

BAYSHORE SANITARY DISTRICT

MINUTES

Regular Meeting of August 23, 2012

Opening of Meeting: The meeting was called to order at 7:07 P.M.

Roll Call:

Present: Gallagher, Quinteros, Swanbeck, Tonna

Absent: Rizzi

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
None
- (3) Acknowledgment of recent correspondence to the District
Correspondence was distributed prior to the meeting.

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 July 26, 2012
- (5) Payment authorization for bills and compensation
- (6) Accept 7/31/12 report on District's current financial status
- (7) Accept July, 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 5473-5488.

Board Reports – consideration of matters relating to:

- (8) President Gallagher

(a) LAFCo: There was no meeting in August. There is a call for nominations for an alternate special district member. The District received a letter from Joshua Cosgrove of North Coast Water seeking support for his nomination; we have officially nominated him to serve as the alternate. The next meeting is September 19.

(b) CSDA – Local Chapter: There was a meeting on August 7th. Supervisor Horsley spoke to the group and provided an overview of the County’s condition. There was a roundtable discussion among the district representatives. Part of the discussion was about compensation and how the compensation is reported to the IRS. We are one of just 3-4 Districts who use Form 1099. Of the districts represented, our District’s compensation was the highest. Some districts receive no compensation but do have benefits. One district pays a stipend even if the member does not attend the meeting.

The Maintenance Director mentioned that San Mateo County is the only county in the State who elect supervisors at large. There is a measure on the November ballot that would change that practice to supervisors being elected by the registered voters in their specific district. Supervisor Horsley is not in favor of district elections.

The next meeting is October 30.

(c) Redevelopment Oversight Board: Director Gallagher missed a meeting on Monday. The agenda for that meeting included the obligation payment schedule for January-June 30, 2013. Also, up for consideration/approval was the FY 2012-13 (\$288,000) budget for the successor agency. The maximum allowable is \$250,000; the excess will be covered by Daly City. In the next 5 months there are only 4 meetings scheduled.

(9) Daly City: No report.

(10) Brisbane: Director Swanbeck provided maps re hydrology and existing pipelines to the CAG. She also mentioned that a trailer added to a piece of legislation which would have gutted CEQA was removed today.

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 entrance gate was repaired by Dan’s Drilling & Fencing.

The semi-annual flow meter verification and alarm replacement scheduled for August 24 has been rescheduled for September 4. Telstar Instruments received the wrong alarm.

Mr. Landi met with Howard Pearce at the proposed bus yard. A lateral was found and televised. It is not in good condition and must be replaced. They will be preparing and sending the District a proposal.

There were no service requests during the reporting period.

PG&E is going to hydrotest another section of line east of Geneva.

A motion was made by Director Swanbeck, seconded by Director Tonna and passed by voice vote to pay the \$250.00 gate repair bill.

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

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

(a) July meter reading data: The station is running fine; the calculated and measured flow is close.

(b) Annual Sewer Service Charge: The report has been submitted and accepted by the County.

(c) Capacity entitlements: The Alpine Inn reported that they had some interior leaks which caused the increased water usage. They were advised that they need to provide documentation. The Geneva Coin Laundry has paid the fee for their increased usage. The elementary school was notified of their increased usage but to date, there has been no response; a bill will be issued. The Royal Palace Inn Motel and McCarthy Moving and Storage have been billed. McCarthy questioned the charge and was provided with the water consumption records.

(d) SFPUC billing: Will discuss under legal counsel. The Engineer and Maintenance Director met with Felix of the SFPUC at the Carlyle Station. They discussed where staff wanted them to place their sampling equipment. Subsequent to that meeting, Felix indicated that their equipment cannot be used at that site. As an alternative, the manhole in the parking lot could be used.

(e) Auditor: The Engineer and Clerk provided information to the auditor regarding four prior years' CIP costs. This will be incorporated into the depreciation schedule.

