

BAYSHORE SANITARY DISTRICT

MINUTES

Regular Meeting of

May 28, 2015

Opening of Meeting: The meeting was called to order at 7:01 P.M.

Roll Call:

Present: Gallagher, Quinteros, Rizzi, Swanbeck, Tonna

Absent: None

Also: District Counsel Quint, Maintenance Director Landi, District Engineer Yeager, Clerk Landi and Howard Pearce (Universal Paragon)

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
Within the last 72 hours two pieces of correspondence were received which are of general interest. The District received notice from CSDA that Chris Palmer, Public Affairs Field Coordinator, will be in the area June 1-2-3 and is available for an introductory 30 minute meeting. We also received an email from Fechter & Co. inquiring about the District's plans for the FY 2014-15 audit. The Clerk said that Fechter has done an excellent job for the District and are very good to work with. This item will be placed on the June agenda.

(3) Acknowledgment of recent correspondence to the District
Correspondence was provided in the monthly meeting packet. The President acknowledged notice of a slight increase in the Director's dental plan and a very significant increase to our USA membership fee over the next three years.

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 23, 2015
- (5) Payment authorization for bills and compensation
- (6) Accept April 30, 2015 report on District's current financial status
- (7) Accept April, 2015 checking account reconciliation

A motion was made by Director Quinteros, seconded by Director Swanbeck and passed approving consent items 4-7.

A motion was made by Director Swanbeck, seconded by Director Rizzi and passed by voice vote to take an agenda item out of order.

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

(j) Brisbane landfill industrial discharge permit: Howard Pearce is with Universal Paragon Corporation (UPC). They have a permit from the District for remediation of the landfill. The permit expires June 30. They have submitted an application, fee and a letter from the SFPUC extending their permit. The question that Engineer Yeager has is, is this now a permanent discharge? When the permit was processed four years ago we asked that question. UPC didn't know at that time. Counsel Bakker prepared a revision to the Ordinance Code which, in essence, created a mechanism to lease capacity for the period of the permit. UPC did not purchase capacity; they leased capacity. Most industrial discharge permits come and go pretty fast. There are two that are permanent. One is the ARCO tank farm which has a capacity entitlement and has been discharging for 20+ years. The other is the PG&E permit for the Martin Service Center (MSC). In 2004 the PG&E discharge became permanent and was tied into the MSC. This caused them to exceed their capacity entitlement and additional capacity was purchased. The Brisbane landfill permit has no capacity entitlement. Based on the projected flow for this year, the capacity entitlement would be \$91,000 and that would entitle the parcel to permanently discharge a specific annual volume. If the remediation discharge stopped that entitlement would stay with the property as it develops. The question is, is this a temporary or permanent discharge?

Howard stated that the project is in the middle phases. It is yet to be determined how much they will be able to develop and what is going to be required. Title 27 requires UPC to deal with the leachate. This is a temporary system until a final system is designed. They would like this to remain being considered a temporary discharge which results in a considerable difference in the fees. UPC would like to continue on that basis until they find out from the City of Brisbane just what they will be allowed to develop on the site.

Counsel Quint said that if it is determined to be temporary, the permit can be extended for an additional 24 months and then we would have to reconsider the permit. The way the Ordinance was drafted allows a temporary permit to be issued for 5 years. After rereading the specific Ordinance Code section, Counsel Quint said she is comfortable with the District issuing the permit for 5 years. The Engineer said there will be a lease fee calculated as was done for the original permit. A motion was made by Director Swanbeck that the permit be issued for an additional 5 years as a temporary discharge. The motion was seconded by Director Quinteros and passed by the following roll call vote:

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

The permit will be drafted and the fees calculated.

Board Reports – consideration of matters relating to:

(8) President Gallagher

(a) LAFCo – (i) Review and comment on draft Municipal Service Review (MSR): The recommendation at the end of the MSR is that the District have a 0 sphere of influence and Brisbane and Daly City would become the successor agencies. We agree with the 0 sphere.

President Gallagher believes we should recommend a clarifying statement that per the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the District would be a candidate for dissolution. However, it has been the policy of San Mateo County LAFCo that this is not done unless requested by the constituents or the affected district. Director Swanbeck said we might want to remind LAFCo that the District has had a 0 sphere for 30+ years but has continued to be a well-managed District providing excellent service to its constituents. It was suggested that any ideas for changes be provided to the Clerk prior to the June meeting.

