

M I N U T E S

Sewer Authority Mid-Coastside  
Adjourned Meeting of May 4, 1987

SAM Administration Building  
1000 North Cabrillo Highway  
Half Moon Bay, CA

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The meeting was called to order at 7:30 PM by Madam Chairman Shuetrum.

BOARD OF DIRECTORS ROLL CALL:

Present: Giddings, Smith, Bedesem, Beer, Kuhn, Schuetrum  
Absent: None.

STAFF PRESENT: General Manager Heaslet, Plant Superintendent Valladao, Legal Counsel Copeland

BUSINESS: Final Capacity/Allocation/Credits Matter

Manager Heaslet pointed out that the Chart previously prepared for the Board, referring to Phase I Interim Capacity and Usage-Priority Requirements is now complete, with the additional figures that were not included in the previous document. This chart now has complete and total information from all three Member Agencies, and he requested that this amend that which was in the previous packet.

Manager Heaslet addressed the question of why we dropped the Walker Tank from the credit list. He stated that when we had seen the Capital Improvement Project proposed by Montara Sanitary District, it indicated possibly removing certain flows from going through the pumping station in the future, which would invalidate the use of the tank for a holding facility to better balance flows. Heaslet mentioned that in speaking with the District, he was advised that the Capital Improvement Project may not be completed and that SAM staff may have been premature in dropping the tank. He requested that this decision go back to the Board for re-evaluation.

Giddings stated that the letter from District Counsel was included in the packet, so that the Board could review his interpretation of the Credit for Existing Usable Facilities under "An Agreement Creating the Sewer Authority Mid-Coastside".

Beer pointed out that all documents, charts, reports, etc., included in the packets should be titled and DATED for easy Board reference. With regard to the Phase I Interim Capacity and Usage-Priority Requirements Line Item # 5, "Projects Approved, But Not On-Line, should read, "Projects Proposed, But Not On Line", due to the fact that "Projects In Pipeline Chart", Attachment C, included in this meetings' packet, have NOT all been approved, therefore, Gallons Per Day Usage would not be correct.

Heaslet did concur that the wording "Approved" was actually at the Local level, since some permits have been issued. The water situation requires some approval at the County level, and in accordance with their decision, the figures could then change.

Beer stated that for the record, he does have a conflict of interest in the credit issue because he resides in the Granada Sanitary District, but represents the City of Half Moon Bay. Reports show that a large sum of money is owed to The City of Half Moon Bay, and these monies are to be paid by Granada Sanitary District. Beer's contention was that he is arguing that the City of Half Moon Bay should be entitled to even MORE monies. This position is not in his own best interest.

Beer also stated that two issues needed to be discussed: 1) The Federal Grant Monies; and 2) The land upon which the buildings sit. Beer stated he did speak with Jim Fox, Fred Mortensen and Jim Copeland on these issues. He yields to the Federal Grant Dollar issue. Regarding the land issue, he understood that the City of Half Moon Bay was to be given credit at a reasonable rate for the four (4) acres of land used for the SAM plant. How should a rate be determined and credit given? Bedesem added that the value of land from each Member Agency should be determined, and credit given.

Copeland added that the land credits would be small amounts because they would be based upon acquisition price and not market value.

Heaslet described the Credit Summary for JPA, in detail, and a discussion ensued. The question of the Walker Tank as a viable credit was discussed again. A motion was made by Bedesem, and seconded by Kuhn, that the costs be explored regarding removal of tank metal, that Montara Sanitary District assumes the cost of filling the tank, and that Montara Sanitary District should receive credit in the future if SAM is ever able to use the tank. Montara Sanitary District would assume liability for the tank until such time that SAM might make use of the tank. The motion was unanimously approved.

Manager Heaslet described Concept II, which was based on the interpretation of the JPA, that each credit would be applied to its applicable component, as follows---Credit to the City of Half Moon Bay for \$104,109.00; Cost to Granada Sanitary District of \$60,248.00; and Cost to the Montara Sanitary District of \$44,661.00. Bedesem made a motion to accept these corrections as stated by Manager Heaslet, Kuhn seconded, and the motion was unanimously approved.

With regard to Final Capacity, Bedesem stated HMB 1.0/MGD, GSD 0.6/MGD and 0.4 MGD is agreeable to The City of Half Moon Bay. Kuhn stated Granada Sanitary District will accept those figures. Giddings stated that Montara Sanitary District is about out of capacity. He presented a letter to the Board dated May 4, 1987, requesting each Agency provide 25,000 gallons of its tentative LCP allocation to Montara Sanitary District. A discussion between Board Members ensued regarding reallocation of capacity. Shuetrum made the suggestion of GSD and HMB each allocating 15,000 gallons of capacity to MSD until the water issue is resolved. Beer mentioned that HMB wants and needs all its

present allocation and Montara Sanitary District is asking for more capacity due to financial solvency requirements. Giddings agreed MSD's need to sell permits to pay for the Capital Improvement Projects proposed.

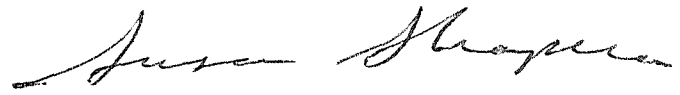
Beer asked if reallocation or loan of capacities is a legal procedure. Copeland explained that he has seen both loan of capacities and sales of capacities. A long discussion ensued, with no Board decision being reached at this time.

ADJOURNMENT: The meeting was adjourned at 10:35 PM.

Respectfully submitted,

  
Jeannette L. Tracy  
Recording Secretary

Approved:

  
Susan Shapira  
SAM Secretary Pro-Tem