



1902 - Serving Our Community for over 120 Years - 2025

**WEST BAY SANITARY DISTRICT
AGENDA OF BUSINESS
REGULAR MEETING OF THE DISTRICT BOARD
WEDNESDAY, JUNE 25, 2025 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/82832020342?pwd=sL3fSQnFiXLbyErtsl6Slm5nC1Wwbl.1>

Meeting ID: 828 3202 0342 Passcode: 658250

1. Call to Order and Roll Call
2. Communications from the Public
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 June 11, 2025 Pg. 3A-1
 - B. Consider Approving Resolution of Intention to Annex Certain Territory (10 Los Charros Ln Portola Valley) to the West Bay Sanitary District On-Site Wastewater Disposal Zone and to Establish the Date and Time of Public Hearing Pg. 3B-1
4. General Manager's Report Pg. 4-1
5. Consider Adopting Updated Resolution Establishing Rates of Pay and Related Compensation Provisions Pg. 5-1
6. Consider Approving Resolution Adopting FY 2025-26 Budget Pg. 6-1
7. Establish July 9, 2025, as the Date of a Public Hearing to Consider Amending the Code of General Regulations for Board Member Compensation Pg. 7-1

8. Discussion and Direction on Sharon Heights Recycled Water Facility Pg. 8-1
- 9 Discussion and Direction on Bayfront Recycled Water Project and Status Update Pg. 9-1
10. Report, Discussion, and Direction on RethinkWaste (SBWMA) Pg. 10-1
11. Report and Discussion on Silicon Valley Clean Water (SVCW) Plant Pg. 11-1
12. Closed Session
 - A. PUBLIC EMPLOYMENT
Title: Finance Manager
Recruitment Update
 - B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION/CONF. WITH LABOR NEGOTIATORS
Agency designated representatives: Board President/Legal Counsel
Unrepresented employee: General Manager
13. Consider Resolution Approving and Authorizing the President and Secretary of the District Board to Execute Employment Agreement Between the West Bay Sanitary District and Sergio Ramirez (General Manager) Pg. 13-1
14. Comments or Reports from Members of the District Board and Consider Items to be Placed on Future Agenda
15. 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.



1902 - *Serving Our Community for over 120 Years* - 2025

WEST BAY SANITARY DISTRICT
MINUTES OF THE REGULAR MEETING OF THE DISTRICT BOARD
WEDNESDAY, JUNE 11, 2025 AT 7:00 P.M.

1. **Call to Order**

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

Roll Call

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

BOARD MEMBERS ABSENT: None

STAFF MEMBERS PRESENT: Ramirez, AND Condotti by Zoom

Others Present: Jeff Tarantino – Freyer & Laureta, Thersa Herrea, Matt Anderson, Kim Hacket – Silicon Valley Clean Water, EJ Shalaby

2. **Communications from the Public:** Jeff Tarantino representing the American Public Works Association presented the Project of the Year award for the Levee Project.

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 May 28, 2025
- B. Approval of the Financial Activity Report Authorizing Payment of Certain Bills and Salaries and Consideration of Other Financial Matters thru May 31, 2025
- C. WBSD Operations and Maintenance Report – May 2025
- D. Town of Los Altos Hills Operations and Maintenance Report for Work Performed by WBSD – May 2025
- E. Town of Woodside Operations and Maintenance Report for Work Performed by WBSD - May 2025
- F. East Palo Alto Sanitary District (EPASD) Operations and Maintenance Report for Work Performed by WBSD – May 2025
- G. Approve Amendment No.12 to the Maintenance Services Agreement Between West Bay Sanitary District and the Town of Woodside for Sanitary Sewer Maintenance Services

Comments: None.

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

4. General Manager's Report

Discussion/Comments: General Manager Ramirez reported the fiscal year 2025-26 budget will be before the Board for approval at the June 25th Board meeting. He also reported design is underway for the grade 4 and 5 defects project. In addition, the District has submitted for a reimbursement of \$1.6M to the National Fish and Wildlife Foundation. The next Board meetings will be held on June 25th and July 9th. The complete General Manager's written report is included in the June 11, 2025, agenda packet.

5. Presentation and Discussion on Silicon Valley Clean Water (SVCW) FY 2025-26 Budget and CIP

Comments: Representatives from SVCW presented their fiscal year 2025-26 budget and capital improvements projects.

6. Consider Authorizing the General Manager to Execute Contract Change Order No. 2 (CCO #2) in the amount of \$91,500 with Anderson Pacific Engineering Construction, Inc. for the Design Build Agreement – Phase 2

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

Comments: General Manager Ramirez reported this change order is to procure tanks and piping and to extend the administration building for the project. The total cost of this change order is \$91,500.

7. Consider Authorizing the General Manager to Execute Contract Change Order No. 8 (CCO #8) with Ranger Pipelines, Inc. for \$100,000 for Bayfront Park Sanitary Sewer Improvement Project No. 1761.8

Motion to Approve by: Walker 2nd by: Thiele-Sardina Vote: AYE:5 NAY: 0 Abstain: 0

Comments: General Manager Ramirez reported change order #8 is for Ranger Pipelines to install seventy linear feet for the Bayfront influent pump station. The total cost of this change order is \$100,000.

8. Consider 1) Accepting Work by Casey Construction, Inc. for the Point Repair Phase I Project No. 1761.9; 2) Authorizing the General Manager to File the Notice of Completion; and 3) Release the Retention of \$218,600.69 to Casey Construction, Inc.

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

Comments: None.

9. Report and Discussion on Sharon Heights Recycled Water Facility

Discussion/Comments: General Manager Ramirez reported 8.6MG was processed in May and 8.1MG delivered. He also reported on a surge issue with the plant's main PLC.

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

Discussion/Comments: General Manager Ramirez reported wall pouring for the project has started and Anderson Pacific has begun potholing for reclaimed water distribution design.

11. Report, Discussion and Direction on RethinkWaste (SBWMA)

Discussion/Comments: None.

12. Report, Discussion and Direction on Silicon Valley Clean Water (SVCW) Plant

Discussion/Comments: Director Otte reported the Commission will consider final acceptance of the pump station project and consider approving the new General Manager contract for Matt Zucca who would start employment as of July 1.

13. Closed Session

A. PUBLIC EMPLOYMENT/CONFERENCE WITH LABOR NEGOTIATORS
Agency Designated Representatives: General Manager; General Counsel
Employees: Represented and Unrepresented Employees

B. PUBLIC EMPLOYMENT
Title: Finance Manager
Recruitment Update

Entered closed session at 7:46 p.m. Left closed session at 8:48 p.m.

Reportable action: None.

14. Consider Approving and Adopting the Memorandum of Understanding Between West Bay Sanitary District and the Sanitary Truck Drivers and Helpers International Brotherhood of Teamsters, Local 350 and Authorize the President of the District Board to Execute the Memorandum of Understanding

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

Comments: None.

15. 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 8:50 PM

THIS PAGE LEFT INTENTIONALLY BLANK



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 3B**

To: Board of Directors

From: Fariborz Heydari, P.E., District Engineer

Subject: Consider Approving Resolution of Intention to Annex Certain Territory (10 Los Charros Ln Portola Valley) to the West Bay Sanitary District On-Site Wastewater Disposal Zone and to Establish the Date and Time of Public Hearing

Background

This property will utilize a Grinder Pump system; consequently this property must be annexed into the District's On-Site Wastewater Disposal Zone. The proponent shall be required to install a Grinder Pump system and extend the existing 2" force main in front of 169 Sausal Drive to 10 Los Charros Ln.

Notice of the Public Hearing is required in accordance with the Government Code and during the notice period, staff shall seek written approval for the proposed annexation from all affected agencies.

Analysis

During the notice period staff shall work with the proponent to obtain design, easement and other approvals, which shall be presented to the Board when the Class 3 and Class 5 Permits are issued.

Fiscal Impact

None.

Recommendation

The District Engineer recommends that the District Board adopt the attached Resolution of Intention to Annex Certain Territory to the West Bay Sanitary District On-Site Wastewater Disposal Zone and request August 13, 2025 as the date of the public hearing.

Attachments: Resolution
Exhibit A & B – Plat & Legal
Exhibit C – Site Map
Exhibit D - LAFCo Certificate of Completion

RESOLUTION NO. _____(2025)

**RESOLUTION OF INTENTION TO ANNEX CERTAIN TERRITORY TO THE WEST BAY
SANITARY DISTRICT ON-SITE WASTEWATER DISPOSAL ZONE**

Lands of Timothy Robert Katz and Jennifer Lauren Der Yuen, husband and wife as community property

The District Board of West Bay Sanitary District finds and determines as follows:

A. This Resolution of Intention is adopted pursuant to the District's "Zone Master Annexation Resolution" ("ZOMAR"), which was adopted by the District Board August 12, 1996. The provisions of ZOMAR are incorporated by reference into this Resolution of Intention.

B. The District has received an application to annex a parcel of real property (the "Parcel") to the District's On-Site Wastewater Disposal Zone (the "Zone"). The Parcel is described in Exhibit "A" attached to this Resolution of Intention and the description contained in the Exhibits are incorporated by reference. The name and address of the applicants and the number, type, volume and location of on-site wastewater disposal systems which are proposed to operate on the parcels to be annexed are described in Exhibit "B" attached to this Resolution of Intention and the information contained in the Exhibit are incorporated by reference.

C. The applicants have demonstrated to the satisfaction of the District Board that the Parcel constitutes "real property" for the purposes of Section 2(b) of ZOMAR in that:

All of the conditions described in Subsections i., ii., iii., iv. and v. of ZOMAR Section 2(b) are satisfied; or

Other conditions exist which demonstrate that the Parcel will benefit directly or indirectly from the activities of the Zone. If applicable, those conditions are also set forth in Exhibit "B" and are incorporated by reference.

D. All of the conditions and requirements of ZOMAR Sections 2(a), 2(c), 2(d) and 2(e) have been fully satisfied.

In consideration of the foregoing findings and determinations,

IT IS RESOLVED by the District Board as follows:

1. It is the intention of the District Board to annex the Parcel to the Zone pursuant to the provisions of ZOMAR and applicable provisions of law.
2. In conjunction with a meeting of the District Board to be duly and regularly called and conducted, the Board will conduct a Public Hearing for the purpose of considering all matters pertaining to this Resolution of Intention.

The time, date and place of the Public Hearing are:

Date: August 13, 2025
Time: 7:00 PM
Place: West Bay Sanitary District Offices
500 Laurel Street
Menlo Park, CA 94025

& via Zoom

At the Public Hearing, all interested persons will be heard.

3. This Resolution of Intention shall be published and copies shall be delivered to the persons and entities as specified in ZOMAR Section 2(e)(i.).
4. A true copy of this Resolution of Intention shall promptly be filed for record in the office of the County Recorder of the County of San Mateo.
5. The General Manager shall cause the matters set forth in Sections 3 and 4 of this Resolution of Intention to be completed as directed.

Passed and adopted by the District Board of the West Bay Sanitary District at a regular meeting thereof held on the 25th day of June, 2025 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

EXHIBIT " A "

EXHIBIT A PAGE 2 OF 3

Date: August 26, 2024
Annexed to: West Bay Sanitary District
Name of Annexation: West Bay Sanitary

Geographic Description
Lands of Katz and der Yuen

All that certain real property, situate in the Town of Portola Valley, County of San Mateo, State of California, being all of Lot 1 together with portions of the Right of Way of Sausal Drive (50 feet wide) and the Right of Way of Los Charros Lane (50 feet wide), as shown on that certain map entitled "Tract No. 773, Portola Heights No.2", Town of Portola Valley, San Mateo County, California" filed in the office of the County Recorder of San Mateo County on June 11, 1959 in Volume 51 of Maps at Page 31, more particularly described as follows:

Beginning at the West corner of said Lot 1;

Course 1.) Along the Northwest line of said lot coincident with the Southeast line of Lots 6 and 7, as shown on that certain map entitled "Sausal Vista", recorded September 27, 1978 in Volume 97 of Maps at Pages 98 and 99, said San Mateo County records, North 61°38'30" East, 180.45 feet to the Southeast corner of said Lot 6, thence,

Course 2.) Along the East line of said Lot 6, North 25°00'47" East, 25.02 feet to the West corner of Parcel 2, as shown on that certain Parcel Map, filed March 5, 1968 in Volume 4 of Parcel Maps at Page 42, said San Mateo County records, thence,

Course 3.) Along the Southeast line of said parcel together with the Southeast line of Parcel 3 as shown on said parcel map, coincident with the Northeast Right of Way line of said Sausal Drive, South 67°24'20" East, 372.66 feet to the centerline of Palmer Lane (50 feet wide) as shown on said parcel map, thence,

Course 4.) Along the southwesterly prolongation of last said centerline, South 26°33'16" West, 50.12 feet to the Northeast line of Lot 4 said Tract No. 773, Portola Heights No.2", thence,

Course 5.) Along said last said northeast line of Lot 4 coincident with the Southwest Right of Way line of said Sausal Drive, North 67°24'20" West, 66.26 feet, thence,

Course 6.) Continuing along last said line, along a curve to the left with a radius of 15.00 feet, through a central angle of 90°00'00", an arc length of 23.56 feet to the Northwest line of said Lot 4, thence,

Course 7.) Along last said northwest line of Lot 4 together with the Northwest line of Lot 6 said "Tract No. 773, Portola Heights No.2", coincident with the Southeast Right of Way line of Los Charros Lane (50 feet wide) as shown on said "Tract No. 773, Portola Heights No.2", along a curve to the right with a radius 190.00 feet, through a central angle of $67^{\circ}38'20''$, an arc length of 224.30 feet, thence,

Course 8.) Continuing along last said along a curve to the left with a radius of 325.00 feet, through a central angle of $22^{\circ}38'13''$, an arc length of 128.40 feet to the intersection with the southeasterly prolongation of the Southwest line of said Lot 1, thence,

Course 9.) Along last said prolongation together with southwest line of Lot 1, North $28^{\circ}06'40''$ West, 231.04 feet to the **Point of Beginning** containing 2.01 acres, more or less.

