

BAYSHORE SANITARY DISTRICT
MINUTES
Meeting of July 28, 2016

Opening of Meeting: The meeting was called to order at 7:08 P.M.

Roll Call:

Present: Gallagher, Quinteros, Rizzi, Tonna

Absent: Swanbeck

Also: District Counsel Quint, Maintenance Director Landi, District Engineer Yeager, and Clerk Landi

Public Hearing:

The Public Hearing was opened at 7:10 P.M.

- (1) Approval of Sewer Service Charge Report for FY 2016-17; Resolution No. 2016-05
A motion was made by Director Rizzi and seconded by Director Tonna approving Resolution No. 2016-05, a Resolution Approving Sewer Service Charge Report For Fiscal Year 2016-17. The motion was approved by the following roll call vote:

Ayes: Gallagher, Quinteros, Rizzi, Tonna

Noes: None

Absent: Swanbeck

The Public Hearing for item (1) was closed at 7:11 P.M. The Public Hearing for items (2) and (3) was opened at 7:12 P.M.

- (2) Approval of Collection of Delinquent Accounts on County Property Tax Roll
There are no delinquencies.

- (3) Adoption of FY 2016-17 Annual Budget; Resolution No. 2016-04

The Clerk reported that there were minor changes made to the tentative budget drafted at the June Budget Workshop. This resulted in an increase of \$20,000. Director Tonna inquired about how item (18) impacts the budget. He was assured that modest increases in contract staff positions were considered when drafting the budget.

A motion was made by Director Tonna and seconded by Director Quinteros to adopt Resolution No. 2016-04, a Resolution Approving and Adopting Fiscal 2016-2017 Annual Budget. The motion passed by the following roll call vote:

Ayes: Gallagher, Quinteros, Rizzi, Tonna

Noes: None

Absent: Swanbeck

The Public Hearing was closed at 7:17 P.M.

Oral and Written Communications: *(Concerning matters not on the Agenda; no action will be taken nor will extended discussion be permitted.)*

(4) Communications from members of the public
None

(5) Communications from members of the District Board and Staff
None

(6) Acknowledgment of recent correspondence to the District

The Clerk reported that we received information from Peninsula Clean Energy with regard to their cooperative service arrangement with PG&E. The District is within the area which will be phased into the program first. This item will be agendaized for the August meeting so that there can be discussion and a decision made to accept the arrangement or to opt out.

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 23, 2016

(8) Payment authorization for bills and compensation

(9) Accept June 30, 2016 report on District's current financial status

(10) Accept June, 2016 checking account reconciliation

A motion was made by Director Quinteros seconded by Director Rizzi and passed approving consent items 7-10.

Board Reports – consideration of matters relating to:

(11) President Gallagher

(a) LAFCo: The Maintenance Director attended the July 20 meeting. The Commission approved issuing an RFP for a consultant to prepare the Municipal Reviews for the Sequoia and Peninsula Healthcare Districts. With regard to Grand Jury reports, there was discussion about (1) the recommendation that the Harbor District be dissolved and (2) that LAFCo will be required to respond to the report dealing with the six independent sanitary districts. The Commission also discussed the legislation proposed by Assemblyman Rich Gordon which would enable the Trustees of the Mosquito Abatement District to reduce the number of trustees to 7 vs. the current 21. There appears to be no local support for this legislation which started out to be Statewide for such districts but is now for San Mateo County only.

(b) CSDA – Local Chapter: The next meeting is August 2 and the topic will be Sea Level Rising. The Maintenance Director mentioned that he met with Josh Cosgrove, President of the Local Chapter, and gave him a brief tour of the District.

(c) Redevelopment Oversight Board: There is no report; no meetings scheduled.

(12) Daly City: Director Rizzi said the School District expects to open the new school in September, 2017. It will include a park on the Schwerin Street side, a venue they hope will encourage more community involvement. He also provided information gleaned from his meeting with the School Superintendent and the architect.

(13) Brisbane: A Public Hearing is being held this evening re the Baylands EIR.

