

BAYSHORE SANITARY DISTRICT

MINUTES

Special Meeting of June 4, 2026 at 7:00 P.M.

36 Industrial Way, Brisbane, CA 94005

Opening of Meeting and Roll Call:

The meeting was called to order by President Tonna at 7:00 P.M.

Present: Rizzi, Tonna, Gallagher, Sy

Absent: Constantino

Staff: District Clerk Landi, Maintenance Director Landi, Counsel Mog, and Engineer Yeager

Also: Felix Oviawe, Murgreen Environmental, Ben Asfour 7:50 P.M. – 8:35 P.M.

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: President Tonna acknowledged and thanked Director Gallagher for attending this special meeting as she just returned from an extended overseas trip, and is recovering from a cold. He appreciates her guidance and expertise provided through his transition.
- (3) Acknowledgment of recent communications to the District: Director Gallagher received a notice of a hearing on June 25th regarding Brisbane Baylands. She is concerned regarding lack of attendance as it falls on the same day as BSD's Prop. 218 Hearing, Budget Workshop, and June meeting. Engineer Yeager will address this in his report as it pertains to the Baylands EIR.

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 April 23, 2026 meeting
- (5) Payment authorization for bills and compensation
- (6) Accept April, 2026 report on District's current financial status
- (7) Accept April, 2026 checking and LAIF account reconciliations

A motion was made by Director Gallagher, seconded by Director Sy and passed by voice vote to approve items 4 – 7

Board Reports – consideration of matters relating to:

- (8) President Tonna
 - (a) LAFCo – Director Gallagher completed ballot for LAFCo election and submitted via email
 - (b) CSDA – No report
- (9) Daly City: No report
- (10) Brisbane: No report

Staff Reports:

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

- (a) Monthly report on District operations and maintenance- The pumps are running fine. The average daily run time of the pumps during dry weather is significantly less than it is during the rainy season. Or sometimes the pump output decreases on one pump and increases on another pump when there is an issue.

- (b) Service Request at 507 Allan St. – Maintenance Director Landi originally received the call and found that the manhole was $\frac{3}{4}$ full; the mainline was causing the issue. He called Felix to dispatch Murgreen's crew to fix the problem. Ben and Hector from Murgreen responded to 507 Allan St. and performed 5 hours of cleaning in relation to the overflow. Maintenance Director Landi followed up with the residents the next day. They originally had a plumber attempt to fix the issue and would like the District to reimburse them the cost of plumber since they were told that the overflow was a result of a "district problem". The Maintenance Director suggested the residents write a letter to the Board and/or attend the next regular meeting to voice their concerns. The sewer line had apparent tree roots obstructing it, but Murgreen records show that this property was part of the routine cleaning performed in late January of this year. The cleaning records do not reference 507 Allan St. directly as the manhole is located on McDonald.

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

- (a) April meter reading data- The average daily flow in April was 323,400 gallons. There was 3.95 inches of rain in April.

- (b) Brisbane Baylands- The Final EIR and the Baylands Specific Plan have been released and are available at <https://www.brisbaneca.gov/774/2026-Final-EIR>. There will be a public hearing on June 25th and the public comment period will close on September 3rd. The two documents are very lengthy and describe the overall design of Brisbane Baylands and the associated environmental impacts. Engineer Yeager has not reviewed them in detail but he did review the responses to the Districts' comments which are included in his report. There are three areas that BSD was concerned about. There is the impact on BSD's assets, particularly the pump station and the force main. There's the issue of the existing and future flooding at the Carlyle Pump Station due to the development. And then there is ownership of the collection system served in Baylands. Relative to BSD's assets, the EIR stated that the design the planning and design of the Baylands improvements would include consultation with BSD relative to utility location, which they said is a standard of practice. Engineer Yeager will have additional information at the June meeting.

- (c) 2026 Sewer Service Charges – Engineer Yeager has obtained all of the water usage data except for the final SFPUC data. Clerk Landi has the EDS software on her computer,

and has been working with Engineer Yeager regarding the water use data entry and operation of the EDS system.

Engineer Yeager will have a draft Sewer Service Charge Report showing the anticipated revenue for the upcoming year prepared for the June 25th Board meeting. The draft revenue is \$1,922,390 which is an increase of ~\$280,000 from last fiscal year.

(d) Various Cabling Projects – Geneva/Schwerin, PG&E – Bayshore Blvd. & McDonald
There are two cabling projects underway within BSD. There are the Sonic Project at Geneva/Schwerin and the PG&E project. The Sonic project has been completed, but there were issues with the construction contractor making alignment changes without notifying Sonic. Daly City has requested that BSD confirm that our facilities were not adversely impacted. Maintenance Director Landi has confirmed that BSD assets were not impacted. The PG&E project encountered difficulties at the intersection of MacDonald and Bayshore Boulevard and requested that BSD waive our vertical clearance requirements. I granted this variance and instructed the contractor to contact Maintenance Director Landi so that he could review the construction at this location. His assessment was there is no issue with the clearance.

