

BAYSHORE SANITARY DISTRICT
MINUTES
Meeting of February 25, 2021

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 were no requests for the meeting information.

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

At the January meeting the consensus was that a letter would be send to San Francisco re the methodology of computing the District's annual sewer service charge. President Gallagher advised the Board that she sent the letter last week asking that the billing be recomputed. The March 1st installment will be held back pending the recalculation.

(3) Acknowledgment of recent correspondence to the District

President Gallagher mentioned that the CSDA magazine had an article about awards. She will go on line and find more information.

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 January 28, 2021

(5) Payment authorization for bills and compensation

(6) Accept January, 2021 report on District's current financial status

(7) Accept January, 2021 checking account reconciliation

Ask about SFPUC bill—discuss under engineer's report

A motion was made by Director Swanbeck, seconded by Director Constantino and passed unanimously by voice vote to approve consent items 4-7.

Board Reports – consideration of matters relating to:

(8) President Gallagher

(a) LAFCo: There will be a Public Hearing in March to consider the budget.

(b) CSDA – Local Chapter: President Gallagher and the Maintenance Director attended the zoom meeting. Kati Martin was elected President. She is the Alternate Special District member on LAFCo and serves on the board of the SMCo. Mosquito & Vector Control District.

(9) Daly City: No report

(10) Brisbane: No report

(11) Director Swanbeck

(a) SMC Multijurisdictional LHMP Partner Planning kickoff meeting and District participation: Director Swanbeck said she has some documents she will send to the Maintenance Director for his review. She doesn't think that the District needs to become a member but will continue to read the minutes of meetings as they are posted. Counsel Hundley said that there is some advantage for grant funding. But she added that there is a lot of leg work and participation is not required for special districts.

Staff Reports:

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

(a) Monthly report on District operations and maintenance:

i. The rain gauge and pressure gauge have been installed and are ready for Tesco.

ii. An inspection of a new cleanout was done at 271 Oriente Street.

iii. The leakage problem at 1049 Schwerin Street continues. Met with North San Mateo County Sanitation District (NSMCSD), spoke to the homeowner and ran another dye test. There is definitely a problem and the homeowner has been trying to resolve it; however, it continues and travels down to 1047 Schwerin Street. Daly City has taken over the lead of this problem. The Maintenance Director will keep in touch with Code Enforcement.

iv. Four final inspections were done at The Overlook. One lateral had to be cleaned and re-televised due to debris.

There were no service requests during the reporting period.

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

(a) January meter reading data: There were 10 rainfall events in January and the average daily flow was 298,966 gpd.

(b) 2019-20 CIP: Not much work has been accomplished this last month. We received a request for information about out internet service. We will need to check with Comcast since staff is unable to provide the data. Tesco will soon provide a schedule for completion.

(c) Midway Village: Still working with the architect and engineer regarding our comments. BKF, the project engineers, have inquired about the vacation procedures for the existing easements. Engineer Yeager read the language that will be added to the request to vacate easement. Counsel said they need this information to final their subdivision map. The deposit for plan review and inspection work has been increased.

(d) The Overlook: Toll Bros. has taken out seven more permits. All fees have been paid.

(e) Amendment #2 to NSMCS D/Daly City Preventive/Emergency Maintenance Agreement: The Maintenance Director, Clerk and Engineer have agreed upon language changes regarding response procedure and the information was sent to NSMCS D today.

(f) Daly City Protocol Agreement: This is in regard to encroachment permits. The City wants the District and its contractor to sign the permit. The Engineer and Maintenance Director will develop a one/two page job document that will include language regarding contractor liability for the project.

(g) Connection Fee: This was discussed at the last meeting. There is nothing new to report.

(h) Discussion with Auditor regarding fixed assets: Mr. Yeager had a zoom meeting with Fechter & Co. regarding fixed assets. This matter came up last fall during the audit. Fechter uses a different, old database of fixed assets. The District's is based on the GIS survey. We use them for different purposes. The auditors use it for regulatory compliance and we use it for system evaluation for capacity charges. Engineer Yeager uses depreciated value. The auditor understands this and there will be further discussions during the next audit.

(i) Non-residential accounts list: The SFPUC requires a list of non-residential properties annually. The Engineer noted that there are more vacant buildings this year. Typically there isn't much change from year to year.

(j) PG&E groundwater discharge: They completed the discharge and we will send a final invoice next month.

(k) CSRMA webinar – Sewer Force Main Condition Assessment: The Engineer attended a webinar hosted by our insurance provider. He said the webinar was very well done. He asked a question about evaluating AC pipe and was advised that sometimes the problem is with the exterior of the pipe. We may want to budget funds to do some potholing to inspect the exterior of the force main.

