



1902 - Serving Our Community for over 120 Years - 2024

**WEST BAY SANITARY DISTRICT
AGENDA OF BUSINESS**

**REGULAR MEETING OF THE DISTRICT BOARD
WEDNESDAY, DECEMBER 11, 2024 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

General Manager

Sergio Ramirez

District General Counsel

Anthony Condotti, Esq.

AGENDA OF BUSINESS

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

<https://us06web.zoom.us/j/84322177659?pwd=oS7MadXvoJGj6aguk5UxdpQy26zXgl.1>

Meeting ID: 843 2217 7659 Passcode: 593951

1. Call to Order and Roll Call
2. Communications from the Public
3. Public Hearing to Consider Amending the Code of General Regulations to Add Recycled Water Charges Pg. 3-1
4. Consider Amending the Code of General Regulations to Add Recycled Water Charges Pg. 4-1
5. 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 December 4, 2024 Pg. 5A-1
 - B. Approval of the Financial Activity Report Authorizing Payment of Certain Bills and Salaries and Consideration of Other Financial Matters thru November 30, 2024 Pg. 5B-1
 - C. WBSD Operations and Maintenance Report – November 2024 Pg. 5C-1
 - D. Town of Los Altos Hills Operations and Maintenance Report for Work Performed by WBSD – November 2024 Pg. 5D-1
 - E. Town of Woodside Operations and Maintenance Report for Work Performed by WBSD – November 2024 Pg. 5E-1
 - F. East Palo Alto Sanitary District (EPASD) Operations and Maintenance Report for Work Performed by WBSD – November 2024 Pg. 5F-1
6. General Manager's Report Pg. 6-1

7. Consider Adopting the District's Audited Financial Statements for the Year Ended June 30, 2024 Pg. 7-1
8. Consider Resolution to Elect President and Secretary to the District Board, Appoint a Treasurer, and Consider Appointment of Committee Appointees and Alternates Pg. 8-1
9. Discussion and Direction on Sharon Heights Recycled Water Facility Pg. 9-1
10. Discussion and Direction on Bayfront Recycled Water Project and Status Update Pg. 10-1
11. Report, Discussion, and Direction on South Bayside Waste Management Authority (SBWMA) including Solid Waste Franchise Re-Assignment Pg. 11-1
12. Report and Discussion on Silicon Valley Clean Water (SVCW) Plant Pg. 12-1
13. Closed Session
 - A. CONFERENCE WITH LABOR NEGOTIATORS
(Pursuant to Cal. Govt. Code §54957.6) Agency designated representatives: General Manager, General Counsel, IEDA
Employee Organization: Exempt Employees, Unrepresented Employees, & Teamsters Local 350
 - B. PUBLIC EMPLOYMENT
Title: Finance Manager
 - C. PUBLIC EMPLOYEE PERFORMANCE EVALUATION/CONF. WITH LABOR NEGOTIATORS
Agency designated representatives: Board President/Legal Counsel
Unrepresented employee: General Manager
 - D. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Cal. Govt. Code § 54956.9(d)(3): 1 potential case
14. Consider Approving the End-of-Year Goals and Objectives Performance Compensation for the General Manager Pg. 14-1
15. Discussion and Direction by the Finance Advisory Committee Pg. 15-1
16. Comments or Reports from Members of the District Board and Consider Items to be Placed on Future Agenda
17. Adjournment

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



WEST BAY SANITARY DISTRICT AGENDA ITEM 3

To: *Board of Directors*

From: *Sergio Ramirez, General Manager*

Subject: *Public Hearing to Consider Amending the Code of General Regulations to Add Recycled Water Charges*

Background

During the meeting of November 13, 2024, the Board of Directors establish December 11, 2024, as the date of the public hearing to consider amending the Code of General Regulations to add recycled water charges.

On December 14, 2022, the Board of Directors authorized the General Manager to execute an agreement with the City of Menlo Park regarding provision of recycled water service within the Menlo Park Municipal Water Service Area. As a water purveyor, Menlo Park Municipal Water (MPMW) is required to provide recycled water to potential users within its service area boundary. If recycled water requests from customers within the MPMW service area boundary cannot be met in a reasonable time frame, MPMW can delegate the requests to a recycled water producer. Under the agreement, MPMW designated the West Bay Sanitary District as the recycled water purveyor for customers in the Bayfront Area.

On July 24, 2024, the District awarded the Bayfront Recycled Water Facility Project to Anderson Pacific who has demolished the retired Menlo Park Sanitary District Treatment Facility and is preparing the site to construct the new reclaimed water facility.

Article IX, Section 900, of the Code of General Regulations of the West Bay Sanitary District requires an amendment to add Recycled Water Charges. The changes establish a one-time upfront capital payment based on MGD of peak month capacity needed (currently estimated at \$127.67 per gallon of average day peak month demand.) Cost for on-going O&M will be shared among the customers of reclaimed water service.

Analysis

Costs to connect to the reclaimed water system will be greater as the facility is constructed and operated and will include debt-service and other interest.

Customers of reclaimed water projects will be charged for their proportionate use of the recycled water facilities based on the allocated reclaimed water usage.

Report to the District Board for the Regular Meeting of December 11, 2024

Reclaimed water capacity will be reserved for those who make upfront capital payments based on their specific MGD of peak month capacity needed.

Should the Board decide to approve the changes, following the Public Hearing, the Board may adopt the attached Regulation.

Fiscal Impact

(A) Charges and rates established by Section 900 and subsequent amendments, as required, shall be effective upon the date specified by the District Board and shall apply to all premises then connected.

(B) Costs to connect to the system shall increase with each stage of the Bayfront Recycled Water Facility project.

Customers who make upfront Contributions in Aid of Construction (CIAC)

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

Subsequent customers who do not make upfront payment contributions will be charged, in lieu of a one-time upfront capital payment, an appropriate connection fee (including interest) and will share in the on-going O&M costs. Appropriate O&M charges will be established after a rate study for such charges is performed.

Recommendation

The General Manager recommends the Board hold the public hearing as scheduled, approves the changes to the code, and following the public hearing consider amending the Code of General Regulations.



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 4**

To: *Board of Directors*

From: *Sergio Ramirez, General Manager*

Subject: *Consideration Amending the Code of General Regulations to Add Recycled Water Charges*

Following the Public Hearing, the Board is asked to consider and approve the attached General Regulation to add recycled water charges.

WEST BAY
SANITARY DISTRICT



**CODE OF GENERAL REGULATIONS
OF THE
WEST BAY SANITARY DISTRICT**

Revised: December 11, 2024~~July 1, 2023~~

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ARTICLE I

GENERAL PROVISIONS

SECTION 100. Purpose.

The purpose of this Code of General Regulations hereinafter referred to as the "Code" is to establish standards and conditions, and to provide for fees, relating to the use of sanitary wastewater facilities of the West Bay Sanitary District, San Mateo County, California. It is further the purpose of this Code to establish uniform requirements for discharges into the wastewater collection and treatment system used jointly with other public entities. It is further the purpose of this Code to enable the District to comply with and meet applicable laws, regulations, standards and conditions established by Federal and State agencies, or by agencies thereof in implementation of such laws. The District Board of the West Bay Sanitary District hereby finds and declares that the health, safety and welfare of the people of the West Bay Sanitary District require the enactment of the provisions of this Code of General Regulations.

SECTION 101. Mailing Address and Offices of the District.

The mailing address and offices of the West Bay Sanitary District is as follows:

West Bay Sanitary District
500 Laurel Street
Menlo Park, CA 94025
(650) 321-0384
info@westbaysanitary.org

SECTION 102. Superseding Previous Regulations,

This Code shall supersede all previous regulations and policies of the District governing items covered in this Code.

SECTION 103. Distribution of Revenue.

All fees and charges payable under the provisions of this Code shall be paid to the West Bay Sanitary District, County of San Mateo, State of California, and any revenue derived pursuant to this Code shall be allocated as follows:

(01) The General Fund

The General Fund shall be credited with all revenue derived from sewer service charges, sewer permit and inspection fees, franchises, interest, and other miscellaneous revenue. Sewer user charge revenues designated for the replacement of District facilities shall be subsequently transferred and credited to the District's Capital Assets Fund.

(02) The Capital Assets Fund

The Capital Assets Fund shall be credited with sewer user charge revenues designated for replacement of District facilities and all revenue derived from connection fees and annexation fees assessed new applicants for wastewater service. A separate account shall be maintained within the Capital Assets Fund for that portion of connection fee revenue assessed for future Authority expansion costs and expansion costs paid to the Authority.

(03) The Debt Service Fund

The Debt Service Fund shall be credited with all revenues derived from the property tax roll or otherwise as payment of bonded indebtedness.

(04) The Clean Water Grant Fund

The Clean Water Grant Fund shall be credited with all revenues derived from Clean Water Grants from the Federal and State governments.

The District Board may transfer monies from any fund to any other fund in accordance with the provisions of law.

Revenues derived under the provisions of this Code shall be used for the acquisition, construction, reconstruction, maintenance and operation of sanitary or wastewater facilities, to repay principal and interest on bonds issued for the construction or reconstruction of such sanitary or wastewater facilities, to repay Federal or State loans or advances made to the District for construction or reconstruction of wastewater facilities, or any other lawful purpose the District Board deems necessary in order to conduct the business of the District. [Amended by General Regulation No. 66].

SECTION 104. Recording of Fees and Charges.

The General Manager shall keep a permanent and accurate account of all fees and charges received under this Code, give the names and addresses of the persons on whose account the fees and charges were paid, the date and amount thereof, and the purpose for which the charges were paid.

SECTION 105. Definitions.

Words, phrases, or terms not specifically defined herein, and having a technical or specialized meaning shall be defined as set forth in the latest addition of "Standard Methods for the Examination of Water and Wastewater", published by the American Public Health Association, The American Water Works Association, and the Water Pollution Control Federation.

Reference to waste constituents and characteristics shall have a meaning ascribed thereto in the aforesaid "Standard Methods for the Examination of Water and Wastewater", and measurements thereof shall be set forth in said publication, or established by Federal or State regulatory agencies.

Unless the context specifically indicates otherwise, the meanings of terms used in this Code are applicable for this Code only and do not necessarily correspond to definitions that may be used by City or County zoning, planning or assessment designation.

Unless the context specifically indicates otherwise, the meaning of terms used in this Code shall be as follows:

(01) Authority.

Silicon Valley Clean Water. The joint powers authority in which the District is a constituent member along with the Cities of Belmont, San Carlos and Redwood City, pursuant to a joint powers agreement signed in November, 1975.

(02) Beneficial Uses.

Uses of the waters of the District or State which may, or do require protection against quality degradation thereof, including, but not necessarily limited to, waters used for domestic, municipal, agricultural, industrial, power generation, recreation, aesthetic enjoyment, or navigation purposes, or for the preservation and enhancement of fish, wildlife or other aquatic resources or reserves, and such other uses, both tangible or

intangible, as are or may be specified by federal or state law as beneficial uses. [Added by General Regulation No. 59.]

- (03) BOD (Biochemical Oxygen Demand).
The quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in 5 days at 20 degrees Centigrade expressed in parts per million by weight.
- (04) Building Sewer.
That portion of any sewer beginning at the plumbing or drainage outlet of any building or industrial facility and running to the property line cleanout. If no conforming property line cleanout is installed, the building sewer designation applies to the entire sewer from the foundation to the main sewer connection.
- (05) Charge.
A rental or any other assessment established pursuant to this Code for services and facilities furnished by the District to any premises in connection with the operation of the wastewater facilities.
- (06) Code.
The Code of General Regulations of the District, with such amendments as may be adopted from time to time.
- (07) COD (Chemical Oxygen Demand).
The measure of chemically decomposable material in domestic or industrial wastewater as represented by the oxygen utilized as determined by the appropriate procedure described in "Standard Methods".
- (08) Compatible Pollutant.
Biochemical oxygen demand, suspended solids, pH and fecal coliform bacteria, additional pollutants identified in the District's National Pollutant Discharge Elimination System (NPDES) permit, and such other pollutants as may be designated by the General Manager upon a finding by him that such pollutants are substantially treated and removed by the wastewater facilities.
- (09) Commercial.
Any premises used for commercial or business purposes and discharging a quality and/or quantity of wastewater essentially similar to that of a residential customer.
- (10) Contamination.
An impairment of the quality of the waters of the District or State by waste to a degree which creates a hazard to the public health. Contamination shall include any equivalent effect resulting from the disposal of wastewater whether or not waters of the District or State are affected thereby.
- (11) Customer.
Owner or owners of any real property for which the District is providing sewer service. Any person who discharges, causes or permits the discharge of wastewater into the wastewater facilities.
- (12) Customer Classification.

A classification of customers based upon Classifications set forth in the Standard Industrial Classification (SIC) Manual, 1972 edition, prepared and published by the Executive Office of Management and Budget of the United States.

- (13) District.
The West Bay Sanitary District, located in the County of San Mateo, State of California.
- (14) General Manager.
The General Manager of the West Bay Sanitary District or authorized deputy, agent or representative.
- (15) Emergency.
A condition which creates imminent danger to the public health, safety or welfare.
- (16) Governmental or Public Premises.
Any premises owned, controlled or used by: (1) the United States Government or any department or agency thereof, (2) the State of California or any department or agency thereof, (3) any city, county, town, city and county, or any of their departments or agencies, (4) any school district and (5) any other governmental or public entity.
- (17) Holding Tank Waste.
Any waste from wastewater or waste disposal holding tanks such as are associated with vessels, chemical toilets, campers, trailers, septic tanks, and vacuum pump tank trucks.
- (18) Incompatible Pollutant.
Any pollutant which is not a compatible pollutant.
- (19) Industrial.
Any premises used for manufacturing, processing or other industrial purpose which discharges waste, sanitary waste and wastewater by reason of the manufacturing, processing or other industrial purpose involved, or discharges chemicals or putrescent materials.
- (20) Industrial Wastes.
The liquid wastes from industrial processes and distinct from sanitary or domestic wastewater.
- (21) Institutional.
Any premises used for schools, churches, hospitals, convalescent homes, or other types of premises used to provide health, welfare, educational and similar services.
- (22) Interference.
An inhibition or disruption of the wastewater facilities, their treatment processes or operations, or their sludge processes, use or disposal which causes or significantly contributes to either a violation of the Authority's NPDES permit or to the prevention of sewage sludge use or disposal by the Authority in accordance with applicable state and federal statutory provisions and regulations or permits issued thereunder. [Added by General Regulation No. 59]
- (23) Lateral Sewer.
Shall mean the portion of sewer lying within a public street, public utilities easement or District easement connecting a conforming property line cleanout to a main sewer.

- (24) Main Sewer.
Shall mean a public sewer, maintained by a public agency and designed to accommodate more than one lateral or side sewer.
- (25) Major Contributing Industry.
Any wastewater contributor identified in the Standard Industrial Classification (SIC) Manual, prepared and published by the Executive Office of Management and Budget of the United States, classified within divisions A, B, C, D, E, and I therein, the wastewater of which has any one or more of the following characteristics: (1) a discharge flow of 50,000 gallons or more per average work day (if seasonal, the average shall be based upon the seasonal discharge); (2) a flow or pollutant loading greater than five percent of the design capacity of the wastewater facilities; (3) toxic pollutants in amounts defined in standards issued pursuant to Section 307 (a) of the Federal Water Pollution Control Act Amendments of 1972 (Public Law 92-500; 33 U.S.C., Section 1151, et seq.); or (4) a significant impact (determined by the Manager), either individually or in combination with other contributing industries, upon the wastewater facilities, or upon the quality of effluent from the wastewater facilities.
- (26) Mass Emission Rate.
The weight of material discharged to the wastewater facilities during a specified time interval. Unless otherwise specified, the mass emission rate shall mean pounds per day of a particular waste constituent or combination of constituents.
- (27) Multiple-Family Dwelling.
Any premises designed, improved or used as a residence for two or more families living independently of each other in two or more structurally joined dwelling units with separate entrances; this term shall include condominiums, apartment houses, triplexes, quadraplexes, and duplexes, but it shall not include hotels, motels, rooming houses, or boarding houses, dormitories, or similar structures.
- (28) Natural Outlet.
Any outlet into a watercourse, pond, ditch, lake or other body of surface or ground water.
- (29) Non-Residential Customer.
Any commercial, industrial, institutional, governmental, or miscellaneous customer not classified as a residential customer.
- (30) Parcel.
A parcel of real property as described in the records of the San Mateo County Assessor by an assessor's parcel number. It includes both improved and unimproved real property.
- (31) Pass Through.
The discharge of pollutants through the wastewater facilities into navigable waters in quantities or concentrations which cause or significantly contribute to violation of the Authority's NPDES permit. [Added by General Regulation No. 59.]
- (32) Person.
Any individual, property owner, firm, company, partnership, association, private corporation, public corporation, or governmental entity, authority, or agency, and the officers, agents or employees of such organizations.
- (33) pH.
A measure of acidity or alkalinity.

- (34) Pollution.
An alteration of the quality of the waters of the District or State by waste to a degree which unreasonably affects such waters for any beneficial use or affects facilities serving such beneficial use. The term pollution may also include contamination.
- (35) Premises.
A parcel of land, or portion thereof, including any improvements thereon, which is directly or indirectly connected to the wastewater facilities for purposes of receiving, using, and paying or service, or other purposes relating to the wastewater facilities, by an individual customer. Each dwelling unit of a duplex, apartment, or any other multi-family residence shall be deemed a separate premise. Subject to the provisions of this subsection, the Manager shall determine what constitutes a premise.
- (36) Properly Shredded Garbage.
The wastes from the preparation, cooking, and dispensing of food that have been shredded to such degree that all particles will be carried freely under the flow conditions normally prevailing in public sewers, with no particle greater than ½ inch in any dimension.
- (37) Public Sewer.
A sewer for the benefit of customers within the District which is controlled by the District.
- (38) Reclaimed Water.
Water which, as a result of treatment of waste, is suitable for direct beneficial use, or a restricted beneficial use, which would not otherwise occur but for such treatment.
- (39) Requirement of Law or Other Requirements of Law.
A pertinent provision of the Federal Water Pollution Control Act as amended by the Federal Water Pollution Control Act Amendments of 1972 (Public Law 92-500, 33 U.S.C., Section 1151 et seq.), or of any statute, ordinance, code, rule, regulation, order, directive, or of the District's or Authority's National Pollutant Discharge Elimination System (NPDES) permit, or of any amendments thereto, or other Federal, State, Regional or Local law.
- (40) Residential Customer.
Any single or multiple family dwelling customer, including premises defined as condominiums, apartment houses, duplexes, motels, rooming houses, or boarding houses, dormitories, or similar structures.
- (41) Sanitary Sewer.
A pipe or conduit which carries wastewater and to which storm, surface, and ground waters are not intentionally admitted.
- (42) Shall.
The word "shall" is mandatory; "may" is permissive.
- (43) Side Sewer.
Shall mean the sewer line beginning at the foundation wall of any building and terminating at the main sewer and includes the building sewer and lateral sewer together.

(44) Single-Family Dwelling or "Residential Unit".

Premises designed, improved or used as a residence for one family only and for no other purpose.

Notwithstanding the foregoing, the following kinds of residential dwelling units shall be deemed to be a part of, and not in addition to, a single-family dwelling for all purposes of this Code, including provisions having to do with the calculation and payment of connection fees and sewer service charges:

1. Any structure located within the City of Menlo Park, which meets the requirements set forth in Ordinance No. 688 of the City of Menlo Park adopted on May 10, 1983 by the Menlo Park City Council.
2. Any structure located within the Town of Woodside which meets the requirements set forth in Ordinance No. 1984-321 of the Town of Woodside adopted on December 12, 1984 by the Woodside Town Council.
3. Any structure in the District located within the unincorporated areas of San Mateo County which meets the requirements set forth in Ordinance No. 2876 of the County of San Mateo, which Ordinance was adopted by the San Mateo County Board of Supervisors and became effective February 23, 1984.
4. Any structure located within the Town of Atherton which meets the requirements set forth in Ordinance No. 402 of the Town of Atherton adopted on March 21, 1984 by the Atherton Town Council.
5. Any structure located within the Town of Portola Valley which meets the requirements set forth in Ordinance No. 1991 – 263 of the Town of Portola Valley adopted on July 10, 1991 by the Portola Valley Town Council.
6. Any structure located within the City of Redwood City which meets the requirements set forth in Ordinance No. 1130.226 of the City of Redwood City adopted on July 27, 1983 by the Redwood City Council.
7. Any structure located in the District, but not within a Town or City referred to above, which meets the following requirements:
 - (a) The Town or City has not adopted an "ordinance governing second units" as such ordinances are referred to in California Government Code section 65852.2(b) and
 - (b) The structure meets all the requirements of Government Code section 65852.2(b). [Added by General Regulation No. 69.]

Silicon Valley Clean Water (SVCW)). See "Authority".

Storm Sewer or Storm Drain.

A sewer which carries storm and surface waters and drainage, but excludes wastewater and polluted industrial wastes.

(45) Suspended Solids (SS).

The total non-filterable residue as defined in "Standard Methods for Chemical Analysis of Water and Wastewater."

(46) Type of Use.

The purpose of the premises, such as, commercial, industrial, institutional, single-family dwelling, multiple-family dwelling, and miscellaneous use.

- (47) Unpolluted Water.
Water to which no constituent has been added, either intentionally or accidentally, which would render such water unacceptable to the District or Authority for disposal to storm or natural drainages, or directly to surface waters.
- (48) Waste.
Wastewater and any and all waste substances, whether liquid, solid, gaseous, or radioactive, associated with human habitation, or of human or animal origin, or from any producing, manufacturing or processing operation of whatever nature, including such waste placed within containers of whatever nature prior to, and for purposes of, disposal.
- (49) Wastewater. Waste and water.
Whether treated or untreated, discharged into, or permitted to enter into the wastewater facilities. Wastewater shall mean a combination of the water-carried wastes from residences, business buildings, institutions, and industrial establishments, together with such ground, surface, and storm waters as may be present.
- (50) Wastewater Constituents and Characteristics.
- (51) The individual chemical, physical, bacteriological and radiological parameters, including volume and flow rate and such other parameters that serve to define, classify or measure the contents, quality, quantity, or strength of wastewater.
- (52) Wastewater Facilities.
All facilities for collecting, pumping, treating, and disposing of wastewater.
- (53) Water Pollution Control Plant.
Any arrangement of devices and structures used for treating wastewater; a wastewater treatment plant.
- (54) Waters of the District or State.
Any water, whether surface, underground, and whether saline or non-saline, within the boundaries of the District, or within the boundaries of the District and flowing into, touching, or otherwise combined with later outside the limits of the District but within the boundaries of the State. [Added by General Regulation No. 59.]

ARTICLE II

MEETINGS OF THE DISTRICT BOARD

SECTION 200. Public Meetings.

All meetings of the District Board shall be open to the public except for closed sessions called pursuant to the Ralph M. Brown Act (California Government Code 5495.0 et.seq.).

SECTION 201. Regular Meetings.

The regular meetings of the District Board shall be held on the second and fourth Wednesday of each month at 7:00 p.m. at the District Administration Office, unless the regular meeting day is a District holiday, in which case the meeting shall be held at a time and date to be determined by the District Board and noticed in accordance with these regulations and statute. *Notwithstanding the foregoing, closed sessions may be commenced prior to the regularly scheduled start time, with notice of the start time specified on the agenda.* The District Board may cancel a regular meeting at any time. [Amended by General Regulation No. 2016-01]

SECTION 202. Special Meetings.

The District Board may schedule a special meeting at any time it deems necessary.

SECTION 203. Public Hearings.

The District Board may schedule a public hearing on any subject pertinent to business of the West Bay Sanitary District at any time it deems necessary. Public hearings shall be held in conjunction with regular or special meetings of the District Board.

SECTION 204. Quorum.

Three (3) members of the District Board shall constitute a quorum.

SECTION 205. Minutes of Meetings.

Minutes shall be taken of all public meetings of the District Board and Public Hearings. The minutes shall be approved by the District Board and, upon approval, shall be signed by the Secretary of the District. All minutes of public meetings of the District Board shall be retained at the Administration Office and shall be available for reading by the public, upon request.

SECTION 206. Contracts.

All contracts, deeds, warrants, releases, receipts, and documents shall be signed in the name of the District by its President, and countersigned by its Secretary, except that the Board may, by resolution, authorize the General Manager or other District employees specified by the Board to sign releases, receipts, and similar documents in the name of the District.

SECTION 207. Amendments to the Code of General Regulations.

Amendments to this Code shall be entered in the minutes of the District Board and shall be published once in a newspaper published in the District and posted in three (3) public places within the District for a period of one week. An Amendment to this Code takes effect upon expiration of the week of publication and posting.

SECTION 208. Orders Not Establishing Amendments to the Code of General Regulations (Resolutions).

Orders of the District Board not establishing Amendments to the Code shall be known as "Resolutions" and shall be entered in the minutes and shall take effect upon adoption. They need not be published or posted.

SECTION 209. Board Members Compensation.

Effective February 9, 2023, members of the District Board shall be compensated in the amount of \$270.00 per day for each day's attendance at meetings of the District Board, attendance at California Association of Sanitation Agencies conferences and for each day's service rendered as a Member of the District Board by request of the District Board. Compensation shall not exceed a total of \$1,620.00 (six days service) in any calendar month.

Compensation to Board Member attending conferences of the California Association of Sanitation Agencies shall be limited to two day's compensation regardless of the number of days attended.

ARTICLE III

COLLECTION, REMOVAL AND DISPOSAL OF SOLID WASTE

SECTION 300. District Solid Waste Collection, Removal and Disposal System.

By resolution duly adopted, the District Board may approve franchise agreements with private garbage companies or make such other provisions as it deems appropriate for the collection, removal and disposal of solid waste, garbage, trash and rubbish from the District. All residents and property owners of the District are required to use the District's solid waste collection, removal and disposal system.

SECTION 301. Establishment of Rates

By resolution duly adopted, the District Board may establish rates to be paid by residents and property owners or make such other provisions as it deems appropriate for the collection, removal and disposal of solid waste.

SECTION 302. Unlawful Acts.

It shall be unlawful for any person to place, deposit, or permit to be deposited in an unsanitary manner upon public or private property within the District, or in any area under the jurisdiction of the District, any human or animal excrement, garbage, or other objectionable waste.

SECTION 303. Mandatory Organic Waste Disposal Reduction.

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

ARTICLE IV

SPECIFICATIONS CONTROLLING MANNER OF CONSTRUCTION AND CLEARING SERVICES

SECTION 400. Standard Specifications.

"Standard Specifications for Sanitary Sewer Construction - 1979", Part D - Technical Specifications, revised March, 1980, promulgated by the District, as they may be hereafter amended from time to time, are hereby adopted as the standard specifications of the District governing the manner of construction, repair, maintenance and operation of all sanitary wastewater facilities within the District. These standard specifications are incorporated herein by reference. Copies of the standard specifications shall be available for examination in the District's Administration Office at all times.

SECTION 401. Building Sewers and Connections.

(01) Sewer Permit Required.

No unauthorized person shall uncover, make any connections with or openings into, use, alter or disturb any public sewer or appurtenance thereof without first obtaining a written sewer permit from the General Manager.

(02) Costs and Expenses of Installation.

All costs and expenses incident to the installation and connection of the building sewer shall be borne by the owner. The owner shall indemnify the District from any loss or damage that may directly or indirectly be occasioned by the installation of the building sewer.

(03) Separate Building Sewer Required.

A separate and independent building sewer shall be provided for every building; except:

- (A) Where one building stands at the rear of another on an interior lot and no private sewer is available or can be constructed to the rear building through an adjoining alley, court, yard, or driveway, the building sewer from the front building may be extended to the rear building and the whole considered as one building sewer.
- (B) Where it is determined by the General Manager that it is necessary to do so in order to properly service a particular building, more than one building sewer may be required.
- (C) Where there is a second auxiliary residential structure or living unit located on the same parcel, under the same ownership, as a primary residence, the General Manager may determine that the primary building sewer may be extended to serve the second structure or living unit. [Added By General Regulation No. 68.]

(04) Cleanout Required.

Every building sewer shall have an approved cleanout located within 5 feet of the property line of the premises served by such building sewer. The cleanout shall be equipped with a cleanout box which shall be accessible for maintenance purposes and plainly visible to the eye. Unless otherwise approved by the General Manager, the cleanout shall be located within the property to be served.

(05) Cleanout Boxes.

Concrete sidewalks shall have an appropriately sized cleanout box made of concrete fitted with a loose cover. The concrete cover shall have two holes in the top for removal. Cleanout boxes installed in alleys, streets, or

driveways shall be of cast iron. The cast iron cleanout box cover shall be installed with two brass screws. Cleanout boxes installed in unpaved surfaces shall be of concrete or of equal quality as approved by the General Manager.

(06) Cleanout Assembly.

The cleanout assembly, consisting of a "Y" and branch fittings, shall be made of the same size as the building sewer it serves. The riser shall connect the "Y" and branch fittings up to the cleanout box. The top of the riser shall be fitted with a cleanout cap and shall meet current Standard Specifications and Details.

(07) Side Sewer Ownership.

All side sewers, from the connection at the District Public Sewer to the property served, are the property of, solely owned by, and the sole responsibility of, the Property Owner. [Gen Reg. 111]

(08) Side Sewer Clearing

Notwithstanding subsection (07), the District may provide side sewer clearance, between the public sewer and the property line cleanout of properties which have a Conforming Property Line Cleanout Assembly and provided further that the side sewer and property line cleanout conform to the requirements of this Code of General Regulations. Notwithstanding the provision of these clearing services, the District will have no responsibility for costs incurred by a property owner that privately contracts for sewer clearing services. [Gen. Reg. 111]

(09) Refusal of Clearing Services

Side sewer clearing services offered pursuant to subsection (08) may be refused for any reason including, but not limited to, the following:

(A) If the General Manager or a designee determines that the provision of clearing services could damage private or public property, including property of the District. In such circumstances, the District may determine, in its sole discretion, that clearing services shall not be provided until such time as the side sewer has been inspected, tested and approved for such service. Any costs incurred by a property owner in the inspection, testing or repair of side sewer shall be the sole responsibility of the property owner and shall be conducted in accordance with this Code of General Regulations.

(B) If the General Manager or a designee determines, in its sole discretion, that the condition of a side sewer, or discharges to the lateral sewer in violation of this Code of General Regulations are resulting in excessive requirements for clearing. In such circumstances, the General Manager may employ one or more of the following options:

- I. Deny the request for clearing services;
- II. Charge for clearing services;
- III. Require the inspection, testing and repair or replacement of the side sewer. Such inspection, testing, repair, or replacement shall be at the sole cost and expense of the property owner. [Gen. Reg. 111]

(10) Side Sewer Clearing Request Notification

All requests for clearing service provided pursuant to this article are the sole responsibility of the property owner. All requests for clearing services must be made by telephone to the District Office. The District shall not be responsible for failure to respond to a Request for Service that is made in any other form, i.e. Facsimile or any other form of Electronic Transmission. [Gen. Reg. 111]

(11) Side Sewer Clearing Request Notification Data Analysis

The District may, at its sole option, record and analyze requests for clearing service. Analysis and projection of Clearing Service Data shall not constitute an agreement to provide future clearing service by the District. [Gen. Reg. 111]

(12) Side Sewer Damage Responsibility

The District shall not be responsible for any damage caused by a blocked or damaged side sewer unless such blockage or damage is caused by the activities or facilities of the District. All other damage caused by a blocked or damaged side sewer, whether caused by the property owner, another entity, or another person shall not be the responsibility of the District, including but not limited to, root intrusion, construction activities, damage due to earthquakes or other "Acts of God". In such circumstances, any costs of construction or repair, permits, encroachment fees or any other fees required by any other entity empowered with oversight of such matters, and any damages of whatever nature caused by the blockage or failure of the side sewer, shall be the exclusive responsibility of the property owner. [Gen. Reg. 111]

(13) Side Sewer Overflow Responsibility

Overflows into or onto private property, in part or in whole resulting from faulty construction, maintenance or repair of a private sewer in accordance with the Uniform Plumbing Code and this Code of General Regulations, including, but not limited to, failure to adequately provide for clearing of the private sewer line, failure to ensure adequate capping of cleanouts or other appurtenances of the private sewer line, or any other condition for which care, diligence and maintenance is under the control of the property owner, shall be the sole responsibility of the property owner. [Gen. Reg. 111]

(14) Old Building Sewers.

Old building sewers may be used in connection with new building sewers only when they are found on examination and test by the General Manager to meet all requirements of this Article.

(15) Residential Sewers.

The lateral sewer for residential property shall be of PVC C900, or approved equal; for non-residential property, the lateral sewer shall be PVC C900 or approved equal. Pipe specifications shall be in conformance with the technical specifications of the Standard Specifications approved by the District Board. Any variations from the conditions must be approved by the General Manager.

(16) Elevation; Change of Direction.

Whenever possible the building sewer shall be brought to the building at an elevation below the basement floor. Changes in direction require a cleanout or properly curved pipe and fittings as approved by the General Manager.

(17) Artificial Lift.

In all buildings in which any building drain is too low to permit gravity flow to the public sewer, sanitary wastewater carried by such drain shall be lifted by approved artificial means and discharged to the building sewer. Responsibility for construction, operation, and maintenance of wastewater facilities serving private property shall be the sole obligation of the property owner. The District shall attempt to clear only that portion of the building sewer which is within the public right-of-way in accordance with this Article. [Gen. Reg. 111]

(18) Excavation.

All excavations for building sewer installation shall be adequately guarded with barriers and lights so as to protect the public from hazard. Streets, sidewalks, parkways and other public property disturbed in the course of the work shall be restored in a manner satisfactory to the District and to any governmental agency having jurisdiction thereof.

(19) Control Manholes.

When required by the General Manager, the owner of any property served by a building sewer carrying non-residential wastes shall install a suitable control manhole in the building sewer to facilitate observation, sampling and measurement of the wastes. Such manhole, when required, shall be constructed in accordance with plans approved by the General Manager. The manhole shall be installed by and at the owner's expense, and shall be maintained by the owner, at the owner's sole cost and expense, so as to be safe and accessible at all times. [Gen. Reg. 111]

(20) Alternative Sewer Lateral Materials

The District will accept the following methods for replacing or rehabilitating side sewers:

1. Preferred Replacement

The West Bay Sanitary District will provide cleaning service to laterals replaced with the following materials:

- a) Less than 36" - Ductile Iron Pipe Class 50 or 51
PVC C900 Class 200
- b) 36" or deeper - PVC C900 Class 150 or 200
Vitrified Clay
Ductile Iron Pipe Class 50 or 51

2. Non-Preferred Rehabilitation of Existing Side Sewer

The West Bay Sanitary District will accept, but NOT provide cleaning service to laterals rehabilitated with the following materials. Property Owners are specifically notified that the following methods are not as effective nor as long lived as the preferred methods.

- a) Cured-in-place materials (requires Pre and Post CCTV of the service lateral and Post construction CCTV inspection of the main connection.)
- b) HDPE SDR 17 installed by pipe bursting

If the Non-Preferred Rehabilitation method is chosen by the property owner(s), the owner(s) must sign the District's permit addendum which clearly states that although the District will allow the use of the pipe bursting and cured in place replacement methods, ARE NOT RECOMMENDED and that: 1) the side sewer will not receive cleaning service from the District, and 2) that this information will be disclosed by the property owner(s) should the property be transferred. This permit addendum shall be recorded at the County by the District prior to acceptance of the lateral.

If the existing side sewer is less than 36", pipe-bursting will not be allowed.

SECTION 402. Examination of Plans

The General Manager or his representative shall examine the plans submitted for all Class sewer permits to verify that they are in accordance with good engineering practices and in compliance with the standard

specifications and policies of the District. Plans which have been so examined and approved will be submitted to the District Board for approval, alteration, or rejection.

SECTION 403. Inspection of Construction

After approval of the plans by the District, actual construction may be started and all work shall be performed under the inspection of, and in accordance with the standard specifications of the District.

All work shall be inspected by the District when construction is completed but before use is made of the facilities constructed. Inspection shall be made at such other times as the General Manager may require.

The applicant shall give 24-hour advance notice to the General Manager that construction performed under a Class 1 or a Class 2 sewer permit is ready for inspection.

The applicant shall give 48-hour advance notice with respect to such construction performed under a Class 3, 5 or 6 sewer permit.

SECTION 404. Dedication of Sewers - Easements

The District encourages the placement of main sewers in the public right-of-way. When no viable alternative exists the General Manager may authorize the placement of main sewers in Public Utility Easements or in dedicated easements. No sewer shall become a public sewer unless it is dedicated to public use and is accepted by the District on such terms as the District may require. As a condition of accepting a sewer as a public sewer, the applicant shall provide such original grant deeds of easement to the District, together with rights of ingress and egress, as maybe necessary for the District to enter upon the property for the purposes of operating and maintaining the public sewers. No such easement shall be less than fifteen (15) feet in width, and will include vehicular access.

Easements shall be recorded in the Official Records of the County of San Mateo as an encumbrance on the property.

Owners of property over which easements have been granted shall be responsible to maintain them in accordance with the requirements of Section 603 (13) of Article VI of this code.

SECTION 405. Disconnection of Sewers

(01) Permanent Disconnection.

