

MINUTES
SAM REGULAR BOARD MEETING
May 24, 2010

1. CALL TO ORDER: Chair Fraser called the meeting to order at 7:44 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: Interim Manager Pullin, General Counsel Copeland, Supv. of Admin. Svcs. Tracy, and Recording Secretary Turbay.

2. PUBLIC COMMENT/ ORAL COMMUNICATION

Bob Ptacek, resident of Montara, addressed the Board regarding the importance of hiring a new General Manager for SAM. He urged the Board to keep communication, cooperation, and compromise in mind while making this important decision. Chair Fraser thanked Mr. Ptacek for his comments.

3. CLOSED SESSION - NONE

4. CONSENT AGENDA

Director Boyd moved and Director Lohman seconded the motion to approve the following consent agenda items as presented:

- A. Approve Minutes - April 26, April 29, and April 30, 2010 SAM Board Meetings
 - B. Receive and File Manager's Monthly Report for April 2010, including:
 - a. Monthly Flow Report
 - b. Financial Statement
 - c. Monthly NPDES Data
 - d. Collections System Data
 - e. WWFMP Project Funding Opportunities
 - f. Recycled Water Project Funding Opportunities
 - C. Approve Disbursements for May 2010
 - D. Authorize Interim Manager to Repair Concrete Floor at Montara Pump Station
- Boyd/Lohman/8 Ayes/0 Noes. The motion passed.

5. OLD BUSINESS

Director Harvey requested that Agenda Item 5C – Receive Report on Member Agency Adoption of SAM FY 2010-11 Budget (by Resolutions) and Possibly Take Action on SAM Draft Budgets

and Reserves, be discussed before Agenda Item 5A - Discuss and Possibly Take Action on Recycled Water and Agenda Item 5B – Wet Weather Flow Management Project (WWWFMP).

Director Boyd requested that Agenda Item 5B – Wet Weather Flow Management Project (WWWFMP) be removed from the agenda.

Hearing no objections from the Board members, Chair Fraser announced the reorganization of the agenda as requested by Directors Harvey and Boyd.

5C. Receive Report on Member Agency Adoption of SAM FY 2010-11 Budget (by Resolutions) and Possibly Take Action on SAM Draft Budgets and Reserves

Interim Manager Pullin reviewed the staff report on the status of the adoption of the SAM FY 2010-11 Budget by the member agencies. He informed the Board that each of the member agencies has conditionally approved the budgets. He recommended the Board discuss the conditions of each member agency adoption and direct staff to incorporate all SAM Board agreed-upon changes into Final SAM FY 2010-11 Budgets to be presented for Board adoption by resolutions at the next Board meeting.

Director Muller moved and Chair Fraser seconded the motion to Approve Version 5, dated May 24, 2010, of the SAM Draft Budget for FY 2010-11 as contained in the attachments 3, 4, and 5 of Agenda Item 5C and as amended tonight by staff handouts, being Amendment No. 1 – Recycled Water Project, Amendment No. 2 – Wet Weather Storage Portola, and Amendment No. 3 – Removal of page 7 of 21 of the Collection Budget. A discussion ensued.

Paul Perkovic, resident and President of Montara Water and Sanitary District, addressed the Board regarding his concern that member agencies are not replenishing their Capital Replacement Reserves adequately. He stated the importance of member agencies continually contributing funds to the reserves to make sure there is adequate funding for future needs. Chair Fraser thanked Mr. Perkovic for his comments.

Bob Ptacek, resident of Montara, addressed the Board with his concerns of money in reserves that is not marked for specific projects. He stated money that is not marked for a specific project should not be in the reserves, but returned to the member agencies. Chair Fraser thanked Mr. Ptacek for his comments.

Katherine Slater-Carter, Director Montara Water and Sanitary District, addressed the Board regarding the use of money in the reserves for something other than a marked project. She suggested the Board work on a new master plan for SAM, as well as an updated list of 5 year capital projects to designate where the reserves are proposed to be used. She suggested the recycled water study be completed, and the elements of a related environmental report be prepared so there is a shovel ready project if monies should become available. Chair Fraser thanked Ms. Slater-Carter for her comments.

Muller/Fraser/8 Ayes/0Noes. The motion was passed.

5A. Discuss and Possibly Take Action on Recycled Water

Director Lohman requested that Tanya Yurovsky of SRT Consultants summarize the steps needed to receive the money that was granted to the recycled water facilities study. Ms. Yurovsky reviewed the approval from the State of California Water Quality Control Board to receive a grant for \$75,000.00 to complete the recycled water facilities study. She stated that 50% of the draft submittal was completed and submitted to the State Board last year, and approved by the State Board. She stated that the State Board had also approved SAM reimbursement for half of the money, \$37,500.00. She explained that the next step is to complete the study, and the Board needs to pass a resolution approving the study that will be submitted to the State Board. Chair Fraser requested that Ms. Yurovsky give the report to Interim Manager Pullin, so it can be put on the agenda for the next Board meeting.

