

# BAYSHORE SANITARY DISTRICT

## MINUTES

Regular Meeting of April 28, 2011

### Opening of Meeting:

The meeting was called to order by President Gallagher at 7:00 P.M.

### Roll Call:

Present: Gallagher, Quinteros, Swanbeck, Tonna  
Absent: Rizzi  
Staff: Clerk Landi, District Counsel Bakker, Maintenance Director Landi and District Engineer Yeager

### Oral and Written Communications:

- (1) Communications from members of the public  
District customer Cecil Owens asked the Board what portion of the year the District uses to calculate the annual sewer service charges. The District Engineer said that for residential customers we obtain water usage data from Daly City, Brisbane and San Francisco. We then analyze the annual usage vs. the usage during the six month non-irrigation months (November-April). The lesser of the two is used to compute the sewer service charge.
- (2) Communications from members of the District Board and Staff  
District Counsel reported that he is not attending the CASA Conference.
- (3) Acknowledgment of recent correspondence to the District  
Recent correspondence was included in Agenda meeting packets. Director Gallagher questioned the recent notification from San Mateo County regarding the refund for Genentech. It appears that even though the District and other entities did not receive any of the original tax, districts in the entire County are included in the refund process. Counsel said that agencies in the County may initiate action to recover these funds. There was discussion of the seemingly inequity of this refund program. The Clerk was asked to call the County to get an explanation.

**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 March 24, 2011
- (5) Payment authorization for bills and compensation
- (6) Accept 3/31/11 monthly report on District's current financial status
- (7) Accept March, 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 5191-5196 and 5198-5206.

**Board Reports** – consideration of matters relating to:

(8) President Gallagher

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

(b) CSDA – Local Chapter: The next meeting is May 3, will begin at 6:30 P.M. and is a dinner meeting.

(9) City of Daly City: Director Swanbeck reported that Daly City Manager Pat Martell spoke at the Saddleback Homeowners Association. She talked about the relationship between the various property owners and businesses in the Bayshore area. She also discussed redevelopment funding for the Bayshore area of Daly City which may be withheld and lost if the Governor prevails in his efforts. And she said that the SFPUC is tightening up on water supply and usage.

(10) City of Brisbane: There was no CAG meeting.

**Staff Reports:**

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

(a) Monthly report on District operations and maintenance: The monthly report is self explanatory. There was recently a service request at 998 Schwerin Street. This was the 7<sup>th</sup> call so a video inspection was conducted. It indicates that the lateral needs replacement; there is a severe root problem in most joints and at the mainline connection. This can be part of a near term CIP program. The District received a call from the San Mateo Housing Authority reporting that a manhole was holding water. Roots grew in through the barrel of the manhole; they were removed. The manhole should be sealed to prevent continued root growth.

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

(a) March meter reading data: The difference between calculated and metered is explained by heavy rainfall when more than one pump is on at any given time.

(b) Brisbane Baylands Specific Plan: As directed, Engineer Yeager prepared a draft letter to Universal Paragon with questions regarding their specific plan. The letter will be amended to include language suggesting that representatives meet with the District Engineer, Maintenance Director, and a Director in the near future.

(c) SFPUC agreement: At the last meeting there was consensus that a proposal would be submitted stating the District's position. An email was recently sent relative to how fees are

computed. A meeting scheduled for today with the SFPUC was cancelled to allow them more time to look at alternative methods to include more of the collection system in the base rate.

The 1995 agreement has language stating that the District's formula includes payment of 100% of the cost of the treatment facilities and 100% of the cost of the collection system expenses. However, subsequent to that agreement, a letter was issued by San Francisco indicating that the District would be billed 25% for the collection system expenses.

At the last meeting with the SFPUC we requested additional information to help understand what the collection system expenses actually covered. The SFPUC has prepared a CIP for their wastewater facilities which addresses both treatment and collection. There is a third element in the master plan referred to as the "transport and storage boxes and tunnels." There are 3 plants, the Southeast, Oceanside and the Northpoint wet weather facility. Bayshore's flow goes to the Southeast plant and then during wet weather when that plant can't handle the flow, it is diverted to the Northpoint plant. There are a series of boxes and tunnels that act as storage facilities and connect the Southeast and Northpoint plants. There is also a small treatment plant on Treasure Island. What we are suggesting is that we will continue to pay for the wastewater treatment plant and the transport and storage boxes as we have been doing. The SFPUC talked about bringing the Treasure Island plant into the rate base. We do not believe that is appropriate nor fair to our ratepayers. We have also stated that we use a very small portion of the collection system. Of the 952 miles, we use about 2 miles. Therefore, we should only be assessed for 5% of the expenses, not 25%. We also want a better accounting of the expenses associated with the collection system. The Engineer provided two tables comparing expenses using the current 25% rate and the more appropriate 5% rate.

The upcoming SFPUC CIP bonds are about 67% for treatment facilities and 33% for collection system. We should not be assessed for bonds for the collection system nor should we pay anything related to the recycled water program.

There are significant issues relative to what makes up the base rate. The SFPUC has a wholesale rate for water, which is considerably lower, but not for wastewater. We feel that there should be a wholesale rate for wastewater.

The SFPUC connection fee was discussed. While there is language in the current agreement which indicates that at such time as the SFPUC established a connection fee, the District would collect from new connections. However, the District was never/has not been officially notified about collecting the fee. Counsel said we need to look at the study that was done upon which, their connection fee is based. He also mentioned that San Francisco has a \$6,000,000 project for channel storage; he will request information.

There was agreement that we will wait for a reply to the District Engineer's email to the SFPUC regarding fee calculation. Counsel has emailed requesting an extension since it does not appear that an agreement can be reached by the June 30, 2011 expiration date.

(d) PG&E remediation site: PG&E had a meter failure and will be using historical data instead of meter readings for this period.

(e) 2011-2012 Sewer Service Charge Report: The prep work will start next week.

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

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

The Clerk reported that all manually billed FY 2010-2011 Saddleback sewer service charges have been paid.

**Old Business:**

(15) Strategic planning

The President said that in her experience this type of planning is done in a special meeting with a facilitator/consultant. The Clerk will check with CSDA for any resources they may be aware of or if they can offer the service. This item will be continued to the next meeting.

**New Business:**

(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 8:11 P.M. The next meeting is May 26, 2011.

Submitted by Joann Landi