

BAYSHORE SANITARY DISTRICT
36 Industrial Way, Brisbane, CA 94005

MINUTES
Meeting of February 26, 2026

Opening of Meeting and Roll Call:

The meeting was called to order at 7:06 P.M. by Vice President Tonna

Present: Constantino, Rizzi, Sy, Tonna
Absent: President Gallagher(ex)
Staff: District Clerk Landi, Maintenance Director Landi, Counsel Mog, and Engineer Yeager via Zoom
Also: Felix Oviawe, Murgreen Environmental

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 Clerk mentioned that Ethics Training was completed by Directors Gallagher, Rizzi, and Sy. Directors Constantino and Tonna will complete online via CSDA website.
- (3) 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.)*

- (4) Minutes of the January 15, 2026 meeting
- (5) Payment authorization for bills and compensation
- (6) Accept January 15, 2026 report on District's current financial status
- (7) Accept January 15, 2026 checking and LAIF account reconciliations:

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: Upcoming meeting on March 18th
 - (b) CSDA – Local Chapter: No report
- (9) Daly City: No report
- (10) Brisbane: No report

Before commencing staff reports, Vice President Tonna addressed the behavior at the January meeting. He reminded everyone that board meetings should be conducted in a civil and respectful manner. He cordially asked that people speak one at a time so everyone can have an opportunity to be heard by all.

Staff Reports:

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

(a) Monthly report on District operations and maintenance- refer to Maintenance Director's monthly report for February pump data. Also had a couple meetings with Devon at Midway Village. The project is really progressing, and the inspections are basically finished.

Worked on pump #4 packing gland; installed new packing.

Maintenance Director responded to a high-water alarm on 2/18 at 7:30pm. It was raining, but the alarm was not due to the rain. The issue was due to a control problem in the pump room. There was no overflow.

Responded to a service request at 374 Accacia St.; found no district problems.

(b) Murgreen Invoice vs. CPS Flow Log – Cost of Pt. Martin inspections of the model homes have been resolved and was paid in January. Continued discussion regarding task 3a on Murgreen's January and February bill for "transition work" and CPS duties during 12/15/25 – 1/15/26. Maintenance Director Landi disputes these charges and does not agree with any amount being compensated, as there was no agreement for transition pay. Murgreen was not present for all of the hours specified on his bill, as per the initials on the CPS pump flow log. Murgreen states they were unaware that Maintenance Director Landi was not retiring on 12/31/25. Extensive discussion regarding duties carried out during this period, and acknowledgement that Murgreen may have anticipated staffing CPS. The Board would like to resolve this issue, and feels that Murgreen is due some compensation for his time. Counsel recommended that the Board could pay 50% of the billed amount which would be \$2,500. Vice President Tonna wants to ensure there is no ill will amongst the parties. He made a motion to pay Murgreen \$3,000. The motion was seconded by Director Constantino, and passed by voice vote.

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

(a) January meter reading data: The average daily flow in January 2026 was 382,833 gallons. There was 4.10 inches of rain in January. This is similar to December ADF and rainfall.

(b) Point Martin: KB Homes has requested 6 additional connections. BSD invoices have been sent and are being processed.

(c) Capacity Entitlement fees – Still waiting on Mt. Vernon Baptist Church to provide documentation of their leaky toilet that caused the increased capacity. The Clerk has reached out to them a few times and was advised that the handy man is on vacation. Abby Rents had high water usage last year and then it decreased without

explanation. If the water usage stays constant through June, they would only be paying \$1,000 for capacity entitlement. The options would be to either bill them the full \$9,000 now, or wait and see what happens and bill them in June based on the actual water usage. We can defer this until March.

(d) IIG Bayshore Blvd. – IIG is back on Bayshore Boulevard, and they have 265 feet of line installed from where they ended last year to the San Francisco city limits. They've submitted the plans and were advised they need to pothole prior to construction because there is the line serving Silvestri's property on the east side of Bayshore Boulevard. Maintenance Director Landi knows a little bit about this. The Engineer isn't aware of any record of the line. The Maintenance District will mark the area as best as is possible. The plan shows some vaults being installed, which likely would interfere with the existing line. However, Daly City has advised that the vaults have been deleted. Engineer Yeager said they can proceed with construction as long as they do the potholing after the USA marking.

(e) PG & E Schwerin -This is a small project to provide service to Midway Village Phase 2. They still need to submit some revised plans.

(f) SFPUC Wastewater Utility Budget – SFPUC developed their 10-year financial plan, and then they use that to develop a detailed two-year biannual budget that goes through a long-convoluted process. Our results show that the expenses for last year for the wastewater were \$544,000,000. For the upcoming fiscal year end 25/26, it'll go to \$587,900,000, and then it goes up to \$654,000,000. That is a budget increase of 8% and 11% for the next two years. The Engineer started looking into that a little bit more and found that the expenses that they charged us last year, based on the sewer service charge, was \$480,000,000, not \$544,000,000. So, if the \$480,000,000 is correct, then we're looking at a 22.5% increase in the coming year, and an 11.1 - 11.3% increase in the future. Contacted Matt Frieberg and raised this question with him, and he said he'll get back with me. We have two meetings to resolve some of these budgetary issues with the SFPUC.

