Replacement Unit 205 10/2021	163.55
68433	11/4/2021	Pacific Gas & Electric	Electric Service - Sept-Oct 2021	18,250.88
68434	11/4/2021	Pier 2 Marketing	Quarterly Website Maintenance 10/2021	500.00
68435	11/4/2021	Charles A. Planje	Recycled Water Plant Consultation - Charles A. Planje	2,574.00
68436	11/4/2021	Principal Life Insurance Co.	Insurance 11/2021	6,461.76
68437	11/4/2021	Seekzen Systems	IT Consulting Services 10/2021	475.00
68438	11/4/2021	Sharp Business Systems	Monthly Lease for Copiers 11/2021	1,142.15
68439	11/4/2021	State Water Resources	SWRCB Recycled Water Fees - SHGCC	1,831.50
68440	11/4/2021	TPX Communications	Telephone 10/2021	3,066.44
68441	11/4/2021	Teamsters Local No. 350	Union Dues 11/2021	868.00
68442	11/4/2021	Teletrac Navman US	Vehicle GPS 11/2021	271.96
68443	11/4/2021	U.S. Jetting, LLC.	Unit 218 Fuel Line Replacement 10/2021	328.52
68444	11/4/2021	Western Truck Fabrication, Inc	Utility Bin Lock Replacements	131.00
68445	11/9/2021	Alpha Analytical Laboratories	Daily Coliform Samples 10/2021	195.00
68446	11/9/2021	Veolia Water North America	Water Service - 1805 Purdue 10/2/21-11/2/21	38.25
68447	11/9/2021	Aztec Consultants	Metal Storage Building Project 1749.1E, 5% Retention Escrow	11,564.80
68448	11/9/2021	Aztec Consultants	Project 1749.1E New Metal Building 10/2021	219,731.20
68449	11/9/2021	CWEA	Membership/Cert Renewal - J Beyer	298.00
68450	11/9/2021	CSRMA C/O Alliant Insurance	CSRMA Liability Deductible, 11/4/2020	56,997.83
68451	11/9/2021	Cleanserv Universal Services	Custodial Service 11/2021	1,075.00
68452	11/9/2021	Du-All Safety, LLC	Safety Maintenance Contract 10/2021	1,620.00
68453	11/9/2021	Grainger	Pump Station Parts and Material 10/2021	211.63
68454	11/9/2021	Helix Laboratories, Inc.	55 Gal. Commander Odor Control 11/2021	2,523.68
68455	11/9/2021	Home Depot Credit Services	Tools , Pump Station Parts and Material 10/2021	1,201.24
68456	11/9/2021	Ieda	Consulting Fees 11/2021	814.00
68457	11/9/2021	Kone Pasadena	Elevator Maintenance - 11/2021	282.80
68458	11/9/2021	Pacific Gas & Electric	Electric Service - Sept-Oct 2021	1,055.33
68459	11/9/2021	Recology Peninsula Services	2yd Bin Weekly - SHGCC 10/2021	249.39
68460	11/9/2021	Roy Thiele-Sardiña	Tablet for Dir. Roy Sardina	1,368.31
68461	11/9/2021	Towne Ford Sales	Multiple Vehicle Repairs 8/2021	4,847.73
68462	11/9/2021	Verizon Wireless	Internet -SHGCC- 10/2/21-11/1/21	65.02
68463	11/9/2021	Javier Villalobos	Payroll 11/05/2021	832.88
68464	11/9/2021	Vision Communications Co.	Radio Air Time 11/2021	724.13
68465	11/18/2021	Airgas Usa, LLC	Tank Rentals 10/2021	39.90
68466	11/18/2021	Alpha Analytical Laboratories	Daily Coliform Samples, TDS Flow Study - Oak Ave. 10/2021	1,415.00
68467	11/18/2021	Readyrefresh By Nestle	Water Delivery 10/2021	235.74
68468	11/18/2021	Atchison, Barisone & Condotti	Legal Services 10/2021	7,189.08
68469	11/18/2021	Bayside Equipment Company	Generator Service and Repair 11/2021	554.91
68470	11/18/2021	California Water Service	Water Service - Oct-Nov 2021	2,349.57
68471	11/18/2021	CalPERS Long-Term Care Program	LTC Withholding 11/1/21-11/15/21	53.76
68472	11/18/2021	Cintas	Uniform Service 11/2021	1,427.27
68473	11/18/2021	D & L Supply	Manhole Covers & Frames	9,962.31
68474	11/18/2021	Dolphin Graphics	CWEA Award Duffel Bags	1,964.91
68475	11/18/2021	Navia Benefit Solutions	Flexible Spending Account PR Contributions	766.88
68476	11/18/2021	Franchise Tax Board	Wage Garnishment	325.00

WEST BAY SANITARY DISTRICT

Financial Activity Report

Withdrawals

November 2021

68477	11/18/2021	Freyer & Laureta	Miscellaneous Eng., Levee Design, Bayfront Park Entrance Design, Avy Pump Static	93,773.48
68478	11/18/2021	Grainger	Misc. Parts & Supplies, Pump Station Parts and Material 10/2021	1,838.95
68479	11/18/2021	Harrington Industrial Plastics	Unit 218: Clear Backflow Tubing, & New Tank Insatallion Adapters	253.66
68480	11/18/2021	City Of Menlo Park - Water	Water Service - 10/2021	1,066.69
68481	11/18/2021	Occupational Health Centers	Health Screenings	126.00
68482	11/18/2021	Omega Industrial Supply, Inc.	Hand Sanitizer 11/2021	2,015.99
68483	11/18/2021	Pacific Gas & Electric	Electric Service - Los Trancos Rd 10/15/21-11/14/21	182.15
68484	11/18/2021	Preferred Alliance	Admin Fees for DOT testing 10/2021	298.98
68485	11/18/2021	CA State Disbursement Unit	Wage Garnishment	172.61
68486	11/18/2021	Red Wing Shoe Store	Safety Boots - 11/3/21	250.00
68487	11/18/2021	Robert J. Scheidt	PMP Presentation & Luncheon Food	389.44
68488	11/18/2021	Silicon Valley Clean Water	Total Coliform Samples - SHGCC 10/1/21-11/1/21	225.00
68489	11/18/2021	Staples Credit Plan	Office Supplies & Ink 10/2021	632.59
68490	11/18/2021	US Standard Products Corp	PPE Mask, Hand Sanitizer 7/2021	476.28
68491	11/19/2021	Anthony Yllan	Payroll Final Check 11/13/21 to 11/19/2021	1,012.73
68492	11/30/2021	AT&T	Telemetry & Alarms - 10/13/21-11/12/21	1,123.40
68493	11/30/2021	Alpha Analytical Laboratories	Daily Coliform Samples 10/2021	260.00
68494	11/30/2021	Readyrefresh By Nestle	Water Delivery 10/11/21-11/10/21	289.57
68495	11/30/2021	CSRMA C/O Alliant Insurance	CSRMA Liability Deductible, 8/7/21	2,682.65
68496	11/30/2021	Cintas	Uniform Service 9/2021	1,820.77
68497	11/30/2021	Cleanserv Universal Services	Custodial Service 10/2021	1,075.00
68498	11/30/2021	Comcast	Internet - Nov-Dec 2021	682.35
68499	11/30/2021	The Concept Genie	Recycled Water Public Outreach 11/2021	3,650.00
68500	11/30/2021	The Almanac	Solid Waste Public Hearing 10/2021	1,188.00
68501	11/30/2021	Federal Express	Shipping Services - 11/2021	210.49
68502	11/30/2021	Navia Benefit Solutions	Flexible Spending Account PR Contributions	966.88
68503	11/30/2021	Franchise Tax Board	Wage Garnishment	325.00
68504	11/30/2021	Goldstreet Design Agency, Inc.	Public Outreach Videos 10/2021	5,400.00
68505	11/30/2021	Grainger	Misc. Parts, Supplies & Pump Station Parts/Materials 11/2021	365.02
68506	11/30/2021	Kimball Midwest	Tools 11/2021	354.38
68507	11/30/2021	HF&H Consultants, LLC	Bayfront Recycled Water Financial Plan & Sewer Service Charges Rate Study FY 20	7,286.25
68508	11/30/2021	Ogasawara Landscape Maint.	Building Maintenance 11/2021	400.00
68509	11/30/2021	Pacific Gas & Electric	Electric Service - Oct-Nov 2021	581.25
68510	11/30/2021	Mid Peninsula Abstracts	New Property Owner Letters 10/2021-09/2022	830.00
68511	11/30/2021	Ca State Disbursement Unit	Wage Garnishment	172.61
68512	11/30/2021	Spartan Tool	Cable, Splicer, & Blades 11/2021	703.98
68513	11/30/2021	VAR Technology Finance	Scanner Monthly Lease 12/2021	462.99
68514	11/30/2021	Verizon Wireless	Cellular Service 10/16/21-11/15/21	1,257.28
				540,258.17

Corporate Cards:

GL	DATE	Account Number & Name	Description	Amount
54028	11/19/2021	Commuter Benefits	Commuter Benefit	815.00
54061	11/19/2021	Gas & Diesel Vehicles	Unit 202: Fuel	34.00
54080	11/19/2021	Memberships	CWEA: Testing Fees	417.00
54091	11/19/2021	Stationary and Office Supplies	Office Supplies, Sympathy Flowers	1,607.01
54101	11/19/2021	Ops Supplies & Materials	Bins, Filters, Blades, Buckets, Grinder	1,221.50
54106	11/19/2021	Small Tools	Electrical Testing Tools	374.82
54151	11/19/2021	Fleet/Vehicle R&M	Unit 206: Car Wash	31.99
54157	11/19/2021	Building Repairs & Maint.	Cameras; RWF: Rubber Ring Kits, Water Separator Kit Compressor, Air Compresso	1,320.64
54158	11/19/2021	Computer Software R & M	Log Me In, Zoom: Monthly Subscriptions	117.61
54174	11/19/2021	Mgmt Conf. & District Meetings	Employee Appreciation Day Luncheon	505.52
54175	11/19/2021	CWEA Conf/Section Mtgs	CWEA: Membership Fees	335.00
54176	11/19/2021	Business Meetings	District Manager Meetings	152.49
54194	11/19/2021	Water	Veolia Water North America: Water Service - 8/2/21-10/2/21	76.50
54202	11/19/2021	Other Misc. Operating Expense	Get Well Flowers	100.61
Bank of the West - Credit Cards				7,109.69

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

Bank Transfers:

DATE	TO WHOM PAYABLE	PURPOSE	AMOUNT
11/1/2021	SVCW	SVCW Monthly Operating Contribution	596,979.00
11/2/2021	Paytrace	Credit Card Processing Fees	639.37
11/5/2021	PrimePay	PrimePay Fees	601.75
11/5/2021	PrimePay	Employee Payroll & Board of Director Fees - Check Date: 11/5/2021	112,788.08
11/5/2021	PrimePay	Payroll Taxes	35,698.06
11/5/2021	ICMA	Deferred Compensation	8,075.30
11/9/2021	PrimePay	Performance Merit Payout Program - 11/09/2021	121,884.10
11/9/2021	PrimePay	Payroll Taxes	28,230.94
11/9/2021	CalPERS	Retirement Contributions PR 11/5/2021	22,736.50
11/12/2021	NeoPost	Postage	300.00
11/12/2021	CalPERS	Health Premiums	54,314.99
11/19/2021	PrimePay	Employee Payroll - Check Date: 11/19/2021	107,966.27
11/19/2021	PrimePay	Payroll Taxes	34,417.82
11/19/2021	ICMA	Deferred Compensation	7,991.67
11/22/2021	Bank of the West	Bank Fees	266.02
Bank Transfers From BofW Checking			<u>1,132,889.87</u>

Internal Bank Transfers:

DATE	TO WHOM PAYABLE	PURPOSE	AMOUNT
	None		
Bank Transfers From BofW Checking			<u>0.00</u>

Summaries:

Withdrawal Summary

Total Checks	540,258.17
Total Corp Card	7,109.69
Total Bank Transfers	1,132,889.87
Total Internal Bank Transfers	-
Total Withdrawals	<u>1,680,257.73</u>

Please note, effective July 2021 WBSD started posting PERS Retirement bi-weekly with each payroll, to resolve an issue with changes in PERS monthly reporting limits. Previously it was reported monthly. The adjustments were all completed in October 2021, resulting in 3 months or 6 payroll contributions deducted this month (there were no deductions in July or August 2021).

**West Bay Sanitary District
Expenditures By Vendor
7/01/2021 to 11/30/2021**

REGULAR PAYABLES	Total by Vendor YTD FY 2021-22	Withdrawals November 2021
3T Equipment Company	44,482.00	-
A-A Lock & Alarm	337.05	-
AAA Rentals	2,056.68	-
Abila	4,649.82	-
Action Towing	225.00	-
Airgas Usa, LLC	998.84	39.90
Allied Crane	1,249.68	-
The Almanac	10,587.00	1,188.00
Alpha Analytical Laboratories	13,644.00	2,130.00
Aqua Natural Solutions	1,145.49	-
American Textile & Supply	181.28	-
Angulos NorCal Tree Service	4,600.00	-
Marvin Argueta-Ramos	75.00	-
AT&T	5,586.88	1,123.40
Atchison, Barisone & Condotti	43,484.37	7,189.08
Avery Associates, Inc.	5,500.00	-
Aztec Consultants	548,283.70	231,296.00
BAGG Engineers	77,478.00	4,815.00
Bank of the West - Credit Cards	37,309.71	7,109.69
Bank of the West	1,557.98	266.02
Battery Junction Wholesale	487.64	-
Bay Alarm	10,409.85	-
Bay Area Air Quality Mgmt Dist	836.00	-
Bay Area Paving Co. Inc.	23,440.00	9,040.00
Bayside Equipment Company	1,881.99	1,670.89
Bobcat of Fremont	3,322.21	-
Bosco Oil Inc DBA Valley Oil	1,865.00	-
CA Dept Of Tax & Fee Admin	127.57	-
CA State Disbursement Unit	345.22	345.22
California Water Service	11,095.84	2,373.03
CalPERS - Actuary Fee	-	-
CalPERS - Unfunded Accrued Liability	-	-
CalPERS - Retirement	242,522.61	22,736.50
CalPERS - Health Premiums	274,831.48	54,314.99
CalPERS - 1959 Survivor Billing	-	-
Calpers Long-Term Care Program	355.04	53.76
Chavan & Associates LLP	6,300.00	-
Cintas	14,360.33	3,248.04
City of Menlo Park	46,054.00	-
City of Menlo Park-Fuel	33,516.07	9,095.63
City of Menlo Park - Water	7,628.54	1,222.08
Cleanserv Universal Services	6,450.00	2,150.00
Comcast	3,411.20	682.35
The Concept Genie	5,318.01	3,650.00
Core & Main	14,453.82	1,859.85
Costco	60.00	-
CPS HR Consulting	23,495.00	-
CSRMA c/o Alliant Insurance	216,669.35	59,680.48
Cues, Inc.	3,950.00	3,950.00
CWEA	586.00	394.00
D & L Supply	9,962.31	9,962.31
Dell Marketing L.P.	1,471.93	-
Delta Diablo Sanitation Dist.	13,738.44	-
Detection Instruments Corp.	1,847.40	-
Dewey Pest Control	8,313.00	-
Ditch Witch West	635.75	-
Dolphin Graphics	4,413.73	1,964.91
Du-All Safety, LLC	11,913.75	1,620.00
Duke's Root Control, Inc	83,072.22	-
East Bay Municipal Utility	2,458.50	-
Elite Parts LLC	189.64	-
Federal Express	451.37	377.83
Franchise Tax Board	4,014.66	975.00
Freyer & Laureta	345,425.01	93,773.48
Victor Garcia	307.10	-
Golden Gate Truck Center	116.50	116.50
Goldstreet Design Agency, Inc.	5,400.00	5,400.00
Governmentjobs.com dba NeoGov	4,118.37	-
Grainger	13,078.51	2,475.13

**West Bay Sanitary District
Expenditures By Vendor
7/01/2021 to 11/30/2021**

REGULAR PAYABLES	Total by Vendor YTD FY 2021-22	Withdrawals November 2021
Granite Rock, Inc.	181.87	-
Hach Company	47,765.47	-
Hadronex, Inc.	34,632.00	-
Harbor Ready Mix	547.50	-
Harrington Industrial Plastics	365.03	365.03
Helix Laboratories, Inc.	2,523.68	2,523.68
HF&H Consultants, LLC	10,764.50	10,709.50
Hillyard/San Francisco	1,053.61	-
Home Depot Credit Services	5,786.57	1,201.24
Bob Hulsmann	267.09	-
ICMA	101,183.00	16,066.97
IEDA	4,070.00	814.00
Interstate Traffic Control	32.78	-
Jason Kambic	12,235.58	-
Kimball Midwest	2,218.39	2,062.73
Kone Pasadena	1,681.12	282.80
Lasky Trade Printing	1,229.06	-
Sione Lolohea	359.94	-
Lisandro Marquez	438.65	-
Mallory Co.	3,916.57	-
Matheson Tri-Gas, Inc.	299.69	63.11
Maxx Metals	194.99	-
MedCo Supply Company	190.80	-
Menlo Park Hardware Co. #14016	385.19	-
Mid Peninsula Abstracts	830.00	830.00
Mission Clay Products, Llc	4,068.09	-
Morse Hydraulics	149.04	-
Motion Industries, Inc.	58.67	-
Municipal Maintenance Equip.	9,725.37	-
Navia Benefit Solutions	9,527.56	2,525.64
NeoPost	900.00	300.00
Carrie Nevoli - Petty Cash	232.80	232.80
Nixon-Egli Equipment Company	163.55	163.55
Occupational Health Centers	2,032.00	126.00
Ogasawara Landscape Maint.	6,600.00	400.00
Omega Industrial Supply, Inc.	8,869.75	2,015.99
Pacific Gas & Electric	100,531.21	20,069.61
Paytrace	3,619.98	639.37
Peninsula Battery Inc.	117.26	-
Peninsula Building Supply	2,106.49	-
Pier 2 Marketing	1,000.00	500.00
Charles A. Planje	8,712.00	2,574.00
Ponton Industries, Inc.	2,587.50	-
Precise Concrete Sawing, Inc.	900.00	-
Precise Printing And Mailing	2,082.93	-
Precision Engineering	2,248,669.95	-
Preferred Alliance	1,460.67	298.98
PrimePay Fees	3,420.80	601.75
Principal Life Insurance Co.	26,322.01	6,461.76
Quadient Leasing USA, Inc.	281.92	-
Questyme USA	1,390.04	-
R.A. Nosek Investigations	295.00	-
Sergio Ramirez	439.44	-
Readyrefresh By Nestle	2,129.68	525.31
Recology Peninsula Services	1,246.95	249.39
Red Wing Shoe Store	3,124.01	250.00
Redwood General Tire Co., Inc.	2,329.80	-
City of Redwood City	7,323.78	-
Roberts & Brune Company	1,553.88	-
SVCW - Monthly Operating Contribution	2,984,895.00	596,979.00
SVCW Bond - 2018 Bond	1,219,418.75	-
SVCW Bond - 2021 Bond	2,309,314.86	-
SVCW - SRF Debt	506,765.20	-
Silicon Valley Clean Water	2,775.00	225.00
Safety-Kleen Systems, Inc.	2,246.88	-
Rupert Sandoval	50.00	-
County of San Mateo	684.00	-
San Mateo County Tax Collector	967.52	-
San Mateo County Health	1,947.00	-