For assessment purposes only. The description is not a legal property description as defined in the Subdivision Map Act and may not be used as the basis for an offer for sale of the land described.

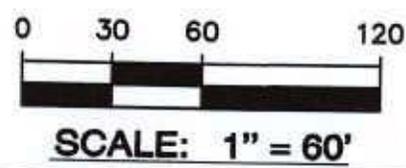
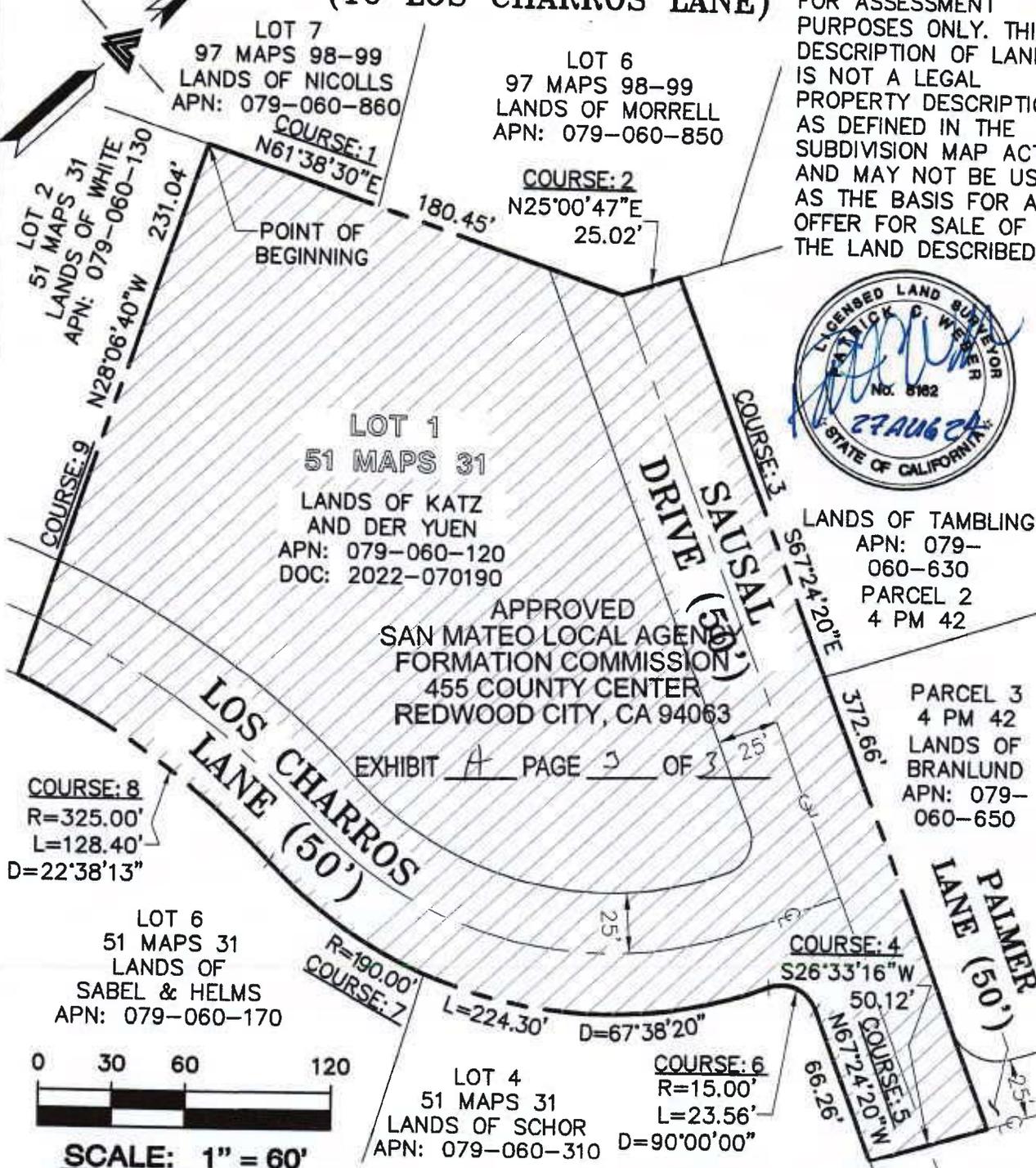
APPROVED
SAN MATEO LOCAL AGENCY
FORMATION COMMISSION
455 COUNTY CENTER
REDWOOD CITY, CA 94063

EXHIBIT A PAGE 2 OF 3



**WEST BAY SANITARY DISTRICT
(10 LOS CHARROS LANE)**

DISCLAIMER:
FOR ASSESSMENT
PURPOSES ONLY. THIS
DESCRIPTION OF LAND
IS NOT A LEGAL
PROPERTY DESCRIPTION
AS DEFINED IN THE
SUBDIVISION MAP ACT
AND MAY NOT BE USED
AS THE BASIS FOR AN
OFFER FOR SALE OF
THE LAND DESCRIBED.



LEA & BRAZE ENGINEERING, INC.
CIVIL ENGINEERS • LAND SURVEYORS

BAY AREA REGION
2495 INDUSTRIAL PKWY WEST
HAYWARD, CALIFORNIA 94545
(P) (510) 887-4086
(F) (510) 887-3019
WWW.LEABRAZE.COM

SACRAMENTO REGION
3017 DOUGLAS BLVD, # 300
ROSEVILLE, CA 95661
(P) (916) 966-1338
(F) (916) 797-7363

EXHIBIT "B"
**PLAT TO ACCOMPANY LEGAL DESCRIPTION
PROPOSED SEWER ANNEXATION
10 LOS CHARROS LANE
PORTOLA VALLEY, CALIFORNIA
SAN MATEO COUNTY
RANCHO EL CORTE MADERA**



WEST BAY SANITARY DISTRICT
SITE LOCATION
10 LOS CHARROS LANE
PORTOLA VALLEY, CA
GRINDER SYSTEM



THIS PAGE LEFT INTENTIONALLY BLANK



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

1) Administrative:

- a. Staff are working with the City of Menlo Park to provide the City Council with an update on the District's reclaimed water efforts.
- b. The District Board will review the compensation of other sanitary districts and will set the annual public hearing to adjust the Board's compensation as specified by the Sanitary District Act.

2) Finance:

- a. Staff submitted for the final SRF reimbursement for the Avy Altschul Pump Station. The final reimbursement will be approximately \$95 thousand.
- b. Staff prepared the final draft FY25/26 Budget which will be presented to the Board on June 25.
- c. The Finance Manager continues to work on the Oracle NetSuite implementation.

3) Capital Improvement Program (CIP):

a. Levee Improvement Project:

- i. The contractor and staff are coordinating with AT&T to remove their communications lines from the light poles in order to underground the PG&E power lines.
- ii. Staff continue to submit for the NFWF grant reimbursements for the Ecotone portion of the levee. Approximately \$900 thousand remain in reimbursements.

b. Point Repair Project:

- i. Casey Construction was awarded the point repair Phase III-A project and will begin work in the next 30 days.
- ii. Housen and Associates is completing the Grade 4 & 5 Point Repair project design. The project is scheduled to go out to bid for the FY25/26 budget cycle.

c. Telemetry Replacement Project:

- i. Blocka Construction continues to work on the publicly owned pump stations' Telemetry Replacement Project.

4) Information Technology (IT):

- a. The IT team is working with the Finance Manager on the Oracle Net-Suite implementation process.

- 5) **Operations and Maintenance:**
 - a. **Collection System:**
 - i. District crews are on track to clean and CCTV inspect the collection system in the Town of Los Altos Hills on a 4-year cleaning and 7-year CCTV inspection schedule.
 - b. **Pump Facilities:**
 - i. The generator for the Willow Pump Station was delivered and installed.
 - c. **Training:**
 - i. The crew continues to attend the off-site commercial driving school program to obtain their Class A license. Approximately, five more maintenance workers require their commercial driver's license.
- 6) **Water Quality:**
 - a. **Sharon Heights Golf and Country Club (SHGCC):**
 - i. Staff are making efforts to place the Solar PPA in SHGCC's name.
 - b. **Bayfront Recycled Water Facility (BRWF):**
 - i. The concrete vertical wall pour will continue for the next several months.
 - ii. The contractor is potholing utilities for the design of the reclaimed water distribution pipeline.
- 7) **Fleet and Facilities:**
 - a. **Vehicle Maintenance:**
 - i. Vehicles have been outfitted with three QRL code stickers to provide links for the public to access the District's homepage website, reclaimed water page, and the employment page.
- 8) **Personnel:**
 - a. The Finance Manager recruitment continues.
- 9) **Upcoming Events:**
 - a. **Next Board Meetings:**
 - i. Regular Board Meetings - Wednesdays, June 25 and July 9.
- 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:** Work crews continue to CCTV and Clean the sewer system for the town.
 - c. **Town of Woodside:** Staff will perform FOG inspections for the town next month.
 - d. **East Palo Alto:** Staff will perform FOG inspections for the city next month.



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 5**

To: Board of Directors

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

**Subject: Consider Adopting Resolution Establishing Rates of Pay and
Related Compensation Provisions**

Background

The Board approved the current Salary Schedule on October 23, 2024, based on the prior Memorandum of Understanding (MOU). On June 11, 2025, the Board adopted a MOU between the District and Teamsters Local 350. Increases were determined for a five-year term of the MOU, ending June 30, 2030. The salary increase includes a 4.5% increase effective July 1, 2025.

Analysis

The Board has approved to extend most of the benefits of the MOU to the unrepresented staff. The attached Resolution is required to adjust the individual salary ranges by 4.5% and related compensation provisions for represented, as well as adjustments to the unrepresented, and management employees. The unrepresented salary ranges will be placed on a ten-step system with approximately 2.5% merit increases between steps.

Fiscal Impact

Salaries and employee benefits will increase per the terms of the MOU and as shown in the attached resolution.

Recommendation

The General Manager recommends the Board adopt the attached Resolution.

Attachments: Rates of Pay Resolution

RESOLUTION NO. 2451 (2025)

**RESOLUTION ESTABLISHING RATES OF PAY AND RELATED COMPENSATION
PROVISIONS FOR CERTAIN EMPLOYEES OF THE WEST BAY SANITARY DISTRICT**

*BE IT RESOLVED BY THE DISTRICT BOARD OF THE WEST BAY SANITARY DISTRICT,
COUNTY OF SAN MATEO, STATE OF CALIFORNIA, AS FOLLOWS:*

1. Executive Employees (FLSA exempt). The following monthly salary rates in dollars are hereby established for each of the employee positions within the executive employee category as hereinafter set forth, and the individuals duly appointed to said positions of employment shall be compensated at such rates for all services rendered to this District.

Position	Salary Rate
General Manager	18,092 – 27,083

2. Management Employees (FLSA exempt). The following monthly salary rates in dollars are hereby established for each of the employee positions within the management employee category as hereinafter set forth, and the individuals duly appointed to said positions of employment shall be compensated at such rates for all services rendered to this District.

Position	Salary Rate
District Engineer	15,689 - 19,593
Operations Superintendent	14,230 - 17,772
Water Quality Manager	14,230 - 17,772
Finance Manager	14,230 - 17,772
Office & Communications Manager	9,939 - 12,412

3. General Employees (unrepresented). The following monthly salary rates in dollars are hereby established for each of the listed employee positions within the general employee (unrepresented) category as hereinafter set forth, and the individuals duly appointed to said positions of employment shall be compensated within such rates for all services rendered to this District.

Position	Salary Rate
Assistant Operations Superintendent	12,057 - 15,057
Water Quality Supervisor/Operator	11,483 - 14,340
Operations Supervisor	11,643 - 14,541
Pump Facility Supervisor	11,089 - 13,848
Associate Engineer	10,413 - 13,004
Water Quality Operator II	9,933 - 12,405
Information Technology Analyst	9,728 - 12,149
Personnel & Accounting Specialist	8,826 - 11,023
Accounting Technician	8,247 - 10,293
Administrative Technician	7,476 - 9,336
Clerical Assistant	6,823 - 8,521

4. General Employees (represented). The following monthly salary rates in dollars are hereby established for each of the listed employee positions within the general employee (represented) category as hereinafter set forth, and the individuals duly appointed to said positions of employment shall be compensated within such rates for all services rendered to this District.

