

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

**BOARD OF DIRECTORS MEETING
February 11, 2015**

The Board of Directors of West Valley Sanitation District of Santa Clara County, California, convenes this day in regular session at 6:04 p.m. at the district office, 100 East Sunnyoaks Avenue, Campbell, California.

Roll Call

1. Present: Directors: Marshall Anstandig, Manny Cappello, Mike Kotowski, Ken Yeager and Steven Leonardis, Chairperson.

Absent: None.

Staff: Jon Newby, District Manager and Engineer; Edward H. Oyama, Director of Engineering; Sarah Quiter, Deputy District Counsel; and Lesha Luu, Secretary.

Approval of Minutes of Previous Meeting

2. Approve the minutes of the regular meeting of the Board of Directors of January 14, 2015.

Mover/Seconder: Anstandig/Kotowski to approve the minutes of the previous meeting. Motion passed unanimously.

Oral Communications

3. None.

Written Communications

4. None.

Reports (Items to be taken in one motion)

5. Investment of District Funds: Report on Commingled Funds Invested by the County of Santa Clara for West Valley Sanitation District, as of December 31, 2014.
6. Consolidated Income and Expense Statement of West Valley Sanitation District for the period ended December 31, 2014. All Board's questions and concerns were answered by staff.

Mover/Seconder: Cappello/Yeager to approve the Reports, items 5-6. Motion passed unanimously.

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Unfinished Business

7. None.

Consent Calendar

8. Approval of payment of invoices, January 15, 2015 – February 11, 2015.

Mover/Second: Anstandig/Leonardis to approve payment of invoices, January 15, 2015 – February 11, 2015. Motion passed unanimously.

New Business

9. City of San of San Jose Sanitary Sewer Flow Study. (A) Adopt residential flow per household for West Valley Sanitation District of 186 GPD for Single Family Residents, 144 GPD for Multi Families, and 116 GPD for Mobile Homes. (B) Direct Staff to use the new residential flow per household and new winter consumption methodology for calculating non-residential flow in the WPCP revenue program for fiscal year 2015-2016. (C) Direct Staff to initiate a Fee and Rate Study in fiscal year 2015-2016.

District Manager reported that the District administers a revenue program that recovers the cost of services provided to its customers. The basis for recovering cost and the determination of the treatment plant allocated operating cost is determined by wastewater flow and loadings. The City of San Jose has retained Carollo Engineers to perform a flow study covering the tributary area of the treatment plant. The flow study uses water consumption data and area specific wastewater metering to determine residential flow for single family dwellings, multifamily and mobile homes. The flow study was completed this month and the City requests that the District update its flow factors based on the findings. The District's single family households have increased by two gallons per day, but have decreased by 16 and 41 gallons for per day for multifamily and mobile homes, respectively. As a result of implementing the new flow factors, the overall flow for the District will be slightly reduced. The flow study found that the City uses winter consumptive use data as a method for estimating flow for non-residential customers. The District currently uses annual water use data. To be consistent with the methodology of the City, the District recommends using winter consumptive data for non-residential customers. This will ensure the most equitable allocation of the plant's operating costs. The adoption of the new residential flow per household and conversion to the winter consumption will allow staff to incorporate the changes in the San Jose/Santa Clara Water Pollution Control Plant (WPCP) revenue program for determining WPCP cost allocations in fiscal year 2015-2016. A fee and rate analysis will need to be performed in fiscal year 2015-2016 to review whether the previous adopted wastewater rate increases phased-in through fiscal year 2017-2018 are still adequate to meet the District's costs. If further adjustment is warranted, the District may need to initiate a rate increase process in early 2016 in order to change the tax roll and commercial billing for fiscal

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year 2016-17. Results of the WVSD fee and rate analysis and any recommendations would be presented to the Board for consideration in the spring of 2016. All Board's questions and concerns were answered by Manager.

Mover/Seconder: Leonardis/Kotowski to approve items # 9(A), 9(B), and 9(C). Motion passed unanimously.

Closed Session

10. None.

Director's Items

11. Board reported receipt of a copy of a letter written by Virginia Hamley to WVSD District Manager, on behalf of residents Mr. and Mrs. Chisum of 14530 Blossom Hill Road, Los Gatos, regarding sewer connection repair work completed by the District at no charge to the Chisum's, originally performed by Drain Doctor that did not meet specifications, thus failing the permitting process. The Chisum's and Virginia Hamley expressed their gratefulness to the District and highly commended the District's staff on its concerned, polite and professional services. The Board congratulated District on their exemplary service to the public.
12. Manager reported that next month Staff anticipates presenting the financing alternatives for meeting the District's needs for capital expenditures of the treatment plant. The City will provide the District with a 10-Year Capital and Operating Cost by 2/12/15. The District will have Bartel Wells Associates to analyze the various options available to finance the capital needs. Staff will present the financing alternatives and associate financial impacts for the Board's consideration.

Adjournment

20. There being no further items of business, the meeting was adjourned at 6:20 p.m. The next board meeting is scheduled for March 11, 2015.

Signature on File

STEVEN LEONARDIS, CHAIRPERSON

Attest:

Signature on File

Secretary