



*1902 - Serving Our Community for over 115 Years - 2021*

**WEST BAY SANITARY DISTRICT  
MINUTES OF THE REGULAR MEETING OF THE DISTRICT BOARD  
WEDNESDAY, JUNE 9, 2021 AT 7:00 P.M.**

**1. Call to Order**

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

**Roll Call**

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

BOARD MEMBERS ABSENT: Director Otte

STAFF MEMBERS PRESENT: Ramirez, Fisher, Condotti by Zoom

Others Present: E.J. Shalaby

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

**3. Public Hearing - Annexing Certain Territory Within the West Bay Sanitary District's On-Site Wastewater Disposal Zone – Lands of Turnquist (4 Navajo Place, Portola Valley) Zone**

Motion to Open by: Thiele-Sardiña 2<sup>nd</sup> by: Moritz Vote: AYE: 4 NAY: 0 Abstain: 0

Comments: None.

Motion to Close by: Walker 2<sup>nd</sup> by: Thiele-Sardiña Vote: AYE: 4 NAY: 0 Abstain: 0

**4. Consideration of Adopting Resolution Ordering Annexation of Certain Parcels in the Territory of West Bay Sanitary District to the West Bay Sanitary District's On-Site Wastewater Disposal Zone Including Certain Determinations, Findings and Declarations of the District Board – Lands of Turnquist (4 Navajo Pl, Portola Valley)**

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

Comments: None.

**5. Consent Calendar**

Motion to Approve by: Moritz 2<sup>nd</sup> by: Thiele-Sardiña 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 May 26, 2021
- B. Approval of the Financial Activity Report Authorizing Payment of Certain Bills and Salaries and Consideration of Other Financial Matters thru May 31, 2021
- C. WBSD Operations and Maintenance Report – May 2021
- D. Town of Los Altos Hills Operations and Maintenance Report for Work Performed by WBSD – May 2021
- E. Town of Woodside Operations and Maintenance Report for Work Performed by WBSD – May 2021
- F. Consideration of Resolution Consenting to Annexation of Territory to the West Bay Sanitary District by the San Mateo County Local Agency Formation Commission – 4 Navajo Place, Portola Valley (077-300-130), Lands of Turnquist
- G. Consideration of Authorizing the District Manager to Consent to the Relocation of Public Utility Easement at 104 & 110 Constitution Drive and 115 Independence Drive, Menlo Park, properties of the Menlo Portal Project
- H. Bank of the West Monthly Investment Portfolio Statements

**6. Consideration to Approve Contract Change Order No. 1 to Aztec Consultants, Inc. for the New Metal Storage Building Project in Menlo Park, CA**

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

Comments: District Manager Ramirez reported the contractor has submitted a change order. The change order includes additional design, fire protection, mechanical modifications, added electrical, additional material costs, and permits. Secretary Walker asked to have a detailed breakdown of the change order sent to the Board of Directors.

**7. District Manager's Report**

Comments: District Manager Ramirez reported, the County of San Mateo has now come back with two options in order to better coordinate the project on Ringwood Road. District staff asked the County to delay starting their resurfacing project. The County informed District staff it may be necessary to pay up to \$78,000 to the County for delaying their contractor. District Manager Ramirez suggested to the Board of Directors that they should consider an upcoming agenda item to discuss reimbursement agreements. He reported, the District is not recovering costs for managing these agreements. Some agreements are 25 years long and can have more than 90 people to reimburse. Some reimbursements are under fifty dollars and are too small to justify the cost of collection.

## **Written District Manager's Report:**

### **1) Administrative:**

- a. The California Department of Finance has concluded its audit on the District. The final exit interview was performed with staff. We are pleased to report that we received a clean audit with no official reportable items.
- b. The Board of Directors should consider a discussion regarding future development reimbursement agreements and the current annexation process. District Manager will provide a report on the matter.
- c. The proposed FY21/22 budget was presented to the Board on June 9, 2021 Regular Board Meeting.

