

*1902 - Serving Our Community for over 115 Years - 2020*

WEST BAY SANITARY DISTRICT

AGENDA OF BUSINESS

REGULAR MEETING OF THE DISTRICT BOARD

WEDNESDAY, DECEMBER 9, 2020 AT 7:00 P.M.

RONALD W. SHEPHERD ADMINISTRATION BUILDING,  
500 LAUREL STREET, MENLO PARK, CALIFORNIA 94025

**Board Members**

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

**District Manager**

Sergio Ramirez

**District Legal Counsel**

Anthony Condotti, Esq.

**AGENDA OF BUSINESS**

**NOTICE OF PUBLIC PARTICIPATION BY TELECONFERENCE ONLY**

Pursuant to Governor Newsom's Executive Order N-29-20, members of the West Bay Sanitary District Board of Directors and Staff may participate in this meeting via a teleconference. In the interest of reducing the spread of COVID- 19, members of the public are allowed to participate telephonically only, and may submit comments in advance by email addressed to [treese@westbaysanitary.org](mailto:treese@westbaysanitary.org) by 4:00 p.m. on Wednesday, December 9<sup>th</sup>.

To participate by telephone or Zoom meeting, public comments can be made by joining Zoom meeting at: <https://zoom.us/j/97994395337?pwd=UEY5RngybFduL0ZEOWZkQ1VNZDc2dz09>  
Meeting ID: 979 9439 5337 Passcode: 765028

Or by phone, call: 1-669-900-6833 Meeting ID: 979 9439 5337 Passcode: 765028

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. Consider Resolution to Elect to the District Board, President, and Secretary, and Appoint a Treasurer and Consider Appointment of Committee Appointees and Alternates Pg. 2-1
3. Communications from the Public
4. Public Hearing: Consideration of Proposed Solid Waste/Recycling Collection Rates for the Year 2021 Pg. 4-1
5. Consideration of Resolution to Approve Solid Waste/Recycling Collection Rates Effective January 1, 2021, and adoption of the rates for "Rates for Other Services", and accept the Solid Waste/Recycling Rate Study 2021 Pg. 5-1
6. Discussion and Direction on Maintenance Building Feasibility Study Pg. 6-1
7. Consideration to Authorize District Manager to Distribute the Draft Environmental Impact Report for the Flow Equalization & Resource Recovery Facility Levee Improvement and the Bayfront Recycled Water Treatment Facility Project Pg. 7-1

8. Consideration of Awarding Bid for the North Bay Road and Ringwood Avenue Sewer Project to Precision Engineering, Inc. Pg. 8-1
9. Consideration to Approve the Financial Statements FY 2020-21, First Quarter Ending 9/30/2020 Pg. 9-1
10. Consideration of Adopting the District's Audited Financial Statements for the Year Ended June 30, 2020Pg. 10-1
11. District Manager's Report Pg. 11-1
12. 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 Special meeting November 18, 2020 Pg. 12A-1
  - B. Approval of the Financial Activity Report/Withdrawal Order Authorizing Payment of Certain Bills and Salaries and Consideration of Other Financial Matters for December 9, 2020 Pg. 12B-1
  - C. WBSD Operations and Maintenance Report – November 2020 Pg. 12C-1
  - D. Town of Los Altos Hills Operations and Maintenance Report for Work Performed by WBSD – November 2020 Pg. 12D-1
  - E. Town of Woodside Operations and Maintenance Report for Work Performed by WBSD – November 2020 Pg. 12E-1
  - F. Bank of the West Monthly Investment Portfolio Statements Pg. 12F-1
  - G. Consideration of Authorizing the District Manager to Issue Class 3 Sewer Permit No. 1132 for the Construction of Wastewater Facilities for 17 Redberry Ridge, Portola Valley, California Pg. 12G-1
13. Consideration to Authorize the District Manager to Execute Sampling Services Agreement between West Bay Sanitary District and Silicon Valley Clean Water Pg. 13-1
14. Consideration to Authorize the District Manager to Enter Into a Sewer System Capacity Study Pre-Funding Agreement between West Bay Sanitary District and East Palo Alto Developers Pg. 14-1
15. Consideration to Approve Authorizing the President and Secretary of the District Board to Enter into a "Tuition Loan Agreement Between the West Bay Sanitary District and Jed Beyer (Water Quality Manager) Pg. 15-1
16. December 9<sup>th</sup> Update Report on District Response to Corona Virus Pg. 16-1

17. Report and Discussion on Sharon Heights Recycled Water Plant Pg. 17-1
18. Discussion and Direction on Bayfront Recycled Water Project and Status Update Pg. 18-1
19. Report and Discussion on South Bayside Waste Management Authority (SBWMA) Pg. 19-1
20. Report and Discussion on Silicon Valley Clean Water (SVCW) Plant Pg. 20-1
21. Closed Session
  - A. 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
  - B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION/CONF. WITH LABOR NEGOTIATORS  
Agency designated representatives: Board President/Legal Counsel  
Unrepresented employee: District Manager
22. Comments or Reports from Members of the District Board and Consider Items to be Placed on Future Agenda
23. Adjournment

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

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## WEST BAY SANITARY DISTRICT AGENDA ITEM 2

**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*

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### Background

The Board requires Board members to serve as President, and Secretary effective January 2, 2021. 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. \_\_\_\_\_ (2020)

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**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 2, 2021.

**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 9<sup>th</sup> day of December, 2020, by the following votes:

Ayes:

Noes:

Absent:

Abstain:

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

Attest:

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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 4

**To:** *Board of Directors*

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

**Subject:** *Public Hearing: Consideration of Proposed Solid Waste/Recycling Collection Rates for the Year 2021*

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### 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 tenth 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 this year 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. On September 23rd, 2020 the Board was asked to establish a date for a public hearing on the new Solid Waste rates for December 9, 2020.

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 9, 2020 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 4 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 2021**

Customer Service Level	MONTHLY RATES		
	Current Monthly Rate	Proposed Monthly Rate	Monthly Increase (Decrease)
<i>Residential:</i>			
20 gallon can	\$43.00	\$46.00	\$3.00
32 gallon can	\$51.00	\$53.50	\$2.50
64 gallon can	\$72.00	\$72.00	\$0.00
96 gallon can	\$105.00	\$105.00	\$0.00
<i>*Commercial:(Per Pick Up)</i>			
	<b>Current</b>	<b>Proposed</b>	<b>Increase(Decrease) per pickup</b>
1 yard bin	\$185.55	\$176.27	(\$9.28)
2 yard bin	\$352.15	\$334.54	(\$17.61)
3 yard bin	\$392.14	\$372.53	(\$19.61)
4 yard bin	\$522.84	\$496.70	(\$26.14)
6 yard bin	\$648.17	\$615.76	(\$32.41)
32-Gallon Cart	\$51.00	\$53.50	\$2.50
64-Gallon Cart	\$72.00	\$72.00	\$0.00
96-Gallon Cart	\$105.00	\$105.00	\$0.00

**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 9, 2020.

## Fiscal Impact

Staff reviewed several rate options to fund the solid waste service program for 2021. 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 \$3.00 rate increase applied to the residential 20 gallon container, a \$2.50 rate increase applied to the 32 gallon container, zero increases to the 64 and 96 gallon container, as well as a 4.34% (-) reduction to the Commercial Bin rates for 2021. 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 9, 2020, for the proposed refuse collection rates for year 2021 effective January 1, 2021, including the “Rates for Other Services” (Attachment 3); and
2. Accept 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  
October 1, 2020  
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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 24<sup>th</sup> "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%
<b>Total Costs</b>	<b>\$1,665,126</b>	<b>\$1,753,375</b>	<b>\$88,249</b>	<b>5.3%</b>

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> <sup>1</sup>	\$1,490,960	\$280,473	\$1,771,433 <b>A</b>
<b>Projected 2021 Costs</b>			
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>B</b></u>
Excess (Deficiency) of Revenues vs Costs	<u>(\$5,305)</u>	<u>\$23,363</u>	<u>\$18,058 <b>A-B=C</b></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.

<sup>1</sup> 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>
<b>1</b>	2021	1.80%	-4.34%
<b>2</b>	2022	2.67%	0.20%
<b>3</b>	2023	3.51%	3.34%
<b>4</b>	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			2022			2023			2024		
	Residential	Commercial	Total	Residential	Commercial	Total	Residential	Commercial	Total	Residential	Commercial	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
<b>Assumptions:</b>												
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**

<i>Analysis of Costs by Size of Container</i>				
	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	<span style="border: 1px solid black; padding: 2px;">\$48.45</span>	<span style="border: 1px solid black; padding: 2px;">\$53.44</span>	<span style="border: 1px solid black; padding: 2px;">\$68.97</span>	<span style="border: 1px solid black; padding: 2px;">\$86.72</span>

\* Rounded to the nearest cent

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

<i>Analysis of Costs by Size of Container</i>							
Subscription	Container Size	Current Mo. Rate	* 2021 Mo Cost per Cart	Excess (Deficiency) of Revenues vs Costs	Projected Rate Adjustment	Prior Years Variance before Adjustment	
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
<b>Proposed 2021</b>	<b>6.98%</b>	<b>\$46.00</b>	<b>4.90%</b>	<b>\$53.50</b>	<b>0.00%</b>	<b>\$72.00</b>	<b>0.00%</b>	<b>\$105.00</b>
<b>Projected 2022</b>	5.98%	\$48.75	3.27%	\$55.25	0.00%	\$72.00	0.00%	\$105.00
<b>2023</b>	4.61%	\$51.00	3.62%	\$57.25	3.47%	\$74.50	0.00%	\$105.00
<b>2024</b>	4.41%	\$53.25	3.50%	\$59.25	3.36%	\$77.00	0.00%	\$105.00
<b>2025</b>	4.23%	\$55.50	3.80%	\$61.50	3.25%	\$79.50	0.00%	\$105.00
<b>2026</b>	4.06%	\$57.75	3.24%	\$63.50	3.14%	\$82.00	0.00%	\$105.00
<b>2026 Projected Cost of Service</b>		<b>\$57.54</b>		<b>\$63.47</b>		<b>\$81.91</b>		<b>\$103.00</b>

## 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).

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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.

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

<b>Rates by Size of Container</b>						
	<u>Residential</u>				<u>Commercial</u>	
	20 Gallon	32 Gallon	64 Gallon	96 Gallon	1YD Bin 1x/week	3YD Bin 1x/week
<b>Current Rates</b>	<b>\$43.00</b>	<b>\$51.00</b>	<b>\$72.00</b>	<b>\$105.00</b>	<b>\$185.55</b>	<b>\$392.14</b>
Proposed Rate Adjustment	6.98%	4.90%	0.00%	0.00%	-5.00%	-5.00%
<b>2021 Proposed Rate / Mo.</b>	<b>\$46.00</b>	<b>\$53.50</b>	<b>\$72.00</b>	<b>\$105.00</b>	<b>\$176.27</b>	<b>\$372.53</b>
Increase (Decrease) / Mo.	\$3.00	\$2.50	\$0.00	\$0.00	(\$9.28)	(\$19.61)
<b>2021 Projected Revenue at Proposed Rates</b>						
	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>			
Projected Revenue at <u>Current Rates</u> <sup>1</sup>	\$1,490,960	\$280,473	\$1,771,433			
2021 <u>Proposed Rate</u> Revenue	\$1,517,797	\$268,291	\$1,786,088	<b>A</b>		
2021 Proposed Costs	1,496,265	254,797	1,751,062	<b>B</b>		
Excess Amount	\$21,532	\$13,495	\$35,026	<b>A - B = C</b>		
Excess Percentage	1.4%	5.0%	2.0%			

<sup>1</sup> 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: \$21.57 (0-50 ft) \$25.16 (51-100 ft)	Rates vary based on distance & number of carts. Contact the District for rates for distances beyond 100 feet and for more than one solid waste cart.
Return Trip Cost—Single Family Dwelling (Request to provide collection service after the regularly scheduled collection day)	\$17.98	Per collection event.
On-Call Bulky Item Collection	\$97.73	Per each collection event beyond first 2 per year. (Each customer receives 2 free bulky collections per year)
Distance charge—MFD and Commercial Accounts	A – 10% of base monthly rate B – 25% of base monthly rate	A – 51 to 100 feet from access by contractor’s collection vehicle B – 101 feet or more from access by contractor’s collection vehicle
Container Relocation Service	A – 12% of base monthly rate each container B – 27% of base monthly rate each container	A – 51 to 100 feet from access by contractor’s collection vehicle B – 101 feet or more from access by contractor’s collection vehicle
Extra Pick-Up Cost—MFD and Commercial Accounts	25% of the base monthly rate for the size of container collected once per week	Per collection event
Additional Targeted Recyclable Materials or Organic Materials Cart Rental	A -- \$ 3.59	A – Monthly rental fee (any size cart, minimum 6 months)
Collection of Contaminated Targeted Recyclable Materials or Organic Materials Container	25% of the base monthly rate for the size of container collected once per week <b>Plus:</b> \$17.98	Per collection event
Key Service	A – \$10.19 per month B – \$11.38 per month	A – Residential Customers B – Commercial Customers
Lock Purchase	\$20.37 –one time charge	One-time charge per account. No fee for replacement locks.
Overage Fee	100% of base monthly rate	Per collection event
Overage Bags	50% of the base monthly rate or \$9.58 minimum	Rate per bag
Container Cleaning	A – \$59.92 B – \$101.85	A – per Cart B – per Bin or Drop-Box
Dirty Cart Replacement	A – \$77.88 B – \$89.87 C – \$101.85	A – per 32 gallon Cart B – per 64 gallon Cart C – per 96 gallon Cart
Additional Compost Material Delivery	A – \$149.79 B – \$299.58	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 9, 2020 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 4:00 p.m. on December 9, 2020 or it must be presented at the District Board meeting on December 9, 2020 prior to the close of the public hearing on this matter or by Zoom Join Zoom Meeting <https://zoom.us/j/98868858396>pwd=R1IBSGw4OTdhNE0vbTBWaWpLS05Rdz09 Meeting ID: 988 6885 8396 Passcode: 170890 or by phone (669) 900-6833 Meeting ID: 988 6885 8396 Passcode: 170890

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

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

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

**MATERIALS IN THE WEST BAY SANITARY DISTRICT**

The District Board of the West Bay Sanitary District hereby gives public notice of its intent to increase some of the existing residential rates for the collection of recyclable materials, compost, and refuse for 2021. The District Board plans to consider this rate increase at a **public hearing on December 9, 2020 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://zoom.us/j/98868858396pwd=R1IBSGw4OTdhNE0vbTBWaWpLS05Rdz09> Meeting ID: 988 6885 8396 Passcode: 170890 or by telephone (669) 900-6833 Meeting ID: 988 6885 8396 Passcode: 170890

**The need for this increase was discussed by the District Board at the September 23, 2020 Regular Board meeting, and is further detailed in the staff report for this matter and the Draft Report dated September 16, 2020 by HF&H Consultants (Rate Study), both of which are available at the District Office located at 500 Laurel Street, Menlo Park or online at [www.westbaysanitary.org](http://www.westbaysanitary.org)**

Approximately fifty-seven percent (57%) of residential service containers are a 32 gallon size. The new rate for 2021 for a 32 gallon container would increase from \$51.00 per month to \$53.50 per month, a \$2.50 per month increase. The new rate for the 20 gallon container would increase from \$43.00 per month to \$46.00 per month, a \$3.00 per month increase. 20 gallon containers will be grandfathered to current users but are no longer available to new customers or to customers wishing to migrate down to a 20 gallon container. As further detailed in the Rate Study, the purpose of these increases is to align the Solid Waste Rates with the actual proportionate cost of providing the service to customers in each Customer Service Level.

For comparison purposes, the maximum typical residential rates for 32 gallon containers for SBWMA Cities including Atherton, Burlingame, Belmont, Hillsborough, Menlo Park, Redwood City, San Carlos, and San Mateo, range from a low of \$24.59 (Foster City) to a high of \$50.00 (Atherton), based upon 2020 rates.

**Proposed Maximum Solid Waste Rates for 2021**

Customer Service Level	MONTHLY RATES			QUARTERLY RATES		
	Current Monthly Rate	Proposed Monthly Rate	Monthly Increase (Decrease)	Current Quarterly Rate	Proposed Quarterly Rate	Quarterly Increase
<i>Residential:</i>						
20 gallon can	\$43.00	\$46.00	\$3.00	\$129.00	\$138.00	\$9.00
32 gallon can	\$51.00	\$53.50	\$2.50	\$153.00	\$160.50	\$7.50
64 gallon can	\$72.00	\$72.00	\$0.00	\$216.00	\$216.00	\$0.00
96 gallon can	\$105.00	\$105.00	\$0.00	\$315.00	\$315.00	\$0.00
<b>*Commercial: (Per Pick Up)</b>						
	<b>Current</b>	<b>Proposed</b>	<b>Incr (decr) per pick up</b>			
1 yard bin	\$185.55	\$176.27	(\$9.28)	n/a	n/a	n/a
2 yard bin	\$352.15	\$334.54	(\$17.61)	n/a	n/a	n/a
3 yard bin	\$392.14	\$372.53	(\$19.61)	n/a	n/a	n/a
4 yard bin	\$522.84	\$496.70	(\$26.14)	n/a	n/a	n/a
6 yard bin	\$648.17	\$615.76	(\$32.41)	n/a	n/a	n/a
32-Gallon Cart	\$51.00	\$53.50	\$2.50	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 proposed rate) collected 3 times per week = \$528.81 (\$176.27 x 3 collections/wk)



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**NECESSITY FOR THE NEW RATES**

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

The collection services include the 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 facility has also undergone substantial capital improvements to construct a new Materials Recovery Facility (MRF) and an expanded Transfer Station. These improvements facilitate single stream (mixed) recycling, enhance onsite public recycling activities, and improve traffic circulation at the Shoreway Facility.

The District is in the fourth 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 9, 2020, 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://zoom.us/j/98868858396?pwd=R1IBSGw4OTdhNE0vbTBWaWpLS05Rdz09> Meeting ID: 988 6885 8396 Passcode: 170890 or by telephone (669) 900-6833 Meeting ID: 988 6885 8396 Passcode: 170890 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.

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
<b>Additional Services for Customers</b>				
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	\$17.98 for SFD \$17.98 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	\$3.59 per Recycling Cart \$3.59 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	\$97.73	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 – \$10.19 per usage B – \$11.38 per usage	Monthly cost: A – Residential Customers B – Commercial Customers
10	Lock Purchase	Section 8.02.B	\$20.37 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 \$9.58 minimum	Per bag
13	Container Cleaning Service	Section 8.05.D	A – \$59.92 B – \$101.85	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 – \$77.88 B – \$89.87 C – \$101.85	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
<b>Additional Services for Agency</b>				
15	Additional Confidential Document Destruction Service Event	Section 5.07	\$1,437.94	Per event
16	Additional Compost Material Delivery	Section 5.11	A – \$149.79 per delivery B – \$299.58 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	\$20,370.88 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 – \$3,594.86 B – \$5,991.43 C – \$8,987.15	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

<b>Backyard Collection Service Charge for Single-Family Dwellings*</b> (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	\$21.57	\$34.42	\$68.83	\$103.25
50 < Distance <= 100 feet	\$25.16	\$38.01	\$72.43	\$106.84
100 < Distance <= 150 feet	\$28.76	\$41.61	\$76.03	\$110.44
150 < Distance <= 200 feet	\$32.35	\$45.20	\$79.62	\$114.03
200 < Distance <= 250 feet	\$35.95	\$48.79	\$83.20	\$117.62
250 < Distance <= 300 feet	\$39.54	\$52.39	\$86.80	\$121.21
300 < Distance <= 350 feet	\$43.14	\$55.98	\$90.40	\$124.81
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:** **Consideration of Resolution to Approve Solid Waste/Recycling Collection Rates Effective January 1, 2021, and adoption of the rates for “Rates for Other Services”, and accept the Solid Waste/Recycling Rate Study 2021**

---

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 2021 applied to all rate categories effective January 1, 2021, and adoption of the rates for “Rates for Other Services” as attached to the resolution, and accept the 2021 Solid Waste/Recycling Rate Study.

**RESOLUTION NO. \_\_\_\_\_(2020)**

**RESOLUTION APPROVING SOLID WASTE/RECYCLING COLLECTION RATES FOR  
2021**

\*\*\*\*\*

**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 23, 2020, 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 2021; 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 9, 2020, notifications were sent to approximately 2,227 residential and commercial customers in the West Bay Sanitary District; and

**WHEREAS**, on December 9, 2020 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 2021; 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 2021 shall be as follows effective January 1, 2021:

**Solid Waste/Recycling Collection Rates for 2021**

Customer Service Level	MONTHLY RATES		
	Current Monthly Rate	Proposed Monthly Rate	Monthly Increase (Decrease)
<i>Residential:</i>			
20 gallon can	\$43.00	\$46.00	\$3.00
32 gallon can	\$51.00	\$53.50	\$2.50
64 gallon can	\$72.00	\$72.00	\$0.00
96 gallon can	\$105.00	\$105.00	\$0.00
<i>*Commercial:(Per Pick Up)</i>			
	<b>Current</b>	<b>Proposed</b>	<b>Increase(Decrease) per pickup</b>
1 yard bin	\$185.55	\$176.27	(\$9.28)
2 yard bin	\$352.15	\$334.54	(\$17.61)
3 yard bin	\$392.14	\$372.53	(\$19.61)
4 yard bin	\$522.84	\$496.70	(\$26.14)
6 yard bin	\$648.17	\$615.76	(\$32.41)
32-Gallon Cart	\$51.00	\$53.50	\$2.50
64-Gallon Cart	\$72.00	\$72.00	\$0.00
96-Gallon Cart	\$105.00	\$105.00	\$0.00

**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 2021 effective January 1, 2021.

\*\*\*\*\*

PASSED AND ADOPTED by the District Board of the West Bay Sanitary District at a regular meeting thereof held on 9<sup>th</sup> day of December, 2020, 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 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
<b>Additional Services for Customers</b>				
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	\$17.98 for SFD \$17.98 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	\$3.59 per Recycling Cart \$3.59 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	\$97.73	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 – \$10.19 per usage B – \$11.38 per usage	Monthly cost: A – Residential Customers B – Commercial Customers
10	Lock Purchase	Section 8.02.B	\$20.37 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 \$9.58 minimum	Per bag
13	Container Cleaning Service	Section 8.05.D	A – \$59.92 B – \$101.85	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 – \$77.88 B – \$89.87 C – \$101.85	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
<b>Additional Services for Agency</b>				
15	Additional Confidential Document Destruction Service Event	Section 5.07	\$1,437.94	Per event
16	Additional Compost Material Delivery	Section 5.11	A – \$149.79 per delivery B – \$299.58 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	\$20,370.88 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 – \$3,594.86 B – \$5,991.43 C – \$8,987.15	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

<b>Backyard Collection Service Charge for Single-Family Dwellings*</b> (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	\$21.57	\$34.42	\$68.83	\$103.25
50 < Distance <= 100 feet	\$25.16	\$38.01	\$72.43	\$106.84
100 < Distance <= 150 feet	\$28.76	\$41.61	\$76.03	\$110.44
150 < Distance <= 200 feet	\$32.35	\$45.20	\$79.62	\$114.03
200 < Distance <= 250 feet	\$35.95	\$48.79	\$83.20	\$117.62
250 < Distance <= 300 feet	\$39.54	\$52.39	\$86.80	\$121.21
300 < Distance <= 350 feet	\$43.14	\$55.98	\$90.40	\$124.81
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 6

**To:** *Board of Directors*

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

**Subject:** *Discussion and Direction on Maintenance Building Feasibility Study*

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District has received a Maintenance Building Feasibility Study update.

District Board will receive a report regarding the Maintenance Building Feasibility Study by Barker Wagoner Architects.

Staff is seeking direction on whether to go out for formal Design or convert this study in to Concept Design phases that include detail site analysis and details.

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## WEST BAY SANITARY DISTRICT AGENDA ITEM 7

**To:** *Board of Directors*

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

**Subject:** *Consideration to Authorize District Manager to Distribute the Draft Environmental Impact Report for the Flow Equalization & Resource Recovery Facility Levee Improvement and the Bayfront Recycled Water Treatment Facility Project*

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### Background

The District has been working on 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 20 acre site from King Tide flooding, and sea level rise by lifting it up from the flood zone. The proposed recycled water treatment facility will need these levee improvements to protect the site. The Draft Environmental Impact Report (EIR) is now complete and ready for distribution for the 45 day comment period.

### Analysis

In accordance with CEQA, an EIR was prepared to analyze the potential environmental effects of the project, both individually and cumulatively.

In accordance with Section 15082 of the CEQA Guidelines, a Notice of Preparation (NOP) was published on May 18, 2020 for a 30-day comment period which indicated the District's intent to prepare an EIR for the project. The NOP was distributed to Federal, State, Regional, and City agencies, neighborhood groups, and occupants and owners within a ½ mile radius of the Project site and was published on the District's website. Additionally, a public scoping meeting was held on June 3, 2020 to present the project and receive comments on the scope of the Draft EIR. The comment period deadline for the NOP was June 22, 2020 and were incorporated into the Draft EIR including Biological Resources Report, Cultural Resources Report, Historic Resource Evaluation Report, and the Hydrology Report. The full Biological Resources Report, Cultural Resources Report, Historic Resource Evaluation Report, Hydrology Report and scoping comments are included in Volume II EIR Appendices.

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The working draft EIR can be found at the links below:

Administrative Draft EIR - [Draft EIR \(Working Copy\) - FERRF Levee and Bayfront RWF](#)

Volume II EIR Appendices - [Draft EIR Volume II EIR Appendices](#)

Under CEQA, the Draft EIR public review period lasts for 45 calendar days. Since the Draft EIR is required to be reviewed by State agencies, it is also submitted to the State Clearinghouse (SCH) for distribution to State agencies for review. This project is registered under the SCH and the Draft EIR has been issued SCH#2020050414 as its filing number.

Currently December 15, 2020 is planned to publish a Notice of Completion and Public Availability of the Draft EIR. This will start the 45-day comment period for the Draft EIR. The environmental areas studied in detail in the Draft EIR include:

- Air Quality
- Construction Effects
- Greenhouse Gas Emissions
- Hazards and Hazardous Materials
- Land Use and Planning
- Neighborhood Effects
- Noise
- Transportation/Traffic

If the Draft EIR is circulated for public review in Mid-December, the public comment period would end at the end of January. It is anticipated that the Administrative Draft Final EIR would be prepared and reviewed by March or April 2021. The date of the public hearing to certify the EIR and approve the project would be in the April/May 2021 time frame.

#### Fiscal Impact

None

#### Recommendation

The Projects and IT Manager recommends the District Board authorized the District Manager to issue the Notice of Completion and Public Availability of the Draft EIR, commencing a 45-day comment period for the Draft EIR.





## WEST BAY SANITARY DISTRICT AGENDA ITEM 8

**To:** *Board of Directors*

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

**Subject:** *Consideration of Awarding Bid for the North Bay Road and Ringwood Avenue Sewer Project to Precision Engineering, Inc.*

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### Background

The North Bay Road and Ringwood Avenue project consists of the replacement and rehabilitation of approximately 11,110 linear feet (2.1 miles) of 6 inch to 24-inch sanitary sewer mains with an alternative bid option for adding recycled water pipe in conjunction with some of the open-trench work. The existing sewer mains were identified, in part, in the updated Capital Improvement Master Plan and tentatively scheduled for the upcoming Fiscal Year for construction. The North Bay Road project area is located between the Bayshore Freeway, Bay Road, Willow Road, and Sonoma Avenue within the City of Menlo Park. The Ringwood Avenue area is between Bay Road and Toyon Road within the Unincorporated County of San Mateo. This project also includes sewer replacement on Gilbert Avenue between Willow Road and Marmona Drive, and an easement in the Belle Haven neighborhood in between Plumas Avenue and Hill Avenue, both within the City of Menlo Park.

The project will involve the replacement and rehabilitation of the sewer mains with the standard open trench or a trenchless pipe bursting method in areas where the pipeline needs replacement and a trenchless method using a structural cured-in-place-pipe (CIPP) liner in areas where the pipeline can be rehabilitated. The add-alternative option for recycled water pipe would be within Ringwood Avenue, a main road in the District.

### Analysis

The estimated cost for construction of the project was approximately \$4,254,235.00 or \$4,874,235.00 with the recycled water line additive. The project shall be awarded to the lowest responsible bidder based on their base bid. The bid opening for this project was on November 18, 2020 at 2:00 PM. The District received a total of four (4) bids, which were as follows:

---

<b>Bidder</b>	<b>City</b>	<b>Base Bid</b>	<b>Additive</b>	<b>Total</b>
Precision Engineering, Inc.	SF	\$3,572,120.84	\$697,000.00	\$4,269,120.84
Ranger Pipelines, Inc.	SF	\$3,817,702.00	\$341,806.00	\$4,159,508.00
Cratus, Inc.	SF	\$4,256,313.80	\$698,123.00	\$4,954,436.80
KJ Woods Construction, Inc.	So. SF	\$5,266,000.00	\$552,000.00	\$5,818,000.00

### Fiscal Impact

There will be no fiscal impact to the General Fund. The Capital Assets Fund for Fiscal Year 2020-2021 has an approved budgeted line item for the Pipeline Replacement and Rehabilitation in the amount of \$6,650,000.00 of which \$5,850,000.00 was allocated to this project.

The Projects and IT Manager is requesting the appropriation of approximately 15% contingency (10% for additional work and 5% for construction support services). Therefore, an additional \$640,368.13 for additional work and support services (if needed) would need to be allocated for a total project amount of \$4,909,488.97. This includes the base bid plus recycle waterline additive.

If the Board opts not to award the alternate bid item, the award will include the base bid of \$3,572,120.84 and an additional \$535,818.13 for additional work and support services (if needed) for a total project amount of \$4,107,938.97. This cost excludes the alternative bid.

### Recommendation

The Projects and IT Manager recommends that the Board: 1) adopt the attached Resolution and authorize the District Manager to award the contract for the North Bay Road and Ringwood Avenue Sewer Project to the low bidder, Precision Engineering, Inc. of San Francisco for the amount of \$4,269,120.84, which includes the recycled water line add-alternative item; 2) apportion an additional \$640,368.13 (15%) for contingency (10% for additional work and 5% for construction support services) for a total project amount of \$4,909,488.97.

Attachment: Resolution

RESOLUTION NO. \_\_\_\_\_(2020)

**RESOLUTION AWARDING A CONSTRUCTION CONTRACT FOR THE NORTH BAY ROAD AND RINGWOOD AVENUE SEWER PROJECT TO PRECISION ENGINEERING, INC., AND ALLOCATE FUNDS FOR CONSTRUCTION**

\*\*\*\*\*

**WHEREAS**, The North Bay Road and Ringwood Avenue Project plans and specifications were prepared by Freyer & Laureta, Inc. of San Mateo, California, and

**WHEREAS**, Precision Engineering, Inc. is the lowest bidder for the project, and

**WHEREAS**, There was no informality in Precision Engineering, Inc.'s bid package, and

**WHEREAS**, Precision Engineering, Inc.'s base bid amount was \$3,572,120.84, and

**WHEREAS**, this was the lowest responsible base bid, and

**WHEREAS**, Precision Engineering, Inc.'s bid amount was \$4,269,120.84 with the additive, and

**WHEREAS**, Based on available funds, that the Bid be awarded to Precision Engineering, Inc. for \$4,269,120.84, and

**WHEREAS**, The total project cost, if awarded to Precision Engineering, Inc. with contingencies is estimated at \$4,909,488.97; and

**WHEREAS**, There will be no fiscal impact to the General Fund. The Capital Assets Fund for Fiscal Year 2020-2021 projects was proposed for \$6,650,000.00 of which \$5,850,000.00 was allocated to this project.

