

MINUTES
SAM REGULAR BOARD MEETING
November 13, 2006

FILE COPY

1. CALL TO ORDER: Vice Chair Woren assumed the duties of Chair and called the meeting to order at 7:01 p.m. at the SAM Administration Building, located at 1000 N. Cabrillo Highway, Half Moon Bay, CA.

ROLL CALL: Present Muller, Ptacek, Woren, Fraser (7:03 p.m.),
Lohman (7:04 p.m.)
Absent: Boyd
Alternate Present: Harvey

PRESENT: Manager Foley, General Counsel Copeland, Technical Services Supervisor Pullin, Supervisor of Admin Services Tracy, Recording Secretary Reed, IEDA Representative Austris Rungis, Michael Moreland, Moreland and Associates, Max Busnardo, H.T. Harvey and Associates, John Parsons, Parsons Accounting, Cheryl Paxton, a resident of Kehoe Avenue subdivision Half Moon Bay, John Szabo, and Tim Costello.

Chair Woren, taking into consideration SAM's guests and corresponding presentations, recommended, with the Board's consensus, to move agenda items 5A, to follow 5C, and 6A, to follow 5B

2. PUBLIC COMMENT/ ORAL COMMUNICATION - None

3. CLOSED SESSION

At 7:02 p.m., Chair Woren announced that the Board would go into Closed Session to discuss the following items:

Director Fraser arrived at 7:03 p.m. Director Lohman arrived at 7:04 p.m.

3A. Conference with Labor Negotiators-Government Code 54957.6: Austris Rungis and SAM Manager; International Union of Operating Engineers, Stationary Engineers, Local No. 39.

3B. Public Employee Performance Evaluation – Title: Manager – Government Code 54957.

Technical Services Supervisor Pullin, Supervisor of Admin Services Tracy, Recording Secretary Reed, Michael Moreland, Max Busnardo, Cheryl Paxton, John Szabo and Tim Costello left the meeting room.

At 7:32 p.m., the Board reconvened into open session and Supervisor of Admin Services Tracy, Recording Secretary Reed, Technical Services Supervisor Tony Pullin, Michael Moreland, Max Busnardo, Cheryl Paxton, John Szabo and Tim Costello returned to the meeting room. Chair Woren reported that no action was taken during Closed Session and

due to guest presentation and time constraints, the Board would reconvene the Closed Session prior to adjournment.

4. CONSENT AGENDA

Director Ptacek moved, and Director Fraser seconded a motion to approve the Consent Agenda items listed below:

A. Approve Minutes – October 23, 2006 SAM Board Meeting

B. Receive and File Manager's Monthly Report for October 2006 (Monthly Flow Report, Financial Statement, Monthly NPDES Data, and Collection System Data)

C. Approve Disbursements – November 2006

Ptacek/Fraser/8 AYES/0 NOES. The motion passed.

5. OLD BUSINESS

5B. Review 2005 SAM Biotic Constraints Assessment Report – Max Busnardo, H. T. Harvey and Associates

Manager Foley introduced Max Busnardo of H.T. Harvey and Associates, who gave a brief presentation. Mr. Busnardo summarized the findings of the 2005 SAM Biotic Constraints Assessment report outlining potential habitat for the California red legged frog, San Francisco garter snake, and riparian corridor. He also discussed structures on the SAM property that would require permits from Federal, State and Local levels.

A discussion ensued regarding vegetation possibilities such as a community garden and introduction of native plants to the area. Mr. Busnardo indicated a community garden could require additional research with possible permits involved. He reported that introduction of native plants would be an acceptable project on the SAM property.

Also discussed was the possibility of the City of Half Moon Bay's moving the ditch, which could cause a short-term loss of habitat, consideration of the mitigation market and contacting San Mateo County to explore that possibility.

Further discussion took place including the current dearth of native plants on the property, that the property is probably not a potential habitat but an actual habitat and the possibility of selling the property. Director Ptacek requested a copy of the appraisal on the property to be forwarded to the Board.

Cheryl Paxton, a resident of Kehoe Avenue subdivision Half Moon Bay addressed the Board expressing her concerns and frustrations surrounding the issue of weed abatement on the SAM property. It was recommended that Ms. Paxton address her concerns with the Board of Directors of the Fire District as it was the agency that approved SAM's actions on weed abatement. Ms. Paxton thanked the Board for their recommendation.

The Board thanked Mr. Busnardo for his review of the 2005 SAM Biotic Constraints Assessment.

