



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 - SANITATION DISTRICT

AGENDA

Monday, November 28, 2022 - 6:45 PM

To attend in person:

Monday, November 28, 2022 – 6:45 pm
City Hall Council Chambers – 2nd Floor
City Hall 333 – 90th Street
Daly City, CA 94015

To attend virtually via Zoom:

<https://bit.ly/dalycitynov28>

To watch the live telecast:

Comcast Channel 27, <https://www.youtube.com/DalyCityVideoMeetings>, or <https://www.dalycity.org/agendas>

Public Participation:

There are three ways to submit public comment: (1) send written comments by 4:00pm on meeting day, (2) attend the meeting in person, and (3) join to speak at the meeting via Zoom.

1. To submit a comment in writing to the Board Clerk, please email gchow@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 Board members prior to the meeting. Those comments received after 4:00 pm will be added to the record and shared with the Board members following the public meeting. Comments are not read aloud into the record.

2. To speak at the meeting in person, please complete a Speaker Card located at the entrance to the Council Chambers and submit to a Staff Member as early in the meeting as possible.

3. To speak at the meeting via Zoom, join at <https://bit.ly/dalycitynov28>. Zoom will require an email address and name. The name entered will be visible online and will be used to notify you that it is your turn to speak. You may also join by visiting <https://zoom.us/join>. Enter meeting ID: 827 8560 7175, then enter email address and name. The meeting may also be accessed via telephone by dialing +1 669 900 6833 (Local). International numbers available: <https://us02web.zoom.us/j/kAibLOyym>. Enter the meeting ID 827 8560 7175, then press #.

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. Public comment is limited to two (2) minutes maximum, and speakers may only comment once per item. You must familiarize yourself with Zoom prior to joining the meeting. The City will not be providing technical support.

AVAILABILITY OF PUBLIC RECORDS:

All public record 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.

If you do not wish to speak, the City requests that you watch the livestream of the meeting on the City's YouTube Channel at <https://www.youtube.com/DalyCityVideoMeetings>, the City's agenda website at <https://www.dalycity.org/agendas> or on local Channel 27 (Comcast).

Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting should call the office of the Board Clerk at 991-8200 as soon as possible.

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 City Council. There shall be no separate discussion of the matters on the Consent Agenda unless requested by a member of the City Council. 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 October 24, 2022

Action Items:

2. Sewer Service Charge Appeals - FY 22-23
3. Approval of an Amended and Restated Joint Exercise of Powers Agreement for the Daly City Joint Powers Financing Authority
4. Proposed Reimbursement Resolution Related to Financing for the Vista Grande Drainage Basin Improvement Project

END OF CONSENT AGENDA

PUBLIC APPEARANCES/ORAL COMMUNICATIONS

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

NEW BUSINESS

REPORTS:

5. Board of Directors

6. Staff

ADJOURNMENT:

REGULAR MEETING - BOARD OF DIRECTORS

MINUTES

October 24, 2022

The Board of Directors of the North San Mateo County Sanitation District convened in a Regular Meeting on October 24, 2022, in the City Council Chamber, City Hall, 333 - 90th Street, Daly City, California.

The meeting was called to order by Chairman Dr. Rod Daus-Magbual at 6:45 p.m.

ROLL CALL:

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

Absent: None.

Staff Present: Interim General Manager Thomas Piccolotti, District Counsel Rose Zimmerman, Acting Director of Water and Wastewater Resources Joshua Cosgrove, Acting Assistant Director/Senior Management Analyst Anthony Tofiga, Chief of Operations Greg Krauss, Plant and Equipment Maintenance Manager Michael Patolo, Director of Finance and Administrative Services Tim Nevin, Assistant City Manager Stephen Stolte, Assistant to the City Manager Leilani Ramos, and Administrative Assistant III Gillian Chow as Recording Secretary.

APPROVAL OF AGENDA:

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

CONSENT AGENDA:

1. **Minutes of Regular Meeting of September 26, 2022**
2. **Sewer Service Charge Appeals – Fiscal Years 21-22 & 22-23**
3. **Approval of Amendment #7 to Professional Services Agreement with McMillen/Jacobs Associates**

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

NEW BUSINESS:

None.

REPORTS:

4. **Board of Directors**

None.

5. **Staff**

None.

ADJOURNMENT:

At 6:48 p.m., call of adjournment of Regular Meeting by Chairman Dr. Rod Daus-Magbual.



North San Mateo County Sanitation District

a subsidiary of the City of Daly City

Meeting Date: November 28, 2022

Subject: SEWER SERVICE CHARGE APPEALS - FISCAL YEAR 2022-23

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

Craviotto Family Trust
APN #003-141-450

Garcia, Arturo and Emelita
APN# 091-203-300

Luong, Lien My
APN# 002-262-220

Prountzos, George and Pat
APN# 006-191-150

Shamiya Trust, Issa & Nimra TTEES
APN# 004-042-160

Jiang Henry Trust
APN# 006-253-530

Tan Trust, Patricia Wu & Andy TTEES
APN#006-253-560

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

Attachment: Sewer Service Charge Appeals

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.	003-141-450	2022-23
CUSTOMER NAME	Craviotto Family Trust	
SERVICE ADDRESS	682 San Diego Ave, Daly City CA 94014	

