

MINUTES
SAM REGULAR BOARD MEETING
January 25, 2010

1. CALL TO ORDER: Vice-Chair Fraser called the meeting to order at 7:12 p.m. at the SAM Administration Building, located at 1000 N. Cabrillo Highway, Half Moon Bay, CA.

ROLL CALL: Present: Fraser, Woren, Muller, Lohman, Harvey, Boyd
Absent: None
Alternate Present: None

STAFF PRESENT: Manager Foley, General Counsel Copeland, Supv Admin. Svcs Tracy, Tech Svcs Supv Pullin, Recording Secretary Turbay.

2. PUBLIC COMMENT/ ORAL COMMUNICATION

Director Fraser requested information regarding the SAM 1,000 days without accident. Manager Foley reported that staff achieved 1,000 days without accident on February 11, and celebrated with a luncheon on Wednesday, January 13, 2010. He emphasized the attention and participation of the SAM employees who participate in the safety committees, do safety inspections, and make safety a part of everyday activities. Directors Fraser and Woren requested that Manager Foley congratulate staff on behalf of the Board.

Director Fraser requested that Board packets for SAM Directors representing Half Moon Bay be delivered to City Hall, in order to cut down staff time in delivery of the packets.

2A. Special Order of the Day – Election of SAM Officers

Director Fraser opened the nominations for SAM Chair. Director Muller nominated Director Fraser. A discussion ensued. Director Harvey stated that it is time to move on and show comradeship within the Board. He suggested the Board elect Director Fraser as Chair so that next year someone else may have the opportunity to serve as Chair after her term is over. Director Woren nominated Director Lohman for Chair. Director Harvey suggested that the Board make a decision in order to move on instead of going another year without a Chair. Katherine Slater-Carter, Director, Montara Water and Sanitary District, addressed the Board, stating that she would like to see new people nominated instead of repeating the same pattern. Following discussion, Director Woren withdrew his nomination of Director Lohman for the position of Chair. The vote on the nomination for Fraser as Chair was 8 Ayes/0 Noes. The motion passed.

Director Woren nominated Director Harvey for Vice-Chair. There were no other nominations. The vote on the nomination for Director Harvey as Vice-Chair was 8 Ayes/0 Noes. The motion passed.

Director Boyd nominated Director Lohman for Secretary/Treasurer. There were no other nominations. The vote on the nomination for Director Lohman as Secretary/Treasurer was 8 Ayes/0 Noes. The motion passed.

Director Woren asked the Board to request that General Counsel Copeland draft an amendment to the JPA agreement to allow for the Treasurer to be someone other than the Chair, Vice-Chair, or Secretary. Chair Fraser requested a report on the benefits and drawbacks of having a Secretary/Treasurer as opposed to a Secretary and a Treasurer. A discussion ensued. Following discussion, staff was directed to prepare for Board consideration a very brief report on the background on why SAM Board should consider this change and the benefits and drawbacks of doing so.

3. CLOSED SESSION - NONE

4. CONSENT AGENDA

Director Woren requested that agenda item 4A – Approve Minutes for November 23, 2009 be pulled for discussion. He stated that his comments in public comments section of the minutes did not reflect his comments on the article he discussed and asked that the minutes be amended to include that the City of Millbrae is building an underground wet weather overflow storage facility to address their wet weather overflow problems. Staff was directed to correct the minutes accordingly.

Director Lohman moved and Director Woren seconded the motion to approve the following consent agenda items as amended:

A. Approve Minutes – corrected November 23, 2009, December 7, 2009, and January 6, 2010
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B. Receive and File Manager's Monthly Report for November 2009, including:

- a. Monthly Flow Report
- b. Financial Statement
- d. Collections System Data

C. Receive and File Manager's Monthly Report for December 2009, including:

- a. Monthly Flow Report
- b. Financial Statement
- d. Collections System Data
- e. WWFMP Project Funding Opportunities
- f. Recycled Water Project Funding Opportunities

D. Approve Disbursements for December 2009 and January 2010

E. Review and Approve Revised SAM Accounting Policies and Procedures

F. Receive Update on the Montara Pump Station Concrete Corrosion

G. Ratify Purchase of Switch Gear

Lohman/Woren/8 Ayes/0 Noes. The motion passed.

