

BAYSHORE SANITARY DISTRICT

MINUTES

Regular Meeting of July 22, 2010

Opening of Meeting:

The meeting was called to order by President Gallagher at 7:03 P.M.

Roll Call:

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

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
Provided in meeting packet.

Public Hearing:

- (4) Approval of Sewer Service Charge Report for FY 2010-2011; Resolution No. 2010-02
- (5) Approval of Collection of Delinquent Accounts on County Property Tax Roll
- (6) Adoption of FY 2010-2011 Annual Budget; Resolution No. 2010-03

The Public Hearing was opened at 7:04 P.M. There was no one present who wished to make comments or discuss Items 4, 5 or 6. The Public Hearing was closed at 7:05 P.M.

A motion was made by Director Quinteros to approve Resolution No. 2010-02, a Resolution Approving Sewer Service Charge Report for Fiscal Year 2010-2011. The motion was seconded by Director Swanbeck and unanimously passed by voice vote.

In regard to collecting delinquent accounts on the County Property Tax Roll, there are none.

A motion was made by Director Swanbeck to adopt Resolution No. 2010-03, a Resolution Approving and Adopting Fiscal Year 2010-2011 Annual Budget. The motion was seconded by Director Quinteros and unanimously passed by voice vote.

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.)

- (7) Minutes of the Special Meeting of June 24, 2010
- (8) Payment authorization for bills and compensation
- (9) Accept 5/31/10 and 6/30/10 monthly reports on District's current financial status
- (10) Accept June, 2010 checking account statement reconciliation
- (11) Resolution No. 2010-01, a Resolution Establishing Appropriations Limit for Fiscal Year 2010-2011

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 5021-5042.

Board Reports – consideration of matters relating to:

- (12) President Gallagher

a. LAFCO: The meeting was held on July 21st. The Municipal Service Reviews for Redwood City, San Carlos and Belmont were continued. The cities are currently dealing with their respective budgeting process. The reports should be submitted in time to be considered at the September meeting. The Commission honored Bob Craig for his service as a Special District Commissioner. David Altscher, formerly the Special District alternate, has replaced Mr. Craig. There will be a call for nominations for a new alternate. President Gallagher has been given authority to nominate Joe Sheridan, Broadmoor Police District Director, as the new alternate. Linda Craig, formerly the public alternate, has replaced Howard Jones as the permanent Public Commissioner. There will be interviews for the alternate public position.

b. CSDA: The next meeting is August 3, 2010 at the Sequoia Healthcare Office in Redwood City.

- (13) City of Daly City: The farmers market will open on July 24th from 9-1. Director Rizzi reported that the Cow Palace is going to hire their own contractor to develop the excess parking lot property.

(14) City of Brisbane: The City will be hosting a meeting together with San Francisco for Daly City residents to make a presentation on development plans. President Gallagher attended the recent CAG meeting. There was a workshop with Brownfield Partners who conducted the Schlage Lock area cleanup. They are using bacteria to clean the toxics.

Staff Reports:

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

a. Monthly report on District operations and maintenance: The monthly report is self explanatory. There was a bearing problem with Pump No. 2. The pump has been pulled and is at

Pump Repair Service for repair. This pump was repaired and reinstalled approximately 2 months ago. Apparently the bearing was bad.

There was a lateral call at 146 Accacia Street. The curb has dropped and the lateral may need to be replaced.

An inspection of the five raised manholes on Carter Street was done. We will be receiving a bill from Daly City for this work since we authorized the raising to be done during their resurfacing project. Director Tonna said that the project was done with stimulus funding and questioned why we would be billed. The Engineer said that perhaps the City did not include manhole raising in their request for stimulus funding.

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

- a. Brisbane Landfill (Universal Paragon/Geosyntec): Will be discussed under 17a.
- b. June meter reading data: The pumping rate this month is similar to last month's which is what you want to see. The bearing problem shouldn't affect the pumping rate.
- c. Annual Sewer Service Charge Report: There were surcharges added to two accounts due to the fact that San Francisco hadn't provided complete water meter readings for prior years.
- d. Annual Sewer Service Charges – 515 Tunnel Avenue: In calculating the sewer service charges for Sunset Scavenger Company, the rate of 20 units bimonthly was used. There was a period when they used 1100+ units. The owner advised that a water line was broken and went unnoticed. They took the line out of service and the usage has returned to their prior, normal usage pattern.
- e. Entitlement and Connection Fee analysis: Each year the Engineer establishes the value of the District and then divides that sum by the number of equivalent users to come up with the equity that each user has within the District. The amount of equity is \$3,800 which is typically what would be used for the connection fee. However, per the Ordinance approved in 1999, the connection fee is capped at \$3,414.00. So, unless the Ordinance is changed, we cannot exceed \$3,414.00. The Engineer recommends that discussion of whether or not it is appropriate to consider increasing the sewer service charge and/or the connection fee be placed on the November agenda.
- f. Extra capacity charges: There have been four billings issued: Geneva Coin Laundry, \$716.00; Macor (Norcal Waste), \$4,233.00; Daly City, \$8,300.00; and 1101 Carter Street, \$34.14. The Macor billing was returned for lack of a proper address. Daly City plans to provide data showing that they had a water leak. And the Carter Street property said they had a problem with a broken fire system. However, the Engineer has discovered that the fire line has its own meter.
- g. Commercial inventory: The SFPUC now requires that we annually give them an update of commercial accounts—this has been done.
- h. PG&E Groundwater Remediation Discharge: PG&E has provided the documentation and the Engineer has prepared the draft industrial permit for the groundwater discharge. They have

purchased additional capacity for this discharge. The permit will expire in June, 2013. A motion was made by Director Swanbeck, seconded by Director Quinteros and unanimously passed by voice vote to approve issuance of the permit.