The webinar reminded Engineer Yeager that our SSMP needs to be reviewed every 5 years and was last reviewed in 2015. We will need to have discussions with NSMCS D since they are currently provide preventive maintenance.

(l) SFPUC FY 2020-21 Sewer Service Charge: The Engineer has received the detailed budget but has not yet reviewed.

(m) Rate increase – next steps: EDS has provided the updated property list which the Engineer was able to import into last year's sewer service charge. He has updated addresses for all property owners and will set up an excel spreadsheet and do the mail merge. He worked with Counsel and the Clerk to prepare a draft legal notice as well as a description of the District's operation.

If a parcel sits on more than one APN, each APN has a vote. If a structure has multiple occupants but only sits on one APN it has only 1 vote. Midway Village sits on 39 APNs so they have 39 votes. PG&E sits on 4 APNs and would have 4 votes. There are a handful of other properties that sit on two APNs. There are various businesses on Industrial Way with only one APN and therefore, one vote. Some special notices will have to be prepared.

The Board needs to review the mailing documents and provide their comments. The mailing will consist of the legal notice and a two page document explaining the operation of the District and why rates need to be raised at this time. Engineer Yeager thinks the Board should add something to the notice to make it more a District product vs. a staff document. The Board needs to set the appropriate rates, the planning time frame and determine to phase in or have a onetime lump sum

increase. There is a 5 year limit when using the phased in method. The Board needs to set the time and place for the public hearing. With regard to using the phased in method, Counsel said there wouldn't need to be a public hearing in year 2, 3, 4 or 5 but a notice would have to be sent each of those years. She added that the notices need to be sent 30 days before the increase and can be sent along with their bill. Since the District's fees are collected on the tax rolls this would require that a letter be sent to each property owner each year during the phase in.

The Engineer reviewed a table which compared the impact of limited future growth vs. no growth. The limited growth includes The Overlook, Midway Village and Habitat for Humanity. Midway Village will be adding 150 units this year which will add to the CIP Reserve Fund. Also reviewed yearly increases for an average household and a 3 person household. High volume water users would be the most impacted.

Director Tonna expressed his preference for a phased in method with an annual letter to property owners. He believes that customers are not aware of the quality service the District provides. Director Swanbeck would be in favor of the phased in method using the higher rate. Director Constantino asked if we could include a table with rates charged by other entities. The Engineer mentioned that his wastewater provider does that and he said there is space available on the informational letter to include that information. Director Constantino favored the phased in method with increases in the 1st, 3rd and 5th year. Director Rizzi agrees with the idea of a phased in increase. Engineer Yeager reminded the Board that the legal notice must provide the maximum amount. How would we phase this in? It can be done however the Board would prefer. As a reminder, the fixed cost of \$250 per unit covers the O&M and administrative costs and the per unit charge covers our SFPUC sewer service charge. Each year during the budgeting process needs will be assessed and there is the option that the Board could determine that an increase was not necessary that particular year during the phase in period.

A motion was made by Director Swanbeck that the phased in method be used setting the maximum at year 5 to be \$250 for the fixed cost and \$8.00 per unit of water. The motion also directs staff to prepare the necessary documents. The motion was seconded by Director Tonna and passed by the following roll call vote:

Ayes: Constantino, Gallagher, Rizzi, Swanbeck, Tonna

Noes: None

It was the consensus of the Board that the Public Hearing be held on May 20, 2021. Whether the Hearing will be held remotely or in person is yet to be determine. Legal notice must be issued 45 in advance of the hearing which means they should be mailed at the end of March.

Engineer Yeager will do the mail merge and all printing will be done by Staples. They will print the letters, both return and addressee labels and fold. The Clerk will handle stuffing the envelopes.

Director Rizzi and President Gallagher will work on a message from the Board to be included in the informational document.

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

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

The Clerk reminded President Gallagher and Director Rizzi that they need to renew their AB1234 training. Director Swanbeck will provide the 5 steps needed to take the training offered by CSDA.

Old Business:

(16) Sewer Service and Capacity/Connection Charge increase discussion: Discussed above.

New Business:

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

Adjournment:

A motion was made by Director Swanbeck, seconded by Director Tonna and passed by voice vote to adjourn the meeting at 8:53 P.M. The next regular meeting is March 25, 2021 at 7:00 P.M.

Submitted by, Joann Landi

/s/ Iris Gallagher
President

/s/ Norman Rizzi
Secretary