

M I N U T E S

SEWER AUTHORITY MID-COASTSIDE  
Regular Board Meeting Of July 27, 1987

SAM Administration Building  
1000 Cabrillo Highway North  
Half Moon Bay, CA 94019

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The Meeting was called to order at 7:33 P.M. by Madam Chairman SCHUETRUM.

BOARD OF DIRECTORS ROLL CALL:

Present: Schuetrum, Beer, Bedesem, Shapira, Giddings  
Alternate: Okonek  
Absent: Kuhn (GSD)

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

APPROVAL OF MINUTES:

(1) Special Meeting - 4-13-87 -- 87/88 Proposed Budget

Copeland offered a re-writing of Paragraphs 2 and 3 on Page Three, which is a clarification on the SAM and/or Member Agency liability concern. He read it, and it was accepted in exchange for the initial reporting.

*Bedesem* moved, and it was seconded by *Giddings*, that the Minutes of the Special 87/88 Proposed Budget Meeting of April 13, 1987, be approved with the inclusion of said change. The motion was approved by all but Okonek, who abstained -- reason being she was not present at this meeting.

(2) Regular Meeting - 4-27-87

*Bedesem* moved, and it was seconded by *Shapira*, that the Minutes of the Board of Directors Meeting of April 27, 1987, be approved as presented. The motion was approved by all but Okonek, who abstained -- reason being she was not present at this meeting.

(3) Adjourned Meeting - 5-4-87 -- Final Capacity/Allocation/Credits Matter

*Bedesem* moved, and it was seconded by *Giddings*, that the Minutes of the Adjourned Meeting (Final Capacity/Allocation/Credits Matter) of May 4, 1987, be approved as presented. The motion was approved by all but Okonek, who abstained -- reason being she was not present at this meeting.

(4) Regular Meeting - 6-22-87

Schuetrum noted exception to the reporting on Page Four, Paragraph 3, regarding her seconding said motion. Recording Secretary will review the tapes and either confirm or change this reporting accordingly.

*Bedesem* moved, and it was seconded by *Shapira*, that with said possible correction, as applicable, the Minutes of the Board of Directors Meeting of June 22, 1987, be approved as presented. The motion was unanimously approved.

ALLOWANCE FOR CLAIMS: In response to Okonek's inquiry, Heaslet explained the "Advance" procedure in that travel-related airline and/or hotel reservations can be made and paid for (as these are now billed for immediately, and not as used) without having to use personal moneys up front. The "Advance" is then accounted for in the expense statement submitted afterwards.

*Giddings* moved, and it was seconded by *Bedesem*, that the identified Claims & Check Lists for both the manually and computer-prepared checks be so approved for payment in the total amount of \$74,124.74. The motion was unanimously approved.

CONSENT CALENDAR:

A. For Approval: *Bedesem* moved, and it was seconded by *Beer*, that the Mileage/Expense Statements for both Messrs. Heaslet and Valladao - totalling \$114.57 - be approved for payment as presented. The motion was unanimously approved.

B. For Information:

1. MSD (6-30-87) Resolutions Nos. 778 and 777 Approving 87/88 General and Collections Budgets Respectively
2. GSD (7-14-87) Resolutions Nos. 450 and 449 "
3. HMB (7-07-87) Resolutions Nos. 47-87 and 48-87 "
4. SAM (6-30-87) Letter Transmittal To PERS of SAM Resolution No. 7-87
5. HMB (7-08-87) M.A.F.I.A. Meeting Notice
6. KONNYU (7-01-87) Acknowledgement Of SAM Letter Re Toxics Dumping In Ocean
7. WARREN & CO(7-16-87) Loss Runs For CSRMA Reporting
8. MSD (6-30-87) Ltr To CH<sub>2</sub>M Hill Re Flow Monitoring Project
9. SAM (6-24-87) Ltr To Esselstein Re GSD/Ms. Hayes Reporting
10. CASA (6-26-87) 1987 Roster
11. TRI-TAC (7-08-87) Meeting Agenda
12. TRI-TAC (6-11-87) Meeting Minutes
13. CASA (5-22/23-87) Spring Meeting Minutes
14. SWRCB (6-30-87) Notice Of Public Hearing Re State Revolving Fund (SRF) Loan Program - Scheduled For 7-29-87

*Bedesem* moved, and it was seconded by *Giddings*, that Consent Calendar For Information - Items 1 THRU 14 - by so adopted as presented. The motion was unanimously approved.