**NOW, THEREFORE, BE IT RESOLVED** that the District Board of the West Bay Sanitary District, County of San Mateo, State of California, does hereby award a construction contract to Precision Engineering, Inc. in the amount of \$4,269,120.84 for the North Bay Road and Ringwood Sewer Project and authorizes the District Manager to execute the construction contract, and allocate an additional \$640,368.13 for construction contingencies and construction support services.

\*\*\*\*\*

PASSED AND ADOPTED by the District Board of the West Bay Sanitary District at a regular meeting thereof held on the 9<sup>th</sup> day of December, 2020, 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



## WEST BAY SANITARY DISTRICT AGENDA ITEM 9

**To:** *Board of Directors*

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

**Subject:** *Consideration to Approve the Financial Statements  
FY 2020-21, First Quarter Ending 9/30/2020*

**Background:**

Attached for the Board's review are the District's Financial Statements for the quarter ending September 30, 2020. Each fund is reported separated to better view the primary operations and other activities in; General, Capital, Solid Waste, and Recycled Water Funds.

**Fiscal Impact**

The District had a \$501,021 decrease in Net Position, through the first quarter ending September 30, 2020.

**General Fund:**

Operating Revenue was \$8,345,494, 26% of the annual budget. Operating Expense was \$9,075,041, 34% of annual budget. This includes contributions to Silicon Valley Clean Water (SVCW) of \$5,119,743, 39% of annual budget, due to debt payments in the first quarter which is 60% of the District's total annual debt budget to SVCW. The Net Operating Loss of \$729,548 through September 30, 2020, is a result of the uneven payment of debt for SVCW.

Non-Operating Revenues and Expenses had a \$140,584 net increase, due to Interest Income and Gain and Losses on Investments. There were no Non-Operating Expenses. The General Fund has a \$588,963 decline in Net Position through September 30, 2020, which is expected to reverse as additional revenue is recognized.

**Capital Fund:**

The Capital Fund recognized revenue for Connection Fees of \$255,715, 102% of the annual budget.

Capital Expenditures of \$302,878 are recognized as assets, increasing the District's Net Position.

**Solid Waste Fund:**

The Solid Waste Fund recognized \$17,089 in Franchise Fees from Recology, which manages solid waste collection for the District.

Solid Waste Expenditures of \$13,750 was recognized for the overhead allocation, through September 30, 2020.

**Recycled Water Fund:**

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

Sharon Heights Recycled Water Facility was accepted July 27, 2020 and had final capital expenditures of \$261,537.

The Bayfront Project had \$16,919 in capital expenditures.

The Recycled Water Fund recognized \$132,569 in Revenue and Expenditures of \$303,681.

The following is a summary of the Statement of Changes in Revenue, Expenses, and Net Position, based on the quarter ending September 30, 2020.

<b>Financial Statement</b>	<b>Actual FY 2019-20</b>	<b>Actual - Q1 2020-21</b>	<b>FY Budget - Q1 2020-21</b>	<b>FY Budget v Actual - Q1 FY 2020-21</b>
Operating Revenues	30,911,792	8,345,494	7,897,311	106%
Operating Expenses	10,560,063	3,955,298	3,473,102	114%
SVCW	19,551,977	5,119,743	3,288,420	156%
Operating Income (Loss)	799,752	(729,548)	1,135,789	-64%
Non-Operating Rev / Exp	9,997,634	140,584	223,672	63%
Capital Fund	572,970	255,715	62,500	409%
Solid Waste Fund	49,713	3,339	1,250	267%
Recycled Water Fund	2,429,741	(171,112)	(102,033)	168%
<b>Change in Net Position</b>	<b>13,849,809</b>	<b>(501,021)</b>	<b>1,321,178</b>	<b>-38%</b>
Prior Period Adjustment	(1,443,710)			
	<b>12,406,099</b>			

**Recommendation**

The Finance Manager recommends the Board approve the Financial Statement for Fiscal Year 2020-21, for the First Quarter ending September 30, 2020.

Attachment: Financial Report, FY 2020-21, First Quarter Ending September 30, 2020

# **WEST BAY SANITARY DISTRICT**



## **Preliminary Financial Statements**

**Fiscal Year 2020-2021**

**First Quarter**

**Ending September 30, 2020**

**Financial Report  
First Quarter  
September 30, 2020**

The West Bay Sanitary District (the District) provides wastewater collection and conveyance services to the City of Menlo Park, Atherton, and Portola Valley, and areas of East Palo Alto, Woodside and unincorporated San Mateo and Santa Clara counties. The District conveys raw wastewater, via the Menlo Park Pump Station and force main, to Silicon Valley Clean Water (SVCW) for treatment and discharge to the San Francisco Bay.

The District has issued its financial statements for the first quarter ended September 30, 2020, for fiscal year 2020-21 in conformity with the format prescribed by the provisions of Governmental Accounting Standards. This report is an overview of the District’s financial activities for the period.

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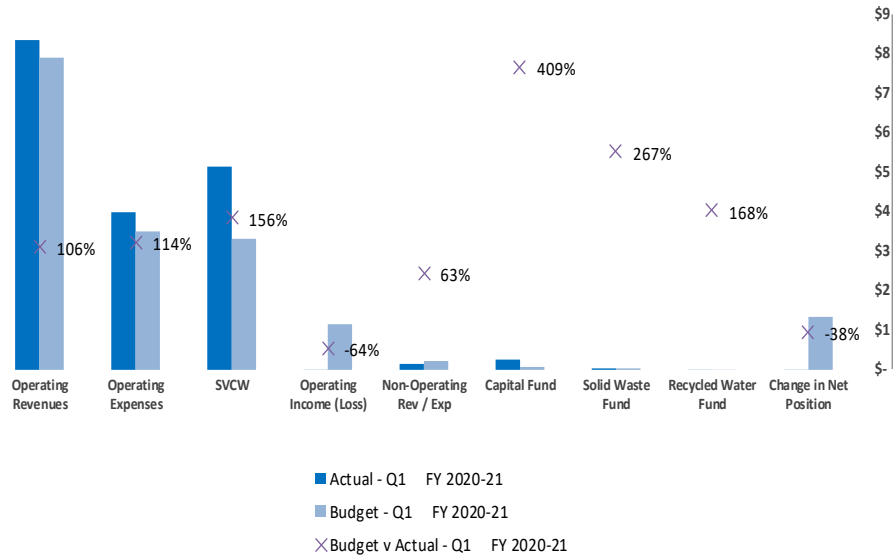
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**WEST BAY SANITARY DISTRICT**  
**Statement of Net Position**  
**Fiscal Year 2020-21**  
**September 30, 2020**

	Prior Year FY 2019-20	1st Quarter FY 2020-21
<b>Assets</b>		
Current Assets		
Cash & Investments	36,868,825	31,798,190
Accounts Receivable	2,442,672	579,429
Interest Receivable	249,607	175,800
Accrued Revenue		7,756,321
Prepaid Expenses	706,691	162,258
<b>Total Current Assets</b>	<b>40,267,794</b>	<b>40,471,997</b>
Non-Current Assets		
Investments	17,854,352	17,893,381
Restricted Investments	3,293,339	2,026,992
Investment in SVCW	29,221,839	29,221,839
Capital Assets:		
Property, Plant & Equipment	107,768,237	108,349,571
Accumulated Depreciation	(35,317,072)	(35,831,935)
<b>Total Capital Assets</b>	<b>72,451,165</b>	<b>72,517,636</b>
<b>Total Non-Current Assets</b>	<b>122,820,694</b>	<b>121,659,848</b>
<b>Total Assets</b>	<b>163,088,488</b>	<b>162,131,845</b>
<b>Deferred Outflows of Resources</b>	<b>1,096,469</b>	<b>1,096,469</b>
<b>Liabilities</b>		
Current Liabilities		
Accounts Payable	2,635,396	1,886,238
Accrued Payroll & Taxes	446,209	302,435
Connection Fees Payable	1,563,699	1,815,845
Construction Deposits	17,381	(119)
SRF Advance - SHGCC	135,112	337,774
<b>Total Current Liabilities</b>	<b>4,797,796</b>	<b>4,342,173</b>
Non-Current Liabilities		
OPEB Liability	111,239	111,239
Net Pension Liability	5,494,504	5,494,504
SRF Deposit - SHGCC	743,095	743,095
SRF Note Payable	16,597,119	16,597,119
<b>Total Liabilities</b>	<b>27,743,753</b>	<b>27,288,130</b>
<b>Deferred Inflows of Resources</b>	<b>571,400</b>	<b>571,400</b>
<b>Net Position</b>		
Net Investment in Capital Assets	55,854,046	55,920,517
Investment In SVCW	29,221,839	29,221,839
Capital Fund Budget	20,131,840	19,955,520
Operation Reserve	9,498,293	9,395,827
Unrestricted Fund Balance	22,607,497	20,875,081
<b>Total Net Position</b>	<b>137,313,515</b>	<b>135,368,784</b>
<b>Prior Period Adjustment</b>	<b>(1,443,710)</b>	
<b>Total Net Position</b>	<b>135,869,805</b>	<b>135,368,784</b>

**WEST BAY SANITARY DISTRICT**  
**Statement of Revenue, Expenses and Changes in Net Position**  
**Fiscal Year 2020-21**  
**September 30, 2020**



	Prior Year FY 2019-20	Actual 9/30/2020	Budget 9/30/2020	Budget v Actual 9/30/2020	Annual Budget FY 2020-21	YTD % Annual Budget
<b>Operating Revenues</b>	<b>30,911,792</b>	<b>8,345,494</b>	<b>7,897,311</b>	<b>448,182.94</b>	<b>31,589,242</b>	<b>26%</b>
<b>Operating Expenses</b>						
General Fund Expense	8,516,794	3,440,435	2,748,102	692,333	10,992,409	31%
Capital (Depreciation)	2,043,269	514,863	725,000	(210,137)	2,900,000	18%
<b>Total WBSD Operating Expenses</b>	<b>10,560,063</b>	<b>3,955,298</b>	<b>3,473,102</b>	<b>482,196</b>	<b>13,892,409</b>	<b>28%</b>
Sewage Treatment Plant (SVCW)	19,551,977	5,119,743	3,288,420	1,831,323	13,153,679	39%
<b>Total Operating Expenses</b>	<b>30,112,040</b>	<b>9,075,041</b>	<b>6,761,522</b>	<b>2,313,519</b>	<b>27,046,088</b>	<b>34%</b>
<b>Operating Income (Loss)</b>	<b>799,752</b>	<b>(729,548)</b>	<b>1,135,789</b>	<b>(1,865,336)</b>	<b>4,543,154</b>	<b>-16%</b>
<b>Non-Operating Revenues (Expenses)</b>						
Non-Operating Revenues	9,997,634	140,584	222,172	(81,588)	69,000	204%
Non-Operating Expenses	-	-	1,500	(1,500)	6,000	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>9,997,634</b>	<b>140,584</b>	<b>223,672</b>	<b>(83,088)</b>	<b>75,000</b>	<b>187%</b>
<b>Capital Fund</b>	<b>572,970</b>	<b>255,715</b>	<b>62,500</b>	<b>193,215</b>	<b>250,000</b>	<b>102%</b>
<b>Solid Waste Fund</b>	<b>49,713</b>	<b>3,339</b>	<b>1,250</b>	<b>2,089</b>	<b>5,000</b>	<b>67%</b>
<b>Recycled Water Fund</b>	<b>2,429,741</b>	<b>(171,112)</b>	<b>(102,033)</b>	<b>(69,079)</b>	<b>(263,982)</b>	<b>65%</b>
<b>Change in Net Position</b>	<b>13,849,809</b>	<b>(501,021)</b>	<b>1,321,178</b>	<b>(1,822,199)</b>	<b>4,609,172</b>	<b>-11%</b>
<b>Beginning Net Position</b>	<b>123,463,706</b>	<b>135,869,805</b>	<b>135,869,805</b>	<b>135,869,805</b>		
<b>Prior Period Adjustment</b>	<b>(1,443,710)</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Ending Net Position</b>	<b>135,869,805</b>	<b>135,368,784</b>	<b>137,190,983</b>	<b>134,047,606</b>	<b>(1,822,199)</b>	

**Revenues:**

For quarter ending September 30, 2020, total combined revenues are \$8,891,451, including the General, Capital, Solid Waste, and Recycled Water Funds.

**General Fund:**

- **Sewer Service Charges.** Total revenue of \$31,169,407 is expected for Fiscal Year 2020-21, with 7,778,420 recognized through 9/30/20, 25% of the annual budget. \$7,756,321 is accrued, with the balance manual invoices to customers not on the San Mateo County Tax Roll. The first Tax Roll receipt is expected in December 2020. Manual invoices are due in two payments; half on 11/1/20 and half on 2/1/21.
- **Permit Fees.** Permit & Inspection Fees of \$88,094, 88% of the annual budget.
- **Flow Equal.** The total budgeted amount of \$355,000 was received.
- **Other Operating Income.** A total of \$123,970 was billed through 9/30/20; 35% of the annual budget.
  - Revenue from Los Altos Hills was \$113,316
  - Revenue from Town of Woodside was \$10,073
  - An additional \$590 from two small invoices
- **Other Non-Operating Revenues:** The District recognized total non-operating revenue of \$140,584. The majority from interest income.

**General Fund**

General Fund	Prior Year FY 2019-20	Actual 9/30/2020	Budget 9/30/2020	Budget v Actual 9/30/2020	Annual Budget FY 2020-21	YTD % Annual Budget
Sewer Service Charges						
Residential	23,078,995	5,986,917	5,978,054	8,863	23,912,216	25%
Non-Residential	6,924,752	1,791,503	1,715,461	76,043	6,861,843	26%
Total Sewer Service Charges	30,003,748	7,778,420	7,693,515	84,906	30,774,058	25%
Permit & Inspection Fees	148,144	88,094	25,000	63,094	100,000	88%
Flow Equalization	351,138	355,000	91,296	263,704	365,184	97%
Other Operating Income (LAH & TOW)	408,763	123,979	87,500	36,479	350,000	35%
<b>Total Operating Revenues</b>	<b>30,911,792</b>	<b>8,345,494</b>	<b>7,897,311</b>	<b>448,183</b>	<b>31,589,242</b>	<b>26%</b>
<b>Non-Operating Revenues</b>						
Interest Income	1,078,141	184,674	12,500	172,174	50,000	369%
Gain/Loss on Securities	44,846	(98,459)		(98,459)		
Gain/Loss on PARS Trust	90,406	54,369		54,369		
Gain/Loss on Sale of Assets	4,907			-		
Other Non-Op. Inc.	8,779,333		209,672	(209,672)	19,000	
<b>Total Non-Operating Revenues</b>	<b>9,997,634</b>	<b>140,584</b>	<b>222,172</b>	<b>(81,588)</b>	<b>69,000</b>	<b>204%</b>
<b>Total General Fund Revenue</b>	<b>40,909,426</b>	<b>8,486,078</b>	<b>8,119,483</b>	<b>366,595</b>	<b>31,658,242</b>	<b>27%</b>

**Expenditures:**

For quarter ending September 30, 2020, total Expenses were \$9,392,473, 33% of the annual budget.

- **WBSD Operating Expenses.** General Fund Expenses were \$3,955,298, including \$514,863 in Capital Depreciation, 28% of the annual budget. Expenses are shown on the Expense Analysis on the following page in total, with allocations to the Solid Waste and Recycled Water Fund deducted in aggregate.
  - The largest variances from the budget were Employee Benefits, which is at 49% of the annual budget, and includes \$382,655 Pension Unfunded Accrued Liability FY 2020-21 payment and an additional \$1.6 million paydown from funds transferred from the PARS Pension Trust. The transfer was authorized by the board at the FY 2020-21 Budget Workshop, and with a five year fresh start plan, will save approximately \$3.9 million for the District.
  - Contract Services are also 40% of the annual budget, at \$194,713 through 9/30/20.
  - Insurance expense of \$118,526 was paid for the full year and recognized monthly, with \$47,060 recognized through 9/30/20, representing 23% of the annual budget. The balance is recorded as prepaid expense. The total paid represents 59% of the annual budget.
  - Utilities is \$110,181, including PG&E for the Sharon Heights Recycled Water Facility, which was much higher than anticipated. This is 34% of the annual budget.
  - The other budget items were close or under 25% of the annual budget.
- **External Operating Expenses.** These include \$5,119,743 paid to SVCW, which is 39% of the annual budget. The District holds a 23.91% share of SVCW's Net Position as of June 30, 2020 Unaudited Analysis of Net Position.
  - SVCW Operating & Capital Contributions were \$\$1,910,130, 24% of annual budget
  - SVCW Debt payments were \$3,209,613, 60% of annual budget.
- **Non-Operating Expenses.** There were no Non-Operating Expenses. Previously, SVCW and LAFCo were shown as non-operating expenses. Statements were aligned with audited financial statements, effective June 30, 2020; current expenses are recognized as Sewage Treatment Plant under Operating Expenses.

**Change in Net Position:**

The Net Operating Loss of \$729,548 through September 30, 2020, is a result of the uneven payment of debt to SVCW and is expected to reverse as additional revenue is recognized. With the \$140,584 net increase in Non-Operating Revenues and Expenses, the General Fund has a \$588,963 decline in Net Position through 9/30/20. With the Capital and Solid Waste Funds, the decline is \$329,909.

**WEST BAY SANITARY DISTRICT**  
**Expense Analysis**  
**Fiscal Year 2020-21**  
**September 30, 2020**

	Prior Year FY 2019-20	Actual 9/30/2020	Budget 9/30/2020	Budget v Actual 9/30/2020	Annual Budget FY 2020-21	YTD % Annual Budget
Salaries & Wages	4,079,527	898,842	1,006,814	107,972	4,027,256	22%
Employee Benefits	2,491,455	2,037,976	1,042,041	(995,935)	4,168,165	49%
Directors- Fees	30,740	7,590	59,801	52,211	239,205	3%
Election Expense		-	39,365	39,365	157,458	
Depreciation	2,043,269	514,863	725,000	210,137	2,900,000	18%
Gasoline, Oil & Fuel	52,364	9,113	17,500	8,387	70,000	13%
Insurance	131,737	47,060	50,136	3,076	200,542	23%
Memberships	51,936	14,174	12,863	(1,312)	51,450	28%
Office Expense	37,674	6,610	8,875	2,265	35,500	19%
Operating Supplies	356,797	104,168	95,036	(9,132)	380,145	27%
Contract Services	365,977	194,713	120,250	(74,463)	481,000	40%
Professional Services	306,236	60,592	132,553	71,961	530,212	11%
Printing & Publications	63,452	3,770	15,625	11,855	62,500	6%
Rents & Leases	24,824	7,891	10,000	2,109	40,000	20%
Repairs & Maintenance	271,062	71,601	77,475	5,874	309,900	23%
Research & Monitoring	10,285		21,500	21,500	86,000	
Training, Meetings & Travel	39,949	2,778	14,050	11,272	56,200	5%
Utilities	145,796	110,181	80,836	(29,345)	323,342	34%
Other Operating Expenses	107,333	28,013	84,050	56,037	336,199	8%
LAFCo	20,152		5,250	5,250	21,000	
Transfer to Solid Waste	(70,501)	(13,750)	(25,750)	(12,000)	(103,000)	-13%
Transfer to Recycled Water	-	(150,887)	(120,166)	30,721	(480,664)	-32%
<b>Total WBSD Operating Expenses</b>	<b>10,560,063</b>	<b>3,955,298</b>	<b>3,473,102</b>	<b>(482,196)</b>	<b>13,892,409</b>	<b>28%</b>
SVCW - Operating Fund	6,864,372	1,720,884	1,682,112	(38,772)	6,728,448	26%
SVCW - Operating Reserve	14,112	1,668	88,596	86,928	354,384	0%
SVCW - SRF Reserve Contribution	268,404		-	-		
SVCW - Capital Contributions	452,076	187,578	187,578	-	750,312	25%
SVCW - 2009 Bond (\$55 Mil)	810,663		-	-		
SVCW - 2014 Bond (\$65 Mil)	1,144,887	1,107,625	286,370	(821,255)	1,145,480	97%
SVCW - 2015 Bond (\$60 Mil)	1,019,906	391,929	402,625	10,696	1,610,500	24%
SVCW - 2017 2018 Bond	1,834,713	1,203,294	459,428	(743,866)	1,837,713	65%
SVCW - Cash in Lieu of 2018 Bond	6,416,002		-	-		
SVCW - SRF Debt Service (2011 Debt)	220,077		55,019	55,019	220,077	
SVCW - SRF Debt Service (2012 Debt)	506,765	506,765	126,691	(380,074)	506,765	100%
<b>Total External Operating Expenses</b>	<b>19,551,977</b>	<b>5,119,743</b>	<b>3,288,420</b>	<b>(1,831,323)</b>	<b>13,153,679</b>	<b>39%</b>
Other Non Operating Expense			1,500	1,500	6,000	
Prior Period Adjustments	4,152,375		-	-		
<b>Total General Fund Expenses</b>	<b>34,264,416</b>	<b>9,075,041</b>	<b>6,763,022</b>	<b>(2,312,019)</b>	<b>27,052,088</b>	<b>34%</b>

### Capital Asset Fund

Capital Asset Fund	Prior Year FY 2019-20	Actual 9/30/2020	Budget 9/30/2020	Budget v Actual 9/30/2020	Annual Budget FY 2020-21	YTD % Annual Budget
Connection Fees	572,970	255,715	62,500	193,215	250,000	102%
<b>Total Capital Asset Fund Revenue</b>	<b>572,970</b>	<b>255,715</b>	<b>62,500</b>	<b>193,215</b>	<b>250,000</b>	<b>102%</b>

#### **Capital & Reserves:**

For quarter ending September 30, 2020, total Capital Expenditures and Reserve Transfers were \$302,878, 2% of the annual budget, excluding the Recycled Water Facility expenditures. A detailed schedule of Capital Expenditures is included on page 10.

#### ***Capital Fund***

- **Capital Fund Revenue.** Connection Fees were \$255,715, 102% of the annual budget.
- **Capital Fund Expenses.** Capital spending was \$302,878, 3% of the budget.
  - **Administration.** A total of \$25,866 was expended on Administration, 5% of the \$475,000 budget; District Office, Levee Surveys, Flow Monitoring Study, and the Server Replacement Program.
  - **Collection Facilities.** There were no expenditures on Collection Facilities, through 9/30/20.
  - **Vehicle & Equipment.** \$153,862 was expended on new vehicles and equipment, 67% of the \$395,000 budget.
    - Two vehicles were purchased, for a combined 7% under budget:
      - Vehicle 217, Pump Supervisor Truck, 2011 F-350 was replaced
      - Vehicle 227 is for the new Recycled Water Chief Operator
    - A Mainline CCTV Camera was purchased for \$23,835, 15% under budget.
    - The budgeted \$360,500 to the Vehicle & Equipment Replacement Reserve will be completed in December, after the first receipt of Sewer Service Charges from the Tax Roll.
  - **Subsurface Lines and Other.** \$123,149 was expended on Pipeline Replacement and Rehabilitation Projects; 2% of budget.
    - **Pump Stations.** There were no expenditures on Pump Stations, as of 9/30/20.
    - **Pipeline Replacement & Rehab Engineering** There were no expenditures, as of 9/30/20.

- **Pipeline Replacement & Rehab Construction.** \$123,149 was expended on Belle Haven III & Alpine and Isabella, Gilbert & Bay North Projects, 2% of the \$5,500,000 budget.
- **Other Capital Projects.** The District budgeted \$210,000 for environmental reviews, manhole raising, and unanticipated capital expenditures. There were no expenditures, as of 9/30/20.

**Reserves**

The District has budgeted \$4,099,000 in transfers to reserve accounts to protect cash flow between sewer service fee payments from the county, maintain fiscal stability, and reserve for future projects. These transfers will be completed in December, after the first receipt of Sewer Service Charges from the Tax Roll.

- **Reserves.** There were no transfers to unrestricted reserve accounts.
- **Restricted Reserves.** There is no budget for transfers to restricted reserve accounts in FY 2020-21.

**WEST BAY SANITARY DISTRICT  
Capital Expenditure Analysis  
Fiscal Year 2020-21  
September 30, 2020**

	Actual FY 2019-20	Actual 9/30/2020	Budget FY 2020-21	Variance Budget Balance	YTD % Annual Budget
<b>Administration</b>					
District Office Exterior	-	2,800	10,000	7,200	28%
District Office Interior	11,400	2,853	10,000	7,147	29%
Levee Survey & GPS Update	44,488	20,213	60,000	39,787	34%
Flow Monitoring Study	29,986		30,000	30,000	0%
Server Replacement Program	1,500		15,000	15,000	0%
Corporate Yard Renovation Feasibility Study	-		350,000	350,000	0%
<b>Total Administration</b>	<b>87,374</b>	<b>25,866</b>	<b>475,000</b>	<b>449,134</b>	<b>5%</b>
<b>Collection Facilities</b>					
Metal Storage Building - Phase 1	2,708		852,550	852,550	0%
Metal Storage Building - Phase 2	-		247,450	247,450	0%
FERRF Improvements & Demolition Of Old Treatment Plant	20,679		-	-	
Sheet Piling Project	363,297		1,500,000	1,500,000	0%
Bayfront Resource Recovery (Environmental Impact Report)	-		300,000	300,000	0%
Smart Covers (2)	9,983		-	-	
<b>Subtotal Collection Facilities (Excludes Vehicle &amp; Equipment)</b>	<b>396,666</b>	<b>-</b>	<b>2,900,000</b>	<b>2,900,000</b>	<b>0%</b>
<b>Vehicle &amp; Equipment</b>					
Pipehunter Replace (Carryover)	220,071		25,000	25,000	0%
Mainline CCTV Camera	23,726	23,835	28,000	4,165	85%
Service Truck - Unit 208	53,568		-	-	
Operations Superintendent SUV - Unit 206	48,183		-	-	
Flo Dar Equipment (Flow Meters)	33,979		35,000	35,000	0%
Pump Supervisor Truck - Unit 217 W/ 1/2 T Crane (Deferred In 18/19)		87,290	90,000	2,710	97%
Water Quality Supervisor Vehicle		42,738	50,000	7,262	85%
Other Vehicles Improvements, less prior period adj.	1,005			-	
Sales of Vehicles	(34,356)			-	
<b>Total Vehicle &amp; Equipment</b>	<b>346,175</b>	<b>153,862</b>	<b>228,000</b>	<b>74,138</b>	<b>67%</b>
<b>Funding From Vehicles &amp; Replacement Program</b>	<b>-</b>		<b>-</b>		
<b>Net Vehicle &amp; Equipment</b>	<b>346,175</b>	<b>153,862</b>	<b>228,000</b>	<b>2,974,138</b>	<b>67%</b>
<b>Subsurface Lines and Other</b>					
<b>Pump Stations</b>					
Pump & Valve Replacement Program	48,496		40,000		0%
Private Pump & Panel Replacements	17,691		20,000	20,000	0%
Pump Station Fence Replacement & Repair	14,380		5,000		0%
<b>Pipeline Replacement &amp; Rehab Engineering</b>					
Isabella, Gilbert, Bay North, Coyote Hill - Phase 1	213,804		350,000	350,000	0%
<b>Pipeline Replacement &amp; Rehab Construction</b>					
Belle Haven III & Alpine	1,203,914	39,647			
Town Of Atherton Civic Center - Dinklespeil	517,280				
Isabella, Gilbert & Bay North - Phase 1 (Carryover \$1.5m)		83,502	1,500,000	1,416,498	6%
Isabella, Gilbert & Bay North - Phase 2			2,500,000	2,500,000	0%
Lower Ringwood			1,500,000	1,500,000	0%
Private ECR Project Improvements (Credited to Connecticut)	25,500				
<b>Total Subsurface Lines And Other</b>	<b>2,041,065</b>	<b>123,149</b>	<b>5,915,000</b>	<b>5,786,498</b>	<b>2%</b>
<b>Other Capital Projects</b>					
Construction Projects Environmental Review	-		10,000	10,000	0%
Manhole Raising (Paving Projects)	22,434		100,000	100,000	0%
Allowance For Unanticipated Capital Expenditures	221,792		100,000	100,000	0%
Write-off Obsolete Items, older than 2009	(301,144)		-	-	
Write Off Discontinued CIP Projects 2002-2005 & misc	(141,979)			-	
<b>Subtotal Other Capital Projects</b>	<b>(198,897)</b>	<b>-</b>	<b>210,000</b>	<b>210,000</b>	<b>0%</b>
<b>Total Capital Expenditures</b>	<b>2,672,383</b>	<b>302,878</b>	<b>9,728,000</b>	<b>9,425,122</b>	<b>3%</b>
<b>Contributions To Reserves</b>					
Operating Reserves Transfers (Target Goal \$9M)	1,300,000		1,300,000	1,300,000	0%
Rate Stabilization/Bond Reserve (Target Goal \$8M)	-		1,555,000	1,555,000	0%
<b>Capital Reserves</b>					
Emergency Capital Reserves Transfer (Target Goal \$5M)	200,000		200,000		0%
Capital Project Reserves Transfers (Target Goal \$6M)	683,000		683,500	683,500	0%
Vehicle & Equip Replacement Reserve	270,000		360,500		0%
Recycled Water Facility Cash Flow Reserve	-		-	-	
Recycled Water SRF Reserve - Restricted	675,541		-	-	
<b>Total Contributions To Reserves</b>	<b>3,128,541</b>	<b>-</b>	<b>4,099,000</b>	<b>4,099,000</b>	<b>0%</b>
<b>Total Capital Expenditures &amp; Reserve Transfer</b>	<b>5,800,924</b>	<b>302,878</b>	<b>13,827,000</b>	<b>13,524,122</b>	<b>2%</b>
<b>Resource Recovery</b>					
Recycled Water Facility - SHGCC	7,133,813	261,537	-	(261,537)	
Bayfront	-	16,919	-		
<b>Total Resource Recovery</b>	<b>7,133,813</b>	<b>278,457</b>	<b>-</b>	<b>(261,537)</b>	<b>-</b>



**Solid Waste:**

The Solid Waste Fund had a net increase of \$3,339, 67% of the annual budget, through 9/30/20.

- **Solid Waste Fund Revenue.** Franchise fees were \$17,089, 16% of the annual budget.
- **Solid Waste Fund Expense.** Allocated expenses for the Solid Waste program were \$13,750, 13% of the annual budget.