**West Bay Sanitary District
Expenditures By Vendor
7/01/2021 to 11/30/2021**

REGULAR PAYABLES	Total by Vendor YTD FY 2021-22	Withdrawals November 2021
County of San Mateo - LAFCO	32,610.00	-
County of Santa Clara	-	-
Robert J. Scheidt	1,075.26	389.44
Seekzen Systems	9,875.00	475.00
Sensera Systems	1,716.00	-
Sharp Business Systems	6,015.55	1,142.15
Spartan Tool	703.98	703.98
Staples Credit Plan	3,050.64	632.59
State Water Resources	1,831.50	1,831.50
Sunstate Equipment	2,134.10	-
Sutter EAP	441.75	-
SWRCB - SHRWF SRF Loan	-	-
TPX Communications	14,883.99	3,066.44
Target Specialty Products	1,880.94	-
Teamsters Local No. 350	3,766.00	868.00
Teletrac Navman US	1,359.80	271.96
Telstar Instruments, Inc.	3,356.25	-
Roy Thiele-Sardiña	1,368.31	1,368.31
Total Equip & Rental Of Fremont	1,488.66	-
Towne Ford Sales	4,955.73	4,847.73
Tritech Software Systems	13,309.58	-
U.S. Jetting, LLC.	906.02	328.52
US Standard Products Corp	476.28	476.28
Underground, Inc.	116.78	-
Univar Solutions USA	4,844.52	-
VAR Technology Finance	2,314.95	462.99
Valley Heating & Cooling	294.00	-
Veolia Water North America	122.29	38.25
Verizon Wireless	6,349.06	1,322.30
Javier Villalobos	832.88	832.88
Vision Communications Co.	2,896.52	724.13
Weco Industries	19,908.60	-
Jonathan Werness	150.00	-
Western States Tool & Supply	60.18	-
Western Truck Fabrication, Inc	131.00	131.00
Wex Bank (Chevron)	300.29	-
Woodard & Curran	53,056.32	-
Anthony Yllan	1,012.73	1,012.73
Zion Bank (SVCW) - Misc Fees	25.00	-
TOTAL REGULAR PAYABLES	12,193,943.32	1,239,272.46
<u>SALARIES, WAGES & WITHHOLDINGS</u>		
Salaries/Wages - Net Pay	1,272,895.87	217,154.35
Directors Fees - Net Pay	15,360.00	3,600.00
Payroll Taxes	429,327.23	98,346.82
Performance Merit Program - Net Pay	121,884.10	121,884.10
TOTAL SALARIES RELATED	1,839,467.20	440,985.27
TOTAL WITHDRAWALS	14,033,410.52	1,680,257.73
WBSD Transfers:		
Transfer to WBSD LAIF Account	-	-
Transfer to WBSD Investment Accounts	-	-
Other Transfers	-	-
Transfer to WBSD Accounts	-	-



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 10C**

To: Board of Directors

From: Bob Hulsmann, Operations Superintendent

Subject: WBSD Operations and Maintenance Report – November 2021

Month	Basin PM Pipe Cleaning Miles	High Freq. PM Pipe Cleaning Miles	Un-Sche. Pipe Cleaning Miles	WBSD CCTV Insp. Miles	Pipe Patch Repairs Qty.	Open Trench Repairs Qty.	Pump Sta. PM Qty.	Pump Sta. Unsch. Repairs Qty.	SSO Cat. 1	SSO Cat. 2&3s	Service Calls- Unit 208			
											Call Outs	Sch PM	Unsch. PM	USA's
January	11.4	4.7	1.2	2.7	5	5	61	0	0	0	79	12	0	153
February	4.6	7.1	0.5	2.9	5	8	66	0	0	0	68	5	0	190
March	16.8	0.1	0.4	4.8	2	8	73	0	0	0	87	14	0	230
April	9.9	5.0	0.1	0.8	5	8	79	0	0	0	76	9	0	195
May	10.7	9.7	0.3	1.1	4	8	70	0	0	0	74	11	0	213
June	15.3	0.2	0.4	3.2	1	15	83	0	0	2	72	12	0	200
July	8.1	5.0	0.8	1.0	2	9	81	0	0	0	58	11	0	179
August	9.3	7.3	0.8	5.0	4	12	78	1	0	0	72	8	0	172
Sept.	10.0	0.2	1.3	4.0	7	4	12	1	0	0	87	8	0	247
* Oct.	11.5	4.5	0.1	1.1	6	10	74	0	0	0	92	4	0	188
Nov.	2.1	4.5	0.1	1.7	2	2	77	0	0	0	93	0	0	179
Dec														
Yr to date	109.7	48.3	6.0	28.3	43	89	754	2	0	2	858	94	0	2146
2021 Goals	120.0	50.0	n/a	45-50	65	90	n/a	<10	0-2	3 to 5	n/a	n/a	n/a	n/a
2020 Results	134.2	51.0	8.4	29.6	72	85	754	6	0	0-Jan	1012	89	5	2362
2019 Goals	112.0	48.2	6.9	42.7	60	86	967	6	0	4	1063	75	33	2850

2018 Results	134.2	48.5	7.4	42.1	66	63	1256	6	0	4	1139	134	89	2525
2017 Results	126.4	51.5	5.7	24.8	66	97	1265	8	2	3	700	178	61	3218
2016 Results	126.4	49	6	33	65	94	1188	5	0	8	798	167	155	3222
2015Results	126.4	55	21	46	65	90	1349	6	0	5	798	174	185	2125
2014Results	126.4	63	20	48	65	78	1328	10	2	12	771	183	72	1834



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 10D**

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 2021

	Basin PM Pipe Clean- ing	High Freq. PM Pipe Clean- ing	Un- Sche. Pipe Clean- ing	WBSD CCTV Insp.	Pump Sta. PM	Pump Sta. Unsch. Repairs	SSO	SSO	Service Calls
Month							Cat. 1	Cat. 2&3s	Call Outs
Temp Help	Miles	Miles	Miles	Miles	Qty.	Qty.			
January	1.2	1.3	0.0	0.0	4	0	0	0	0
February	1.7	0.2	0.0	1.3	4	0	0	0	1
March	1.4	1.2	0.0	1.3	4	0	0	0	0
April	1.0	1.6	0.1	0.9	4	0	0	1	0
May	0.4	1.8	0.0	1.2	4	0	0	0	0
June	0.4	0.5	0.0	0.1	4	0	0	1	0
July	0.0	1.1	0.1	1.9	4	0	0	0	1
*August	0.1	1.1	0.0	0.9	4	0	0	1	0
Sept.	1.6	1.3	0.1	0.9	4	0	0	0	0
Oct.	1.1	1.1	0.4	0.7	4	0	0	0	0
Nov.	0.4	1.3	0.0	1.1	4	0	0	1	1
Dec	0.5	0.7	0.5	0.1	4	0	0	0	0
** Yr to date	9.8	13.2	1.2	10.4	48	0	0	4	3
FY20/21Goals	13	16.8	n/a	9.3	52	n/a	n/a	n/a	n/a

* = Start of contract, ** = Lucity Data

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 10E**

To: Board of Directors

From: Bob Hulsmann, Operations Superintendent

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

Please see next page for work performed.

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



Yearly Summary Report

12/2/2021
8:32 AM

Dates Between 12/1/2020 and 11/30/2021

Month	Basin PM Pipe Cleaning (miles)	High Freq PM Pipe Cleaning (miles)	Unscheduled Pipe Cleaning (miles)	CCTV Inspection (miles)	Pump Stations Preventive Maintenance Qty	Pump Stations Unscheduled Repairs Qty	SSO Cat 1	SSO Cat 2 & 3	Service Calls Call Outs
January	0.0	0.0	0.0	0.0	8	0.0	0.0	0.0	0.0
February	0.00	0.0	0.0	0.0	8	0.0	0.0	0.0	0.0
March	0.00	0.3	0.0	0.0	8	0.0	0.0	0.0	0.0
April	0.00	0.0	0.0	0.0	10	0.0	0.0	0.0	0.0
May	0.00	0.0	0.0	0.9	8	0.0	0.0	0.0	0.0
June	0.00	0.3	0.0	0.0	8	0.0	0.0	0.0	0.0
July	0.00	0.0	0.0	0.0	13	0.0	0.0	0.0	0.0
August	0.19	0.0	0.0	0.0	10	0.0	0.0	0.0	0.0
September	0.00	0.3	0.0	0.0	12	0.0	0.0	0.0	0.0
October	0.00	0.0	0.0	0.0	9	0.0	0.0	0.0	0.0
November	0.00	0.0	0.0	0.0	8	0.0	0.0	0.0	0.0
December	4.44	0.0	0.0	0.0	10	0.0	0.0	0.0	0.0
Totals	4.62	0.8	0.0	0.9	112	0.0	0.0	0.0	0.0



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 10F**

To: Board of Directors

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

Subject: Consider Resolution Authorizing the President and Secretary to Enter into Agreement Creating Covenants Running With the Land for 160 Fawn Lane, Portola Valley

Background

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

Analysis

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

Fiscal Impact

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

Recommendation

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

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

RESOLUTION NO. _____ (2021)

RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF “AGREEMENT CREATING COVENANTS RUNNING WITH THE LAND,” BY AND BETWEEN JEANETTE HOLLIDAY, OWNER OF REAL PROPERTY, AND THE WEST BAY SANITARY DISTRICT

The District Board finds and determines as follows:

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

Based upon the foregoing findings and determinations,

IT IS RESOLVED by the District Board as follows:

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

Passed and adopted by the District Board of the West Bay Sanitary District at a regular meeting thereof held on the 8th day of December 2021, by the following vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

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

Attest:

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

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

(Space above this line for Recorder's Use)

**AGREEMENT CREATING COVENANTS
 RUNNING WITH THE LAND**

Agreement entered into by and between West Bay Sanitary District, a public agency of the State of California ("District") and Jeanette L. Holliday Family Trust owners of the property at 160 Fawn Lane Portola Valley CA, ("Proponents").

RECITALS

1. Proponents represent that they are the owners of certain real property situated in the Town of Portola Valley, San Mateo County, California, which is commonly known as 160 Fawn Lane, and which is more particularly described as follows:

Lot 7 in Block 5, as shown on that certain map entitled "Tract map 758 Arrowhead Meadows unit no. 1 San Mateo County, California" filed in the office of the County Recorder of said County and State, on February 13, 1958 in Book 48 of maps at pages 21, 22, 23.

Containing an area of 1 acres, more or less (the "Real Property").

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

or

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

or

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

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

4. To obtain District administered wastewater disposal services for the Real Property, Proponents propose to construct certain unconventional wastewater disposal facilities (the "Septic Tank Effluent Pumping (STEP)" / "Grinder Pump System"), ~ 800 linear feet of sanitary sewer force main and to connect to the District's public facilities located in Bortola Valley (Cervantes Rd)

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

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

TERMS AND CONDITIONS

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

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

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

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

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

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

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

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

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

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

PROHIBITIONS

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

1. Proponents shall not under any circumstances, change or add any secondary pumping systems without the written consent of the District.

2. Proponents shall not, under any circumstances, allow or permit changes to the infrastructure or equipment of the STEP/Grinder Pumping System without the written consent of the District. Proponents are specifically instructed not to allow disconnection or reconfiguration of telephone and electrical systems.

3. The proponent shall not under any circumstances connect swimming pool, spa, or any storm drains to piping that discharges into the grinder pump unit.

ADHERENCE TO DISTRICT REGULATIONS

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

ENFORCEMENT RIGHTS OF DISTRICT

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

ATTORNEY FEES

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

BINDING EFFECT

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

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

DISTRICT:

WEST BAY SANITARY DISTRICT
A Public Agency

Printed Name:

By: _____
President of the District Board

Date: _____

Printed Name:

And by: _____
Secretary of the District Board

Date: _____

PROPONENTS:

Printed Name: Jeannette L Holliday

By: *Jeannette L Holliday*

Date: *Nov 29 2021*

Printed Name:

By: _____ Date: _____

(Attach Notary Acknowledgement Certificate)

ACKNOWLEDGMENT

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

State of California
County of San Mateo

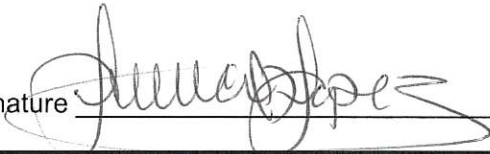
On November 29, 2021 before me, Silvia Andrea Lopez Contreras, Notary Public
(insert name and title of the officer)

personally appeared Jeannette Lyn Holliday,
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.

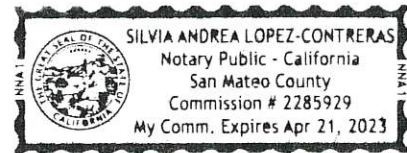
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 10G**

To: Board of Directors

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

**Subject: Consider Resolution Accepting Deed of Easement Pursuant to
Class 3 Sewer Permit No. 1131 for the Construction of
Wastewater Facilities for 20 Navajo Pl, Portola Valley, California**

Background

The District requires an easement to maintain the flow from the Grinder system that serves 20 Navajo Place. The easement includes ingress and egress to the location of the Grinder system and is conforming to District specifications.

Recommendation

The Projects and IT Manager recommends that the Board adopt the attached Resolution accepting the Deed of Easement.

Attachments: Resolution ____ (2021), Grant Deed of Easement

RESOLUTION NO. _____ (2021)

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:

Robert A. Sick & Karen Oshiro Sick

BE IT FURTHER RESOLVED that the District 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 8th day of December, 2021, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

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

Attest:

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

RECORDING REQUESTED BY:
WEST BAY SANITARY DISTRICT

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)

ROBERT A. SICK ; KAREN OSHIRO SICK

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:

20 NAVAJO PLACE PORTOLA VALLEY, CA 94029

Assessor's Parcel Number:

077-300-070

Executed on August 6, 2021 at Portola Valley, CA
(City and State)

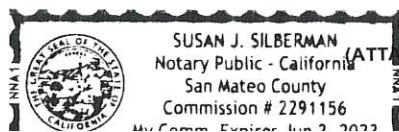
ROBERT A. SICK
Printed Name

[Signature]
Signature

Executed on August 6, 2021 at Portola Valley, CA
(City and State)

KAREN OSHIRO SICK
Printed Name

[Signature]
Signature(s)



(ATTACH NOTARY CERTIFICATE)

ACKNOWLEDGMENT

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


State of California
County of San Mateo)

On August 6, 2021 before me, Susan Silberman Notary Public
(insert name and title of the officer)

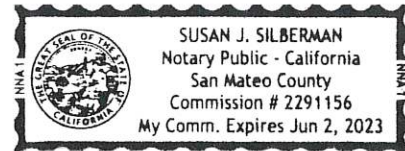
personally appeared Robert A. Sick and Karen Oshiro Sick,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by 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)





WEST BAY SANITARY DISTRICT AGENDA ITEM 10H

To: *Board of Directors*

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

Subject: **Consider Accepting Sewer Facilities Constructed Pursuant to Class 3 Sewer Permit No. 1131 for the Construction of Wastewater Facilities for 20 Navajo Place, Portola Valley, California**

Background

This permit request was for the construction of a grinder pump system and force main extension on Navajo Pl to connect to the existing force main on Meadowood Dr to serve 20 Navajo .

Analysis

The Board issued this Permit at the Regular Meeting of October 14, 2020.

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

Recommendation

The Projects Manager recommends that the Board accepts these facilities and directs the District Manager to approve the Class 3 Permit No. 1131.

Attachments: Class 3 Permit No. 1131
Exhibit A: Site map

WEST BAY SANITARY DISTRICT

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

Permit Number
1131

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

20 Navajo Place Portola valley CA

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 inc
Name

901 waltermire street Belmont CA
Address

CONTRACTOR'S

Chase & Arnold inc
Name

2065 Grant Road Los Altos CA
Address

OWNER'S

Bob sick
Name

20 Navajo Place Portola valley CA
Address

[Signature]
Applicant's Signature

Susana Barajas
Signed by -- Please Print Name

2065 Grant Road LOS Altos CA
Address

Receipt of \$ 585 Application Fee is hereby acknowledged [Signature] 9/16/20
Date

Receipt of \$ 2000 Cash Deposit or Performance Bond

Comments Putting in new sewer line from Navajo to meadowood Dr.

Approved by the District Board on 10/14/20

Application approved and permit issued: **WEST BAY SANITARY DISTRICT**

Sergio Ramirez, District Manager

Date 10/14/20

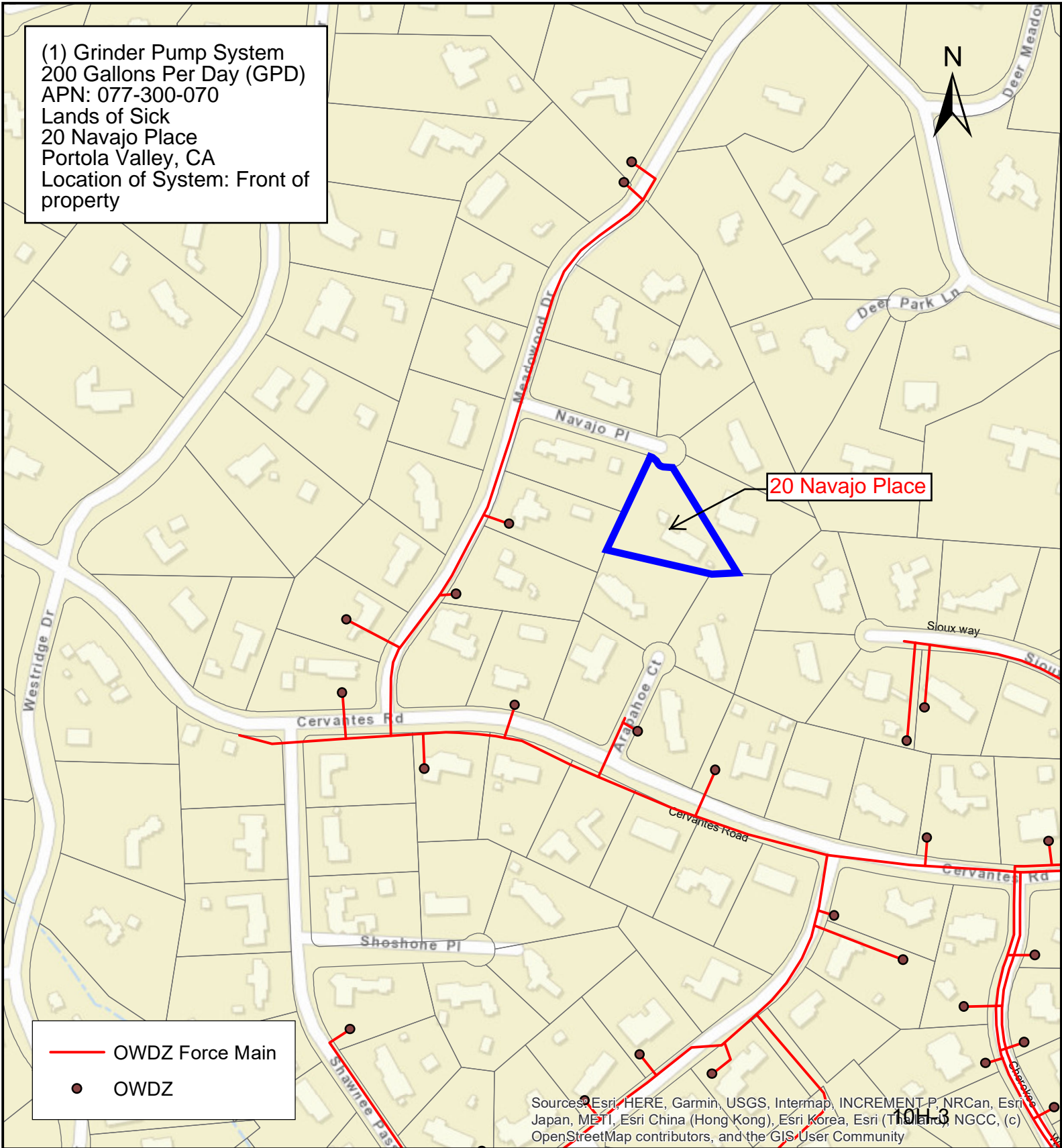
By [Signature]

Final Acceptance by the District Board on _____



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

(1) Grinder Pump System
200 Gallons Per Day (GPD)
APN: 077-300-070
Lands of Sick
20 Navajo Place
Portola Valley, CA
Location of System: Front of property



20 Navajo Place

— OWDZ Force Main
● OWDZ

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (The Netherlands), NGCC, (c) OpenStreetMap contributors, and the GIS User Community

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 10I**

To: Board of Directors

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

**Subject: Consider Authorizing the District Manager to Issue Class 3
Sewer Permit No. 1607 for the Construction of Wastewater
Facilities for 4 Navajo Pl, Portola Valley, California**

Background

This permit request is for the construction of a Grinder Pump System to connect into the new force main on Navajo Pl to serve 4 Navajo Pl.

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 Projects & IT Manager recommends that the Board direct the District Manager to authorize the District Manager to issue Class 3 Sewer Permit No. 1607.

