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RESOLUTION NO. 2007 (2016)

IN THE DISTRICT BOARD OF THE WEST BAY SANITARY DISTRICT
COUNTY OF SAN MATEO, STATE OF CALIFORNIA

RESOLUTION OF APPLICATION TO REQUEST THAT THE LOCAL AGENCY
FORMATION COMMISSION AUTHORIZE LATENT POWERS WITHIN WEST
BAY SANITARY DISTRICT'S SERVICE AREA FOR RECYCLED WATER
DELIVERY PHASE I AND PHASE II

WHEREAS, West Bay Sanitary District's (the District) Service Area for Recycled Water Delivery Phase I and Phase II, is a District Service Area organized and existing under the laws of the State of California, Health and Safety Code Section 6400 *et seq.* ("H&S Code"); and

WHEREAS, the District's Recycled Water Service Area for Phase I encompasses the entire Sharon Heights Golf and Country Club and Phase II encompasses, Stanford Linear Accelerator Center, (see Exhibit A – map) located within San Mateo County and is authorized to provide various public services as delineated in its formation Resolution; and

WHEREAS, California Government Code Section 56824.12 authorizes the District Board of Directors to request approval of the local LAFCO to activate latent powers within an existing District Service Area pursuant to California Government Code Sections 56824.10 through 56824.14; and

WHEREAS, LAFCO's proceedings to activate latent powers within the District's Service Area may be initiated by a Resolution of Application approved by the West Bay Sanitary District's Board of Directors as the governing authority for the District; and

WHEREAS, West Bay Sanitary District's Board of Directors, in accordance with Government Code Section 56824.12(c)(1), held a duly noticed public hearing on this Resolution of Application to consider public comment on the proposed application (Exhibit B) for expansion of services to be provided within the boundaries of the District to include:

1. Operation and Maintenance (O&M), and Rehabilitation and Replacement (R&R) of Recycled Water treatment facility and pipelines on District operated properties and right of ways; and
2. Distribution of Recycled Water for Irrigation, Commercial, and Industrial use to Recycled Water Phase I and Phase II service area.

WHEREAS, the proposal to add operation and maintenance of Recycled Water treatment facility and pipelines on District owned or operated properties and Distribution of Recycled Water for Irrigation, Commercial and Industrial use is consistent with District's sphere of influence and is not inconsistent with any other district or city's sphere of influence;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the West Bay Sanitary District's Board of Directors as follows:

SECTION 1. This proposal is made pursuant to Sections 56824.10 and 56824.12 of the California Government Code.

SECTION 2. This proposal is to activate latent powers within the West Bay Sanitary District consisting of:

1. Operation and Maintenance, and Rehabilitation and Replacement of Recycled Water treatment facility and pipelines on District operated properties and right of ways; and
2. Distribution of Recycled Water for Irrigation, Commercial and Industrial use to Recycled Water Phase I and Phase II service area.

The Plan for Services was prepared pursuant to Section 56653 attached hereto as Exhibit C.

SECTION 3. The boundaries of the District shall not be affected.

SECTION 4. The reason for this proposal is to provide recycled water by treating wastewater for reuse within the service area to meet customer demands for non-potable water. This activation of latent powers will provide for the operation and maintenance, and rehabilitation and replacement of Recycled Water treatment facility and pipelines on District operated properties and right of ways and for distribution of Recycled Water for irrigation, commercial, and industrial use in Recycled Water Phase I and Phase II service area. This application is to activate this latent power throughout Phase I and Phase II territory of West Bay Sanitary District; however, it is anticipated that application may be made in the future to include other phases of Recycled Water Treatment and Distribution within the District's jurisdiction and sphere of influence pursuant to the provisions of the H&S Code.

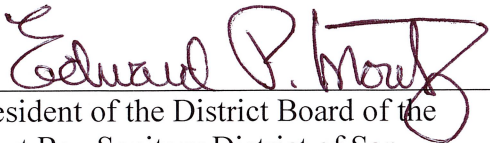
SECTION 5. The Board hereby requests that LAFCO undertake proceedings for this proposal in accordance with Government Code Section 56824.14.