### **2) Finance:**

- a. The Finance Manager and District Manager reported on the Local Agency Investment Fund (LAIF) account at the June 9, 2021 Board Meeting.
- b. The Finance Advisory Committee met to review the Reserve Policy and District Counsel has reviewed the revised draft. The policy came to the Board for approval on June 9, 2021.
- c. The new Money Market Account has been opened for the WBSD/SHGCC facility funds.

### **3) CIP & IT Projects:**

#### **a. Levee Improvement Project:**

- i. Staff will continue to work on the SRF loan application. The Financial and Technical packet to the application should be approved by the Board in the near future.
- ii. The Levee Project has made it through the first round of grant funding through the National Fish and Wildlife Association.

#### **b. Construction Capital Improvement Program (CIP)**

- i. Aztec Consultants is preparing to build the Metal Storage Building at the Flow Equalization Resource Recovery Facility.
- ii. Precision Pipeline continues to work on this year's CIP project. Staff has been working with San Mateo County to coordinate the work on Ringwood Avenue with a resurfacing project. The County has given the District two additional options in order to perform the work ahead of the county.
- iii. Freyer & Laureta is working on the Bayfront Improvement projects including the Influent Pump Station.

### **4) Operations and Maintenance:**

#### **a. Collection System:**

- i. Crews have been working on the Town of Los Altos Hills collection system.

#### **b. Training:**

- i. Safety training has been ongoing with the assistance of a DuALL Safety consultant.

### **5) Water Quality:**

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

- i. The recycled water plant has been operating well. Staff is regularly working with SHGCC staff to better predict their water requirements.

- b. **Bayfront Recycled Water Facility (BRWF):**
  - i. After approving the EIR, the next step will be to enter into developer agreements with developers in the Bayfront Area. District Counsel has prepared the Draft Recycled Water Code and has been shared with the City of Menlo Park.
- c. **West Bay:**
  - i. Source Control Staff has been performing FOG inspections.

6) **Fleet and Facilities:**

a. **Vehicle Maintenance:**

- i. The District Manager's vehicle will be leased and not purchased.

7) **Personnel:**

- i. District Manager is reorganizing a portion of the Admin Staff.

8) **Upcoming Events:**

- a. **Regular Board Meeting:** June 9, 2021
- b. **Next Regular Board meetings:** June 23, 2021

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

- a. **West Bay SSOs:** Zero SSOs for May 2021.
- b. **LAH Contract:** LAH did not have SSOs in May.
- c. **Town of Woodside Contract:** Staff received the amended agreement for FY21/22.
- d. **Revenue:** The final Sewer Service Charge for FY20/21 has been received from the County in the amount of \$2.7M. To-date the District is owed approximately \$14,000 from the rate payers who are billed manually.

8. **Discussion on Local Agency Investment Fund (LAIF) Allocations**

Comments: District Manager Ramirez reported the District holds funds in LAIF. Although the account is not restricted for any one purpose, the funds are identified as reserved for specific reserve funds and liabilities. He also reported, LAIF has been used for cash flow as well as for reserves.

9. **Consideration to Approve the District Reserve and Authorize the District Manager to Transfer Funds as Described**

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

Comments: District Manager Ramirez reported on the District's reserves which includes the Operating Reserve Investment account of \$9.5 million and the Operating Reserves cash flow currently in LAIF. He also reported the Finance Committee recommended, increasing the Rate Stabilization Reserve from \$8 million to \$10 million and to establish a new Treatment Plant Reserve with a target level of \$12 million. The Board of Directors approved the new Reserve Policy and authorized the District Manager to reallocate the 9.5 million in the Operation Reserve Investment account to the other reserves that are not currently fully funded.

