

BAYSHORE SANITARY DISTRICT MINUTES

Regular Meeting of July 25, 2013

Opening of Meeting: The meeting was called to order at 7:05 P.M.

Roll Call:

Present: Gallagher, Quinteros, Rizzi, Swanbeck, Tonna
Absent: None
Also: Maintenance Director Landi, District Counsel Bakker, District Engineer Yeager
Clerk Landi, and Lauren Quint (Meyers-Nave)

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

Public Hearing:

The Public Hearing was opened at 7:06 P.M.

- (4) Approval of Sewer Service Charge Report for FY 2013-14; Resolution No. 2013-04
The amount to be collected on the tax rolls is \$967,584.40.
- (5) Approval of Collection of Delinquent Accounts on County Property Tax Roll
There are no delinquent accounts.
- (6) Adoption of FY 2013-14 Annual Budget; Resolution No. 2013-05

The Public Hearing was closed at 7:09 P.M. A motion was made by Director Swanbeck, seconded by Director Tonna and unanimously approved by voice vote to adopt Resolution No. 2013-04 and 2013-05.

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.)*

- (7) Minutes of the Regular Meeting of June 27, 2013
- (8) Payment authorization for bills and compensation
- (9) Accept 6/30/13 report on District's current financial status
- (10) Accept June, 2013 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 5632-5644 and Director payroll.

Board Reports – consideration of matters relating to:

(11) President Gallagher

(a) LAFCo: No one attended the July LAFCo meeting. President Gallagher reported that Brisbane Councilman Steve Waldo passed away. Mr. Waldo also served as a City representative on LAFCo for a number of years.

(b) CSDA – Local Chapter: The next meeting is August 6 and will be at the Sequoia Healthcare District Office in Redwood City.

(c) Redevelopment Oversight Board: There were no recent meetings. The next order of business may be the appraisal of property.

(12) Daly City: The Maintenance Director distributed an article from the SF Chronicle regarding an increase in Daly City's sewer service charge to replace equipment and make infrastructure improvements.

(13) Brisbane: Director Swanbeck reported that the recent CAG meeting was devoted to discussion of the recently released DEIR. There was interest regarding enforcement of the soil remediation during and after construction. Another area of discussion was the need for a wastewater facility; an aspect of the project that was not initially planned.

President Gallagher said that a charter school was established by Summit at the behest of parents in Brisbane. The school is on 90th Street in Daly City and is also open to students from any area of Daly City.

Staff Reports:

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

(a) Monthly report on District operations and maintenance: Carlyle Station is operating properly. There was a service request by the Midway Village Housing Authority. They reported an overflow that had occurred the prior day. Upon arrival, the crew found no overflow but the manhole was surcharged. A large root obstruction was removed. This line will be investigated further during the CIP video inspections. It was noted that some of the District's manholes are located in designated parking spaces and are often inaccessible. The Clerk spoke to the facility manager Pedro regarding the need to access the manholes 24/7. She will confirm their conversation in a letter.

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

- (a) June meter reading data: As has been the case, the data is consistent.
- (b) Saddleback billing: The Engineer wrote a letter to Willy Elmond, SFPUC, stating that this is the last year that the District will manually bill the 27 properties in Saddleback. Mr. Elmond has agreed but said that they are still trying to sort things out. The Engineer suspects that San Francisco has not been billing the San Francisco units. The Maintenance Director said that it is considered a private system because for some reason it wasn't dedicated to San Francisco.
- (c) Royal Palace Inn: When the sewer service charge report is compiled, the flows of non-residential connectors are checked to make sure they are within their entitlement. There were two months with extremely high usage by the Inn. They were contacted and said they had a problem with an ice machine. They provided documentation that the malfunction was repaired and subsequent to that, their usage returned to its normal volume.
- (d) Annual sewer service charges: The total charges for the entire District are \$1,024,360. This is less than last year and less than estimated during the budget workshop. The reason being, the landfill discharged considerably less, there was no PG&E hydro testing discharge and residential usage was less than the prior year.
- (e) PG&E invoices: They have 3 discharge permits that we bill directly at PG&E's request. Invoices have been issued and two have been paid.
- (f) Capacity entitlement: The 7 Mile House was the only non-residential user that exceeded their capacity entitlement. They have been billed \$34.14 for the additional capacity.
- (g) Carlyle Pump Station wastewater monitoring: This is the monitoring associated with the water quality testing under the terms of the new contract. Testing was conducted during the wet weather period. The current monitoring began July 1st and will be done for two months.
- (h) Connection fee analysis: Every year the Engineer conducts an analysis to determine what the connection charge should be. It is the depreciated value of the system plus cash reserves divided by the number of equivalent users. Calculations show that we could charge up to \$4,022. The Engineer provided an historical record of connection charges for the last several years. The rate has remained the same since 2009. Counsel advised the Board that connection fees are not subject to Prop 218. We cannot charge more than the capped amount of \$3,414.00 established by Ordinance No. 82. This item will be included on future agendas for further discussion.
- (i) PG&E discharge permits: One permit has been fully executed and another for the truck washing facility is pending. The Engineer will follow-up with PG&E.
- (j) SFPUC annual sewer service charge: Engineer Yeager notified the SFPUC that we believe we were overbilled \$10,467. The method they used to calculate the flow changed between the first half and the second half of the fiscal year. San Francisco believes it would be too difficult/cumbersome to figure out where the error was made and would prefer to just go forward; they cannot use the Engineer's calculation. It was the consensus of the Board that the Engineer write a formal letter asking for an explanation of why they cannot recalculate the charge.
- (k) Meeting with Universal Paragon re Brisbane Baylands: The Engineer and Maintenance Director met with Jonathan Scharfman, Howard Pearce and Chun Pong Ng at their office. It was a good meeting with straightforward conversation. They focused on the

