

BAYSHORE SANITARY DISTRICT MINUTES

Regular Meeting of August 25, 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 in the monthly meeting packet.

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 July 28, 2011
- (5) Payment authorization for bills and compensation
- (6) Accept 7/31/11 monthly report on District's current financial status
- (7) Accept July, 2011 checking account statement reconciliation

A motion was made by Director Swanbeck, seconded by Director Quinteros and unanimously passed by voice vote to approve the Consent Items which include payment by check numbers 5264-5281.

Board Reports – consideration of matters relating to:

- (8) President Gallagher
 - (a) LAFCO: There was no meeting in August.

(b) CSDA – Local Chapter: The meeting was held on August 2nd. There was a representative from CSDA who spoke about the various legislative bills. Montara Sanitary District made a presentation about their District. Director Gallagher in her capacity as Chair of San Mateo County LAFCo, will attend the CalLAFCo conference next week.

(9) City of Daly City: The Citizens Academy is starting a class and Director Swanbeck brought information and applications. This class covers all aspects of City governance. Director Swanbeck is planning to attend.

Director Rizzi said that he has been told that the El Rancho property has received some interest in the commercial, lower level units.

(10) City of Brisbane: No report.

Staff Reports:

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

(a) Monthly report on District operations and maintenance: The monthly report is self explanatory and the station is working well. There was a service request at 146 Accacia Street which that happens to be one of the trouble spots that need repair/replacement.

(b) Grease trap ordinance: Mr. Landi has been researching and will meet with the District Engineer in regard to updating the ordinance. He is going to visit the establishments in the District and see what type of traps they are using.

(c) Inventory of needed repairs: Conducted a video inspection of two laterals (57 and 146 Accacia Street) and a portion of the main on the first block of Accacia Street. The problem with these two laterals is that the pipe at 57 Accacia has dropped at the curb and where the cleanout is located. There is a similar problem at 146 Accacia but the curb has also dropped down and will have to be replaced. The main on MacDonald Avenue which was lined in the mid 1990's was inspected. There is a short section where the pipe is collapsed, approximately 60 feet. Estimates will be obtained and a report will be made at the next meeting.

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

(a) July meter reading data: Everything looks good; the calculated flow is matching the pumped flow.

(b) 2011-2012 Sewer Service Charge Report: The report was submitted to the County. There were some problems with a few parcel numbers; have been resolved.

(c) Capacity Entitlement Charge: The Geneva Coin Laundry/Polynesian Luau is the only establishment that has exceeded its capacity entitlement. They have been billed.

(d) PG&E: The gas line hydrostatic testing permit was issued in June and will expire at the end of September. The work has not been done and is not yet scheduled. PG&E may have to ask for an extension.

(e) Non-residential inventory: One of the requirements of the contract with San Francisco is that we submit an inventory of non-residential properties every year. It has been done and has been submitted. There is an increase in the number of vacant businesses.

(f) SFPUC billing: We report pumped and non pumped flow to them. The percentage of I/I increased significantly this year relative to the billed flow. The Engineer reviewed a memo in the meeting packet which indicates that the pumped flow is more this year. That is attributable to the long, wet spring. The non pumped flow has decreased slightly. We do not yet have San Francisco's flow. In general, there has been a drop in usage and there are a larger number of vacant properties. The percentage of I/I is the difference between what we report to San Francisco and what we bill and then that is divided by the total amount that is reported to the SFPUC. That has been running 15-16% but is about 20% this year. It may not affect our billing because San Francisco may have also experienced an increase in I/I.

(g) Depreciation schedule: No report-continued to the September meeting.

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

(a) Update – C&C of San Francisco and District Joint Powers Agreement renewal: As instructed at the July meeting, a letter was sent to San Francisco stating the District's position. They have cancelled the August meeting. In regard to contacting Brisbane and advising them of the "postage stamp" dilemma/approach suggested by San Francisco, it was decided that for the time being, we wait. Counsel will follow up with San Francisco.

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

Old Business:

(15) Review/accept contract staff compensation increase(s)

(a) Meyers-Nave

A motion was made by Director Quinteros, seconded by Director Swanbeck and passed by voice vote to approve the compensation increase request from Meyers-Nave.

New Business:

(16) October 10-13 CSDA Conference

The conference is being held in Monterey. There is no decision regarding who will attend. Will be placed on the September agenda for reconsideration.

(17) Draft FY 2010-2011 audit

President Gallagher said that one of the discussions in the management report talks about capitalizing depreciation expense, posting year-end accounts payable, etc. She said we need to better understand our depreciation so that we do not have an audit adjustment. In regard to capital asset life and depreciation, she believes we need to have a little more discussion. The Engineer said the issue that has come up before is that the depreciation that the auditors calculated is based on a useful life based on accounting standards. By wastewater/collection system standards, the useful life is about 80 years. In actuality, we keep two sets of depreciation schedules; one based on useful life per industry standards and the auditors based on accounting standards.

There was consensus that the draft audit is acceptable.

(18) Reports on other matters: no action will be taken

The Maintenance Director brought up the topic of the recent capital project on Robinson Drive. Daly City attempted to bill the contractor for a permit. Mr. Landi spoke to Ravi, Daly City Public Works Director, and jogged his memory about the reciprocal agreement between the District and the City. The Maintenance Director believes we need to reconfirm this agreement with City Manager Martell. As staffing changes there will be no historical recollection of this verbal agreement. District Counsel asked that this matter be put on the September agenda. President Gallagher will contact City Manager Martell.

Adjournment:

A motion was made by Director Swanbeck, seconded by Director Quinteros and passed to adjourn the meeting at 7:51 P.M. The next meeting is September 22, 2011 at 7:00 P.M.

Submitted by Joann Landi