5. OLD BUSINESS

5A. Recycled Water

- a. Receive and File Recycled Water Articles

There was no discussion regarding the recycled water articles. Director Woren requested that, in the future, the full staff reports with attachments be included in the Board agenda packet, instead of the Recycled Water Committee agenda packet, so that parties receiving the Board packet have all of the materials without having to receive the Recycled Water Committee packet, and that, in order to save paper, the attachments would be crossed referenced in the RW Committee's agenda packet.

b. Review Update on Recycled Water Project

Manager Foley reviewed the update from the previous RW committee meeting and informed the Board that the recycled water pilot project was completed in December and the pilot plant has been removed from the SAM plant site. He stated that staff is looking forward to the next round of funding. He informed the Board that SAM has received an invitation from Congresswoman Anna Eshoo's office, and that staff is moving forward, in cooperation with CCWD and OCP with that process. He reported that staff has been working with SRT Consultants in providing SAM with letters of support for the recycled water project. He mentioned Director Boyd's efforts to obtain additional letters of support from a variety of non-governmental organizations. Manager Foley informed the Board of the upcoming Recycled Water group meeting of January 26, 2010. Manager Foley, Tanya Yurovsky of SRT Consultants, and General Manager Dave Dickson of CCWD will be attending. Chair Fraser requested that the Board be provided with a template of the draft letter that will go out to supporters. Director Woren suggested that the Board also consider support from outside of the local area.

c. Review and Approve the Principles of Agreement and Provide Direction to Staff.

Manager Foley presented the staff report to review and approve the SAM/CCWD recycled water principles of agreement and provide direction to staff. He updated the Board on the progress of the draft agreement, informing the Board, that the principles have been developed from direction of the Board, and put together by General Counsel Copeland, SRT Consultants, CCWD General Manager, Dave Dickson, and himself, and stated that the agreement has been reviewed by CCWD's attorney. He commented that the purpose of the agreement is for the agencies to make a public commitment as to where they are with respect to cooperation and vision on the project, prior to developing a formal agreement. He reviewed the Committee suggested modification to the principles, including the option to include the potential needs of the Montara Water and Sanitary District into the design of the plant, a reference to how the water will be moved north, specificity with respect to flow rates, design consideration, conflict resolution, reporting, and auditing of reports. Director Woren suggested that staff also elaborate on point of delivery. Manager Foley also mentioned that the topic of a SAM member agency reserving rights to the recycled water capacity has not yet been formally discussed. A discussion ensued. Vice-Chair Harvey expressed his concerns regarding CCWD's reimbursement to SAM and suggested staff and the recycled water committee discuss who will be paying for the project. He expressed his concern of CCWD owning, operating and maintaining the recycled water transmission and distribution facilities downstream of the point of delivery and suggested there be flexibility so other agencies can tie in. He suggested that under the terms and conditions of the draft agreement, Item 8, Subsequent Projects, it be clear that MWSD has an option and it be spelled out in the contract. He also suggested that MWSD and/or GSD attorneys' be involved so that it can be done properly the first time without going back and forth between the agencies. Director Woren suggested GSD's attorney need not be involved at this time and suggested that CCWD provide the specifications for the amount and quality of water needed, with SAM arguing to deliver that quantity and quality of water that CCWD has set.

Director Muller suggested language be added to recognize the possibility that SAM JPA might become one district instead of being a joint powers agency.

Staff was directed to incorporate the recommended changes, provide an opportunity to MWSD Counsel to comment, and bring the document back to the Board for further consideration.

d. Review and Possibly Take Action on Recycled Water Environmental Services

Manager Foley reviewed the staff report to review and possibly take action on Recycled Water Environmental Services that are necessary to move forward with the recycled water project. He informed the Board that ESA has provided staff with a proposal that addresses the needs concerning the recycled water project, which includes the entire recycled water project from design to end user. Manager Foley stated that this proposal has not yet been reviewed or approved by the CCWD Board. A discussion ensued. Director Woren stated that, unless we have assurance that this expenditure will be reimbursed, we would not be interested in it. Manager Foley stated that the CCWD Board has not yet reviewed this proposal and that CCWD be allowed an opportunity to review and comment on the proposal, including cost sharing perhaps through a side letter. Director Boyd suggested that SAM move forward if the SAM percentage were close to 100% of the cost, but not if it is in the 50% range. Director Boyd moved and Director Harvey seconded the motion for Manager to proceed with the Recycled Water Environmental Services subject to the terms discussed earlier concerning cost sharing, and percentage, with the provision that the matter be brought back to the SAM Board if there were substantial changes to the costs or sharing percentages after discussion with CCWD or MWSD. Boyd/Harvey/8 Ayes/0 Noes. The motion passed.

e. Review and Possibly Take Action on Recycled Water Project Management Services

Manager Foley reviewed the staff report to review and possibly take action on Recycled Water Project Management Services and presented a proposal from SRT Consultants for Board consideration. Director Muller expressed concern that the action was being proposed without having solicited bids for the project management services. A discussion ensued.

