

BAYSHORE SANITARY DISTRICT MINUTES

Regular Meeting of May 22, 2014

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

Roll Call:

Present: Gallagher, Quinteros, Rizzi, Swanbeck, Tonna
Absent: None
Also: Maintenance Director Landi, District Counsel Lauren Quint, 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
The Clerk advised the Board that the Grand Jury issued a report regarding special district websites. She will place this business on the June agenda. The District must respond within 90 days of issue of the report.
- (3) Acknowledgment of recent correspondence to the District
Distributed in meeting packets.

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 April 24, 2014
- (5) Payment authorization for bills and compensation
- (6) Accept 4/30/14 report on District's current financial status
- (7) Accept April, 2014 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 664-675 and Director payroll.

Board Reports – consideration of matters relating to:

- (8) President Gallagher
 - (a) LAFCo: We received an email announcing that LAFCo will launch a website with information on cities and special districts. It contains one page of general information for each entity. They will be notified with regard to needed corrections. The last time LAFCo compiled

this information was over 15 years ago. At that time the District, as well as other districts, had a "0" sphere of influence. LAFCo now indicates "dissolution". There was agreement that using the word dissolution has a very negative connotation. Constituents or the general public not familiar with what a sphere of influence is will assume that the District is being dissolved. There was agreement that in addition to notifying LAFCo of the errors that need to be corrected, we oppose the use of the term "dissolution" and ask that they use "0" with an appropriate footnote.

The registered voters in the Granada Sanitary District will vote in June on whether or not to become a community service district.

The FY 2014-15 budget for approximately \$475,000 was approved. A consultant has been or will be hired to oversee the municipal service reviews for the north county.

(b) CSDA – Local Chapter: The President of the San Mateo County Harbor District made a presentation about the Pillar Point and Oyster Point Harbors.

Kathryn Slater-Carter is now the President of the Local Chapter.

(c) Redevelopment Oversight Board: No report.

(9) Daly City: On May 27th there will be a public hearing regarding development at 2665 Geneva Avenue and a few other sites. There will also be two meetings on the new housing element.

(10) Brisbane: Director Swanbeck attended the recent CAG meeting. She shared a rendering of the Schlage Lock property development.

Staff Reports:

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

(a) Monthly report on District operations and maintenance: The Carlyle Station is operating properly. Two of the pumps were repacked and the crew has been working on the landscaping which had become overgrown. There are pine trees overhanging into the yard causing a mess. The Maintenance Director suggested that the District get an estimate to trim the trees.

Video inspections were conducted of some of the oldest 6" lines to see if any need replacement or spot repairs. Some are as old as 75 years but actually look good with the exception of a few minor cracks. Part of this survey was done on Geneva Avenue prior to the electrical undergrounding. That project is now complete and Mr. Landi suggested that the line be retelevised to make sure no damage was done during installation of the underground vaults. He did a visual inspection during the installation but wasn't on the site all the time. It was the consensus of the Board that the Geneva Avenue line be retelevised.

The lateral from the cleanout to the main at 960 Schwerin Street was replaced. It was visually inspected and televised.

(b) Schwerin Street - potential CIP: The Engineer said that he and the Maintenance Director should get together to discuss capital projects. He mentioned that the LAFCo Municipal Service Review includes questions with regard to CIP.

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

(a) April meter reading data: The calculated and measured flow are very close.

(b) SFPUC annual sewer service charge: In November, 2013 the Engineer prepared a memo explaining how the review of the billing is done. He met with the President and went over the methodology with her so that she has an understanding of how the charges are calculated. The November document will be amended and simplified.

(c) Multiple properties on a single lateral: The Clerk reported that the owner at 244 Rio Verde Street has consented to the District assuming maintenance for the shared line. However, we cannot proceed with the necessary action since District Counsel has requested that we make sure that approvals signed by the owners of 246 and 248 are still the owners of record. The Engineer said he will receive property owner data from Fred Webber next week. Once we receive that listing, if one or both of the properties have changed ownership, we will seek their approval.

(d) CPS Emergency Overflow Response Plan: We have received storm drainage maps from Daly City and Brisbane that will be part of the updated SSMP. Daly City's are more complete than Brisbane's. The Engineer needs to talk to Brisbane to get a better understanding on how the detention facility discharges into the brick arch culvert. It is located between Main Street and the PG&E yard. The facility holds excess water to slow down the velocity. One task that needs to be done is a survey to determine the elevation of the sanitary sewer manhole and storm drainage facilities in the immediate area of Carlyle Station. Mr. Yeager solicited bids from 3 surveyors; one didn't bid, one didn't understand the scope or the insurance requirements. Meridian Surveying bid \$4,850 for the field work and a contingency of \$2,100 for traffic control if/as necessary. The Engineer thinks this is a reasonable fee for the work. There are some minor issues regarding insurance that need clarification. The Board authorized conducting the survey.