When sanitary sewer service has been discontinued, permanent disconnection of properties from the District's facilities shall be accomplished by the actual disconnection of the existing lateral at its point of connection to the District's main sewer. The method of disconnection is by saw cutting the lateral at the main sewer and plugging the remaining stub(s) with a calder type coupling (or equal) and a clay disc ("biscuit") or other material or method approved by the General Manager. The owner of the property to be disconnected shall obtain a Class Four (4) Sewer Permit from the District and all other necessary permits for the abandonment in the street and/or public right-of-way, and shall restore the site to its original condition to the satisfaction of the District and/or other public agency with appropriate jurisdiction.

(02) Temporary Disconnection.

When sanitary sewer service has been discontinued, temporary disconnection of properties from the District's facilities shall be accomplished by the capping of the existing lateral at the rear of the cleanout or within five feet of the property line closest to the public right-of-way if no Conforming Property Line Cleanout exists.

Prior to reuse, the property owner is required to install a Conforming Property Line Cleanout Assembly in accordance with this Code of General Regulations.

Failure to obtain, and comply with, a Class Four (4) Disconnection Permit shall result in discontinued Clearing Service from the Conforming Property Line Cleanout to the Main Line Sewer until the property owner has obtained a Class One (1) Sewer Permit and the sewer lateral has been tested, inspected and found to be acceptable for reuse. The property owner shall be solely responsible for all costs of repair and/or construction of the Conforming Property Line Cleanout Assembly. [Gen. Reg. 111]

SECTION 406. Backflow Prevention Devices.

Property owners shall install a backflow prevention device on any side sewer for gravity sewer laterals connecting houses having a finished floor elevation less than 12" above the top elevation of the nearest upstream structure (manhole). The device shall be located on the side sewer between the Building and the Conforming Property Line Cleanout Assembly and shall be installed in conformance with the current Universal Plumbing Code. The property owner shall be solely responsible for all costs of installation and maintenance of such devices and shall meet current Standard Specifications and Details.

ARTICLE V

ANNEXATION OF TERRITORY

SECTION 500. Application for Annexation of Territory.

The District Board shall consider an application for annexation of territory after the following conditions have been met:

- (01) The applicant has complied with all conditions of annexation imposed by the San Mateo County Local Agency Formation Commission (LAFCO).
- (02) The San Mateo County Local Agency Formation Commission has approved the territory for annexation by resolution; and
- (03) The applicant has complied with all conditions of annexation imposed by the District and any other public agency having jurisdiction over such matters.

SECTION 501. Conditions and Payment of Fees.

No territory shall be annexed to the District until the applicant has complied with all terms and conditions of annexation imposed by the District and the applicant has paid to the District the State Board of Equalization Filing Fee.

ARTICLE VI

USE OF PUBLIC SEWERS

SECTION 600. Use of Public Sewers Required.

(01) Toilet Facilities and Connections required.

The owner of all houses, buildings, or properties used for human occupancy, employment, recreation, or other purpose, situated within the District and abutting on any street, alley or right-of-way in which there is now located or may in the future be located a public sewer of the District, is hereby required at his expense to install suitable toilet facilities therein, and to connect such facilities directly with the proper public sewer in accordance with the provisions of this Code, within ninety (90) days after date of official notice to do so, provided that said public sewer is within one hundred (100) feet of the property line.

(02) Private Disposal Unlawful, with Exceptions.

Except as hereinafter provided, it shall be unlawful to construct or maintain any privy, privy vault, septic tank, cesspool, or other facility intended or used for the private disposal of wastewater.

SECTION 601. Private Wastewater Disposal.

(01) Sewers not Available.

Where a public sanitary sewer is not available under the provisions of Section 600 (01), the building sewer shall be connected to a private wastewater disposal system complying with the provisions of this Article.

(02) Permit Required.

Before commencement of construction of a private wastewater disposal system, the owner shall first obtain a written permit signed by the General Manager.

(03) Compliance with Regulations.

The type, capacities, location, layout, operation and maintenance of a private wastewater disposal system shall comply with all applicable regulations promulgated by any government agency having jurisdiction with respect to the discharge of wastewater into a private wastewater disposal system.

(04) Discharge to Natural Outlet.

No septic tank, cesspool or other private wastewater treatment or disposal system shall be permitted to discharge effluent to any natural outlet unless applicant has complied with all applicable regulations promulgated by and obtained approval from any government agency having jurisdiction with respect to the discharge of such effluent.

(05) Unlawful to Discharge to Public Sewer.

No septic tank, cesspool or other private wastewater treatment or disposal system shall be permitted to discharge effluent to any public sewer, unless otherwise authorized by a permit issued pursuant to Article VII of this Code.

(06) Owner to Operate and Maintain.

The owner shall operate and maintain the private wastewater disposal facilities in a sanitary manner at all times, at no expense to the District.

SECTION 602. Grease, Oil, and Sand Interceptors.

(01) Applicability.

This Section 602 shall apply to discharges of wastewater containing fats, oils and grease conveyed to the wastewater facilities from any commercial or institutional food service establishment.

(02) Definitions.

(A) Fats, Oils and Grease (FOG).

Any substance such as a vegetable or animal product that is used in, or is a byproduct of, the cooking or food preparation process, and that becomes or may become viscous, or solidifies or may solidify, with a change in temperature or other conditions.

(B) Food Service Establishment (FSE).

A non-residential wastewater discharger that engages in activities of preparing, serving, or otherwise making available food for consumption by the public or on the premises.

(C) Grease Control Device.

Any grease control device, grease trap or other mechanism, device or process which attaches to, or is applied to, wastewater plumbing fixtures and lines, the purpose of which is to trap, collect or treat FOG prior to it being discharged into the wastewater facilities.

(D) Remodel or Remodeling.

Any physical and/or operational change to an FSE that involves any one or a combination of the following: (i) under-slab plumbing in the food processing area; (ii) a 30% or greater increase in the net public seating area; (iii) a 30% or greater increase in the size of the kitchen area; (iv) any change in the size or type of food preparation equipment; and (v) any remodel, addition, alteration or repair valued greater than \$50,000.

(E) Sanitary Sewer Overflow (SSO).

Any blockage, overflow, spill, release, discharge or diversion of untreated or partially treated wastewater from a sanitary sewer system.

(03) Prohibitions and Limitations

(A) Discharge of FOG or any food waste containing FOG into drains directly leading to the wastewater system is prohibited, except in accordance with this Section 602 and applicable building codes and regulations.

(B) Discharge of the following to or through any grease control device is prohibited: (i) wastewater from dishwashers; (ii) wastewater with temperatures in excess of 150 degrees F; and (iii) wastes from toilets, urinals, wash basins, and other fixtures containing fecal materials.

(C) Installation of food grinders in the FSE plumbing system is prohibited. FSEs shall remove or render permanently inoperative all existing food grinders within 180 day of the adoption of this ordinance.

(D) Diluting a discharge to achieve compliance with this Section 602 is prohibited.

(E) Introduction of any additives into the plumbing system of an FSE or grease control device for the purpose of emulsifying or chemically treating FOG for grease remediation or as a supplement to device maintenance is prohibited. Biological treatment of grease control devices may be allowed upon approval of the General Manager or designee.

(04) Grease Control Device Requirements.

(A) All FSEs shall, at the time of construction, remodel, and/or change in operation, install, operate, maintain and service a grease control device. The grease control device shall be installed at a location where it shall be at all times easily accessible for inspection, cleaning, and removal of accumulated grease.

(B) Any FSE required to provide a grease control device shall install, operate, and maintain a District approved type and adequately sized grease control device necessary to maintain compliance with the objectives of this Section 602.

(C) Grease control device design, construction, sizing, and installation shall be subject to prior written approval of the District and shall conform to the most current edition of the California Plumbing Code.

(D) Any existing FSE which has caused or contributed to a grease-related blockage in the wastewater facilities, has one or more sewer laterals connected to pipelines on the District's list of sewer lines that have experienced grease related blockages or sanitary sewer overflows, and/or has contributed significant FOG to the wastewater facilities, shall be deemed to have reasonable potential to adversely impact the wastewater facilities and shall be required to install a grease control device within 180 days following the issuance of written notification from the General Manager.

(05) Maintenance Requirements.

(A) Grease control devices shall be fully pumped out and cleaned once every 3 months or when the combined FOG and solids accumulation in the grease control device equals 25% of the design hydraulic depth of the grease control device, whichever occurs first. FSEs shall comply with any District directive to increase the frequency of grease control device servicing if the frequency of servicing is not adequate to ensure this requirement. If the grease control device at any time contains FOG and solids accumulation exceeding this maximum, the FSE shall be required to have the grease control device pumped and cleaned as soon as possible, but in no case more than 48 hours following issuance of an order to clean by the General Manager, unless otherwise specified.

(B) Wastewater, accumulated FOG, floating materials, sludge/solids, and other materials removed from the grease control devices shall be transported by a licensed waste hauler to an approved recycling or disposal site in accordance with all applicable federal, state, and/or local laws. FSEs shall obtain and maintain a copy of the waste hauler's documentation, which shall include: (i) name of hauling company; (ii) name and signature of the operator performing the pump out; (iii) documentation of a full pump out indicating the total volume of water and FOG removed in gallons; (iv) documentation of the level by percentage of the combined FOG and solids accumulation in the control device; (v) documentation regarding whether repairs to the grease control device are required; and (vi) identification of the facility where the waste hauler has transported the waste.

(06) Kitchen BMP Requirements.

All FSEs shall implement kitchen Best Management Practices (BMP) in accordance with requirements and guidelines established by the National Restaurant Association (<https://conserve.restaurant.org/Downloads/PDFs/FOG/FOG-ToolkitFinal3.aspx>) and General Manager

(07) Recordkeeping Requirements.

All FSEs shall be required to maintain on the FSE premises copies of the following records for no less than 3 years: (i) grease control device cleaning and maintenance activities; (ii) kitchen best management practices implemented; (iii) solids accumulation in the grease control device; (iv) waste hauling documentation; (v) sampling data; and (vi) spills and/or cleaning of the wastewater facilities.

(08) Inspection and Sampling Conditions.

All FSEs shall allow the General Manager access to the FSE premises during normal business hours to inspect the FSE's grease control device, sample wastewater discharges and review records kept in accordance with this Section 602. Failure by the FSE to comply with the requirements of this Section 602 constitutes a violation of this Code and shall be cause for the District to initiate all necessary actions and/or exercise any available legal remedies to remediate such violation.

(09) Variance.

(A) In accordance with the District's Grease Control Device Variance Guidelines, any FSE may submit in writing to the General Manager a request for a variance from the grease control device requirement upon a showing that the installation of a grease control device is not feasible in an existing structure or the FSE's FOG discharge is negligible and has had an insignificant impact on the wastewater facilities.

(B) Where the installation of a grease control device in an existing structure is not feasible, an FSE may be granted a variance upon the payment of an annual grease disposal mitigation fee to cover the District's costs of increased maintenance of the wastewater facilities resulting from the FSE's inability to adequately remove FOG from its wastewater discharge.

(10) Charges and Fees.

The District shall adopt charges and fees by resolution for reimbursement of costs incurred by the District and to ensure consistent compliance with this Section 602. In addition, any cost, expense, liability, fine, penalty or other payment made or incurred by the District to clear or repair any wastewater facility, or to contain, clean, report or otherwise remediate the FSE from violation of this Code shall constitute a debt to the District, due and payable upon demand and collectable in any manner provided by law.

(11) Falsifying Information or Tampering with Process.

It shall be unlawful to make any false statement or record or other document that is required by this Section 602 or otherwise required by the General Manager, and to tamper with or knowingly render inoperable any grease control device required under this Section 602.

(12) Enforcement.

Failure to comply with the provisions of this Section 602 may result in one or more of the following enforcement actions in addition to any other remedy or provision of law, including but not limited to, those provided in Article X of this Code: (i) a notice of violation may be issued with a compliance schedule for correction; (ii) a noncompliance fee may be charged, which fee may be increased each time an FSE is issued a notice of violation; (iii) the General Manager may direct a contractor to pump and clean an FSE's grease control device; (iv) service to the FSE may be suspended or terminated; (v) the FSE may be issued an administrative citation; (vi) a misdemeanor complaint against the FSE may be filed; and/or (vii) FSE noncompliance may be enjoined as a public nuisance through a civil action brought by District or the San Mateo District County Attorney against the FSE.

SECTION 603. Prohibitions.

(01) General Prohibitions.

No person shall, and it shall be unlawful to, discharge wastes including, but not limited to those specified in Subparagraphs L and M below, not the wastewater facilities which cause, threaten to cause, or are capable of causing, either alone or by interaction with other substances;

- (A) A fire or explosion;
- (B) Obstruction of flow, or injury to, the wastewater facilities, or any portion thereof;
- (C) Danger to life or safety of persons;
- (D) Conditions inhibiting or preventing the effective maintenance or operation of the wastewater facility;
- (E) Strong or offensive odors, air pollution, or any noxious, toxic, or malodorous gas-or substance, or gas-producing substances;
- (F) Interference with the wastewater treatment process, or overloading of the wastewater facilities, or excessive collection or treatment costs, or use of capacity in the wastewater facilities to which the person is not entitled;
- (G) Interference with any wastewater reclamation process, which does or may operate in conjunction with the wastewater facilities, or overloading, or a breakdown of such reclamation process, or excessive reclamation

costs, or any product of the treatment process which renders such reclamation process impracticable or not feasible under normal operating conditions;

(H) A detrimental environmental impact, or a nuisance wherever located, or a condition unacceptable to any public agency having regulatory jurisdiction over operation of the wastewater facilities;

(I) Discoloration, or any other adverse condition in the quality of the effluent from the wastewater facilities such that receiving water quality requirements established by any statute, rule, regulation, ordinance, or permit condition cannot be met by the District or the Authority;

(J) Conditions at or near the wastewater facilities, or any portion thereof, which cause, or may cause, the District or Authority to be in violation of the requirements of law.

(K) Pollutants introduced into the wastewater facilities which pass through or interfere with the operation or performance of the wastewater facilities. [Added by General Regulation No. 59.]

(L) Single Use Wipes or Hygiene products (for example: cleaning wipes and rags, paper towels, napkins, or other non-toilet paper products.)

(M) Hazardous Waste.

(02) Storm Drainage and Ground Water.

No person shall, and it shall be unlawful to, discharge, cause to be discharged, or permit to be discharged, any storm water, ground water, rainwater, street drainage, subsurface drainage, swimming pool drainage, or yard drainage, either directly or indirectly into the wastewater facilities, unless a permit therefor is issued by the General Manager. The General Manager may issue such permit only upon a finding by him that no reasonable alternative method of disposal of such water is available.

(03) Unpolluted Water.

No person shall, and it shall be unlawful to, discharge, cause to be discharged, or permit to be discharged any unpolluted water, including, but not limited to, cooling water, process water, or blow-down water from cooling towers or evaporative coolers, either directly or indirectly into the wastewater facilities, unless a permit therefor is issued by the General Manager.

(04) Garbage Grinders.

No person shall, and it shall be unlawful to, discharge, caused to be discharged, or permit to be discharged waste from garbage grinders into the wastewater facilities, provided, however, that:

(A) Wastes generated in preparation of food normally consumed on the premises may be so discharged; or

(B) Such discharge is made pursuant to a permit issued by the General Manager.

Garbage grinders from which wastes are permitted under either subparagraph (A) or subparagraph (B) above, shall be of such design and capacity to shred wastes used therein such that all waste particles shall be carried freely under normal flow conditions into and through the wastewater facilities.

(05) Direct Discharge.

No person shall, and it shall be unlawful to, discharge, cause to be discharged, or permit to be discharged any wastes or wastewater, or any object, material, or other substance directly into a manhole or other opening into the wastewater facilities other than wastes or wastewater through an approved building sewer; provided, however, that wastes or wastewater may be discharged into the wastewater facilities by means other than through an approved building sewer pursuant to a permit therefor issued by the General Manager.

(06) Holding Tank Waste.

No person shall, and it shall be unlawful to, discharge, cause to be discharged, or permit to be discharged any holding tank waste into the wastewater facilities; provided, however, that:

(A) Such discharges may be made into facilities designed to receive such wastes and approved by the General Manager; or

(B) Such discharge may be made pursuant to a permit issued therefor by the General Manager. Unless otherwise provided by the General Manager, a separate permit shall be required for each separate holding tank waste discharge.

(07) Radioactive Wastes.

No person shall, and it shall be unlawful to, discharge, cause to be discharged, or permit to be discharged, any radioactive wastes into the wastewater facilities, provided, however, that:

(A) Persons authorized to use radioactive materials by the State Department of Health or other governmental agency empowered to regulate the use of radioactive materials may discharge, cause to be discharged, or permit to be discharged such wastes provided that such wastes are discharged in strict conformance with current California radiation control regulations (California Administrative Code, Title XVII, Ch. 5, Sub. Ch. 4, Group 3, Art. 5), and federal regulations and recommendations for safe disposal of such wastes; and

(B) The person so acting does so in compliance with all applicable rules and regulations of all other regulatory agencies.

(08) Wastewater Strength.

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

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- (a) 0.27 mg/l arsenic;
 - (b) 0.13 mg/l cadmium;
 - (c) 2.3 mg/l copper;
 - (d) 0.06 mg/l cyanide;
 - (e) 1.2 mg/l lead;
 - (f) 0.00097 mg/l mercury;
 - (g) 0.17 mg/l nickel;
 - (h) 0.44 mg/l silver;
 - (i) 3.3 mg/l total chromium;
 - (j) 6.5 mg/l zinc;
 - (k) 0.098 mg/l selenium;
 - (l) 0.07 mg/l methylene chloride;
 - (m) 0.03 mg/l chloroform;
 - (n) 0.03 mg/l tetrachloroethene (perchloroethylene);
 - (o) 0.002 mg/l benzene;
 - (p) 0.001 mg/l carbon tetrachloride;
 - (q) 2,000 mg/l cBOD;
 - (r) 3,600 mg/l TDS
 - (s) 1,800 mg/l Electrical Conductivity

(09) Additional Limitations.

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

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

(10) Specific Customer Limitations.

Notwithstanding the limitations upon the characteristics or quantity of wastewater discharged, caused to be discharged, or permitted to be discharged into the wastewater facilities pursuant to this Article, the General Manager may, in connection with the issuance of permits pursuant to the provisions of Article VII, establish additional or different specific limitations on wastewater strength upon a finding by the General Manager that:

- (A) The limitations set forth in this Article may not be sufficient to protect the operation of the wastewater facilities, or any portion thereof, or the waste or wastewater proposed to be discharged otherwise constitutes a hazard to, or an unreasonable burden upon, such operation, or otherwise causes or significantly contributes to violation of the Authority's National Pollutant Discharge Elimination System (NPDES) permit; or
- (B) The limitations set forth in this Article may be unreasonably restrictive when applied to a specific industry; and imposing a less stringent limitation will not cause or contribute to violation of any state or federal requirement of law; or
- (C) Specific standards have been established by the state or federal government for a specific category of industrial customer which would supersede the limitations set forth in this Article with respect to such category. [Amended by General Regulation No.59.]

(11) Protection from Damage.

No unauthorized person shall break, damage, destroy, uncover, deface or tamper with any structure, appurtenance, or equipment which is a part of the District's wastewater facilities.

(12) Discharge to Natural Outlet.

It shall be unlawful to discharge to any natural outlet within the District, or in any area under the jurisdiction of the District, any wastewater, industrial wastes, or other polluted waters, except where suitable treatment has been provided in accordance with provisions of this Code.

(13) Interference with District Easements.

(A) Except as provided in Subsection (E) below, it is unlawful for any person to obstruct, encroach upon or otherwise interfere with District easements or to permit or allow such obstructions, encroachments or interferences.

(B) Without in any way limiting the breadth of the general prohibition contained in Subsection (A) above, the following conditions are expressly prohibited.

(1) Construction, installation or maintenance of any permanent or temporary structure which is on, in or over any easement and which cannot be readily and easily removed at any time the District requires access to or use of an easement. In this regard, the term "structure" includes buildings, fences, gates, decks, roof overhangs, decorative rocks and boulders, and the like.

(2) Planting, growing or maintaining trees, shrubs or other forms of plant life which restrict access to an easement or which interfere with the use or operation of wastewater facilities located in the easement. Included within this prohibition are: trees and shrubs located on the surface of an easement which inhibits access by District personnel, vehicles and equipment; overhanging vegetation located outside the easement which likewise restricts access; and plants of kind which produce roots that are likely to invade wastewater facilities.

(3) The deposit of any debris, garbage, trash or other solid waste on or in an easement.

(4) The abandonment of any items of property, including vehicles, within an easement.

(C) The foregoing prohibitions do not preclude the owner of the real property which is the subject of the District's easement from making uses of the easement so long as such uses are not inconsistent with District's rights.

(D) Any condition which constitutes an obstruction of, encroachment upon or interferences with a District easement shall promptly be removed by the property owner or any other responsible person upon District's demand to do so, provided, however, that in the event of an emergency, District shall be entitled, without prior demand, to remove any obstruction, encroachment or interference by such means as District determines are reasonably necessary, even if such removal will result in damage to or loss of property by the property owner or other responsible person who caused or allowed the condition to occur. In the event a condition is not removed by responsible persons after District's reasonable demand, or without demand in the case of an emergency, District shall be entitled to recover from any responsible persons all costs and expenses incurred by it to remove the condition. The remedies provided to District by this Subsection are in addition to, and cumulative with, any other remedies available to District pursuant to this Code or otherwise as provided by law.

(E) Zone of Influence – The Zone of influence cast by any development shall not infringe on the District's ability to access, replace, or repair facilities located within easements

(F) Prescriptive Easements – The prohibitions in this Section 603(13) shall apply to all easements of record as well as easements of any kind that the District has acquired by operation of law including, but not limited to, prescriptive easements, implied easements, equitable easements, easements by implied dedication or easements by necessity.

(G) In the event of any substantial hardship, or for other good cause, any affected person may seek relief from the provisions of this Subsection (13) by requesting a variance pursuant to Section 1100 of Article XI of this Code. [Amended by General Regulation No. 82]

ARTICLE VII

PERMITS

SECTION 700. Permits Required.

No person shall do any of the following acts without first obtaining a written permit from the General Manager:

- (01) Construct or use any private wastewater disposal system;
- (02) Uncover, make any connection with or opening into, use, alter or disturb any public sewer or appurtenance thereof;
- (03) Reestablish use of any private wastewater disposal system where such use has been discontinued;
- (04) Reestablish service to any premises served by the public sewers, where use of the public sewers has been discontinued;
- (05) Increase the volume of discharge of wastewater from any premises into the public sewers or into a private wastewater disposal system beyond the volume authorized for such premises under any previously issued permit;
- (06) Change the nature of the discharge of wastewater from any premises into the public sewers or into a private wastewater disposal system beyond the nature of the discharge authorized for such premises under any previously issued permit.
- (07) Discharge, cause to be discharged or permit to be discharged any wastewater containing in excess of 0.02 mg/l total identifiable chlorinated hydrocarbons.
- (08) Discharge, cause to be discharged or permit to be discharged any wastewater containing in excess of 1.0 mg/l phenolic compounds.
- (09) Discharge, cause to be discharged or permit to be discharged any wastewater containing in excess of 20.0 mg/l fluoride compounds.

SECTION 701. Pre-existing Discharges.

For the purposes of Sections 700 (05) and 700 (06) above, premises which have been legally connected to the public sewers prior to July 1, 1974 shall be deemed to have been authorized the volume and nature or discharge which existed for the calendar year 1974 or the quantity and quality of discharge for which a connection fee has been paid, whichever is greater.

SECTION 702. Requirements Applicable to all Permits.

No permit shall be issued until all of the following requirements, to the extent applicable, have been satisfied:

- (01) It has been determined by the General Manager that:
 - (A) The real property to be served is located within the District;
 - (B) The proposed project is not prohibited or precluded by this Code or by the regulations of any other government agency having jurisdiction over wastewater disposal within the District;
 - (C) There is sufficient capacity within the District's wastewater facilities to accommodate the proposed project and, if required by the District, the applicant has received a written recommendation for wastewater discharge entitlement for a specified volume in gallons per day, average daily flow, from the local planning jurisdiction in which the project is located;

(D) No extension of the District's collection facilities is required to serve the proposed project or the applicant has satisfied all requirements of the District for extending the collection facilities to the vicinity of the project site; and

(E) Any easements necessary for the District to operate and maintain public facilities installed in private property have been granted and accepted by the District.

(02) The applicant has submitted a properly completed application on a form supplied by the District which shall set forth the following:

(A) The name and address of the applicant;

(B) The location and description of the discharge proposed to be permitted;

(C) A detailed description of any work to be performed, and materials and equipment to be used in carrying out the provisions of such permit; and

(D) Such other information deemed necessary by the General Manager to determine the effect upon the wastewater facilities of the proposed discharge or activities related thereto, or otherwise reasonably necessary to enable the General Manager to carry out the provisions of this Code, or any other requirements of law.

(03) The applicant has paid all fees and charges imposed by the District to process and consider the application.

SECTION 703. Other Conditions and Requirements of Permits.

Where the interest of the District would be served, the District Board may, at its discretion:

(01) Impose additional requirements upon an applicant which must be satisfied before the permit will be issued;

(02) Authorize issuance of the permit subject to satisfaction of conditions subsequent; failure to satisfy such conditions is grounds for the District Board to revoke the permit and discontinue any use authorized by the permit;

(03) Waive compliance by the applicant with requirements or conditions previously imposed.

SECTION 704. Types of Sewer Connection, Disconnection, Construction Permits, and Encroachments.

There shall be six (6) classes of sewer permits; class one (1) residential, class two (2) non-residential, class three (3) public sewer mains, pump stations and other, class four (4) sewer disconnection, class five (5) STEP and Grinder Systems, class six (6) encroachments as follows:

(01) Residential.

Class 1 sewer permits are required for the following types of residential connections:

Permit type 1A for single-family residences;

Permit type 1B for multiple-unit residences;

Permit type 1C for rooming houses or boarding houses;

Permit type 1D for miscellaneous residential;

Permit type 1E for residential Non-Preferred Method of lateral replacement – cured in place pipe.

Permit type 1F for residential Non-Preferred Method of lateral replacement – pipe burst.

(02) Non-Residential.

Class 2 sewer permits are required for the following types of non-residential connections:

Permit type 2A for commercial establishments;

Permit type 2B for industrial establishments;

Permit type 2C for institutional establishments;

Permit type 2D for miscellaneous non-residential;

Permit type 2E for non-residential Non-Preferred Method of lateral replacement – cured in place pipe.

Permit type 2F for non-residential Non-Preferred Method of lateral replacement – pipe burst.

(03) Class 3 – Public Sewer Mains, Pumping Station, Other.

Class 3 sewer permits are required for construction of public sewer mains, pressure sewer mains, pumping stations.

Subsequent to the District Board's acceptance of a sewer system constructed pursuant to a Class 3 permit, but prior to connection of and discharge into the District's wastewater facilities, a Class 1 or Class 2 permit must be obtained by the applicant.

Permit type 3A for construction of new gravity public sewer mains.

Permit type 3B for installation of pressure sewer main extension connecting into the back end of an existing pressure sewer main connection to be done by contractor.

Permit type 3C for installation of pressurized sewer main branch extension connection to be done by District.

(04) Class 4 – Sewer Disconnection.

Class 4 permits are required to disconnect from the District's sewer system.

Permit type 4A for Permanent Disconnection;

Permit type 4B for Temporary Disconnection.

(05) Class 5 –STEP and Grinder Systems.

Class 5 sewer permits are required for the construction of wastewater facilities including STEP or Pressure Grinder Systems.

Permit type 5A for installation of STEP or Pressure Grinder Systems

Permit type 5B for non-residential installation of STEP, Pressure Grinder Systems, or pumping stations

Permit type 5C for replacement or upgrade of a pressure sewer lateral from a STEP or Grinder System

(06) Class 6 –Encroachments (Public Sewer Main and Facilities Access)

Class 6 permits are required for trenchless utility contractors including directional drilling, jack and bore, or other contractors performing work on other utilities, within the District boundaries, such as, water, PG&E, AT&T, Comcast, and other communication providers.

Permit type 6A for public sewer main and facilities access in order to CCTV inspect before and after drilling or boring trenchless construction.

(07) All Permits - Expiration.

All sewer connection and disconnection permits shall expire twelve (12) months from the date of issuance unless such permit is extended by the General Manager.

(08) All Permits – Refund of Fees.

No refund of permit fees shall be made for expired permits

SECTION 705. Information Required by Type of Sewer Permit.

(01) Class 1.

The following information is required of all applicants for Class 1 Sewer Permits:

- (A) Legal description including street address, lot number, block number, name of subdivision, assessor's parcel number and the parcel volume and page number according to the parcel map.
- (B) Type or work to be done including the kind of building to be connected, whether it is a new connection, repair or other, the building permit number and the District's connection record number.
- (C) The owner's name, address, email, and telephone number.
- (D) The contractor's name, address, email, and telephone number.
- (E) Any additional information which the General Manager may require due to the nature of the project.
- (F) The signature of the applicant including the applicant's address and telephone number. un

(02) Class 2.

The following information shall be required for application for Class 2 Sewer Permit:

- (A) Applicant's business name.
- (B) Address of premises discharging wastewater, including the assessor's parcel number.
- (C) The standard industrial classification of applicant's business and the number of the classification.
- (D) The applicant's name, mailing address, email, and telephone number.
- (E) The engineer/contractor's name, address, email, and telephone number.
- (F) The volume of wastewater proposed to be discharged.
- (G) Any additional information which the General Manager may require due to the nature of the project, including a wastewater discharge report or permit.
- (H) The signature of the applicant and the date

(03) Class 3.

The following information shall be required of all applicants for a Class 3 Sewer Permit:

- (A) The name of the owner or owner's agent making application.
- (B) The location of the project.
- (C) The name, mailing address, email, and telephone number of the engineer.
- (D) The name, mailing address, email, and telephone number of the owner.
- (E) The name, mailing address, email, and telephone number of the contractor.
- (F) Maps, plans, profiles and other information as required by the General Manager. These maps, plans, profiles, etc. shall show the location and boundary lines of the property to be serviced and of each tract, lot, or parcel therein, together with existing and proposed streets, roads, highways, easements, and rights-of-way within and immediately contiguous with said property, and shall show the proposed connections with the

District's sewer or other proposed facilities and existing ground surface elevations together with such changes as may result from subsequent grading, filling, road construction and the like.

(G) A Notice of Exemption, Negative Declaration, or final Environmental Impact Report, whichever is applicable, as determined by the lead agency for the project pursuant to the California Environmental Quality Act, as amended.

(H) The signature and address of the applicant.

(04) Class 5. STEP and Grinder Systems

The following information shall be required of all applicants for a Class 5 Sewer Permit:

(A) The name of the owner or owner's agent making application.

(B) The location of the project.

(C) The name, mailing address, email, and telephone number of the engineer.

(D) The name, mailing address, email, and telephone number of the owner.

(E) The name, mailing address, email, and telephone number of the contractor.

(F) Maps, plans, profiles and other information as required by the General Manager. These maps, plans, profiles, etc. shall show the location and boundary lines of the property to be serviced and of each tract, lot, or parcel therein, together with existing and proposed streets, roads, highways, easements, and rights-of-way within and immediately contiguous with said property, and shall show the proposed connections with the District's sewer or other proposed facilities and existing ground surface elevations together with such changes as may result from subsequent grading, filling, road construction and the like.

(G) A Notice of Exemption, Negative Declaration or final Environmental Impact Report, whichever is applicable, as determined by the lead agency for the project pursuant to the California Environmental Quality Act, as amended.

(H) The signature and address of the applicant.

(I) Zero discharge is allowed until final approval of permit by Board.

(05) Class 6 – Encroachments (Public Sewer Main and Facilities Access):

The following information shall be required of all applicants for a Class 6 Encroachment Permit:

(A) The name of the owner or owner's agent making application.

(B) The location of the project.

(C) The name, mailing address, email, and telephone number of the engineer.

(D) The name, mailing address, email, and telephone number of the owner.

(E) The name, mailing address, email, and telephone number of the contractor.

(F) Maps, plans, profiles and other information as required by the General Manager. These maps, plans, profiles, etc. shall show the location of the proposed encroachment, together with existing and proposed streets, roads, highways, easements, and rights-of-way within and immediately contiguous with said encroachment, and shall show the proposed encroachment and proximity/relation to the District's sewer or other facilities and existing ground surface elevations together with such changes as may result from the proposed encroachment.

(G) A Notice of Exemption, Negative Declaration or final Environmental Impact Report, whichever is applicable, as determined by the lead agency for the project pursuant to the California Environmental Quality Act, as amended.

(H) The signature and address of the applicant.

SECTION 706. Wastewater Discharge Report.

Upon a determination that such information is necessary or appropriate to carry out the provisions of this Code, the General Manager may require that any person discharging, causing to be discharged, permitting to be discharged, or proposing to discharge wastewater into the wastewater facilities shall file a periodic discharge report, the cost of which shall be borne by such person. Such report may include, but shall not necessarily be limited to:

- (01) A description of the activities, facilities, and plant processes conducted on the premises, including, but not limited to, all materials fabricated or processed and the type of materials which are or could be discharged into the wastewater facilities;
- (02) The type and quantity of each product produced, fabricated or manufactured on the premises;
- (03) Site plans, floor plans, mechanical and plumbing plans in detail necessary or appropriate to show and to describe all sewers and appurtenances by size, location and elevation.
- (04) The number and classifications for work categories of employees, and the hours of work or operation on the premises;
- (05) Wastewater constituents and characteristics the presence and amount of which shall be determined by a laboratory competent to test and describe such constituents and characteristics, as approved by the General Manager;
- (06) Average volumes and 30-minute peak flow rate of fresh water, non-wastewater, and wastewater proposed to be discharged, including daily, monthly, and seasonal variations, if any;
- (07) Time and duration of the proposed wastewater discharge;
- (08) Such other information deemed necessary by the General Manager to determine the effect upon the wastewater facilities of the proposed discharge, or to determine the necessity for, or type of pretreatment, or permit conditions, or other measures necessary or appropriate to enable the General Manager to carry out the provisions of this Code or any other requirements of law. The General Manager may also require that such reports include the chemical constituents and quantity of liquid, gaseous, or solid materials stored on the premises relating to such discharge, even though such materials are not normally discharged into, or become a part of the wastewater, in the wastewater facilities. Such reports shall be in addition to self-monitoring reports, information furnished in connection with wastewater discharge permits, or other permits authorized under this Code. Reports authorized and required under this Section shall be filed with the General Manager periodically and/or at such other times as the General Manager may reasonably require.

SECTION 707. Wastewater Discharge Permits.

(01) Mandatory Wastewater Discharge Permit.

No major contributing industry or other customer discharging, or proposing to discharge wastewater having characteristics or quantities equivalent to that of a major contributing industry, shall, and it shall be unlawful for any such industry or customer to connect to, or discharge into, the wastewater facilities without first obtaining a Wastewater Discharge Permit therefor.

(02) Non-Routine Wastewater Discharge Permit.

A Wastewater Discharge Permit may be required for any customer who:

- (A) Requests that charges and fees established pursuant to this Code be based upon an estimated volume of wastewater discharged, or to be discharged, into the wastewater system.
- (B) Establishes to the satisfaction of the General Manager that wastewater proposed to be discharged from such customer's premises into the wastewater system has, or will have, wastewater strength characteristics less than normal range for the customer classification to which such customers assigned, by reason of pretreatment, process changes, or other reasons related to such wastewater characteristics.
- (C) Discharges, or proposes to discharge, unpolluted water into the public wastewater system.
- (D) Operates or proposes to operate, a garbage grinder on the premises which discharges to the public wastewater system.
- (E) Maintains, or proposes to maintain, a holding tank for wastewater which discharges into the public wastewater system.
- (F) Discharges, or proposes to discharge, any wastewater containing in excess of 0.02 mg/l of total identifiable chlorinated hydrocarbons into the public system.
- (G) Discharges, or proposes to discharge, any wastewater containing in excess of 1.0 mg/l phenolic compounds into the public wastewater system.
- (H) Discharges, or proposes to discharge, any wastewater containing in excess of 20.0 mg/l fluoride compounds.
- (I) Maintains and operates, or proposes to maintain and operate, a flow meter which measures either the volume of wastewater discharged into the public wastewater system or the volume of unpolluted water discharged into the storm drain or to groundwater drainage or to other diversion not discharged to the public wastewater system.
- (J) Discharges, or proposes to discharge, wastewater into the wastewater facilities by means other than through an approved building sewer.
- (K) Maintains and operates, or proposes to maintain and operate, a private wastewater disposal system.
- (L) Occupies or owns a parcel at which the business or activity on the premises would create a hazard to public health or the public wastewater system should an accidental discharge occur.

(03) Permit conditions.