**WEST BAY SANITARY DISTRICT  
Solid Waste Fund  
Fiscal Year 2020-21  
September 30, 2020**

	Prior Year FY 2019-20	Actual 9/30/2020	Budget 9/30/2020	Variance Budget v Actual	Annual Budget FY 2020-21	YTD % Annual Budget
<b>Income</b>						
Operating Income						
Franchises	120,214	17,089	27,000	9,911	108,000	16%
<b>Total Income</b>	<b>120,214</b>	<b>17,089</b>	<b>27,000</b>	<b>9,911</b>	<b>108,000</b>	<b>16%</b>
<b>Expenditures</b>						
Allocated Operating Expense						
Rate Studies	16,501	0	10,500	10,500	42,000	0%
Mailings	5,000	0	1,250	1,250	5,000	0%
Public Relations	1,000	0	250	250	1,000	0%
Overhead Expense Allocation From Genera	48,000	13,750	13,750	0	55,000	25%
<b>Total Allocated Operating Expense</b>	<b>70,501</b>	<b>13,750</b>	<b>25,750</b>	<b>89,250</b>	<b>103,000</b>	<b>13%</b>
<b>Solid Waste Fund</b>						
Beginning Balance	193,692	243,405	243,405	-	243,405	100%
Contribution To Solid Waste Fund	49,713	3,339	1,250	(2,089)	5,000	67%
Ending Balance	243,405	246,744	244,655	(2,089)	248,405	99%

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

Capital expenditures on the Sharon Heights Recycled Water Facility (SHRW) totaled \$261,537, for a project total of \$22,647,052. \$21,746,955 has been received from the State Revolving Fund, with \$640,886 pending, as of 9/30/20.

The facility was accepted from the contractor, Anderson Pacific, effective July 27, 2020. The contractor will manage the facility for six months, from July 27, 2020 through January 26, 2021, at which time, the District will commence full management. Contractor costs are paid by the District and billed to Sharon Heights Golf & Country Club (SHGCC); these expenses are recorded as Operation & Maintenance (O&M) to the Recycled Water Fund and receipts are recorded as Income.

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

- **Revenue.** \$128,416 was recognized as income from SHGCC. This represents billing for O&M through 9/30/20.
- **Expense.** Total expenditures were \$303,681.
  - Operating Expenses were \$279,304.
    - Direct District expenses were \$150,887, including PG&E, which was billed to Anderson Pacific and included in O&M paid to them and ultimately billed and received from SHGCC.
    - O&M by Anderson Pacific was \$128,416, through 9/30/20. The total added to the SHRW budget for contractor O&M is \$345,083. This includes an additional \$20,083 for utilities overage, as the PG&E rate was higher than stated in original contract.
  - Non-Operating Income & Expenses were \$20,225, net decrease.
    - Non-Operating Income was \$4,153, including Interest Income and a loss on the SHGCC restricted reserve account.
    - Non-Operating Expenses was \$24,378, in Interest Expense accrued on the SRF loan through 9/30/20.

***Bayfront Recycled Water Project***

The Bayfront Project recognized \$16,919 in capital expenditures.

**West Bay Sanitary District  
Recycled Water Fund  
Sharon Heights Recycled Water Facility  
Fiscal Year 2020-21  
September 30, 2020**

	Actual FY 2019-20	Actual 9/30/2020	Budget 9/30/2020	Budget v Actual 9/30/2020	Annual Budget FY 2020-21	YTD % Annual Budget
<b>Fund Income</b>						
Operating Income						
Sharon Heights Golf & County Club		128,416	206,437	78,020	825,748	16%
<b>Total Operating Income</b>	<b>0</b>	<b>128,416</b>	<b>206,437</b>	<b>697,331</b>	<b>825,748</b>	<b>15.6%</b>
<b>Fund Expenditures</b>						
Operating Expense (Excluding Depreciation)	0	165,552	206,437	40,885	825,748	20.0%
Depreciation Expense	0	113,752	0	(113,752)	0	
<b>Total Fund Expenditures</b>	<b>0</b>	<b>279,304</b>	<b>206,437</b>	<b>(72,867)</b>	<b>825,748</b>	<b>33.8%</b>
<b>Net Income (Loss)</b>	<b>0</b>	<b>(150,887)</b>	<b>0</b>	<b>150,887</b>	<b>0</b>	
<b>Non-Operating Income / Expense</b>						
Non-Operating Income	5,935,341	4,153	0	(4,153)	0	
Non-Operating Expense	(146,255)	(24,378)	0	24,378	(675,541)	3.6%
<b>Total Non-Operating Income/Expense</b>	<b>5,789,086</b>	<b>(20,225)</b>	<b>0</b>	<b>(655,316)</b>	<b>(675,541)</b>	<b>3.0%</b>
<b>Net Fund Balance For Fiscal Year</b>	<b>5,789,086</b>	<b>(171,112)</b>	<b>0</b>	<b>(504,429)</b>	<b>(675,541)</b>	<b>25%</b>

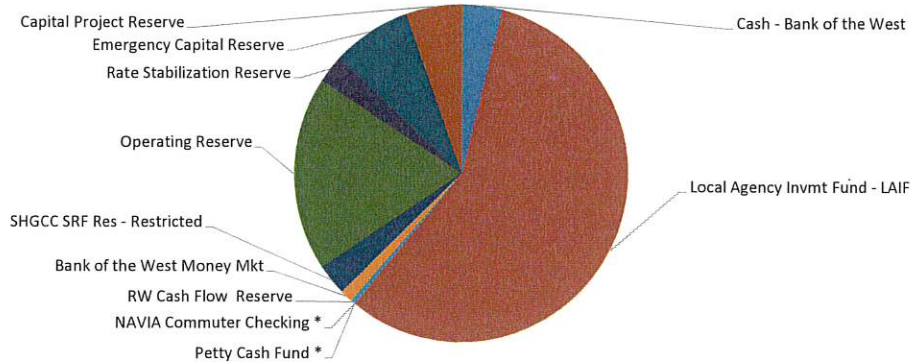
	Actual FY 2019-20	Actual 9/30/2020	Budget 9/30/2020	Budget v Actual 9/30/2020	Annual Budget FY 2020-21	YTD % Annual Budget
<b>Net Position</b>						
<b>Assets</b>						
SHGCC SRF Res - Restricted	1,530,350	1,535,901				
Accounts Receivable	708,440	195,971				
Interest Receivable	3,996	2,597				
<b>Capital Assets</b>						
Sharon Heights Recycle Water Facility	22,385,514	22,647,052				
Accumulated Depreciation	0	(113,752)				
<b>Total Assets</b>	<b>24,628,300</b>	<b>24,267,768</b>				
<b>Liabilities</b>						
Accounts Payable	258,754	82,569				
Payroll Taxes	0	442				
Notes Payable - SRF Loan	16,597,119	16,621,497				
SRF Loan Payment Advance Installments	135,108	202,662	202,662	0	675,541	30.0%
Accrued Interest - SRF Loan	36,292	60,670				
<b>Total Liabilities</b>	<b>17,027,273</b>	<b>16,967,840</b>	<b>202,662</b>	<b>0</b>	<b>675,541</b>	
<b>Net Position</b>	<b>7,601,026</b>	<b>7,299,928</b>				

**West Bay Sanitary District  
Recycled Water Fund  
Sharron Heights Recycled Water Facility  
Fiscal Year 2020-21  
September 30, 2020**

Fund Expenditures - Detail	Actual FY 2019-20	Actual 9/30/2020	Budget 9/30/2020	Budget v Actual 9/30/2020	Annual Budget FY 2020-21	YTD % Annual Budget
<b><u>Operating Expense</u></b>						
Salaries & Wages		14,209	15,857	1,648	63,428	22.4%
Employee Benefits		5,248	11,893	6,645	47,571	11.0%
Indirect Labor		9,939	9,939	0	39,756	25.0%
<b>Total Salaries, Wages &amp; Benefits</b>	<b>0</b>	<b>29,396</b>	<b>37,689</b>	<b>8,293</b>	<b>150,755</b>	<b>19.5%</b>
<b><u>Other Operating Expense</u></b>						
Depreciation		113,752	0	(113,752)	0	
Gasoline, Oil And Fuel		0	0	0	0	
Insurance		3,129	2,313	(816)	9,252	33.8%
Memberships		0	0	0	0	
Office Expense		0	0	0	0	
Operating Supplies		712	3,150	2,438	12,600	5.6%
Contractual Services		0	0	0	0	
Professional Services		0	2,500	2,500	10,000	0.0%
Printing And Publications		0	0	0	0	
Rents And Leases		0	0	0	0	
Repairs And Maintenance		0	3,000	3,000	12,000	0.0%
Research And Monitoring		0	7,528	7,528	30,112	0.0%
Training, Meetings & Travel		0	0	0	0	
Utilities		0	57,588	57,588	230,352	0.0%
Other Operating Expenses		0	2,500	2,500	10,000	0.0%
<b>Subtotal Operating Expenses</b>	<b>0</b>	<b>146,989</b>	<b>116,268</b>	<b>(30,721)</b>	<b>465,071</b>	<b>32%</b>
Administrative Expense		3,898	3,898	0	15,593	25.0%
Operations & Maintenance - Anderson Pacific *		128,416	86,271	(42,146)	345,083	37.2%
<b>Total Operating Expense</b>	<b>0</b>	<b>279,304</b>	<b>206,437</b>	<b>(72,867)</b>	<b>825,748</b>	<b>33.8%</b>
<b><u>Non-Operating Income &amp; Expense</u></b>						
<b>Other Non-Operating Income / Deposits</b>						
Sinking Fund		0	0	0	0	
Long Term Agreement Reserve	675,541	0	0	0	0	
Grant	5,259,800	0	0	0	0	
Interest Income		8,955	0	(8,955)	0	
Gain/Loss on Reserves		(4,802)	0	4,802	0	
<b>Total Non-Operating Income</b>	<b>5,935,341</b>	<b>4,153</b>	<b>0</b>	<b>(4,153)</b>	<b>0</b>	
<b>Other Non-Operating Expense</b>						
SRF Loan Payment	0	0	0	0	675,541	0.0%
Interest Expense (SRF Loan)	146,255	24,378	0	(24,378)	0	
<b>Total Non-Operating Expense</b>	<b>146,255</b>	<b>24,378</b>	<b>0</b>	<b>(24,378)</b>	<b>675,541</b>	<b>3.6%</b>
<b>Total Non-Operating Income &amp; Expense</b>	<b>5,789,086</b>	<b>(20,225)</b>	<b>0</b>	<b>20,225</b>	<b>(675,541)</b>	<b>3.0%</b>
<b>Total Expense</b>	<b>146,255</b>	<b>303,681</b>	<b>206,437</b>	<b>(97,245)</b>	<b>1,501,288</b>	<b>20.2%</b>

\* External O&M not in original budget. Anderson Pacific O&M, effective 7/27/20. Expense is passthrough to SHGCC.

**WEST BAY SANITARY DISTRICT**  
**Schedule of Cash and Investments**  
**Fiscal Year 2020-21**  
**September 30, 2020**



Description	Target	Principal Amount	Accrued Interest	Yield
Bank of the West, Commercial Account		2,003,100.19		0.16%
NAVIA Commuter Checking Account		1,943.64		0.00%
Petty Cash		1,000.00		
Bank of the West Money Market Account		607,602.06		0.23%
<b>Local Agency Investment Fund (LAIF)</b>		<b>29,184,544.35</b>	<b>68,712.00</b>	<b>1.93%</b>
<b>Cash &amp; Equivalent Accounts</b>		<b>31,798,190.24</b>	<b>68,712.00</b>	
<u>Bank of the West Reserves Accounts</u>				
Bank Of The West -Operating Reserve - Securities	\$9 million	9,068,974.64	54,174.74	3.27%
Bank Of The West -Operating Reserve - Cash		429,682.45		0.12%
Bank Of The West - Rate Stabilization Reserve - Securities	\$8 million	1,356,330.33	7,113.33	1.96%
Bank Of The West - Rate Stabilization Reserve - Cash		44,816.68		0.12%
Bank Of The West -Emergency Capital Reserve - Securities	\$5 million	3,548,366.56	20,569.40	2.57%
Bank Of The West -Emergency Capital Reserve - Cash		346,681.84		0.12%
Bank Of The West -Capital Project Reserve - Securities	\$6 million	2,513,673.80	16,117.23	3.05%
Bank Of The West -Capital Project Reserve - Cash		257,896.93		0.12%
Bank Of The West - Recycled Water Cash Flow Reserve - Securities		225,461.90	1,593.65	2.21%
Bank Of The West - Recycled Water Cash Flow Reserve - Cash		1,927.31		0.12%
<b>Bank of the West Reserve Accounts</b>		<b>17,793,812</b>	<b>99,568</b>	
Bank Of The West - Recycled Water SRF Reserve - Securities (Restricted)		1,310,802.86	7,519.21	1.82%
Bank Of The West - Recycled Water Cash SRF Reserve - Cash		217,578.61		0.12%
<b>Restricted - Bank of the West Reserve Account</b>		<b>1,528,381</b>	<b>7,519</b>	
<b>Total Cash and Investments</b>		<b>51,120,384.15</b>	<b>175,799.56</b>	
PARS Irrevocable Trust - OPEB		284,199.40		
PARS Irrevocable Trust - Retirement		206,891.44		
<b>Total PARS Irrevocable Trust (offset liabilities)</b>		<b>491,090.84</b>		

**Certification:**

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

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

*Sequoia Hamming* 12/3/2020  
 District Manager/CFO Date

*[Signature]* 12/8/20  
 Finance Manager Date

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## WEST BAY SANITARY DISTRICT AGENDA ITEM 10

**To:** *Board of Directors*

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

**Subject:** *Consideration of Adopting the District's Audited Financial Statements for the Year Ended June 30, 2020*

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### **Background**

The District contracted with Chavan & Associates, LLP to conduct the FY 2019-20 audit. The final draft of the audited Financial Statements prepared by Chavan & Associates, LLP is attached. The District contracts for this professional service and considers a new auditor every few years, to satisfy our due diligence as a public agency.

### **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 several adjustments after the District Financial statements through June 30, 2020. The auditors recommended adjustments for the pension and Other Postemployment Benefits (OPEB), increasing liabilities by \$439,785 and \$4,650, respectively.

In addition, the Finance Manager reconciled the Sharon Heights Recycled Water Facility account with SRF submissions, vendor backup, and SRF loan amortization schedule. This resulted in a \$133,246 transfer to expense for prior years and a reduction of \$5,259,800 in the SRF Loan balance, to recognize the amount the Capitalization Grants for Clean Water State Revolving Funds, received between January 2019 and March 2020. The current amount of \$2,551,135 was recognized as Income in the FY 2019-20, while the balance received in FY 2018-19 resulted in a reduction of \$2,708,665 in the prior period adjustment, reducing the prior period adjustment to \$1,443,710, net decrease to the Net Position.

The final Change in Net Position from the prior year's audited financial statements is a net increase of \$12,406,099 and an ending Net Position of \$135,869,805.

### **Recommendation**

The District Manager and the Finance Manager recommend the District Board adopt the audited financial statements for the year ended June 30, 2020.

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**Report to the District Board for the Regular Meeting of December 9, 2020**

DRAFT

**WEST BAY SANITARY DISTRICT**  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITOR'S REPORT**  
JUNE 30, 2020

\* \* \*



**Chavan & Associates, LLP**  
Certified Public Accountants  
1475 Saratoga Ave, Suite 180  
San Jose, CA 95129



West Bay Sanitary District

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June 30, 2020

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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, 2020, 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, 2020, 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, 2019 financial statements, and we expressed unmodified audit opinions on the respective financial statements in our report dated December 5, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Chavan and Associates, LLP  
Certified Public Accountants

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

C & A LLP

November 18, 2020  
San Jose, California

DRAFT

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**West Bay Sanitary District**  
Management's Discussion and Analysis  
June 30, 2020

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The West Bay Sanitary District (the District) provides wastewater collection and conveyance services to the City of Menlo Park, Atherton, and Portola Valley, and areas of East Palo Alto, Woodside and unincorporated San Mateo and Santa Clara counties. The District conveys raw wastewater, via the Menlo Park Pump Station and force main, to Silicon Valley Clean Water (SVCW) for treatment and discharge to the San Francisco Bay. The District has issued its financial statements for the fiscal year ended June 30, 2020, in conformity with the format prescribed by the provisions of Governmental Accounting Standards. The Management's Discussion and Analysis is an overview of the District's financial activities for the fiscal year and is an integral part of the accompanying Basic Financial Statements. Readers are encouraged to consider the information presented herein with those statements.

## **FINANCIAL HIGHLIGHTS**

- The District's net position increased by \$12,406,096 or 10%.
- The District's operating revenue increased by \$421,853 or 1%.
- The District's operating expenses increased by \$3,122,257 or 12%.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report includes the Management's Discussion and Analysis report, the independent auditor's report and the basic financial statements of the District. The financial statements also include notes that explain the information in the financial statements in more detail.

## **BASIC FINANCIAL STATEMENTS**

The Financial Statements of the District report information about the District's accounting methods similar to those used by non-profit organizations. These statements offer short-term and long-term financial information about its activities. The Statement of Net Position includes all of the District's assets, deferred inflows, deferred outflows, and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for evaluating the capital structure of the District.

All of the current year's revenues and expenses are accounted for in the Statement of Activities and Changes in Net Position. These statements reflect the result of the District's operations over the past year.

The final required Financial Statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations and investments. It also provides answers to questions such as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

## **FINANCIAL ANALYSIS OF THE DISTRICT**

The Statement of Net Position and the Statement of Activities and Changes in Net Position report information about the District's activities in a way that demonstrate how the prior year affected the District. These two statements report the net position of the District and changes in them. The District's net position, the difference between assets and liabilities, is a measurement of the financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or not. Other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation should also be considered.

**West Bay Sanitary District**  
**Management's Discussion and Analysis**  
**June 30, 2020**

**NET POSITION**

To begin our analysis, a summary of the District's Statement of Net Position is presented in Table 1.

**Table 1 - Summary of Net Position**

	2020	2019	Dollar Change	Percent Change
<b><u>Assets</u></b>				
Current & Other Assets	\$ 90,637,323	\$ 75,469,399	\$ 15,167,924	20.1%
Capital Assets	72,451,165	68,217,295	4,233,870	6.2%
<b>Total Assets</b>	<b>\$ 163,088,488</b>	<b>\$ 143,686,694</b>	<b>\$ 19,401,794</b>	<b>13.5%</b>
Deferred Outflows of Resources	\$ 1,096,469	\$ 1,151,282	\$ (54,813)	-4.8%
<b><u>Liabilities</u></b>				
Current Liabilities	\$ 4,610,759	\$ 5,466,441	\$ (855,682)	-15.7%
Noncurrent Liabilities	23,132,993	15,493,229	7,639,764	49.3%
<b>Total Liabilities</b>	<b>\$ 27,743,752</b>	<b>\$ 20,959,670</b>	<b>\$ 6,784,082</b>	<b>32.4%</b>
Deferred Inflows of Resources	\$ 571,400	\$ 414,597	\$ 156,803	37.8%
<b><u>Net Position</u></b>				
Net Investment in Capital Assets	\$ 55,854,046	\$ 57,925,181	\$ (2,071,135)	-3.6%
Unrestricted:				
Capital fund budget	20,981,305	16,950,883	4,030,422	23.8%
Invested in SVCW	29,221,839	20,715,554	8,506,285	41.1%
Operations	9,498,293	9,365,601	132,692	1.4%
Unreserved	20,314,322	18,506,490	1,807,832	9.8%
<b>Total Net Position</b>	<b>\$ 135,869,805</b>	<b>\$ 123,463,709</b>	<b>\$ 12,406,096</b>	<b>10.0%</b>

The District's total net position increased by \$12,406,096, or 10%, from June 30, 2019 to June 30, 2020, predominately from an increase to its investment in the Silicon Valley Clean Water (SVCW), which increased by \$8,506,285. The District's current and other assets increased by \$15,167,924. Capital assets, net of depreciation, increased by \$4,233,870 from capital spending totaling \$10,940,674. Total liabilities increased by \$6,784,082 primarily due to increases to the District's State Revolving Fund (SRF) loan of \$6,305,007 for the Sharon Heights Recycled Water Project. The SRF loan will be paid by Sharon Heights Golf & Country Club over the thirty year term.

**CHANGES IN NET POSITION**

The Statement of Activities and Changes in Net Position in Table 2 provides answers as to the nature and sources of the changes shown in Table 1. Operating revenues increased by \$421,853 (1%). Connection fees decreased \$1,751,751 over the prior year as a result of a decrease in new commercial and residential developments as compared to the prior year. Total operating expenses, which include sewage treatment plant, collection, general administration, and depreciation, increased \$3,122,257 (12%) over the prior year. The majority was due to increased contributions to SVCW for sewage treatment plant capital projects. The District had increased salary and benefits costs of 19%, with new and retiring staff and union negotiated increases of 4%. District's changes in net position for the year are summarized in Table 2.

**West Bay Sanitary District**  
**Management's Discussion and Analysis**  
**June 30, 2020**

Table 2 summarizes the District's changes in net position for the year.

	2020	2019	Dollar Change	Percent Change
<b><u>Revenues</u></b>				
Operating Revenue	\$ 31,032,007	\$ 30,610,154	\$ 421,853	1.4%
<b><u>Operating Expenses</u></b>				
Sewage treatment plant (SVCW)	19,551,978	17,390,469	2,161,509	12.4%
Sewage collection and general administration	8,587,298	7,567,815	1,019,483	13.5%
Depreciation	2,043,269	2,102,004	(58,735)	-2.8%
<b>Total Operating Expenses</b>	<b>30,182,545</b>	<b>27,060,288</b>	<b>3,122,257</b>	<b>11.5%</b>
<b><u>Operating Income (Loss)</u></b>				
	849,462	3,549,866	(2,700,404)	-76.1%
Investment income	1,147,848	1,597,431	(449,583)	-28.1%
Interest expense	(146,255)	-	(146,255)	-100.0%
Other nonoperating revenue (expense)	368,361	4,656	363,705	7811.5%
Increase (decrease) of equity in SVCW	8,506,285	7,682,356	823,929	10.7%
SRF grant reimbursements	2,551,135	-	2,551,135	100.0%
Connection Fees	572,970	2,324,721	(1,751,751)	-75.4%
<b>Change in Net Position Current</b>	<b>13,849,806</b>	<b>15,159,030</b>	<b>(1,309,224)</b>	<b>-8.6%</b>
Prior Period Adjustments to Beginning Net Position	(1,443,710)	-	(1,443,710)	-100.0%
<b>Total Change in Net Position</b>	<b>\$ 12,406,096</b>	<b>\$ 15,159,030</b>	<b>\$ (2,752,934)</b>	<b>-18.2%</b>

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 the JPA the District is liable for its share of SVCW operating expenses. For the year ending June 30, 2020, the District's share was 23.91% which increased by 4.09% from the prior year. Sewer treatment plant expense includes all funds paid to or on behalf of SVCW.

The District reduced the beginning net position by \$1,443,710 which included a decrease to capital assets of \$4,152,375, related to depreciation adjustments, and a decrease to the SRF loan payable of \$2,708,665 to record amounts received in 2018-19 from the Capitalization Grants for Clean Water State Revolving Funds. The total grant was \$5,259,800, with the balance received in 2019-20.

### **BUDGETARY HIGHLIGHTS**

The District adopts an annual budget which provides for general operations and capital projects. Budgets are prepared on the accrual basis of accounting. The District maintains long-term financial plans for vehicle and equipment replacement and multi-year capital projects. Table 3 shows a comparison of actual to budget for general operations for the year ended June 30, 2020.

The District reported \$416,047 (1%) less in operating revenue than budgeted primarily resulting from lower sewer service fees than anticipated, this was due to delays at several commercial developments, therefore postponing sewer service. Total operating expenses were \$1,458,359 (5%) less than budgeted as a result of depreciation (18%) and sewage treatment expenses (4%) lower than expected.



**West Bay Sanitary District**  
**Management's Discussion and Analysis**  
**June 30, 2020**

Table 3 shows a comparison of actual to budget for general operations for the year ended June 30, 2020.

**Table 3 - Budget Summary**

	Budget	Actual	Variance	Percent Variance
<b>Revenues</b>				
Operating Revenue	\$ 31,448,053	\$ 31,032,007	\$ (416,046)	-1.3%
<b>Operating Expenses</b>				
Sewage treatment plant (SVCW)	20,428,360	19,551,978	876,382	4.5%
Sewage collection and general administration	8,712,544	8,587,298	125,246	1.5%
Depreciation	2,500,000	2,043,269	456,731	22.4%
<b>Total Operating Expenses</b>	<b>31,640,904</b>	<b>30,182,545</b>	<b>1,458,359</b>	<b>4.8%</b>
<b>Operating Income (Loss)</b>				
Nonoperating Revenue (Expense)	(192,851)	849,462	1,042,313	540.5%
Increase (Decrease) of Equity in SVCW	298,000	1,369,954	1,071,954	78.2%
SRF grant reimbursements	-	8,506,285	8,506,285	-100.0%
Connection Fees	-	2,551,135	2,551,135	-100.0%
<b>Change in Net Position</b>	<b>\$ 105,149</b>	<b>\$ 13,849,806</b>	<b>\$ 13,744,657</b>	<b>13071.6%</b>

Table 4 summarizes the capital budget for the fiscal year ended June 30, 2020.

**Table 4 - Capital Fund Budget Summary**

	Budget	Actual	Variance	Percent Variance
Transfer from Operations	\$ (257,851)	\$ 849,465	\$ 1,107,316	130%
Capital Expenditures	(15,187,699)	(9,806,196)	5,381,503	55%
State Revolving Fund	-	6,305,007	6,305,007	-100%
Connection Charges	500,000	572,970	72,970	15%
Interest Income	50,000	169,467	119,467	239%
Transfers to Capital Reserve Accounts	700,000	1,828,541	1,128,541	161%
Change in capital Asset Fund	(14,195,550)	(80,746)	14,114,804	-17480%
Beginning Fund Balance	21,062,051	21,062,051	-	0%
Ending Fund Balance	<b>\$ 6,866,501</b>	<b>\$ 20,981,305</b>	<b>\$ 14,114,804</b>	<b>206%</b>

Capital Expenditures of \$9,806,196 including \$2,672,383 for the District capital projects, including administration, collection facilities, vehicles and equipment, and replacement and rehabilitate sewer infrastructure. These projects were \$4,596,667 under budget as a result of delays caused by county and state shutdowns due to the Covid-19 pandemic. Additionally, the District expended \$7,133,813 on the Sharon Heights Recycled Water Facility, which is funded by the SRF loan. The District had an ending Capital Asset Fund balance of \$20,981,305, as shown in Table 4, which is designated for capital projects.

**West Bay Sanitary District**  
 Management's Discussion and Analysis  
 June 30, 2020

**CAPITAL ASSETS**

Table 5 shows a summary of capital assets owned by the District as of June 30, 2020.

**Table 5 - Summary of Capital Assets Net of Depreciation**

	2020	2019	Dollar Change	Percent Change
Land	\$ 44,467	\$ 44,467	\$ -	0.00%
Construction in Progress	30,305,139	21,889,228	8,415,911	38.45%
Pump stations	4,352,676	5,344,001	(991,325)	-18.55%
Fleet	1,021,851	765,991	255,860	33.40%
Plant and administration facilities	428,108	358,715	69,393	19.34%
Buildings	1,646,789	1,718,822	(72,033)	-4.19%
Flow equalization facilities	282,032	381,858	(99,826)	-26.14%
Subsurface lines	34,370,103	37,714,213	(3,344,110)	-8.87%
<b>Net Capital Assets</b>	<b>\$ 72,451,165</b>	<b>\$ 68,217,295</b>	<b>\$ 4,233,870</b>	<b>6.21%</b>

**ECONOMIC FACTORS**

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, maintenance and recurring capital replacement (OM&R). The District is not subject to general economic conditions for sewer service charges such as increases or declines in property values that vary with economic conditions. Accordingly, the District sets its rates to its users to cover the costs of OM&R plus any increments for known or anticipated changes in program costs. The District regulates operating costs by managing expenses and reserving for future operations.

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 and completed 100% of internal maintenance and performance goals.

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, possibly resulting in lower water usage, which may reduce sewer service charges in the following year. Commercial customers represent 3% of all customers and 23% of revenue. Sewer Service Fees for residential customers are not impacted, as they pay flat rates.

A favorable effect of the current economics, SVCW has been able to take advantage of lower interest rates for the Regional Environmental Sewer Conveyance Upgrade project, which replaces a 60-year-old sewer main, rehabilitates and/or 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.