(i) Updated Rate Schedule: The Engineer is requesting an increase to the Kennedy/Jenks Scheduled Charges for Engineering. The rates are capped at \$200.00 per hour. There was no increase in FY 2009-10 and the rates were capped at \$190 for FY 2008-09 and 2009-10.

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

a. Temporary discharge permit options and language: 17a and 17c are related and discussed below. A draft ordinance regarding temporary connections was provided in the meeting packet. The ordinance covers how temporary connections are treated and how we deal with them relative to a capacity fee. This ordinance evolved as a result of the Brisbane Landfill (Universal Paragon/Geosyntec) groundwater remediation permit which expired in June. They have requested that the permit be renewed for three years but anticipate that the discharge will last for about five years. There was review and discussion of the two tables provided by Counsel setting out a standard amortization and a fixed payment schedule. On the fixed payment method, they are buying additional capacity each year. The Engineer pointed out that per the Ordinance, they should be billed for the entire amount at this time. Counsel and the Engineer could not define a formula with supporting data to establish a leasing arrangement. President Gallagher said that perhaps we should look at a surcharge for temporary permits that exceed, for example 3 years. There was discussion of various payment scenarios. It was pointed out that by not collecting the full amount we are losing the rate of return. One suggestion was to set the fee at the amount of capacity due and charge interest at the Treasury rate as of each June 30th. An alternate was suggested that the discharger assume responsibility for the line so that the ratepayers in the District would not be responsible for the repair/replacement of the Tunnel Avenue line. Since this is such a complex issue, the discussion will be continued at the August meeting.

b. Records retention – what and for how long? Storage in the loft area of the Pump Room is full. However, by making an extension to a shelf, we may create space for approximately 10 boxes which is the equivalent of 5 years of records. There was discussion of what records may be discarded after 7 years, what should be kept in perpetuity, etc. Counsel said that we should develop a records retention policy and a process for destroying no longer needed documents. He suggested the Clerk check the Model Records Retention Schedule on the Secretary of State's site. A motion was made by Director Rizzi approving the construction of a shelving addition for approximately \$400.00. The motion was seconded by Director Swanbeck and unanimously passed by voice vote.

c. Consideration of an ordinance amending Ordinance No. 95, "An Ordinance Adopting the Bayshore Sanitary District Ordinance Code" Relating to Connection Fees for Temporary Connections

This draft Ordinance needs further review to incorporate comments made during this evening's discussion.

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

- a. SB 90/State Mandated Cost Program, Brown Act Reform – update: Nothing to report.
- b. Saddleback delinquencies – Small Claims Court action: The Clerk reported that Swift Attorney Service advised that they learned that there was a fire at 904 Saddleback. The owner has moved and his whereabouts are unknown. Swift Attorney, for an additional fee, can run a check to try to obtain a mailing address. However, we have learned that the owner is poor health and has no means to satisfy the outstanding charges. After discussion, a motion was made by Director Swanbeck that the District write off the delinquent charges. The motion was seconded by Director Rizzi and passed by voice vote.

Old Business:

- (19) Review/accept contract staff compensation increase(s)
CSMS has requested a 2½ increase to the monthly base rate. This increase will partially cover the additional man hours to conduct the weekly pump hours calculations. Kennedy/Jenks, as discussed above, has submitted a new schedule which caps engineering services at \$200.00 per hour. Meyers-Nave plans to seek an increase but is not prepared to do so at this meeting. A motion was made by Director Swanbeck, seconded by Director Quinteros and passed by voice vote to approve the increases.
- (20) Set date for workshop for review/discussion of wastewater treatment contract
Counsel will send a letter to Ed Harrington notifying him of our intent to renegotiate the contract. Staff will discuss changes and report back to the Board next month. The date for a workshop will be decided upon at the August meeting.

New Business:

- (21) Resolution No. 2010-04 allocating funds to District reserve, contingency and cash flow accounts for FY 2010-11
A motion was made by Director Quinteros to adopt Resolution No. 2010-04, a Resolution Allocating Funds to District Reserve, Contingency and Cash Flow Accounts for Fiscal Year 2010-2011. The motion was seconded by Director Swanbeck and unanimously passed by voice vote.
- (22) August 17-21 CASA Conference in Monterey
President Gallagher is interested in attending sessions being held on Thursday and Friday. A motion was made by Director Quinteros authorizing the President to attend the Conference on August 19-20. The motion was seconded by Director Swanbeck and passed by voice vote.
- (23) Reports on other matters: no action will be taken

Closed Session:

- (24) Conference with Legal Counsel – existing litigation (Subdivision [a] of Section 54956.9)
Bayshore Sanitary District v. City & County of San Francisco, San Francisco
Public Utilities Commission: Case No. CGC 07-469434

No closed session was necessary.

Adjournment:

A motion was made by Director Swanbeck, seconded by Director Quinteros and passed to adjourn the meeting at 9:14 P.M. The next meeting is August 26, 2010.