



1902 - Serving Our Community for Over 120 Years - 2025

**WEST BAY SANITARY DISTRICT
MINUTES OF THE SPECIAL MEETING OF THE DISTRICT BOARD
WEDNESDAY, MAY 13, 2025 AT 11:00A.M.**

1. Call to Order

President Dehn called the meeting to order at 11:17AM.

2. Roll Call

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

BOARD MEMBERS ABSENT: Walker

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

Others Present: None

3. Communications from the Public: None

4. Fiscal Year 2025/26 Budget Workshop – Discussion on General, Capital, Waste Water Treatment, Solid Waste, and Recycled Water Funds and the District’s Reserves

Comments: General Manager Ramirez and staff presented the FY 2025-26 proposed budget to the Board and discussed each item. The budget included an 8% increase in total revenue to \$38,419,014. Sewer Service revenue increased 7%. Combined Operating expenditures in all funds increased 12%, to \$41,721,907. The District Operating expense increased 12%, 6% for direct expenses, including depreciation and 18% for SVCW treatment plant, due to \$5,636,400 cash-in-lieu contributions to avoid additional debt. The Change in Net Position is \$1,301,832 increase for all funds and \$714,031 Collection operations for sewer services.

The budget included year-to-date actuals through March 31, 2025, with projections through yearend FY 2024-25, the approved FY 2024-25 Revised Budget, compared with the FY 2025-26 proposed budget.

General Manager Ramirez explained the proposed 6% increase for salaries and benefits is due to increase in staffing for the additional maintenance service agreement with East Palo Alto, along with merit step increases. The current Memorandum of Understanding with represented employees will expire at fiscal year-end and a new agreement has yet to be reached. CalPERS rates and employee cost sharing of employer contributions were also discussed in detail, explaining a 0.1% net increase in average employer cost for retirement benefits. The increase in PEPRA employees and potential retirements were discussed.

Silicon Valley Clean Water (SVCW) expense for operations, capital, and debt service were detailed to show the 18% increase to \$21,843,430 for FY 2025-26.

The current District capital expenditures through March 31, 2025 was shown compared with the approved Revised Budget FY 2024-25, and proposed FY 2025-26 budget of \$54,127,639 for both Capital and Recycled Water Funds, of \$17,540,500 and \$36,587,139 respectively.

Reserve contributions for FY 2025-26 included: \$2,678,102 in operation reserve; \$75,000 to PARS Trust; \$1,442,000 to re-establish the equipment replacement reserve, which was depleted in FY 2024-25; and deductions of \$5,636,400 from the Treatment Plant Reserve, to pay cash-in-lieu to SVCW.

Staff provided separate budgets for the Solid Waste and Recycled Water Funds. The proposed Budget for the Solid Waste Fund, results in a net decrease of \$10,096. The Sharon Heights Recycled Water Facility results in a net decrease of \$237,094. Operating expenses are passed through with income from Sharon Heights Golf & Country Club funding all operations and making capital contributions to cover the SRF loan. Bayfront Recycled Water Facility includes a net decrease of \$242,700 for expected staff in January 2026 and plant software, to prepare and train before the facility is operational.

Board comments included:

- Send out SB 1385 fines before July 1.
- Give CIP updates on a monthly or quarterly basis.

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

5. Adjournment Time: The meeting was adjourned at 12:33 p.m.

/s/ David A. Walker
Secretary