(e) FY Procedures Manual: The Engineer said he needs to provide documentation for everything that is done at the end of a fiscal year. There are a lot of miscellaneous documents that need to be provided, i.e. sewer service report, SFPUC documentation, list of nonresidential usage for the SFPUC, etc. As the Engineer does these things he will track them and then will have a notebook with everything that needs to be done. As to sewer service charge billing, there are some gaps. The data we get from Daly City on water usage must be in a very specific format so that it can be put into Fred Webber's format. The San Francisco water information is incomplete and must be redone. All these processes need to be documented with information on how they are merged together.

(f) Engineering agreement - Indemnification Clause: The way the clause was originally written, stated that the consultant holds harmless the District, its agents, etc. from all claims made against the consultant. In other words, the consultant would have to bear every and all costs. What that means for the Engineer is that if someone claimed he was negligent, he is personally liable without limits. Typically Error & Omission coverage would cover such claims; however, in this case it cannot be obtained. So whatever assets the Engineer has would be at risk. The scope of service does not include any design work which is where there is the most liability. For the services he will provide it is unlikely that there would be a claim. He has worked for the District for 15 years and there has never been a claim. He is concerned about the unknown third party out there on a fishing expedition. He proposes that the language be

changed to cap his liability at \$50,000. It is up to the Board whether they want to accept the limitation. Counsel and the Engineer have worked through the language and the draft contract includes the limitation. Counsel explained why there is indemnification. She said the Board has two choices; accept the limitation language or make a business decision to take it out completely. She does not recommend that course of action. A motion was made by Director Swanbeck to approve the contract as written. The motion was seconded by Director Quinteros and passed by the following roll call vote:

Ayes: Gallagher, Quinteros, Rizzi, Swanbeck
Noes: Tonna

(13) District Counsel – consideration of matters relating to:
None

(14) District Clerk – consideration of matters relating to:
The Clerk said there has been some building activity at 321 Oriente Street and 243 Accacia Street for which we have received no information from Daly City. She contacted the Building Department and learned that the Accacia project is a side yard addition and interior remodel. The Oriente project is for a new, 3 story single family home. The Clerk was assured by the employee that she would follow up and try to determine why the District wasn't made aware of these projects. The Oriente project may not require a connection permit from the District, but we may have to collect a fee for the SFPUC as stipulated in our contract.

Old Business: None

(15) Succession Planning
Continued

(16) LAFCo Municipal Review, request for information
The President, Engineer and Clerk met last week and went through the questionnaire. Some questions were assigned to the Engineer or Clerk for further research and answers were formulated for many of the questions. There are two questions that require additional thought. The response is due by July 15 so the goal is to have a draft ready for the June meeting.

New Business:

(17) Community outreach
This subject came up during a discussion at the April meeting. The Clerk found the last informational piece sent to the rate payers. It was mentioned that people may pay more attention in a communication formatted like a postcard. This item is continued.

(18) CASA - proposed new Bylaws
It was the consensus of the Board that the Clerk be authorized to respond on behalf of the District.

- (19) CSDA - proposed Bylaw changes
As with #18, the Clerk was authorized to respond on behalf of the District.
- (20) Resolution No. 2014-01, Accepting Maintenance Obligation and Control of the Common Sewer Line Serving 244, 246 and 248 Rio Verde Street in Daly City
This item was continued.
- (21) Auditing services for FY 2013-14
A proposal from Fechter & Co. was received. The fee would be \$9,850 plus a maximum of \$600 for expenses. That represents about a 1½% increase as compared to last years' audit. The Clerk said that Fechter & Co. have been very good to work with. They are thorough, prepare the State Controllers annual report on our behalf and their turnaround time is excellent. A motion was made by Director Rizzi, seconded by Director Swanbeck and passed by voice vote to have Fechter & Co. prepare the audit.
- (22) Reports on other matters: no action will be taken
None

Adjournment:

A motion made by Director Swanbeck, seconded by Director Quinteros and passed to adjourn the meeting at 8:51 P.M. The next meeting is June 26, 2014 at 7:00 P.M.

Submitted by Joann Landi