

BAYSHORE SANITARY DISTRICT
MINUTES
Meeting of September 28, 2023

Opening of Meeting and Roll Call:

The meeting was called to order at 7:07 P.M.

Present: Constantino, Gallagher, Rizzi, Sy, Tonna
Absent: None
Staff: Engineer Yeager, District Clerk Landi and Counsel Mog

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
Recently received an email from LAIF notifying participants about a webinar about the LAIF program. The Clerk will verify the date and either she or the President will register.

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.)*

- (4) Minutes of the August 24, 2023 meeting
- (5) Payment authorization for bills and compensation
- (6) Accept August, 2023 report on District's current financial status
- (7) Accept August, 2023 checking account reconciliation

A motion was made by Director Constantino, seconded by Director Tonna and passed by voice vote to approve items 4 – 7.

Board Reports – consideration of matters relating to:

- (8) President Gallagher
 - (a) LAFCo: No report
 - (b) CSDA – Local Chapter: No report
- (9) Daly City: President Gallagher and Director Sy attended the August 28 meeting held by Daly City to discuss the proposed mixed use zoning changes. The possibility of changing the

zoning in Daly City corridors, i.e. Geneva Avenue, to allow for housing was part of the discussion. One possible location mentioned was the site of the Dollar Tree store where they could convert the property to a 60 unit multiple family building. Of course, the owners of that property would have to agree to sell the property. This discussion seemed to be more of a wish list of what the City would like to do.

(10) Brisbane: No report.

Staff Reports:

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

(a) Monthly report on District operations and maintenance: In the absence of the Maintenance Director the Clerk provided the Board with more information about the electric box problem and replacement. When pump #3 had to be shut down due to the electrical problem ASF Electric was called. It was determined that the box had to be replaced but they were able to do some rewiring so the pump could temporarily be put back into operation. Since all the boxes are quite old Mr. Landi asked for a quote to replace all 4 boxes. ASF submitted a quote of \$1,995 which seemed reasonable. The boxes were replaced on September 19. The box on pump #3 failed and will be replaced.

Engineer Yeager reported that he and the Maintenance Director met with IIG and their contractor. They are doing one of the cabling projects which parallels the force main and goes from Geneva Avenue to the San Francisco city limits. The force main has been marked and potholing every 100 feet will be done next week. There are no surface features indicating the exact location of the AC pipe so potholing is the only way to determine the location. The AC pipe was installed about 50 years ago and is a fragile pipe. It was stressed to the contractor that they need to be extremely careful.

Pt. Martin #1 has begun and some inspections have taken place. They excavated on Carter Street where they tie into the subdivision. To begin they will construct the model homes, sales office and utilities.

With regard to Midway Village all the inspections are complete and the Maintenance Director has no field work to do. The owner, MidPen, would like to close out the project but there are still some steps that need to be taken. They would like the sewer lines to be accepted by the District by the end of 2023.

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

(a) August meter reading data: The average daily flow was 245,387 gallons – typical for dry season.

(b) Various cabling projects: There are a total of 3 projects. MCI has submitted construction drawings and has done their potholing. This project doesn't impact the District very much. More significant is one of the IIG projects. One cabling project goes down Geneva and MacDonald Avenues and the other parallels the force main from Geneva Avenue to San Francisco. They are currently potholing. Another firm, Bandwidth/Sagebrush, is putting cables in along Bayshore Boulevard from Brisbane to San Francisco on the west side of Bayshore Boulevard. This project doesn't impact the District except for two crossings.

(c) Point Martin Phase 1 & 2: This was discussed above in #11. All submittals have been received and reviewed. KB Homes has been advised that they need to pay connection fees for the homes and a water booster station before we sign off. In response to a question from Director Tonna, Engineer Yeager said the water booster pump station is used to provide pressure in the upper reaches of the development. It will provide domestic and fire flow.

(d) North San Mateo County Sanitation District/City of Daly City maintenance Contract: There are still some issues on how they report the work done.

(e) Brisbane Landfill: Howard Pearce was advised that an error was made in the initial sewer service charge calculations which was corrected and decreased the amount due significantly. They have been billed for additional capacity. Their capacity is unique because they are not buying permanent capacity but are renting because the discharge is temporary.

(f) Capacity Charge – Chevron Station: The owner was sent a letter and invoice in the amount of \$34,876 for additional capacity. The Engineer has talked to the owner who said he has contacted the manufacturer of the carwash equipment and asked that they check to make sure there are no leaks in the system. He requested a 90 day extension and was advised by the Engineer that the extension was acceptable.

