



SAN MATEO COUNTY'S COTTAGE INDUSTRY OF SANITARY DISTRICTS

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ISSUE

The 2015-2016 Grand Jury conducted an extensive investigation of a subset of the County's sewage collection agencies—six independent special districts—and determined that having many small agencies presents problems in the areas of public accountability, fiscal responsibility, and operational competence.

EXECUTIVE SUMMARY

The Grand Jury sought to determine whether the multiplicity of agencies focused on sewage collection and treatment is efficient and beneficial for San Mateo County residents. Its conclusion is that it is emphatically not. San Mateo's cottage industry of sanitary districts fails in three important ways—public accountability, fiscal responsibility, and operational competence.

The Grand Jury had neither the resources nor the time to conduct an investigation of all 45 agencies involved in sewage collection and treatment in the County. Instead, it focused on the six independent districts, those with elected boards.

- Bayshore Sanitary District
- East Palo Alto Sanitary District
- Granada Community Services District
- Montara Water and Sanitary District
- Westborough Water District
- West Bay Sanitary District

The findings and recommendations are based on these six. The Grand Jury hopes that this research will encourage additional discussion and analysis within the County on the challenges identified. Many other County services that are provided to the residents are conducted by similar uncoordinated, fragmented entities, including water, drainage (for storm water), highway lighting, and fire and police services.

Public Accountability

Although the board members of each of the six independent sanitary districts are theoretically accountable to the voters who elect them, in reality, the districts operate with virtually no public oversight and the "elections" are nominal at best. Information about the districts is incomplete, and the cost of service is obscured by the way it is calculated and billed. Their elected boards do little to enhance accountability due to the electoral benefit of incumbency. Most elections are not even contested. When they are, voter turnout is low. It is questionable whether most County residents are able to identify their sewer system provider.

Fiscal Responsibility

The Grand Jury found no evidence of financial improprieties but many opportunities for overspending. Sewer rates are rising rapidly in most districts. Rates in San Mateo County are generally higher than other Bay Area urban areas. Five of the six districts investigated by the Grand Jury rely on property tax, although the intent of property tax is to provide funds for services that cannot be allocated to a specific user, such as fire or parks.

The districts studied by the Grand Jury receive funds for collection and treatment, but operationally they manage only sewage collection. A major portion of their budget is transferred to the treatment plants, over which they may have some influence but not control. There is much redundancy in having so many disparate districts—the Grand Jury identified overlap in board costs, audit, legal, and other functions.

Operational Competence

Operational competence is difficult to judge. There is no “gold standard” of performance for sanitary districts. Countywide, the sanitary districts (whether County-operated, city-operated, or independent special districts) as a whole perform poorly on the primary performance metric (sewer overflows) compared to their urban neighbors.

More specifically, the six independent districts, which are the focus of this report, are so small that some have no employees at all, relying only on contractors. Many of the districts’ senior staff interviewed by the Grand Jury seemed to be unaware of the technologies that have emerged in the last 20 years to improve the reliability and safety of collection systems. Their systems are old, yet plans to maintain and upgrade them are lacking. As the region’s sewage management infrastructure ages, and capital investments become imperative, these districts put citizens at risk of sharply increasing rates. The districts seem to be ill prepared to handle large-scale emergencies impacting their systems, whether that is an earthquake, landslide, or flood. There was no evidence that the districts plan for emergencies more serious than a call from the public about odors or a sewer spill.

Recommendations

The Grand Jury’s highest priority recommendations include:

- The Boards of Bayshore Sanitary District, East Palo Alto Sanitary District, Granada Community Services District, Montara Water & Sanitary District, West Bay Sanitary District, and Westborough Water District:
 - Form committees with neighboring cities and sanitary districts to develop plans for the consolidation and/or assumption of services provided by the district.
- Recognizing that this is likely to take some time, the Grand Jury recommends that in the meantime, the Boards of the six independent sanitary districts:
 - Improve information visibility on their websites. Implement and publish performance management metrics.

- Adjust rates over the next five years so that all costs are recovered from ratepayers, and the reliance on property tax is eliminated.
- Mail notices to ratepayers annually with an explanation of the amount of sewer service charges being billed and the rationale. Include a notification of the elected nature of the board, the role of board members, and the process for becoming a candidate.
- Establish term limits for the members of their boards of directors.
- Phase out all benefits for board directors over a period of time not to exceed three years.
- Evaluate the benefit of changing the timing of board director elections to November of even years.
- Develop plans for coordinating resources in the event of a local or regional emergency.
- San Mateo Local Area Formation Commission (LAFCo)
 - Initiate a service review of the Westborough Water District to examine whether its operations might be more efficient and effective if they were consolidated with another entity’s operations.

The Grand Jury would have liked to recommend actions to address the County’s bigger problem of lack of comprehensive oversight for its sewer collection and treatment systems. However, the very lack of oversight makes it impossible to make any such recommendations.

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INTRODUCTION

This report addresses the proliferation of sewer providers in San Mateo County. It is organized into three main sections—background, discussion, and findings and recommendations. In addition, there are sections that cover the glossary of frequently used terms, describe the methodology, list the many source materials used by the Grand Jury (bibliography), and contain data referenced in the report (the appendices).

GLOSSARY

- **Collection:** The gathering of sanitary waste from a point of connection to the point where it enters treatment.
- **Connection:** The point where private pipes carrying sanitary waste merge into the public system of pipelines.
- **Effective Utility Management.** A process for water and wastewater utilities to identify and address management needs. It includes metrics within 10 categories such as product quality, customer satisfaction, financial viability, and operational resiliency. The United States Environmental Protection Agency and six associations representing the United States water and wastewater sectors developed it.¹
- **Forced Main:** Pipes through which sanitary waste is pumped. They are typically required in hilly areas where sewage must be pumped uphill.
- **Gravity Pipe:** Pipes in which sanitary waste flows by gravity.
- **Lateral Pipe:** The pipe from a sanitary waste generator (such as a single family residence) to a public connection.
- **Linear Asset Management Plan:** A dynamic planning tool that uses a numerical risk model to assign a risk score to every pipe segment. The plan is used to prioritize maintenance and refurbishment activities.²
- **Sanitary Sewer Charge:** The cost to ratepayers for the collection and treatment of the sewage they generate.
- **Sanitary Sewer Overflow (SSO):** A condition in which untreated sewage is discharged from a sanitary sewer into the environment prior to reaching sewage treatment facilities.³
- **Supervisory Control and Data Acquisition (SCADA):** A system for remote monitoring and control that operates with coded signals over communication channels.⁴
- **Treatment:** The processing of sanitary waste, separating solids from water.

¹ The six associations are: the American Public Works Association, the American Water Works Association, the Association of Metropolitan Water Agencies, the National Association of Clean Water Agencies, the National Association of Water Companies, and the Water Environment Federation. WaterEUM, *About the Effective Utility Management Collaborative Effort*. <http://www.watereum.org>.

² V. W. Housen, *Linear Asset Management Plan, West Bay Sanitary District*, February 2016, p. 1-1.

³ https://en.wikipedia.org/wiki/Sanitary_sewer_overflow.

⁴ Wikipedia entry for *SCADA*, <https://en.wikipedia.org/wiki/SCADA>.

Specific Agencies

- California Association of Sanitation Agencies (CASA)
- California Special Districts Association (CSDA)
- California Water Environment Association (CWEA)
- Local Agency Formation Commission (LAFCo)

BACKGROUND

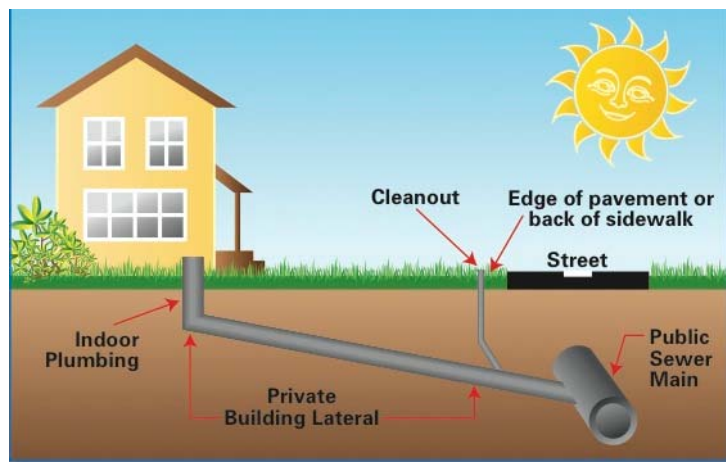
The Basics of Wastewater and Sewage

Wastewater is water whose quality has been adversely affected by human activity.⁵ Wastewater can originate from homes, industries, commercial activity, agriculture, surface runoff, storm water, or infiltration of fresh water into sewage systems.

The wastewater that originates from homes and businesses is commonly called sewage and is carried in sanitary sewer pipes. Sewage is collected from its source and then travels to a treatment plant. This distinction between **collection** and **treatment** is important for understanding the activities of sanitary districts.

Along the way, sewage first passes through indoor plumbing, before it flows into private building laterals as shown in Figure 1. In most cases, there is a cleanout close to the property line. This cleanout typically represents the border between what the homeowner (for example) is responsible for and where the sewage enters the public sewer main.

Figure 1: Sewage Treatment Laterals and Mains



Source: City of Eureka, *Wastewater Collection*, Accessed May 6, 2016. <http://ci.eureka.ca.gov/depts/pw/wastewater/default.asp>.

⁵ Wikipedia entry for *wastewater*. <https://en.wikipedia.org/wiki/Wastewater>.

Sewage flows through sewer mains (often called pipes or pipelines) by gravity or pumping. Gravity does not work if the sewage must flow uphill to reach the treatment plant. In these cases, pumps are required, along with forced mains, which are pipes that are under pressure because their contents are moving uphill. Because the primary job of sanitary districts is pipe maintenance, this report will often speak of the length of pipe, which will mean both gravity and forced mains unless specified otherwise.

Eventually the sewage reaches a treatment plant. Along the way, the sewer mains pick up wastewater from other homes, businesses, and factories. This report will use the term *sewage* to refer to the primary wastewater streams produced in San Mateo County.

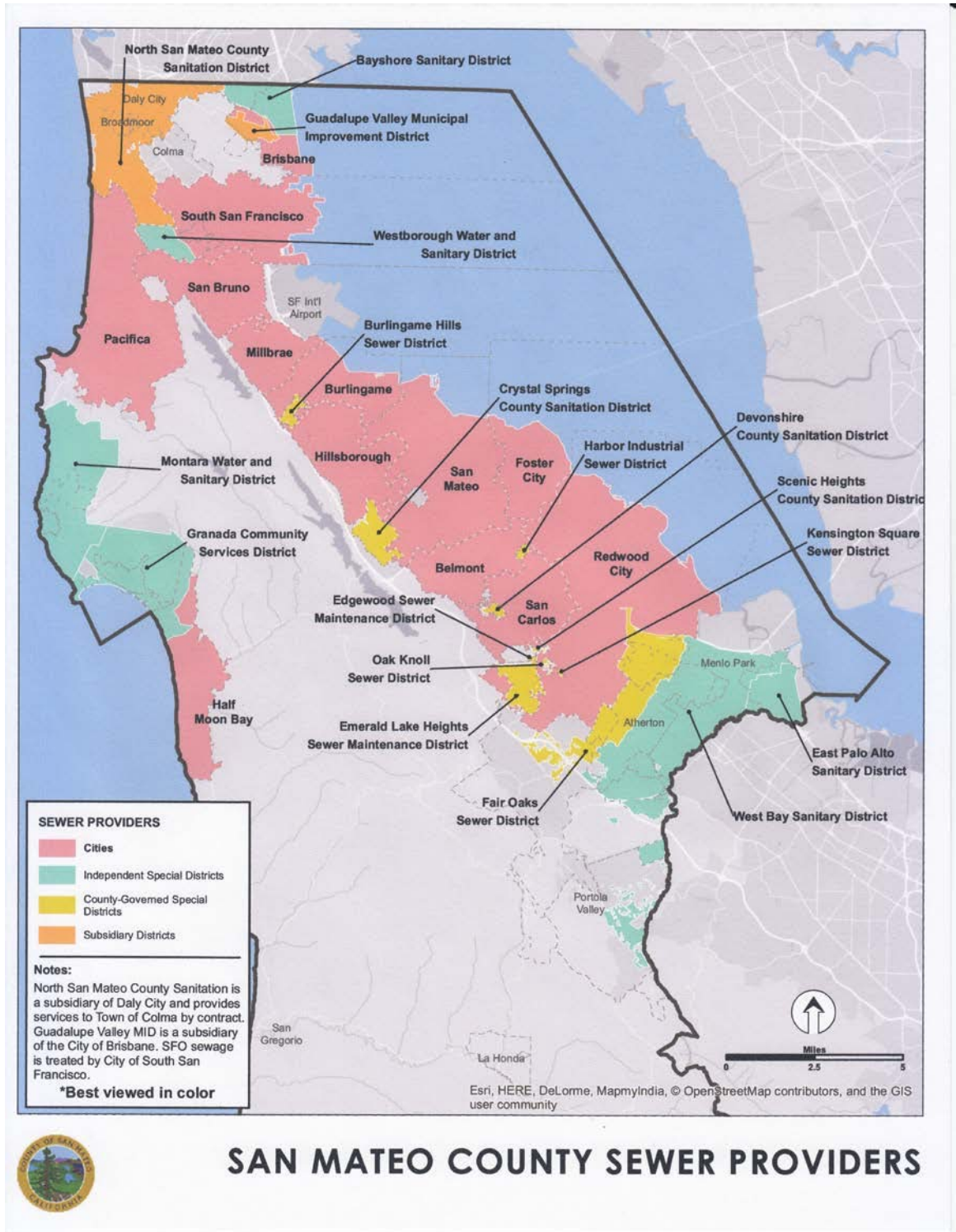
Sewage Management: San Mateo County

The collection of sewage in San Mateo County is handled by 36 agencies (including County and city sewage collection systems in addition to the six independent sanitary districts).⁶ This is largely a legacy of the County's origins as a rural backwater to San Francisco. Few of these agencies treat the waste; instead, there are nine treatment plants operated by cities or joint powers agencies, with whom the districts contract to provide this service.

The four major types of districts handling sewage collection are visible in the map (see Figure 2). The County-managed districts are in yellow, and the independent districts in green. The city-operated systems are shown in pink, and the subsidiary districts are in orange.

⁶ See Appendix A: Sewer Providers in San Mateo County.

Figure 2: Map of Entities in San Mateo County Handling Sewage



Source: San Mateo Local Agency Formation Commission.

Special Districts: Purpose and Dissolution

According to LAFCo of San Mateo County, “A special district is an agency of the State formed under general law or a special legislative act to provide governmental services such as sewer, water, fire protection, recreation, healthcare, police protection, mosquito and vector control, and other services. There are three main types of special districts:

- County-governed special districts are administered by the Board of Supervisors and are operated by the County of San Mateo.
- Independent special districts have locally elected board members and their own employees.
- Subsidiary special districts are governed by their respective city councils.”⁷

San Mateo County has sanitary districts that fall into all three types. There are ten County-governed special districts, the largest being the Fair Oaks Sewer Maintenance District. There are six independent special districts, the focus of this report. There are also subsidiary special districts governed by city councils, such as North San Mateo County Sanitation District. The number of districts and the complexity of the relationships among them make it difficult to grasp their scope, activities, and performance.

The process for dissolving a district is authorized by State law and processed by LAFCo accordingly. LAFCo can initiate dissolution and consolidation as can the County, a city, a special district, school district, registered voters, or landowners. LAFCo operates “in the context of State policies that favor multipurpose agencies or regional agencies over several layers of limited purpose agencies, particularly in urban areas.”⁸ LAFCo must first assess the district’s sphere of influence.⁹ If LAFCo determines that the district has a zero sphere of influence, other cities or districts are in a position to take over the responsibilities of the district, to the benefit of the County’s residents. Once LAFCo has declared that a district has a zero sphere of influence, it has the authority to initiate proposals that include dissolution or consolidation.

Dissolution of any special district is a complex undertaking. Entities that can assume the activities of the dissolving district must be identified. The political will to take on the challenge of proponents of the district must be present. Methodologies must be developed to apportion any property tax previously allocated to the district. These obstacles mean that not all LAFCo recommendations to consolidate or dissolve districts lead to changes.

⁷ San Mateo Local Area Formation Commission, *Special Districts in San Mateo County*, Accessed May 1, 2016. <http://lafco.smcgov.org/special-districts-san-mateo-county>.

⁸ Martha Poyatos, Executive Officer, San Mateo LAFCo, *Letter re Municipal Service Review and Sphere of Influence Update for the East Palo Alto Sanitary District*, February 17, 2009, p. 2.

⁹ “A sphere of influence is a planning boundary outside of an agency’s legal boundary (such as the city limit line) that designates the agency’s probable future boundary and service area. Factors considered in a sphere of influence review focus on the current and future land use, the current and future need and capacity for service, and any relevant communities of interest.” Source: California Association of Local Agency Formation Commissions, “What Is LAFCo.” <http://www.calafco.org/about.htm>.

Urban Sewage Management

Most urban areas in California have a single large sewage collection and treatment provider (see Table 1). For example, San Francisco, San Jose, and Oakland each have a single agency that handles both sewage collection and treatment. In total population and miles of sewer mains San Mateo County is similar to San Jose and San Francisco. However, a large, centrally managed agency is not only the norm for individual big cities. The Central Contra Costa County Sanitary District covers 13 East Bay cities from Martinez to San Ramon.

Table 1: System Characteristics of Major Bay Area Sewer Providers

	Population	Forced Mains (Miles)	Gravity Mains (Miles)	Residential Rate (\$ / Year) ^a
<i>San Mateo County</i>	<i>765,135</i>	<i>104.4</i>	<i>1,898</i>	<i>\$902^b</i>
San Jose City	998,537	13.0	2,268	\$405
Central Contra Costa	476,400	23.0	1,519	\$471
San Francisco ^c	864,816		1,000	\$187
Oakland	406,253	0.2	920	\$705

Sources: See Appendix B: Urban Sewer Management Agencies.

Notes:

^aThese rates came from the respective sewer providers' websites. They do not include other potential forms of income or revenue such as property taxes, bond income, or permit fees.

^bCounty and independent districts only; excludes rates charged by cities. This is the average rate ranging from \$360 for Harbor Industrial Sewer Maintenance District to \$1,595 for Burlingame Hills Sewer Maintenance District.

^cData on Forced Mains not available.

The complexity of discussing rates in San Mateo County will be covered later in this report. Nonetheless, the rates charged to residences in San Mateo County appear to be higher than those charged by other large urban areas.

San Mateo County agencies lag on the primary measure of sewer system performance, known as the sanitary sewer overflow (SSO).¹⁰ A sanitary sewer overflow occurs when untreated sewage is discharged from a sewer pipe into the environment prior to reaching sewage treatment facilities. Frequent causes of SSOs include:

- Blockage of sewer lines
- Infiltration of storm water into sewer lines during heavy rainfall
- Malfunction of pumping station lifts or electrical power failure
- Broken sewer lines¹¹

¹⁰ See Appendix E: Sanitary Sewer Overflows by District by Year.

¹¹ Wikipedia entry for *sanitary sewer overflow*. https://en.wikipedia.org/wiki/Sanitary_sewer_overflow.

SSOs vary in severity depending on the volume of material released and whether the untreated sewage reached a water source. SSOs by law must be reported to the California Environmental Protection Agency, State Water Resources Control Board.¹² Overflows contaminate drinking water and cause thousands of cases of gastrointestinal illness in the United States each year,¹³ resulting in beach closures, swimming restrictions, prohibitions on shellfish harvesting, and fish kills.

Countywide, the sanitary districts in San Mateo County collectively have significantly more sanitary sewer overflows than the other large urban areas in the San Francisco Bay Area (see Table 2). They have twice as many as San Jose, and nearly three times as many as Central Contra Costa Sanitary District. San Mateo County agencies have no centralized oversight over sewer management, so have no obvious method to address this problem.

Table 2: Sanitary Sewer Overflows per Hundred Miles of Pipeline by Bay Area Sewer Providers

	2013	2014	2015	Average	As %age of SMC
San Mateo County	9.3	11.9	7.7	9.6	100%
San Jose City	5.5	4.4	3.2	4.4	45%
Central Contra Costa	3.0	3.2	2.8	3.0	31%
Oakland	9.1	10.8	9.3	9.7	101%

Sources: See Appendix B: Urban Sewer Management Agencies.

Note: San Francisco operates a combined sewer and storm water system and is therefore not required to report sanitary sewer overflows to the State Water Resources Control Board.

The high level of overflows in San Mateo County is not the inevitable result of aging infrastructure, although that is a risk factor for overflows. Professional and proactive management of the infrastructure is critical. A good illustration of this can be found at West Bay Sanitary District, where 58% of its pipelines were installed before 1960 and 24% were installed before 1940.¹⁴ Its performance on sanitary sewer overflows in the late 2000s was poor. Experienced management, proactive assessment of its system, thoughtful prioritization of its capital projects, use of new technologies, and programs to reduce blockages have reduced SSOs from the rate of 50 to 60 per year to 5 to 15 (see Figure 3).¹⁵

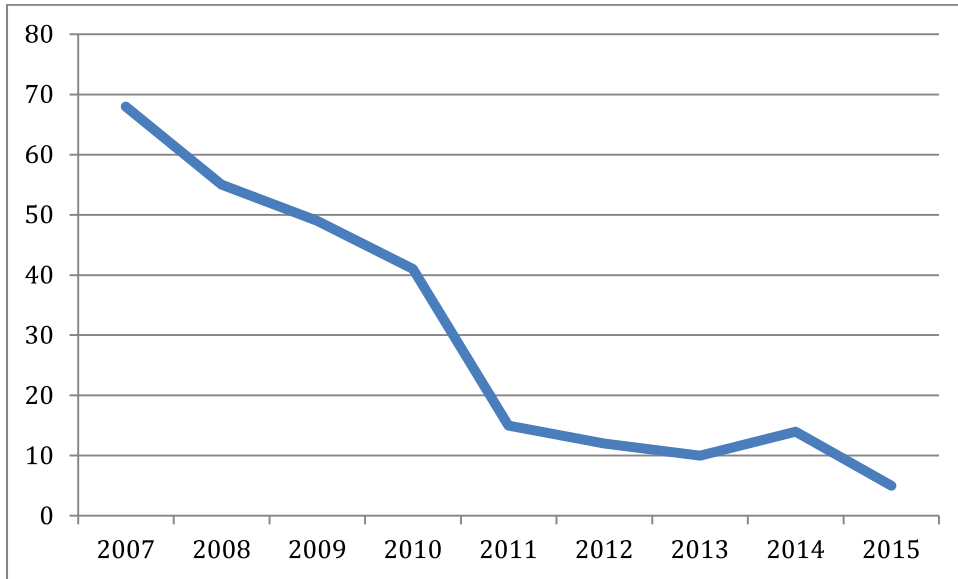
¹² “To provide a consistent, statewide regulatory approach to address SSOs, the State Water Resources Control Board (State Water Board) adopted Statewide General Waste Discharge Requirements (WDRs) for Sanitary Sewer Systems, Water Quality Order No. 2006-0003 (Sanitary Sewer Systems WDR) on May 2, 2006. The Sanitary Sewer Systems WDR requires public agencies that own or operate sanitary sewer systems to develop and implement sewer system management plans and report all SSOs to the State Water Board’s online SSO database.” Source: State of California Environmental Protection Agency, State Water Resources Control Board, Sanitary Sewer Overflow Reduction Program. http://www.waterboards.ca.gov/water_issues/programs/sso/index.shtml.

¹³ Wikipedia entry for *sanitary sewer overflow*. https://en.wikipedia.org/wiki/Sanitary_sewer_overflow.

¹⁴ See Appendix F: Age Profile of District Pipelines.

¹⁵ Officials from West Bay Sanitary District: interview by the Grand Jury.

Figure 3: Sanitary Sewer Overflows by Year for West Bay Sanitary District



Source: Appendix E: Sanitary Sewer Overflows by District by Year.