**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, 2020

(With Comparative Totals as of June 30, 2019)

<b>Assets</b>	2020	2019
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 36,868,824	\$ 31,817,190
Restricted cash and investments	1,762,989	1,871,526
Accounts receivable	1,801,786	345,126
SWRCB receivable	640,886	-
Interest receivable	249,607	338,272
Prepaid expenses and other current assets	706,691	32,182
<b>Total Current Assets</b>	<u>42,030,783</u>	<u>34,404,296</u>
<b>Noncurrent Assets:</b>		
Investments	19,384,701	20,349,549
Investment in Silicon Valley Clean Water	29,221,839	20,715,554
<b>Capital assets:</b>		
Non-depreciable	30,349,606	21,933,695
Depreciable net of accumulated depreciation	42,101,559	46,283,600
<b>Total Capital Assets - Net</b>	<u>72,451,165</u>	<u>68,217,295</u>
<b>Total Noncurrent Assets - Net</b>	<u>121,057,705</u>	<u>109,282,398</u>
<b>Total Assets</b>	<u>\$ 163,088,488</u>	<u>\$ 143,686,694</u>
 <b>Deferred Outflows of Resources</b>		
OPEB adjustments	\$ 63,633	\$ 9,418
Pension adjustments	1,032,836	1,141,864
<b>Total Deferred Outflows of Resources</b>	<u>\$ 1,096,469</u>	<u>\$ 1,151,282</u>
 <b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 4,162,801	\$ 5,240,127
Payroll and related liabilities	144,720	3,701
SHGCC SRF loan payment advance - current	135,112	-
Construction deposits	17,381	8,672
Compensated absences payable - current	150,745	213,941
<b>Total Current Liabilities</b>	<u>4,610,759</u>	<u>5,466,441</u>
<b>Noncurrent Liabilities:</b>		
Net OPEB liability	111,239	55,871
Net pension liability	5,494,504	5,054,719
State Revolving Fund Loan	16,597,119	10,292,112
SHGCC SRF loan payment advance - noncurrent	743,095	-
Accrued Interest	36,292	-
Compensated absences payable - noncurrent	150,744	90,527
<b>Total Noncurrent Liabilities</b>	<u>23,132,993</u>	<u>15,493,229</u>
<b>Total Liabilities</b>	<u>\$ 27,743,752</u>	<u>\$ 20,959,670</u>
 <b>Deferred Inflows of Resources</b>		
OPEB adjustments	\$ 5,899	\$ 4,520
Pension adjustments	565,501	410,077
<b>Total Deferred Inflows of Resources</b>	<u>\$ 571,400</u>	<u>\$ 414,597</u>
 <b>Net Position</b>		
Net Investment in Capital Assets	\$ 55,854,046	\$ 57,925,183
<b>Unrestricted:</b>		
Capital fund budget	20,981,305	16,950,883
Invested in Silicon Valley Clean Water	29,221,839	20,715,554
Operations	9,498,293	9,365,601
Unreserved	20,314,322	18,506,488
<b>Total Net Position</b>	<u>\$ 135,869,805</u>	<u>\$ 123,463,709</u>

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, 2020  
(With Comparative Totals for the Fiscal Year Ended June 30, 2019)

	2020	2019
<b>Operating Revenues:</b>		
Service charges	\$ 30,003,748	\$ 29,499,873
Flow equalization uses	351,138	337,633
Permit and inspection fees and other services	148,144	230,494
Other operating revenues	528,977	542,154
Total operating revenues	<u>31,032,007</u>	<u>30,610,154</u>
<b>Operating Expenses:</b>		
Sewage treatment plant (SVCW)	19,551,978	17,390,469
Sewage collection and general administration:		
Salaries and benefits	5,894,953	5,430,077
Materials and supplies	446,835	409,172
Insurance	131,737	94,071
Contract services	388,061	386,451
Professional services	306,237	531,394
Repairs and maintenance	271,062	252,275
Utilities	145,849	176,767
Other operating expenses	1,002,564	287,608
Total sewage collection and general administration	<u>8,587,298</u>	<u>7,567,815</u>
Depreciation	2,043,269	2,102,004
Total operating expenses	<u>30,182,545</u>	<u>27,060,288</u>
<b>Operating Income (Loss)</b>	<u>849,462</u>	<u>3,549,866</u>
<b>Nonoperating Revenues (Expenses):</b>		
Investment income	1,147,848	1,597,431
Interest expense	(146,255)	-
Increase (decrease) of equity in Silicon Valley Clean Water	8,506,285	7,682,356
Other nonoperating revenues	368,361	4,656
Total nonoperating revenues (expenses)	<u>9,876,239</u>	<u>9,284,443</u>
<b>Income before contributions</b>	10,725,701	12,834,309
<b>Recycled Water Fund: Capital Grant</b>	2,551,135	-
<b>Capital Fund: Connection Fees</b>	<u>572,970</u>	<u>2,324,721</u>
<b>Change in Net Position</b>	<u>13,849,806</u>	<u>15,159,030</u>
<b>Beginning Net Position</b>	123,463,709	108,304,679
<b>Prior Period Adjustments</b>	(1,443,710)	-
<b>Beginning Net Position - As Adjusted</b>	<u>122,019,999</u>	<u>108,304,679</u>
<b>Ending Net Position</b>	<u>\$ 135,869,805</u>	<u>\$ 123,463,709</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, 2020  
(With Comparative Totals for the Fiscal Year Ended June 30, 2019)

	2020	2019
<b>Cash Flows from Operating Activities:</b>		
Cash received from customers	\$ 29,584,056	\$ 30,462,674
Cash payments to suppliers for goods and services	(23,996,158)	(20,300,880)
Cash payments to employees for services	(3,969,248)	(3,429,734)
Cash payments of benefits on behalf of employees	(1,080,896)	(1,509,931)
Net Cash Provided (Used) by Operating Activities	<u>537,754</u>	<u>5,222,129</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Cash received from connection fees	572,970	2,324,721
Cash received from the State Revolving Fund loan	8,262,823	9,305,098
Cash received from the State Revolving Fund grants	2,551,135	-
SHGCC SRF loan payment advance	878,207	-
Cash received on the sale of capital assets	4,907	3,061
Purchases and construction of capital assets	(10,382,558)	(18,388,880)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>1,887,484</u>	<u>(6,756,000)</u>
<b>Cash Flows from Investing Activities:</b>		
Transfers to investment accounts	(3,812,408)	(3,472,583)
Transfers from investment accounts	5,319,929	9,221,460
Investment income	1,118,875	569,857
Net Cash Provided (Used) by Investing Activities	<u>2,626,396</u>	<u>6,318,734</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,051,634	4,784,863
Cash and Cash Equivalents Beginning	<u>31,817,190</u>	<u>27,032,327</u>
Cash and Cash Equivalents Ending	<u>\$ 36,868,824</u>	<u>\$ 31,817,190</u>
<b>Reconciliation of Operating Income to Cash Flows Provided by Operating Activities:</b>		
Operating Income (Loss)	\$ 849,462	\$ 3,549,866
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	2,043,269	2,102,004
Net change in:		
Accounts receivable	(1,456,660)	(147,480)
Prepaid expenses and other current assets	(674,509)	(3,444)
Deferred outflows of resources	54,813	352,326
Accounts payable	(1,077,326)	(771,777)
Payroll and related liabilities	141,019	(5,972)
Construction deposits	8,709	-
Compensated absences	(2,979)	21,999
Net OPEB liability	55,368	(2,528)
Net pension liability	439,785	(66,242)
Deferred inflows of resources	156,803	193,377
Net Cash Provided (Used) by Operating Activities	<u>\$ 537,754</u>	<u>\$ 5,222,129</u>

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

**West Bay Sanitary District**  
Notes to Financial Statements  
June 30, 2020

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**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.

Deferred outflows of resources is a consumption of net assets by the District that is applicable to a future reporting period. For example, prepaid items and deferred charges. Deferred inflows of resources is an acquisition of net assets by the District that is applicable to a future reporting period. For example, unearned revenue and advance collections.

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 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*

**West Bay Sanitary District**  
Notes to Financial Statements  
June 30, 2020

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*and Local Governments.* GASB 76 also amends GASB 62 and AICPA Pronouncements paragraphs 64, 74, and 82. The 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—Governmental Accounting Standards Board (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.



**West Bay Sanitary District**  
Notes to Financial Statements  
June 30, 2020

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*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 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. 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.

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.

West Bay Sanitary District  
Notes to Financial Statements  
June 30, 2020

- 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, 2020.

*Capital Assets*

Property, plant and equipment contributed 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	3-10 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 and floating holidays. Vested or accumulated vacation leave is recorded as an expense and liability as the benefits accrue to the employees.

**West Bay Sanitary District**  
 Notes to Financial Statements  
 June 30, 2020

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*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. For the period, the following time frames were used.

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

*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 the 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 contracted 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 Statement No. 84, *Fiduciary Activities***

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement were initially to be effective for financial statements for periods beginning after December 15, 2018 but have been delayed to periods beginning after December

**West Bay Sanitary District**  
Notes to Financial Statements  
June 30, 2020

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15, 2019, pursuant to GASB Statement No. 95. Earlier application is encouraged. The District does not believe this statement will have a significant impact on the District's financial statements.

**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. The District does not believe this statement will have a significant impact 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. The District does not believe this statement will have a significant impact on the District's financial statements.

**GASB Statement No. 90, *Majority Equity Interests - an Amendment of GASB Statements No. 14 and No. 61***

The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement also requires that a component unit in which a government has 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. The requirements of this Statement were initially to be effective for financial statements for periods beginning after December 15, 2018, but have been delayed to periods beginning after December 15, 2019, pursuant to GASB Statement No. 95. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. The District 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)

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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. The District 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. The District does not believe this statement will have a significant impact 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. The District 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

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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. The District does not believe this statement will have a significant impact on the District's financial statements.

**NOTE 3 - CASH AND INVESTMENTS**

The District's cash and investments consisted of the following as of June 30, 2020 and 2019:

Description	Rating	Fair Value June 30, 2020	Maturities		Concen- trations
			12 Months or Less	13 - 24 Months	
<b>Bank of the West Investments:</b>					
Fixed Income	AA+/BBB	\$ 18,382,478	\$ 8,234,656	\$ 10,147,822	31.68%
Cash	N/A	1,002,223	1,002,223	-	1.73%
Total Bank of West Investments	AAA	19,384,701	9,236,879	10,147,822	33.41%
<b>Cash and Cash Equivalents:</b>					
Cash on hand and in banks	N/A	195,673	195,673	-	0.34%
Money Market	N/A	607,251	607,251	-	1.05%
Cash with fiscal agents	N/A	1,762,989	1,762,989	-	3.04%
LAIF	N/A	36,065,300	36,065,300	-	62.16%
Petty Cash	N/A	600	600	-	0.00%
Total Cash and Cash Equivalents		38,631,813	38,631,813	-	66.59%
Total Cash and Investments		\$ 58,016,514	\$ 47,868,692	\$ 10,147,822	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 \$563,616, exceeded the insured limit by \$313,616 as of June 30, 2020. None of the District's deposits with financial institutions in excess of FDIC limits were held in uncollateralized accounts. All of the District's accounts met the collateral and categorization requirements as noted in the following paragraphs.

*Collateral and Categorization Requirements*

The California Government Code requires California banks and savings and loan associations to secure an agency's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of at least 150% of an agency's total deposits.

*Investment Policy*

The District's investment guidelines as defined by its written investment policy were approved by the Board of Directors. Implementation and direction is established by an internal finance committee. Monthly, the Board reviews the investment balances. Investments are ratified quarterly by the Board.

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

Authorized Investment Type	Maximum Maturity (1)	Maximum Total of Portfolio	Maximum Investment in Anyone Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	20%	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	2 years	20%	None
County Pooled Investment Funds	1 year	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
JPA Pools (other investment pools)	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 s2 inputs as noted above.

#### *Local Agency Investment Fund*

LAIF allows local agencies such as the District to participate in a Pooled Money Investment Account managed by the State Treasurer Office and overseen by the Pooled Money Investment Board and State Treasurer investment committee. A Local District 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, 2020, was approximately \$101 billion of that amount, 99.43% was invested in non-derivative financial products and .57% was invested in structured notes and asset-backed securities. The average maturity for the investment in LAIF was 191 days.

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*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 the City of Redwood City and serves more than 225,000 people and businesses in San Mateo County, California. SVCW provides wastewater transmission, treatment, and effluent disposal services member agencies. At June 30, 2020 and 2019, the District had approximately 23.91% and 19.82%, respectively, in equity interest in SVCW, which is reported using the equity method of accounting. The District's investment in SVCW at June 30, 2020 and 2019 was \$29,221,839 and \$20,715,554, respectively, as reflected on the statement of net position. The change in the investment for the years ended June 30, 2020 and 2019 was an increase of \$8,506,285 and a decrease of \$7,682,356, respectively, as reflected in the statement of revenues, expenses and changes in net position. During the year ended June 30, 2020, the District contributed \$7,598,964 toward the cost of operating and maintaining the facility and paid debt principal and interest of \$11,226,171 that included the State revolving fund loan and the financing agreements to finance the construction and rehabilitation of the SVCW's wastewater system.



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The 2020 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, 2019, (most recent information available):

	June 30, 2019
Total Assets	\$ 479,334,378
Deferred Outflows of Resources	5,611,134
Total Liabilities	378,937,205
Deferred Inflows of Resources	1,246,858
Total Equity	104,761,449
Total Revenues	74,567,023
Total Expenditures	49,723,753

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 2019, gross Sewer Fund revenues, including operating revenues and non-operating interest earnings, amounted to \$30,003,748. The annual debt service commitment of \$3,087,661 is summarized as follows:

Fiscal year ending:	Principal	Interest
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	\$ 66,976,050	\$ 28,741,453

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

The District's capital assets consisted of the following as of June 30, 2020:

Description	Balance June 30, 2019	Additions	Adjustments & Deletions	Balance June 30, 2020
<b>Non-depreciable Capital Assets:</b>				
Land	\$ 44,467	\$ -	\$ -	\$ 44,467
Construction in progress	21,889,228	9,249,252	(833,341)	30,305,139
Total non-depreciable capital assets	21,933,695	9,249,252	(833,341)	30,349,606
<b>Depreciable Capital Assets:</b>				
Pump stations	7,675,435	175,943	-	7,851,378
Fleet	2,565,146	288,470	-	2,853,616
Plant and administration facilities	1,458,470	196,565	(301,140)	1,353,895
Buildings	3,004,405	20,679	-	3,025,084
Flow equalization facilities	2,884,719	-	-	2,884,719
Subsurface lines	58,440,174	1,009,765	-	59,449,939
Total depreciable capital assets	76,028,349	1,691,422	(301,140)	77,418,631
<b>Less accumulated depreciation for:</b>				
Pump stations	(2,331,434)	(240,225)	(927,043)	(3,498,702)
Fleet	(1,799,155)	(175,744)	143,134	(1,831,765)
Plant and administration facilities	(1,099,755)	(78,359)	252,327	(925,787)
Buildings	(1,285,583)	(94,122)	1,410	(1,378,295)
Flow equalization facilities	(2,502,861)	(92,295)	(7,531)	(2,602,687)
Subsurface lines	(20,725,961)	(1,362,524)	(2,991,351)	(25,079,836)
Total accumulated depreciation	(29,744,749)	(2,043,269)	(3,529,054)	(35,317,072)
Total depreciable capital assets - net	46,283,600	(351,847)	(3,830,194)	42,101,559
Total capital assets - net	\$ 68,217,295	\$ 8,897,405	\$ (4,663,535)	\$ 72,451,165

Depreciation expense for the year ended June 30, 2020 and 2019 was \$2,043,269 and \$2,102,004, respectively.

The following details construction in progress as of June 30, 2020:

Project	Balance
FEF Metal Storage Building	\$ 114,266
Belle Haven III	5,500,894
Levee Design	105,533
Emergency Repairs to Alpine Rd	1,712,657
Gilbert Bay North	172,967
Sharon Heights Recycled Water Facility	22,385,514
Bayside	313,308
Total Construction in Progress	\$ 30,305,139

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**NOTE 6 - NONCURRENT LIABILITIES**

The District's noncurrent liabilities consisted of the following as of June 30, 2020:

Description	Balance July 01, 2019	Additions	Adjustments/ Deductions	Balance June 30, 2020	Due Within One Year
Net OPEB Liability	\$ 55,871	\$ 75,805	\$ 20,437	\$ 111,239	\$ -
Net Pension Liability	5,054,719	2,257,987	1,818,202	5,494,504	-
State Revolving Fund Loan	10,292,112	9,013,672	2,708,665	16,597,119	-
Compensated Absences	304,468	-	2,979	301,489	150,745
<b>Total Noncurrent Liabilities</b>	<b>\$ 15,707,170</b>	<b>\$ 11,347,464</b>	<b>\$ 4,550,283</b>	<b>\$ 22,504,351</b>	<b>\$ 150,745</b>

*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 \$5,259,800.00, federal loan of \$987,014, and state loan of \$16,020,443. Through June 30, 2020, the SRF loan balance was \$ 16,597,119, with disbursement and applied interest of \$109,963. 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 estimated debt service to be repaid by June 30, 2050:

Fiscal Year Ending June 30:	Principal	Interest	Total
2021	\$ 483,079	\$ 159,791	\$ 642,870
2022	481,730	161,140	642,870
2023	486,547	156,323	642,870
2024	491,412	151,458	642,870
2025	496,326	146,544	642,870
2026-30	2,557,081	657,268	3,214,349
2031-35	2,687,518	526,832	3,214,350
2036-40	2,824,609	389,741	3,214,350
2041-45	2,968,692	245,658	3,214,350
2046-50	3,120,125	94,225	3,214,350
<b>Total Debt Service</b>	<b>\$ 16,597,119</b>	<b>\$ 2,688,980</b>	<b>\$ 19,286,099</b>

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**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, 2020:

Description	Balance
Capital fund budget	\$ 20,981,305
Invested in Silicon Valley Clean Water	29,221,839
Operations	9,498,293
Total Committed Net Unrestricted Position	\$ 59,701,437

**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 joined together with other sanitary districts in the State to form California Sanitation Risk Management Authority (CSRMA), a public entity risk pool currently operating as a common risk management and insurance program. 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

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The District has incurred two claims that has 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, 2019** (most recent information available):

	June 30, 2019
Total Assets	\$ 26,991,334
Total Liabilities	20,588,467
Total Equity	6,402,867
Total Revenues	12,068,611
Total Expenditures	14,577,244

**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. Members with five years of total service are eligible to retire at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service for Tier 1 and 5 years of service for PEPRA. 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, 2020, are summarized as follows:

	Miscellaneous		
	Tier 1	Tier 2	PEPRA
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 Years	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	55	60	62
Monthly benefits as a % of eligible compensation	2.50%	2.0% to 2.5%	2.00%
Required employee contribution rates	8.000%	8.000%	6.750%
Required employer contribution rates	11.742%	8.794%	7.732%

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**Employees Covered** - At June 30, 2020, the following employees were covered by the benefit terms for the Plan:

	<u>Miscellaneous</u>
Active	29
Transferred	8
Separated	10
Retired	23
Total	70

**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, 2020, the District’s contributions were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$ 295,459
Contributions - employee	238,549
Total	\$ 534,008

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

As of June 30, 2020, the District reported net pension liabilities for its proportionate shares of the net pension liability of \$5,494,504. 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, 2019, 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, 2018 rolled forward to June 30, 2019 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, 2019 and 2020 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2019	0.13412%
Proportion - June 30, 2020	0.13721%
Change - Increase/(Decrease)	0.00308%

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For the year ended June 30, 2020, the District recognized pension expense of \$999,696.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of Assumptions	\$ 262,003	\$ 92,878
Differences between Expected and Actual Experience	381,616	29,568
Differences between Projected and Actual Investment Earnings	-	96,061
Differences between Employer's Contributions and Proportionate Share of Contributions	-	315,887
Change in Employer's Proportion	93,756	31,108
Pension Contributions Made Subsequent to Measurement Date	295,459	-
<b>Total</b>	<b>\$ 1,032,834</b>	<b>\$ 565,502</b>

The District reported \$295,459 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Fiscal Year Ending June 30:</b>	<b>Deferred Outflows/ (Inflows) of Resources</b>
2021	\$ 293,246
2022	(140,250)
2023	(532)
2024	19,411
2025	-
Thereafter	-
<b>Total</b>	<b>\$ 171,875</b>

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**Actuarial Assumptions** - The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
<b>Actuarial Assumptions:</b>	
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.



**West Bay Sanitary District**  
**Notes to Financial Statements**  
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The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 (b)</u>	<u>Real Return Years 11+ (c)</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

- (a) In the System's 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.

*Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount*

**Rate** - The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$ 8,234,182
Current	7.15%
Net Pension Liability	\$ 5,494,504
1% Increase	8.15%
Net Pension Liability	\$ 3,233,094

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

**West Bay Sanitary District**  
 Notes to Financial Statements  
 June 30, 2020

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**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 \$133 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	6
<b>Total employees</b>	<b>32</b>

*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 \$5,120. Total contributions included in the measurement period were \$9,418. The actuarially determined contribution for the measurement period was \$16,607. The District's contributions were .14% of covered employee payroll during the fiscal year ended June 30, 2020. Employees are not required to contribute to the plan.

West Bay Sanitary District  
 Notes to Financial Statements  
 June 30, 2020

*Actuarial Assumptions*

The following summarized the actuarial assumptions for the OPEB plan included in this fiscal year:

<b>Valuation Date:</b>	June 30, 2019
<b>Measurement Date:</b>	June 30, 2019
<b>Actuarial Cost Method:</b>	Entry-Age Normal Cost Method
<b>Amortization Period:</b>	20 years
<b>Asset Valuation Method:</b>	Level percentage of payroll,
<b>Actuarial Assumptions:</b>	
<b>Discount Rate</b>	6.00%
<b>Inflation</b>	2.75%
<b>Payroll Increases</b>	3.00%
<b>Healthcare Trend Rate</b>	5.00%
<b>Investment Rate of Return</b>	6.00%
<b>Mortality</b>	2014 CalPERS OPEB
<b>Retirement</b>	2017 CalPERS OPEB Model for miscellaneous public employees with 2.5% at 55

*Discount Rate*

The projection of cash flows used to determine the discount rate assumed that the District contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was set to be equal to the long-term expected rate of return which was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Long-Term Expected Rate of Return*

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**West Bay Sanitary District**  
 Notes to Financial Statements  
 June 30, 2020

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Percentage of Portfolio</u>	<u>Long-Term Expected Rate of Return</u>
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%
<b>Total</b>	<u>100.00%</u>	

*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, 2020 (reporting date). The following summarizes the changes in the net OPEB liability during the year ended June 30, 2020:

<u>Fiscal Year Ended June 30, 2020</u> <u>(Measurement Date June 30, 2019)</u>	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability (Asset)</u>
<b>Balance at June 30, 2019</b>	\$ 303,194	\$ 247,323	\$ 55,871
Service cost	6,909	-	6,909
Interest in Total OPEB Liability	17,672	-	17,672
Employer contributions	-	9,418	(9,418)
Balance of diff between actual and exp experience	66,449	7,915	58,534
Balance of changes in assumptions	(2,612)	-	(2,612)
Actual investment income	-	15,717	(15,717)
Benefit payments	(17,333)	(17,333)	-
<b>Net changes</b>	<u>71,085</u>	<u>15,717</u>	<u>55,368</u>
<b>Balance at June 30, 2020</b>	<u>\$ 374,279</u>	<u>\$ 263,040</u>	<u>\$ 111,239</u>
Covered Employee Payroll	\$ 3,697,419		
Total OPEB Liability as a % of Covered Employee Payroll	10.12%		
Plan Fid. Net Position as a % of Total OPEB Liability	70.28%		
Service Cost as a % of Covered Employee Payroll	0.19%		
Net OPEB Liability as a % of Covered Employee Payroll	3.01%		

**West Bay Sanitary District**  
Notes to Financial Statements  
June 30, 2020

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*Deferred Inflows and Outflows of Resources*

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between actual and expected experience	\$ 51,957	\$ -
Difference between actual and expected earnings	-	3,580
Change in assumptions	-	2,319
OPEB contribution subsequent to measurement date	5,120	-
<b>Totals</b>	<b>\$ 57,077</b>	<b>\$ 5,899</b>

Of the total amount reported as deferred outflows of resources related to OPEB, \$5,120 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, 2021.

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,		
2021	\$	4,466
2022		4,467
2023		6,513
2024		6,107
2025		6,283
Thereafter		18,222
<b>Total</b>	<b>\$</b>	<b>46,058</b>

*OPEB Expense*

The following summarizes the OPEB expense by source during the year ended June 30, 2020:

Service cost	\$ 6,909
Interest in TOL	17,672
Expected investment income	(14,839)
Difference between actual and expected experience	6,577
Difference between actual and expected earnings	(1,818)
Change in assumptions	(293)
<b>OPEB Expense</b>	<b>\$ 14,208</b>

**West Bay Sanitary District**  
Notes to Financial Statements  
June 30, 2020

The following summarizes changes in the net OPEB liability as reconciled to OPEB expense during the year ended June 30, 2020:

Net OPEB liability ending		\$	111,239
Net OPEB liability beginning			<u>(55,871)</u>
Change in net OPEB liability			55,368
Changes in deferred outflows			1,379
Changes in deferred inflows			(51,957)
Employer contributions and implicit subsidy			<u>9,418</u>
<b>OPEB Expense</b>		<b>\$</b>	<b><u>14,208</u></b>

*Sensitivity to Changes in the Discount Rate*

The net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher, is as follows:

	Discount Rate		
	(1% Decrease )	6.00%	(1% Increase )
Net OPEB Liability (Asset)	\$ 164,633	\$ 111,239	\$ 67,919

*Sensitivity to Changes in the Healthcare Cost Trend Rates*

The net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates, is as follows:

	Trend Rate		
	(1% Decrease )	5.00%	(1% Increase )
Net OPEB Liability (Asset)	\$ 69,273	\$ 111,239	\$ 163,059

**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 (Club) 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.

**West Bay Sanitary District**  
 Notes to Financial Statements  
 June 30, 2020

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Through June 30, 2020, 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	20,483,139
PG&E	74,681
Total	\$ 22,385,514

**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 three contractors \$1,069,799 from contracts totaling \$7,625,623 as of June 30, 2020.

**NOTE 14 - PRIOR PERIOD ADJUSTMENTS**

The District reduced beginning net position by \$1,443,710 which included a decrease to capital assets of \$4,152,375 mostly related to depreciation adjustments, expense adjustments, and a decrease to the SVCW's SRF loan payable of \$2,708,665 to record amounts converted to grants.

**REQUIRED SUPPLEMENTARY INFORMATION**



**West Bay Sanitary District**  
**Schedule of Pension Contributions - CalPERS**  
**June 30, 2020**

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

**Notes to Schedule:**

Valuation Date: June 30, 2018

Assumptions Used: Entry Age Method used for Actuarial Cost Method

Level Percentage of Payroll and Direct Rate Smoothing

4 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, 2020

<b>Miscellaneous and Safety Plan</b>						
Plan Measurement Date	2014	2015	2016	2017	2018	2019
Fiscal Year Ended	2015	2016	2017	2018	2019	2020
Proportion of Net Pension Liability	0.10822%	0.12849%	0.12750%	0.12991%	0.12991%	0.13721%
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
<b>Proportionate Share of NPL as a % of Covered Payroll</b>	<b>114.35%</b>	<b>146.18%</b>	<b>174.06%</b>	<b>182.94%</b>	<b>180.81%</b>	<b>195.77%</b>
<b>Plan's Fiduciary Net Position as a % of the TPL</b>	<b>81.15%</b>	<b>78.29%</b>	<b>73.58%</b>	<b>72.32%</b>	<b>73.42%</b>	<b>73.03%</b>

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 OPEB Contributions  
 June 30, 2020

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

**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, 2020

<b>Total OPEB liability</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Service cost	\$ 6,513	\$ 6,708	\$ 6,909
Interest	16,476	17,188	17,672
Differences between expected and actual experience	-	-	66,449
Changes of assumptions	-	-	(2,612)
Benefit payments	(7,909)	(14,335)	(17,333)
Net change in Total OPEB Liability	15,080	9,561	71,085
Total OPEB Liability - beginning	278,553	293,633	303,194
Total OPEB Liability - ending	<u>\$ 293,633</u>	<u>\$ 303,194</u>	<u>\$ 374,279</u>
<b>Plan fiduciary net position</b>			
Employer contributions	\$ 232,909	\$ 14,335	\$ 17,333
Net investment income	10,234	12,089	15,717
Benefit payments	(7,909)	(14,335)	(17,333)
Net change in plan fiduciary net position	235,234	12,089	15,717
Plan fiduciary net position - beginning	-	235,234	247,323
Plan fiduciary net position - ending	<u>\$ 235,234</u>	<u>\$ 247,323</u>	<u>\$ 263,040</u>
Net OPEB liability	\$ 58,399	\$ 55,871	\$ 111,239
Plan fiduciary net position as a percentage of the total OPEB liability	80.11%	81.57%	70.28%
Covered employee payroll	\$ 2,799,216	\$ 2,795,654	\$ 2,806,611
Net OPEB Liability as a percentage of covered payroll	2.09%	2.00%	3.96%
Total OPEB Liability as a percentage of covered payroll	10.49%	10.85%	13.34%

*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, 2020

	Budget Amounts	Actual (GAAP Basis)	Variance
<b>Operating Revenues:</b>			
Service charges	\$ 30,561,915	\$ 30,003,748	\$ (558,167)
Flow equalization uses	351,138	351,138	-
Permit and inspection fees and other services	100,000	148,144	48,144
Other operating revenues	435,000	528,977	93,977
Total operating revenues	<u>31,448,053</u>	<u>31,032,007</u>	<u>(416,046)</u>
<b>Operating Expenses:</b>			
Sewage treatment plant (SVCW)	20,428,360	19,551,978	876,382
Sewage collection and general administration:			
Salaries and benefits	6,280,829	5,894,953	385,876
Materials and supplies	468,595	446,835	21,760
Insurance	114,000	131,737	(17,737)
Contract services	463,500	388,061	75,439
Professional services	545,220	306,237	238,983
Repairs and maintenance	287,000	271,062	15,938
Utilities	183,250	145,849	37,401
Other operating expenses	370,150	1,002,564	(632,414)
Total sewage collection and general administration	<u>8,712,544</u>	<u>8,587,298</u>	<u>125,246</u>
Depreciation	2,500,000	2,043,269	456,731
Total operating expenses	<u>31,640,904</u>	<u>30,182,545</u>	<u>1,458,359</u>
Operating Income (Loss)	<u>(192,851)</u>	<u>849,462</u>	<u>1,042,313</u>
<b>Nonoperating Revenues (Expenses):</b>			
Investment income	125,000	1,147,848	1,022,848
Interest expense	-	(146,255)	(146,255)
Increase (decrease) of equity in Silicon Valley Clean Water	-	8,506,285	8,506,285
SRF grant reimbursements	-	2,551,135	2,551,135
Other nonoperating expenses	(6,000)	-	6,000
Other nonoperating revenues	179,000	368,361	189,361
Total nonoperating revenues (expenses)	<u>298,000</u>	<u>12,427,374</u>	<u>12,129,374</u>
Income before contributions	105,149	13,276,836	13,171,687
<b>Capital Contributions</b>	<u>-</u>	<u>572,970</u>	<u>572,970</u>
Change in Net Position	105,149	13,849,806	13,744,657
Prior Period Adjustments	-	(1,443,710)	(1,443,710)
Beginning Net Position	123,463,709	123,463,709	-
Ending Net Position	<u>\$ 123,568,858</u>	<u>\$ 135,869,805</u>	<u>\$ 12,300,947</u>

**West Bay Sanitary District**  
 Connection Fee Schedule (Unaudited)  
 For the Fiscal Year Ended June 30, 2020

**Summary of Connection Fee Revenue and Expenditures:**

Connection Fee Revenue	\$ 572,970
Allocated Interest on Connection Fee Revenue	3,438
<b>Total Connection Fees and Interest Available for 2018-19</b>	<b>576,408</b>
Capacity Project Expenditures	(1,705,408)
Capital Asset Fund, Applied to Deficit	1,129,000
<b>Beginning Balance Available, July 1, 2019</b>	<b>-</b>
<b>Ending Balance Available, June 30, 2020</b>	<b>\$ -</b>

**Capacity Project Expenditures - Description:**

Description	Total Expenditures		Connection Target		Connection Fees and Interest		Capital Asset Fund	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
FLOW MONITORING STUDY	\$ 29,986	100%	\$ 29,986	100%	\$ 30,047	100%	\$ (61)	50%
LEVEE SURVEY & GPS UPDATE	44,488	50%	22,244	50%	22,289	50%	22,199	50%
SEWER SYSTEM MODELING	-	100%	-	100%	-	-	-	-
FLOW METERS	-	100%	-	100%	-	-	-	-
SMART COVERS	9,983	50%	4,991	50%	5,001	50%	4,981	50%
PUMP & VALVE REPLACEMENT PROGRAM	48,496	TBD	-	TBD	-	-	48,496	100%
PRIVATE PUMP & PANEL REPLACEMENTS	17,691	0%	-	0%	-	-	17,691	100%
<b>Pipeline Replacement &amp; Rehab Engineering:</b>								
ISABELLA, GILBERT & BAY NORTH	213,804	85%	181,733	85%	182,100	85%	31,704	15%
<b>Pipeline Replacement &amp; Rehab Construction:</b>								
BELLE HAVEN III, MARSH RD, & STOWE LN PS	1,203,914	85%	1,023,327	85%	1,025,394	85%	178,520	15% (1)
EMERGENCY REPAIR ALPINE ROAD	517,280	85%	439,688	85%	440,576	85%	76,704	15% (1)
<b>Total Capacity Project Expenditures</b>	<b>\$ 2,085,642</b>		<b>\$ 1,701,970</b>		<b>\$ 1,705,408</b>		<b>\$ 380,234</b>	<b>18%</b>

**Ending Balance, June 30, 2020 - Based on Connection Target Allocation**

\$ 1,129,000 Surplus/(Deficit)

**Notes:**

(1) Target connection fee allocation not met due to lack of connection fees available. Deficits are covered by the Capital Asset Fund.

DRAFT

**INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS***





Chavan and Associates, llp  
Certified Public Accountants

**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, 2020, 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 18, 2020.