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

(a) Update/review draft - C&C of San Francisco and District Joint Powers Agreement renewal: The SFPUC agreement is going to be circulated among their staff tomorrow so we don't have a draft to review. It should be ready to review and approve at the September meeting

(b) Biennial review of District Conflict of Interest Code: Every other year the District is required to review its Conflict of Interest Code. This Code determines who must file a Form 700 and sets up the disclosure categories. The rules have changed a bit. We have not yet located the District's current code. Since the County requires a response by September 1st, Counsel suggests that we submit the form indicating that the Code needs to be updated.

(c) Consideration of establishment of capacity entitlement for Samoan Congregational Church, 606 Schwerin Street, Daly City: District Code 601.6 requires that if you use more than your capacity entitlement, you must pay an additional fee. Residential entitlement is 200 gpd per dwelling unit. Non-residential is based on the amount indicated on the permit or an estimated amount for like businesses. The problem with the Samoan Church is, it seems that at some point it was considered residential but at a time unknown to the District, became a commercial use. Meyers-Nave checked with Daly City but was not able to learn about any permit activity. The only record is a permit in 2004 for the Church.

When capacity entitlements were established for non-residential users in the early 90's, the Church was not included because it was thought to be residential. The Samoan Church property is actually comprised of 5 parcels with 4 water meters. During one of the Engineer's surveys it was noted that some of the buildings in this compound are residential, multi-unit. Of the five parcels, 606 Schwerin appears to be the only non-residential parcel. This is a complex issue and requires more research to determine the base capacity. Had they been recognized as an institutional user in 1988-89, their capacity would have been set along with all the other non-residential users in the 1996 hearing. The consensus of the Board is that they should be

treated as they would have been during the 1996 hearing, in which case, they would be within their capacity entitlement.

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

(a) Draft FY 2011-12 annual audit

The draft was received and some corrections were provided to Fechter & Co. President Gallagher said that one of the auditor's notes mentioned that they prepare the adjusting journal entries and depreciation posting; we should be doing that and will going forward. The annual State Controller's reporting disc was received and forwarded to Craig Fechter.

Old Business:

(15) Continued discussion of meeting stipend increase (Ordinance No. 98) and reporting of annual compensation on form W-2

President Gallagher reiterated that at the CSDA Chapter meeting she learned that we are among about 3 districts who report compensation on Form 1099. She said that many of the other districts have employees so they treated directors in a like fashion and reported via a W-2. She believes that the District should switch over to the W-2 reporting effective January, 2013. Counsel said that all of his other clients report using Form W-2.

The Clerk advised the Board that as instructed, she called Brisbane and inquired about the amount of meeting stipend received by the governing board of the Guadalupe Valley Municipal Improvement District. The City Council acts as the governing board and receives no additional stipend for that function.

Director Swanbeck said that between the current meeting fee and benefits, each Director receives about \$350 per month.

At the July meeting, a motion was made to increase the stipend to \$255. There was no second to the motion and the maker did not offer an amendment to the motion.

President Gallagher said that when she became a Director it was to provide a service to the ratepayers and to preserve the District. When the District comes up for its Municipal Service Review, the proposed increase could appear as an abuse. She is inclined to agree to an increase that would cover the withholding that will take effect when we begin reporting via W-2. Director Tonna was firm in his belief that the Directors merit the maximum increase. Counsel explained that if the Board decided upon an increase less than the allowable, they would forfeit the right to the maximum computed increase.

After further discussion it was decided that since one Director was not present, this item will be continued to the September meeting. The President will prepare computations using various scenarios.

New Business:

(16) San Mateo County Controller, automated payments program

The County wants all existing and new clients to switch to an automated payment program. Funds would be directly, electronically deposited in the District's checking account. They believe this will be more efficient, accurate and faster. The Clerk will complete the necessary paperwork.

The Clerk checked with First National Bank regarding setting up internet access to the checking account. The manager is willing to waive the \$10 monthly fee. The President suggested that we get that waiver in writing.

(17) CSDA call for nominations for vacated Region 3 seat
No one on the Board is interested in being nominated.

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

Adjournment:

The meeting was adjourned at 8:36 P.M. The next regular meeting is September 27, 2012.

Submitted by Joann Landi