Note: West Bay reported 68 SSOs in 2007 in a data submission to the Grand Jury, although the California Water Board recorded only 46.

There can be adverse consequences to mismanaging sewer systems. On April 10, 2008, the U.S. Environmental Protection Agency “issued enforcement actions requiring nine sewage collection systems in the Sausalito and Mill Valley areas of southern Marin County, Calif., to address chronic sewage spills, improve sewer maintenance and implement long-term programs to renew aging sewer pipes.”¹⁶

In 2011, the U.S. Environmental Protection Agency announced the settlement of a case against seven municipalities in the East Bay Municipal Utility District. According to a news release issued on March 15, 2011, “the seven municipalities . . . have cooperatively agreed to update aging infrastructure and collection systems that have been major contributors to overflows.”¹⁷ This initiative eventually resulted in a consent decree issued in June 2014, requiring the affected communities to spend \$300 million over a 22-year period to upgrade their sewer collection and treatment facilities.¹⁸

Closer to home, the City of San Mateo, Hillsborough, and the Crystal Springs County Sanitation District were ordered “to cease and desist discharging waste from their respective sanitary sewer systems in violation of requirements” by the California Regional Water Quality Control Board in

¹⁶ United States Environmental Protection Agency, *News Releases from Region 9, US EPA Orders Marin County Sewage Collection Systems to Address Chronic Sewage Spills*, April 8, 2008. <https://yosemite.epa.gov/opa/admpress.nsf/0/503212C4814C8FF585257427006B9568>.

¹⁷ United States Environmental Protection Agency, *News Releases from Region 9, Bay Area Municipalities Ordered to Protect San Francisco Bay from Sewer Discharges*, March 15, 2011. <https://yosemite.epa.gov/opa/admpress.nsf/0/c221b52e5e4823d58525785300718f88?OpenDocument>.

¹⁸ City of Oakland, *Landmark Clean Water Agreement, Regional East Bay Sewer Consent Decree 2014*, Accessed May 1, 2016. <http://www2.oaklandnet.com/Government/o/PWA/s/Sewer/ConsentDecree/index.htm>.

2009.¹⁹ San Mateo's *Daily Journal* reported in its March 14, 2016, issue that the cost of the associated overhaul is \$770 million over 10 years.²⁰ This translates to a cost of \$5,923 per person in the affected area.²¹

Service Area and History of Independent Sanitary Districts

The Bayshore Sanitary District is at the north end of the County, with Westborough nearby (see Figure 4). Montara and Granada border each other on the coast side of the County. Similarly, West Bay and East Palo Alto adjoin each other, at the south end of the County.

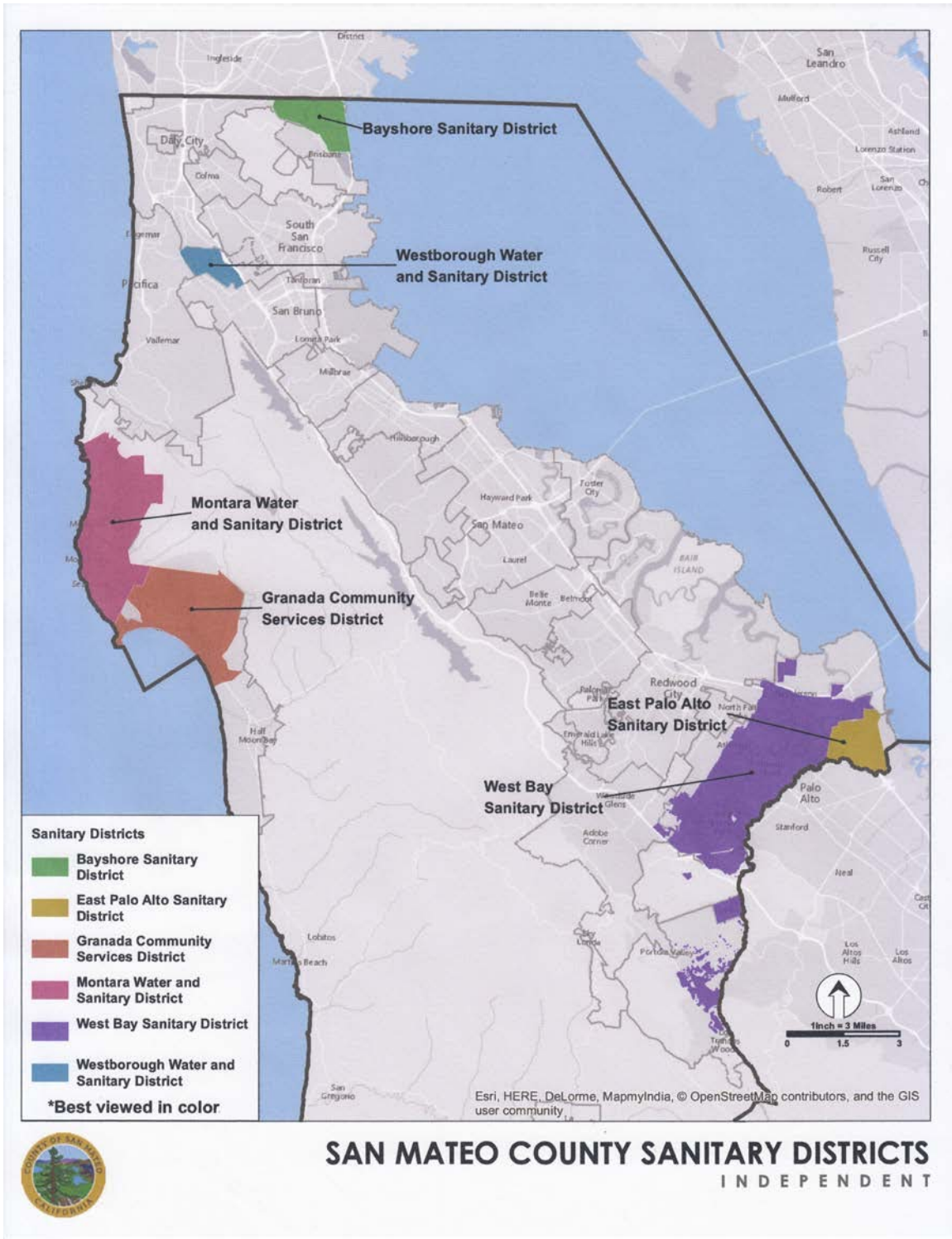
¹⁹ California Regional Water Quality Control Board, San Francisco Bay Region, *Cease and Desist Order No. R2-2009-0020*, March 11, 2009, p. 1.

http://www.waterboards.ca.gov/rwqcb2/board_decisions/adopted_orders/2009/R2-2009-0020.pdf.

²⁰ Samantha Weigel, "Sewer Overhaul to Cost \$770M, San Mateo Launching Improvement Program for Thousands of Customers," *Daily Journal*, March 14, 2016.

²¹ The population served by San Mateo's sewer system is 130,000 according to the San Mateo Sewer System Management Plan, dated December 7, 2015, p. 4. <http://www.cityofsanmateo.org/DocumentCenter/View/47516>. Dividing \$770,000,000 by 130,000 yields \$5,923 per person. A more accurate calculation would use number of connections rather than population to estimate the cost to households of this capital plan, but connection data was not available through website research.

Figure 4: Map of Independent Sanitary Districts in San Mateo County



Source: San Mateo County Local Agency Formation Commission.

The six independent sanitary districts have a long history (see Table 3). They were established over the course of six decades in response to population growth in San Mateo County. For example, a subdivision developer in South San Francisco founded the most recently established district, Westborough, in 1961. Some districts are responsible for more than just collecting sewage. Montara and Westborough also provide drinking water, while Granada recently added parks and recreation to its scope. Three of the districts provide garbage collection services within their districts. These other missions have little synergy with the core mission of sewage collection, although they do allow the sharing of some costs, such as board expenses.

Table 3: District Establishment Date, Communities Served, and Other Areas of Responsibility

District	Date Founded	Communities Served	Other Areas of Responsibility
West Bay Sanitary District	1902	City of Menlo Park, Atherton, and Portola Valley, and areas of East Palo Alto, Woodside and unincorporated San Mateo and Santa Clara counties	Solid Waste ^a
Bayshore Sanitary District	1925	Portions of Daly City and Brisbane	None
East Palo Alto Sanitary District	1939	City of East Palo Alto and portion of Menlo Park	None
Granada Community Services District	1958	Unincorporated areas of El Granada, Princeton, Princeton-by-the-Sea, Clipper Ridge, and Miramar; northern portion of the City of Half Moon Bay	Solid Waste, Parks & Recreation (since 2014)
Montara Water & Sanitary District	1958	Montara, Moss Beach	Solid Waste, Water (since 2003)
Westborough Water District	1961	South San Francisco west of 280 to Skyline Boulevard and South of King Drive in Daly City to San Bruno	Water

Source: District websites.

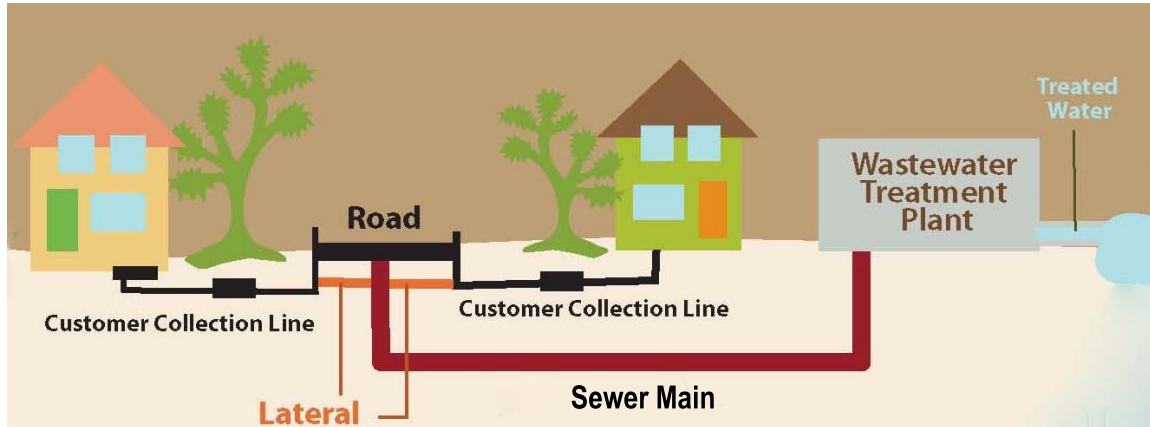
Note:

^aSolid waste includes the pickup and disposal of trash, recyclables, and compostable materials. This activity is typically subcontracted via multi-year contracts.

Sanitary Districts' Contribution to Sewage Management

All the independent districts are responsible for the collection but not the treatment of sewage. In Figure 5 below, they are responsible for the red line labeled “Sewer Main.” Customers are responsible for the black “Customer Collection Line” and orange “Lateral.”

Figure 5: Sewer Mains and Wastewater Treatment



Source: Hi-Desert Water District, Wastewater Reclamation Project, <http://protectgroundwater.org/wp-content/uploads/2014/01/Wastewater-treatment-system-graphic.jpg>. Sewage in San Mateo County discharges either into the Bay or into the Pacific Ocean.

The districts rely on different treatment plants for waste treatment depending on their location (see Table 4). Bayshore, East Palo Alto, and Westborough Districts rely on neighboring cities' waste treatment plants (San Francisco, Palo Alto, and Daly City respectively). Granada and Montara Districts, along with the City of Half Moon Bay, own the Sewer Authority Mid-Coastside (SAM) treatment plant. West Bay, along with the Cities of Belmont, San Carlos, and Redwood City, has a similar arrangement, owning but not operating Silicon Valley Clean Water treatment plant. Districts that share ownership also share a portion of the treatment plants' capital costs to cover both replacements and improvements. The treatment plants are typically governed by boards composed of members from the city councils or independent sanitary districts that own them.

Managing its relationship with its treatment plant is a high priority to the independent districts, as it is to the city-managed districts that do not operate their own treatment plants.²² This is true partly because a significant component of their budget is allocated to treatment, as will be described later. It is also true because the plans and programs of the treatment plants can end up impacting sewage collection.

²² The County of San Mateo, as operator of ten sewer districts, is not party to any of the treatment plant Joint Powers Agreements. The County purchases capacity from nearby cities and pays to wheel the effluent through the city sewer mains.

Table 4: Treatment Plants Serving Independent Districts

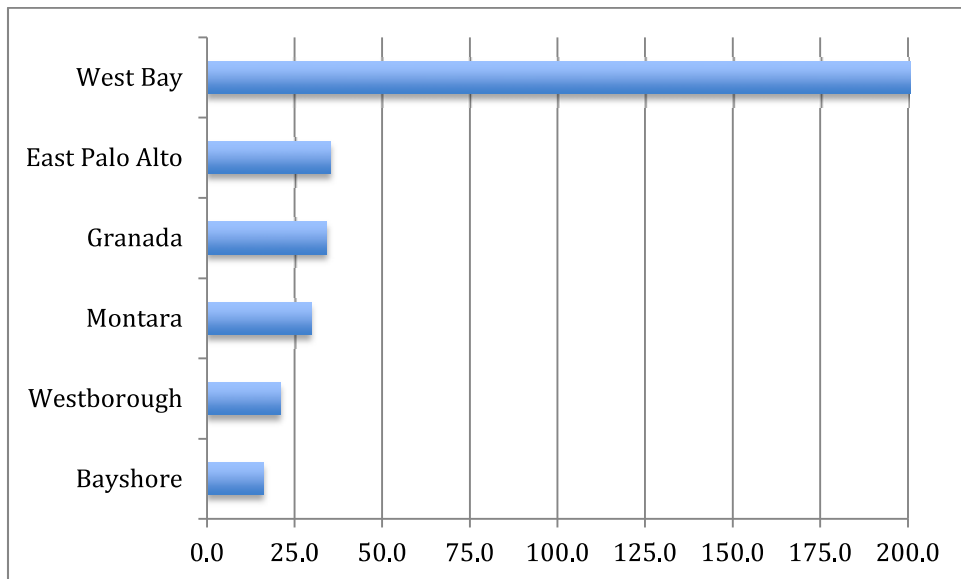
Treatment Plant	Independent District	Other Cities Served by Treatment Plant
San Francisco Public Utilities Commission Southeast Treatment Plant	Bayshore	San Francisco
North San Mateo County Sanitation District, which contracts with City of Daly City Wastewater Treatment Plant	Westborough	Daly City
Sewer Authority Mid-Coastside (SAM)	Granada, Montara	Half Moon Bay
Silicon Valley Clean Water	West Bay	Belmont, Redwood City, San Carlos
Regional Water Quality Control Plant (Palo Alto)	East Palo Alto	Los Altos, Los Altos Hills, Mountain View, Palo Alto, Stanford

Source: See Appendix C: Wastewater Treatment Plants Serving Independent Sanitary Districts.

Sanitary District Comparisons

The independent districts oversee small collection systems (see Figure 6). The six districts include about 15% of the County’s population and manage 343 miles of pipeline, or approximately 17% of the County’s total. West Bay’s system is significantly larger than the remaining five districts’ systems taken altogether.

Figure 6: Miles of Pipeline by District



Source: See Appendix D: Sewage System Characteristics by District.

It is tempting to discount these districts as being inconsequential. Their budgets however are substantial (see Table 5).

Table 5: Population, Connections, Pipe Length, and Budgeted Revenue for Independent Districts

	Bayshore	West-borough	Montara	Granada	East Palo Alto	West Bay
Population (#)	4,513	14,050	6,012	6,000	29,000	55,000
Connections (#)	1,456	3,790	1,937	2,560	3,864	20,000
Pipeline (Miles)	16.0	20.7	29.5	34.0	35.0	208.0
2015-16 Budgeted Revenue (Million \$)	\$1.280	\$2.523	\$2.690	\$2.524	\$4.915	\$23.750

Sources: See Appendix D: Sewage System Characteristics by District and Appendix G: Sanitary District Budgets.

For the rest of this report, the districts will be listed on the basis of their size as measured by the length of pipelines they operate—with Bayshore the smallest, followed by Westborough, Montara, Granada, East Palo Alto, and West Bay.

Prior Grand Jury and LAFCo Studies of Sanitary Districts

The San Mateo County Grand Jury has investigated only one of these districts in the last 15 years. The 2002-2003 Grand Jury released a report with the results of an investigation into the East Palo Alto Sanitary District. One of the main recommendations was that the district be merged with another district, specifically West Bay Sanitary District. The East Palo Alto Sanitary District disagreed; consolidation did not happen.

LAFCo conducts municipal service reviews of districts on a periodic basis. Its recent studies include:

- *September 16, 2015:* North County Cities and Special Districts, including Bayshore Sanitary District
 - “Reaffirm a zero sphere of influence for the Bayshore Sanitary District, indicating the District should be dissolved and the Cities of Brisbane and Daly City would become ‘successor agencies.’”²³
- *February 17, 2009:* East Palo Alto Sanitary District
 - “The LAFCo adopted sphere of influence designation for the EPASD is for dissolution and annexation of the territory to WBSD.”²⁴

²³ San Mateo County Local Agency Formation Commission, *North County Cities & Special Districts, Municipal Service Review and Sphere of Influence Study*, September 16, 2015, p 79.

http://lafco.smcgov.org/sites/lafco.smcgov.org/files/documents/files/North%20County%20MSR%20-%209-16-15_3.pdf.

²⁴ Martha Poyatos, Executive Officer, San Mateo County Local Agency Formation Commission, *Municipal Service Review and Sphere of Influence Update for the East Palo Alto Sanitary District*, February 17, 2009, p. 17.

http://lafco.smcgov.org/sites/lafco.smcgov.org/files/documents/files/msrepsdfinalwithattachments_0.pdf.

- *February 12, 2009: West Bay Sanitary District*
 - “Based on information in the municipal service review and absence of significant changes since the sphere was adopted that merit amendment to the sphere of influence, it is recommended that the WBSD sphere be reaffirmed as adopted in 1985.”²⁵
- *October 7, 2008: City of Half Moon Bay and Unincorporated Midcoast, including Granada Sanitary District and Montara Water and Sanitary District*
 - LAFCO recommended “a single regional water and sewer district to serve the unincorporated and incorporated study area delineated by the urban/rural boundary.”²⁶ It assigned spheres of consolidation to Montara Water and Sanitary District, Granada Sanitary District (as it was named then), and Coastside County Water District. These sphere designations would allow for consolidation of Montara Water and Sanitary District with Granada Sanitary District, and formation of the Midcoast Community Services District to add Park and Recreation to existing services of water, sewer, and solid waste disposal.

In summary, LAFCo recommended the consolidation of Granada Sanitary District and Montara Water and Sanitary District in October 2008, and the dissolution of Bayshore and East Palo Alto Sanitary Districts in 2009.

DISCUSSION

The Grand Jury’s analysis focused on three issues: public accountability, fiscal responsibility, and operational competence.

Public Accountability

Information Transparency

Seeking data from the independent sanitary districts for comparative purposes is challenging. Each district has its own website, and the layouts differ. The most basic data—meeting minutes, budgets, rates, financial audits, and sewer system management plans—is often missing or outdated. Table 6 highlights the gaps (shaded) in core information for each of the six districts studied.

For example, the Grand Jury would expect the minutes of each board meeting to be reviewed and approved at the following board meeting, and then posted within days thereafter (the “Goal” for Meeting Minutes). In late April, the Grand Jury checked the websites of each independent

²⁵ San Mateo County Local Agency Formation Commission, *Municipal Service Review and Sphere of Influence Update, West Bay Sanitary District*, February 12, 2009, p. 17.

http://lafco.smcgov.org/sites/lafco.smcgov.org/files/documents/files/MSRwestbaysanitaryfebruary_0.pdf.

²⁶ Martha Poyatos, Executive Officer, San Mateo County Local Agency Formation Commission, *Sphere of Influence Update, City of Half Moon Bay and Unincorporated Midcoast*, October 7, 2008, p. 12.

http://lafco.smcgov.org/sites/lafco.smcgov.org/files/documents/files/2008_10_08_lafco_soicoastsideoct7wattachments_1.pdf.

district and learned that only Westborough and West Bay had minutes for the March meeting posted. East Palo Alto and Bayshore had minutes from the February meeting posted, while Granada’s dated from the January meeting. Montara’s minutes are embedded in the Agenda Packets for meetings, which requires searching Agenda Packets to find whether minutes for a prior meeting have been included. Relative to the “Goal” of having meeting minutes posted through March 2016, only Westborough and West Bay met the standard.

The State Water Resources Control Board Order No. 2006-0003-DWQ requires Sewer System Management Plans. In spite of this order, only two districts had readily available documents on their website.²⁷

Table 6: Key Information Availability on District Websites

Times	Goal^a	Bayshore	West- borough	Montara	Granada	East Palo Alto	West Bay
Meeting Minutes	Through March 2016	No	Yes	No	No	No	Yes
Minute History	2010 On	Yes	Yes	No ^b	No	Yes	Yes
Budget	2015-2016	Yes	Yes	Yes	Yes	Yes	Yes
Rates	Yes	No	Yes	Yes	No	Yes	Yes
Rate History	2010 On	No	No	No	No	No	Yes
Financial Audit	2015	Yes	Yes	Yes	No	No	Yes
Sewer System Management Plan	2011 On	Yes	No	No	No	No	Yes
Performance Metrics	2014-2015	No	No	No	No	No	Yes
Sewer System Overflows	Current	No	No	No	No	No	No

Sources: District websites as of April 29, 2016.

Notes: Some districts updated their websites after April 29, 2016 following Grand Jury queries regarding information availability.

^aGoal established by Grand Jury based on timely information availability.

^bMontara’s minutes are embedded in agenda packets, requiring a search through multiple packets to locate a specific meeting’s minutes.

²⁷ State Water Resources Control Board, Order No. 2006-2003-DWQ, *Statewide General Waste Discharge Requirements for Sanitary Sewer Systems*, May 2, 2006, p. 2.

The information that is available is structured differently. Each district has its own methodology for preparing and presenting budgets even though the activities of each are roughly comparable. The Grand Jury developed a process to convert each of the six district's budgets to a common and therefore comparable format that was then confirmed with each district.²⁸

Visibility of Rates

Sewer rates are difficult to compile, even for residential single-family dwellings:²⁹

- Districts have the freedom to develop a unique rate structure. For example, Bayshore, Westborough, and Montara have a rate per unit of water consumed during winter months. Each customer pays a unique amount.³⁰ These districts may lose revenue from water conservation efforts and trends towards drought tolerant gardens that reduce water usage but have limited impact on sewage collection and treatment costs.
- The other districts (Granada, East Palo Alto, and West Bay) establish a fixed rate for each type of user (single family residential, multi-family residential, restaurant, etc.). As a result of these differences, it is nearly impossible to compare the average customer's bill between Granada and Montara, two neighboring districts.
- Historical information on average customer bills is very difficult to locate, especially for those who charge based on water consumption.

In addition, residents of the independent districts are billed through a line item on their property tax statement, which means that many people are unaware of the cost of their sewer service (see Figure 7). This West Bay Sanitary District customer has a \$973 charge for "West Bay Sani Dist" on its 2015-2016 tax bill.

²⁸ See Appendix G: Sanitary District Budgets.

²⁹ See Appendix I: Sanitary District Sewer Rates.

³⁰ For ease of comparison, this report uses the term *rate* to refer to both the fixed annual charge as well as the average customer bill calculated from water usage.