(b) CSDA – Local Chapter: No one attended the May meeting. The next meeting will be in August. The Maintenance Director said he thinks it would be a good idea for the Chapter to discuss the escalating LAFCo budget. The District's contribution has increased 45% in four years. It seems to be time to find out if other District's are interested in pursuing ways of decreasing the cost.

(c) Redevelopment Oversight Board – (i) Daly City Library site: There was no meeting of the Oversight Board. At the April meeting President Gallagher mentioned that the Daly City Library site on Geneva Avenue will be put on the market. The Maintenance Director provided some history about the library site and how it was once owned by the District. This is one of three sites in the District considered excess and subject to sale. Daly City will have the property appraised and then it will be marketed. The District would have first right of refusal. President Gallagher thinks having a presence in the middle of the District would be beneficial. She explained that the proceeds from the sale of surplus property would be distributed to a number of public entities. Director Rizzi said he would like to see the interior of the building in order to evaluate the condition.

(9) Daly City: No report.

(10) Brisbane: No report.

Staff Reports:

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

(a) Monthly report on District operations and maintenance: The station is operating properly. We received a service request for 401 Allan Street. The occupants called San Francisco first and were told that the property was not part of their system. It is not a District line; however, the stoppage was cleared as a courtesy. Many years ago it was determined that it was a private line. The Engineer said the City line goes through the middle of the building. In about 2000 the owners/heirs noticed that they had been paying sewer service charges to San Francisco and the District. It was agreed that the District would not charge them and that San Francisco would assume responsibility. Engineer Yeager believes we should write to the owners and explain the situation--that it is a private line that flows into San Francisco. Further they should be informed that the connection is in San Francisco and they are paying sewer service charges to San Francisco not Bayshore Sanitary District. The Engineer and Maintenance Director will meet to discuss this further.

(b) Bay Area Air Quality Management District (BAAQMD) – generator permit: We received a call the BAAQMD asking if the District had a permit for the generator; we do not. The Maintenance Director and Clerk met with a representative earlier in the month. We are working

on the application forms and will complete them as best we can considering the generator was installed in 1972. The forms and fee must be submitted within 90 days of the meeting in order to eliminate the possibility of a fine or other action. In the past, we have talked about the possibility of replacing the generator. It is functioning just fine but should there be a failure, it is likely that parts would be either hard to find or not available. Mr. Landi will get a price for a new generator and installation which can be considered during the FY 2015-16 budget workshop.

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

(a) April meter reading data: The meter readings are fine.

(b) SFPUC water quality sampling: Sampling is still being done from the wetwell. Mr. Yeager will contact the SFPUC tomorrow and tell them that the sampling can cease and ask for test results.

(c) SSMP (i) audit and recertification and (ii) Resolution adopting the audit and recertification: We still have not received guidance from the State. Counsel said that the State representative is amenable to a late submittal as long as we keep him in the loop. This matter will be continued to the June meeting.

(d) 2014-15 CIP: (ii) CEQA Review: Counsel advised that we must operate under applicable laws. This work is replacement or repair of existing facilities so we are categorically exempt. A notice must be filed with the San Mateo County Clerk along with a \$50 filing fee. A motion was made by Director Swanbeck to approve the project as categorically exempt under CEQA and Staff was directed to file notice with the San Mateo County Clerk. The motion was seconded by Director Quinteros and passed by the following roll call vote:

Ayes: Gallagher, Quinteros, Rizzi, Swanbeck, Tonna

Noes: None

(i) Consider approval of proposed 2014-15 CIP and authorize District to publish notice inviting bids. The plans were completed and reviewed by the Engineer and Maintenance Director. A notice to advertise for bids has been written and must be published twice. We are using a plan reproduction service for distribution of the plans. Contractors can go on line and look at the plans and if they want a copy they can order them on line. We will also send notices announcing the project to various plan services and pipeline contractors. Contractors will have 2 weeks to bid. Bids will be accepted and opened on June 16 at 2 P.M. at the Carlyle Pump Station. Action to award the bid can be done that evening during the Special Meeting. We need to act quickly so that the two laterals on Schwerin Street can be completed before Daly City paves. That project is scheduled for mid to late July.

