

BAYSHORE SANITARY DISTRICT

MINUTES

Regular Meeting of September 22, 2011

Opening of Meeting: The meeting was called to order at 7:00 P.M.

Roll Call:

Present: Gallagher, Quinteros, Rizzi, Swanbeck, Tonna

Absent: None

Also: Maintenance Director Landi, District Counsel Bakker, Engineer Yeager and Clerk Landi

Oral and Written Communications: *(Concerning matters not on the Agenda; no action will be taken nor will extended discussion be permitted.)*

(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
Counsel told the Board that he sent a letter on behalf of the District urging the Governor to veto SB 293. The Bill would reduce the retention for construction projects to 5%. The District's policy is to retain 10% on these projects. It is unknown at this time if the Governor has signed or vetoed the bill. *(Note: By authority of Resolution No. 05-08 Counsel may correspond for the District regarding support or opposition to proposed legislation.)*

A recent letter from CSDA sought participation on various committees by Directors. Director Swanbeck is interested in serving on the LAFCo Committee. The President signed the applicable form.

Consent Agenda: *(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 August 25, 2011
- (5) Payment authorization for bills and compensation
- (6) Accept 8/31/11 report on District's current financial status
- (7) Accept August, 2011 checking account reconciliation

A motion was made by Director Quinteros, seconded by Director Swanbeck and passed by voice vote approving the consent items which include payment by check numbers 5282-5297.

Board Reports – consideration of matters relating to:

(8) President Gallagher

(a) LAFCo: The regular meeting was postponed until October 19th. There was a special study session held in Pescadero concerning the municipal service review for County Service Area #11 (water). Pescadero had a failure in the water delivery system last month. There are multiple issues regarding the aquifer, septic systems, etc.

(b) CSDA – Local Chapter: The next meeting is in October.

(9) Daly City: The Dollar Store is scheduled to open September 23rd. Director Tonna reported that they are on target to open 13 stores a week in the United States this year.

On September 17th the Boys & Girls Club, the Friendship Club and the Seniors Club sponsored a barbecue for Joseph & Betty Kay, Accacia Street residents, who lost their home to fire.

The President said she had an opportunity to see one of the rental units at 2655 Geneva Avenue. She met tenants who seemed to very happy living there. In response to a question, the Engineer said that there is a single APN so the sewer service charges are placed on the tax rolls.

(10) Brisbane: CAG meeting was postponed until next month.

Staff Reports:

(11) Maintenance Director – consideration of matters relating to:

(a) Monthly report on District operations and maintenance: The pump station is operating properly. •San Mateo County Environmental Health performed the annual hazardous materials inspection of the Station. Everything was found to be in order. •There was one service request that turned out to be an odor problem in a storm line. The resident was advised to call Daly City. •PG&E began preparations for hydrotesting. We received the USA notification and the project area was marked.

(b) Grease trap ordinance and inspections: The Maintenance Director reported on businesses that have been inspected and a few he was unable to access. He has researched ordinances of other entities. Since we have so few establishments he suggested that an annual inspection is sufficient. The mainline on Oriente was inspected to determine if there is grease coming from KFC/Taco Bell; no problem detected. The Engineer agreed that annual inspections are adequate.

(c) Project estimates: An estimate for \$8,500 has been received from Uniacke Construction to replace two laterals on Accacia Street. The section of main on MacDonald Avenue needs more investigation before a decision is made about how best to proceed.

The Engineer mentioned that many districts have a contractor on call for minor repairs/projects.

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

(a) August meter reading data: A comparison is made between the meter reading and the calculated flow; it is consistently close.

(b) PG&E: They have scheduled the start of hydrostatic testing for September 27th and the discharge will probably be on September 29th. PG&E has received an extension from the SFPUC until December 31, 2011. The District's permit extension will be handled administratively.

(c) Non-residential inventory: The inventory has been updated and submitted to the SFPUC as required.

(d) Customer questions: Most inquiries can be handled verbally. Some tenants with multiple meters ask for readings for individual meters.

(e) Depreciation Schedule: The Engineer spoke to Craig Fechter and they are in agreement that the auditor's depreciation complies with GASB34 while the District's depreciation considers replacement value. The District's method is much more useful from a financial management and planning standpoint. Both methods use the same inventory.

(f) SFPUC billing: We received the annual billing for \$840,908 which is \$57,137 or 7.3% more than last year. It is still slightly less than we anticipated and budgeted. The Engineer reviewed his detailed analysis of what has historically happened over the last 5 years. He expects the cost to rise about 6-8% for the next few years; an increase we have been expecting. The calculation method is the same as was used last year. He reviewed the I/I for this year, 29.6 mg, vs. 22 mg for prior years. Discussed the impact of heavy rain fall events on the District flow and the SFPUC flow from its combined system.

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

(a) Update - C&C of San Francisco and District Joint Powers Agreement renewal: Counsel spoke to Todd Rydstrom regarding our August 10th letter. We do not believe their postage stamp method is equitable and we shouldn't have to pay \$132,000 for a study. Todd indicated that Mr. Crispin was working on a response to our letter. He believes that the SFPUC is going to conduct a fee study. He stressed that there is about \$6,000,000,000 in future project costs and the District needs to be aware that they will be subject to those costs. It is Mr. Bakker's understanding that the SFPUC and the District would come up with a method and then the SFPUC would hire an outside consultant to create a way of billing for the portions of their system that we use.

The Engineer explained that the capital projects which the SFPUC will be doing, actually include more of the collection system vs. the treatment plants. We have our own collection system and receive no collection system service from the SFPUC. We currently pay 25% of the collection system repairs but only use about 1-2% of the system.

Counsel expects that we will have the SFPUC's response by the October meeting.

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

(a) State Compensation Insurance Fund: The Clerk explained that she has recently found out that the SCIF policy does not provide coverage for the Board. SCIF has indicated that from their standpoint, there is no need to maintain the coverage which began about 80 years ago when the District had an employee. Counsel can find no legal reason why the District must maintain the policy. So, since we receive no benefit and there is no legal reason to maintain, it was the consensus of the Board to terminate the policy.

Old Business:

(15) October CSDA Conference : No Board member will attend.

New Business:

(16) City of Daly City - reciprocity agreement re project permit fees: The President asked if there is some wording that we could prepare for an agreement and then she will contact City Manager Martell. District Counsel said that we have the language used to exempt Brisbane and he will provide that to the President. She will then approach the City Manager and ask if their gentleman's agreement can be documented.

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

The Maintenance Director reported that 40 Industrial Way may have been sold. It is his understanding that the buyer is not Universal Paragon.

Adjournment:

A motion was made by Director Swanbeck, seconded and passed by voice vote to adjourn the meeting at 8:27 P.M. The next meeting is October 27, 2011.

Submitted by Joann Landi