Attachment: Class 3 Permit No. 1607
Site Map
Resolution ____ (2021)
Notice of Exemption

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

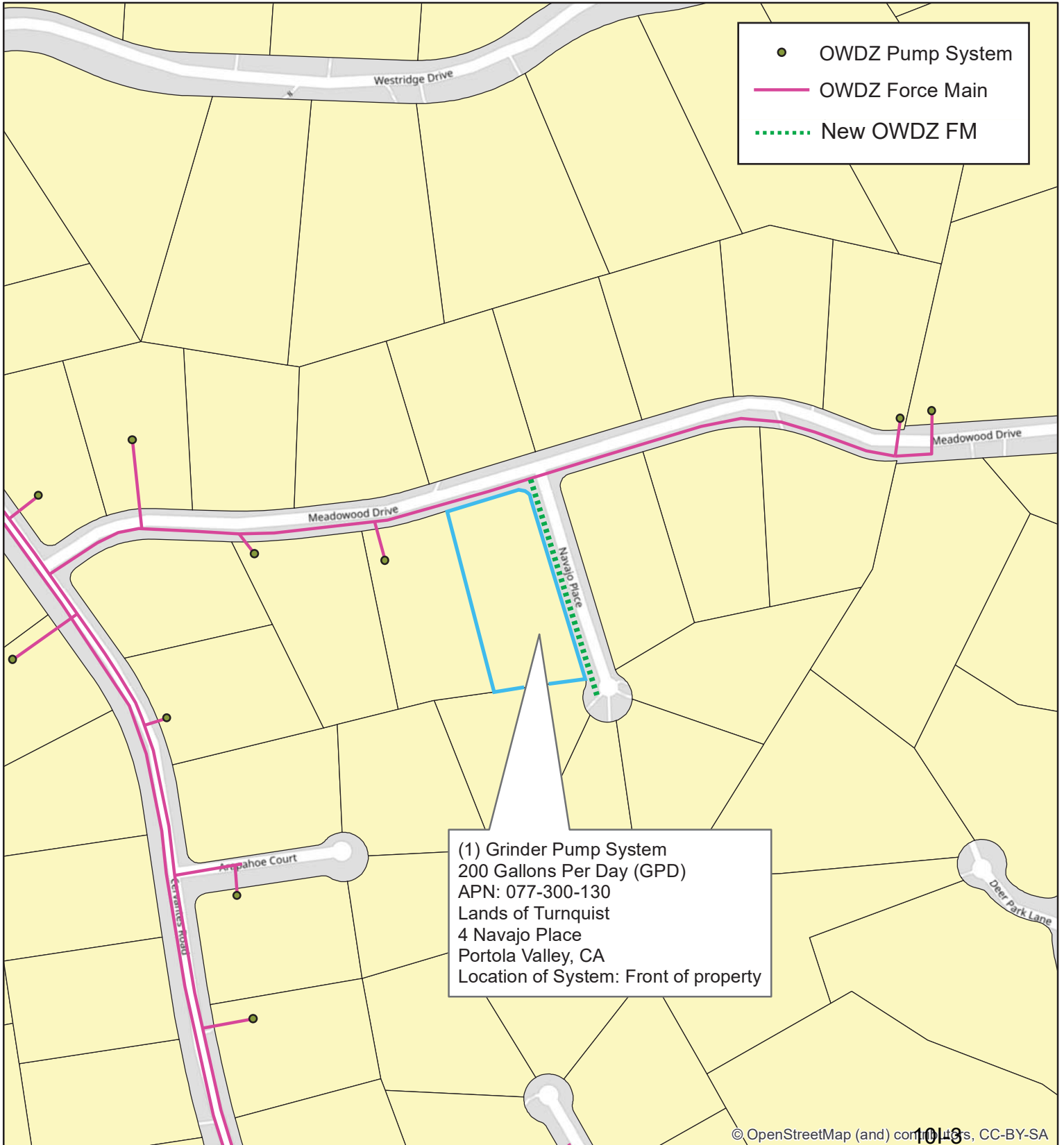
Date _____

By _____

Final Acceptance by the District Board on _____



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



RESOLUTION NO. _____ (2021)

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: 4 Navajo Place – Grinder Pump System

Location: 4 Navajo Place, Portola Valley, California

Entity or Person Undertaking Project: Donald & Patricia Turnquist

Determination of the District Board:

This District Board of West Bay Sanitary District determines, upon Staff recommendation, that another public agency, specifically the San Mateo 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 District 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 8th day of December, 2021, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

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

Attest:

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

“PRELIMINARY REVIEW”

4 Navajo Place – Grinder Pump System
December 3, 2021

INTRODUCTION. At the December 8, 2021, District Board Meeting, the Board will consider the approval of the Class 3 sewer permit for the construction of a Grinder Pump system for the Lands of Turnquist; 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, Donald and Patricia Turnquist.

EXEMPTION REVIEW. In compliance with CEQA Guidelines, this “preliminary review” of the Grinder Pump System Project at 4 Navajo Place 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 10J**

To: Board of Directors

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

**Subject: Consider Authorizing the District Manager to Issue Class 3
Sewer Permit No. 1613 for the Construction of Wastewater
Facilities for 305 Cervantes Rd, Portola Valley, California**

Background

This permit request is for the construction of a Grinder Pump System and force main extension to connect into the existing force main on Cervantes Rd to serve 305 Cervantes 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 Projects & IT Manager recommends that the Board direct the District Manager to authorize the District Manager to issue Class 3 Sewer Permit No. 1613.

Attachment: Class 3 Permit No. 1613
Site Map
Resolution ____ (2021)
Notice of Exemption

WEST BAY SANITARY DISTRICT

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

Permit Number
1613

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

305 Cervantes Road, Portola Valley, CA 94028

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

Residential Non-residential Development at said location.

ENGINEER'S

Rich Laurata, Freyer, Laurata
Name

150 Executive Park Blvd, SE CA 94134
Address
Ste 4200

CONTRACTOR'S

TBD
Name

Address

OWNER'S

Steven Kent
Name

305 Cervantes Road
Address

[Signature]
Applicant's Signature

Rich Laurata, Agent
Signed by - Please Print Name

150 Executive Park Blvd, Suite 4200
Address

Receipt of \$ 2585 Application Fee is hereby acknowledged 7-Nov-11/4/25 Date

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

Comments _____

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 _____.

RESOLUTION NO. _____ (2021)

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: 305 Cervantes Road – Grinder Pump System

Location: 305 Cervantes Road, Portola Valley, California

Entity or Person Undertaking Project: Steven Kent

Determination of the District Board:

This District Board of West Bay Sanitary District determines, upon Staff recommendation, that another public agency, specifically the San Mateo 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 District 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 8th day of December, 2021, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

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

Attest:

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

“PRELIMINARY REVIEW”

305 Cervantes Road – Grinder Pump System
December 1, 2021

INTRODUCTION. At the December 8, 2021, District Board Meeting, the Board will consider the approval of the Class 3 sewer permit for the construction of a Grinder Pump system for the Lands of Kent; 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 owner, Steven Kent.

EXEMPTION REVIEW. In compliance with CEQA Guidelines, this “preliminary review” of the Grinder Pump System Project at 305 Cervantes 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).

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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. _____ (2021)

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 8th day of December, 2021, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

Attest:

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

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WEST BAY SANITARY DISTRICT AGENDA ITEM 11

To: *Board of Directors*

From: *Sergio Ramirez, District Manager*

Subject: *District Manager's Report*

1) Administrative:

- a. District staff is working with HF&H consultants to perform this year's Sewer Service Charge rate study. HF&H will also review the Connection Fee and recommend adjustments if necessary.
- b. Staff is preparing the Annual News Letter that will be featured in the Almanac.
- c. Staff and District Counsel worked closely with SBWMA on the proposed SB1383 Ordinance and MOUs. The Board will be asked to adopt a new ordinance to support SB 1383.
- d. Staff has begun the outreach ad campaign regarding Non-flushable Wipes on the YouTube and Meta platforms. The ads are in both English and Spanish.

2) Finance:

- a. A meeting was held with the Finance Committee, staff, and the auditors to conclude this year's financial audit. The Audit will be brought for Board approval on December 8, 2021.
- b. The Finance Manager reconciled the SHGCC expenditures from June 2020 through December 2020. Staff will meet with SHGCC representatives on December 7, 2021 to discuss the 2021 O&M expenditures and end of the year true up.
- c. Staff is expecting a \$20 thousand deposit from SHGCC for the Avey Altschul Pump Station project.

3) CIP & IT Projects:

a. Levee Improvement Project:

- i. The National Fish and Wildlife Foundation (NFWF) has awarded the District with a 3.9 million dollar grant for the levee project. The levee project includes an ecotone levee portion where the grant will be spent for construction and habitat monitoring.

b. Construction Capital Improvement Program (CIP)

- i. The Metal Storage Building at the Flow Equalization Resource Recovery Facility is under construction. The siding and roof are now installed. The project should be completed by the first part of 2022 barring any material shortages or delays.
- ii. Freyer & Laureta Inc. is working on the Bayfront Improvement project including the Influent Pump Station layout and large diameter pipe reconstruction design. Design should be completed by December 2021.

4) Operations and Maintenance:

a. Collection System:

Report to the District Board for the Regular Meeting of December 8, 2021

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

- i. The crew provided two connections in two forcemain in Portola Valley. The homeowners were to connect to two live forcemains. It was necessary for District crews to perform the forcemain work using thermal fused couplings and to ensure continues service for the existing residents.
- ii. The crew responded to a power outage in the Town of Woodside and had to set up a bypass to one of the publicly owned pump stations.
- iii. Recruitments are underway for a Field Supervisor, Maintenance Worker, and Temporary Maintenance Worker.

b. **Training:**

- i. The new in-house Safety Committee has been established for 2022.

5) **Water Quality:**

a. **Sharon Heights Golf and Country Club (SHGCC):**

- i. The recycled water facility is working well. Staff reduced the total recycled water production rate as we enter into the fall and winter months.
- ii. District Staff and Freyer & Laureta Inc. continue to work with the Las Lomas School District regarding the placement of a proposed pump station at Altschul Ave. and Avy Ave. in Menlo Park.
- iii. The Board of Directors will be asked to approve a resolution allowing for the submittal of the Avy Altschul Pump Station SRF loan application. The loan will be paid for by SHGCC.

b. **Bayfront Recycled Water Facility (BRWF):**

- i. The Financial Plan for the BRWF project will be presented to the Board on December 8, 2021.
- ii. District Counsel is working on an agreement and MOA for certain developers in the Bayfront area.
- iii. Staff met with Meta regarding the use of recycled water in their existing campuses.

c. **Menlo Country Club:**

- i. Staff is working with Menlo Country Club to submit the Recycled Water Feasibility application for the Woodside Recycled Water Facility.

d. **West Bay:**

- i. Staff and Legal Counsel is working on an agreement with Meta on installing recycled water pipe under the Sam Trans Railroad/ Dumbarton Rail Corridor and into the new Menlo Park Community Campus. The project will cost the District approximately \$338 thousand dollars. The cost includes a 10% contingency.

6) **Fleet and Facilities:**

a. **Vehicle Maintenance:**

- i. Hybrid vehicles are limited during this time. Ford will have Hybrid Ford Explorers shortly that may be preordered.

7) **Personnel:**

- i. The Christmas Holiday will be observed per employment contract on Friday, December 24. The office will be closed, as staff will take the day off in observance of the Holiday.

Report to the District Board for the Regular Meeting of December 8, 2021

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

- 8) **Upcoming Events:**
 - a. **Next Regular Board Meetings:** Wednesday, December 8, 2021 and January 12, 2022.
 - b. **Holiday Lunch:** Is scheduled on Thursday, December 9, 2021 at 11:30am.
- 9) **Misc. Items:**
 - a. **LAFCo** the District should receive a draft Municipal Services Review report in January 2022.
 - b. **West Bay SSOs:** No SSOs in July, August, September, October, and November.
 - c. **Town of Los Altos Hills:** No SSOs in November.
 - d. **Town of Woodside:** No SSOs in November.
 - e. **West Bay** will participate in local summer events.

Report to the District Board for the Regular Meeting of December 8, 2021

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

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WEST BAY SANITARY DISTRICT AGENDA ITEM 12

To: *Board of Directors*

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

Subject: *Consider Adopting the District's Audited Financial Statements
for the Year Ended June 30, 2021*

Background

The District contracted with Chavan & Associates, LLP to conduct the FY 2020-21 audit. The final draft of the audited Financial Statements prepared by Chavan & Associates, LLP is attached. This is the final contract year for audit services.

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.

Fiscal Impact

There were a few adjustments after the District Financial statements through June 30, 2021, including income accruals adjustment for the Sharon Heights Recycle Water Facility Operations & Maintenance of \$61,355 and Recology June 2021 Franchise Fees of \$8,794 respectively. Silicon Valley Clean Water released their Analysis of Net Position by Member, which resulted in an increase of \$297,792 in the District's investment, while our position changed 0.21%, from 23.59% to 23.38%.

The Board approved incremental payoff of \$6,559,864 for the pension's Unfunded Accrued Liability (UAL), resulting in zero pension liability, deferred outflows, and deferred inflows, as of 6/30/21. The auditors recommended a prior period adjustment of \$755,725 of pension expense accrual for FY 2019-20, based on the payoff of the UAL. The auditors also recommended a \$7,444 increase in Other Postemployment Benefits (OPEB) liability and adjustments to the OPEB expense and related deferred outflows and deferred inflows.

The final Change in Net Position from the prior year's audited financial statements is a net increase of \$8,131,349, including the prior period adjustment, and an ending Net Position of \$144,001,153.

Recommendation

The District Manager and the Finance Manager recommend the District Board adopt the audited financial statements for the year ended June 30, 2021.

WEST BAY SANITARY DISTRICT

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2021**

* * *

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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, 2021, and the related notes to the financial statements, which collectively comprise District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2021, 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.

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, 2020 financial statements, and we expressed unmodified audit opinions on the respective financial statements in our report dated November 18, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Change in the Application of an Accounting Principle

As discussed in Note 2, Note 10, and Note 14 to the financial statements, the District obtained an actuarial valuation for its pension plan in order to determine the amount required to fund its unfunded pension liability in the fiscal year ended June 30, 2021. As a result, the District changed its measurement period from June 30, 2020 to June 30, 2021, in order to reflect the payments made toward its unfunded pension liability. Our opinion is not modified with respect to these matters.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2021 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 UP

November 10, 2021
San Jose, California

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 85 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, 2021, 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, 2021 and 2020. 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.

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, 2020 to June 30, 2021. The District's total net position increased by \$8.13 million, or 6%, predominately from an increase in investments and payoffs of the District's California Public Employees' Retirement System (PERS) \$5.5 million Unfunded Accrued Liability (UAL), as of June 30, 2020. This will result in significant future savings, estimated at \$4.7 million from the original amortization schedule.

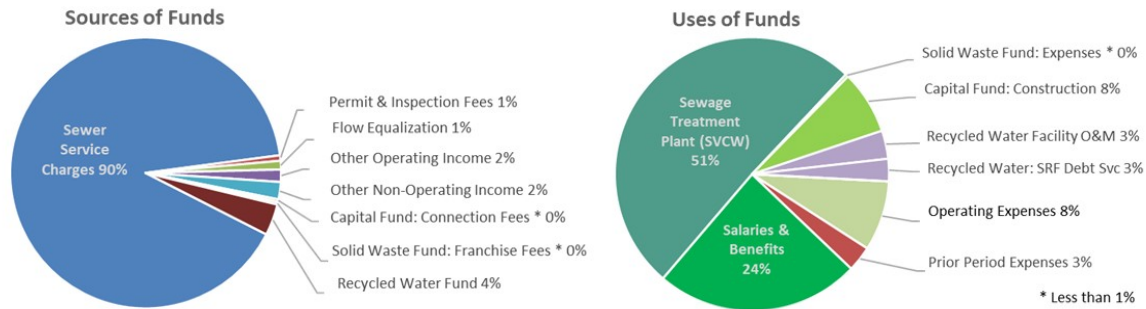
Current assets increased as the District transferred \$4.099 million to fund investment reserves to target levels, which have been invested in short-term securities as long-term yields are unattractive. Additionally, restricted investments for Sharon Heights Golf & Country Club's (SHGCC) deposit for the California Clean Water State Revolving Fund (SRF) Loan was transferred to a money market, considered short-term, as requested by SHGCC representatives.

The position in the Silicon Valley Clean Water (SVCW) is based on the draft, unaudited, Analysis of Net Position [by member] for year ended June 30, 2021. Capital Assets, net of depreciation, decreased by \$1.5 million with capital additions of \$2.2 million and depreciation of \$3.7 million. Construction in Progress (CIP) of \$7.2 million in subsurface line projects were completed. Total liabilities decreased by \$5.86 million primarily due to the payoff of the District's PERS UAL, with \$383 thousand in current payments for FY 2020-21 and \$5.88 million in payoff of the long term pension liability, including \$1.6 million transferred from the District's Public Agency Retirement Services (PARS) trust account.

Table 1
Statement of Net Position

	FY 2020-21	FY 2019-20	Change	Percentage
Assets				
Current Assets	51,317,398	40,267,794	11,049,604	27%
Non-Current Assets	114,443,091	122,820,694	(8,377,603)	-7%
Total Assets	165,760,489	163,088,488	2,672,000	2%
Deferred Outflows of Resources	132,838	1,096,469	(963,631)	-88%
Current Liabilities	3,496,040	4,797,796	(1,301,756)	-27%
Non-Current Liabilities	18,392,345	22,945,957	(4,553,612)	-20%
Total Liabilities	21,888,385	27,743,753	(5,855,367)	-21%
Deferred Inflows of Resources	3,788	571,400	(567,612)	-99%
Net Position	144,001,153	135,869,805	8,131,349	6%

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 2020-21 and 2019-20. Operating revenues increased by 4% due to a 1% increase in sewer service charges and 20% increase in other revenues. Total General Fund operating expenses, which include collection, general administration, and depreciation, increased \$613 thousand or 6% over the prior year, due to the 5% increase in depreciation. General Fund expenses, excluding depreciation, decreased 5%. The District's salary and benefits decreased 8%, even with union negotiated wage increases of 4%.

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, 2021, the District's share was 23.38%. Sewer treatment plant expense includes all funds paid to or on behalf of SVCW, which decreased 35%, as the District paid \$6.4 million in fiscal year 2019-20 to avoid additional long-term debt.

The Capital Fund received connection fees of \$110 thousand, a decreased of 81% from the prior year, as a result of continuing decreases in new commercial and residential developments. 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. The \$22.4 million SHRWF was completed and accepted on July 27, 2020. Depreciation was \$700 thousand for the first year of operations.

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

	FY 2020-21	FY 2019-20	Change	Percentage
Operating Revenues	32,175,127	30,911,792	1,263,335	4%
Operating Expenses	(11,172,896)	(10,560,063)	(612,832)	6%
Sewage Treatment Plant (SVCW)	(12,740,977)	(19,551,977)	6,810,999	-35%
Operating Income (Loss)	8,261,253	799,752	7,461,501	933%
Non-Operating Rev / Exp	709,797	9,997,633	(9,287,836)	-93%
General Fund	8,971,051	10,797,385	(1,826,335)	-17%
Capital Fund	110,097	572,970	(462,873)	-81%
Solid Waste Fund	19,800	49,713	(29,913)	-60%
Recycled Water Fund	(213,871)	2,429,741	(2,643,612)	-109%
Change in Net Position	8,887,077	13,849,809	(4,962,732)	-36%
Prior Period Adjustment	(755,728)	(1,443,710)	687,982	-48%
Change in Net Position - Adjusted	8,131,349	12,406,098	(4,274,750)	-34%

Budgetary Highlights

The District adopted the annual budget for fiscal year 2020-21 on June 10, 2020, after reviewing at a Budget Workshop with the Board of Directors on May 5, 2021. 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, 2021.

District operating revenue was 2% over budget. Total operating expenses were 9% higher than budgeted, including 5% increase in depreciation on completed CIP. Sewage treatment expenses were 3% lower than expected, due to refinancing of debt.

Connection fees to the Capital Fund were lower than anticipated, resulting in 56% under budget. The Solid Waste Fund Franchise fees were 3% under budget, but the District reduced direct expenses for rate studies, mailings to customers, and public relations. The Recycled Water Fund budget did not include depreciation of \$700 thousand and had anticipated a Sinking Fund from SHGCC for future maintenance, which was delayed.

Table 3
Actual vs. Budget Report

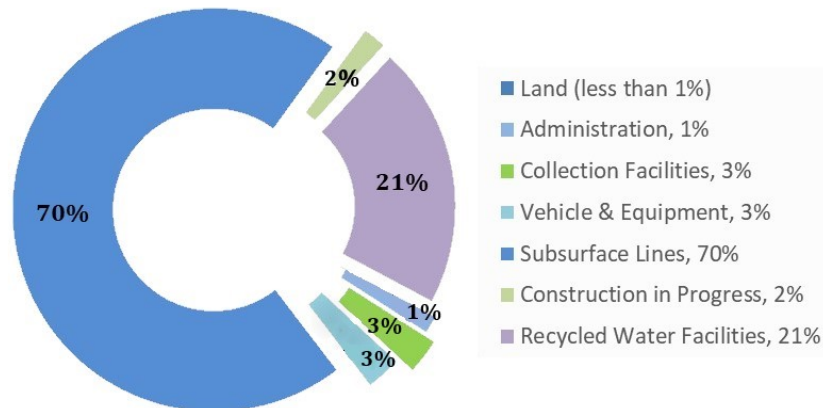
	FY 2020-21	Budget	Variance	Percentage
Operating Revenues	32,175,127	31,589,242	585,884	2%
Operating Expenses	(11,172,896)	(12,271,022)	1,098,126	-9%
Sewage Treatment Plant (SVCW)	(12,740,977)	(13,153,679)	412,701	-3%
Operating Income (Loss)	8,261,253	6,164,542	2,096,712	34%
Non-Operating Rev / Exp	709,797	63,000	646,797	1027%
General Fund	8,971,051	6,227,542	2,743,509	44%
Capital Fund	110,097	250,000	(139,903)	-56%
Solid Waste Fund	19,800	5,000	14,800	296%
Recycled Water Fund	(213,871)	(675,541)	461,670	-68%
Change in Net Position	8,887,077	5,807,001	3,080,076	53%
Prior Period Adjustment	(755,728)	-	(755,728)	
Change in Net Position - Adjusted	8,131,349	5,807,001	2,324,348	40%

The District had \$25 million in Capital Fund balance, including \$18.5 million in carryover from fiscal year 2019-20 and \$6.5 million increase from fiscal year 2020-21. 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, 2021. Capital project expenditures were \$7.5 million under budget as a result of delays caused by county and state shutdowns due to the COVID-19 pandemic.

