

# THE ROSE GARDEN LIBRARY CLOSES AT 7:00PM

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If you are parked in the library's garage,  
PLEASE MOVE YOUR CAR TO THE STREET,  
right away, so your car doesn't get locked in the  
garage until the library opens in the morning.



# BURBANK SANITARY DISTRICT

## PUBLIC OUTREACH MEETING

*Tuesday, April 24, 2018*

**7:00 p.m. to 9:00 p.m.**  
**Rose Garden Branch Library**  
**Community Room**



# BURBANK SANITARY DISTRICT

- Burbank Sanitary District (BSD) was formed in 1940
- The District serves an unincorporated pocket within City of San Jose mainly from Forest Avenue south to Parkmoor Avenue and from Bascom Avenue east to Richmond Avenue
- BSD serves approximately 1,000 properties with a population of 4,926
- The flow is conveyed to the San Jose/Santa Clara Water Pollution Control Plant (approximately 10 miles away)





# BSD: Who We Are

- *All Board members are subject to the same rate increases as all other residents*
- *Board members are elected to 4-year terms*
- *Directors must live in the Burbank Sanitary District*
- *BSD Staff is contracted*

**If you are interested in serving on the Board, please inquire via email or call the District Office.**

**Tel: (408) 255-2137 x 7302**

**Email: [joinBSD@burbanksanitary.org](mailto:joinBSD@burbanksanitary.org)**

## **BSD Board of Directors**

Rebecca Yoder – President

Ken Colson – Secretary

Michelle Kaelker-Boor – Director

Rene Prupes – Director

Procopio Sclafani – Director

## **BSD Staff (Mark Thomas & Co.)**

Richard Tanaka – Mgr/Engineer

Benjamin Porter – Deputy Mgr

## **BSD Counsel (Atkinson Farasyn, LLP)**

Steven G. Baird



# Why Are We Here?

- In 2015, a 15% annual increase was approved for 5 years and we completed our first year District CIP in 2016.
- What to do with Second Year CIP?
- Update on State Revolving Fund (SRF) Loan Process
- Update on San Jose-Santa Clara Regional Wastewater Facility
- Present Cash Flow Analysis

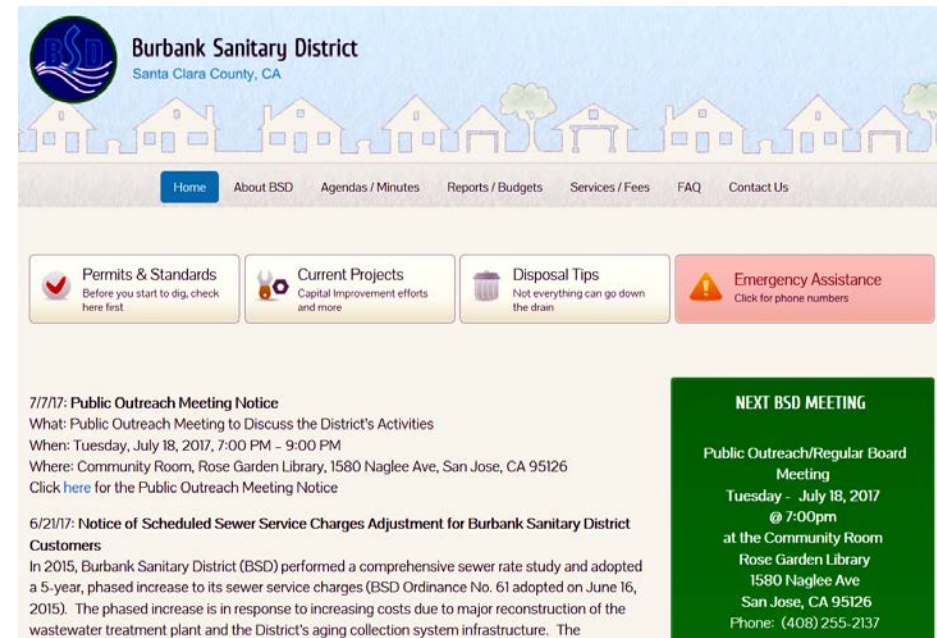
**We want to be transparent and we would like your input**



# Transparency

We strive for openness, communication, and accountability.