SECTION 6. This proposal does not affect the boundaries of any city or district.

SECTION 7. The District Manager is directed to file a certified copy of this Resolution with the Executive Officer of LAFCO.


PASSED AND ADOPTED by the District Board of the West Bay Sanitary District at a special meeting thereof held on 30th day of November, 2016, by the following votes:

Ayes: MORITZ, DEHN, THIELE-SARDINA, OTTE
Noes: NONE
Absent: WALKER
Abstain: NONE



President of the District Board of the
West Bay Sanitary District of San
Mateo County, State of California

Attest:



Secretary of the District Board of the
West Bay Sanitary District of San Mateo
County, State of California

Exhibit "A"

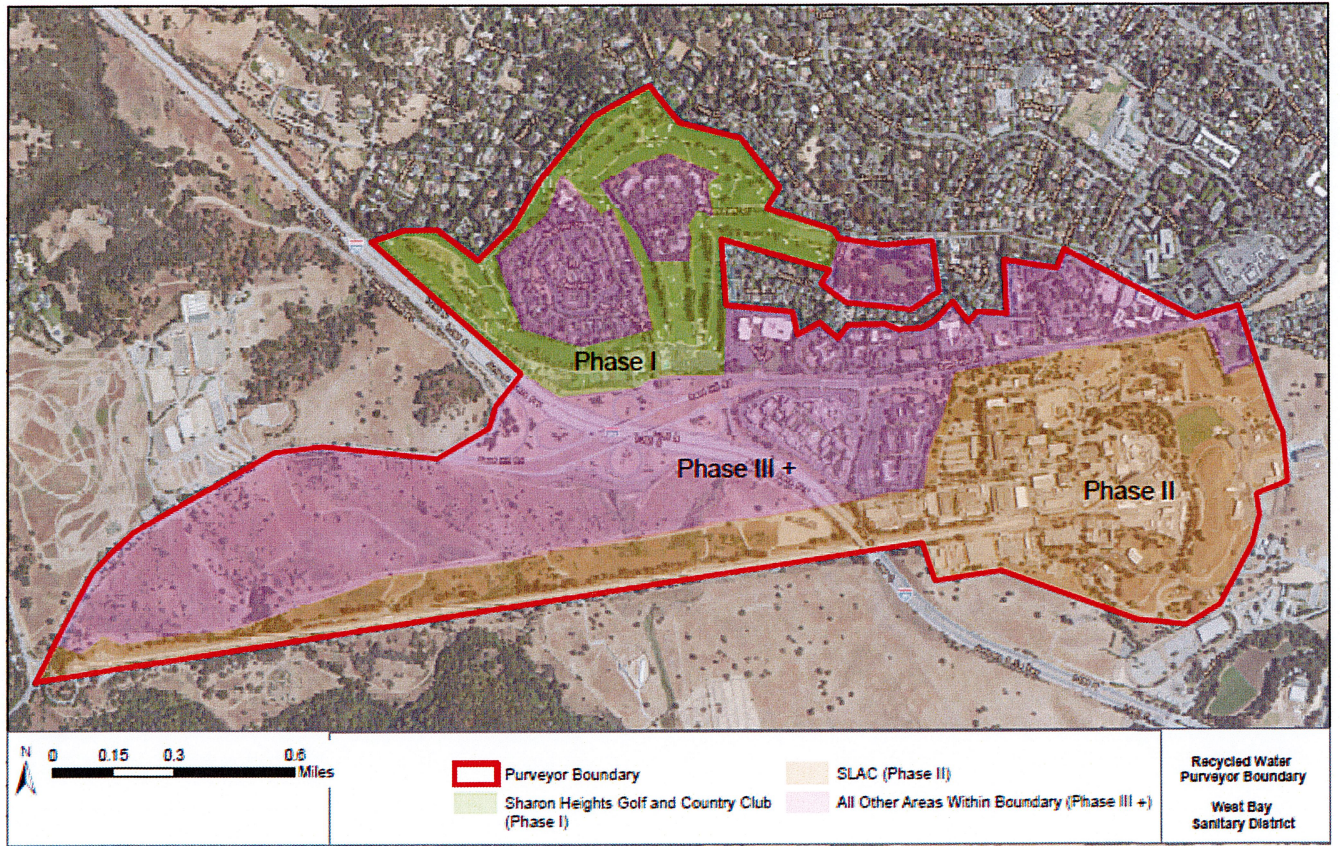


EXHIBIT B

**APPLICATION FOR A CHANGE OF ORGANIZATION OR REORGANIZATION
TO THE SAN MATEO LOCAL AGENCY FORMATION COMMISSION**

A. **GENERAL INFORMATION**

1. Briefly describe the nature of the proposed change of organization or reorganization.

Application to activate the recycled water pursuant to Government Code Section 56824.12 to the Sharon Heights Golf Course and Stanford Lands (Phase I and II) as shown on the attached map Exhibit A.

2. An application for a change of organization or reorganization may be submitted by individuals in the form of a petition or by an affected public agency in the form of a certified resolution. This application is submitted by (check one):

Landowners or registered voters, by petition
 An affected public agency, by resolution

(If this application is submitted by petition of landowners or registered voters in the affected territory, complete the petition form.)

3. What are the reasons for the proposal?

The reason for this proposal is to provide recycled water by treating wastewater for reuse within the service area to meet customer demands for non-potable water. This activation of latent powers will provide for the operation and maintenance, rehabilitation and replacement of Recycled Water treatment facility and pipelines on District operated properties and right of ways and for distribution of Recycled Water for irrigation, commercial, and industrial use in Recycled Water Phase I and Phase II service area as shown on the attached map. This application is to activate this latent power throughout Phase I and Phase II territory of West Bay Sanitary District; however, it is anticipated that application may be made in the future to include other territory in the District's Recycled Water Treatment and Distribution program within the District's jurisdiction and sphere of influence pursuant to the provisions of the Health and Safety Code.