Table 4
Capital Fund
Actual vs. Budget Report

	FY 2020-21	Budget	Variance	Percentage
Transfer from Operations	7,505,525	6,164,542	(1,340,984)	-18%
Capital Expenditures	(2,232,302)	(9,728,000)	(7,495,698)	336%
State Revolving Fund	19,263	-	(19,263)	
Connection Charges	110,097	250,000	139,903	127%
Interest Income	233,410	50,000	(183,410)	-79%
Transfers to Capital Reserves	883,500	1,244,000	360,500	41%
Change in Capital Asset Fund	6,519,493	(2,019,459)	(8,538,952)	-131%
Beginning Fund Balance	18,542,341	25,061,834	6,519,493	35%
Ending Fund Balance	25,061,834	23,042,375	(2,019,459)	-8%

Capital Assets



Capital Assets increased 2% before depreciation and decreased 2% net of accumulated depreciation. The District had capital expenditures of \$2.2 million, including \$1.85 million for capital projects for administration, collection facilities, vehicles and equipment, and replacement and rehabilitate of sewer infrastructure. Additionally, the District expended \$261 thousand on the Sharon Heights Recycled Water Facility, which is funded by a State of California, Clean Water State Revolving Fund (CWSRF) loan of \$17.3 million and Water Recycling Funding Program (WRFP) \$5.26 million grant. The District also expended \$88 thousand on the Bayfront Recycled Water Facility Project. Table 5 shows a summary of capital assets owned by the District as of June 30, 2021.

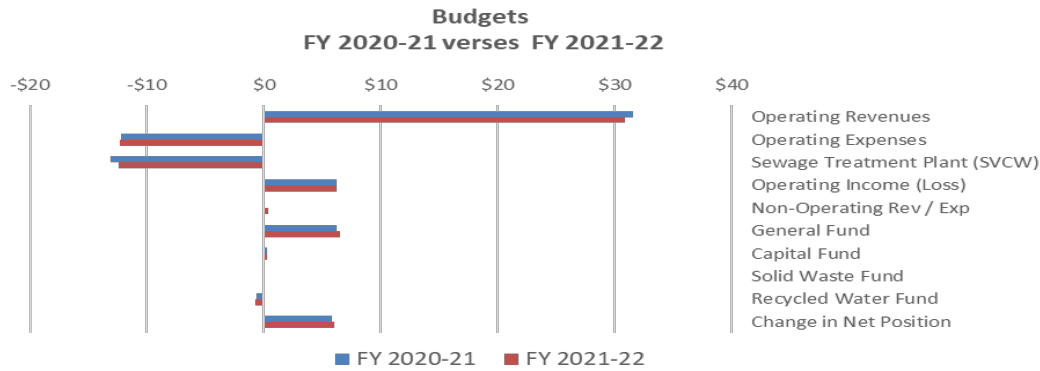
Table 5
Capital Assets

	FY 2020-21	FY 2019-20	Change	Percentage
Land	44,467	44,467	-	0%
Construction in Progress	2,367,198	30,305,139	(27,937,941)	-92%
Pump Stations	7,916,203	7,851,378	64,825	
Fleet	3,006,893	2,853,616	153,277	5%
Plant	1,381,277	1,353,895	27,381	2%
Buildings	3,049,594	3,025,084	24,510	1%
Flow Equal.	2,884,719	2,884,719	-	0%
Subsurface Lines	66,671,137	59,449,939	7,221,197	12%
Recycled Water Facilities	22,647,052		22,647,052	100%
Capital Assets	109,968,539	107,768,237	2,200,302	2%
Depreciation	(39,056,193)	(35,317,072)	(3,739,121)	11%
Net Capital Assets	70,912,346	72,451,165	(1,538,819)	-2%

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 have 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 and completing 98% in 2021.



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. Suspension in private construction reduces connection fees and anticipated sewer service charges. Additionally, many commercial customers were shutdown, resulting in lower water usage, which reduces sewer service charges in the following year. Commercial customers represent 3% of all customers and 23% of revenue, in FY 2020-21. In FY 2021-22, while the number of commercial customers is unchanged, the revenue received is expected to decrease by \$1.9 million. Sewer Service Fees for residential customers are not impacted, as they pay flat rates. The District increased sewer service charges 4% effective 7/1/2020 and 2.5% effective 7/1/2021. Table 6 shows a budget comparison from fiscal year 2020-21 to fiscal year 2021-22. The District anticipates a 2% decrease in Operating Revenues for fiscal year 2021-22. Operating Expenses were kept flat for fiscal year 2021-22, with minor changes.

Sewage Treatment Plant (SVCW) expenses will decrease due to refinancing of debt and reduced flows from the District. SVCW has been able to take advantage of lower interest rates, refinancing the Regional Environmental Sewer Conveyance Upgrade project, which replaces a 60-year-old sewer main, rehabilitates and reduces the number of pump stations, and builds a new headworks pretreatment facility in the front of the existing treatment plant. The re-execution of a \$218 million WIFIA Loan, reducing the interest rate from 2.40% to 1.41%, saves the District over \$483 thousand annually and almost \$15 million over the life of the District's \$80.7 million share. Additionally, refunding existing bonds and SRF loan with a new bond issue in 2020 and a SRF loan at 0.90% interest, will save the District an additional \$21 million in interest expense over the next 37 years.

Non-Operating Revenue budget increased to account for interest income and changes in market value on the \$62.6 million in District reserves, as of June 30, 2021; interest was undervalued in fiscal year 2020-21.

Table 6
Budget Reports

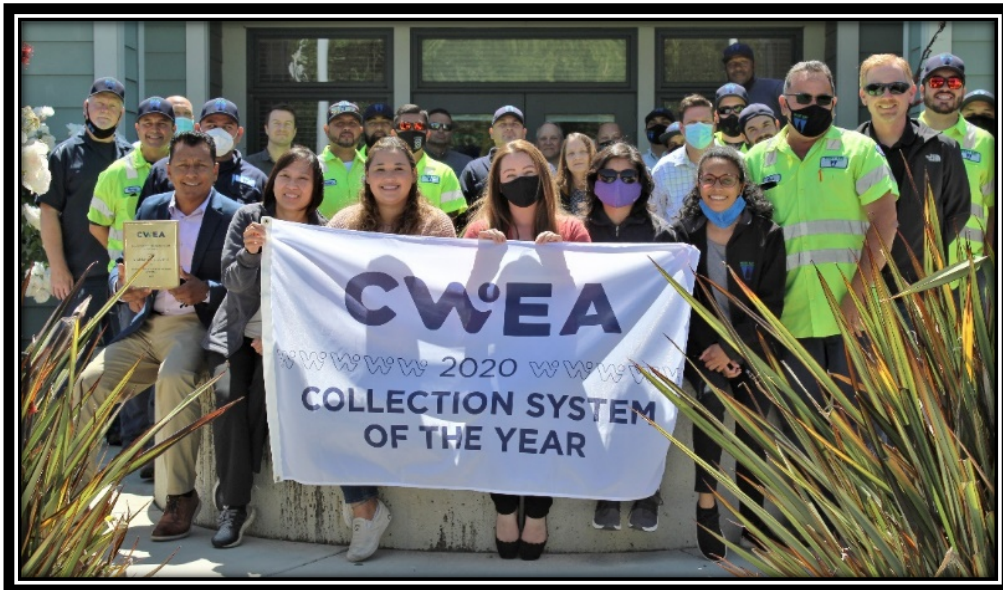
	FY 2020-21	FY 2021-22	Change	Percentage
Operating Revenues	31,589,242	30,872,898	(716,345)	-2%
Operating Expenses	(12,271,022)	(12,307,711)	(36,689)	0%
Sewage Treatment Plant (SVCW)	(13,153,679)	(12,396,490)	757,189	-6%
Operating Income (Loss)	6,164,542	6,168,697	4,155	0%
Non-Operating Rev / Exp	63,000	345,000	282,000	82%
General Fund	6,227,542	6,513,697	286,155	4%
Capital Fund	250,000	250,000	-	0%
Solid Waste Fund	5,000	(5,090)	(10,090)	198%
Recycled Water Fund	(675,541)	(752,902)	(77,361)	10%
Change in Net Position	5,807,001	6,005,705	198,704	3%

Factors Bearing on the Future

The District is committed to its mission of protecting public health and the environment. In 2020, the District completed the Sharon Heights Recycled Water Facility (SHRWF), with 0.5 million gallons per day (MGD) recycled water capacity. Through June 20, 2021, 46.4 million gallons of recycled water were delivered to the SHGCC pond for irrigation. The District is currently designing a 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 has identified interested developers for 56% of the capacity, with 44% remaining for existing and new customers. Recycling water in the District system reduces future processing costs to all sewer service customers, by reducing flows and ultimately discharges destined to the San Francisco Bay.

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 received the Collection System of the Year award for 2020-2021 from the California Water Environmental Association (CWEA) in recognition of outstanding maintenance programs, regulatory compliance, and safety & training procedures for small collection systems. This culminated from years of proactive planning, hard-working dedicated staff, and an investment in physical and intangible assets. To this end, the District will continue to rehabilitate and protect its assets, sustain support for water reclamation efforts that provide regional sustainability, and provide award-winning service to the community for years to come.



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, 2021
(With Comparative Totals as of June 30, 2020)

Assets	2021	2020
Current Assets:		
Cash and cash equivalents	\$ 41,002,499	\$ 36,868,824
Restricted cash and investments	1,519,765	1,762,989
Accounts receivable	671,544	1,801,786
SWRCB receivable	-	640,886
Interest receivable	156,960	249,607
Prepaid expenses and other current assets	84,094	706,691
Total Current Assets	43,434,862	42,030,783
Noncurrent Assets:		
Investments	21,893,652	19,384,701
Investment in Silicon Valley Clean Water	29,519,631	29,221,839
Capital assets:		
Non-depreciable	2,411,664	7,964,092
Depreciable net of accumulated depreciation	68,500,682	64,487,073
Total Capital Assets - Net	70,912,346	72,451,165
Total Noncurrent Assets - Net	122,325,629	121,057,705
Total Assets	\$ 165,760,491	\$ 163,088,488
Deferred Outflows of Resources		
OPEB adjustments	\$ 132,838	\$ 63,633
Pension adjustments	-	1,032,836
Total Deferred Outflows of Resources	\$ 132,838	\$ 1,096,469
Liabilities		
Current Liabilities:		
Accounts payable	\$ 4,359,021	\$ 4,162,801
Payroll and related liabilities	215,374	144,720
SHGCC SRF loan payment advance - current	198,877	135,112
Construction deposits	-	17,381
Accrued Interest	-	36,292
Compensated absences payable - current	380,051	150,745
Total Current Liabilities	5,153,323	4,647,051
Noncurrent Liabilities:		
Net OPEB liability	118,683	111,239
Net pension liability	-	5,494,504
State Revolving Fund Loan	16,616,382	16,597,119
SHGCC SRF loan payment advance - noncurrent	-	743,095
Compensated absences payable - noncurrent	-	150,744
Total Noncurrent Liabilities	16,735,065	23,096,701
Total Liabilities	\$ 21,888,388	\$ 27,743,752
Deferred Inflows of Resources		
OPEB adjustments	\$ 3,788	\$ 5,899
Pension adjustments	-	565,501
Total Deferred Inflows of Resources	\$ 3,788	\$ 571,400
Net Position		
Net Investment in Capital Assets	\$ 54,295,964	\$ 55,854,046
Unrestricted:		
Capital fund budget	25,061,834	21,062,051
Invested in Silicon Valley Clean Water	29,519,631	29,221,839
Operations	9,395,827	9,365,601
Unreserved	25,727,897	20,366,268
Total Net Position	\$ 144,001,153	\$ 135,869,805

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, 2021
(With Comparative Totals for the Fiscal Year Ended June 30, 2020)

	2021	2020
Operating Revenues:		
Service charges	\$ 31,090,378	\$ 30,003,748
Flow equalization uses	355,000	351,138
Permit and inspection fees and other services	224,200	148,144
Other operating revenues	610,036	528,977
Total operating revenues	<u>32,279,614</u>	<u>31,032,007</u>
Operating Expenses:		
Sewage treatment plant (SVCW)	12,740,978	19,551,978
Sewage collection and general administration:		
Salaries and benefits	6,200,238	5,894,953
Materials and supplies	501,554	446,835
Insurance	219,914	131,737
Contract services	331,601	388,061
Professional services	292,933	306,237
Repairs and maintenance	297,135	271,062
Utilities	390,792	145,849
Other operating expenses	659,710	1,002,564
Total sewage collection and general administration	<u>8,893,877</u>	<u>8,587,298</u>
Depreciation	3,739,121	2,043,269
Total operating expenses	<u>25,373,976</u>	<u>30,182,545</u>
Operating Income (Loss)	<u>6,905,638</u>	<u>849,462</u>
Nonoperating Revenues (Expenses):		
Investment income	363,553	1,238,254
Interest expense	(125,580)	(146,255)
Increase (decrease) of equity in Silicon Valley Clean Water	297,792	8,506,285
Other nonoperating revenues	672,665	277,955
Total nonoperating revenues (expenses)	<u>1,208,430</u>	<u>9,876,239</u>
Income before contributions	8,114,068	10,725,701
Recycled Water Fund: Capital Contributions	662,911	2,551,135
Capital Fund: Connection Fees	110,097	572,970
Change in Net Position	<u>8,887,076</u>	<u>13,849,806</u>
Beginning Net Position	135,869,805	123,463,709
Prior Period Adjustments	(755,728)	(1,443,710)
Beginning Net Position - As Adjusted	<u>135,114,077</u>	<u>122,019,999</u>
Ending Net Position	<u>\$ 144,001,153</u>	<u>\$ 135,869,805</u>

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, 2021
(With Comparative Totals for the Fiscal Year Ended June 30, 2020)

	2021	2020
Cash Flows from Operating Activities:		
Cash received from customers	\$ 33,392,475	\$ 29,584,056
Cash payments to suppliers for goods and services	(14,615,800)	(23,996,158)
Cash payments to employees for services	(4,288,579)	(3,969,248)
Cash payments of benefits on behalf of employees	(6,853,484)	(1,080,896)
Net Cash Provided (Used) by Operating Activities	<u>7,634,612</u>	<u>537,754</u>
Cash Flows from Capital and Related Financing Activities:		
Cash received from connection fees	110,097	572,970
Cash received from the State Revolving Fund loan	19,263	8,262,823
Cash received from capital contributions	662,911	2,551,135
SHGCC SRF loan payment advance	(679,330)	878,207
Interest payments	(161,872)	-
Cash received on the sale of capital assets	-	4,907
Purchases and construction of capital assets	(2,200,302)	(10,382,558)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,249,233)</u>	<u>1,887,484</u>
Cash Flows from Investing Activities:		
Transfers to investment accounts	(3,738,500)	(3,812,408)
Transfers from investment accounts	1,321,758	5,319,929
Investment income	1,165,038	1,118,875
Net Cash Provided (Used) by Investing Activities	<u>(1,251,704)</u>	<u>2,626,396</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,133,675	5,051,634
Cash and Cash Equivalents Beginning	<u>36,868,824</u>	<u>31,817,190</u>
Cash and Cash Equivalents Ending	<u>\$ 41,002,499</u>	<u>\$ 36,868,824</u>
Reconciliation of Operating Income to Cash Flows Provided by Operating Activities:		
Operating Income (Loss)	\$ 6,905,638	\$ 849,462
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	3,739,121	2,043,269
Prior period adjustment - pensions	(755,728)	-
Net change in:		
Accounts receivable	1,130,242	(1,456,660)
Prepaid expenses and other current assets	622,597	(674,509)
Deferred outflows of resources	963,631	54,813
Accounts payable	196,220	(1,077,326)
Payroll and related liabilities	70,654	141,019
Construction deposits	(17,381)	8,709
Compensated absences	78,562	(2,979)
Net OPEB liability	7,444	55,368
Net pension liability	(4,738,776)	439,785
Deferred inflows of resources	(567,612)	156,803
Net Cash Provided (Used) by Operating Activities	<u>\$ 7,634,612</u>	<u>\$ 537,754</u>

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

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 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 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.

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, 2021.

Capital Assets

Property, plant and equipment are recorded at cost or, if contributed, at estimated value at the time of 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 \$5,000 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.

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, 2021, the District obtained an actuarial valuation for its pension plan in order determine the amount required to fully fund its unfunded pension liability. As of June 30, 2021 the District had zero unfunded pension liability. This funding resulted in a \$755,728 reduction in net position for pension accruals related to prior periods. For the period, the following time frames were used.

Valuation Date	June 30, 2019
Measurement Date	July 1, 2021
Measurement Period	July 1, 2019 to June 30, 2021

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.

Upcoming New Accounting Pronouncements

GASB issued 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. The requirements of this Statement were initially to be effective for financial statements for periods beginning after December 15, 2019 but have been delayed to periods beginning after December 15, 2021, pursuant to GASB Statement No. 95. Earlier application is encouraged. Management is in the process of evaluating the impact of this statement on the District's financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of the Construction Period*

This Statement addresses interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement were initially to be effective for financial statements for periods beginning after December 15, 2019 but have been delayed to periods beginning after December 15, 2020, pursuant to GASB Statement No. 95. Earlier application is encouraged. Management does not believe this statement will have a significant impact on the District's financial 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. Management does not believe this statement will have a significant impact on the District's financial statements.

GASB Statement No. 92, *Omnibus 2020*

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments. The requirements of this Statement were initially to be effective for financial statements for periods beginning after June 15, 2020 but have been delayed to periods beginning after June 15, 2021, pursuant to GASB Statement No. 95. Earlier application is encouraged. Management is in the process of evaluating the impact of this statement on the District's financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*

This Statement establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments. The requirements of this Statement apply to the financial statements of all state and local governments. The requirements of this Statement were initially to be effective for financial statements for periods beginning after June 15, 2020 but have been delayed to periods beginning after June 15, 2021, pursuant to GASB Statement No. 95. Earlier application is encouraged. Management does not believe this statement will have a significant impact on the District's financial statements.

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 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. Management is in the process of evaluating the impact of this statement on the District's financial statements.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32

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) 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. Management does not believe this statement will have a significant impact on the District’s financial statements.

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

NOTE 3 - CASH AND INVESTMENTS

The District’s cash and investments consisted of the following as of June 30, 2021 and 2020:

Description	Rating	Fair Value June 30, 2021	Maturities			Concen- trations
			12 Months or Less	13 - 24 Months	25 - 60 Months	
Bank of the West Investments:						
Fixed Income	AA+/BBB	\$ 19,473,657	\$ 5,475,573	\$ 7,505,220	\$ 6,492,864	30.23%
Cash	N/A	2,419,995	2,419,995	-	-	3.76%
Total Bank of West Investments	AAA	21,893,652	7,895,568	7,505,220	6,492,864	33.99%
Cash and Cash Equivalents:						
Cash on hand and in banks	N/A	1,345,263	1,345,263	-	-	2.09%
Money Market	N/A	2,098,530	2,098,530	-	-	3.26%
Cash with fiscal agents	N/A	237,452	237,452	-	-	0.37%
LAIF	N/A	38,840,019	38,840,019	-	-	60.30%
Petty Cash	N/A	1,000	1,000	-	-	0.00%
Total Cash and Cash Equivalents		42,522,264	42,522,264	-	-	66.01%
Total Cash and Investments		\$ 64,415,916	\$ 50,417,832	\$ 7,505,220	\$ 6,492,864	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 \$1,565,750, exceeded the insured limit by \$1,315,750 as of June 30, 2021. 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.

The District’s investment policy follows the California Government Code which authorizes the District to invest in the following:

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
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.