Figure 7: Property Tax Bill Reflecting Sanitary Sewer Charge

2015 - 2016 **SAN MATEO COUNTY SECURED TAX BILL** 2015 - 2016

FOR FISCAL YEAR BEGINNING JULY 1, 2015 AND ENDING JUNE 30, 2016

PARCEL NUMBER	TAX RATE AREA	PIN NUMBER	ASSESSMENT INFORMATION	VALUES
62-003	Bill# 348105		Land	1,392,930
			Improvements	1,392,930
			Fixtures	
			Personal Property	
			Full Cash	2,785,860
			Exemption	7,000
			Value after Exemption	2,778,860

TAXING AGENCY	RATE	AMOUNT
GENERAL TAX RATE	1.0000	27,858.60
MIDPENINSULA REG	0.0008	22.28
MENLO PK EL 2005	0.0393	1,094.84
SEQUOIA HI 2005 R	0.0434	1,209.06
SM JR COLLEGE BD	0.0250	696.46
GENERAL TAX TOT	1.1085	30,881.24
LESS: EXEMPTION		-77.58
SUB-TOTAL		30,803.66
SMC Mosq Abmnt Dist (650)344-8592		3.74
Sequoia UHSD Maint (800)273-5167		11.70
MP ESD Comb Meas Sp Tax (650)321-7140		851.56
Redwoodes Storm Fee (650)321-4100		0.10
West Bay Sani Dist (650)321-0384		973.00
Tax Payable		32,660.16

1	DUE NOVEMBER 1, 2015 AFTER DECEMBER 10, 2015 ADD 10% PENALTY TO YOUR PAYMENT \$16,325.21	2	DUE FEBRUARY 1, 2016 AFTER APRIL 10, 2016 ADD 10% PENALTY + \$40.00 COST TO YOUR PAYMENT \$16,325.21
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* FOR HOME BANKING: USE YOUR PARCEL NUMBER (062-140-360) AND PAY THE FULL INSTALLMENT DUE. PARTIAL PAYMENTS WILL BE RETURNED. FAILURE TO PAY THE FULL AMOUNT DUE ON TIME WILL RESULT IN PENALTIES AND COSTS.
 * 65 or older may qualify for a school parcel tax exemption on a primary residence in FY 2016-17. Contact the District Office at (650)321-7140.
 * Pay Online at www.sanmateocountytaxcollector.org
 * Please do not fold, staple, tape or otherwise mutilate the attached payment coupons.

Source: Grand Juror

Board Tenure

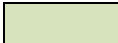


The districts state that having elected board members gives them an important link to the community.³¹ Unfortunately, based on the general trend of uncontested elections, the communities in which they operate appear to have little interest in the elections (see Table 7). Uncontested elections are those in which the number of candidates are the same or less than the number of openings. These elections are not placed on the ballot, and the candidates are automatically approved. Contested elections are those in which the contest is placed on the ballot and the public votes. Sixty-five percent of elections in the last eight election cycles were uncontested for the independent sanitary districts.

³¹ Officials from independent sanitary districts: interviews by the Grand Jury.

Two of the districts, Bayshore and Westborough, have not had contested elections since 2000. West Bay has not had a contested election in over 10 years. This suggests that public participation in the selection is minimal. The only district with regularly contested ballots is East Palo Alto.

Table 7: Contested and Uncontested Elections in Sanitary Districts

District	2001	2003	2005	2007	2009	2011	2013	2015
Bayshore	Uncontested	Uncontested	Uncontested	Uncontested	Uncontested	Uncontested	Uncontested	Uncontested
Westborough	Uncontested	Uncontested	Uncontested	Uncontested	Uncontested	Uncontested	Uncontested	Uncontested
Montara	Uncontested	Contested	Contested	Contested	Uncontested	Uncontested	Contested	Deferred ^a
Granada	Contested	Contested	Uncontested	Uncontested	Contested	Uncontested	Contested	Deferred ^a
East Palo Alto	Contested	Contested	Contested	Uncontested	Contested	Contested	Contested	Uncontested
West Bay	Contested	Contested	Uncontested	Uncontested	Uncontested	Uncontested	Uncontested	Uncontested

Uncontested 
 Contested 
 Deferred^a 

Source: Data provided by the San Mateo County Elections website, shapethefuture.org as well as Elections division staff. See Appendix K: Director Tenure by District for detailed sources.

Note: ^aGranada and Montara chose to change their election years to even-numbered years, so deferred 2015 elections to 2016.

Even in those instances where elections are contested, the turnout is low. Turnout for the most recently contested elections, in 2013, was less than a quarter of the registered voters (see Table 8).

Table 8: Turnout for 2013 Sanitary District Elections

	Percentage of Registered Voters
Montara	25.9%
Granada	24.0%
East Palo Alto	14.1%

Source: San Mateo County Elections website, shapethefuture.org.

There is an important danger resulting from this. Ratepayers are responsible to support rates that allow for necessary capital improvements. In a small district, with few active voters, it is possible for a very few people to influence decisions on topics such as rates. In the last elections in 2013 in Montara and Granada, the winners were separated from the losers by 111 and 15 votes respectively.³²

With these conditions, board turnover is low. The average tenure of the board members on all six boards is over 10 years (see Table 9). Since the membership term is four years on all boards, this means that the **average** board member is serving on his or her third term. There is value in having experience on any board, but there is also the risk of resistance to new ideas.

³² San Mateo County, *Statement of Vote, San Mateo County Consolidated Municipal, School, and Special District Election, November 5, 2013*. <https://www.shapethefuture.org/elections/results/2013/nov/official/Nov2013SOV.pdf>.

Table 9: Length of Service of Board Directors

	Average Length of Service in Years	Longest Length of Service in Years
Bayshore	16.6	23.3
Westborough	13.8	26.6
Montara	8.6	12.6
Granada	9.7	18.6
East Palo Alto	9.0	12.6
West Bay	6.8	16.6

Source: See Appendix K: Director Tenure by District.

Note: Measured as of June 30, 2016.

Public Profile

Districts have minimal interaction with the public compared to, for example, water districts. Bills are not established based on a metering of sewage, so customers have few reasons to question the billed amount. Customers do not start and stop sewer service as they do with other utilities. Customers do not have drought-related sewer budgets.

A survey commissioned by the East Palo Alto Sanitary District in 2012 illustrates the point. They learned that 38% of residential respondents stated they were familiar with the district. However, only two thirds of these realized that it provides sewer services.³³ Only eight out of 500 residential property owners surveyed and none of the 100 commercial property owners surveyed knew the district sewer rate.³⁴

The Grand Jury suspects that East Palo Alto is not unique and that most independent sanitary district customers could not name their sanitary sewer provider.

Fiscal Responsibility

The districts receive revenue from four primary sources:

- **Property Tax:** Five of the six independent districts receive property tax.
- **Sewer Service Charges:** These charges are paid through a line item on property tax bills.
- **Permit and Connection Fees:** The districts collect modest amounts of money in permit and connection fees.³⁵ Developers and others connecting to the system for the first time or upgrading a connection pay these fees.
- **Interest on Reserves:** The districts collect minimal amounts of interest on the money they hold in their reserves.

³³ Jatelo Productions, *East Palo Alto Sanitary District Public Relations Plan*, November 7, 2013, p. 104. <http://www.epasd.com/home/showdocument?id=324>.

³⁴ *Ibid.*, p. 110.

³⁵ Bayshore, Montara, and West Bay budgeted between \$5,000 and \$50,000 in permit fees in FY 2015-2016. All districts except Westborough collected connection fees in the \$14,000 to \$50,000 range except Montara, which budgeted for over \$300,000 in FY 2015-2016. Montara recently expanded opportunities for new sewer connections, which is what is driving this unusually large amount. See Appendix G for detail.

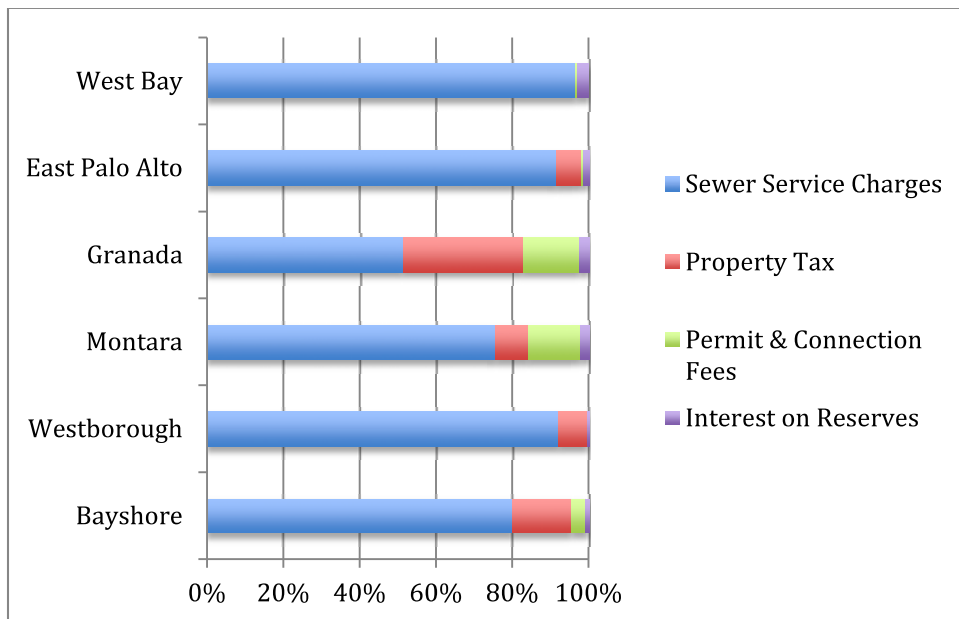
This report focuses on Property Tax and Sewer Service Charges, since they constitute more than 80% of the total income of the independent sanitary districts.

Property Tax Subsidies

The contribution of property tax to the districts’ revenue is meaningful, particularly for Bayshore and Granada (see Figure 8).

All independent districts except West Bay were funded through property tax prior to the passage of Proposition 13. As a result, they continue to receive a share of the property tax collected by San Mateo County from all County residents. Although it received property taxes in earlier years, West Bay did not receive property tax funding in fiscal year 1977-1978, and as a result of Proposition 13 and its subsequent enabling legislation, the district continues not to receive any property taxes.³⁶

Figure 8: Property Tax Contribution to Total Revenue



Source: See Appendix H: Sanitary District Budget Analysis FY 2015-2016.

Notes: Granada’s relatively large portion of revenue due to Permit & Connection Fees is a result of a repayment of monies advanced to the Assessment District. Montara’s large portion is due to the processing of a backlog of connection requests.

³⁶ The County Controller’s Office was unable to determine the reason that West Bay received no property tax in 1977-1978 although it confirmed that it had received property tax in some prior years.

One of the goals of Proposition 13 was to eliminate property tax for government-provided services for which the customer could be charged directly. California Government Code Section 16270 states:

The Legislature finds and declares that many special districts have the ability to raise revenue through user charges and fees and that their ability to raise revenue directly from the property tax for district operations has been eliminated by Article XIII A of the California Constitution. It is the intent of the Legislature that such districts rely on user fees and charges for raising revenue due to the lack of the availability of property tax revenues after the 1978-79 fiscal year. Such districts are encouraged to begin the transition to user fees and charges during the 1978-79 fiscal year.³⁷

Almost 40 years later, five of the independent sanitary districts continue to rely heavily on property tax revenue while also collecting sewer service charges. Their budgets for FY 2015-2016 include \$1,733,000 for property tax receipts.³⁸ In 2013, Granada Sanitary District took a small step towards reducing its heavy reliance on property tax by adding Parks and Recreation to its scope, becoming the Granada Community Services District. The resolution applying for its reorganization, contained the following statement:

“WHEREAS, the District receives property tax as well as sewer and garbage fees and it is currently intended that Park and Recreation services would initially be funded with a portion of the property tax the District receives . . .”³⁹

If the five districts did not receive a share of the 1% property tax, their rates would be more comparable with districts such as West Bay (see Figure 9). Without the property tax, the five districts’ ratepayers would pay more and County taxpayers’ tax would be allocated elsewhere.

³⁷ California Government Code Section 16270, <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=gov&group=16001-17000&file=16270-16271>.

³⁸ See Appendix G: Sanitary District Budgets.

³⁹ Granada Sanitary District, Resolution No. 2013-003, *Resolution of Application for a Reorganization of the Granada Sanitary District into a Community Services District*. http://granada.ca.gov/wp-content/uploads/2014/02/2013-04-18_RESOLUTION_for_LAFCO_Application.pdf.

Figure 9: Impact of Property Tax in Reducing Sewer Rate



Source: See Appendix H: Sanitary District Budget Analysis FY 2015-2016.

Note: The impact of the property tax is calculated by dividing the total property tax by the number of customers in the district. This is an approximation of the impact of the tax since not all customers are subject to the same rate structure.

High and Rising Rates

Sewer Service Charges are the primary source of revenue for the independent sanitary districts, ranging from 51% for Granada to 96% for West Bay. Sewer Service Charges come from rates paid by users.

As indicated earlier, the rates in San Mateo County for the 10 County-run and six independent districts are greater than those for comparable urban areas in the Bay Area.⁴⁰ Those rates range from \$187 to \$705, while independent sanitary district rates range from \$402 to \$973 (see Table 10). Rates for the County-run districts have averaged 25% growth in the last five years (from 2010-2011 to 2015-2016). During the same period, the average of the independent sanitary districts was 20%. The consumer price index for the San Francisco Bay Area grew approximately 14% during the same period.

⁴⁰ As noted earlier, the rates do not include other potential revenue sources such as property taxes.

Table 10: Sanitary Sewer Rates and Growth

Name	2015-2016	% Growth 2011 to 2016
Bayshore Sanitary District	\$613	0%
Westborough Water District	\$512	29%
Montara Water & Sanitary District	\$810	11%
Granada Community Services District	\$402	10%
East Palo Alto Sanitary District	\$575	19%
West Bay Sanitary District	\$973	50%
Average Rate and Growth of Independent Districts	\$648	20%
Average Rate and Growth of County-Managed Districts	\$1,072	25%
Consumer Price Index, San Francisco Bay Area		14%

Source: Appendix I: Sanitary District Sewer Rates.

Rate increases are subject to Proposition 218, which requires that sanitary districts hold a public hearing, mail advance notice of the hearing, and conduct a ballot protest proceeding before any proposed rate increase.⁴¹ This means that districts must have ratepayer support to increase rates, even in cases where rate increases are required to allow agencies to comply with state mandates to avoid sanitary sewer overflows. Ratepayer protest is more likely in smaller systems with lower numbers of ratepayers.⁴²

The challenge for ratepayers is judging whether the rate they are being charged is appropriate or not. The fact that the rate is rising rapidly could be due to the district's failure to raise rates in earlier years by deferring capital improvements, or to the tightening of State regulatory oversight requiring new capital investments, among other possibilities. Low rates are not necessarily a sign of prudent fiscal management.

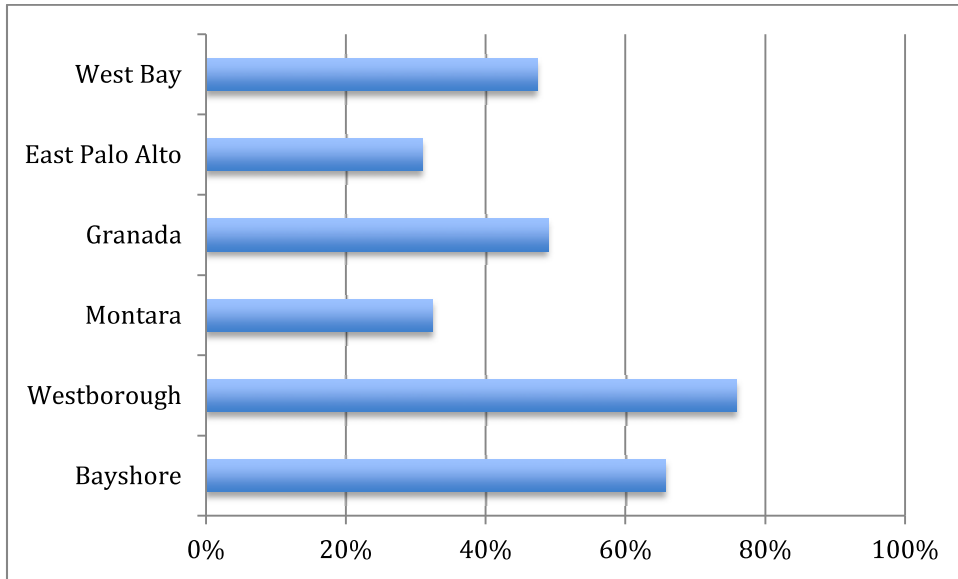
Handling of Treatment Costs

The sanitary districts collect revenue for the treatment of sewage as well as the collection of sewage, even though they do not manage the sewage treatment plants. Between one third and two thirds of all revenues received by these districts go towards treatment expense and capital, as shown in Figure 10. Treatment expense is the annual cost to process sewage. Treatment capital is the money to fund capital improvement projects, such as the replacement of equipment or construction of new facilities. For example, treatment expense and capital is 47% of West Bay's budget, leaving 53% for maintenance and capital improvement of its sewage collection system.

⁴¹ California Special Districts Association, *Proposition 218 Guide for Special Districts*, 2013. p. 19.

⁴² Official from San Mateo LAFCo: interview by the Grand Jury.

Figure 10: Treatment Expense and Capital's Share of Revenue



Source: See Appendix H: Sanitary District Budget Analysis FY 2015-2016.

The wide discrepancy in percentage of revenue allocated to treatment is due to many reasons—the varying costs of the treatment plants used, the nature of the contracts negotiated with the treatment plants, the amount of capital investment currently underway at the treatment plants, and the individual district’s budgeting practices. This arrangement further separates the ratepayer from the agency spending the ratepayer’s money. It makes it difficult to judge whether the rates are fair across the County, and whether the money is well spent. In any case, it introduces additional players to the decisions involved in managing sewage treatment plants, and that in itself may add little value.

Rationalizing Collection and Administration Expenses

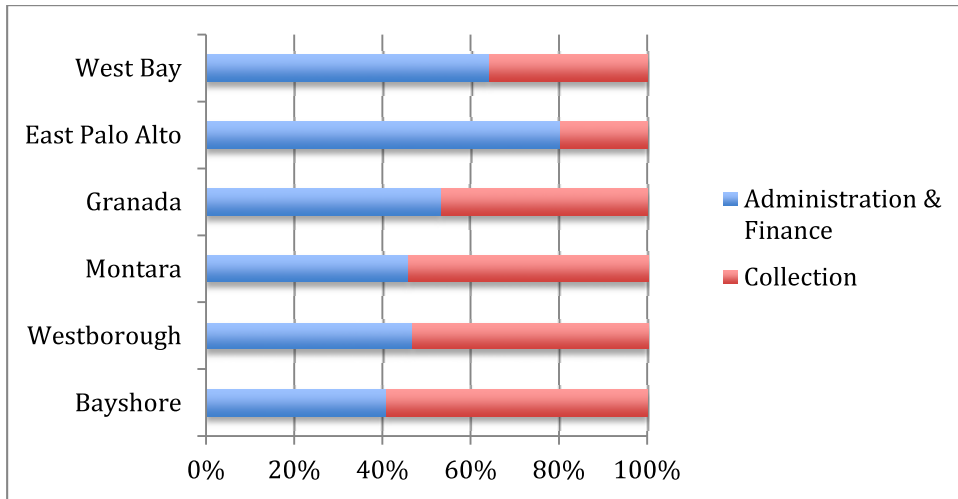
After treatment costs are removed, the districts are left with the costs associated with administering the district and maintaining the sewer pipes.

The wide differences in how expenses are allocated between Collection and Administration/Finance are difficult to explain (see Figure 11).

- The methodology for allocating costs between Collection and Administration/Finance is neither well defined nor consistent across districts.
- Districts with both water and sewage responsibilities (such as Montara and Westborough) tend to have a lower proportion of Administration and Finance because these costs are shared.
- Westborough does not report its revenue and expenses separately between its water and sewage responsibilities, so its split was estimated. It is difficult to understand how Westborough can set rates for sewer services without separate cost accounting for water and sewer services.

- East Palo Alto’s emphasis on community engagement and involvement may be a factor in why such a high percentage of its non-treatment operating expenses (80%) are for Administration and Finance.⁴³

Figure 11: Operating Expense Split between Collection and Administration/Finance



Source: See Appendix H: Sanitary District Budget Analysis FY 2015-2016.

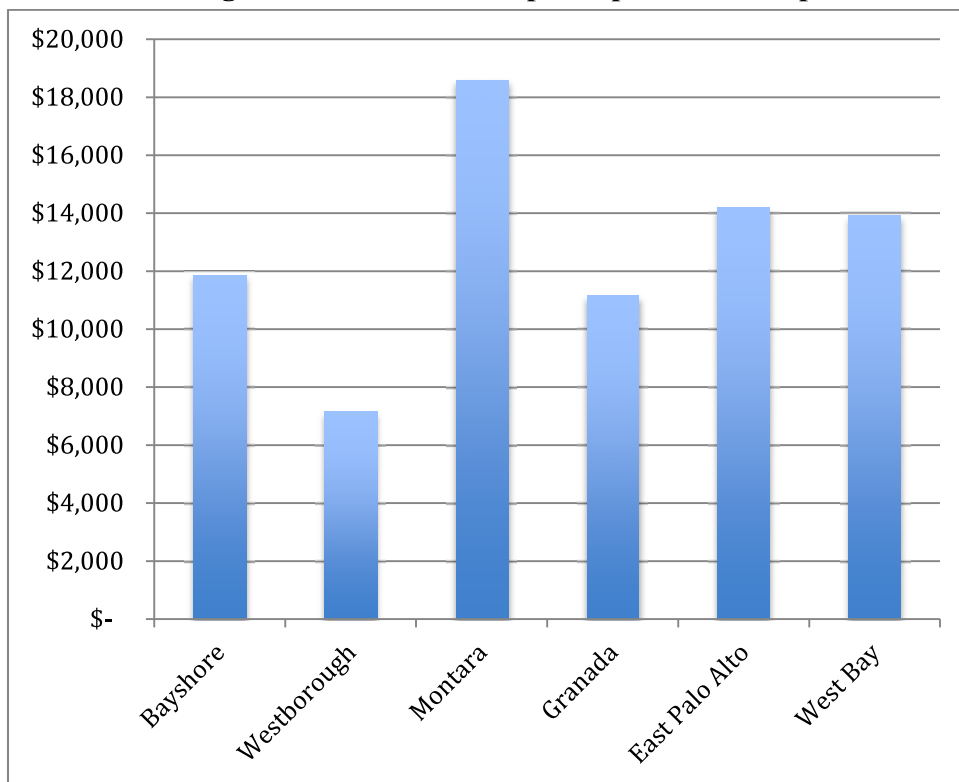
Note: West Bay does not consider treatment costs to be operating costs, unlike the other districts. It classifies them as non-operating costs. For comparative purposes, the Grand Jury categorized them in this report as operating costs.

Collection expense per mile of pipeline varies from \$7,165 for Westborough to \$18,619 for Montara (see Figure 12).⁴⁴ The Grand Jury was unable to determine the reasons for the differences.

⁴³ In addition to the Public Relations study cited earlier (Jatelo Productions, *East Palo Alto Sanitary District Public Relations Plan*), East Palo Alto is the only district whose board calendar includes regular public relations committee meetings.

⁴⁴ See Appendix D: Sewage System Characteristics by District; see Appendix G: Sanitary District Budgets for FY 2015-2016; see Appendix H: Sanitary District Budgets for FY 2014-2015.

Figure 12: Collection Expense per Mile of Pipeline



Source: See Appendix H: Sanitary District Budget Analysis FY 2015-2016.

Note: Calculated as collection costs divided by miles of gravity and forced main pipelines.

Board Compensation

Board compensation differs dramatically between districts (see Figure 13). The per-diem rate for meeting attendance varies from \$75 for Montara’s directors to \$293 for East Palo Alto’s. Most districts hold monthly board meetings; Montara’s and West Bay’s boards meet twice per month. East Palo Alto is the only district with standing committee meetings scheduled on days other than regular board meetings.⁴⁵

Government codes dictate the allowable compensation for board members of special districts. Sanitary districts’ compensation is covered by California Health and Safety Code Section 6489, which sets \$100 as the maximum allowable compensation per day.⁴⁶ Community services districts and water districts have the same limit. The law allows for an adjustment of 5% per year following a public hearing.⁴⁷ Bayshore, East Palo Alto, and West Bay have been generous in taking advantage of these provisions to raise board director compensation.

