

BAYSHORE SANITARY DISTRICT
MINUTES
Meeting of October 22, 2020

Roll Call:

The meeting was called to order at 7:03 P.M. As permitted per State of California Executive Order N-29-20 the meeting of the Bayshore Sanitary District was conducted via Zoom. Members of the public were invited to join the meeting. There was one inquiry; however, the caller did not remain on the line to be provided the necessary information to join the meeting.

Present: Constantino, Gallagher, Rizzi, Swanbeck, Tonna
Absent: None
Also: Maintenance Director Landi, Engineer Yeager, Counsel Hundley and District 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
None

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

- (4) Minutes of the Regular Meeting of September 24, 2020
- (5) Payment authorization for bills and compensation
- (6) Accept September, 2020 report on District's current financial status
- (7) Accept September, 2020 checking account reconciliation

A motion was made by Director Swanbeck, seconded by Director Constantino and passed by roll call vote to approve consent items 4 – 7.

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

Board Reports – consideration of matters relating to:

- (8) President Gallagher
 - (a) LAFCo: There was no meeting this month.
 - (b) CSDA – Local Chapter: There will be a meeting on October 27 via zoom.

- (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 Carlyle Pump Station is running well. Inspected installation of new laterals at 32 and 38 Rio Verde Street. A final inspection will be done when cleanouts are installed at the property line. Conducted a post inspection of 2 new gas lines and main at 349 Rio Verde Street. The inspection was done for ProPipe, the PG&E subcontractor.

Met with Kevin McCarthy, North San Mateo County Sanitation District (NSMCSD), regarding the amendment to our agreement for cleaning and emergency response service. There was a service request 1047 Schwerin Street. It is a drainage problem which has been an ongoing problem. Met with NSMCSD personnel and did some dye testing. Determined that there is a plumbing problem within the home which is draining through the foundation and coming out of a hole in a retaining wall. A dye test conducted at 1049 Schwerin Street found that was the source of the problem at 1047. There was another service request at 1053 Schwerin Street which seems to be the same type of problem. The issue is being referred to Daly City Code Enforcement. The Engineer said that everything is fine on the District side.

With regard to the sand in the control room sink plumbing, the Maintenance Director said it could have happened when a main is opened after being shut down for a problem or after routine flushing of water lines. It damaged the faucet and the small water heater under the sink may have to be replaced.

Inspected seven properties in The Overlook project. The laterals looked good and were free of debris and rock. They are required to flush the mains prior to the District accepting. Homes are gradually being occupied.

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

(a) September meter reading data: The average daily flow was 268,432 gallons. Comparing the June, July and September flow in 2020 vs. 2019 indicates a slight increase possibly due to Covid19.

(b) 2019-20 CIPs : The Engineer and Maintenance Director met with Tesco at the District office. Tesco has been provided sample reports that we want the SCADA system to be able to generate. We will be meeting with Tesco at their Sacramento facility on November 17. They are making progress as per the contract.

(c) 220 Accacia Street: This is the property that has two cleanouts in front of the home. One is for the house and the other is for a combined lateral situation. District comment on the plan sheet is that the contractor needs to determine which lateral actually serves the house and also that the cleanout may need to be replaced.

(d) 2321 Geneva Avenue: This is a vacant parcel barely in the District at the corner of Castillo and Geneva Avenue. Daly City Planning & Zoning sent a copy of the plans that propose 119 residential units and 7653 feet of commercial space ala the El Rancho Market property. This has very little impact on the District since wastewater from the project would go

out the Castillo side and enter the San Francisco system about 200 feet away. The developer will need to get confirmation from San Francisco that there is sufficient capacity.

(e) Midway Village: This project is steadily moving along. They have submitted their plans for 172 residences, a community center and a parking lot. The plans were received yesterday and need staff review. There are some administrative issues to be worked out.

(f) Industrial discharge permits: The Chevron Station discharge has been completed. The second permit was issued to PG&E for the Martin Service Center. That discharge has not yet begun.

(g) 1023 Schwerin Street: This is the location of the spot repair made for the District by SF Underground. As discussed at the September meeting Daly City requested documentation on how the pavement patch was done. They were provided photos taken during the inspection of the repair.

