

# BAYSHORE SANITARY DISTRICT

## MINUTES

Special Meeting of June 11, 2012

---

### Opening of Meeting and Roll Call:

The meeting was called to order at 7:03 P.M.

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  
President Gallagher advised the Board that she attended a Redevelopment Oversight meeting today. She also reported that the District has received approximately \$85,000 of redevelopment tax for the period January-December, 2012.

(3) Acknowledgment of recent correspondence to the District  
The Clerk told the Board that a letter was received from the Mid-Peninsula Water District today endorsing the election of Joe Sheridan to fill the Special District LAFCo Commissioner opening.

The District has received a follow-up/confirmation letter from Kathleen Rodegeb. IRS Compliance Division. The letter included references to various IRS code sections relative to the classification of elected directors and independent contractors. The Clerk was asked to seek the advice of the District's Auditor regarding the issue of 1099's vs. W-2's for Board members.

### Staff Reports:

(4) SFPUC billing—District Engineer: The Engineer has reviewed data provided by the SFPUC. In the past, the District has been billed on the volume of flow delivered. The SFPUC is proposing to bill based on volume, chemical oxygen demand (COD), suspended solids and oils and grease. He reviewed a handout he prepared analyzing some of the numbers and comparing various rate scenarios.

The SFPUC had their consultant put a rate together using estimates of the COD, suspended solids and oils and grease. According to the data the strength of our wastewater is stronger than that of San Francisco. At this time we are not sure about the accuracy of that data. The sampling done by the SFPUC isn't rigorous enough to be used for a rate study and has been done sporadically and never during the summer months. Measuring the actual strength is very

important in using any calculation method. In the summer months the milligrams per liter of the constituents would stay the same because it is not affected by I/I. There are inconsistencies in the sampling data provided by San Francisco; however, the averages are in the range of reasonable. Oils and grease are significantly lower than predicted by the SFPUC.

It is likely that the SFPUC will go with scenario 1 and subsequent to that, make adjustments relative to strength as needed.

In response to a question, the Engineer explained that sampling is done over a 24 hour period. However, there are variables in the methods used, i.e. the depth of the sampling tube. They need to have a more meticulous sampling program and we need to have some summer data. There is a lot of work to be done and then the methodology needs to be memorialized.

(5) Main Street, SFPUC 60" line replacement project—Maintenance Director: Two laterals were reconnected on Main Street. Ranger Pipeline televised the lateral at 102 Main but was unable to conduct a thorough video inspection at 104 because the cleanout has been covered over and a tree is planted exactly on top. The Maintenance Director was able to visually inspect the line and found no problems. It was the consensus of the Board that the property owner be notified of the condition of the lateral and that there is potential for backup problems. The Engineer will draft the letter.

The project is not yet complete so the post-construction video inspection has not been done. The SFPUC has asked that the District notify them with the results of the final inspection.

#### **Budget Workshop:**

(6) Fiscal Year 2012-2013 Budget:

The Board of Directors and Staff were provided with a budget worksheet which included the amounts budgeted for Fiscal Year 2011-12 and the projected revenues and expenses through the end of this fiscal year.

At this time we are not aware of any new development planned for the 2012-13 fiscal year; no connection fees are anticipated. A modest amount was tentatively budgeted for capacity entitlement fees. A modest increase in property tax is proposed. Anticipated interest on the District's accounts will likely remain at the FY 2011-12 levels.

After systematically working through the Operating and Non-Operating Revenue portion of the budget, the total is \$1,167,000. There will be contributions from contingency funds in the amount of \$46,000 bringing the Total Revenues and Contributions to \$1,213,000.

Operating expenditure accounts were reviewed one-by-one, discussed and fiscal needs for 2012-13 were evaluated. Total Operating Expenditures for fiscal year 2012-13 are \$1,169,000. There are capital projects totaling \$44,000. The total expenses are \$1,213,000 an increase of 1.1% compared to the prior year.

These figures are subject to change prior to formal adoption at the July 26, 2012 Public Hearing.

#### **New Business:**

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

None

**Adjournment:**

The meeting was adjourned at 9:23 P.M. The next regular meeting is June 28, 2012.

Submitted by Joann Landi