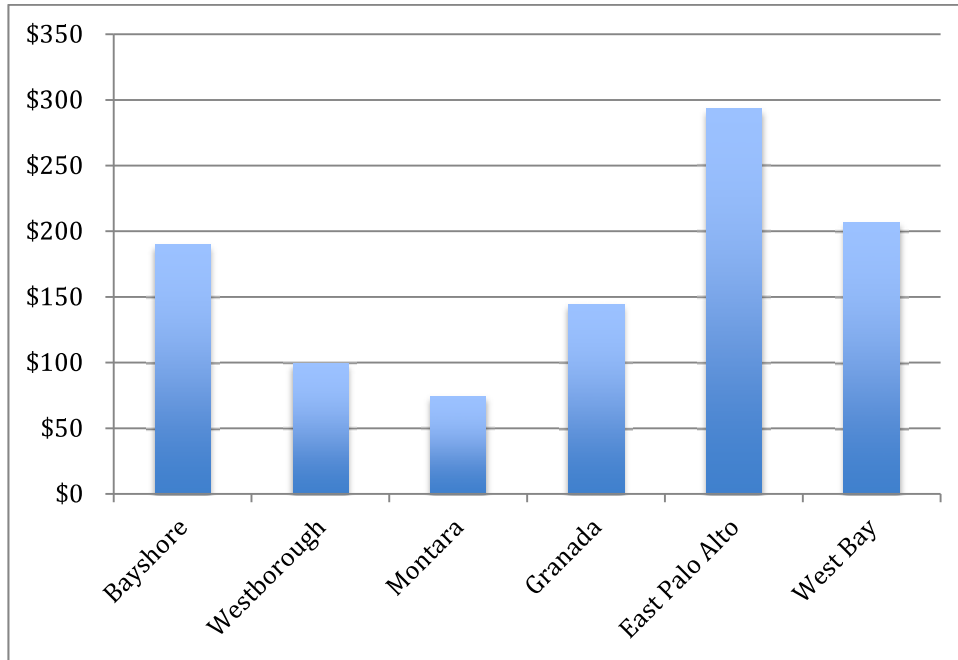
⁴⁵ Based on meeting schedules posted on district websites.

⁴⁶ California Health and Safety Code, *Section 6489*.

http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=HSC§ionNum=6489.

⁴⁷ California Water Code, *Section 20200-20207*, <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=wat&group=20001-21000&file=20200-20207>.

Figure 13: Meeting Compensation for Directors

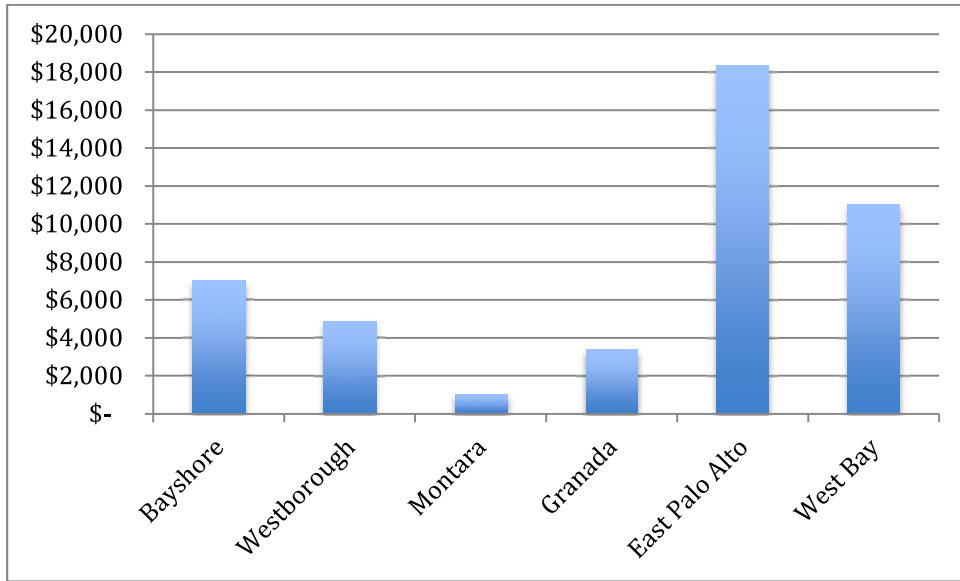


Source: See Appendix J: Board Costs for Sanitary Districts.

The difference in compensation practices is even starker when you compare annual total compensation planned in the FY 2015-2016 budgets (see Figure 14). East Palo Alto’s board members receive an average of \$18,000 in compensation and other benefits per year, while West Bay’s receive only \$11,000 in spite of it being a much larger district. Three of the districts have responsibility for a major mission other than sewage (Granada, Montara, and Westborough). In these cases, their board costs reflect a portion of the total costs, which is why they are lower than Bayshore’s, East Palo Alto’s, and West Bay’s.⁴⁸

⁴⁸ All districts except Westborough provide separate budgets for their sewage management responsibilities. Westborough’s management assisted the Grand Jury with an estimate of its sewage-related budget.

Figure 14: Annual Board Compensation per Director



Source: See Appendix J: Board Costs for Sanitary Districts.

While most districts do not provide benefits to their directors other than a meeting stipend, Bayshore and East Palo Alto offer substantial benefits (see Table 11). These benefits are generous given the very occasional responsibilities of board members.

Table 11: Board of Director Benefits by District

District	Benefit
Bayshore	Dental, Life Insurance for Directors and Spouse / Partner or Children
Westborough	None
Montara	None
Granada	None
East Palo Alto	Dental, Vision, Health
West Bay	None

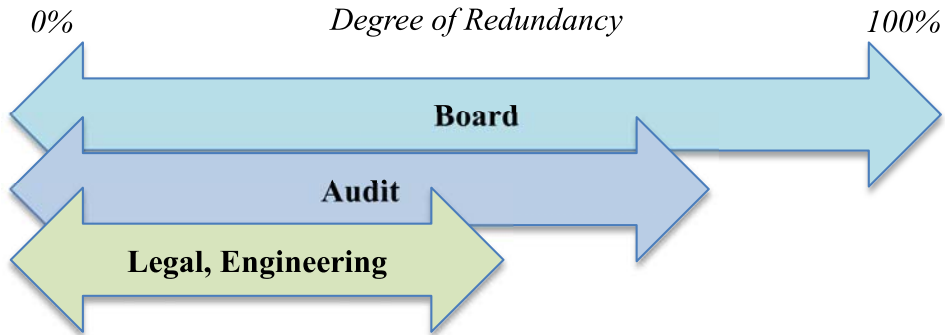
Source: See Appendix J: Board Costs for Sanitary Districts.

Note: FY 2015-2016.

Redundant Activities

The six districts budget for items that duplicate work done by other districts. This duplication of costs can be redundant and costly to the taxpayer (see Figure 15).

Figure 15: Economies of Scale in Professional Services



If the districts were consolidated with other entities, the board costs associated with sewer services would be eliminated. Similarly, audit costs would be eliminated for the districts if they were consolidated. The audit costs for the receiving entities may go up slightly, especially during the year of consolidation, but the incremental costs would be small.

A portion of legal and engineering fees would continue to be required in the event of consolidations because of the unique characteristics of each district being eliminated. However, the common work of staying apprised of current legal and regulatory requirements, attending district meetings, and preparing district documents (such as Sewer System Management Plans) could be reduced, perhaps dramatically.

The costs involved are not insignificant. For example, board costs total over \$225,000 per year (see Table 12). The total cost of professional services is nearly \$1,000,000, much of which would be eliminated by consolidation.

Table 12: Cost Impact of Multiple Small Districts

Expense Type	Bayshore	West-borough	Montara	Granada	East Palo Alto	West Bay	Totals
Board	\$35,000	\$24,416	\$5,300	\$17,000	\$91,800	\$55,404	\$228,920
Legal	\$30,000	\$15,900	\$24,500	\$60,000	\$36,000	\$160,000	\$326,400
Audit	\$10,500	\$8,758	\$13,000	\$12,000	\$20,043	\$15,000	\$79,301
Engineering	\$55,000	\$9,150	\$52,000	\$20,000	\$85,000	\$130,000	\$351,150
Total	\$130,500	\$58,224	\$94,800	\$109,000	\$232,843	\$360,404	\$985,771

Source: Input from individual districts as well as published budgets. See Appendix G: Sanitary District Budgets.

Note: Data for FY 2015-2016.

The Grand Jury did not investigate the contracts for the professional services firms supporting the sanitary districts. Longevity is highly valued by the districts. The legal counsel in each of the

six has been in place at least 10 years,⁴⁹ with Westborough’s counsel serving for over 30 years. Such long-term relationships raise questions about the competitiveness of the fees paid to these firms, since they appear to be rarely, if ever, subject to a standard procurement bidding process.

Other economies of scale could be realized in general management and office administration. There may be opportunities in collection activities as well, with economies of scale in workforce and equipment utilization. West Bay provides a good example. When Los Altos Hills contracted with West Bay for sewer collection services, West Bay’s network expanded by 54 miles, or about 27%. It added two people on a base of 28 full-time equivalent staff, or only 7%.⁵⁰

Scale is a challenge for benchmarking of administrative and finance processes. The minutes of the Granada board meeting from January 21, 2016, record an exchange between director David Seaton, elected in 2013, and director Leonard Woren, elected in 1997:

“Consideration of Potential Cost Sharing Opportunities among Sewer Authority Mid-Coastside (SAM) Member Agencies.

Director Seaton requested this Item for discussion as he feels overhead costs of Coastside agencies providing sewer related services are greater than necessary for the population. He suggested a long-term approach aimed at cost sharing if not consolidation. The Board held a discussion.

ACTION: Director Woren moved to table the Item indefinitely until Director Seaton is able [sic] provide specific line-item expenses with the estimated cost saving calculations he foresees by cost sharing.”⁵¹

This generally negative attitude to the potential for improvement through sharing of best practices, mutual benchmarking, and other cooperative efforts was clearly visible in the leadership of the five smallest districts interviewed.⁵²

⁴⁹ Officials from independent sanitary districts: interviews by the Grand Jury.

⁵⁰ Ibid.

⁵¹ Minutes of Granada Sanitary District Board of Directors Regular Meeting, dated January 21, 2016, p. 2.

⁵² Officials from independent sanitary districts (excluding West Bay): interviews by the Grand Jury.

Operational Competence

No Gold Standard

The core operating responsibility of the sanitary districts is sewage collection, which translates to the maintenance of the pipes that connect customers' homes and businesses to the treatment plant. These responsibilities also include connecting new customers to the sewage system or modifying existing customers' connections.

The sanitary districts have a modest role to play in terms of customer service. They field calls from customers regarding sewage leakages and sewer line blockages. They receive requests for permits for new or upgraded connections. Customers themselves must coordinate with building and public works departments to replace or upgrade laterals and cleanouts. Only one of the districts, West Bay, tracks any metrics related to its interactions with customers, although all districts claimed to have excellent customer service.⁵³

The Grand Jury was unable to determine whether a “gold standard” of performance exists for sewage collection. When we asked management of each of the districts who they viewed as the “gold standard” in the Bay Area, we received interesting results:

- Bayshore cited itself.
- East Palo Alto, Granada, and Montara cited West Bay.
- The biggest district, West Bay, cited Central Contra Costa Sanitary, West Valley Sanitary District, and Union Sanitary in Fremont.

Only East Palo Alto and West Bay appeared to be actively involved in the primary professional association for sewage system management, the California Water Environment Association. As a result, even among the districts themselves, there is no objective basis for evaluating the performance of the sanitary districts.

Age of Pipelines

The sewage infrastructure of the six independent sanitary districts is old, with over 43% laid before 1960.⁵⁴ Older pipe is more susceptible to problems due to root intrusion, land settling, inaccurate maps, and other causes. Because of these problems, older pipe can be more expensive to maintain. Most of these older pipes are clay or concrete, which typically last 50 to 60 years.⁵⁵

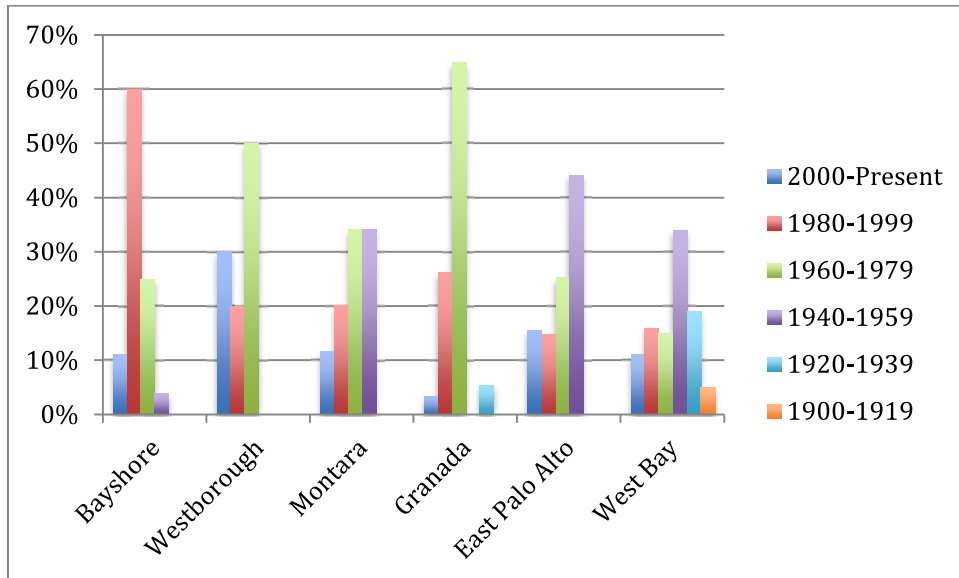
⁵³ Officials from the independent sanitary districts: interviews by the Grand Jury.

⁵⁴ See Appendix F: Age Profile of District Pipelines.

⁵⁵ Most sewer pipe laid before 1980 was clay or concrete. Pipe Rehab Specialists, *How Long Do Sewer Pipes Last?*, accessed May 1, 2016. <http://www.piperehabspecialists.com/how-long-do-sewer-pipes-last/>.

Approximately half the pipes in East Palo Alto and West Bay are over 50 years old and therefore approaching end of life (see Figure 16).

Figure 16: Pipeline Age by District



Source: See Appendix F: Age Profile of District Pipelines.

Note: Montara data estimated for 1940-1959 and 1960-1979 by dividing pipe aged between 1940-1979 by two.

Sanitary Sewer Overflows

San Mateo County’s independent sanitary districts contribute less than 10% of the sanitary sewer overflows in the County (see Table 13). With approximately 17% of the County’s total pipeline length, they are doing relatively better as a group than the other sewer providers in the County.

Table 13: Sanitary Sewer Overflows by District

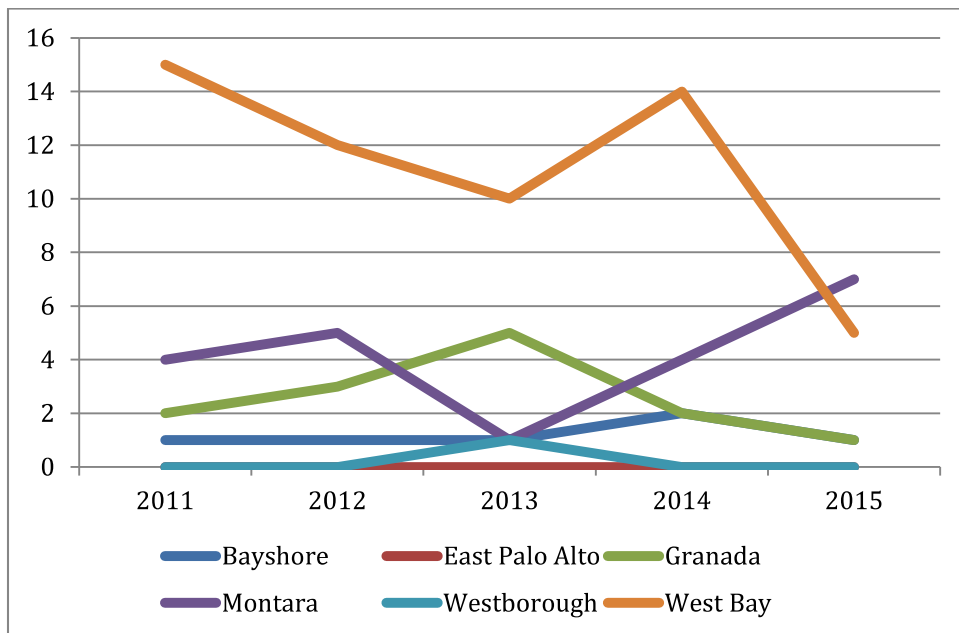
	2013	2014	2015
<i>San Mateo County</i>	186	238	155
Percentage from Independent Districts	10%	9%	9%
Bayshore	1	2	1
Westborough	1	0	0
Montara	1	4	7
Granada	5	2	1
East Palo Alto	0	0	0
West Bay	10	14	5

Source: See Appendix E: Sanitary Sewer Overflows by District by Year.

From 2011 to 2015, the most noticeable change in performance by any district is West Bay’s dramatic improvement (see Figure 17). West Bay’s current general manager, a public works executive with more than 30 years of experience in wastewater management, joined the district in 2010 and made reduction in SSOs a major priority. Montara struggles to prevent overflows in

its hilly environment with many pump stations. East Palo Alto reported having no SSOs in the last five years, while Westborough reported only one, and that in 2013.

Figure 17: Sanitary Sewer Overflows by Year



Source: See Appendix E: Sanitary Sewer Overflows by District by Year.

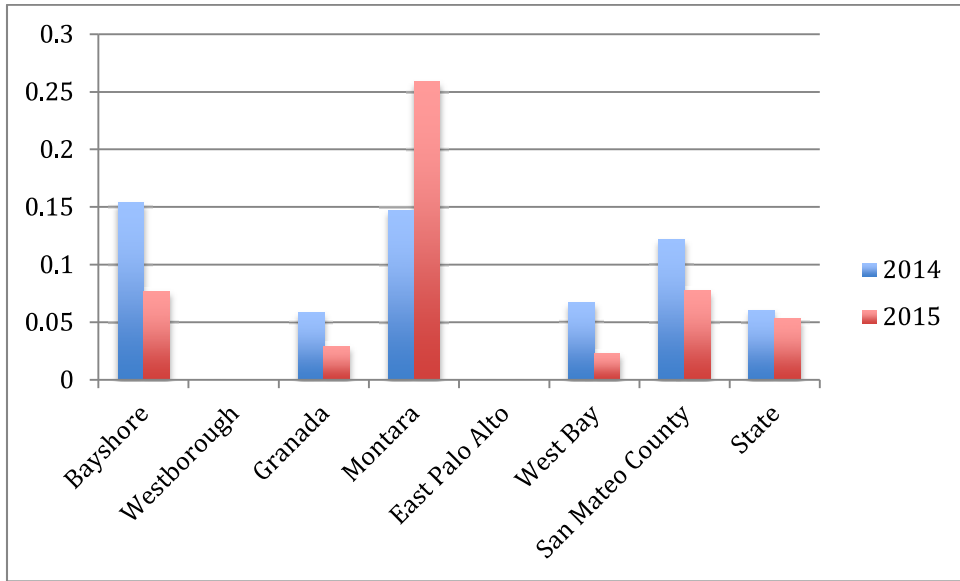
Note: Some data points are not visible due to overlap. For example, Bayshore’s values for 2014 and 2015 are equal to Granada’s, so its line is hidden behind Granada’s.

Similarly, East Palo Alto’s and Westborough’s values are identical in all years except 2013, so the East Palo Alto values are only visible in that year.

SSOs per mile of pipe show that the two biggest districts (West Bay and East Palo Alto) are lower than the state average for SSOs per mile of pipe, in spite of the age of their pipes (see Figure 18). It is difficult to assess precisely why this is the case other than to note the experience and professionalism of their leadership and employees, as well as West Bay’s deployment of technologies such as cured-in-place pipe and linear asset management planning.⁵⁶ Bayshore and Montara SSOs were high relative to County and state averages in 2014, with that trend continuing for Montara into 2015.

⁵⁶ Cured-in-place pipe is a “jointless, seamless, pipe-within-a-pipe with the capability to rehabilitate pipes.” It is one of several trenchless rehabilitation methods used to repair existing pipelines. Source: Wikipedia entry for cured-in-place pipe. https://en.wikipedia.org/wiki/Cured-in-place_pipe. Linear asset planning is a method for prioritizing pipeline repair or replacement based on multiple factors.

Figure 18: Sanitary Sewer Overflows per Mile of Pipe



Source: See Appendix E: Sanitary Sewer Overflows by District by Year.

Notes: East Palo Alto and Westborough reported no Sanitary Sewer Overflows in 2014 and 2015.

Dependence on Contractors

With the exception of West Bay, the sanitary districts are so small that they cannot justify hiring and retaining their own staff, so they hire outside contractors to manage their responsibilities. The functions performed by contractors are highlighted in Table 14.

Table 14: Use of Contractors by Function in Independent Sanitary Districts

Responsibility	Bayshore	West-borough	Montara	Granada	EPA	West Bay
Number of Full-Time Equivalent Employees	0	1 ^a	2	2	9	28
District Administration						
General Manager	N/A	Employee	Employee	Dudek & Associates ^b	Contractor ^c	Employee
District Clerk	Contractor ^d	Employee	N/A	Employee	N/A	N/A
Legal	Meyers Nave	Hanson Bridgett LLP	Law Offices of David E. Schricker	Wittwer Parkin LLP	Best Best & Krieger LLP	Atchison, Barisone, Condotti & Kovacevich
Finance & Accounting						
Accountant	Contractor ^d	Chavan & Associates, LLP	Maze & Associates	Employee	Jeanpierre, Wegem, Alabi & Co. LLP CPAs	Employee
Sewer Service Rates	TBD	TBD	Bartle Wells Associates	TBD	Bartle Wells Associates	HF&H Consultants, LLC
Auditor ^e	Fechter & Co., CPAs	Charles Z. Fedak	Vavernick, Trine & Day	Fechter & Co, CPAs	Maze & Associates	Chavan & Associates, LLP
Engineering	Thomas E. Yeager, formerly of Kennedy / Jenks	Pakpour Consulting	Nute Engineering	Kennedy / Jenks Consultants	Freyer & Laureta Inc.	Employee
Collections (Maintenance)	Collection Systems Maintenance Service	North San Mateo County Sanitation District	Sewer Authority Mid-Coastside (SAM)	Sewer Authority Mid-Coastside (SAM)	Employee	Employee
Permit Processing	Contractor	Employee / Contractor	Employee	Employee	Employee	Employee
Treatment	SFPUC Southeast Treatment Plant	North San Mateo County Sanitation District Treatment Plant	Sewer Authority Mid-Coastside (SAM)	Sewer Authority Mid-Coastside (SAM)	Palo Alto Regional Water Quality Control Plant	Silicon Valley Clean Water

Sources: Representative from Bayshore: interview by the Grand Jury, February 23, 2016.

Representative from Westborough: interview by the Grand Jury, February 29, 2016.

Representative from Montara: interview by the Grand Jury, February 22, 2016.

Representative from Granada: interview by the Grand Jury, February 22, 2016.

Representative from East Palo Alto: interview by the Grand Jury, February 25, 2016.

Representative from West Bay: interview by the Grand Jury, February 23, 2016.

Notes: ^aWestborough has three employees involved in sewer management, but each also supports its mission of providing fresh water. Management judged that it had the equivalent of one employee managing its sewage responsibilities, spread across General Management, the District Clerk, and permit processing.

^bChuck Duffy serves approximately 30 hours per month. According to Granada district staff, he serves as general manager for two other sanitary districts located in southern California.

^cKaren Maxey, independent contractor and former employee.

^dJoann Landi, independent contractor.

^eAuditors are always independent contractors.

Some of the same contractors work in several districts. For example, Fechter provides audit services for Bayshore and Granada. Westborough and West Bay use Chavan & Associates for financial services. Kennedy/Jenks Consulting is the source of engineering for Bayshore and Granada.