CREDIT BASED ON ACTUAL ANNUAL USAGE

WATER USAGE:

		BASE PERIOD	17
		2 MONTHS PRIOR	10
2 MONTHS AFTER	11	4 MONTHS PRIOR	11
4 MONTHS AFTER	9	6 MONTHS PRIOR	10
		8 MONTHS PRIOR	10
		10 MONTHS PRIOR	12
		ACTUAL ANNUAL USAGE	70
		BASE PERIOD ANNUALIZED	102
		ANNUAL CREDIT IN UNITS	
		(MUST BE OVER 15 UNITS)	32
		PERCENTAGE CHANGE	
		(MUST BE OVER 10%)	46%
		ANNUAL CREDIT IN DOLLARS	\$288.64
		(N.S.M.C.S.D. \$9.02 per unit)	

REASON FOR APPEAL

Customer had a toilet leak during the base period. They replaced the toilet and usage decreased afterwards.

STAFF RECOMMENDATION TO BOARD

Grant Adjustment - Based on actual annual usage

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

PARCEL NO. 091-203-300 2022-23
CUSTOMER NAME Arturo and Emelita Garcia
SERVICE ADDRESS 215 Shipley Ave., Daly City CA 94015

CREDIT BASED ON ACTUAL ANNUAL USAGE

WATER USAGE:

		BASE PERIOD	27
		2 MONTHS PRIOR	15
2 MONTHS AFTER	18	4 MONTHS PRIOR	16
4 MONTHS AFTER	18	6 MONTHS PRIOR	19
		8 MONTHS PRIOR	20
		10 MONTHS PRIOR	19
		ACTUAL ANNUAL USAGE	116
		BASE PERIOD ANNUALIZED	162
		ANNUAL CREDIT IN UNITS	
		(MUST BE OVER 15 UNITS)	46
		PERCENTAGE CHANGE	
		(MUST BE OVER 10%)	40%
		ANNUAL CREDIT IN DOLLARS	\$414.92
		(N.S.M.C.S.D. \$9.02 per unit)	

REASON FOR APPEAL

During the base period, the customers had a drainage issue at the property and also had their house painted. Usage decreased after repairs and painting were completed, reflects on the next billing cycles.

STAFF RECOMMENDATION TO BOARD

Grant Adjustment - Based on actual annual usage

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

PARCEL NO. 002-262-220 2022-23
CUSTOMER NAME Lien My Luong
SERVICE ADDRESS 208 Los Banos Ave., Daly City CA 94014

CREDIT BASED ON ACTUAL ANNUAL USAGE

WATER USAGE:

		BASE PERIOD	32
		2 MONTHS PRIOR	27
2 MONTHS AFTER	30	4 MONTHS PRIOR	18
4 MONTHS AFTER	29	6 MONTHS PRIOR	22
		8 MONTHS PRIOR	15
		10 MONTHS PRIOR	24
		ACTUAL ANNUAL USAGE	138
		BASE PERIOD ANNUALIZED	192
		ANNUAL CREDIT IN UNITS	
		(MUST BE OVER 15 UNITS)	54
		PERCENTAGE CHANGE	
		(MUST BE OVER 10%)	39%
		ANNUAL CREDIT IN DOLLARS	\$487.08
		(N.S.M.C.S.D. \$9.02 per unit)	

REASON FOR APPEAL

Customer had a leak that happened through the base period. He wasn't aware until he received the water bill and immediately had it repaired. Usage continued to decrease afterwards.

STAFF RECOMMENDATION TO BOARD

Grant Adjustment - Based on actual annual usage

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

PARCEL NO.	006-191-150	2022-23
CUSTOMER NAME	George and Pat Prountzos	
SERVICE ADDRESS	365 87th St., Daly City CA 94015	

CREDIT BASED ON ACTUAL ANNUAL USAGE

WATER USAGE:

		BASE PERIOD	59
		2 MONTHS PRIOR	22
2 MONTHS AFTER	11	4 MONTHS PRIOR	12
4 MONTHS AFTER	6	6 MONTHS PRIOR	7
		8 MONTHS PRIOR	11
		10 MONTHS PRIOR	8
		ACTUAL ANNUAL USAGE	119
		BASE PERIOD ANNUALIZED	354
		ANNUAL CREDIT IN UNITS	
		(MUST BE OVER 15 UNITS)	235
		PERCENTAGE CHANGE	
		(MUST BE OVER 10%)	197%
		ANNUAL CREDIT IN DOLLARS	\$2,119.70
		(N.S.M.C.S.D. \$9.02 per unit)	

REASON FOR APPEAL

During the base period, customers found a leak in their toilet. After repairs were completed, usage decreased back to their normal average.