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. The total amount invested by all public agencies in LAIF, as of June 30, 2021, was approximately \$37 billion. Of that amount, 100% is invested in non-derivative financial products. The balance in LAIF is available for withdrawal on demand. The PMIA balance, as of June 30, 2021, was approximately \$193 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.

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, 2021 and 2020, the District had approximately 23.38% and 23.59%, respectively, in equity interest in SVCW, which is reported using the equity method of accounting. The District's investment in SVCW at June 30, 2021 and 2020 was \$29,519,631 and \$29,221,839, respectively, as reflected on the statement of net position. The change in the investment for the years ended June 30, 2021 and 2020 was a decrease of \$297,792 and an increase of \$8,506,285, respectively, as reflected in the statement of revenues, expenses and changes in net position. During the year ended June 30, 2021, the District contributed \$7,640,520 toward the cost of operating and maintaining the facility and paid debt principal and interest of \$5,100,458 that included the State revolving fund loan and the financing agreements to finance the construction and rehabilitation of the SVCW's wastewater system.

The 2021 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, 2020, (most recent information available):

	<u>June 30, 2020</u>
Total Assets	\$ 704,159,441
Deferred Outflows of Resources	11,547,297
Total Liabilities	591,228,059
Deferred Inflows of Resources	1,366,694
Total Equity	123,111,985
Total Revenues	75,716,965
Total Expenditures	57,366,429

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 the 2009, 2014, 2015 and 2018 bonds in the amount of \$95,717,502, 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 2020, gross Sewer Fund revenues, including operating revenues and non-operating interest earnings, amounted to \$31,090,378. The annual debt service commitment of \$3,087,661 is summarized as follows:

<u>Fiscal year ending:</u>	<u>Principal</u>	<u>Interest</u>
2028	\$ 1,480,236	\$ 1,607,425
2029	1,515,762	1,571,900
2030	1,552,140	1,535,521
2031	1,589,391	1,498,270
2032	1,627,537	1,460,125
2033-2037	8,742,688	6,695,619
2038-2042	9,843,391	5,594,916
2043-2047	11,082,673	4,355,634
2048-2052	12,477,981	2,960,326
2053-2057	14,048,957	1,389,350
2058-2059	3,015,294	72,367
Total debt service	<u>\$ 66,976,050</u>	<u>\$ 28,741,453</u>

NOTE 5 - CAPITAL ASSETS (PROPERTY, PLANT AND EQUIPMENT)

The District's capital assets consisted of the following as of June 30, 2021:

Description	Balance June 30, 2020	Additions	Adjustments & Deletions	Balance June 30, 2021
Non-depreciable Capital Assets:				
Land	\$ 44,467	\$ -	\$ -	\$ 44,467
Construction in progress	30,305,139	1,962,307	(29,900,249)	2,367,197
Total non-depreciable capital assets	30,349,606	1,962,307	(29,900,249)	2,411,664
Depreciable Capital Assets:				
Pump stations	7,851,378	64,825	-	7,916,203
Fleet	2,853,616	153,277	-	3,006,893
Plant and administration facilities	1,353,895	27,382	-	1,381,277
Buildings	3,025,084	24,510	-	3,049,594
Flow equalization facilities	2,884,719	-	-	2,884,719
Subsurface lines	59,449,939	7,253,198	(32,000)	66,671,137
SHGCC Recycled Water Facility	-	22,647,052	-	22,647,052
Total depreciable capital assets	77,418,631	30,170,244	(32,000)	107,556,875
Less accumulated depreciation for:				
Pump stations	(3,498,702)	(265,364)	-	(3,764,066)
Fleet	(1,831,765)	(195,301)	-	(2,027,066)
Plant and administration facilities	(925,787)	(95,360)	-	(1,021,147)
Buildings	(1,378,295)	(97,069)	-	(1,475,364)
Flow equalization facilities	(2,602,687)	(91,771)	-	(2,694,458)
Subsurface lines	(25,079,836)	(2,295,972)	-	(27,375,808)
SHGCC Recycled Water Facility	-	(698,284)	-	(698,284)
Total accumulated depreciation	(35,317,072)	(3,739,121)	-	(39,056,193)
Total depreciable capital assets - net	42,101,559	26,431,123	(32,000)	68,500,682
Total capital assets - net	\$ 72,451,165	\$ 28,393,430	\$ (29,932,249)	\$ 70,912,346

Depreciation expense for the year ended June 30, 2021 and 2020 was \$3,739,121 and \$2,043,269, respectively.

The following details construction in progress as of June 30, 2021:

Project	Balance
FEF Metal Storage Building	\$ 139,099
Levee Design	491,316
Gilbert Bay North / North Bay / Ringwood	1,335,252
Bayside	401,530
Total Construction in Progress	\$ 2,367,197

NOTE 6 - NONCURRENT LIABILITIES

The District’s noncurrent liabilities consisted of the following as of June 30, 2021:

Description	Balance July 01, 2020	Additions	Adjustments/ Deductions	Balance June 30, 2021	Due Within One Year
Net OPEB Liability	\$ 111,239	\$ 155,767	\$ 148,323	\$ 118,683	\$ -
Net Pension Liability	5,494,504	2,194,548	7,689,052	-	-
State Revolving Fund Loan	16,597,119	1,323,060	1,303,797	16,616,382	-
Compensated Absences	301,489	78,562	-	380,051	380,051
Total Noncurrent Liabilities	\$ 22,504,351	\$ 3,751,937	\$ 9,141,172	\$ 17,115,116	\$ 380,051

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, 2021, the SRF loan balance was \$ 16,616,382. The loan funds and accrued interest will be repaid in annual installments commencing on March 31, 2021, one year after the state recognized the project completion on March 31, 2020. Sharon Heights Golf & Country Club will pre-fund 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
2022	\$ 496,747	\$ 166,164	\$ 662,911
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
2027-31	2,663,164	651,390	3,314,554
2032-36	2,799,012	515,542	3,314,554
2037-41	2,941,790	372,764	3,314,554
2042-46	3,091,851	222,704	3,314,555
2047-50	2,586,655	64,988	2,651,643
Total Debt Service	\$ 16,616,382	\$ 2,608,033	\$ 19,224,415

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, 2021:

Description	Balance
Capital fund budget	\$ 25,061,834
Invested in Silicon Valley Clean Water	29,519,631
Operations	9,395,827
Total Committed Net Unrestricted Position	\$ 63,977,292

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

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, 2020 (most recent information available):

	<u>June 30, 2020</u>
Total Assets	\$ 29,737,991
Total Liabilities	22,524,920
Total Equity	7,213,071
Total Revenues	14,509,754
Total Expenditures	15,266,567

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, 2021, are summarized as follows:

	<u>Miscellaneous</u>		
	<u>Tier 1</u>	<u>Tier 2</u>	<u>PEPRA</u>
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	3 Years	3 Years	3 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	11.742%	8.794%	7.732%

Employees Covered - At June 30, 2021, the following employees were covered by the benefit terms for the Plan:

	<u>Miscellaneous</u>
Active	30
Transferred	9
Separated	13
Retired	<u>25</u>
Total	<u><u>77</u></u>

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, 2021, the District made the following payments for the unfunded accrued liability (UAL) and current pension contributions:

	<u>Miscellaneous</u>
Employer UAL	\$ 6,259,864
Employer Contributions	316,582
Employee Contributions	<u>265,721</u>
Total	<u><u>\$ 6,842,167</u></u>

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2021, the District had fully funded its proportionate share of net pension liability. The District's net pension 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, 2020, 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, 2019 rolled forward to June 30, 2020 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, 2020 and 2021 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2020	0.13721%
Proportion - June 30, 2021	<u>0.14056%</u>
Change - Increase/(Decrease)	<u><u>0.00335%</u></u>

For the year ended June 30, 2021, the District recognized pension expense of \$771,209.

At June 30, 2021, the District reported no deferred outflow of resources or deferred inflows of resources related to pensions, as a result of fully funding its unfunded pension liability.

Actuarial Assumptions - The total pension liabilities in the June 30, 2019, actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2021
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	7.15% (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.

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.

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
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	100.00%		

- (a) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity 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.

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

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, which is \$143 per month and is expected to increase in future years. 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

At June 30, 2019 (the valuation date), the benefit terms covered the following employees:

Active employees	26
Inactive employees	<u>6</u>
Total employees	<u><u>32</u></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 \$87,458. Total contributions included in the measurement period were \$63,633. The actuarially determined contribution for the measurement period was \$17,602. The District's contributions were .14% of covered employee payroll during the fiscal year ended June 30, 2021. Employees are not required to contribute to the plan.

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.

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	Long-Term	
	Percentage of Portfolio	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, 2021 (reporting date). The following summarizes the changes in the net OPEB liability during the year ended June 30, 2021:

Fiscal Year Ended June 30, 2021 (Measurement Date June 30, 2020)	Total OPEB	Plan Fiduciary	Net OPEB
	Liability	Net Position	Liability (Asset)
Balance at June 30, 2020	\$ 374,279	\$ 263,040	\$ 111,239
Service cost	7,254	-	7,254
Interest in Total OPEB Liability	18,732	-	18,732
Employer contributions	-	5,120	(5,120)
Balance of diff between actual and exp experience	-	-	-
Balance of changes in assumptions	-	-	-
Actual investment income	-	13,423	(13,423)
Benefit payments	(7,850)	(7,850)	-
Net changes	18,137	10,693	7,444
Balance at June 30, 2021	\$ 392,416	\$ 273,733	\$ 118,683
Covered Employee Payroll	\$ 3,808,342		
Total OPEB Liability as a % of Covered Employee Payroll	10.30%		
Plan Fid. Net Position as a % of Total OPEB Liability	69.76%		
Service Cost as a % of Covered Employee Payroll	0.19%		
Net OPEB Liability as a % of Covered Employee Payroll	3.12%		

Deferred Inflows and Outflows of Resources

At June 30, 2021, 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	\$ 45,380	\$ -
Difference between actual and expected earnings	-	1,763
Change in assumptions	-	2,025
OPEB contribution subsequent to measurement date	87,458	-
Totals	\$ 132,838	\$ 3,788

Of the total amount reported as deferred outflows of resources related to OPEB, \$87,458 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, 2022.

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,	
2022	\$ 4,467
2023	6,513
2024	6,107
2025	6,283
2026	6,283
Thereafter	11,939
Total	\$ 41,592

OPEB Expense

The following summarizes the OPEB expense by source during the year ended June 30, 2021:

Service cost	\$ 7,254
Interest in TOL	18,732
Expected investment income	(13,423)
Difference between actual and expected experience	6,577
Difference between actual and expected earnings	(1,818)
Change in assumptions	(292)
OPEB Expense	\$ 17,030

The following summarizes changes in the net OPEB liability as reconciled to OPEB expense during the year ended June 30, 2021:

Net OPEB liability ending	\$ 118,683
Net OPEB liability beginning	(111,239)
Change in net OPEB liability	<u>7,444</u>
Changes in deferred outflows	4,354
Changes in deferred inflows	112
Employer contributions and implicit subsidy	<u>5,120</u>
OPEB Expense	<u>\$ 17,030</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:

	<u>Discount Rate</u>		
	<u>(1% Decrease)</u>	<u>6.00%</u>	<u>(1% Increase)</u>
Net OPEB Liability (Asset)	\$ 175,650	\$ 118,683	\$ 72,464

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:

	<u>Trend Rate</u>		
	<u>(1% Decrease)</u>	<u>5.00%</u>	<u>(1% Increase)</u>
Net OPEB Liability (Asset)	\$ 73,909	\$ 118,683	\$ 173,970

NOTE 12 - SHARON HEIGHTS GOLF AND COUNTRY CLUB COST SHARING PLAN

The West Bay Sanitary District has an agreement with Sharon Heights Golf and Country Club (SHGCC) to contribute toward the cost of the Facilities plan and the full cost incurred thereafter for the planning, design environmental review, permitting, construction and operation of a recycled water treatment facility on Club property. West Bay has received a grant easement in perpetuity for the location of the recycled water treatment facility and West Bay has ownership of the treatment facility and all the recycled water, with the Club's right to receive recycled water.

West Bay received approval for a California Clean Water State Revolving Fund loan to Design/Build a recycled water treatment facility. The parties have a long-term agreement that establishes the terms and conditions of loan payments, easements, ownership of the facility, design criteria, and terms of operation and maintenance.

Through June 30, 2021, 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 to be 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 was obligated to pay multiple contractors \$4,669,101 from contracts totaling \$6,373,303 as of June 30, 2021.

NOTE 14 - PRIOR PERIOD ADJUSTMENTS

As described in Note 2, the District reduced its beginning net position by \$755,728 as a result of fully funding its unfunded pension liability during the fiscal year ended June 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

West Bay Sanitary District
Schedule of Pension Contributions - CalPERS
June 30, 2021

Miscellaneous Plan							
Plan Measurement Date	2014	2015	2016	2017	2018	2019	2020
Fiscal Year Ended	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contributions	\$ 368,713	\$ 399,280	\$ 387,500	\$ 413,896	\$ 297,313	\$ 295,459	\$ 398,336
Contributions in Relation to Contractually Required Contributions	368,713	399,280	387,500	413,896	297,313	295,459	6,592,343
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,194,007)</u>
Covered Payroll	\$ 2,411,343	\$ 2,544,628	\$ 2,799,216	\$ 2,795,654	\$ 2,806,611	\$ 3,264,521	\$ 3,436,890
Contributions as a % of Covered Payroll	15.29%	15.69%	13.84%	14.80%	10.59%	9.05%	191.81%

Notes to Schedule:

Valuation Date: June 30, 2019

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, 2021

Miscellaneous and Safety Plan							
Plan Measurement Date	2014	2015	2016	2017	2018	2019	2020
Fiscal Year Ended	2015	2016	2017	2018	2019	2020	2021
Proportion of Net Pension Liability	0.10822%	0.12849%	0.12750%	0.12991%	0.12991%	0.13721%	0.14056%
Proportionate Share of Net Pension Liability	\$ 2,674,755	\$ 3,524,991	\$ 4,429,092	\$ 5,120,961	\$ 5,054,719	\$ 5,494,504	\$ -
Covered Payroll	\$ 2,339,003	\$ 2,411,343	\$ 2,544,628	\$ 2,799,216	\$ 2,795,654	\$ 2,806,611	\$ 3,264,521
Proportionate Share of NPL as a % of Covered Payroll	114.35%	146.18%	174.06%	182.94%	180.81%	195.77%	181.61%
Plan's Fiduciary Net Position as a % of the TPL	81.15%	78.29%	73.58%	72.32%	73.42%	73.03%	72.52%

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, 2021

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially determined contribution (ADC)	\$ 11,604	\$ 11,579	\$ 16,607	\$ 17,602
Less: actual contribution in relation to ADC	(7,860)	(9,418)	(5,120)	(5,120)
Contribution deficiency (excess)	<u>\$ 3,744</u>	<u>\$ 2,161</u>	<u>\$ 11,487</u>	<u>\$ 12,482</u>
Covered employee payroll	\$ 2,795,654	\$ 2,806,611	\$ 3,697,419	\$ 3,808,342
Contributions as a percentage of covered employee payroll	0.28%	0.34%	0.14%	0.13%

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, 2021

Total OPEB liability	2018	2019	2020	2021
Service cost	\$ 6,513	\$ 6,708	\$ 6,909	\$ 7,254
Interest	16,476	17,188	17,672	18,732
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
Total OPEB Liability - beginning	278,553	293,633	303,194	374,279
Total OPEB Liability - ending	<u>\$ 293,633</u>	<u>\$ 303,194</u>	<u>\$ 374,279</u>	<u>\$ 392,415</u>
 Plan fiduciary net position				
Employer contributions	\$ 232,909	\$ 14,335	\$ 17,333	\$ 5,120
Net investment income	10,234	12,089	15,717	13,423
Benefit payments	(7,909)	(14,335)	(17,333)	(7,850)
Net change in plan fiduciary net position	235,234	12,089	15,717	10,693
Plan fiduciary net position - beginning	-	235,234	247,323	263,040
Plan fiduciary net position - ending	<u>\$ 235,234</u>	<u>\$ 247,323</u>	<u>\$ 263,040</u>	<u>\$ 273,733</u>
 Net OPEB liability	 \$ 58,399	 \$ 55,871	 \$ 111,239	 \$ 118,682
 Plan fiduciary net position as a percentage of the total OPEB liability	 80.11%	 81.57%	 70.28%	 69.76%
 Covered employee payroll	 \$ 2,799,216	 \$ 2,795,654	 \$ 2,806,611	 \$ 3,697,419
 Net OPEB Liability as a percentage of covered payroll	 2.09%	 2.00%	 3.96%	 3.21%
 Total OPEB Liability as a percentage of covered payroll	 10.49%	 10.85%	 13.34%	 10.61%

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

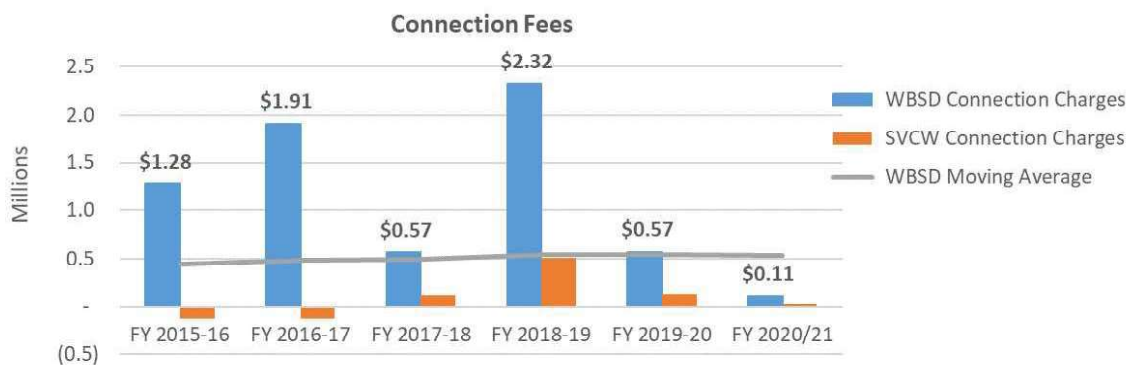
West Bay Sanitary District
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Budget Amounts	Actual (GAAP Basis)	Variance
Operating Revenues:			
Service charges	\$ 30,774,058	\$ 31,090,378	\$ 316,320
Flow equalization uses	365,184	355,000	(10,184)
Permit and inspection fees and other services	100,000	224,200	124,200
Other operating revenues	350,000	610,036	260,036
Total operating revenues	<u>31,589,242</u>	<u>32,279,614</u>	<u>690,372</u>
Operating Expenses:			
Sewage treatment plant (SVCW)	13,174,679	12,740,978	433,701
Sewage collection and general administration:			
Salaries and benefits	6,847,650	6,200,238	647,412
Materials and supplies	480,845	501,554	(20,709)
Insurance	173,290	219,914	(46,624)
Contract services	481,000	331,601	149,399
Professional services	495,220	292,933	202,287
Repairs and maintenance	297,900	297,135	765
Utilities	196,550	390,792	(194,242)
Other operating expenses	377,567	659,710	(282,143)
Total sewage collection and general administration	<u>9,350,022</u>	<u>8,893,877</u>	<u>456,145</u>
Depreciation	2,900,000	3,739,121	(839,121)
Total operating expenses	<u>25,424,701</u>	<u>25,373,976</u>	<u>50,725</u>
Operating Income (Loss)	<u>6,164,541</u>	<u>6,905,638</u>	<u>741,097</u>
Nonoperating Revenues (Expenses):			
Investment income	50,000	363,553	313,553
Interest expense	-	(125,580)	(125,580)
Increase (decrease) of equity in Silicon Valley Clean Water	-	297,792	297,792
SRF grant reimbursements	-	662,911	662,911
Other nonoperating expenses	(6,000)	-	6,000
Other nonoperating revenues	1,000	672,665	671,665
Total nonoperating revenues (expenses)	<u>45,000</u>	<u>1,871,341</u>	<u>1,826,341</u>
Income before contributions	6,209,541	8,776,979	2,567,438
Capital Contributions	<u>-</u>	<u>110,097</u>	<u>110,097</u>
Change in Net Position	6,209,541	8,887,076	2,677,535
Prior Period Adjustments	-	(755,728)	(755,728)
Beginning Net Position	135,869,805	135,869,805	-
Ending Net Position	<u>\$ 142,079,346</u>	<u>\$ 144,001,153</u>	<u>\$ 1,921,807</u>

West Bay Sanitary District
Annual Capacity Fee Report AB1600
June 30, 2021

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 \$532 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 averaged \$1.13 million over the past six year, fluctuating from year to year. 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 23.38% share. The SVCW connection fees had a net average of \$87.6 thousand including funds received, less contributions to SVCW.



