



*1902 - Serving Our Community for Over 120 Years - 2022*

**WEST BAY SANITARY DISTRICT  
MINUTES OF THE SPECIAL MEETING OF THE DISTRICT BOARD  
WEDNESDAY, MAY 1, 2024 AT 12:00 P.M.**

**1. Call to Order**

President Dehn called the meeting to order at 12:00 PM.

**2. Roll Call**

BOARD MEMBERS PRESENT: Dehn, Thiele-Sardiña, Moritz, Otte

BOARD MEMBERS ABSENT: Walker

STAFF MEMBERS PRESENT: Ramirez, Reese, Heydari, Fisher, Beyer, Hulsmann,  
Scheidt

Others Present: None

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

**4. Fiscal Year 2024/25 Budget Workshop – Discussion on General, Capital, Recycled Water, and Solid Waste Funds and the District’s Reserves**

Comments: General Manager Ramirez and staff presented the FY 2024-25 proposed budget to the Board and discussed each item. The budget included a 1.4% increase in total revenue to \$34,400,803. Sewer Service rates increased 5%, although reductions in non-residential flows resulted in a 10% reduction in these revenues. Combined Operating expenditures in all funds increased 21%, to \$35,762,999. The District direct expenses increased 5%, while the SVCW treatment plant increased 43%, due to cash contributions for capital and the beginning of the RESCU SRF loan payments. The total decreased Change in Net Position of \$4,999,710. Staff detailed the revenue projections, showing a 2% increase in sewer service revenue, 83% reduction in Flow Equalization revenues, since the annual contract expired and SVCW only expects to continue a month-to-month amendment agreement for two additional months. Other revenues increased 4%, with Franchise fees increasing 6%. Budgets included year-to-date actuals through March 31, 2024, FY 2023-24 annual projection, and the approved FY 2023-24 Budget, for a comparison with the FY 2024-25 proposed budget.

General Manager Ramirez explained the 3% increase for salaries and benefits. Salaries included only merit steps increasing 1.7%, as the current Memorandum of Understanding with represented employees will expire at year-end and a new agreement has yet to be reached. Benefit costs increased 7%, as medical costs increased 11.8% in 2024 and averaged 8% over three years. CalPERS rates and employee cost sharing of employer contributions was also discussed in detail, explaining a 1.4% increase in average employer cost for retirement benefits. The increase in PEPRAs employees and possible retirements were discussed.

Collection Operating revenues of \$34,277,503, Operating expenditures of \$34,219,129, non-operating income of \$500,000, and contributions of \$250,000 for connection fees were also provided with comparatives for FY 2023-24, explaining the Collection Budget Net Change in Position of \$808,374, which would be available for capital expenditures. Staff explained the proposed collection budget in detail. Staff explained significant changes in direct expenditures and change in each budget category.

Silicon Valley Clean Water (SVCW) expense for operations, capital, and debt service were also shown to increase.43% to \$18,540,559 for the year. SVCW capital contributions and debt was discussed and the board requested that SVCW representatives attend a future board meeting to discuss their capital budget.

The current District Capital Budget balance was shown, with projections through the end of the current year and FY 2024-25 with an expected balance of \$16,895,327 balance as of June 30, 2025. The District's 10 year Master Plan, completed in FY 2023-24, provides an aggressive construction budget over the next four years. Proposed Capital expenditures of \$26,681,500 from the Capital Fund and \$15,750,000 for Recycled Water Fund.

The Board directed staff to clarify new budget items for professional services.

Reserve funding of \$3,725,922 was explained, for additional Operating Reserves needed for six months operating expenses, a 3% increase in the equipment replacement reserve, and continued funding for pension and other post-employment benefits.

Staff provided separate budgets for the Solid Waste and Recycled Water Funds. The proposed Budget for the Solid Waste Fund, results in a net increase of \$6,380. The Sharon Heights Recycled Water Facility results in a net decrease of \$241,601, including \$755,000 in depreciation.

Other Board comments included:

- Edit the Budget Report and delete the \$350K Master Plan reference.
- Edit Budget Slides (Levee to include the total of \$15.1M project cost plus expenditures, carry over, and balance.) and remove master plan reference from slide.
- Develop Slide deck by Tuesday May 5<sup>th</sup> (Show history of rates compared to SVCW needs.) and include history of reserves and Rate Stabilization reserves. Lastly, slide deck to show rates from other nearby agencies.
- Meet with Directors Moritz and Thiele-Sardiña to discuss slide deck.
- Bring Water Code topic to the Board in June.
- Schedule Finance Committee meeting after Memorial Day.
- Confirm Board Members who are up for election in 2024.
- Send Thank You letter to residents who have submitted protest letters.

After some discussion and consideration, the consensus of the Board was to present the proposed budget in June.

**5. Adjournment Time:** The meeting was adjourned at 1:52 p.m.

/s/ David A. Walker  
Secretary