



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, May 10, 2021 - 6:45 PM
City Hall Council Chambers – 2nd Floor
333 – 90th Street, Daly City, CA 94015

AGENDA

[View the agenda and supporting documents in our website](#)

COVID-19 ANNOUNCEMENT - PUBLIC MEETINGS

Pursuant to Governor Newsom's Executive Order N-25-20, members of the Daly City Board and staff will participate in this meeting via a teleconference. Members of the public are encouraged to watch the meeting via Livestream at <http://bit.ly/dalycitymay10> and to register to speak at the zoom meeting and/or submit public comments via email to cityclerk@dalycity.org prior to the public meeting.

Public Participation:

There are two ways to submit public comment: (1) send written comments by 4:00 pm on meeting day and (2) register to speak at the meeting via Zoom.

To submit a comment in writing, please email cityclerk@dalycity.org and write "Public Comment" in the subject line. In the body of the email, include the item number and/or title of the item as well as your comments. All comments received by 4:00 pm will be emailed to the City Council members and included as an "Add to Packet" on the City's website prior to the meeting. Those comments received after 4:00 pm will be added to the record and shared with the City Council members for the public meeting. Comments are not read aloud into the record.

To speak at the meeting, you must register to join via Zoom. The City requests that you complete your registration by 5:00 pm on the meeting date. After registering, you will receive a confirmation email containing instructions on how to join the meeting, including a unique link. Your address and email will not be disclosed to the public. Public comment is limited to two minutes maximum.

To register to speak at the meeting via Zoom, visit <http://bit.ly/may10zoomreg>. You must familiarize yourself with Zoom prior to joining the meeting. When you would like to speak on an item during the public comment portion of the meeting, you will need to use the "raise hand" feature in Zoom. The City will not be providing technical support.

If you do not wish to speak, the City requests that you watch the livestream of the meeting on the City's virtual meeting website at <http://bit.ly/dalycitymay10>.

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.*

"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."

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 April 26, 2021

Action Items:

2. Sewer Service Charge Appeals FY 2020/21
3. Presentation of FY 2020 Annual Financial Statements
4. Setting Time and Place of Public Hearing for Sewer Service Charge Report FYs 2021-22, 2022-23, 2023-24

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.

REPORTS:

5. Board of Directors
6. Staff

ADJOURNMENT:

REGULAR MEETING - BOARD OF DIRECTORS

MINUTES

April 26, 2021

The Board of Directors of the North San Mateo County Sanitation District convened in a virtual Regular Meeting on April 26, 2021.

The meeting was called to order by Chairman Juslyn Manalo at 7:45 p.m.

ROLL CALL:

Present: DiGiovanni, Buenaventura, Sylvester, Daus-Magbual, Manalo

Absent: None.

Staff Present: General Manager Shawna Maltbie, Assistant to the City Manager Leilani Ramos, District Counsel Rose Zimmerman, Director of Water and Wastewater Resources Thomas Piccolotti, Plant and Equipment Maintenance Manager Joshua Cosgrove, Director of Finance and Administrative Services Tim Nevin and Office Assistant II Gillian Chow as Recording Secretary.

APPROVAL OF AGENDA:

CONSENT AGENDA:

1. **Minutes of Regular Meeting of April 12, 2021**
2. **Resolution of Intent to Adopt Appropriations Limitation (Gann Limit) FY 2021-22**

Motion was made, seconded (DiGiovanni/Sylvester) and unanimously approved.

NEW BUSINESS:

None.

REPORTS:

3. **Board of Directors**
None.
4. **Staff**
None.

ADJOURNMENT:

At 7:47 p.m., call of adjournment of Regular Meeting by Chairman Juslyn Manalo.



North San Mateo County Sanitation District

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Meeting Date: May 10, 2021

Subject: SEWER SERVICE CHARGE APPEAL - FISCAL YEAR 2020-21

Recommended Action

Based on staff review, I recommend that the sewer service charge be revised and based on annual water consumption or average yearly consumption excluding the base period.

Daly City Water

Jaime Cavan

APN# 003-322-080

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Timothy Nevin".

Timothy Nevin
Director of Finance and
Administrative Services

cc: District General Manager
City Attorney
Department of Water and Wastewater Resources

NORTH SAN MATEO COUNTY SANITATION DISTRICT
SEWER SERVICE CHARGE APPEAL
BOARD MEETING DATE

PARCEL NO.	003-322-080	2021-22
CUSTOMER NAME	Jaime Cavan	
SERVICE ADDRESS	7050 Mission St., Daly City CA 94014	

CREDIT BASED ON ACTUAL ANNUAL USAGE

WATER USAGE:

		BASE PERIOD	254
		2 MONTHS PRIOR	0
2 MONTHS AFTER	11	4 MONTHS PRIOR	0
4 MONTHS AFTER		6 MONTHS PRIOR	1
		8 MONTHS PRIOR	2
		10 MONTHS PRIOR	1
		ACTUAL ANNUAL USAGE	258
		BASE PERIOD ANNUALIZED	1524
		ANNUAL CREDIT IN UNITS (MUST BE OVER 15 UNITS)	1266
		PERCENTAGE CHANGE (MUST BE OVER 10%)	491%
		ANNUAL CREDIT IN DOLLARS	<u><u>\$9,976.08</u></u>
		(N.S.M.C.S.D. \$7.88 per unit)	

REASON FOR APPEAL

Customer had a toilet leak with caused usage to increase during the base period. Usage decreased after it was repaired. He is requesting to **adjust the water reading** to actual usage instead of using the base period when the sewer charge is calculated this year, which is the minimum of 1 unit.