Use of Technologies

Based on the Grand Jury's research, the five smallest independent districts are using few of the current technologies available to manage their collection systems (see Table 15).⁵⁷ The newer technologies offer ways to prevent problems that older approaches based on the fix-it-when-it-breaks approach did not. This can have near-term implications such as increased risk of sanitary sewer overflows. A bigger concern is that without taking steps to proactively preserve, rehabilitate, and replace pipelines now, districts will face increased costs in the future. The recent publicity (mentioned earlier in this report) about unplanned, multi-hundred million dollar investments to replace worn-out collection and treatment systems attests to this.⁵⁸

During interviews, it became clear that many of the independent sanitary district leaders were unaware of developments in sewage management that may be applicable to them. They rarely if ever attend industry conferences,⁵⁹ do not appear to require employees or contractors' employees to participate in certification programs, and do not actively benchmark their performance.

⁵⁷ Officials from the independent sanitary districts: interviews by the Grand Jury.

⁵⁸ See Section titled "Urban Sewage Management."

⁵⁹ Only Montara and West Bay leadership reported regular attendance at conferences directly related to sanitary waste management, such as California Association of Sanitation Agencies and California Water Environment Association. All districts attended at least occasional meetings at the California Special Districts Association.

Table 15: Use of Operational and Planning & Control Technologies by District

In Use	Bayshore	West-borough	Montara	Granada	EPA	West Bay
Operational Performance						
Camera	Yes	No	Yes	Yes	No	Yes
Sonar Technology	No	No	No	No	No	No
Root Foaming	No	Yes	No	No	No	Yes
Trenchless / Slip Line Technology	Yes	No	Yes	Yes	No	Yes
Operator Certifications	No	Yes	No	Yes	No	Yes
Planning & Control Technologies						
Linear Asset Management Plan (LAMP)	No	No	Yes	No	No	Yes
Effective Utility Management	No	No	Yes	No	No	Yes
SCADA Systems	No	Yes	Yes	No	No	Yes

Planned	Bayshore	West-borough	Montara	Granada	EPA	West Bay
Operational Performance						
Camera	Yes	Yes	Yes	Yes	Yes	Yes
Sonar Technology	No	No	No	No	No	No
Root Foaming	No	Yes	No	No	No	Yes
Trenchless / Slip Line Technology	Yes	Yes	Yes	Yes	No	Yes
Operator Certifications	No	Yes	No	Yes	No	Yes
Planning & Control Technologies						
Linear Asset Management Plan (LAMP)	No	No	No	No	No	Yes
Effective Utility Management	No	No	No	No	No	Yes
SCADA Systems	No	Yes	Yes	No	No	Yes

Change in use

Source: Sanitary District interviews.

Technology is not the only factor that leads to good performance. The Grand Jury learned that good performance is a function of the base condition of the infrastructure, the quality and skill of leadership and staff, work standards, the tools and technology available to perform the work, and the funds allocated to capital investment. There are likely other factors, as well.

Emergency Preparedness

A review of urban sewage management websites turns up evaluations of the emergency-preparedness of their systems. San Francisco has a comprehensive Sewer System Improvement Program, whose initial goal is to “provide a compliant, reliable, resilient, and flexible system that can respond to catastrophic events.”⁶⁰ The associated level of service is to “ensure treatment of flows within 72 hours of a major earthquake.”⁶¹ San Jose updated its Sewer System Management Plan in 2014, with multiple references to emergency management.⁶²

As mentioned earlier, the State Water Control Board requires Sewer System Management Plans of all districts, and yet only two of San Mateo’s independent districts have plans that are easy to locate on their websites. Emergency preparedness is a key required component of these plans.

The Grand Jury reviewed the meeting minutes of the six districts for the last 12 months, from approximately April 2015 through March 2016. There was no evidence of any discussion regarding emergency preparedness in any of the sets of minutes.⁶³

FINDINGS

- F1. From 2013-2015, San Mateo County sewer agencies had more than twice as many sanitary sewer overflows as San Jose and three times as many as Central Contra Costa Sanitary District.
- F2. Independent district websites have gaps in information regarding historical rates, sewer system management plans, and sanitary sewer overflows. Meeting minutes and financial audits are frequently out of date.
- F3. The use of the annual property tax statement for billing purposes makes the cost of sewer services less visible to residents.
- F4. Elections for sanitary district board membership are rarely contested, and when they are, voter turnout is low. The average tenure of board members is over 10 years.
- F5. Five of the six districts receive countywide property taxes, which means that residents’ fees are not paying the full cost of sewer services.
- F6. Sewer rates from 2010-2011 to 2015-2016 increased faster than the consumer price index. The six districts acknowledged that this trend is likely to continue given the age of pipelines in the County and the cost of maintenance to and replacement of those pipelines.
- F7. Funds for treatment plants pass from ratepayers through the independent sanitary districts to the treatment plants; the sanitary districts add little value.
- F8. The total budget for operating the boards of the six districts studied is over \$225,000. East Palo Alto’s average annual compensation for directors is \$18,000, 66% higher than the

⁶⁰ San Francisco Water Power Sewer, *SSIP Goals & Level of Service*. <http://sfwater.org/index.aspx?page=668>.

⁶¹ *Ibid*.

⁶² City of San Jose, *Sewer System Management Plan, Document No. 1131790*, October 2014, p. 8.

⁶³ See Appendix L: References to “Disaster” or “Emergency” in Board Meeting Minutes.

next highest (and much larger) district, West Bay. Bayshore and East Palo Alto offer employee-type benefits to directors including dental insurance.

- F9. The pipelines of the six districts are aging, with almost half having been laid over 50 years ago. These pipes are approaching end of life.
- F10. There are many wholly or partially redundant activities across the six independent districts, including board costs, financial audits, legal services, and engineering.
- F11. Most of the independent sanitary districts rely almost entirely on contractors to fulfill their responsibilities.
- F12. In many cases, district leadership is unfamiliar with the existing and emerging technologies for improving sewer system performance while reducing costs.
- F13. The proliferation of sanitary districts within San Mateo County makes it challenging to coordinate an emergency response. The districts themselves have not reviewed or discussed emergency/disaster planning within their boards in the past year.

RECOMMENDATIONS

The Grand Jury recommends that the Board of the Bayshore Sanitary District and the City Councils of Brisbane and Daly City do the following:

- R1. Form a committee of Board members (Bayshore Sanitary District), Council members (Brisbane, Daly City), and staff from each to discuss the assumption of services provided by Bayshore Sanitary District into Brisbane and/or Daly City. Evaluate alternatives and determine the benefits to ratepayers. Issue a report with recommendations and a plan by September 30, 2017.

The Grand Jury recommends that Boards of the East Palo Alto Sanitary District and West Bay Sanitary District and the City Council of East Palo Alto do the following:

- R2. Form a committee of Board members (East Palo Alto Sanitary District, West Bay Sanitary District), Council members (East Palo Alto), and staff from each to discuss the assumption of services provided by East Palo Alto Sanitary District into either West Bay Sanitary District or the City of East Palo Alto. Evaluate alternatives and determine the benefits to ratepayers. Issue a report with recommendations and a plan by September 30, 2017.

The Grand Jury recommends that the Boards of Granada Community Services District and Montara Water and Sanitary District and the City Council of Half Moon Bay do the following:

- R3. Form a committee of Board members (Granada Community Services District, Montara Water and Sanitary District), Council members (Half Moon Bay), and staff from each to plan the consolidation or assumption of services provided by these two districts. Evaluate alternatives and determine the benefits to ratepayers. Issue a report with recommendations and a plan by September 30, 2017.

The Grand Jury recommends that the Board of the Westborough Water District and the City Councils of Daly City and South San Francisco do the following:

- R4. Form a committee of Board members (Westborough Water District), Council members (Daly City, South San Francisco), and staff from each to discuss the assumption of services provided by Westborough Water District into Daly City and/or South San Francisco. Evaluate alternatives and determine the benefits to ratepayers. Issue a report with recommendations and a plan by September 30, 2017. Work with California Water Service Company on this initiative.

The Grand Jury recommends that the Boards of Bayshore Sanitary District, East Palo Alto Sanitary District, Granada Community Services District, Montara Water & Sanitary District, West Bay Sanitary District, and Westborough Water District do the following:

- R5. Improve information visibility on their website, including key system characteristics, rates and rate history, sewer system management plans, sanitary sewer overflows, and board member compensation. Key system characteristics would include population served, number of connections, number of miles of pipe (gravity, forced main), number of pump stations and number of pumps, average dry weather flow, and average wet weather flow. Ensure all information is up to date. Refresh website by September 30, 2016.
- R6. Implement and publish performance management metrics including but not limited to the Effective Utility Management framework, beginning with Fiscal Year 2016-2017.
- R7. Adjust rates over the next five years so that all costs are recovered from ratepayers, and the reliance on property tax is eliminated. Transition property tax revenues to neighboring cities to be used for community benefit.
- R8. Mail notices to ratepayers at least annually with an explanation of the dollar amount of sewer service charges being billed and the rationale. Provide information on the prior five years' rates for comparison purposes. Display the portion of the rate that is related to collection activities, and the portion allocated to treatment. Mail notices approximately 30 days before the mailing of the property tax bills. Initiate mailings by November 2016.
- R9. Notify ratepayers annually of elected nature of Board, role and compensation of Board members, and process for becoming a candidate. Encourage active participation by ratepayers. This notification may be included in the mailing that explains the rationale for rates. Initiate notification by November 2016.
- R10. Establish term limits for the members of their boards of directors by June 30, 2017.
- R11. Establish a procurement process for professional services to include formal evaluation of existing service providers, issuance of Request for Proposals, regular reviews of existing providers, and a structured negotiation process by March 31, 2017.
- R12. Demonstrate active participation in professional organizations focused on the work of sanitary districts, such as California Water Environment Association, by June 30, 2017. Require CWEA certification of district operators, including contractors, by June 30, 2017.
- R13. Develop plans for coordinating resources in the event of a local or regional emergency by June 30, 2017.

The Grand Jury recommends that the Boards of Bayshore Sanitary District, East Palo Alto Sanitary District, West Bay Sanitary District, and Westborough Water District do the following:

R14. Evaluate the benefit of changing the timing of board director elections to November of even years, when federal and state elections generate greater turnout.⁶⁴

The Grand Jury recommends that the Board of the Westborough Water District do the following:

R15. Develop, publish, and track separate budgets for sewer and water services, beginning with Fiscal Year 2016-2017.

The Grand Jury recommends that the Boards of the Bayshore Sanitary District, Montara Water and Sanitary District, and Westborough Water District do the following:

R16. Explore the feasibility of establishing a flat rate for capital improvements separate from the water usage rate. Report back at a public meeting by December 31, 2016.

The Grand Jury recommends that the Boards of the Bayshore Sanitary District and East Palo Alto Sanitary District do the following:

R17. Reduce the daily compensation of board directors to \$100 per day by December 31, 2017. Phase out all benefits for board directors over a period of time not to exceed three years.

The Grand Jury recommends that the San Mateo County Local Agency Formation Commission do the following:

R18. Initiate a service review of the Westborough Water District to examine whether its operations might be more efficiently and effectively run if they were consolidated with another entity's operations.

REQUEST FOR RESPONSES

Pursuant to Penal Code Section 933.05, the Grand Jury requests responses as follows:

From the following entities:

- San Mateo County Local Agency Formation Commission: R18

From the following governing bodies:⁶⁵

- Bayshore Sanitary District: R1, R5-R13, R14, R16, R17
- East Palo Alto Sanitary District: R2, R5-R13, R14, R17
- Granada Community Services District: R3, R5-R13
- Montara Water & Sanitary District: R3, R5-R13, R16

⁶⁴ Granada Community Services District and Montara Water and Sanitary District have already made the decision to transition director elections to even-numbered years, beginning in 2016.

⁶⁵ Each district should respond to the Finding and Recommendation in light of its particular circumstances and performance, and not reply on behalf of all independent districts.

- West Bay Sanitary District: R2, R5-R13, R14
- Westborough Water District : R4, R5-R13, R14, R15, R16
- City of Brisbane: R1
- City of Daly City: R1, R4
- City of East Palo Alto: R2
- City of Half Moon Bay: R3
- City of South San Francisco: R4

The governing bodies identified above should be aware that the comment or response of the governing body must be conducted subject to the notice, agenda and open meeting requirements of the Brown Act.

METHODOLOGY

Documents

- The Grand Jury gathered information from each of the six independent sanitary districts in four steps:
 - Step 1: The Grand Jury conducted Internet research on each district, including its budgets, meeting minutes, and Sanitary Sewer Management Plans. The Jury also reviewed election records and performance statistics gathered by the State of California Water Resources Board.
 - Step 2: The Grand Jury requested information from each district on its budget, along with collection system information.
 - Step 3: The Grand Jury requested information from each district on its budgeting practices and pipeline ages. It also asked that each district review its data as analyzed by the Grand Jury and confirm the data was correct.
 - Step 4: The Grand Jury requested additional information on rates and technology deployment. It also asked each district to once again verify the data used to describe its district in the report.

Interviews

Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code Section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Civil Grand Jury.

The Grand Jury interviewed leadership at each of the six independent sanitary districts as well as LAFCo of San Mateo County.

Site Visits

- Bayshore Sanitary District

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APPENDIX A: SEWER PROVIDERS IN SAN MATEO COUNTY

Sewage Collection (36)

Independent (6)

Bayshore Sanitary District
East Palo Alto Sanitary District
Granada Community Services District
Montara Water and Sanitary District
Westborough Water District
West Bay Sanitary District

County Managed (10)

Burlingame Hills Sewer Maintenance District
Crystal Springs County Sanitation District
Devonshire County Sanitation District
Edgewood Sewer Maintenance District
Emerald Lake Heights Sewer Maintenance District
Fair Oaks Sewer Maintenance District
Harbor Industrial Sewer Maintenance District
Kensington Square Sewer Maintenance District
Oak Knoll Sewer Maintenance District
Scenic Heights County Sanitation District

City Managed (13)

Belmont Collection System
Brisbane City Collection System
Burlingame City Collection System
Foster City Collection System
Half Moon Bay Collection System
Hillsborough (Town of) Collection System
Millbrae City Collection System
Pacifica (Calera Creek Water Recycling Plant Collection System)
Redwood City Collection System
San Bruno City Collection System
San Carlos City Collection System
San Mateo Collection System
South San Francisco City Collection System

Subsidiary Districts (2)

Guadalupe Valley Municipal Improvement District
North San Mateo County Sanitation District

Unique Systems (5)

San Francisco International Airport Mel Leong Treatment Plant - Industrial Wastewater & Sanitary Waste Collection Systems
Sewer Authority Mid-Coastside Collection System
Silicon Valley Clean Water Collection System

SLAC National Accelerator Laboratory Collection System
Tower Road Complex Collection System

Wastewater Treatment (9)

Burlingame Wastewater Treatment Facility (operated by Veolia Water)
Calera Creek Water Recycling Plant
Daly City Wastewater Treatment Plant
Millbrae Water Pollution Control Plant
San Francisco International Airport Mel Leong Treatment Plant
San Mateo Wastewater Treatment Plant
Sewer Authority Mid-Coastside (SAM)
Silicon Valley Clean Water (formerly South Bayside System Authority)
South San Francisco Water Quality Control Plant

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APPENDIX B: URBAN SEWER MANAGEMENT AGENCIES

System Characteristics of Major Bay Area Sewer Providers

	Population	Area (Sq. Miles)	Forced Main (Miles)	Gravity Main (Miles)	Residential Rate (\$/Year)
<i>San Mateo County</i>	765,135	448.0	104.4	1,898	\$902 ^a
San Jose City Collection System	998,537	176.6	13.0	2,268	\$405
Central Contra Costa Sanitary District	476,400	144.0	23.0	1,519	\$471
San Francisco Public Utilities Commission ^b	864,816	46.9		1,000	\$187
Oakland City Collection System	406,253	55.8	0.2	920	\$705

Sources:

San Mateo County

Population: US Census Bureau, estimate as of 7/1/15; <http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>

Area: Land only; https://en.wikipedia.org/wiki/San_Mateo_County,_California

Pipeline Length: <https://ciwqs.waterboards.ca.gov/ciwqs/readOnly/PublicReportSSOServlet>

Rate: Average of 10 county-managed and 6 independent district rates for 2015-2016. See Appendix I: Sanitary District Sewer Rates.

San Jose

Population: U.S. Census Bureau, estimate as of 1/1/13;

<https://www.google.com/search?client=safari&rls=en&q=area+of+san+jose+ca&ie=UTF-8&oe=UTF-8#q=population+of+san+jose+ca>

Area: Land only; https://en.wikipedia.org/wiki/San_Jose,_California

Pipeline Length: <https://ciwqs.waterboards.ca.gov/ciwqs/readOnly/PublicReportSSOServlet>

Rate: <https://www.sanjoseca.gov/index.aspx?nid=1661>

Central Contra Costa

Population, Area: <http://www.centraalsan.org/index.cfm?navid=65>

Pipeline Length: <https://ciwqs.waterboards.ca.gov/ciwqs/readOnly/PublicReportSSOServlet>

Rate: <http://centraalsan.org/index.cfm?navid=78>

San Francisco

Population: https://en.wikipedia.org/wiki/San_Francisco

Area: Land only; https://en.wikipedia.org/wiki/San_Francisco.

Pipeline Length: Estimates report vary from 900 – 1000; <http://www.sfwater.org/index.aspx?page=392>.

Rate: Estimated from average household size (2.63) times average per capita monthly water consumption (1.72 CCF) times \$9.06 for the first four CCF per month. A CCF is a hundred cubic feet of water, or 748 gallons.

Household Size: <http://www.sfwater.org/index.aspx?page=392>.

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Oakland

Population as of 1/1/2013:

<https://www.google.com/search?client=safari&rls=en&q=area+of+san+jose+ca&ie=UTF-8&oe=UTF-8#q=population+of+oakland+california>

Area: Land only; https://en.wikipedia.org/wiki/Oakland,_California

Pipeline Length: <https://ciwqs.waterboards.ca.gov/ciwqs/readOnly/PublicReportSSOServlet>

Rate:

Collection: Flyer 2016 Sewer Service Charge Website - One Page (1-4-16) Final.pdf;

<http://www2.oaklandnet.com/Government/o/PWA/s/Sewer/index.htm>

Treatment: <http://www.ebmud.com/wastewater/rates-and-charges/#single-family>.

Notes:

^aCounty and independent districts only; excludes rates charged by cities. This is average rate ranging from \$360 for Harbor Industrial Sewer Maintenance District to \$1,595 for Burlingame Hills Sewer Maintenance District.

^bData on Forced Mains not available.

Sanitary Sewer Overflows by Major Bay Area Sewer Providers

Sanitary Sewer Overflows ^a	2013	2014	2015	Average	As %age of SMC
San Mateo County	186	238	155	193	100%
San Jose City	125	101	74	100	52%
Central Contra Costa	46	49	43	46	24%
Oakland	91	108	93	97	50%

Source:

State of California Environmental Protection Agency, Water Resources Control Board, California Integrated Water Quality System Project (CIWQS). *SSO Report Form*. Accessed March 17, 2016. <https://ciwqs.waterboards.ca.gov/ciwqs/readOnly/PublicReportSSOServlet>.

Note:

^aSan Francisco is not required to report Sanitary Sewer Overflows to the State Water Resources Control Board because it operates what is known as a combined sewer system, which includes sewage and storm water.

Sanitary Sewer Overflows per Hundred Miles of Pipeline

Sanitary Sewer Overflows / Hundred Miles	2013	2014	2015	Average	As %age of SMC
San Mateo County	9.3	11.9	7.7	9.6	100%
San Jose City	5.5	4.4	3.2	4.4	45%
Central Contra Costa	3.0	3.2	2.8	3.0	31%
Oakland	9.1	10.8	9.3	9.7	101%

Sources: Previous tables: System Characteristics of Major Bay Area Sewer Providers and Sanitary Sewer Overflows by Major Bay Area Sewer Providers.

APPENDIX C: WASTEWATER TREATMENT PLANTS SERVING INDEPENDENT SANITARY DISTRICTS

Name	Governance	Bay-shore	Westborough	Montara	Granda	East Palo Alto	West Bay	Other Entities Served
SFPUC Southeast Treatment Plant	5 Directors, appointed by SF Mayor	<input type="checkbox"/>						San Francisco
Regional Water Quality Control Plant (Palo Alto)	Part of Palo Alto Public Works Department					<input type="checkbox"/>		Los Altos, Los Altos Hills, Mountain View, Palo Alto, Stanford
Sewer Authority Mid-Coastside (SAM)	6 Directors, 2 each from City of Half Moon Bay, Granada CSD, and Montara SD			<input type="checkbox"/>	<input type="checkbox"/>			City of Half Moon Bay
North San Mateo County Sanitation District, which contracts with City of Daly City Wastewater Treatment Plant	Part of City of Daly City Water and Wastewater Resources Department		<input type="checkbox"/>					Daly City
Silicon Valley Clean Water	4 Directors, 1 each from Belmont, Redwood City, San Carlos, and West Bay Sanitary District						<input type="checkbox"/>	Belmont, Redwood City, San Carlos

Sources:

City of Palo Alto Public Works-Watershed Protection Group. *Clean Bay 2016 Pollution Prevention Plan, Palo Alto Regional Water Quality Control Plant*. Undated. <http://www.cityofpaloalto.org/civicax/filebank/documents/51362>.
 North San Mateo County Sanitation District, City of Daly City. Sewage Treatment and Disposal. Accessed March 18, 2016. http://www.dalycity.org/city_hall/departments/www/divisions/waste_treatment.htm.
 San Francisco Public Utilities Commission, Sewer System Improvement Program. *San Francisco's Sewage Treatment Facilities*. Updated 6/14. <http://www.sfwater.org/modules/showdocument.aspx?documentid=5801>.
 Sewer Authority Mid-Coastside. *An Agreement Creating the Sewer Authority Mid-Coastside. Consolidated and updated as of October 10, 2011*. http://www.samcleanswater.org/destiny/consolidated_jpa.pdf.
 Silicon Valley Clean Water. Commission Overview. Accessed March 18, 2016. <http://www.svcw.org/about/sitePages/overview.aspx>.

APPENDIX D: SEWAGE SYSTEM CHARACTERISTICS BY DISTRICT

Topic	Unit of Measure	Bayshore	West-borough	Montara	Granada	East Palo Alto	West Bay
Sanitary System Connections							
Population Served	Number of People	4,513	14,050	6,012	6,000	29,000	55,000
Residential Customers - Single Family	Number of Units	1,588	3,730	1,556	2,260	3,327	14,092
Residential Customers - Multi-Family	Number of Units	22	14	57	101	3,510	4,499
Non-Residential Customers	Number of Units	129	46	351	199	229	610
Connections	Number	1,456	3,790	1,937	2,560	3,864	20,000
Equivalent Dwelling Units (EDU)	Number of Units	2,163	N/A	N/A	3,215	7,720	19,201
Sewer System Data							
Gravity Main Pipes	Miles	15.0	20.2	23.7	34.0	35.0	200.0
Forced Main Pipes	Miles	1.0	0.5	5.8	0.0	0.0	8.0
Pump Stations	Number	1	3	41	1	0	12
Effluent Flow Rates							
Ave. Dry Weather (ADW) Flow ^a	Thousand Gallons Per Day	265.0	672.7	390.0	401.0	1,400.0	3,470.0
Ave. Wet Weather (AWW) Flow ^b	Thousand Gallons Per Day	328.2	721.1	950.0	463.0	5,000.0	9,000.0

Source: Sanitary Districts data input to Grand Jury, February-March 2016.

Notes:

^aAverage Dry Weather Flow (ADW): The average flow of effluent, measured in thousands of gallons per day, when the ground water is at or near normal and a runoff condition is not occurring.

^bAverage Wet Weather Flow (AWW): The average flow of effluent during wet weather, measured in thousands of gallons per day. This is typically higher than ADW because of the infiltration of storm runoff into the wastewater system.