- BSD was awarded the District Transparency Certificate of Excellence from California Special District Leadership Foundation
  - Training/Ethics Compliance
  - Public Records Act Request
  - Policies on reimbursement, annual disclosure and audit
  - Best Practices and Public Outreach
- Updated website ([www.burbanksanitary.org](http://www.burbanksanitary.org))







# Updated District 10-Year Capital Improvement Projects Plan

YEAR	ZONE	LOCATON	DESCRIPTION	COST
2016	B	Arleta Ave / Irving Ave	20 Spot repairs	\$275,150
2017	B	Brooklyn Ave & Leland Ave	27 Spot repairs	\$430,000
2018*	A/B	All Streets (Including Scott St)	Pipe Bursting/ Replacement	\$1,575,000
2019	B	Boston / Bailey	15 Spot repairs	\$246,000
2020	B	Cleveland	4 Spot repairs + Replacement	\$285,000
2021	B	Laswell Ave / Richmond Ave	20 Spot repairs	\$166,000
2022	B	Rutland / Vaughn	12 Spot repairs	\$174,000
2023	B	Bascom / Wabash / Leigh	11 Spot repairs	\$137,000
2024	B	Cecil / Clifton / Raymond	9 Spot repairs	\$141,000
2025	B	Forest / Arleta	3 Spot repairs	\$51,000

**Total Cost = \$3,480,150**

**\*Year 3: If SRF Loan secured, entire 10 year CIP will be completed**



# Funding – Grant & SRF Loan Process

- Applied for *grant* funding from the State
  - **Sept. 2016:** Based on Census Data, BSD determined not eligible for grant funds due to median household income
- Hired consultant to facilitate funding
- Circulated a Residential Income Survey to demonstrate the District as disadvantaged
  - **Nov. 2016:** Surveys were sent out to verify median household income
  - **Dec. 2016:** Only 13% of surveys were returned; BSD Directors and staff went door-to-door to encourage residents to complete surveys
  - **Jan. 2017:** Household Income Survey Report determined BSD is not considered a Small Disadvantaged Community to qualify for grant.
    - Potential sampling bias of more affluent residents
- Continued pursuit of securing a *loan* from the State Water Board
  - **Dec. 2016:** Loan package was submitted
  - Anticipated State Approval of Loan package: **March 2019**
  - Funding depends on availability of State money





# San Jose-Santa Clara Regional Wastewater Treatment Facility

- What it is
- Who uses it
- Who owns and manages it
- TPAC
- Plant Master Plan (\$1.4 billion in improvements)



# San Jose-Santa Clara Regional Wastewater Treatment Facility

- The San Jose-Santa Clara Regional Wastewater Treatment Facility (Plant) is where all of our wastewater goes to be processed.
- This facility treats an average of 110 million gallons of wastewater per day (MGD), with a capacity of 167 MGD.
- It is the largest facility in the Western U.S., and serves approximately 1.4 million residents and 17,000 business-related sewer connections in an 8-city area.





# Who Uses the Plant?

- Cities of **San Jose, Santa Clara, and Milpitas\***
- **Cupertino Sanitary District\***  
(Cupertino, Saratoga, Los Altos, Sunnyvale and unincorporated areas adjacent to Saratoga and Cupertino)
- **West Valley Sanitation District\***  
(Campbell, Los Gatos, Monte Sereno, and Saratoga)
- **County Sanitation District 2-3\*** and **Burbank Sanitary District\***  
(both unincorporated)