Staff Reports:

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

(a) Monthly report on District operations and maintenance: The Carlyle Station is functioning properly. We did experience a daytime power failure; the generator started at 7 A.M. and ran for over 3 hours. It shut down but there was still no power. PG&E was called and came to the station but claimed that there had been no power failure. A problem in the panel was detected and corrected. The Engineer and Maintenance Director will work on requirements for replacement of the generator. Counsel will provide guidance on the most streamlined process that is available.

Conducted field inspection of the main and laterals at the Bayshore Elementary School. Robertson School has erected portables and are installing the utilities.

Development of the 12 homes on Accacia Street is moving along. The contractor installed a new water line and replaced all the existing residential water connections. Mr. Landi mentioned that there is a hump in the pavement which will not be repaved by the contractor. This is something that is the responsibility of Daly City.

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

(a) June meter reading data: The average flow was 291,200 gallons per day (gpd); high for dry weather. Eliminating the PG&E discharge brings the gpd down to 264,651 which is typical for this time of year.

(b) PG&E MSC discharge: The original permit expired June 30 but was extended to July 31. PG&E has requested that the permit be extended to October 31 as they are doing some additional smaller projects. They have also advised that the total discharge will increase to 7 million gallons; has been approved by the SFPUC. The Engineer doesn't believe the discharge will be as high as it has been since these are smaller projects and they are no longer discharging every day. These projects will not affect any of the District's facilities.

(c) Carlyle Pump Station upgrades: Telstar has been authorized to secure and install a new controller and redundant float system for \$15,125 and Pump Repair Service has been given the go ahead to order a standby impeller for \$8,507.

(d) SFPUC water quality sampling: As explained at the June meeting, the PG&E discharge is clean water and it dilutes the wastewater. During the PG&E discharge period the COD, Suspended Solids and Oil and Grease were lower and the Engineer said that is not representative of long-term dry weather data. He has requested that the SFPUC continue sampling through August. When the sampling is complete, it is hoped that we can arrive at numbers that are acceptable to the District and the SFPUC and that future sampling can be deferred.

(e) 209 MacDonald Avenue: There has been no new information from the developer.

(f) Accacia Street subdivision: The initial inspections are complete and debris found in the line has been removed by the contractor. Some final inspections are pending.

(g) Robertson School/Bayshore Elementary School: Landmark Construction is doing both projects. The School District and the architect have been advised of a buried manhole.

Landmark has responded to that issue and will find and raise the lid to grade. A Class 4 permit along with the applicable fees has been received for Bayshore Elementary School. Plans have been submitted and the Engineer has performed several reviews. The Engineer and Maintenance Director field verified the lateral locations to insure that all the abandoned laterals will be capped. There will be two connections, a 6" for most of the building and a 4" which captures the drainage from a trash enclosure. They will connect to the old lateral; the District maintains the lateral. Mr. Yeager advised that they will be subject to the SFPUC Capacity Charge since they are going from a 1½" meter to a 2" meter. The SFPUC provided the amount of the charges which were forwarded to the contractor. The District's Capacity Entitlement Charge will not be an issue until such time as they exceed their current capacity.

(h) Capacity Entitlement charges: There are no charges for FY 2016-17. Golden State Lumber has agreed to track their yard watering and report to the District. Recology's excess water usage was due to a homeless encampment. Bayshore Elementary School recently repaired some leaks that were the cause of their excess water usage.

(i) Update CIP/Master Plan: No update.

(j) Development of GIS map: We have the final map and Engineer Yeager has checked the map against the database. The map is correct but there is some duplication of lines in the database and there are a few lines and data missing. This is important because the auditor needed an accurate list of the District's assets. Will be wrapping up shortly.

(k) SFPUC Capacity Charge: They sent a revised procedures memo which was reviewed by the Engineer, Counsel and the Clerk. The procedures establish the protocol for notifications, calculation and collection of the capacity charge.

(l) Class 4 Permit revisions: The old permit didn't include all categories of work we are now encountering so a few more options were added.