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 2020-21, the District received \$110,097 in connection fees, for approximately 3,158 gallons per day (GPD) of additional capacity, with \$110 in applied interest income. The District expended \$1.88 million on all construction, with \$1.267 million specifically for wastewater infrastructure. Table 1 shows the revenues and expenditures applied to capacity increases. The District does not carry negative balances, therefore the beginning and ending balance of Connection Fees is zero. Additional connections to the District’s system and construction were low in FY 2020-21, due to COVID-19 shutdowns.

Table 1
Connection Fee and Capacity Charges

<u>Summary of Connection Fees</u>	<u>FY 2020-21</u>	<u>GPD</u>	<u>FY 2019-20</u>
Connection Fees	\$ 110,097	3,158	\$ 572,970
Allocated Interest	110		3,438
Total Connection Fee Revenue	\$ 110,207		\$ 576,407
Capacity Project Expenditures	(1,266,758)		(1,705,408)
Net Connection Fees (Deficit)	\$ (1,156,551)		\$ (1,129,000)
Beginning Balance Available	\$ -		\$ -
Ending Balance Available	\$ -		\$ -

West Bay Sanitary District
Annual Capacity Fee Report AB1600
June 30, 2021

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 2020-21, with the approved budget for FY 2021-22 to show future planned infrastructure improvements to the system.

Table 2
Wastewater Infrastructure Projects

Projects	Actual FY 2020-21	Budget FY 2020-21	Budget FY 2021-22
Pump Stations	64,825	65,000	65,000
Other Subsurface Line Projects	-	130,000	130,000
Isabella, Gilbert, Bay North, Coyote Hill - Phase 1		350,000	
Belle Haven III & Alpine	39,647		
Isabella, Gilbert & Bay North - Phase 1		1,500,000	
Isabella, Gilbert & Bay North - Phase 2		2,500,000	2,500,000
Lower Ringwood/ North Bay	1,162,285	1,500,000	1,500,000
Stowe Lane			200,000
Construction In Process - Completed	(7,253,197)		
Belle Haven III	5,500,893		
Emergency Repairs to Alpine Rd	1,752,304		
Total Wastewater Infrastructure Projects	1,266,758	6,045,000	4,395,000

In addition to the \$1.88 million in construction, in FY 2020-21, the District completed two subsurface line projects for \$7.25 million, which was transferred from CIP. The District transferred \$1.244 million to Capital Reserves; Capital Project, Emergency Capital, and Vehicle & Equipment Reserves. The District paid \$5.85 million to SVCW or for SVCW bonds and other debt. 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 2020-21	Budget FY 2020-21	Budget FY 2021-22
Administration	3,547	35,000	35,000
Collection Facilities	24,510	450,000	600,000
Vehicles & Equipment	177,112	228,000	201,750
Pump Stations	64,825	65,000	65,000
Subsurface Lines	7,253,197	130,000	130,000
Construction Projects	(5,640,649)	8,520,000	11,720,000
Total Capital Fund Construction	1,882,542	9,428,000	12,751,750
Capital Reserve Transfers	1,244,000	1,244,000	2,871,315
SVCW - Capital & Debt Contributions	5,850,769	6,070,847	6,171,462
Total Construction, Transfers, & Contributic	8,977,311	16,742,847	21,794,527

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 West Bay Sanitary District (the “District”) as of and for the year ended June 30, 2021, 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 10, 2021.

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 UP

November 10, 2021
San Jose, 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, 2021, and have issued our report thereon dated November 10, 2021. 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, 2021. 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 10, 2021.

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.

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 UP

November 10, 2021
Morgan Hill, California



To: *Board of Directors*

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

Subject: *Consider a General Regulation Amending the Code of General Regulations for the adoption of Updated Silicon Valley Clean Water Local Limits to be Included in the West Bay Sanitary District Code of General Regulations*

Background:

We are presenting this proposal for approval of the General Regulation amending Code of General Regulations Article VI, Section 603.(08) and Section 603.(09) to adopt the Silicon Valley Clean Water (SVCW) updated local limits to the West Bay Sanitary District Code of General Regulations.

Analysis:

The San Francisco Bay Regional Water Quality Control Board (Regional Water Board) reviewed SVCW's 2019 Local Limits Analysis Report (Local Limits Report) dated August 2019. The Regional Water Board conducted this review in accordance with the guidelines specified in U.S. EPA's Local Limits Development Guidance (Guidance Manual). This verification report presents the conclusions from the Regional Water Board's review of the Local Limits Report submitted by SVCW.

SVCW's NPDES Permit requires it to evaluate the need to revise its local limits and submit a report within 180 days of the NPDES Permit effective date of April 1, 2018. The NPDES Permit is set to expire on March 31, 2023.

Based on its Local Limits Report, SVCW proposes updating the maximum allowable industrial loadings (MAILs) and uniform concentration-based local limits for all the pollutants of concern (POCs). According to the cover letter attached to the Local Limits Report, SVCW decided they will adopt the proposed local limits values for metals and conventional pollutants once approved by the Regional Water Board but will retain the existing local limit concentrations for organics. SVCW also plans to adopt Selenium, Chemical Biochemical Oxygen Demand (cBOD), total dissolved solids (TDS), and Electrical Conductivity (EC) to its local limits.

In addition, the Regional Water Board concluded there were no other discrepancies or items of concerns to address regarding SVCW's Local Limits Report. In addition, the Regional Water Board agrees with SVCW's conclusion that its existing and proposed local limits are sufficiently protective to prevent violation of NPDES effluent limitations, inhibition of WWTP processes, or contamination of WWTP bio solids that would limit current beneficial reuse.

Fiscal Impact:

The Fiscal Impact to adopting these local limits would be limited to District Board, counsel, and staff time associated with approving the updated limits.

Recommendation:

The District Manager and Water Quality Manager recommend the District Board adopt the Silicon Valley Clean Water local limits and include them in the Districts Code of General Regulations.

Attachments:

1. Attachment A – General Regulation Amendment adopting the Silicon Valley Clean Water updated local limits to the West Bay Sanitary District Code of General Regulations
2. Attachment B – 2019 SVCW Local Limits Verification Report

WEST BAY SANITARY DISTRICT

GENERAL REGULATION NO. _____

**A GENERAL REGULATION AMENDING GENERAL REGULATION NO. 58
"A GENERAL REGULATION ADOPTING CODE OF GENERAL REGULATIONS"**

BE IT ORDAINED AND ENACTED BY THE District Board of West Bay Sanitary District that General Regulation No. 58, "A General Regulation Adopting Code of General Regulations," passed and approved on November 27, 1982, as heretofore amended, is hereby further amended as follows:

Section 1. Article VI, Section 603.(08) is hereby amended to read as follows:

Except as noted below under Article VI, Section 603 (10), no person shall, and it shall be unlawful to, discharge, cause to be discharged, or permit to be discharged any wastewater containing any of the following constituents in excess of the maximum allowable amounts respectively hereinafter established therefor:

-
- (a) 0.27 mg/l arsenic;
 - (b) 0.13 mg/l cadmium;
 - (c) 2.3 mg/l copper;
 - (d) 0.06 mg/l cyanide;
 - (e) 1.2 mg/l lead;
 - (f) 0.00097 mg/l mercury;
 - (g) 0.17 mg/l nickel;
 - (h) 0.44 mg/l silver;
 - (i) 3.3 mg/l total chromium;
 - (j) 6.5 mg/l zinc;
 - (k) 0.098 mg/l selenium;
 - (l) 0.07 mg/l methylene chloride;

- (m) 0.03 mg/l chloroform;
- (n) 0.03 mg/l tetrachloroethene (perchloroethylene);
- (o) 0.002 mg/l benzene;
- (p) 0.001 mg/l carbon tetrachloride;
- (q) 2,000 mg/l cBOD;
- (r) 3,600 mg/l TDS
- (s) 1,800 mg/l Electrical Conductivity

Section 2. Article VI, Section 603.(09) is hereby amended to read as follows:

No person shall, and it shall be unlawful to, discharge, cause to be discharged, or permit to be discharged any wastewater:

- (A) The temperature of which is higher than 150 degrees Fahrenheit (65 degrees Celsius);
- (B) Containing more than 300 mg/l of oil or grease of animal or vegetable origin;
- (C) Containing more than 100 mg/l of oil or grease of mineral or petroleum origin;
- (D) Having a pH lower than 6.0 or having a corrosive property capable of causing damage or hazard to structures or equipment of the wastewater facilities, or any portion thereof;
- (I) Containing any sand, grit, straw, metal, glass, rags, feathers, paper, tar, plastic, wood, leaves, garden clippings, manure, dead animals, offal, or any other solid or viscous substance capable of causing obstruction to the flow in the wastewater facilities, or which in any way interferes with the proper operation of the wastewater facilities;
- (J) Containing a toxic or poisonous substance not otherwise specifically prohibited in this Code in sufficient quantities to constitute a hazard to humans or animals, or to create a hazard in the wastewater facilities, or to injure or interfere with the operation thereof;
- (K) Containing suspended solids, not otherwise specifically prohibited under the provisions of this Code the characteristics or quantity of which require unusual attention, treatment, or expense in handling or treating such material in the wastewater facilities, or any portion thereof;
- (L) Any waste streams with a closed cup flashpoint of less than 140 degrees Fahrenheit;
- (M) Any trucked or hauled wastes except at points designated by the Authority or District.

Section 3. Upon adoption this General Regulation shall be entered in the minutes of the District Board and a summary of this General Regulation prepared by the District Counsel shall be published once in the Almanac newspaper, being a newspaper of general circulation in the District. A certified copy of the full text of this General Regulation shall be posted in the office of the Clerk of the Board.

Section 4. This General Regulation shall become effective upon expiration of the week of publication.

Passed and approved by the District Board of the West Bay Sanitary District on December 8, 2021 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

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

Attest:

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



San Francisco Bay Regional Water Quality Control Board

July 02, 2021
CW - 244705

Silicon Valley Clean Water (SVCW)
1400 Radio Road
Redwood City, CA 94065-1220

ATTN: Benjamin Padua, Jr.
Environmental Services Supervisor
Via email to BPaduaJR@svcw.org

SUBJECT: REVIEW OF 2019 LOCAL LIMITS ASSESSMENT

Dear Benjamin Padua:

Enclosed is the review of SVCW's 2019 Local Limits Analysis Report. Based on the review, the Regional Water Board conditionally approves SVCW's local limits. For the updated local limits for chromium and copper, and for the removal of the local limits for carbon disulfide, phenolic compounds, polycyclic aromatics hydrocarbons, SVCW shall publicly notice this substantial modification and provide an opportunity for comment at a public hearing pursuant to 40 CFR 403.18. If SVCW does not receive any comments, it shall provide documentation to the Regional Water Board. Subsequently, this substantial modification will be reflected and incorporated into SVCW's NPDES permit. Should you have any questions regarding this matter please email me at Michael.Chee@waterboard.ca.gov.

Sincerely,

Michael Chee
Water Resources Control Engineer
Pretreatment Program Coordinator

cc: Gurgagn Chand, State Water Board, Gurgagn.Chand@waterboards.ca.gov
Amelia Whitson, U.S. EPA Region 9, Whitson.Amelia@epa.gov

Attachment: Silicon Valley Clean Water 2019 Local Limits Verification Report

JIM McGRATH, CHAIR | MICHAEL MONTGOMERY, EXECUTIVE OFFICER

1515 Clay St., Suite 1400, Oakland, CA 94612 | www.waterboards.ca.gov/sanfranciscobay

**Silicon Valley Clean Water
2019 Local Limits Verification Report**

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Table 6: Summary of New Local Limits

1. Summary

The San Francisco Bay Regional Water Quality Control Board (Regional Water Board) reviewed SVCW's 2019 *Local Limits Analysis Report* (Local Limits Report) dated August 2019. The Regional Water Board conducted this review in accordance with the guidelines specified in U.S. EPA's *Local Limits Development Guidance* (*Guidance Manual*). This verification report presents the conclusions from the Regional Water Board's review of the Local Limits Report submitted by SVCW.

2. Background Information

SVCW owns and operates the Silicon Valley Clean Water Wastewater Treatment Plant (WWTP) and its collection system, which provides advanced secondary treatment, preliminary mechanical bar screens, primary sedimentation, secondary biological treatment through fixed film reactors or aeration basins (or both), secondary clarification, mono- or dual-media filtration, chlorine disinfection using sodium hypochlorite, and dechlorination using sodium bisulfite. The WWTP serves approximately 220,000 residents, has an average dry weather effluent flow design capacity of 29 million gallons per day (MGD), and a peak wet weather flow capacity of 71 MGD. The WWTP receives and treats wastewater generated from domestic, commercial, and industrial sources from the cities of Belmont, San Carlos, Redwood City, and Woodside; and for the service area of the West Bay Sanitary District, which collects wastewater from the cities of Menlo Park, Atherton, Portola Valley, and areas of East Palo Alto, Woodside, and unincorporated areas of San Mateo and Santa Clara counties.

The WWTP provides advanced secondary treatment and discharges to Lower San Francisco Bay. The WWTP effluent is regulated by National Pollutant Discharge Elimination System (NPDES) Permit CA0038369. The WWTP effluent is also regulated under NPDES Permits CA0038849 and CA0038873, which establish requirements on mercury and polychlorinated biphenyls and nutrients from waste discharges to San Francisco Bay. In addition, SVCW's recycled water activities are regulated under Regional Water Board Order No. 96-011.

SVCW's NPDES Permit requires it to evaluate the need to revise its local limits and submit a report within 180 days of the NPDES Permit effective date of April 1, 2018. The NPDES Permit is set to expire on March 31, 2023.

Based on its Local Limits Report, SVCW proposes updating the maximum allowable industrial loadings (MAILs) and uniform concentration-based local limits for all the pollutants of concern (POCs). According to the cover letter attached to the Local Limits Report, SVCW decided they will adopt the proposed local limits values for metals and conventional pollutants once approved by the Regional Water Board but will retain the existing local limit concentrations for organics. SVCW also plans to adopt selenium, chemical biochemical oxygen demand (cBOD), total dissolved solids (TDS), and electrical conductivity to its local limits.

SVCW's sewer use code *Regulations of Silicon Valley Clean Water* (SVCW, 2005) list three sets of local limits:

1. Wastewater Strength Limitations (metals, organics, conventional pollutants),
2. Specific Wastes Prohibited (oil and grease, pH, and temperature), and
3. Specific User Limitations (aggregate mass limits).

The values of these local limits in the SVCW code are summarized in Table 1.

Table 1. Summary of Current Local Limits

Analyte	Wastewater Strength Limitations/Waste Prohibitions ^[1]		Aggregate Maximum Permitted Amounts	
	Value	Units	Value	Units
Arsenic	0.1	mg/L	11.4	lb/day
Cadmium	0.04	mg/L	6.11	lb/day
Chromium (Total)	0.2	mg/L	31.3	lb/day
Copper	0.2	mg/L	19.9	lb/day
Lead	0.2	mg/L	22.7	lb/day
Mercury	0.002	mg/L	0.915	lb/day
Nickel	0.06	mg/L	6.82	lb/day
Silver	0.1	mg/L	12.5	lb/day
Zinc	1.0	mg/L	113.0	lb/day
Phenolic Compounds	2.6	mg/L	385.0	lb/day
Cyanide	0.06	mg/L	5.25	lb/day
PAHs ⁽²⁾	0.2	mg/L	15.2	lb/day
Methylene Chloride	0.07	mg/L	----	----
Chloroform	0.03	mg/L	----	----
Tetrachloroethene (Perchloroethylene) ⁽³⁾	0.03	mg/L	----	----
Benzene	0.002	mg/L	----	----
Carbon Tetrachloride	0.0001	mg/L	----	----
Carbon Disulfide	0.008	mg/L	----	----
Temperature	150	°F	----	----
Oil and Grease	Animal/Vegetable	300	mg/L	----
	Mineral/Petroleum	100	mg/L	----
pH ⁽⁴⁾	6.0	S.U.	----	----

Footnotes:

^[1] These values are from Sections 2.3 and 2.4 of the Silicon Valley Clean Water Code (SVCW, 2005).

^[2] Polycyclic Aromatic Hydrocarbons

^[3] The Silicon Valley Clean Water Regulations refer to tetrachloroethene as “perchloroethylene”

^[4] The Silicon Valley Clean Water Regulations limit “pH lower than 6.0 or having a corrosive property capable of causing damage or hazard to structures or equipment of the [SVCW and member agencies’} Sewerage Facilities, or any portion thereof...” (SVCW, 2005).

3. Methodology

SVCW used the following procedures for its local limits evaluation:

1. Determine POCs,
2. Collect data for each POC,
3. Calculate mean removal efficiencies (MREs) for each POC,
4. Calculate Allowable Headworks Loadings (AHLs) and Maximum Allowable Headworks Loadings (MAHLs) for each POC based on treatment plant removal efficiencies, applicable environmental criteria for the effluent discharges and biosolids and process inhibition criteria,

5. Compare MAHLs to current influent loadings. Local limits are recommended when influent loadings exceed specified percentages of the calculated MAHLs, as discussed in [Section 6](#),
6. Calculate MAILs for POCs where the influents loadings exceed the MAHL thresholds, and
7. Calculate local limits based on the MAILs, if needed.

Note: Since SVCW already developed local limits for most of its POCs, SVCW could have reviewed its local limits in accordance with Chapter 7 – Local Limits Review and Detailed Re-Evaluations of the [Guidance Manual](#). The procedures in Chapter 7 are similar to the procedures above but provides different guidance and thresholds.

4. Determining Pollutants of Concerns

4.1 National Pollutants of Concern

U.S. EPA has identified 15 pollutants often found in POTW sludge and effluent that it considers potential POCs. These 15 “National POCs” are arsenic, cadmium, chromium, copper, lead, mercury, molybdenum, nickel, selenium, silver, zinc, ammonia, cyanide, biochemical oxygen demand (BOD), and total suspended solids (TSS).

According to the Local Limits Report, SVCW included 11 out of the 15 “National POCs” in its local limits evaluation. The 11 POCs that SVCW included in its local limits evaluation were: arsenic, cadmium, chromium, copper, lead, mercury, nickel selenium, silver, zinc, and cyanide. SVCW did not include ammonia, BOD, molybdenum, and TSS in its local limits evaluation for the following reasons:

- **Ammonia:** Regulation of ammonia in industrial dischargers are not necessary, because industrial dischargers are not expected nor considered to be a significant source of ammonia.
- **BOD:** SVCW’s NPDES Permit regulates cBOD, which has been evaluated instead of BOD.
- **Molybdenum:** There are no regulatory criteria for molybdenum that currently apply to SVCW.
- **TSS:** SVCW’s WWTP is designed to significantly remove TSS. In addition, industrial dischargers are not expected nor considered to be a significant source of TSS.

4.2 Receiving Water Quality Criteria

The Regional Water Board conducted the Regional Potential Analysis (RPA) based on NPDES and Pretreatment Program effluent monitoring data from October 2012 through January 2017, which included all California Toxics Rule (CTR) constituents.

The pollutants identified through the RPA (Table 2) were included in SVCW’s local limits evaluation as potential POCs except for ammonia and Dioxin-Total Equivalents (Dioxin-TEQ). The exclusion of ammonia from SVCW’s local limits evaluation is presented in [Section 4.1](#). Dioxin-TEQ was not included in this local limits evaluation, because (1) dioxin and dioxin-like

compounds were not above detection limits in influent or effluent samples, and (2) SVCW is currently not concerned about pass-through or interference from dioxins and dioxin-like compounds.

Table 2. Order R2-2018-0005 Reasonable Potential Triggers and Reasonable Potential Analysis Report

State Implementation Policy [1] Reasonable Potential Trigger or Basin Plan Requirement	Description	Applicable Pollutants
Trigger I	Maximum effluent concentration (MEC) exceeds applicable water quality objectives (WQOs). WQOs are the most stringent of CTR freshwater, saltwater, or human-health-based objective.	Ammonia Copper Cyanide
Trigger II	Receiving Water ambient background concentration exceeds a WQO (irrespective of MEC)	Dioxin-TEQ
Trigger III	Other information indicates that water quality-based effluent limitations (WQBELs) are needed to protect beneficial uses of the receiving water	Dioxin-TEQ
Basin Plan Requirement [2]	Technology-based limits or WQBELs are required by the Basin Plan	Copper Cyanide Mercury

Footnotes:

^[1] On March 2, 2000, the State Water Board adopted the [Policy for Implementation of Toxics Standards for Inland Surface Waters, Enclosed Bays, and Estuaries of California](#) (State Implementation Policy or SIP). The SIP establishes implementation provisions for priority pollutant criteria and objectives, and provisions for chronic toxicity control. The SIP became effective on April 28, 2000, with respect to the priority pollutant criteria U.S. EPA promulgated for California through the NTR and the priority pollutant objectives the Regional Water Board established through the Basin Plan. The SIP became effective on May 18, 2000, with respect to the priority pollutant criteria U.S. EPA promulgated through the CTR. The State Water Board adopted amendments to the SIP on February 24, 2005, that became effective on July 13, 2005. Requirements of this Order implement the SIP.