\* Also known as Tributary Agencies



# Who Owns / Manages the Plant?

- The Wastewater Treatment Facility is jointly owned by:
  - City of San Jose (*administrating agency*)
  - City of Santa Clara
  
- Plant activities and financial decisions are managed by:
  - San Jose's Environmental Services Department
  - San Jose and Santa Clara City Councils
  - TAC (*Technical Advisory Committee*)
  - TPAC (*Treatment Plant Advisory Committee*)



# Who is on TPAC 2018?

- Sam Liccardo (*Mayor, City of San Jose*)
- David Sykes (*City Manager, City of San Jose*)
- Lan Diep (*Council Member, City of San Jose*)
- Debi Davis (*Council Member, City of Santa Clara*)
- Pat Kolstad (*Council Member, City of Santa Clara*)
- Marsha Grilli (*Vice Mayor, City of Milpitas*)\*
- John Gatto (*Cupertino SD Board of Directors*)\*
- Steven Leonardis (*West Valley SD Board of Directors*)\*

*\*Tributary Agencies*

Burbank Sanitary District is not represented at the TPAC.  
We want our District to be represented at the TPAC.





# Cost Breakdown of Treatment Plant 10-Year Capital Improvement Plan

Tributary Discharger	%	Cost Share of \$1,400,000,000
City of San Jose	67.97%	\$900,695,799
City of Santa Clara	13.81%	\$183,059,652
City of Milpitas	6.93%	\$91,766,653
West Valley Sanitation District	6.34%	\$83,972,222
Cupertino Sanitary District	4.13%	\$54,774,057
County Sanitation District 2-3	0.58%	\$7,684,726
<b>Burbank Sanitary District</b>	<b>0.24%</b>	<b>\$3,157,523</b>

We want to pay our fair share, but the program needs to be transparent, affordable, and reasonable.





# Plant Improvement Timeline to Date

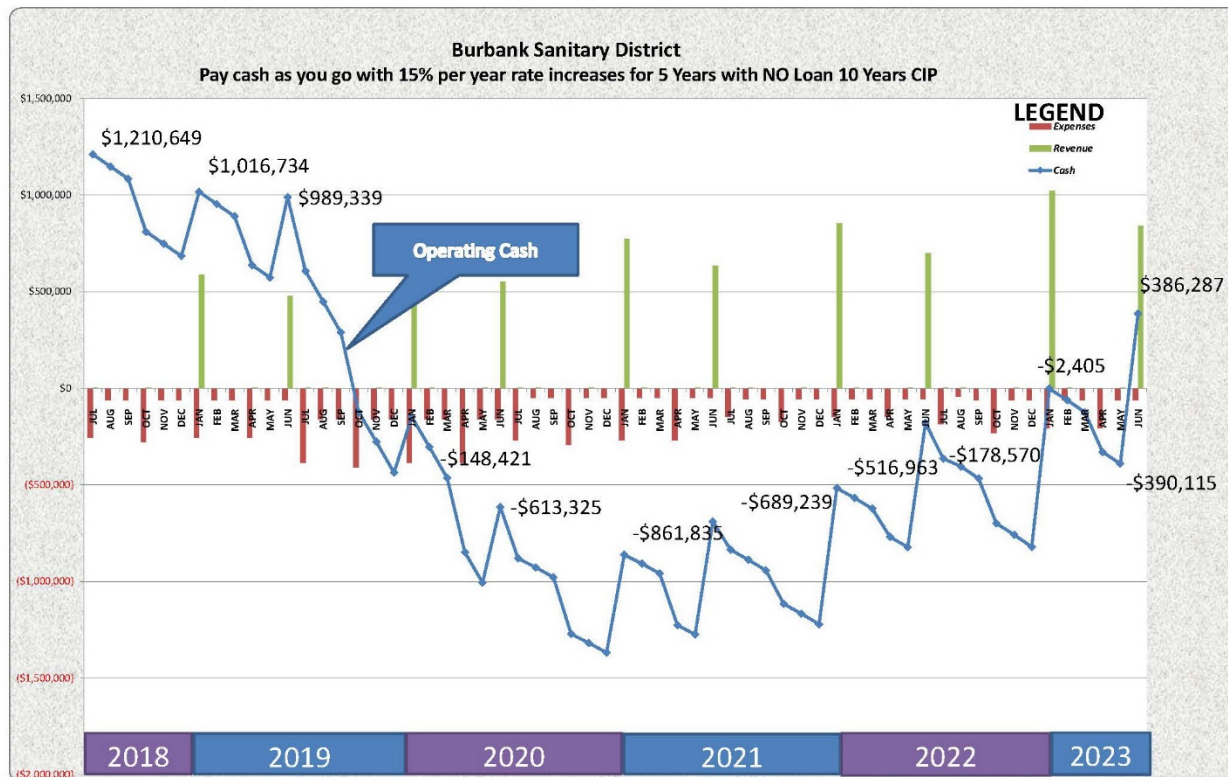
- January 25, 2016: Tributary Agencies filed Administrative Claim One; reviewed by TPAC on March 24, 2016 with rejection of Tributary Agencies' claim
- September 7, 2016: Tributary Agencies filed Administrative Claim Two. City and Tributary Agencies agreed to mediate.
- September 14, 2016: First mediation
- October 6, 2016: Second mediation
- December 9, 2016: Third mediation
- March 29, 2017: Fourth mediation
- April 3, 2017: Terminated mediation
- May 18, 2017: Administrative Claim Two reviewed and rejected by TPAC
- March 23, 2018: Filed Law Suit (Claim)