APPENDIX E: SANITARY SEWER OVERFLOWS BY DISTRICT BY YEAR

	Total Number of SSO Locations									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Bayshore	2	1	0	0	1	1	1	2	1	
Westborough	2	1	1	0	0	0	1	0	0	
Montara	1	15	11	8	4	5	1	4	7	
Granada	3	5	2	5	2	3	5	2	1	
East Palo Alto	1	1	2	0	0	0	0	0	0	
West Bay	68	55	49	41	15	12	10	14	5	

Source:

State of California Environmental Protection Agency, Water Resources Control Board, California Integrated Water Quality System Project (CIWQS), *SSO Report Form*. Accessed March 17, 2016. <https://ciwqs.waterboards.ca.gov/ciwqs/readOnly/PublicReportSSOServlet>.

Note: Bayshore amended the Water Resources Control Board value for 2007 (from 1 to 2). West Bay amended the Water Resources Control Board values for 2007 (from 46 to 68) and 2010 (from 40 to 41).

APPENDIX F: AGE PROFILE OF DISTRICT PIPELINES

Pipeline Age Profile	Bayshore	Westborough	Montara^a	Granada	East Palo Alto	West Bay	Weighted Average
As %age of Total							
2000-Present	11%	30%	12%	3%	16%	11%	12%
1980-1999	60%	20%	20%	26%	15%	16%	20%
1960-1979	25%	50%	34%	65%	25%	15%	25%
1940-1959	4%	0%	34%	0%	44%	34%	28%
1920-1939	0%	0%	0%	6%	0%	19%	12%
1900-1919	0%	0%	0%	0%	0%	5%	3%
Pre-1960 Pipe	4%	0%	34%	6%	44%	58%	43%

Source: District data input to Grand Jury, February-March 2016.

Note:

^aMontara data did not identify pipeline age for the years before 1980. Although Montara Water and Sanitary District was formed in 1958, its roots go back to 1907 according to its website (<http://mwsd.montara.org/about/history>). The Grand Jury assumed, therefore, that 50% of its pre-1980 pipe was installed between 1940 and 1959, and that the remaining 50% was installed between 1960 and 1979.

APPENDIX G: SANITARY DISTRICT BUDGETS

Budget for FY 2015-2016

	Bayshore	West-borough	Montara	Granada	East Palo Alto	West Bay
Operating Income						
Permit & Inspection Fees	\$5,000	\$0	\$19,000	\$0	\$0	\$50,000
Property Tax Receipts	\$200,000	\$185,000	\$230,000	\$800,000	\$318,000	\$0
Sewer Service Charges	\$1,022,700	\$2,313,257	\$2,035,943	\$1,293,000	\$4,500,000	\$22,899,707
Other Revenue	\$0	\$0	\$47,000	\$55,500	\$26,000	\$624,614
Total Operating Revenue	\$1,227,700	\$2,498,257	\$2,331,943	\$2,148,500	\$4,844,000	\$23,574,321
Operating Expenses						
Administration & Finance	\$130,600	\$130,760	\$466,958	\$432,500	\$2,025,600	\$5,176,446
Collection	\$189,800	\$148,323	\$549,260	\$379,083	\$496,900	\$2,893,195
Treatment	\$840,000	\$1,900,012	\$707,892	\$1,019,855	\$1,513,000	\$5,881,095
Total Operating Expenses	\$1,160,400	\$2,179,095	\$1,724,110	\$1,831,438	\$4,035,500	\$13,950,736
Net Cash Flow From Operations	\$67,300	\$319,162	\$607,833	\$317,062	\$808,500	\$9,623,585
Investment Income						
Interest Income	\$12,000	\$10,735	\$11,281	\$6,200	\$52,540	\$125,000
Total Investment Income	\$12,000	\$10,735	\$11,281	\$6,200	\$52,540	\$125,000
Investment Expenses						
Collection Capital Projects	\$311,500	\$0	\$685,483	\$572,000	\$715,000	\$8,059,500
Treatment Capital Projects	\$0	\$0	\$160,666	\$210,045	\$0	\$5,343,044
Total Investment Expenses	\$311,500	\$0	\$846,149	\$782,045	\$715,000	\$13,402,544
Net Cash Flow Used by Investments	\$(299,500)	\$10,735	\$(834,868)	\$(775,845)	\$(662,460)	\$(13,277,544)

	Bayshore	West-borough	Montara	Granada	East Palo Alto	West Bay
Financing Income						
Connection Fees	\$40,000	\$0	\$325,604	\$14,100	\$18,000	\$50,000
Other Financing Income	\$0	\$0	\$20,692	\$355,000	\$0	\$1,000
Total Financing Income	\$40,000	\$0	\$346,296	\$369,100	\$18,000	\$51,000
Financing Expenses						
Loan Interest Expense	\$0	\$0	\$46,812	\$0	\$0	\$0
Loan Principal Expense	\$0	\$0	\$65,025	\$0	\$159,000	\$0
Total Financing Expense	\$0	\$0	\$111,837	\$0	\$159,000	\$0
Net Cash Flow From Financing	\$40,000	\$0	\$234,459	\$369,100	\$(141,000)	\$51,000
Overall Projected Cash Flow	\$(192,200)	\$329,897	\$7,424	\$(89,683)	\$5,040	\$(3,602,959)

Sources:

Bayshore Sanitary District. *Annual Budget Fiscal Year 2015-2016*. Adopted July 23, 2015. Accessed March 17, 2016.

<http://bayshoresanitary.com/about/2000s/FY%202015-16%20Budget%20001.pdf>.

East Palo Alto Sanitary District. *Approved Budget FY 2015-2016*. Accessed March 17, 2016. <http://www.epasd.com/home/showdocument?id=538>.

Granada Community Services District. *Fiscal Year 2015/16 Budget*. Undated. http://granada.ca.gov/wp-content/uploads/2014/02/GSD_FY_2015-16_Budget.pdf.

Montara Water and Sanitary District. *Fiscal Year 2015-2016 Budget Executive Summary*. Undated. http://mwdsd.montara.org/assets/uploads/documents/rates-and-fees/MWSD_2015-16_adopied_budget.pdf.

Westborough Water District. *Statement of Income and Expense, Adopted June 18, 2015*. June 18, 2015.

<http://www.westboroughwater.com/Documents/ADOPTEDBUDGET20152016.pdf>.

West Bay Sanitary District. *General Fund and Capital Asset Fund Budgets & Reserves, FY 2015-16*. Approved June 10, 2015. June 10, 2015.

<https://westbaysanitary.org/wp-content/uploads/2015/06/FY2015-16-Budget-Approved.pdf>.

Note: District budgets were reformatted to a Grand Jury-designed standard format for comparison across districts. Each district was given an opportunity to review the reformatting and to make adjustments to capture its data as accurately as possible.

Budget for FY 2014-2015

	Bayshore	Westborough	Montara	Granada	East Palo Alto	West Bay
Operating Income						
Permit and Inspection Fees	\$2,000	\$0	\$14,000	\$0	\$0	\$50,000
Property Tax Receipts	\$150,000	\$179,000	\$225,000	\$750,000	\$318,000	\$0
Sewer Service Charges	\$1,045,000	\$2,154,281	\$2,181,853	\$1,273,000	\$4,366,000	\$20,909,847
Other Revenue	\$0	\$0	\$46,000	\$60,900	\$30,000	\$48,000
Total Operating Revenue	\$1,197,000	\$2,357,181	\$2,466,853	\$2,083,900	\$4,714,000	\$21,007,847
Operating Expenses						
Administration & Finance	\$117,000	\$124,295	\$416,538	\$427,900	\$1,980,000	\$4,713,532
Collection	\$183,100	\$150,840	\$490,613	\$354,561	\$410,400	\$2,749,220
Treatment Facility	\$800,000	\$1,771,730	\$624,021	\$1,082,555	\$1,375,000	\$5,350,000
Total Operating Expenses	\$1,100,100	\$2,046,865	\$1,531,172	\$1,865,016	\$3,765,400	\$12,812,752
Net Cash Flow From Operations	\$96,900	\$286,416	\$935,681	\$218,884	\$948,600	\$8,195,095
Investment Income						
Interest Income	\$13,000	\$10,117	\$31,974	\$7,000	\$54,000	\$125,000
Total Investment Income	\$13,000	\$10,117	\$31,974	\$7,000	\$54,000	\$125,000
Investment Expenses						
Collection Capital Projects	\$170,000	\$79,000	\$821,923	\$370,000	\$576,000	\$7,212,500
Treatment Capital Projects	\$0	\$0	\$63,360	\$156,500	\$0	\$4,136,382
Total Investment Expenses	\$170,000	\$79,000	\$885,283	\$526,500	\$576,000	\$11,348,882
Net Cash Flow Used by Investments	\$(157,000)	\$(68,883)	\$(853,309)	\$(519,500)	\$(522,000)	\$(11,223,882)
Financing Income						

	Bayshore	Westborough	Montara	Granada	East Palo Alto	West Bay
Connection Fees	\$10,000	\$0	\$228,488	\$14,100	\$18,000	\$50,000
Other Financing Income	\$0	\$0	\$0	\$135,000	\$0	\$1,000
Total Financing Income	\$10,000	\$0	\$228,488	\$149,100	\$18,000	\$51,000
Financing Expenses						
Loan Interest Expense	\$0	\$0	\$108,915	\$0	\$0	\$0
Loan Principal Expense	\$0	\$0	\$0	\$0	\$444,600	\$0
Total Financing Expense	\$0	\$0	\$108,915	\$0	\$444,600	\$0
Net Cash Flow From Financing	\$10,000	\$0	\$119,573	\$149,100	\$(426,600)	\$51,000
Overall Projected Cash Flow	\$(50,100)	\$217,533	\$201,945	\$(151,516)	\$0	\$(2,977,787)

Sources:

Bayshore Sanitary District. *Fiscal Year 2014-2015 Budget*. July 24, 2014. Accessed March 17, 2016. <http://bayshoresanitary.com/about/2000s/FY%202014-2015.pdf>.

East Palo Alto Sanitary District. *Approved Budget FY 2014-2015*. Accessed March 17, 2016. <http://38.106.4.240/Home/ShowDocument?id=446>.

Granada Sanitary District. *Fiscal Year 2014/15 Sewer District Budget*. Undated. http://granada.ca.gov/wp-content/uploads/2014/02/GSD_FY_2014-15_Budget.pdf.

Montara Water and Sanitary District. *Budget FY 2014-2015*. Undated. <http://mwdsd.montara.org/assets/uploads/documents/rates-and-fees/Fiscal%20year%202014-2015%20budget%20Summary.pdf>.

Westborough Water District. *Statement of Income and Expense, Adopted June 12, 2014*. June 12, 2014. <http://www.westboroughwater.com/Documents/ADOPTEDBUDGET20142015.pdf>.

West Bay Sanitary District. *General Fund and Capital Asset Fund Budgets & Reserves, FY 2015-16*. Approved June 10, 2015. June 10, 2015. <https://westbaysanitary.org/wp-content/uploads/2015/06/FY2015-16-Budget-Approved.pdf>.

Note: District budgets were reformatted to a Grand Jury-designed standard format for comparison across districts. Each district was given an opportunity to review the reformatting and to make adjustments to capture its data as accurately as possible.

Budget for Bayshore Sanitary District

Budget from District Web Site				Restatement of Budget to Grand Jury Format			
#		FY 2014-15	FY 2015-16	Note: Include depreciation	#	FY 2014-15	FY 2015-16
	Revenues						
	Operating Revenues			Operating Income			
1	Sewer Service Charges	\$ 1,045,000	\$ 1,022,700	Permit & Inspection Fees	2	\$ 2,000	\$ 5,000
2	Permit Fees (Plan Check/Inspection)	\$ 2,000	\$ 5,000	Property Tax Receipts	6	\$ 150,000	\$ 200,000
3	Total Operating Revenues	\$ 1,047,000	\$ 1,027,700	Sewer Service Charges	1	\$ 1,045,000	\$ 1,022,700
	Non-Operating Revenues			Other Revenue	7	\$ -	\$ -
4	Connection/Capacity Fees	\$ 10,000	\$ 40,000	Total Operating Income		\$ 1,197,000	\$ 1,227,700
5	Interest	\$ 13,000	\$ 12,000	Operating Expenses			
6	Taxes	\$ 150,000	\$ 200,000	Administration & Finance	23-35, 38-43	\$ 117,000	\$ 130,600
7	Other	\$ -	\$ -	Collection	13-19, 36-37	\$ 183,100	\$ 189,800
8	Total Non-Operating Revenues	\$ 173,000	\$ 252,000	Treatment Facility	21	\$ 800,000	\$ 840,000
	Total Revenues	\$ 1,220,000	\$ 1,279,700	Total Operating Expenses		\$ 1,100,100	\$ 1,160,400
	Contributions from Contingency Funds			Operating Net		\$ 96,900	\$ 67,300
10	Capital Improvement Projects	\$ 50,100	\$ 192,200	Investment Income			
	Total Revenues and Contributions	\$ 1,270,100	\$ 1,471,900	Interest Income	5	\$ 13,000	\$ 12,000
	Expenditures			Total Investment Income		\$ 13,000	\$ 12,000
12	Contractual Services			Investment Expenses			
	Collection System			Capital Investment	46-56	\$ 170,000	\$ 311,500
13	a. Gas, Oil, & Fuel	\$ 900	\$ 600	Treatment Capital Assessment		\$ -	\$ -
14	b. O&M - Base	\$ 84,200	\$ 84,200	Total Investment Expenses		\$ 170,000	\$ 311,500
15	c. O&M - Inspections	\$ 10,000	\$ 15,000	Investment Net		\$ (157,000)	\$ (299,500)
16	d. O&M - Miscellaneous	\$ 3,000	\$ 5,000	Financing Income			
17	e. Repairs & Maintenance	\$ 14,000	\$ 14,000	Connection Fees	4	\$ 10,000	\$ 40,000
18	f. Utilities	\$ 14,000	\$ 14,000	Other Financing Income		\$ -	\$ -
19	g. Special Services	\$ 3,000	\$ 2,000	Total Financing Income		\$ 10,000	\$ 40,000
20	Total Collection System	\$ 129,100	\$ 134,800	Financing Expenses			
	Treatment & Disposal			Loan Interest Expense		\$ -	\$ -
21	a. San Francisco Contract	\$ 800,000	\$ 840,000	Loan Principal Expense		\$ -	\$ -
22	Total Contractual Services	\$ 929,100	\$ 974,800	Total Financing Expenses		\$ -	\$ -
	Administration & General			Financing Net		\$ 10,000	\$ 40,000
23	Benefits	\$ 11,350	\$ 12,000	Overall Net Financial Flows		\$ (50,100)	\$ (192,200)
24	Director Fees & Expenses	\$ 14,250	\$ 15,000				
25	Payroll Service & Taxes	\$ 1,400	\$ 1,400				
26	Election Expenses	\$ -	\$ 3,500				
27	Insurance	\$ 10,000	\$ 10,000				
28	Memberships	\$ 3,000	\$ 3,000				
29	Office Expenses						
30	a. General	\$ 1,200	\$ 1,200				
31	b. Telephone & Internet	\$ 1,700	\$ 1,700				
32	c. Website Maintenance	\$ 2,000	\$ 2,000				
	Professional Services						
34	a. Audit	\$ 10,500	\$ 10,500				
35	b. Legal	\$ 30,000	\$ 30,000				
36	c. Engineering - General	\$ 50,000	\$ 50,000				
37	d. Engineering - Plan Review	\$ 4,000	\$ 5,000				
38	e. Administration	\$ 17,000	\$ 18,200				
39	f. Other Professional Services	\$ 3,600	\$ 3,600				
40	Printing & Publications	\$ 1,300	\$ 4,000				
41	Board Room Maintenance & Repairs	\$ 500	\$ 5,000				
42	Travel & Meetings	\$ 5,000	\$ 5,000				
43	Licenses, Permits, & Fees	\$ 4,200	\$ 4,500				
44	Total Administration & General	\$ 171,000	\$ 185,600				
45	Total Operating Expenditures	\$ 1,100,100	\$ 1,160,400				
	Non-Operating Expenditures						
	Capital Improvements						
46	a. Pump Rehabilitation	\$ 10,000	\$ 10,000				
47	b. Lateral Replacements (2)	\$ 20,000	\$ 20,000				
48	c. Generator Replacement	\$ -	\$ 100,000				
49	d. 2014-15 Capital Project	\$ -	\$ 150,000				
50	e. Master Plan - GIS Development	\$ -	\$ 23,000				
51	f. Schwerin Street Manhole Raising	\$ -	\$ 8,500				
52	g. Force Main Contingency Plan	\$ 20,000	\$ -				
53	h. Rio Verde & Geneva Spot Repair	\$ 5,000	\$ -				
54	i. Midway Village Replacement	\$ 60,000	\$ -				
55	j. MacDonald & Geneva Replacement	\$ 20,000	\$ -				
56	g. Design, Construction Review & Contingency	\$ 35,000	\$ -				
57	Total Capital Improvements	\$ 170,000	\$ 311,500				
58	Total Non-Operating Expenditures	\$ 170,000	\$ 311,500				
59	Contributions to Contingency Funds	\$ -	\$ -				
60	Total Expenses and Contributions	\$ 1,270,100	\$ 1,471,900				

Budget for Westborough Water District

Budget from District Web Site				
Line		FY 2014-15	FY 2015-16	Alloc
	Operating Income			
1	Water Sales	\$ 2,346,010	\$ 2,496,650	0%
2	Sewer Svc. And Transfer Charges	\$ 2,154,281	\$ 2,313,257	100%
3	Installation, Connect, and Misc.	\$ -	\$ -	0%
4	Total Operating Income	\$ 4,500,291	\$ 4,809,907	
	Operating Expense			
5	Water Expenditures	\$ 1,993,248	\$ 2,146,579	0%
6	Sanitary Sewer Expenditures	\$ 1,848,802	\$ 1,982,664	4%
7	Admin & General Expenditures	\$ 828,630	\$ 871,730	15%
8	Depreciation	\$ 252,931	\$ 225,168	29%
9	Total Operating Expenditures	\$ 4,923,611	\$ 5,226,141	
	Gain (Loss) from Operations	\$ (423,320)	\$ (416,234)	
	Non-Operating Income			
10	Property Taxes	\$ 358,000	\$ 370,000	50%
11	Investment Interest	\$ 20,234	\$ 21,469	50%
12	Other	\$ 47,800	\$ 27,215	0%
13	Total Non-Operating Income	\$ 426,034	\$ 418,684	
	Non-Operating Expense			
14	Miscellaneous Expense	\$ -	\$ -	0%
15	Total Non-Operating Expense	\$ -	\$ -	
16	Gain (Loss) from Non-Operating	\$ 426,034	\$ 418,684	
17	Net Income Before Capital Facilities Inc	\$ 2,714	\$ 2,450	
18	Capital Facilities Income	\$ -	\$ -	0%
19	Net Income	\$ 2,714	\$ 2,450	

Note: Budget between water and sewer not separated.

GM provided guidelines for assumptions below in interview 6/2/16

Assumptions

1	Sanitary sewer expenditures	Collection	Treatment
		4%	96%
	2015-16 Split	\$ 82,652	\$ 1,900,012
2	Admin & General Expenditures	Water	Sewer
	50% sewer	85%	15%
3	Depreciation	Water	Sewer
	6/30/15 capital assets, net	\$ 3,959,803	\$ 1,630,408
	Percentage distribution	71%	29%
4	Property Taxes	50%	50%
5	Investment Interest	50%	50%
6	Other, Misc. Expense, Capital Facilities	100%	0%
	Rent from cell phone tower		
7	Capital	FY 2014-15	FY 2015-16
	Collection	\$ 79,000	\$ -
	Treatment	\$ -	\$ -
	Not separately allocated		
		Water	Sewer
8	Professional services	50%	50%
9	Board	50%	50%

Restatement of Budget to Standard Format				
Note: Include depreciation	Line #s	FY 2014-15	FY 2015-16	
Operating Income				
Permit & Inspection Fees		\$ -	\$ -	
Property Tax Receipts	10	\$ 179,000	\$ 185,000	
Sewer Service Charges	2	\$ 2,154,281	\$ 2,313,257	
Other Revenue	12	\$ -	\$ -	
Total Operating Income		\$ 2,333,281	\$ 2,498,257	
Operating Expenses				
Administration & Finance	7	\$ 124,295	\$ 130,760	
Collection	6, 8	\$ 150,840	\$ 148,323	
Treatment Facility	6	\$ 1,771,730	\$ 1,900,012	
Total Operating Expenses		\$ 2,046,865	\$ 2,179,095	
Operating Net		\$ 286,416	\$ 319,162	
Investment Income				
Interest Income	11, 18	\$ 10,117	\$ 10,735	
Total Investment Income		\$ 10,117	\$ 10,735	
Investment Expenses				
Capital Investment		\$ 79,000	\$ -	
Treatment Capital Assessment		\$ -	\$ -	
Total Investment Expenses		\$ 79,000	\$ -	
Investment Net		\$ (68,883)	\$ 10,735	
Financing Income				
Connection Fees		\$ -	\$ -	
Other Financing Income	14	\$ -	\$ -	
Total Financing Income		\$ -	\$ -	
Financing Expenses				
Loan Interest Expense		\$ -	\$ -	
Loan Principal Expense		\$ -	\$ -	
Total Financing Expenses		\$ -	\$ -	
Financing Net		\$ -	\$ -	
Overall Net Financial Flows		\$ 217,533	\$ 329,897	