**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



**Chavan and Associates, LLP**  
Certified Public Accountants

material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C & A LLP

November 18, 2020  
San Jose, California



## WEST BAY SANITARY DISTRICT AGENDA ITEM 11

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

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**1) Administrative:**

- a. Developers in East Palo Alto have agreed to fund a flow study to see whether the District can accommodate new development flow. District Manager and District Counsel have drafted the agreement. Board will consider approving the agreement.
- b. Continuing to work with LAFCo on a CEQA review for the Stonegate Annexation in Portola Valley. District will require a formal application process.
- c. New intern from Menlo College will begin on Monday December 7<sup>th</sup> to help with Pilot Scanning Project.
- d. Staff continues to research a PG&E Energy Efficiency Retrofit Program for the Admin, Maintenance, and FERFF Buildings.

**2) Finance:**

- a. Staff has been working with SVCW team on the plant's financial plan.
- b. Staff met with HF&H to discuss the ongoing Sewer Service Rate Study for 2021.
- c. End of the 2019/2020 Fiscal Year audit is complete and will be presented to the Board.

**3) CIP & IT Projects:**

**a. Levee Improvement Project:**

- i. The Bayfront Environmental Impact Report Draft is complete the Board will be asked to authorize the District Manager to commence the 45 day comment period planned for middle of December 2020.
- ii. Aztec, the metal storage building contractor, may begin staging at the FERFF before Christmas 2020. Construction should be underway by January 2021.

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

- i. Bids for Bay North and Ringwood pipeline replacement are submitted. The lowest bid could be awarded at the December 9, 2020 Board Meeting.
- ii. The Board should discuss how to proceed with the proposed Maintenance Building Feasibility Study update. The architect will provide the Board a report at the December 9, 2020 Board Meeting.

**4) Operations and Maintenance:**

**a. Large Diameter Pipe Project:**

- i. Crews have completed the 54 inch outfall pipeline to the Menlo Park Pump Station. Silicon Valley Clean Water has asked for a proposal to CCTV and Clean a 36 inch conveyance pipe.

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### Report to the District Board for the Regular Meeting of December 9, 2020

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

- ii. Temporary Employees budgeted at \$45K is over by \$30K thus far due Large Diameter Project efforts.
    - iii. **Pump Station:** Willow Pump Sta. Generator failed but deployed new portable to serve as backup power.
  - b. **Training:**
    - i. PACP training for new CCTV Technician Justin Kinder.
    - ii. COVID 19 Staff re-Training was conducted on November 16, 2020.
- 5) **Water Quality:**
  - a. **Sharon Heights Golf and Country Club:**
    - i. The District and Sharon Heights O&M meeting continue monthly.
    - ii. Operations going well. To date over 19million gallons of recycled water has been delivered.
  - b. **Bayfront Recycled Water Plant (BRWP):**
    - i. Environmental Impact Report (EIR) draft will be submitted on December 9<sup>th</sup> to the Board.
  - c. **FOG Inspections:**
    - i. FOG inspection will resume in the 4th quarter via ZOOM and telephone.
- 6) **Fleet and Facilities:**
  - a. **Vehicle Maintenance:**
    - i. Redwood City began vehicle maintenance services and has repaired 3 vehicles thus far.
    - ii. Working on new Service Van and should be completed by the end of December.
- 7) **Upcoming Events:**
  - a. **Holiday Lunch:** On December 16<sup>th</sup> will be by ZOOM due to COVID-19 restrictions.
  - b. **December 23, 2020 Meeting:** Cancelled
  - c. **Next Regular Board meetings:** January 13, 2021
- 8) **Misc./Action Items from Previous Meeting:**
  - a. **West Bay SSOs:** Zero SSOs for November (18 months in a row w/o SSO).
  - b. **LAH Contract:** Zero SSO for November. 2 SSO in 2020. Continuing to maintain the collection system and both Publicly Owned Pump Stations.
  - c. **Town of Woodside Contract:** Continuing to maintain High Frequency cleaning downtown and both Publicly Owned Pump Stations.
  - d. **Revenue:** Received approximately \$520,000 in Sharon Heights SRF reimbursements from the State and approximately \$14,000 for permit and sewer services fees.

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## Report to the District Board for the Regular Meeting of December 9, 2020

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



*1902 - Serving Our Community for over 110 Years - 2020*

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

**1. Call to Order**

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

**Roll Call**

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

BOARD MEMBERS ABSENT: Treasurer Thiele-Sardiña

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

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

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

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

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

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

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

Comments: None.

**5. District Manager's Report**

**1) Administrative:**

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

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

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

## 2) Finance:

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

## 3) CIP & IT Projects:

### a. Levee Improvement Project:

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

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

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

## 4) Operations and Maintenance:

### a. Large Diameter Pipe Project:

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

### b. Training:

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

## 5) Water Quality:

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

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

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

6) **Fleet and Facilities:**

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

7) **Upcoming Events:**

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

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

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

6. **Consent Calendar**

Motion to Approve by: Otte 2<sup>nd</sup> by: Walker Vote: AYE: 4 NAY: 0 Abstain: 0

**CONSIDERATION OF ITEM(S) REMOVED FROM THE CONSENT CALENDAR**

Comments: None.

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

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

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

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

**8. Report by Finance Advisory Group**

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

**9. Report & Discussion on Commuter Benefits Program**

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

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

Motion to Approve by: Moritz 2<sup>nd</sup> by: Walker Vote: AYE: 4 NAY: 0 Abstain: 0



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

#### **11. November 18<sup>th</sup> Update Report on District Response to Corona Virus**

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

#### **12. Report and Discussion on Sharon Heights Recycled Water Plant**

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

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

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

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

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

Comments:

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

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

**16. Report and Discussion on Maintenance Building Feasibility Study**

Comments: This item was tabled to December 9<sup>th</sup>, 2020.

**17. Closed Session**

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

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

**A. CONFERENCE WITH LABOR NEGOTIATORS**

Agency Designated Representative: District Manager

Unrepresented employees: Water Quality Manager

**B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

(Cal. Govt. Code §54956.9(d))

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

Case No. 18CIV02183

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

Comments: None.

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

**WEST BAY SANITARY DISTRICT**  
**Financial Activity Report**  
**Withdrawals**  
**November 11, 2020 through December 1, 2020**

<b>CHECK</b>	<b>DATE</b>	<b>TO WHOM PAYABLE</b>	<b>PURPOSE</b>	<b>AMOUNT</b>
67169	11/16/2020	READYREFRESH BY NESTLE	Water Delivery 10/2020	115.26
67170	11/16/2020	ATCHISON, BARISONE & CONDOTTI	Attorney Fees 10/2020	4,949.51
67171	11/16/2020	BAYSIDE EQUIPMENT COMPANY	Diesel Tank Vents 2 11/2020	111.33
67172	11/16/2020	CALIFORNIA WATER SERVICE	Water Service - 10/2020	1,515.83
67173	11/16/2020	CALPERS LONG-TERM CARE PROGRAM	LTC Withholding 11/2020	35.36
67174	11/16/2020	THE ALMANAC	Advertisement & Legal Notices 10/2020	2,838.00
67175	11/16/2020	FAST RESPONSE ON-SITE TESTING	Quantitative Fit Testing 11/2020	1,817.60
67176	11/16/2020	NAVIA BENEFIT SOLUTIONS	Flexible Spending Account PR Contributions	525.39
67177	11/16/2020	FRANCHISE TAX BOARD	Wage Garnishment	250.00
67178	11/16/2020	CITY OF MENLO PARK - Water	Water Service - 10/2020	7.15
67179	11/16/2020	PIER 2 MARKETING	Quarterly Web Maintenance 7/2020-9/2020	500.00
67180	11/16/2020	ROBERT J. SCHEIDT	PMP Luncheon: Food, Chairs and Tables	1,015.92
67181	11/16/2020	TEAMSTERS LOCAL NO. 350	Union Dues - 11/2020	948.00
67182	11/23/2020	AT&T	Long Distance 10/2020	1,052.80
67183	11/23/2020	LEARN IT INC.	Virtual Microsoft Outlook Training	1,500.00
67184	11/23/2020	ALLIANT INSURANCE SERVICES	Additional Vehicle Endorsement FY 2020-21	269.00
67185	11/23/2020	READYREFRESH BY NESTLE	Water Delivery 10/2020	215.70
67186	11/23/2020	BAYSIDE EQUIPMENT COMPANY	Generator Repair at 500 Laurel 9/2020	307.31
67187	11/23/2020	CALIFORNIA WATER SERVICE	Water Service - 10/2020	60.24
67188	11/23/2020	CINTAS CORP.	Uniform Cleaning 11/2020	1,568.45
67189	11/23/2020	FEDERAL EXPRESS	Postage 11/2020	29.93
67190	11/23/2020	NAVIA BENEFIT SOLUTIONS	Commuter 10/2020	25.00
67191	11/23/2020	FREYER & LAURETA	Miscellaneous Eng., Bayfront Canal Diversion Pipeline Project, Levee Des	24,426.25
67192	11/23/2020	GRAINGER	Small Tools: Impact Socket Set, Signs, Immersion Blender	505.23
67193	11/23/2020	KIMBALL MIDWEST	Tools And Restock of Parts 9/2020	591.00
67194	11/23/2020	HARRINGTON INDUSTRIAL PLASTICS	Unit 218 / Unit 220: Replacement Filter O-Rings 10/2020	131.02
67195	11/23/2020	CITY OF MENLO PARK - Water	Water Service - 10/2020	1,238.46
67196	11/23/2020	MISSION VALLEY FORD	Unit 210: PTO Repair 9/2020	1,074.25
67197	11/23/2020	PACIFIC GAS & ELECTRIC	Electric Service	1,729.05
67198	11/23/2020	PENINSULA BUILDING SUPPLY	Supplies: Wood & Steel Stakes, Gloves, Screws 10/2020	414.36
67199	11/23/2020	PREFERRED ALLIANCE	Testing 10/2020	235.98
67200	11/23/2020	PRINCIPAL LIFE INSURANCE CO.	Insurance 12/2020	5,230.80
67201	11/23/2020	RED WING SHOE STORE	Safety Shoes - S. Ramirez 10/2020	250.00
67202	11/23/2020	SAN MATEO COUNTY CLERK	LSSA Recording Fee: 341 Nova Lane, MP	20.00
67203	11/23/2020	SAN MATEO COUNTY CLERK	LSSA Recording Fee: 357 McKendry, MP	20.00
67204	11/23/2020	SAN MATEO COUNTY CLERK	LSSA Recording Fee: 49 Atherton Ave., ATH	20.00
67205	11/23/2020	SEEKZEN SYSTEMS	Avast Business Antivirus Pro 2-yr License	2,964.00
67206	11/23/2020	SNAP ON INDUSTRIAL	Small Tools: Flashlights	657.41
67207	11/23/2020	SPARTAN TOOL, LLC	Spartan Lateral Cleaning Machine Cutters	1,117.53
67208	11/23/2020	STAPLES CREDIT PLAN	Office Supplies 10/2020	614.06
67209	11/23/2020	SUNSTATE EQUIPMENT	Equipment Rental & Repair	3,653.29
67210	11/23/2020	WECO INDUSTRIES, LLC	Purchase CCTV Mainline Camera 9/2020	23,834.67
67211	11/30/2020	BAYSIDE EQUIPMENT COMPANY	Unit 216: Generator Repair; Coolant, Diesel Tank Vents	1,825.41
67212	11/30/2020	CALPERS LONG-TERM CARE PROGRAM	LTC Withholding	35.36
67213	11/30/2020	COMCAST	Internet	277.45
67214	11/30/2020	DU-ALL SAFETY, LLC	Safety Training - 10/2020	1,620.00
67215	11/30/2020	FEDERAL EXPRESS	Postage 11/2020	103.45
67216	11/30/2020	NAVIA BENEFIT SOLUTIONS	Flexible Spending Account PR Contributions	525.39
67217	11/30/2020	FRANCHISE TAX BOARD	Wage Garnishment	250.00
67218	11/30/2020	INTL TRAINING & REHAB TECH INC	NASSCO Training	950.00
67219	11/30/2020	MUNICIPAL MAINTENANCE EQUIP.	Unit 221: Footage Counter, Reel; Unit 226: 3 Way Ball Valve	529.14
67220	11/30/2020	OCCUPATIONAL HEALTH CENTERS	Health Screen/Testing - 11/2020	63.00
67221	11/30/2020	OGASAWARA LANDSCAPE MAINT.	Building Maintenance 11/2020	400.00
67222	11/30/2020	PACIFIC GAS & ELECTRIC	Electric Service	259.71
67223	11/30/2020	PHIL SCOTT	EE Training: SSV Waterpalooza 12/3/20	75.61
<b>TOTAL CHECKS</b>				<b>95,299.66</b>

**WEST BAY SANITARY DISTRICT**  
**Financial Activity Report**  
**Withdrawals**  
**November 11, 2020 through December 1, 2020**

**Corporate Cards:**

GL	DATE	Account Number & Name	Description	Amount
54091	11/20/2020	Stationary and Office Supplies	Office Supplies	2,863.33
54101	11/20/2020	Ops Supplies & Materials	Griddle Replacement Maintenance	50.53
54102	11/20/2020	Safety Supplies & Materials	First Aid Supplies	63.29
54107	11/20/2020	Personal Protective Equip & Su	Air Purifier	272.03
54133	11/20/2020	Public Outreach	Ribbon Cutting for RWF-SHGCC	81.84
54151	11/20/2020	Fleet/Vehicle R&M	Vehicle Supplies	1,609.71
54158	11/20/2020	Computer Software R & M	Log Me In, Zoom & Microsoft: Monthly Subscriptions	123.50
54159	11/20/2020	Computer Hardware R & M	Monitor, Keyboards, Mice, & Misc. Hardware	1,071.79
54172	11/20/2020	Safety & SOP Classes	CWEA Tests	1,195.00
54174	11/20/2020	Mgmt Conf. & District Meetings	District Meetings 9/2020	468.68
54175	11/20/2020	CWEA Conf/Section Mtgs	Employee Testing	390.00
54176	11/20/2020	Business Meetings	DM Meeting	221.06
54192	11/20/2020	Telephone	TPX Communications: Phone Service 9/2020	2,898.84
54193	11/20/2020	Cellular Service	Verizon: District Cellphone Service	1,699.63
54194	11/20/2020	Water	Veolia Environment: East Palo Alto Water Service 10/2020	75.69
54202	11/20/2020	Other Misc. Operating Expense	Fastrak: Commuter Benefits	415.00
54203	11/20/2020	Licenses & Permits	BAAQ Annual Permit & Parking Ticket	447.95
54207	11/20/2020	Vallombrosa Center	Vallombrosa: On Call Lodging 10/2020	1,260.00
<b>TOTAL CORPORATE CARDS:</b>				<b>15,207.87</b>

**Bank Transfers:**

DATE	TO WHOM PAYABLE	PURPOSE	AMOUNT
11/20/2020	PrimePay	Employee Payroll - Pay Period 11/6-20/20	109,134.98
11/20/2020	PrimePay	Federal Payroll Taxes	24,580.25
11/20/2020	PrimePay	State Payroll Taxes	8,252.25
11/20/2020	ICMA	Deferred Compensation	8,326.70
11/20/2020	CalPERS	Retirement Contributions 10/2020	44,437.39
11/20/2020	Bank of the West	Bank Fees 10/2020	376.13
11/30/2020	PrimePay	Director Fees 11/2020	2,548.85
11/30/2020	PrimePay	Federal Payroll Taxes	422.48
11/30/2020	PrimePay	State Payroll Taxes	26.45
12/1/2020	SVCW	Operating Contribution 12/2020	636,710.00
<b>BANK TRANSFERS FROM BofW CHECKING</b>			<b>834,815.48</b>

**Summaries:**

**Withdrawal Summary**

Total Checks	95,299.66
Total Corp Card	15,207.87
Total Bank Transfers	834,815.48
<b>Total Withdrawals</b>	<b>945,323.01</b>

**Receipts Summary**

Total Bank Deposits	546,244.92
Total Credit Cards	6,636.56
Total Bank Receipts	204,510.80
<b>Total Receipts</b>	<b>757,392.28</b>

**Fund Summary by Budget Category**

100	Operations	899,843.25
200	Capital	42,800.20
500	SHGCC	2,679.56
		<b>945,323.01</b>

President \_\_\_\_\_

Secretary \_\_\_\_\_

**WEST BAY SANITARY DISTRICT**  
**Financial Activity Report**  
**Supplemental Purchase Register**  
**November 11, 2020 through December 1, 2020**

**OPERATING SUPPLIES & OFFICE EXPENSE**

<u>CHECK</u>	<u>DATE</u>	<u>VENDOR</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
67209	11/23/2020	SUNSTATE EQUIPMENT	Trailer Vacuum Rental To Pothole For Utilities, Repair to Conroller Box and Jack Housing to the Rented Ditch	3,653.29
67210	11/23/2020	WECO INDUSTRIES, LLC	Purchase CCTV Mainline Camera 9/2020	23,834.67
67211	11/30/2020	BAYSIDE EQUIPMENT COMPANY	Unit 216: Generator Repair; Coolant, Diesel Tank Vents	1,825.41

**MISCELLANEOUS**

<u>CHECK</u>	<u>DATE</u>	<u>VENDOR</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
67174	11/16/2020	THE ALMANAC	Advertisement & Legal Notices 10/2020	2,838.00
67175	11/16/2020	FAST RESPONSE ON-SITE TESTING	Quantitative Fit Testing 11/2020	1,817.60
67180	11/16/2020	ROBERT J. SCHEIDT	PMP Luncheon: Food, Chairs and Tables	1,015.92
67183	11/23/2020	LEARN IT INC.	Virtual Microsoft Outlook Training	1,500.00
67191	11/23/2020	FREYER & LAURETA	Miscellaneous Eng., Bayfront Canal Diversion Pipeline Project, Levee Design, North Bay Road & Ringwood CIP Design	24,426.25
67205	11/23/2020	SEEKZEN SYSTEMS	Avast Business Antivirus Pro 2-yr License	2,964.00
67223	11/30/2020	PHIL SCOTT	EE Training: SSV Waterpalooza 12/3/20	75.61

**WEST BAY SANITARY DISTRICT**  
**Expenditures Summary FY 2020-21**  
**7/01/2020 to 12/01/2020**

<b>REGULAR PAYABLES</b>	<b>TOTAL BY VENDOR YTD FY 2020-21</b>	<b>WITHDRAWALS 11/11/2020 to 12/01/2020</b>
3T Equipment Company	10,557.98	-
A-A Lock & Alarm	215.01	-
AAA Rentals	2,029.13	-
Abila	4,366.00	-
Access	190.00	-
Action Towing	471.00	-
Air & Lube Systems, Inc.	50,121.25	-
All Fence Company, Inc.	1,040.00	-
Alliant Insurance Services	18,487.00	269.00
The Almanac	3,894.00	2,838.00
American Messaging	203.66	-
American Textile & Supply	1,959.58	-
Anderson Pacific	651,935.73	-
Aquality Water Management Inc.	695.14	-
Aqua Natural Solutions	1,909.14	-
Arcon Builders	2,000.00	-
AT&T	5,033.02	1,052.80
Atchison, Barisone & Condotti	35,855.95	4,949.51
Bank of the West - Credit Card	124,637.62	15,207.87
Bank of the West - Bank Fees	1,255.55	376.13
Bay Alarm	8,858.63	-
Bay Area Air Quality Mgmt Dist	6,248.00	-
Bayside Equipment Company	7,407.52	2,244.05
Vance Brown	291.25	-
California Water Service	7,769.23	1,576.07
CALPERS	1,050.00	-
CALPERS - Unfunded Accrued Liability	1,982,655.00	-
CALPERS - Retirement	200,897.44	44,437.39
CALPERS - Health Premiums	245,394.05	-
Calpers Long-Term Care Program	353.60	70.72
Center for Hearing Health Inc.	600.00	-
Central Payment	398.56	-
George Choi	9,500.00	-
Cintas Corp.	18,487.21	1,568.45
City of Menlo Park - Repair	10,190.30	-
City of Menlo Park-Fuel	17,784.95	-
City of Menlo Park - Water	9,358.44	1,245.61
Comcast	1,630.82	277.45
The Concept Genie	1,326.16	-
Costco Membership	60.00	-
Heath Cortez	225.00	-
CPS HR Consulting	387.50	-
CSRMA c/o Alliant Insurance	160,532.60	-
CWEA	1,903.00	-
Cues, Inc.	3,950.00	-
Custom Lanyard	1,619.40	-
Dell Marketing L.P.	984.00	-
Dewey Pest Control	8,785.00	-
Dolphin Graphics	6,675.08	-
Du-All Safety, Llc	8,100.00	1,620.00
Duke's Root Control, Inc	131,269.16	-
East Bay Muni Utility District	2,458.50	-
Embarcadero Media	396.00	-
Emerging Sun Productions	436.00	-
Fast Response On-Site Testing	1,817.60	1,817.60
Federal Express	1,752.53	133.38
Fremont Urgent Care	2,838.00	-
Finishmaster Inc	1,098.92	-
City of Foster City	1,520.00	-
Franchise Tax Board	2,750.00	500.00
Freyer & Laureta	286,133.17	24,426.25
Global Equipment, Inc	1,811.15	-
Golden Gate Truck Center	564.31	-

**WEST BAY SANITARY DISTRICT**  
**Expenditures Summary FY 2020-21**  
**7/01/2020 to 12/01/2020**

<b>REGULAR PAYABLES</b>	<b>TOTAL BY VENDOR YTD FY 2020-21</b>	<b>WITHDRAWALS 11/11/2020 to 12/01/2020</b>
Governmentjobs.com dba NeoGov	3,778.32	-
GovConnection, Inc.	780.00	-
Grainger	19,923.95	505.23
Granite Rock, Inc.	427.10	-
Hach Company	4,160.72	-
Hadronex, Inc.	34,632.00	-
Harbor Ready Mix	528.79	-
Harrington Industrial Plastics	131.02	131.02
HF&H Consultants, LLC	24,169.60	-
Hillyard/San Francisco	481.40	-
Home Depot Credit Services	3,899.94	-
Bob Hulsmann	1,096.15	-
ICMA	98,279.89	8,326.70
IEDA	3,930.00	-
Institute for Local Government	350.00	-
Instrument Technology Corp.	8,891.26	-
Intl Training & Rehab Tech Inc	950.00	950.00
Interstate Traffic Control	55.99	-
Jani-King of CA, Inc - SFR/OAK	3,716.55	-
Kantor's Furniture	6,610.63	-
Kimball Midwest	5,400.63	591.00
Kone Pasadena	1,335.60	-
Lasky Trade Printing	142.03	-
Learn It Inc.	1,500.00	1,500.00
Log Me In	1,801.98	-
Eric Madrigal	169.10	-
Mallory Co.	9,822.63	-
Matheson Tri-Gas, Inc.	265.99	-
Shahriyar Matloub	460.00	-
Meineke	1,580.76	-
Menlo Chevron	790.56	-
Menlo Park Fire Protection	8,290.00	-
Mid Peninsula Abstracts	553.33	-
Mid State Container Sales, Inc	2,800.00	-
Mission Clay Products, LLC	2,805.65	-
Mission Valley Ford	1,074.25	1,074.25
Morse Hydraulics	338.70	-
Municipal Maintenance Equip.	6,961.27	529.14
National Auto Fleet Club	87,289.71	-
Navia Benefit Solutions	5,879.29	1,075.78
NeoPost	600.00	-
Carrie Nevoli - Petty Cash	598.06	-
North Bay Pensions	2,500.00	-
R.A. Nosek Investigations	2,065.00	-
Occasions, ETC.	27.75	-
Occupational Health Centers	290.00	63.00
Ogasawara Landscape Maint.	3,480.00	400.00
Omega Industrial Supply, Inc.	9,282.11	-
Pacific Gas & Electric	91,652.44	1,988.76
Paytrace	904.39	-
Peninsula Battery Inc.	905.49	-
Peninsula Building Supply	1,548.58	414.36
Pier 2 Marketing	1,300.00	500.00
Ponton Industries, Inc.	16,900.50	-
Precise Printing and Mailing	1,931.73	-
Preferred Alliance	1,521.12	235.98
Principal Life Insurance Co.	25,453.36	5,230.80
Priority 1 Public Safety	7,908.96	-
Quadient Leasing USA, Inc.	536.50	-
Sergio Ramirez - Tuition Reimbursement	4,001.62	-
Ranger Pipelines	39,646.99	-
Readyrefresh By Nestle	1,707.51	330.96
Red Wing Shoe Store	6,383.15	250.00
Todd Reese	500.00	-

**WEST BAY SANITARY DISTRICT**  
**Expenditures Summary FY 2020-21**  
**7/01/2020 to 12/01/2020**

<b>REGULAR PAYABLES</b>	<b>TOTAL BY VENDOR YTD FY 2020-21</b>	<b>WITHDRAWALS 11/11/2020 to 12/01/2020</b>
Rich Voss Trucking	986.00	-
Roberts & Brune Company	11,765.61	-
SVCW Bond - 2014 Bond	391,929.21	-
SVCW Bond - 2015 Bond	1,107,625.00	-
SVCW Bond - 2018 Bond	1,203,293.75	-
SVCW - Monthly Operating Payment	3,183,550.00	636,710.00
SVCW - SRF Loan	506,765.21	-
San Mateo County	1,737.00	-
San Mateo County Assessor	305.00	-
San Mateo County Clerk	325.00	60.00
San Mateo County Tax Collector	945.58	-
Henry Santos	150.00	-
Robert J. Scheidt	1,296.39	1,015.92
Phil Scott	75.61	75.61
Seekzen Systems	6,777.80	2,964.00
Sharp Business Systems	5,588.39	-
Sharp Electronics Corporation	288.59	-
Snap On Industrial	827.16	657.41
Sonsray Machinery LLC	2,140.51	-
Spartan Tool, LLC	3,435.13	1,117.53
Staples Credit Plan	6,303.30	614.06
Steven Creek Quarry, Inc.	1,998.41	-
Sunstate Equipment	3,653.29	3,653.29
Sutter EAP	1,239.75	-
Teamsters Local No. 350	5,088.00	948.00
Teletrac Navman US Ltd.	553.99	-
Towne Ford Sales	57,077.84	-
Underground Service Alert	9,225.73	-
Urbanowicz, John H.	8,000.00	-
USA Blue Book	428.36	-
V & A Consulting Engineers	7,060.00	-
Vision Communications Co.	4,476.06	-
Weco Industries, LLC	35,083.75	23,834.67
Western States Tool & Supply	3,283.63	-
Wex Bank (Chevron)	980.85	-
Woodard & Curran	34,665.18	-
Young's Auto Supply Center	190.96	-
Zanker Recycling	51.77	-
<b>TOTAL REGULAR PAYABLES</b>	<b>11,261,992.70</b>	<b>800,357.75</b>
<b>SALARIES, WAGES &amp; WITHHOLDINGS</b>		
Salaries/Wages - Net Pay	1,184,062.15	109,134.98
Directors Fees - Net Pay	13,678.29	2,548.85
PrimePay Fees	2,910.35	-
IRS - Federal Payroll Taxes	283,020.99	25,002.73
EDD - State Payroll Taxes	90,048.58	8,278.70
Performance Merit Program - Net Pay	130,427.78	-
<b>TOTAL SALARIES RELATED</b>	<b>1,704,148.14</b>	<b>144,965.26</b>
<b>TOTAL WITHDRAWALS</b>	<b>12,966,140.84</b>	<b>945,323.01</b>



**WEST BAY SANITARY DISTRICT**  
**Receipts & Incoming Transfers**  
**November 11, 2020 through December 1, 2020**

RECEIPT NUMBER	DEPOSIT DATE	DESCRIPTION	AMOUNT
461523	11/13/2020	Postage	1.40
461524	11/13/2020	Permit: 328 Trenton, MP	170.00
461525	11/13/2020	CIP North Bay Rd & Ringwood Ave - Project # 1761.5	60.00
461526	11/13/2020	SRF Loan #25	257,935.00
461527	11/13/2020	SRF Loan #24	262,366.00
461528	11/13/2020	Discharge Permit: 36 Irving Ave, ATH	354.26
461529	12/1/2020	CIP North Bay Rd & Ringwood Ave - Project # 1761.5	60.00
461530	12/1/2020	Permit: 1168 Saratoga Ave, EPA	290.00
461531	12/1/2020	Permit: 383 Arlington Way, MP	170.00
461532	12/1/2020	Permit: 541 Menlo Oaks Dr, MP	170.00
461534	12/1/2020	SSC: 1850 Stanford Ave, MP	612.00
461535	12/1/2020	Permit: 450 Hermosa Way, MP	290.00
461536	12/1/2020	Permit: 49 Atherton, Ath	355.00
461537	12/1/2020	Permit: 325 Princeton Road, MP	290.00
461540	12/1/2020	Permit: 2015 Menalto Ave, MP	290.00
461541	12/1/2020	Permit: 20 James Ave, ATH	290.00
461542	12/1/2020	Permit: 2001 Menalto, MP	290.00
461543	12/1/2020	Permit: 2035 Avy Ave, MP	170.00
461544	12/1/2020	Permit: 2035 Avy Ave, MP	290.00
461545	12/1/2020	SSC: 883 Santa Cruz Ave, MP	5,131.88
461546	12/1/2020	Permit: 935 Peninsula Way, MP	170.00
461547	12/1/2020	Permit: 1050 Lucky Ave, Mp	170.00
461548	12/1/2020	Permit: 199 Toyon Rd, Ath	170.00
461549	12/1/2020	Permit: 8 Siskiyou Place, MP	290.00
461550	12/1/2020	Permit: 1171 Valparaiso Ave, MP	290.00
461551	12/1/2020	Permit: 2111 Santa Cruz Ave, MP	65.00
461552	12/1/2020	Permit: 1301 Elder Ave, MP	290.00
461553	12/1/2020	Permit: 220 Hedge Rd, MP	290.00
461554	12/1/2020	Permit: 40 Isabella Ave, ATH	290.00
461555	12/1/2020	Permit: 57 Willow	290.00
461556	12/1/2020	Permit: 842 Woodland CT, MP	290.00
461557	12/1/2020	SSC: 140 Meadowood Dr, PV	847.00
461558	12/1/2020	RWF - Anderson Pacific: Reimbursement for PG&E	16,919.94
461559	12/1/2020	RWF - WaterWorks Engineers: Reimbursement 20% Summit Aerial Services	1,700.00
461560	12/1/2020	SSC: 3330 Alpine Road, PV	1,224.00
<b>Total Deposits</b>			<b>\$552,881.48</b>
<b>WIRE/ACH TRANSFERS RECEIVED</b>			
461533	11/12/2020	SHGCC: SFR Loan Pmt	67,554.09
461538	11/12/2020	Recology: Franchise Fee 10/2020	8,540.23
461539	11/17/2020	SHGCC: Reim O&M 7/2020-9/2020 - Parial Inv Pmt	128,416.48
<b>Total Transfer to BofW Checking</b>			<b>\$204,510.80</b>
<b>TOTAL DEPOSITS</b>			<b>\$757,392.28</b>

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**WEST BAY SANITARY DISTRICT  
AGENDA ITEM 12C**

**To: Board of Directors**

**From: Bob Hulsmann, Operations Superintendent**

**Subject: WBSD Operations and Maintenance Report – November 2020**

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	6.9	4.1	0.0	3.0	6	7	72	1	0	0	90	11	0	206
February	5.0	7.8	0.9	2.5	2	9	69	0	0	0	95	12	0	177
March	17.3	0.1	0.4	1.3	4	8	70	0	0	0	94	9	0	156
April	15.7	3.1	1.3	0.0	0	0	57	1	0	0	54	9	0	152
May	8.5	9.6	0.0	0.2	0	0	50	0	0	0	71	11	0	236
June	18.4	0.2	0.4	4.0	6	6	72	0	0	0	73	3	0	254
July	8.1	4.0	0.8	1.0	6	9	73	1	0	0	86	7	0	217
August	6.3	7.4	1.0	4.3	16	12	47	0	0	0	71	9	0	212
Sept.	17.0	0.1	1.1	6.6	13	10	68	0	0	0	68	5	2	238
* Oct.	11.8	5.1	1.6	3.4	3	8	53	0	0	0	98	13	0	191
Nov.	4.5	9.2	0.4	1.6	10	8	53	0	0	0	80	0	3	186
Dec	13.7	0.0	0.0	4.6	6	8	76	1	0	0	88	0	10	160
<b>Yr to date</b>	<b>133.2</b>	<b>50.7</b>	<b>7.8</b>	<b>32.5</b>	<b>72</b>	<b>85</b>	<b>760</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>968</b>	<b>89</b>	<b>15</b>	<b>2385</b>
<b>2020 Goals</b>	<b>120.0</b>	<b>50.0</b>	<b>n/a</b>	<b>45-50</b>	<b>65</b>	<b>90</b>	<b>n/a</b>	<b>&lt;10</b>	<b>0-2</b>	<b>3 to 5</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
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

\* = Beginning of PMPP year.



