

M I N U T E S
SEWER AUTHORITY MID-COASTSIDE
Regular Board Meeting Of September 28, 1987

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

The Meeting was called to order at 7:32 P.M. by Vice-Chairman Bedesem.

BOARD OF DIRECTORS ROLL CALL:

Present: Schuetrum, Kuhn, Beer, Bedesem, Shapira
Alternate: None.
Absent: Giddings (MSD)

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

APPROVAL OF MINUTES: *Schuetrum* moved, and it was seconded by *Beer*, that the Minutes of the SAM Board of Directors Meeting of AUGUST 24, 1987, be approved as presented. The motion was approved by all but KUHN, who abstained, reason being he was not in attendance at said meeting.

ALLOWANCE FOR CLAIMS: *Schuetrum* moved, and it was seconded by *Shapira*, that the identified Claims & Check Lists for both the manually and computer-prepared checks be so approved for payment as presented -- in the total amount of \$112,428.47. The motion was unanimously approved.

CONSENT CALENDAR:

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

B. For Information:

1. (SAM) (9-21-87) Statement of Facts Roster of Public Agencies Filing
2. (SAM) (8-26-87) Ltr Transmittal of Signed Statement of Facts of Public Agencies Filing
3. (SAM) (8-27-87) Ltr Transmittal of Approved Minutes, SAM Resolutions Nos. 7-87 thru 11-87 and Updated Index Identifying Said Resolutions
4. (CWPCA) (9-4-87) "TRI-TAC" Minutes of July 8, 1987 Meeting
5. (SMCTY) (9-21-87) Notice of Public Hearing

Schuetrum moved, and it was seconded by *Kuhn*, that Consent Calendar For Information - Items 1 THRU 5 - be so adopted as presented. The motion was unanimously approved.

PERSONNEL: Heaslet stated we try to take advantage of worthwhile courses on Personnel related matters, and noted Mary Ann Ulmer's attendance at a recent presentation on "Managing People and Problems." The Board concurred with this practice.

WRITTEN COMMUNICATIONS:

1. Heaslet noted the CSRMA proposed Driving Standards, which we forwarded to Local 39 for their comments. Their response was favorable and supportive, and they offered some comments, which will be taken into consideration during the upcoming CSRMA meetings on the matter. The question was raised as to what kind of disciplinary action would be taken against any employee(s) who, because of driving offenses, would not be allowed to drive as a part of his/her employment at SAM. It was noted that should be identified during the next Union negotiations.
- 2/3. Heaslet related the CONFLICT OF INTEREST filings must be submitted this week. A brief discussion ensued and questions answered on this, the first filing after approval of the Conflict Of Interest Code by the San Mateo County Board of Supervisors, which is in compliance with the Political Reform Act. It was noted all completed filings be transmitted through SAM.

ORAL COMMUNICATIONS:

1. Management Review Committee Report: Beer reported there was no meeting since August 18 on this matter. Heaslet reported on the walkthru by a Western Regional Manager for OES/Envirotech on September 28, on a no-cost preliminary basis, after which they will get back to the Committee.

Heaslet noted this Management Review process commenced in June and one of the budget decisions was based on this happening quickly. Since it has now been ninety days, Heaslet requested the Board to re-consider their previous decision on Staff's hiring recommendations within said budget and be allowed to proceed with those matters. This would allow us to provide the services to the member agencies as requested and provided for in the budget, and still have it be reviewed under the Management Review process which, perhaps, would take some pressure off having it be done more quickly as might be appropriate. Heaslet related the background of what has been happening, and Valladao explained our shortcomings on our Quality Assurance and Industrial Wastewater Monitoring Programs, both of which are to be undertaken by the proposed Lab Technician, and the fact that we are not in compliance with Regional Water Quality Control Board requirements.

Kuhn addressed the needs and concerns of the Granada Sanitary District, particularly in support of restoring the plan review services provided by SAM. Heaslet identified what functions would be handled by the Administrative person and how the member agencies would benefit, plus the fact that MSD is hesitant to pay their assessments based on the budget's new schedule because the work being done on a regular basis by the Mechanic on the Collection system is not being reported as is intended by this Administrative person.

Heaslet noted we are finding ourselves in a double-jeopardy situation - in that we are trying to continue to provide the services without identification of specifics of what was done, and at the risk of not being paid for the work, which pays for the Mechanic.

Bedesem expressed concern of how to close a position should the Management Study call for no increase of personnel, and Beer noted the criteria for this proposed study has yet to be established. He also noted he was advised that on an average, a Study of this scope would take from about four to six weeks to complete. In response to Schuetrum's concerns regarding some maintenance tasks not being done and left to escalate, Heaslet related problems and repairs are being responded to as best we can. However, the paper trail is lacking should we be called before the Regional Board to explain and document something specific, as we have had to do in the past.