(g) SFPUC Contract Negotiations - Matt Frieberg acknowledged that the negotiations are taking longer than they had anticipated. What they're proposing is having targeted negotiations regarding financial items and permitting items with two different individuals. Matt would lead one on the financial, and Mike Nguyen would lead one on the permitting. The schedule San Francisco's proposing is that negotiating would occur from now until September. From September to December, it would go through a legal review process with the SFPUC. Then, it would go to the executive board of the SFPUC in January and February, 2027. They would hold a SFPUC public hearing in March, and then it goes to the Board of Supervisors in May of 2027. So, they're extending this out. Hopefully, they're planning on getting everything in place by 2027, which means, obviously, it's not going to be done by 2026. This means they would still use the existing contract, which is the way our contract reads. We have still not resolved the duplicate billing issue, which is in the contract. We've made specific requests regarding the permitting and have not received a response on that. District Counsel and Engineer Yeager discussed this on a zoom call earlier this morning. See 13b.

(h) Upcoming rate increase – Rate increase will be higher than the 8% we predicted based on SFPUC budget increases. The Board needs to approve the new

rates at the April 23rd meeting. Notices need to be mailed out 45 days in advance of the June 25th regular meeting and public hearing.

(i) Ordinance Revisions – Defer to March meeting
(j) Succession Planning- Working with Clerk Valerie for her to take the lead on permitting. She will prepare the permits, prepare and issue the invoices and make sure the funds are collected. She will also work with the SFPUC with regard to capacity charges we receive and transmit on behalf of development. Will coordinate with the Maintenance Director to ensure that inspections are made permits finalized. Engineer Yeager said Clerk Valerie has done a great job and this is a savings to District. Associated costs are covered by fees paid by the permittee. A motion made by Director Tonna, seconded by Director Constantino and passed by voice vote approving the transfer of these permitting tasks to the Clerk.

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

(a) Proposed Murgreen Scope for Maintenance Director – Review amended proposal that includes \$33,600.00 increase – continued from January 15, 2026 meeting: Proposed scope includes additional Maintenance Director duties not covered in the initial agreement. Some of these duties/tasks may not be necessary, or can be performed within the four-hour base, versus charging the District an additional hour per day at \$140 per hour. Murgreen has indicated that \$140 is the minimum hourly rate they will accept due to travel and bridge toll. Maintenance Director Landi and Engineer Yeager need to discuss the full scope of duties to determine what is essential for the role and what is not and then review with Murgreen. If the Board wants to make any changes to the existing agreement, we will do an amendment to the Murgreen contract. The changes would go into effect once the Board authorizes them which is anticipated to be July 1, 2026. The Board will review the proposed scope and bring back any questions at the March meeting. Vice President Tonna asked Engineer Yeager if he can do a financial comparison of Maintenance Director Landi pay vs. proposed Murgreen pay as it relates to the budget.

(b) Extension of Existing SFPUC Agreement – Our agreement with San Francisco expired on 7/31/25. Language states the agreement auto-renews until 2026, and every year thereafter, unless either party notified the other a year ahead of time that it was going to be terminated. Brisbane does not have that language in their agreement. San Francisco emailed both BSD and Brisbane saying we need to process a short-term amendment to extend the term while finalizing the new contract. Since it won't be done for a year. SFPUC wants a letter from the board stating that we interpret the contract correctly; the contract continues to have one-year annual extension unless either party notifies the other of termination a year ahead of time. It doesn't need to be a formal vote, just a thumbs up that the Board is aware and in agreement of the approach. Counsel will write a letter to SFPUC for President Gallagher's signature.

In regards to 13b, the Board understands that our SFPUC contract is subject to auto-renewal every 1 year unless one of the parties terminates a year in advance. Motion made by Vice President Tonna, seconded by Director Constantino and passed by voice vote acknowledging the auto-renewal language.

Our interactions with San Francisco have made it obvious they are a large bureaucracy and move slowly. Matt Frieberg is handling a variety of projects and our business is a low priority. Counsel and the Engineer will develop a list of questions we need answered in writing before any further meetings. At some point we would like to have a meeting at our site to try to resolve outstanding issues.

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

(a) Sample language for upcoming rate increase: We are using the Prop 218 style notice included in the meeting packets. Counsel made some minor edits and suggested the Clerk add some information about the District. Engineer will add data on how the proposed increase was calculated

(b) Signatory changes for Tri Counties checking account: Updated signatures and ID are required for President Gallagher and Director Rizzi. Vice President Tonna needs to provide a copy of his driver's license and complete a questionnaire. The Clerk has started the process and will be added once all the updates are made. It's an internal District policy that two signatures are required on checks. To be sure that there are always 2 signers available, 3 individuals are approved signers. Former Clerk Landi will be kept on as an authorized signer until all the changes are finalized.

(c) On-line bill pay & ACH payment process: Clerk will set up bill pay for monthly, recurring expenses once the signatory changes to the account are complete.

(d) Final Audit from Fechter & Co for Fiscal Year 2024/25 – The Audit was included in your packets. President Gallagher usually provides a review in layman's terms. Will review at March meeting.

Old Business:

(15) Succession Planning: Discussed under 12j above.

New Business:

(16) Election of officers for 2026 – continued to April 23, 2026 meeting

(17) Reports on other matters: None

Adjournment: Vice President Tonna adjourned the meeting at 8:52 P.M.

Submitted by Valerie Landi