STAFF RECOMMENDATION TO BOARD

Grant Adjustment - Recommend approval based on actual usage



North San Mateo County Sanitation District

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Meeting Date: May 10, 2021

Subject: Presentation of Fiscal Year 2020 Annual Financial Statements

Recommended Action

Acceptance, by motion, of the Fiscal Year 2020 Annual Financial Statements of the North San Mateo County Sanitation District.

Discussion

Attached is an excerpt from the City of Daly City's Comprehensive Annual Financial Report showing the financial position, results of operations, and cash flows for the District for the fiscal years ended June 30, 2020 and June 30, 2019.

The District is considered a component unit of the City, and complete footnote disclosure and other information is included in the City's Comprehensive Annual Financial Report.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Timothy J. Nevin".

Timothy J Nevin
Director of Finance and Administrative Services

Attachment: NSMCSD FY 2020 Annual Financial Statements

CITY OF DALY CITY
NORTH SAN MATEO COUNTY SANITATION DISTRICT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
JUNE 30, 2020 AND JUNE 30, 2019

	2020	2019
ASSETS		
Current Assets		
Cash and investments	\$29,137,184	\$30,404,130
Accounts receivable	\$1,393,114	\$1,487,651
Inventories	1,534,053	1,538,527
Prepaid expenses	4,789	4,789
Total Current Assets	<u>32,064,351</u>	<u>33,435,097</u>
Capital Assets		
Land	233,547	233,547
Buildings	893,519	893,519
Sewage facilities	59,021,605	58,958,085
Subsurface treatment lines	26,871,004	25,390,267
Equipment	9,565,068	9,465,766
Furniture and fixtures	114,174	114,174
Construction in progress	7,019,425	6,056,918
Total Capital Assets	103,718,342	101,112,276
Accumulated depreciation	<u>(60,576,356)</u>	<u>(58,083,892)</u>
Net Capital Assets	43,141,986	43,028,384
Advances to other funds	5,080,754	2,510,167
Total Noncurrent Assets	48,222,740	45,538,551
Gain (loss) from disposal of capital assets		
Total Assets	<u>80,287,091</u>	<u>78,973,648</u>
DEFERRED OUTFLOW OF RESOURCES		
Related to pension	2,316,150	2,323,727
Related to OPEB	541,626	325,106
Total Deferred Outflow of Resources	<u>2,857,776</u>	<u>2,648,833</u>
LIABILITIES		
Current Liabilities		
Accounts payable	\$2,150,096	\$1,116,408
Retentions payable		71,503
Accrued payroll	50,952	9,370
Interest payable	19,572	23,205
Compensated absences due within one year	542,351	555,502
Begi Loans payable due within one year	255,326	249,099
Total Current Liabilities	<u>3,018,297</u>	<u>2,025,087</u>
Noncurrent Liabilities		
Compensated absences due in more than one year	1,179,020	859,630
Loans payable due in more than one year	1,086,754	1,342,080
Net Pension liability	14,593,049	13,527,342
Net OPEB liability	4,184,541	4,893,274
Total Noncurrent Liabilities	<u>21,043,364</u>	<u>20,622,326</u>
Total Liabilities	<u>24,061,661</u>	<u>22,647,413</u>
DEFERRED INFLOWS OF RESOURCES		
Related to pension	477,150	1,119,935
Related to OPEB	404,322	4,060
Total Deferred Inflows of Resources	<u>881,472</u>	<u>1,123,995</u>
NET POSITION		
Net investment in capital assets	41,799,906	41,407,205
Unrestricted	16,401,828	16,413,868
Total Net Position	<u>\$58,201,734</u>	<u>\$57,821,073</u>