STAFF RECOMMENDATION TO BOARD

Grant Adjustment - Based on actual annual usage

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

PARCEL NO. 004-042-160 2022-23
CUSTOMER NAME Issa J. Shamiya and Nimra I. Shamiya 2002 Rev Trust
SERVICE ADDRESS 6192 Mission St. Daly City, CA 94014

CREDIT BASED ON ACTUAL ANNUAL USAGE

WATER USAGE:

		BASE PERIOD	147
		2 MONTHS PRIOR	185
2 MONTHS AFTER	0	4 MONTHS PRIOR	125
4 MONTHS AFTER		6 MONTHS PRIOR	51
		8 MONTHS PRIOR	9
		10 MONTHS PRIOR	25
			<u>2</u>
		ACTUAL ANNUAL USAGE	544
		BASE PERIOD ANNUALIZED	<u>882</u>
		ANNUAL CREDIT IN UNITS	
		(MUST BE OVER 15 UNITS)	<u>338</u>
		PERCENTAGE CHANGE	
		(MUST BE OVER 10%)	62%
		ANNUAL CREDIT IN DOLLARS	<u><u>\$3,048.76</u></u>
		(N.S.M.C.S.D. \$9.02 per unit)	

REASON FOR APPEAL

Owners were unaware of increase in usage at the property. Uncooperative tenant was occupying the building. Water valve was turned off until owner was able to enter the property and get the leak repaired. It was a 10 month process. Water was turned back on in October and there is 0 usage.

STAFF RECOMMENDATION TO BOARD

Grant Adjustment - Based on actual annual usage

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

PARCEL NO. 006-253-530 2022-23
CUSTOMER NAME Jiang Henry Trust
SERVICE ADDRESS 166 3rd Ave., Daly City CA 94014

CREDIT BASED ON ACTUAL ANNUAL USAGE

WATER USAGE:

		BASE PERIOD	110
		2 MONTHS PRIOR	79
2 MONTHS AFTER	12	4 MONTHS PRIOR	63
4 MONTHS AFTER	1	6 MONTHS PRIOR	46
		8 MONTHS PRIOR	31
		10 MONTHS PRIOR	23
		ACTUAL ANNUAL USAGE	352
		BASE PERIOD ANNUALIZED	660
		ANNUAL CREDIT IN UNITS	
		(MUST BE OVER 15 UNITS)	308
		PERCENTAGE CHANGE	
		(MUST BE OVER 10%)	88%
		ANNUAL CREDIT IN DOLLARS	\$2,778.16
		(N.S.M.C.S.D. \$9.02 per unit)	

REASON FOR APPEAL

Mr. Jiang had a toilet leak during the base period. Repairs were done immediately and usage started to decrease.

STAFF RECOMMENDATION TO BOARD

Grant Adjustment - Based on actual annual usage

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

PARCEL NO.	006-253-560	2022-23
CUSTOMER NAME	Patricia Wu Tan & Andy Tan TTEES	
SERVICE ADDRESS	156 3rd Ave., Daly City CA 94014	

CREDIT BASED ON ACTUAL ANNUAL USAGE

WATER USAGE:

		BASE PERIOD	46
		2 MONTHS PRIOR	6
2 MONTHS AFTER	34	4 MONTHS PRIOR	18
4 MONTHS AFTER	76	6 MONTHS PRIOR	29
		8 MONTHS PRIOR	25
		10 MONTHS PRIOR	26
		ACTUAL ANNUAL USAGE	150
		BASE PERIOD ANNUALIZED	276
		ANNUAL CREDIT IN UNITS	
		(MUST BE OVER 15 UNITS)	126
		PERCENTAGE CHANGE	
		(MUST BE OVER 10%)	84%
		ANNUAL CREDIT IN DOLLARS	\$1,136.52
		(N.S.M.C.S.D. \$9.02 per unit)	

REASON FOR APPEAL

Usage has been increasing since December 2021. Tenants finally advised owners of high balance the following June. Found leaks in all three toilets and owners repaired them immediately. Usage started to decrease after repairs were completed.

STAFF RECOMMENDATION TO BOARD

Grant Adjustment - Based on actual annual usage



North San Mateo County Sanitation District

a subsidiary of the City of Daly City

Meeting Date: November 28, 2022

Subject: APPROVAL OF AN AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT FOR THE DALY CITY JOINT POWERS FINANCING AUTHORITY

Recommended Action

Consider adoption of a resolution approving an Amended and Restated Joint Exercise of Powers Agreement for the Daly City Joint Powers Financing Authority.

Background

Pursuant to the Joint Exercise of Powers Act (commencing at Government Code Section 6500), two or more public agencies by agreement may establish an agency that is separate from the members (a "joint powers authority"). Joint powers authorities may exercise any power common to the contracting parties and certain powers granted to joint powers authorities by California law.

Joint powers authorities are commonly used by California cities to provide assistance with public financings, including, among others, general fund lease financings and enterprise financings.

The City and the North San Mateo County Sanitation District, a county sanitation district organized and existing under the County Sanitation District Act (California Health and Safety Code §4700 et seq.) (the "Sanitation District") and a subsidiary district of the City, previously established the Daly City Joint Powers Financing Authority (the "Authority") under a Joint Exercise of Powers Agreement, dated as of March 1, 2021 (the "Original Agreement"). Staff recommended formation of the Authority for the purpose of establishing an entity that can, among other things, provide assistance with the City and the Sanitation District's financings. Staff believes that the Authority may be helpful with the financings for the Vista Grande Drainage Project.

In order to ensure that the Authority can provide the assistance with such financings in an efficient manner, staff recommends that the Original Agreement be amended to designate the City's chief financial officer as the Treasurer of the Financing Authority.

Discussion

Staff has caused an Amended and Restated Joint Exercise of Powers Agreement to be prepared (the "Revised Agreement"), incorporated as Attachment "A" The Revised Agreement must be approved by the City Council and the Board of Directors of the Sanitation District.

