

BAYSHORE SANITARY DISTRICT
MINUTES
Meeting of November 18, 2021

Opening of Meeting and Roll Call:

The meeting was called to order by Vice President Tonna at 7:04 P.M. As permitted per State of California Executive Orders N-29-20 and N-08-21 the meeting of the Bayshore Sanitary District was conducted via Zoom. Members of the public were invited to join the meeting. The information on how to join the meeting was included in the posted agendas.

Present: Constantino, Gallagher(7:45), Rizzi, Swanbeck, Tonna
Absent: None
Staff: Maintenance Director Landi, Engineer Yeager, Counsel Hundley and District Clerk Landi
Also: James Hamill

Public Hearing:

- (1) Approval of Resolution 2021-08 Authorizing District to Participate in the California Statewide Communities Development Authority and the Statewide Community Infrastructure Program

The Public Hearing was opened at 7:06 P.M. Counsel Hundley provided an overview of the resolution and what approval means for the District—the District joins the program. Unlike the previous funding under the program, the funds will not have to be used for capital purposes within a specific term. The resolution was shared and reviewed. Some portions of the resolution agreement will not come into play until later in the process. Mr. Hamill said he will work with the District as further action is needed. There is always a risk of default on the property; however, the property value surpasses the underlying debt. At this time Vice President Tonna expressed concern about proceeding with approval since President Gallagher was not present. Counsel advised that the Board could adjourn this meeting to a time certain. It was the consensus of the Board to wait until there is a full complement of directors before approving the resolution; will continue to the December meeting.

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

- (2) Communications from members of the public
None
(3) Communications from members of the District Board and Staff
None
(4) Acknowledgment of recent communications to the District
None

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 October 28, 2021
- (6) Payment authorization for bills and compensation
- (7) Accept October, 2021 report on District's current financial status
- (8) Accept October, 2021 checking account reconciliation

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

Board Reports – consideration of matters relating to:

- (9) President Gallagher
 - (a) LAFCo: The Maintenance Director told the Board that Executive Office Martha Poyotas is retiring December 31.
 - (b) CSDA – Local Chapter: The Chapter President is planning to visit districts to determine what to do to stimulate more interest in the quarterly meetings.
- (10) Daly City: Director Swanbeck has attended virtual meetings regarding water recycling. She will provide the report to the Clerk for distribution.
- (11) Brisbane: Director Swanbeck will provide the Clerk with information re the Schlage Lock construction schedule and also information on meetings about electricity. The Engineer was familiar with the PG&E plans with regard to electricity distribution improvements.

Staff Reports:

- (12) Maintenance Director – consideration of matters relating to:
 - (a) Monthly report on District operations and maintenance: As reported at the last meeting there have been a number of SCADA alarms generated. This seems to have stabilized so the problems may have been solved. There was a 40 minute power failure at the Carlyle Station but no problems resulted.
 - Recently performed final lateral inspections at 4 Overlook properties on Sage Street. There are about 28 properties left to complete the project.
 - The offices at Midway Village have been demolished and work has begun in the park area. They are working on the water infrastructure but are not ready for the sewer work yet.
 - Replacement of a lateral was started at 446 Oriente Street without the a permit. The plumber has was notified and has paid the permit fee and submitted an application for a Class 4 permit.
- (13) District Engineer – consideration of matters relating to:
 - (a) October meter reading data: There were 4 rain events totaling 8.53". The October 23-24 storm alone generated 6.8" and discharged 3,600,000 gallons. The average daily flow was 368,774.
 - (b) 2019-20 CIP: No report
 - (c) Midway Village: No report

(d) 2321 Geneva Avenue (President Gallagher joined the meeting during this item): This is where the sewer line starts out in San Francisco, goes down Pasadena to Geneva and then goes westerly along Geneva/Castillo and goes back into San Francisco. The question has arisen – who owns and operates the line on Geneva. The line was televised and is excellent condition and clean in spite of it not being flushed. Should that line be considered a District line or not? The Engineer and Maintenance Director concur that the line is a public sewer in a public right of way and should probably be operated and maintained by the District. The line may have been constructed by San Francisco in the 40's or 50's. The line on Pasadena is a San Francisco line. There are a number of lines that start in the District and then go into San Francisco, some longer than others, with District customers and have been maintained by the District. The developer of the project would like to know the District's position on the Geneva Avenue line and where they may hook up their sanitary and storm lines. Daly City has stated it is not their line. It was the consensus of the Board to accept this orphan line which is physically in the District. Counsel said the options are to take responsibility for the line or take formal action at the next meeting. It might be a good idea to identify all orphan lines that have District customers and which we maintain. Vice President Tonna agreed with Counsel that it would be a good idea to recognize all the lines that may be in question that the District has been maintaining. The lines in question are in Daly City and have San Mateo County APNs so President Gallagher said they are District customers. The consensus was that given the facts of the situation, the pipe belongs to the District and the developer may connect.

(e) 984 Oriente Street: The Board was provided photos of the crane lowering the ADU into the rear of the parcel. All fees have been paid by the developer.