**Today: We must continue to pay cash for Treatment Plant Improvements**



# Cash Flow Analysis

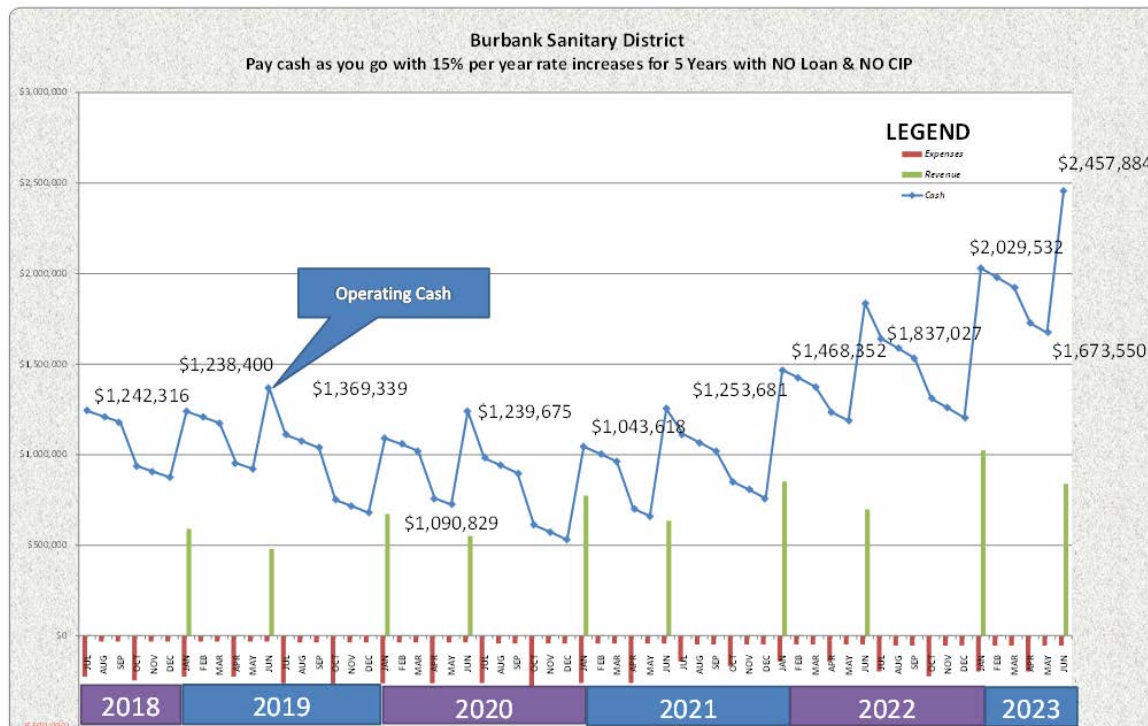
- Board Approved:
  - 15% annual rate increase (5 years)
- Projected Budget shortfall:
  - Pay cash to City of San Jose
  - Pay cash for District capital projects





