

BAYSHORE SANITARY DISTRICT

MINUTES

Regular Meeting of October 25, 2012

Opening of Meeting: The meeting was called to order at 7:02 P.M.

Roll Call:

Present: Gallagher, Quinteros, Rizzi, Swanbeck, Tonna

Absent: None

Also: Maintenance Director Landi, District Counsel Bakker, District 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
The President apprised the Board about a conversation she had with Todd Rystrom, SFPUC, during which he explained his position relative to the contract renewal. She advised him that the Board needed time to discuss recent changes to the draft.

(3) Acknowledgment of recent correspondence to the District
Correspondence was distributed prior to the meeting. Notification of the draft General Plan update for Daly City was recently received. Director Swanbeck said this is an addendum to the original document and in regard to the District, there are references to multi family dwellings vs. single family residences, restaurants, etc. Staff will review the document to determine if there are any land uses which would impact the District. If that is the case, the President directed staff to respond accordingly.

There is a Board election for CSRMA and they are seeking candidates. No Director is interested.

In January, 2013 CSDA is conducting classes on how to be an effective board member. Sessions will be held in Monterey, Sacramento and Fountain Valley. The President inquired as to whether any Board member was interested in attending. This item will be placed on the November agenda.

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 September 27, 2012
- (5) Payment authorization for bills and compensation
- (6) Accept 9/30/12 report on District's current financial status
- (7) Accept September, 2012 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 5505-5525.

Board Reports – consideration of matters relating to:

(8) President Gallagher

(a) LAFCo: The next meeting is November 21. Josh Cosgrove, North Coast Water District Director, was elected as the Alternate Special District representative. David Altscher and Joe Sheridan are the two regular Special District commissioners.

(b) CSDA – Local Chapter: The next meeting is October 30 at 7 P.M. at the Sequoia Healthcare office.

(c) Redevelopment Oversight Board: President Gallagher attended two meetings in October; unfortunately, one was adjourned for lack of a quorum. The purpose of these meetings was to review the policy regarding public comment and attendance.

(9) Daly City: no report

(10) Brisbane: The City is issuing an amendment to the Baylands EIR since they have identified a source of water. They have asked for comments from cooperating agencies but have excluded the District from that list. The District Engineer will correspond with the City prior to the November 21 deadline for comment.

Staff Reports:

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

(a) Monthly report on District operations and maintenance: The Carlyle Station is operating properly; the pump hours are consistent. During the reporting period, the Maintenance Director and District Engineer met with the SFPUC regarding sampling at the Carlyle Station. The sampling began on October 15th.

With regard to the Tunnel Avenue bus storage project, inspection has been conducted but the project is not yet complete.

Last month the Board was informed about a lateral problem at 478 Oriente which was repaired by Uniacke Construction. It appears that the portion of the lateral behind the property line has been repaired by the owner.

(b) Main Street, SFPUC 60" line replacement project: No report.

(c) Review of District's SSMP: The District's plan was completed about 4 years ago. The Maintenance Director recommends that staff review the plan for accuracy and/or needed changes. This item will be continued to the November meeting.

Garbage is being dumped behind 40 Industrial Way and was reported to the Brisbane PD. They suggested mounting cameras on each end of the building as a deterrent.

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

- (a) September meter reading data: The computed vs. measured flow is very close.
- (b) Capacity entitlements: Payment has been received from the Cow Palace Motor Inn and Geneva Coin Laundry. The Alpine Inn and Bayshore Elementary School District have identified leaks and taken corrective action. Their usage will be tracked for a few months to insure that their water usage declines. #250 Industrial Way will be rebilled.
- (c) SFPUC wastewater sampling: The sample began on October 15th and we are to receive interim results.
- (d) 575 Tunnel Avenue: This project is not yet complete.
- (e) PG&E gas line construction and dewatering permit: Documentation and payment has been received and the permit has been issued.
- (f) Brisbane landfill (UPC): They have experienced problems with their meter and pumping system. The pumping system is being worked on and they will replace the faulty meter with an electronic mag meter. We will estimate the amount of discharge during the meter failure.

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

(a) Review draft - C&C of San Francisco and District Joint Powers Agreement renewal: At the September meeting we had a draft that was o.k. with the exception of the capacity charge issue. This would apply to the District, not the City of Brisbane and would have consequences in regard to development of the Baylands. This inequity was explained to the SFPUC and they have revised the language. They propose that there would be no charge for 5 years and then the capacity fee would be phased in at the rate of 20% per year over a five year period. At the end of ten years we would be paying 100% of the capacity charge. Earlier in the month the President spoke to Todd Rystrom and discussed this five year phase-in. They spoke again today and Mr. Rystrom said he would like to attend the meeting to answer questions. The President told him that the issue is the capacity charge puts us at a disadvantage in regard to development of the Baylands. He inquired as to whether or not the Board would reconsider if collection of the fees was waived for 10 years.

We have recently executed an extension which expires December 31st. The Brisbane and Daly City agreements expire in 2025 and the Engineer said we should ask that there be language in those contracts regarding capacity. District Counsel suggested that it be proposed that the capacity fee be waived until 2025. The SFPUC's position is that their customers pay capacity fees and the District's customers use portions of their system so they should also pay. There was discussion about the equity issues and being charged a connection/capacity fee but having no ownership in the SFPUC system. The preference of the Board is that the fees for the Baylands would commence once Brisbane is also subject to the same charges. It was pointed out that we need to clearly define that the lands that we are speaking of are defined as that land in the City of Brisbane which is within the service boundaries of the District. The consensus was that there are no fees for those lands until such time as Brisbane is also liable for fees. If the SFPUC is able to renegotiate Brisbane's existing contract so that they would be subject to capacity fees, then the District would begin to pay.

Director Swanbeck inquired as to why there was no language in the contract regarding their methodology for computing the capacity charge. The Engineer recalls that their calculation is very similar to the way the District calculates their fee each year. Their current capacity fee is \$2,900; however, costs associated with the collection system will be deleted. At this time we do not know how much the fee would be but the Engineer and Counsel estimate it would be approximately 60% of the total. It was agreed that we need clarification.

Counsel will propose some language based on this discussion and the Engineer will look at how the SFPUC calculates its capacity charge. He added that it should be expressed in more explicit language in the contract.

A motion was made by Director Swanbeck, seconded by Director Quinteros and passed by voice vote to ratify Amendment #3 with the SFPUC.

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

Old Business:

- (15) Ordinance No. 98, Ordinance Approving Increase in Directors' Fees
Three calculations have been proposed; an increase would become effective January, 2013. A motion was made by Director Quinteros to adopt Ordinance No. 98, an Ordinance Approving Increase in Directors' Fees to \$190 per day of service. The motion was seconded by Director Swanbeck and unanimously approved by voice vote.

New Business:

- (16) CSDA Legislative Days
Legislative Days are scheduled for May 14-15, 2013. This is an opportunity for districts of all types to take part in important legislative issues facing special districts. It also provides time to meet with legislators and Capitol staff. Director Swanbeck would like to attend.
- (16) Reports on other matters: no action will be taken
None

Adjournment:

The meeting was adjourned at 8:35 P.M. The next meeting is November 29, 2012.

Submitted by Joann Landi