**WEST BAY SANITARY DISTRICT  
AGENDA ITEM 12D**

**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 2020**

	Basin PM Pipe Clean- ing	High Freq. PM Pipe Clean- ing	Un- Sche. Pipe Clean- ing	WBSD CCTV Insp.	Pump Sta. PM	Pump Sta. Unsch. Repairs	SSO	SSO	Service Calls
Month							Cat. 1	Cat. 2&3s	Call Outs
Temp Help	Miles	Miles	Miles	Miles	Qty.	Qty.			
January	0.5	0.8	0.2	0.8	4	1	0	0	0
February	1.3	0.2	0.1	1.2	4	1	0	1	0
March	0.0	1.2	0.0	0.0	4	0	0	0	0
April	3.2	1.8	0.0	0.0	4	0	0	0	0
May	3.3	1.3	0.1	0.1	4	0	0	0	0
June	1.8	0.5	0.1	1.9	4	0	0	1	0
July	1.4	1.1	0.0	1.6	4	0	0	0	0
*August	1.8	1.1	0.4	1.0	4	0	0	1	0
Sept.	1.8	0.5	0.0	1.9	4	0	0	0	0
Oct.	1.7	0.8	0.0	0.8	4	0	0	0	0
Nov.	1.1	0.2	2.1	0.0	4	0	0	0	0
Dec	0.0	1.7	0.1	1.2	4	0	0	0	0
<b>** Yr to date</b>	<b>17.9</b>	<b>11.2</b>	<b>3.1</b>	<b>10.5</b>	<b>48</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>0</b>
FY19/20Goals	17.4	16.9	n/a	9.3	52	n/a	n/a	n/a	n/a
* = August- Start of Contract 1.** = Lucy Data									

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**WEST BAY SANITARY DISTRICT  
AGENDA ITEM 12E**

**To: Board of Directors**

**From: Bob Hulsmann, Operations Superintendent**

**Subject: Town of Woodside Operations and Maintenance Report for Work  
Performed by WBSD – November 2020**

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Please see next page.

\*= July Start of Contract. Data shows PMPP year.



# Yearly Summary Report

12/1/2020

10:17 AM

Dates Between 12/1/2019 and 11/30/2020

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	2.7	0.0	0.0	0.0	14.0	0.0	0.0	0.0	0.0
February	0.00	0.0	0.0	0.0	12.0	0.0	0.0	0.0	0.0
March	0.00	0.3	0.0	0.0	15.0	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	0.0
May	0.00	0.0	0.0	0.0	12.0	0.0	0.0	0.0	0.0
June	0.00	0.3	0.0	0.2	15.0	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	0.0
August	0.00	0.0	0.0	0.0	11.0	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	0.0
October	0.00	0.0	0.0	0.0	12.0	0.0	0.0	0.0	0.0
November	0.00	0.0	0.0	0.0	12.0	0.0	0.0	0.0	0.0
December	1.88	0.0	0.0	0.0	18.0	0.0	0.0	0.0	0.0
<b>Totals</b>	4.54	0.8	0.0	0.2	156.0	0.0	0.0	0.0	0.0





## WEST BAY SANITARY DISTRICT AGENDA ITEM 12F

**To:** *Board of Directors*

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

**Subject:** *Bank of the West Monthly Investment Portfolio Statements*

---

Attached are the monthly statements indicating the amount of each reserve fund the District holds in the Bank of the West Investment Portfolio and the up to-date market values.

Quarterly reports on the Investment Portfolio will include more details on the investments of each reserve.

### Recommendation

The District Manager recommends the District Board review and accept these Statements by affirming and approving the items listed in the Consent Calendar.



**WBSD - OPERATING RESERVE**

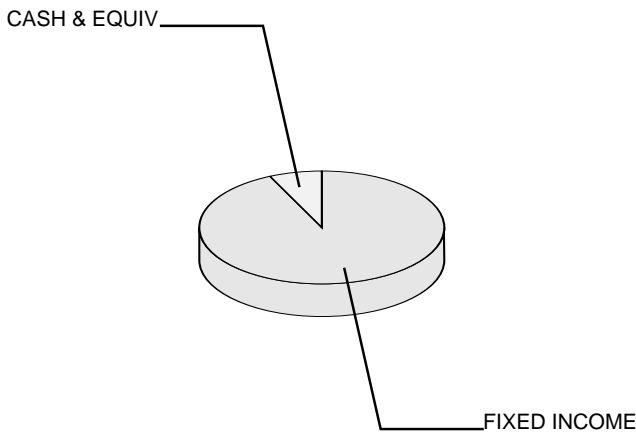
Account Number:  
 Statement Period:

11/01/20 -  
 11/30/20

WEST BAY SANITARY DISTRICT  
 500 LAUREL STREET  
 MENLO PARK CA 94025

**Fiduciary**  
 Chuen Ying Lee  
 (408) 645-3234  
**Portfolio**  
 Michael D. Smith  
 (408) 490-2079

**Asset Allocation**



**Asset Valuation**

Description	Market Value	% of Account
Cash & Equiv	663,717.55	7.0%
Fixed Income	8,830,323.21	93.0%
<b>Total Portfolio</b>	<b>\$ 9,494,040.76</b>	<b>100.0%</b>
Accrued Income	66,045.86	
<b>Total Valuation</b>	<b>\$ 9,560,086.62</b>	

**Market Reconciliation**

	Current Period	Year To Date
<b>Beginning Market Value</b>	<b>\$ 9,551,647.93</b>	<b>\$ 9,530,903.35</b>
Income		
Interest.....	19,246.72	99,400.88
Purchased Income.....	-3,391.58	-9,986.35
Disbursements.....	-1,595.70	-7,979.09
Realized Gains/(Losses).....	0.00	-994.46
Change In Accrued Income.....	3,648.79	5,149.11
Change In Market Appreciation/(Depreciation).....	-6,322.39	-36,917.42
Non-Cash Asset Changes.....	-3,147.15	-19,489.40
<b>Ending Market Value</b>	<b>\$ 9,560,086.62</b>	<b>\$ 9,560,086.62</b>



**WBSD - RATE STABILIZATION RESERVE**

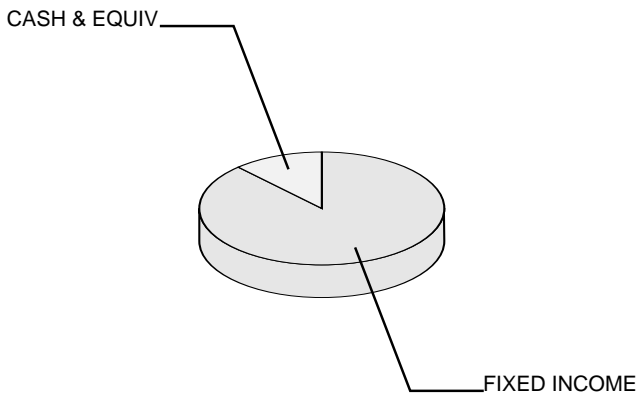
Account Number:  
 Statement Period:

11/01/20 -  
 11/30/20

WEST BAY SANITARY DISTRICT  
 RATE STABILIZATION RESERVE  
 500 LAUREL STREET  
 MENLO PARK CA 94025

**Fiduciary**  
 Chuen Ying Lee  
 (408) 645-3234  
**Portfolio**  
 Michael D. Smith  
 (408) 490-2079

**Asset Allocation**



**Asset Valuation**

Description	Market Value	% of Account
Cash & Equiv	172,347.23	12.3%
Fixed Income	1,231,986.18	87.7%
<b>Total Portfolio</b>	<b>\$ 1,404,333.41</b>	<b>100.0%</b>
Accrued Income	6,177.55	
<b>Total Valuation</b>	<b>\$ 1,410,510.96</b>	

**Market Reconciliation**

	Current Period	Year To Date
<b>Beginning Market Value</b>	<b>\$ 1,408,260.89</b>	<b>\$ 1,408,407.26</b>
Income		
Interest.....	4,048.80	31,747.64
Purchased Income.....	-416.25	-7,326.51
Disbursements.....	-235.60	-1,174.08
Realized Gains/(Losses).....	0.00	0.00
Change In Accrued Income.....	-1,002.94	-11,275.38
Change In Market Appreciation/(Depreciation).....	-108.30	3,811.02
Non-Cash Asset Changes.....	-35.64	-13,678.99
<b>Ending Market Value</b>	<b>\$ 1,410,510.96</b>	<b>\$ 1,410,510.96</b>



**WBSD - EMERGENCY CAPITAL RESERVE**

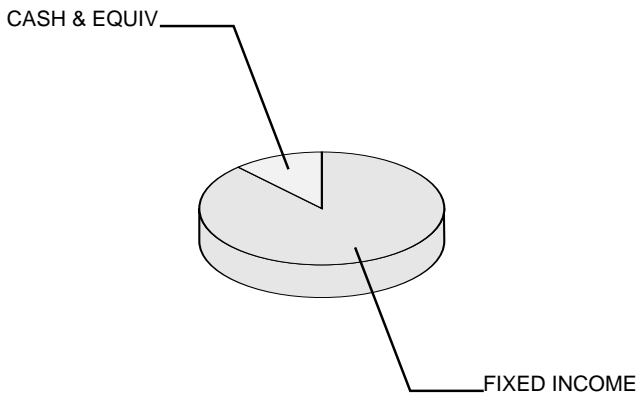
Account Number:  
 Statement Period:

11/01/20 -  
 11/30/20

WEST BAY SANITARY DISTRICT  
 500 LAUREL STREET  
 MENLO PARK CA 94025

**Fiduciary**  
 Chuen Ying Lee  
 (408) 645-3234  
**Portfolio**  
 Michael D. Smith  
 (408) 490-2079

**Asset Allocation**



**Asset Valuation**

Description	Market Value	% of Account
Cash & Equiv	461,027.07	11.8%
Fixed Income	3,434,849.41	88.2%
<b>Total Portfolio</b>	<b>\$ 3,895,876.48</b>	<b>100.0%</b>
Accrued Income	24,710.04	
<b>Total Valuation</b>	<b>\$ 3,920,586.52</b>	

**Market Reconciliation**

	Current Period	Year To Date
<b>Beginning Market Value</b>	<b>\$ 3,916,131.53</b>	<b>\$ 3,904,702.49</b>
Income		
Interest.....	5,717.61	43,030.39
Purchased Income.....	-2,593.63	-5,812.63
Disbursements.....	-655.07	-3,270.99
Realized Gains/(Losses).....	482.50	-848.01
Change In Accrued Income.....	4,155.01	-646.18
Change In Market Appreciation/(Depreciation).....	-1,830.00	-7,716.38
Non-Cash Asset Changes.....	-821.43	-8,852.17
<b>Ending Market Value</b>	<b>\$ 3,920,586.52</b>	<b>\$ 3,920,586.52</b>



**WBSD - CAPITAL PROJECT RESERVE**

Account Number:  
 Statement Period:

11/01/20 -  
 11/30/20

WEST BAY SANITARY DISTRICT  
 500 LAUREL STREET  
 MENLO PARK CA 94025

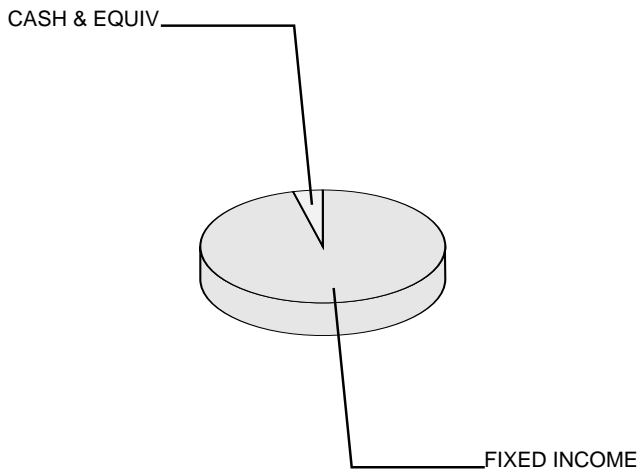
**Fiduciary**

Chuen Ying Lee  
 (408) 645-3234

**Portfolio**

Michael D. Smith  
 (408) 490-2079

**Asset Allocation**



**Asset Valuation**

Description	Market Value	% of Account
Cash & Equiv	112,071.13	4.1%
Fixed Income	2,653,957.05	96.0%
<b>Total Portfolio</b>	<b>\$ 2,766,028.18</b>	<b>100.0%</b>
Accrued Income	24,306.79	
<b>Total Valuation</b>	<b>\$ 2,790,334.97</b>	

**Market Reconciliation**

	Current Period	Year To Date
<b>Beginning Market Value</b>	<b>\$ 2,787,161.36</b>	<b>\$ 2,781,874.82</b>
Income		
Interest.....	3,748.22	38,325.08
Purchased Income.....	-2,083.55	-5,280.10
Disbursements.....	-465.37	-2,324.82
Realized Gains/(Losses).....	0.00	0.00
Change In Accrued Income.....	4,613.14	-1,227.00
Change In Market Appreciation/(Depreciation).....	-1,355.87	-9,641.80
Non-Cash Asset Changes.....	-1,282.96	-11,391.21
<b>Ending Market Value</b>	<b>\$ 2,790,334.97</b>	<b>\$ 2,790,334.97</b>



**WBSD - RECYCLED WATER CASH FLOW**

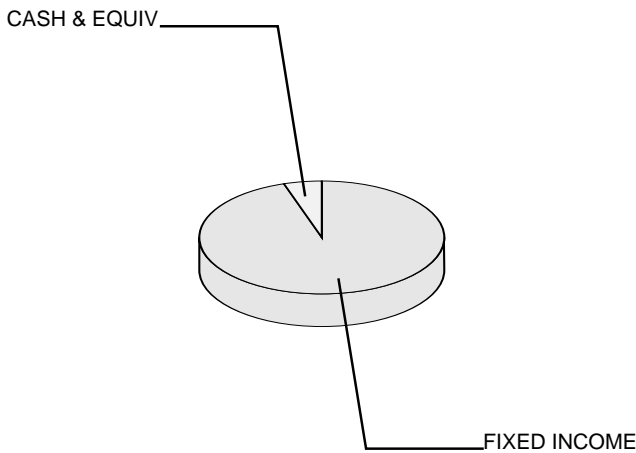
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 Statement Period:

11/01/20 -  
 11/30/20

WEST BAY SANITARY DISTRICT  
 RECYCLED WATER CASH FLOW  
 500 LAUREL STREET  
 MENLO PARK CA 94025

**Fiduciary**  
 Chuen Ying Lee  
 (408) 645-3234  
**Portfolio**  
 Michael D. Smith  
 (408) 490-2079

**Asset Allocation**



**Asset Valuation**

Description	Market Value	% of Account
Cash & Equiv	10,901.66	4.8%
Fixed Income	216,983.73	95.2%
<b>Total Portfolio</b>	<b>\$ 227,885.39</b>	<b>100.0%</b>
Accrued Income	1,506.09	
<b>Total Valuation</b>	<b>\$ 229,391.48</b>	

**Market Reconciliation**

	Current Period	Year To Date
<b>Beginning Market Value</b>	<b>\$ 228,982.77</b>	<b>\$ 228,463.67</b>
Income		
Interest.....	367.97	2,533.12
Purchased Income.....	-249.75	-853.53
Disbursements.....	-38.30	-191.35
Realized Gains/(Losses).....	0.00	0.00
Change In Accrued Income.....	307.28	323.10
Change In Market Appreciation/(Depreciation).....	-21.29	-749.98
Non-Cash Asset Changes.....	42.80	-133.55
<b>Ending Market Value</b>	<b>\$ 229,391.48</b>	<b>\$ 229,391.48</b>



**WBSD - RECYCLED WATER SRF RESERVE**

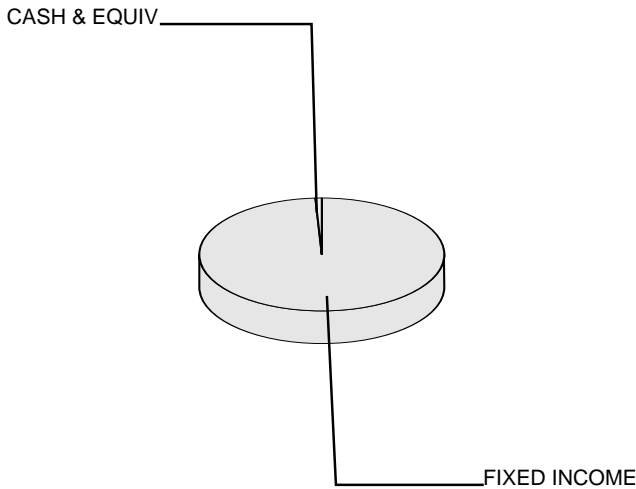
Account Number:  
 Statement Period:

11/01/20 -  
 11/30/20

WEST BAY SANITARY DISTRICT  
 RECYCLED WATER SRF RESERVE  
 500 LAUREL STREET  
 MENLO PARK CA 94025

**Fiduciary**  
 Chuen Ying Lee  
 (408) 645-3234  
**Portfolio**  
 Michael D. Smith  
 (408) 490-2079

**Asset Allocation**



**Asset Valuation**

Description	Market Value	% of Account
Cash & Equiv	16,147.93	1.1%
Fixed Income	1,512,567.22	98.9%
<b>Total Portfolio</b>	<b>\$ 1,528,715.15</b>	<b>100.0%</b>
Accrued Income	10,642.45	
<b>Total Valuation</b>	<b>\$ 1,539,357.60</b>	

**Market Reconciliation**

	Current Period	Year To Date
<b>Beginning Market Value</b>	<b>\$ 1,535,783.21</b>	<b>\$ 1,530,349.55</b>
Income		
Interest.....	2,063.10	17,092.33
Purchased Income.....	-1,587.76	-3,928.32
Disbursements.....	-256.91	-1,283.54
Realized Gains/(Losses).....	0.00	0.00
Change In Accrued Income.....	2,594.74	1,725.03
Change In Market Appreciation/(Depreciation).....	1,817.27	-209.02
Non-Cash Asset Changes.....	-1,056.05	-4,388.43
<b>Ending Market Value</b>	<b>\$ 1,539,357.60</b>	<b>\$ 1,539,357.60</b>

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## WEST BAY SANITARY DISTRICT AGENDA ITEM 12G

**To:** *Board of Directors*

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

**Subject:** *Consideration of Authorizing the District Manager to Issue  
Class 3 Sewer Permit No. 1132 for the Construction of  
Wastewater Facilities for 17 Redberry Ridge, Portola Valley,  
California*

---

### Background

This permit request is for the construction of a STEP System to connect into the existing force main on Redberry Ridge to serve 17 Redberry Ridge.

### Analysis

The plans, profiles, and engineering calculations for the proposed facilities have been reviewed and approved by staff. Owner has paid all associated fees.

### Recommendation

The Projects & IT Manager recommends that the Board direct the District Manager to file the Notice of Exemption and authorize the District Manager to issue Class 3 Sewer Permit No. 1132.

Attachment: Resolution \_\_\_\_ (2020)  
Notice of Exemption  
Class 3 Permit No. 1132  
Site Map

RESOLUTION NO. \_\_\_\_\_ (2020)

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: 17 Redberry Ridge – STEP System

Location: 17 Redberry Ridge, Portola Valley, California

Entity or Person Undertaking Project: David & Alena Yan

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 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 9<sup>th</sup> day of December, 2020, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

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

Attest:

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

## Notice of Exemption

---

**To:** County Clerk  
County of San Mateo  
555 County Center  
Redwood City, CA 94063

**From:** West Bay Sanitary District  
500 Laurel Street  
Menlo Park CA 94025

**Project Title:** 17 Redberry Ridge – STEP System

**Project Location – Specific:** 17 Redberry Ridge, Portola Valley, CA 94028

**Project Location – Town:** Portola Valley **Project Location – County:** San Mateo

**Description of Project:** Septic Tank Effluent Pump System

**Name of Public Agency Approving Project:** West Bay Sanitary District

**Name of Person or Agency Carrying Out Project:** David & Alena Yan

**Exempt Status:**

CEQA Guidelines Section 15601(b)(3), General Rule;  
Categorical Exemption. Class 3 – Section 15303 (a) (d) of the State CEQA Guidelines.  
(a) Single-family residences not in conjunction with the building of two or more units.  
(d) Water main, sewage, electrical, gas and other utility extensions of reasonable length to serve such construction.

**Reasons why project is exempt:**

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

**Lead Agency: West Bay Sanitary District**

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

\_\_\_\_\_  
Signature Date: \_\_\_\_\_ Title: District Manager

## “PRELIMINARY REVIEW”

17 Redberry Ridge – STEP System  
December 1, 2020

INTRODUCTION. At the December 9, District Board Meeting, the Board will consider the approval of the Class 3 sewer permit for the construction of a STEP system for the Lands of Yan; 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, David & Alena Yan.

EXEMPTION REVIEW. In compliance with CEQA Guidelines, this “preliminary review” of the STEP System Project at 17 Redberry Ridge 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.

CONCLUSION. Based on the information presented herein, staff has concluded that all of the installation of the STEP system 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

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

Permit Number  
1132

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

17 Redberry Ridge Portola Valley 94028

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

Residential  Non-residential Development at said location.

ENGINEER'S

LEA + BRAZE  
Name

Address

CONTRACTOR'S

Godby Construction Inc  
Name

P.O. Box 7227 San Carlos Ca 94070  
Address

OWNER'S

DAVIDE' Alena Yang  
Name

177 Farono Road Portola Valley  
Address

Nina Davies  
Applicant's Signature

Nina Davies  
Signed by - Please Print Name

Address

Receipt of \$ 585 Application Fee is hereby acknowledged 7. RECEIVED 10/6/20 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 \_\_\_\_\_.

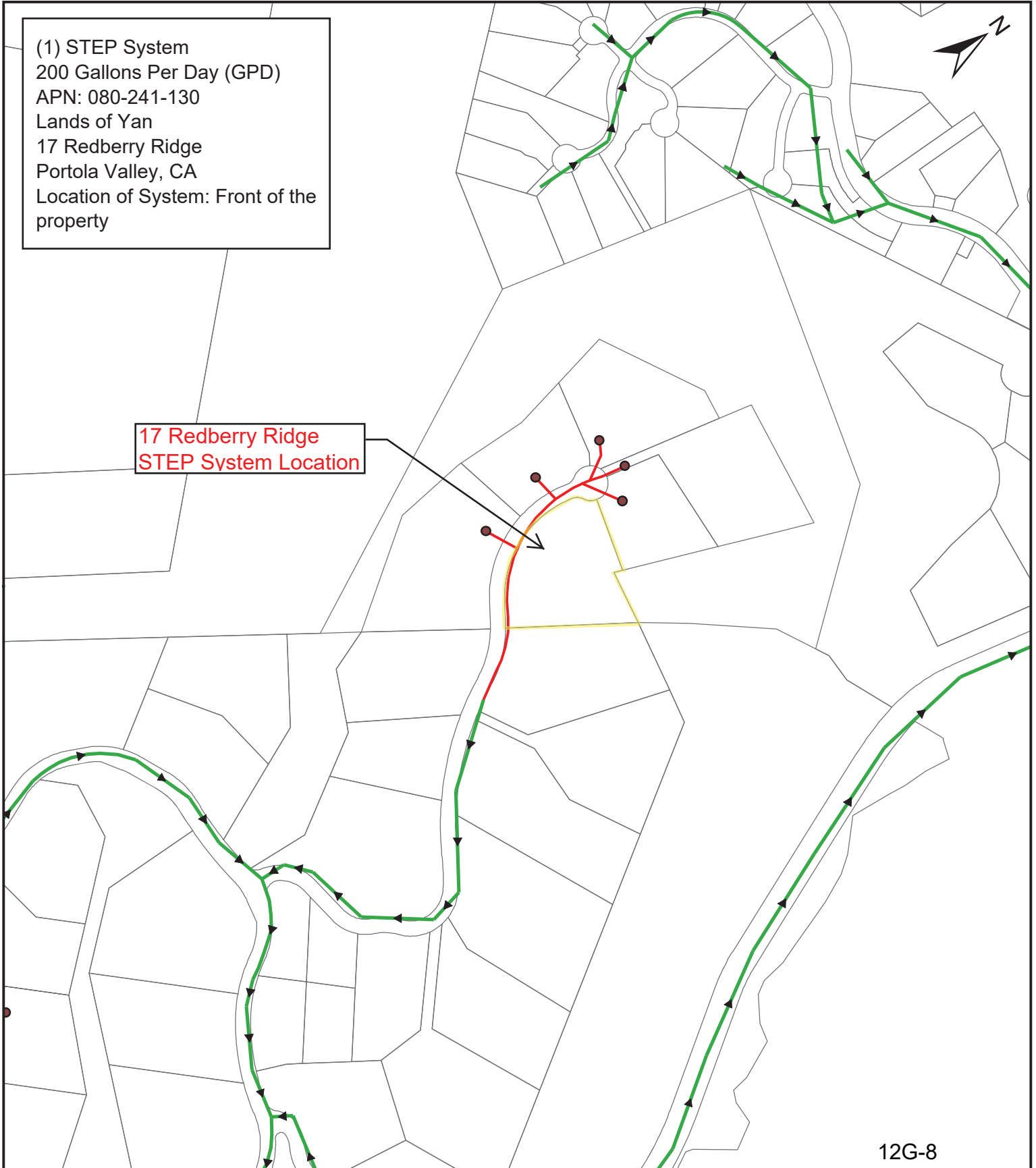
12G-7

WEST BAY SANITARY DISTRICT  
EXHIBIT "B"  
SITE LOCATION  
17 REDBERRY RIDGE  
PORTOLA VALLEY, CA  
STEP SYSTEM



(1) STEP System  
200 Gallons Per Day (GPD)  
APN: 080-241-130  
Lands of Yan  
17 Redberry Ridge  
Portola Valley, CA  
Location of System: Front of the property

17 Redberry Ridge  
STEP System Location







## WEST BAY SANITARY DISTRICT AGENDA ITEM 13

**To:** *Board of Directors*

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

**Subject:** *Consideration to Authorize the District Manager to Execute a Sampling Services Agreement between West Bay Sanitary District and Silicon Valley Clean Water*

---

### **Background**

As of July 27, 2020 West Bay staff will be taking over the operations of the West Bay/Sharon Heights Recycled Water Plant. To this end, the District is in need of sampling services. Sampling is required by the California Regional Water Quality Control Board according to the state's Monitoring & Reporting Program.

### **Analysis**

Staff has obtained a proposal from Silicon Valley Clean Water to provide sampling services. This is a great opportunity to share resources between agencies and could help offset some costs. The scope of work is in the attached agreement.

### **Fiscal Impact**

The sampling cost will be recovered by the District from Sharon Heights Golf Course and Country Club through the O & M operational cost and established WBSD & SHGCC Long Term Agreement.

There is no Fiscal Impact to the District at this time.

### **Recommendation**

Staff requests the District Board authorize the District Manager to enter into a Sampling Services Agreement between West Bay Sanitary District and Silicon Valley Clean Water barring District Counsel language modifications.

Attachment: Sampling Services Agreement

---

**AGREEMENT FOR PROFESSIONAL SERVICES  
BETWEEN WEST BAY SANITARY DISTRICT  
AND  
SILICON VALLEY CLEAN WATER**

THIS AGREEMENT, hereinafter referred to as “Agreement”, is entered and effective on this [redacted] day of January, 2021, by and between West Bay Sanitary District, hereinafter referred to as “District”, and Silicon Valley Clean Water, hereinafter referred to as “SVCW.” (District and SVCW are referred to individually as a “Party” and collectively, as the “Parties”).

WITNESSETH:

WHEREAS, the District desires to comply with the San Francisco Bay Regional Water Quality Control Board’s Monitoring and Reporting Program requirements to test, sample, and report at specific intervals, the water quality at the District’s Sharon Heights Recycled Water Facility located at 2900 Sand Hill Road in Menlo Park; and this effort requires the services of a SVCW; and

WHEREAS, SVCW offers to provide personnel and expertise necessary to accomplish such work as requested by the District;

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

I. DESCRIPTION OF PROJECT

SVCW agrees to provide water testing, sampling and reporting in compliance with the San Francisco Bay Regional Water Quality Control Board’s Monitoring and Reporting Program requirements in compliance with applicable state law and regulations.

II. SCOPE OF SERVICES

SVCW agrees to perform those services consistent with the attached San Francisco Bay Regional Water Quality Control Board’s Monitoring and Reporting Program requirements, referred herein as **Scope of Services** set forth as **Exhibit “A.”**

SVCW shall not undertake any work beyond the scope of services as set forth in Exhibit A. No changes in the scope of services shall be made without the District’s prior written approval.

III. TIME FOR COMPLETION

The term of this Agreement shall commence on the effective date of this Agreement and shall be for a one-year duration, subject to automatically renew for successive one year term, unless either Party gives written notice of termination to the other Party at least 60 days prior to the expiration date/renewal date of this Agreement.

SVCW shall begin work as specified in a written authorization (e.g. Notice to Proceed) to perform services. The written authorization to perform work shall not be issued until after this Agreement has been approved and authorized by the District.

SVCW acknowledges that it is necessary for SVCW to complete its work on or before the completion date as set forth herein in order to allow the District to achieve its objectives for entering into this Agreement. The Parties therefore agree that time is of the essence in the performance of this Agreement.

#### IV. COMPENSATION

For services to be performed by SVCW, the District agrees to pay, and SVCW agrees to accept, compensation in an amount not to exceed the total amount described in the **Fee Schedule** (Laboratory Quote) set forth in **Exhibit B, not to exceed \$14,054.00** as full compensation for all personnel, materials, supplies, and equipment used by SVCW in the scope of services to be provided. Any change requiring compensation in excess of the sum specified in the Fee Schedule shall only be allowed if approved in advance in writing by the District's authorized representative. SVCW shall invoice the District detailing the time and materials for services provided under this Agreement in accordance with the Fee Schedule.