Wastewater Discharge Permits authorized under this Article shall be subject to all provisions and requirements of this Code, and to all other requirements of law. Permits authorized under this Article may include any or all of the following limitations, requirements, and conditions:

- (A) The unit charge or schedule of charges and fees for the service and use of the wastewater facilities to be paid by the permittee, and the terms and conditions of such payment;
- (B) The allowable average and maximum wastewater constituents and characteristics thereof permitted to be discharged into the wastewater facilities;
- (C) Limitations upon time and rate of wastewater discharge, or requirements for flow regulations and equalizations thereof;
- (D) Requirements for the installation of inspection, sampling, or testing facilities;
- (E) Pretreatment requirements;
- (F) Specifications for monitoring programs which may include, but shall not necessarily be limited to, sampling locations, frequency and method of sampling, number, types and standards per test, and reporting schedule;
- (G) Requirements for submitting chemical, engineering or other kinds of technical reports or wastewater discharge reports;

- (H) Requirements for maintaining plant records related to the wastewater discharge, as specified by the General Manager, and provisions for access by the General Manager thereto;
- (I) The mean and maximum mass emission rates, or other appropriate limits, when incompatible pollutants are proposed to be discharged into, or are present in, the customer's wastewater discharge; and
- (J) Such other conditions, requirements, or provisions deemed appropriate by the General Manager to insure compliance with the provisions of this Code or other requirements of law.

(04) Duration of Wastewater Discharge Permit.

A Wastewater Discharge Permit authorized under this Article shall be effective for the period described therein, but in no event, longer than five (5) years.

Upon expiration of the term specified in any Wastewater Discharge Permit, or any term during which the permit was renewed automatically, the permit shall be deemed renewed automatically for an additional one-year period, which shall commence upon the day following the last day of the expired term; provided, however, that in the event the General Manager gives written notice to the permittee of the termination or expiration of such permit not less than thirty (30) days prior to the expiration of the initial term thereof, or prior to the expiration of any successive one-year term thereof, then a new permit shall be required subject to the provisions of this Code.

(05) Modification, Amendment or Other Change.

(A) Every permit shall be subject to modification, amendment, or other change by the General Manager during the term thereof, as determined necessary by the General Manager in order to obtain compliance by the customer with the requirements of this Code or other requirements of law.

(B) Except in an emergency, if the General Manager determines that non-compliance with the requirements of the Code or other requirements of law has created a risk to the public health, safety or welfare, the General Manager shall give written notice to a permittee of any proposed modification, changes or amendments to the customer's permit not less than thirty (30) days prior to the effective date of such change, modification, or amendment. The General Manager may specify a time schedule for compliance with any new conditions, provisions, or requirements established by modification, change, or other amendments to the permit. The notice shall state the time, date and place a hearing shall be held by the District Board upon the question of the proposed modifications, changes or amendments and time schedule for compliance, which date shall not be not less than ten (10) days after giving such notice.

(C) If the General Manager determines that non-compliance with the requirements of the Code or other requirements of law has created a condition which constitutes an emergency, the permit is subject to modification, amendment, or other change by the General Manager without prior written notice.

(06) Non-assignability of Wastewater Discharge Permit.

Wastewater Discharge Permits shall be personal to each permittee, and shall relate only to the use or operation described therein. No person shall, and it shall be unlawful to, assign, reassign, transfer, sell, lease, sublet, or otherwise transfer a Wastewater Discharge Permit, or any interest therein, to another person or to use, cause to be used, or permit to be used, such permit in connection with different premises, or a different operation than that specified in such permit, or with a new, expanded, or modified operation.

(07) Monitoring Facilities.

The General Manager may require a customer to construct, operate, and maintain, at the customer's own expense, monitoring, sampling, or metering facilities or other equipment to allow inspection, sampling, and flow measurement of the customer's building sewer, or internal drainage systems, or waste or wastewater discharges. Such monitoring, sampling, or metering facilities or equipment shall be located on the customer's

premises; provided, however, that the General Manager may allow such equipment or facility to be constructed upon public property adjacent to the customer's premises upon a determination by the General Manager that location of such equipment or facilities upon the customer's premises would be impracticable or cause unnecessary or undue hardship. In the event that the General Manager makes the foregoing determination, and the public property upon which such facilities or equipment are proposed to be constructed or installed is outside the District, the customer shall obtain permission for such installation or construction, and for the maintenance and operation of such facilities or equipment, from the government agency having jurisdiction over such public property. Monitoring, sampling, or metering facilities or equipment to be provided, installed, maintained and operated pursuant to the provisions of this Section shall be so situated and constructed and installed as to permit safe and immediate access thereto by the General Manager; provided, however, that the General Manager may, at the option of the customer, secure such equipment or facilities with a lock furnished by the General Manager, at the expense of the customer. The customer shall provide sufficient space, as determined by the General Manager, at or near such equipment or facilities so as to allow ready and accurate monitoring, sampling, and composition of samples for analysis. Such equipment and facilities, and the sampling and measuring equipment to be maintained and operated in connection there-with, shall be so maintained and operated at all times in a safe and proper condition, by and at the expense of the customer.

Monitoring, sampling or metering equipment or facilities to be furnished pursuant to the provisions of this Section shall be provided in accordance with all reasonable requirements of the General Manager and all applicable construction standards and specifications of the District, or the government jurisdiction wherein such equipment or facilities are located. Installation and construction of such facilities or equipment shall be completed within ninety (90) days following written notification requiring such installation or construction from the General Manager provided, however, that the General Manager may, at his discretion, extend the time of performance of such installation or construction.

(08) Inspection and Sampling.

The General Manager is hereby authorized to inspect the premises of any customer at all reasonable times to ascertain whether the provisions of this Code or the provisions of any permit issued pursuant to this Code are being complied with. Owners or occupants of premises where wastewater is created, held or discharged shall allow the General Manager ready access at all such reasonable times to all parts of the premises for the purposes of inspection, sampling, monitoring, or performing any or all of the duties reasonably necessary or appropriate in carrying out or enforcing the provisions of this Code or any permit issued pursuant to this Code. The General Manager shall further have the right to install and use on the customer's premises such devices as are reasonably necessary or appropriate to conduct sampling, metering, or monitoring operations or other of the aforesaid duties. In the event a customer has established security measures requiring identification and clearance prior to entry onto such customer's premises, the customer shall furnish and provide such identification or clearance to the General Manager so as to permit ready access by the General Manager to the premises for the purposes described in this Section.

(09) Pretreatment.

Pretreatment of wastes or wastewater shall be furnished by every customer on the customer's premises when such waste or wastewater, prior to pretreatment, does not comply with the minimum acceptable requirements and criteria for discharge into the wastewater facilities as set forth in Article VI, Section 603 of this Code. Such pretreatment facilities shall be provided and maintained at the customer's expense, and shall be of sufficient design and capacity to pretreat waste or wastewater discharged from the premises into the wastewater facilities to a level meeting such minimum requirements, and such other requirements established by the General Manager and reasonably necessary or appropriate for the wastewater facilities to treat adequately such waste or wastewater under normal operating and treatment conditions.

(10) Protection Against Accidental Discharges.

Every customer shall provide protective measures against accidental or unauthorized discharges for prohibited wastes, wastewater constituents or characteristics, or volumes into the wastewater facilities as set forth in Article VI, Section 603 of this Code, or as may be otherwise set forth in any permit issued pursuant to this Code. Such measures shall consist of operational or other procedures and/or facilities as determined reasonably necessary or appropriate by the General Manager. All costs of such measures shall be borne by the customer.

The General Manager may specify standard procedures and/or facilities for each classification of customer, and, to the extent so specified, he is hereby authorized and directed to require the institution and use of such procedures, and the installation and construction of such facilities for each such classification. Alternatively, the General Manager may require any customer to propose such procedures and/or facilities, which proposals shall be submitted to the General Manager for review, with such supporting plans, specifications, data, explanations, or other matters as may reasonably be required by the General Manager in order to ascertain the effectiveness of the procedures and/or facilities proposed. The General Manager may require such revisions, amendments, modifications, or other changes to such proposals, or approve, or reject the same, as the General Manager deems reasonably necessary or appropriate in order that such proposals ensure protection against accidental or unauthorized discharge.

(11) Public Information.

All information and data furnished by, or regarding the operations of, a customer obtained from reports, questionnaires, permit applications, permits, monitoring programs, inspections, or from other sources provided or required under the provisions of this code shall be available to the public or other government agencies without restriction unless the customer requests in writing that such information be maintained confidential, and establishes to the satisfaction of the General Manager that the disclosure of the information to other persons would result in unfair competitive disadvantage to the customer; provided, however, that in no event shall wastewater constituents, characteristics, or volumes be deemed confidential information.

Notwithstanding the foregoing, information approved by the General Manager as confidential shall be available for use by the District, the Authority, the State, the Federal government, or any agency of said entities, in connection with enforcement proceedings, or any judicial proceedings to which the customer is a party. Subject to the foregoing, information accepted by the General Manager as confidential shall not be transmitted to any government agency, or to the general public by the General Manager until and unless prior written notification is given to the customer.

(12) Special Agreements.

The provisions of this Code shall not be deemed a limitation upon the District or Authority to enter into agreements, and to recover costs relating thereto, with any customer relating to treatment, pretreatment, or other matters in furtherance of the provisions of this Code and the purposes thereof, and not inconsistent therewith, when unique, unusual, or extraordinary circumstances require such special agreements; provided, however, that no such agreement shall authorize an extension of the final dates for compliance with required federal standards or waive such standards. [Amended by General Regulation No. 59]

(13) Notice to Affected Public Agencies.

No Wastewater Discharge Permit shall be issued, nor shall it become effective, until affected public agencies shall have been given an opportunity to review and comment upon the proposed permit in the manner set forth in this Subsection.

(A) An "affected public agency" within the meaning of this subsection (13) is the County of San Mateo and/or a City or Town having territory located in the District if the wastewater to be discharged under the proposed permit will be discharged in or conveyed through the territorial boundaries of the County, City or Town.

(B) Not less than ten (10) days prior to the date the Wastewater Discharge Permit is proposed to be issued and become effective, the General Manager shall give written notice thereof to any affected public agencies who have informed the District they desire to receive such notices. As a minimum, the written notice shall identify the applicant, the address of the applicant and the site of the proposed discharge, the nature of the uses to be made on the site, the wastewater constituents proposed to be discharged, and the conditions which the District intends to attach to the proposed permit.

(C) Any affected public agency may comment upon the proposed permit and may request changes to the conditions or that the permit not be issued. If the Manager agrees with the requests, the changed conditions shall be included in the permit or the permit shall not be issued, as the case may be. If the Manager does not concur with the request, the affected public agency or agencies may appeal the Manager's decision in accordance with the procedures set forth in Article HI, Section 1101. The permit shall not be issued, nor shall it become effective, until the appeal process has been concluded. [Amended by General Regulation No. 73]

SECTION 708. Private Wastewater System Permit.

A permit for a private wastewater system shall become effective upon signing by the General Manager. The permit shall provide the General Manager with the authority to inspect the work at any stage of construction and before any underground portions are covered.

SECTION 709. Extension of Sewer Permit.

The District Board may extend a sewer permit beyond its expiration date upon such terms as the District Board deems just and reasonable, and upon a showing of good cause for such extension by the applicant. The showing shall include proof that the applicant has exercised due diligence in pursuing the construction project.

SECTION 710. Payment of Permit Fees.

Permits authorized pursuant to the provisions of this Article shall be subject to reasonable terms and conditions determined necessary or appropriate by the General Manager in order to carry out the provisions of, and insure compliance with, this Code, or other requirements of law. No permit shall be issued until all applicable fees and charges, including inspection fees, and, if applicable, connection charges, established pursuant to this Code have first been paid (See Master Fee Schedule).

ARTICLE VIII

WASTEWATER VOLUME DETERMINATION

SECTION 800. General.

For the purposes of this Code unless otherwise provided pursuant to the conditions of this Article, wastewater volumes shall be determined upon the basis of volumes of fresh water, including all sources of non-wastewater, used by, or furnished to, a customer.

SECTION 801. Exceptions - Metering.

Upon application of a customer, and upon a finding by the General Manager that a significant portion of fresh water or non-wastewater, received by the customer from any meter source does not flow into the wastewater facilities because of the principal activity of the customer, or other significant diversion of water use, or by reason of removal of wastewater by other means, the General Manager may authorize determination of the volume of wastewater discharge to be made by an appropriate metering device. Upon such determination by the General Manager, a metering device, of a type approved by the General Manager, and at a location approved by the General Manager, shall be installed at the customer's expense. Such metering device shall measure either the amount of wastewater discharged into the wastewater facilities, or the amount of fresh water or non-wastewater diverted from the wastewater facility. Upon installation, such meters shall be maintained and tested periodically for accuracy in accordance with requirements established by the General Manager, all of which maintenance and testing shall be at the expense of the customer.

SECTION 802. Exceptions - Estimated Volume.

In lieu of use of a metering device as specified in the previous section, and upon a determination by the General Manager that it would be unnecessary or impractical to install, maintain, or operate such metering device, wastewater volume discharged by a customer into the wastewater facilities may be based upon an estimate thereof determined by the General Manager. The determination of such estimated wastewater volume shall be based upon such factors as the number of fixtures through which wastewater flows into the sewerage facilities from the customer's premises, seating capacity of buildings or improvements upon the premises, the population equivalent associated with the premises, annual production of goods and services related to the premises, or other factors reasonably relating to water use, wastewater volume calculations and/or diversions of wastewater flow from wastewater facilities.

SECTION 803. Exceptions - Permit Required.

Permission for calculation or wastewater volumes to be determined in accordance with the provisions of the previous Sections (801 and (802) shall only be granted by a permit issued by the General Manager or as a provision of such other permit as may be required or provided under this Code. In the event such permission is granted pursuant to a separate permit, applications therefor shall be in writing in such form as the General Manager shall require, and shall set forth the following:

- (A) The name and address of the applicant;
- (B) The location, or other description of the premises served by the wastewater facilities and for which such calculation is proposed to be made;
- (C) Reasons supporting use of a metering device or calculation or estimated volumes, as appropriate; and
- (D) Such data, statistics, or other information deemed necessary or appropriate by the General Manager to enable him to make the findings or determination specified in the two previous Sections (801) and (802), as appropriate.

ARTICLE IX

FEES, RATES, AND CHARGES

SECTION 900. Sewer Service Charge.

(01) Purpose of Sewer Service Charge.

The purpose of the sewer service charge is to raise revenue for the costs of maintenance, operation, construction, and reconstruction of the District's wastewater facilities used for the collection, conveyance, treatment, [reclamation](#), and disposal of wastewater, including the District's share of the cost of construction, operation, and maintenance of the Silicon Valley Clean Water [and the Bayfront Recycled Water wastewater](#) facilities, and for other expenditures deemed necessary by the District Board in order to conduct the business of the District, except to the extent prohibited by Sections 5471 and 6520.5 of the Health and Safety Code of the State of California.

(02) Basis of Charge.

The basis of the sewer service charge is the establishment of a flat rate for the residential customers and a unit cost per hundred cubic feet for non-residential customers, computed to reflect costs of collection, treatment, [reclamation](#), and disposal of sewage. In no event shall any customer be charged less than the residential customer flat [sewer service](#) rate charge.

(03) Residential Customers Sewer Service Charge.

(A) Residential Customers Rate.

The flat rate sewer service charge for fiscal year July 1, 2024 through June 30, 2025 for residential customers shall be One Thousand Three Hundred Seventy-One dollars and no cents (\$1,371.00) per Single Family Residence.

The flat rate sewer service charge for fiscal year July 1, 2025 through June 30, 2026 for residential customers shall be One Thousand Four Hundred Forty dollars and no cents (\$1,440.00) per Single Family Residence.

The flat rate sewer service charge for fiscal year July 1, 2026 through June 30, 2027 for residential customers shall be One Thousand Five Hundred Twelve dollars and no cents (\$1,512.00) per Single Family Residence.

(B) Septic Tank Effluent Pumping System and Grinder Pump System (STEP/Grinder System) Residential Customers Rate included in the On-Site Wastewater Disposal Zone (OWDZ).

The sewer service charge for residential customers served by a STEP/Grinder System for fiscal year July 1, 2024 through June 30, 2025 shall be Two Thousand Three Hundred Thirty-Seven Dollars and no cents (\$2,337.00) per Single Family Residence.

The sewer service charge for residential customers served by a STEP/Grinder System for fiscal year July 1, 2026 through June 30, 2026 shall be Two Thousand Four Hundred Fifty-Four Dollars and no cents (\$2,454.00) per Single Family Residence.

The sewer service charge for residential customers served by a STEP/Grinder System for fiscal year July 1, 2026 through June 30, 2027 shall be Two Thousand Five Hundred Seventy-Seven Dollars and no cents (\$2,577.00) per Single Family Residence.

(04) Non-Residential Customer Sewer Service Charge.

in the non-residential category for fiscal year July 1, 2024 through June 30, 2025 shall be computed on the basis of:

(1) A flow rate charge of \$8.15 per hundred cubic feet of metered water consumption in accordance with the formula set forth for non-residential customers, **PROVIDED** that District may make adjustments where it appears to District that water consumption is not a reasonably accurate measure of wastewater discharge.

(2) A biochemical oxygen demand rate of \$1.44 per pound per hundred cubic feet of water consumption; and,

(3) A suspended solids loading rate of \$1.64 per pound per hundred cubic feet of water consumption.

(B) The rates for customers in the non-residential category for fiscal year July 1, 2025 through June 30, 2026 shall be computed on the basis of:

(1) A flow rate charge of \$8.56 per hundred cubic feet of metered water consumption in accordance with the formula set forth for non-residential customers, **PROVIDED** that District may make adjustments where it appears to District that water consumption is not a reasonably accurate measure of wastewater discharge.

(2) A biochemical oxygen demand rate of \$1.51 per pound per hundred cubic feet of water consumption; and,

(3) A suspended solids loading rate of \$1.72 per pound per hundred cubic feet of water consumption.

(C) The rates for customers in the non-residential category for fiscal year July 1, 2026 through June 30, 2027 shall be computed on the basis of:

(1) A flow rate charge of \$8.99 per hundred cubic feet of metered water consumption in accordance with the formula set forth for non-residential customers, **PROVIDED** that District may make adjustments where it appears to District that water consumption is not a reasonably accurate measure of wastewater discharge.

(2) A biochemical oxygen demand rate of \$1.59 per pound per hundred cubic feet of water consumption; and,

(3) A suspended solids loading rate of \$1.81 per pound per hundred cubic feet of water consumption.

(D) STEP/Grinder System Non-Residential Customer Rate (Non-Residential Customers included in the On-Site Wastewater Disposal Zone – OWDZ).

The sewer service charge for non-residential customers served by a Septic Tank Effluent Pumping System or Grinder Pump System for fiscal year July 1, 2024 through June 30, 2025 shall be Two Thousand Three Hundred Thirty-Seven Dollars and no cents (\$2,337.00) for each 200 gallons per day, average annual daily flow rate, discharged to the District's sewer system.

The sewer service charge for non-residential customers served by a Septic Tank Effluent Pumping System or Grinder Pump System for fiscal year July 1, 2025 through June 30, 2026 shall be Two Thousand Four Hundred Fifty-Four Dollars and no cents (\$2,454.00) for each 200 gallons per day, average annual daily flow rate, discharged to the District's sewer system.

The sewer service charge for non-residential customers served by a Septic Tank Effluent Pumping System or Grinder Pump System for fiscal year July 1, 2026 through June 30, 2027 shall be Two Thousand Five

Hundred Seventy-Seven Dollars and no cents (\$2,577.00) for each 200 gallons per day, average annual daily flow rate, discharged to the District's sewer system.

Section 3.

In accordance with the California Environmental Quality Act ("CEQA") Public Resources Code Sec. 2100 et seq., and the regulations promulgated pursuant to CEQA, the District Board finds that this Regulation establishes rates and/or charges for the purpose of meeting operating expenses of the District, meeting financial reserves needs and requirements of the District, and obtaining funds for capital projects which are necessary to maintain services within existing sewer service areas in the District.

(05) Non-Residential - Added Provisions.

The following are additional provisions applicable to the computation of the sewer service charge for non-residential customers:

(A) In no event shall the non-residential sewer service charge be less than the flat rate sewer service charge for residential customers.

(B) The period used in determining the total of metered water consumption shall be the preceding calendar year or such other period as, in the opinion of the General Manager, is representative of water consumption.

(C) Upon application from customers maintaining extensive irrigated landscaping or where it can be conclusively established that the metered water consumption is not a valid measure of the quantity of wastewater discharged, the quantity to be used in determining the yearly rate shall be determined by the General Manager.

(D) The District or the customer may require the installation of District-approved recording and sampling devices or sewage meters on the premises for use by the District at the customer's expense. Such devices or meters shall be available for inspection at any reasonable time. Recording devices shall be capable of recording instantaneous and accumulated flows, and sampling devices shall be automatic and capable of 24-hour storage and maintenance of temperature between 30 degrees and 40 degrees Fahrenheit and have a five-gallon capacity as approved by the General Manager. The customer shall be responsible for the maintenance, repair and replacement of all sampling or recording devices and equipment.

(06) Adjustments and Reimbursements.

It is the intent of the District Board, to establish different sewer service charges for different categories of customers, that reflect the proportional cost of the sewer service attributable to the premises or parcel, based upon the type of use of the premises or parcel. If, in respect to any customer the District Board should find that the charge is inequitable or unfair because of unusual circumstances, it may establish a special service charge for such customer, differing from those otherwise established, which will bear a closer relationship to the proportional cost of sewer service. Such special charge may be established by resolution or agreement but may be revoked at any time by the District Board whenever it finds that continuation thereof would be inequitable or unfair under the circumstances then prevailing.

Requests for a different basis of charges shall be applied for, in writing, and shall state with particularity the unusual circumstances which the applicant believes justifies a different basis of charges for the premises in question. The application shall be submitted to the General Manager and shall be considered and a determination made thereon by the District Board and shall be effective as of the date of such application and continuing during the period of such special circumstances.

When a refund becomes due and owing by virtue of action of the District Board or by virtue of any error made in ascertaining the charge applicable to any customer, the General Manager is authorized to pay such monies from the specific fund established for the deposit of sewer service charges.

(07) Vacancy.

No credit, adjustment or refund shall be made to any customer because the premises or any part thereof are vacant, unless said premises are disconnected from the sewer system.

(08) Effective Date of Charges.

(A) Charges and rates established by this Section and subsequent amendments, as required, shall be effective upon the date specified by the District Board and shall apply to all premises then connected or then discharging directly or indirectly any wastewater and/or industrial waste into said system.

(B) Notwithstanding the foregoing provisions of this Section or other provisions of this Code, no service charge shall be due or paid for building or dwelling which is newly constructed until such building or dwelling is connected to the sewer system.

(09) Person Responsible.

The owner of any premises is and shall be responsible for payment of any and all sewer service charges applicable to said premises. It shall be and is hereby made the duty of each such owner to ascertain from the General Manager the amount and due date of any such charge applicable to said premises and to pay such charge when due and payable. It also shall be and is hereby made the duty of all owners of all premises to inform the General Manager immediately of all circumstances, and of any change or changes in any circumstances, which will in any way affect the applicability of any charge to said premises or the amount of any such charge.

(10) Collection of Sewer Service Charges on Tax Roll.

(A) Pursuant to the provisions of Division 5, Part 3, Chapter 6, Article 4, of the Health and Safety Code of the State of California, subject to the provisions of this Section, the District hereby elects, as the procedure for the collection of sewer service and use charges prescribed or imposed by the provisions of this Section, to have all such sewer service charges for each fiscal year collected on the tax roll of the County of San Mateo in the same manner, by the same persons and at the same time as property taxes, assessments and other charges collected thereon.

(B) The General Manager shall prepare and file with the District Secretary on or before the 15th day of July of each year written report containing a description of each and every parcel of real property receiving sewer service and facilities and subject to the sewer service charge established by this Section and the amount of the service charges for each parcel for the then current fiscal year, computed in conformity with the charges prescribed by the provisions of this Section. The parcels of real property included in said report may be described by reference to maps prepared in accordance with Section 327 of the Revenue and Taxation Code of the State of California and on file in the office of the County Assessor of San Mateo County, California, or by reference to plats or maps on file in the office of the District.

(C) The District Secretary shall cause notice of the filing of said report and of a time and place of hearing thereon to be published prior to the date set for hearing in a newspaper of general circulation published within the District. The publication of said notice shall be once a week for two successive weeks. Publications shall be made with at least five days intervening between the respective publication dates not counting such publication dates. A minimum of two public notices shall be published in a newspaper circulated more often than once a week. In newspapers that circulate once a week, the public notice shall be published in each circulation for two successive weeks. The period of notice commences upon the first day of publication and terminates at the end of the 14th day, including therein the first day.

(D) At the time stated in the above-mentioned notice, the District Board shall hear and consider all objections or protests, if any, to said report referred to in said notice and may continue the hearing from time to time. If the District Board finds that protest is made by owners of a majority of separate parcels of property described

in the report, then the report shall not be adopted, and the charges shall be collected separately from the tax roll and shall not constitute a lien against any parcel or parcels of land.

(E) Upon the conclusion of the hearing, the District Board may adopt, revise, change, reduce or modify any charge or overrule any or all objections, excepting objections from a majority as described above in sub-section (10) (D), and shall make its determination upon each charge as described in said report, which determination shall be final.

(F) On or before the 31st day of August of each year following such final determination, the District Secretary shall file with the Controller of the County of San Mateo a copy of said report with a statement endorsed thereon over his signature that the report has been finally adopted by the District Board in order that the Controller of the County of San Mateo shall be able to enter the amounts of the charges against the respective lots or parcels of land as they appear on the current assessment roll and in order that such charges may be collected on the tax roll in accordance with the provisions of Sections 5473.5 through 5473.11 of the Health and Safety Code of the State of California. [Amended by General Regulation No. 75.]

(G) Except as provided in Section 5473.8 of the Health and Safety Code of the State of California, the amount of the charges shall constitute a lien against the lot or parcel of land against which the charge has been imposed as of the date prescribed by law as the lien date for property taxes.

(11) Omission From Collection on Tax Roll - Direct Billing.

If the full amount of sewer service charges for premises connected to or discharging wastewater into the District sewer system are, for any reason, not collected in accordance with the provisions of sub-section (10) above, the sewer service charges, or the portion thereof not appearing on the tax rolls, for such premises shall be collected by direct billing of the property owner.

(A) Billing. The General Manager shall ascertain the amount of each sewer service charge applicable to such premises and shall mail to the owner and/or owner and lessee thereof, within Sixty (60) days from and after the date any sewer service charges become due and payable, a bill for the sewer service charges which are then due and payable. Such bill shall be mailed to the person or persons listed as the owners on the last equalized assessment roll of the County of San Mateo at the address shown on such assessment roll, or to the successor in interest and/or to the lessee of such owner, if the name and address of such successor in interest or lessee is known to the General Manager. Each bill so mailed shall contain a statement that a delinquency in payment for sixty (60) days shall constitute a lien against the lot or parcel against which the charge is imposed and that when recorded it shall have the force, effect and priority of a judgement lien three (3) years unless sooner released or otherwise discharged. Failure of the General Manager to mail any such bill or failure of any owner to receive any such bill, shall not excuse the owner of any premises from the obligation of paying any sewer service charge for any premises owned by him.

(B) Due Date of Sewer Service Charges. All sewer service charges shall be due and payable on November 1st of each year. At the customer's option, sewer service charges may be paid in two equal installments with the first installment being due and payable on November 1st and the second installment being due and payable on February 1st of the following year so that both payments are made within the same fiscal year.

(C) Delinquency Date of Sewer Service Charges. Each sewer service charge shall be delinquent if not paid on or before the tenth (10th) day of the month following the date upon which such sewer service charge became due and payable.

(D) Where Payable. Sewer service charges collected by direct billing shall be payable at the administrative offices of the District, or as noted on the billing.

(E) Penalties for Non-Payment of Sewer Service Charges-Lien. Whenever a delinquency shall occur for non-payment of sewer service charges, a penalty of ten (10) percent shall attach to such charges, and for each month that such charges remain delinquent a further penalty of one and one-half percent (1-1/2 percent of said basic charge shall be added. [Amended by General Regulation No.74.]

SECTION 901. Sewer Connection Charges.

(01) Purpose of Sewer Connection Charge.

The purpose of the sewer connection charge is to equalize the cost of acquisition, construction, and installation of the District's facilities by the District so that each resident or property owner pays his/her proportionate share of such costs.

(02) Basis of Charge.

No connection shall be made to any public sewer, or to any sewer flowing into a public sewer within the District, until there shall be paid to the District a sewer connection charge, such charge to be in addition to charges for permits, inspections or the requirements of any other rule or regulation of the District. The connection charge shall be paid at the time the application for a Class 1 or Class 2 sewer permit is filed.

The estimate of the average volume of wastewater discharge in gallons per day for any proposed use shall be made by the General Manager. Any applicant for connection dissatisfied with the average daily volume estimated by the General Manager may appeal such determination to the District Board, who shall conduct a hearing thereon and establish connection charge to be paid by the applicant.

(03) Charges by Type of Connection.

The connection fees shown below shall be assessed each new applicant for wastewater service. In the event that a parcel will have combined residential and non-residential uses, the residential connection fee shall be applied to each living unit and the non-residential connection fee shall be applied to the non-residential uses. In no event shall a connection fee be less than the residential connection fee. A separate meter serving the non-residential premises shall be required for annual user charge assessments.

Connection Fee Dollars	District
Residential Unit (includes 30 gpd lateral I/I) Minimum per EDU 200 Gallons Per Day (GPD)	\$8,608.00
Supplementary Connection Fee (a) (equivalent to 30 gpd lateral I/I)	\$1,291.20
Non-Residential Use (b) Equal or Less than 300 mg/l Biological Oxygen Demand (BOD) or Suspended Solids (SS) *per supplementary connection (a)	\$43.04/gpd +\$1,291.20*
Greater than 300 mg/l BOD or SS *per supplementary connection (a)	\$36.28/gpd + \$6.76/gpd x strength ratio (c) + \$1,291.20*

(a) * The connection fee for a supplementary connection(s) to the same building shall be \$1,291.20 per connection. [Amended by General Regulation No.2022-02]

(b) Non-Residential Use connection fees are calculated using average daily flow in gpd. Minimum Non-Residential Use is based on 300 gpd of average daily flow. In no event shall the Non-

Residential Use connection fee be less than the Residential connection fee of \$8,608.00.
Example: A Non-Residential Use connection with 300 gpd of average daily flow and 300 mg/l of BOD or SS would pay the following:

$$\$43.04/\text{gpd} \times 300 \text{ gpd} = \$12,912.00$$

- (c) The strength ratio component for Non-Residential Use with BOD and/or SS concentrations greater than 300 mg/l, is calculated by the ratio of the highest of the BOD or SS concentrations to 300 mg/l. Example: A Non-Residential Use connection with 300 gpd of average daily flow and 400 mg/l of BOD and 350 mg/l of SS would pay the following:

$$\$36.28/\text{gpd} \times 300 \text{ gpd} + (\$6.76/\text{gpd} \times 300 \text{ gpd} \times (400 \text{ mg/l} \div 300 \text{ mg/l})) = \$13,588.00$$

Connection fees will be adjusted annually, July 1 of each year, by the Annual Percentage Change of the Engineering News Record Construction Cost Index for San Francisco. The Annual Percentage Change shall be calculated as: the December Value for the current fiscal year, minus the December Value for the prior fiscal year, and the result of which shall be divided by the December Value for the prior fiscal year.

Accessory Dwelling Unit

Pursuant to Section 65852.2 of the California Government Code the District will charge an Accessory Dwelling Unit Connection Fee based on the number of plumbing fixture units (FU). District establishes 20 FU's per EDU (equivalent dwelling unit) as the basis for charging accessory dwellings for an existing customer. The connection fee would be \$430.40 multiplied times the number of fixture units in the accessory dwelling unit to charge a connection for the accessory dwelling unit.

Formula Assumptions:

#1 - District Connection Fee charge per EDU = \$8,608.00, the charge per fixture unit would be \$430.40 per FU (\$8,608.00 divided by 20 FU).

#2 - \$430.40 per FU per FU (\$8,608.00 divided by 20 FU).

Example: An accessory dwelling for an existing customer with 15 fixture units would be charged a connection fee of \$6,456.00 (15 x \$430.40).

(04) Persons Responsible.

The owner of any premises is and shall be responsible for payment of all connection charges applicable to said premises. It shall be and is hereby made the duty of each property owner to ascertain from the General Manager the amount and due date of any connection charge applicable to said property and to pay said charge when due and payable. Each property owner shall be responsible to inform the General Manager, in a reasonable amount of time of any change or changes in any circumstances which will in any way affect applicability, or amount of any such charge.

(05) Increased Use of Sewers.

(A) In the event increased use is or will be made of the sewer, and the actual, calculated, or estimated volume of wastewater discharge exceeds or will exceed the volume of wastewater discharge the premises are entitled to discharge, an additional sewer connection charge shall be paid. The additional sewer connection charge shall be calculated by subtracting the wastewater discharge entitlement assigned to the parcel from the actual, calculated or estimated volume of wastewater discharge, measured in gallons per day, average daily flow and multiplying the remainder by the non-residential connection charge rate. The wastewater discharge entitlement is determined by the base year wastewater discharge, which is the average daily discharge from the property in 1974 OR the wastewater discharge for which a connection charge has been

paid, whichever is higher. The maximum allowable volume of wastewater discharge shall be increased through payment of additional sewer connection charges.

(B) In those instances where an increased use has been made without written notice by the customer to the District, the additional connection charge shall be computed at the rate in effect under this Code on the date the additional charge is levied. The General Manager shall ascertain the amount of each additional connection charge applicable to each premise in the District and shall mail to the property owner of each applicable premise a statement for the additional connection charge which is due and payable. Such statement shall be mailed to the person or persons listed as the property owner on the last equalized assessment roll of the County of San Mateo at the address shown on such assessment roll, or to the successor in interest of such owner, if the name and address of such successor in interest is known to the General Manager. Each bill so mailed shall contain a statement that a delinquency in payment for Sixty (60) days shall constitute a lien against the lot or parcel against which the charge is imposed and that when recorded it shall have the force, effect and priority of a judgment lien for three (3) years unless sooner released or otherwise discharged. Failure of the General Manager to mail said statement, or failure of any property owner to receive said statement, shall not excuse the obligation of paying said additional connection charge. [Amended by General Regulation No. 75.]

(C) In the event a customer has previously notified the District in writing of an increased use, the additional connection charge shall be computed at the rate in effect on the date such written notice was received by the District. The General Manager shall ascertain the amount of the additional connection charge applicable to the premises and shall mail to the property owner of the premises a statement for the additional connection charge which is due and payable. Such statement shall be mailed to the person or persons listed as the property owner on the last equalized assessment roll of the County of San Mateo at the address shown on such assessment roll, or to the successor in interest of such owner, if the name and address of such successor in interest is known to the General Manager. Failure of the General Manager to mail said statement, or failure of any property owner to receive said statement, shall not excuse the obligation of paying said additional connection charge.

(D) Penalties for Non-Payment of Additional Connection Charges. Whenever a delinquency shall occur for non-payment of additional connection charges, a penalty of ten (10) percent shall attach to such charges, and for each month that such charges remain delinquent a further penalty of one and one-half percent (1-1/2 percent) of said basic charge shall be added. [Amended by General Regulation No. 75.]

(E) Where payable. Additional connection charges collected by direct billing shall be payable at the administrative offices of the District, or as noted on the billing. [Amended by General Regulation No. 75.]

(06) Repurchase of Capacity.

(A) In the event the property owner notifies the General Manager within 2 years of payment of a sewer connection charge for a use proposed to be made that it appears either that such use will not be made or will create less volume of wastewater discharge than anticipated, the General Manager may re-compute the sewer connection charge and refund to the payer ninety percent (90%) of the difference between the sewer connection charge paid and the recomputed charge. [Amended by General Regulation No. 66.]

(07) Administration of Connection Charges.

(A) The sewer connection charge rate may be revised only by an amendment to this Code approved by a two-thirds vote of the members of the District Board.

(B) The amount of connection charges for all classifications of connections shall be reviewed at least once each fiscal year. [Amended by General Regulation No. 66.]

SECTION 902. Reclaimed Water Connection Charges.

(01) Purpose of Reclaimed Water Connection Charge.

The purpose of the reclaimed water connection charge is to equalize the cost of acquisition, construction, and installation of the District's reclaimed water facilities by the District so that each property owner pays its proportionate share of such costs based on the allotted reclaimed water usage capacity assigned to such property. Charges and rates established by this Section and subsequent amendments, as required, shall be effective upon the date specified by the District Board and shall apply to all premises then connected.

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(02) Upfront Contributions In Aid of Construction.

(A) The following charges have been adopted by the District Board for Customers who make upfront Contributions in Aid of Construction (CIAC)

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

Customers of reclaimed water projects will be charged for their proportionate use of the recycled water facilities based on the allocated reclaimed water usage capacity.

(032) Purchase of Capacity Post-Construction.

(A) Costs to connect to the District's reclaimed water system shall increase with each stage of the Bayfront Recycled Water Facility project. Subsequent customers who do not make CIAC will be charged, in lieu of a one-time upfront capital payment, in an amount to be established by the Board of Directors (including interest), an appropriate connection fee and will share in the on-going O&M costs. Appropriate O&M charges will be established after a rate study for such charges is performed.

SECTION ~~902~~903. Permit and Inspection Fees.

(01) Class 1,2, 3, 4, 5 and 6 Permits.

- (A) Class 1 Sewer Permits for service to residential structures;
- (B) Class 2 Sewer Permit for service to non-residential structures;
- (C) Class 3 Sewer Permit for construction of sewer mains, pumping stations and other wastewater facilities. The inspection fee for a Class 3 sewer permit shall be paid as covered under subsection (03) Excess Expenses, below;
- (D) Class 4A Sewer Disconnection Permit for Permanent Disconnection; and
- (E) Class 4B Sewer Disconnection Permit for Temporary Disconnection.
- (F) Class 5 STEP and Grinder Systems
- (G) Class 6 Encroachments (Public Sewer and Facilities Access)

(02) Non-Routine Wastewater Discharge Permits.

