

BAYSHORE SANITARY DISTRICT
MINUTES
Meeting of May 28, 2020

Roll Call:

The meeting was called to order at 7:02 P.M. As permitted per State of California Executive Order N-29-20 and in compliance with San Mateo County's order for residents to "shelter in place" the meeting of the Bayshore Sanitary District was conducted telephonically. Members of the public were invited to join the meeting; however, no requests for the call-in information were received.

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

The President reported that she, Engineer Yeager and Maintenance Director Landi met with Kevin Colina and Howard Pearce of UPC and Mike Pacelli. President Gallagher got the impression that UPC wanted to make sure that the District is able to work with them during the development of the Baylands since Mr. Colina wasn't sure what the District's role would be. Basically he wanted a definite answer as to who has the legal authority for providing wastewater services in the Baylands—the response was that the District has that responsibility. With regard to an on-site plant, they are thinking of a .2 million gallon per day facility. There will not be year round need for that much water so most will go to San Francisco on a permanent basis. UPC is aware that they need to talk to the SFPUC. Engineer Yeager mentioned that in the future we would want a second force main to accommodate additional flow. They have been provided a Class 4 Permit application. Also, during the meeting it was mentioned that most of the buildings along Industrial Way will be eliminated.

Engineer Yeager received an email today from the engineer for the Pt. Martin 1 & 2 project. He was advised that a new developer has purchased the site and they anticipate some initial construction beginning in July. They have been advised that they owe fees and will need a new permit since there is a change in ownership. Mr. Yeager said that for projects like these there is often a requirement for a bond. Counsel said usually a bond is requested to insure that the public improvements like streets are completed. There is nothing addressing bonding in our Ordinance Code. The Engineer and Legal Counsel will discuss this further.

- (3) Acknowledgment of recent correspondence to the District
None

Public Hearing:

- (4) Receive Presentation and Consider Adoption of Resolution Authorizing District's Participation in the Statewide Community Infrastructure Program with the California Statewide Communities Development Authority – continued from 2/27 and 3/26 4/23
Due to the County and State orders to shelter in place, the Hearing is continued to the June meeting.

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.)*

- (5) Minutes of the Regular Meeting of April 23, 2020
- (6) Payment authorization for bills and compensation
- (7) Accept April 30, 2020 report on District's current financial status
- (8) Accept April, 2020 checking account reconciliation

A motion was made by Director Swanbeck, seconded by Director Rizzi and passed by voice vote to approve consent items 5-8.

Board Reports – consideration of matters relating to:

- (9) President Gallagher
 - (a) LAFCo: We received an email announcing their June 17 budget meeting via Zoom. President Gallagher will join the meeting and report back.
 - (b) CSDA – Local Chapter: The May meeting was cancelled.
- (10) Daly City: No report.
- (11) Brisbane: The CAG has been trying to meet to discuss the EIR and may schedule a call in or Zoom meeting in August. Director Swanbeck mentioned that it is unknown if the State will take some of the Baylands property for rail transportation activities.

Director Tonna asked if anyone knew what kind of work is being done on Cow Palace property. There is a lot of heavy equipment on the site. The work area is actually in San Francisco. The Clerk said we received USA alerts which indicate it is site grading/improvements being done for The Bay Club.

Staff Reports:

- (12) Maintenance Director – consideration of matters relating to:
 - (a) Monthly report on District operations and maintenance: Mr. Landi reported that the wetwell is being checked frequently to make sure the levels are not pumping too low. Also, he removed some bottles and cans from the wetwell. He will provide photos. Otherwise,

the Carlyle Station is running properly and there were no service requests during the reporting period.

All the laterals in the Habitat for Humanity project have been inspected (3001 Geneva Avenue). They are stubbed into the lots but the cleanouts will be installed later. This is expected to be a 2 year project.

Received a call today from the North San Mateo County Sanitation District (NSMCSD) Foreman advising that he had preventive maintenance reports to deliver. The Engineer said he advised NSMCSD to submit an invoice for their work so that it can be considered for payment in June.

There was an abundance of USA alerts received during the reporting period but many did not require marking since the project areas were not in the street or sidewalk.

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

(a) April meter reading data: There were a couple rain events totaling about one inch. The average daily flow was slightly over 300,000.

(b) 2019-20 CIPs: The Request For Qualifications was advertised and sent to specialty firms. We received three responses – Tesco, Telstar Instruments and Blackrock out of Texas. The Maintenance Director, Director Constantino and the Engineer reviewed and ranked the submittals. Telstar and Tesco were ranked as comparable while the Blackrock submittal was deemed inadequate and they do not have a California contractors license or local references. Engineer Yeager recommends we request final pricing proposals from Telstar and Tesco who both have done extensive work in California. A motion was made by Director Swanbeck to solicit final proposals from Telstar and Tesco. The motion was seconded by Director Constantino and passed by the following roll call vote:

Ayes: Constantino, Gallagher, Rizzi, Swanbeck, Tonna

Noes: None

Engineer Yeager will send Counsel a copy of the RFP and the contract for his review. We will be using the same contract as was done for the generator replacement.

