

BAYSHORE SANITARY DISTRICT

MINUTES

Regular Meeting of June 28, 2012

Opening of Meeting: The meeting was called to order at 7:01 P.M.

Roll Call:

Present: Quinteros, Rizzi, Swanbeck, Tonna

Absent: Gallagher

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
Vice President Quinteros acknowledged receipt of a letter from CSMS regarding fee increases for Fiscal Year 2012-13. The matter of contract staff compensation will be placed on the July 26, 2012 agenda.
- (3) Acknowledgment of recent correspondence to the District

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 May 24, 2012 and Special Meeting of June 11, 2012
- (5) Payment authorization for bills and compensation
- (6) Accept 5/31/12 report on District's current financial status
- (7) Accept May, 2012 checking account reconciliation

A motion was made by Director Swanbeck, seconded by Director Rizzi and passed by voice vote approving the consent items which include payment by check numbers 5439-5453.

Board Reports – consideration of matters relating to:

- (8) President Gallagher
 - (a) LAFCo: No report.
 - (b) CSDA – Local Chapter: The next meeting will be in August.
 - (c) Redevelopment Oversight Board: No report.
- (9) Daly City: no report

(10) Brisbane: No report.

Staff Reports:

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

(a) Monthly report on District operations and maintenance: The generator was rehabbed; rust was removed and Herculiner paint applied to the top where water pools.

PG&E conducted hydro testing of their gas line. We were not notified; however, there was a noticeable increase in daily flows during the discharge period. They should be submitting meter readings to the Engineer.

(b) Main Street, SFPUC 60" line replacement project: Main Street has been temporarily paved. The post TV inspection will be done just prior to final paving of the road.

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

(a) May meter reading data: The computed flow and the calculated flow are very close.

(b) Annual Sewer Service Charge: We received the missing data from the SFPUC and recalculated the revenue. We are currently at \$1,049,000 and are waiting for data from Sunquest and PG&E.

(c) Point Martin Subdivision: This is the project brought to our attention at the last meeting. There was a USA request for marking for excavation. Engineer Yeager contacted Daly City and was advised that the project is working its way through the subdivision process. They need to submit a precise plan and CEQA document. In 2008, the District submitted a will serve letter. In the future we should include an expiration date on will serve letters.

(d) FY 2012-13 rate schedule: Kennedy/Jenks is requesting a revision to the rate schedule that has been in effect since 2010. This will be discussed at the July 26th meeting.

(e) 104 Main Street: This is the home where there is a large tree planted over the cleanout. The Engineer sent a letter to the property owners notifying them that they no longer have an approved cleanout.

(f) Non-residential users list: The list was submitted to the SFPUC as is required annually per our contract for wastewater disposal services.

(c) SFPUC billing: The Engineer has had an opportunity to go through the SFPUC calculations. Included in his monthly report is a memo and spreadsheet (provided by the SFPUC). The SFPUC is proposing an alternative method of calculating the cost of treatment. Table 1 is the current rate calculation which they have provided each year. They provide the total costs and then an allocation of how much is chargeable to the District. The collection system is charged at 25%, the others at 100%. On the offsets, we receive credit for 85%. We pay a proportionate 4.2% share and that is how they arrive at the annual sewer service charge. Everything is based on flow. Now they are proposing to charge the District based on flow, on the chemical oxygen demand (COD), suspended solids and oil and grease content. This is not an unusual way of doing things but it is the first time the SFPUC has gone in this direction.

Table 2 shows the proposed allocation and how much of the clean water costs are flow related, COD related, suspended solids related and oil and grease related. They have not provided

enough detail to indicate how they arrived at the various percentages. The Engineer is not sure if it is necessary to review all the backup information at this time.

Table 3 is the FY 2011-12 calculation using the new formula. In addition, the sewer costs which were allocated at 25% to the District, are now allocated at 0%. The cost associated with local sewers is not going to be charged to the District. Using the proposed new methodology, the FY 2011-12 charge would have been about \$37,403 less. The SFPUC has projected the sewer service charges out for 10 years. Under the current formula the charge would be \$1,724,955 vs. \$1,592,710 using the proposed calculation.

There are still some unresolved issues to be discussed. The SFPUC has agreed to exclude the cost of local sewers—but what is a local size? They propose 36” which the Engineer thinks should be 48”. The District uses a very small portion of the collection system. A big issue is how they are measuring wastewater quality. The SFPUC samples at the Carlyle Station sporadically. We need to agree upon a testing protocol and an appropriate discharge point.

In response to a question as to why the SFPUC wants to calculate via this method, the Engineer said this is how they are beginning to handle their non-residential accounts.

We need to memorialize all the integral negotiations of this process for the future.

In ending the discussion, Engineer Yeager said he doesn't dispute their calculations but needs more background information.

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

(a) Update - C&C of San Francisco and District Joint Powers Agreement renewal: The agreement extension expires June 30, 2012. We will not be able to complete negotiations before that date so the SFPUC has requested a second extension until September 30, 2012. When the agreement is formalized everything will be trued up. A motion was made by Director Swanbeck to approve the extension. The motion was seconded by Director Rizzi and unanimously passed by voice vote.

Counsel reported that there are meetings scheduled to go over some of the outstanding issues. It is our intent to have the term of the new agreement run to coordinate with the expiration of the City of Brisbane's agreement with the SFPUC. There was consensus that there be language in the agreement stating that the terms of the contract will continue after its expiration on a year-to-year basis unless either of the parties initiate renegotiation 12 months prior to the expiration.

(b) Discussion regarding Director compensation and benefits: Counsel said that the last meeting fee increase was approved in 2001. Based upon an allowable 5% per year increase, the meeting fee could be raised a maximum of \$90.75. In response to a question from Director Tonna, Counsel said that the calculation is not based on compounding. If a stipend increase is approved, it becomes effective 60 days after the ordinance is published and is not retroactive. There was brief discussion of a survey conducted by the Contra Costa Sanitary District.

Staff was directed as follows: The Clerk will gather information from some comparable districts relative to benefits, meeting stipend and their total operating budget. She will also ask Dooley Insurance & Financial to prepare a uniform medical plan proposal. Counsel will prepare an ordinance for the July meeting.

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

(a) Update – permit deposits. We have had responses from all but Civtel.

(b) Auditor opinion re 1099 vs. W-2 issue. Per the auditor and Counsel it appears that the Board should be treated as employees and their annual compensation reported on a W-2. The Clerk will check with CSDA and also will ask other districts when she gathering information regarding compensation and benefits.

Old Business:

(15) City of Daly City – reciprocity agreement re project permit fees
No report.

New Business:

(16) 9/24-27/12 CSDA Annual Conference
Director Tonna made a motion that any Director who would like to attend may do so. The motion was seconded by Director Swanbeck and passed by voice vote.

(16) Reports on other matters: no action will be taken
None

Adjournment:

A motion was made by Director Swanbeck, seconded by Director Rizzi and passed to adjourn the meeting at 8:28 P.M. The next regular meeting is July 26, 2012.

Submitted by Joann Landi