Fees, in amounts established by the Board of Directors, shall be imposed upon and collected from applicants and customers of the wastewater facilities to defray the costs of processing and issuing the following Non-Routine Wastewater Discharge Permits or performing the following services:

- (A) Mandatory wastewater discharge permit.
- (B) Determination and approval of metered wastewater volumes, and metered volume permit.
- (C) Determination and approval of use of estimated wastewater volume, and estimated volume permit.
- (D) Private wastewater disposal permit.
- (E) Review of proposals for protection against accidental discharges.
- (F) Discharge report review. [Amended by General Regulation No. 78.] Service or work which is expressly or impliedly required to be performed by the District pursuant to the provisions of this Code, the payment for which is not otherwise provided for herein, shall be paid in advance of the performance of such services or work in an amount equal to the estimated cost to the District thereof. Upon performance of such services or work, and upon the calculation of the actual costs thereof, sums deposited in excess of such actual costs shall be refunded or additional charges equal to the amount by which the actual cost exceeds the estimated cost shall be paid.

The foregoing fees and charges shall be paid at the time the application for the work to which they pertain is made or requested or upon receipt of billing for excess expenses. No application shall be processed, nor work performed, without said fees or charges having first been paid. These fees and charges shall be in addition to fees, charges, or expenses payable pursuant to other provisions of this Code.

(03) Excess Expenses.

In addition to the permit fees, the applicant shall pay to the District all costs and expenses in excess of said fees which have been borne by the District to examine application or plans and inspect construction, and to test, sample and/or monitor wastewater discharge, said costs to be determined by the District.

In accordance with the California Environmental Quality Act ("CEQA") Public Resources Code Sec. 2100 et seq., and the regulations promulgated pursuant to CEQA, the District Board finds that this Regulation establishes fees for the purpose of meeting operating expense of the District. [Amended by General Regulation No. 78.]

SECTION ~~903904~~. Sewer Relocation Charge.

(01) Imposition of Charge.

A sewer relocation charge shall be imposed by the District whenever all of the following conditions are found by the District Board to exist:

- (A) A governmental entity proposes to undertake a work of public improvement that will necessitate relocation, modification, or reconstruction of existing District wastewater facilities;
- (B) Except for the work of improvement, the wastewater facilities would not have required relocation, modification, or reconstruction at that time;

(C) The District will be required to pay to the governmental entity all or some part of the relocation, modification or reconstruction costs, or the District will be required to perform the relocation, modification or reconstruction of its facilities without reimbursement for all or some portion of the attendant costs; and

(D) The work of improvement is primarily for the benefit of some of the premises within the District's boundaries, and not primarily for the general benefit of all premises within the District.

(02) Effect of General Benefit.

If the Board makes all of the findings required by above Sub-section, it shall further determine to what extent, if any, there is some benefit to the District generally by reason of the relocation, modification, or reconstruction. To the extent the District Board determines that there is some general benefit to the District, that pro-rata share of the net cost, as defined in sub-section (04) below, shall be borne by the District from its general funds. In making the determination required by this Section, the Board shall consider all relevant factors including increased life of the wastewater facilities and benefits to wastewater facilities outside of the improvement project boundaries.

(03) Parcels Subject to Relocation Charge.

The relocation charge, other than that allocated to the District generally, shall be levied against all parcels within the boundaries of the improvement project which are either connected to or able to connect to the District's wastewater facilities. Determination of whether a parcel is able to connect to the District's waste water facilities is governed by Article VI of this Code. Those parcels which are unable to connect are exempt from the relocation charge. If the governmental entity which has undertaken the improvement project has not established boundaries for the project, the District Board shall set the boundaries based upon a determination of which premises are benefited by the improvement project.

(04) Determination of Net Cost.

The total amount to be allocated among the benefited premises as a relocation charge shall be the net cost to be borne by the District for all necessary expenses, after credit for any reimbursements to the District from sources other than the imposition of the relocation charge, and after credit for any grant funding to be received by the District. Necessary expenses include, without limitation: labor, material and equipment costs; fees for engineering, architectural, legal or other professional services; interest charges; bond or insurance premiums; and the like.

(05) Computation of Relocation Charge Payable by Each Premise.

The amount of the relocation charge to be imposed against each parcel shall be computed according to the following formula:

$$RC = \frac{PSC}{TSC} \times NDC$$

Where 'RC' is the relocation charge to be imposed against each premises; 'PSC' is the annual sewer service charge imposed by this Code and then in effect for the premises; 'TSC' is the total of all annual sewer service charges imposed on all benefited premises within the boundaries of the improvement project; and 'NDC' is the net District cost after taking into account any reduction by reason of the effect of a general benefit, pursuant to sub-section (02) above. In the event any premises are not presently subject to a sewer service charge, then in performing the computation, 'PSC' shall be the minimum annual sewer service charge rate, and 'TSC' shall be determined as if an annual minimum sewer service charge rate was in effect for the premises.

(06) Adoption of Resolution.

The imposition of a relocation charge pursuant to this Section shall be established by a Resolution of the District Board and approved by a two-thirds vote of its members. The Resolution shall set forth the following:

- (A) A schedule of the relocation charges to be imposed.
- (B) The description of all premises subject to the charge by Assessor's Parcel Number.
- (C) The provisions for payment and collection of the charge.
- (D) The time and place at which the District Board will hold a public hearing at which persons may appear and voice any and all objections they may have to the imposition of the charge.

(07) Use of Relocation Charge Revenue.

Except as prohibited by Section 5471 and 6520.5 of the Health and Safety Code of the State of California, revenues derived from the imposition of the relocation charge may be used for any lawful purpose as determined by the District Board.

SECTION 904905. Annexation Fees.

(01) State of California Fees.

All properties annexed to the District shall submit an annexation fee as established by resolution, plus any fees payable to the State of California for filing and processing fees, the amount of which is determined by the San Mateo County Local Agency Formation Commission (LAFCo) in accordance with applicable statutes of the State Board of Equalization. All applications shall submit, at the time of application, an application fee in an amount established by resolution of the Board, in addition to any other fees, charged by LAFCo or any other regulatory agency, that are required as a condition of proceeding.

(02) Additional Fees.

In addition to the State of California fees, new properties shall be required to pay all costs of collection facilities on the property, connection to the District's collection system, and any over-sizing of the District's collection system which may be required to convey the sewer discharge through the District's collection system to the Authority. [Amended by General Regulation No. 66.]

SECTION 905906. Solid Waste Collection and Disposal Charge.

The charges for solid waste collection and disposal shall be established and revised from time to time, by resolutions duly adopted and approved by the District Board in accordance with Article III of this Code.

SECTION 906907. Environmental Impact Report and Negative Declaration -Preparation of Review Fee.

A charge shall be imposed upon and collected from applicants to defray costs for the preparation or review by the District of any environmental documents including an Environmental Impact Statement (EIS), an Environmental Impact Report (EIR), a Negative Declaration, or other similar statement, report or study for any projects (as defined in the California Environmental Quality Act) undertaken by any person other than the District, according to the following methods:

- (01) If the preparation or review is made by District staff, the charge shall be the actual salary of District employees for the time necessary for the preparation or review, times 1.75.

(02) If the preparation or review is made by District consultants engaged by the District, the charge shall be the actual cost billed to the District by the consultants.

(03) Any other expenses incurred by the District for such preparation or review shall also be reimbursed by the applicant to the District.

ARTICLE X

ENFORCEMENT

SECTION 1000. Violation, Notification of Violation, Unauthorized Discharges

(a) Violators Subject to Enforcement Provisions

Any person who violates any ordinance, rule or regulation of the District, or who alters or tampers with sewer facilities so as to render the operation thereof inconsistent with the approved plans, specifications or conditions for such facilities, shall be subject to the enforcement provisions of this ordinance. Each day that a violation of an ordinance, rule, regulation or condition that deviates from such approved plans, specifications or condition continues shall constitute a separate and additional violation.

(b) Powers and Authority of Inspectors.

The General Manager and other duly authorized employees of the District bearing proper credentials and identification shall be permitted to enter upon all properties for the purpose of inspection, observation, measurement, sampling, and testing, in accordance with the provisions of this Code. The General Manager and other duly authorized employees are further empowered to ascertain the nature of such premises, the type of activities carried on therein, the number and type of plumbing fixtures situated therein, and any other facts and information reasonably necessary to carry out the provisions of this Code.

(c) Notification of Unauthorized Discharge.

Every customer shall notify the General Manager immediately upon discharging wastes or wastewater in violation of the provisions of this Code, or any permit issued pursuant to this Code. A customer, who discharges, causes to be discharged, or permits to be discharged such wastes or wastewater shall, within five (5) days of the occurrence thereof, submit a written report to the General Manager describing the cause or causes of such unauthorized discharge, and measures taken, or proposed to be taken, to prevent future similar occurrences. Such report shall not relieve any customer of liability for any expense, loss, or damage suffered or incurred by the District or the Authority directly or indirectly, by reason of such unauthorized discharge. Such report shall not relieve or absolve any person from civil liabilities, or imposition of civil or criminal penalties in any manner whatsoever.

(d) Notices to Employees Regarding Unauthorized Discharges.

Every non-domestic customer, every customer issued a mandatory wastewater discharge permit and every customer issued an optional wastewater discharge permit shall prominently post a notice on the customer's premises advising of the requirement to notify the General Manager of any unauthorized discharge, including the telephone number of the General Manager to be called in the event of such discharge. The General Manager may require any customer to inform and advise the customer's officers, agents, and employees of the provisions of this Code, or the provisions of any permit issued

pursuant to this Code, or of other requirements of law, or of any other information which may be of assistance in ensuring compliance with said Code, permit, or other requirements of law.

(e) Notice of Violation.

Whenever it is found that any person has violated, is violating, or is threatening to violate any District ordinance, rule or regulation, or any prohibition, limitation or requirement contained therein or in any sewer permit issued pursuant thereto, the District may serve upon such person a Notice of Violation stating the nature of the violation and providing a reasonable time, not to exceed thirty (30) days, for its satisfactory correction and the submission of an explanation of the circumstances giving rise to such violation. The Notice of Violation may set forth a compliance schedule with specific actions the user shall take in order to prevent or correct the violation. In addition, the Notice of Violation may require inspections or sampling and may impose other requirements deemed necessary. The Notice of Violation may also contain a statement that additional enforcement action may be pursued if corrective actions are not accomplished as scheduled.

(f) Extension of Time to Comply.

If the Manager receives a request from any person required to comply with a Notice of Violation, the Manager may grant an extension for any period of time to correct or remedy the violation if the Manager determines that such an extension of time will not create or perpetuate imminent danger to the public health and safety. The Manager shall have the authority to place reasonable conditions on such an extension.

SECTION 1001. Administrative Order.

In lieu of issuing a Notice of Violation under Section 1000, above, or, if a person does not take appropriate corrective action in response to a Notice of Violation issued under Section 1000, the Manager may issue an Administrative Order requiring immediate compliance with the terms of the District ordinance, rule, regulation, or permit or setting forth a compliance schedule with specific actions the user shall take in order to prevent or correct the violation. In addition, the Administrative Order may require inspections or sampling and may impose other requirements deemed necessary by the Manager. Prior to issuing such an Administrative Order, the Manager may, but shall not be required to, issue an order to show cause. Said order to show cause shall present the user with the facts demonstrating non-compliance and shall ask that the user show cause why the District should not institute formal enforcement action or discontinue sewer service.

SECTION 1002. Appeals From Notice Of Violation Or Administrative Order

Any person affected by a Notice of Violation or Administrative Order issued pursuant to Section 1000 or Section 1001 may file a written request for reconsideration or appeal the same pursuant to Section 1101.

SECTION 1003. Civil Penalties.

Any person who discharges pollutants, except in compliance with waste discharge requirements, or who violates any Administrative Order, prohibition, waste discharge requirement, effluent standard, water quality related effluent standard, federal standard or performance, pretreatment or toxicity standard or requirement, or who refuses to comply with the requirements adopted to control the discharge of pollutants, or who fails to comply with the conditions of their permit, or who alters a sewer system so as to render it out of compliance with plans and specifications approved by the District, or who fails to comply with any condition or requirement set forth in any District ordinance, rule or regulation, shall be subject to a civil penalty not to exceed one thousand dollars (\$1,000) for each such discharge, violation, refusal or failure to comply occurs. The District may utilize any mechanism authorized by law to impose, assess and recover any such civil penalty, including but not limited to petitioning the Superior Court to impose, assess and recover such civil penalty.

SECTION 1004. Administrative Penalties.

(a) Violators Subject To Administrative Penalties.

A person who violates any District ordinance, rule, regulation or permit, or who tampers with or alters any sewer facility constructed pursuant to a District-issued permit so as to render it out of compliance with plans and specification approved by or conditions imposed by the District shall be subject to an administrative penalty pursuant to this Section, in addition to any other remedy authorized by this Code or otherwise by law.

(b) Issuance of Administrative Complaint.

Prior to imposing such administrative penalties, the District shall issue an administrative complaint to the person the District alleges has violated a District ordinance, rule, regulation or permit, or who has tampered with or altered any sewer facility as set forth in subsection (a), above. The administrative complaint shall be served by personal delivery or certified mail, and shall inform the person served that a hearing shall be conducted within forty-five (45) days after the person has been served.

(c) Notice of Violation.

Where the alleged violation does not create an immediate danger to health or safety, the District shall, prior to imposing administrative penalties, first issue a Notice of Violation that gives the person responsible for a continuing violation a reasonable period of time to correct or remedy the violation.

(d) Hearing.

The hearing shall be before a hearing officer designated by the Board of Directors. The person who has been issued an administrative complaint may waive the right to a hearing, in which case the District shall not conduct a hearing. A person dissatisfied with the decision of the hearing office may appeal to the Board of Directors pursuant to Section 1101.

(e) Determination of Penalty; Schedule of Penalties.

If after the hearing, or appeal, if any, it is found that the person has violated a District ordinance, rule, regulation or permit, or has tampered with or altered any sewer facility as set forth in subsection (a), above, the hearing officer or Board of Directors may assess an administrative penalty against that person. In determining the amount of the administrative penalty, the hearing officer or Board of Directors shall take into consideration all relevant circumstances, including but not limited to the extent of the harm caused by the violation, the economic benefit derived through any noncompliance, the nature and persistence of the violation, the length of time over which the violation occurs and corrective action, if any attempted or taken by the discharger. Penalties imposed pursuant to this section shall not exceed the limits set forth in subdivision (d) (1) of Cal. Gov't Code, section 54740.5.

(f) The County of San Mateo, the District's Designee for Edible Food Recovery

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

SECTION 1005. Collection of Fines and Penalties.

(a) Remedies Cumulative.

Remedies for collecting and enforcing fines and penalties for violation of any ordinance set out in this Article are cumulative and any and all may be used alternatively, and none of the remedies are exclusive.

(b) Placed on Tax Bill.

Fines and penalties imposed pursuant to this Article may be added to and become part of the charges fixed by the District for services furnished to the property where the violation occurred if the property is owned, controlled, or in the possession of the same person who owned, controlled, or was in possession of it during the time the violation occurred. Fines and penalties may be collected in the same manner, by the same person, and at the same time together with the fees and charges levied by the District.

(c) Lien.

Fines and penalties added to a service charge are a lien on the subject property.

(d) Petition to Court.

Fines and penalties may be collected by an action in any court of competent jurisdiction against a person or persons who owned the property where the violation occurred, in addition to any other means of collection authorized by law.

SECTION 1006. Criminal Penalties.

(a) Violations of Ordinances, Rules or Regulations.

Any person who willfully or negligently discharges pollutants, except in compliance with wastewater discharge requirements, or who willfully or negligently violates any Administrative Order, prohibition, wastewater discharge requirement, effluent standard, water quality related effluent standard, Federal standard of performance, pretreatment or toxicity standard or requirement, or who fails to comply with the conditions of their permit, compliance schedule or any standard, condition or requirement set forth in any District ordinance, rule or regulation, or who tampers with any sewer facility so as to render such facility out of compliance with any District-approved plans, specifications or permit conditions, shall be punished by a fine of not more than one thousand dollars (\$1,000) for each day such violation occurs, or by imprisonment in the county jail for not more than thirty (30) days, or both.

(b) False Statements.

Any person who knowingly makes any false statement, representation, record, report, plan or other document filed with a Regional Water Quality Control Board or the State Water Resources Control Board, or who falsifies, tampers with or knowingly renders inaccurate any monitoring device or method required by the laws of the State of California shall be punished by a fine of not more than ten thousand dollars (\$10,000), or by imprisonment for not more than six (6) months, or both.

(c) Authority to Request Enforcement.

If the District believes a criminal offense has been committed hereunder, it may refer the matter to the District Attorney for prosecution. Nothing in this Code of Regulations shall limit the District's authority to request enforcement of Section 6523 of the California Health and Safety Code, which provides that a violation of a regulation of the District is a misdemeanor punishable by imprisonment in the County jail not to exceed thirty (30) days or by a fine not to exceed one thousand dollars (1,000) or by both.

SECTION 1007. Termination of Service.

In order to effect its powers and subject to the provisions of this Section, the District may terminate sanitary wastewater service to any premises from which wastes or wastewater have been discharged, are being discharged, or are threatened to be discharged in violation of any provision of this Code, or of any permit issued pursuant to this Code, or because of delinquency of any charge or fee assessed by the District, or of any other requirement of law.

Prior to termination of service, the District Board shall notify, in writing, the owner and tenant, if any, of such property that service is intended to be terminated, which notice shall state the date of proposed

termination of service, the reason(s) therefor, and the date, time and place a hearing shall be held by the District Board upon the question of the termination. Such notice shall be mailed to the owner at the address shown on the records of the assessor of the County of San Mateo or as known to the clerk, and a copy shall be delivered to the tenant or posted conspicuously on the property. Such hearing shall not be held less than 10 days subsequent to the giving of notice as herein described.

Any owner, the customer, the tenant, the alleged violator, the General Manager and any other person as the District Board may deem appropriate shall be heard at the hearing on the question of termination of service. The District Board shall determine such order as it deems appropriate under the circumstances and in furtherance of the purposes and intent of this Code.

Notwithstanding the foregoing, any unauthorized connection with or opening into the public sanitary wastewater system or appurtenance thereof may be abated by the General Manager without notice if, in the judgment of the General Manager, such unauthorized connection or opening poses an imminent threat of damage to the District's wastewater facilities or of injury to the public health, safety and welfare.

Notwithstanding the foregoing, any unauthorized connection with or opening into the public sanitary wastewater system or appurtenance thereof may be abated by the General Manager without notice if, in the judgment of the General Manager, such unauthorized connection or opening poses an imminent threat of damage to the District's wastewater facilities or of injury to the public health, safety and welfare.

In the event disconnection from the wastewater facilities would create a public hazard or nuisance, the General Manager or his representative may enter upon the premises for the purpose of doing such things as may be reasonably necessary to alleviate or remove such hazard or menace. The owner of such premises shall have a duty to reimburse the District for all expenses incurred by the District in disconnecting any such premises, or in doing other things authorized by this Section; and no reconnection shall be made until all such charges are paid

SECTION 1008. Revocation of Permit.

Subject to the procedure set forth in Section 1013, below, the District Board may revoke any permit issued pursuant to the provisions of this Code upon a determination by the District Board that:

The permittee has failed to report factually the wastewater constituents, characteristics, or volume of the permitted wastewater discharge;

The permittee has failed to report significant or substantial changes in the operations conducted upon the premises to which the permit pertains, or significant or substantial changes in wastewater constituents, characteristics, or volumes pertaining to said premises; or

The permittee has refused, or failed to permit, reasonable access to the premises to which the permit pertains; or

The permittee has violated, caused to be violated, or allowed to be violated, any term, condition, or provision of the permit.

SECTION 1009. Public Nuisance.

Any discharge or threatened discharge, or any condition which is in any manner in violation of the provisions of this Code, or of any permit issued pursuant to this Code of any order or directive of the General Manager authorized by this Code, shall be, and the same is hereby declared to be, unlawful and a public nuisance. Any person creating a public nuisance is guilty of a misdemeanor. In the event of a public nuisance, the Board may direct the District's counsel to commence an action for appropriate legal and/or equitable relief in the Superior Court, or may refer the matter to the District Attorney for prosecution. In such event and as a condition of reconnection or as a condition of continued sewer service, there shall be paid to the District, by the person in violation, a sum of money equal to reasonable attorney's fees, costs of suit and all other expenses reasonably occasioned to the District as a result of said violation. "All other expenses" mentioned above, shall include, but not be limited to, a return to the District of a reasonable charge for the payment of the time expended by District employees as a result of the violation.

SECTION 1010. Correction of Violations.

In order to enforce the provisions of any District ordinance, the District may correct any violation thereof. The cost of such correction (including, but not limited to, any fines or other costs imposed on the District by any Federal or State agency or court) shall be payable by the person violating the ordinance or by the owner or tenant of the property upon which the violation occurred. Such cost may be added to any sewer service charge payable in connection with the property. The District shall have such remedies for the collection of such costs as it has for the collection of sewer service charges, in addition to any other remedies provided for herein or by law.

SECTION 1011. Injunction.

Whenever a discharge of wastewater is in violation of the provisions of any District ordinance or otherwise causes or threatens to cause a condition of contamination, pollution, or nuisance, or in the case of non-discharge violations or other such non-compliance with a permit, compliance schedule or any standard, condition or requirement set forth in any District ordinance, rule or regulation, or in any case of tampering with any sewer facility so as to render such facility out of compliance with any District-approved plans, specifications or permit conditions, the District may petition the Superior Court for the issuance of a restraining order or a preliminary or permanent injunction, or any or all of these, as may be deemed appropriate by the General Manager.

SECTION 1012. District Abatement and Enforcement Expenses, Losses or Damages.

- (a) Any person violating any of the provisions of the ordinances, rules or regulations of the District, or any permit imposed pursuant thereto shall become liable to the District for each, every, any and all expenses, losses or damages occasioned by the District by reason of such violation. For the purposes of this provision, "expenses, losses or damages" shall include, but not be limited to, reasonable attorney's fees incurred by the District for negotiations, consultations, litigation or otherwise, and shall include

reimbursement to the District for the costs to it of the hours expended by the employees of the District by reason of such violation and all other costs and expenses so occasioned.

(b) The cost of abating a public nuisance and/or enforcing the Code shall be imposed as a special assessment and lien on the subject property or as a personal obligation of the owner of the subject property and/or the person responsible for creating, causing, committing, or maintaining the public nuisance or violating the Code. If there is more than one responsible party, each responsible party shall be jointly and severally liable for the costs. Costs incurred by the District are recoverable even if a public nuisance or Code is corrected by the property owner or other responsible party.

(c) A schedule of District abatement and enforcement expenses, losses, and damages shall be established by the Board of Directors.

(d) To collect abatement and enforcement costs under these procedures, the District shall invoice the noticed party for the costs incurred by the District, except that an invoice is not necessary for administrative citations and other fixed penalties where notice of the penalty and an opportunity for appeal of the underlying violation has been provided. The invoice shall notify the noticed party of the following:

(i) A description of the abatement or enforcement action taken by the District, (where applicable) a description of the property subject to the abatement or enforcement, and the total amount of the costs incurred by the District.

(ii) That, should the noticed party fail to pay the invoiced costs within thirty (30) days from the date of service of the invoice, the invoiced costs may be collected in any or all of the following ways: by a collection agency as a personal obligation, through judicial action initiated by the District's attorneys, or as a special assessment and lien attached to the subject property.

(iii) That the noticed party has a right to administrative review of the accounting of the costs incurred by the District by filing a written request for such review with the General Manager within fifteen (15) days of the date of the invoice, and that a failure to request administrative review will be deemed a waiver of a right to review of the amount of the costs.

(iv) That before a special assessment is placed on the subject property, the costs will be confirmed by the Board of Directors and a notice will be issued at least fifteen (15) days before the Board of Directors meeting.

(v) That the invoice may be recorded as a Notice of Costs or Penalties in the San Mateo County Recorder's Office.

(e) A noticed party shall have the right to administrative review of the accounting of the costs incurred by the District by filing a written request to the District for such review within fifteen (15) days of the date of the invoice. A failure to timely request administrative review will be deemed a waiver of a right to review of the amount of the costs.

(f) If a request for administrative review is timely filed, a copy of the invoice and request for administrative review shall be delivered to the General Manager or his/her designee, which may include the appointment of a hearing officer, who shall set a date and time to review the accounting report and invoice with the requesting party. The administrative review shall be an informal proceeding where the enforcement department and requesting party may present any evidence they deem pertinent to the amount of the costs. The scope of review shall be limited to the amount of the costs unless there has been no opportunity for a hearing on the underlying violation.

(g) The General Manager may affirm or reduce the costs if the General Manager determines that they are not supported by the evidence or upon a showing that the costs were unnecessary or unreasonable. The General Manager will not pass upon the validity of the underlying enforcement action or the amount of any penalties unless there has been no opportunity for a hearing of the underlying action. The General Manager's decision shall be memorialized in writing. The General Manager may approve a payment plan for the costs.

(h) The requesting party shall have thirty (30) days from the date of the General Manager's decision to pay the costs, unless a payment plan is approved, in which case the costs shall be paid in accordance with the payment plan.

(i) There is no right to administrative review if the costs have already been approved by a court of competent jurisdiction. There is no right to administrative review to confirm costs under this section if they have been previously upheld in an abatement or other administrative hearing.

SECTION 1013. Hearing.

Prior to seeking a civil penalty under Section 1003, terminating service under Section 1007, revoking a permit under Section 1008, correcting a violation under Section 1010, seeking a temporary restraining order or injunction under Section 1011, taking action to abate a nuisance under section 1009 or referring a violation for criminal prosecution under Sections 1006 or 1009, the Board shall conduct a hearing to consider the proposed action. The person or persons affected by the proposed action shall be given at least ten (10) days' notice of the hearing and shall be given the opportunity to present evidence and testimony relating to the matter. Such affected person or persons shall be notified of the decision made by the Board and such decision shall be final. Notwithstanding the foregoing, unless otherwise required by law, neither a hearing nor prior notice to affected persons shall be required in cases in which immediate action must be taken in order to prevent injury to persons or serious damage to property as a result of a violation hereunder. In the event the District seeks to impose an administrative penalty under Section 1004, the notice and hearing provisions specified therein shall apply.

SECTION 1014. Remedies Cumulative.

The enforcement procedures set forth herein are in addition to and not in limitation of the enforcement procedures otherwise provided for by law. The District may utilize any available local, State or Federal enforcement procedures in addition to or in lieu of the procedures provided for hereunder."

ARTICLE XI

VARIANCES AND APPEALS

SECTION 1100. Variances.

Notwithstanding any other provision of this Code, the District Board may grant a variance from the terms, conditions, or charges as set forth herein where special circumstances make it reasonable to do so.

SECTION 1101. Appeals.

(01) Any customer, permittee, applicant, or other person aggrieved by any decision, action, finding, determination, order, or directive of the General Manager, made or authorized pursuant to the provisions of this Code, or any permit issued pursuant to this Code or interpreting or implementing same, may file a written request with the General Manager for reconsideration thereof within ten (10) days of such decision, action, finding, determination, or order, setting forth in detail the facts supporting such customer's or person's request for reconsideration. The General Manager shall render a formal decision within ten (10) days of the receipt of such request or reconsideration.

(02) Any customer, permittee, applicant, or other person aggrieved by the final determination of the General Manager may appeal such determination to the District Board within ten (10) days of notification by the General Manager of his final determination. Written notification of such appeal shall be filed with the Secretary of the District within ten (10) days after notification of the final determination of the General Manager, and shall set forth in detail the facts and reasons supporting the appeal. Hearing on the appeal shall be heard by the District Board within thirty (30) days from the date of filing the Notice of Appeal. The appellant, the General Manager, and such other persons as the District Board may deem appropriate, shall be heard at the hearing on such appeal. Upon conclusion of the hearing, the District Board may affirm, reverse or modify the final determination of the General Manager as the District Board deems just and equitable, and in furtherance of the provisions, purposes and intent of this Code. The District Board's determination on the appeal shall be final.

ARTICLE XII

VALIDITY

SECTION 1200. Severability.

If any section, subsection, sentence, clause or phrase of this Code is for any reason held to be invalid, unconstitutional or unenforceable, such holding shall not affect the validity of the remaining portions of this Code. To this end, the provisions of this Code are severable.

SECTION 1201. Declaration.

The District Board hereby declares that it would have based the provisions of this Code, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid, unconstitutional or unenforceable.

ARTICLE XIII

CODE OF GENERAL REGULATIONS IN FORCE

SECTION 1300. Full Force and Effect.

This Code of General Regulations shall be in full force and effect from and after its passage, approval and publication as provided by law.

SECTION 1301. Passed and Adopted.

Passed and adopted by this District Board of the West Bay Sanitary District, County of San Mateo, State of California, on the 22nd day of November, 1982, by the following vote:

Ayes: Boyce, Halbo, Inglis

Nays: None

Absent: Wear

Abstain: None

John Inglis, Jr.
President of the District
Board of the West Bay
Sanitary District, County of
San Mateo, State of
California

Attest:

Finn T. Halbo
Secretary of the District Board
of the West Bay Sanitary District
County of San Mateo, State of
California



1902 - *Serving Our Community for over 120 Years* - 2024

WEST BAY SANITARY DISTRICT
MINUTES OF THE SPECIAL MEETING OF THE DISTRICT BOARD
WEDNESDAY, DECEMBER 4, 2024 AT 7:30 P.M.

1. Call to Order

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

Roll Call

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

BOARD MEMBERS ABSENT: None

STAFF MEMBERS PRESENT: Ramirez, Fisher, Heydari AND Condotti by Zoom

Others Present: None

2. Communications from the Public: None.

3. Consent Calendar

Matters listed under this item are considered routine and will be enacted by one motion. The motion, seconds, and vote are applicable to any included resolutions and recorded accordingly. There will be no separate discussion of these items unless specifically requested by a member of the Board.

- A. Approval of Minutes for Regular Meeting November 13, 2024
- B. Consider Accepting Sewer Facilities Constructed Pursuant to Class 3 Sewer Permit No. 1616 for the Construction of Wastewater Facilities at 104 Constitution Drive (Menlo Portal, old addresses 110 Constitution Drive and 115 Independence Drive), Menlo Park, California
- C. Consider Accepting Sewer Facilities Constructed Pursuant to Class 3 Sewer Permits No. 1617 and 1619 for the Sewer Improvements for Menlo Uptown at 141 Jefferson Drive and 180 & 186 Constitution Drive, Menlo Park, California
- D. Consider Authorizing the General Manager to Issue Class 3 Permit 24-198 for 6-inch Sewer Main Replacement at 811 Bay Road, Menlo Park, California
- E. Consider Resolution Accepting Deed of Easement Pursuant to Class 3 Sewer Permit No. 24-198 for Proposed Sewer Easement for 811 Bay Road, Menlo Park, California
- F. Consider Resolution Accepting Deed of Easement Pursuant to Class 5 Sewer Permit No. 18033 for the Construction of Wastewater Facilities for 35 Possum Lane, Portola Valley, California
- G. Consider Accepting Wastewater Facilities Constructed Pursuant to Class 3 Sewer Permit No. 18032 for the Construction of Force Main Extension, and Class 5 Permit No. 18033 for the Construction of Wastewater Facilities for 35 Possum Lane, Portola Valley, California

Comments: None.

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

4. General Manager's Report

Discussion/Comments: General Manager Ramirez reported the District has received the first Bayfront Facility SRF reimbursement for \$832,801. Engineering Tech interviews will be held on Dec. 12th. He also reported Casey Construction continues with CIP Phase II and the design for Phase III is nearly complete. He continued to report on PG&E damage to District fifteen-inch main sewer on Santa Cruz Ave. The Recycled Water Committee will have a design review meeting on Dec. 11th. He also reported the holiday lunch will be on Dec. 10th and the next regular meetings are scheduled for Dec. 11th and Dec. 18th. He also gave an update on East Palo Alto Sanitary District (EPASD) operations and maintenance which included a report noting, 20 service calls, 17 utility markings, 4 mainline stoppages, one spill, and video inspections; that the crew has responded to since October 1. The complete General Manager's written report is in the December 4, 2024, agenda packet.

5. Consider Approving Resolution Adopting FY 2024-25 Updated Budget

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

Discussion/Comments: General Manager Ramirez reported the updated budget includes increased revenue of 3% for the prorated EPASD contract in the amount of \$1,090,449, and the expense of seven new employees to service the EPASD contract, as well as three new vehicles funded out of the Capital budget and depreciated over the next five years.

6. Consider Approving FY 2023-24 Financial Statements, Ending June 30, 2024

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

Discussion/Comments: Finance Manager Fisher reported on the fiscal year 2023-24 financial statements ending June 30, 2024.

7. Report and Discussion on Finance Committee

Discussion/Comments: Director Moritz reported the Finance Committee met to review the draft audit which will be considered for approval on December 11th. Director Thiele-Sardiña reported the audit received a perfect score.

8. Report and Discussion on Sharon Heights Recycled Water Facility

Discussion/Comments: General Manager Ramirez reported the annual budget is up 10.5% and has been reviewed with the SHGCC finance team. He also reported the solar project has been put on hold.

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

Discussion/Comments: District Engineer Heydari reported on the Levee Project. The Board consensus was to bring Levee elevation numbers and or alternatives to the Board for consideration. General Manager Ramirez reported on the status of Bayfront Recycled Water Facility. He also reported on proposed changes for the project including increasing the flow capacity from .6 million gallons per day to 1 million gallons per day.

10. Report, Discussion and Direction on South Bayside Waste Management Authority (SBWMA) including Solid Waste Franchise Re-Assignment

Discussion/Comments: Director Otte reported on the SBWMA budget approval and the approval of 10-year plan.

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

Discussion/Comments: Director Otte reported there will be three new Commission members.

12. Closed Session

A. PUBLIC EMPLOYMENT
Title: Finance Manager

Entered closed session at 9:03 p.m. Left closed session at 9:36 p.m.

Reportable action: None

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

Discussion/Comments: None.

16. Adjournment Time: The meeting was adjourned at 9:37 PM

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WEST BAY SANITARY DISTRICT
Financial Activity Report
November 2024

Date: *December 11, 2024*

To: *Board of Directors*

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

Subject: *Approve Monthly Financial Activity Report*

Financial Activity for the month of November 2024.

Receipt Summary:

Commercial Deposits	938,773.06
Deposits in Transit/(Prior Period)	0.00
Returned Checks	(1,371.00)
Credit Cards / eChecks	88,126.80
Franchise Fees	10,074.56
San Mateo County [Tax Roll]	0.00
Other Receipts	122,287.09
Transfers	6,000,000.00
Total Receipts	<u><u>7,157,890.51</u></u>

Withdrawal Summary

Total Checks	4,347,584.84
Total Corp Cards	10,447.62
Total Bank Wires/ACHs	1,700,351.66
External Withdrawals	<u><u>6,058,384.12</u></u>
Total Internal Bank Transfers	-
Total Withdrawals	<u><u>6,058,384.12</u></u>

Fund	<u>Expenditure Summary by Budget Category</u>	
100	Operations	887,926.12
200	Capital	4,157,288.57
300	Solid Waste	370.30
500	Recycled Water	46,374.13
800	Silicon Valley Clean Water	966,425.00
	Expenditures by Fund	<u><u>6,058,384.12</u></u>

The transactions listed comprise multiple District checking, money market, and investment accounts. Transfers are listed based on debit (deposit) or credit (withdrawal) from operating accounts, therefore transfers from investment accounts to operating accounts are not listed twice. Investment activity is detailed in the quarterly Treasurer's Reports.

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

President _____

Secretary _____

Investment Portfolios

There are currently five separate investment reserves maintained to support the goals of the District, along with reserves held in LAIF, the Vehicle & Equipment Reserve held in a money market account, and the restricted Pension Trust and Recycled Water State Revolving Fund (SRF) Reserves. Annual contributions are made in accordance with the Board approved budget and periodically evaluated.

The Operating Reserve target is set at six months of collection operating expenses, based on the approved fiscal year budget. The reserves are replenished when funds are received through the tax roll, with the first payment for fiscal year 2024-25 expected in December 2024. Funds are also held in the Capital Project Reserve, where \$20 million for long-term liabilities were transferred in fiscal year 2023-24, to earn increased yields. \$6.8 million was transferred year-to-date to the Operating account to fund current capital projects.

The Treatment Plant Reserve target balance was set to cover Silicon Valley Clean Water (SVCW) capital needs and avoid incurring addition debt. In July 2024, \$2 million was transferred from the Treatment Plant Reserve's available cash to provide funds for the \$3,356,334 to SVCW for cash in lieu of additional debt due in FY 2024-25.