4. Does this application have 100% consent of landowners in the affected area?

Yes No

5. Estimated acreage: Phase I ≈ 111 acres, Phase II ≈ 467 acres. Total ≈ 578 acres

B. **SERVICES**

1. List the name or names of all existing cities and special districts whose service area or service responsibility would be altered by the proposed change of organization or reorganization.

West Bay Sanitary District

2. List all changes to the pattern of delivery of local services to the affected area. For each service affected by the proposed change(s) of organization, list the present source of service (state "none" if service is not now provided), the proposed source of service and the source of funding for construction of necessary facilities (if any) and operation. Example is given on the first two lines of the space provided for your response.

SERVICE	PRESENT SOURCE	PROPOSED SOURCE	FUNDING SOURCE	
			CONSTRUCTION	OPERATING
Recycled Water	None	West Bay Sanitary District	Clean Water State Revolving Fund Loans and grants guaranteed with a pledge of District General Fund Revenues and recovered through user agreements with irrigation, commercial and industrial users and other legal methods	User fees assessed to irrigation, commercial and industrial users. All Capital, operations and reserve costs will be recovered through the User Agreements and through Operations and Maintenance and fees such that the recycled water project will be revenue neutral to the District.

C. **PROJECT PROPOSAL INFORMATION**

1. Please describe the general location of the territory which is the subject of this proposal. Refer to major highways, roads and topographical features.

Sharon Park Golf Course and Stanford Linear Accelerator Center (SLAC)

2. Describe the present land use(s) in the subject territory.

Phase I, Sharon Heights Golf and Country Club is used as Open Space and Conversation District

Phase II, SLAC is used as a Federal Facility operated by the Dept. of Energy

3. How are adjacent lands used?

North: Residential

South: Open Space, Institutional, Residential

East: Residential, Commercial, Institutional

West: Open Space

4. Will the proposed change of organization result in additional development? If so, how is the subject territory to be developed?

No conditions of approval are requested.