SVCW shall submit invoices for services completed each month. The District shall pay such invoices within forty-five (45) days after their receipt.

#### V. RESPONSIBILITY OF SVCW

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

#### VI. INDEMNIFICATION

To the fullest extent permitted by law, SVCW agrees to indemnify, defend, and hold harmless the District, its directors, officers, employees, and agents from and against any and all claims, demands, actions, liabilities, damages, judgments, or expenses, including attorneys' fees and costs (collectively, "Losses") but only in proportion to and to the extent that any Losses arise from the acts or omissions of SVCW's employees or agents in any way related to the obligations or in the performance of services under this Agreement. SVCW's indemnity obligations do not apply to Losses caused by the sole or active negligence, or willful misconduct of the District.

This section shall survive the termination or expiration of this Agreement.

#### VII. INSURANCE

Prior to the beginning and throughout the duration of the Agreement, as may be extended by written amendment, SVCW will maintain and comply with the insurance requirements below.

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

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

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

D. The Commercial General Liability and Automobile Liability Insurance policies shall be endorsed to name the District, its directors, officers, employees, and agents as additional insureds with respect to liability arising out of work or operations performed by or on behalf of SVCW including materials, parts, or equipment furnished in connection with such work or operations. SVCW's insurance coverage is primary insurance and any insurance maintained by the District shall not contribute with it.

E. SVCW shall also provide Professional Liability Insurance (Errors and Omissions) appropriate to SVCW's profession with limits of liability in amounts not less than \$1,000,000 per occurrence or claim and \$2,000,000 aggregate. SVCW shall provide evidence of coverage for at least five (5) years after the date of completion of the services under this Agreement. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a retroactive date prior to the Agreement effective date or start of work date, SVCW must purchase "extended reporting" coverage for a minimum of five (5) years after completion of services under this Agreement.

F. SVCW shall provide the District with Certificates of Insurance and endorsements, on forms acceptable to District, or other evidence of insurance acceptable to District, prior to commencement of any work under this Agreement. Each insurance policy required above shall provide that there will be no cancellation of coverage without prior written notice to District.

G. The coverage requirements can be satisfied by self-insurance or pooled risk plans that provide comparable coverage.

## VIII. TERMINATION

The District may terminate this Agreement for its convenience with written notice of not less than 10 calendar days prior to an effective termination date. The SVCW may terminate the Agreement for material breach of Agreement by providing written notice to the other party not less than 15 calendar days prior to an effective termination date.

Upon notice of termination, the SVCW will immediately take action not to incur any additional obligations, costs or expenses, except as may be reasonably necessary to terminate its activities. The District's only obligation to the SVCW will be just and equitable payment for materials and/or services authorized by, and received to the satisfaction of, the District up to and including the effective date of termination. All finished or unfinished materials, supplies, goods, or documents procured or produced under the Agreement will become property of the District upon the termination date. District reserves the right to obtain services elsewhere, and the defaulting

SVCW will be liable for the difference between the prices set forth in the terminated Agreement and the actual cost to the District. In no event will the District be liable for any loss of profits on the resulting order or portion thereof so terminated. After the effective date of termination, SVCW will have no further claims against the District under the Agreement. Termination of the Agreement pursuant to this paragraph may not relieve the SVCW of any liability to District for damages sustained by the District because of any breach of the Agreement by SVCW, and District may withhold any payments to SVCW for the purpose of set-off until such time as the exact amount of damages due District from SVCW is determined.

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

## IX. SUBCONTRACTS

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

## X. OTHER TERMS

1. Compliance with Laws. All activities of SVCW, its employees, subcontractors and/or agents will be carried out in compliance with all applicable federal, state and local laws and regulations.
2. Conflicts of Interest. SVCW owes District a duty of undivided loyalty in performing the work and services under this Agreement. SVCW on behalf of itself, its employees and subcontractors, covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. SVCW acknowledges that it is aware of and agrees to comply with the provisions of the Political Reform Act, Section 1090 of the Government Code. SVCW will immediately advise District if SVCW learns of a conflicting financial interest of SVCW's during the term of this Agreement. SVCW owes District a duty of undivided loyalty in performing the work and services under this Agreement.
3. Property of District. The work, or any portion, of SVCW in performing this Agreement shall become the property of the District. The SVCW shall be permitted to retain copies or such work for information and reference in connection with the District's use. All materials and work product, whether finished or unfinished, shall be delivered to the District upon completion of contract services or termination of this Agreement for any reason. SVCW agrees that all copyrights which arise from creation of project-related documents and materials pursuant to this Agreement shall be vested in the District, and SVCW waives and relinquishes all claims to copyright or other intellectual property rights in favor of the District. Any work product related to this Agreement shall be

confidential, not to be used by the SVCW on other projects or disclosed to any third party, except by agreement in writing by the District.

4. SVCW's Records. SVCW shall maintain accurate accounting records and other written documentation pertaining to the costs incurred for this project. Such records and documentation shall be kept available at SVCW's office during the period of this Agreement, and after the term of this Agreement for a period of three years from the date of the final District payment for SVCW's services.
5. Independent Contractor. In the performance of this Agreement, it is expressly understood that SVCW, including each of SVCW's employees, agents, subcontractors or others under SVCW's supervision or control, is an independent contractor solely responsible for its own acts and omissions, and shall not be considered an employee of the District for any purpose. SVCW agrees to comply with AB5, codified at Labor Code section 2750.3.
6. SVCW Not an Agent. Except as the District may specify in writing, SVCW shall have no authority, express or implied, to act on behalf of District in any capacity whatsoever as an agent. SVCW shall have no authority, express or implied, pursuant to this Agreement to bind the District to any obligation whatsoever.
7. Subcontractors. SVCW shall obtain prior approval of the District prior to subcontracting of any work pursuant to this Agreement. If at any time, the District determines any subcontractor is incompetent or unqualified, SVCW will be notified and will be expected to immediately cancel the subcontract. SVCW shall require and verify that all subcontractors maintain insurance meeting all of the requirements stated herein, including naming the District, its directors, officers, employees, and agents as additional insureds. Any modification to the insurance requirements for subcontractors must be agreed to by the District in writing.
8. Dispute Resolution. The Parties agree to attempt in good faith to resolve through negotiation any dispute, claim or controversy arising out of or relating to this Agreement. Either party may initiate negotiations by providing written notice in letter form to the other party, setting forth the subject of the dispute and the relief requested. Promptly upon such notification, the Parties shall meet at a mutually agreeable time and place in order to exchange relevant information and perspective, and to attempt to resolve the dispute. In the event that no resolution is achieved, and if, but only if, the parties mutually agree, then prior to pursuing formal legal action, the parties shall make a good faith effort to resolve the dispute by non-binding mediation or negotiations between representatives with decision-making power, who, to the extent possible, shall not have had substantive involvement in the matters of the dispute.
9. Force Majeure. Neither party hereto shall be considered in default in the performance of its obligation hereunder to the extent that the performance of any such obligation, except the payment of money, is prevented or delayed by any cause, natural disaster, or other peril, existing or future, which is beyond the reasonable control of the affected party. Each party hereto shall give notice promptly to the other of the nature and extent of any Force Majeure claimed to delay, hinder or prevent performance of the services under this Agreement. In the event either party is prevented or delayed in the performance of its respective obligation by reason of such Force Majeure, there may be an equitable

adjustment of the schedule and SVCW compensation based on the District's sole discretion.

10. Assignment. This Agreement may not be assigned by either the District or SVCW without the prior written consent of the other.
11. Benefit. Except as herein provided, this Agreement shall inure to the benefit of the assigns, heirs, and successors of the Parties to this Agreement.
12. Complete Agreement. This Agreement, along with any attachments, is the full and complete integration of the parties' agreement with respect to the matters addressed herein, and that this Agreement supersedes any previous written or oral agreements between the parties with respect to the matters addressed herein.
13. Severability. The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the other provisions unenforceable, invalid or illegal.
14. Waiver. Waiver by any party of any portion of this Agreement shall not constitute a waiver of the same or any other portion hereof.
15. Governing Law. This Agreement shall be governed by and interpreted in accordance with California law.
16. Contract Interpretation. Each party acknowledges that it has reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.
17. Counterparts. This Agreement may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each one shall be deemed an original and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding on and effective regarding all parties. A scanned, electronic, facsimile, or other copy of a party's signature shall have the same force and effect as an original signature.

[SIGNATURE PAGE FOLLOWS]

XI. ACKNOWLEDGMENT

By their signatures below, the Parties acknowledge that they have each read and understand the terms of this Agreement, and are authorized to execute this Agreement to legally obligate their respective representatives, agents, successors and assigns to comply with the provisions of this Agreement.

WEST BAY SANITARY DISTRICT

SILICON VALLEY CLEAN WATER

By \_\_\_\_\_

By \_\_\_\_\_

Signature

Signature

Sergio Ramirez, District Manager

Teresa Herrera, Manager

APPROVED AS TO FORM

\_\_\_\_\_

Anthony P. Condotti, DISTRICT COUNSEL



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



**CALIFORNIA REGIONAL WATER QUALITY CONTROL  
BOARD SAN FRANCISCO BAY REGION**

**MONITORING AND REPORTING PROGRAM for:**

**WEST BAY SANITARY DISTRICT  
SHARON HEIGHTS RECYCLED WATER FACILITY  
WATER QUALITY ORDER 2016-0068-DDW  
GENERAL WATER RECLAMATION REQUIREMENTS  
FOR RECYCLED WATER USE**

**Effective Date**

**July 24, 2020**

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JIM McGRATH, CHAIR | MICHAEL MONTGOMERY, EXECUTIVE OFFICER

1515 Clay St., Suite 1400, Oakland, CA 94612 | [www.waterboards.ca.gov/sanfranciscobay](http://www.waterboards.ca.gov/sanfranciscobay)

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## **I. GENERAL**

### **A. MONITORING AND REPORTING PROGRAM PURPOSE AND BASIS**

This Monitoring and Reporting Program (MRP) describes requirements for monitoring a recycled water treatment facility and recycled water program. This MRP is issued by the Executive Officer of the San Francisco Bay Regional Water Quality Control Board (Regional Water Board) and supersedes the MRP found in Attachment B of the General Water Reclamation Requirements for Recycled Water Use Order WQ 2016-0068-DDW (General Order). Priority pollutant monitoring is not included in this Monitoring Program. The State Water Resources Control Board (State Water Board) removed priority pollutant monitoring requirements from the monitoring and reporting programs for dischargers that produce and use recycled water for landscape irrigation per Order No. WQ 2019-0036-EXEC.

This MRP is applicable to the West Bay Sanitary District's Sharon Heights Recycled Water Facility for enrollment under the General Order. The monitoring reports are necessary to document the District's compliance with the Notice and the General Order, and the burden imposed in their preparation bears a reasonable relationship to the need for the reports and the benefits to be obtained from them. More specifically, the monitoring data are needed to evaluate the performance of recycled water production, distribution, and use and to assure protection of public health and the environment. Inconsistently treated or misused recycled water could expose people to pathogens or other harmful constituents and could adversely affect beneficial uses. Pursuant to California Water Code (Water Code) section 13267, the District shall implement this MRP and submit the monitoring reports described herein.

The monitoring requirements and practices described in the MRP are, generally, *minimum* levels of monitoring. Additional monitoring, other than as specified here, may be necessary to assure proper performance of the recycled water treatment systems, such as in response to treatment changes or investigations of uncertainties. If the District monitors any pollutant at the locations designated herein more frequently than required by this MRP, using test procedures approved by the Code of Federal Regulations Title 40 (40 CFR), part 136, or as specified in this MRP, the results of such monitoring shall be included in the calculation and reporting of the data submitted in monitoring reports.

### **B. MONITORING AND REPORTING PROGRAM CHANGES**

1. The Executive Officer of the Regional Water Board may authorize changes to the monitoring and reporting practices specified in this MRP, in consideration of acceptable alternate means of monitoring, and the total inventory of monitoring data. Factors to be considered include: data quality, adequate characterization of the identified recycled water or wastewater system process, consistency of system performance, compliance with water reclamation requirements, and acceptable means for providing equivalent and adequate monitoring of the identified recycled water or wastewater system process.
2. Requests for changes to monitoring or reporting practices must be submitted to the Regional Water Board in writing, with a complete description of the proposed changes and alternate means of monitoring.
3. The District shall not implement changes to authorized monitoring and reporting practices until applicable changes are authorized in writing by the Executive Officer.

### **C. SAMPLING AND FIELD TEST INSTRUMENTS**

1. All samples shall be representative of the volume and nature of the discharge or matrix of material sampled. The District shall also maintain a sample chain of custody form that records the name of the sampler, sample type (grab or composite), time, date, location, bottle type, and any preservative used for each sample, available to the Regional Water Board upon request. The chain of custody form must also contain all custody information including date, time, and to whom samples were relinquished.
2. Field test instruments (such as those used to test pH, dissolved oxygen, and electrical conductivity) may be used provided that they are used by a California Environmental Laboratory Program (ELAP) certified laboratory or:
  - a. The user is trained in proper use and maintenance of the instruments;
  - b. The instruments are field calibrated prior to monitoring events at the frequency recommended by the manufacturer;
  - c. Instruments are serviced by the manufacturer or authorized representative at the recommended frequency; and
  - d. Field calibration reports are maintained and available for at least three years.
3. Collecting composite samples is acceptable in most cases. However, due to short sample holding times, bacteriological samples collected to verify disinfection effectiveness must be grab samples.

## **II. RECYCLED WATER MONITORING**

### **A. DISINFECTION SYSTEM MONITORING**

1. Samples shall be collected and analyzed by an approved laboratory per California Code of Regulations Title 22 (22 CCR) section 60321, which states that the samples shall be taken from the disinfected effluent for coliform sampling and following filtration for disinfected tertiary recycled water turbidity sampling.
2. The District shall ensure that the UV disinfection system is operated in accordance with the Division of Drinking Water's conditions and approved UV Disinfection Operations and Maintenance Manual. The UV disinfection system operating conditions are included in the Notice and Notice Attachment E. Consult with the Division of Drinking Water for additional reporting, design, and operation requirements for new UV disinfection systems or if the approved UV disinfection system is significantly changed.
3. Continuous monitoring of the disinfected tertiary recycled water UV transmittance and dose shall be conducted to ensure compliance with the facility-specific operating conditions and 22 CCR requirements. The daily minimum UV transmittance and the daily minimum hourly average and daily average UV dose shall be monitored. The data shall be maintained on file and available to the Regional Water Board or Division of Drinking Water upon request. If the UV transmittance or the UV dose falls below the minimum operating conditions and the recycled water is distributed for use or to a use area, the event shall be reported to the Regional Water Board in accordance with section III.C. of this MRP.
4. Table 1 lists the monitoring and reporting requirements for UV transmittance, UV dose, total coliform bacteria, and turbidity.

**Table 1: Disinfection System Monitoring and Reporting Requirements**

Constituent / Parameter	Units <sup>(a)</sup>	Sample Type	Sample Frequency	Reporting Frequency	Reported Values
UV Transmittance	%	Meter	Continuous	Annually	<ul style="list-style-type: none"> <li>Report Exceedances in Table 2</li> </ul>
UV Dose	mJ/cm <sup>2</sup>	Meter	Continuous	Annually	<ul style="list-style-type: none"> <li>Report Exceedances in Table 2</li> </ul>
Total Coliform Bacteria	MPN / 100 mL	Grab	Daily	Annually	<ul style="list-style-type: none"> <li>Report Daily Result</li> <li>Report Exceedances of Title 22 Coliform Limits in Table 2</li> </ul>
Turbidity	NTU	Grab/ Meter	Continuous <sup>(b)</sup>	Annually	<ul style="list-style-type: none"> <li>Report Daily Average, 95<sup>th</sup> percentile, and Maximum</li> <li>Report Exceedances of Title 22 Turbidity Limits in Table 2</li> </ul>

<sup>(a)</sup> mg-min/L denotes milligram-minute per liter. mJ/cm<sup>2</sup> denotes millijoule per square centimeter. MPN/100 mL denotes most probable number per 100 milliliter sample. NTU denotes nephelometric turbidity unit.

<sup>(b)</sup> Should the continuous turbidity meter and recorder fail, grab sampling at a minimum frequency of 1.2-hours may be substituted for a period of up to 24 hours.

**Table 2: Reporting Requirements for Disinfection System Exceedances**

Constituent / Parameter	Report Exceedance Value <sup>(a)</sup>
UV Transmittance	< 61 percent
UV Dose	< 116 mJ/cm <sup>2</sup>
Total Coliform Bacteria	> 2.2 MPN / 100 mL rolling 7-day median > 23 MPN / 100 mL 30-day maximum if more than 1 exceedance occurs during 30-day period. Can exceed maximum limit once. > 240 MPN / 100 mL any time
Turbidity	> 0.2 NTU more than 5% in 24 hours > 0.5 NTU any time maximum

<sup>(a)</sup> Recycled water total coliform limits are per 22 CCR section 60301.230 and the turbidity limits are per section 60301.320(b). The limits are also stated in Notice section D.

**B. SALT AND NUTRIENT MONITORING FOR IRRIGATION USES (LAND APPLICATION USES)**

1. Salt and nutrient management planning is included in the Recycled Water Policy to support the promotion of basin-wide management of salts and nutrients in groundwater. Per General Order Provision D.2, in lieu of a recycled water program Administrator developing an individual Salt and Nutrient Management Plan, the Administrator shall participate in a Regional Water Board’s existing salt and nutrient management planning efforts. To support a salt and nutrient characterization of the recycled water distributed for land application or irrigation uses, representative monitoring of wet and dry season conditions shall be conducted over one year only. The sampling shall be conducted at the recycled water treatment facility prior to distribution and is not the responsibility of the user if the treatment facility is conducting the sampling and analysis.
2. The District shall monitor the recycled water at a location representative of the water quality used for irrigation uses (land application uses)<sup>1</sup> over one year only for the parameters listed in Table 3, below.

**Table 3: Salt and Nutrient Characterization for Land Application Uses**

Constituent / Parameter	Units	Sample Type	Sample Frequency	Reporting Frequency
Total Dissolved Solids	mg/L	Grab / 24-hour composite	Characterization Over One Year: 2 x / one year Wet & Dry Season <sup>(a)</sup> 3 grab samples or 1 24-hour composite per sampling event	Annual Report following characterization
Ammonia	mg/L	Grab / 24-hour composite		
Nitrate plus nitrite as nitrogen <sup>(b)</sup>	mg/L as N	Grab / 24-hour composite		
Total Inorganic Nitrogen	mg/L	Grab / Calculate		

<sup>(a)</sup> Total dissolved solids and the nitrogen forms shall be sampled two times per year for one year. One sampling event consisting of three grab sample sets (each set consisting of one grab sample for each constituent) over a 24-hour period, or one 24-hour flow-weighted composite sample for each constituent, shall be collected during the wet season (generally from October to April or as defined in the NPDES permit, if one is applicable). The second sampling event consisting of three grab sample sets or one 24-hour flow-weighted composite sample for each constituent, shall be conducted during the dry season (generally from May through September or as defined in the NPDES permit, if one is applicable). If grab samples are used, samples for each constituent shall be collected close in time (as practicable) for each of the three grab sample sets.

<sup>(b)</sup> Nitrate and nitrite can be analyzed separately or combined as nitrate-nitrite.

3. If changes to the recycled water treatment system or influent water quality occur that result in a significant and continued change in the recycled water salinity or nutrient concentrations, an updated characterization shall be conducted and submitted to the Regional Water Board as a part of the District’s annual report. An additional salinity and

<sup>1</sup> Construction uses such as dust control or publicly owned treatment works on-site use are exempt from these monitoring requirements.

nutrient characterization may be required by the Regional Water Board's Executive Officer if deemed necessary.

### C. VOLUMETRIC REPORTING

1. In order to establish an estimate of statewide recycled water use and potential for increased recycled water use statewide, the Water Quality Control Policy for Recycled Water (Recycled Water Policy) requires wastewater treatment plants and recycled water producers to report the volume of influent and treated recycled water.<sup>2</sup> Annual reporting is necessary to evaluate progress towards the recycled water goals in the Recycled Water Policy and evaluate the need to update the recycled water goals in the future based on consistent statewide data.

Additional information on the recycled water volumetric reporting is accessible online at: [https://www.waterboards.ca.gov/water\\_issues/programs/water\\_recycling\\_policy/volumetric\\_annual\\_reporting.html](https://www.waterboards.ca.gov/water_issues/programs/water_recycling_policy/volumetric_annual_reporting.html)

2. The District shall monitor recycled water volumes and **report annually** to the State Water Board's online **GeoTracker database by April 30** of each calendar year. The data shall be submitted to the GeoTracker database under a site-specific global identification number assigned by the State Water Board.

The GeoTracker Electronic Submittal of Information (ESI) system is accessible online at: <https://geotracker.waterboards.ca.gov/esi/login.asp>

3. The District shall report annually in accordance with each of the applicable items in section 3 of the Recycled Water Policy as described below:
  - a. *Influent.*  
Monthly volume of wastewater collected and treated by the wastewater treatment plant.
  - b. *Production.*  
Monthly volume of wastewater treated, specifying level of treatment.
  - c. *Discharge.*<sup>3</sup>  
Monthly volume of treated wastewater discharged to the following, specifying level of treatment:
    - 1) Land, where **beneficial use is not taking place**, including evaporation or percolation ponds, overland flow, or spray irrigation disposal, excluding pasture or fields with harvested crops.
  - d. *Reuse.*  
Monthly volume of recycled water distributed.

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<sup>2</sup> The Water Quality Control Policy for Recycled Water was amended on December 11, 2018, and is accessible online at [https://www.waterboards.ca.gov/board\\_decisions/adopted\\_orders/resolutions/2018/121118\\_7\\_final\\_amendment\\_oal.pdf](https://www.waterboards.ca.gov/board_decisions/adopted_orders/resolutions/2018/121118_7_final_amendment_oal.pdf).

<sup>3</sup> Additional discharge categories that are not applicable to the Facility, such as surface water, enclosed bays, natural wetland systems, and underground injection wells, are included in the GeoTracker reporting database, but are not listed in this MRP for clarity.



e. *Reuse Categories.*<sup>4</sup>

Annual volume of treated wastewater distributed for beneficial use in compliance with 22 CCR in each of the use categories listed below:

- 1) Landscape irrigation: irrigation of parks, greenbelts, and playgrounds; school yards; athletic fields; cemeteries; residential landscaping, common areas; commercial landscaping; industrial landscaping; and freeway, highway, and street landscaping.
- 2) Golf course irrigation: irrigation of golf courses, including water used to maintain aesthetic impoundments within golf courses.
- 3) Commercial application: commercial facilities, business use (such as laundries and office buildings), car washes, retail nurseries, and appurtenant landscaping that is not separately metered.
- 4) Industrial application: manufacturing facilities, cooling towers, process water, and appurtenant landscaping that is not separately metered.
- 5) Other non-potable uses: including but not limited to dual plumbed flushing fixtures, dust control, flushing sewers, fire protection, fill stations, snow making, and recreational impoundments.

4. GeoTracker guidance documents are also accessible online at:

- a. Help Guide for Volumetric Annual Report in GeoTracker:  
[https://www.waterboards.ca.gov/ust/electronic\\_submittal/docs/var\\_helpguide.pdf](https://www.waterboards.ca.gov/ust/electronic_submittal/docs/var_helpguide.pdf)
- b. Electronic Submittal of Information Beginner's Guide for Responsible Parties:  
[https://www.waterboards.ca.gov/ust/electronic\\_submittal/docs/geotracker\\_esi\\_rp\\_begginner\\_guide\\_revisedoct2019.pdf](https://www.waterboards.ca.gov/ust/electronic_submittal/docs/geotracker_esi_rp_begginner_guide_revisedoct2019.pdf)
- c. Frequently Asked Questions: Volumetric Annual Reporting of Wastewater and Recycled Water:  
[https://www.waterboards.ca.gov/water\\_issues/programs/water\\_recycling\\_policy/docs/2020/faq\\_volumetric\\_annual\\_reporting.pdf](https://www.waterboards.ca.gov/water_issues/programs/water_recycling_policy/docs/2020/faq_volumetric_annual_reporting.pdf)

## D. USE AREA MONITORING

The use areas(s) shall be monitored by the District or the recycled water user at a frequency appropriate to determine compliance with the General Order and the District's recycled water use program requirements. The District may assign monitoring responsibilities to a User as part of the Water Recycling Use Permit program. The District retains responsibility to ensure the data are collected, as well as prepare and submit the annual report.

The following shall be recorded for each user with additional reporting for use areas as appropriate. The frequency of use area inspections shall be based on the complexity and risk of each use area. Use areas may be aggregated to combine acreage for calculation or observation purposes. Use area monitoring shall include the parameters listed in Table 4, below.

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<sup>4</sup> Additional reuse categories that are not applicable to the Facility, such as groundwater recharge, are included in the GeoTracker reporting database but are not listed in this MRP for clarity.

**Table 4: Use Area Monitoring and Reporting Requirements**

Parameter	Units	Sample Type	Sampling Frequency <sup>(a)</sup>	Reporting Frequency
Recycled Water User	--	--	--	Annually
Recycled Water Flow	gpd <sup>(b)</sup>	Meter <sup>(c)</sup>	Monthly	Annually
Acreage Applied <sup>(d)</sup>	Acres	Calculated	--	Annually
Application Rate	inches/acre/ year	Calculated	--	Annually
Soil Saturation/Ponding	--	Observation	Quarterly	Annually
Nuisance Odors/Vectors	--	Observation	Quarterly	Annually
Discharge Off-Site	--	Observation	Quarterly	Annually
Notification Signs <sup>(e)</sup>	--	Observation	Quarterly	Annually

<sup>(a)</sup> Or less frequently if approved by the Regional Water Board Executive Officer

<sup>(b)</sup> gpd denotes gallons per day.

<sup>(c)</sup> Meter denotes meter reading, a pump run time meter, or other approved method.

<sup>(d)</sup> Acreage applied denotes the acreage to which recycled water is applied.

<sup>(e)</sup> Notification signs shall be consistent with the requirements of 22 CCR section 60310(g).

### E. POND SYSTEM MONITORING

These pond monitoring requirements apply only to recycled water storage ponds permitted through the General Order. Recycled water storage ponds covered by other existing orders, such as an NPDES permit or Waste Discharge Requirements, shall continue to be monitored in accordance with those orders. Recycled water storage ponds permitted through the General Order shall be monitored for the parameters listed in Table 5.

**Table 5: Recycled Water Storage Pond Monitoring and Reporting Requirements**

Parameter	Units	Sample Type	Sample Frequency <sup>(a)</sup>	Reporting Frequency
Freeboard	0.1 feet	Measurement	Quarterly	Annually
Odors	--	Observation	Quarterly	Annually
Berm condition	--	Observation	Quarterly	Annually

<sup>(a)</sup> Or less frequently if approved by the Regional Water Board Executive Officer

### III. REPORTING

In reporting monitoring data, the District shall arrange the data in tabular form so that the date, data type (e.g., flow rate, bacteriological), and reported analytical or visual inspection results are readily discernible. The data shall be summarized to illustrate compliance with the General Order and Notice as applicable.

The District is required to electronically submit the volumetric reporting data annually via the State Water Board's GeoTracker ESRI online database by **April 30**. Electronic submittal procedures and guidance will be provided. Submit annual reports via the Regional Water Board's centralized email address: [WDR.Monitoring@waterboards.ca.gov](mailto:WDR.Monitoring@waterboards.ca.gov). Once the District has set-up an active GeoTracker account through the State Water Board, submittal of electronic reports to the centralized email address can be discontinued.

## A. ANNUAL REPORTS

Annual Reports shall be submitted to the Regional Water Board by **April 30 following the monitoring year**. The monitoring year runs from January 1 through December 31 of each year. The Annual Report shall include the following:

1. A letter transmitting the annual report shall accompany each report. The transmittal letter shall include the following:
  - a. Identification of:
    - i. The recycled water program by name and address;
    - ii. The monitoring period being reported;
    - iii. The name and contact information for the recycled water operator responsible for operation, maintenance, and system monitoring; and
    - iv. The name and contact information for the person familiar with the report for follow up questions or discussions, if different than the recycled water operator.
  - b. Summary of violations of the General Order, Notice, and this MRP.
  - c. The penalty of perjury statement found in Section IV.B.1.b, which shall be signed by the District or the District's authorized agent:
2. Tabular summaries of all monitoring data collected during the year.
  - a. Monitoring Results. Tabulations of the data from all required analyses, measurements, and observations specified in this MRP, including identification of:
    - i. Date of sampling or observation;
    - ii. Location of sampling or observation (sample station);
    - iii. Parameter of analysis; and
    - iv. The result of the analysis, measurement or observation.
  - b. Data Presentation. In reporting monitoring data, the data shall be arranged in tabular form so that the data are clearly discernible. The data shall be summarized in such a manner to illustrate whether the discharge is in compliance with the General Order and Notice.
  - c. Reporting Results Below Detection Limits. For all analytical characterizations (laboratory tests) for which results are identified as below limits of detection of the test procedure, data reporting shall include the limit of detection.
  - d. Discussion of General Order, Notice, and MRP violations. The following information shall be recorded and reported:
    - i. Date and time of occurrence;
    - ii. Location of occurrence;
    - iii. Description of the observed violation; and
    - iv. Corrective actions taken or planned to correct the violations and prevent future violations. If a report describing corrective actions and/or a time schedule for implementation of actions was previously submitted, reference to the report is satisfactory.
3. A summary table of all new recycled water users and use areas.

4. A summary table of all inspections and enforcement activities initiated by the District. Include a discussion of compliance and the corrective action taken, as well as any planned or proposed actions needed to bring the discharge into compliance with the Notice and/or General Order. Copies of documentation of any enforcement actions taken by the District shall be provided.
5. An evaluation of the performance of the recycled water treatment facility, including discussion of capacity issues, system problems, and a forecast of the flows anticipated in the next year. Operating records of the recycled water treatment facility shall be maintained by the District for a minimum of three years and be available upon request. Operating records shall include:
  - a. Records of operational problems, plant and equipment breakdowns, diversions to emergency storage or disposal, and discharge of untreated or partially treated wastewater to a use area(s).
  - b. All corrective or preventive action taken.
  - c. Process or equipment failures triggering an alarm. Include the time and cause of failure and corrective action taken.

## **B. "AS-BUILT" PLANS OF COMPLETED WASTEWATER SYSTEM**

The District shall submit a report to the Regional Water Board providing complete plan-view design drawings of the completed wastewater system and all of its components. This report shall be submitted no later than **30 calendar days** after finalization of the as-built plans or Notice issuance date if the as-built plans are complete.

## **C. NOTIFICATION OF VIOLATIONS**

In the event that a violation of the conditions of the water reclamation requirements occurs, or in the event that the District has reason to believe that a violation may occur, due to: i) maintenance work, power failure, or breakdown of wastewater system equipment; ii) accidents caused by human error or negligence; or iii) other causes such as acts of nature; the District or District's agent(s) shall notify the Regional Water Board office by telephone no later than 24 hours from the time the District or District's agent has knowledge of the incident.