Bedesem noted that between now and the next SAM Board Meeting, the Management Review Committee will have had the opportunity to put together a request for proposal and send it out to various firms and, hopefully, have some responses in hand from which to make a decision and choose a firm to sign a contract with to commence this Study. She requested Staff to wait until then, and it will be brought up again at the October Board Meeting for possible reconsideration at that time.

2. Allocation Of Capacity: Kuhn noted he felt this matter must be settled before SAM can proceed with an E.I.R. on expansion of the existing plant. The status of this situation was reviewed at length, with both GSD and HMB in concurrence with the status quo percentages of shares of present capacity at .4 (MSD); .6 (GSD), and 1.0 (HMB). MSD expressed a difference to these amounts and solicited extra capacity by merit of a letter to the member agencies.

Shapira noted she does not want to make any sole decisions on behalf of MSD since the second respective Director is not present.

Copeland reviewed both the Joint Powers Agreement and the Reid Study results of 1986 based on Local Coastal Land Use Plans for Phase I. He again recommended this matter be resolved by the Member Agencies by merit of an acceptance resolution by each one, rather than by an outside party making the determination.

A discussion ensued, with the question raised of what happens if one member agency does not agree. Bedesem illustrated that HMB has had to identify their 1.0 MGD share of Phase I capacity in accordance with a Land Use Plan by specifically showing which developments can proceed under Phase I and which would have to wait until Phase II. Both MSD and GSD do not have to identify the use of their capacities in such detail, but rather issue permits on a first-come/first-serve basis until their capacities are consumed.

Legal Counsel was directed to prepare an appropriate resolution which would allow for transfers by merit of cash and/or out of Phase II determined shares of capacity, once resolutions reconfirming and ratifying the identified present capacities are adopted.

This matter was continued to the October 26 SAM Board Meeting. In the meantime, each Member Agency will have had an opportunity to review this during their respective Boards/Council upcoming meetings.

3. Call For Approval Of July 27, 1987 Minutes: The motion for the approval of these Minutes carried from last month. At this time, the motion was approved by all but KUHN who abstained, reason being he was not present at said meeting.

4. Collection Liability Coverage Update: Heaslet explained the rates for GSD's and MSD's collection system liability coverage under the SAM CSRMA policy. He reported that because HMB is a "City," becoming an add-on to the SAM policy would have them giving more coverage than what was intended in the policy. Written confirmation from CSRMA that they will not include the City of HMB for collection liability coverage is forthcoming.
5. Industrial Waste Program Proposed Ordinance: Heaslet noted this is currently being reviewed by Legal Counsel and asked that this be brought before the Board in October for presentation and discussion at that time. The Board concurred.
6. Credits-Member Agencies: Copeland reviewed this matter and explained Paragraph 5 of the Sole Use Agreements to accommodate land values (HMB) and inclusion of the Walker Tank (MSD) at a later date. GSD has preferred to eliminate this Paragraph 5 from said Agreement. Copeland explained this is not legally necessary but rather it is a political paragraph that there at least be a recognition of the possibility of additional items being included in the SAM system. He noted a Member Agency can sell something to SAM at any time. Kuhn noted GSD is ready to sign the Sole Use Agreement if that Paragraph 5 is deleted. Shapira related MSD's need to pay their share over an extended period of time rather than all at once by December 31, 1987, when payoff is due to Half Moon Bay by merit of the HMB/SAM signed Sole Use Agreement. Copeland reviewed Addendum #3 to the J.P.A. which addresses interest paid by Member Agencies on unpaid obligations.

A discussion ensued. Copeland related it is up to the SAM Board to determine whether Paragraph 5 remains a part of, or is deleted from the Sole Use Agreements. Bedesem, as Chairing this meeting, noted that one MSD Director is missing and the only other Director is uncomfortable with voting on this issue. Thus, she recommended this matter be held over for one month and that a decision will, indeed, be made come October's SAM Meeting regardless of how many Member Agency Director representatives are present.

Schuetrum recommended these matters do be settled in October by the present Board -- by persons who have the background for making these decisions, rather than leaving them for the new Board Directors resultant of upcoming changes.

MONTHLY REPORTS: Heaslet briefly reviewed both the Collection Systems Activity Report and the NPDES Self-Monitoring Report for the month of August, and identified them as self-explanatory. In response to Schuetrum's inquiry, Valladao identified the typographical error as reading "infiltration" as found on the second to the last page of the monthly Collection Report. Heaslet called attention to the Performance Evaluation Report as included in the NPDES Reporting and all the "acceptables" noted this year, which is not an easy accomplishment.

STAFF REPORTS/NEW BUSINESS/OLD BUSINESS:

- A. PLANT EXPANSION: Heaslet explained the Request For Proposal process and the subsequent three interviews, with Thomas Reid Associates coming in with low bid. Heaslet identified Reid as having done good work previously on the Coast. He related the interviewers' reactions to the proposals.

Kuhn expressed dissatisfaction with GSD's not being on the mailing list for attendance by interested Directors at these interviews, and he requested that GSD be copied on everything henceforth.

