

BAYSHORE SANITARY DISTRICT MINUTES

Regular Meeting of September 27, 2012

Opening of Meeting: The meeting was called to order at 7:04 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
None
- (3) Acknowledgment of recent correspondence to the District
Correspondence was distributed prior to the meeting. The President acknowledged receipt of an inquiry from CSDA seeking volunteers for various committees. Director Swanbeck currently serves on a committee and would like to continue. The applicable form will be submitted.

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 23, 2012
- (5) Payment authorization for bills and compensation
- (6) Accept 8/31/12 report on District's current financial status
- (7) Accept August, 2012 checking account reconciliation
- (8) Accept Fiscal Year 2011-2012 Audit

A motion was made by Director Quinteros, seconded by Director Tonna and passed by voice vote approving the consent items which include payment by check numbers 5488-5504.

Board Reports – consideration of matters relating to:

- (9) President Gallagher

- (a) LAFCo: There was a meeting September 26 but no Director or staff attended.
 - (b) CSDA – Local Chapter: The next meeting is October 30.
 - (c) Redevelopment Oversight Board: There will be meeting sometime during the next two weeks.
- (10) Daly City: Discussed the possible sources of heavy truck traffic within the District. One possibility is that it is the result of development in Brisbane. Counsel said that typically cities require that trucks hauling dirt and other material avoid using neighborhood/residential streets. It was suggested that we take note of the name on any of these trucks in an attempt to determine what project they may be associated with.

(11) Brisbane: Director Swanbeck distributed a document covering negotiations between Brisbane and a central valley water district to secure water for the Baylands project. The Maintenance Director received a call from an anonymous party wanting to know if the District is a water supplier.

Director Swanbeck reported that at the last CAG meeting there was a representative from the USGS who spoke about water degradation in the Baylands area.

Staff Reports:

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

(a) Monthly report on District operations and maintenance: The Carlyle Station is operating properly. Telstar installed the new emergency alarm dialer and conducted the semi annual flow meter calibration. We now have five alarm notifications with room for many more if needed. The dialer first notifies CSMS, then the Maintenance Director’s cell phone, and the crew cell phones. When an alarm is received it can be acknowledged which stops repeated alarms.

The Maintenance Director pointed out a notation on the monthly flow report. The August 29th reading is approximately 50,000 gallons more than usual and can be attributed to the SFPUC water pipe break that caused flooding of streets and buildings. We need to document the event and bring it to the attention of the SFPUC. The Engineer will draft a letter advising them that when we provide flow volumes next year, we will deduct the 50,000 gallons.

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

(c) 478 Oriente Street: On September 4th we received a service request for this property. There was a problem within the cleanout (an approved cleanout). Since it required immediate repair, the Maintenance Director called Uniacke Construction. Once the cleanout was repaired, video inspection was conducted which showed that the line from the cleanout to the main was in good condition. During the cleanout installation, it was noticed that there were numerous cracks and leaks in the sidewalk. Mr. Landi left a note at the front door of the property but received no response. A letter was sent on September 21st advising that this condition required immediate attention and that if it was allowed to continue, the District

would notify the San Mateo County Environmental Health Agency. A representative of the owner called this morning and assured the Maintenance Director that they will fix the problem. We have an invoice from Uniacke Construction for \$2,100. A motion was made by Director Swanbeck, seconded by Director Quinteros and approved by voice vote to pay the invoice.

The Maintenance Director mentioned that the recent issue of the CSDA magazine has some very interesting articles.

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

(a) August meter reading data: The metered and calculated readings are very close.

(b) Capacity entitlements: There were inquiries from two properties questioning why they had a capacity entitlement. The Alpine Motel has provided information regarding leaks in their building which they are in the process of repairing. The Engineer recommends that we defer this billing until the repairs are complete. Universal Paragon has not responded and have not provided any documentation regarding their billing.

(c) SFPUC sampling: The Engineer received an email indicating that they plan to visit next week to check the alternate sampling site.

(d) 575 Tunnel Avenue: This is where there are plans for a bus storage facility. They had a connection and wanted to reconnect. The Maintenance Director instructed them to send a drawing of how they plan to connect to the system. The Engineer will follow-up on this project and once it is completed, we will issue a bill for the Maintenance Director's inspections.

(e) Proposed sports complex in Brisbane: The Engineer received a call from a representative planning a sports complex south of the landfill. It would include softball fields, a driving range, etc. They have not provided any details but indicated that Brisbane was supportive of this temporary facility since it was a recreational use. They will require sewer service and were told they will need a permit that will be based on the estimated flow.

(f) Point Martin: This is a sixteen lot subdivision. The Engineer was contacted by Daly City regarding the project. The developer has submitted a drawing which did not include any sewer plans.

The Maintenance Director reported that he has heard that Daly City is in the process of approving the subdivision on Velasco/Accacia. The Engineer will follow-up with Daly City.

(g) PG&E hydrostatic test water discharge: They were rebilled for this discharge since they failed to submit payment for the original invoice. PG&E will be applying for another permit for a gas line installation.

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

(a) Update/review draft - C&C of San Francisco and District Joint Powers Agreement renewal: Our agreement extension expires September 30. Counsel wanted to have an agreement for the Board to consider tonight; however, we have some points that need to be worked out. In the past 3 weeks we received a draft contract from the SFPUC and approximately six drafts have gone back and forth.