Position	Salary Range
Construction Inspector	9,205 - 13,006
Source Control Inspector	9,205 - 13,006
Field Supervisor	7,602 - 11,856
Rehabilitation Technician	7,139 - 10,598
Pipeline Inspection Technician	7,139 - 10,598
Maintenance Mechanic	7,139 - 10,598
Maintenance Worker	6,289 - 9,336
Temporary Maintenance Worker	31 - 35 Hour

5. Health Benefits Plan.

(a) Subject to all terms and conditions of any agreement which may be entered into between this District and any organization or organizations offering health, dental and/or vision insurance and the provisions of the Public Employees' Medical and Hospital Care Act, the District shall contribute for each employee enrolled the amount necessary to pay for the full cost of his or her enrollment, including the enrollment of his or her family members in a health benefits plan up to the amount required pursuant to Section 22892 of the Government Code.

(b) Subject to all terms and conditions of any agreement which may be entered into between this District and any organization or organizations offering health, dental and/or vision insurance and the provisions of the Public Employees' Medical and Hospital Care Act, the District shall contribute for each annuitant the amount required pursuant to Section 22892 of the Government Code.

(c) The District may, at its sole discretion, enter into, amend, or cancel any agreement between this District and any organization or organizations offering health, dental and/or vision insurance.

6. Optional Benefits Package ("Cafeteria Plan"). Subject to all terms and conditions of any agreement which may be entered into at the employees' option between employees and any organization offering either health, dental, vision and/or universal life insurance benefits, the District shall pay to all represented and unrepresented employees the amount specified in the adopted Memorandum of Understanding between the West Bay Sanitary District and Teamsters Local 350 adopted by the Board of Directors for the premium of such optional benefits attributable to management, represented, and unrepresented employees of the District.

7. Life Insurance. Subject to all terms and conditions of any agreement which may be entered into between this District and any organization or organizations offering life insurance coverage benefits, the District shall furnish to each employee general life insurance coverage, the face amount of which shall be equal to one and a half (1.5) times the annual salary of the employee.

8. Deferred Compensation. The District will provide matching contributions for unrepresented employees at a one (1) to 0.75 ratio to a maximum of 3% of salary.

9. Retention Plan. To promote the retention of "Critical Positions" within the District, the General Manager is authorized to exceed the salary ranges for individuals within this category up to 1.5% of base salaries for the positions deemed critical to be distributed at the General Manager's discretion based on achievement of performance goals established for the individuals within the category. Positions deemed critical are determined by recommendation of the General Manager and approved by the District Board.

10. Retirement Plan. Subject to the provisions of this Resolution, retirement benefits for employees qualifying therefore shall be provided in accordance with, and pursuant to that certain contract between the Board of Administration of the Public Employees' Retirement System ("PERS") of the State of California and the District Board of this District, and amendments thereto approved by Resolution No. 628, adopted March 26, 1973 and subsequent Resolutions.

Subject to other provisions of the contract and Resolutions referred to above, the District shall pay to PERS the employer portion. Employees shall pay to PERS the employee's portion of the total required contribution (i.e. 8% of pay for Classic Tier I, 7% for Classic Tier II, and 7.75% or statutory required % for PEPRAs members).

11. Interpretation. The provisions of the Resolution shall be administered and interpreted in accordance with and pursuant to Resolution No. 759 of this District, adopted June 13, 1977 (and as amended). Nothing herein shall be deemed a limitation upon any other term and condition of employment, or agreements, or provisions relating thereto, except as specifically herein contained.

12. Effective Date. The Rates of Pay in the Resolution shall be effective on July 1, 2025.

BE IT FURTHER RESOLVED that any and all previously adopted Resolutions or provisions thereof in conflict with the provisions herein contained, be and are hereby, rescinded.

Passed and adopted by the District Board of the West Bay Sanitary District at a regular meeting thereof held on the 25th day of June 2025 by the following vote:

AYES: DEHN, WALKER, THIELE-SARDINA, MORITZ, OTTE
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE

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

THIS PAGE LEFT INTENTIONALLY BLANK



WEST BAY SANITARY DISTRICT AGENDA ITEM 6

To: *Board of Directors*

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

Subject: *Consider Approving Resolution Adopting FY 2025-26 Budget*

Background

The District held a Budget Workshop on May 13, 2025 to work on the development of the fiscal year 2025-26 budget. Based on initial District estimates and updated information the Budget Report was developed, in conformity with the format prescribed by the provisions of Governmental Accounting Standards.

A detailed FY 2025-26 Budget Report is included for the Board's review and approval. Each fund is recorded separately to better view the primary operations and other activities in the; General, Capital, Treatment Plant, Solid Waste, and Recycled Water Funds. The consolidated budget includes all District Funds. The General, Capital, and Treatment Plant Funds combined comprise Collections Operations and are reported in the aggregate.

The District received current information on budget items. Below is a summary of the budget and changes made since the Board reviewed the proposed budget at the Budget Workshop.

- **Combined Budget:**
 - **Revenue:**
 - Operating Revenue of \$38.3 million increased 7% from FY 2024-25 budget.
 - Sewer Service Charges decreased \$138,515, since the budget workshop based on current data. Total sewer customers increased to 21,089; 20,470 residential and 619 non-residential.
 - East Palo Alto Sanitary District maintenance service agreement increased based on the 4.5% salary increase in memorandum of understanding (MOU) approved 6/11/25.
 - **Expenditures:**
 - Operating Expenses of \$38 million increased 3% from FY 2024-25 budget.
 - Salaries and benefits were adjusted, based on the approved MOU between the District and represented employees, it includes a 4.5% wage increase and changes in certification premiums above requirements. Combined merit step increases,

cost of living, and related increase in pension expense results in a 6% increase.

- Sewage Treatment Plant expenditures decreased 17% from the budget workshop, due to the reduction in the cash-in-lieu in the first year of a three year plan for additional SVCW capital funding. The district will contribute \$1,984,943 in FY 2025-26 of the estimated \$8,697,093 requested through FY 2027-28.
- **Recycled Water Fund:**
 - The Recycled Water Fund includes the Sharon Heights Recycled Water Facility (SHRWF) and the Bayfront Project. There were no changes since the Budget Workshop.
 - The SHRWF budget is based on the approved 2025 calendar year operations and maintenance budget agreed upon with Sharon Heights Golf & Country Club (SHGCC) representatives. SHRWF costs pass through to Sharon Heights Golf & Country Club (SHGCC), including overhead which offsets administrative costs in the General Fund.
 - The District plans to begin training a Plant Operator II for the Bayfront Recycled Water Facility effective January 1, 2026 and purchase new operation software.

Financial Statements Summary:

The following is a summary of the approved Budget FY 2024-25, Budget Workshop on May 13, 2025, and final Proposed Budget FY 2025-26.

West Bay Sanitary District Combined Budget Fiscal Year 2025-26					
Combined Statements	Budget FY 2024-25	Budget Workshop	Budget FY 2025-26	Budget Change	% Var
Operating Revenue	35,667,468	38,419,014	38,280,812	2,613,344	7.3%
Operating Expenditures	(18,583,448)	(19,878,476)	(19,900,288)	(1,316,840)	7.1%
SVCW	(18,540,559)	(21,843,430)	(18,191,973)	348,586	-1.9%
Operating Income (Loss)	(1,456,539)	(3,302,892)	188,551	1,645,090	-113%
Non-Operating Income (Expense)	1,021,838	1,090,806	1,090,806	68,968	7%
Other Adjustments	-	-	-		
Contributions	912,900	3,513,919	3,513,919	2,601,019	285%
Net Change in Position	478,199	1,301,832	4,793,276	4,315,077	902%

Recommendation

The Finance Manager recommends the Board approve the Proposed Budget for Fiscal Year 2025-26.

Attachments: Proposed Budget Report FY 2025-26
 Resolution Budget FY 2025-26

RESOLUTION NO. _____ (2025)

IN THE DISTRICT BOARD OF THE WEST BAY SANITARY DISTRICT

COUNTY OF SAN MATEO, STATE OF CALIFORNIA

BE IT RESOLVED that the Fiscal Year 2025-26 Consolidated Budget, and individual General Fund, Capital Assets Fund, and SVCW Fund (Collectively known as Collections), and Solid Waste Fund, and Recycled Water Fund Budgets, for West Bay Sanitary District are hereby approved.

Passed and adopted by the District Board of the West Bay Sanitary District at a regular meeting thereof held on the 25th day of June 2025, by the following vote:

Ayes:

Noes:

Abstain:

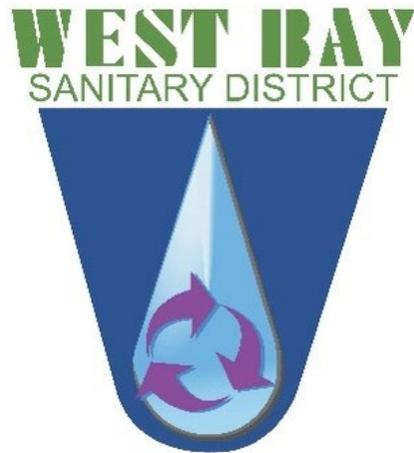
Absent:

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



Budget

Fiscal Year 2025-26

Presented

June 25, 2025

Financial Report Budget Fiscal Year 2025-26

The West Bay Sanitary District (the District) provides wastewater collection and conveyance services to the City of Menlo Park, Atherton, and Portola Valley, and areas of East Palo Alto, Woodside and unincorporated San Mateo and Santa Clara counties. The District conveys raw wastewater, via the Menlo Park Pump Station and force main, to Silicon Valley Clean Water (SVCW) for treatment and discharge to the San Francisco Bay. The District was originally formed in December 1902 as the Menlo Park Sanitary District under the Sanitary Sewer Act of 1891. The District operated as the Menlo Park Sanitary District from 1902 until 1981 when its name was changed to the West Bay Sanitary District to more accurately reflect the service area. The powers of the District are established by the State of California Health and Safety Code. The District currently serves a population of 21,079 households and commercial establishments.

The Budget Workshop, held May 13, 2025, is to review and develop the fiscal year budget with the full District board. Sewer service charge revenue has been updated for Fiscal Year 2025-26. Wages and benefits were updated after the Memorandum of Understanding (MOU) with represented employees in the International Brotherhood of Teamsters, Local 350 for Sanitary Truck Drivers and Helpers, was approved on June 11, 2025.

The Budget Report was developed in conformity with the format prescribed by the provisions of the Governmental Accounting Standards Board (GASB).

Table of Contents

Statement of Revenue, Expenses and Changes in Net Position	3
Collections	
Statement of Revenue, Expenses and Changes in Net Position, Collections	4
Revenues	5
Expenditures	6
Expense Analysis	10
Capital Fund	11
Capital Budget	13
Reserves	15
Solid Waste Fund	16
Recycled Water Fund	
Sharon Heights Recycled Water Facility	19
Recycled Water Capital Expenditures	20
Statement of Revenue, Expenses and Changes in Net Position, Funds	21

West Bay Sanitary District
Consolidated Budget
Fiscal Year 2025-26

	Unaudited Actual 3/31/2025	Projected 6/30/2025	Approved Budget FY 2024-25	Revised Budget FY 2024-25	Proposed Budget FY 2025-26	Budget Variance	% Var
Operating Revenues							
Residential	19,738,032	28,118,978	27,643,947	27,643,947	29,576,172	1,932,225	7%
Non-Residential	5,341,740	5,320,719	5,801,413	5,801,413	5,959,603	158,190	3%
Sewer Service Charges	25,079,773	33,439,697	33,445,360	33,445,360	35,535,775	2,090,415	6%
Permit & Inspection Fees	290,697	387,596	200,000	200,000	250,000	50,000	25%
Flow Equalization	174,508	174,508	69,210	69,210	-	(69,210)	-100%
Other Operating Revenue	1,032,185	1,372,819	862,449	1,952,898	2,495,037	542,139	28%
Operating Revenues	26,577,163	35,374,621	34,577,019	35,667,468	38,280,812	2,613,344	7%
Operating Expenses							
Salaries & Benefits	5,845,466	7,793,955	7,789,559	8,539,513	9,141,452	601,939	7%
Materials & Supplies	385,347	513,795	813,800	961,912	1,066,999	105,087	11%
Insurance	278,100	370,800	368,560	371,058	413,149	42,092	11%
Contract Services	654,607	872,809	1,009,652	1,031,620	1,120,364	88,745	9%
Professional Services	312,903	417,204	1,671,800	1,701,275	1,731,085	29,810	2%
Repairs & Maintenance	306,130	408,173	719,615	729,365	941,037	211,672	29%
Utilities	380,176	506,901	544,430	546,455	613,416	66,961	12%
Other Operating Expenses	214,117	285,490	621,401	640,001	617,786	(22,215)	-3%
Depreciation	2,885,704	3,847,605	3,955,000	4,062,250	4,255,000	192,750	5%
Total WBSD Operating Expenses	11,262,550	15,016,733	17,493,817	18,583,448	19,900,288	1,316,840	7%
Sewage Treatment Plant (SVCW)	15,429,428	18,328,703	18,540,559	18,540,559	18,191,973	(348,586)	-2%
Total Operating Expenses	26,691,977	33,345,435	36,034,376	37,124,007	38,092,261	968,254	3%
Operating Income (Loss)	(114,814)	2,029,186	(1,457,357)	(1,456,539)	188,551	1,645,090	-113%
Non-Operating Revenues (Expenses)							
Investment Income	2,582,292.97	2,582,293	501,000	501,000	501,000	-	0%
Other Non-Operating Income	652,773.86	652,774	671,950	671,950	735,800	63,850	10%
Interest Expense	(151,111.88)	(151,112)	(151,112)	(151,112)	(145,994)	5,118	-3%
Other Non-Operating Expenses	-	-	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	3,083,955	3,083,955	1,021,838	1,021,838	1,090,806	68,968	7%
Change in Net Position by Fund	2,969,141	10,198,491	(435,518)	(434,701)	1,279,357	1,714,058	-394%
Pension Adjustment (GASB 68)	(66,004)	(66,004)					
Capital Contributions							
Grants Received	2,283,093	2,283,093			2,601,019	2,601,019	
Capital Fund: Connection Fees	489,764	489,764	250,000	250,000	250,000	-	0%
Recycled Water Fund	524,889	524,889	662,900	662,900	662,900	-	0%
Change in Net Position	6,200,884	13,430,235	477,382	478,199	4,793,276	4,315,077	902%
Beginning Net Position	180,396,525	180,396,525	180,396,525	193,826,759	193,826,759		
Prior Period Adjustment							
Ending Net Position	186,597,409	193,826,759	180,873,906	194,304,959	198,620,035		

Consolidated Statement:

West Bay Sanitary District’s consolidated budget conforms to the governmental accounting standards board (GASB) reporting standards for local governments, following generally accepted accounting principals (GAAP), including all District Funds.