WRITTEN COMMUNICATIONS: Heaslet reported the letter dated 7-7-87 from BFI on the Leachate Disposal Matter was presented for the Board's exposure only. This request came at the same time we were requesting added sludge pickups. We are in communication with BFI, and this ties into our Industrial Wastewater Survey/Management Program. He introduced Mark Fletcher as the one who has established this RWQCB mandated-program for SAM, but who is leaving shortly.

Heaslet noted that if this Program is delayed, it will create problems in that this is one case where we must be able to talk to a potential user of our system about pre-treatment and what those requirements are. If we do not have Ordinances in place and cannot bring this information to their attention on a "requirement" basis, then we leave ourselves open for a potential problem.

Heaslet noted this is a give-and-take situation in that, in response to the Board's inquiry, we do not have to take their Leachate; however, they presently do not have to take our Sludge. They must pre-treat under set standards -- standards established and monitored by our Industrial Wastewater Inspection Officer. He explained what is Leachate.

There is no pipeline, so a truck transfer would be the means of getting it to the plant. Right now this concentrate is gathered into a pond on their site and can be lost due to either recycling or evaporation, but this balance is due to be upset relative to volume. At that time, they will need to transport it to the plant for disposal.

The Board agreed SAM must keep communication open with BFI on this matter, and Staff must develop criteria the Board needs to determine how to handle this potential situation. Copeland suggested this toxic waste matter be brought up at the upcoming CASA meeting.

ORAL COMMUNICATION: Heaslet briefly reported on the scenic trail litigation regarding MSD and the Coastal Commission, relative to the impact of the U.S. Supreme Court's latest ruling and non-support of the Coastal Commission. He noted this matter is still on-going.

MONTHLY REPORTS: (1) Flows - Heaslet reported there is no published Flows Report for this month because a problem is presently being worked on. April, May, and June's flows reporting may have been inaccurate. Valladao reported in depth on how we are addressing the situation, part of which includes the purchase of new metering equipment, and the televising of the inter-tie pipeline for cracks and inflows. Heaslet responded to Giddings' expressed concerns and noted the end satisfaction to ALL member agencies. Giddings requested the record show he presented Staff with a written report from Kennedy/Jenks/Chilton, Consulting Engineers, on the MSD independently-solicited flows study. A discussion ensued. Heaslet suggested that maybe it is timely to consider changing to the metering of each line since each gallon has an impact on someone at this time regarding the reaching of capacity. Heaslet acknowledged that for the next meeting, Staff will have put together an analysis of where the weaknesses have been in the old system, what corrections are planned, the most cost-effective approach of how to proceed in the future, and data on HMB's measuring their incoming lines, etc.

- (2) Collection Systems Reports - Heaslet identified these reportings for June, May, April, and March 1987, as self-explanatory, and he reviewed the new computerized reporting format.
- (3) NPDES - May and June 1987 - Heaslet noted April's report was inadvertently copied for the packet last month instead of May's; thus, it is included herein for the record. He reviewed these reports briefly and identified them as self-explanatory.

In response to Board inquiry regarding a nutrient enhancement program in the plant, Heaslet stressed that with an Industrial Wastewater Inspector in place, we are in a better position of preventing a situation where a toxic load may have been dumped someplace, in some member agency's system, that came through and hit us, killed the plant's biological process, and exited without being detected. These loads are almost impossible to detect at entry since one would have to be taking a sample just at that time and place. He emphasized the urgency of getting this Program on line, and not having the Lab Technician/Inspector is jeopardizing the SAM ability to move this Program along. A brief discussion ensued on alarming/reporting status - both present and in conversion.

#### STAFF REPORTS/NEW BUSINESS/OLD BUSINESS:

- A. BOARD ELECTION OF OFFICERS FOR FY 87/88: Pursuant to previously set policy, the Vice-Chairman would become the new Chairman; thus, in keeping with this policy, *Beer* moved, and it was seconded by *Shapira*, that GIDDINGS assume the Chairmanship of the SAM Board of Directors for the new fiscal year. The motion was unanimously approved.

*Beer* moved, and it was seconded by *Shapira*, that BEDESEM assume the Vice-Chairmanship of the SAM Board of Directors for FY 88/89. The motion was unanimously approved.

*Bedesem* moved that present SAM Treasurer BEER be retained and that the present SAM Secretary (KUHN) be allowed to finish out his term. This motion was seconded by *Shapira* and was unanimously approved.

