



NORTH SAN MATEO COUNTY SANITATION DISTRICT

a subsidiary of the City of Daly City

333 – 90TH STREET, DALY CITY, CALIFORNIA 94015-1895

(650) 991-8127



REGULAR MEETING – BOARD OF DIRECTORS

Monday, July 11, 2016 - 6:45 PM
City Hall Council Chambers – 2nd Floor
333 – 90th Street, Daly City, CA 94015

AGENDA

Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting should call the office of the City Clerk at 991-8078. *We will need **FIVE (5) WORKING DAYS BEFORE ANY FUTURE MEETINGS** to make any necessary accommodations.*

CALL TO ORDER:

ROLL CALL:

APPROVAL OF AGENDA:

CONSENT AGENDA

All items listed on the Consent Agenda are considered to be routine and may be approved by one roll call vote of the Board of Directors. There shall be no separate discussion of the matters on the Consent Agenda unless requested by a member of the Board. If discussion is required, that item will be removed from the Consent Agenda and will be considered separately at the end of the Agenda.

Minutes:

1. Regular Meeting of June 27, 2016

END OF CONSENT AGENDA

PUBLIC APPEARANCES/ORAL COMMUNICATIONS:

NOTE: Speakers are limited to two minutes, unless modified by the Chair. The District cannot take action on any matter raised under this item.

“AVAILABILITY OF PUBLIC RECORDS. All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the City Clerk’s Office, City Hall located at 333 90th Street, Daly City, CA during normal business hours, at the same time that the public records are distributed or made available to the legislative body.”

Agenda – Sanitation District

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NEW BUSINESS:

2. Second Reading and Adoption of Ordinance No. 94

Staff:

Zimmerman

Recommended Action:

Adopt Ordinance

REPORTS:

3. Board of Directors

4. Staff

ADJOURNMENT:

REGULAR MEETING - BOARD OF DIRECTORS

MINUTES

June 27, 2016

The Board of Directors of the North San Mateo County Sanitation District convened in a Regular Meeting on June 27, 2016, in the City Council Chamber, City Hall, 333 - 90th Street, Daly City, California.

The meeting was called to order by Chairman Sal Torres at 6:47 p.m.

ROLL CALL:

Present: Christensen, Guingona, Buenaventura, Torres

Staff Present: General Manager Patricia Martel, District Counsel Rose Zimmerman, Assistant City Manager Julie Thuy Underwood, Director of Water and Wastewater Resources Patrick Sweetland, Director of Finance Lawrence Chiu, Finance Deputy Director Christine Paras, Acting Chief of Operations Greg Krauss, Collection and Distribution Manager Tom Piccolotti, Plant and Equipment Maintenance Supervisor Joshua Cosgrove, Senior Management Analyst Jason Poon, Utility Billing Supervisor Anthony Tofiga and Emelyn Ponce as Recording Secretary.

APPROVAL OF AGENDA:

Motion was made, seconded (Christensen/Guingona) and unanimously approved. Board Member Canepa arrived upon the approval of agenda.

CONSENT AGENDA:

1. **Minutes of Regular Meeting of May 23, 2016**
2. **Sewer Service Charge Appeal – FY 2016/17 – Continue to July 25th Board Meeting**
3. **Adoption of Appropriations Limitation FY 2016/17**

Motion was made, seconded (Buenaventura/Guingona) and unanimously carried to adopt the Consent Agenda and Resolution #16-SD-06, "Adoption of Appropriations Limitation FY 2016/17".

PUBLIC APPEARANCES/ORAL COMMUNICATIONS:

4. **Public Hearing Sewer Service Charges for FYs 2016/17, 2017/18 & 2018/19**

The District's Public Hearing was duly published and posted consistent with state statutes with notifications mailed to all property owners within the district consistent with the 45-day guideline established under Proposition 218. Director of Water and Wastewater Resources Patrick Sweetland requested the Board, upon conclusion of the Public Hearing, recommend adopt Resolution Prescribing and Providing for the Collection of Sewer Service Charges for Fiscal Years 2016/17, 2017/18 and 2018/19 on the County Tax Roll, adopt Resolution Making Findings and Determination for Execution pursuant to California Environmental Quality Act (CEQA) and Determination for Services, adopt Resolution Overruling Protests and Confirming Report and Sewer Service Charges for FYs 2016/17, 2017/18, 2018/19 and to read, by title only, the first reading of Ordinance No. 94 amending Ordinance No. 33 of the North San Mateo County Sanitation District Re: Prescribing Rates and Charges for Sewage Disposal Services. The recommendation for scheduled rate increases is due to both anticipated new capital maintenance projects and current operating cost increases of the wastewater system. The District will continue to prudently balance its reserves to finance needed capital improvements from over \$11.3 million in FY 2016/17 to a projected balance of \$10.2 million in FY 2017/18

which includes \$8.5 million of Operating Capital Reserve. The District must also provide its electronic roll to the County no later than August 1st for inclusion in the upcoming tax roll. Seven residents spoke in opposition to the proposed sewer service charge increase along with 248 protest letters received.

