

BAYSHORE SANITARY DISTRICT

MINUTES

Regular Meeting of February 24, 2011

Opening of Meeting:

The meeting was called to order by President Gallagher at 7:04 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
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 January 27, 2011
- (5) Payment authorization for bills and compensation
- (6) Accept 1/31/11 monthly report on District's current financial status
- (7) Accept January, 2011 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 5159-5174.

The Clerk reported that a revised bill was received from the City of Daly City for manhole raising on Carter Street. A motion was made by Director Swanbeck, seconded by Director Quinteros and unanimously passed by voice vote to approve check number 5175 for \$1,500 to cover the cost of raising five manholes.

Board Reports – consideration of matters relating to:

- (8) President Gallagher

(a) LAFCO: There was no meeting in February.

(b) CSDA – Local Chapter: The Maintenance Director made a presentation about the District to the approximate 15-16 attendees at the February 1st meeting. He went through the history, mentioned that in the 1930's the area was called Bayshore City and was funded by the dog track in the vicinity of the Geneva Drive In. Bayshore City unincorporated when dog racing was outlawed by the State in about 1939. Also mentioned the master planning and the District's replacing of lines starting back in the 1980's. And he told the group that the District pays for improvements and has no debt. Senator Leland Yee was scheduled to speak to the group promptly at 7 P.M. but sent a representative instead.

(9) City of Daly City: The President noticed a for lease sign on the El Rancho development property. Director Rizzi believes this is for the first floor commercial/retail units.

Director Swanbeck reported on a residents' meeting where there was a presentation about a 16 unit housing development proposed for Carter Street. Daly City is requiring that some of the infrastructure be overbuilt. Directors Quinteros and Swanbeck reported on various aspects of the presentations made by the developer at two neighborhood association meetings. The Engineer said he has received an inquiry regarding charges and fees for development in that area.

(10) City of Brisbane: The President reported that the Baylands Specific Plan is now available. She also reported that the last CAG meeting had very low attendance and the President of the group resigned. She suggested that they meet every other month.

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 is running well. Over last weekend (February 19-20) 2 million gallons came through the station.

Mentioned field meeting with a Daly City representative to inventory the number of manholes raised on Carter Street. We were originally billed for 10; however, only 5 were raised.

Reported that the filter system has again had to have the landscape material replenished; possibly caused by ground squirrels.

There were two service requests during the reporting period; both attributed to roots.

Mentioned that the Telstar Instruments invoice for the January flow meter testing was received and is considerably more than the last test done in 2010. The Maintenance Director will inquire about the increase and check on the status of the procedures manual.

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

(a) January meter reading data: The readings are satisfactory.

(b) SFPUC billing: The Engineer doesn't fully understand the accounting used to calculate the annual charge. When we negotiate the new agreement we can ask questions and get some resolution. The FY 2010-11 billing is slightly less than the prior year. We have been concerned

that there would be significant increases due to capital improvements and bond interest. It appears that the bonds may have been renegotiated at a lower rate of interest. Counsel reported on a call from Todd Rystrom advising that San Francisco is preparing a draft of the agreement. He also spoke to City Counsel John Roddy who said they are working on the agreement but there are some issues to be resolved. He asked Counsel Bakker to continue to follow-up with him to keep the process moving. The President can also stay in contact with Todd Rystrom.

(c) SFPUC Crystal Springs pipeline: As directed, a letter was written to the SFPUC advising that the video inspection will be done by the District.

(d) Capacity entitlement fee – potential increases: The Engineer reviewed the memos in his monthly report. He explained that at the start of each fiscal year he runs a calculation as to how much equity a customer has in the system. Ordinance 82 established a cap on the connection fee. At that time we believed that connection fees were under Prop 218; however, there is a less complicated method available. Even though the equity has increased, we have held the connection fee flat. So there is justification for increasing the fee. If it were increased to keep up with inflation then the rate for a single family dwelling would rise to \$3,810 from \$3,414 and the capacity entitlement fee would go from \$17.07 up to \$19.05. The President asked the Engineer to check rates in Daly City and Brisbane. Counsel said that it isn't fair to current rate payers if the fees aren't adjusted accordingly. He explained the notification process when increasing connection fees. The Sewer Service Charge was last increased July 1, 2008 which was an automatic increase under Ordinance 82.

(e) Resolution No. 2010-04: This Resolution allocated funds to the District reserve and contingency funds based on 6/30/10 totals. The sewer service charges being retained pending resolution of the meter malfunction issue with the SFPUC, were included in the allocation. After passage of the Resolution, the District issued payment to the SFPUC less a negotiated rebate. After discussion, there was agreement that Resolution No. 2010-04 was accurate as of the date of passage, so an updated resolution will not be issued at this time.

There was discussion regarding the need to consider construction of a second force main. The current force main was constructed in 1972. It was estimated that a second line would be approximately \$1,000,000.

(13) **District Counsel** – consideration of matters relating to:
No report.

(14) **District Clerk** – consideration of matters relating to:
No report.

Old Business:

None

New Business:

(15) Strategic planning

At the last meeting the Board began a discussion regarding forward/future planning. Director Swanbeck will check to see if there is any information available via the California Special Districts Association.

There was discussion and concern about how to get people involved and where will the next generation of leaders come from? Also discussed the proposed development of the Baylands. The discussion was continued to the next meeting.

Director Swanbeck mentioned a course offered by the City of Daly City on governance. It would seem that people interested in participating in such a course are engaged in local issues and are potential leaders and participants in the governance process.

(16) Reports on other matters: no action will be taken
None

Adjournment:

A motion was made by Director Swanbeck, seconded by Director Quinteros and passed to adjourn the meeting at 8:26 P.M. The next meeting is March 24, 2011.

Submitted by Joann Landi