Written notification shall be submitted within 15 calendar days of the date of the incident, unless directed otherwise by Regional Water Board staff. The written notification shall include pertinent information explaining reasons for the non-compliance and shall indicate what steps were taken to correct the problem and the dates thereof, and what steps are being taken to prevent the problem from recurring. A copy of the written notification must be sent to Division of Drinking Water.

## **D. WATER BOARD CONTACT INFORMATION**

The Regional Water Board's office mailing address and email are as follows:

1. Mail: San Francisco Bay Regional Water Quality Control Board  
1515 Clay Street, Suite 1400  
Oakland, CA 94612
2. Email: Annual report submittal: [WDR.Monitoring@waterboards.ca.gov](mailto:WDR.Monitoring@waterboards.ca.gov)  
Case Manager: Melissa Gunter: [Melissa.Gunter@waterboards.ca.gov](mailto:Melissa.Gunter@waterboards.ca.gov)

Division of Drinking Water – Santa Clara District Office:  
Van Tsang: Van.Tsang@waterboards.ca.gov

#### **IV. STANDARD PROVISIONS AND REPORTING REQUIREMENTS**

The following standard provisions and reporting requirements are also included in Attachment C of the General Order.

##### **A. GENERAL PROVISIONS**

###### **1. Duty to Comply**

- a. The District must comply with all the conditions of the General Order and the MRP. Any General Order or MRP non-compliance constitutes a violation of the Water Code and/or the Regional Water Board's Water Quality Control Plan (Basin Plan) and is subject to enforcement action.
- b. The filing of a request by the District for a modification, revocation and reissuance, termination, a notification of planned changes, or anticipated non-compliance does not stay any General Order or MRP condition.

###### **2. Duty to Mitigate**

The District shall take all reasonable steps to minimize or prevent any discharge in violation of the General Order which has a reasonable likelihood of adversely affecting public health or the environment, including such accelerated or additional monitoring as requested by the State or Regional Water Board to determine the nature and impact of the violation.

###### **3. Property Rights**

The General Order does not convey any property rights of any sort or any exclusive privileges. The requirements prescribed herein do not authorize the commission of any act causing injury to the property of another, nor protect the District from liabilities under federal, state, or local laws.

###### **4. Duty to Provide Information**

The District shall furnish, within a reasonable time, any information the Regional Water Board may request to determine whether cause exists for modifying, revoking and reissuing, or terminating the General Order coverage. The District shall also furnish to the Regional Water Board, upon request, copies of records required to be kept by its General Order.

###### **5. Availability**

A copy of the General Order, the Notice, and the MRP shall be maintained at the Facility and be available at all times to operating personnel.

##### **B. GENERAL REPORTING REQUIREMENTS**

###### **1. Signatory Requirements**

- a. All reports required by the General Order or the MRP and other information requested by the Regional Water Board shall be signed by the District's principal owner or Facility operator, or by a duly authorized representative of that person. Duly authorized representative is one whose:

- 1) Authorization specifies either an individual or a position having responsibility for the overall operation of the regulated facility or activity, such as general manager in a partnership, manager, operator, superintendent, position of equivalent responsibility, or an individual or position having overall responsibility for environmental matters for the company. A duly authorized representative may thus be either a named individual or any individual occupying a named position, and
- 2) Written authorization is submitted to the Regional Water Board. If an authorization becomes no longer accurate because a different individual or position has responsibility for the overall operation of the facility, a new authorization satisfying the requirements above must be submitted to the Regional Water Board prior to or together with any reports, information, or applications to be signed by an authorized representative.

b. Certification

All reports signed by a duly authorized representative under Notice section IV.B.1 shall contain the following certification:

“I certify under penalty of law that this document and all attachments are prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gathered and evaluated the information submitted. Based on my inquiry of the person or persons who managed the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.”

2. Should the responsible reporting party discover that it failed to submit any relevant facts or that it submitted incorrect information in any report, it shall promptly submit the missing or correct information. All violations of any requirements in the General Order, including 22 CCR Uniform Statewide Recycling Criteria requirements, shall be submitted in the annual self-monitoring reports.

3. False Reporting

Any person who knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under the General Order, including monitoring reports or reports of compliance or non-compliance shall be subject to enforcement procedures as identified in this MRP section IV.C.

**C. ENFORCEMENT**

1. The provision contained in this enforcement section shall not act as a limitation on the statutory or regulatory authority of the State and Regional Water Boards.
2. Any violation of the General Order constitutes violation of the Water Code and regulations adopted thereunder, and are the basis for enforcement action, General Order termination, General Order revocation and reissuance, denial of an application for General Order reissuance, or a combination thereof.
3. The State and Regional Water Boards may impose administrative civil liability, may refer a District to the State Attorney General to seek civil monetary penalties, may seek

injunctive relief or take other appropriate enforcement action as provided in the Water Code for violation of the General Order.

**V. MONITORING AND REPORTING PROGRAM CERTIFICATION**

The West Bay Sanitary District shall implement this Monitoring and Reporting Program as of the effective date given below.

I, Michael Montgomery, Executive Officer, hereby certify that this Monitoring and Reporting Program:

1. May be reviewed at any time subsequent to the effective date upon written notice from the Executive Officer or request from the District, and revisions will be ordered by the Executive Officer.
2. Is effective on July 24, 2020.

Ordered by:



---

for Michael Montgomery  
Executive Officer

**EXHIBIT "B"**  
**FEE SCHEDULE – LABORATORY QUOTE**





# Laboratory Quote

**Q-200826-01**

**Quote Date:** 08/26/2020

**Facility:** SVCW

**Customer:** WBSD

**Prepared By:** Wandro, Bob

**Attention:**

**Address (Line 1):**

**Address (Line 2):**

**City State Post:**

## Line Items

#	Service	Comment	Quantity	Price	Line Total
1	Coliform Total SM 9221 B-2006	Daily x 180 days	180	75.00	13,500.00
2	Ammonia Distilled SM 4500-NH3 B, D-2011	2x/year	2	72.00	144.00
3	IC (Anions) EPA 300.0	2x/year	2	110.00	220.00
4	Solids TDS SM 2540 C-2011	2x/year	2	45.00	90.00
5	Total Kjeldahl Nitrogen -C SM 4500-Norg	2x/year	2	50.00	100.00

Annual cost based on 180 days/year sampling for Total Coliform. The SVCW Laboratory is only ELAP Certified for Total Coliform in Drinking Water (includes recycled water).

**Total: \$14,054.00**

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## WEST BAY SANITARY DISTRICT AGENDA ITEM 14

**To:** *Board of Directors*

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

**Subject:** *Consideration to Authorize the District Manager to Enter Into a Sewer System Capacity Study Pre-Funding Agreement between West Bay Sanitary District and East Palo Alto Developers*

---

### **Background**

East Palo Alto developers and the City of East Palo Alto have asked West Bay Sanitary District to assist in some of their development by analyzing the District flow capacity to serve future development. It is understood that several developments located in the East Palo Alto Sanitary District ("EPASD") are planned or in process, including EPA Waterfront (a portion, but not all of this property is within the District's service area), Jobtrain, Sobrato Center for Community Resources, Week Street Residential, and University Plaza Phase 2.

East Palo Alto developers and the City of East Palo Alto have been notified the EPASD does not have sufficient capacity to serve these developments. Therefore, the developers have asked West Bay Sanitary District ("District") to evaluate whether the District has capacity to receive these flows, and to provide an estimate for the cost to provide service. The developers understand that wastewater infrastructure, including pumping facilities, forcemain piping, and/or gravity piping will be required to convey flows to the District's service area.

Separately, the San Mateo County, Local Area Formation Commission ("LAFCO") has approved a Municipal Service Review for EPASD, the City of East Palo Alto, and West Bay Sanitary District.

### **Analysis**

Staff has obtained a proposal from V.W. Housen & Associates to evaluate whether the District has capacity to receive the additional wastewater flows, and to develop potential costs. V. W. Housen & Associates ("VWHA") will complete this project through the following tasks:

Task 1. Project Management.

Task 2. Conceptual Flow Scenarios. VWHA will work with District staff to develop up to three potential flow paths/scenarios for the proposed flows. Each flow path is likely to require a different combination of pumping, forcemain piping, and gravity piping.

Task 3. Review of System Hydraulics. VWHA will add proposed flows from each development to the hydraulic model at the point of connection, and will determine if any infrastructure improvements are needed to accommodate the flow. VWHA will provide a conceptual cost estimate for the needed improvements.

Task 4. Project Cost Estimates. After reviewing hydraulics, VWHA will meet with District staff via teleconference to identify one or more viable alternatives, and will develop associated conceptual projects costs for infrastructure that will be required from the development property to the point of connection.

Task 5. Technical Memorandum. The work completed in Tasks 2 through 4, above, will be summarized in the draft and final project Technical Memorandum.

### **Fiscal Impact**

The estimated cost to complete this work is \$10,400.00 as shown in exhibit A of the attached capacity study agreement. VWHA will complete all tasks within six weeks from the Notice to Proceed. East Palo Alto Developers have agreed to fund the flow study.

There is no Fiscal Impact to the District at this time.

### **Recommendation**

Staff requests the District Board authorize the District Manager to enter into a Sewer System Capacity Study Pre-Funding Agreement between West Bay Sanitary District and East Palo Alto Developers to contract with V.W. Housen & Associates.

Attachment: Sewer System Capacity Study Pre-Funding Agreement

**SEWER SYSTEM CAPACITY STUDY PRE-FUNDING AGREEMENT  
BETWEEN WEST BAY SANITARY DISTRICT  
AND  
MP 965 WEEKS STREET ASSOCIATES, LP, THE SOBRATO ORGANIZATION,  
SYCAMORE REAL ESTATE INVESTMENT, LLC.**

This Agreement (“**Agreement**”) is entered into on the date by which it has been executed by all parties hereto, by and between the West Bay Sanitary District, special district organized and existing under the Sanitary District Act of 1923 (Cal. Health & Safety Code § 6400, et seq.) (the “District” or “West Bay”), and (i) MP 965 Weeks Street Associates, L.P., (ii) The Sobrato Organization, and (iii) Sycamore Real Estate Investment, LLC. (collectively “Developers”).

**RECITALS:**

**WHEREAS**, Developers are owners and prospective developers of several parcels of real property located within the jurisdictional boundaries of the East Palo Alto Sanitary District (“EPASD”) and commonly referred to as including EPA Waterfront (a portion of which is within the District’s service area), Jobtrain, Sobrato Center for Community Resources, Weeks Street Affordable Housing, and University Plaza Phase 2 (collectively the “Developments”); and

**WHEREAS**, EPASD currently does not have sufficient sewer collection system capacity to serve the Developments; and

**WHEREAS**, Developers have requested that the District evaluate whether it has sufficient capacity to serve the Developments, and to provide an estimate of the cost of constructing wastewater infrastructure necessary to convey flows to the District’s service area, and of any construction necessary to increase system capacity, if any, necessary to serve the Developments; and

**WHEREAS**, Developers understand that wastewater infrastructure, including pumping facilities, forcemain piping, and/or gravity piping will be required to convey flows to the District’s service area; and

**WHEREAS**, the Developers further understand that approval by the San Mateo County Local Area Formation Commission (“LAFCO”) would be required before the District may enter into any agreement to provide sewer service to the Developments. Currently LAFCO is preparing to complete a Municipal Service Review of EPASD, which will also include review of West Bay Sanitary District and of City of East Palo Alto as part of their scope. One component of a standard MSR is the review of each entity’s service area boundaries.; and

**WHEREAS**, District is willing to commission a study at Developers’ request (the “Study”), and have obtained a proposal therefor from V. W. Housen and Associates, at an estimated cost of \$10,400.00 (attached hereto as Exhibit A and incorporated herein by reference); and

**WHEREAS**, Developers are willing to reimburse the District in full for the cost of the Study, and to pre-fund the estimated cost thereof in accordance with the terms and conditions herein set forth.

**NOW, THEREFORE**, District and Developers agree as follows:

1. **Payment of Funds.** Within 10 days of the execution of this Agreement, Developers shall deposit with the District the sum of ten thousand four hundred dollars (\$10,400.00), which the District shall use exclusively for the payment of estimated consultant fees for the Scope of Work set forth in Exhibit A. Payment to the District will be as follows: 20% from 965 Weeks, 40% to The Sobrato Group, and 40% from Sycamore Real Estate Investment, LLC.
2. In the event West Bay determines that the initial deposit is insufficient to complete the Scope of Work, then Developers agree to supplement the Deposit as necessary and reasonable to fund its completion.

3. Upon completion of the Study, District agrees to deliver a copy thereof to Developers for their use in assessing whether to continue to pursue LAFCO authorization for receiving sewer service from the District.
4. Nothing contained herein shall be construed by the Parties as constituting a formal commitment by West Bay to provide sewer service to the Developments or any particular development project. Developers acknowledge and agree that a separate agreement with West Bay will be required for that purpose, and that such agreement shall require that Developers fund the cost of any necessary capacity upgrades to West Bay's existing sewer system, as well as any new sewer infrastructure, including pumping facilities, forcemain piping, and/or gravity piping required to convey flows to the District's existing sewer system.
5. Developers further acknowledge and agree that such an agreement will also require payment of any and all applicable sewer system connection fees and capacity charges, including any such fees or charges as are applicable for treatment system capacity.
6. 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.
7. Entire Agreement. The parties acknowledge that no representations or inducements have been made other than those expressed herein; that this Agreement supersedes any and all prior memoranda, correspondence, conversations, negotiations and agreements pertaining to the matters herein expressed; and that this Agreement constitutes the entire agreement between them.
8. Governing Law and Forum. The validity, construction and effect of this Agreement shall be governed by the laws of the State of California, and the parties hereby consent to the exclusive jurisdiction of the courts of the state of California for resolution of any dispute arising hereunder, with venue in San Mateo County Superior Court.
9. Notices. Any formal notice by any party hereto shall be in writing and delivered to the parties as set forth below:
  - a. To West Bay:
 

West Bay Sanitary District  
500 Laurel Street  
Menlo Park, CA 94026  
Attn.: Sergio Ramirez, District Manager  
Email: [sramirez@westbaysanitary.org](mailto:sramirez@westbaysanitary.org)  
Tel: 650-321-0384
  - b. To Developers:
    - i. MP 965 Weeks Street Associates, L.P.  
1970 Broadway, Suite 100.  
Oakland, CA 94612  
Attn: Victoria Wong  
Email: [vwong@midpen-housing.org](mailto:vwong@midpen-housing.org)  
Tel: 650-477-5568
    - ii. The Sobrato Organization  
599 Castro St. Suite 400  
Mountain View, CA 94041  
Attn: Tim Steele  
Email: [tsteele@sobrato.com](mailto:tsteele@sobrato.com)  
Tel: (650) 876-7010

iii. Sycamore Real Estate Investment, LLC.  
2555 Pulgas Ave, Bldg A  
East Palo Alto, CA 94303  
Attn.: Brad Powell  
Email: lorenzo@emersoncollective.com  
Tel: 718-208-9214

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized person on the day and year first above written.

“DEVELOPERS”

MP 965 WEEKS STREET ASSOCIATES, L.P.  
A California limited partnership

By: MP CANDO Weeks Street, LLC,  
A California limited liability company,  
its general partner

By: Mid-Peninsula The Farm, Inc.,  
A California nonprofit public benefit  
corporation, its managing member

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Name: Lillian Lew-Hailer  
Its: Vice President of Housing Development

THE SOBRATO ORGANIZATION

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Tim Steele  
Senior Vice President

SYCAMMORE REAL ESTATE INVESTMENT, LLC

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Brad Powell  
Managing Director, Investments

“DISTRICT”

WEST BAY SANITARY DISTRICT

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Sergio Ramirez, District Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
Tony Condotti, District Counsel

## Exhibit A



November 9, 2020

Mr. Sergio Ramirez  
District Manager  
West Bay Sanitary District  
500 Laurel Street  
Menlo Park, CA 94026

Subject: Proposal for Review of District's Ability to Accepted Flows from EPASD Development Projects

Dear Mr. Ramirez:

We understand that several developments located in the East Palo Alto Sanitary District ("EPASD") are planned or in process, including EPA Waterfront (a portion, but not all of this property is within the District's service area), Jobtrain, Sobrato Center for Community Resources, Week Street Residential, and University Plaza Phase 2. Currently, EPASD does not have sufficient capacity to serve these developments. Therefore, the developers have asked West Bay Sanitary District ("District") to evaluate whether the District has capacity to receive these flows, and to provide an estimate for the cost to provide service. The developers understand that wastewater infrastructure, including pumping facilities, forcemain piping, and/or gravity piping will be required to convey flows to the District's service area. Separately, the Local Area Formation Commission ("LAFCO") is reviewing whether portions of EPASD should be annexed into the District's service area.

We are pleased to provide this proposal to evaluate whether the District has capacity to receive the additional wastewater flows, and to develop potential costs. V. W. Housen & Associates ("VWHA") will complete this project through the following tasks:

**Task 1. Project Management**

**Task 2. Conceptual Flow Scenarios.** VWHA will work with District staff to develop up to three potential flow paths/scenarios for the proposed flows. Each flow path is likely to require a different combination of pumping, forcemain piping, and gravity piping.

**Task 3. Review of System Hydraulics.** VWHA will add proposed flows from each development to the hydraulic model at the point of connection, and will determine if any infrastructure improvements are needed to accommodate the flow. VWHA will provide a conceptual cost estimate for the needed improvements.

**Task 4. Project Cost Estimates.** After reviewing hydraulics, VWHA will meet with District staff via teleconference to identify one or more viable alternatives, and will develop associated conceptual projects costs for infrastructure that will be required from the development property to the point of connection.

1777 N. California Blvd. Ste 330

Walnut Creek, CA 94596

(925) 553-3142

[www.housenassociates.com](http://www.housenassociates.com)



**Task 5. Technical Memorandum.** The work completed in Tasks 2 through 4, above, will be summarized in the draft and final project Technical Memorandum.

The estimated cost to complete this work is \$10,400, as shown in the table below. VWHA will complete the all tasks within six weeks from the Notice to Proceed.

Task	Estimated Hours	Estimated Cost
1. Project Management	6	\$1,500
2. Conceptual Flow Scenarios	8	\$1,650
3. Review of System Hydraulics	16	\$3,300
4. Project Cost Estimates	8	\$1,650
5. Draft and Final Technical Memoranda	12	\$2,300
Total Estimated Hours and Cost	50	\$10,400

We appreciate the opportunity to assist the District with this evaluation. Please contact me at [vhusen@housenassociates.com](mailto:vhusen@housenassociates.com) or (925) 518-3487 if you have questions or would like additional information.

Sincerely,  
V. W. Housen & Associates



Vivian Housen, P.E.  
Principal

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**WEST BAY SANITARY DISTRICT  
AGENDA ITEM 15**

**To:** *Board of Directors*

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

**Subject:** **Consideration to Approve Authorizing the President and Secretary of the District Board to Enter into a “Tuition Loan Agreement Between the West Bay Sanitary District and Jed Beyer (Water Quality Manager)”**

---

Per the personnel policy Exempt Employees may entered into a “Student Loan Agreement” with the District when approved by the District Manager.

The District’s Legal Counsel has worked with the District Manager on a “Tuition Loan Agreement between the West Bay Sanitary District and Jed Beyer, Water Quality Manager”.

As a result of the regular meetings on November 18, 2020, during close session, the Board approved a Tuition Loan Agreement between the West Bay Sanitary District and Jed Beyer, Water Quality Manager. The Board authorized an amount not to exceed \$8,000 per year for two years.

The attached Resolution authorizes the President and Secretary of the District Board to enter into the agreement on behalf of the District.

Attachments: Resolution  
Tuition Loan Agreement

**RESOLUTION NO. \_\_\_\_ (2020)**

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 execute a Tuition Loan Agreement Between the West Bay Sanitary District and Jed Beyer (Water Quality Manager), Exhibit A.

\*\*\*\*\*

Passed and adopted by the District Board of the West Bay Sanitary District at a regular meeting thereof held on the 9th day of December 2020, 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

## **WEST BAY SANITARY DISTRICT TUITION LOAN AGREEMENT**

This Agreement is made and entered into this 9th day of December, 2020 (the “Effective Date”) by and between the West Bay Sanitary District, a public agency hereinafter referred to as “West Bay” and Jed Beyer, hereinafter referred to as “Employee.”

### RECITALS

WHEREAS, West Bay is a special district organized under the Sanitary District Act of 1923 (Cal. Health & Safety Code Section 6400, et seq.); and

WHEREAS, Employee is currently employed by West Bay as an Operations Superintendent, an exempt classification under the Fair Labor Standards Act and California law; and

WHEREAS, to that end, Employee has applied for and been accepted for enrollment at Cornell’s Online Management Certificate Program in Finance, Leadership, and Business Management (“Institution”), for which Employee will incur costs and expenses for tuition and related course materials (“Educational Expenses”); and

WHEREAS, West Bay and Employee recognize that it is in their mutual interest and benefit for Employee to continue to further [his/her] post-secondary education toward obtaining an advanced certification or degree in Business Administration, for which Employee will be required to complete the course load described in Exhibit A, attached hereto and incorporated herein by reference; and

WHEREAS, West Bay is willing to reimburse Employee for the subject Educational Expenses upon Employee’s satisfactory performance of the terms and conditions set forth in this Agreement; and

WHEREAS, to ensure that both West Bay’s and Employee’s interests and objectives for entering into this Agreement are served, the reimbursements provided for herein shall be in form of a loan for which Employee’s repayment obligations shall be forgiven over the time period set forth herein so long as Employee remains in West Bay’s employ.

NOW, THEREFORE, for and in consideration of the mutual promises and agreements herein contained, the parties do hereby agree as follows:

1. Employee shall enroll at Institution commencing in 2020, with a course load including applicable requirements for advanced certifications in Finance, Leadership, and Business Management or a Bachelor of Science degree in Business Administration.
2. West Bay agrees to reimburse Employee for the amounts, not to exceed \$8000. per year, set forth in Exhibit B (the “Principal Amount”) within thirty (30) days after Employee

has presented evidence of have enrolled in and completed courses identified in Exhibit A and attained at least a “B” grade (or “Pass” for a “Pass/Fail” course resulting in obtaining a certificate). The amounts of such reimbursements, up to the total Principal Amount, shall be appended to this Agreement as Exhibit “B” and be incorporated herein by reference periodically as course work is completed.

3. Employee’s repayment obligation shall extend over a period of two (2) years from the Accrual Date in twenty four (24) equal monthly payments of principal. The first payment shall be due thirty (30) days after the Accrual Date provided, however, that Employee’s monthly payment obligations shall be waived and forgiven on a monthly basis during said two-year period so long as Employee remains in West Bay’s employ.

4. If, during said twenty four (24) month period Employee either resigns from or is discharged from West Bay employment, Employee shall be obligated to repay the remaining outstanding principal balance due on the effective date of termination, by remitting the full amount of outstanding principal.

5. Should Employee breach any provisions of this Agreement, including, without limitation, the failure to submit timely payments in full of principal and interest when due, then the entire amount of principal and interest outstanding shall become immediately due and payable provided, however, that West Bay has provided Employee with thirty (30) days advance written notice of default and an opportunity to cure and Employee has failed to cure the default within said period, and the entire balance then owed shall thereafter automatically bear interest at an annual rate equal to the lesser of ten percent (10%) per annum or the maximum interest rate allowed by law (the Default Rate) until paid in full.

6. Should it become necessary for West Bay to file suit in order to collect on the tuition loan made pursuant to this Agreement, Employee hereby agrees to pay all costs of said suit, including reasonable attorney’s fees incurred by the West Bay as determined by a court of competent jurisdiction, as well as interest allowed at a legal rate on the amount owed by Employee from the date tuition repayment becomes due.

7. Employee understands that all terms and conditions of Employee’s future employment with the West Bay remain unchanged by this Agreement and that this Agreement in no way guarantees Employee any right to employment, or continued employment once employment commences. All West Bay Personnel Policies shall remain in full effect during Employee’s future employment with West Bay. Employee recognizes that this Agreement has no effect on the authority of the District Manager to take disciplinary action against Employee, up to and including dismissal.

8. Employee also acknowledges that Employee has had at least five days to examine this Agreement and has been advised by West Bay that Employee should consult with an advisor or attorney prior to entering into this Tuition Loan Agreement; and that Employee has read all provisions of this Tuition Loan Agreement and fully understands its content and meaning.

9. The parties hereto represent that this instrument constitutes the entire Tuition Loan Agreement between them concerning the specific subject herein referenced; that this Agreement supersedes and takes precedence over any verbal or oral representation of the parties or anyone else contrary hereto; and that this Agreement may not be amended or modified except by written instrument signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above, at Menlo Park, California.

WEST BAY SANITARY DISTRICT

Dated: \_\_\_\_\_

By \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

EMPLOYEE

Dated: \_\_\_\_\_

\_\_\_\_\_  
Jed Beyer

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## WEST BAY SANITARY DISTRICT AGENDA ITEM 16

**To:** *Board of Directors*

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

**Subject:** *December 9<sup>th</sup>, 2020 Update Report on District Response to Corona Virus*

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### **Background**

In early March of 2020, the outbreak of Corona Virus in the USA caused Federal, State and Local governments to enact several laws, regulations and guidelines to mitigate the impact of the spread and severity of the virus including Shelter in Place. The District has been busy employing measures to meet those regulations and guidelines as well as taking action to ensure the safe working conditions of staff and minimize exposure of and interaction with the public.

### **Analysis**

The District has thus far taken action in regards to: Shelter in Place, Social Distancing, Personal Protective Equipment, and the Injury and Illness Prevention Program (IIPP).

*Shelter in Place:* The District as a wastewater agency has been designated as an “Essential Service” and supplied employees with letters drafted by legal counsel that can be shown to legal authorities, if required, to justify their travel to, during and from work. In addition, the District has developed a Modified Work Schedule that requires individuals to stay at home or telecommute in order to reduce interaction and thus the potential of any spread of the virus among District staff. The District has also implemented the use of Zoom for meetings to reduce the need for consultants, partners, the public and Board member to attend in person. A camera and large screen have been installed to accommodate this mode of virtual meetings.

*Social Distancing:* District staff has employed several measures related to Social Distancing including; limiting meeting size to 10, marking seating spots at tables with 6 foot separation, signage encouraging 6 foot distancing, separation of reporting stations to include the FERRF, Plexi-glass shields at the counter and between workspaces that cannot achieve 6 foot distancing, and closing of the District Office to the public unless by appointment.

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**Report to the District Board for the Regular Meeting of December 9, 2020**

*Personal Protective Equipment (PPE):* The District has been engaged in supplying employees and Board members with several forms of Personal Protective Equipment and emphasizing the frequent and regular use of this equipment. These items include: The distribution of hand sanitizer to employees and Board members, wipes for counters, chairs and tables, installation of hand sanitizer at counter, tables and offices, N95 masks to all employees, increased counts coveralls, face shields, goggles etc.

This has caused the District to reassess its inventory and at what levels of existing stock should trigger new orders so that the District can maintain adequate levels of important supplies to carry us not only through traditionally thought of natural disasters but pandemics such as this. To that end staff has developed an improved inventory check list that includes contact information for ordering, expected lag times in ordering, minimum levels of stock, Trigger-levels for ordering, dates of stock added to inventory and so on. This should help us be better prepared for future events where PPE can be in short supply or difficult to obtain and District operations can continue uninterrupted.

*Injury and Illness Prevention Program:* The District has made a significant effort in the way of training employees in how to deal with the COVID 19 response. We have developed SOP's for both field staff and office staff in dealing with customers while maintaining social distancing, utilizing PPE, and remote permitting etc. We have complied with local health officials requirement to complete and post at all entrances the Social Distancing Protocols and used that and our SOP's as a basis for developing a comprehensive COVID 19 Preparedness and Response program.

The District has taken great efforts to inform the public of changes in business procedures during this time including website postings, posting notices and information on all entrance doors, mailings of letters and flyers to residents, and ads in Facebook and YouTube. The use of Wipes has emerged as a huge problem for the District and our outreach has included addressing this problem in the flyers, ads, and correspondence to persuade our constituents to refrain from flushing wipes.

*May 13 update:* The District has found that it takes at least 3 weeks from the date of order to delivery of consumable PPE items such as; N95 face masks (we have received 2,000 masks since the first March order), 500 face shields, and 150 goggles to protect the field staff from droplets and mist while cleaning the sewer lines.

The District will now be faced with transitioning back to normal operations. The District Office is open on Friday by appointment only. Construction activities are increasing and inspections are being scheduled much more frequently. Social Distancing and PPE will continue to be key elements of District life for the foreseeable future.

*May 27 update:* The District has opened the office to the public on Tuesdays and Thursdays. Stickers on the floors and notices on the doors and shields at the counters have been placed to remain compliant with the Health Dept. Wipes and signs have been placed in the bathrooms. All the departments except Administration have

returned to normal work hours (which are mostly 9/80 schedule but crews are still separated with the Satellite Office/Corp Yard. As a result of these changes have updated the COVID 19 response plan and affixed to entry doors as required.

*June 10 update:* Staff is resuming normal Pre-COVID 19 work schedules beginning June 8, with the exception of some of the Admin staff. Office hours will open up to Monday through Thursday 9am to 3pm.

*June 24 update:* As of Friday, June 12 the Administration Office was open by appointment. Office hours continue to be open Monday through Thursday 9am to 3pm. Staff is continuing to make a concerted effort to be available to the public and contractors for business.

*July 8 update:* The current YouTube advertisement advising customers not to flush wipes or towels has been viewed by 220,653 people and 24% or 50,759 have viewed the video to completion.

*August 12 update:* When an employee has been in contact with a known or possible COVID 19 positive patient or been in contact with someone who has been in contact with a confirmed COVID 19 positive patient they will be asked to stay home for a 14-day self-quarantine period and will be asked to be tested for COVID 19. If the employee is well enough during the self-quarantine period, they will work from home during this time. As soon as the employee is COVID 19 negative, they will be asked to return to work.

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

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

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

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

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

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

### **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 17**

**To: Board of Directors**

**From: Sergio Ramirez, District Manager**

**Subject: Report and Discussion on the West Bay and Sharon Heights  
Recycled Water Plant**

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A discussion will be held on the Sharon Heights Recycled Water Plant and other events related to the recycled water plant. The Board will have opportunity to provide direction to staff and legal counsel.

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

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

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**WEST BAY SANITARY DISTRICT  
AGENDA ITEM 18**

**To:***Board of Directors*

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

**Subject:***Discussion and Direction on the Bayfront Recycled Water Project*

A discussion will be held on the Bayfront Recycled Water Project and other events related to the recycled water project 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 19**

**To: Board of Directors**

**From: Sergio Ramirez, District Manager**

**Subject: Report and Discussion on South Bayside Waste Management Authority (SBWMA)**

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The District's representative to South Bayside Waste Management Authority (SBWMA), President Fran Dehn, will report on any pertinent items regarding SBWMA business.

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**WEST BAY SANITARY DISTRICT  
AGENDA ITEM 20**

**To: Board of Directors**

**From: Sergio Ramirez, District Manager**

**Subject: Report and Discussion on Silicon Valley Clean Water (SVCW)  
Plant**

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The District's representative to Silicon Valley Clean Water (SVCW), Commissioner George Otte, will report on pertinent items regarding SVCW Operations, CIP and Finance.

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**Report to the District Board for the Regular Meeting of December 9, 2020**

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