

MINUTES

SEWER AUTHORITY MID-COASTSIDE

Meeting of May 24, 1976

The meeting was called to order by the Chairman, Mr. Heaslet.

BOARD OF DIRECTORS ROLL CALL:

PRESENT: Heaslet, Cardoni, Pollard, Leger, Alleman, Sawrey

ABSENT: None

STAFF PRESENT: Manager Mortensen, Attorney Copeland

Other gentlemen present were John VandePol (Financial Consultant), Max Burchett (Engineering Consultant), and Phil Karpain (Half Moon Bay City Engineer).

MINUTES APPROVED: Mr. Pollard made a motion to accept the minutes from the meeting of April 26, 1976 with the following correction under Item B of Staff Reports "Status Report of Meetings Since Last Report of March 12, 1976": Mr. Pollard had not been personally contacted by Mr. Ham but by someone from that company's office as had Mr. Heaslet and Mr. Cardoni. This motion was seconded by Mr. Alleman. The affirmative vote was unanimous and the minutes were accepted as corrected.

The minutes of the adjourned meeting of April 28, 1976 were moved to be accepted by Mr. Pollard and seconded by Mr. Leger. The affirmative vote was unanimous.

Consent Calendar:

- A. RWQCB - Resolution 76-9, and related materials, designating SAM as implementing agency and setting a project time schedule.
- B. ABAG - Agenda and Staff Report on SAM application for clean water grant, for meeting of May 20, 1976.
- C. BASSA - Review of 201 Facilities Programs by ABAG's Environmental Management Task Force under 208 planning program.
- D. SWRCB - Revenue Program requirements for projects with built-in future capacity.
- E. SAM - Letter to SWRCB on Reclaimed Wastewater Pipeline.
- F. SAM - Letter to SWRCB on ABAG on resolution of ABAG requirements.
- G. SAM - Memorandum to Member Agencies on Individual Resolution.
- H. HMB - Resolution 63-76, approving SAM General Budgets.
- I. HMB - Resolution 64-76, consenting to Plan F (full consolidation).
- J. HMB - Resolution 70-76, intentions on LAFCo Sphere of Influence.
- K. ARB - Concern with project size and air pollution problems.

The motion was made by Mr. Cardoni and Seconded by Mr. Alleman to approve the Consent Calendar. The motion carried unanimously.

Written Communications:

- A. CRWQCB - Joint Powers Agreement -- Mr. Pollard asked Mr. Copeland if there had been any communication with Mr. Dierker of the Regional Board. There is some question as to whether Mr. Dierker understands what the JPA encompasses. It was decided that Mr. Dierker will be sent a letter by the Attorney which

will outline and explain that SAM is not based on a one-shot contract but will have many interrelated, independent contracts as it grows and that its commitment is responsible to each and every one of them.

- B. SWRCB - Contracts for Professional Services -- Max Burchett explained that their company is on the way to resolving these items. He said he felt this was a form letter and certain items were standard to be checked as needing compliance. He further stated that Items 4, 5, and 6 from the letter will be covered by the project agreement.
- C. SWRCB - Oceanographic Study and Archeological Survey -- There were questions on certain items covered in this letter. Relating to the Archeological Study on Page 3 (the enclosure), Mr. Burchett said he thought it just required that a professional archeologist be there to stop construction if anything they consider necessary to be preserved is uncovered. This is a condition of the grant.

Concerning the Oceanographic Study, there is a group acting as advisors to the grant program who now feels that they want the survey continued until October or November to make more studies of the currents etc. Mr. Burchett explained that they are concerned with the calmer summer months as that is a critical period. They want a full seasonal study. Chairman Heaslet asked if this was going to create an additional cost burden for SAM due to the delay. Mr. Burchett said he was in contact with Mr. Wheeler of the SWRCB and will follow up to make sure this survey is done on time even if SAM has to put out their own boats. There was conversation between Mr. Burchett, Mr. Pollard and the Manager on this subject. Again it was stated that this group is for technical support and not part of the grant program. They are relatively new and just getting comfortable with their responsibility and power. Mr. Burchett will follow through on this and make sure everything is on schedule.

- D. Thomas Reid Associates - Archeological Survey -- Mr. Pollard questioned Item 2 in the first paragraph of the attachment as it stated that the right of way be contained on the west side of Highway 1 in El Granada. This is totally unacceptable to Granada due to erosion. Chairman Heaslet suggested a letter be written to Mr. Reid with copies to all those covered in Mr. Reid's letter so there will be a written record of this fact. This will insure there won't be any mistakes made about its location.

Staff Reports:

- A. Water Quality Control Planning Work Plan - 1976-1981 -- The Manager gave a brief synopsis of its contents. Mr. Burchett explained that Plan 201 is a facility plan while Plan 208 is a broad-based esoteric type concept.
- B. Adoption of General Budgets -- Mr. Copeland stated he had received the necessary information from each of the member agencies and had drawn up the SAM resolutions adopting both the 1975-76 and the 1976-77 F.Y. budgets.

Resolution 7-76 -- A resolution approving general budgets. Mr. Pollard moved that this resolution be accepted and waived its reading. It was seconded by Mr. Leger. The motion carried unanimously by roll call vote.