West Bay Sanitary District
Collections Budget
General, Capital, & Treatment Plant Funds
Fiscal Year 2025-26

	Unaudited Actual 3rd Qtr FY 24-25	Approved Budget FY 2024-25	Collections Budget FY 2025-26	Budget Change FY 2025-26	% Change FY 2024-25
Operating Revenues					
Residential	19,738,032	27,643,947	29,576,172	1,932,225	7%
Non-Residential	5,341,740	5,801,413	5,959,603	158,190	3%
Sewer Service Charges	25,079,773	33,445,360	35,535,775	2,090,415	6%
Permit & Inspection Fees	290,697	200,000	250,000	180,790	261%
Flow Equalization	174,508	69,210	-	(200,000)	-100%
Other Operating Revenue	950,919	1,829,598	2,363,437	533,839	29%
Operating Revenues	26,495,897	35,544,168	38,149,212	9,048,271	7%
Operating Expenses					
Salaries & Benefits	5,671,630	8,323,513	8,838,352	514,839	6%
Materials & Supplies	373,477	916,912	1,026,999	110,087	12%
Insurance	243,274	325,058	351,149	26,092	8%
Contract Services	654,607	1,031,620	1,120,364	88,745	9%
Professional Services	255,499	1,602,175	1,615,500	13,325	1%
Repairs & Maintenance	302,245	704,365	760,037	55,672	8%
Utilities	185,234	297,205	333,916	36,711	12%
Other Operating Expenses	127,081	531,481	478,775	(52,706)	-10%
Depreciation	2,319,528	3,307,250	3,500,000	192,750	6%
Total WBSD Operating Expenses	10,132,574	17,039,578	18,025,092	985,514	6%
Sewage Treatment Plant (SVCW)	15,429,428	18,540,559	18,191,973	(348,586)	-2%
Total Operating Expenses	25,562,001	35,580,137	36,217,065	636,928	2%
Operating Income (Loss)	933,896	(35,969)	1,932,147	1,968,116	-5472%
Non-Operating Revenues (Expenses)					
Investment Income	2,338,416	500,000	500,000	-	
Other Non-Operating Income	108,720	-	-	-	
Interest Expense	-	-	-	-	
Other Non-Operating Expenses	-	-	-	-	
Increase (Decrease) in SVCW	-	-	-	-	
Total Non-Operating Revenues (Expenses)	2,447,136	500,000	500,000	-	
Change in Net Position before Contributions & Special Items	3,381,032	464,031	2,432,147	1,968,116	424%
Increase (Decrease) in Pension (GASB 68)	(66,004)	-	-	-	
Capital Contributions	-	-	-	-	
Grants Received	2,283,093	-	2,601,019	2,601,019	
Capital Fund: Connection Fees	489,764	250,000	250,000	-	
Recycled Water Fund	-	-	-	-	
Change in Net Position	6,087,886	714,031	5,283,166	4,569,135	640%

Collection Statement:

West Bay Sanitary District’s collection budget shows the District’s core function of providing wastewater collection and conveyance services to the City of Menlo Park, Atherton, Portola Valley, areas of East Palo Alto, Woodside, and unincorporated San Mateo and Santa Clara counties.

Budget Fiscal Year 2025-26

West Bay Sanitary District has three distinct enterprise funds: Collections, which is the original mandate of the district; Solid Waste, franchised to Recology since January 1, 2011, and Recycled Water, consisting of the Sharon Heights Recycled Water Facility, completed March 2021, and the Bayfront Recycled Water Facility, currently in construction.

Collections: General, Capital, & Treatment Plant Funds:

Collection system is comprised of the General Fund, for direct District expenses, Capital Fund for capital expenditures, including depreciation, and the Treatment Plant Fund, for sewage treatment plant activity by Silicon Valley Clean Water (SVCW). These funds represent the sewer service operations. Solid Waste and Recycled Water Funds are detailed separately.

Revenues:

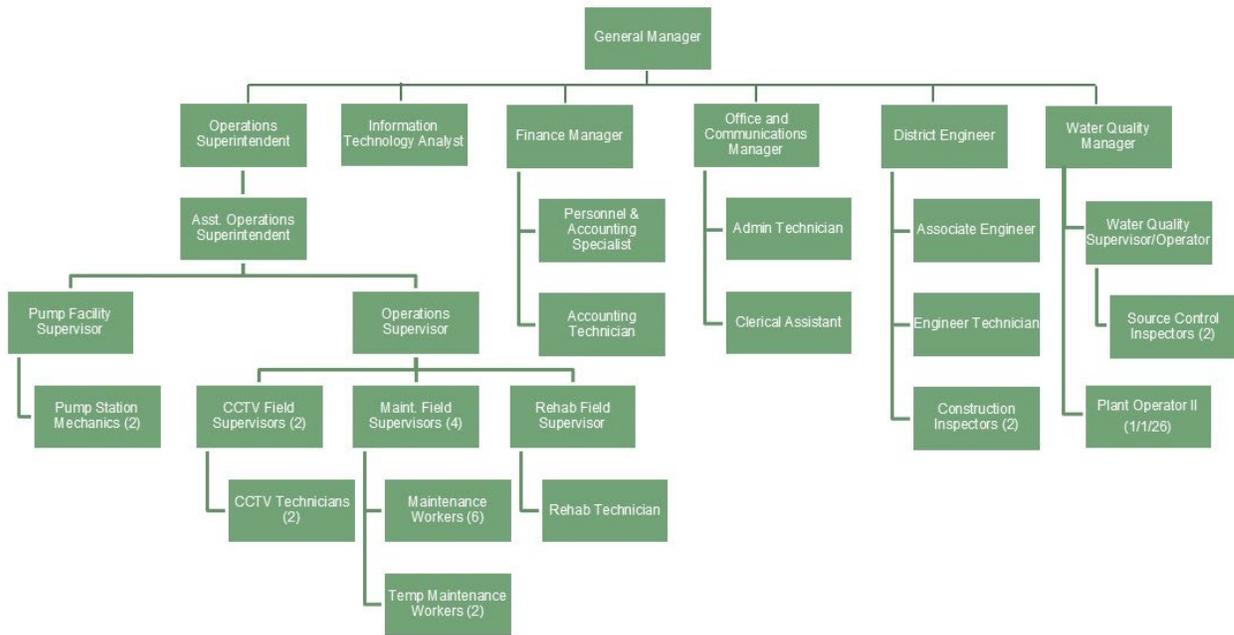
The Budget for FY 2025-26 includes total Operating Revenues of \$38.28 million, with \$38.15 million in the General Fund, reflecting a 7% increase from FY 2024-25 annual budget.

- **Sewer Service Charges.** Total revenue of \$ 35.5 million is estimated, reflecting a 5% increase in rates. Residential customers increased by 38 during FY 2025-26, to 20,470 households served. Non-Residential customers increased by 7, to 619, for a total of 21,089 customers.
- **Permit Fees.** Permit & Inspection Fees budget is \$250,000. These fees are budgeted conservatively, due to the uncertain nature of their timing.
- **Flow Equal.** The total Flow Equalization Cost Sharing with Silicon Valley Clean Water (SVCW) contract expired in FY 2023-24, with a two month extension in FY 2024-25. SVCW proposed optional subsequent use billed as needed. It is unknown if there will be additional charges.
- **Other Operating Income.** A total of \$2.36 million, a 29% increase from the prior budget.
 - The District has three Maintenance Service Agreements with outside agencies for \$2.16 million annually.
 - Revenue from East Palo Alto Sanitary District (EPASP) = \$ 1,588,403, a 4.5% increase. On July 24, 2024 the District signed a five year agreement with the City of East Palo Alto to provide services for the East Palo Alto Sanitary District's (EPASD) 35 miles of gravity sewer pipelines.
 - Revenue from Los Altos Hills = \$484,760, a 4% increase.
 - 4% x 4 years, after 2% equaling over 18% in the 5-year contract.
 - Revenue from Town of Woodside = \$90,204, a 4% increase.
 - Pass-through revenue from HACH Service Passthrough = \$200,070.
 - Recology Franchise Fees for Solid Waste services for 2,253 customers = \$131,600, a 7% increase. The District service area includes 4 apartments, 29 commercial establishments, and 2,220 residential customers.
- **Non-Operating Revenues:** The District budget for Interest Income is \$500,000.

Expenditures:

Total Operating Expenses for all funds is \$38.1 million, representing a 3% increase from the approved FY 2024-25 budget. Collections includes the General, Capital, and SVCW Funds, while the Solid Waste and Recycled Water Funds are reported separately, to provide transparency.

West Bay Sanitary District
Organization Chart
FY 2025-26



Collections Expenditures: General, Capital, and Treatment Plant Funds

Collection expenses of \$36.2 million represents a 2% increase over FY 2024-25. Detailed expenses are shown on the Expense Analysis on page 10.

General Fund.

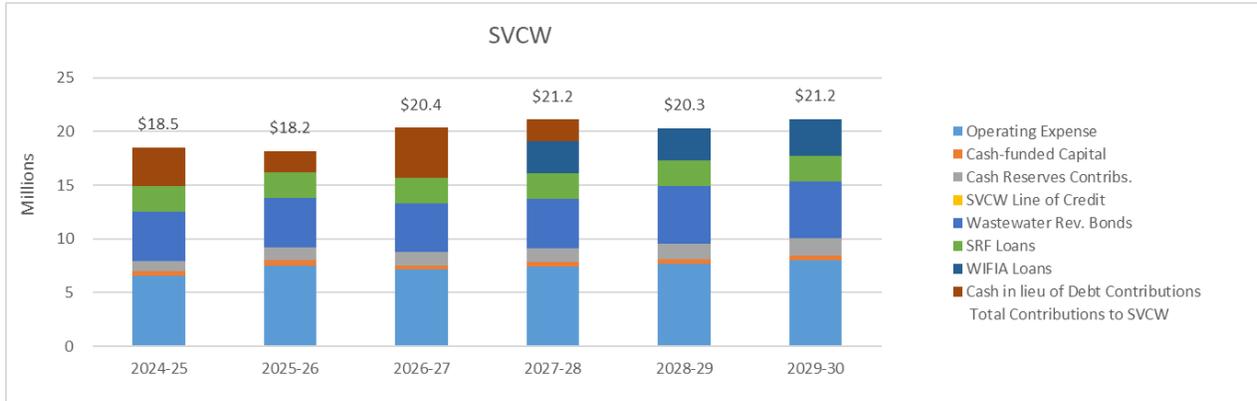
General Fund Expenses are \$14.5 million, increasing 6% from FY 2024-25.

- Salaries and benefit costs are increasing 6% from FY 2024-25, including changes in the Memorandum of Understanding (MOU) with represented employees, approved June 11, 2025, and effective July 1, 2025. The District has 39 full time positions, with an additional position for a Plant Operator II, effective January 1, 2026, included in Recycled Water Fund.
 - Salaries increased 7%, based on full staffing, with a 4.5% COLA, per the MOU and annual merit step increases.
 - Benefits increased 5% from FY 2024-25, including additional staff.
- Material and Supplies is increasing 12% from FY 2024-25.
 - Fuel costs are increasing 10%.
 - Office Expense, 2% increase.