We requested making the sewer service charge formula clearer so that we can validate the charges—that was done. The SFPUC removed collection system improvements from the

formula but added a strength component which adds to the complexity. The Engineer said this method is becoming more prevalent in the industry because of the costs associated with treating wastewater with higher levels of specific components. He added that because the District's wastewater is weaker than San Francisco's, the rate may decrease slightly. The strengths they are using are in line with what is considered domestic wastewater.

We have added language that makes them responsible for the 27 units in Saddleback which we currently bill manually. The alternative to that would be for the SFPUC to allow us to place delinquencies on the tax rolls.

We requested and they agreed, to a 2025 end of term date after which, should neither party initiate negotiations, and would extend on a year-to-year basis. The 2025 expiration coincides with the end of their contracts with North San Mateo County Sanitation District and the City of Brisbane.

There is some language regarding a draw down test that needs to be clarified. In our settlement agreement, there were a number of validations for our metering; we have asked that they do the same. The Maintenance Director said that language should be comparable to that imposed on the District—which is that an independent firm must conduct the validation.

We requested that they take responsibility for enforcement of industrial discharges since they have full time staff; they declined but seem willing to work through this.

In our expired agreement the District had a 5 mgd dry weather flow limit. We requested that language because Brisbane was given a 6.7 mgd wet weather flow limit. The SFPUC has rejected including that limit. Counsel's interpretation is that since there is no mgd cited, there is no capacity limit. The Engineer said that most plants were built to handle significant quantities and with the push for conservation, they don't foresee capacity problems. San Francisco's perspective is that the District will never discharge 5 mgd and they will not include that in the contract.

In the old agreement, there was no language regarding inflow/infiltration (I/I). Now they state that the system must be managed to eliminate I/I. If our dry weather flow is 300,000 mgd, then the total annual flow cannot be more than 150% of that. The Maintenance Director said that since San Francisco has a combined system, any I/I generated would be like a needle in a haystack. Counsel believes that if there is significant development in the District, San Francisco would treat the wastewater.

With regard to the 5 mgd, there was hesitation to go along with that being eliminated. The Board would rather not go under the assumption that San Francisco will provide all the capacity that may be generated. Instead, the preference is some explicit language regarding our maximum capacity.

The SFPUC has a capacity/connection charge requirement for their users and know that the District does as well. Their original proposal was for us to collect our fee and then add on their \$2,500 fee. We objected because we don't use the San Francisco collection system; they agree. The issue has become, are Brisbane or Daly City subject to this charge? According to San Francisco they are not because their agreements don't allow them to add that charge (their contracts expire in 2025). This intensifies the Baylands developers to deannex from the District. It was pointed out to the SFPUC and they were told that because of that, staff couldn't recommend that the Board accept the contract. To date, we have not been able to reach a compromise. They said they could try to negotiate with Brisbane but could not offer any

guarantee. President Gallagher spoke to Todd Rystrom today regarding this capacity/connection charge issue. She provided him with some of the Bayshore-Brisbane history. We are being asked to pass on a capacity/connection charge for which our customers will have no equity in the SFPUC system. The Engineer believes that technically speaking, we have equity in the SE treatment plant. However, he does have an issue with the fact that Daly City and Brisbane wouldn't be required to also collect a capacity/connection charge. Our concern is that we are not being treated equitably—we will be required to collect the SFPUC's connection/capacity fee when Brisbane and Daly City will not. The President said that it may be time for this fee to be imposed but it must be applied to everyone. It is unfair that they are imposing this charge on our constituents who will have no equity in the SFPUC system.

Directors Quinteros and Tonna believe we should be treated as equals to Brisbane and Daly City and that there should be an even playing field.

Counsel said that we use some portions of the SFPUC system but our users haven't paid for any facilities.

Director Swanbeck wants a level playing field. She understands the need for a capacity charge but it must be equitable. Director Rizzi agreed with her sentiments. There is genuine concern that development in the Baylands would be jeopardized if this fee is imposed on the District.

Counsel will work with the SFPUC and the President will call Todd Rystrom. The three main sticking points at this time are: (1) an independent company must conduct meter validation; (2) clarify that there is no limit on our discharge; and (3) rejection of the concept of a capacity charge until such time as it applies to Daly City and Brisbane.

(b) Biennial review of District Conflict of Interest Code: This has been handled by President Gallagher.

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

Old Business:

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

The District will begin W-2 reporting effective January 1, 2013. At the last meeting there was no consensus on an increase. Director Tonna believes the Board should increase to the maximum allowable. President Gallagher suggested the stipend be increased in an amount equal to the deductions so that the net remains at approximately at the current rate. Directors Quinteros and Rizzi agreed with that idea. Director Swanbeck said there is a concerted effort afoot to eliminate the benefits of local, part-time officials via State constitutional amendment. A motion was made by Director Quinteros directing Counsel to redraft Ordinance No. 98 to reflect an increase in the stipend about equal to the amount of the withholding. The motion was seconded by Director Rizzi and passed by voice vote; Director Tonna voted no.

New Business:

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

Adjournment:

A motion was made by Director Quinteros, seconded by Director Swanbeck and passed to adjourn the meeting at 9:32 P.M. The next regular meeting is October 25, 2012.

Submitted by Joann Landi