<u>Reserve Account</u>	<u>Originated</u>	<u>Target Balance</u>	<u>Balance 11/30/24</u>	<u>Target</u>
Operating Reserve	11/26/2014	\$17 million	\$8,386,251	Achieved *
Rate Stabilization Reserve	10/30/2015	\$10 million	\$11,443,453	Achieved
Treatment Plant Reserve	8/1/2021	\$12 million	\$10,842,912	Unfulfilled
Capital Project Reserve	11/26/2014	\$8 million	\$23,538,305	Achieved *
Emergency Capital Reserve	10/19/2010	\$6 million	\$6,230,519	Achieved
Recycled Water Cash Flow	11/18/2016	\$8 million	\$6,596,706	Unfulfilled
Recycled Water SRF Reserve	3/1/2018	\$1.46 million	\$1,520,014	Achieved
Vehicle & Equipment Reserve	8/18/2011	\$1 million	\$1,006,814	Achieved

* The District has \$5.8 million over total unrestricted target balances.

Excess funds over the current monthly expenditures are held in Local Agency Investment Fund (LAIF), which are equivalent to cash and may earn higher yields without a long-term commitment. Operating Reserves, customer deposits, current capital projects, and Solid Waste Funds are held in LAIF.

<u>Investments by Type</u>	<u>Target Balance</u>	<u>Balance 11/30/24</u>
Operating Accounts		\$4,991,821 ***
Local Agency Investment Fund (LAIF)		\$4,817,784
Unrestricted Reserves		
Investment Portfolios	\$44 million	\$58,651,895
Money Market Account	\$1 million	\$1,006,814
Restricted Reserves		
Recycled Water SRF Reserve	\$1.46 million	\$1,520,014
Public Agency Retirement Services (PARS)		\$921,651 **

** Balance as of 10/31/24 (current statements unavailable)

*** The District had approximately \$3.5 million in outstanding checks at 11/30/24. \$939 thousand was deposited 11/27/24. Outstanding payments and an unexpectedly large deposit resulted in the high balance in operating account at monthend.

**West Bay Sanitary District
Receipts
November 2024**

Receipt Number	Receipt Date	Description	Amount
463850	11/1/2024	Woodall Investors: 1843 Santa Cruz Ave, MP, SSC FY 2024-25	1,371.00
463851	11/4/2024	Town of Los Altos Hills: MSA 8/2024 & 9/2024	92,589.06
463852	11/4/2024	Michael Rissi: 36 Minoca Rd, PV, SSC FY 2024-25	1,371.00
463853	11/5/2024	Michael J. Brugos: 1850 Stanford Ave, MP, SSC FY 2024-25	685.50
463854	11/5/2024	Christie Schmitz: 110 Bear Gulch Dr, PV, SSC FY 2024-25	1,371.00
463855-463865	10/2024	Prior Month	0.00
463866	11/4/2024	WBSD: Transfer LAIF to Ops Acct.	1,000,000.00
463867	11/4/2024	WBSD: Transfer LAIF to PR Acct.	1,000,000.00
463868	11/8/2024	L & V Lehmann Trust: 850 Los Trancos Rd, PV,SSC FY 2024-25	1,371.00
463869	11/8/2024	SHGCC: O&M 11/2024 & SRF Loan Installment# 8	122,287.09
463870	11/13/2024	Katharine Carroll: 130 Golden Oak Dr, PV,SSC FY 2024-25	1,168.50
463871	11/14/2024	WBSD: Transfer LAIF to Ops	3,000,000.00
463872	11/18/2024	Recology: SW Franchise Fee 10/2024	10,074.56
463873	11/19/2024	Van Shadow Stables: 3899 Alpine Rd, PV, SSC FY 2024-25	2,337.00
463874	11/25/2024	WBSD: Transfer LAIF to Ops Acct.	1,000,000.00
463875	11/26/2024	Elizabeth & Anthony Weibell: 4135 Alpine Rd, PV,SSC FY 2024-25	2,337.00
463876	11/26/2024	Martin Miller: 3350 Alpine Rd, SSC FY 2024-25	1,371.00
463877	11/26/2024	State of CA: BFRWF CWSRF Loan C-06-8619-11 Reim 01-D2301011	832,801.00
463878	11/1/2024	Wizard Plumbing: 1959 Camino A LC, Permit	490.00
463879	11/1/2024	Sterling Homes Group: 15 San Juan Ave, Permit	220.00
463880	11/1/2024	TJH: 2138 Camino A Los Cerros, Conn & Permit	3,933.20
463881	11/5/2024	EJ Plumbing: 171 N Balsamina Way, Permit	490.00
463882	11/6/2024	Mediterraneo Design Build: 127 Laurel Ave, Permit	490.00
463883	11/6/2024	Naresh Shanker: 1280 Bay Laurel Dr, ADU & Permit	7,806.80
463884	11/7/2024	Integrum Constuction: 315 Chester St, ADU & Permit	7,806.80
463885	11/7/2024	Gaurav Tewari: 1985 Oak Ave, Permit	490.00
463886	11/7/2024	Dwd Properties: 1310 Bay Laurel Dr, ADU & Permit	3,933.20
463887	11/7/2024	Viam Al Lago Partners: 399 Camino Al Lago, Permit	230.00
463888	11/8/2024	Bay Development Investments: 811 Bay Rd, Conn & Permits	11,758.00
463889	11/8/2024	Ruchi Murlidhar: 225 Lexington Dr, ADU & Permit	7,806.80
463890	11/8/2024	TJH\Gagan Kang: 1140 Cotton St, Permit	220.00
463891	11/12/2024	TJH\Kellie Aquino: 960 Colby Ave, Permit	220.00
463892	11/12/2024	TJH\Kellie Aquino: 1401 Santa Cruz Ave, Permit	220.00
463893	11/12/2024	Wizard Plumbing: 3 Sunset Ln, Permit	490.00
463894	11/12/2024	Philippe Morali: 1076 Santa Cruz Ave, Permit	490.00
463895	11/13/2024	Lauren Centoni: 675 Woodland Ave, ADU & Permit	6,085.20
463896	11/13/2024	American Construction: 178 Atherton, ADUs & Permit	8,667.60
463897	11/15/2024	Andrew Harding: 166 Crescent Ave, ADU & Permit	3,933.20
463898	11/18/2024	Wizard Plumbing: 240 Lexington Dr, Permit	490.00
463899	11/18/2024	Roto Rooter: 40 Henderson Pl, Permit	490.00
463900	11/18/2024	Bayshore Plumbers: 100 San Mateo Dr, MP, Permit	490.00
463901	11/20/2024	Handy Plumbing Man: 41 Campbell Ln, Permit	230.00
463902	11/20/2024	Lemus Plumbing Bay Area: 1330 Sherman Ave, Permit	490.00
463903	11/21/2024	595 Partners Llc\Hong Wei: 595 Hobart St, ADU & Permit	7,806.80
463904	11/22/2024	Integrum Constuction: 1360 Crane St, ADU & Permit	6,085.20
463905	11/25/2024	Leonela Mccrary Villanueva: 2768 Georgetown St, Permit	490.00
463906	11/26/2024	Eps Inc Db a Express Plumbing\Kimberly Sanchez: 2060 Camino A	490.00
463907	11/27/2024	Able Septic\Glen Gilbert: 1830 Oak Ave, Permit	490.00
463908	11/28/2024	Total Underground: 980 Lucky Ave, ADU & Permit	4,794.00

Total Receipts 7,159,261.51

Returned Checks

11/01/2024 1036 Los Trancos, SSC FY 2024/25 (1,371.00)

Net Receipts 7,157,890.51

**West Bay Sanitary District
Financial Activity Report
Withdrawals
November 2024**

Check	Date	Payee	Purpose	Amount
72514	11/1/2024	AT&T	Telemetry Service 9/13/24-10/12/24	1,276.98
72515	11/1/2024	Bay Alarm	Bay Alarm Building Monitoring 11/1/24-1/31/25 & Certificate Fees 10/2024	771.36
72516	11/1/2024	CalPERS LongTerm Care Program	LTC Withholding 10/16/24-10/31/24	67.27
72517	11/1/2024	Cintas	Uniform Service 10/23/24	1,291.36
72518	11/1/2024	CSDA	Annual Membership 2025	10,035.00
72519	11/1/2024	DES Architects & Engineers	Reclaimed Water Pipeline Design O'Brien Dr 8/26/24-9/29/24	4,586.04
72520	11/1/2024	First Unum Life	Life, AD&D, Disability Ins 11/2024	2,529.42
72521	11/1/2024	Freyer & Laureta	Point Repair Phase 3 Design Project #1768.0 8/2024 & 9/2024	46,554.20
72522	11/1/2024	Freyer & Laureta	On-call Services, Phase I & II Point Repair Support, P/S Design & Mgmt 9/2024	61,287.75
72523	11/1/2024	Grainger	Misc Parts & Supplies 10/2024	143.28
72524	11/1/2024	Kimball Midwest	Tools 10/2024	689.17
72525	11/1/2024	Napa Auto Parts	Vehicle Parts 10/2024	45.46
72526	11/1/2024	National DRIVE	Teamster Pledge Contribution 11/01/24	10.00
72527	11/1/2024	Navia Benefit Solutions	FSA Contributions PR 11/01/24	1,102.30
72528	11/1/2024	Occupational Health Centers	Health Screenings (6) - 10/2024	1,318.00
72529	11/1/2024	Pacific Gas & Electric	Electric Service - Sept-Oct 2024	27,103.38
72530	11/1/2024	PBM	Pallet of Cold Patch for Road Plates 10/2024	1,336.08
72531	11/1/2024	Preferred Alliance	DOT Testing Admin Fees 9/2024	276.07
72532	11/1/2024	Readyrefresh By Nestle	Bottled Water Services 9/11/24-10/10/24	208.60
72533	11/1/2024	Redwood City Health & Wellness	DOT Physical - Robert H. 10/2024	85.50
72534	11/1/2024	Silicon Valley Clean Water	SVCW Coliform Samples - SHRWF 9/1/24-9/29/24	525.00
72535	11/1/2024	Teamsters Local No. 350	Union Dues 10/2024	975.00
72536	11/14/2024	Abila	MIP Cloud Monthly Subscription 12/4/24-1/3/25	698.36
72537	11/14/2024	Alpha Analytical Laboratories	Total Coliform Analysis, Weekday - SHRWF 10/2024	2,070.00
72538	11/14/2024	Anderson Pacific	FERRF Levee Improvement Project No.1762.0 9/2024	2,578,938.97
72539	11/14/2024	Battery Junction Wholesale	6V Alkaline Batteries (66) 10/2024	963.39
72540	11/14/2024	California Water Service	Water Service - Sept-Oct 2024	81.93
72541	11/14/2024	Cintas	Uniform Service 10/30/24 & 11/6/2024	2,302.34
72542	11/14/2024	City of Menlo Park - Fuel	Fuel: District Vehicles 10/2024	8,376.49
72543	11/14/2024	City of Menlo Park - Water Svc	Water Service - Sept-Oct 2024	189.67
72544	11/14/2024	CSRMA c/o Alliant Insurance	Vehicle Insurance Premium Adj. 07/2024-09/2024	1,130.00
72545	11/14/2024	CWEA	CWEA Membership Fees B.Hulsmann 12/2024 #61881	239.00
72546	11/14/2024	Dell Marketing	Computer Monitors (2) 10/2024	488.50
72547	11/14/2024	Du-All Safety, LLC	Safety Maintenance Contract 10/2024	1,800.00
72548	11/14/2024	Grainger	Misc Parts & Supplies 10/2024	2,451.98
72549	11/14/2024	Harrington Industrial Plastics	Misc. Operating Items - SHWF 10/2024	1,152.73
72550	11/14/2024	HF&H Consultants	2024 Update Solid Waste Model 9/2024	305.00
72551	11/14/2024	Home Depot Credit Services	Tools 10/2024	333.18
72552	11/14/2024	IEDA	Consulting Fees 11/2024	814.00
72553	11/14/2024	McCrometer Inc.	McCrometer Flow Data Contract 10/2024	17,262.00
72554	11/14/2024	Medco Supply Company	First Aid 10/2024	86.84
72555	11/14/2024	Mission Clay Products, LLC	Sewer Pipe Supplies 10/2024	3,328.17
72556	11/14/2024	National DRIVE	Teamster Pledge Contribution 11/15/2024	10.00
72557	11/14/2024	Navia Benefit Solutions	FSA Contributions PR 11/15/24	1,102.30
72558	11/14/2024	O'Grady Paving, Inc.	Raising Manholes Portola Valley	22,500.00
72559	11/14/2024	Occupational Health Centers	Health Screenings - K.Kofutua 10/18/24	292.00
72560	11/14/2024	Pacific Gas & Electric	Electric Service - Sept-Oct 2024	2,244.13
72561	11/14/2024	Principal Life Insurance	Dental & Vision Ins 11/2024	4,491.27
72562	11/14/2024	Ranger Pipelines	Bayfront SS Project 1761.8 10/2024	31,211.69
72563	11/14/2024	Recology Peninsula Services	Recology 2yd Bin - SHRWF 10/2024	249.39
72564	11/14/2024	Redwood General Tire Co	Unit 233: Tire Repair & Trailer: Tire Purchase (2) 10/2024	344.04
72565	11/14/2024	Repcor	Pipe Patch Supplies 10/2024	1,004.48
72566	11/14/2024	Rich Voss Trucking	Delivery: 3/4 Rock and Base Rock 10/2024	400.00
72567	11/14/2024	Seekzen Systems	IT Consulting Monthly Fee 10/2024	475.00
72568	11/14/2024	Stevens Creek Quarry	Base Rock and 3/4 Drain Rock for Rehab 10/2024	983.81
72569	11/14/2024	Teamsters Local No. 350	Union Dues 11/2024	1,200.00
72570	11/14/2024	Teletrac Navman US	Vehicle GPS 10/2024 & 11/2024	543.92
72571	11/14/2024	TPX Communications	District VoIP & Fiber Monthly Fee 11/2024	2,734.02
72572	11/14/2024	Underground Republic Water	Sewer Couplers, Wye, T.s 10/2024	1,974.75
72573	11/14/2024	Underground Service Alert	USA North Ticket Billing 2024	12,813.75
72574	11/14/2024	Veolia Water North America	Water Service - 1805 Purdue 10/02/24-11/1/24	64.55
72575	11/14/2024	Verizon Wireless	Cellular Service - SHRWF 10/2/24-11/1/24	65.04
72576	11/14/2024	Vision Communications Co.	Radio Air Time 11/2024	252.00
72577	11/14/2024	Weco Industries	Sewer Cleaning Equipment 9/2024	8,295.46
72578	11/21/2024	Anderson Pacific	FERRF Levee Improvement Project No.1762.0 10/2024	1,272,724.50

**West Bay Sanitary District
Financial Activity Report
Withdrawals
November 2024**

72579	11/21/2024	California Water Service	Water Service - Oct-Nov 2024	2,423.04
72580	11/21/2024	Chamber San Mateo County	Annual Membership 4/1/24-3/31/25	475.00
72581	11/21/2024	Cintas	Uniform Service 11/13/24	1,229.67
72582	11/21/2024	Dell Marketing	Desktops (3) & Computer Monitors (2) 11/2024	3,454.74
72583	11/21/2024	Freyer & Laureta	Engineering Services, Construction Support/Design (7) 10/2024	168,222.46
72584	11/21/2024	Industrial Scientific Corp.	iNet Exchange Program - Gas Monitors 8/2024 & 9/2024	6,779.36
72585	11/21/2024	Kaz & Associates	FERRF Levee Improvements 10/2024	1,750.00
72586	11/21/2024	Mallory Co.	Full Body Harnesses (2) 10/2024	1,284.12
72587	11/21/2024	Menlo Park Hardware Co. #14016	Miscellaneous Parts and Tools 9/2024-10/2024	176.69
72588	11/21/2024	Occasions, Etc.	15 Years of Service Gift	90.91
72589	11/21/2024	Occupational Health Centers	Health Screenings (2) 11/2024	155.00
72590	11/21/2024	Omega Industrial Supply	Sewer Aide Chemicals 11/2024	1,757.68
72591	11/21/2024	Pacific Gas & Electric	Electric Service - Oct-Nov 2024	649.71
72592	11/21/2024	Peninsula Truck Repair	Unit 221: Vehicle Repairs 07/2024	3,068.67
72593	11/21/2024	Red Wing	Safety Boots (5) 11/2024	1,456.94
72594	11/21/2024	RoadSafe Traffic Systems, Inc.	Traffic Control Road Signs 11/2024	754.54
72595	11/21/2024	Sharp Business Systems	Sharp Copiers Monthly Lease 11/2024	1,059.48
72596	11/21/2024	Verizon Wireless	Mobile Service Monthly Fees 10/16/24-11/5/24	1,590.96

4,347,584.84

**West Bay Sanitary District
Financial Activity Report
Withdrawals
November 2024**

Corporate Cards:

GL	Date	Account Name	Description	Amount
12000	11/26/2024	Accounts Receivable	Doordash: Personal Exp 9/26/24	65.57
54028	11/26/2024	Commuter Benefits	Fastrak: Commuter Benefit 10/7/24	1,150.00
54063	11/26/2024	Electrical Vehicle Charging	Electrify Am: Mach-E Charge 9/29/24	17.20
54080	11/26/2024	Memberships	Peloton Membership:Monthly Membership 10/11/24	44.00
54091	11/26/2024	Stationary and Office Supplies	Supplies, Waste Water Appreciation Gifts, Safety Incentive: Gift Cards 10/2024	4,474.01
54095	11/26/2024	Postage	Postable.Com: Oct & Nov Bday Cards 10/03/24	14.30
54101	11/26/2024	Ops Supplies & Materials	Operating Supplies and Expense	232.56
54106	11/26/2024	Small Tools	Harbor Freight Tools: Socket Holders 10/07/24	99.17
54133	11/26/2024	Public Outreach	Foothill College: Career Fair 10/02/24	175.00
54135	11/26/2024	Printing Maps	San Mateo County Recorder: Scanned Documents 10/2024	215.00
54151	11/26/2024	Fleet/Vehicle R&M	Duckys Menlo Park: Mach-E Wash 9/26/24	39.99
54154	11/26/2024	Mobile & Non-mobile Equip R&M	Electro Motion Inc: Generator Repair 10/08/24	1,704.00
54158	11/26/2024	Computer Software R & M	Zoom: Monthly Subscription 10/04/24	49.00
54173	11/26/2024	Dept Training & EE Development	Safety Trainings	210.79
54174	11/26/2024	Mgmt Conf. & District Meetings	Waste Water Professional Week: Luncheon; Managers Meetings	1,147.83
54175	11/26/2024	CWEA Conf/Section Mtgs	California Water Environ: S.Ramirez Event 10/22/24	220.00
54176	11/26/2024	Business Meetings	General Manager Meetings	148.97
54191	11/26/2024	Internet	Comcast California: SHRWF Plant & Pump Stations 10/10/24	440.23
US Bank - CalCards				10,447.62

Bank Wires/ACH

Date	Payee	Purpose	Amount
11/1/2024	Neopost	Postage	299.57
11/1/2024	MissionSquare	Deferred Compensation PR 11/01/2024	11,354.11
11/5/2024	SVCW	SVCW Monthly Operating Contribution	966,425.00
11/5/2024	Navia Benefit Solutions	Commuter Benefits 11/2024	319.75
11/7/2024	CalPERS	Retirement Contributions PR 11/1/2024	30,105.41
11/8/2024	ADP	ADP Fees	328.40
11/12/2024	CalPERS	Health Premiums	69,947.67
11/13/2024	ADP	Performance Merit Program - Check Date: 11/14/2024	145,570.24
11/13/2024	ADP	Payroll Taxes - 11/15/2024	44,976.66
11/14/2024	ADP	Payroll Taxes - Board	595.01
11/14/2024	ADP	Director Fees October 2024	3,490.82
11/14/2024	ADP	Employee Payroll - Check Date: 11/15/2024	141,420.03
11/14/2024	ADP	Payroll Taxes - 11/15/2024	43,826.46
11/15/2024	MissionSquare	Deferred Compensation PR 11/15/2024	23,824.78
11/21/2024	CalPERS	Retirement Contributions PR 11/15/2024	30,657.38
11/22/2024	ADP	ADP Fees	703.80
11/27/2024	Navia Benefit Solutions	Commuter Benefits 12/2024	1,053.30
11/27/2024	ADP	Employee Payroll - Check Date: 11/27/2024	132,244.53
11/27/2024	ADP	Payroll Taxes - 11/27/2024	41,689.17
11/27/2024	MissionSquare	Deferred Compensation PR 11/27/2024	11,169.57
11/29/2024	ADP	ADP Fees	350.00
Bank Wires/ACH			1,700,351.66

Bank Transfers:

Date	Payee	Purpose	Amount
Internal Bank Transfers			0.00

Summaries:

Withdrawal Summary

Total Checks	4,347,584.84
Total Corp Card	10,447.62
Total Bank Wires / ACHs	1,700,351.66
Total Internal Bank Transfers	0.00
Total Withdrawals	6,058,384.12

**West Bay Sanitary District
Expenditures By Vendor
7/01/2024 to 11/30/2024**

Withdrawals	Total by Vendor	Withdrawals
Name	YTD FY 2024-25	November 2024
	<i>YTD</i>	<i>Current</i>
AAA Fire Protection Services	-	-
AAA Rentals	-	-
A-A Lock & Alarm	392.44	-
Action Towing	364.65	-
Abila	4,190.16	698.36
ADP - Fees	4,156.50	1,382.20
ADP-Wage Garnishment	4,086.92	-
Airgas Usa, LLC	434.52	-
All American Sewer Tools	-	-
Allied Crane	-	-
The Almanac	-	-
Alpha Analytical Laboratories	11,304.25	2,070.00
Anderson Pacific	5,704,163.47	3,851,663.47
Angulos NorCal Tree Service	2,000.00	-
Aqua Natural Solutions	1,614.72	-
AT&T	5,081.17	1,276.98
Atchison, Barisone & Condotti	40,693.26	-
BAGG Engineers	55,090.00	-
Backflow Prevention Specialist	2,760.00	-
BMO	-	-
Battery Junction Wholesale	963.39	963.39
Bay Alarm	15,835.25	771.36
Bay Area Air Quality Mgmt Dist	10,267.00	-
Bay Area Barricade Service Inc	-	-
Bay Area Paving Co.	975.00	-
Bay Reprographic	-	-
Bayside Equipment Company	1,322.48	-
BidNet	-	-
Bluebeam, Inc.	-	-
Bonny Doon Environmental	-	-
CA Dept Of Tax & Fee Admin	-	-
CASA	-	-
CA State Disbursement Unit	-	-
CDIAC	5,000.00	-
CPS HR Consulting	227.50	-
Calif. Labor Law Poster Service	-	-
CA Regional Water Quality	-	-
California State Lands Comm	4,055.10	-
California Water Service	12,939.23	2,504.97
CalPERS - GASB Fee	1,050.00	-
CalPERS - Retirement	306,724.69	60,762.79
CalPERS - Health Premiums	360,713.97	69,947.67
CalPERS - Unfunded Accrued Liability	66,215.00	-
CalPERS - Actuary Fees	-	-
CalPERS - 1959 Survivor Billing	-	-
CalPERS Longterm Care Program	538.16	67.27
California Car Sounds	8,227.56	-
Casey Construction	3,386,262.08	-
CDW Government	980.46	-
Center For Hearing Health	720.00	-
CentralSquare Technologies	17,895.00	-
Chargepoint Inc.	690.00	-
Chavan & Associates	7,500.00	-
Cintas	27,000.20	4,823.37
City of Foster City	582.00	-
City of Menlo Park	1,484.00	-
City Of Menlo Park - Fuel	38,274.93	8,376.49
City Of Menlo Park - Water Svc	4,753.99	189.67
Clean Earth Environmental	2,688.49	-
Cleanserv Universal Services	5,375.00	-
Coast To Coast Trucking School	-	-
Comcast	1,412.28	-
Commercial Van Interiors	6,005.54	-
The Concept Genie	3,521.35	-
Consolidated Parts	3,830.65	-
Core & Main	788.70	-
Costco	65.00	-
CSDA	10,035.00	10,035.00
CSRMA c/o Alliant Insurance	232,233.49	1,130.00
CUES	5,053.14	-
Custom Tops, Inc.	-	-
CWEA	4,103.00	239.00
Deborah Peres	4,800.00	-
DES Architects & Engineers	24,769.75	4,586.04
Detection Instruments Corp.	-	-
Dell Marketing	8,113.45	3,943.24
Dewey Pest Control	-	-
Ditch Witch West	8,790.64	-
Dolphin Graphics	1,728.36	-
Downtown Ford Sales	-	-
Du-All Safety, LLC	11,070.00	1,800.00
Duke's Root Control, Inc	223,416.56	-
Embarcadero Media Foundation	560.00	-
Employment Development Dept.	-	-
ESRI	-	-

**West Bay Sanitary District
Expenditures By Vendor
7/01/2024 to 11/30/2024**

Withdrawals	Total by Vendor YTD FY 2024-25	Withdrawals November 2024
East Bay Municipal Utility	-	-
FedEx	979.19	-
First Unum Life	13,019.04	2,529.42
Fischer Compliance LLC	12,500.00	-
Ford Motor Company	-	-
Freyer & Laureta	477,362.51	276,064.41
Frisch Engineering, Inc.	1,987.50	-
Global Equipment, Inc	231.91	-
GoldStreet Design Agency	5,000.00	-
Govconnection, Inc.	1,440.00	-
Governmentjobs.Com	5,281.47	-
Grainger	16,872.07	2,595.26
Granite Rock Company	-	-
HF&H Consultants	305.00	305.00
Hadronex	44,972.83	-
Harben California	-	-
Harrington Industrial Plastics	1,152.73	1,152.73
Helix Laboratories	2,764.03	-
Hillyard/San Francisco	1,098.93	-
Home Depot Credit Services	5,081.32	333.18
Horizon	97.91	-
IEDA	4,070.00	814.00
Industrial Scientific Corp.	6,779.36	6,779.36
Innovyze LLC	-	-
Institute For Local Government	-	-
Instrument Technology Corp.	17,126.99	-
Interstate Traffic Control	672.11	-
Ironhouse Sanitary District	2,713.45	-
Jack Doheny Companies, Inc.	2,780.00	-
Jones Hall	15,000.00	-
Kaz & Associates	6,850.00	1,750.00
Kimball Midwest	5,219.14	689.17
Kone Pasadena	1,684.40	-
Lasky Trade Printing	-	-
Leaf Capital Funding	-	-
Mallory Co.	5,857.16	1,284.12
Matheson Tri-Gas	576.02	-
Maxx Metals	-	-
McCrometer Inc.	120,834.00	17,262.00
Medco Supply Company	929.53	86.84
Menlo Park Fire Protection	-	-
Menlo Park Hardware Co. #14016	891.18	176.69
Meta Platforms (Facebook)	-	-
Microix, Inc.	-	-
Mid Peninsula Abstracts	830.00	-
Mission Clay Products, LLC	12,139.91	3,328.17
MissionSquare	149,894.96	46,348.46
Morse Hydraulics	926.41	-
Municipal Maintenance Equip.	14,603.77	-
Napa Auto Parts	1,598.10	45.46
National Auto Fleet Club	185,145.19	-
National DRIVE	40.00	20.00
Navia Benefit Solutions	18,221.70	3,577.65
NeoPost	599.57	299.57
NorCal Materials, Inc.	1,343.13	-
Nuvei / Paya	2.50	-
O'Grady Paving, Inc.	22,500.00	22,500.00
Occasions, Etc.	90.91	90.91
Occupational Health Centers	2,156.00	1,765.00
Omega Industrial Supply	5,251.56	1,757.68
Oracle America	4,259.21	-
Orenco Systems, Inc.	-	-
Ovivo Usa, LLC	-	-
Owen Equipment Sales	319.02	-
P&F Distributers	252.72	-
PBM	1,859.09	1,336.08
Pacific Gas & Electric	195,947.88	29,997.22
Pape Machinery	4,323.61	-
Paxxo (USA)	579.29	-
Peninsula Truck Repair	21,238.52	3,068.67
Pier 2 Marketing	1,000.00	-
Ponton Industries	-	-
Precise Concrete Sawing, Inc.	-	-
Precise Printing And Mailing	-	-
Precision Engineering	-	-
Preferred Alliance	1,371.34	276.07
Principal Life Insurance	23,958.25	4,491.27
Quadient Leasing USA	519.05	-
Quincy Compressor	-	-
R.A. Nosek Investigations	1,890.00	-
Ranger Pipelines	1,125,187.77	31,211.69
Readyrefresh By Nestle	1,291.38	208.60
Recology Peninsula Services	7,212.45	249.39
Red Wing	3,679.06	1,456.94
Redwood City Health & Wellness	427.50	85.50
Redwood General Tire Co	11,230.29	344.04
City Of Redwood City	4,418.61	-
Registrar Of Voters	-	-

West Bay Sanitary District
Expenditures By Vendor
7/01/2024 to 11/30/2024

Withdrawals	Total by Vendor YTD FY 2024-25	Withdrawals November 2024
Repcor	31,780.42	1,004.48
Rich Voss Trucking	1,040.00	400.00
Roadsafe Traffic Systems, Inc.	3,508.67	754.54
Samuel M. Rose	315.00	-
SVCW - Monthly Operating Contribution	4,832,125.00	966,425.00
SVCW - Debt Reserve Contribution	-	-
SVCW - 2018 Bonds	1,262,655.78	-
SVCW - 2021 A&B Bonds	2,327,154.24	-
SVCW - SRF Debt	2,155,593.25	-
Silicon Valley Clean Water	2,550.00	525.00
Chamber San Mateo County	475.00	475.00
County of San Mateo	1,390.00	-
San Mateo County Assessor	-	-
San Mateo County Tax Collector	698.16	-
San Mateo County Health	6,143.00	-
County of San Mateo - LAFCO	24,913.00	-
San Mateo Lawn Mower Shop	159.19	-
County of Santa Clara	-	-
SWRCB	-	-
Seekzen Systems	3,767.00	475.00
Sensera Systems	4,296.00	-
Shape, Inc.	8,206.25	-
Sharp Business Systems	5,078.72	1,059.48
Sonsray Machinery LLC	-	-
Spartan Tool	2,324.69	-
State Board Of Equalization	-	-
Stevens Creek Quarry	2,408.60	983.81
Streamline	-	-
Sunbelt Rentals, Inc.	2,348.22	-
Sunstate Equipment	1,377.44	-
Sutter EAP	1,363.25	-
TPX Communications	12,053.20	2,734.02
Teamsters Local No. 350	5,262.00	2,175.00
Teletrac Navman US	1,631.76	543.92
Total Equipment Of Fremont	2,774.61	-
Town Of Atherton	-	-
Towne Ford	59,380.23	-
Trojan Technologies Group ULC	-	-
Uline	2,063.75	-
Underground Republic Water	19,235.43	1,974.75
Underground Service Alert	16,632.63	12,813.75
United Rentals Inc.	619.06	-
Univar Solutions USA	6,326.16	-
US Bank - CalCards	66,152.71	10,447.62
U.S. Jetting, LLC.	1,006.97	-
US Standard Products Corp	1,120.15	-
V & A Consulting Engineers	-	-
V.W. Housen & Associates	-	-
Valley Heating & Cooling	588.00	-
Vallombrosa Center	975.00	-
Veolia Water North America	331.52	64.55
Verizon Wireless	9,259.20	1,656.00
Vision Communications Co.	1,260.00	252.00
Weco Industries	44,245.48	8,295.46
Western States Tool & Supply	4,371.64	-
West Yost & Associates	-	-
Woodard & Curran	203,809.27	-
Young's Auto Supply Center	-	-
Angel Ambriz	323.25	-
Seth Avila	369.94	-
Heath Cortez	185.00	-
Andres Garcia	200.00	-
Victor Garcia	300.00	-
Everardo Huerta	1,972.27	-
Yutian Lei	775.55	-
Lisandro Marquez	234.98	-
Dominic Nanni	5,179.13	-
Sergio Ramirez	368.99	-
Desiree S Slater	75.00	-
Stevan Kull	42,642.00	-
Mark Weiss	4,653.33	-
Michael Chang	14,611.84	-
Dorian Mckelly	660.93	-
George Choi & Michele Ono	2,120.43	-
Gurtner Living Trust	973.78	-
Alison Krausz	973.78	-
Katrina Montinola	973.78	-
Michael Scandalios	973.78	-
Domenic Andrighetto	973.78	-
TJB Investments LLC	9,611.26	-
Bob Sick	9,611.26	-
John & Virginia Kavanaugh	2,120.43	-
Alan & Lauren Denenberg	2,120.43	-
Mark & Rebecca Hilderbrand	2,120.43	-
Donald Turnquist	781.92	-
Daniel Siegel	973.78	-
William & Susan Thomas	2,120.43	-
Keri Nicholas	973.78	-
Ronald Dalman & Jocelyn Dunn	973.78	-


West Bay Sanitary District
Expenditures By Vendor
7/01/2024 to 11/30/2024

Withdrawals	Total by Vendor YTD FY 2024-25	Withdrawals November 2024
Richard W. & Sandra W. Boyce	2,120.43	-
Dorothy Garcia Bachler	2,120.43	-
Ramon & Kelly W. Villareal	2,120.43	-
Kent Ryhorchuk & Cathy Brewer	3,169.80	-
Yanting Zhang	3,169.80	-
Lynne Penek - Holden	3,169.80	-
Charles & Toni Markley	6,339.60	-
David H. McMurtry	3,169.80	-
Erin & Julie Whalan	3,169.80	-
John Nightingale	3,169.80	-
Frazier Miller	3,169.80	-
Thomas V. & Nusrat T. Uridel	3,169.80	-
Heather Kirkby	3,169.80	-
Victoria S. Sargent	3,169.80	-
Lyn Louise Dearborn	3,169.80	-
Robert J. & Nancy J. Neuer	3,169.80	-
Stephen Daane & Sheryl Garrett	3,169.80	-
Patricia Burns	3,169.80	-
Scott & Jennifer Gamel	3,169.80	-
Thomas W. Sisson	3,169.80	-
The Jensen Family Trust	3,169.80	-
Fumio Adachi	3,169.80	-
Thomas Robert Clandinin	3,169.80	-
Sean A. Curran	3,169.80	-
David & Julie Duncan	6,339.60	-
Lois DuBois	3,169.80	-
Stephen Wheeler	3,169.80	-
James H. Foster	3,169.80	-
Palwasha & Zelikha Dost	3,169.80	-
Ingrid B. Hardy	3,169.80	-
William E. Nelson	3,169.80	-
Claude Michael Beasley	3,169.80	-
Stephen Dunne	9,509.40	-
Nicolas Rochard & Leigh Birch	3,169.80	-
Jerald Hall Jensen	3,169.80	-
John Paul Huetter	3,169.80	-
JoAnn Loulan	3,169.80	-
Martin & Kristen Casado	3,169.80	-
Gary Daniel MacGregor	3,169.80	-
David Staggs	3,169.80	-
Cindy Lee Russell	3,169.80	-
Svend Aagesen	3,169.80	-
Carol Kemper	3,169.80	-
Grover T. Wickersham	6,339.60	-
Armin Staprans	6,339.60	-
Keith Reeves	3,169.80	-
Ann Hardy	3,169.80	-
Tracy & Peter Cowperthwaite	3,169.80	-
Alexander M. Kostrikin	3,169.80	-
Gregory G. Van Hauser	3,169.80	-
Mary Kelley & Marc Levaggi	3,169.80	-
David A. Lowin	3,169.80	-
Sean Riley & Judy Riley	3,169.80	-
Stig & Holly Nybo	3,169.80	-
Kenneth D. Woods	3,169.80	-
Mary Ann H. Furda	3,169.80	-
Jancie L. Avilla	3,169.80	-
Larry & Mary Anderson	3,169.80	-
Ian Earnest	6,339.60	-
Thomas & Jean Schellenberg	3,169.80	-
Raivis Kampenuss	3,169.80	-
Julie Handley	3,169.80	-
Pehr Harbury & Shivani Nautiya	3,169.80	-
Matt Gebhart	3,169.80	-
Total Vendor Withdrawals	24,757,954.36	5,504,571.20
Wages & Payroll Taxes		
Salaries/Wages - Net Pay	1,499,125.98	273,664.56
Directors Fees - Net Pay	18,421.50	3,490.82
Payroll Taxes	546,936.56	131,087.30
Performance Merit Program - Net Pay	145,570.24	145,570.24
Total Payroll	2,210,054.28	553,812.92
Total External Withdrawals	26,968,008.64	6,058,384.12
WBSD Transfers:		
WBSD LAIF Account	-	-
WBSD Investment Accounts	-	-
Public Agency Retirement Services (PARS)	-	-
Other Transfers	-	-
Total Transfers	-	-
Total Withdrawals	26,968,008.64	6,058,384.12



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 5C**

To: Board of Directors
From: Bob Hulsmann, Operations Superintendent
Subject: WBSD Operations and Maintenance Report – November 2024