Fiscal Impact

The Sanitation District will incur minor costs to file information with the State of California related to Revised Agreement.

Summary/Conclusion

Staff recommends that the Board of Directors adopt a resolution approving an Amended and Restated Joint Exercise of Powers Agreement for the Daly City Joint Powers Financing Authority.

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

Respectfully submitted,

A handwritten signature in blue ink, reading "Joshua Cosgrove".

Joshua Cosgrove, Acting Director
Department of Water and Wastewater Resources

A handwritten signature in black ink, reading "Rose Zimmerman".

Rose Zimmerman
City Attorney

Attachments:

- Attachment 1: Draft Resolution
- Attachment 2: Draft Amended and Restated Agreement

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH SAN
MATEO COUNTY SANITATION DISTRICT AUTHORIZING THE
EXECUTION OF AN AMENDED AND RESTATED JOINT EXERCISE OF
POWERS AGREEMENT FOR THE DALY CITY JOINT POWERS
FINANCING AUTHORITY

WHEREAS, the City of Daly City (the “City”) and the North San Mateo County Sanitation District, a county sanitation district organized and existing under the County Sanitation District Act (California Health and Safety Code §4700 et seq.) (the “Sanitation District”) and a subsidiary district of the City, previously formed the Daly City Joint Powers Financing Authority (the “Authority”) under the provisions of Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the “Joint Powers Law”) and a Joint Exercise of Powers Agreement, dated as of March 1, 2021 (the “Original Agreement”), for the purpose of creating a public agency that can, among other purposes authorized under the Joint Powers Law, jointly exercise any power common to the City and the Sanitation District and provide assistance to the Sanitation District and the City in connection with their financing programs; and

WHEREAS, the City and the Sanitation District wish to amend the Original Agreement to designate the City’s chief financial officer as the Treasurer of the Financing Authority; and

WHEREAS, to that end the Board of Directors wishes at this time to approve the execution and delivery of an Amended and Restated Joint Exercise of Powers Agreement (the “Agreement”) between the Sanitation District and the City.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the North San Mateo County Sanitation District as follows:

Section 1. Approval of Amended and Restated Joint Exercise of Powers Agreement. This Board of Directors hereby approves the proposed Agreement, incorporated as Attachment “A” in the form on file with the Secretary. The appropriate officers of the Sanitation District are hereby authorized and directed to execute the Agreement in the name and on behalf of the Sanitation District.

Section 2. Authorization to Make Necessary Filings. The Board of Directors hereby authorizes and directs the firm of Jones Hall, A Professional Law Corporation, to cause to be prepared, executed and filed any and all reports, statements and other documents as may be required in order to execute and deliver the Agreement.

Section 3. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

I hereby certify the foregoing to be a true copy of a Resolution adopted by the Board of Directors of the North San Mateo County Sanitation District, California, at a regular meeting thereof held on the 28th day of November, 2022, by the following vote of the members thereof:

AYES, and in favor thereof, Members:_____

NOES, Members:_____

ABSENT, Members:_____

SECRETARY
NORTH SAN MATEO COUNTY SANITATION DISTRICT

APPROVED:

CHAIRMAN
NORTH SAN MATEO COUNTY SANITATION DISTRICT

Attachment "A" – Amended and Restated Joint Powers Agreement

**AMENDED AND RESTATED
JOINT EXERCISE OF POWERS AGREEMENT**

Daly City Joint Powers Financing Authority

This AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT (this "Agreement") dated as of November 1, 2022, amends and restates that certain Joint Exercise of Powers Agreement, dated as of March 1 2021 (the "Original Agreement"), and is between the CITY OF DALY CITY, a general law city duly organized and existing under the laws of the State of California (the "City"), and the NORTH SAN MATEO COUNTY SANITATION DISTRICT, a county sanitation district organized and existing under the County Sanitation District Act (California Health and Safety Code §4700 et seq.) and a subsidiary district of the City (the "Sanitation District");

WITNESSETH:

WHEREAS, agencies formed under Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Joint Powers Law") are permitted, among other things, to jointly exercise any power common to their members and provide assistance to their members in connection with the financing of public capital improvements;

WHEREAS, the City and the Sanitation District previously formed an agency under the Original Agreement and the Joint Powers Law, to be known as the Daly City Joint Powers Financing Authority (the "Financing Authority"), for the purpose of providing an entity that can, among other things, jointly exercise any power common to the City and the Sanitation District and any additional members and provide assistance to the Sanitation District and the City and any additional members in their respective financing undertakings; and

WHEREAS, the City and the Sanitation District wish to amend the Original Agreement to designate the City's chief financial officer as the Treasurer of the Financing Authority;

NOW, THEREFORE, in consideration of the above premises and of the mutual promises herein contained, the City and the Sanitation District do hereby agree as follows:

ARTICLE I

GENERAL PROVISIONS

Section 1.01. Parties.

(a) General. The parties to this Agreement shall be the City, the Sanitation District and each public agency that hereafter executes this Agreement, or any addenda, amendment, or supplement thereto and agrees to become a party to this Agreement, and which has not, pursuant to provisions hereof, withdrawn therefrom (collectively, the "Members").

A party to this Agreement may be a voting Member or an Associate Member (as defined below).

The rights of any Associate Member under this Agreement shall be limited solely to those rights expressly set forth in any addenda or supplement to this Agreement.

