

# BAYSHORE SANITARY DISTRICT MINUTES

Regular Meeting of June 26, 2014

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

**Roll Call:**

Present: Quinteros, Rizzi, Swanbeck

Absent: Gallagher, Tonna

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  
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 May 22, 2014
- (5) Payment authorization for bills and compensation
- (6) Accept 5/31/14 report on District's current financial status
- (7) Accept May, 2014 checking account reconciliation
- (8) Resolution No. 2014-02 establishing FY 2014-2015 Appropriations Limit

Director Quinteros pointed out that the accounts payable total was incorrect; should be \$22,218.13. The Clerk asked that the Board also approve payment of the AT&T bill which was just received. A motion was made by Director Swanbeck, seconded by Director Rizzi and passed approving all the consent items which include payment by check numbers 676-685 and Director payroll.

**Board Reports** – consideration of matters relating to:

- (9) President Gallagher
  - (a) LAFCo: No report.
  - (b) CSDA – Local Chapter: No report.

(c) Redevelopment Oversight Board: No report.

(10) Daly City: Director Rizzi told the Board that Scott Alman was recently appointed as the City Engineer.

(11) Brisbane: No report.

**Staff Reports:**

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

(a) Monthly report on District operations and maintenance: The Carlyle Station is operating properly. There was a power failure which triggered a generator alarm. The power was off for approximately one hour and was a PG&E problem.

All inspections of the newly installed lateral at 960 Schwerin Street have been conducted. During the reporting period a lateral connection to a manhole on Rio Verde Street was repaired.

During routine jet flushing on the Bayshore Highway 10" line major grease deposits were encountered. The Maintenance Director circulated photos of the grease accumulation in the downstream manhole. That cleaning operation resulted in excess grease in the Carlyle Station wetwell. Mr. Landi said that he will visit the 7 Mile House, the source of the grease, and discuss and inspect their grease trap. It could be that their trap is not sufficient to handle the amount of grease generated. The restaurant's connection to the main will be televised.

As mentioned at the last meeting, the Geneva Avenue lines will be televised after the electrical undergrounding project is complete.

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

(a) May meter reading data: The meter readings and actual flow continue to be close.

(b) CPS Emergency Overflow Response Plan: The Engineer signed the contract with Meridian Surveying. He has some questions for Brisbane regarding their storm system. Mr. Yeager and the Maintenance Director will meet to make sure that the project area is properly marked.

(c) Sewer Service Charge Report: The Subcommittee met to prepare a draft budget on June 17. Since that time the estimated sewer charge revenue has been decreased by \$5,000. We still need to obtain the self-reporting flow data from PG&E, Kinder Morgan and the landfill. We receive that information in early July. We can then compute the final anticipated sewer service charge for FY 2014-15.

(d) Saddleback Condominiums and other SFPUC billing issues: The SFPUC has advised they will bill the 27 units we had been manually billing. They have discovered there are an additional 100 units in San Francisco who receive their water from Daly City that have never been billed. It is becoming a much bigger issue than just the 27 the District had been billing. Director Swanbeck pointed out that Saddleback is a California Corporation so it isn't simply a matter of the SFPUC billing the corporation. However, they could bill the individual owners.

The Engineer mentioned that the Saddleback Community Center hasn't been billed. The District will issue a manual billing.

The SFPUC advised the Engineer that there is a unit at 50 Calgary that was within our District boundary. That is incorrect and is another single family residence that has never been billed by the SFPUC.

Director Quinteros asked about billing of the development on Calgary and Rio Verde Streets Those properties will be individually billed.

(e) FY 2014-2015 Entitlement Charges: The 7 Mile House has used a tremendous amount of water and has been billed \$6,384 for additional capacity. They used 374 gallons more per day. The Engineer has sent letters to the Bayshore Elementary School District and the 7 Mile House inquiring about one month where their usage was untypically high. There has been an increase in water usage by restaurants, hotels and the Cow Palace; a result of an improving economy.

