

BAYSHORE SANITARY DISTRICT

MINUTES

Regular Meeting of November 18, 2010

Opening of Meeting:

The meeting was called to order by President Gallagher at 6:02 P.M.

Roll Call:

Present: Gallagher, Quinteros, Rizzi, Swanbeck, Tonna
Absent: None
Staff: Clerk Landi, District Counsel Bakker, Maintenance Director Landi and Engineer Yeager

Study Session – SFPUC Agreement Renewal:

Staff met and reviewed the current contracts between the SFPUC, the District, Brisbane and Daly City. During this review areas that need discussion/negotiation with the SFPUC have been identified.

Counsel discussed the fee structure and explained that we will need to talk to the San Francisco Engineers and Accountants to make certain that we are not being charged for portions of improvements to their system that we do not impact. Another issue is that we need a better way to audit the costs in the SFPUC budget—what are they, what do they mean? The Engineer said that up until a couple years ago it was a fairly simple process to review the billing packet. However, for the last two years the billing packet consists of approximately 50 pages. It was suggested that if the formula is based on budgeted amounts, there should be a year-end review to ascertain what the actuals are. Staff can follow up on that suggestion.

We are unaware of San Francisco conducting any validation of their meter at the treatment plant. The validation requirement should be reciprocal.

In regard to enforcement provisions relative to industrial discharge permits, who enforces San Francisco or the District? The District is the only entity entitled to enforce its' Ordinances. The current agreement is unclear in this regard. Who is responsible for what needs some clarification.

Another area of potential discussion is eliminating the District providing service outside its' boundaries, i.e. Saddleback.

San Francisco currently does not levy connection or capacity fees. Counsel explained that at such time that the SFPUC adopts a connection fee, that amount will be taken out of the current formula used to calculate the District's annual SSC IF the District agrees to levy the same charge. It was pointed out that we are on a contract basis for wastewater treatment and people could pay for capacity that they no longer need should the District ever enter into another method of disposal.

As to the term of the agreement, the District requests an expiration date of 6/30/25 and consider adding a statement that at the end of the specified term, the contract may go on a year-to-year basis.

In regard to the discharge allocation issue in 9a and 6h, the language will not be changed.

The Clerk suggested that the Board may want to consider going from a 4 payment system to a 2 payment system synchronized with the timing of receipt of sewer service charges collected by the County.

The Engineer said that there is currently no provision for amendments. There could be an issue in the future that would justify amending the agreement.

Counsel will use the current agreement as a base point and indicate the proposed changes where applicable. Upon submission to the SFPUC he will include a letter asking for clarification of the fee formula structure. Staff will collaborate on the draft agreement.

Oral and Written Communications:

- (1) Communications from members of the public
None
- (2) Communications from members of the District Board and Staff
None
- (3) Acknowledgment of recent correspondence to the District
Recent correspondence was included in Agenda meeting packets.

Consent Items: (Any member of the Board or the public can request that an item be removed from the consent agenda. If there are no objections all items are voted upon by one motion.)

- (4) Minutes of the Regular Meeting of October 28, 2010
- (5) Payment authorization for bills and compensation
- (6) Accept 10/31/10 monthly report on District's current financial status
- (7) Accept October, 2010 checking account statement reconciliation

A motion was made by Director Quinteros, seconded by Director Swanbeck and unanimously passed by voice vote to approve the Consent Items which include payment by check numbers 5105-5120.

Board Reports – consideration of matters relating to:

- (8) President Gallagher
 - (a) LAFCO: At the November 17th meeting a resolution was issued honoring Rich Gordon's service. President Gallagher was elected as Chair of the Commission.

An item regarding the extension of water service to Caltrans for Devils Slide for fire suppression and their maintenance building caused a bit of controversy. Montara Sanitary & Water appeared and requested that North Coast Water formally make a request to them to serve the maintenance building since it is in their District. LAFCo approved the documentation for the extension by the North Coast Water District. The municipal reviews for Redwood City and San Carlos were continued.

- (b) CSDA – Local Chapter: Noting to report.

(9) City of Daly City: No update.

(10) City of Brisbane: The CAG met on November 16th and the Executive Summary of the Brisbane Baylands Project was distributed. In the discussion of wastewater, it states that wastewater will be treated at an onsite plant. President Gallagher reviewed the two plans consisting of a mix of housing, retail, commercial, entertainment venues, etc. The Summary is going through scoping sessions.

Staff Reports:

(11) **Maintenance Director** -- consideration of matters relating to:

(a) Monthly report on District operations and maintenance: The monthly report is self explanatory. The station and system are functioning well. The sump pump downstairs in the pump room had to be replaced.

(12) **District Engineer** – consideration of matters relating to:

(a) October meter reading data: The monthly pumping rate from the meter and the volume shows continued consistency.

(b) Billing questions: The annual property tax statements have gone out and as is normal, the Engineer received inquiries.

(c) Carlyle Pump Station draw down test: The draw down test results were submitted to San Francisco. The rate of flow from the meter and from the test indicated that they are close and in an acceptable range. The volume on the meter is in thousandths of gallons. When the meter reads 1, it could be anywhere from 1001 to 1999 causing a lack of accuracy. However, the Engineer is comfortable with the result.

(d) SFPUC annual sewer service charge: We have not received the billing which is typically received in late September. The Engineer will follow up with a letter to San Francisco.

(13) **District Counsel** – consideration of matters relating to:

Counsel reported that Proposition 26 regarding local government fees and assessments passed. It adds another layer of bureaucracy and may have some application to capacity charges and connection fees.

(14) **District Clerk** – consideration of matters relating to:

(a) LAFCo billing: The increase in this year's prorata share is based on FY 2007-08 revenues. That year we received \$214,912 in connection fees related to the El Rancho Market property.

(b) Interest rates: At this time it appears that there are not any favorable rates available unless the District chose to deposit with an on-line institution.

Old Business:

None

New Business:

- (15) Discussion of connection/entitlement fee and sewer service charge structure
This discussion was tabled pending receipt of the annual billing from the SFPUC.
- (16) Reports on other matters: no action will be taken
None

Adjournment:

A motion was made by Director Quinteros, seconded by Director Swanbeck and passed to adjourn the meeting at 7:37 P.M. The next meeting is December 16, 2010 which will begin at 3:30 P.M. with an SB 1234 training session.