# Cash Flow Analysis

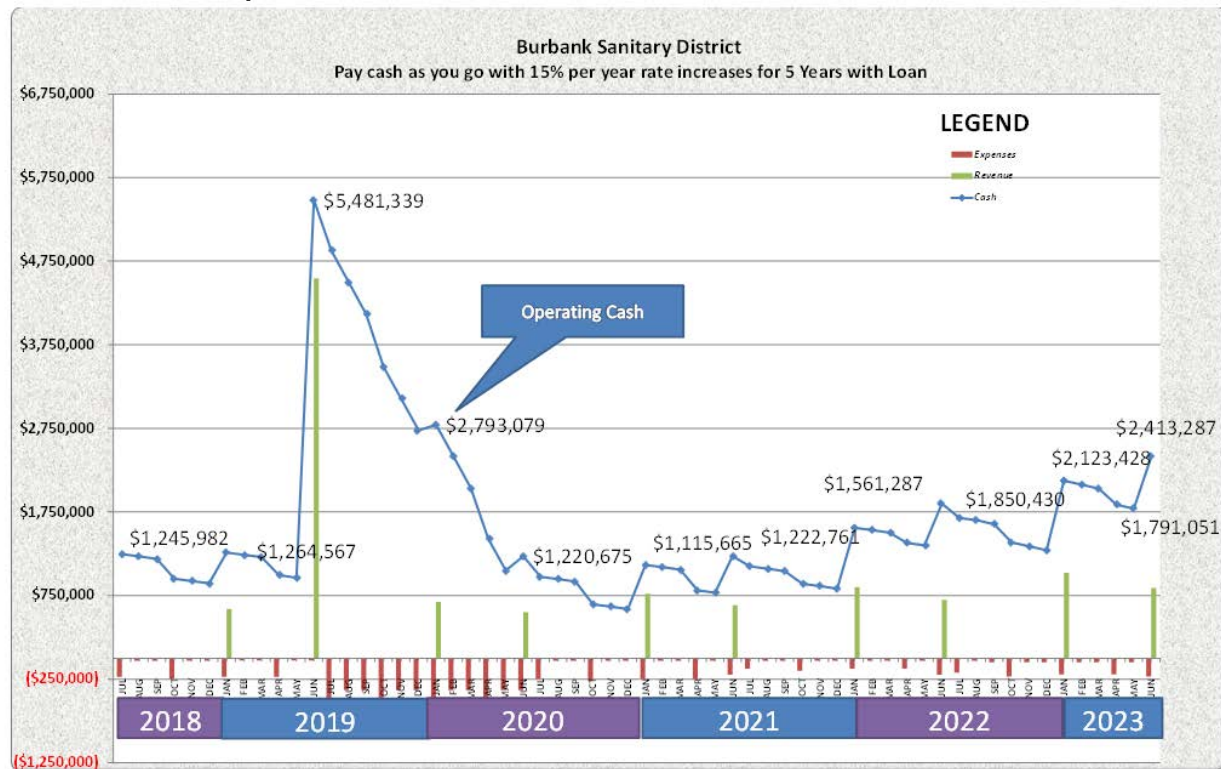
- Board Approved:
  - 15% annual rate increase (5 years)
- Projected Budget shortfall:
  - Pay cash to City of San Jose
  - No CIP and No Loan