(b) New Members.

(i) *Governing Body Approval; Application.* With the approval of two-thirds (2/3rds) of the Board, any qualified public agency (as defined by Section 6500 of the JPA law) may become a party of this Agreement.

A public agency requesting membership may apply by presenting to the Board a certified resolution of the public agency approving of this Agreement. The date and terms upon which the applying public agency will become a Member will be determined by the Board.

(ii) *Associate Member.* There is hereby established an "Associate Member" category of membership in the Authority, which shall be available to public agencies in the sole discretion of the Board. An entity shall become an Associate Member of the Authority by adopting one or more agreements or amendments of this Agreement on terms and conditions established by the Board. The rights of Associate Members shall be limited as set forth in such agreements or amendments of this Agreement. Except as expressly provided for by such agreements or amendments of this Agreement, Associate Members shall not have any rights otherwise granted to the other Members of the Authority by this Agreement, including but not limited to the right to vote, the right to amend this Agreement and the right to sit on committees or boards established under this Agreement.

Section 1.02. Purpose. This Agreement is entered into pursuant to the Joint Powers Law. The purpose of this Agreement is to provide for the joint exercise of any powers common to the Members, to provide assistance to the Members from time to time in connection with their financing programs, and for any other financing purposes authorized under Article 4 of the Joint Powers Law (commencing with Section 6584) (the "Bond Act") and other applicable law.

The Members hereby agree that the Joint Powers Authority is not being formed for the purpose of providing municipal services as that term is used in the Joint Powers Law.

Section 1.03. Creation of Authority. Pursuant to the Joint Powers Law, there is hereby created a joint powers agency to be known as the Daly City Joint Powers Financing Authority (the "Joint Powers Authority"). The Joint Powers Authority is a public entity separate and apart from the Members, and shall administer this Agreement. The Joint Powers Authority shall be deemed to be created and to exist as an entity which is authorized to transact business and exercise its powers, upon the adoption of a resolution approving the execution and delivery of this Agreement by the Board of Directors of the Sanitation District and the City Council of the City.

Section 1.04. Board.

(a) Composition of Board; Chair. The Joint Powers Authority shall be governed by a Board of Directors (the "Board") consisting of five (5) directors. Each member of the City Council of the City shall be a member of the Board by virtue of being a member of the City Council of the City. All voting power of the Joint Powers Authority shall reside in the Board.

The Mayor of the City shall act as the Chair of the Board. The Chair shall perform the duties normal to said office and such duties as may be imposed by the Board.

Immediately upon admission of a new Member that is not an Associate Member pursuant to Section 1.01(b), such Members shall be entitled to appoint two members of the Board.

(b) Call, Notice and Conduct of Meetings. All meetings of the Board, including without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act of the State of California (constituting Chapter 9 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California).

(c) Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time. The affirmative votes of at least a majority of the Board members present at any meeting at which a quorum is present are required to take any action by the Board.

(d) Time and Place of Regular Meetings. Unless otherwise established by the Board by resolution, regular meetings shall be held on the same date and time as regular meetings of the City Council of the City. If the Secretary does not post an agenda for a regular meeting pursuant to Government Code Section 54954.21, then such failure to post shall be deemed to be a determination by the Chair that no items required discussion and, therefore, that the regular meeting should be cancelled, except as otherwise provided in Section 54954.2.

(e) Minutes. The Secretary shall cause to be kept minutes of the meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director and to the Members.

(f) Bylaws. The Board may adopt, from time to time, such bylaws, rules and regulations for the conduct of its meetings as are necessary for the purposes hereof.

Section 1.05. Treasurer. Pursuant to Section 6505.5 and 6505.6 of the Joint Powers Law, the person performing the functions of the chief financial officer of the City is hereby designated as the initial Treasurer of the Joint Powers Authority and, as such, shall perform the functions of the treasurer of the Joint Powers Authority, as such functions are set forth in Section 6505.5 of the Joint Powers Law. Pursuant to Section 6505.1 of the Joint Powers Law, the Treasurer shall have charge of, handle and have access to all accounts, funds and money of the Joint Powers Authority and all records of the Joint Powers Authority relating thereto. As treasurer of the Joint Powers Authority, the Treasurer has custody of all of the accounts, funds and money of the Joint Powers Authority from whatever source.

In the event, but only in the event, that the Treasurer holds moneys for the account of the Joint Powers Authority or the Members, the Treasurer shall verify and report in writing at least quarterly to the Board and the Members the amount of money so held, the amount of receipts since the last such report, and the amount paid out since the last such report.

The Board, by resolution, may authorize the Treasurer to sign contracts on behalf of the Joint Powers Authority.

Section 1.06. Auditor. Pursuant to Section 6505.5 of the Joint Powers Law, the person performing the functions of the chief financial officer of the City is hereby designated as the initial Auditor of the Joint Powers Authority and, as such, shall perform the functions of the auditor of the Joint Powers Authority, as such functions are set forth in Sections 6505 and 6505.5 of the Joint Powers Law.

As auditor of the Joint Powers Authority, the Auditor shall draw warrants to pay demands against the Joint Powers Authority when the demands have been approved by the Board and shall assure that there is strict accountability of all funds and reporting of all receipts and disbursements of the Joint Powers Authority.