^[2] The Regional Water Board adopted the [Water Quality Control Plan for the San Francisco Bay Basin](#) (Basin Plan), which designates beneficial uses, establishes water quality objectives, and contains implementation programs and policies to achieve those objectives for all waters addressed through the plan. The Basin Plan was last amended on November 5, 2019.

4.3 Other Criteria

The following criteria were also reviewed in the Local Limits Report: Air Quality Environmental Criteria, Explosive/Flammable Criteria, Fume Toxicity Criteria, Site-Specific Criteria, Sludge (Biosolids) Quality Environmental Criteria, Treatment Process Inhibition Criteria, and Water Quality Criteria. Based on those criteria, the following POCs were added in SVCW’s local limits evaluation: selenium, cBOD, TDS, and electrical conductivity.

4.4 Pollutant of Concerns Eliminated from Consideration

The following POCs were not considered in SVCW’s local limits evaluation:

- **Carbon Disulfide:** Industrial discharges are likely not significant sources of carbon disulfide. Domestic wastewater is assumed to be a more significant source in the collection system and WWTP, being created through degradation of domestic wastewater. Therefore, limiting point sources and particularly industrial users would not be expected to reduce carbon disulfide concentrations to address concerns about fume toxicity and corrosion in the collection system and WWTP.

- **Chlordane:** No results were above detection limits in recent influent or effluent samples. Therefore, there is currently no concern about pass-through or interference.
- **Chlorine:** Chlorine is added at the WWTP for disinfection and therefore should not be regulated in industrial discharges.
- **Dieldrin:** No results were above detection limits in recent influent or effluent samples. Therefore, there is currently no concern about pass-through or interference.
- **Fecal Coliform and Enterococcus Bacteria:** Industrial discharges are unlikely to contribute substantially to bacterial concentrations in the WWTP.
- **Phenolic Compounds:** SVCW does not have effluent limits for phenolic compounds or component analytes. In addition, effluent concentrations are also generally non-detect except for the base phenols.
- **Phosphorus:** SVCW is not currently subject to effluent limits for phosphorous and has no reason to limit its discharge to the collection system and WWTP.
- **Polycyclic Aromatic Hydrocarbons:** PAHs are a category of organic compounds that includes naphthalene and anthracene, which are priority pollutants. Therefore, these have been monitored as part of SVCW’s recent permit renewal. However, the component analytes do not have effluent limits and were not detected in the WWTP influent or effluent. Therefore, SVCW is currently not concern about pass-through or interference and regulation in industrial discharges are not needed at this time.
- **Polychlorinated Biphenyls (PCBs):** PCBs were not above detection limits in recent influent or effluent samples. Therefore, there is currently no concern about pass-through or interference.
- **Turbidity:** Turbidity is not typically regulated via local limits.

5. Data and Calculations

SVCW used the following data presented in Table 3 to calculate mean removal efficiencies (MREs), AHLs, MAHLs, Percent MAHLs, MAILs, and Uniform Concentration-Based Local Limits.

Table 3. Overview of Flow and Water Quality Data Used in Local Limits Analysis

Source	Parameters	Frequency	Monitoring Data
Permitted Industrial Users	Flow	Daily	2017-2018
Domestic and Commercial Concentration for POCs (Belmont Pump Station)	Water Quality	Four Times	March-April 2019
POTW Influent	Flow, Water Quality	Varies	October 2012-December 2018
POTW Effluent	Flow, Water Quality	Varies	October 2012-December 2018
Sludge to Digester	Flow	Daily	2014-2018
Biosolids Mass to Disposal (Dry)	Mass Flow Rate	Daily	2014,2015,2017
Biosolids Mass to Disposal (Wet)	Mass Flow Rate	Daily	2014, 2015.2017
Biosolids	Quality	Varies	2014, 2015, 2017

[Attachment 1](#) contains Regional Water Board calculations for MREs, AHLs, MAHLs, Percent MAHLs, MAILs, and Uniform Concertation-Based Local Limits. These calculations were then compared to values calculated in SVCW’s Local Limits Report. The calculations conducted by the

Regional Water Board showed very slight differences. These differences are likely caused by a difference in the MREs used in the Regional Water Board’s calculations compared to the MREs used in SVCW’s calculations. In the end, these slight differences did not cause a substantial difference between the MAILs and Uniform Concentration-Based Local Limits calculated by the Regional Water Board compared to the calculations conducted by SVCW. In addition, the Regional Water Board did not observe any other discrepancies in SVCW’s calculations.

A list of equations used for calculating MREs, AHLs, MAHLs, Percent MAHLs, MAILs, and Uniform Concentration-Based Local Limits are found in [Attachment 2](#). A list of WWTP variables used in the calculations are found in [Attachment 3](#).

6. Maximum Allowable Headworks Loadings

The U.S. EPA [Guidance Manual](#) recommends that local limits are needed when any of the following are true:

- Average influent loading of toxic pollutant exceeds 60 percent of the MAHL,
- Maximum daily influent loading of a toxic pollutant exceeds 80 percent of the MAHL any time in the 12-month period preceding the analysis, and
- Monthly average influent loadings reach 80 percent of the average design capacity for BOD, TSS, and ammonia during any month in the 12-month period preceding the analysis.

The following average influent loadings approached and/or exceeded the 60 percent threshold: mercury (59%) and electrical conductivity (79%). The following maximum daily influent loadings exceeded the 80 percent threshold: mercury (386%), nickel (255%), TDS (86%), and electrical conductivity (275%).

7. Proposed Maximum Allowable Industrial Loadings

SVCW proposed MAILs are presented below in Table 4.

Table 4. Proposed MAILs

Analyte	Proposed Value (lb/day)
Arsenic	2.9
Cadmium	1.4
Chromium (Total)	36
Copper	25
Lead	13
Mercury	0.011
Nickel	1.8
Selenium	1.1
Silver	4.8
Zinc	71
Phenolic Compounds	(Remove)

Analyte	Proposed Value (lb/day)
PAHs	(Remove)
Benzene	9.3
Carbon Tetrachloride	0.46
Chloroform	13
Cyanide	1.8
Methylene Chloride	254
Tetrachloroethene (Perchloroethylene)	1.6
Carbonaceous Biochemical Oxygen Demand	21,700
Total Dissolved Solids	39,000
Electrical Conductivity ^[1]	20

Footnotes:

^[1] Units for electrical conductivity MAIL are not strictly lb/day since the electrical conductivity concentration used in the calculations is in units of micro-Siemens per centimeter ($\mu\text{S}/\text{cm}$) instead of milligram per liter (mg/L).

8. Proposed Uniform Concentration-Based Local Limits

SVCW proposed Uniform Concentration-Based Local Limits are presented below in Table 5.

Table 5. Proposed Uniform Concentration-Based Local Limits

Analyte	Proposed Value	Units
Arsenic	0.27	mg/L
Cadmium	0.13	mg/L
Chromium (Total)	3.3	mg/L
Copper	2.3	mg/L
Lead	1.2	mg/L
Mercury	0.00097	mg/L
Nickel	0.17	mg/L
Selenium	0.098	mg/L
Silver	0.44	mg/L
Zinc	6.5	mg/L
Phenolic Compounds	(Remove)	mg/L
PAHs	(Remove)	mg/L
Benzene	0.86	mg/L
Carbon Tetrachloride	0.043	mg/L
Chloroform	1.2	mg/L
Cyanide	0.17	mg/L
Methylene Chloride	23	mg/L
Tetrachloroethene (Perchloroethylene)	0.15	mg/L
Carbon Disulfide	(Remove)	mg/L
cBOD	2000	mg/L
TDS	3600	mg/L
Electrical Conductivity	1800	$\mu\text{S}/\text{cm}$
Temperature	150	$^{\circ}\text{F}$
Oil and Grease	Animal/Vegetable	300
	Mineral/Petroleum	100

Analyte	Proposed Value	Units
pH	6.0-11.0 ^[1]	S.U.

Footnotes:

^[1] The SVCW Regulations limit “pH lower than 6.0 or having a corrosive property capable of causing damage or hazard to structures or equipment of the [SVCW and member agencies] Sewerage Facilities, or any portion thereof...” (SVCW, 2005).

9. Summary of New Local Limits

As mentioned in Section 2, SVCW intends to adopt the proposed local limit values for metals and conventional pollutants once approved by the Regional Water Board, however, SVCW will retain its existing local limit concentrations for organics.

Note: The adoption of the proposed local limits for metals (except for mercury and selenium) are less stringent compared to SVCW’s current local limits.

Table 6. Summary of New Local Limits

Analyte	Wastewater Strength Limitations/Waste Prohibitions		Aggregate Maximum Permitted Amounts	
	Value	Units	Value	Units
Arsenic	0.27	mg/L	2.9	lb/day
Cadmium	0.13	mg/L	1.4	lb/day
Chromium (Total)	3.3	mg/L	36	lb/day
Copper	2.3	mg/L	25	lb/day
Lead	1.2	mg/L	13	lb/day
Mercury	0.00097	mg/L	0.011	lb/day
Nickel	0.17	mg/L	1.8	lb/day
Selenium ^[1]	0.098	mg/L	1.1	lb/day
Silver	0.44	mg/L	4.8	lb/day
Zinc	6.5	mg/L	71	lb/day
Cyanide ^[2]	0.06	mg/L	5.25	lb/day
Methylene Chloride ^[2]	0.07	mg/L	254	lb/day
Chloroform ^[2]	0.03	mg/L	13	lb/day
Tetrachloroethene (Perchloroethylene) ^[2]	0.03	mg/L	1.6	lb/day
Benzene ^[2]	0.002	mg/L	9.3	lb/day
Carbon Tetrachloride ^[2]	0.001	mg/L	0.46	lb/day
cBOD ^[1]	2,000	mg/L	21,700	lb/day
TDS ^[1]	3,600	mg/L	39,000	lb/day
Electrical Conductivity ^{[1] [3]}	1,800	mg/L	20	----
Temperature	150	°F	----	----
Oil and Grease	Animal/Vegetable	300	mg/L	----
	Mineral/Petroleum	100	mg/L	----
pH	6.0-11.0	S.U.	----	----

Footnotes:

^[1] New local limits adopted.

^[2] SVCW’s current local limits for this analyte will remain the same.

^[3] Units for electrical conductivity MAIL are not strictly lb/day since the electrical conductivity concentration used in the calculations is in units of micro-Siemens per centimeter (µS/cm) instead of milligram per liter (mg/L).

10. Closing Remarks

The federal pretreatment regulations at [40 CFR 403.5\(c\)](#) require SVCW to continually evaluate and develop local limits as necessary to ensure they are protective of the WWTP. As such, any changes to local limits are to be addressed in the Pretreatment Annual Report under Pretreatment Program Changes (Attachment H – Pretreatment Requirements).

Based on the review, the Regional Water Board conditionally approves SVCW's local limits. For the updated local limits for chromium and copper, and for the removal of the local limits for carbon disulfide, phenolic compounds, polycyclic aromatics hydrocarbons, SVCW shall publicly notice this substantial modification and provide an opportunity for comment at a public hearing pursuant to 40 CFR 403.18. If SVCW does not receive any comments, it shall provide documentation to the Regional Water Board. Subsequently, this substantial modification will be reflected and incorporated into SVCW's NPDES permit.

In addition, the Regional Water Board concluded there were no other discrepancies or items of concerns to address regarding SVCW's Local Limits Report. In addition, the Regional Water Board agrees with SVCW's conclusion that its existing and proposed local limits are sufficiently protective to prevent violation of NPDES effluent limitations, inhibition of WWTP processes, or contamination of WWTP biosolids that would limit current beneficial reuse.

**Attachment 1:
Regional Water Board Calculations**

Table 1. Mean Removal Efficiencies

Pollutant	Influent Average (µg/L)	Effluent Average (µg/L)	Mean Removal Efficiency (Percent)	Mean Removal Efficiency (Decimal)
Arsenic	1.6	1	38	0.38
Cadmium	0.32	0.038	88	0.88
Chromium	4.7	0.55	88	0.88
Copper	61	5.9	90	0.90
Lead	4.5	0.18	96	0.96
Mercury	0.23	0.0047	98	0.98
Nickel	8.8	4.3	51	0.51
Selenium	1	0.4	60	0.6
Silver	0.73	0.029	96	0.96
Zinc)	170	15	91	0.91
Benzene	0.39	0.25	36	0.36
Carbon Tetrachloride	0.47	0.32	32	0.32
Chloroform	4.3	2.5	42	0.42
Methylene Chloride	2.7	1.5	44	0.44
Tetrachloroethene	0.73	0.33	55	0.55
Cyanide	3 ^[1]	2.7 ^[1]	10	0.1
cBOD	200 ^[1]	3.8 ^[1]	0.98	0.98
TDS	920 ^[1]	893 ^[1]	3	0.03
Electrical Conductivity	1710 ^[2]	1540 ^[2]	-3	-0.03

Footnotes:

^[1] The units are in milligram per liter (mg/L).

^[2] The units are in micro-Siemens per centimeter (µS/cm).

Table 2. NPDES Permit Limits, Applicable Water Quality Objectives, and Other Criteria Values

Pollutant (Concentration)	NPDES Permit Limit Daily Max	NPDES Permit Limit Weekly Average	NPDES Permit Limit Monthly Average	Receiving WQO Based Limits Daily Max	Receiving WQO Based Limits Monthly Average	Chronic Water Quality Criteria
Arsenic (mg/L)	----	----	----	----	----	0.036
Cadmium (mg/L)	----	----	----	----	----	0.0094
Chromium (mg/L)	----	----	----	----	----	0.05
Copper (mg/L)	----	----	----	----	----	----
Dry	0.084	----	0.052	0.10	0.064	----
Wet	0.084	----	0.052	0.10	0.064	----
Lead (mg/L)	----	----	----	----	----	0.0085
Mercury (mg/L)	----	7.2×10^{-5}	8.0×10^{-6} ^[1]	----	----	----
Nickel (mg/L)	----	----	----	----	----	0.013
Selenium (mg/L)	----	----	----	----	----	0.005
Zinc (mg/L)	----	----	----	----	----	0.086
Dry	0.036	----	0.021	----	----	----
Wet	0.036	----	0.021	----	----	----
cBOD (mg/L)	----	----	----	----	----	----
Dry	----	12	8	----	----	----
Wet	----	24	16	----	----	----
TDS (mg/L)	----	----	----	----	----	----
Electrical Conductivity (mS/cm)	----	----	----	----	----	----

Footnotes:

^[1] Silicon Valley Clean Water’s discharge is subject to a watershed-wide permit for mercury, SF Bay Regional Water Board Order R2-2017-0041. The Mercury Watershed Permit includes an Average Monthly Effluent Limit of 0.66 ug/L but also an Average Annual Effluent Limit of 0.32 kilograms per year (kg/yr). Because there is no AHL calculation for annual effluent limits, for purposes of the monthly limit in Table 1-5, the Discharger took the minimum of the Average Monthly Effluent Limit and the Average Annual Effluent Limit converted to a monthly basis, and the converted annual value ended up being the lower value. The calculation for the converted annual limits is: $0.32 \text{ kg/yr} \div 365 \text{ days/yr} \div 29 \text{ million gallons per day} \div 3.785 \text{ liters/gallon} = 8.0\text{E-}6 \text{ mg/L}$. There are some other unit conversions not shown that cancel each other out, e.g. million gallons to gallons and kilograms to milligrams. Also, the 29 MGD design capacity of the treatment plant is used here as a conservative measure.

Table 2 (Continued). NPDES Permit Limits, Applicable Water Quality Objectives, and Other Criteria Values

Pollutant (Concentration)	Acute Water Quality Criteria	Human Health Criteria	Recycled Water Criteria
Arsenic (mg/L)	0.069	----	----
Cadmium (mg/L)	0.042	----	----
Chromium (mg/L)	1.1	----	----
Lead (mg/L)	0.22	----	----
Nickel (mg/L)	0.087	----	----
Selenium (mg/L)	0.02	----	----
Silver (mg/L)	0.0022	----	----
Zinc (mg/L)	0.095	----	----
Benzene (mg/L)	----	0.071	----
Carbon Tetrachloride (mg/L)	----	0.0044	----
Methylene Chloride (mg/L)	----	1.6	----
Tetrachloroethene (mg/L)	----	0.0089	----
TDS (mg/L)	----	----	1600
Electrical Conductivity (mS/cm)	----	----	2.5

Table 3. Allowable Headworks Loading Based on NPDES Permit Limits and Applicable Water Quality Objectives

Pollutant)	AHL NPDES Permit Limit Daily Max (lb/day)	AHL NPDES Permit Limit Weekly Average (lb/day)	AHL NPDES Permit Limit Monthly Average (lb/day)	AHL Based on Daily Maximum WQO-Based Limits (lb/day)	AHL Based on Monthly Average WQO-Based Limits (lb/day)	AHL Design Capacity Based on Weekly Average (lb/day)
Copper (mg/L)	----	----	----	----	----	----
Dry	100	----	62	120	76	----
Wet	100	----	62	120	76	----
Mercury (mg/L)	----	0.41	0.044	----	----	----
Cyanide (mg/L)	----	----	----	----	----	----
Dry	4.6	----	2.7	----	----	----
Wet	4.6	----	2.7	----	----	----
cBOD (mg/L)	----	----		----	----	----
Dry	----	----		----	----	152,000
Wet	----	----		----	----	----

Table 3 (Continued). Allowable Headworks Loading Based on NPDES Permit Limits and Applicable Water Quality Objectives

Pollutant (Concentration)	AHL Design Capacity Based on Monthly Average (lb/day)	AHL Chronic Water Quality Criteria (lb/day)	AHL Acute Water Quality Criteria (lb/day)	AHL Human Health Criteria (lb/day)	AHL Recycled Water Criteria (lb/day)
Arsenic	----	6.6	13	----	----
Cadmium	----	9.1	41	----	----
Chromium	----	49.2	1090	----	----
Lead	----	24.5	636	----	----
Nickel	----	3.1	20	----	----
Selenium	----	1.4	5.8	----	----
Silver	----	----	6.4	----	----
Zinc	----	114	126	----	----
Benzene	----	----	----	13	----
Carbon Tetrachloride	----	----	----	0.74	----
Methylene Chloride	----	----	----	331	----
Tetrachloroethene	----	----	----	2.3	----
Dry	101,000	----	----	----	----
Wet	----	----	----	----	----
TDS	----	----	----	----	190,000 ^[1] ^[2]
Electrical Conductivity	----	----	----	----	280 ^[2]

Footnotes:

^[1] Units for electrical conductivity AHL are not strictly lb/day since the electrical conductivity concentration used in the calculations is in units of milli-Siemens per centimeter (Ms/cm) instead of milligram per liter (mg/L).

^[2] Values are rounded to two significant figures.