(h) Amendment #2 to North San Mateo County Sanitation District O&M agreement: This was discussed at the last meeting and it was determined that a few items needed review. The amendment has been modified and it now addresses the concerns of all parties. The Engineer requested that the Board accept the amendment and authorize the President to sign on behalf of the District. A motion was made by Director Rizzi to accept Amendment #2. Director Tonna asked how the increase to labor costs was calculated. Mr. Yeager advised that it is per the union agreement with Daly City. The motion was seconded by Director Swanbeck and passed by the following vote:

Ayes: Constantino, Gallagher, Rizzi, Swanbeck, Tonna

Noes: None

(i) Daly City Protocol agreement: At the last meeting it was suggested that staff meet with Richard Chiu, Director of Public Works. The situation surrounding the 1023 Schwerin Street project is that our agreement with Daly City is between them and the District NOT any contractor and the City. The Board was provided a copy of the Daly City encroachment permit application. There is a lot of language about indemnification and liability which the Engineer said is typical. These requirements would be passed onto the contractor performing work for the District. The Maintenance Director gave an example of the bureaucracy surrounding the installation of a new cleanout in the District. Staff will invite Mr. Chiu to meet at the District office to work out details to pave the way for a smoother working relationship.

(j) Rate increase: This discussion will be about the historical rate increases and the loading factor which is applied to non-residential accounts.

In 1986 the Board adopted an ordinance that set the sewer service charge at \$4.25 per unit of water. A typical family of 3 paid \$414 a year and a family of 4 paid \$553 a year. In April, 2005 Ordinance #93 was adopted and the rate was set at \$5.00 per unit of water and a flat fee of \$125 to cover fixed costs not related to water usage. That Ordinance increased the annual charge for a family of 3 to \$612 and for a family of 4 to \$775 a year. That was about a 40% increase which was significant but the decision at that time was the Board did not want to have to go back for another rate increase for at least 5 years. The reasons we have not had to contemplate an increase sooner is that the SFPUC costs, especially capital costs, did not go up as fast as expected and District expenses grew at a slower rate than anticipated. Also, the District secured a \$1,000,000 refund from the SFPUC when it was discovered that there had been multiyear inaccuracies in meter readings. Also, property taxes and interest generated a higher rate of revenue than expected. Based on the Consumer Price Index (CPI) since 2005, the

annual sewer service charge for a family of 3 would have escalated to \$905 vs. \$613 and for a family of 4, \$1,145 vs. the current \$775. In other words the increase in sewer service charges has been less than the CPI for those 15 years. All this information will be provided to the District users during the public hearing process. Engineer Yeager found copies of the notices sent to customers in 2005 and has provided samples to Counsel Hundley for her review. The Clerk found two sources for mailing via a CSDA Forum posting. We need to talk to these providers regarding their capacity and cost. The Engineer will provide the information needed for preparation for the individualized notices.

With regard to the loading factor, this is an increase assessed to non-residential users because their organic loading, solids and grease are higher than a residential user. Engineer Yeager is checking with other entities in order to develop a new method of calculating the loading factor.

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

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

(a) Grand Jury report re ransomware: The District completed a questionnaire last fall dealing with ransomware. She explained that the questions actually didn't apply to the District since there are no employees or an IT Department. Data and documents are generated by the contract staff. The District's computer is a receptacle for documents compiled by others and readily available from the authors of the documents. The Grand Jury issued a report with recommendations that will need a response within 90 days. The Clerk will draft a response and work with District Counsel to develop a document for Board review.

President Gallagher said that we may want to consider having a backup program. The Engineer said this would be more of an issue when the SCADA system is installed. He will ask Tesco what should be done in that regard.

(b) Rescheduling of SCIP presentation: There was agreement that we will offer time during the November 19 meeting for Pt. Martin representatives to make a presentation regarding their funding mechanism.

Old Business:

(15) Sewer Service and Capacity/Connection Charge increase discussion: This was discussed under the Engineer's Report (j). Mr. Yeager suggested that our target for holding the public hearing is February or March. The Clerk will check with Daly City regarding the availability of using Lawson Hall.

(16) Fiscal Year 2019-20 Audit

A motion was made by Director Swanbeck to accept the audit prepared by Fechter & Co. CPAs. The motion was seconded by Director Tonna and passed by the following vote:

Ayes: Constantino, Gallagher, Rizzi, Swanbeck, Tonna

Noes: None

New Business:

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

Adjournment:

The meeting was adjourned at 8:06 P.M. The next meeting is November 19, 2020 at 7:00 P.M.

Submitted by, Joann Landi

/s/ Iris Gallagher
President

/s/ Norman Rizzi
Secretary