5. What is the general plan designation of the subject territory?
Phase I, Sharon Heights Golf and Country Club has a General Plan land use of Parks and Recreation. The following excerpt is taken from the Menlo Park General Plan regarding the Parks and Recreation Land Use:
This designation provides for public and private golf courses, passive and active recreation uses, educational facilities, and similar and compatible uses. The letter "P" overlaid on this designation denotes a park. The maximum FAR shall be in the range of 2.5 percent to 30 percent. (See attachment 1 & 2).
Phase II, SLAC is used as a Federal Facility operated by the Dept. of Energy. SLAC resides in unincorporated SMCO not in the City of Menlo Park.

6. What is the existing zoning designation of the subject territory?
Phase I, Sharon Heights Golf and Country Club is designated as OSC, Open Space and Conversation
Due to the zoning, the development potential is limited to public uses, public or private recreational uses, or agricultural uses. Source: Planning and Zoning Dept. (See attachment 1 & 2).

Phase II, SLAC is used as a Federal Facility operated by the Dept. of Energy. Resides in SMCO
Zoning description is: R-E Residential Estates and S-11 Residential Density District #11

7. What rezoning, environmental review or development approvals have already been obtained for development in the subject territory?
None

8. What additional approvals will be required to proceed?
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9. Does any portion of the subject territory contain any of the following --agricultural preserves, sewer or other service moratorium or wetlands subject to the State Lands Commission jurisdiction?
No

10. If no specific development projects are associated with this proposal, will the proposal increase the potential for development of the property? If so, how?
No specific development projects are planned.

* * * * *

LAFCo will consider the person signing this application as the proponent of the proposed action(s). Notice and other communications regarding this application (including fee payment) will be directed to the proponent at:

NAME: West Bay Sanitary District

ADDRESS: 500 Laurel Street, Menlo Park, CA 94025

TELEPHONE: 650-321-0384

ATTN: Phil Scott, District Manager

Signature of Proponent

**ATTACHMENT 1
CITY OF MENLO PARK
ZONING DISTRICT AND GENERAL PLAN LAND USE DESIGNATION CORRESPONDENCE TABLE**

Zoning District	General Plan Land Use Designation	
R-E	Residential Estate District	Very Low Density Residential
R-E-S	Residential Estate Suburban District	Very Low Density Residential
R-1-S	Single Family Suburban Residential District	Low Density Residential ^{1,2}
R-1-S (FG)	Single Family Suburban Residential District (Felton Gables)	Low Density Residential ¹
R-1-U	Single Family Urban Residential District	Low Density Residential
R-2	Low Density Apartment District	Medium Density Residential
R-3	Apartment District	Medium Density Residential
R-3-A	Garden Apartment Residential District	Medium Density Residential
R-3-C	Apartment-Office District	Professional and Administrative Offices ¹
R-4	High-Density Residential District	High Density Residential
R-4-S	High-Density Residential District, Special	High Density Residential
R-4-S(AHO)	High-Density Residential District, Special, Affordable Housing Overlay	High Density Residential
R-4-U	Retirement Living Units District	High Density Residential
C-1	Administrative and Professional District, Restrictive	Professional and Administrative Offices
C-1-A	Administrative and Professional District	Professional and Administrative Offices
C-1-C	Administrative, Professional and Research District, Restrictive	Professional and Administrative Offices
C-2	Neighborhood Shopping District	Retail Commercial
C-2-A	Neighborhood Shopping District, Restrictive	Retail Commercial
C-2-B	Neighborhood Commercial District, Restrictive	Retail Commercial
C-2-S	Neighborhood Commercial District, Special	Retail Commercial
C-4	General Commercial District	Retail Commercial
M-2	General Industrial District	Limited Industry
M-3	Commercial Business Park	Commercial Business Park
SP-ECR/D	El Camino Real/Downtown Specific Plan	El Camino Real/Downtown Specific Plan
OS/C	Open Space and Conservation District	Parks and Recreation
P-F	Public Facilities District	Public Facilities
FP	Flood Plain District	Non-Urban ⁴
P	Parking District	Retail Commercial
H	Historic Site District	Medium Density Residential ¹
AAQP	Allied Arts Guild Preservation District	Other
X	Conditional Development	na ⁵
U	Unclassified	na

¹ The General Plan refers to R-1-S as potentially part of either the Very Low Density Residential or Low Density Residential land use designations. However, when developments are built to R-1-S standards, only the Low Density Residential land use designation applies.