Budget for Montara Water and Sanitary District

Budget from District Web Site			Restatement of Budget to Standard Format		
#	FY 2014-15	FY 2015-16	#	FY 2014-15	FY 2015-16
1	Operating Revenue				
2	Cell Tower Lease	\$ 31,500 \$ 32,000			
3	Admin Fees (New Construction)	\$ 3,600 \$ 2,500			
4	Admin Fees (Remodel)	\$ 1,000 \$ 3,000			
5	Inspection Fees (New Construction)	\$ 3,400 \$ 2,000			
6	Inspection Fees (Remodel)	\$ 2,000 \$ 4,500			
7	Remodel Fees	\$ 4,000 \$ 7,000			
8	Property Tax Receipts	\$ 225,000 \$ 230,000			
9	Sewer Service Charges	\$ 2,183,853 \$ 2,039,943			
10	Sewer Service Refunds, Customer	\$ (2,000) \$ (4,000)			
11	Waste Collection Revenues	\$ 14,500 \$ 15,000			
12	Total Operating Revenue	\$ 2,466,853 \$ 2,331,943			
13	Operating Expenses				
14	Bank Fees	\$ 3,100 \$ 4,000			
15	Board Meetings	\$ 2,500 \$ 2,500			
16	Director Fees	\$ 2,500 \$ 3,300			
17	Election Expenses	\$ - \$ -			
18	Conference Attendance	\$ 2,000 \$ 2,000			
19	Information Systems	\$ 6,000 \$ 6,000			
20	Fidelity Bond	\$ 900 \$ -			
21	Property & Liability Insurance	\$ 1,500 \$ 1,755			
22	LAFCO Assessment	\$ 1,600 \$ 1,987			
23	Meeting Attendance, Legal	\$ 11,000 \$ 9,500			
24	General Legal	\$ 20,000 \$ 15,000			
25	Litigation	\$ - \$ -			
26	Maintenance, Office	\$ 3,000 \$ 6,000			
27	Meetings, Local	\$ - \$ -			
28	Office Supplies	\$ 9,000 \$ 9,000			
29	Postage	\$ 4,000 \$ 2,000			
30	Printing & Publishing	\$ 4,000 \$ 3,000			
31	Accounting	\$ 30,000 \$ 30,000			
32	Audit	\$ 13,000 \$ 13,000			
33	Consulting	\$ 11,500 \$ 13,000			
34	Data Services	\$ 5,500 \$ 6,000			
35	Labor & HR Services	\$ 2,250 \$ 2,250			
36	Payroll Services	\$ 900 \$ 800			
37	Other Professional Services	\$ - \$ -			
38	San Mateo County Tax Roll Charges	\$ 3,000 \$ 2,500			
39	Telephone & Internet	\$ 9,000 \$ 9,000			
40	Mileage Reimbursement	\$ 1,500 \$ 1,500			
41	Reference Materials	\$ 200 \$ 200			
42	Other Administrative	\$ - \$ -			
43	CalPERS 457 Deferred Plan	\$ 13,065 \$ 13,709			
44	Employee Benefits	\$ 41,298 \$ 36,497			
45	Disability Insurance	\$ 1,139 \$ 1,451			
46	Payroll Taxes	\$ 13,052 \$ 14,983			
47	Worker's Compensation Insurance	\$ 7,856 \$ 3,891			
48	Management	\$ 79,129 \$ 86,041			
49	Staff	\$ 97,777 \$ 103,090			
50	Staff Certification	\$ 1,890 \$ 1,854			
51	Staff Overtime	\$ 2,382 \$ 3,718			
52	Staff Standby	\$ - \$ 1,147			
53	District Sponsored Defined Benefit Plan	\$ - \$ 45,285			
54	Claims, Property Damage	\$ 10,000 \$ 10,000			
55	Education & Training	\$ 1,000 \$ 1,000			
56	Meeting Attendance, Engineering	\$ 5,000 \$ 2,000			
57	General Engineering	\$ 25,000 \$ 50,000			
58	Equipment & Tools, Expensed	\$ 1,000 \$ 1,000			
59	Alarm Services	\$ 5,000 \$ 5,000			
60	Landscaping	\$ 2,400 \$ 2,400			
61	Pumping Fuel & Electricity	\$ 35,000 \$ 27,000			
62	Maintenance, Collection System	\$ 20,000 \$ 10,000			
63	Fuel	\$ 800 \$ 800			
64	Truck Equipment, Expensed	\$ 160 \$ 160			
65	Truck Repairs	\$ 400 \$ 400			
66	Total Other Operations	\$ - \$ -			
67	SAM Collections	\$ 305,853 \$ 360,500			
68	SAM Operations	\$ 624,021 \$ 707,892			
69	SAM Prior Year Adjustment	\$ - \$ -			
70	SAM Maintenance, Collection System	\$ 40,000 \$ 40,000			
71	SAM Maintenance, Pumping	\$ 50,000 \$ 50,000			
72	Total Operations Expenses	\$ 1,531,172 \$ 1,724,110			
73	Net Cash Flow Provided by Operations	\$ 935,681 \$ 607,833			
74	Investment Income				
75	Interest Revenue				
76	-Employee Loans	\$ 23,974 \$ 3,281			
77	-LAF, Interest	\$ 8,000 \$ 8,000			
78	Total Investment Income	\$ 31,974 \$ 11,281			
79	Investment Expenses				
80	Capital Improvement Program	\$ 821,923 \$ 685,483			
81	SAM Capital Assessment	\$ 63,360 \$ 160,666			
82	Total Investment Expenses	\$ 885,283 \$ 846,149			
83	Net Cash Flow Used by Investments	\$ (853,309) \$ (834,868)			
84	Financing Income				
85	Connection Fees (Residential New Const)	\$ 178,488 \$ 275,604			
86	Connection Fees (Residential Remodel)	\$ 50,000 \$ 50,000			
87	Employee Loan Program - Principal Received	\$ - \$ 20,692			
88	Total Financing Income	\$ 228,488 \$ 346,296			
89	Financing Expense				
90	Loan Interest Expense	\$ 56,340 \$ 20,790			
91	-PNC Equipment Lease	\$ 52,575 \$ 26,022			
92	-J-Bank Loan	\$ - \$ 65,025			
93	Loan Principal Expense	\$ 108,915 \$ 111,837			
94	Total Financing Expense	\$ 108,915 \$ 111,837			
95	Net Cash Flow Provided by Financing Activities	\$ 119,573 \$ 234,459			
96	Overall Projected Cash Flow	\$ 201,945 \$ 7,424			
97	Transfer to Sewer Reserves	\$ - \$ (7,424)			
98	Net Cash Flow	\$ - \$ -			

Budget for Granada Community Services District

Budget from District Web Site				Restatement of Budget to Grand Jury Format			
Lin		FY 2014-15	FY 2015-16	Note: Include depreciation	Line #s	FY 2014-15	FY 2015-16
Operating Revenues							
1	Property Tax Allocation	\$ 550,000	\$ 550,000	Operating Income			
2	Annual Sewer Service Charges	\$ 1,273,000	\$ 1,293,000	Permit & Inspection Fees		\$-	\$-
3	Reim. From A.D. - Salary & Overhead	\$ 35,400	\$ 30,000	Property Tax Receipts	1, 43	\$ 750,000	\$ 800,000
4	Recology of the Coast Franchise Fee	\$ 23,500	\$ 23,500	Sewer Service Charges	2	\$ 1,273,000	\$ 1,293,000
5	Miscellaneous	\$ 2,000	\$ 2,000	Other Revenue	5-Mar	\$ 60,900	\$ 55,500
6	Total Revenues	\$ 1,883,900	\$ 1,898,500	Total Operating Income		\$ 2,083,900	\$ 2,148,500
Operating Expenses							
7	SAM General (Treatment & Admin)	\$ 988,155	\$ 925,455	Operating Expenses			
8	SAM Collections	\$ 263,061	\$ 268,083	Administration & Finance	14-21, 23-35	\$ 427,900	\$ 432,500
9	Lateral Repairs	\$ 40,000	\$ 60,000	Collection	8-11, 22	\$ 334,561	\$ 379,083
10	CCTV	\$ 30,000	\$ 30,000	Treatment Facility	7, 12	\$ 1,082,555	\$ 1,019,855
11	Pet Waste Stations	\$ 1,500	\$ 1,000	Total Operating Expenses		\$ 1,845,016	\$ 1,831,438
12	Plant Shortfall Debt Service (COP)	\$ 94,400	\$ 94,400	Operating Net		\$ 238,884	\$ 317,062
13	Total Operations Expenditures	\$ 1,417,116	\$ 1,378,938	Investment Income			
Administrative Expenses							
14	Accounting	\$ 2,000	\$ 2,000	Interest Income	39	\$ 7,000	\$ 6,200
15	Auditing	\$ 8,000	\$ 12,000	Total Investment Income		\$ 7,000	\$ 6,200
16	Copier Lease	\$ 7,000	\$ 7,000	Investment Expenses			
17	County Tax Roll Charges	\$ 7,600	\$-	Capital Investment	45-47	\$ 370,000	\$ 572,000
18	Directors' Compensation	\$ 11,000	\$ 11,000	Treatment Capital Assessment	48	\$ 156,500	\$ 210,045
19	Education & Travel Reimbursement	\$ 2,000	\$ 2,000	Total Investment Expenses		\$ 526,500	\$ 782,045
20	Employee Salaries	\$ 105,000	\$ 110,000	Investment Net		\$ (519,500)	\$ (775,845)
21	Employee Medical, Payroll Taxes, & Retirement	\$ 55,500	\$ 58,000	Financing Income			
22	Engineering Services (General)	\$ 5,500	\$ 20,000	Connection Fees	40	\$ 14,100	\$ 14,100
23	Insurance	\$ 12,000	\$ 6,000	Other Financing Income	41-42	\$ 135,000	\$ 355,000
24	Legal Services	\$ 60,000	\$ 60,000	Total Financing Income		\$ 149,100	\$ 369,100
25	Memberships	\$ 10,000	\$ 10,000	Financing Expenses			
26	Newsletter	\$ 2,500	\$ 2,500	Loan Interest Expense		\$-	\$-
27	Office Lease	\$ 50,000	\$ 50,000	Loan Principal Expense		\$-	\$-
28	Office Maintenance & Repairs	\$ 2,000	\$ 2,000	Total Financing Expense		\$-	\$-
29	Office Supplies	\$ 5,000	\$ 5,000	Financing Net		\$ 149,100	\$ 369,100
30	Professional Services - Other	\$ 65,000	\$ 65,000	Overall Net Financial Flows		\$ (131,516)	\$ (89,683)
31	Publications & Notices	\$ 3,500	\$ 10,000				
32	Utilities	\$ 8,800	\$ 9,000				
33	Video Taping of Board Meetings	\$ 3,000	\$ 2,000				
34	Computers	\$ 1,000	\$ 2,000				
35	Miscellaneous	\$ 7,000	\$ 7,000				
36	Total Administration Expenditures	\$ 427,900	\$ 452,500				
37	Total Operating Expenditures	\$ 1,845,016	\$ 1,831,438				
38	Net To/(From) Reserves	\$ (38,884)	\$ (67,062)				
Non-Operating Revenues							
39	Interest on Reserves	\$ 7,000	\$ 6,200				
40	Connection Fees	\$ 14,100	\$ 14,100				
41	SAM Refund from Prior Year Allocation	\$-	\$ 5,000				
42	Repayment of Monies Advanced to the Assessment District	\$ 135,000	\$ 350,000				
43	ERAF Refund from Prior Year	\$ 200,000	\$ 250,000				
44	Total Non-Operating Revenues	\$ 356,100	\$ 625,300				
Capital Projects and Reserve Fund Balance							
Capital Projects							
45	Mainline System Repairs	\$ 10,000	\$ 10,000				
46	Sewer Main Replacement CIP	\$ 340,000	\$ 550,000				
47	Update of Sewer System Management Plan	\$ 20,000	\$ 12,000				
48	SAM - Projects	\$ 156,500	\$ 210,045				
49	Total Capital Improvement Projects	\$ 526,500	\$ 782,045				
Capital Reserve Fund							
50	Beginning Balance on July 1	\$ 3,511,000	\$ 3,081,000				
51	Capital Projects	\$ (526,500)	\$ (782,045)				
52	Transfer (to)/from Operating Budget	\$ 38,884	\$ 67,062				
53	Transfer (to)/from Non-Operating Revenues	\$ 356,100	\$ 625,300				
54	Total Reserve at End of Fiscal Year	\$ 3,379,484	\$ 2,991,317				

Budget for East Palo Alto Sanitary District

#	Budget from District Work Site													* Note: include depreciation			
	General Fund	Construction/Improvement Fund	Construction/Improvement Fund	Construction/Improvement Fund	Treatment Plant Fund	Treatment Plant Fund	Water Sub-Stations Fund	Water Sub-Stations Fund	All Funds	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18				
1	Revenue																
2	Recurring Balance	\$ 6,300,000	\$ 7,013,320	\$ 985,100	\$ 1,002,800	\$ 1,043,800	\$ 202,200	\$ 52,400	\$ 682,400	\$ 1,233,200	\$ 27,900	\$ 27,900	\$ 27,900	\$ 10,315,800	\$ 10,315,800		
3	Severance Charges	\$ 4,366,000	\$ 4,366,000											\$ 4,366,000	\$ 4,366,000		\$ 316,000
4	Property Taxes	\$ 310,000	\$ 310,000	\$ 16,000	\$ 16,000									\$ 310,000	\$ 310,000		\$ 4,366,000
5	Interest Income	\$ 40,320	\$ 36,000	\$ 4,500	\$ 5,100	\$ 6,000	\$ 7,000	\$ 210	\$ 1,000	\$ 2,800	\$ 3,300	\$ 100	\$ 100	\$ 54,000	\$ 52,140		\$ 4,366,000
6	Rental Income	\$ 20,800	\$ 24,000											\$ 20,800	\$ 24,000		\$ 4,366,000
7	Total Projected Revenue	\$ 4,754,320	\$ 4,889,000	\$ 22,500	\$ 6,000	\$ 7,000	\$ 210	\$ 1,000	\$ 2,800	\$ 3,300	\$ 100	\$ 100	\$ 100	\$ 4,781,600	\$ 4,814,540		\$ 1,980,000
8	Interfund Transfers			\$ 400,000					\$ 400,000					\$ 400,000	\$ 400,000		\$ 1,980,000
9	Total Available Revenues	\$ 11,844,320	\$ 11,807,320	\$ 1,008,200	\$ 1,608,800	\$ 1,403,800	\$ 202,400	\$ 103,400	\$ 2,212,400	\$ 1,496,500	\$ 27,900	\$ 27,900	\$ 66,270	\$ 15,611,500	\$ 16,114,640		\$ 494,000
10	Personnel & Other Operating Expenses	\$ 2,233,400	\$ 2,244,500											\$ 2,233,400	\$ 2,244,500		\$ 84,000
11	Employee Post-Employment Benefits	\$ 80,000	\$ 74,000											\$ 80,000	\$ 74,000		\$ 52,400
12	Professional Services	\$ 1,373,000	\$ 1,331,000											\$ 1,373,000	\$ 1,331,000		\$ 52,000
13	Treatment Plant (P&O) P	\$ 3,600,400	\$ 3,833,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,600,400	\$ 3,833,500		\$ 576,000
14	Total Operating Expenditures	\$ 3,600,400	\$ 3,833,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,600,400	\$ 3,833,500		\$ 715,000
15	Long Term Debt Service	\$ 365,600	\$ 80,000											\$ 365,600	\$ 80,000		\$ -
16	2011 SFPL Loan	\$ 25,800	\$ 151,000											\$ 25,800	\$ 151,000		\$ -
17	Fixed Asset Depreciation	\$ 12,900	\$ 50,300											\$ 12,900	\$ 50,300		\$ -
18	Capital Projects	\$ 4,111,000	\$ 4,115,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,111,000	\$ 4,115,500		\$ -
19	Other Debt Limit	\$ 410,000	\$ 764,500				\$ 190,000							\$ 410,000	\$ 764,500		\$ -
20	Total Budgeted Expenditures	\$ 8,758,700	\$ 9,058,800	\$ 65,800	\$ 794,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,758,700	\$ 9,058,800		\$ -
21	Interfund Transfers													\$ 400,000	\$ 400,000		\$ -
22	Ending Fund Balance	\$ 7,013,320	\$ 7,013,320	\$ 985,100	\$ 1,002,800	\$ 1,043,800	\$ 202,200	\$ 52,400	\$ 682,400	\$ 1,233,200	\$ 27,900	\$ 27,900	\$ 27,900	\$ 10,315,800	\$ 10,315,800		\$ -
23	Depreciation	\$ 907,500	\$ 972,500											\$ 907,500	\$ 972,500		\$ -
24	Director's Fees	\$ 51,000	\$ 56,000											\$ 51,000	\$ 56,000		\$ -
25	Employee Benefits	\$ 524,000	\$ 565,000											\$ 524,000	\$ 565,000		\$ -
26	Subtotal	\$ 1,382,500	\$ 1,593,500											\$ 1,382,500	\$ 1,593,500		\$ -
27	Operation & Maintenance	\$ 2,600	\$ 600											\$ 2,600	\$ 600		\$ -
28	Other Operating Supplies	\$ 25,000	\$ 22,500											\$ 25,000	\$ 22,500		\$ -
29	Office Expenses	\$ 10,000	\$ 10,000											\$ 10,000	\$ 10,000		\$ -
30	Motor Vehicle Expenses	\$ 25,000	\$ 30,000											\$ 25,000	\$ 30,000		\$ -
31	Publications & Legal Notices	\$ 70,000	\$ 30,000											\$ 70,000	\$ 30,000		\$ -
32	Gas, Fuel	\$ 14,500	\$ 12,000											\$ 14,500	\$ 12,000		\$ -
33	Water & Sewerage	\$ 50,000	\$ 60,000											\$ 50,000	\$ 60,000		\$ -
34	Phone & Internet	\$ 40,000	\$ 40,000											\$ 40,000	\$ 40,000		\$ -
35	Travel & Meeting	\$ 20,000	\$ 21,000											\$ 20,000	\$ 21,000		\$ -
36	Training & Education	\$ 25,000	\$ 16,000											\$ 25,000	\$ 16,000		\$ -
37	Contract Labor/Services	\$ 120,000	\$ 110,000											\$ 120,000	\$ 110,000		\$ -
38	Construction Services	\$ 143,000	\$ 173,000											\$ 143,000	\$ 173,000		\$ -
39	Engineering Services	\$ 75,000	\$ 85,000											\$ 75,000	\$ 85,000		\$ -
40	Prof & Spec Services	\$ 95,000	\$ 90,000											\$ 95,000	\$ 90,000		\$ -
41	Professional Services	\$ 45,000	\$ 50,000											\$ 45,000	\$ 50,000		\$ -
42	Legal Services	\$ 12,000	\$ 12,000											\$ 12,000	\$ 12,000		\$ -
43	Operating Supplies	\$ 21,000	\$ 22,000											\$ 21,000	\$ 22,000		\$ -
44	Special Expenses	\$ 15,000	\$ 50,000											\$ 15,000	\$ 50,000		\$ -
45	Insurance	\$ 15,000	\$ 50,000											\$ 15,000	\$ 50,000		\$ -
46	Legal Services	\$ 20,000	\$ 20,000											\$ 20,000	\$ 20,000		\$ -
47	Subtotal	\$ 2,397,000	\$ 2,397,000											\$ 2,397,000	\$ 2,397,000		\$ -
48	Capital & Debt																\$ -
49	Gen Fin Financing Corp Bond	\$ 211,000	\$ -											\$ 211,000	\$ -		\$ -
50	Construction Fund	\$ 165,000	\$ -											\$ 165,000	\$ -		\$ -
51	Water Treatment Plant	\$ 44,000	\$ 80,000											\$ 44,000	\$ 80,000		\$ -
52	Subtotal	\$ 420,000	\$ 250,000											\$ 420,000	\$ 250,000		\$ -
53	Other Charges																\$ -
54	Subtotal																\$ -
55	Transfers to Other Funds																\$ -
56	Construction Fund																\$ -
57	Treatment Plant Reserve	\$ 410,000	\$ 764,500											\$ 410,000	\$ 764,500		\$ -
58	Water Sub-Stations																\$ -

Budget for West Bay Sanitary District

Budget from District Web Site				Restatement of Budget to Standard Format			
#	General Fund	FY 2014-15	FY 2015-16	Note: Include depreciation	#	FY 2014-15	FY 2015-16
Fund Income				Operating Income			
1	Operating Income			Permit & Inspection Fees	5	\$ 50,000	\$ 50,000
2	Non-Residential	\$ 4,427,515	4,693,223	Property Tax Receipts		\$-	\$-
3	Residential	\$ 16,482,332	18,206,484	Sewer Service Charges	1,2	\$ 20,909,847	\$ 22,899,707
4	Total Sewer Service Charges	\$ 20,909,847	\$ 22,899,707	Other Revenue	4,6	\$ 48,000	\$ 624,614
5	Flow Equalization Cost Sharing	\$ 48,000	309,000	Total Operating Income		\$ 21,007,847	\$ 23,574,321
6	Permit and Inspection Fees	\$ 50,000	50,000	Operating Expenses			
7	Other Operating Income (LAH & WS)	\$-	315,614	Administration & Finance	21-24, 27-29,	\$ 4,713,532	\$ 5,176,446
8	Total Operating Income	\$ 21,007,847	\$ 23,574,321	Collection	25-26, 30-31,	\$ 2,749,220	\$ 2,893,195
9	Non-Operating Income			Treatment Facility	43	\$ 5,350,000	\$ 5,881,095
10	Interest Income	\$ 50,000	50,000	Total Operating Expenses		\$ 12,812,752	\$ 13,950,736
11	Other Non-Operating Income	\$ 1,000	1,000	Operating Net (including depreciation)			
12	Total Non-Operating Income	\$ 51,000	\$ 51,000			\$ 8,195,095	\$ 9,623,585
13	Total Income	\$ 21,058,847	\$ 23,625,321	Investment Income			
14	General Fund Available Balance	\$ 6,505,889	\$ 7,441,158	Interest Income	8, 62	\$ 125,000	\$ 125,000
15	Total Available for Fiscal Year	\$ 27,564,736	\$ 31,066,479	Total Investment Income		\$ 125,000	\$ 125,000
Fund Expenditures				Investment Expenses			
16	Total Operating Expense (Excl. Depreciation)	\$ 6,044,252	\$ 6,548,641	Capital Investment	65-70	\$ 7,212,500	\$ 8,059,500
17	Total Non-Operating Expense	\$ 9,504,882	\$ 11,245,139	Treatment Capital Assessment	44-52	\$ 4,136,382	\$ 5,343,044
18	Total Current Expense (Excl. Depreciation)	\$ 15,549,134	\$ 17,793,780	Total Investment Expenses		\$ 11,348,882	\$ 13,402,544
19	General Fund Operating Reserve	\$ 6,505,889	\$ 7,441,158	Investment Net			
20	Subtotal Total Current Exp & Operating Reserve	\$ 22,055,023	\$ 25,234,938			\$ (11,223,882)	\$ (13,277,544)
21	Amount to Transfer To/(From) CA Fund	\$ 5,509,713	\$ 5,831,541	Financing Income			
Fund Expenditures - Detail				Financing Expenses			
22	Operating Expense			Connection Fees	61	\$ 50,000	\$ 50,000
23	Salaries & Wages	\$ 2,814,271	3,092,348	Other Financing Income	9	\$ 1,000	\$ 1,000
24	Employee Benefits	\$ 1,204,077	1,337,664	Total Financing Income		\$ 51,000	\$ 51,000
25	Directors' Fees	\$ 34,404	34,404	Financing Net			
26	Election Expense	\$-	40,000			\$ 51,000	\$ 51,000
27	Depreciation	\$ 1,400,000	1,500,000	Overall Net Financial Flows			
28	Gasoline, Oil & Fuel	\$ 65,000	70,000			\$ (2,977,787)	\$ (3,602,959)
29	Insurance	\$ 92,000	92,000				
30	Memberships	\$ 23,350	30,000				
31	Office Expense	\$ 33,000	33,000				
32	Operating Supplies	\$ 323,395	332,195				
33	Contractual Services	\$ 388,000	388,000				
34	Professional Services	\$ 425,350	425,350				
35	Printing & Publications	\$ 62,500	62,500				
36	Rents & Leases	\$ 34,080	38,680				
37	Repairs & Maintenance	\$ 252,825	259,000				
38	Research & Monitoring	\$ 8,000	33,000				
39	Travel & Meetings	\$ 55,500	55,500				
40	Utilities	\$ 140,500	145,000				
41	Other Operating Expenses	\$ 153,000	145,000				
42	Transfer Overhead Expense to Solid Waste Fund	\$ (65,000)	\$ (65,000)				
43	Total Operating Expense (incl Depreciation)	\$ 7,444,252	\$ 8,048,641				
44	Total Operating Expense (excl. Depreciation)	\$ 6,044,252	\$ 6,548,641				
Non-Operating Expense							
45	Contributions to S.B.S.A. (Operations)	\$ 5,350,000	5,881,095				
46	Contributions to S.B.S.A. Capital Reserve (former)	\$-	153,494				
47	SVCW Bonds (Formerly SBSA) (\$10 million)	\$ 203,877	204,378				
48	SVCW Bonds (Formerly SBSA) (\$55 million)	\$ 1,305,283	1,305,283				
49	SVCW Bonds (\$65 million)	\$ 1,084,222	1,145,000				
50	SVCW - SRF Debt Service	\$ 207,000	225,000				
51	SVCW - SRF Reserve Contribution	\$ 401,000	693,889				
52	SVCW - Line of Credit	\$ 34,000	70,000				
53	2012 SVCW - SRF Loan	\$ 401,000	401,000				
54	Future SVCW Bonds 2014-15 (\$60 million)	\$ 500,000	1,145,000				
55	Other Non-Operating Expense	\$ 6,000	6,000				
56	Contributions to LAFCo	\$ 12,500	15,000				
57	Total Non-Operating Expense	\$ 9,504,882	\$ 11,245,139				
58	Total Current Expense (excl. Depreciation)	\$ 15,549,134	\$ 17,793,780				
Reserves							
59	Reserve for Operations (5 months Total Exp)	\$ 6,505,889	\$ 7,441,158				
60	Total Reserves	\$ 6,505,889	\$ 7,441,158				
61	Total Expense, Liabilities, and Reserves	\$ 22,055,023	\$ 25,234,938				
Capital Assets Fund							
Fund Income & Reserves							
62	Beginning Balance for Fiscal Year	\$ 11,258,357	16,202,765				
63	Anticipated Connection Charges Revenue	\$ 50,000	50,000				
64	Interest Income	\$ 75,000	75,000				
65	Projected Transfer from General Fund	\$ 5,509,713	\$ 5,831,541				
66	Total Income & Reserves	\$ 16,893,070	\$ 22,159,306				
Fund Capital Expenditures							
67	Administration	\$ 345,000	330,000				
68	Collection Facilities	\$ 722,500	434,500				
69	Subsurface Lines and Other Plant	\$ 5,960,000	7,110,000				
70	Construction Projects Environmental Review	\$ 10,000	10,000				
71	Manhole Raising (Paving Projects)	\$ 100,000	100,000				
72	Allowance for Unanticipated Expenses	\$ 75,000	75,000				
73	Total Capital Expenditures	\$ 7,212,500	8,059,500				
Reserve Transfers							
74	Emergency Capital Reserves Transfer	\$ 350,000	\$-				
75	Capital Project Reserves Transfer	\$ 350,000	320,000				
76	Equipment Replacement Reserves Transfer	\$-	215,000				
77	Total Capital Expenditures, Reserve Transfers & CIP C.	\$ 7,912,500	\$ 8,594,500				
78	Projected Available Fund at Year End	\$ 8,980,570	\$ 13,564,806				
Fund Accounting							
		Fund Balance		Variance		2015-2016	
		6/30/15	6/30/16			Contributions	Expenditures
79	General Fund	\$ 6,505,889	\$ 7,441,158	\$ 935,269	\$ 935,269	\$-	\$-
Capital Assets Fund							
80	Emergency Capital Reserve	\$ 5,000,000	\$ 5,000,000	\$-	\$-	\$-	\$-
81	Capital Project Reserve	\$ 3,500,000	\$ 2,860,000	\$ (640,000)	\$ 320,000	\$ (960,000)	\$ (960,000)
82	Equipment Replacement Reserve	\$-	\$ 65,000	\$ 65,000	\$ 215,000	\$ (150,000)	\$ (150,000)
Solid Waste Fund							
83	Rate Stabilization Reserve	\$ 92,838	\$ 112,838	\$ 20,000	\$ 20,000	\$-	\$-
84	Total Reserves	\$ 15,098,727	\$ 15,478,996	\$ 380,269	\$ 1,490,269	\$ (1,110,000)	\$ (1,110,000)