A motion was made by Director Swanbeck approving the CIP specifications and directing that the public notice inviting bids be published as required. The motion was seconded by Director Quinteros and passed by the following roll call vote:

Ayes: Gallagher, Quinteros, Rizzi, Swanbeck, Tonna

Noes: None

(e) Development of GIS map: The Engineer spoke with Murgreen Environmental today. They are in the process of merging two maps; the San Mateo County GIS map with the District map overlaid. The project will likely be complete by the end of June.

(f) Annual Sewer Service Charge Report: All the water consumption data has been received. Preliminarily the FY 2015-16 sewer service charge is \$1.03 million vs. \$1.05 million last

year. Fred Weber, EDS, is transitioning out of preparing the parcel data. A new firm is gradually taking over.

With regard to 2665 Geneva Avenue, there is now a Subway sandwich facility. When the District approved the development, we asked that there be a meter for the apartment units and separate meters for the commercial establishments. Daly City advised that there is only one meter. Engineer Yeager met with the property manager and learned that there is an internal meter for Subway. A letter will be written to the property manager advising that other units will have to have separate meters. The property managers will have to read the meters and report the usage to the District. There will be a Domino's Pizza shop opening soon.

Kinder Morgan was overbilled for water by the City of Brisbane for a couple years. The City was using a Kinder Morgan hydrant for flushing activities. Using that flawed water usage data, we billed for sewer service charges and may owe Kinder Morgan a refund. We will also need to adjust the amount reported to the SFPUC. We can handle Kinder Morgan with a reduction of current charges vs. issuing a refund.

(g) Robertson School: The project engineer submitted hydraulic calculations. Engineer Yeager provided information and comments on the preliminary layout as well information about fees.

(h) 377 Accacia Street: This is an 8 bedroom home. The Engineer spoke to the Daly City Interim Planning Director. They will be or have issued a permit. There is nothing in their ordinances that can prevent this sort of building. The Planner said it is becoming an issue in other areas of the City as well. The Daly City Ordinances are not geared to limit. Mr. Yeager said if there were to be two mailboxes, an additional electric meter, an additional kitchen, etc the owner could be charged additional fee(s). President Gallagher mentioned that her property is grandfathered in as a three unit building. Going forward that will trigger additional fees.

(i) SFPUC connection fee: The language in our agreement with the City states that there will be a connection fee for development in Daly City but not Brisbane. The fee was to be reviewed annually by the City. The Engineer asked the SFPUC what the current fee was; they provided information that didn't make sense. The information didn't apply to the District since we have a special agreement with them. This becomes a problem since there is some redevelopment being proposed in Daly City. We can't provide information about the SFPUC connection fee if we don't have it.

(k) Town Motel: The Engineer will send them a letter and include a bill based on estimated rainfall.

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

Counsel Quint said that neither she nor John Bakker will be available to attend the June 16 Special Meeting. She will work with the Engineer on language for the bid acceptance/award.

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

(a) AB 2028 All Mail Ballot Pilot Program Resolution of Participation: This pilot project was discussed at the April meeting. At that time it was the consensus of the Board to participate. The Clerk used the County's suggested language to draft the resolution. It has been vetted by District Counsel. A motion was made by Director Swanbeck to adopt Resolution #2015-01 a Resolution Directing The San Mateo County Chief Elections Officer To Conduct The November 3,

2015 Election For The Bayshore Sanitary District Wholly By Mail Pursuant To The Pilot Program Authorized By Assembly Bill 2028 If All Other Affected Jurisdictions Also Request Participation In The Pilot Program At That Election. The motion was seconded by Director Quinteros and passed by the following roll call vote:

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

Old Business:

(15) General discussion of Director and Contract Staff succession planning
This will be handled during a special meeting in the near future.

(16) Community outreach
Director Rizzi refined his magnet concept. The President will bring the prototype to Parle. The Engineer will provide the President with the exact number of connections.

New Business:

(17) November Special District Election requirements
As has been the policy of the Board, the candidate's statement shall be limited to 200 words and shall be paid by the candidate. The County will also be provided with the number of open seats and a map of the District. The Clerk pointed out that this year Directors seeking reelection will be required to submit a Form 700 along with other filing documents.

(18) CSDA Monterey Conference

Directors Swanbeck and Tonna are interested in attending. The Clerk was instructed to book two rooms at the Monterey Marriott using the District credit card.

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

Adjournment:

A motion made by Director Rizzi, seconded by Director Quinteros and passed to adjourn the meeting at 8:54 P.M. The next regular meeting is June 25. There will be a Special Meeting on June 16 @7:00 P.M.

Submitted by Joann Landi