² The Stanford Golf Course area between Junipero Serra and Sand Hill Road is part of the Parks and Recreation land use designation.

³ The R-3-C zoning district may have residential uses, but at densities covered by the Professional and Administrative Offices land use designation.

⁴ Bayland Park is part of the Parks and Recreation land use designation.

⁵ The two parcels currently zoned H are 1040 Noel Drive and 1220 Crane Street.

⁶ Conditional Development districts inherit the land use designation of their base zoning district.



CITY OF MENLO PARK
ZONING MAP AND GENERAL PLAN LAND USE DIAGRAM
SHEET 1
Updated: April 2018
By: Planning Division, GIS Section
Please see index sheet for detailed legend

EXHIBIT C

Plan for Services

1. The services to be provided within the District are:
 - Operation and Maintenance, and Rehabilitation and Replacement (R&R) of Recycled Water treatment facility and pipelines on District operated properties and right of ways; and
 - Distribution of Recycled Water for Irrigation, Commercial, and Industrial use to Recycled Water Phase I and Phase II service area.
2. The level and range of services to be provided are operation and maintenance of District owned or operated recycled water facilities and appurtenances in a clean, productive and safe condition, and distribution of recycled water to certain irrigation, commercial, and industrial users in the service area.
3. Services may be extended within the Sharon Heights area in the Phase I service area of the golf course in the next 18 to 24 months. Extension into the Phase II service area for industrial, commercial and irrigation use may occur over the next few years.
4. Conditions including improvements or upgrades to existing facilities are not appropriate for this proposal.
5. Construction of the recycled water treatment facility will be funded with Clean Water State Revolving Fund loans and grants guaranteed by a pledge of District General Fund Revenues and recovered through User Agreements with irrigation, commercial, and industrial users and other legal methods of financing. O&M and R&R costs will be recovered through fees assessed to irrigation, commercial, and industrial users. All capital, operations, and reserve costs will be recovered through the User Agreement and through O&M and R&R fees such that the recycled water project will be revenue neutral to the District.
6. The total estimated cost to provide the new function of services within the entirety of the District's Sharon Heights area is not known at this time; however the estimated cost to construct the recycled water facility is estimated to be \$15.6M, and O&M costs are estimated at \$250,000 to \$300,000 annually. We assume the golf course will use between 152 acre feet per year (AFY) and 200 AFY. The cost of service is estimated to be in the range of \$3,600/acre foot and \$4,600/acre foot depending on how much recycled water the golf course actually uses and the final construction cost of the facility. These costs have been discussed with Sharon Heights Golf and Country Club in detail and they have entered into an MOU indicating they are willing to reimburse the District for the capital and O&M costs associated with the project. SLAC has been made aware of the costs as well and are interested in the project since the long term cost of potable water will eventually rise above the cost of recycled water and has environmental benefits, but have not yet entered into a User Agreement with the District.

Facilities will be maintained throughout the project life and financing period of 30 years, with R&R services conducted to extend the useful life beyond 30 years, as needed, to continue to provide reliable water service as long as demands continue.
7. Alternatives to provide alternate water sources for irrigation have been explored and included the construction of a well but the immediate area is not suited for a well and a well proposal in Menlo Park was determined to be prohibitively expensive, intrusive and not accepted by the community.

An alternative to create a special assessment district to fund and provide the services would require the District to purchase land for the recycled water facility (increasing capital costs) and provide recycled water at a rate less than cost-of-service for at least several years resulting in a net increase to the District rate payers. Activation of latent powers to allow the District to perform the services is preferable because it avoids the need to create a new assessment district to fund and provide the necessary services via user agreements and private partnership.