5B. Wet Weather Flow Management Program (WWFMP)

This item was removed from the agenda.

6. NEW BUSINESS

6A. Receive Report from Mayer Hoffman and McCann (City of Half Moon Bay Special Audit) and Comments from SAM Accountant, Parsons Accounting, John Parsons and Kevin Anderson

Interim Manager Pullin informed the Board that the report from Mayer Hoffman and McCann, dated April 21, 2010, was received and reviewed by Parsons Accounting. Several of the recommendations made by Mayer, Hoffman and McCann are already in progress of being implemented by SAM.

Paul Perkovic, resident of Montara, addressed the Board and gave his opinion that the HMB Audit consumed the time of SAM staff as well as Parsons Accounting. He suggested that the entire cost of the audit be borne by the City of Half Moon Bay and not by the other member agencies. Chair Fraser thanked Mr. Perkovic for his comments.

Katherine Slater-Carter, Director Montara Water and Sanitary District, asked the Board if, by accepting this report, SAM would be obligated in any way to share in the cost or expense of the report, and if SAM should ask to be reimbursed by the City for time spent on this audit. She suggested the report not be received if SAM, MWSD and GSD cannot recoup the cost of the time spent.

A discussion ensued. Director Boyd requested it be noted, the first sentence of the letter from Mayer, Hoffman and McCann states that the City of Half Moon Bay and SAM agreed upon procedures performed. He stated that SAM did not agree to having the report prepared or to any of the procedures used in preparing the report.

General Counsel Copeland inquired of John Parsons, of Parsons Accounting, if it would be appropriate to receive and file the report without comment. Mr. Parsons stated it would be fine

to do so. He also clarified that the report was not an audit, but rather a report on eleven audit procedures as noted in the report. He also informed the Board that minimal time was spent on this. Chair Fraser thanked Mr. Parsons for his comments.

The report was filed without comment.

6B. Receive Letter from Mayer Hoffman and McCann (City of Half Moon Bay Special Audit) and Report from General Counsel Copeland and Possibly Take Action on Response

General Counsel Copeland discussed the draft form letter that Mayer, Hoffman and McCann had requested be signed by SAM. He recommended that the letter not be signed. No Board action was taken.

7. INTERIM MANAGERS INFORMATIONAL REPORT

Interim Manager Pullin informed the Board that staff will be conducting weed abatement activities on the SAM property adjacent to the treatment plant on May, 27, 2010. He informed the Board that a certified biologist will direct the cutting crew to SAM's weed abatement protocol. Director Woren requested information on the minimum required to meet State law and that SAM adhere only to those minimum requirements.

Interim Manager Pullin also informed the Board that the rented Baker Tanks and equipment stationed at Montara and Portola Pump Stations have been removed. The tanks were not used and, therefore, did not require the cleaning and certification at \$3,000.00 each, which saved SAM \$21,000.00.

8. ATTORNEY'S REPORT

8A. Receive Report on AB939 – Biosolids

As a follow up to the Board's request at its last meeting, General Counsel Copeland presented a report on the California Integrated Waste Management Act (AB939) and informed the Board that it does not apply directly to SAM. However, SAM must operate its biosolids program consistent with its NPDES permit and other legal constraints. He explained that AB939 imposes obligations on cities and counties, with counties required to submit integrated waste management plans for approval by the California Integrated Waste Management Board, now called Cal Recycle. The Act establishes certain diversion mandates, and establishes a statewide system of permitting, enforcement and maintenance of solid waste facilities. He indicated he did not know whether the City of Half Moon Bay was meeting its diversion requirements, and suggested that this was a matter that the new Manager may wish to pursue with the City's staff. He also mentioned that credits were available if SAM's biosolids could be used as an alternative daily cover at the dumpsite. A discussion ensued. Bob Ptacek, Treasurer Montara Water and Sanitary District, commented that he did not object to the biosolids project, he objected to the solution proposed to do the biosolids project without any alternatives, cheaper alternatives, or different things looked at. Following discussion, no action was taken.

8B. Receive Report on CASA Attorney’s Committee Meeting – April 30, 2010

General Counsel Copeland reviewed his report on the CASA Attorney’s Committee Meeting of April 30, 2010. He discussed a proposed constitutional amendment, as well as AB 2182 that would authorize the conduct of voluntary contractual assessment proceedings for the financing of sewer lateral and septic tank conversions. A discussion ensued. Following discussion, no action was taken.

9. DIRECTORS’ REPORT - NONE


10. TOPICS FOR FUTURE DISCUSSION - NONE

11. PUBLIC COMMENT/ORAL COMMUNICATION - NONE

12. ADJOURNMENT

The meeting was adjourned at 9:44 P.M., to the SAM regular Board meeting, scheduled for June 28, 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