(g) Overlook: Toll Bros. representative Steve Savage has agreed to pay the quantity charge and payment is being processed. The Engineer contacted the homeowners association (HOA) firm and asked who was going to read the water meters. To date they have not retained anyone to take the readings. Daly City is still billing Toll Bros. for the water usage. Counsel suggested that the management firm be recontacted and ask if the HOA has resolved this meter reading issue. Worst case scenario will be that for billing purposes we divide the total flow equally among all the properties.

(h) Miscellaneous small projects – 158 Accacia & 223 Rio Verde Streets: These are basically remodels and our concern is whether or not they have approved cleanouts. Daly City is really good at keeping us apprised of building activity in the District.

(i) Carlyle Pump Station Master Plan: The pumps will eventually need to be replaced as well as the electrical system. Mr. Yeager would like Freyer & Laureta to take a look at the Carlyle Station and make their recommendations. We will provide a scope of service and after visiting the station Freyer & Laureta will come up with a proposal.

(j) Audit: This year we have what appears to be a very unique situation for the auditor. In April the District accepted the sewer lines in the Overlook development which adds value to the system even though there was no cost to the District. Counsel and the Engineer said this is very common with public agencies. A developer makes improvements and then gives those improvements to the entity. Mr. Yeager explained that from an audit standpoint they are interested in the value of the system after depreciation vs. our method of using the replacement value of the assets.

(k) SFPUC Annual Sewer Service Charge: The Engineer distributed a memo providing an overview of the charges but said he has not gone through all the line items. The charge is significantly more than we budgeted which was \$1,600,000 including ½ of the disputed amount. The SFPUC charge is \$1,706,000. It breaks down as \$1,660,000 for the 2023-24 sewer service charges plus ½ of the disputed charge. We have already made installment #1 of 8 for \$11,413 and with that payment we provided a schedule for payment of the remaining 7 installments. The Clerk and Engineer will work this out with the SFPUC.

The SFPUC's letter stated that the annual charge will increase by 18%. The main driver of the increase was a 16% increase in the District's flow and a 23% increase in the San Francisco budget. In the Engineer's opinion that is not correct. Looking at flows over the past several years it was determined that post COVID our flows have returned to normal while San Francisco's have remained lower than normal which explains why our percentage of flow increased. The other thing that has increased is San Francisco's budgeting process. There a variety of documents – a 10 year budget, a 2 year budget and a rate study we haven't seen. Engineer Yeager needs to dig into this more. He did say that this year using the cumulative method saves the District about \$50,000 and going back to the start of the contract there has been a small savings over time. He would like to contact Brisbane to share our billings to make sure we are being treated equally. He added that he still has a lot of work to do to verify the billing.

(l) SFPUC Annual Sewer Service Charge – Treasure Island: They have now brought this project into their expenses. Mr. Yeager isn't sure how they are handling the bonding but said that the budget indicates a 2.6 million dollar expense and an equal amount of revenue.

(13) District Counsel – consideration of matters relating to:
No report

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

(a) FY 2023-24 audit update: The draft is being updated to reflect some minor changes from staff. The final version should be issued soon.

Reached out to Sara Watson at Tri Counties Bank to ask if there were any investment products available to the District that would generate a better return. Sara was going to reach out to the appropriate department and was also going to check into an increase in the interest on the check account. The Clerk followed up via email this morning but hasn't received a response.

Old Business:

None

New Business:

(15) Succession Planning

President Gallagher said she asked for this to be placed on the agenda as it is time for us to consider what will happen as directors or contract staff contemplate retirement. Counsel said the first step is to develop time lines of when individuals plan to retire. After discussion there was agreement that ideally we would identify when retirements will occur and have a replacement for a smooth transition. As has been the District's practice and since not all contract positions are full time, it seems appropriate to continue to contract for service vs. taking on employees and all that would entail. The Clerk will check listings on Calopps and perhaps use the CSDA forum to get feedback on how other small districts have handled staffing.

- (16) Reports on other matters; no action will be taken
None

Adjournment:

The meeting was adjourned at 8:32 P.M. Next meeting is October 26, 2023 at 7:00 P.M.

Submitted by Joann Landi

/s/Iris Gallagher
President

/s/ Norman Rizzi
Secretary