(f) SFPUC billing: We report the flow from July 1 to June 30. Once we have received flows for June we can report the annual flow. The water quality data needs to match the flow data. Sampling will begin again after July 4. That sampling will be used for next year's billing. The sampling results have been more random than the Engineer expected. The new contract vs. the old has resulted in an approximate 10% fee reduction.

The Clerk contacted Daly City regarding the need for the District to be kept in the loop with development occurring in the District. Specifically, we need to review the plans for the reconstruction at 321 Oriente Street. Val Mandapat, City of Daly City Building & Planning, said he would have the owner contact the District. To date that has not happened. The Clerk will follow up. We need to inspect the plans with emphasis on the lateral--are they planning to use an existing lateral or install a new one.

(g) 2014-15 CIP: The Engineer and Maintenance Director met and developed a Capital Improvement Project which was considered in drafting the budget. There are a number of small projects that have been bundled into one project. Some of the areas being addressed have been a source of increased maintenance. A consultant will be hired to draft plans and then the project will go out for formal bill. In total \$170,000 has been budgeted for CIP with \$120,000 of that amount for the package of small projects.

(h) FY Procedures Manual: Mr. Yeager is continuing to compile the manual. One example of the type of information he is tracking is how to calculate capacity entitlements.

(i) Engineering Agreement - general liability and automobile insurance: Insurance certificates have been provided to Meyers-Nave.

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

(15) District Clerk – consideration of matters relating to:  
The legal notice will be published in the San Mateo County Times announcing the Public Hearing in July to consider approval of the annual budget and placing the sewer service charges on the tax rolls.

The Clerk provided the Board and staff with a summary of the Grand Jury recommendations relative to special district transparency. She included some information for

each recommendation. She suggested that the Board review and submit their comments, suggestions, etc. so that a response can be drafted and considered at the July meeting.

**Old Business:**

(16) 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

As requested by District Counsel, we have verified that the property owners at 246 and 248 who previously agreed to the District accepting the common lateral, are still the owners of record. A motion was made by Director Swanbeck and seconded by Director Rizzi to adopt Resolution No. 2014-01.

Ayes: Quinteros, Rizzi, Swanbeck  
Noes: None  
Absent: Gallagher, Tonna

(17) Succession Planning  
Continued

(18) Review and approve response to LAFCo Municipal Review questionnaire

The draft response was distributed to the Board and Staff. The draft was reviewed question by question. District Counsel had reservations with regard to question #11 on page 3; he felt it was aggressive. After brief discussion, it was decided to leave the response as it was. Two responses will be discussed with the District's auditor. There was agreement to expand a bit on question #9, page 4 with regard to reserve and contingency funds.

A motion was made by Director Swanbeck, seconded by Director Rizzi and unanimously passed by voice vote accepting the response with the changes discussed during the review.

(19) Community outreach  
Continued

**New Business:**

(20) Review draft Fiscal Year 2014-15 Budget

The draft was distributed in the meeting packets and was reviewed by the Board and staff. Meyer-Nave have submitted their FY 2014-15 rate increase equivalent to the CPI. The budget was drafted to include a 3% increase in the O&M contract and a 4% increase for administrative/clerical services. Those increases will be submitted in a formal document and placed on the July agenda.

There could be minor adjustments to the draft between now and the July meeting, i.e. a true up of sewer service charges.

The Clerk mentioned that the District's desktop operating system is XP which is no longer supported by Microsoft. She is in touch with our IT/webmaster with regard to his recommendation about a computer purchase or upgrade if possible.

A motion was made by Director Swanbeck, seconded by Director Rizzi and unanimously passed by voice vote to accept the draft FY 2014-15 budget.

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

**Adjournment:**

A motion made by Director Quinteros, seconded by Director Swanbeck and passed to adjourn the meeting at 8:25 P.M. The next meeting is July 24, 2014 at 7:00 P.M.

Submitted by Joann Landi