(e) Brisbane P&Z – BSD receive notice of a planned retail nursery operation along Tunnel Avenue. It is unclear whether domestic water and/or a wastewater connection will be provided. Engineer Yeager is waiting for clarification from Brisbane P&Z on his comments: “How long will the facility be in operation? If it is a nursery, how will they water plants? Will they have a source of domestic water? If portable facilities will be used for employees, what about customers?”

(f) Cormorant Electric Transmission Line – The proposed electric transmission line from the battery storage facility at the old Geneva Drive-In site to the PG&E MSC. Plans were submitted last fall and no updates have been received. Daly City scheduled a video conference with their staff, their consultants, and BSD to discuss how to de-energize the high voltage lines when planned or emergency repairs are required. Daly City staff was concerned about working in groundwater near these lines. Jeff Bastion was particularly concerned about emergency repairs and future waterline replacement. Jeff also recommended directional drilling rather than open trench. Engineer Yeager concurred with Jeff and also stated that the proposed electric line would cross all BSD service lateral along Schwerin. He stated that these lines were old clay pipe and that protection and/or replacement of these lines would be required during construction. Daly City stated that they would forward these comments to the Cormorant design team.

(g) Capacity Entitlement – Abby Rentals & Mt. Vernon Church - There are two accounts where capacity assessment charges were calculated last year and the Board deferred final invoicing until water usage for this year could be determined. These two accounts are Mt. Vernon Baptist Church and Abby Rents. Last year Mt. Vernon Baptist Church used 2617 gallons per day (gpd) of water and their capacity entitlement is 2,191 gpd. Their capacity entitlement charge was \$4,116.48 This year Mt. Vernon Baptist used 108 gpd. Clerk Landi discussed the 2024-25 overage with church representatives. They stated that they had a plumbing leak that was repaired but no documentation was provided. Monthly water usage records do indicate a leak existed and was repaired. Director Gallagher proposed not charging the excess capacity for Mt. Vernon Baptist church as they do not need it and were billed for the additional water usage. Last year Abby Rents used 2,611.2 gpd of water and their capacity entitlement is 2,076 gpd. Their capacity charge was \$11,466.70; however, they were never invoiced. This year their usage was 2,023.5 gpd which is less than the authorized amount. I discussed

the excess usage last year with their representatives, but they had no explanation and did not believe there was any leakage. It seems they used a lot of water one year, and then stay within their capacity entitlement the next year. Abby Rents has paid additional capacity multiple times and has not disputed the excess capacity charge. However, Engineer Yeager is going to research the historical data on Abby Rents to see how many times they have exceeded capacity in the past five years, and will revisit this at the next meeting. Counsel Mog and Engineer Yeager are discussing the need to implement a policy/guideline regarding excess capacity fees; i.e. If a resident exceeds their capacity once every 5 years they wouldn't be charged, but if it's exceeded more frequently, the resident would be charged.

(h) SFPUC Duplicate Billing – Engineer Yeager received the following response from the SFPUC regarding the one remaining outstanding item, 84 Robinson. “Thanks for the update, our team is preparing its response. If you need a quick reply, yes, we believe in remaining consistent with the logic we have applied for determining properties based on the assets used to serve them, that property discharges directly to PUC assets and as the first point of contact BSD does not actually serve this properly. As such that should be a PUC customer moving forward. Let me know if you have any additional information that would point us to a different conclusion. This seems the same as Velasco.”

The problem with this response is that the SFPUC did not apply the same logic to 53 Pueblo and this logic may subject other BSD customers to become SFPUC accounts.

There are 21 properties along Robinson that are in Daly City. San Francisco would continue billing 84 Robinson but all other properties would be billed by BSD provided BSD accepts the line from Manhole 13 to San Francisco 42 for maintenance and replacement. And when required, install a new manhole at the Daly City-San Francisco boundary which would include 50 feet San Francisco. 38 Robinson, which is partially in San Francisco and partially in Daly City, they would consider that a BSD customer. We will acknowledge under certain conditions that 38 Robinson will be BSD customer. 84 Robinson will be a San Francisco customer. So, Engineer Yeager went up to 84 Robinson today before the meeting. There is a manhole right in front of 84 Robinson on the security line.

(i) SFPUC Contract Negotiations- Engineer Yeager provided a copy of a letter sent to the SFPUC on May 12th as directed by the Board at the April meeting. An in-person meeting was held at the Carlyle Pump Station Board Room on June 3rd with the SFPUC team and Engineer Yeager, President Tonna, Counsel Mog, and Maintenance Director Landi. The BSD team issued the agenda for the meeting which was led by President Tonna. Engineer Yeager pointed out to SFPUC that BSD uses very little of the collection system. Both BSD and Brisbane discharge into the Sunnydale interceptor, which is by way of Bayshore Boulevard to the Sunnydale, and that's where all the flow goes. It then travels to the Sunnydale pump station, which is actually located in Bayshore's Sanitary District, and then it's pumped up to San Francisco. We wanted them to focus on BSD's physical location, but we also wanted them to focus on the fact that Brisbane and BSD have the same set of circumstances. Daly City is different, but Brisbane and BSD have the same circumstances. Also discussed an old exclusion that carried over from the 1995 contract for small diameter sewer lines which accounts for 30% of the cost of collection system improvements. There needs to be some acknowledgment that we should pay less of that. Discussions regarding inclusions rather than exclusions. There are still unanswered questions about the SFPUC model; the bond costs and input. Engineer Yeager needs additional data from SFPUC which Matt will request on his behalf. The timeline to conclude discussions of the term sheet is October-November, then to legal and SFPUC chains in hopes of having a contract in place by July, 2027.