Table 4. Allowable Headworks Loadings Based on California Hazardous Waste Sludge Criteria and Federal Sludge Criteria

Pollutant	Mean Removal Efficiency (Percent)	Mean Removal Efficiency (Decimal)	California Hazardous Waste Criteria (mg/kg)	40 C.F.R. 503.13 Table 1 Maximum Land Application Sludge Criteria (mg/kg)	Most Stringent (mg/kg)
Arsenic	38	0.38	500	75	75
Cadmium	88	0.88	100	85	85
Chromium	88	0.88	2500	----	2500
Copper	90	0.9	2500	4300	2500
Lead	96	0.96	1000	840	840
Mercury	98	0.98	20	57	20
Nickel	51	0.51	2000	420	420
Selenium	60	0.6	100	100	100
Silver	96	0.96	500	----	500
Zinc	91	0.91	5000	7500	5000

Table 4 (Continued). Allowable Headworks Loadings Based on California Hazardous Waste Sludge Criteria and Federal Sludge Criteria

Pollutant	AHL California Hazardous Waste Sludge Criteria (lb/day)	AHL Federal Sludge Criteria (lb/day)	AHL SVCW's California Hazardous Waste Sludge Criteria Calculations (lb/day)	AHL SVCW's Federal Sludge Criteria Calculations (lb/day)	AHL Difference California Hazardous Waste Sludge Criteria (lb/day)	AHL Difference Federal Sludge Criteria (lb/day)
Arsenic	96	4.0	102.1	4.2	6.1	0.2
Cadmium	8.2	1.9	8.2	1.9	0	0.029
Chromium	204	----	206	----	2.1	----
Copper	199	95.2	201	95.3	1.7	0.091
Lead	75	17.5	75	17.5	0.5	0.0
Mercury	1.5	1.2	1.5	1.2	0.03	0.036
Nickel	282	16	286.3	16.6	4.7	0.17
Selenium	12	3.3	12.1	3.3	0.1	0.033
Silver	37	----	37.8	----	0.31	----
Zinc	394	164	397.2	164.3	3.0	0.059

Table 5. Allowable Headworks Loadings Based on Activated Sludge Inhibition and Anaerobic Digester Inhibition

Pollutant	Mean Removal Efficiency (Percent)	Mean Removal Efficiency (Decimal)	Precent Removal Efficiency from Headworks to Primary Treatment Effluent (Decimal)	Activated Sludge Inhibiton Threshold Levels (mg/L)	Anaerobic Digester Inhibition Threshold Level (mg/L)s
Arsenic	38	0.38	0	0.1	1.6
Cadmium	88	0.88	0	5.5	20
Chromium	88	0.88	0	51	240
Copper	90	0.90	0	1.0	40
Lead	96	0.96	0	51	340
Mercury	98	0.98	0	0.55	----
Nickel	51	0.51	0	3.0	73
Silver	96	0.96	0	----	39
Zinc	91	0.91	0	5.2	400
Benzene	36	0.36	0	300	----
Carbon Tetrachloride	32	0.32	0	----	80.7
Chloroform	42	0.2\42	0	----	8.5
Tetrachloroethene	55	0.55	0	----	20
Cyanide	10	0.10	0	2.6	50.5
EC	-3	-0.03	0	2.8	----

Table 5 (Continued). Allowable Headworks Loadings Based on Activated Sludge Inhibition and Anaerobic Digester Inhibition

Pollutant	AHL Secondary Treatment Inhibition (lb/day)	AHL Tertiary Treatment Inhibition (lb/day)	AHL SVCW's Secondary Treatment Inhibition (lb/day)	AHL SVCW's Tertiary Treatment Inhibition (lb/day)	AHL Difference Secondary Treatment Inhibition (lb/day)	AHL Difference Tertiary Treatment Inhibition (lb/day)
Arsenic	12	3.8	12	4.1	0	0.2
Cadmium	633	20.4	630	20.4	3	0
Chromium	5870	244.8	5810	245.4	60	0.6
Copper	115	39.9	120	39.9	5	0
Lead	5870	319	5810	318.5	60	0.5
Mercury	63	----	60	----	3	----
Nickel	345	128.6	350	129.6	5	1.0
Silver	----	36.6	----	36.6	----	0
Zinc	598	394.5	590	394.2	8	0.3
Benzene	34528	----	34530	----	2	----
Carbon Tetrachloride	----	227.8	----	232.4	----	4.6
Chloroform	----	18.3	----	17.6	----	0.7
Tetrachloroethene	----	32.9	----	32.7	----	0.2
Cyanide	299	454.9	290	547.8	9	92.9
EC	322	----	320	----	2	----

Table 6. Allowable Headworks Loading Based on Fume Toxicity

Pollutant	Vapor Phase Concentration (mol/m³)	Henry's Constant [(mg/m³)/(mg/L)]	Discharge Screening Level (mg/L)	AHL Fume Toxicity (lb/day)	AHL SVCW'S Fume Toxicity (lb/day)	AHL Difference (lb/day)
Benzene	130	228	0.57	66	66	0
Carbon Tetrachloride	514	1185	0.43	50	50	0
Chloroform	399	163.5	2.44	281	281	0
Methylene Chloride	17727	104.8	169.15	19468	19468	0
Tetrachloride	1404	18.6	75.48	8688	8687	1

Table 7. Most Stringent Maximum Allowable Headworks Loadings and Driving Factors

Pollutant	Most Stringent MAHL (lb/day)	Driving Factor	SVCW's Most Stringent MAHL (lb/day)	SVCW's Driving Factor	MAHL Difference (lb/day)
Arsenic	3.8	Anaerobic Digester Inhibition	4.1	Anaerobic Digester Inhibition	0.3
Cadmium	1.9	Federal Sludge Criteria	1.9	Federal Sludge Criteria	0
Chromium	49	Chronic Water Quality Criteria	48	Chronic Water Quality Criteria	1
Copper	40	Anaerobic Digester Inhibition	40	Anaerobic Digester Inhibition	0
Lead	18	Federal Sludge Criteria	17	Federal Sludge Criteria	1
Mercury	0.04	NPDES Permit Monthly Average	0.04	NPDES Permit Monthly Average	0
Nickel	3.1	Chronic Water Quality Criteria	3	Chronic Water Quality Criteria	0.1
Selenium	1.4	Chronic Water Quality Criteria	1.4	Chronic Water Quality Criteria	0
Silver	6.4	Acute Water Quality Criteria	6.4	Acute Water Quality Criteria	0
Zinc)	114	Chronic Water Quality Criteria	115	Chronic Water Quality Criteria	1
Benzene	13	Human Health Criteria	13	Human Health Criteria	0
Carbon Tetrachloride	0.74	Human Health Criteria	0.74	Human Health Criteria	0
Chloroform	18	Anaerobic Digester Inhibition	18	Anaerobic Digester Inhibition	0
Methylene Chloride	331	Human Health Criteria	338	Human Health Criteria	7
Tetrachloroethene	2.3	Human Health Criteria	2.3	Human Health Criteria	0
Cyanide	2.7	NPDES Permit Monthly Average	2.6	NPDES Permit Monthly Average	1
cBOD	63600	Design Capacity	63600	Design Capacity	0
TDS	190000	Recycled Water Criteria	190000	Recycled Water Criteria	0
EC	280	Recycled Water Criteria	280	Recycled Water Criteria	0

Table 8. Comparison of WWTP Influent Loadings to Maximum Allowable Headworks Loadings

Pollutant	Most Stringent MAHL (lb/day)	Driving Factor	Average Daily Headworks Loadings (lb/day)	MAHL (%)	SVCW's MAHL (%)	MAHL (%) Difference
Arsenic	3.8	Anaerobic Digester Inhibition	0.18	4.7	4.4	0.3
Cadmium	1.9	Federal Sludge Criteria	0.037	1.9	1.9	0
Chromium	49	Chronic Water Quality Criteria	0.54	1.1	1.1	0
Copper	40	Anaerobic Digester Inhibition	7	18	18	0
Lead	18	Federal Sludge Criteria	0.52	3.0	3.0	0
Mercury	0.04	NPDES Permit Monthly Average	0.026	59	59	0
Nickel	3.1	Chronic Water Quality Criteria	1	32	33	1
Selenium	1.4	Chronic Water Quality Criteria	0.12	8.6	8.3	0.3
Silver	6.4	Acute Water Quality Criteria	0.084	1.3	1.3	0
Zinc)	114	Chronic Water Quality Criteria	20	18	17	1
Benzene	13	Human Health Criteria	0.086	0.65	0.69	0.04
Carbon Tetrachloride	0.74	Human Health Criteria	0.12	16	16	0
Chloroform	18	Anaerobic Digester Inhibition	0.5	2.7	2.8	1
Methylene Chloride	331	Human Health Criteria	0.31	0.09	0.092	0.002
Tetrachloroethene	2.3	Human Health Criteria	0.084	3.7	3.7	0
Cyanide	2.7	NPDES Permit Monthly Average	0.34	13	13	0
cBOD	63600	Design Capacity	23000	36	36	0
TDS	190000	Recycled Water Criteria	110000	58	58	0
EC	280	Recycled Water Criteria	200	71	71	0

Table 8 (Continued). Comparison of WWTP Influent Loadings to Maximum Allowable Headworks Loadings

Pollutant	Maximum Daily Headworks Loadings (lb/day)	MAHL (%)	SVCW's MAHL (%)	MAHL (%) Difference
Arsenic	1.0	26	26	0
Cadmium	0.2	10	10	0
Chromium	4.7	9.6	10	0.4
Copper	21	53	53	0
Lead	3.6	21	20	1
Mercury	0.17	425	391	34
Nickel	7.9	255	259	4
Selenium	0.36	26	25	1
Silver	0.27	4.2	4.2	0
Zinc)	57	50	50	0
Benzene	0.089	0.67	0.71	0.04
Carbon Tetrachloride	0.12	16	16	0
Chloroform	0.96	5.2	5.5	0.3
Methylene Chloride	1.2	0.36	0.36	0
Tetrachloroethene	0.35	15	15	0
Cyanide	0.68	25	26	0
cBOD	26300	41	41	0
TDS	163000	86	86	0
EC	771	275	275	0

Table 9. Summary of Domestic Loadings and Maximum Allowable Industrial Loadings

Pollutant	MAHL (lb/day)	Domestic Loading (lb/day)	MAIL (lb/day)	SVCW's MAIL (lb/day)	MAIL Difference
Arsenic	3.8	0.1	2.8	2.9	0.1
Cadmium	1.9	0.018	1.4	1.4	0.0
Chromium (Total)	49	0.21	37	36	1.0
Copper	40	5	25	25	0.0
Lead	18	0.27	13	12	1.0
Mercury	0.04	0.023	0.007	0.011	0.004
Nickel	3.1	0.49	1.8	1.8	0.0
Selenium	1.4	0.023	1.0	1.1	0.1
Silver	6.4	0.027	4.8	4.8	0.0
Zinc	114	15	71	71	0.0
Benzene	13	0.068	9.9	9.3	0.6
Carbon Tetrachloride	0.74	0.09	0.47	0.46	0.0
Chloroform	18	0.35	13	13	0.0
Methylene Chloride	331	0.15	248	254	6.0
Tetrachloroethene	2.3	0.09	1.6	1.6	0.0
Cyanide	2.7	0.14	1.9	1.8	0.1
cBOD	63,600	26,000	21,700	21,700	0
TDS	190,000	104,000	39,000	39,000	0
EC	280	190	20	20	0

Table 10. Calculation of Potential Uniform Concentration-Based Local Limits

Pollutant	MAIL (lb/day)	Potential Uniform Concentration Local Limits (mg/L)	SVCW's Potential Uniform Concentration Local Limits (mg/L)	Difference
Arsenic	2.8	0.25	0.27	0.2
Cadmium	1.4	0.13	0.13	0
Chromium (Total)	37	3.4	3.3	0.1
Copper	25	2.3	2.3	0
Lead	13	1.2	1.2	0
Mercury	0.01	0.00065	0.00097	0.00032
Nickel	1.8	0.17	0.17	0
Selenium	1.0	0.095	0.098	0.003
Silver	4.8	0.44	0.44	0
Zinc	71	6.5	6.5	0
Benzene	9.9	0.91	0.86	0.05
Carbon Tetrachloride	0.47	0.043	0.043	0
Chloroform	13	1.2	1.2	0
Methylene Chloride	248	23	23	0
Tetrachloroethene	1.6	0.15	0.15	0
Cyanide	1.9	0.17	0.17	0
cBOD	21700	2000	2000	0
TDS	38500	3600	3600	0
EC	20	1800	1800	0

Attachment 2: Equations

Equation for Attachment 1 – Table 1: Mean Removal Efficiency

$$MRE = \frac{I_{AVG} - E_{AVG}}{I_{AVG}}$$

Where:

MRE = Mean Removal Efficiency

I_{AVG} = Average Influent Concentration

E_{AVG} = Average Effluent Concentration

Equation for Attachment 1 – Table 3: Allowable Headworks Loadings Based on NPDES Permit Limits

$$L_{NPDES} = \frac{8.34 \times Q_{WWTP} \times C_{NPDES}}{1 - R_{WWTP}}$$

Where:

L_{NPDES} = Allowable headworks loadings based on NPDES permit requirements, $\frac{\text{lb}}{\text{day}}$

Q_{WWTP} = WWTP flow, MGD

C_{NPDES} = NPDES permit limit, $\frac{\text{mg}}{\text{L}}$ or $\frac{\mu\text{g}}{\text{L}}$

R_{WWTP} = WWTP removal efficiency from headworks to plant effluent (as decimal)

8.34 = Conversion factor for $\frac{\text{mg}}{\text{L}}$ units. For $\frac{\mu\text{g}}{\text{L}}$, use 0.00834

Equation for Attachment 1 – Table 3: Allowable Headworks Loadings Based on Chronic Water Quality Criteria, Acute Water Quality Criteria, and Human Health Criteria

$$L_{CRIT} = \frac{8.34 \times (C_{CRIT} \times (Q_{WWTP} + Q_{STR}) - (C_{STR} \times Q_{STR}))}{1 - R_{WWTP}}$$

Where:

L_{CRIT} = Allowable headworks loadings based on either a water quality criteria or human health criteria, $\frac{\text{lb}}{\text{day}}$

C_{CRIT} = Criteria for a particular pollutant, $\frac{\text{mg}}{\text{L}}$

Q_{WWTP} = WWTP flow, MGD

Q_{STR} = Receiving stream (upstream) flow, MGD

C_{STR} = Receiving stream background level, $\frac{\text{mg}}{\text{L}}$

R_{WWTP} = WWTP mean removal efficiency from headworks to plant effluent (as decimal)

8.34 = Conversion factor for $\frac{\text{mg}}{\text{L}}$ units. For $\frac{\mu\text{g}}{\text{L}}$, use 0.00834

Equation for Attachment 1 – Table 4: Allowable Headworks Loadings Based on California Hazardous Waste Sludge Criteria and Federal Sludge Criteria

$$L_{\text{BIO}} = \frac{Q_{\text{BIO}} \times C_{\text{BIO}} \times 2000}{R_{\text{WWTP}} \times 1000000}$$

Where:

L_{BIO} = Allowable headworks loadings based on biosolids criteria, $\frac{\text{lb}}{\text{day}}$

Q_{BIO} = Biosolids production, $\frac{\text{dry tons}}{\text{day}}$ and/or $\frac{\text{wet tons}}{\text{day}}$

C_{BIO} = Biosolids concentration limit, $\frac{\text{mg}}{\text{kg}}$ dry basis

R_{WWTP} = WWTP mean removal efficiency from headworks to plant effluent (as decimal)

2,000 = Conversion factor (tons to pounds)

1,000,000 = Conversion factor (converts $\frac{\text{mg}}{\text{kg}}$ to $\frac{\text{kg}}{\text{kg}}$)

Equation for Attachment 1 – Table 5: Allowable Headworks Loadings Based on Activated Sludge Inhibition (Secondary Treatment)

$$L_{\text{INHIB}} = \frac{8.34 \times Q_{\text{WWTP}} \times C_{\text{INHIB}}}{1 - R_{\text{PRIM}}}$$

Where:

L_{INHIB} = Allowable headworks loadings based on activated sludge inhibition, $\frac{\text{lb}}{\text{day}}$

Q_{WWTP} = WWTP Flow, MGD

C_{INHIB} = Inhibition criteria for activated sludge (secondary treatment), $\frac{\text{mg}}{\text{l}}$

R_{PRIM} = Removal efficiency from headworks to primary treatment effluent (as decimal)

8.34 = Conversion factor

Equation for Attachment 1 – Table 5: Allowable Headworks Loadings Based on Anaerobic Digestion Inhibition

$$L_{\text{DIG}} = \frac{8.34 \times Q_{\text{DIG}} \times C_{\text{DIG}}}{R_{\text{WWTP}}}$$

Where:

L_{DIG} = Allowable headworks loadings based on anaerobic digestion inhibition, $\frac{\text{lb}}{\text{day}}$

Q_{DIG} = Sludge flow to digesters, MGD

C_{DIG} = Inhibition criteria for sludge digestion, $\frac{\text{mg}}{\text{l}}$

R_{PRIM} = Removal efficiency from headworks to plant effluent (as decimal)

8.34 = Conversion factor

Equation for Attachment 1 – Table 6: Allowable Headworks Loading Based on Fume Toxicity

$$L_{\text{FUME}} = 8.34 \times C_{\text{LVL}} \times Q_{\text{WWTP}}$$

Where:

L_{FUME} = Allowable headworks loadings based on fume toxicity, $\frac{\text{lb}}{\text{day}}$

C_{LVL} = Discharge screening level, $\frac{\text{mg}}{\text{L}}$

Q_{WWTP} = WWTP average influent flow, MGD

8.34 = Conversion factor

Equation for Attachment 1 – Table 6: Discharge Screening Level

$$C_{\text{LVL}} = \frac{C_{\text{VP}}}{H}$$

Where:

C_{LVL} = Discharge screening level, $\frac{\text{mg}}{\text{L}}$

C_{VP} = Vapor phase concentration, $\frac{\text{mol}}{\text{m}^3}$

H = Henry's Constant, $\frac{\text{mg}/\text{m}^3}{\text{mg}/\text{L}}$

Equation for Attachment 1 – Table 7: Maximum Allowable Headworks Loadings as a Percent

$$\% \text{MAHL} = \frac{\text{Average or Maximum Daily Headworks Loading}}{\text{Maximum Allowable Headworks Loading}}$$

Equation for Attachment 1 – Table 9: Maximum Allowable Industrial Loadings

$$\text{MAIL} = \text{MAHL} \times (1 - \text{SF}) - (L_{\text{UNC}} + \text{HW})$$

Where:

MAIL = Maximum allowable industrial loadings, $\frac{\text{lb}}{\text{day}}$

MAHL = Maximum allowable headworks loadings, $\frac{\text{lb}}{\text{day}}$

SF = Safety factor

L_{UNC} = Loadings from uncontrolled sources, $\frac{\text{lb}}{\text{day}}$

HW = Hauled waste loadings

Equation for Attachment 1 – Table 10: Uniform Concentration-Based Local Limits

$$\text{Uniform Concentration Based Local Limits} = \frac{\text{MAIL}}{8.34 \times Q_{\text{IND}}}$$

Where:

MAIL = Maximum allowable industrial loadings, $\frac{\text{lb}}{\text{day}}$

Q_{IND} = Total permitted industrial flow, MGD

Attachment 3:
Wastewater Treatment Plant Variables

Wastewater Treatment Plant Variables

$$Q_{\text{WWTP}} = 13.8 \text{ MGD}$$

$$Q_{\text{WWTP}} = 29 \text{ MGD for cBOD and mercury (NPDES monthly average limit)}$$

$$Q_{\text{BIO}} = 10 \frac{\text{dry tons}}{\text{day}} \text{ and/or } 36 \frac{\text{wet tons}}{\text{day}}$$

$$Q_{\text{DIG}} = 0.108 \text{ MGD}$$

$$\text{SF} = 0.25$$

$$\text{HW} = 0$$

$$Q_{\text{IND}} = 1.3 \text{ MGD}$$



WEST BAY SANITARY DISTRICT AGENDA ITEM 14

To: *Board of Directors*

From: *Sergio Ramirez, District 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, 2022. 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 District Manager recommends the current District Board President preside over the Election of Officers and selection of committee appointees and alternates.

RESOLUTION NO. _____ (2021)

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, 2022.

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 8th day of December, 2021, by the following votes:

Ayes:

Noes:

Absent:

Abstain:

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

Attest:

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

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WEST BAY SANITARY DISTRICT AGENDA ITEM 15

To: *Board of Directors*

From: *Sergio Ramirez, District Manager*

Subject: *December 8th, 2021 Update Report on District Response to Corona Virus*

Background

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

Analysis

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

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

Social Distancing: District staff has employed several measures related to Social Distancing including; limiting meeting size to 10, marking seating spots at tables with 6 foot separation, signage encouraging 6 foot distancing, separation of reporting stations

Report to the District Board for the Regular Meeting of December 8, 2021

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

October 14 update: No updates at this time.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

Fiscal Impact

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

Recommendation

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



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 16**

To: Board of Directors

From: Sergio Ramirez, District Manager

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

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

Recycled Water Facility Production Data:

2020	Treated	Delivered
August	8.8MG	8.2MG
September	8.2MG	5.1MG
October	7.4MG	4.5MG
November	5MG	1.4MG
December	4.7MG	.55MG
2021	Treated	Delivered
January	4.8MG	.23MG
February	4.4MG	.13MG
March	5.9MG	1.8MG
April	8.5MG	7.6MG
May	9.3.MG	8.2MG
June	9.8MG	8.7MG
July	9.5MG	9.1MG
August	9.4MG	9.0MG
September	9.1MG	6.9MG*
October	7.6MG	2.6MG**
November	5.2MG	0

* 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.

Report to the District Board for the Regular Meeting of December 8, 2021

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 17**

To:*Board of Directors*

From:*Sergio Ramirez, District Manager*

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

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

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

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 18**

To: Board of Directors

From: Sergio Ramirez, District Manager

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

The District's representative to South Bayside Waste Management Authority (SBWMA), President Fran Dehn, will report on any pertinent items regarding SBWMA business.

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 19**

To: *Board of Directors*

From: *Sergio Ramirez, District Manager*

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

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

Report to the District Board for the Regular Meeting of December 8, 2021

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