- Operating Supplies, 11% increase.
- Equipment Expense increased 26%, to \$121,400. These represent replacement of small tools and equipment or one-time purchases under the \$20,000 capitalization policy.
 - Collections = \$50,300
 - Pump Stations = \$469,100
 - Water Quality = \$25,000
- Insurance costs are expected to increase approximately 8%. The District is a member of California Sanitation Risk Management Authority (CSRMA), which provides self-insured and excess insurance. Final rates will not be available until late June 2025. The District has evaluated deductible options to reduce costs, balancing against increased risk. The District's experience modification factor for workers' compensation decreased to 0.76, from 0.83. Below 1.0 is indicative of good claim history.
- Contractual Services are increasing 9% from FY 2024-25. This category includes contract expenses to HACH, which are passed through to customers with a marginal administrative fee, for a total of \$200,070.
 - Contracts expenses are increasing 10%.
 - Rents and leases are increasing 1%.
- Professional services, which includes printing, publications, research, and monitoring costs, are increasing 1%. Professional services includes engineering, attorney fees, studies, technology consulting, and other outside professional services. FY 2023-24 and FY 2024-25 included one-time costs, which were not all completed, including software installations carried over to FY 2025-26.
 - Professional Services is \$1,488,400, increasing 1%.
 - Engineering costs are \$619,726.
 - IT Services are \$501,600.
 - Carryover software installation costs of \$40,000 for Finance software and \$200,000 for a new tax roll system.
 - Computerized maintenance management system (CMMS) replacement Installation.
 - Legal and audit fees of \$200,900.
 - Health screening, safety training, and recruitment costs are \$111,700.
 - Miscellaneous services of \$106,600.
 - Printing & Publications is \$99,500, increasing 9%.
 - Research and Monitoring is unchanged, at \$27,600.
- Repairs and maintenance expenses include fleet, safety equipment, lift stations, and other equipment maintenance crucial to operations and computer software and hardware (under \$20,000 capitalization limit). Costs are increasing 8% to \$760,037.

- Repairs & Maintenance \$378,411, a 2% increase.
- Computer Hardware & Software \$381,626, a 15% increase.
 - Cloud Based Software:
 - Replace CMMS software, \$165,000
 - Finance Enterprise, \$82,000
 - Tax Roll software, \$35,000
 - Telemetry System, \$10,000
 - Digital Bidding Software, \$9,000
 - Other software \$30,626
 - Hardware \$50,000
- Utilities are \$333,916, increasing 12%, including a 15% increase for electricity.
- Other Operating Expenses, which includes Election expenses, Memberships, Training, Meetings, Travel, LAFCo, and miscellaneous expenses, are decreasing 10% to \$478,775.
 - No Election expense, reducing costs \$70,000 from FY2024-25, for bi-annual elections for three current board members reaching the end of their current term.
 - Training, meetings, and travel are increasing 11%, for new and promoted staff.
- **Capital Fund Depreciation.** Depreciation of \$3.5 million, increased 6% for completed projects and additional vehicles.
- **SVCW Operating Expenses/Debt.** This includes contributions and debt payments for the benefit of SVCW. Total Expenditures are \$18,191,973, decreasing 2% for the District’s share of SVCW budget in FY 2025-26. SVCW expenditures represent 50% of the Collection Operating Expenses, excluding capital and depreciation. The District holds a 22.66% share of SVCW’s Net Position according to the SVCW’s annual Unaudited Analysis of Net Position, as of June 30, 2024. SVCW is reported in the Treatment Plant Fund, to better identify direct District Operations and those for SVCW.
 - SVCW Operating expenses is \$7,526,417, a 14% increase. Monthly payments also include revenue-funded capital and reserves. These are \$1,721,652 for FY 2025-26, a 26% increase from FY 2024-25.
 - SVCW Debt payments are \$6,958,961 for 2018 bonds, 2021 A&B bonds, WWTP SRF loan, and RESCU loans, which is flat from prior year. WIFIA loans will begin repayment in 2027-28 for an approximate \$3 million increase in the first year.
 - SVCW has allowed several options for \$33 million in additional funding. The Board has indicated paying cash in lieu of additional debt. After several discussions with SVCW staff, the district was provided the option for \$8,697,093 cash in lieu over three years, with \$1,984,943 in FY 2025-26. Reduced from \$5,636,400 in FY 2025-26 Budget Workshop. This saves over \$2 million from other scenarios.

West Bay Sanitary District
Contributions
Silicon Valley Clean Water



Capital Contributions:

- Connection Fees of \$250,000 are unchanged.
- National Fish & Wildlife Foundation grant funds of \$2,601,019 is outstanding for the levee living shoreline, which is expected to be completed in FY 2025-26.

Change in Net Position:

The Collections Budget: General, Capital, and Treatment Plant Funds, Net Operating Income of \$1,932,147, with a Net Change in Position is \$5,283,166.

The Combined Net Operating Income of \$188,551 for all Funds, with a total positive Change in Net Position of \$4,793,276 for FY 2025-26.

**Budget
Collections Budget
Fiscal Year 2025-26
Expense Analysis**

	Unaudited Collections 3rd Qtr FY 24-25	Revised Collections Budget FY 2024-25	Collections Budget FY 2025-26	Budget Variance	% Var
Operating Expenses					
Salaries & Wages	4,126,617	5,758,631	6,146,298	387,667	7%
Employee Benefits	1,496,538	2,380,683	2,504,554	123,871	5%
Directors- Fees	36,990	93,600	96,900	3,300	4%
Election Expense	2,683	70,000		(70,000)	
Gasoline, Oil & Fuel	65,071	160,025	175,821	15,796	10%
Insurance	243,274	325,058	351,149	26,092	8%
Memberships	52,111	96,241	101,241	5,000	5%
Office Expense	32,487	53,100	53,950	850	2%
Operating Supplies	270,202	607,387	675,828	68,441	11%
Contract Services	614,700	919,275	1,006,714	87,440	10%
Professional Services	255,499	1,482,900	1,488,400	5,500	0%
Printing & Publications	25,607	91,675	99,500	7,825	9%
Rents & Leases	39,906	112,345	113,650	1,305	1%
Repairs & Maintenance	181,338	372,239	378,411	6,172	2%
Computer Hardware & Software	120,907	332,126	381,626	49,500	15%
Research & Monitoring	-	27,600	27,600	-	
Training, Meetings & Travel	47,654	171,900	190,600	18,700	11%
Utilities	185,234	297,205	333,916	36,711	12%
Other Operating Expenses	71,715	288,860	309,945	21,085	7%
Equipment Expense	5,716	96,400	121,400	25,000	26%
Pension Expense		50,000	50,000	-	
OPEB Expense	11,484	40,600	40,600	-	
Solid Waste Overhead Allocation	(49,365)	(65,820)	(89,111)	(23,291)	35%
Recycled Water Overhead Allocation	(23,325)	(29,700)	(33,900)	(4,200)	14%
Depreciation	2,319,528	3,307,250	3,500,000	192,750	6%
Total WBSD Operating Expenses	10,132,574	17,039,578	18,025,092	985,514	6%
SVCW - Operating Fund	4,949,145	6,579,079	7,526,417	947,338	14%
SVCW - Capital Contributions	301,878	402,502	466,801	64,299	16%
SVCW - Operating Reserves	-	-	210,892	210,892	
SVCW - Capital Reserves	704,547	939,400	1,043,959	104,559	11%
SVCW - Line of Credit	-	-		-	
SVCW - Debt Service Reserves	-	-		-	
SVCW - 2018 Bond	1,834,200	1,834,963	1,835,338	375	0%
SVCW: 2021 Bonds (\$55.6m)	2,741,810	2,742,354	2,737,697	(4,657)	0%
SVCW - SRF WWTP Debt C-06-5216-120	506,765	506,765	506,765	-	
SVCW - SRF Debt C-06-8069-110	143,482	143,482	143,482	-	
SVCW - SRF RESCU	619,611	530,307	530,307	-	
SVCW: SRF Loan C-06-8264-210	533,970	593,284	593,284	-	
SVCW: SRF Loan C-06-8264-710	351,765	612,090	612,090	-	
SVCW - Cash in Lieu of Debt	2,742,255	3,656,334	1,984,943	(1,671,391)	-46%
Total External Operating Expenses	15,429,428	18,540,559	18,191,973	(348,586)	-1.9%
Total Operating Expenses	25,562,001	35,580,137	36,217,065	636,928	2%

Capital Fund:

The Capital Fund is financed with any Net Increase in Position from the Collection Operations revenue, Connection Charges by customers, and Interest Income. The District had \$43.5 million Capital Budget balance available as of June 30, 2024. Through March 31, 2025, the capital budget decreased \$6.2 million, resulting in a \$37.3 million capital budget balance. There is \$11 million in budgeted capital expenditures outstanding for the current year.

Capital Fund Revenue:

Connection Fees of \$250,000 are budgeted; no change from FY 2024-25.

Capital Fund Expenses:

Total Capital Expenditures budget for FY 2025-26 is \$17.54 million, a 36% decrease from FY 2024-25. \$10 million is carried over from FY 2024-25. A detailed schedule of Capital Expenditures is included on page 13-14.

Capital Assets:

Capital Fund Expenditures	Actual YTD 3/31/2025	Budget FY 2024-25	Budget FY 2025-26	Budget Change	% Var
Administration	79,274	80,000	0	(80,000)	-100%
Collection Facilities	0	600,000	600,000	0	0%
Vehicles & Equipment	984,921	1,528,000	365,000	(1,163,000)	-76%
Pump Stations	66,661	1,639,000	2,826,000	1,187,000	72%
Subsurface Lines & Other Capital	0	100,000	200,000	100,000	100%
Construction Projects	14,805,239	23,449,500	13,549,500	(9,900,000)	-42%
Total Capital Fund	15,936,096	27,396,500	17,540,500	(9,856,000)	-36%

- **Administration.** There is no budget in administration.
- **Collection Facilities - Buildings.** The budget for Collection includes FERRF and unexpected allowance of \$1,100,000, for an 83% increase.
 - FERRF Improvements \$500,000
 - Allowance for Unanticipated Capital Expenditures of \$100,000
- **Vehicle & Equipment.** The budget for vehicles and equipment is \$365,000, a 76% decrease from the FY 2024-25 budget, when additional vehicles were purchased to maintain new contract with EPASD.
 - Equipment: No capitalized equipment budget.
 - Vehicles:
 - Ford Maverick, \$40,000 for Managers’ Pool Vehicle.
 - Utility Truck \$80,000, for Pump Supervisor
 - 3 Ton Crane \$240,000
 - Contribution to Equipment Replacement Reserve: Increased 3% to \$442,000, plus an additional \$1 million to re-establish after depleting reserve in FY 2024-25.

- **Pump Stations.** The budget is increasing 72%, to \$2,826,000.
 - Additional Pump & Valve Replacement, \$142,000.
 - Pump Station Telemetry, \$1,245,000, with \$510,918 carried over from FY 2024-25.
 - Willow Pump Station Discharge, Ivy, \$300,000.
 - Illinois Force Main Replacement, \$1,039,000 carried over from FY 2024-25.
 - Hamilton Henderson Wetwell Lining, \$100,000.

- **Subsurface Lines & Other Capital.**
 - No change in \$100,000 for Manhole Raising on paving projects.
 - Structure coating of \$100,000 is in the Master Plan.

- **Construction in Progress (CIP).** These are new construction projects that are recorded separately and capitalized when completed. CIP is not depreciated until completed. \$13,549,500 is budgeted for CIP, with \$9.5 million carryover from FY 2024-25 capital budget, not including the Pump Station Telemetry project. New funding is \$4.1 million.
 - Levee Project:
 - \$1 million budget to complete levee project in FY 2025-26.
 - The District received a \$4,884,112 grant from the National Fish and Wildlife Foundation for the construction of a living shoreline. These are matching funds requiring a 112% contribution by the District (\$5.5 million). The District has received \$2,283,093 to date, with \$2,601,019 outstanding.
 - Pipeline Replacement & Rehab Engineering, \$500,000 in new funding.
 - Laurel Ave-Hwy101 Crossing
 - Pipeline Replacement & Rehab Construction, \$12,049,500, carried over from FY 2024-25.
 - Stowe Lane (Carryover), \$2,100,000.
 - Willow Pump Station Rehabilitation (Carryover), \$300,000.
 - Misc Point Repairs-High Freq. List Repairs (LAMP 1), \$6,949,500, \$6 million carryover.
 - Bayfront Park Sanitary Sewer Improvements, \$1,000,000 (Carryover)
 - Emergency Syphon Repairs, \$1,200,000
 - Unexpected Pipeline Repair Projects \$500,000, added to account for emergency or unanticipated pipeline repairs.