6A. Receive and File SAM Comprehensive Annual Financial Report (CAFR) for FY 2005-06 – Review by Michael Moreland, Moreland & Associates

Manager Foley reviewed the staff report to the Board and introduced Michael Moreland of Moreland & Associates and John Parsons of Parsons Accounting to answer any questions the Board may have on this report. Manager Foley further indicated that the audit process went very well and that there were no audit adjustments. Chair Woren recommended changing the word “city” to “community” in the transmittal letter, page iii, first paragraph. He also recommended, on Table 5, page 27 of the CAFR report, the heading to the column be changed to “Average Annual Residential Charge” and suggested that columns three, five and seven are not necessary. Chair Woren directed staff to confirm column two, City of Half Moon Bay Annual Base Rate.

Director Fraser requested that the City of Half Moon Bay finance department receive a copy of the CAFR report.

Director Muller moved, and Director Harvey seconded a motion to receive and file, with the recommended modifications, the SAM Comprehensive Annual Financial Report (CAFR) for FY 2005-06.

Muller/Harvey/8 AYES/0 NOES. The motion passed.

5A. Discuss and Possibly Take Action on Recycled Water

Manager Foley reviewed the staff report to the Board and reported that the Pilarcitos Creek Restoration Workgroup has finalized the RFQ and is now seeking qualified agencies to perform the study. He also reported that the study is scheduled to begin in 2007 with completion in 2008. He advised when a timeline is in place, he would inform the Board.

5C. Update on Repairs to Intertie Pipeline

Manager Foley presented the staff report. A discussion ensued regarding construction costs and causes of the increase, energy prices, and scarcity of contractors. Manager Foley reported that SAM had conducted an audit of the physical integrity of both the IPS and appurtenances. This audit resulted in the identification of two areas that need attention. The first area has already been repaired. Technical Services Supervisor Pullin is receiving quotes on the second area. Insituform, a global firm, has offered the lowest responsible and responsive quote. A discussion ensued regarding construction costs, which have experienced significant increases during the past 18 months.

Following discussion Director Muller moved and Director Ptacek seconded the motion to have staff accept the bid from Insituform in the amount of \$59,250

Muller/Ptacek/8 AYES/0NOES. The motion passed.

6B. Report on Radios and Emergency Communication System

Manager Foley presented the staff report at which time a brief discussion of communications during a catastrophic event took place..

6C. Report on SAM Line of Credit

Manager Foley reported to the Board that SAM has received information on a \$1.0 million line of credit from First National Bank of Northern California. That line has two fees: \$3,785 inception fee and an annual fee of \$3,785. John Parsons, from Parsons Accounting, was present to answer questions and reported that the fees were high because the line of credit would be uncollateralized. Mr. Parsons also stated that SAM is awaiting information on a comparable line of credit from the Bank of America. A short discussion occurred. Manager Foley advised staff would report to the Board when more information was available.

7. Manager's Informational Report

Manager Foley reported that SAM's NPDES permit is on target for adoption in December 2006; in the meantime, SAM is operating under an extension of the previous permit. Director Muller informed the Board that the Regional Board has only five of its nine members and expects new appointments in the next few weeks.

8. Attorney's Report

General Counsel Copeland reported on a recent judicial decision in which the court held that the City Council of the City of Fremont had violated the Brown Act.

At the request of Chair Woren, General Counsel Copeland will report to the Board on the matter of an elected official testifying as a private citizen.

9. Directors Report

Director Lohman reported that there would be presentations by various ocean agencies on marine sanctuaries on Tuesday, November 14, 2006, at the Montara Light House from 7:00 to 9:00 p.m.

10. Topics for Future Board Consideration - None

11. Public Comment/Oral Communication - None

3. Closed Session

At 8:59 p.m., Chair Woren announced that the Board would go into Closed Session.

Technical Services Supervisor Pullin, Supervisor of Admin Services Tracy, Recording Secretary Reed, John Szabo and Tim Costello left the meeting room.

At 9:04 p.m., the Board reconvened in open session and chair Woren reported that no action was taken.

12. ADJOURNMENT

The meeting was adjourned at 9:04 p.m., to a rescheduled Regular SAM Board meeting on December 11, 2006 at 7:00 p.m.

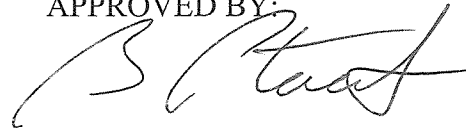
Respectfully submitted,



Recording Secretary

Janet M. Reed

APPROVED BY:



BOARD SECRETARY