(j) Bartle Sewer Rate Study- Big financial planning firm doing a rate study of the sewer rates of all San Mateo County sewer systems. Engineer Yeager requested a copy of the rate study for other districts to compare. Daly City is the lowest, then East Palo Alto, Burlingame, and BSD. Monthly charges are based on a usage of 3,500 gallons per month. BSD is relatively one of the lower districts in the area which is good information to share at the upcoming public hearing.

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

(a) Review of Draft Ordinance Updating District Code – Counsel Mog explained the updates to the District's code. There are a couple draft ordinances in the meeting packet for review that will be adopted at the same time as the new rates at the June 25th meeting. We can make changes tonight or at the next meeting too, before we adopt it. The first two things are updates to the code language so it accurately reflects what BSD requires permits for, and the type of permit; Class 1 and 2 are for the actual connections. Class 3 is for small projects where somebody has to install a clean-out or has to replace a lateral or a small sewer line extension. Class 4 permit is for your bigger projects. Permit fees are going up to \$500 to better reflect actual costs. Class 3 and Class 4 permits will charge a deposit and then time and materials and you might have to update your deposit. Once the project is done, BSD gives you your remaining deposit back. That language was already in the code, but the table itself had a flat fee number. So, those are the changes for the ordinance. At the next meeting, when we have the public hearing for Prop. 218, assuming that no protest occurs and the Board approves the rates, then we can adopt the ordinance.

(b) CPS Driveway – President Tonna had tense and unpleasant interaction with the Irish man at 40 Industrial regarding BSD Directors and guests parking alongside the brick building. The Board would like to get a Title search to determine percentage of ownership between BSD and 40 Industrial Way to better understand how the driveway is split. A motion was made by Director Gallagher, seconded by Director Sy and passed by voice vote to do a title search on 40 Industrial Way.

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

(a) Change July Board meeting to 7/16 – There is a strict deadline for the resolution that accompanies BSD's tax roll submission for the 25-26 Sewer Service charges. Moving the July meeting up by one week will provide the buffer that is needed, per Tom at EDS. A motion was made by Director Gallagher, seconded by Director Rizzi and passed by voice vote to move the meeting from July 23rd to July 16th.

(b) Interest in open seat – 3 people that are interested will attend the June 25th 25th meeting at 7:00 P.M.

(c) Policy Forms, Incumbent List & Resolution for Statewide General Election – Postponed to June 25th meeting

(d) Ethics, Sexual Harassment, and required Fiscal Training – Clerk Landi reminded the Board of the required trainings. Fiscal Training is not due until next year, however Ethics and Sexual Harassment Training are overdue for the Directors who have not yet completed the online webinars. Clerk Landi will resend the CSDA Webinar links via email and also requested that certificates be sent to her once the courses are completed.

Old Business:

(15) Succession Planning -

(a) Murgreen - Amended Scope for Maintenance Director Role – President Tonna and Director Sy had several adhoc committee meetings regarding negotiations with Murgreen for CPS/Maintenance Director. After many exchanges of proposals, a modified agreement was reached that was derived from the original signed agreement between former President Gallagher and Felix Oviawe from January, 2025.

- Mon-Wed-Fri* - Onsite 4 hours per day *When a Holiday falls on one of the onsite days, Murgreen schedule will be adjusted accordingly.
- Tues/Thurs - check SCADA system remotely
- Total Annual Cost of \$85,902.80 (includes 3.8% CPI increase)

(b) CSMS – Maintenance Director Landi has agreed to stay on in a part-time Advisory Role to assist the Board and Murgreen until 12/31/26. A reduced fee of \$1,200 per month was discussed.

New Business:

(16) Reimbursement Request from The Yamasaki's - 507 Allan Street – The Board had an extensive discussion regarding the service call at 507 Allan St. and decided to reimburse the plumbing expense incurred by the Yamasaki's. A motion was made by Director Gallagher, seconded by Director Sy and passed by voice vote. Clerk Landi will inform the Yamasaki's of the Board's decision and also draft a letter for President Tonna to sign that will accompany the check. To avoid similar issues in the future, Director Sy recommends the Board revisits educating constituents on when it's appropriate to call the District for an issue vs. a plumber.

(17) Reports on other matters: None

Adjournment: President Tonna adjourned the meeting at 9:43 P.M.

Submitted by Valerie Landi

Ken Tonna, President

Norman Rizzi, Secretary