Motion was made, seconded (Canepa/Christensen) to close the Public Hearing.

Motion was made, seconded (Christensen/Guingona) to and carried (Board Member Buenaventura abstaining) on a roll call vote to adopt items A, B, and C into Resolution #16-SD-07, "Providing for Collection on Property Tax Roll and Confirming Report on Sewer Service Charges for FYs 2016/17, 2017/18 and 2018/19".

Motion was made, seconded (Guingona/Christen) to approve "First Reading (by Title Only) of Ordinance No. 94 amending Ordinance No. 33 of the North San Mateo County Sanitation District Re: Prescribing Rates and Charges for Sewage Disposal Services".

NEW BUSINESS:

5. Adoption of Biennial Operating Budget for FYs 2017 and 2018

Director of Finance Lawrence Chiu presented the Biennial Operating Budget for FYs 2017 and 2018.

Motion was made, seconded (Canepa/Christensen) and unanimously carried on a roll call vote to adopt Resolution #16-SD-08, "Adoption of Biennial Operating Budget for FYs 2017 and 2018".

REPORTS:

6. Board of Directors

None.

7. Staff

None.

ADJOURNMENT:

Motion was made, seconded (Canepa/Torres) and unanimously carried to adjourn the Regular Meeting at 7:46 p.m.



North San Mateo County Sanitation District

a subsidiary of the City of Daly City

Meeting Date: July 11, 2016

Subject: Second Reading and Adoption of Ordinance No. 94

Recommended Action

Second Reading and Adoption of Ordinance No. 94 amending Ordinance No. 33 of the North San Mateo County Sanitation District Prescribing Rates and Charges for Sewage Disposal Services.

Background

Sewer Service Charges are calculated on the basis of water consumption during the winter months (January/February) billing cycle, and a rate is determined that provides sufficient revenues to operate, maintain, and improve the sanitary sewer system during the coming year. The water consumption data is used simply as a method to determine each individual sewer user's proportionate share of the total charges, and the charges themselves are collected as part of the annual property tax roll.

At the June 27, 2016 meeting, the Board approved a three-year program that increased sewer service charges by 8% each year for FYs 2016/17, 2017/18 and 2018/19.

Discussion

The scheduled set of rate increases is due to both anticipated new capital and current operating costs of the wastewater system. The District continues to prudently spend down its reserves to finance needed capital improvements from just over \$11.3 million in FY 2016/17 to a projected balance of \$10.2 million in FY 2017/18 and includes \$8.5 million of Operating Capital Reserve.

The current sewer service charge of \$6.26/ccf was imposed in FY 2015/16 under Ordinance No. 93 which sunsets. The recommended 8% increase under Ordinance No. 94 raises the rate to \$6.76/ccf, along with a corresponding increase in the annual minimum charge from \$69.42 to \$74.96. The recommended rate increase in FY 2017/18 would be \$7.30/ccf with a minimum charge of \$80.96; the recommended rate increase in FY 2018/19 would be \$7.88/ccf with a minimum charge of \$87.44.

Fiscal Impact

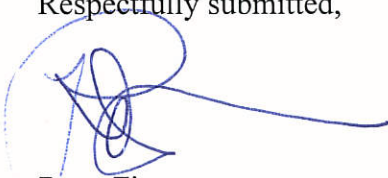
The impact on a typical single-family residential customer using 15 ccf during the winter billing period would increase their annual sewer service charge from \$563.40 to \$608.40, an increase of \$45 a year or \$3.75 a month for FY 2016/17, \$48.61 a year or \$4.05 a month for FY 2017/18, and \$52.20 a year or \$4.35 a month for FY 2018/19.

Summary/Conclusion

The Board's action conforms with necessary procedural requirements associated with the sewer service charge. Under state statute, the District must provide its electronic roll to the County no later than August 1st for inclusion in the upcoming tax roll.

Staff is available to provide any additional information desired by the Chair or Members of the Board of Directors.

Respectfully submitted,

A handwritten signature in blue ink, consisting of a stylized 'R' followed by a long horizontal line extending to the right.

Rose Zimmerman
District Counsel