

BAYSHORE SANITARY DISTRICT
MINUTES
Meeting of July 23, 2020

Roll Call:

The meeting was called to order at 7:05 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; 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 Hundley and District Clerk Landi

Public Hearing:

The Public Hearing was opened at 7:06 P.M.

- (1) Approval of Sewer Service Charge Report for FY 2020-21; Resolution No. 2020-03
The Clerk reported that the amount of sewer service charges to be collected by the County has increased to \$986,005.10. A motion was made by Director Swanbeck to adopt Resolution No. 2020-03. The motion was seconded by Director Tonna and approved by the following roll call vote:

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

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

- (3) Adoption of FY 2020-2021 Annual Budget; Resolution No. 2020-04
Since distribution of the proposed budget the amount of sewer service charge has increased slightly. However, this does not affect the bottom line. A motion was made by Director Swanbeck to adopt Resolution No. 2020-04. The motion was seconded by Director Tonna and passed by the following roll call vote:

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

- (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, 3/26, 4/23, 5/28 and 6/25/20

Due to the County and State orders for social distancing the hearing on this matter is continued to the August meeting. President Gallagher suggested that we reach out to the developers of Pt. Martin 1 & 2 to determine if they would like to make their presentation at the August meeting. It is anticipated that the August meeting will be held via Zoom.

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

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

(5) Communications from members of the public
None

(6) Communications from members of the District Board and Staff
President Gallagher advised the Board that Lauren Quint will not be returning to Meyers Nave. We will continue our association with Meyers Nave for legal services.

Director Swanbeck provided the Board and Engineer Yeager voluminous documents regarding the high speed rail EIR. The Engineer has reviewed the documents and reported that one element of the project is a maintenance facility located within the District. It will be located along Industrial Way by the tracks or north of the tank farm also near the tracks. This is a large overview of the project but we do need to notify them that the District provides sewer service and our Ordinances need to be followed. Engineer Yeager will send an email before the due date for comments.

(7) Acknowledgment of recent correspondence to the District
The Clerk said that we received notice today that Physicians Answering Service is raising their month fee by \$5. While the service is not used frequently, it is a valuable service to maintain.

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.)*

- (8) Minutes of the Regular Meeting of June 25, 2020
- (9) Payment authorization for bills and compensation
- (10) Accept June 30, 2020 report on District's current financial status
- (11) Accept June, 2020 checking account reconciliation

A motion was made by Director Swanbeck, seconded by Director Constantino and passed by voice vote to approve consent items 8-11.

Board Reports – consideration of matters relating to:

- (12) President Gallagher
 - (a) LAFCo: No report.
 - (b) CSDA – Local Chapter: The next meeting has not been scheduled.

(13) Daly City: President Gallagher was contacted by Mike Pacelli regarding the tennis facility that is being constructed on the Carter Street side of the Cow Palace. This is reported to be a temporary facility (2 years) for The Bay Club. This project has been the subject of much discussion on NextDoor where people have indicated that there are a number of services needed in the neighborhood and a tennis club is not one of those. The Maintenance Director reminded the Board that this facility is actually in San Francisco.

(14) Brisbane: A CAG meeting has been scheduled and Director Swanbeck plans to attend. She will share any documents she obtains with Engineer Yeager. She mentioned that the high speed rail project does not include a stop in Brisbane.

Staff Reports:

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

(a) Monthly report on District operations and maintenance: The pump hours are slightly increased possibly due to residents being homebound. The Carlyle Station is operating properly. The landscaping is looking good.

The Overlook project is progressing. Mr. Landi received a call inquiring about the process for the final inspection of laterals. Daly City was also contacted asking for information on their inspection process. Daly City's jurisdiction is from the cleanout at the garage door to our cleanout at the property line which is about 7-8 feet. The distance between our cleanout and the main is about 3-4 feet. We might be able to work with North San Mateo County Sanitation District to have them televise from the cleanout to the main when they are conducting their video inspections. It will be at least 2-3 months before homes are ready for occupancy. Security has been tightened up at the development. Identification is required to enter the subdivision.

There were no service requests during the reporting period.

The building on the VanArsdale property has been demolished. We have no information about what is being done with the property.

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

(a) June meter reading data: The average daily flow was 279,063 gallons. This is up a bit likely due to people staying home.

