

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

**BOARD OF DIRECTORS MEETING
JANUARY 23, 2013**

The Board of Directors of West Valley Sanitation District of Santa Clara County, California, convenes this day in special meeting at 12:00 p.m. at the district office, 100 East Sunnyoaks Avenue, Campbell, California, with the following members present: Marshall Anstandig, Steven Leonardis, Evan Low, Chuck Page, and Ken Yeager. Staff present are Jon Newby, District Manager and Engineer; Edward H. Oyama, Director of Engineer and Operations; Phuong Vu, Senior Accountant; Steven R. Meyers, District Counsel; Sarah Olinger, Deputy District Counsel; and Lasha Luu, Secretary. Also present is Alex Shoor, Policy Aide – Office of Supervisor Ken Yeager;

Selection of Chairperson and Vice Chairperson for calendar year 2013 was discussed. Director Ken Yeager was unanimously approved as Chairperson and Director Evan Low was unanimously approved as Vice Chairperson. Chairperson Ken Yeager thanked Director Chuck Page for his outstanding service as board chair in 2012.

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 items are submitted for action in one motion:

San Jose/Santa Clara Water Pollution Control Plant: Minutes of the December 13, 2012 regular 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 November 30, 2012.

Consolidated Income and Expense Statement of West Valley Sanitation District for the period ended November 30, 2012.

The reports are accepted.

Unfinished business: There is no unfinished business to come before the board.

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

Authorization to amend Task Order 12-02 to Brown and Caldwell for design services associated with Quito Basin 3 and 4 Sanitary Sewer Rehabilitation Project in the amount of \$64,668.00 for a total not-to-exceed amount of \$390,444.00.

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Authorization for the District Manager and Engineer to amend the scope of work for the 2010 Sanitary Sewer Repair Project to include those repairs mandated by the River Watch Agreement and to increase the contract amount by \$200,000.00 for a total Fiscal Year 2012-2013 contract amount of \$500,000.00.

Authorization to purchase a 2013 Ford F350 Service Truck for the amount of \$48,821.66 and a \$1,250.00 contingency for possible addition of optional equipment and features.

The above items on the consent calendar are approved.

The following item was removed from the Consent Calendar for separate vote:

Approval of payment of invoices, December 13, 2012 – January 23, 2013, CASA membership fee of \$15,000.00 was questioned. District Manager Jon Newby explained the many advantages of the CASA membership to the District, justifying the membership fee. This item is approved unanimously after discussion.

New Business: Study Session of the San Jose/Santa Clara Water Pollution Control Plant (SJ/SCWCP) Master Plan, Master Agreement for Wastewater Treatment, and Draft Environmental Impact Report (DEIR) released in January 2013. District Manager gave a presentation and explained that wastewater collected from the District's service area is transported to SJ/SCWCP. To provide for wastewater treatment, the District has a Master Agreement with the City of San Jose. The SJ/SCWCP Master Agreement for Wastewater Treatment started in 1983 and ends in 2031. The agreement establishes capacity right and obligation for the operation and maintenance costs of the plant. The District's share of capital costs of future improvements and operation and maintenance costs are 6.773% and 8.747% respectively. The Plant Master Plan (PMP) was initiated in 2007 and is based on the principle of sustainability. The PMP addressed the critical infrastructure rehabilitation, land use changes, and infrastructure planning and financing for the SJ/SCWCP. The 1983 Master Agreement does not cover the Plant Master Plan. Its focus is capacity, expansion of capacity, and operation and maintenance to maintain capacity. It does not set forth any provisions related to financing of major rehabilitation projects and future improvements, is outdated and needs to be revised. In January, the City released the DEIR, which included the updated PMP and provides a 45-day public review period. The current PMP requires \$100 million of annual cash flow for next 10 years based on a pay-as-you-go basis, compared to the current \$40 million funding level. Subsequently, the City proposed a five year Capital Improvement Plan (CIP) indicating an acceleration of funding to build an energy generation facility and to accelerate the transition of the biosolids to mechanical dewatering. The significant increase of funding requirement without the use of debt financing will cause drastic rate increases for the District. The City is targeting adoption of the Environmental Impact Report (EIR) in June 2013. Concurrent with the EIR adoption, the City will consider adoption of the updated PMP, which will provide approval to

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proceed with implementation. It is recommended that the board raise its concerns with the City by selecting a lead spokesperson, provide comments on the DEIR, seek a unified voice among tributary agencies, authorize the District to update the Master Agreement, and approve additional funding to the District Counsel, Meyers Nave. After discussion, the board appointed Director Page as the lead spokesperson, approved the recommendation from staff and authorized \$30,000 for legal counsel fees for this project.

Directors' Items: District Manager's report was deferred to the next board meeting.

There being no further items of business, the meeting is adjourned at 1:20 p.m.

Signature on File

KEN YEAGER, CHAIRPERSON

Attest:

Signature on File

Secretary