	Basin PM Pipe Clean- ing	High Freq. PM Pipe Clean- ing	Un- Sche. Pipe Clean- ing	WBSD CCTV Insp.	Pipe Patch Repairs	Open Trench Repairs	Pump Sta. PM	Pump Sta. Unsched. Repairs	SSO	SSO	Service Calls- Unit 208			
											Cat. 1	Cat. 2,3,4	Call Outs	Sch PM
Month	Miles	Miles	Miles	Miles	Qty.	Qty.	Qty.	Qty.						
January	13.9	4.4	0.1	2.8	5	12	80	0	0	0	94	13	1	208
February	12.2	6.6	0.4	2.3	9	4	64	0	0	0	55	11	0	174
March	18.0	0.2	0.1	3.0	0	11	69	0	0	0	54	14	0	139
April	9.3	4.6	0.3	3.5	6	12	70	1	0	0	49	9	0	184
May	13.1	7.8	0.4	1.9	4	8	69	1	0	0	49	14	0	283
June	15.9	0.2	0.5	3.5	0	13	64	0	0	0	62	11	0	158
July	10.6	2.9	0.1	3.8	3	8	76	1	0	0	45	13	0	152
August	11.3	6.2	0.3	3.7	4	16	71	0	0	0	53	5	0	114
Sept.	13.4	0.2	0.3	3.1	6	2	69	0	0	0	68	3	0	124
Oct.	18.5	2.8	0.3	1.8	5	10	70	0	0	0	71	13	0	99
Nov.	1.6	9.5	0.2	1.4	14	0	70	0	0	0	74	0	2	51
Dec														
Yr to date	137.8	45.4	3.0	30.8	56.0	96.0	772.0	3.0	0.0	0.0	674.0	106.0	3.0	1686.0
2024 Goals	120.0	50.0	n/a	45-50	50-65	90	n/a	<10	<	4	n/a	n/a	n/a	n/a
2023 Results	127.7	47.1	8.5	**45.4	52	94	821	0	0	2	832	85	11	3416
2022 Results	120.9	53.6	7.5	**40.3	**92	100	774	0	1	2	858	97	2	3161
2021 Results	*123	*50	8.6	**46	**55	91	834	2	0	4	944	n/a	n/a	2294
2020 Results	134.2	51.0	8.4	29.6	72	85	754	6	0	0	1012	89	5	2362
2019 Results	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
* = Including TOW														
**= Including LAH and TOW														

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 5D**

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 2024

Town of Los Altos Hills O & M Report 23/24										
	Basin PM Pipe Clean- ing	High Freq. PM Pipe Clean- ing	Un- Sche. Pipe Clean- ing	WBSD CCTV Insp.	Pipe Patch Repairs	Pump Sta. PM	Pump Sta. Unsch. Repairs	SSO	SSO	Service Calls
Month	Miles	Miles	Miles	Miles	Qty.	Qty.	Qty.	Cat. 1	Cat. 2&3s	Call Outs
Jan	1.0	1.3	0.2	1.0	0	4	0	0	0	0
February	2.2	0.2	0.0	1.1	2	4	0	0	0	0
March	1.4	1.2	0.0	1.0	0	4	0	0	0	0
April	0.5	1.8	0.3	0.1	2	5	0	0	0	0
May	0.4	1.7	0.0	0.8	2	5	0	0	0	0
June	2.6	0.5	0.1	0.5	3	5	0	0	0	0
July	0.0	1.1	0.0	0.0	3	4	0	0	1	0
*August 24	0.0	1.1	0.0	0.2	0	4	0	0	0	0
Sept.	0.6	1.1	0.0	0.9	0	4	0	0	0	0
Oct.	0.4	1.2	0.0	1.3	0	4	0	0	0	0
Nov.	0.0	1.2	0.0	0.6	0	4	0	0	0	0
Dec	1.0	1.6	0.0	0.9	0	4	0	0	0	0
** Yr to date	10.1	14.0	0.6	8.4	12.0	51	0	0	1	0
FY23/24Goals	10.6	14.4	n/a	8.1	n/a	52	n/a	n/a	n/a	n/a

* = August- Start of Contract

	Goal	Total	Remain
Cleaning	25	24.7	0.3
Inspection	8.1	8.4	-0.3

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WEST BAY SANITARY DISTRICT AGENDA ITEM 5E

To: Board of Directors

From: Bob Hulsmann, Operations Superintendent

Subject: Town of Woodside Operations and Maintenance Report for Work Performed by WBSD – November 2024



Yearly Summary Report

12/4/2024
7:52 AM

Dates Between 12/1/2023 and 11/30/2024

Month	Basin PM Pipe Cleaning (miles)	High Freq PM Pipe Cleaning (miles)	Unscheduled Pipe Cleaning (miles)	CCTV Inspection (miles)	Pump Stations Preventive Maintenance Qty	Pump Stations Unscheduled Repairs Qty	SSO Cat 1	SSO Cat 2 & 3	Service Calls Call Outs
January	0.0	0.0	0.0	0.0	8	1	0.0	0.0	0.0
February	0.00	0.0	0.0	0.0	8	0.0	0.0	0.0	0.0
March	0.00	0.3	0.0	0.0	8	0.0	0.0	0.0	0.0
April	0.00	0.0	0.0	1.0	8	0.0	0.0	0.0	0.0
May	0.00	0.0	0.0	0.0	8	0.0	0.0	0.0	0.0
June	0.00	0.3	0.0	0.0	8	0.0	0.0	0.0	0.0
July	0.00	0.0	0.0	0.0	8	0.0	0.0	0.0	0.0
August	0.00	0.0	0.0	0.0	8	0.0	0.0	0.0	0.0
September	0.00	0.3	0.0	0.0	8	0.0	0.0	0.0	0.0
October	0.00	0.0	0.0	0.0	8	0.0	0.0	0.0	0.0
November	0.00	0.0	0.0	0.0	8	0.0	0.0	0.0	0.0
December	4.52	0.0	0.0	0.0	8	0.0	0.0	0.0	0.0
Totals	4.52	0.8	0.0	1.0	96	1	0.0	0.0	0.0

Report to the District Board for the Regular Meeting of December 11, 2024

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 5F**

To: Board of Directors

From: Bob Hulsmann, Operations Superintendent

Subject: East Palo Alto Sanitary District/City of East Palo Alto - Operations and Maintenance Report for Work Performed by WBSD – November 2024

EPASD O & M Report 2024										
	Basin PM Pipe Clean- ing	High Freq. PM Pipe Clean- ing	Un- Sche. Pipe Clean- ing	CCTV Insp.	Pipe Patch Repairs	Open Trench Repair	USA Mark	SSO	SSO	Service Calls
Month								Cat. 1	Cat. 2,3,&4	Call Outs
	Miles	Miles	Miles	Miles	Qty.	Qty.	Qty.			
Jan										
February										
March										
April										
May										
June										
July										
August										
Sept.										
Oct.	0.0	0.0	0.1	0.5	0	0	3	0	0	8
Nov.	0.0	0.0	0.2	0.1	0	1	14	0	1	16
Dec										
*Yr to date	0.0	0.0	0.3	0.6	0.0	1	17	0	1	24

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

1) Administrative:

- a. The District is now part of the OMNIA Partners cooperative purchasing group. The group works with local and state governments to procure favorable contracts with vendors. The District's uniform vendor Cintas has been added to OMNIA Partners and is now supplying uniforms and other services for half of the cost. For example, the uniform services have gone from approximately \$1,300 weekly to only \$668. The annual savings should be approximately \$33,000 per year.
- b. The District responded to a Recreational Vehicle (RV) sewage spill on Campbell Ave. in Menlo Park at the request of the San Mateo County Health Department. The RV is not connected to the wastewater collection system; therefore, the issue is a public works issue and City staff have been notified. The District invoiced the registered owner of the RV who has a mailing address in Redwood City.

2) Finance:

- a. Staff is preparing the second reimbursement request for the Bayfront Recycled Water Facility from State's SRF program.
- b. The draft Financial Audit report was reviewed by the Finance Committee on December 3, 2024 and will bring it to the full Board on December 11.

3) CIP Projects:

a. Capital Improvement Program (CIP):

- i. Design to the Phase III Point Repair Project is nearing completion and should go out for bids by January of 2025. This is a Performance Merit Pay Program goal.

b. Levee Improvement Project:

- i. Anderson Pacific is working on the second phase of the levee project.

c. Point Repair Project Phase II:

- i. Casey Construction continues to replace numerous pipe segments as part of the Phase II Point Repair Project and is nearly finished.

d. Telemetry Replacement Project:

- i. Blocka Construction began the Telemetry Replacement Project. The project includes replacing the alarm and remote monitoring systems at twelve pump station sites. Replacement should begin in early 2025.

4) Information Technology (IT):

- a. Staff continues to work with the City of East Palo Alto to update its database for their sanitary district.

- 5) **Operations and Maintenance:**
 - a. **Collection System:**
 - i. District crews will begin to maintain the East Palo Alto Sanitary District system on January 2, 2025.
 - b. **Pump Facilities:**
 - i. Field site visits were conducted by Blocka Construction and parts have been ordered for the telemetry project.
 - c. **Training:**
 - i. Four new Maintenance Workers continue their on-board training. One more is expected to begin on Monday, December 9, 2024.
- 6) **Water Quality:**
 - a. **Sharon Heights Golf and Country Club (SHGCC):**
 - i. The annual 2025 O&M budget projections were submitted to SHGCC on November 19. The O&M costs are expected to rise 10.5% approximately or from \$671,950 to \$742,100 per year. The 10.5% increase is due to PG&E increases and insurance costs.
 - b. **Bayfront Recycled Water Facility (BRWF):**
 - i. The Parkline - SRI developer inquired about the recycled water pipeline for their project. The District may consider fast tracking the design.
- 7) **Fleet and Facilities:**
 - a. **Vehicle Maintenance:**
 - i. Staff will draft a staff report to add vehicles to the fleet to support the East Palo Alto interagency agreement.
- 8) **Personnel:**
 - i. Recruitment for an Engineering Technician is underway. Interviews are scheduled for December 12.
- 9) **Upcoming Events:**
 - a. **Next Regular Board Meetings:** Wednesdays, December 11 and December 18, 2024.
- 10) **Misc. Items:**
 - a. **West Bay:** The General Manager will update the Board on miscellaneous items related to District operations.
 - b. **Town of Los Altos Hills:** Staff continue to maintain the collection system and contribute to CIP recommendations.
 - c. **Town of Woodside:** Staff continues to maintain the Town's pump stations and collection system.
 - d. **East Palo Alto:** The United States, Environmental Protection Agency will visit the EPA Sanitary District on December 18, 2024. They are following up on a 2021 inspection and will be focusing on the collection system performance and its assets, similar to the 2021 visit.



WEST BAY SANITARY DISTRICT AGENDA ITEM 7

To: *Board of Directors*

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

Subject: *Consider Adopting the District's Audited Financial Statements
for the Year Ended June 30, 2024*

Background

The District contracted with Chavan & Associates, LLP to conduct financial audits from FY 2021-22 through FY 2025-26, including optional years. The draft of the FY 2023-24 Audited Financial Statements prepared by Chavan & Associates is presented.

On December 3, 2024 the Finance Committee, staff, and Chavan & Associates met to review and discuss the annual financial audit. The auditor reviewed the letters to management and the Board of Directors, in addition to the Audited Financial Statements.

Analysis

The auditor's opinion is the financial statements "present fairly, in all material respects, the respective financial position" of the District. This is considered an unqualified or "clean" opinion.

Fiscal Impact

The Change in Net Position from the prior year's audited financial statements is a net increase of \$9,412,171 and an ending Net Position of \$180,396,525, from the prior year Net Position of \$170,984,354.

Recommendation

The General Manager and the Finance Manager recommend the District Board accepting the audited financial statements for the year ended June 30, 2024, including the auditor's letters to the board and management.

Attachments: 2023-24 WBSD Audited Financial Statements
 2023-24 WBSD Management Letter
 2023-24 WBSD Board Audit Letter

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WEST BAY SANITARY DISTRICT

ANNUAL COMPREHENSIVE
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEARS ENDED
JUNE 30, 2024 AND JUNE 30, 2023

* * *



Chavan & Associates, LLP
Certified Public Accountants
16450 Monterey Road, Ste. #5
Morgan Hill, CA 95037

**West Bay Sanitary District
Annual Comprehensive Financial Report**

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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

Opinion

We have audited the accompanying financial statements of the West Bay Sanitary District (the "District"), as of and for the year ended June 30, 2024 and June 30, 2023, and the related notes to the financial statements, which collectively comprise District's basic financial statements as listed in the table of contents.

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, 2024 and June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

District management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAGAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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.

Other Information

Management is responsible for the other information included in the annual financial report. The other information includes the Budgetary Comparison Schedule, Schedule of Combining Revenues, Expenses and Changes in Net Position, and the Annual Capacity Fee Report AB1600, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2024 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 14, 2024
Morgan Hill, California

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion & Analysis

The West Bay Sanitary District (District) is a Special District for the State of California providing wastewater collection and conveyance services to the City of Menlo Park, Atherton, and Portola Valley, and areas of East Palo Alto, Woodside and unincorporated San Mateo and Santa Clara counties. In October 1902, a petition signed by 35 residents was presented to the Board of Supervisors of San Mateo County requesting that an election be called for the formation of a sanitary district. The Menlo Park Sanitary District was created with the election held on December 10, 1902. In 1981, the name was changed to West Bay Sanitary District, to better represent the expanding service area. In 1975, the District joined with the Cities of Belmont, Redwood City, and San Carlos in a Joint Powers Agreement establishing the South Bayside System Authority (now Silicon Valley Clean Water), for a regional wastewater treatment plant, replacing the District's local plant.

The District has been serving the community for 122 years, expanding over the years to operate and maintain 210 miles of pipeline and 11 pump stations. The District also maintains 95 private step/grinder pumps for customers in the Portola Valley area and 60 miles of pipeline and four pump stations for the Towns of Los Altos Hills and Woodside. Since 2020, the District operates the Sharon Heights Recycled Water Facility (SHRWF) with one influent pump station, adding a second pump station in 2024. Diverting effluent flows to recycled water facility reduces the flows to the regional wastewater treatment plant, benefiting sewer service customers and the environment.

Mission Statement

The West Bay Sanitary District is dedicated to protecting the public health and the environment by providing cost effective sanitary sewer service. We are committed to providing our customers with wastewater disposal services utilizing the highest technical, environmental, and safety standards available; to providing the very best customer service; to ensuring the fiscal viability of our District by applying sound business principles and to ensuring the optimum operation of our infrastructure by employing professional maintenance and replacement practices.

Overview of the Financial Statements

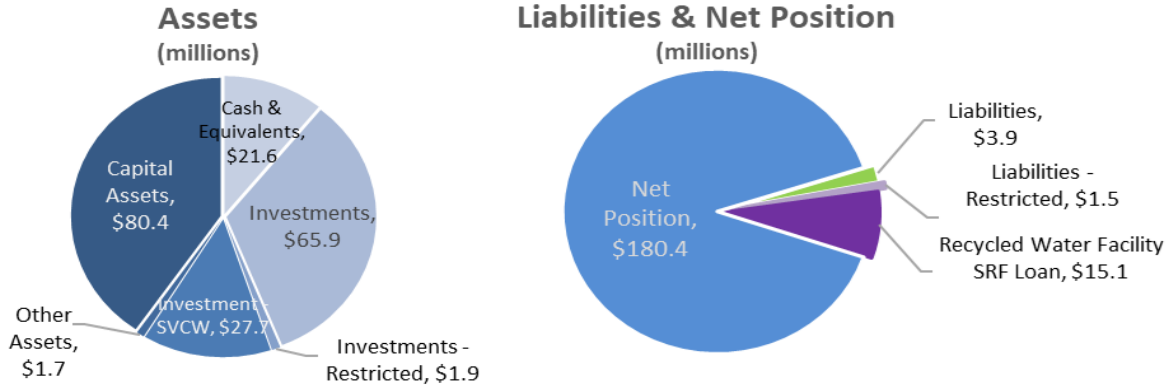
The District has issued its financial statements for the fiscal year ended June 30, 2024, in conformity with the format prescribed by the provisions of the Governmental Accounting Standards Board (GASB). For financial reporting purposes, the District operates as a special-purpose government engaged in business type activities, following accrual accounting methods, similar to those of non-profit organizations. The District is governed by five at large elected Board of Directors, serving four year terms.

This financial report includes three parts: management's discussion and analysis, the basic financial statements, and supplemental information.

- The basic financial statements include the Statement of Net Position; Statement of Revenues, Expenses, and Change in Net Position; and Statement of Cash Flows, for the combined operations of the District for the fiscal years ended June 30, 2024 and 2023. The notes to the basic financial statements are an integral part of the basic financial statements and provide details on accounting policies, assets, and other information in the statements.
- Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as presented in the table of contents, be presented to supplement the basic financial statements.

Financial Analysis of the District

Net Position



The Statement of Net Position summary is provided in Table 1 to highlight the changes between June 30, 2024 and June 30, 2023, for fiscal years 2023-24 and 2022-23, respectively. The District's total net position increased by \$9.4 million, or 6%.

Current assets decreased as funds were expended on capital and capital budget funds for long-term capital projects was invested to increase yields over ensuing two years, as funds are needed. The District transferred \$20 million from the Local Agency Investment Fund (LAIF) to the Capital Projects Reserve investment account to facilitate increased returns.

The District holds restricted funds in a Public Agency Retirement Services (PARS) trust account for pension and other post-employment benefits (OPEB) and for Sharon Heights Golf & Country Club's (SHGCC) deposit for the California Clean Water State Revolving Fund (SRF) Loan, as required by their long-term agreement.

The position in Silicon Valley Clean Water (SVCW) is based on the unaudited Analysis of Net Position [by member] for year ended June 30, 2024, declining \$1.8 million to a 22.66% share with a net position of \$27.65 million. Net Capital Assets increased by \$8 million with capital additions of \$12.66 million. The District has \$15.5 million in construction in progress, including \$3.5 million in recycled water projects.

Table 1
Statement of Net Position

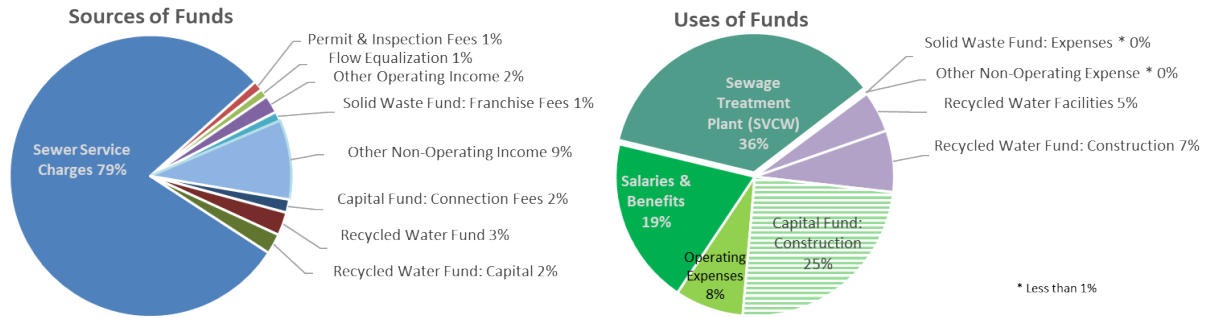
	FY 2023-24	FY 2022-23	Change	Percentage
Assets				
Current Assets	51,939,722	68,081,700	(16,141,978)	-24%
Non-Current Assets	147,236,839	122,153,300	25,083,539	21%
Total Assets	199,176,561	190,234,999	8,941,561	5%
Deferred Outflows of Resources	3,569,846	5,659,380	(2,089,534)	-37%
Current Liabilities	3,242,694	4,777,983	(1,535,289)	-32%
Non-Current Liabilities	17,251,637	17,189,692	61,945	0%
Total Liabilities	20,494,331	21,967,675	(1,473,344)	-7%
Deferred Inflows of Resources	1,855,551	2,942,351	(1,086,800)	-37%
Net Position	180,396,525	170,984,354	9,412,171	6%

Note: Totals may be off due to rounding.

West Bay Sanitary District
Management's Discussion and Analysis
June 30, 2024 and 2023

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Changes in Net Position



The Statement of Revenue, Expense, & Changes in Net Position by Fund in Table 2 compares the Operating and other activities in Fiscal Year 2023-24 and 2022-23. Operating revenues increased by 6%, as rates increased 2% and 905 residential customers were added. Operating expenses, which include collection, solid waste, and recycled water, increased \$998 thousand or 7% from the prior year. The District's salary and benefits increased 11%, including the union negotiated wage increase of 4%.

Sewage Treatment Plant is the wastewater transmission, treatment, and effluent disposal services provided by Silicon Valley Clean Water (SVCW), formerly South Bayside System Authority, which was created in 1975 under a Joint Exercise of Powers Agreement to construct and operate a sewage treatment facility at Redwood Shores for the District and the cities of Belmont, San Carlos, and Redwood City. As a member of SVCW, the District is liable for its share of the operating expenses and debt, which increased 1% from prior year. As of the year ending June 30, 2024, the District's share was 22.66%, valued at \$27.6 million.

The Capital Fund received connection fees of \$617 thousand, which are used for pipeline capacity expansion. The Solid Waste Fund represents the net solid waste collection franchise fees from Recology and direct expenses. The Recycled Water Fund represents the net activity for the Sharon Heights Recycled Water Facility (SHRWF), which is a partnership with Sharon Heights Golf & Country Club (SHGCC) to provide recycled water for irrigation, the Bayfront Recycled Water Facility (BFRWF) in construction, and any other recycled water projects.

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

	FY 2023-24	FY 2022-23	Change	Percentage
Operating Revenues	34,027,074	32,096,441	1,930,633	6%
Operating Expenses	(14,505,450)	(13,507,324)	(998,125)	7%
Sewage Treatment Plant (SVCW)	(12,984,204)	(12,846,366)	(137,838)	1%
Operating Income (Loss)	6,537,421	5,742,751	794,669	14%
Non-Operating Rev / Exp	2,805,959	2,784,843	21,116	1%
Income Before Contributions & Special Items	9,343,379	8,527,594	815,785	10%
Pension Adjustment (GASB 68)	(1,489,456)	(4,912,677)	3,423,221	
Recycled Water Fund: Capital Contribution	941,226	1,146,513	(205,286)	-18%
Capital Fund: Connection Fees	617,021	277,426	339,596	122%
Change in Net Position	9,412,171	5,038,855	4,373,316	87%
Prior Period Adjustment	-	6,005,723	(6,005,723)	-100%
Change in Net Position - Adjusted	9,412,171	11,044,578	(1,632,407)	-15%

Budgetary Highlights

The District adopted the annual budget for fiscal year 2023-24 on June 14, 2023, after reviewing at a Budget Workshop with the Board of Directors on May 3, 2023. The budget is prepared on the accrual basis of accounting by Fund and includes planned capital expenditures for the year and capital carry-overs from prior years. The District maintains separate long-term financial plans for vehicle and equipment replacement and multi-year capital projects, in the ten-year Master Plan. Table 3 shows a comparison of combined actual to budget for the year ended June 30, 2024.

District operating revenue was slightly over budget. Total operating expenses were 12% under budget, as the planned software transitions for accounting and the tax roll were delayed. Sewage treatment expenses was on budget, as required contributions for SVCW was received before budget approval.

The Recycled Water Fund receives a flat contribution from SHGCC each year of \$662.9 thousand to cover the annual SRF loan payment. SHGCC contributions for the Avy-Altschul Pump Station were also recognized in FY 2023-24.

Table 3
Actual vs. Budget Report

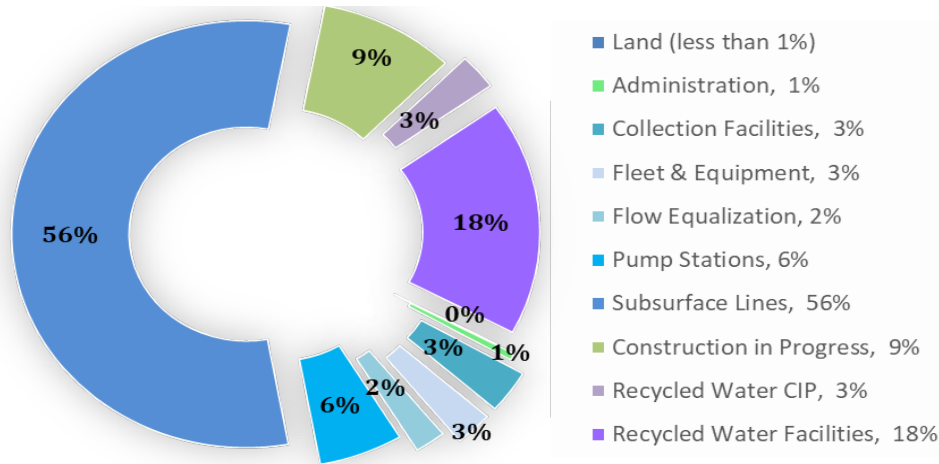
	FY 2023-24	Budget	Variance	Percentage
Operating Revenues	34,027,074	33,914,468	112,607	0%
Operating Expenses	(14,505,450)	(16,479,263)	1,973,814	-12%
Sewage Treatment Plant (SVCW)	(12,984,204)	(12,990,848)	6,644	0%
Operating Income (Loss)	6,537,421	4,444,356	2,093,064	47%
Non-Operating Rev / Exp	2,805,959	877,896	1,928,063	220%
Income Before Contributions & Special Items	9,343,379	5,322,252	4,021,127	76%
Pension Adjustment (GASB 68)	(1,489,456)	-	(1,489,456)	
Recycled Water Fund: Capital Contribution	941,226	662,900	278,326	42%
Capital Fund: Connection Fees	617,021	250,000	367,021	147%
Change in Net Position	9,412,171	6,235,152	3,177,019	51%
Prior Period Adjustment	-	-	-	
Change in Net Position - Adjusted	9,412,171	6,235,152	3,177,019	51%

The District has \$43.5 million in Capital Budget balance June 30, 2024, including \$15 million in carryover; \$4 million from fiscal year 2022-23 and \$11 million from fiscal year 2023-24. The Capital Budget is comprised of the net increase in Collections, plus interest, and funds contributed, less current capital expenditures. Table 4 summarizes the capital budget for the fiscal year ending June 30, 2024. Current capital expenditures were \$9.5 million, excluding asset disposals, \$14.4 million under budget.

Table 4
Capital Budget
Actual vs. Budget Report

	FY 2023-24	Budget	Variance	Percentage
Transfer from Operations	4,634,502	4,818,703	(184,201)	96%
Interest Income	3,528,764	500,000	3,028,764	706%
Connection Charges	617,021	250,000	367,021	247%
Capital Expenditures	(9,475,114)	(23,913,000)	14,437,886	40%
Change in Capital Budget	(694,827)	(18,344,297)	17,649,470	4%
Beginning Capital Budget Balance	44,218,570	41,066,633	3,151,937	108%
Ending Capital Budget Balance	43,523,744	22,722,337	20,801,407	192%

Capital Assets



Total assets increased 9% before depreciation and 11% net of accumulated depreciation. The District had net capital expenditures of \$9.5 million for Capital Fund assets, administration, collection facilities, vehicles and equipment, and replacement and rehabilitation of sewer infrastructure. \$1.1 million in assets were removed from operations, including sales of four retired vehicles and salvage or one vehicle for \$73.5 thousand, with original costs of \$596 thousand for a net gain of \$8 thousand.

The SHRWF was completed and accepted on July 27, 2020. SHRWF was funded by a State of California, Clean Water State Revolving Fund (SRF) loan of \$17.3 million and Water Recycling Funding Program (WRFPP) \$5.26 million grant. The District added a new pump station to feed the SHRWF, expending \$979 thousand over two years, with additional funding by SHGCC. The District will be reimbursed by a separate CWSRF loan, with SHGCC funding the balance. Both SRF loans will be paid by SHGCC. The District expended \$1.3 million on the Bayfront Recycled Water Facility Project, which is moving from planning to site preparation phase. Table 5 shows a summary of capital assets owned by the District as of June 30, 2024.

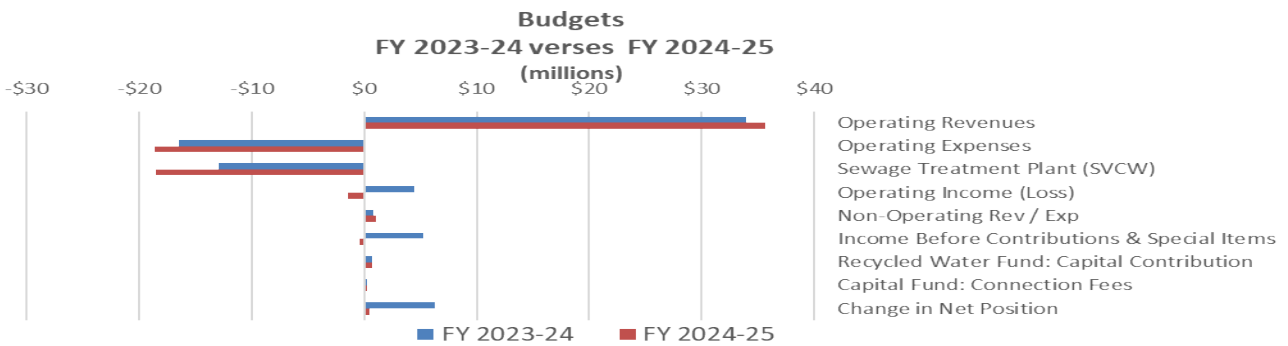
Table 5
Capital Assets

Assets	FY 2023-24	FY 2022-23	Change	Percentage
Land	44,467	44,467	-	0%
Construction in Progress	11,980,519	7,993,046	3,987,473	50%
Pump Stations	7,408,741	7,523,855	(115,115)	-2%
Fleet & Equipment	3,345,395	3,786,671	(441,276)	-12%
Administration	669,879	1,054,906	(385,027)	-36%
Flow Equalization	2,738,197	2,738,197	-	0%
Collection Facilities	4,147,496	4,196,507	(49,012)	-1%
Subsurface Lines	71,397,642	66,032,450	5,365,192	8%
Subtotal Capital Fund Assets	101,732,336	93,370,100	8,362,235	9%
Accumulated Depreciation	(44,773,740)	(42,608,330)	(2,165,410)	5%
Net Capital Fund Assets	56,958,595	50,761,770	6,196,825	12%
Sharon Heights Recycled Water Facilities	22,647,052	22,647,052	-	0%
Avy Pump Station (CIP)	1,197,359	316,121	881,237	279%
Bayfront Recycled Water Facilities (CIP)	2,233,750	896,821	1,336,929	149%
Recycled Water Subsurface Lines	365,315	-	365,315	
Recycled Water Assets	26,443,476	23,859,994	2,583,481	11%
Accumulated Depreciation	(2,958,795)	(2,203,894)	(754,902)	34%
Net Recycled Water Assets	23,484,680	21,656,100	1,828,580	8.4%

Future Budget

The District is governed in part by provisions of the California Constitution that require the District to set rates that cover only the costs of operation and maintenance (O&M) and capital. General economic conditions have a limited effect on the District for sewer service charges. Accordingly, the District sets the sewer rates to its users to cover the costs of O&M and strives to stabilize capital costs with a ten year Master Plan and reserves for rate stabilization and capital.

The District provides an essential government function, therefore essential sanitary and sewer services continue regardless of other social or economic conditions, with minimal disruption in O&M, completing 100% of repairs and maintenance in-house and achieving 95.5% of performance goals for 2023 and 99% for 2024. Goals are reviewed and revised annually to ensure the District strives to improve and provide exceptional service to our customers.



The fiscal year 2024-25 original budget was approved June 12, 2024, with minor adjustments after the budget workshop on May 1, 2024 with the full board. The original approved budget was revised and the revised budget was approved December 4, 2024. Revenue is expected to increase 5% with sewer service rate increases of 5% in FY 2024-25 and a new contract with East Palo Alto Sanitary District to maintain their 35 miles of sewer pipeline. Residential customers represented 97% of all customers and 82% of revenue, while non-residential customers represented the remaining 3% of customers and 18% of revenue in FY 2023-24. Other revenues are expected to have nominal increases.

Operating expenses are increasing 11%, with required salary and benefit increases and the addition of seven new employees. Salaries increased 4%, due to labor negotiated Memorandum of Understanding effective July 1, 2024. Sewage Treatment Plant (SVCW) expenses are increasing due to cash-in-lieu of debt and commencement of debt for plant improvements. Table 6 shows a budget comparison from fiscal year 2023-24 to fiscal year 2024-25.

Table 6
Approved Budgets

	FY 2023-24	FY 2024-25	Change	Percentage
Operating Revenues	33,914,468	35,667,468	1,753,001	5%
Operating Expenses	(16,479,263)	(18,583,448)	(2,104,185)	11%
Sewage Treatment Plant (SVCW)	(12,990,848)	(18,540,559)	(5,549,711)	30%
Operating Income (Loss)	4,444,356	(1,456,539)	(5,900,895)	405%
Non-Operating Rev / Exp	877,896	1,021,838	143,942	14%
Income Before Contributions & Special Items	5,322,252	(434,701)	(5,756,953)	1324%
Recycled Water Fund: Capital Contribution	662,900	662,900	-	0%
Capital Fund: Connection Fees	250,000	250,000	-	0%
Change in Net Position	6,235,152	478,199	(5,756,953)	-1204%

Factors Bearing on the Future

The District is committed to its mission of protecting public health and the environment. As part of that mission, the District has worked with local partners to build and operate recycled water facilities. Beyond the benefits of providing recycled water for landscaping and other uses, recycling water from the District system reduces future processing costs to all sewer service customers, by reducing flows and ultimately discharges destined to the San Francisco Bay through the SVCW treatment facility.

The Sharon Heights Recycled Water Facility (SHRWF) project, completed in FY 2020-21, is designed to produce 0.5 million gallons per day (MGD) of recycled water with two influent pump stations. SHRWF is a public-private partnership with SHGCC, who reimburses O&M expense and makes capital contributions to cover the annual SRF loan payments and any other costs. The SHRWF SRF loan has a current balance of \$15,111,188, as of June 30, 2024. In 2023-24, 95 million gallons (MG) were treated and 44.4 MG of recycled water were delivered to the SHGCC pond for irrigation. The golf course was shut until around July 2023 due to construction and the grow-in period, resulting in the lower delivery amount.

In FY 2022-23, the District approved and began construction on a second influent pump station, adding 60 thousand GPD of wastewater to the basin feeding into the facility. This second pump station was completed in FY 2023-24, with funding from SHGCC and will include a second SRF loan and grant for \$332,500 or 35% of the \$950,000 estimated project cost. The District will be reimbursed construction costs once the State Water Resources Control Board processes the Final Budget Approval for the project.



The District is currently designing a new 1 MGD recycled water treatment and distribution facility on the Flow Equalization and Resource Recovery Facility (FERRF) site. The construction costs current projection is \$88 million. The District was originally awarded a \$15 million grant from the California State Water Recycling Funding Program (WRFP). In FY 2023-24, the WRFP cut the grant to \$5 million. Costs will be partially funded through a \$66.6 million California Clean Water State Revolving Fund (SRF) loan, authorized August 23, 2023. The District has identified interested developers for partial capacity, with the remaining for existing and new customers, with an estimated \$10 million contribution from the District for the value of the land.



In December 2018, the District Board provided direction to include a “Living Shoreline” to levee improvement plans to enhance the shoreline, while providing flood and sea level rise protection. As part of a regional effort to extend resilient living shoreline around San Francisco Bay, the District has worked with experts to design an Ecotone Levee with 3.5 acres of living shoreline on the north side of the project site. This will protect the site from 100-year floods, protect the bay from contamination of raw sewage occurring if storm surge and sea level rise breach the flow equalization ponds, while mitigating loss of wetlands and conserving and creating marsh and upland habitat. The living shoreline will replace the north levee and will be viewable by the public from Bedwell Bayfront Park in Menlo Park. Construction began in October 2023 and expected to be completed in FY 2024-25. The District was awarded a \$4,884,112 million grant to fund a portion of the Ecotone Levee Project by the National Fish and Wildlife Foundation (NFWF). The funds are matching, requiring a 112% contribution by the District of \$5.5 million.



Contacting the District

This financial report is designed to provide a general overview of the District's finances and provide transparency. If you have any questions related to the District, please contact the District's main office at 500 Laurel Street, Menlo Park, CA 94025 or call (650) 321-0384.

