



1902 - Serving Our Community for Over 120 Years - 2022

**WEST BAY SANITARY DISTRICT
MINUTES OF THE SPECIAL MEETING OF THE DISTRICT BOARD
WEDNESDAY, MAY 3, 2023 AT 12:00 P.M.**

1. Call to Order

President Dehn called the meeting to order at 12:00 PM.

2. Roll Call

BOARD MEMBERS PRESENT: Dehn, Thiele-Sardiña, Moritz (Secretary Pro-Tem), Otte

BOARD MEMBERS ABSENT: Walker

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

Others Present: None

3. Communications from the Public: None

4. Fiscal Year 2023/24 Budget Workshop – Discussion on General, Capital, Recycled Water, and Solid Waste Funds and the District’s Reserves

Comments: General Manager Ramirez and staff presented the FY 2023-24 proposed budget to the Board and discussed each item. The budget included a 7% increase in total revenue to \$32,906,432, mainly due to increases in both residential and commercial customers and higher commercial flows, along with a 2% overall increase in sewer service rates. Combined Operating expenditures in all funds increased 5%, to \$28,149,483. The total Change in Net Position is \$6,547,745. Staff detailed the \$32,906,432 revenue projection, with a 7% increase in sewer service charges, 5% in Flow Equalization, and 4% in other revenue. Budgets included year-to-date actuals through March 31, 2023, FY 2022-23 annual projection, the approved FY 2022-23 Budget, for a comparison with the FY 2023-24 proposed budget.

Collection Operating revenues of \$32,790,632, expenditures of \$26,728,308, non-operating income of \$500,000, and contributions of \$250,000 for connection fees were also provided with comparatives for FY 2022-23, explaining the Collection Budget Net Change in Position of \$6,812,324, which would be available for capital expenditures. Staff detailed the proposed collection budget in detail. Salaries and Benefits increased by 5% and 8%, respectively, for a net increase of 6%. CalPERS rates and employee cost sharing of employer contributions was also discussed in detail, explaining a 0.89% increase in average employer cost for retirement benefits, with PEPRA employer costs declining, which account for 61% of all employees. Staff explained significant changes in direct expenditures and change in each budget category.

Silicon Valley Clean Water expense for operations, capital, and debt service were also shown to increase 0.4% to \$12,228,220 for the year.

The current Capital Budget balance was shown, with projections through the end of the current year and FY 2023-24, with an expected balance of \$28,871,070 balance as of June 30, 2024, showing the District’s ability to fund proposed capital expenditures. Proposed Capital expenditures of \$23,533,000 from the Capital Fund and \$20,800,000 from the

The Board directed staff on several items including adjusting the insurance and deductibles, and bring before the Board at a future meeting the purchase of two EV trucks this fiscal year. They also directed staff to monitor fuel cost vs. electric cost for vehicles. In addition, they would like a report on the new website and discussion on current capital improvement projects to be included in the next Board meeting.

Recycled Water Fund were listed and explained. Additional Reserve funding of \$1,032,816 was proposed.

The proposed Budgets for the Solid Waste Fund, for a net increase of \$2,100 and Sharon Heights Recycled Water Facility, for a net decrease of \$246,668, including \$755,000 in depreciation was presented.

Direction from the board was to add \$350,000 to Capital Asset expenditures for the corporation yard renovation design and to update insurance costs and any other costs which are currently projected, before bringing the budget back in June 2023 for approval.

Staff provided separate budgets for the Solid Waste and Recycled Water Funds.

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

5. Adjournment Time: The meeting was adjourned at 1:46 p.m.

/s/ David A. Walker
Secretary