(b) 2019-20 CIPs

i. Accept SCADA system proposal and award contract to Tesco: After the last meeting the Maintenance Director, Director Constantino and the Engineer met and reviewed the Tesco proposal and the consensus was to accept the full SCADA project at a cost of \$128,375. A motion was made by Director Swanbeck to award the contract to Tesco. The motion was seconded by Director Constantino and unanimously passed by voice vote. The next step will be to request bonds, insurance certificates and prepare the contract. The Engineer will work with District Counsel re the insurance requirements.

(c) The Overlook: They have taken out 11 additional building permits but have not yet submitted the fees. The SFPUC capacity worksheets have been provided to Toll Bros.

(d) Point Martin 1 & 2: The construction has been delayed until the fall.

(e) Midway Village: The Engineer had another discussion with Matt Lewis regarding the connection fees. They will probably start 150 units next spring resulting in \$512,100 of connection fees. They are constructing but not demolishing the existing buildings. At some point during the project they will get credit for their current capacity.

(f) 32/38 Rio Verde Street: These two lots were part of the El Rancho Market property but were retained by the owner. The plan is to develop two single family residences. The Engineer has reviewed the plans and the connection fees have been paid. The SFPUC capacity worksheets have been provided to the owner's representative. When those fees are paid we will advise Daly City that permits can be issued.

(g) SFPUC annual sewer service charge: A letter was sent to President Gallagher on July 15 stating that the SFPUC budgeting is being delayed and they would like the District to make the first payment based on last year's sewer service charge and then they will true up the calculation December 1 once they have provided us with the charge worksheets. The Board agreed that we make the first payment September 1 based on the FY 19-20 billing.

(h) Sewer Service Charge: The total revenue for FY 20-21 is up about \$37,000. The principal reason is that the Brisbane landfill discharge increased significantly and represents about \$23,000 of the increase. The number of dwelling units has gone up due to the development in the District. Once a permit is issued the owner is billed the \$125 minimum for the fixed cost. Engineer Yeager will work on an ordinance amendment to reflect this practice. One more crosscheck with the County information is required to finalize the revenue total.

(i) Connection Fee: Each year Mr. Yeager makes a calculation to determine the appropriate connection fee. In essence it is the appreciated value of the system divided by the number of dwelling units. He discovered that he made an error in prior calculations. The appropriate charge is about \$4,046 but he is not suggesting that we increase the charge at this time. But when we discuss increasing the sewer service charge we should also discuss increasing the connection fee which has not been increased since 2008.

(j) Capacity Entitlement Charges: Recology has been billed and V&A/7-Mile House was notified of the Board's decision to defer invoicing until January, 2021. The owner of the 7-Mile House sent an email expressing her appreciation to the Board.

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

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

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

(a) November election documents: All the necessary documents were submitted by the July 1 deadline with the exception of the service agreement. Counsel had concerns with regard to the terms giving broad authority to the County to terminate the agreement. The agreement was edited with District Counsel's input and submitted to the County Elections Department. To date we have not received feedback from the County.

Director Rizzi mentioned that for those directors standing for election in November, paperwork can be done on line. However, if you wish to do this in person at the Elections Department, you must make an appointment.

The Clerk had a Zoom meeting this morning with Michael Fink, Fechter & Co. CPAs. A number of documents and financial records had been provided to Fechter & Co. prior to this meeting. Michael expects that the draft audit will soon undergo in-house proofing.

Old Business:

(19) Sewer Service and Capacity/Connection Charge increase discussion

The process will probably take about 4 months. With regard to mailing the property specific notices, Counsel Hundley said that city clerks might have mailing service sources. President Gallagher suggested that serious discussion begin after the FY 20-21 tax bills are sent out in late October. In response to a question, Counsel Hundley said that if necessary the Prop 218 Public Hearing could be held virtually.

New Business:

(20) Bonding for development projects

This is bonding that would be required of a developer. During a previous discussion it was stated that bonding isn't beneficial to the District given the manner in which we conduct our inspections. The consensus was that bonding is not necessary at this time but that it is an option that is available.

(21) Resolution #2020-05 allocating funds to District Reserve, Contingency and Cash Flow Accounts for FY 2020-21

President Gallagher reviewed the accounts and the amounts. The Clerk and District Engineer collaborated on the calculations. A motion was made by Director Swanbeck to adopt Resolution No. 2020-05. The motion was seconded by Director Tonna and passed by the following roll call vote:

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

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

Adjournment:

A motion was made by Director Swanbeck, seconded by Director Rizzi and passed to adjourn the meeting at 7:57 P.M. The next meeting is August 27, 2020 at 7:00 P.M.

Submitted by, Joann Landi

/s/ Iris Gallagher

President

/s/ Norman Rizzi

Secretary