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BASIC FINANCIAL STATEMENTS

West Bay Sanitary District
Statements of Net Position
As of June 30, 2024 and June 30, 2023

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Assets	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Current Assets:		
Cash and cash equivalents	\$ 21,580,943	\$ 42,165,110
Investments	27,293,136	23,638,054
Restricted cash and investments	1,519,315	1,517,643
Accounts receivable	713,526	240,231
Interest receivable	750,762	442,682
Prepaid expenses and other current assets	82,040	77,978
Total Current Assets	<u>51,939,722</u>	<u>68,081,698</u>
Noncurrent Assets:		
Investments	38,634,273	19,942,535
Investment in Silicon Valley Clean Water	27,652,279	29,484,894
Restricted cash and investments	352,067	273,634
Net OPEB asset	154,944	34,366
Capital assets:		
Non-depreciable	15,517,443	8,934,334
Depreciable net of accumulated depreciation	64,925,832	63,483,535
Total Capital Assets - Net	<u>80,443,275</u>	<u>72,417,869</u>
Total Noncurrent Assets - Net	<u>147,236,838</u>	<u>122,153,298</u>
Total Assets	<u>\$ 199,176,560</u>	<u>\$ 190,234,996</u>
Deferred Outflows of Resources		
OPEB adjustments	\$ 7,259	\$ 91,669
Pension adjustments	3,562,587	5,567,712
Total Deferred Outflows of Resources	<u>\$ 3,569,846</u>	<u>\$ 5,659,381</u>

Continued

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

West Bay Sanitary District
Statements of Net Position
As of June 30, 2024 and June 30, 2023

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Liabilities	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Current Liabilities:		
Accounts payable	\$ 1,197,482	\$ 2,407,596
Payroll and related liabilities	477,867	466,569
Unearned revenue	148,869	447,538
Other liabilities	131,553	58,253
Customer deposits	775,123	891,292
State Revolving Fund Loan	511,799	506,732
Total Current Liabilities	<u>3,242,693</u>	<u>4,777,980</u>
Noncurrent Liabilities:		
Customer deposits	1,458,404	1,458,404
Net pension liability	1,193,844	620,100
State Revolving Fund Loan	14,599,389	15,111,188
Total Noncurrent Liabilities	<u>17,251,637</u>	<u>17,189,692</u>
Total Liabilities	<u>\$ 20,494,330</u>	<u>\$ 21,967,672</u>
 Deferred Inflows of Resources		
OPEB adjustments	\$ 28,065	\$ 25,452
Pension adjustments	1,827,486	2,916,899
Total Deferred Inflows of Resources	<u>\$ 1,855,551</u>	<u>\$ 2,942,351</u>
 Net Position		
Net Investment in Capital Assets	\$ 65,332,087	\$ 56,799,949
Unrestricted:		
Capital fund budget	43,523,744	44,218,570
Invested in Silicon Valley Clean Water	27,652,279	29,484,894
Operations	14,024,468	11,111,437
Unreserved	29,863,947	29,369,504
Total Net Position	<u>\$ 180,396,525</u>	<u>\$ 170,984,354</u>

Concluded

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

West Bay Sanitary District
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2024 and June 30, 2023

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	June 30, 2024	June 30, 2023
Operating Revenues:		
Service charges	\$ 32,227,643	\$ 30,508,147
Flow equalization uses	403,165	436,915
Permit and inspection fees and other services	447,140	203,036
Other operating revenues	949,126	948,343
Total operating revenues	34,027,074	32,096,441
Operating Expenses:		
Sewage treatment plant (SVCW)	12,984,204	12,846,365
Sewage collection and general administration:		
Salaries and benefits	7,022,122	6,330,472
Materials and supplies	638,381	657,069
Insurance	329,736	331,063
Contract services	726,124	763,708
Professional services	736,059	824,390
Repairs and maintenance	495,971	389,909
Utilities	480,755	405,452
Other operating expenses	254,638	286,728
Total sewage collection and general administration	10,683,786	9,988,791
Depreciation	3,821,663	3,518,536
Total operating expenses	27,489,653	26,353,692
Operating Income (Loss)	6,537,421	5,742,749
Nonoperating Revenues (Expenses):		
Investment income	3,818,657	1,367,580
Interest expense	(156,179)	(161,196)
Increase (decrease) of equity in Silicon Valley Clean Water	(1,832,615)	1,054,186
Other nonoperating expenses	(311,963)	(10,951)
Other nonoperating revenues	1,288,059	535,226
Total nonoperating revenues (expenses)	2,805,959	2,784,845
Income before contributions	9,343,380	8,527,594
Capital Contributions:		
Capital Fund: Connection Fees	617,021	277,426
Recycled Water Fund: Capital Contributions	941,226	1,146,513
Total capital contributions	1,558,247	1,423,939
Special Item: Pension (Expense) Credit	(1,489,456)	(4,912,677)
Change in Net Position	9,412,171	5,038,856
Beginning Net Position	170,984,354	159,939,775
Prior Period Adjustments	-	6,005,723
Beginning Net Position - As Adjusted	170,984,354	165,945,498
Ending Net Position	\$ 180,396,525	\$ 170,984,354

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

West Bay Sanitary District
Statements of Cash Flows
For the Years Ended June 30, 2024 and June 30, 2023

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	June 30, 2024	June 30, 2023
Cash Flows from Operating Activities:		
Cash received from customers	\$ 33,212,241	\$ 32,822,157
Cash payments to suppliers for goods and services	(17,860,044)	(14,361,867)
Cash payments to employees for services	(5,230,537)	(4,782,938)
Cash payments of benefits on behalf of employees	(1,813,842)	(1,617,708)
Net Cash Provided (Used) by Operating Activities	8,307,818	12,059,644
Cash Flows from Capital and Related Financing Activities:		
Cash received from connection fees	617,021	277,426
Principal paid for the State Revolving Fund loan	(506,732)	(501,715)
Cash received from other financing activities	1,288,059	535,226
Cash received from capital contributions	941,226	1,146,513
Interest payments	(156,179)	(161,196)
Cash received on the sale of capital assets	18,985	-
Purchases and construction of capital assets	(12,357,118)	(4,877,832)
Net Cash Provided (Used) by Capital and Related Financing Activities	(10,154,738)	(3,581,578)
Cash Flows from Investing Activities:		
Transfers to investment accounts	(20,000,000)	(15,202,111)
Transfers from investment accounts	-	670,000
Investment income	1,262,753	686,226
Net Cash Provided (Used) by Investing Activities	(18,737,247)	(13,845,885)
Net Increase (Decrease) in Cash and Cash Equivalents	(20,584,167)	(5,367,819)
Cash and Cash Equivalents Beginning	42,165,110	47,532,929
Cash and Cash Equivalents Ending	\$ 21,580,943	\$ 42,165,110

Continued

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

West Bay Sanitary District
Statements of Cash Flows
For the Years Ended June 30, 2024 and June 30, 2023

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	June 30, 2024	June 30, 2023
Reconciliation of Operating Income to Cash Flows Provided		
by Operating Activities:		
Operating Income (Loss)	\$ 6,537,421	\$ 5,742,749
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	3,821,663	3,518,536
Pension credit	(1,489,456)	(4,912,677)
Prior period adjustments	-	6,005,723
Net change in:		
Accounts receivable	(473,295)	591,347
Prepaid expenses and other current assets	(4,062)	2,905
Deferred outflows of resources	2,089,535	(5,417,043)
Accounts payable	(1,210,114)	2,116,025
Payroll and related liabilities	11,298	(70,318)
Unearned revenue	(298,669)	435,105
Other liabilities	73,300	58,253
Construction deposits	-	(119)
Customer deposits	(116,169)	(300,617)
Net OPEB asset/liability	(120,578)	(40,479)
Net pension asset/liability	573,744	4,110,148
Deferred inflows of resources	(1,086,800)	220,106
Net Cash Provided (Used) by Operating Activities	<u>\$ 8,307,818</u>	<u>\$ 12,059,644</u>

Concluded

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

NOTE 1 - NATURE OF ORGANIZATION

West Bay Sanitary District (District) is a State of California Special District and was formed for the purpose of protecting water quality and the associated public health. The District is responsible for wastewater collections, treatment, reclamation and disposal. The District performs the services of wastewater collection, and together with three other public entities is part of a Joint Powers District for the treatment, disposal and reclamation of wastewater. The District is also responsible for refuse (solid waste) collection, treatment, disposal and reclamation. It franchises with a solid waste organization to perform these refuse services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

The District's Basic Financial Statements are prepared in accordance with the policies and procedures for California special districts. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, and as prescribed by the Governmental Accounting Standards Board and Audits of State and Local Governmental Units, issued by the American Institute of Certified Public Accountants.

The District is accounted for as an enterprise fund because the intent of the governing body is that the cost (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

An enterprise fund is used to account for activities similar to those in the private sector, where the proper matching of revenues and costs is emphasized and the full accrual basis of accounting is required. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the enterprise are recorded on its statement of net position, and under the full accrual basis of accounting, all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred.

Enterprise funds are accounted for on a cost of services or economic resources measurement focus, which means that all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with their activity are included on their balance sheets. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred outflow of resources related to the recognition of the net pension liability and net OPEB liability reported in the Statement of Net Position.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of

resources related to the recognition of the District's benefit plans liability reported in the Statement of Net Position.

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred inflows from unearned revenue.

The District applies all applicable Governmental Accounting Standards Board (GASB) pronouncements for certain accounting and financial reporting guidance. In December of 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. In June of 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 also amends GASB 62 and AICPA Pronouncements paragraphs 64, 74, and 82. The Generally Accepted Accounting Principles (GAAP) hierarchy sets forth what constitutes GAAP for all state and local governmental entities. It establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. The sources of authoritative GAAP are categorized in descending order of authority as follows:

- a. Officially established accounting principles—GASB Statements (Category A)
- b. GASB Technical Bulletins; GASB Implementation Guides; and literature of the AICPA cleared by the GASB (Category B).

If the accounting treatment for a transaction or other event is not specified by a pronouncement in Category A, a governmental entity should consider whether the accounting treatment is specified by a source in Category B.

Statement of Net Position

The statement of net position is designed to display the financial position of the District. The District's net position is classified into three categories as follows:

- Net Investment in Capital Assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position, as applicable.
- Restricted - This component of net position consists of constraints placed on an assets use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or law and regulations of other governments, and reduced by liabilities and deferred inflows of resources related to those assets. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation. The District applies restricted resources when an

expense is incurred for purposes for which both restricted and unrestricted net position is available.

- Unrestricted - This component of net position consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position is the operating statement for proprietary funds. This statement distinguishes between operating and non-operating revenues and expenses and presents a separate subtotal for operating revenues, operating expenses, and operating income. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for services. Operating expenses for the District include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Service Charges

Service Charges are collected for providing sewer services within the District's territory. The majority of revenues are collected by the County of San Mateo through annual property tax billings. Customers not included in tax roll are manually billed by District.

Connection Fees

Connection fees are reported as revenue only to the extent the amount equals the costs of the physical connection to the system.

Budgets and Budgetary Accounting

Budgets are prepared on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted by the Board of Directors. Project-length financial plans are adopted for all capital projects funds.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash represents balances that can be readily withdrawn without substantial notice or penalty. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates and have an original maturity date of three months or less.

Investments

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB No.3)*, certain disclosure requirements for Deposits and Investment Risks were made in the areas of interest rate risk and credit risk. The credit risk disclosures include the following components; overall credit risk, custodial credit risk and concentrations of credit risk. In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

The District participates in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code section 16429 under the oversight of the Treasurer of the State of California. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The value of the underlying securities within LAIF does not affect the value of the money that LAIF participants deposit in the fund. LAIF, in essence, acts as an “interest-bearing checking account. Deposits are available to the District daily and earn an equal share of interest based on the average daily balance within LAIF during each quarter.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

Accounts Receivables

Receivables include amounts due from collection services and other assessments or resources. All receivables are current and reported net of an allowance for uncollectible accounts as applicable. The allowance for uncollectible accounts was zero as of June 30, 2024 and June 30, 2023.

Capital Assets

Property, plant and equipment are recorded at cost or, if contributed, at estimated value at the time of acquisition to the District are stated at estimated fair value at the time of contribution. District policy

has set the capitalization threshold for reporting capital assets at \$20,000 if an asset has an estimated useful life in excess of one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The purpose of depreciation is to spread the cost of plant and equipment equitably among all customers over the life of these assets, so that each customer's bill includes a pro rata share of the cost of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of plant and equipment cost.

Depreciation of all plant and equipment in service is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the statement of net position as a reduction in the book value of the capital assets.

The District has assigned the useful lives listed below to plant and equipment:

Pump Stations	5-30 years
Fleet	5-10 years
Plant and administration facilities	3-30 years
Buildings	5-30 years
Flow equalization facilities	10-30 years
Subsurface lines	5-50 years

Long-Term Liabilities

Long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

Compensated Absences

Compensated absences include vacation leave, floating holidays and comp time. Vested or accumulated vacation leave is recorded as an expense and liability as the benefits accrue to the employees. The following summarizes the changes in compensated absences during fiscal year June 30, 2024:

Description	Balance July 01, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Compensated Absences	\$ 370,141	\$ 103,576	\$ -	\$ 473,717	\$ 473,717

The following summarizes the changes in compensated absences during fiscal year June 30, 2023:

Description	Balance July 01, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Compensated Absences	\$ 387,761	\$ -	\$ 17,620	\$ 370,141	\$ 370,141

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee

contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB Statement No. 68, *accounting and financial reporting for Pensions – an amendment of GASB Statement No. 27* requires that the reported results must pertain to liability and asset information within certain defined time frames. During the fiscal year ended June 30, 2024, the District obtained an actuarial valuation for its pension plan in order determine the amount required to fully fund its unfunded pension liability. As of June 30,2024 the District had a net pension asset. For the period, the following time frames were used.

Valuation Date	June 30,2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

Other Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the District’s Retiree Benefits Plan (the OPEB Plan) and additions to/deductions are based on when they are due and payable in accordance with the benefit terms for the measurement period included in the OPEB plan’s actuarial reports. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Valuation Date	June 30, 2022
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

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.

New Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections in previously issued financial statements. This statement did not have a material impact on the financial statements.

Upcoming New Accounting Pronouncements

Management will continue to analyze its accounting practices to determine the potential impact of the following recent GASB Statements on the District's financial statements:

GASB Statement No. 101, *Compensated Absences*

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences - including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, *Certain Risk Disclosures*

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions for (1) the concentration or constraint (2) each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior

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to the issuance of the financial statements (3) actions taken by the government prior to the issuance of the financial statements to mitigate the risk. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements*

This Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability.

This Statement establishes new accounting and financial reporting requirements or modifies existing requirements related to (a) Management’s discussion and analysis (MD&A) (b) Unusual or infrequent items (c) Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position (d) Information about major component units in basic financial statements (5) Budgetary comparison information (6) Financial trend information in the statistical section.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

NOTE 3 - CASH AND INVESTMENTS

The District’s cash and investments consisted of the following as of June 30, 2024:

Description	Rating	Fair Value June 30, 2024	Maturities			Concentrations
			12 Months or Less	13 - 24 Months	25 - 60 Months	
BMO Investments:						
Fixed Income	AA+/BBB	\$55,263,115	\$ 16,628,842	\$ 27,726,332	\$ 10,907,941	61.83%
Cash	N/A	10,664,294	10,664,294	-	-	11.93%
Total Bank of West Investments	AAA	65,927,409	27,293,136	27,726,332	10,907,941	73.76%
Restricted Investments:						
Cash with fiscal agents - PARS (Pension)	N/A	352,067	352,067	-	-	0.39%
Total Restricted Investments		352,067	352,067	-	-	0.39%
Cash and Cash Equivalents:						
Carrying amount of cash on hand/in banks	N/A	255,505	255,505	-	-	0.29%
Money Market	N/A	2,525,372	2,525,372	-	-	2.83%
LAIF	N/A	20,318,581	20,318,581	-	-	22.73%
Petty Cash	N/A	800	800	-	-	0.00%
Total Cash and Cash Equivalents		23,100,258	23,100,258	-	-	25.85%
Total Cash and Investments		\$89,379,734	\$ 50,745,461	\$ 27,726,332	\$ 10,907,941	100.00%

West Bay Sanitary District
Notes to Financial Statements
For the Years Ended June 30, 2024 and June 30, 2023

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The District's cash and investments consisted of the following as of June 30, 2023:

Description	Rating	Fair Value June 30, 2023	Maturities			Concentrations
			12 Months or Less	13 - 24 Months	25 - 60 Months	
Bank of the West Investments:						
Fixed Income	AA+/BBB	\$41,134,769	\$ 21,192,234	\$ 3,815,177	\$ 16,127,358	46.99%
Cash	N/A	2,445,820	2,445,820	-	-	2.79%
Total Bank of West Investments	AAA	43,580,589	23,638,054	3,815,177	16,127,358	49.79%
Restricted Investments:						
Cash with fiscal agents - PARS (Pension)	N/A	273,634	273,634	-	-	0.31%
Total Restricted Investments		273,634	273,634	-	-	0.31%
Cash and Cash Equivalents:						
Carrying amount of cash on hand/in banks	N/A	1,390,891	1,390,891	-	-	1.59%
Money Market	N/A	2,709,008	2,709,008	-	-	3.09%
LAIF	N/A	39,582,054	39,582,054	-	-	45.22%
Petty Cash	N/A	800	800	-	-	0.00%
Total Cash and Cash Equivalents		43,682,753	43,682,753	-	-	49.90%
Total Cash and Investments		\$87,536,976	\$ 67,594,441	\$ 3,815,177	\$ 16,127,358	100.00%

Cash Deposits

Interest bearing bank balances are insured up to \$250,000 per bank by the Federal Deposit Insurance Corporation ("FDIC"). As of June 30, 2024, the bank balance of the District's cash in bank, which was \$3,474,681, exceeded the insured limit by \$3,224,681. As of June 30, 2023, the bank balance of the District's cash in bank, which was \$4,298,595, exceeded the insured limit by \$4,048,595. 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.

West Bay Sanitary District
Notes to Financial Statements
For the Years Ended June 30, 2024 and June 30, 2023

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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 Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
Local Agency Bonds, Notes, Warrants	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Medium Term Notes	5 years	30%	None
Negotiable Certificates of Deposit	5 years	30%	None
FDIC/Fully Collateralized Certificates of Deposit	N/A	N/A	\$500,000
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Local Agency Investment Fund (LAIF)	N/A	No Limit	No Limit
Passbook Savings Account Demand Deposits	N/A	None	None
California Asset Management Program (CAMP)	N/A	None	None
Money Market funds	N/A	20%	None
Mortgage Pass-Through Securities	5 years	20%	None
U.S. Senior Unsecured Unsubordinated Obligations	5 years	30%	None

Fair Value Measurements

GASB 72 established a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

All of the Districts investments were valued using Level 2 inputs as noted above.

California Local Agency Investment Fund

The District participates in an investment pool managed by the State of California known as the Local Agency Investment Fund (LAIF), which has invested a portion of the pooled funds in structured notes and asset-backed securities, defined as follows:

- Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

- Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, the structured notes and asset-backed securities are subject to market risk as to change in interest rates.

LAIF allows local agencies such as the District to participate in the Pooled Money Investment Account (PMIA) managed by the State Treasurers Office and overseen by the Pooled Money Investment Board and State Treasurer investment committee. A Local Agency Investment Advisory Board oversees LAIF. The investments with LAIF are not classified for credit risk due to their diverse nature and are stated at cost, which approximates fair value. One hundred percent of the pooled funds are invested in non-derivative financial products. The balance in LAIF is available for withdrawal on demand. The PMIA fair value balance, as of June 30, 2024 and 2023, was approximately \$178 and \$177 billion, respectively.

Risk Disclosures

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below:

- *Interest Rate Risk* - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. In order to limit loss exposure due to Interest Rate Risk, the investment policy limits the length of maturity of investments
- *Credit Risk* - Credit risk is the risk of loss due to the failure of the security issuer. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. In order to limit loss exposure due to Credit Risk, the investment policy limits purchases of investments to those rated A-1 by Standard & Poor's or P-1 by Moody's Investors Service.
- *Custodial Credit Risk* - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Or, in the case of investments, the risk of loss of the investment due to failure, impairment or malfeasance of the third party whose name in which the investment is held and who has physical possession of the instrument. In order to limit loss exposure due to Custodial Credit Risk, the investment policy requires all securities be received and delivered using the standard delivery versus payment (DVP) procedure, and all securities be held by a third-party bank or trust department under the terms of a custody or trustee agreement. None of the District's investments were subject to custodial credit risk.
- *Concentration of Credit Risk* - See the chart above for the District's limitations on the amount that can be invested in any one issuer.

NOTE 4 - INVESTMENT IN SILICON VALLEY CLEAN WATER

Silicon Valley Clean Water (SVCW), formerly South Bayside System Authority, was founded in 1975 as the successor to the Strategic Consolidation Sewerage Plan, from which SVCW took title to property including sanitary sewerage pumping stations, as well as transmission and outfall facilities originally constructed by that plan. SVCW is a joint exercise of powers agency between the District, the Cities of Belmont, Redwood City, and San Carlos. The Agency’s wastewater treatment plant is in Redwood City and serves more than 220,000 people and businesses in service areas. SVCW provides wastewater transmission, treatment, and effluent disposal services for member agencies. At June 30, 2024 and 2023, the District had approximately 22.66% and 22.99%, respectively, in equity interest in SVCW, which is reported using the equity method of accounting. The District’s investment in SVCW at June 30, 2024 and 2023 was \$27,652,279 and \$29,484,894, respectively, as reflected on the statement of net position. The change in the investment for the years ended June 30, 2024 and 2023 was an decrease of \$1,832,615 and a increase \$1,054,186, respectively, as reflected in the statement of revenues, expenses and changes in net position. During the year ended June 30, 2024, the District paid a total of \$12,984,204 that includes \$6,117,648 paid for the cost of operating and maintaining the facility, \$1,742,608 in capital and reserve contributions, and \$5,123,948 paid for debt principal and interest that included the State revolving fund loans and the financing agreements to finance the construction and rehabilitation of the SVCW’s wastewater system.

The 2024 changes in the District’s equity share was mostly attributed to ongoing operating and capital needs of the JPA. Overall, the District’s equity share has been impacted by the fact that not all members share in prior issuances of 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, 2024, (most recent information available):

	June 30, 2024
Total Assets	\$ 955,108,378
Deferred Outflows of Resources	28,305,446
Total Liabilities	859,864,108
Deferred Inflows of Resources	1,499,120
Total Net Position	122,050,596
Total Revenues	69,613,654
Total Expenses	75,796,097

Financial statements may be obtained by mailing a request to Silicon Valley Clean Water, 1400 Radio Road, Redwood City, CA 94065.

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Notes to Financial Statements
For the Years Ended June 30, 2024 and June 30, 2023

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The District entered into financing agreements with SVCW for repayment of the District’s allocated share of bonds and State Water Resource Control Board loans with an outstanding balance of \$298,233,964 as of June 30, 2024, 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 2024, gross Sewer Fund revenues amounted to \$32,227,643. The annual debt service commitments are summarized as follows:

Fiscal year ending:	Principal	Interest	Total
2025	\$ 4,300,086	\$ 2,470,547	\$ 6,770,633
2026	4,510,773	2,448,188	6,958,961
2027	4,563,684	2,389,049	6,952,732
2028	6,341,549	3,597,392	9,938,941
2029	6,456,249	3,476,895	9,933,143
2030-2034	33,372,757	17,441,031	50,813,787
2035-2039	41,203,493	13,879,996	55,083,488
2040-2044	40,749,917	9,728,142	50,478,058
2045-2049	37,002,818	5,750,154	42,752,972
2050-2054	29,811,210	2,923,657	32,734,867
2054-2058	18,777,525	928,271	19,705,796
2059-2062	1,014,961	19,589	1,034,550
Total debt service	<u>\$ 228,105,020</u>	<u>\$ 65,052,909</u>	<u>\$ 293,157,930</u>

West Bay Sanitary District
Notes to Financial Statements
For the Years Ended June 30, 2024 and June 30, 2023

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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, 2024:

Description	Balance June 30, 2023	Additions	Adjustments/ Transfers	Deletions	Balance June 30, 2024
Non-depreciable Capital Assets:					
Land	\$ 44,467	\$ -	\$ -	\$ -	\$ 44,467
Construction in progress	9,205,988	12,234,669	(5,702,932)	(264,749)	15,472,976
Total non-depreciable capital assets	9,250,455	12,234,669	(5,702,932)	(264,749)	15,517,443
Depreciable Capital Assets:					
Pump stations	7,523,855	2,200	-	(117,315)	7,408,740
Fleet	3,786,671	120,249	-	(561,525)	3,345,395
Plant and administration facilities	1,054,906	-	-	(385,027)	669,879
Buildings	4,196,507	-	-	(49,012)	4,147,495
Flow equalization facilities	2,738,197	-	-	-	2,738,197
Subsurface lines	66,032,450	-	5,398,965	(33,773)	71,397,642
Recycled Water Subsurface lines	-	-	303,967	-	303,967
SHGCC Recycled Water Facility	22,647,052	-	-	-	22,647,052
Total depreciable capital assets	107,979,638	122,449	5,702,932	(1,146,652)	112,658,367
Less accumulated depreciation for:					
Pump stations	(3,921,598)	(227,523)	-	86,416	(4,062,705)
Fleet	(2,251,227)	(234,040)	-	511,961	(1,973,306)
Plant and administration facilities	(860,844)	(39,205)	-	270,755	(629,294)
Buildings	(1,623,274)	(205,904)	-	32,220	(1,796,958)
Flow equalization facilities	(2,737,700)	(497)	-	-	(2,738,197)
Subsurface lines	(31,213,687)	(2,359,592)	-	-	(33,573,279)
SHGCC Recycled Water Facility	(2,203,894)	(754,902)	-	-	(2,958,796)
Total accumulated depreciation	(44,812,224)	(3,821,663)	-	901,352	(47,732,535)
Total depreciable capital assets - net	63,167,414	(3,699,214)	5,702,932	(245,300)	64,925,832
Total capital assets - net	\$ 72,417,869	\$ 8,535,455	\$ -	\$ (510,049)	\$ 80,443,275

Depreciation expense for the year ended June 30, 2024 was \$3,821,663.

West Bay Sanitary District
Notes to Financial Statements
For the Years Ended June 30, 2024 and June 30, 2023

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The District's capital assets consisted of the following as of June 30, 2023:

Description	Balance June 30, 2022	Additions	Adjustments/ Transfers	Deletions	Balance June 30, 2023
Non-depreciable Capital Assets:					
Land	\$ 44,467	\$ -	\$ -	\$ -	\$ 44,467
Construction in progress	6,631,206	3,440,546	(852,239)	(13,525)	9,205,988
Total non-depreciable capital assets	6,675,673	3,440,546	(852,239)	(13,525)	9,250,455
Depreciable Capital Assets:					
Pump stations	7,413,864	109,991	-	-	7,523,855
Fleet	2,814,646	978,603	51,307	(57,885)	3,786,671
Plant and administration facilities	1,127,140	-	(48,471)	(23,763)	1,054,906
Buildings	2,930,433	-	1,266,074	-	4,196,507
Flow equalization facilities	2,776,288	-	(38,091)	-	2,738,197
Subsurface lines	66,097,994	337,741	(378,580)	(24,705)	66,032,450
SHGCC Recycled Water Facility	22,647,052	-	-	-	22,647,052
Total depreciable capital assets	105,807,417	1,426,335	852,239	(106,353)	107,979,638
Less accumulated depreciation for:					
Pump stations	(3,696,302)	(225,296)	-	-	(3,921,598)
Fleet	(2,046,252)	(176,360)	-	(28,615)	(2,251,227)
Plant and administration facilities	(867,652)	(65,426)	-	72,234	(860,844)
Buildings	(1,503,041)	(84,982)	-	(35,251)	(1,623,274)
Flow equalization facilities	(2,686,304)	(89,485)	-	38,089	(2,737,700)
Subsurface lines	(29,089,505)	(2,124,182)	-	-	(31,213,687)
SHGCC Recycled Water Facility	(1,451,089)	(752,805)	-	-	(2,203,894)
Total accumulated depreciation	(41,340,145)	(3,518,536)	-	46,457	(44,812,224)
Total depreciable capital assets - net	64,467,272	(2,092,201)	852,239	(59,896)	63,167,414
Total capital assets - net	\$ 71,142,945	\$ 1,348,345	\$ -	\$ (73,421)	\$ 72,417,869

Depreciation expense for the year ended June 30, 2023 was \$3,518,536.

The following details construction in progress as of June 30, 2024 and June 30, 2023:

Project	June 30, 2024	June 30, 2023
Bayfront Entrance	\$ 740,511	\$ 145,501
Point Repair	3,920,631	352,337
Stowe Ln Pump Station	179,650	-
Willow Rd Pump Station	153,721	-
Pump Station Telemetry System Replace	45,515	-
Levee	6,940,490	1,792,276
Gilbert Bay North/North Bay/Ringwood	-	5,702,932
Bayfront RWF	2,233,750	896,821
Avy PS	1,197,359	316,121
O'Brien RW Line	61,349	-
Total Construction in Progress	<u>\$ 15,472,976</u>	<u>\$ 9,205,988</u>

West Bay Sanitary District
Notes to Financial Statements
For the Years Ended June 30, 2024 and June 30, 2023

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NOTE 6 - NONCURRENT LIABILITIES

The District's noncurrent liabilities consisted of the following as of June 30, 2024:

Description	Balance			Balance June 30, 2024	Due Within One Year
	July 01, 2023	Additions	Deletions		
Net Pension Liability	\$ 620,100	\$ 3,425,206	\$ 2,851,462	\$ 1,193,844	\$ -
State Revolving Fund Loan	15,617,920	-	506,732	15,111,188	511,799
Total Noncurrent Liabilities	\$ 16,238,020	\$ 3,425,206	\$ 3,358,194	\$ 16,305,032	\$ 511,799

The District's noncurrent liabilities consisted of the following as of June 30, 2023:

Description	Balance			Balance June 30, 2023	Due Within One Year
	July 01, 2022	Additions	Deletions		
Net OPEB Liability	\$ 6,113	\$ -	\$ 6,113	\$ -	\$ -
Net Pension Liability	-	5,776,067	5,155,967	620,100	-
State Revolving Fund Loan	16,119,635	-	501,715	15,617,920	506,732
Total Noncurrent Liabilities	\$ 16,125,748	\$ 5,776,067	\$ 5,663,795	\$ 16,238,020	\$ 506,732

State Revolving Fund Loan

The District has entered into a \$22,595,000 agreement with the State Water Resources Control Board (SWRCB or State Revolving Fund Loan) to finance the Sharon Heights Recycled Water project. The final funding includes a grant of \$5,259,800, federal loan of \$987,014, and state loan of \$16,020,443. Through June 30, 2024, the SRF loan balance was \$15,111,188. The loan funds and accrued interest annual installments commenced on March 31, 2021, one year after the state recognized the project completion on March 31, 2020. Sharon Heights Golf & Country Club pre-funds the annual SRF loan payments. The District accepted project completion July 27, 2020. The following summarizes the total debt service to be repaid by June 30, 2050:

Fiscal Year Ending June 30:	Principal	Interest	Total
2025	\$ 511,799	\$ 151,112	\$ 662,911
2026	516,917	145,994	662,911
2027	522,086	140,825	662,911
2028	527,307	135,604	662,911
2029	532,580	130,331	662,911
2030-34	2,743,861	570,694	3,314,554
2035-39	2,883,825	430,729	3,314,554
2040-44	3,030,929	283,625	3,314,554
2045-49	3,185,537	129,017	3,314,554
2050	656,347	6,563	662,911
Total Debt Service	\$ 15,111,188	\$ 2,124,494	\$ 17,235,683

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, 2024 and June 30 2023:

Description	June 30, 2024	June 30, 2023
Capital fund budget	\$ 43,523,744	\$ 44,218,570
Invested in Silicon Valley Clean Water	27,652,279	29,484,894
Operations	14,024,468	11,111,437
Total Committed Unrestricted Net Position	<u>\$ 85,200,491</u>	<u>\$ 84,814,901</u>

NOTE 8 - DEFERRED COMPENSATION PLAN

District employees may defer a portion of their compensation under a District-sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this Plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency defined by the Plan. The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefits of plan participants and their beneficiaries. Since the assets held under these plans are not the District's property and are not subject to District control, they are not included in these financial statements.

NOTE 9 - RISK MANAGEMENT

The District participates in a joint powers agreement (JPA) with other sanitary districts in the State to form California Sanitation Risk Management Authority (CSRMA). The purpose of CSRMA is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group, thereby reducing its cost. The District is insured for the costs of claims through CSRMA and commercial insurance carriers for the following:

Type of Coverage	Annual Limits	Deductibles
General Liability	\$25,750,000	\$100,000
Worker's Compensation	1,000,000	None
Excess Worker's Compensation Liability	Statutory Limits	None
Mobile Equipment	2,416,397	10,000
Special Form Property	49,852,950	5,000
Public Entity Pollution Liability	25,000,000	None
Cyber Liability	2,000,000	None
Identification Fraud	25,000	None
Deadly Weapons Response	2,500,000	10,000
Public Official Bond	100,000	None

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The District has incurred two claims that have not exceeded its insurance coverage limits in the last three years. Audited condensed financial information for CSRMA is presented below for the year ended June 30, 2023 (most recent information available):

	June 30, 2023
Total Assets	\$ 35,837,500
Total Liabilities	25,803,417
Total Equity	10,034,083
Total Revenues	21,686,396
Total Expenditures	18,692,969

NOTE 10 - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plans

Plan Description - All qualified permanent and probationary employees are eligible to participate in the District’s Miscellaneous Employee Pension Plan (the Plan); cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension Plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Tier 2 and PEPRA members with five years of total service are eligible to retire at age 55 with statutorily reduced benefits until the age of 60 and 62 respectfully. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2024 and 2023, are summarized as follows:

	2024			2023		
	Miscellaneous			Miscellaneous		
	Tier 1	Tier 2	PEPRA	Tier 1	Tier 2	PEPRA
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	55	60	62	55	60	62
Monthly benefits as a						
% of eligible compensation	2.50%	2.00%	2.00%	2.50%	2.00%	2.00%
Required employee contribution rates	8.00%	7.00%	7.75%	8.00%	7.00%	6.75%
Required employer contribution rates	13.34%	10.10%	7.68%	11.59%	8.63%	7.47%

West Bay Sanitary District
Notes to Financial Statements
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Employees Covered - At June 30, 2024, the following employees were covered by the benefit terms for the Plan:

	2024	2023
Active	30	31
Transferred	12	11
Separated	12	11
Retired	25	24
Total	79	77

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, 2024, the District made the following pension contributions:

	2024	2023
Contributions - employer	\$ 428,597	\$ 355,455

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

As of June 30, 2024, the District’s net pension liability was as follows:

	2024	2023
Proportionate Share of NPL	\$ 1,193,844	\$ 620,100

The District’s net pension asset/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, 2023, 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, 2022 rolled forward to June 30, 2023 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.

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Notes to Financial Statements
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The District's proportionate share of the net pension liability for the Plan as of June 30, 2023 and 2024 was as follows:

	2024	2023
Beginning Proportion	0.01325%	-0.18376%
Ending Proportion	0.02387%	1.32500%
Change - Increase/(Decrease)	0.01062%	19.70200%

For the year ended June 30, 2024, the District recognized a pension expense of \$1,918,053.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 72,078	\$ -	\$ 63,542	\$ -
Differences between Expected and Actual Experience	60,988	9,461	12,453	8,340
Differences between Projected and Actual Investment Earnings	193,294	-	113,586	-
Differences between Employer's Contributions and Proportionate Share of Contributions	1,051,121	929,970	2,552,723	751,853
Change in Employer's Proportion	1,756,510	888,055	2,469,953	2,156,706
Pension Contributions Made Subsequent to Measurement Date	428,597	-	355,455	-
Total	\$ 3,562,587	\$ 1,827,486	\$ 5,567,712	\$ 2,916,899

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

	2024	2023
Fiscal Year Ending June 30:	Deferred Outflows/(Inflows) of Resources	
2024	\$ -	\$ 879,664
2025	815,990	862,517
2026	422,479	483,705
2027	62,489	69,473
2028	5,546	-
2029	-	-
Thereafter	-	-
Total	\$ 1,306,504	\$ 1,415,695

Actuarial Assumptions - The total pension liabilities in the June 30, 2023, actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	(1)
Investment Rate of Return	6.8% (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 6.9 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 6.9 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.9 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.

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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.

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Return (1)(2)</u>
Global Equity Cap Weighted	30.00%	4.54%
Global Equity NonCap Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

- (1) An expected inflation of 2.3% used for this period.
- (2) Figures are based on the 2021-22 Asset Liability Study.

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.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Town’s proportionate share of the net pension liability for the Plans, calculated using the discount rate for the Plans, as well as what the Town’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>2024</u>	<u>2023</u>
1% Decrease	5.90%	5.90%
Net Pension Liability \$	4,763,826	\$ 4,021,598
Current	6.90%	6.90%
Net Pension Liability \$	1,193,844	\$ 620,100
1% Increase	7.90%	7.90%
Net Pension Liability \$	(1,744,558)	\$ (2,178,489)

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

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS

Plan Description

The District's single employer defined benefit postemployment healthcare plan provides health care benefits to eligible retirees in accordance with a Board resolution.

Benefits Provided

The District contributes toward post-retirement benefits for employees who retire under PERS after age 50 and choose coverage under CalPERS medical plans. The District pays the amount of the PEMHCA minimum contribution. 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

The benefit terms covered the following employees:

	2024	2023
Active employees	27	27
Inactive employees	7	7
Total employees	34	34

Contributions

The District makes contributions based on an actuarially determined rate and are approved by the authority of the District's Board. For fiscal year ended June 30, 2024, total contributions were \$53,331 and total contributions included in the measurement period were \$53,331. The actuarially determined contribution for the measurement period was \$2,770. The District's contributions were 0.41% of covered employee payroll during the fiscal year ended June 30, 2024. For fiscal year ended June 30, 2023, total contributions were \$50,358 and total contributions included in the measurement period were \$50,358. The actuarially determined contribution for the measurement period was \$2,689. The District's contributions were 1.16% of covered employee payroll during the fiscal year ended June 30, 2023. Employees are not required to contribute to the plan.

Actuarial Assumptions

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

	2024	2023
Valuation Date:	June 30, 2022	June 30, 2022
Measurement Date:	June 30, 2024	June 30, 2022
Actuarial Cost Method:	Entry-Age Normal Cost	Entry-Age Normal Cost
Amortization Period:	20 years	20 years
Asset Valuation Method:	Level percentage of payroll, closed	Level percentage of payroll, closed
Actuarial Assumptions:		
Discount Rate	6.00%, net of OPEB plan investment expense	6.00%
Inflation	2.50%	2.50%
Payroll Increases	3.00%	3.00%
Healthcare Trend Rate	5.5% ^(Note 1)	4.50%
Investment Rate of Return	6.00%	6.00%
Mortality	CalPERS experience study	CalPERS experience study
Retirement	CalPERS experience study	CalPERS experience study

Note 1: 5.50% for 2024, 5.25% for 2025-2029, 5.00% for 2030-2039, 4.75% for 2040-2049, 4.50% for 2050-2069, and 4.00% for 2070 and later years; Medicare ages: 4.50% for 2024-2029 and 4.00% for 2030 and later years.