CITY OF DALY CITY
NORTH SAN MATEO COUNTY SANITATION DISTRICT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Sewer service charges	\$22,192,624	\$22,381,756
Water sales	89,960	84,191
Connection charges	397,036	246,635
Other revenues	<u>99,052</u>	<u>96,531</u>
Total Operating Revenues	<u>22,778,672</u>	<u>22,809,113</u>
OPERATING EXPENSES		
Salaries and benefits	9,867,567	10,463,567
Services and supplies	9,185,180	7,838,294
Utilities	1,528,092	1,353,131
Insurance	660,595	635,187
Depreciation	2,492,465	2,563,489
Other charges	<u>2,326,613</u>	<u>1,156,860</u>
Total Operating Expenses	<u>26,060,512</u>	<u>24,010,528</u>
Operating Income (Loss)	<u>(3,281,840)</u>	<u>(1,201,415)</u>
NONOPERATING REVENUES (EXPENSES)		
Property taxes	2,254,033	2,172,460
Gain (loss) from disposal of capital assets	1,146	(18,306)
Interest and other income	976,732	810,741
Interest expense	<u>(36,147)</u>	<u>(42,311)</u>
Net Nonoperating Revenues	<u>3,195,764</u>	<u>2,922,584</u>
Income Before Operating Transfers	<u>(86,076)</u>	<u>1,721,169</u>
OPERATING TRANSFERS		
Operating transfers in	1,617,030	1,932,030
Operating transfers out	<u>(1,180,293)</u>	<u>(1,556,380)</u>
Net Transfers	<u>436,737</u>	<u>375,650</u>
Change in Net Position	350,661	2,096,819
Beginning Net Position, As restated for Pension adjustment	<u>57,851,073</u>	<u>55,754,254</u>
Total Net Position	<u><u>\$58,201,734</u></u>	<u><u>\$57,851,073</u></u>

CITY OF DALY CITY
NORTH SAN MATEO COUNTY SANITATION DISTRICT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$22,873,209	\$23,191,268
Payments to suppliers	(12,727,982)	(10,734,831)
Payments to employees	<u>(9,614,238)</u>	<u>(8,922,197)</u>
Cash Flows from Operating Activities	<u>530,989</u>	<u>3,534,240</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes	2,254,033	2,172,460
Advances to other funds	(2,570,587)	(2,510,167)
Transfers in	1,617,030	1,932,030
Transfers out	<u>(1,180,293)</u>	<u>(1,556,380)</u>
Cash Flows from Noncapital Financing Activities	<u>120,183</u>	<u>37,943</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(2,772,097)	(3,768,711)
Proceeds from sales of assets	167,176	1,284
Principal paid on capital debt	(249,099)	(243,023)
Interest paid on capital debt	<u>(40,830)</u>	<u>(46,905)</u>
Cash Flows from (Used for) Capital and Gain and Related Financing Activities	<u>(2,894,850)</u>	<u>(4,057,355)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and other income	<u>976,732</u>	<u>810,741</u>
NET CASH FLOWS	(1,266,946)	325,569
Cash and investments at beginning of year	<u>30,404,130</u>	<u>30,078,561</u>
CASH AND INVESTMENTS AT END OF YEAR	<u><u>\$29,137,184</u></u>	<u><u>\$30,404,130</u></u>



North San Mateo County Sanitation District

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Meeting Date: May 10, 2021

Subject: Setting Time and Place of Public Hearing for Sewer Service Charge Report Fiscal Years 2021-22, 2022-23, and 2023-24

Recommended Action

That the North San Mateo County Sanitation District (NSMCSD) Board reschedules time and place of Public Hearing for Fiscal Years 2021-22, 2022-23, and 2023-24 Sewer Service Charge Report for 6:45 p.m., Monday, June 28, 2021.

Background

NSMCSD Ordinance No. 95, adopted by the Board July 22, 2019, prescribes a Sewer Service Charge for Fiscal Years 2019-20 and 2020-21. The Board did not increase the charges in either of those fiscal years but maintained the existing rate. The last increase was in July of 2018. Sewer Service Charges are calculated on the basis of water consumed 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. Adjustments to the Sewer Service Charge require amending NSMCSD Ordinance No. 95.

Discussion

Earlier this year, staff and financial consultants Hilton, Farnkopf, and Hobson (HF&H) prepared a NSMCSD Rate Study and Financial Model that estimated future revenues and expenditures based on the most current financial information to develop a rate structure that would fund the next three years. This was presented to the Water Committee and City Manager on March 31st and staff updated the Rate Study and Financial Model with their comments for tonight's presentation. The recommended changes to the Sewer Service Charge for Fiscal Years 2021-22, 2022-23, and 2023-24 reflect a 5% increase on July 1, 2021, a 9% increase on July 1, 2022, and a 9% increase on July 1, 2023. The 2021-22 Sewer Service Charge Report will be made available for public review in the Department of Finance.

NSMCSD previously set the public hearing date for Sewer Service Charges on June 14, 2021, this report is to set the new Public Hearing for Sewer Service Charges to Monday, June 28, 2021 at 6:45 p.m.

The Board's action conforms with necessary procedural requirements associated with the Sewer Service Charge set forth under the Health and Safety Code and 45-day advance notice as set forth under Proposition 218. Under state statute, the NSMCSD must provide its electronic copy to the County no later than August 10th for inclusion in the 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, appearing to read "Anthony Tofiga".

Anthony Tofiga
Senior Management Analyst

A handwritten signature in blue ink, appearing to read "Thomas J. Piccolotti".

Thomas J. Piccolotti
Director of Water and Wastewater Resources