Section 1.07. Other Officers and Employees of the Joint Powers Authority.

(a) Other Officers. In addition to the Chair, the Treasurer and the Auditor, the officers of the Joint Powers Authority shall consist of an Executive Director, a Secretary and a General Counsel, who shall consist of the City Manager, the City Clerk and the City Attorney, respectively. The deputies and assistants of such City Manager, City Clerk and City Attorney shall constitute deputies and assistants of the Executive Director, Secretary and General Counsel of the Authority, respectively. The deputies and assistants of the chief financial officer of the City shall constitute deputies and assistants of the Treasurer of the Authority.

(b) Duties of Executive Director. The Executive Director shall perform such functions as are customary in the exercise of such a position, and as may be more specifically provided by the Board from time to time. The Executive Director shall have charge of the day-to-day administration of the Joint Powers Authority and shall execute the directives of the Board. The Executive Director shall sign all contracts on behalf of the Joint Powers Authority, except as may otherwise be provided by resolution of the Board.

(c) Duties of Secretary. The Secretary shall perform such functions as are customary in the exercise of such positions, and as may be more specifically provided

by the Board from time to time. The Secretary shall have charge of the records of the Joint Powers Authority and is responsible for recording the minutes of all meetings of the Board.

(d) Duties of General Counsel. The General Counsel shall perform such functions as are customary in the exercise of such positions, and as may be more specifically provided by the Board from time to time.

(e) Other Consultants and Contractors. The Board shall have the power to appoint and employ such other consultants and independent contractors as may be necessary for the purposes of this Agreement.

(f) Miscellaneous. All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activities of officers, agents, or employees of a public agency when performing their respective functions shall apply to them to the same degree and extent while engaged in the performance of any of the functions and other duties under this Agreement.

None of the officers, agents, or employees directly employed by the Board shall be deemed, by reason of their employment by the Board to be employed by any of the Members or, by reason of their employment by the Board, to be subject to any of the requirements of any of the Members.

Section 1.08. Bonding of Officers. From time to time, the Board may designate officers of the Joint Powers Authority having charge of, handling or having access to any records, funds or accounts or other assets of the Joint Powers Authority, and the respective amounts of the official bonds of such officers and such other persons pursuant to Section 6505.1 of the Joint Powers Law. In the event that any officer of the Joint Powers Authority is required to be bonded pursuant to this Section 1.08, such bond may be maintained as a part of or in conjunction with any other bond maintained on such person by any Member, it being the intent of this Section 1.08 not to require duplicate or over-lapping bonding requirements from those bonding requirements which are otherwise applicable to the Members.

ARTICLE II

POWERS

Section 2.01. General Powers. The Joint Powers Authority shall exercise the powers granted to it under the Joint Powers Law and other applicable laws, including but not limited to the powers set forth in the Bond Act and the powers common to each of the Members, as may be necessary to the accomplishment of the purposes of this Agreement, subject to the restrictions set forth in Section 2.02. As provided in the Joint Powers Law, the Joint Powers Authority is a public entity separate and apart from the Members.

Section 2.02. Restrictions on Exercise of Powers. The powers of the Joint Powers Authority shall be exercised in the manner provided in the Joint Powers Law, the Bond Act and other applicable laws, and, except for the exercise of those powers set forth in the Bond Act and such other applicable laws, shall be subject (in accordance

with Section 6509 of the Joint Powers Law) to the restrictions upon the manner of exercising such powers that are imposed upon the City.

Section 2.03. Non-Liability of Members and Directors For Obligations of Authority. The debts, liabilities and obligations of the Joint Powers Authority shall not be the debts, liabilities and obligations of any of the Members. No member, officer, agent or employee of the Joint Powers Authority is individually or personally liable for the payment of the principal of or premium or interest on any obligations of the Joint Powers Authority or be subject to any personal liability or accountability by reason of any obligations of the Joint Powers Authority. Nothing herein contained relieves any such member, officer, agent or employee from the performance of any official duty provided by law or by the instruments authorizing the issuance of any obligations of the Joint Powers Authority.

In addition, no Member shall assume any liability or responsibility for any debts, liabilities or obligations which may be incurred by the other Member in connection with the issuance of bonds or other obligations of the Joint Powers Authority for the benefit of such other Member.

Section 2.03. Limited Control. Notwithstanding any other provision of this Agreement, no Member shall have any rights to control the operations of the any facilities owned by another Member solely as a result of the provisions of this Agreement.

ARTICLE III

CONTRIBUTION; ACCOUNTS AND REPORTS; FUNDS

Section 3.01. Contributions. All costs of administering the Authority shall be paid as set forth in Section 3.04.

The Members may, but are not required to: (a) make contributions from their treasuries for any of the purposes set forth herein, (b) make payments of public funds to defray the cost of such purposes, (c) make advances of public funds for such purposes, such advances to be repaid as provided herein, or (d) use their personnel, equipment or property in lieu of other contributions or advances.

In addition to the general provision set forth in the previous paragraph, the Members hereby expressly agree that the Joint Powers Authority may enter into one or more agreements with one or more parties to this Agreement pursuant to which such other party will agree to pay its share of the costs of a particular financing, including debt service and related costs. The Authority may require such other party to (y) secure its payment obligation with a pledge of revenues on terms acceptable to the Authority and (z) agree to fix, prescribe, revise and collect rates, fees and charges as are sufficient to pay such other party's payment obligations under the agreement with the Joint Powers Authority and the costs of operating and maintaining related capital facilities.