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.

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

Asset Class	Percentage of Portfolio	Long-Term Expected Rate of Return
US Large Cap	43.00%	7.795%
US Small Cap	23.00%	7.795%
Long-Term Corporate Bonds	12.00%	5.290%
Long-Term Government Bonds	6.00%	4.500%
Treasury Inflation-Protected Securities (TIPS)	5.00%	7.795%
US Real Estate	8.00%	7.795%
All Commodities	3.00%	7.795%
Total	100.00%	

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2024 (measurement date), and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022 (valuation date) for the fiscal year ended June 30, 2024 (reporting date). The following summarizes the changes in the net OPEB liability during the year ended June 30, 2024:

Fiscal Year Ended June 30, 2024 (Measurement Date June 30, 2024)	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2023	\$ 375,972	\$ 410,338	\$ (34,366)
Service cost	5,554	-	5,554
Interest in Total OPEB Liability	22,099	-	22,099
Employer contributions	-	53,331	(53,331)
Actual investment income	-	48,095	(48,095)
Administrative expenses	-	(2,807)	2,807
Benefit payments	(28,331)	(28,331)	-
Adjustment for change in measurement period	746	50,358	(49,612)
Net changes	68	120,646	(120,578)
Balance at June 30, 2024	\$ 376,040	\$ 530,984	\$ (154,944)
Covered Employee Payroll	\$ 3,685,614		
Total OPEB Liability as a % of Covered Employee Payroll	10.20%		
Plan Fid. Net Position as a % of Total OPEB Liability	141.20%		
Service Cost as a % of Covered Employee Payroll	0.15%		
Net OPEB Liability as a % of Covered Employee Payroll	-4.20%		

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Deferred Inflows and Outflows of Resources

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ -	\$ 26,171	\$ -	\$ 22,747
Difference between actual and expected earnings	7,260	-	41,311	-
Change in assumptions	-	1,894	-	2,705
OPEB contribution subsequent to measurement date	-	-	50,538	-
Totals	\$ 7,260	\$ 28,065	\$ 91,669	\$ 25,452

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,	2024		2023	
	Deferred Outflows/(Inflows) of Resources			
2024	\$ -		\$ 9,820	
2025		5,532		9,996
2026		12,260		9,996
2027		(3,285)		16,724
2028		(8,937)		678
2029		(4,977)		-
Thereafter		(21,398)		(31,355)
Total	\$ (20,805)		\$ 15,859	

OPEB Expense

The following summarizes the OPEB expense by source during the year ended June 30, 2024:

	2024	2023
Service cost	\$ 5,554	\$ 4,538
Interest in TOL	22,099	25,099
Expected investment income	(28,294)	(26,214)
Adjustment to change in measurement period	(49,612)	-
Difference between actual and expected experience	1,712	1,712
Difference between actual and expected earnings	4,225	8,919
Change in assumptions	(406)	(406)
Administrative expenses	2,807	2,488
OPEB Expense	\$ (41,915)	\$ 16,136

West Bay Sanitary District
Notes to Financial Statements
For the Years Ended June 30, 2024 and June 30, 2023

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The following summarizes changes in the net OPEB liability as reconciled to OPEB expense during the year ended June 30, 2024:

	2024	2023
Net OPEB liability ending	\$ (154,944)	\$ (34,366)
Net OPEB liability beginning, adjusted	83,978	(6,113)
Change in net OPEB liability	(70,966)	(40,479)
Changes in deferred outflows	76,050	2,508
Changes in deferred inflows	2,613	(3,141)
Adjustment to change in measurement period	(49,612)	62,264
OPEB Expense	\$ (41,915)	\$ 16,136

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(6% for 2024 and 2023) that is one percentage point lower or one percentage point higher, is as follows:

	2024	2023
1% Increase	\$ (194,614)	\$ (73,399)
Discount Rate	\$ (154,944)	\$ (34,366)
1% Decrease	\$ (107,452)	\$ 12,516

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(5.5% for 2024 and 4.5% for 2023) that are one percentage point lower or one percentage point higher than current healthcare cost trend rates, is as follows:

	2024	2023
1% Increase	\$ (95,175)	\$ 15,719
Trend Rate	\$ (154,944)	\$ (34,366)
1% Decrease	\$ (203,866)	\$ (75,661)

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

West Bay Sanitary District has a long-term agreement with Sharon Heights Golf and Country Club (SHGCC) to contribute toward the cost of a recycled water treatment facility. The agreement included the facilities planning, design, environmental review, permitting, construction and full cost incurred thereafter for operations and maintenance. The District received a grant easement in perpetuity for the location of the recycled water treatment facility and the District has ownership of the treatment facility and all the recycled water. SHGCC has the right to receive the first 400 gallons per day of recycled water.

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The District received a California Clean Water State Revolving Fund (SRF) loan to build the recycled water treatment facility. The long-term agreement between the District and SHGCC establishes the terms and conditions of pre-payments each year by SHGCC to the District for the full annual SRF loan payment over the life of the loan, with 2.2 times the annual payment held as a deposit. Through June 30, 2024, total costs for the designed-build phase were as follows:

Description	Design/Build Phase
Procurement	\$ 18,882
Project Management	1,460,876
Legal	58,903
Water Sampling	63,744
Audit Fees	9,750
Civil Engineers	195,309
Inspection	20,230
General Construction	20,744,677
PG&E	74,681
Total	\$ 22,647,052

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Litigation

The District may be at risk of becoming 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 had outstanding contracts, including purchase orders, with balances totaling \$19,335,622 as of June 30, 2024.

NOTE 14 - SOUTH BAYSIDE WASTE MANAGEMETN AUTHORITY JPA

The District is a member of the South Bayside Waste Management Authority, a Joint Powers Authority that facilitates the financing, administration, management, review, monitoring and enforcement of solid waste, recyclable material and plant material collection activities within SBWMA’s service area.

The following summarizes the most recent available financial information of SBWMA:

Total Assets	\$ 88,707,979
Total Liabilities	62,489,634
Total Equity	26,218,345
Total Revenues	61,231,113
Total Expenditures	60,417,055

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REQUIRED SUPPLEMENTARY INFORMATION

West Bay Sanitary District
Schedule of Pension Contributions - CalPERS
June 30, 2024

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Miscellaneous Plan

Plan Measurement Date	2014	2015	2016	2017	2018
Fiscal Year Ended	2015	2016	2017	2018	2019
Contractually Required Contrib.	\$ 368,713	\$ 399,280	\$ 387,500	\$ 413,896	\$ 297,313
Contrib. in Relation to Contractually Required Contributions	368,713	399,280	387,500	413,896	297,313
Contribution Deficiency (Excess)	-	-	-	\$ -	\$ -
Covered Payroll	\$ 2,411,343	\$ 2,544,628	\$ 2,799,216	\$ 2,795,654	\$ 2,806,611
Contrib. as % of Covered Payroll	15.29%	15.69%	13.84%	14.80%	10.59%

Miscellaneous Plan

Plan Measurement Date	2019	2020	2021	2022	2023
Fiscal Year Ended	2020	2021	2022	2023	2024
Contractually Required Contrib.	\$ 295,459	\$ 398,336	\$ 348,274	\$ 355,455	\$ 428,597
Contrib. in Relation to Contractually Required Contributions	295,459	6,592,343	348,274	355,455	428,597
Contribution Deficiency (Excess)	\$ -	\$ (6,194,007)	\$ -	\$ -	\$ -
Covered Payroll	\$ 3,264,521	\$ 3,436,890	\$ 3,765,114	\$ 3,467,099	\$ 3,685,614
Contrib. as % of Covered Payroll	9.05%	191.81%	9.25%	10.25%	11.63%

Notes to Schedule:

Valuation Date: June 30, 2022

Assumptions Used: Entry Age Method used for Actuarial Cost Method
Level Percentage of Payroll and Direct Rate Smoothing
Remaining Amortization Period no more than 29 years
Inflation Assumed at 2.30%
Investment Rate of Returns set at 6.8%
The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Fiscal year 2015 was the first year of implementation, therefore only none years are shown.
The CalPERS discount rate was increased from 7.50% to 7.65% in FY2016, to 7.15% in FY2018, and then decreased to 6.80% in FY2023.
The CalPERS mortality assumptions was adjusted in fiscal year 2023.

West Bay Sanitary District
 Schedule of Proportionate Share of Net Pension Liability
 June 30, 2024

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Miscellaneous Plan

Plan Measurement Date	2014	2015	2016	2017	2018
Fiscal Year Ended	2015	2016	2017	2018	2019
Proportion of NPL	0.10822%	0.12849%	0.12750%	0.12991%	0.12991%
Proportionate Share of NPL	\$ 2,674,755	\$ 3,524,991	\$ 4,429,092	\$ 5,120,961	\$ 5,054,719
Covered Payroll	\$ 2,339,003	\$ 2,411,343	\$ 2,544,628	\$ 2,799,216	\$ 2,795,654
Proportionate Share of NPL as a % of Covered Payroll	114.35%	146.18%	174.06%	182.94%	180.81%
Plan's Fid Net Position as % of TPL	81.15%	78.29%	73.58%	72.32%	73.42%

Miscellaneous Plan

Plan Measurement Date	2019	2020	2021	2022	2023
Fiscal Year Ended	2020	2021	2022	2023	2024
Proportion of NPL	0.13721%	0.00000%	-0.18380%	0.01325%	0.02387%
Proportionate Share of NPL	\$ 5,494,504	\$ -	\$ (3,490,048)	\$ 620,100	\$ 1,193,844
Covered Payroll	\$ 2,806,611	\$ 3,264,521	\$ 3,436,890	\$ 3,765,114	\$ 3,467,099
Proportionate Share of NPL as a % of Covered Payroll	195.77%	0.00%	-101.55%	16.47%	34.43%
Plan's Fid Net Position as % of TPL	73.03%	72.52%	115.26%	97.51%	95.48%

Fiscal year 2015 was the first year of implementation, therefore only none years are shown.

The CalPERS discount rate was increased from 7.50% to 7.65% in FY2016, to 7.15% in FY2018, and then decreased to 6.80% in FY2023.

The CalPERS mortality assumptions was adjusted in fiscal year 2023.

West Bay Sanitary District
Schedule of OPEB Contributions
June 30, 2024

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	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially determined contribution (ADC)	\$ 11,604	\$ 11,579	\$ 16,607	\$ 17,602	\$ 9,832
Less: actual contribution in relation to ADC	(9,418)	(5,120)	(5,120)	(87,458)	(62,264)
Contribution deficiency (excess)	<u>\$ 2,186</u>	<u>\$ 6,459</u>	<u>\$ 11,487</u>	<u>\$ (69,856)</u>	<u>\$ (52,432)</u>
Covered employee payroll	\$ 2,795,654	\$ 2,806,611	\$ 3,697,419	\$ 3,808,342	\$ 3,922,592
Contrib. as a % of covered employee payroll	0.34%	0.18%	0.14%	2.30%	1.59%

	<u>2023</u>	<u>2024</u>
Actuarially determined contribution (ADC)	\$ 2,689	\$ 2,770
Less: actual contribution in relation to ADC	(50,358)	(53,331)
Contribution deficiency (excess)	<u>\$ (47,669)</u>	<u>\$ (50,561)</u>
Covered employee payroll	\$ 4,357,169	\$ 3,685,614
Contrib. as a % of covered employee payroll	1.16%	1.45%

Notes to Schedule:

Assumptions and Methods

Valuation Date:	June 30, 2022
Measurement Date:	June 30, 2024
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	6.00%
Mortality	CalPERS experience study
Service Requirement	CalPERS experience study

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, 2024

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Total OPEB liability	2018	2019	2020	2021	2022	2023	2024
Service cost	\$ 6,513	\$ 6,708	\$ 6,909	\$ 7,254	\$ 7,544	\$ 4,538	\$ 5,554
Interest	16,476	17,188	17,672	18,732	19,857	25,099	22,099
Differences between expected and actual experience	-	-	66,449	-	-	(59,838)	-
Adjustment to change in measurement period	-	-	-	-	-	-	746
Changes of assumptions	-	-	(2,612)	-	-	(1,379)	-
Benefit payments	(7,909)	(14,335)	(17,333)	(7,850)	-	(12,264)	(28,331)
Net change in Total OPEB Liability	15,080	9,561	71,085	18,136	27,401	(43,844)	68
Total OPEB Liability - beginning	278,553	293,633	303,194	374,279	392,415	419,816	375,972
Total OPEB Liability - ending	<u>\$ 293,633</u>	<u>\$ 303,194</u>	<u>\$ 374,279</u>	<u>\$ 392,415</u>	<u>\$ 419,816</u>	<u>\$ 375,972</u>	<u>\$ 376,040</u>
Plan fiduciary net position							
Employer contributions	\$ 232,909	\$ 14,335	\$ 17,333	\$ 5,120	\$ 87,458	\$ 62,264	\$ 53,331
Net investment income	10,234	12,089	15,717	13,423	54,267	(50,877)	48,095
Benefit payments	(7,909)	(14,335)	(17,333)	(7,850)	-	(12,264)	(28,331)
Adjustment to change in measurement period	-	-	-	-	-	-	50,358
Administrative expense	-	-	-	-	(1,755)	(2,488)	(2,807)
Net change in plan fiduciary net position	235,234	12,089	15,717	10,693	139,970	(3,365)	120,646
Plan fiduciary net position - beginning	-	235,234	247,323	263,040	273,733	413,703	410,338
Plan fiduciary net position - ending	<u>\$ 235,234</u>	<u>\$ 247,323</u>	<u>\$ 263,040</u>	<u>\$ 273,733</u>	<u>\$ 413,703</u>	<u>\$ 410,338</u>	<u>\$ 530,984</u>
Net OPEB liability	\$ 58,399	\$ 55,871	\$ 111,239	\$ 118,682	\$ 6,113	\$ (34,366)	\$ (154,944)
Plan fiduciary net position as a percentage of the total OPEB liability	80.11%	81.57%	70.28%	69.76%	98.54%	109.14%	141.20%
Covered employee payroll	\$ 2,799,216	\$ 2,795,654	\$ 2,806,611	\$ 3,697,419	\$ 3,808,342	\$ 3,922,592	\$ 3,685,614
Net OPEB Liability as a percentage of covered payroll	2.09%	2.00%	3.96%	3.21%	0.16%	-0.88%	-4.20%
Total OPEB Liability as a percentage of covered payroll	10.49%	10.85%	13.34%	10.61%	11.02%	9.58%	10.20%

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.

There were not changes in benefit terms.

Healthcare rate was increased from FY23 of 4.5% to 5.50% for 2024.

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.

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OTHER INFORMATION

West Bay Sanitary District
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

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	Budget Amounts	Actual (GAAP Basis)	Variance
Operating Revenues:			
Service charges	\$ 32,477,617	\$ 32,227,643	\$ (249,974)
Flow equalization uses	403,165	403,165	-
Permit and inspection fees and other services	200,000	447,140	247,140
Other operating revenues	833,686	949,126	115,440
Total operating revenues	<u>33,914,468</u>	<u>34,027,074</u>	<u>112,606</u>
Operating Expenses:			
Sewage treatment plant (SVCW)	12,990,848	12,984,204	6,644
Sewage collection and general administration:			
Salaries and benefits	7,247,613	7,022,122	225,491
Materials and supplies	790,000	638,381	151,619
Insurance	327,900	329,736	(1,836)
Contract services	916,400	726,124	190,276
Professional services	1,546,800	736,059	810,741
Repairs and maintenance	671,100	495,971	175,129
Utilities	497,250	480,755	16,495
Other operating expenses	527,200	254,638	272,562
Total sewage collection and general administration	<u>12,524,263</u>	<u>10,683,786</u>	<u>1,840,477</u>
Depreciation	3,955,000	3,821,663	133,337
Total operating expenses	<u>29,470,111</u>	<u>27,489,653</u>	<u>1,980,458</u>
Operating Income (Loss)	<u>4,444,357</u>	<u>6,537,421</u>	<u>2,093,064</u>
Nonoperating Revenues (Expenses):			
Investment income	501,600	3,818,657	3,317,057
Interest expense	(156,179)	(156,179)	-
Increase (decrease) of equity in Silicon Valley Clean Water	-	(1,832,615)	(1,832,615)
Other nonoperating expenses	-	(311,963)	(311,963)
Other nonoperating revenues	532,475	1,288,059	755,584
Total nonoperating revenues (expenses)	<u>877,896</u>	<u>2,805,959</u>	<u>1,928,063</u>
Income before contributions	5,322,253	9,343,380	4,021,127
Capital Contributions	912,900	1,558,247	645,347
Special Item: Pension (Expense) Credit	-	(1,489,456)	(1,489,456)
Change in Net Position	6,235,153	9,412,171	3,177,018
Beginning Net Position	170,984,354	170,984,354	-
Ending Net Position	<u>\$ 177,219,507</u>	<u>\$ 180,396,525</u>	<u>\$ 3,177,018</u>

West Bay Sanitary District
Schedule of Combining Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2024

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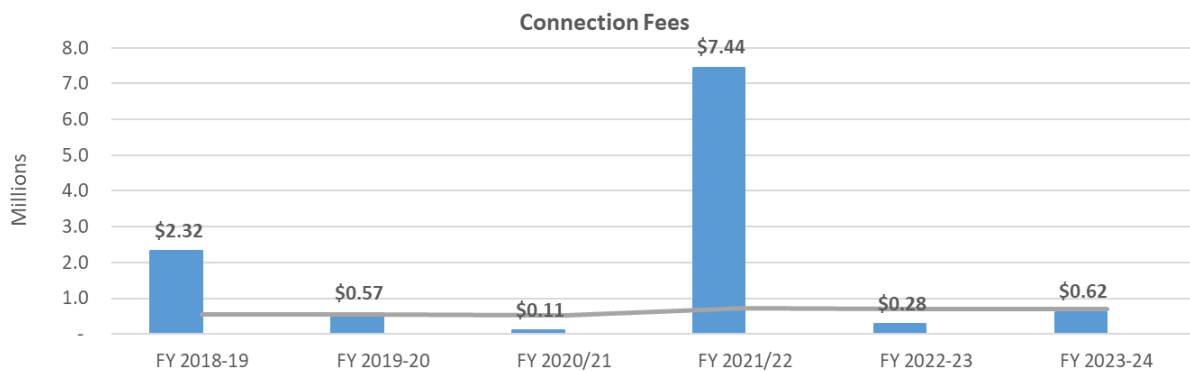
	General Fund	Capital Fund	Treatment Plant Fund	Solid Waste Fund	Recycled Water Fund	Total
Operating Revenues:						
Service charges	\$ 32,227,643	\$ -	\$ -	\$ -	\$ -	\$ 32,227,643
Flow equalization uses	403,165	-	-	-	-	403,165
Permit and inspection fees and other services	447,140	-	-	-	-	447,140
Other operating revenues	829,062	-	-	120,064	-	949,126
Total operating revenues	33,907,010	-	-	120,064	-	34,027,074
Operating Expenses:						
Sewage treatment plant (SVCW)	-	-	12,984,204	-	-	12,984,204
Sewage collection and general admin.:						
Salaries and benefits	6,816,530	-	-	-	205,592	7,022,122
Materials and supplies	622,544	-	-	-	15,837	638,381
Insurance	277,913	-	-	-	51,823	329,736
Contract services	668,783	-	-	-	57,341	726,124
Professional services	649,707	-	-	28,314	58,038	736,059
Repairs and maintenance	474,359	-	-	-	21,612	495,971
Utilities	249,845	-	-	-	230,910	480,755
Other operating expenses	153,348	-	-	66,200	35,090	254,638
Total sewage collection and gen. admin.	9,913,029	-	-	94,514	676,243	10,683,786
Depreciation	-	3,066,761	-	-	754,902	3,821,663
Total operating expenses	9,913,029	3,066,761	12,984,204	94,514	1,431,145	27,489,653
Operating Income (Loss)	23,993,981	(3,066,761)	(12,984,204)	25,550	(1,431,145)	6,537,421
Nonoperating Revenues (Expenses):						
Investment income	2,122,181	1,406,583	-	-	289,893	3,818,657
Interest expense	-	-	-	-	(156,179)	(156,179)
Increase (decrease) of equity in SVCW	-	-	(1,832,615)	-	-	(1,832,615)
Other nonoperating expenses	-	(161,963)	-	-	(150,000)	(311,963)
Other nonoperating revenues	156,537	18,984	-	317,824	794,714	1,288,059
Transfers in (out)	(32,921,515)	19,937,311	12,984,204	-	-	-
Total nonoperating revenues (expen.)	(30,642,797)	21,200,915	11,151,589	317,824	778,428	2,805,959
Income before contributions	(6,648,816)	18,134,154	(1,832,615)	343,374	(652,717)	9,343,380
Capital Contributions:						
Capital Fund: Connection Fees	-	617,021	-	-	-	617,021
Recycled Water Fund: Capital Contri.	-	-	-	-	941,226	941,226
Total capital contributions	-	617,021	-	-	941,226	1,558,247
Special Item: Pension Credit	(1,489,456)	-	-	-	-	(1,489,456)
Change in Net Position	(8,138,272)	18,751,175	(1,832,615)	343,374	288,509	9,412,171
Beginning Net Position	51,479,169	76,198,906	29,484,894	555,446	13,265,939	170,984,354
Prior Period Adjustments	-	-	-	-	-	-
Beginning Net Position - As Adjusted	51,479,169	76,198,906	29,484,894	555,446	13,265,939	170,984,354
Ending Net Position	\$ 43,340,897	\$ 94,950,081	\$ 27,652,279	\$ 898,820	\$ 13,554,448	\$ 180,396,525

West Bay Sanitary District
Annual Capacity Fee Report
AB1600

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West Bay Sanitary District (District) charges connection fees to developers or home owners to connect to the District’s public wastewater service. The purpose of the sewer connection fee is to equalize the cost of acquisition, construction, and installation of the District’s facilities so that each resident or property owner pays their proportionate share of such costs.

The District has recognized an average of \$1.9 million in Connection Fees over the past six years. Connections fees can vary widely, fluctuating from year to year, as can be seen on the chart below, with the grey line showing the running average for the District. The connection fees received show the growth of the District by year. Connection fees of \$43.04 per GPD are collected to fund District capital and treatment plant construction at Silicon Valley Clean Water (SVCW), which the District has a 22.66% share, as of June 30, 2024. Prior to FY 2022-23, connection fees were collected separately for the District and SVCW.



In 1987, the State Legislature passed Assembly Bill 1600 (AB1600) which added Section 66000, et seq., to the California Government Code, known collectively as the Mitigation Fee Act. Section 66013 provides guidance on fees imposed for sewer connections to a public sewer system or capacity charges that such fees shall not exceed the estimated reasonable cost of providing the service for which the fee is imposed. Capacity charges include a charge for public facilities in existence at the time imposed or for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged.

In compliance with AB1600, the District accounts for all connection fees in a Capital Fund, separate from the General Fund for sewer service operations. In fiscal year 2023-24, the District received \$617,021 in connection fees, for approximately 14 thousand gallons per day (GPD) of additional capacity, mainly for Accessory Dwelling Units for existing customers. The District expended \$9.5 million on all construction, with \$595 thousand specifically for wastewater infrastructure. The majority was expended on rehabilitation of existing infrastructure. Table A shows the revenues and expenditures applied to capacity increases. The District does not carry negative balances, therefore the beginning and ending balance of Connection Fees is zero, due to prior years of net negative balances. District construction consistently exceeds connection fees with the balance funded from other Capital Fund sources.

Table A
Connection Fee and Capacity Charges

<u>Summary of Connection Fees</u>	<u>FY 2023-24</u>	<u>GPD</u>	<u>FY 2022-23</u>	<u>GPD</u>
Connection Fees	\$ 617,021	14,246	\$ 277,426	6,730
Allocated Interest	617		277	
Total Connection Fee Revenue	\$ 617,638		\$ 277,703	
Capacity Project Expenditures	(595,010)		(2,805,748)	
Net Connection Fees (Deficit)	\$ 22,628		\$ (2,528,045)	
Beginning Balance Available	\$ -		\$ -	
Ending Balance Available	\$ -		\$ -	

West Bay Sanitary District
Annual Capacity Fee Report
AB1600

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Connection fees fund 100% of wastewater infrastructure projects, with any deficit funded by the Capital Fund. Table B details the wastewater infrastructure projects with actual expenditures recognized and the approved budget for FY 2023-24 and FY 2024-25 to show future planned infrastructure improvements to the system. Incomplete or delayed project budgets are carried over and included in the subsequent budget. Several projects from FY 2023-24 were recategorized as rehabilitation or repairs.

Table B
Wastewater Infrastructure Capacity Projects

<u>Capacity Projects</u>	<u>Actual FY 2023-24</u>	<u>Budget FY 2023-24</u>	<u>Budget FY 2024-25</u>
Bayfront Park Sanitary Sewer Improvements	595,010	1,600,000	1,600,000
Pump Stations		5,140,000	
Point Repairs		4,325,000	
Other Subsurface Line Projects		100,000	
Total Wastewater Infrastructure Projects	595,010	11,165,000	1,600,000

In addition to the \$595 thousand in capacity construction in FY 2023-24, the District expended \$8.7 million on other capital rehabilitation and improvement projects and \$168 thousand on other capital. The District transferred \$20 million to the Capital Reserve account to improve yields until funds are needed. The District paid \$6.8 million for SVCW debt, including bonds, SRF loans, and capital reserves. Table C shows all expenditures and transfers for the Capital Fund and capital contributions for SVCW, excluding operating expenses.

Table C
Construction Expenditures

<u>Capital Fund - Construction</u>	<u>Actual FY 2023-24</u>	<u>Budget FY 2023-24</u>	<u>Budget FY 2024-25</u>
Administration	-	173,000	80,000
Collection Facilities	-	600,000	600,000
Vehicles & Equipment	120,249	445,000	1,528,000
Pump Stations	47,715	440,000	1,639,000
Subsurface Lines	5,365,192	100,000	100,000
Construction Projects	3,941,958	22,155,000	23,449,500
Total Capital Fund Construction	9,475,114	23,913,000	27,396,500
Capital Reserve Transfers	20,000,000	-	-
SVCW - Capital & Debt Contributions	6,817,980	6,824,624	11,961,480
Total Construction, Transfers, & Contributions	36,293,094	30,737,624	39,357,980
<u>Recycled Water Fund - Construction</u>	<u>Actual FY 2023-24</u>	<u>Budget FY 2023-24</u>	<u>Budget FY 2024-25</u>
Recycled Water - Sharon Heights	881,237	2,450,000	-
Recycled Water - Bayfront	1,336,929	17,299,485	15,750,000
Recycled Water - Pipelines	61,348	2,500,000	-
Total Recycled Water Fund Construction	2,279,515	22,249,485	15,750,000

The District's ten-year master plan was approved by the Board of Directors on December 13, 2023. The Master Plan facilitates timely maintenance and rehabilitation of the wastewater infrastructure and adding capacity for current and future users. Currently, the District has one project to improve flow into the Menlo Park Pump Station during wet weather events. The Bayfront Recycled Water Facility (BFRWF) at the District's Flow Equalization and Resource Recovery Facility (FERRF) site will introduce a connection fee for recycled water. The BFRWF, originally approved on May 12, 2021 for 0.6 million gallons per day (MGD), is expanding to 1 MGD.

DRAFT

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



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
West Bay Sanitary District
Menlo Park, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the West Bay Sanitary District (the “District”) as of and for the year ended June 30, 2024, 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 14, 2024.

Report on 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) as a basis for designing 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 and significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of



laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 14, 2024
Morgan Hill, California



West Bay Sanitary District
Governing Board and Management
Menlo Park, California

In planning and performing our audit of the financial statements of West Bay Sanitary District as of and for the year ended June 30, 2024, 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, we considered West Bay Sanitary District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Bay Sanitary District's internal control. Accordingly, we do not express an opinion on the effectiveness of West Bay Sanitary District's internal control over financial reporting.

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 over financial reporting, 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*: The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*: The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

The following is a summary of new accounting pronouncements from the Governmental Accounting Standards Board:

GASB Statement No. 101, *Compensated Absences*

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.



Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, *Certain Risk Disclosures*

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions for (1) the concentration or constraint (2) each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements (3) actions taken by the government prior to the issuance of the financial statements to mitigate the risk. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements*

This Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.



This Statement establishes new accounting and financial reporting requirements or modifies existing requirements related to (a) Management's discussion and analysis (MD&A) (b) Unusual or infrequent items (c) Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position (d) Information about major component units in basic financial statements (5) Budgetary comparison information (6) Financial trend information in the statistical section

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

Purpose of Communication

This communication is intended solely for the information and use of management and those individuals charged with governance, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

C & A LLP

November 14, 2024
Morgan Hill, California



To the Board of Directors of the
West Bay Sanitary District

We have audited the basic financial statements of the West Bay Sanitary District as of and for the year ended June 30, 2024, and have issued our report thereon dated November 14, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Generally Accepted Auditing Standards and Government Auditing Standards

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the West Bay Sanitary District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing West Bay Sanitary District's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.



Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated with management.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence. Safeguards have been implemented to reduce threats to our independence to an acceptable level in relation to the preparation of the financial statements and related note disclosures. Those safeguards include the review of the financial statements and notes by a qualified Partner, Manager, Senior or third party, that has not been included in the audit team.

Significant Risks Identified

We did not identify any significant risks that required special audit consideration.

Qualitative Aspects of the Authority's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the West Bay Sanitary District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during June 30, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements include actuarial assumptions included in employee retirement plans that impact pension and other postemployment balances reported in the financial statements.



We evaluated the key factors and assumptions used to develop the identified estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting West Bay Sanitary District's financial statements relate to cash and investments, pensions, capital assets, and long-term liabilities.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that required the attention of management.

Identified or Suspected Fraud

We did not identify nor obtain information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected financial statement misstatements identified during the audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management are attached in the Adjusting Journal Entries Report.



Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the West Bay Sanitary District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of our auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated November 14, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the West Bay Sanitary District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the West Bay Sanitary District's auditors.

This report is intended solely for the information and use of the Board and management of the West Bay Sanitary District and is not intended to be and should not be used by anyone other than these specified parties.

C & A LLP

November 14, 2024
Morgan Hill, California

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WEST BAY SANITARY DISTRICT AGENDA ITEM 8

To: *Board of Directors*

From: *Sergio Ramirez, General Manager*

Subject: *Consider Resolution to Elect President and Secretary to the District Board, Appoint a Treasurer, and Consider Appointment of Committee Appointees and Alternates*

Background

The Board requires Board members to serve as President, and Secretary effective January 1, 2025. 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 General Manager recommends the current District Board President preside over the Election of Officers and selection of committee appointees and alternates.

Report to the District Board for the Regular Meeting of December 11, 2024

RESOLUTION NO. _____ (2024)

RESOLUTION APPROVING ELECTION AND APPOINTMENT OF OFFICERS OF THE WEST BAY SANITARY DISTRICT BOARD

WHEREAS, The DISTRICT BOARD requires a President, Secretary and Treasurer; and

WHEREAS, the DISTRICT BOARD has requested nominations and voted by majority to elect the DISTRICT BOARD Officers as follows:

President: _____

Secretary: _____

And,

WHEREAS, the District President has appointed the following Board Member as Treasurer as follows:

Treasurer: _____

and,

WHEREAS, these appointments are effective January 1, 2025.

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 11th day of December, 2024, by the following votes:

Ayes:

Noes:

Absent:

Abstain:

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

Attest:

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

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 9**

To: Board of Directors

From: Sergio Ramirez, General Manager

Subject: Discussion and Direction on the West Bay and Sharon Heights Recycled Water Facility

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

Recycled Water Facility Production Data:

2024	Processed	Delivered
January	5.8MG	175K gallons
February	5.6MG	464K
March	6.5MG	1.5MG
April	8.1MG	4.4MG
May	10.6MG	9.3MG
June	10.7MG	9.9MG
July	11.3MG	9.9MG
August	10.7MG	9.3MG
September	7.8MG	7MG
October	8.8MG	5.4MG
November	4.6MG	530K

2023	Processed	Delivered
January	5MG	0 gallons
February	3.3MG	0 gallons
March	3.5MG	0 gallons
April	4.9MG	32k gals. Dust Control
May	5.1MG	432k gals. Dust Control
June	4.8MG	456k gals. Dust Control
July	6.2MG	1.05MG Dust Control
August	8.1MG	2.7MG (+ 1.5 MG Dust Control)
September	8.4MG	4MG (+ 1.04 MG Dust Control)
October	9.6MG	7.4MG
November	7.7MG	3.7MG
December	7.4MG	970K

2022	Processed	Delivered
January	4.4MG	97,000 gallons
February	4.4MG	1.5MG
March	6.6MG	3.5MG
April	7.6MG	3.8MG
May	9.2MG	7.4MG
June	9.8MG	8.7MG
July	9.6MG	8.1MG
August	9.2MG	8.1MG
September	8.6MG	6.7MG
October	7.9MG	4.6MG
November	5.9MG	310,000 gallons
December	5.4MG	154,690 gallons

2021	Total Processed	Total Delivered
Yearly Total	88.2MG	56.26MG (*) (**)
2020	Total Processed	Total Delivered
August-Dec.	34.1MG	19.75MG

* Sharon Heights substantially tapered off their water usage for September which is the reason for the large discrepancy between treated and delivered.

** Treatment was reduced in the second half of the month. Rain in late October and an irrigation equipment malfunctions caused water delivery to decrease.

The following is a disclosure statement required for any document, written report or brochure prepared in whole or in part pursuant to the Finance Agreement with the State Water Resources Control Board for the West Bay Sanitary District Recycled Water Project - Sharon Heights: Funding for this project has been provided in full or in part through an agreement with the State Water Resources Control Board. California's Clean Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds. The contents of this document do not necessarily reflect the views and policies of the foregoing, nor does mention of trade names or commercial products constitute endorsement or recommendation for use.



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 10**

To: *Board of Directors*

From: *Sergio Ramirez, General Manager*

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

A discussion will be held on the District's Bayfront Recycled Water Projects and other events related to the recycled water projects including financing, environmental review, design/build issues and grant applications.

The Board will have the opportunity to provide direction to staff and general counsel.

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 11**

To: Board of Directors

From: Sergio Ramirez, General Manager

Subject: Report, Discussion, and Direction on South Bayside Waste Management Authority (SBWMA) including the Solid Waste Franchise Re-Assignment

The District's representative to South Bayside Waste Management Authority (SBWMA), President Fran Dehn, will report on any pertinent items regarding SBWMA business. General Manager Ramirez will report and seek direction on the solid waste franchise re-assignment.

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 12**

To: Board of Directors

From: Sergio Ramirez, General Manager

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

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

Report to the District Board for the Regular Meeting of December 11, 2024

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**WEST BAY SANITARY DISTRICT
AGENDA ITEM 14**

To: Board of Directors

From: Sergio Ramirez, General Manager

**Subject: Consider Approving the End-of-Year Goals and Objectives
Performance Compensation for the General Manager**

Background

The Employment Agreement between West Bay Sanitary District and the General Manager allows for end-of-year performance compensation in an amount up to 15% of Employee's annual salary based on the Board of Director's assessment of the General Manager's overall performance in meeting the goals and objectives during the prior calendar year. The end-of-year compensation is payable on or after January 1, 2025.

Analysis

During the regular meeting of December 11, 2024, the Board met to review the General Manager's Goals. The Board may approve the end-of-year performance compensation up to 15% of the General Manager's base salary.

Fiscal Impact

Funds would be allocated from the General Fund – Salaries and Wages.

Recommendation

The General Manager recommends the District Board adopt the resolution establishing end-of-year compensation by the District Board at the approved percentage.

IN THE DISTRICT BOARD OF THE WEST BAY SANITARY DISTRICT

COUNTY OF SAN MATEO, STATE OF CALIFORNIA

A Resolution Establishing End Of Year (2024) Compensation for General Manager

WHEREAS:

1. The Employment Agreement between West Bay Sanitary District and the General Manager allows for an end-of-year performance compensation in an amount up to 15% of Employee’s base salary based on the Board of Director’s assessment of General Manager’s performance in meeting goals and objectives during the year; and
2. During the regular meeting of December 11, 2024 the Board assessed the overall performance of the General Manager and evaluated his set Goals and Objectives.

NOW, THEREFORE, BE IT RESOLVED that:

The District Board of the West Bay Sanitary District has determined:
 The General Manager will be compensated _____% of current base salary, or
 \$_____ as the End-of-Year Performance compensation for Calendar Year
 2024.

Passed and adopted by the District Board of the West Bay Sanitary District at a regular meeting thereof held on the 11th day of December, 2024 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
AGENDA ITEM 15**

To: *Board of Directors*

From: *Sergio Ramirez, General Manager*

Subject: *Discussion and Direction by the Finance Advisory Committee*

Finance Advisory Committee members Treasurer Thiele- Sardina and Director Ned Moritz will report on current District financial matters.

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