**Budget
Fiscal Year 2025-26
Capital Fund**

Capital Expenditure - Detail	Actual 3/31/2025	Revised Budget FY 2024/25	Budget FY 2025/26	Budget Variance	Budget % Var
Plant & Administration					
District Office HVAC System	79,274	80,000			
Write-Off Assets					
Total Administration	79,274	80,000	0	0	0%
Collection Facilities - FERRF/Buildings					
FERRF Improvements		500,000	500,000	0	0%
Allowance For Unanticipated Capital Expenditures		100,000	100,000	0	0%
Write-Off Assets					
Subtotal Collection Facilities	0	600,000	600,000	0	0%
Equipment Replacement - Funded From The Equipment Replacement Fund					
Equipment					
CCTV Equipment: Transporter, Track Module, Camera		28,000		(28,000)	
Vehicles					
Dump Truck (Deferred since 2020 to 2023-24)	185,145			0	
Electric Vehicles		80,000		(80,000)	
Ford Maverick	30,766	35,000	45,000	10,000	
Utility Truck - Pump Supervisor			80,000	80,000	
CCTV	489,516	425,000		(425,000)	
US Jetter		200,000		(200,000)	
Pipe Hunter / Jetter	279,494	280,000		(280,000)	
CCTV Unit		480,000		(480,000)	
3 Ton Crane			240,000	240,000	
Total Equipment Replacement	984,921	1,528,000	365,000	(1,163,000)	-76%
Sales of Vehicles	(166,340)				
Destroyed Vehicle					
Write-Off Prior Period Disposable Parts					
Net Vehicles & Equipment Expense	818,581	1,528,000	365,000	(1,163,000)	-76%
Equipment Replacement Reserve	(401,577)	(401,577)	(442,000)	(40,423)	10%
Net Vehicles & Equipment Activity	417,004	1,126,423	(77,000)	(1,203,423)	-107%
Subsurface Lines & Other Capital					
Pump Stations					
Pump Equipment Replacement Program		40,000	142,000	102,000	255%
Pump Station Telemetry		205,515	694,083		
Pump Station Telemetry (carryover)	9,083	354,485	550,918	685,000	122%
Willow PS Discharge (Ivy Drive) Capacity Improvements			300,000	300,000	
Illinois Force Main Replacements	57,579	1,039,000			
Illinois Force Main Replacement (carryover)			1,039,000	-	
Hamilton Henderson Wetwell Lining			100,000	100,000	
Write-Off: Assets					
Total Pump Stations	66,661	1,639,000	2,826,000	1,187,000	72%
Other Subsurface Lines					
Manhole Raising (Paving Projects)		100,000	100,000	0	0%
Structure Coating (Maintenance)			100,000	100,000	
Total Subsurface Lines & Other Capital	0	100,000	200,000	100,000	
Total Pump Station, Subsurface Lines, & Other Capital	66,661	1,739,000	3,026,000	1,287,000	74%

**Budget
Fiscal Year 2025-26
Capital Fund**

Capital Expenditure - Detail	Actual 3/31/2025	Budget FY 2024/25	Budget FY 2025/26	Budget Variance	% Var
<u>Construction in Progress</u>					
Levee Improvement Project	3,509,103	148,214	1,000,000		
Levee Improvement Project (Carryover)	4,851,786	4,851,786		(4,000,000)	20%
<u>Pipeline Replacement & Rehab Design & Engineering</u>					
Spot Repair Design-High Frequency List		-			
Spot Repair Design-High Frequency List (Carryover)		350,000		(350,000)	0%
Pipeline Replacement Design		478,350			
Pipeline Replacement Design (Carryover)	227,432	221,650		(700,000)	0%
Laurel Ave-Hwy101 Crossing			500,000		
<u>Pipeline Replacement & Rehab Construction</u>					
Stowe Lane					
Stowe Lane (Carryover)	26,770	3,000,000	2,100,000	(900,000)	70%
Willow Pump Station Rehabilitation					
Willow Pump Station Rehabilitation (Carryover)	791,680	1,700,000	300,000	(1,400,000)	18%
Misc Point Repairs-High Freq. List Repairs (LAMP 1)	4,159,969	10,214,444	895,025		
Misc Point Repairs-High Freq. List Repairs (Carryover)	885,056	885,056	6,054,475	(4,150,000)	63%
Bayfront Park Sanitary Sewer Improvements	-	595,010			
Bayfront Park Sanitary Sewer Improvements (Carryover)	353,443	1,004,990	1,000,000	(600,000)	63%
Emergency Syphon Repairs			1,200,000		
Unexpected Pipeline Repair Projects			500,000		
Total Construction in Progress	14,805,239	23,449,500	13,549,500	(9,900,000)	-42%
Total Construction in Progress	14,805,239	23,449,500	13,549,500	(9,900,000)	-42%
Total Capital Fund Expenditures	15,936,096	27,396,500	17,540,500	(9,856,000)	-36%

Reserves:

The District reserves funds to protect cash flow between sewer service fee payments from the county, maintain fiscal stability, and reserve for future projects. The District has six individual investment accounts to reserve funds for various aspects of operations, plus two money market accounts, including the two accounts which are restricted and hold deposits from Sharon Heights Golf & Country Club (SHGCC) for the SRF loan on the Sharon Heights Recycled Water Facility (SHRWF). In addition, the District has two checking accounts and holds funds in Local Agency Investment Fund (LAIF), which are liquid and available to fund current Operations and Capital Projects.

Budget
Fiscal Year 2025-26
Reserve Contributions

Reserves	Targets	Balance 3/31/25	Budget FY 2024-25	Budget FY 2025-26	Balance FY 2025-26	Budget Change	% Var
Collection Reserves							
Operating Reserve (6mo/Ops)	18,108,533	17,245,253	3,220,785	863,280	18,108,533	(2,357,505)	-273%
Rate Stabilization Reserve	10,000,000	11,667,111			11,667,111	0	
Treatment Plant Reserve	12,000,000	11,068,041		(1,984,943)	9,083,098	(1,984,943)	100%
Restricted Reserves							
PARS Irrevocable Trust		419,008	50,000	50,000	469,008	0	0%
PARS Irrevocable Trust		581,988	25,000	25,000	606,988	0	0%
Capital Fund Reserves							
Capital Reserve	14,000,000	22,867,569			22,867,569	0	#DIV/0!
Equipment Replacement Reserve	1,000,000		413,625	1,442,000	1,442,000	1,028,375	#REF!
Recycled Water Fund Reserves							
Recycled Water Cash Flow Reserve	8,000,000	4,714,448			4,714,448	0	#DIV/0!
Recycled Water SRF Reserve - Restricted	1,458,404	1,520,706			1,520,706	0	#DIV/0!
Total Reserves	64,566,937	70,084,125	3,709,410	395,337	(3,314,073)	(3,709,410)	-938.3%

The District currently has four separate investment reserve accounts maintained to support the goals of the District, along with reserves held in LAIF, including Operating Reserves and an Equipment Replacement Reserve, a Pension Trust, and the restricted Recycled Water SRF Reserve. Annual contributions are made in accordance with the Board approved budget in order to reach the target balances for each reserve. The Operating Reserve is set at six months of operating expenses, based on the annual budget, and adjusted with the new approved budget.

- **Reserves.** Total reserve designations are \$4.2 million, excluding \$5.6 million deduction.
 - **Operating Reserve:** Designate \$2.7 million.
 - Six months of operations provides cash flow between July and December, when the first sewer service charges are received.
 - Operating Reserves will be held in LAIF, where they are available for cash flow.
 - **Vehicle & Equip Replacement Reserve:** Designate \$1.4 million in LAIF.
 - \$1 million to re-establish reserve after depleting in FY 2024-25.
 - \$442,000, annual contribution increased 3% annually.
 - **Treatment Plant Reserve:** Transfer \$1.98 million for cash-in-lieu of additional SVCW debt in FY 2025-26. This reserve was specifically created to have funds available to make contributions in lieu of taking on additional long-term debt through SVCW. The current projection for additional contributions for capital is \$8,697,093 over three years.

- **Restricted Reserves.**
 - **Public Agency Retirement Services (PARS) Trust:**
 - **Retirement:** \$50,000 to reserve for possible CalPERS unfunded liability.
 - **Other Post-Employment Benefits:** \$25,000 to keep pace with increasing liability.

Solid Waste:

The Solid Waste Fund has a projected net decrease of \$10,096 for FY 2025-26. The Net Position is estimated at \$883,429 through FY 2025-26.

- **Solid Waste Fund Revenue.** Franchise fees are received from Recology, which manages solid waste collection for the District. The budget is estimated at a 7% increase from FY 2025-26, based on current receipts. Recology may have other changes, which are uncertain at this time; additional costs associated with implementation of California’s Short-Lived Climate Pollutant (SLCP) Reduction Strategy, SB1383 and disposal costs at the Shoreway Environmental Center.
- **Solid Waste Fund Expense.** Allocated expenses for the Solid Waste program of \$141,696 is budgeted for rate studies, annual notification mailing, and overhead allocation, a combined 21% increase. The overhead allocation was raised to account for the increase in staff time for meetings and matters involving new solid waste regulations.

Budget
Fiscal Year 2025-26
Solid Waste Fund

	YTD 3/31/2024	Projected 6/30/24	Budget FY 2024-25	Budget FY 2025-26	Budget Variance	% Var
Operating Income						
Franchises	86,077	114,769	123,300	131,600	8,300	7%
Total Income	86,077	114,769	123,300	131,600	8,300	7%
Expenditures						
Rate Studies	28,314	28,314	44,200	45,526	1,326	3%
Mailings	3,600	3,600	5,300	5,459	159	3%
Public Relations	0	0	1,600	1,600	0	0%
Overhead Expense Allocation - General	46,950	62,600	65,820	89,111	23,291	35%
Total Allocated Operating Expense	78,864	94,514	116,920	141,696	24,776	21%
Non-Operating Income & Expense						
Surplus	317,824	317,824	0	0	0	0%
Change in Net Position	325,037	338,079	6,380	(10,096)	(16,476)	-258%
Solid Waste Fund Beginning Balance	555,446	555,446	555,446	893,525		
Solid Waste Fund Balance	880,483	893,525	561,826	883,429		

Recycled Water:

Recycled Water has two operations; The Sharon Heights Recycled Water Facility (SHRWF), completed in FY 2021-22 and the Bayfront Recycled Water Facility (BFRWF), under construction.

Recycled Water Fund	Unaudited Actuals 3/31/2025	Budget FY 2024-25	Budget FY 2025-26	Budget Variance	Budget Variance %
Salaries & Benefits	(174,048)	(216,000)	(303,100)	(87,100)	40%
Other Operating Expense	(340,050)	(455,950)	(675,400)	(219,450)	48%
Depreciation	(566,176)	(755,000)	(755,000)	-	0%
Operating Income (Expense)	(1,080,274)	(1,426,950)	(1,733,500)	(306,550)	21%
Non-Operating Income	787,931	672,950	736,800	63,850	9%
Non-Operating Expense	(151,112)	(151,112)	(145,994)	5,118	-3%
Capital Contributions	524,889	662,900	662,900	-	0%
Net Change in Position	81,435	(242,212)	(479,794)	(237,582)	98%

Sharon Heights Recycled Water Facility

The Sharon Heights Recycled Water Facility (SHRWF) was completed in FY 2021-22, for a project total of \$22,647,052. \$22,267,257 was received from the State Revolving Fund, including a \$5,259,800 Water Recycling Funding Program Construction Grant and a State Revolving Fund (SRF) Loan of \$17,117,420. The District assumed full management of the facility beginning January 27, 2021.

The SHRWF budget is based on the approved 2025 calendar year operations and maintenance budget agreed upon with Sharon Heights Golf & Country Club (SHGCC) representatives. It does not reflect increases created by the new MOU. The detailed SHRWF statement is included on page 19.

- **Revenue.** Revenue is recognized as non-operating income, as all costs of the facility are paid by the District and ultimately reimbursed by Sharon Heights Golf & Country Club (SHGCC). The District provides SHGCC with a projected budget in January 2025, which estimated annual operations and maintenance and is billed in twelve equal monthly installments. The difference is reconciled annually and billed or credited to SHGCC.
- **Expense.** Total Operating expenditures are budgeted at \$1,490,800 for FY 2025-26, including \$755,000 in depreciation of the recycled water facility.
 - Operating Expense budget is \$735,800, based on the calendar year budget with SHGCC.
 - Direct District expense budget is \$701,900, 9% higher than FY 2024-25.
 - Indirect Administration is \$33,900, 12% higher than FY 2024-25.
 - Depreciation is expensed on the straight-line method, \$755,000 annually.
- **Non-Operating Income & Expenses.**
 - Non-Operating Income
 - Income for FY 2025-26 is \$735,800, which represents the calendar year budget agreement with SHGCC for operations and maintenance.
 - \$1,000 in estimated interest income on the SRF deposit.

- Non-Operating Expenses
 - Although \$662,911 represents the principal and interest on the SRF loan payment, only the interest of \$145,994 is expensed. The principal amount reduces the loan balance.
- **Contributions.**
 - SHGCC pays \$662,900 in ten equal installments over ten months for the SRF loan payments, due March 30 each year. Recorded as a contribution by SHGCC.

Bayfront Recycled Water Facility

The Bayfront Recycled Water Facility (BFRWF) has been in preliminary planning since 2017. The District completed an initial BFRWF Plan in February 2019, with Board approval on May 12, 2021, completion is scheduled for 2027. The 1 million gallons per day (MGD) facility is estimated to cost \$85 million, as of January 2025.