(m) Sewer Service Charge report: A table was provided showing the charges by classification for this year and last year. All categories, residential, commercial, industrial, etc. are down due to water conservation. One of the biggest changes was in the four industrial discharges. PG&E has two, one for remediation and the other for construction ground water. Remediation will be complete as of January 1 and the construction ground water will be complete October 31. The Brisbane landfill discharge will continue into the future and Kinder Morgan did not discharge in 2016. The bottom line is that the industrial discharges are \$25,000 less this year than last year. Going forward there will be less industrial discharging. And sewer service charge (SSC) revenue will continue to go down until people begin using more water.

The other part of the story with regard to SSC is that there are actually two rolls that the County uses. They have the property tax rolls and the State Board of Equalization (SBE) rolls. When the SSC report was prepared all properties were listed by parcel number. Each year the SBE changes the number on their rolls. PG&E and Kinder Morgan are the two SBE properties in the District. The SBE rolls are for large property owners in the State--they get one bill for all their properties. There was some confusion with regard to billing which has been corrected at the County level.

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

Counsel has not increased its hourly rates since 2013. An increase was requested and approved in 2014 but it was not implemented. Meyers Nave is requesting a modest increase in

line with the CPI resulting in \$5-10 per hour increases for Counsels Bakker and Quint. This does not require any change to the budget.

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

A document about the information systems used by the District was compiled to be in compliance of SB 272 and was posted on the website on June 30.

Old Business: None

New Business:

(18) Contract staff compensation review for FY 2016-17

The Engineer will submit a request next month and CSMS will not seek an increase this year. Modest increases to compensation were considered when preparing the budget.

(19) Resolution #2016-02 setting Appropriations Limit for FY 2016-17

Each year we obtain the Price and Population calculations from the California Department of Finance. Those are provided to the auditor and he makes a calculation for the District. A motion was made by Director Quinteros and seconded by Director Tonna to adopt Resolution No. 2016-02, a Resolution Establishing Appropriations Limit For Fiscal Year 2016-2017. The motion was passed by the following roll call vote:

Ayes: Gallagher, Quinter's, Rizzi, Tonna
Noes: None
Absent: Swanbeck

(20) Resolution #2016-03 allocating funds to District Reserve, Contingency and Cash Flow Accounts for FY 2016-17

It has been the practice of the Board for several years to document the purpose of its funds. It was noted that the Capital Reserve Fund is zero this year since all connection and capacity fees that can only be used for capital purposes, have been expended. A motion was made by Director Rizzi and seconded by Director Tonna to adopt Resolution No. 2016-03, a Resolution Allocating Funds to District Reserve, Contingency and Cash Flow Accounts For Fiscal Year 2016-2017. The motion was approved by the following roll call vote:

Ayes: Gallagher, Quinter's, Rizzi, Tonna
Noes: None
Absent: Swanbeck

(21) Preliminary discussion - Grand Jury report

Counsel opened the discussion by noting that the Jury was not in compliance with Penal Code §933(f) which requires that the subject of an investigation be provided with a copy of the report 48 hours prior to release. That may be actionable, however, not worthy to pursue. Our obligation is to respond within 90 days. We respond to each finding and if we disagree we must provide a reason. The recommendations must be answered that (1) agree -they have been implemented; (2) agree - not yet implemented but we will in the future with the time frame; (3) requires further analysis with the scope and time frame; or (4) disagree with reasons given.

Counsel recommended that since it can take a while to work through the response, an ad hoc committee might be helpful to draft responses and circulate for review and discussion at the August meeting. President Gallagher agreed and it was the consensus of the Board that President Gallagher, Director Swanbeck and the Clerk be on the Ad Hoc Committee. There were some comments made providing some direction to the Ad Hoc Committee. Staff will provide the Committee with any comments they may have.

(22) CSDA October Conference in San Diego
Depending upon the content and panels, a Director may attend.

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

Adjournment:

The meeting was adjourned at 9:24 P.M. The next Regular Meeting is August 25, 2016 at 7:00 P.M.

Submitted by Joann Landi