# Projected Cash Flow

- Board Approved:
  - 15% annual rate increase (5 years)
- Projected Budget – Positive Cash Flow:
  - Assumes State SRF Loan Funded in June 2019
  - Pay cash to City of San Jose
  - Complete District CIP





# What's Next?

- State expected to approve loan application **March 2019**
  - Funding June 2019?
- Do we wait and further defer District Second Year CIP?
- San Jose Treatment Plant - Litigation



# What We Want to Accomplish with the City of San Jose

- This lawsuit is about fairness and transparency for Burbank SD's ratepayers.
- San José is trying to force Burbank SD into subsidizing San José's unilateral decision to spend \$2 billion and take on substantial debt to pay for capital and structural rehabilitation projects for San José's Regional Wastewater Facility.
- The parties have a contract—San José's unilateral decision to spend \$2 billion on such capital costs is not authorized by that contract.
- Passing on costs unrelated to the operation of the wastewater treatment Facility violates the parties' contracts and violates Propositions 26 and 218. These unrelated costs include:
  - (1) overhead and city services costs associated with San José;
  - (2) unfunded pension liabilities for San José;
  - (3) funds to develop and operate the South Bay Water Recycling Program;
  - (4) funds to develop a treated recycled water facility; and
  - (5) charges to fund San José's general fund expenditures for general fund and non-facility purposes such as public art and holiday programs.
- San José's failure to provide Burbank SD with information on Facility records—and adequate accounting of its costs—violates the parties' contracts.
- San José's failure to address BSD's concerns left us with no choice but to file this lawsuit to protect its ratepayers.





# Help Support Our Efforts...

- **Come to our meetings**
  - First and Third Tuesdays of each month
  - 20863 Stevens Creek Blvd, Suite 100, Cupertino, CA 95014



- **BSD needs new Board members that are committed to doing what is best for the District**

# Join The Board & Save Our Sewers

The Burbank Sanitary District  
NEEDS YOUR HELP!



Join The Board  
&  
Save Our Sewers!

- ☒ Do you want to be part of community action?
- ☒ Are you interested in how small scale government works?
- ☒ Do you like collaborating with others to find solutions?

If so, and you are 18 or older and live in the Burbank area, being on the BSD Board might be in your future! Read on for details.

#### What is the Burbank Sanitary District(BSD)?

Burbank Sanitary District is an independent agency which encompasses an area of approximately 0.28 square miles of unincorporated Santa Clara County. The District is responsible for sewer services and solid waste collection for the residences and businesses located within our boundaries.

While BSD owns and maintains the sewer lines within the District's boundaries, it contracts with the San Jose-Santa Clara Wastewater Facility for wastewater treatment and disposal. The District operates and services approximately 8 miles of collection sewer lines and transports approximately 336,000 gallons of sewage per day to the San Jose-Santa Clara Water Pollution Control Plant. Approximately 95% of the District's collection system was installed prior to 1955, and is currently undergoing a large rehabilitation program.

#### What is the BSD Mission?

Protect Public Health - Support the Environment - Be Cost-effective & Transparent - Engage the Public

#### What is the BSD Board?

The District is governed by a 5 member Board of Directors, elected at large. Election of the Directors is consolidated with the November elections, with three and two Directors being elected in alternating, odd numbered years. Directors are elected to serve 4-year terms. Meetings are generally held on the 1st and 3rd Tuesday of every month at 7pm, in our district office located at 20863 Stevens Creek Boulevard, Suite 100 in Cupertino, CA 95104. Some special meetings will be held within the district for public hearings and published accordingly.

#### Contact us for more information!

[joinBSD@burbanksanitary.org](mailto:joinBSD@burbanksanitary.org)

Phone: (408) 255-2137 x7302

[www.burbanksanitary.org](http://www.burbanksanitary.org)





# Questions?

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