The California State Water Board approved \$66.6 million in funding, including \$50 million federal Clean Water SRF loan, \$11.6 million in California Water Recycling loan, and \$5 million California Water Recycling Grant.

The District has identified several potential users, including Meta, who has 43.3% funding participation in the initial \$951 thousand management contract with Woodard & Curran.

- **Expense.** Total Operating expenditures are estimated at \$1,733,500 for FY 2025-26.
 - In FY 2025-26, the District will begin training an operator, effective January 1, 2026.
 - Ignition Software expense \$156,000 is budgeted for plant related operating software, transitioning from software used at SHRWF.

	SHRWF FY 2025-26	BFRWF FY 2025-26	Recycled Water FY 2025-26
Salaries & Benefits	(217,400.00)	(85,700.00)	(303,100.00)
Other Operating Expense	(518,400.00)	(157,000.00)	(675,400.00)
Depreciation	(755,000.00)	-	(755,000.00)
Operating Income (Expense)	(1,490,800.00)	(242,700.00)	(1,733,500.00)
Non-Operating Income	736,800		736,800.00
Non-Operating Expense	(145,994)		(145,993.89)
Capital Contributions	662,900		662,900.00
Net Change in Position	(237,094)	(242,700)	(479,794)

West Bay Sanitary District
 Recycled Water Fund
 Sharron Heights Recycled Water Facility
 Budget
 Fiscal Year 2025-26

Fund Expenditures - Detail	Actual YTD 3/31/2025	Projected 6/30/25	Budget FY 2024/25	Budget FY 2025/26	Budget Variance	% Var
<u>Operating Expense</u>						
Salaries & Wages	80,116	106,821	130,000	130,000	0	0%
Employee Benefits	49,415	65,887	40,000	41,400	1,400	3%
Indirect Labor	15,510	20,680	0	0	-	
Overtime	13,807	13,807	25,000	25,000	-	0%
Standby	15,200	20,267	21,000	21,000	-	0%
Total Salaries, Wages & Benefits	174,048	227,462	216,000	217,400	1,400	1%
<u>Other Operating Expense</u>						
Fuel	0	0	0	0	0	
Insurance	34,826	46,435	46,000	62,000	16,000	26%
Memberships	0	0	0	0	0	
Office Expense	0	0	0	0	0	
Operating Supplies	11,870	15,827	45,000	40,000	(5,000)	-13%
Contractual Services	0	0	0	0	0	
Professional Services	42,595	42,595	25,000	40,000	15,000	38%
Printing & Publications	0	0	0	0	0	
Rents & Leases	0	0	0	0	0	
Repairs & Maintenance	3,885	5,180	25,000	25,000	0	0%
Research & Monitoring	14,504	19,339	23,000	23,000	0	0%
Training, Meetings & Travel	0	0	0	0	0	
Utilities	194,941	259,922	249,250	279,500	30,250	11%
Licenses & Permits	14,103	18,804	13,000	15,000	2,000	13%
Other Operating Expenses	0	0	0	0	0	
Subtotal Operating Expenses	490,772	635,563	642,250	701,900	59,650	8%
Administrative Expense	23,325	31,100	29,700	33,900	4,200	12%
Direct Expenditures	514,097	666,663	671,950	735,800	63,850	9%
Depreciation	566,176	754,902	755,000	755,000	0	0%
Total Operating Expense	1,080,274	1,421,565	1,426,950	1,490,800	63,850	4%
<u>Non-Operating Income & Expense</u>						
Other Non-Operating Income						
SHGCC O&M Revenue	537,794	717,058	671,950	735,800	63,850	9%
Interest Income, Gains on Investment	1,253	1,670	1,000	1,000	0	0%
Other Non-Operating Income	6,260					
Total Non-Operating Income	545,307	718,729	672,950	736,800	63,850	9%
Other Non-Operating Expense						
SRF Loan Payment - Principal	(506,732)	(506,732)	(511,799)	(516,917)	(5,118)	1%
SRF Loan Payment - Interest	(151,112)	(151,112)	(151,112)	(145,994)	5,118	-4%
Total Non-Operating Expense	(151,112)	(151,112)	(151,112)	(145,994)	5,118	-4%
Total Non-Operating Income & Expense	394,195	567,617	521,838	590,806	68,968	12%
Contributions						
SHGCC Contributions: SRF Loan	464,038	662,911	662,900	662,900	0	0%
Net Change in Position	(222,041)	(191,037)	(242,212)	(237,094)	5,118	-2%

Recycled Water Capital Projects:

West Bay Sanitary District
Recycled Water Fund
Fiscal Year 2025-26

Recycled Water Capital Expenditures	Actual 3/31/2025	Budget FY 2024/25	Budget FY 2025/26	Budget Variance	% Var
<u>Bayfront Recycled Water Facility (BFRWF)</u>					
Bayfront Recycled Water Facility		-	29,077,681		
Bayfront Recycled Water Facility (Carryover)	8,240,542	15,750,000	7,509,458	20,837,139	232%
Bayfront - Reclaimed Water Pipelines	6,630				
<u>Sharon Heights Recycled Water Facility (SHRWF)</u>					
SHRWF - Avy Pump Station	45,918				
Recycled Water Fund Capital Expenditures	8,293,090	15,750,000	36,587,139	20,837,139	1.32

Sharon Heights Recycled Water Facility

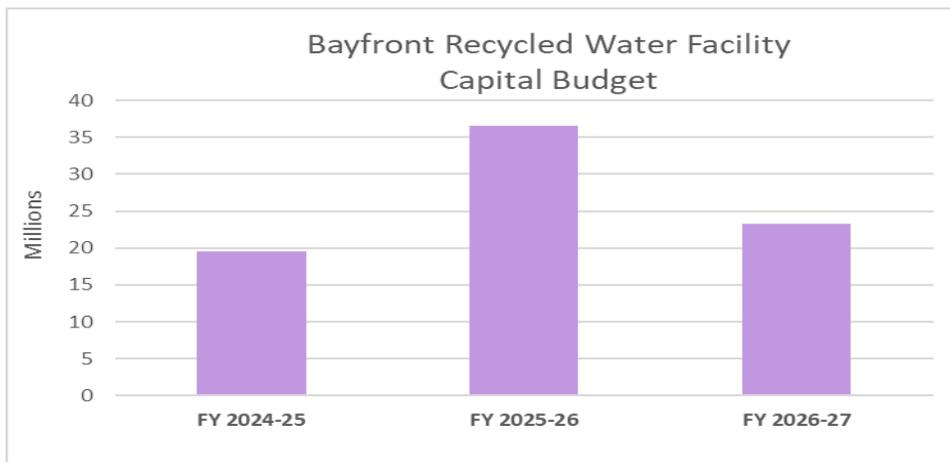
The SHRWF has no active capital projects.

- Avy Altscheul Pump Station (Avy PS) was completed in FY 2024-25.
 - Will provide additional flow to SHRWF
 - All costs reimbursed by SHGCC to District
- Solar Project Lease, which has been delayed.
 - SHGCC is pursuing a lease for solar power for the SHRWF through a lease agreement.
 - SHGCC to assume all costs.

Bayfront Recycled Water Project

The Bayfront Project has a \$36,587,139 capital budget for the recycled water facility.

- Project Management
- Recycled Water Facility began construction in FY 2024-25.
- Reclaimed Water Pipelines to Menlo Park Pump Station.



**West Bay Sanitary District
Budget
Fiscal Year 2025-26
By Fund**

	General Fund FY 2025-26	Capital Fund FY 2025-26	Waste Water Treatment Fund FY 2025-26	Solid Waste Fund FY 2025-26	Recycled Water Fund FY 2025-26	Combined Budget FY 2025-26	Change Prior Year	Percentage
Operating Revenues								
Sewer Service Charges	35,535,775	-	-	-	-	35,535,775	2,090,415	6%
Permit & Inspection Fees	250,000	-	-	-	-	250,000	50,000	25%
Flow Equalization	-	-	-	-	-	-	(69,210)	-100%
Other Operating Revenue	2,363,437	-	-	131,600	-	2,495,037	542,139	28%
Operating Revenues	38,149,212	-	-	131,600	-	38,280,812	2,613,344	7%
Operating Expenses								
Salaries & Benefits	8,838,352	-	-	-	303,100	9,141,452	601,939	7%
Materials & Supplies	1,026,999	-	-	-	40,000	1,066,999	105,087	11%
Insurance	351,149	-	-	-	62,000	413,149	42,092	11%
Contract Services	1,120,364	-	-	-	-	1,120,364	88,745	9%
Professional Services	1,615,500	-	-	52,585	63,000	1,731,085	29,810	2%
Repairs & Maintenance	760,037	-	-	-	181,000	941,037	211,672	29%
Utilities	333,916	-	-	-	279,500	613,416	66,961	12%
Other Operating Expenses	478,775	-	-	89,111	49,900	617,786	(22,215)	-3%
Depreciation	-	3,500,000	-	-	755,000	4,255,000	192,750	5%
Total WBSD Operating Expenses	14,525,092	3,500,000	-	141,696	1,733,500	19,900,288	1,316,840	7%
Sewage Treatment Plant (SVCW)	-	-	18,191,973	-	-	18,191,973	(348,586)	-2%
Total Operating Expenses	14,525,092	3,500,000	18,191,973	141,696	1,733,500	38,092,261	968,254	3%
Operating Income (Loss)	23,624,121	(3,500,000)	(18,191,973)	(10,096)	(1,733,500)	188,551	1,645,090	-113%
Non-Operating Revenues (Expenses)								
Investment Income	500,000	-	-	-	1,000	501,000	-	0%
Other Non-Operating Income	-	-	-	-	735,800	735,800	63,850	-42%
Interest Expense	-	-	-	-	(145,994)	(145,994)	5,118	1%
Other Non-Operating Expenses	-	-	-	-	-	-	-	0%
Total Non-Operating Revenues (Expenses)	500,000	-	-	-	590,806	1,090,806	68,968	7%
Change in Net Position by Fund	24,124,121	(3,500,000)	(18,191,973)	(10,096)	(1,142,694)	1,279,357	1,714,058	-394%
Pension Adjustment (GASB 68)	-	-	-	-	-	-	-	-
Capital Contributions								
Grants Received	-	2,601,019	-	-	-	2,601,019	-	-
Capital Fund: Connection Fees	-	250,000	-	-	-	250,000	-	0%
Recycled Water Fund	-	-	-	-	662,900	662,900	-	0%
Change in Net Position by Fund	24,124,121	(648,981)	(18,191,973)	(10,096)	(479,794)	4,793,276	4,315,077	902%



WEST BAY SANITARY DISTRICT AGENDA ITEM 7

To: *Board of Directors*

From: *Sergio Ramirez, General Manager*

Subject: *Establish July 9, 2025, as the Date of a Public Hearing to Consider Amending the Code of General Regulations for Board Member Compensation*

Background

Per Government Code the compensation that may be paid to a Board of Director for each day's attendance at meetings may be increased annually by five percent. Since the last increase was in July 2024, the Board of Directors could elect to increase its compensation by 5% in 2025. This means the Board of Directors may increase their compensation from \$270.00 per meeting to \$283.50 per meeting.

Analysis

An increase to the Board of Director fees would have de minimis impacts to the budget and could enhance the Board's efforts to find successor Board members.

Should the Board of Directors decide to approve the increase, a Public Hearing will be scheduled for July 9, 2025, at which time the Board may adopt the new rate.

Fiscal Impact

Generally, in 2024 the Board of Directors attended two meetings per month collecting approximately \$540.00 each per month in fees. The 5 % increase in 2025 would allow the Board of Directors to collect \$283.50 per meeting or \$567.00 per month on average.

Recommendation

The General Manager recommends the Board of Directors establish July 9, 2025, as the date of the public hearing to consider amending the Code of General Regulations for Board Member Compensation.

THIS PAGE LEFT INTENTIONALLY BLANK



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 8**

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:

2025	Processed	Delivered
January	5.3MG	663K gallons
February	5MG	532K
March	7.2MG	2.4MG
April	9.1MG	5.8MG
May	8.6MG	8.1MG

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
December	5.3MG	82K

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.

THIS PAGE LEFT INTENTIONALLY BLANK



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 9**

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.

THIS PAGE LEFT INTENTIONALLY BLANK



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 10**

To: *Board of Directors*

From: *Sergio Ramirez, General Manager*

Subject: *Report, Discussion, and Direction on RethinkWaste (SBWMA)*

The District's representative to RethinkWaste (SBWMA) President Fran Dehn, will report on any pertinent items regarding RethinkWaste (SBWMA) business.