(f) PG&E Egbert transmission line: Construction of a new station in San Francisco will run a high voltage line from Carter/Guadalupe Parkway down Carter, down Geneva and will then turn and go into San Francisco. The construction in the District will be a high voltage underground duct bank. There will be excavation which will require a Class 4 permit because they will be interfering with District assets. There will be a separate permit for ground water discharge. PG&E anticipates starting construction in January/February, 2022.

(g) Sewer System Management Plan (SSMP): No report.

(h) Jurisdictional boundaries: Engineer Yeager has been working with the Elections Division of San Mateo County. We have provided maps of the District boundaries but the County continues to have questions about properties that are split by the city and county line.

(i) Capacity entitlements: The owner of 200 Industrial Way has been billed additional capacity. That building is occupied by a company that uses a high pressure water machine to cut steel. A property at 10 Industrial Way was sent notice that they had significantly exceeded their capacity. The building has been unoccupied for over a year. The Engineer contacted the owner who said that a plumber was not able to find any leaks. However, the high water bills had been paid. They have placed a lock on their outside faucets to prevent theft. We will monitor and see if the usage drops to zero. The owner also raised the issue of the high sewer service charge on their tax bill for water that may not have been discharged. The tax bills have been issued so they will have to pay the charges. They were advised that they could request a refund. If any adjustment is made it would have to also be made to the annual reporting to San Francisco.

(j) Telstar contract: This is for replacement of the flow meter. Because there is one valve that cannot be opened, replacement of the meter must be down in the early AM hours and will take 3-4 hours. Tesco provided a price for the meter and installation. The

Maintenance Director is more comfortable using Pump Repair Service for the installation since they have done most all of the work on the Carlyle Station. If the valve were to be replaced the Station would have to be shut down, the force main drained and temporary pumps would pump wastewater into a tank. It would be costly and the meter can be replaced without replacing the valve. Engineer Yeager and the Maintenance Director propose that the District purchase the meter from Telstar, use Pump Repair Service for installation and Telstar for the electronics.

(k) SFPUC FY 2021-22 sewer service charge: The Engineer has completed his review of the documentation and has brought some items to Erin Franks attention, i.e. why is the District being assessed for the new Treasure Island (TI) facility. It is a major development with 8000 commercial and residential units. San Francisco is going to build a 2 million dollar wastewater facility. That wastewater will NOT be pumped back into the San Francisco system. Why should the District pay for that? The latest rationale is that it is a combined system and that we are paying for the Northpoint and Oceanside plants and we do not sue them. That is not an accurate statement—we do use them. Both those plants are in our rate base. Franks stated that rates are not based on plant-by-plant costs. However, our position is that TI is something entirely new and not taken into consideration when we renegotiated our contract years ago. If San Francisco is going to reopen our contract relative to the percentage of R&R why can't we reopen the contract relative to TI. Apparently they want to push some things off to new contract negotiations but yet want to change other items that are beneficial to them. The Engineer recommends we pay #2 installment with the caveat that we may adjust future payments. He also has questions about how they are funding the TI project—has not received a response. It is our understanding that this is a private development. Counsel would like to research if the District can be charged above our proportional use of their system.

(l) FY 20-21 sewer service charge: There was a zoom meeting and a Memorandum of Understanding (MOU) was to be issued. Now San Francisco says they cannot do that but want an exchange of letters claiming that is their policy. However, the only examples provided were between two agencies within San Francisco. Counsel finds it to be silly and wonders why everyone who attended the zoom meeting was not aware of this policy. An exchange of letters can be like a contract as long as both of the letters use consistent language. President Gallagher remains concerned that there has never been a response to our February letter. At the end of the discussion it was the consensus of the Board that we notify San Francisco to proceed to draft their letter. The President was authorized to respond on behalf of the District if San Francisco does provide a letter.

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

President Gallagher asked for an update on the outcome of the Public Hearing. Counsel advised her that it was the consensus of the Board that the matter be continued. President Gallagher said she sees no negative to the District and recommends the Board adopt the resolution. A motion was made by President Gallagher to adopt Resolution 2021-08 Authorizing District to Participate in the California Statewide Communities Development Authority and the Statewide Community Infrastructure Program. The motion was seconded by Director Tonna and passed by the following roll call vote:

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

- (15) District Clerk – consideration of matters relating to:
(a) Tri Counties Bank: The Board may want to arrange a meeting with a person from the investment side of the bank and reach out to the San Mateo County Treasurer.

Old Business:

- (16) FY 2020-2021 audit
The Board acknowledged receipt of the audit.

New Business:

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

Closed Session:

The Closed Session began at 9:01 P.M.

- (18) Significant exposure to litigation pursuant to §54956.9(b): one case
The closed session ended at 9:02. There is no reportable action.

Adjournment:

A motion was made by President Gallagher, seconded by Director Swanbeck and passed by voice vote to adjourn the meeting at 9:11 P.M. The next regular meeting is December 16, 2021 at 7:00 P.M.

Submitted by, Joann Landi

/s/ Iris Gallagher
President

/s/ Norman Rizzi
Secretary