A discussion ensued. GSD stated they favor a fresh approach to this Study despite a learning curve needed by someone not so familiar with the Coast. They also favor the peer engineering review of the Plant Expansion Study prepared by Kennedy/Jenks as an additional item of the E.I.R. at an added cost of \$3,000.

Shapira read a prepared statement from their Board supporting the ESA proposal, but added that it was important that Staff can work with whomever was chosen.

Beer noted he respects the opinion of both Ms. Burke (HMB) and Mr. Rozar (San Mateo County) regarding favoring Reid, and stated he felt it wasn't such a great idea to change based on knowing what you have and who you are dealing with versus the learning process with another.

After discussion, Bedesem called for a motion on the matter. *Beer* moved that Thomas Reid Associates be selected to perform the Environmental Impact Report based on their proposal of \$38,837 -- with an additional \$3,000 authorized, but not necessarily committed, for a peer study review on the plant expansion. It was seconded by *Shapira*.

A substitute motion was made by *Schuetrum*, and seconded by *Kuhn*, that any decision on choosing the one to prepare the proposed E.I.R. be postponed to next month to allow the individual Boards/Council to review the matter.

Beer suggested a joint meeting be called if we were to postpone this because input has already been received directly from those in attendance at the actual interviews. The time schedule was reviewed.

A vote was called on the motion to table this matter for another month, as follows:
Schuetrum, AYE.
Kuhn, NO.
Beer, NO.
Shapira, NO.
Bedesem, NO.

The first motion to offer the contract to Thomas Reid Associates as stated was voted upon as follows:
Schuetrum, NO.
Kuhn, AYE.
Beer, AYE.
Shapira, AYE.
Bedesem, AYE.

Schuetrum noted GSD was not copied regarding notice of attendance at this interview, as was specified each Member Agency would be so notified. Mr. Azoury, Engineering Counsel for GSD, inadvertently became aware of this and thus came to represent GSD. Schuetrum came as an observer only. Apologies were noted for this oversight on the mailing list.

Heaslet noted no moneys are budgeted for the cost of this Study, thus with Board concurrence, each Member Agency will be billed for its percentage of the total cost based on interim share, namely: 50% HMB; 30% GSD; 20% MSD. The Board agreed.

Copeland noted Sewer Authority Mid-Coastside is the one committed to pay for this E.I.R. and raised the question -- if SAM still wanted to proceed with Phase II with any one Member Agency not approving payment of its portion thereof. It was determined that denial of payment of one's share for this E.I.R. would mean non-participation in Phase II expansion.

- B. FLOW MEASURING SYSTEM IMPROVEMENTS - UPDATE: Heaslet reviewed the figures identified in his 9-21-87 memo and advised that parallel monitoring will be on-going, between the existing systems and the newly installed system. The televising showed no leaks, and that 20% flow measuring increase at MSD cannot be duplicated. It appears the flows have, in fact, been correct all along with the error factor being in the temporary testing. Heaslet reported the flows back to April will be published based on current testing, verified and accurate.
- C. NEW COLLECTION MECHANIC COST: Heaslet reviewed his 9-18-87 memo report on this matter and advised each Member Agency will be billed proportionately for the cost of this service rendered during last fiscal year.
- D. JOINT POWERS AGREEMENT - RE-WRITE CONSIDERATION: Postponed until October SAM Board Meeting.
- E. PRIOR WORK COMPLETED FOR MEMBER AGENCIES: Heaslet reviewed his 9-21-87 memo report on what has been completed on the Lift Stations in bringing them up to a more reliable standard. He noted it has taken about a year to go back and reconstruct what was done, costs incurred on behalf of the Member Agencies, and whether they have been within the budgeted amounts absorbed by SAM or requiring added billings.

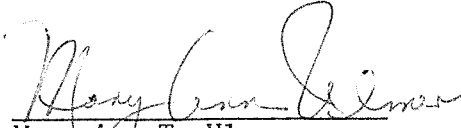
FINANCIAL: The new reporting format was reviewed with the revisions identified and explained. The Financial Statements for Period Ending August 31, 1987, were briefly reviewed and identified as self-explanatory.

It was proposed a listing of specific accounts be prepared, payment of which would allow for a single signature on those checks rather than the now-required dual signatures. This would meet deadlines without penalties, and those checks would still be identified on the Claims List as having been paid.

Beer promoted this revised procedure. Kuhn favored two signatures on every check. Copeland recommended a Staff person plus a Director as signors on checks. A discussion ensued. Staff, along with Parsons, was directed to write a policy/procedure on the handling and signing of checks for Board approval at the next regular Meeting.

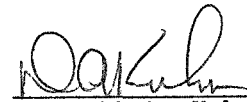
ADJOURNMENT: The Meeting was duly adjourned at 10:23 P.M.

Respectfully submitted,



Mary Ann T. Ulmer
Recording Secretary

APPROVED:



Darrell A. Kuhn
SAM Secretary