Report to the District Board for the Regular Meeting of June 25, 2025

THIS PAGE LEFT INTENTIONALLY BLANK



**WEST BAY SANITARY DISTRICT
AGENDA ITEM 11**

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 June 25, 2025

THIS PAGE LEFT INTENTIONALLY BLANK



ATCHISON, BARISONE & CONDOTTI, APC

LAW OFFICES
PO BOX 481
SANTA CRUZ, CALIFORNIA 95061-0481
P:831-423-8383; F:831-576-2269

JOHN G. BARISONE
ANTHONY P. CONDOTTI
BARBARA H. CHOI
CATHERINE M. BRONSON
* * *

ALEX AVAKIANTZ
STEPHANIE M. DUCK
ALEX C. GEISE
STEPHANIE Y. HALL
CLAIRE D. HARD
JENNEEN E. HILL
SAMUEL L. HUMY
VICTORIA K. THOMPSON
ASHLEY B. WHEELOCK
LAUREN V. WILLS

M E M O R A N D U M WEST BAY SANITARY DISTRICT AGENDA ITEM 13

June 20, 2025

TO: Board of Directors, West Bay Sanitary District
FROM: Tony Condotti, General Counsel
RE: Consider Approving Employment Agreement with District Manager Sergio Ramirez

Background

Sergio Ramirez has served as General Manager of the West Bay Sanitary District since May 2020. The current employment agreement with Mr. Ramirez is set to expire on June 30, 2025. In recognition of the Board's desire for continued stable and experienced leadership, a new employment agreement has been under negotiation that would, if approved, update compensation and confirm the terms and conditions of his employment through June 30, 2029. At the regular meeting of June 25, 2025 and in accordance with the Brown Act, the Board discussed the status of said negotiations, along with existing budgetary constraints, in closed session and directed that this item be agendaized for consideration and action in open session at the June 25, 2025 meeting.

Key terms of the new agreement for the Board's consideration include:

- Term: Four years, from July 1, 2025, through June 30, 2029.
- Salary: Base salary of \$325,000 annually, with CPI-U adjustments (San Francisco-Oakland-Hayward) beginning in 2026, capped at 4% and with a floor of 0%.
- Performance Incentive: Eligibility for up to 10% of base salary annually based on performance.
- Deferred Compensation: District match of up to 5% of salary into a qualified 457 or 401(a) plan.
- Benefits: Continuation of existing management benefits, including health coverage, vacation, sick leave, administrative leave, professional development support, and use of a District vehicle.

The agreement maintains the "at-will" nature of the employment relationship and allows for termination by either party with 30 days' notice, subject to the terms of the agreement.

Fiscal Impact

Funds for the General Manager’s compensation and benefits are included in the District’s adopted operating budget. The agreement provides predictable costs and aligns compensation adjustments with inflation indices, helping manage long-term fiscal stability.

Recommendation

It is recommended that the Board of Directors consider approval of a four-year employment agreement with Sergio Ramirez to continue serving as the General Manager of the West Bay Sanitary District, effective July 1, 2025, through June 30, 2029.

Attachment: Employment Agreement with Sergio Ramirez

RESOLUTION NO. ____ (2025)

IN THE DISTRICT BOARD OF THE WEST BAY SANITARY DISTRICT

COUNTY OF SAN MATEO, STATE OF CALIFORNIA

BE IT RESOLVED that the President and Secretary of the West Bay Sanitary District be and are hereby authorized to execute the Employment Agreement Between the West Bay Sanitary District and Sergio Ramirez (General Manager), Exhibit A.

Passed and adopted by the District Board of the West Bay Sanitary District at a regular meeting thereof held on the 25th day of June 2025, 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

Exhibit A

**Employment Agreement
Between the West Bay Sanitary
District and
Sergio Ramirez (General Manager)**

THIS AGREEMENT, made and entered into on the date it has been executed by all parties hereto (the “Effective Date”), by and between the West Bay Sanitary District, a special district organized and existing under the laws of the State of California, hereinafter called “Employer”, and Sergio Ramirez, hereinafter called “Employee”, both of whom understand and agree as follows:

WITNESSETH:

WHEREAS, Employer desires to employ the services of Sergio Ramirez as General Manager of the West Bay Sanitary District, as provided by Section 105(14) of the Code of General Regulations of the West Bay Sanitary District; and

WHEREAS, it is the desire of the District Board, hereinafter called “Board”, to provide certain benefits, to establish certain conditions of employment, and to set working conditions of said Employee; and

WHEREAS, Employee desires to accept employment as General Manager of the West Bay Sanitary District.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1: Duties

Employer hereby agrees to employ Sergio Ramirez as General Manager, beginning July 1, 2025, to perform the functions and duties specified in the Code of General Regulations and to perform other legally permissible and proper duties and function as the Board shall from time to time assign.

As General Manager, Employee shall be in charge of and responsible for the operation of and management of the District and the general business and governmental affairs of the West Bay Sanitary District in accordance with the laws of the United States of America and the State of California governing special districts, and the District’s rules and regulations. Employee shall do and perform all services, acts, or functions necessary or advisable to manage and conduct the business and governmental affairs of the District, and as may be from time to time determined by the Board of Directors. Employee shall perform all duties with due diligence and with the best interest of the District in mind.

Section 2: Term

A. Employment pursuant to the terms of this agreement is “at will”. The term of this

agreement shall commence effective on the Effective Date, and shall continue through and including June 30, 2029, unless terminated earlier by either party as provided for herein or extended by mutual agreement of the parties.

- B. Employee agrees to remain in the exclusive employ of Employer throughout the life of this agreement and to neither accept other employment nor to become employed by any other employer. Employee shall not engage in any other employment, business or profession for pay while employed by the District.
- C. Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the Board to terminate the services of employee at any time, subject only to the provisions set forth in Section 7 of this agreement.
- D. Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the Employee to resign at any time from his position with Employer, subject only to the provisions set forth in Section 7 of this agreement.

Section 3: Compensation

- A. Effective July 1, 2025, Employer agrees to compensate Employee for his services rendered pursuant hereto as follows:
 - 1. At an annual base salary (the “Base Salary”) of three hundred twenty five thousand dollars (\$325,000), payable in bi-weekly installments for fiscal year 2025-26. Annually thereafter the Base Salary shall be adjusted on or before July 1 of 2026, 2027, and 2028 based on the change in the Consumer Price Index for All Urban Consumers (CPI-U) – San Francisco-Oakland-Hayward for the prior year (April-April). The adjustment shall not exceed 4% and shall not be less than 0%.
 - 2. In addition, Employee shall be eligible for an end-of-year performance payment in an amount up to ten percent (10%) of Employee’s base salary based on the Board of Directors’ assessment of performance in meeting Employee’s goals and objectives for calendar year 2025, payable on or after December 15, 2025, and annually thereafter on or after December 15, 2026, 2027, and 2028.
- B. The District will match on a 1:1 ratio contribution up to five percent (5%) of Employee’s annual salary into a qualified Section 457 plan or 401(a) plan.

Section 4: Management Benefits

Employee shall receive the following fringe benefits:

- A. Employee shall accrue vacation in accordance with the District’s personnel policy.
- B. Employee shall accrue 10 administrative leave days per calendar year. This benefit must be used during the calendar year and does not accrue from year to year.

- C. Employee shall accrue sick leave in accordance with the District's personnel policy. In the event of retirement, permanent disability or death, the District shall pay the employee, or the heirs or estate of Employee, accrued sick leave in accordance with District's personnel policy.
- D. Health, dental, life, accidental death and dismemberment, and other health-related insurances, retirement, reimbursement for authorized District related expenses, and disability leave shall all be allowed in accordance with the District's personnel policy.
- E. Employee shall be entitled to all holiday leave, jury duty, bereavement leave and other leave stipulated available to management employees as defined by the District's personnel policy.
- F. District will furnish Employee with a District vehicle for use for the performance of Employee's duties, and shall incur reasonable expenses associated with the vehicle, including fuel, maintenance and insurance. Employee shall be responsible for income tax payments resulting from the aforesaid, if any.
- G. This agreement is not intended to and in fact does not entitle the General Manager to any benefits other than those stated in this agreement.

Section 5: Performance Evaluation

- A. Board of Directors shall review and evaluate Employee's performance, and establish goals and priorities for the upcoming year, after the first six months of employment, and thereafter at least annually. Said review and evaluation may be in accordance with specific criteria developed jointly by Employee and the Board of Directors.
- B. The Board of Directors and Employee may define, in writing, such goals and performance objectives for Employee as the Board determines are determined necessary for the proper operation of the District and in the attainment of the Board of Directors' policy objectives, which may include establishment of priorities among those various goals and objectives.
- C. Employee will be responsible for placing performance evaluations provided for in this Section on the Board of Directors' agenda, with the concurrence of the Board President.
- D. The provisions of this Section notwithstanding, the specific timing and content of Employee's performance evaluations shall be subject to the discretion of the Board, and nothing contained herein shall be deemed to alter the at-will nature of the employment relationship between Employee and Agency.

Section 6: Professional Development

- A. Employer agrees to budget for and to pay for professional dues and subscriptions of

Employee reasonably necessary for his continuation and full participation in national, regional, state, and local associations and organizations necessary and desirable for his continued professional participation, growth, and advancement, and for the good of the Employer.

- B. Employer hereby agrees to budget for and to pay for reasonable travel and subsistence expenses of Employee for professional and office travel, meetings, and occasions necessary to continue the professional development of Employee, and to adequately pursue necessary functions for Employer, including but not limited to CASA, WEF, CWEA, CSDA, and such other appropriate, regional, state and local governmental groups and committees hereof which Employee serves as a member on behalf of the District.
- C. Employer also agrees to budget for and to pay for reasonable travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for his professional development and for the good of the Employer.
- D. Employee shall obtain prior Board approval for any expenses in this Section which are not budgeted for and for all out-of-state functions.

Section 7: Termination of Agreement and Severance Pay

This agreement shall be terminated if any of the following occurs:

- A. Whenever Employee and Employer mutually agree in writing.
- B. Without cause, whenever either party shall give thirty (30) days notice to the other of the party's desire to terminate this Agreement.
- C. Upon the death or permanent disability of Employee.
- D. For Cause. In the event Employee is terminated for cause, the Employee shall be given written notice setting forth the reasons for such termination. Said termination shall take effect immediately or as specified by Employer in the Notice of Termination. No severance or termination pay shall be awarded to the employee if Employee is terminated for cause. For purposes of this Agreement, the term "For Cause" shall mean Employee's fraudulent or dishonest acts, gross abuse of authority or indiscretion with respect to Employer, failure or inability to perform Employee's duties in a competent manner, or willful breach or habitual neglect of Employer's employment duties.
- E. If employee is terminated without cause by Employer pursuant to Paragraph B, above, Employee shall be entitled to severance pay, measured from the last day of employment, in an amount equal to: (i) six (6) months base salary at the rate in effect at the time of termination, if terminated without cause within first two years of Employee's appointment as General Manager; and (ii) three (3) months base salary if terminated without cause more than two years after Employee's appointment as General Manager.

- F. In the Event Employee is terminated by Employer pursuant to either paragraph B or D, above, the Employee shall receive accrued but unused vacation and administrative leave days. Accrued sick leave benefits shall be paid in accordance with the District personnel policy.
- G. Employer agrees not to reduce Employee's pay or benefits to a proportionately greater extent than any reduction for other management employees. If Employee resigns at the request of the Board, or in the face of such disproportionate pay reductions, Employee shall be deemed to be terminated and shall be entitled to severance under Section E.

Section 8: Notices

Notices pursuant to this agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

- A. West Bay Sanitary District, 500 Laurel Avenue, Menlo Park, CA 94025
- B. Sergio Ramirez, c/o West Bay Sanitary District, 500 Laurel Avenue, Menlo Park, CA 94025. Alternatively, notices required pursuant to this agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 9: General Provisions

- A. The text herein shall constitute the entire agreement between the parties and supersedes any and all other agreements, either oral or in writing between the District and the Employee and contains all of the covenants and agreement between the parties with respect to such employment in any manner whatsoever.
- B. Each party to this agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, that are not embodied herein, and no other agreement, statement or promise not contained in this agreement shall be valid or binding. Any modification of this agreement will be effective only if it is in writing and signed by both the District and the Employee.
- C. This agreement shall be binding on and inure to the benefit of the heirs at law and executors of the Employee.
- D. If any provision, or any portion thereof, contained in this agreement is held unconstitutional, invalid or unenforceable, the remainder of this agreement, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.
- E. The parties agree to submit any and all disputes regarding this contract or the

employment relationship to binding arbitration with the American Arbitration Association, pursuant to their rules for Employee/Employer matters. In the event of such litigation arising out of this agreement, reasonable attorneys' fees shall be awarded to the prevailing party.

- F. This agreement shall be interpreted under the laws of the State of California.
- G. Employee understands that the Board may, from time to time, revise the District's personnel policies. Employee understands that he is subject to those policies and procedures when they are not in conflict with the contents of this agreement.

IN WITNESS WHEREOF, West Bay Sanitary District, has caused this agreement to be signed and executed in its behalf by its Board president, and duly attested by its Secretary, and the Employee has signed and executed this agreement, both in duplicate, the day and year first above written.

EMPLOYEE

Dated: _____
_____ SERGIO RAMIREZ

EMPLOYER

WEST BAY SANITARY DISTRICT

Dated: _____ By: _____
_____ FRAN DEHN
Board President

Attest:

Secretary

Approved as to form:

By: _____
Anthony P. Condotti
District Counsel