APPENDIX H: SANITARY DISTRICT BUDGET ANALYSIS FY 2015-2016

	Bayshore	West- borough	Montara	Granada	East Palo Alto	West Bay
All Revenue	\$1,279,700	\$2,508,992	\$2,689,520	\$2,523,800	\$4,914,540	\$23,750,321
Treatment Capital & Expense	\$840,000	\$1,900,012	\$868,558	\$1,229,900	\$2,228,000	\$11,224,139
Treatment as % of Revenue	66%	76%	32%	49%	31%	47%
As % of Revenue						
Sewer Service Charges	80%	92%	76%	51%	92%	96%
Property Tax	16%	7%	9%	32%	6%	0%
Permit & Connection Fees	4%	0%	14%	15%	0%	0%
Interest & Other	1%	0%	2%	2%	2%	3%
Rate Analysis						
Average Residential Rate	\$613	\$512	\$810	\$402	\$575	\$973
Property Tax	\$200,000	\$185,000	\$230,000	\$800,000	\$318,000	\$0
# of Customers	1,739	3,790	1,964	2,560	7,066	19,201
Property Tax/Customer	\$115	\$49	\$117	\$313	\$45	\$0
Rate w/o Property Tax Benefit	\$728	\$561	\$927	\$715	\$620	\$973
Operating Expense Analysis						
Miles of Sewer Pipe	16.0	20.7	29.5	34.0	35.0	208.0
Collection Cost/Mile	\$11,863	\$7,165	\$18,619	\$11,148	\$14,197	\$13,910

Sources: See Appendix D: Sewage System Characteristics by District. See Appendix G: Sanitary District Budgets. See Appendix I: Sanitary District Sewer Rates.

APPENDIX I: SANITARY DISTRICT SEWER RATES

Payment Method and Calculation

Type	Name	How Paid	How Calculated
Independent	Bayshore Sanitary District	Property Tax Bill	Water Consumption ^a
Independent	Westborough Water District	Property Tax Bill	Water Consumption
Independent	Montara Water & Sanitary District	Property Tax Bill	Water Consumption
Independent	Granada Community Services District	Property Tax Bill	Fixed Rate ^b
Independent	East Palo Alto Sanitary District	Property Tax Bill	Fixed Rate
Independent	West Bay Sanitary District	Property Tax Bill	Fixed Rate
SMC County	Burlingame Hills Sewer Maintenance	Property Tax Bill	Fixed Rate
SMC County	Crystal Springs County Sanitation	Property Tax Bill	Fixed Rate
SMC County	Devonshire County Sanitary	Property Tax Bill	Fixed Rate
SMC County	Edgewood Sewer Maintenance	Property Tax Bill	Fixed Rate
SMC County	Emerald Lake Heights Sewer Maintenance-Zone 1	Property Tax Bill	Fixed Rate
SMC County	Emerald Lake Heights Sewer Maintenance-Zone 2	Property Tax Bill	Fixed Rate
SMC County	Fair Oaks Sewer Maintenance	Property Tax Bill	Fixed Rate
SMC County	Harbor Industrial Sewer Maintenance	Property Tax Bill	Fixed Rate
SMC County	Kensington Square Sewer Maintenance	Property Tax Bill	Fixed Rate
SMC County	Oak Knoll Sewer Maintenance	Property Tax Bill	Fixed Rate
SMC County	Scenic Heights County Sanitation	Property Tax Bill	Fixed Rate

Notes:

^aDistricts with water consumption-based rates provided an average residential rate. Each single-family residence is charged based on water consumption during winter months.

^bFixed rate: All single-family residences are charged a fixed rate set annually.

Sewer Rates and Growth—Independent Districts

Name	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	% Growth 2011 to 2016
Bayshore Sanitary District	\$613	\$613	\$613	\$613	\$613	\$613	\$613	100%
Westborough Water District	\$397	\$396	\$391	\$413	\$465	\$512	\$516	129%
Montara Water & Sanitary District	\$728	\$711	\$741	\$763	\$904	\$810	\$751	111%
Granada Community Services District	\$365	\$383	\$402	\$402	\$402	\$402	\$402	110%
East Palo Alto Sanitary District	\$485	\$520	\$520	\$520	\$550	\$575	\$575	119%
West Bay Sanitary District	\$650	\$690	\$752	\$820	\$893	\$973	\$1,031	150%
Average Rate and Growth	\$540	\$552	\$570	\$589	\$638	\$648	\$648	120%

Sources: 2015-2016: Provided by Sanitary Districts.

Bayshore

Data submitted by district. Based on 200 gallons per day for an average family.

Westborough

Data submitted by district; based on total units in January and February of each year divided by number of customers times the applicable rate.

Montara

Data submitted by district; average bill based on average water consumed times the applicable rate.

Granada

2014-2015: Bay Area Clean Water Agencies, *Sewer Rate Survey 2015*. <http://bacwa.org/wp-content/uploads/2016/01/BACWA-Sewer-Rate-Survey-May-2015.pdf>

2013-2014: Granada Sanitary District, *Fiscal Year 2013/14 Budget*. http://granada.ca.gov/wp-content/uploads/2014/02/GSD_FY_2013-14_Budget.pdf.

2012-2013: Granada Sanitary District, *Basic Financial Statements and Supplemental Information, Years Ended June 30, 2013 and 2012*.

http://granada.ca.gov/wp-content/uploads/2014/02/GSD_FY_2012-13_Audit.pdf.

2010-2011; 2011-2012: Granada Sanitary District, *Basic Financial Statements and Supplemental Information, Years Ended June 30, 2012 and 2011*.

http://granada.ca.gov/wp-content/uploads/2014/02/GSD_FY_2011-12_Audit.pdf.

East Palo Alto

2013-2014; 2014-2015: East Palo Alto Sanitary District, *Agenda Packet July 27, 2014, Resolution 1129*.

<http://www.epasd.com/home/showdocument?id=84>.

2012-2013: East Palo Alto Sanitary District, *Agenda Packet May 18, 2013, Resolution 1086*, <http://www.epasd.com/home/showdocument?id=262>.

2011-2012: East Palo Alto Sanitary District, *Minutes, June 7, 2012, Resolution 1065*, <http://38.106.4.240/home/showdocument?id=112>.

2010-2011: East Palo Alto Sanitary District, *Agenda Packet, April 5, 2012, Audit for Fiscal Year End June 30, 2011*,

<http://www.epasd.com/home/showdocument?id=240>.

West Bay

HF&H Consultants, LLC, West Bay Sanitary District. Sewer Rate Study, Final Report, April 22, 2015. http://westbaysanitary.org/wsbd-prod/resources/1400/WBSD_FINALReport_22April2015.pdf.

Sewer Rates and Growth—County-Managed Districts

Name	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	% Growth 2011-2016
Burlingame Hills Sewer Maintenance	\$1,150	\$1,595	\$1,595	\$1,595	\$1,595	\$1,595	Not Available	139%
Crystal Springs County Sanitation	\$1,200	\$1,200	\$1,350	\$1,350	\$1,350	\$1,350	Not Available	113%
Devonshire County Sanitary	\$900	\$1,000	\$1,025	\$1,050	\$1,075	\$1,100	\$1,125	122%
Edgewood Sewer Maintenance	\$900	\$950	\$1,025	\$1,100	\$1,175	\$1,250	\$1,325	139%
Emerald Lake Heights Sewer Maintenance-Zone 1	\$1,100	\$1,130	\$1,160	\$1,190	\$1,220	\$1,250	\$1,280	114%
Emerald Lake Heights Sewer Maintenance-Zone 2	\$770	\$810	\$850	\$890	\$930	\$970	\$1,010	126%
Fair Oaks Sewer Maintenance	\$420	\$470	\$500	\$530	\$560	\$590	\$620	140%
Harbor Industrial Sewer Maintenance	\$310	\$320	\$330	\$340	\$350	\$360	\$370	116%
Kensington Square Sewer Maintenance	\$900	\$975	\$1,015	\$1,055	\$1,095	\$1,135	\$1,175	126%
Oak Knoll Sewer Maintenance	\$800	\$900	\$930	\$960	\$990	\$1,020	\$1,050	128%
Scenic Heights County Sanitation	\$950	\$1,050	\$1,080	\$1,110	\$1,140	\$1,170	\$1,200	123%
Average Rate and Growth	\$855	\$945	\$987	\$1,015	\$1,044	\$1,072	\$1,017	125%

Source:

San Mateo County Public Works. *Sewer Service Rate Information*. Accessed March 11, 2016. <http://publicworks.smcgov.org/sewer-service-rate-information>.
 County of San Mateo, Inter-Departmental Correspondence, Department of Public Works, *Executive Summary - Adoption of Proposed Sewer Service Rates and Fiscal Year 2011-12 Sewer Service Charges Report for the Ten County Sewer/Sanitation Districts Governed by the Board of Supervisors*, July 11, 2011, <http://publicworks.smcgov.org/sites/publicworks/files/SSC%202011%20BOS%2020110726.pdf>.

Sewer Rates and Growth—Combined

Name	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	% Growth 2011-2016
Combined Average Rate and Growth (Independent and County-Managed Districts	\$743	\$807	\$840	\$865	\$900	\$922	\$870	124%
Consumer Price Index, San Francisco Area, Annual Rate as of June	2.40%	2.60%	2.60%	3.0%	2.30%			114%

Source:

United States Department of Labor, Bureau of Labor Statistics, Western Information Office, *Consumer Price Index, San Francisco Area-February 2016*.
http://www.bls.gov/regions/west/news-release/consumerpriceindex_sanfrancisco.htm.

APPENDIX J: BOARD COSTS FOR SANITARY DISTRICTS

FY 2015-2016	Bayshore	West-borough	Montara	Granada	East Palo Alto	West Bay
Regular Meeting Compensation	\$190	\$100	\$75	\$145	\$293	\$207
Regular Meeting Frequency ^a	Monthly	Monthly	Twice Monthly	Monthly	Monthly	Twice Monthly
Board Expenses						
Directors' Fees	\$15,000	\$5,250	\$3,300	\$11,000	\$56,000	\$34,404
Memberships	\$3,000	\$15,816		\$5,000	\$15,000	\$12,000
Meetings and Travel	\$5,000	\$3,350		\$1,000	\$14,000	\$9,000
Other	\$12,000		\$2,000		\$6,800	\$0
Total Board Expenses	\$35,000	\$24,416	\$5,300	\$17,000	\$91,800	\$55,404
Expense/Director	\$7,000	\$4,883	\$1,060	\$3,400	\$18,360	\$11,081
Benefits	Dental, Life Insurance for Directors and Spouse/Partner or Children	None	None	None	Dental, Vision, Health	None
Professional Memberships ^b	CASA, CSDA, USA	BAWSCA, SSF CoC ACWA, CSDA	None	CASA, CSDA	CASA, CSDA, CoC	CASA

Source: District data input to Grand Jury, February-March 2016.

Notes: ^aExcludes committee meetings

^bAssociation of California Water Agency
 Bay Area Clean Water Agencies ACWA
 Bay Area Water Supply & Conservation Agency BACWA
 California Association of Sanitation Agencies BAWSCA
 California Special Districts Association CASA
 Chamber of Commerce CSDA
 Underground Service Alert CoC
 USA

APPENDIX K: DIRECTOR TENURE BY DISTRICT

District & Directors	Date 1st Appointed / Elected	Years of Service	Next Up
Bayshore			
Iris Gallagher	12/7/93	22.5	2017
Walter Quinteros	2/25/93	23.3	2019
Norman Rizzi	1/24/02	14.4	2019
Mae Swanbeck	9/22/05	10.8	2019
Kenneth Tonna	8/26/04	11.8	2017
Average Tenure		16.6	
Westborough			
David J. Irwin	1/12/12	4.4	2019
William O. Lopez	12/11/08	7.5	2019
Janet G. Medina	8/12/04	11.8	2019
Tom Chambers	11/4/97	18.6	2017
Perry H. Bautista	11/7/89	26.6	2017
Average Tenure		13.8	
Montara			
Jim Harvey	11/4/03	12.6	2018
Dwight Wilson	11/5/13	2.6	2018
Bill Huber	11/5/13	2.6	2018
Kathryn Slater-Carter	11/4/03	12.6	2016
Scott Boyd	11/4/03	12.6	2016
Average Tenure		8.6	

District & Directors	Date 1st Appointed / Elected	Years of Service	Next Up
Granada			
Leonard Woren	11/4/97	18.6	2018
Matthew Clark	11/4/03	12.6	2016
Jim Blanchard	8/29/13	2.8	2016
David Seaton	11/5/13	2.6	2018
Ric Lohman	6/17/04	12.0	2018
Average Tenure		9.7	
East Palo Alto			
Glenda Savage-Johnson	11/6/07	8.6	2019
Betsy Yanez	11/6/07	8.6	2019
Joan Sykes-Miessi	11/4/03	12.6	2017
Goro Mitchell	11/6/07	8.6	2019
Dennis Scherzer	11/3/09	6.6	2017
Average Tenure		9.0	
West Bay			
Edward Moritz	8/1/09	6.8	2017
Fran Dehn	8/1/08	7.8	2019
David Walker	11/1/99	16.6	2019
Roy Thiele-Sardina	11/5/13	2.6	2017
George Otte	5/9/16	0.1	2017
Average Tenure		6.8	

Sources:

League of Women Voters of California, Smart Voter. Special Districts Contests for San Mateo County, CA, November 6, 2001. Accessed March 4, 2016. http://www.smartvoter.org/2001/11/06/ca/sm/special_districts.html.

League of Women Voters of California, Smart Voter. Special Districts Contests for San Mateo County, CA, November 4, 2003. Accessed March 4, 2016. http://www.smartvoter.org/2003/11/04/ca/sm/special_districts.html.

League of Women Voters of California, Smart Voter. Special Districts Contests for San Mateo County, CA, November 8, 2005. Accessed March 4, 2016. http://www.smartvoter.org/2005/11/08/ca/sm/special_district.html.

League of Women Voters of California, Smart Voter. Special Districts Contests for San Mateo County, CA, November 3, 2009. Accessed March 4, 2016. http://www.smartvoter.org/2009/11/03/ca/sm/special_district.html.

League of Women Voters of California, Smart Voter. Special Districts Contests for San Mateo County, CA, November 8, 2011. Accessed March 4, 2016. http://www.smartvoter.org/2011/11/08/ca/sm/special_district.html.

San Mateo County. Official Election Results, San Mateo County Consolidated Municipal, School, and Special District Election, November 6, 2001. Accessed March 4, 2016. <https://www.shapethefuture.org/elections/results/2001/nov2001/Official.pdf>.

San Mateo County. Official Election Results, San Mateo County Consolidated Municipal, School, and Special District Election, November 4, 2003. Accessed March 4, 2016. <https://www.shapethefuture.org/elections/results/2003/nov2003/Master%20Summary%20Report.pdf>.

San Mateo County. Official Election Results, San Mateo County Consolidated Special Statewide Election, November 8, 2005. Accessed March 4, 2016. <https://www.shapethefuture.org/elections/results/2005/nov2005/Master%20Summary%20Report.pdf>.

San Mateo County. Official Election Results, San Mateo County Consolidated Municipal, School, and Special Election, November 6, 2007. Accessed March 4, 2016. https://www.shapethefuture.org/elections/results/2007/nov2007/Tally/112707/nov07_final_fusion.pdf.

San Mateo County. Roster of Candidates – Local Offices, Consolidated Municipal, School, and Special District Election, November 6, 2007. Attachment to email from Lucas Morrison, San Mateo County Registration & Elections Division, March 14, 2016.

San Mateo County. Statement of Vote, San Mateo County Consolidated Municipal, School, and Special District Election, November 6, 2007. Attachment to email from Lucas Morrison, San Mateo County Registration & Elections Division, March 14, 2016.

San Mateo County. Statement of Vote, San Mateo County Consolidated Municipal, School, and Special District Election, November 3, 2009. Accessed March 4, 2016. <https://www.shapethefuture.org/elections/results/2009/nov2009/final/nov32009SOV.pdf>.

San Mateo County. Statement of Vote, San Mateo County Consolidated Municipal, School, and Special District Election, November 8, 2011. Accessed March 4, 2016. https://www.shapethefuture.org/elections/results/2011/nov2011/final/SOV_Nov2011.pdf.

San Mateo County. Roster of Candidates, San Mateo County Consolidated Municipal, School, and Special District Election, November 5, 2013. Accessed March 4, 2016. <https://www.shapethefuture.org/elections/2013/nov/documents/candidaterosterweb.pdf>.

San Mateo County. Statement of Vote, San Mateo County Consolidated Municipal, School, and Special District Election, November 5, 2013. Accessed March 4, 2016. <https://www.shapethefuture.org/elections/results/2013/nov/official/Nov2013SOV.pdf>.

San Mateo County. Roster of Candidates, San Mateo County Consolidated Municipal, School, and Special District Election, November 3, 2015. Accessed March 4, 2016. https://www.shapethefuture.org/elections/2015/nov_mailedballot/documents/candidaterosterweb.pdf.

San Mateo County. Statement of Vote, San Mateo County Consolidated Municipal, School, and Special District Election, November 3, 2015. Accessed March 4, 2016. <https://www.shapethefuture.org/elections/results/2015/nov/official/SOV.pdf>.

Note: All districts provided additional detail such as dates of appointment not available from voting records.

APPENDIX L: REFERENCES TO “DISASTER” OR “EMERGENCY” IN BOARD MEETING MINUTES

The Grand Jury reviewed the most recent 12 months of minutes from each of the six independent districts. We searched each document for the following words: “disaster,” “emergency,” and “emergencies.” The following records the actual text including these words in the minutes of the districts.

None of the minutes record discussions regarding emergency preparedness or response. The emergencies referred to in the minutes refer to localized sewer blockages or overflows.

Bayshore	
4/23/15	The Maintenance Director said that he has not heard from the Daly City Water/Wastewater Department with regard to providing emergency and preventive maintenance to the District. There was one emergency generator alarm; however no problem was found.
5/28/15	None
6/16/15	None
6/25/15	In light of this information, Mr. Yeager wrote them a letter and explained that the District will not provide emergency service again.
7/23/15	Since the District's emergency alarm system uses a phone line, it was felt that AT&T is more reliable.
8/27/15	Broken link
9/17/15	None
10/22/15	Broken link
11/19/15	Daly City Library site. President Gallagher was notified of an emergency meeting on December 3. He explained what the District had in mind as it plans for the future, i.e., outsourcing the routine, preventive and emergency services for the collection system.
12/17/15	None
1/28/16	Mr. Landi provided the South San Francisco Public Works/City Engineer with information to help him evaluate the possibility of providing preventive and emergency service for the District. They are meeting next week.
2/25/16	None
3/24/16	None

Source: Bayshore Sanitary District, Public Meetings, *Minutes* on Dates Listed Above.
<http://bayshoresanitary.com/meetings/index.html>.

Westborough

4/9/15	None
5/14/15	None
6/18/15	None
7/9/15	None
8/13/15	None

Westborough

9/10/15	Engineer Pakpour reported some of the benefits were the State would cover a larger portion of disaster losses, if the District is included in a Hazard Mitigation Grant Program, Pre-Disaster Mitigation, Flood Mitigation Assistance and Severe Repetitive Loss Grant Programs.
10/8/15	None
11/12/15	None
11/21/15	The Board of Directors met to hold a hands on training session on how to restore water service in the event of a major disaster.
12/10/15	None
1/14/16	None
2/11/16	Broken link
3/12/16	None

Source: Westborough Water District, Board Meeting Schedule, *Minutes* on Dates Listed Above, http://www.westboroughwater.com/board_meetings.htm.

Montara

3/5/15	None
3/19/15	None
4/2/15	None
5/7/15	None
5/21/15	References to emergency related to water services
6/4/15	References to emergency related to water services
7/16/15	References to emergency related to water services
8/6/15	None
9/3/15	None
10/1/15	None
10/15/15	None
11/5/15	None
12/3/15	None
1/7/16	None
2/4/16	None
3/3/16	None
3/17/16	Review and possible action concerning sewer emergency repair on Cedar Street

Source: Montara Water District, Board Meetings, selected pages provided by Montara. Montara minutes are embedded in Agenda Packets, making them time consuming to locate.

Granada

3/19/15	None
4/23/15	None
5/21/15	None
6/18/15	None
7/23/15	None

9/3/15	None
10/15/15	None
11/19/15	None
12/17/15	Broken link
1/21/16	None

Source: Granada Community Services District, Agendas/Minutes, *Minutes* on Dates Listed Above, <http://granada.ca.gov/agendamminutes/>.

East Palo Alto

2/5/15	None
3/5/15	None
4/9/15	None
5/7/15	None
6/4/15	None
6/18/15	None
7/2/15	None
8/6/15	He asked for a report on the current policy on units not on the rolls, what are the rights on private property in the event of an emergency, and what is done in the event of a known extra unit where access is denied.
9/3/15	None
10/1/15	None
11/5/15	None
12/10/15	None
1/7/16	None

Source: East Palo Alto Sanitary District, About EPSD, Board Meetings Agendas and Minutes, *Minutes* on Dates Listed Above, <http://www.epasd.com/about-epasd/board-of-directors/agendas-and-minutes>.

West Bay

4/22/15	None
5/6/15	None
5/27/15	None
6/10/15	None
6/24/15	None
7/15/15	None
7/29/15	None
8/3/15	None
8/12/15	None
8/26/15	None
9/15/15	None
10/14/15	None
10/28/15	None
11/4/15	None
11/24/15	None
12/9/15	None

West Bay

1/13/16	None
1/27/16	None
2/10/16	Responded to emergency pump station call due to power failure.
2/24/16	None
3/9/16	None
3/23/16	None
4/13/16	None

Source: West Bay Sanitary District, About Us, Agenda & Minutes, *Minutes* on Dates Listed Above, <https://westbaysanitary.org/about-us/agenda-minutes/>.

Issued: June 29, 2016