Thanks were extended to Mrs. Schuetrum who has completed a very gracious job as SAM's Chairman of the Board. Congratulations were exchanged to the newly appointed/retained officers. Giddings commenced Chairing this meeting.

- B. FY 1987/88 BUDGET ADOPTION: (1) Heaslet reported on the Regional Water Quality Control Board's discontinuance of any further pursuit on levying a fine regarding the Vallemar Lift Station overflow incidents last fall.

(2) Liability Concerns: Heaslet noted MSD instigated a renewed contract in response to the potential liability exposure matter. He reviewed the complexity of our insurances and our different carriers. A discussion ensued, with Copeland elaborating on the "fault" matter. The proposed draft agreement puts liability responsibility on SAM; however, SAM can put member agencies on alert. Heaslet noted the contract itself is not subject for discussion at this time -- only the concept of liability exposure to be understood by the Board.

In response to Board inquiry, Heaslet noted the Joint Powers Agreement authorizes SAM to have Collection Maintenance Contracts; and once the contracts were approved by the member agencies and a budget was established to carry out each contract, the contracts stay in effect until they are changed as long as there is a budget to carry them. Since this was an item for discussion only at this time, consideration will be given during each respective member agency's Board/Council meeting, and it will be brought up again during the August meeting. Heaslet related it is assumed the Board, while approving the Collection Budget for FY 87/88, recognizes this situation has not been totally addressed until it is brought back to the Board.

(3)

*Bedesem* moved, and it was seconded by *Schuetrum*, that SAM Resolution No. 8-87 - A RESOLUTION APPROVING AND ADOPTING GENERAL BUDGET FOR FISCAL YEAR 1987/88 - be so adopted with the June 25, 1987, date added for clarification to define which budget amendment was actually acted upon. The roll call vote was unanimously affirmative.

Heaslet called attention to the fact that pursuant to previously adopted procedure, the Budget, when prepared in March, uses eight months of data for collection time and for flow. The preliminary numbers that are presented in the budget for sharing costs to each member agency are based on those factors that after the twelve-month data is completed, it is then compiled and presented to the Board, which makes adjustments to each member agency's share of the total costs. The share is to be based on the prior twelve (12) months of collection/flows data. This is done each year. Heaslet noted the bottom line of the budget does not change -- only the percentage share each member agency would carry of that would adjust slightly from the eight to the twelve-month figures. The twelve-month figures are still unavailable because of the flows recording situation identified earlier. Heaslet noted he wanted the Board to be aware of this.

*Bedesem* moved, and it was seconded by *Shapira*, that SAM Resolution No. 9-87 - A RESOLUTION APPROVING AND ADOPTING BUDGET FOR COLLECTION SYSTEM MAINTENANCE AND OPERATION SERVICES TO BE PROVIDED TO MEMBER AGENCIES FOR FISCAL YEAR 1987/88 - be so adopted with the June 25, 1987, date added for clarification to define which budget amendment was actually acted upon. The roll call vote was unanimously affirmative.

(4) Personnel: Heaslet requested the Board seriously consider the contents of his July 24, 1987, memorandum and approval of the hiring for the Laboratory Technician and Administrative Clerk II positions, which are a part of the FY 87/88 budgets. He stressed the need for these employees and asked the Board to specifically approve our proceeding with the hiring thereof.

Beer stated that since the City of Half Moon Bay was the entity to add the provision of waiting on hiring the people to fill these stated two positions until after completion of the proposed Management Study, he felt they should support their decision. *Shapira* stated we proceed with the hiring of the personnel as recommended by Staff because of the short-handedness we have had all along and its relative problems, and we should not cut back on something we really need as presented so urgently by General Manager Heaslet. *Giddings* reported that MSD's position is that, based on Staff's evaluation and recommendation of the matter, these positions be filled with the provision that should the Management Study reveal they are, indeed, unnecessary, then they can be removed at that time. GSD share mixed feelings on the matter and suggested a part-time and/or temporary arrangement until the Management Study is finalized.

