

**WEST VALLEY SANITATION DISTRICT
OF SANTA CLARA COUNTY, CALIFORNIA**

**BOARD OF DIRECTORS MEETING
APRIL 13, 2011**

The Board of Directors of West Valley Sanitation District of Santa Clara County, California, convenes this day in regular session at 6:15 p.m. at the district office, 100 East Sunnyoaks Avenue, Campbell, California, with the following members present: Susan Garner, Mike Kotowski (alternate for Evan Low), and Ken Yeager. Directors Diane McNutt and Chuck Page are absent. Staff present are Robert R. Reid, District Manager and Engineer; Steven R. Meyers, District Counsel; Edward H. Oyama, Director of Engineering and Operations; and Joanna Fuller, Secretary.

Director Yeager is appointed chairperson pro tem.

The minutes of the previous meeting are approved as presented.

Oral communications: This portion of the meeting is set aside for persons wishing to address the board on any matter not on the agenda. There is no public comment.

Written communications: No written communications have been received.

Reports: The following reports are submitted for action in one motion:

San Jose/Santa Clara Water Pollution Control Plant: Minutes of the February 10, 2011, meeting of the Treatment Plant Advisory Committee.

Investment of District Funds: Report on commingled funds invested by the County of Santa Clara for West Valley Sanitation District as of February 28, 2011; and Quarterly Report From the County Controller as of December 31, 2010.

Consolidated Income and Expense Statement of West Valley Sanitation District for the period ended February 28, 2011.

California Sanitation Risk Management Authority (CSRMA) 2010 Annual Report.

The reports are accepted.

PUBLIC HEARINGS

HILLSIDE ZONE FEE: The first public hearing scheduled for this evening is to consider the continuation of the hillside zone fee for fiscal year 2011-2012. Notice of the

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hearing has been published and posted. No comments have been received, and no one from the public is present to address the board. The hillside zone fee was established in 1990 to fund sewer repairs in the hillside areas of the District, where the sewers are subject to damage from land movement. The surcharge is an annual fee of \$50.00 for each connected parcel in the hillside zone, as defined by a map on file at the District office. The fees are collected on the tax roll, along with the sewer service charges, and are set aside in a reserve account, to be used only for sewer repairs in the defined hillside zone area. The fee is subject to annual review by the board, to determine if the fee is adequate and if it is still needed. In 2011-2012 the District will collect approximately \$74,100 from 1,452 hillside parcels. The fund balance is currently \$714,067. Over the past two years the District has spent approximately \$100,000 for preliminary engineering and soils studies for a project involving replacement and protection of pipe in an active landslide area in the Congress Springs Road area. An additional \$500,000 has been set aside in the FY 2011-12 budget for the repair project. The manager reports that repair projects in the hillside areas of the district are expensive and tend to deplete the fund quickly, but that staff is comfortable with the level of reserves currently maintained in the fund. The chair opens the hearing and notes that there is no public comment. Following discussion, the hearing is closed, and the board adopts RESOLUTION No. 11.04.16, A RESOLUTION OF THE BOARD OF DIRECTORS OF WEST VALLEY SANITATION DISTRICT OF SANTA CLARA COUNTY, CALIFORNIA, APPROVING CONTINUATION OF THE HILLSIDE ZONE RESERVE ACCOUNT FEE FOR FISCAL YEAR 2011-2012.

PROPOSED BUDGET: WEST VALLEY SANITATION DISTRICT PROPOSED BUDGET AND SEWER SERVICE REVENUE PROGRAM FOR FISCAL YEAR 2011-2012. This is the first of two public hearings to consider the proposed budget and revenue program. The manager has submitted a management discussion and analysis, summarizing the budget elements of salaries and benefits, maintenance and operations, capital expenditures, revenues, and reserves. The manager reports that the proposed operations budget has remained essentially the same as the current year, but that increases are anticipated in wastewater treatment plant operations and other City of San Jose joint capital projects. These costs are the largest expenses in the district's budget. Over the next five years the district's share of treatment plant capital improvements will total approximately \$20 million. In order to meet the district's revenue requirements for the next five years, the district in 2010 developed a long-term financing strategy and adopted an ordinance establishing rate increases of 5% in 2010, 6% in 2011, and 6% in 2012. The manager reports that the 6% rate increase scheduled for July 1, 2011, does not exceed the district's revenue needs. A finding to this effect will be submitted to the board for ratification at the May 11 meeting. Following discussion, the hearing is opened; no comment has been received and no one from the public is present to address the board. The hearing is continued to the meeting of May 11, 2011.

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Consent Calendar: The following items are submitted for action in one motion:

Approval of payment of invoices, March 10 – April 13, 2011.

Authorization for chairperson to execute RELEASE OF COVENANTS RUNNING WITH THE LAND with property owners in the District's Septic System Abandonment Program: Release of 10-year agreements from fiscal year 2001-2002.

Hoffman Lane Sanitary Sewer Extension Project: Adoption of Notice of Exemption pursuant to Section 15282(k) of the CEQA guidelines; and adoption of RESOLUTION NO. 11.04.17, RESOLUTION APPROVING PLANS AND SPECIFICATIONS FOR THE HOFFMAN LANE SEWER EXTENSION PROJECT, ORDERING WORK, DETERMINING THE PREVAILING RATE OF WAGES AND BENEFITS, AND ORDERING NOTICE TO BIDDERS. This project consists of 925 lineal feet of sewer to serve 20 residences on Hoffman Lane in Campbell. The residents have requested sewer service in order to abandon their failing septic systems. The project cost is estimated at \$300,000 and will be funded through the District's Septic System Abandonment Program

2010 Sanitary Sewer Repair Project: Approval of Progress Payment No. 4 to Pacific Underground Construction, Inc., in the amount of \$37,638.21.

The consent calendar is approved unanimously.

There is no new business, and there are no Directors' items.

There being no further items of business, the meeting is adjourned at 6:27 p.m.

KEN YEAGER, CHAIRPERSON

Attest:

Secretary