short term development. The first phase will be some sort of commercial development on Geneva and Bayshore—a grocery store, a big box retailer, etc. They want to do some development that will bring in sales tax revenue for Brisbane. They said they will want to use the Carlyle Pump Station. Their estimated dry weather flow is not a problem but during wet weather there could be a problem with regard to the force main. Engineer Yeager told UPC that we would like to be able to build a parallel forcemain in their road right of way. They verbally agreed that it could be installed during development. Funding was not discussed. A new forcemain would benefit the District but it would also benefit UPC. Counsel shared his thoughts about how financing could be handled. The DEIR document doesn't really speak to any piping, just a reclaimed water plant. Director Swanbeck added some comments regarding the water issues and requirements of the various governmental agencies. UPC estimates 250,000 gpd for the first phase in about 5 years. With regard to responding to the DEIR, there is nothing that says they will use the district's facilities. The District needs to respond to the DEIR. The Engineer will bring a draft letter to the next meeting.

(l) Old pump station: UPC said they are not interested in acquiring the site in the short term. They plan to develop west of the railroad tracks first.

The Clerk told the Board that in the process of researching the history of the station, we found that the parcel had delinquent school taxes. The County Board of Education will request that the Tax Assessor removed the erroneous charges.

The Engineer and Maintenance Director visited the site. The fence is partially down, the facility is secure but you can walk up to the building. There is a drainage channel that runs from the station.

Counsel feels that the District should secure the facility by repairing the fence and posting no trespassing signs. He also suggested there be periodic inspections. The Clerk will follow up on the insurance issues.

A search of District records determined that the District owns the site fee simple. There is a wooden box culvert that goes from the pump station back of the railroad tracks. Documents indicate that the culvert was built by the railroad and the District has a drainage easement to discharge sewage into the channel. The Baylands project documents indicate that the culvert will be removed which seems to imply that they believe the facility is owned by Brisbane. Counsel said that the District has no need for the easement for the channel.

(m) 2013-2014 Engineering services rate increase: Discussed during the budget workshop.

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

(a) Samoan Church capacity entitlement; Resolution No. 2013-03: We conducted the Public Hearing at the June meeting and the property owner did not attend or protest. He recommends the Resolution be adopted. A motion was made by Director Swanbeck, seconded by Director Quinteros and unanimously passed by voice vote to adopt Resolution No. 2013-03 setting the capacity entitlement for 606 Schwerin Street.

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

The Clerk said that the annual membership fee from Underground Service Alert was received yesterday. She asked for authorization to pay the \$152.94 invoice since it is due prior to the August meeting. A motion was made by Director Quinteros, seconded by Director Swanbeck and unanimously passed by voice vote.

Old Business: None

(18) Update on FY 2012-13 auditing service

Fechter & Co. were at the Carlyle Station on Monday and Tuesday to conduct their field work with regard to the audit. Craig Fechter has indicated that they will be issuing the draft in the next few days.

New Business:

(19) September 16-19 CSDA Conference in Monterey

Director Swanbeck is interested in attending the Conference. A motion was made by Director Quinteros, seconded by Director Tonna and passed authorizing Director Swanbeck to attend the CSDA Conference.

(20) Resolution No. 2013-06 allocating funds to District Reserve, Contingency and Cash Flow Accounts for FY 2013-14

This is an action the Board considers annually. The Clerk and Engineer collaborated on the allocations. A motion was made by Director Quinteros, seconded by Director Swanbeck and unanimously passed by voice vote to approve the Resolution.

(21) Consider contract staff compensation increase(s)

The compensation increase requests were discussed and considered during the June budgeting process.

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

None

Adjournment:

A motion was made by Director Rizzi, seconded by Director Swanbeck and passed to adjourn the meeting at 8:37 P.M. The next meeting is August 22, 2013.

Submitted by Joann Landi