*Shapira* moved, and it was seconded by *Schuetrum*, that Staff proceed to fill these positions as they feel they need, with the provision that those jobs not be solidified until the completion of the proposed Management Study. A discussion ensued. Heaslet noted he didn't know how we could have presented the need for these people more strongly based on the requirements placed on this Agency by regulatory agencies, coupled with the added services already being provided for and on behalf of certain member agencies, and the "extended" Collection services specifically requested by certain member agencies. Since we already do have a shortage on the administrative side, and the already overtime hours expended by Staff, Heaslet stated we just can not continue to carry the extended desires and requests of the member agencies with the limited people that we now have. He related it would be better not to get into extended services rather than trying to handle it on a fractured basis which will hurt everyone, but the Board does establish the policy and we will certainly do as so directed. Chairman Giddings acknowledged the motion as presented and seconded and called for a roll call vote, as follows:

*Schuetrum* - Yes  
*Okonek* - Yes  
*Beer* - No  
*Bedesem* - No  
*Shapira* - Yes  
*Giddings* - Yes

With a tie vote, the motion failed. The Board urged said Study be done as soon as possible.

C. Final Adoption of SAM Resolution of Intention to amend the contract to include Post-Retirement Survivor Allowance Provision -

Heaslet briefly reviewed this subject and identified the proposed, prepared Resolution as self-explanatory.

*Bedesem* moved, and it was seconded by *Schuetrum*, that SAM Resolution No. 10-87 - RESOLUTION OF THE BOARD OF DIRECTORS AUTHORIZING AN AMENDMENT TO THE CONTRACT OF THE SEWER AUTHORITY MID-COASTSIDE AND THE BOARD OF ADMINISTRATION OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM - be so adopted as presented. The roll call vote was unanimously affirmative.

D. TRANSFER OF SOLE USE FACILITIES TO SEWER AUTHORITY MID-COASTSIDE - Heaslet reviewed this "credits" matter and the Agreements prepared by SAM Legal Counsel and presented to each member agency. Both Granada and Montara Sanitary Districts are yet outstanding, and the City of Half Moon Bay has signed theirs which acknowledges that the sum of \$104,909 will be paid by SAM to HMB by December 31, 1987. A discussion ensued relative to where will SAM get the money to honor this debt should GSD and MSD not honor their respective amounts due SAM within the same time frame. *Schuetrum* noted GSD stands ready to pay their amount due, and the signed agreement will be forthcoming. MSD maintains they wish to extend payment of their moneys owed to SAM over a three-year period rather than by December 31, 1987, which remains an issue to be resolved by the SAM Board.

*Bedesem* moved, and it was seconded by *Shpaira*, that SAM Resolution 11-87 (yet unprepared but assigned in concept) be adopted which approves the Agreement Regarding Transfer Of Certain Sanitary Sewer Facilities between SAM and The City of Half Moon Bay, whereby a payment in the amount of \$104,909 will be owed to HMB by SAM on or before December 31, 1987, in return for sole ownership of certain facilities from HMB to SAM. The roll call vote was unanimously affirmative.

Heaslet requested that in the absence of the SAM Secretary, a Secretary-Pro-Tem be appointed to sign the numerous documents needing a Secretary's signature. Susan Shapira was so appointed by Board consensus and her acceptance.

- E. INTER-TIE PIPELINE CAPACITY STUDY - Heaslet briefly reviewed the concern as to whether or not the existing transmission lines of SAM would be adequate to handle the increased flows as a result of plant expansion which is being considered. He requested Board's approval of the proposal presented by Kennedy/Jenks/Chilton, Consulting Engineers, to proceed with this Study at a cost not to exceed \$4,400. *Shapira* moved, and it was seconded by *Bedesem*, that this Study proceed as was presented. The roll call vote was unanimously affirmative.
- F. PLANT EXPANSION - DRAFT COPY OF REQUEST FOR PROPOSAL FOR ENVIRONMENTAL IMPACT REPORT - Heaslet noted what aspects will be addressed in this draft, and is being presented for Board information only at this time and requires no action. A discussion ensued in response to audience-expressed concern regarding present users not having to pay for this expansion, but rather the future users for whom this expansion is necessitated. In response to Board inquiry, Heaslet noted this EIR does not determine the actual size of the proposed expanded plant, just what impact, if any, an expansion in general might have on the environment. The actual size of the expansion is a Board decision to be determined later after the member agencies have finalized their individual needs.
- G. PLANT EXPANSION - HOW TO FINANCE PHASE II - SINGLELY OR COLLECTIVELY - Heaslet reported this item was put on the agenda at the specific request of SAM Secretary Kuhn (GSD) as this was a subject he wanted to discuss. Since Kuhn is not here tonight, Heaslet requested this be put back on the agenda for next month. The Board concurred accordingly and that in the meantime, each member agency would address this matter at their individual Board/Council meetings and exchange viewpoints starting with the August SAM Board meeting. It was agreed this will be a continuing item for discussion and concern.