Director Boyd moved and Director Lohman seconded the motion to approve the revised Recycled Water Project Budget, incorporating the FY2009-10 cash flow for these services, for presentation to their member agencies for their review and approval at their next available meetings. Boyd/Lohman/4 Ayes/4 Noes. The motion did not pass.

Vice-Chair Harvey moved and Director Boyd seconded the motion to approve the revised Recycled Water Project Budget for the remainder of FY2009-10, in the amount of \$57, 000.00, for presentation to their member agencies for their review and approval at their next available meetings. Harvey/Boyd/8 Ayes/0 Noes. The motion passed.

f. Review and Approve Recycled Water Project Revised FY2009-10 Budget for Presentation to SAM Member Agencies

Manager Foley presented the staff report to review and approve recycled water project revised FY2009-10 budget for presentation to SAM member agencies. A discussion ensued. Vice-Chair Harvey moved

and Director Boyd seconded the motion to present the Recycled Water Project Revised FY2009-10 to SAM Member Agencies, in the amount of \$135,000.00 for Environmental Services over the course of 2 years subject to the cost sharing terms mentioned earlier, and \$57, 000.00 for Project Management Services for the remainder of FY2009-10.

Harvey/Boyd/8 Ayes/0 Noes. The motion passed.

Director Woren asked staff what the cost allocation for these two items (Environment Services and Project Management Services) would be. Staff stated that, as this was a Project, then, in accordance with the JPA, the cost would be allocated based on participating member agency capacity rights in the SAM facilities – HMB 50.5%, GSD 29.5%, and MWSD 20%.

5B. Wet Weather Flow Management Program (WWFMP)

a. Receive Report and Possibly Take Action on WWFMP Committee Meetings and Activities

There was no discussion regarding the WWFMP committee meetings and activities.

Director Harvey requested that agenda items 6A thru 6C be moved to the next SAM Board meeting on February 22, 2009, due to the meeting running late. Director Boyd suggested that SRT Consultants give the presentation on the 2009 IPS Review, agenda item 6A, with discussion moved to a later Board meeting.

6. NEW BUSINESS

Director Woren requested that the agenda be reordered with item 6C first.

C. Authorize Manager to Issue RFP for Auditing Services

Manager Foley presented the staff report to issue RFP for auditing services for FY2010-11. A discussion ensued. Following discussion, Vice-Chair Harvey moved and Director Muller seconded the motion to authorize manager to issue an RFP for auditing services.

Harvey/Muller/8 Ayes/0 Noes. The motion passed.

A. Receive Update and Provide Direction to Staff on the Intertie Pipeline System (IPS) Review And Evaluation report Findings and Recommendations

Tanya Yurovsky of SRT Consultants presented the 2009 IPS Review and Study Findings. She discussed the background of the Intertie Pipe System (IPS), the purpose and the goal of extending the IPS service life in the most cost-effective and efficient manner. She reviewed the probable cause of failures, the project alternatives, bypass stations, the IPS rehabilitation summary of alternatives, and recommendations for the IPS rehabilitation plan.

B. Receive and File Mid-Year Review of Sewer Authority Mid-Coastside Budget for FY2009-10

This agenda item was deferred to the next Board meeting on February 22, 2010.

7. MANAGERS INFORMATIONAL REPORT

Manager Foley updated the Board on the annual updating of the contact list for Directors, and the storm activities of January 17th thru January 20th, 2010. He informed the Board that SAM Lead Collection Worker Pat McGowan was selected as Collection System Worker of the Year by the Santa Clara Valley Section of the California Water Environment Association and a presentation will hopefully be given at the next SAM Board meeting. He reminded the Board that SAM's 34th birthday will be next week – February 3, and an upcoming meeting with representatives of the member agencies, on February 9th, concerning sewer back-up response and claims handling. He also informed the Board that SAM has been awarded the Safety Superstar Award for no accidents for this past year. Manager Foley handed out CD's to the Board of all previous year's agendas and staff reports as previously requested by Director Woren.

8. ATTORNEY'S REPORT - NONE

9. DIRECTORS' REPORT - NONE

10. TOPICS FOR FUTURE DISCUSSION - NONE

11. PUBLIC COMMENT/ORAL COMMUNICATION – NONE

12. ADJOURNMENT

The meeting was adjourned at 9:51 P.M., to the regular SAM Board meeting, scheduled for February 22, 2010, at the SAM Administration Building, 1000 N. Cabrillo Highway, Half Moon Bay, CA 94019.

Respectfully submitted,



Recording Secretary
Susan Turbay

APPROVED BY:



BOARD SECRETARY