**10. Consideration to Approve Budget Revision for FY 2020-21 to Reallocate Reserve Contribution from Operating Reserve to the Rate Stabilization Reserve**

Motion to Approve by: Mortiz 2<sup>nd</sup> by: Thiele-Sardiña Vote: AYE: 4 NAY: 0 Abstain: 0

Comments: District Manager Ramirez reported that the Finance Committee discussed revising the current FY20/21 budget. The Finance Committee recommended the District transfer funds to the Rate Stabilization Reserve rather than to the Operating Reserve, since it is currently fully funded. The District Manager will make the transfer prior to the end of the fiscal year.

**11. Consideration to Approve Resolution Adopting FY 2021-22 Budget**

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

Comments: Finance Manager Fisher reported on the highlights of the proposed budget and changes since the Budget Workshop:

- Revenue is estimated to decrease 2.2% rather than 3.1% as reported at the Budget Workshop.
- Sewer Service Charges revised on 5/25/21, based on updated data.
- Sewer Service Charges will only decrease 3.4% rather than 4.3% as reported at the Budget Workshop.
- Salaries & Wages increased based on current rates, added steps, and current data.
- Benefits decreased due to the payoff of PERS Unfunded Accrued Liability (UAL) in FY 2020-21 and eliminated the UAL contributions in FY 2021-22.
- Insurance estimates revised based on new information from CSRMA 5/18/21.
- Increased liability deductible to \$100,000 and reserved \$31,410 of savings as a self-insured reserve.
- Rents & Leases increased \$6,000 to lease the District Manager vehicle.
- Interest Income increased from \$250,000 to \$350,000.
- Capital Assets – Removed District Manager vehicle purchase.
- Reserves
  - Increase Operations Reserve from 5 to 6 months, or \$1.2 million
  - Added new Treatment Plant Reserve and contributed \$2.5 million
  - Removed Contributions to Rate Stabilization & Capital Reserves since they are now at their target levels.

**12. June 9<sup>th</sup> Update Report on District Response to Corona Virus**

Comments: District Manager Ramirez reported that Staff is following the County and State updates closely as restrictions ease up. He also reported 70%+ of District employees are vaccinated with at least one shot.

**13. Report and Discussion on Sharon Heights Recycled Water Plant**

Comments: District Manager Ramirez reported that the flow study for the recycled water plant has been concluded and data will be available in 1-2 weeks. He also reported 8M gallons of recycled water were delivered to the Golf Course in May.

**14. Discussion and Direction on Bayfront Recycled Water Project and Status Update**

Comments: District Manager Ramirez reported that a draft of the recycled water code has been completed and was sent to the City of Menlo Park for review. The District will be working on developer agreements for the proposed plant. He also reported, the SRF application for the project has been submitted.

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

Comments: None.

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

Comments: District Manager Ramirez reported that the Tunnel Boring Machine (TBM) is nearing completion and should be completed by June 14th.

**17. Closed Session**

Entered closed session at 8:26 p.m. Left closed session at 9:30 p.m.

Reportable action: None. The Board did provide direction to receive an estimate for a Class and Compensation Study for the unrepresented employees. Further direction was to agenzize an item to consider a compensation adjustment for the District Manager.

**A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION/CONF. WITH LABOR NEGOTIATORS**

Agency designated representatives: District Manager/Legal Counsel  
Unrepresented & Exempt employees: Unrepresented & Exempt Staff

**B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION/CONF. WITH LABOR NEGOTIATORS**

Agency designated representatives: Board President/Legal Counsel  
Unrepresented employee: District Manager

**18. Consideration to Adopt Resolution Establishing Rates of Pay and Related Compensation Provisions**

Motion to Approve by: \_\_\_\_\_ 2<sup>nd</sup> by: \_\_\_\_\_ Vote: AYE: \_\_\_\_\_ NAY: \_\_\_\_\_ Abstain: \_\_\_\_\_

Comments: Board consensus was to table this item until the June 23rd Board meeting and gave direction to raise all rates of pay by the set 4% per the MOU.

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

Comments: Upcoming items will include discussion on reimbursement agreements and annexation of certain territories in Portola Valley.

**20. Adjournment Time:** The meeting was adjourned at 9:42 PM

/s/ David A. Walker  
Secretary