*Bedesem* reported that the No-Growth Initiative is upcoming for the City of Half Moon Bay. If that passes, then it would surely terminate any possibility of plant expansion on behalf of HMB. Thus, GSD and MSD would then stand on their own.

- H. SAM MANAGEMENT REVIEW STUDY - The memorandum which was prepared based on the first meeting of the M.R.S. Committee was distributed by Heaslet. Heaslet turned it over to the Board for discussion and directive. Beer reported on behalf of the Committee as to the input and suggestions to go into the Request For Proposal. It is proposed the RFP would go out right after the next meeting of each respective Board/Council and their inputs received and collected and drafted.

Beer noted that said memo dated July 24, 1987, contained those kind of issues which they (the M.R.S. Committee) would want to put into the RFP and that they are coming up with about four firms who would be able to address these issues -- firms that would be able to have both an organizational and technical background to do this. He noted most candidates were engineers.

He asked for guidance from other members of the Board. He also noted there would be questions from the firms who were sent the RFP's as to budget -- whether it be a major study of \$40,000 or a "whip-in/whip-out" for \$2,000. He stated that in their own minds, if they got approval to look for RFP's for up to \$5,000 then that should give the kind of both management and technical review they are looking for. Shapira questioned if that includes a look at the J.P.A. and if our current type of organization is appropriate for us. Beer responded that at this time, it is a blank slate with no pre-conceptions.

Bedesem noted the issue on whether or not we have adequate personnel as a "now" situation and suggested it be carried over into plant expansion because it needs to be defined and justified whether or not additional office space will be necessitated by increased personnel relative to plant expansion.

Giddings stated that his purpose for suggesting this M.R.S. is based on a situation of SAM, for a number of years, being an overseeing agency, SAM staff and personnel working for someone else, a J.P.A. as a living and governing document -- and now we have SAM here in 1987. In reviewing the management of SAM and SAM as an entity, he thought of it including review of goals and objectives, the J.P.A. organizational structure, staffing patterns, job descriptions VS. work being performed, policies and procedures, the operational and maintenance of the plant and collection systems, and relative kinds of issues. He noted a written response will be directed to the M.R.S. Committee through SAM. He feels the points mentioned need to be discussed, and this proposed study to be a broader operation, even being done by different organizations, and would like to see them included in the Request For Proposal.

In response to Board inquiry, Beer noted the M.R.S. Committee, along with General Manager Heaslet, will make the final determination as to what will be included in the R.F.P.

Giddings noted he felt what was presented is more narrow than what the MSD Board wanted covered and, admittedly, a few thousand dollars more would be needed by the time all the input is compiled.

Bedesem stated the Study itself should be meaningful to SAM. It was agreed the Request For Proposal should be broad enough so as not to look at only a certain aspect of the operation and isolate others, but rather to give an overall review.

There were no motions or action taken on this subject. Heaslet reported that as soon as the inputs from the member agencies are received and compiled, a new draft will go out to the M.R.S. Committee before the issuance of the Request For Proposal. Another meeting of the M.R.S. Committee is planned.

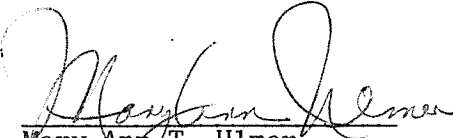
FINANCIAL: Heaslet briefly reviewed the reporting for period ending June 30, 1987, which is unaudited at this time. He identified it as self-explanatory as is, and it appears we have been within the budgets - both operations and collection.

Relative to the Plant Expansion and the costs being incurred now for studies, etc. pertinent to, but performed prior to actual expansion, it was suggested a separate accounting system be maintained to keep track of these costs for in the event the project does not materialize. Also, if the expansion project does material, then the costs could be collected/charged back accordingly.



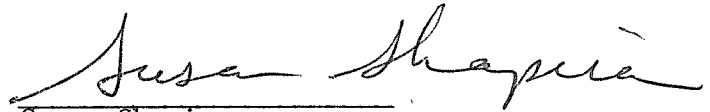
ADJOURNMENT: This meeting was duly adjourned at 10:45 P.M.

Respectfully submitted,



Mary Ann T. Ulmer  
Recording Secretary

APPROVED:



Susan Shapira  
SAM Secretary Pro-Tem