(c) Brisbane Landfill: Their industrial discharge permit expires in June. They have secured a new permit from San Francisco. Howard Pearce was provided a permit application and an invoice for their discharge.

(d) Sewer Service Charge: Mr. Yeager has received the water consumption data from Brisbane, San Francisco and Daly City. He sent that information to EDS to be merged. He will now review the data and should have a readout of the revenue in a week or two.

(e) Samoan Church: The Engineer received a call from the church asking why their sewer service charge billing doubled. A review of the records found an error—they have been billed for a fire service meter for 3 years. He recommends that the District issue a \$756.61 refund. A motion was made by Director Swanbeck to issue the refund. The motion was seconded by Director Rizzi and passed by the following roll call vote:

Ayes: Constantino, Gallagher, Rizzi, Swanbeck, Tonna

Noes: None

(f) The Overlook: Toll Bros requested and was provided a letter confirming the status of the inspections of the sewer lines.

(g) 55 Calgary: This is a part of the former El Rancho Market property. When it was divided they created the high rise condo building and asix lot subdivision. In 2015 it was amended to a seven lot subdivision. The lots have been sold and plans have been developed. The plans propose seven 4 bedroom/4 bathroom townhomes. On level one there would be a bed and bath; level two would have 2 bedroom/2 bath and the 3rd story has 1 bed/1bath all with one common kitchen. The units have the potential to be used as a room rental properties. Engineer Yeager sent a letter outlining the fees for the District and the SFPUC. The owner objected to the fees stating that she had not been advised of them by the previous owner. She was advised that the fees had to be paid prior to a permit being issued.

(h) 267/271 Oriente Street: There was recently a fire at 267 and the property is red tagged. When the Maintenance Director went by the property he noticed that 271 had been completely gutted. Mr. Yeager emailed an inquiry to Daly City but has not received a response – he will follow up.

(i) Upcoming budget: The Engineer had previously provided memos regarding San Francisco's future increases and the District's revenue. San Francisco's cost and the District costs are rising but revenue is flat. He anticipates the San Francisco costs will increase 8% over the next 3 years. He estimates that the NSMCSD cleaning costs will increase 3.5% next fiscal year. On the revenue side, given the State's current financial woes, it wouldn't be a surprise if the State took the ERAF money and did not return it to the Counties. In addition to that, the last quarter interest on the LAIF account was 2.03% and the checking earns .5%. In planning for FY 2020-21 we need to keep this in mind. Tables were provided in the monthly report which shows that in the next 3 years we will be going into our reserve funds for about \$200,000 to meet basic expenses. We will need to consider these projections and to get a sense of at what point in time it will be prudent to consider a sewer service charge increase. Any increase will require going through the Prop 218 process.

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

(a) Pt. Martin – Statewide Community Infrastructure Program: This matter is continued to the June meeting.

(b) 1099 providers vs. employees: There is no report at this time. CSDA suggested that District's might want to look at how they treat outside service providers in light of the passage of AB-5. Counsel said that a member of Meyers-Nave staff is researching this matter.

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

None

Old Business:

(16) Consideration of banking and investment product options – continued from May meeting

This matter was continued from the May meeting so the Clerk could obtain rates from TriCounties Bank. The bank has no promotional CD rates and has advised that the rate we receive for our checking account is unique to our account. It seems that this might not be the right time to consider changes.

New Business:

(17) Set FY 2020-2021 budget study session

Given the SIP the Board might want to consider approving a subcommittee to work on preparing a draft budget. There was consensus that a subcommittee be formed to draft a budget for consideration at the June 25 meeting. Members are President Gallagher, Director Swanbeck, Engineer Yeager and Clerk Landi. They will schedule a remote meeting the week of June 15.

(18) Selection of FY 2019-20 auditor

We received an email from Craig Fechter, Fechter & Co. CPAs, advising that they could schedule the audit in late July if that was the Board's pleasure. The firm has done a very good job for the District so the consensus was that we continue with their service. President Gallagher asked the Clerk to have them send an engagement letter.

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

Adjournment:

The meeting was adjourned at 8:05 P.M. The next meeting is June 25, 2020 at 7:00 P.M.

Submitted by, Joann Landi

/s/ Iris Gallagher
President

/s/ Norman Rizzi
Secretary