- C. Revenue Program -- Mr. John VandePol (Financial Consultant) reviewed this program and pointed out pertinent facts. There had not been enough time to submit a program in the State's format. They decided to do a Pro Forma Revenue Program and Pro Forma Expense Budget and provide material that will have to go into an adoption of a financing program. Mr. VandePol felt that actually, the financing program should be done before the revenue program can be done. There was discussion on the various tables contained in the report and he explained what was assumed and why. He stated that a general obligation bond method can be used. If one of the member agencies have cash, they can put that up as their share and then the bonds will be for the remainder and will be handled by the non-cash agencies.

Under Item II on Sheet 6 or Page 2, the second paragraph contains a change. Instead of 'salvage of existing facilities' it should read "deletion of a project element (the reclaimed wasteline)".

Under Item III, 1., Revenue Program May 15, should be May 20, 1976.

Under Item IV, C., Mr. Burchett explained these figures were based on estimated flow rates and would be revised as actual rates become available. Under E., the inflation factor is included and these figures may be more realistic.

There was some discussion as to the possibilities of recovering the methane gas to help defray costs, but it was decided that the initial expense to make this possible was just too high for what was involved. Mr. Copeland asked if the total project cost was based on the 2 MGD or 1.3. Mr. Burchett answered it was for the full 2 MGD.

Under Item V., there was lengthy discussion regarding the various methods of financing. A 1911 Act could be developed by the City of Half Moon Bay as one means. As far as the bonds are concerned, their issuance would rest with the Half Moon Bay City Council. The discussion continued regarding the question of percent allowed for inflation and contingencies. The matter of timing regarding the bond issue and the need to get it on the November ballot was discussed. It will have to be decided by the July meeting.

Under Item VI., Mr. VandePol explained that the EPA requires all maintenance costs be paid from service charges, as the total charges to each user must be fair and equitable and they determine if it is based on a tax not related to their use. Because of this they won't let the agency use taxes for office and expense costs. In other words, you can use service charges for everything, but you can't use taxes for everything.

SAM needs to give some instruction to John VandePol by July 26 regarding the finance program.

- D. Joint Use of Equipment and Personnel -- Tabled until next meeting.
- E. Step II Application -- The Manager explained that he had had to sign the application forms to get them submitted on schedule, and now wanted ratification by SAM.

Resolution 8-76 -- A Resolution Approving and Authorizing Execution of Step II Application. A motion to accept this resolution and waive its reading was made by Mr. Alleman and seconded by Mr. Sawrey. The roll call vote was unanimously affirmative.

Oral Communications:

News Release: Mr. Alleman suggested that some public relations work be done by the Board through the local news media to acquaint the general public on the coastside as to what is happening as a result of the formation of SAM and how this will affect them as users of the projected facilities as well as the present ones. It is important they be given a solid understanding of the importance of what is taking place before the financial facts are disclosed and the bond issue comes before them on the November ballot. The Manager will prepare a news release covering these areas.

Unfinished Business:

- A. Reclamation Line -- Chairman Heaslet asked Mr. Burchett if they had received a response to their request regarding funding of the reclamation line. Mr. Burchett indicated that the State will not make a decision on

this until the final decision is made on the location of the ocean outfall line, following the Phase I Oceanographic work scheduled to be completed at the end of the calendar year, (Part II).

- B. Compensation of Directors -- Mr. Copeland brought up the matter of the resolution regarding directors compensation which the Board directed him to prepare.
Resolution 9-76 - A Resolution Establishing Compensation of Directors.
It was moved by Mr. Sawrey that the resolution be accepted and waived the reading. It was seconded by Mr. Leger. A roll call vote showed 5 directors in favor with Mr. Alleman voting no.
- C. Amendment of SAM Joint Powers Agreement -- Mr. Copeland summarized the four (4) items for amending the J.P.A. as required for ABAG approval. No action was required since this will be sent to each of the member agencies to accept or reject and then to SAM's Board for action at the June meeting.

New Business:

- A. Time Schedule -- The Manager asked if the Board wanted to change their project time schedule to conform with the schedule adopted by the RWQCB. It was discussed and decided to hold the schedule they have, it being more restrictive.
- B. Late Correspondence -- The Manager reported on receipt of a letter of appreciation from ABAG, of the Agenda for the May 19 meeting of BASSA, and of a letter from the SWRQB regarding the required resolutions pertaining to "Air Quality Considerations".

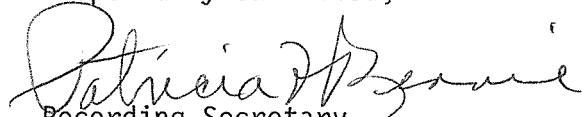
Allowance for Claims:

Since Mr. Volken (Treasurer) was absent, Chairman Heaslet read the Treasurer's report. A bank account has been opened with Wells Fargo in Half Moon Bay. Stationery was ordered this week. The following assessments are to be made to Member Districts: 75-76 budget - HMB, \$6000; G.S.D., \$3000; M.S.D. \$3000, plus an additional \$5000 for HMB, \$2500 for G.S.D. and \$2500 for M.S.D. for advanced project costs.

Bills totaling \$7,685.24 in Item 4 and \$2,718.62 in Item 5 were read and discussed. The motion was made by Mr. Cardoni and seconded by Mr. Sawrey that these items (4 & 5) be approved. The affirmative vote was unanimous.

Mr. Sawrey moved that the meeting be adjourned and it was seconded by Mr. Pollard. The affirmative vote was unanimous with the meeting adjourning at 11:50 PM.

Respectfully submitted,


Recording Secretary

APPROVED:


SECRETARY