Furthermore, the Members hereby expressly agree that the Joint Powers Authority may receive and accept from any source, loans, contributions, or grants, in either money, property, labor, or other things of value, for, or in aid of, the construction financing, or refinancing of public capital improvement, or any portion thereof or for the financing of working capital or insurance programs, or for the payment of the principal of

and interest on bonds if the proceeds of those bonds are used for one or more of the purposes set forth herein.

Section 3.02. Accounts and Reports. To the extent not covered by the duties assigned to a trustee chosen by the Joint Powers Authority, the Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any trust instrument entered into with respect to the proceeds of any bonds issued by the Joint Powers Authority. The books and records of the Joint Powers Authority in the hands of a trustee or the Treasurer shall be open to inspection at all reasonable times by representatives of any of the Members. The trustee appointed under any trust agreement shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of said trust agreement. Said trustee may be given such duties in said trust instrument as may be desirable to carry out this Agreement.

Annual audits of the Authority's accounts and records shall be made by an independent CPA firm, and reports shall be filed in the manner provided in Section 6505 of the California Government Code.

Section 3.03. Funds. Subject to the applicable provisions of any instrument or agreement which the Joint Powers Authority may enter into, which may provide for a trustee to receive, have custody of and disburse Authority funds, the Treasurer shall receive, have the custody of and disburse Authority funds as nearly as possible in accordance with generally accepted accounting practices, shall make the disbursements required by this Agreement or to carry out any of the provisions or purposes of this Agreement.

Section 3.04. Annual Budget and Administrative Expenses. The Board shall adopt a budget for administrative expenses, which shall include all expenses not included in any financing issue of the Authority, annually prior to July 1st of each year. The estimated annual administrative expenses of the Authority shall be allocated by the Authority as determined by the Board.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.01. Term. This Agreement shall become effective, and the Joint Powers Authority shall come into existence, on the date of execution and delivery hereof, and this Agreement and the Joint Powers Authority shall thereafter continue in full force and effect until terminated by a supplemental agreement of the City and the Sanitation District.

Section 4.02. Disposition of Assets. Upon the termination of this Agreement, all property of the Joint Powers Authority, both real and personal, including but not limited to surplus money, shall be divided between the Members in such manner as determined by the Board.

Section 4.03. Notices. Notices hereunder must in writing and will be sufficient if delivered to:

North San Mateo County
Sanitation District
153 Lake Merced Boulevard
Daly City, CA 94015
Attention: General Manager

City of Daly City
333 90th Street,
Daly City, CA 94015
Attention: City Manager

Section 4.04. Section Headings. All section headings in this Agreement are for convenience of reference only and are not to be construed as modifying or governing the language in the section referred to or to define or limit the scope of any provision of this Agreement.

Section 4.05. Law Governing. This Agreement is made in the State of California under the Constitution and laws of the State of California, and is to be so construed.

Section 4.06. Amendments. This Agreement may be amended at any time, or from time to time, except as limited by contract with the owners of any bonds issued by the Joint Powers Authority or by applicable regulations or laws of any jurisdiction having authority, by one or more supplemental agreements executed by all of the parties to this Agreement either as required in order to carry out any of the provisions of this Agreement or for any other purpose, including without limitation addition of new parties (including any legal entities or taxing areas heretofore or hereafter created) in pursuance of the purposes of this Agreement.

Section 4.07. Severability. Should any part, term or provision of this Agreement be decided by any court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

Section 4.08. Counterpart. This Agreement may be executed in counterparts and be as valid and binding as if each party signed the same copy. A faxed copy of the executed signature page shall be sufficient to cause the terms of this Agreement to become fully operative. The effective date of the Agreement shall be the latest date that the City or County executed the Agreement.

Section 4.09. Successors. This Agreement is binding upon and inures to the benefit of the successors of the respective Members. No Member may assign any right or obligation hereunder without the written consent of the other Member(s) other than Associate Members.

Section 4.10. Electronic Signatures. Any signature (including any electronic symbol or process attached to, or associated with, a contract or other record and adopted by the City or the Sanitation District with the intent to sign, authenticate or accept such contract or record) hereto or to any other certificate, agreement or document related to this transaction, and any contract formation or record-keeping through electronic means shall have the same legal validity and enforceability as a manually executed signature or use of a paper-based recordkeeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the California Uniform Electronic Transaction Act, Government Code Section 16.5, or any similar state law, and the parties hereby waive any objection to the contrary.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers.

CITY OF DALY CITY

By: _____
Authorized Officer

Dated: _____

Attest:

City Clerk

**NORTH SAN MATEO COUNTY
SANITATION DISTRICT**

By: _____
General Manager

Dated: _____

Attest:

Secretary



North San Mateo County Sanitation District

a subsidiary of the City of Daly City

Meeting Date: November 28, 2022

Subject: PROPOSED REIMBURSEMENT RESOLUTION RELATED TO FINANCING FOR THE VISTA GRANDE DRAINAGE BASIN IMPROVEMENT PROJECT

Recommended Action

Consider adoption of A Resolution of the Board of Directors of the North San Mateo County Sanitation District Declaring the Intent to Reimburse Expenditures from the Proceeds of Tax-Exempt Obligations for the Vista Grande Drainage Basin Project

Background

The City of Daly City (the "City") and the North San Mateo County Sanitation District (the "District") are undertaking the Vista Grande Drainage Basin Improvement Project (the "Project") and intend to finance all or a portion of the Project costs.

The District may advance funds to pay for certain Project costs prior to issuance of tax-exempt obligations to finance those costs, and the District wishes to declare its intent to reimburse any such advances with proceeds of tax-exempt obligations.

Discussion

The City and the District have been evaluating a number of options for financing the Project, including (1) issuance of revenue bonds or other obligations, (2) financing from the Environmental Protection Agency's Water Infrastructure Finance and Innovation Act of 2014 program ("WIFIA Program"), (3) financing from the California State Water Resource Control Board's Clean Water State Revolving Fund program ("SRF Program") and (4) financing from the California Infrastructure and Economic Development Bank's Infrastructure State Revolving Fund program ("ISRF Program").

As part of the proposed financing program, the City and the Sanitation District expect other public agencies who benefit from the Project to contribute to the cost of the Project. In the meantime, however, the City and the Sanitation District are working to ensure that financing for the Project will be available when needed.

Under federal tax law, in order to preserve the ability to reimburse District moneys spent on Project costs with the proceeds of tax-exempt bonds, the Board of Directors must adopt a resolution declaring the intention to reimburse expenditures.

The Resolution does not commit the District to obtain financing or obligate the District to expend any funds.

Fiscal Impact

There will be no current cost incurred by the District as a result of the adoption of the Resolution related to possible financing for the Project. The fiscal impact will depend upon whether the District obtains financing, the source of the financing and the details of any such financing.

North San Mateo County Sanitation District Agenda Report
PROPOSED REIMBURSEMENT RESOLUTION RELATED TO FINANCING FOR THE VISTA
GRANDE DRAINAGE BASIN IMPROVEMENT PROJECT

Page 2 of 2

Prior to the District incurring financing for the Project, the Board of Directors will be asked to approve the financing and related documents, and will have an opportunity to evaluate the interest rates to be paid, the repayment period and the contributions received from associated parties.

Summary/Conclusion

In order to preserve the District's ability to reimburse moneys spent on Project costs with tax-exempt obligations, staff recommends that the Board of Directors adopt a resolution declaring the intent to reimburse itself for Project costs with tax-exempt obligations.

The Resolution does not commit the District to obtain financing or obligate the District to expend any funds.

Staff is available to provide any additional information desired by the Chairman or Board members.

Respectfully submitted,



Joshua Cosgrove, Acting Director
Department of Water and Wastewater Resources



Rose Zimmerman
City Attorney

Attachment 1: Draft Resolution

RESOLUTION NO: _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH SAN MATEO
COUNTY SANITATION DISTRICT DECLARING THE INTENT TO REIMBURSE
EXPENDITURES FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS
FOR THE VISTA GRANDE DRAINAGE BASIN PROJECT

WHEREAS, the City of Daly City ("City") provides water services and storm drain services under enterprise fund systems, with user fees covering the cost of providing the services; and

WHEREAS, the City provides sanitary sewer services through the North San Mateo County Sanitation District (the "Sanitation District"), a subsidiary district of the City;

WHEREAS, the City and the Sanitation District desire to finance the costs of acquiring, constructing and/or reconstructing certain public facilities and improvements to maintain and enhance water quality, manage non-point source pollution, protect drinking water sources, and manage stormwater and related impacts to City and regional water and wastewater systems, including certain treatment facilities, pipelines and other infrastructure, which project is commonly referred to as the Vista Grande Drainage Basin Improvement Project (the "Project"); and

WHEREAS, the Sanitation District intends to finance the Project with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"), and

WHEREAS, prior to the issuance of the Obligations, the Sanitation District desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Sanitation District; and

WHEREAS, the Sanitation District has determined that those moneys intended to be advanced by the Sanitation District to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Sanitation District for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the North San Mateo County Sanitation District as follows:

Section 1. The District hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations.

Section 2. The reasonably expected maximum principal amount of the Obligations is

\$130,000,000.

Section 3. This resolution is being adopted no later than 60 days after the date on which the Sanitation District will expend moneys for the construction portion of the Project costs to be reimbursed with proceeds of the Obligations.

Section 4. Each Expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

Section 5. To the best of our knowledge, the Sanitation District is not aware of the previous adoption of official intents by the Sanitation District that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

Section 6. This resolution is adopted as official intent of the Sanitation District in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

Section 7. All of the recitals in this resolution are true and correct and the Sanitation District so finds, determines and represents.

Section 8. This resolution shall take effect immediately upon its adoption.

I hereby certify the foregoing to be a true copy of a Resolution adopted by the Board of Directors of the North San Mateo County Sanitation District, at a regular meeting thereof held on the 28th day of November, 2022, by the following vote of the members thereof:

AYES, and in favor thereof, Councilmembers: _____

NOES, Councilmembers: _____

ABSENT, Councilmembers: _____

SECRETARY
NORTH SAN MATEO COUNTY SANITATION
DISTRICT

APPROVED:

CHAIR
NORTH SAN MATEO COUNTY SANITATION DISTRICT