

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

**BOARD OF DIRECTORS MEETING  
April 8, 2020**

The Board of Directors of West Valley Sanitation District of Santa Clara County, California, convenes this day in regular session at 5:00 p.m. Due to COVID-19 and in accordance with the Governor's Executive Orders which suspend portions of the Brown Act, this meeting was conducted via teleconference/webinar. Members of the public may not attend this meeting in person. Members of the public may participate in this meeting by calling in at 1-408-418-9388 followed by 295522922. This meeting agenda is available online at <http://www.westvalleysan.org/>

**Roll Call**

1. Present: Directors – Manny Cappello, Barbara Spector, Rowena Turner, Mike Wasserman and Paul Resnikoff, Chairperson.

Absent: Director – None.

Staff: Jon Newby, District Manager and Engineer; Edward H. Oyama, Director of Engineering and Operations; Laura McKinney, District Counsel; and Lesha Luu, Secretary.

**Oral Communications**

2. None.

**Written Communications**

3. None.

**Public Hearings**

4. First of the two Public Hearings to consider the District's Proposed Budget for Fiscal Year 2020-2021. The second hearing and adoption is scheduled for May 13, 2020. Open the public hearing and receive comments on the West Valley Sanitation District Proposed Budget for Fiscal Year 2020-2021. Continue the public hearing to the Board Meeting of Wednesday, May 13, 2020, to allow for further comments or modifications. District Manager and Engineer reported the Proposed Budget for Fiscal Year (FY) 2020-2021 most notable change in the operating budget from the previous fiscal year is due to the City of San Jose/Santa Clara Regional Wastewater Facility increase of operating budget by approximately 37% or \$3.8 million from the previous year budget. However, the overall operating budget for the District increases by \$770,000 or 4.4% resulting from \$3.1 million reduction on Revenue Bond Debt Service from prior year for paying off the 2010 bond in FY 2019-2020. The District's Employee Salaries and benefits cost remain stable and increases by 4.9% or \$262,000 reflecting inflation on benefits and the second year of the MOU required increase in salaries

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of 3.25%. Total expenditures, including capital cost, decrease by \$13.2 million or 23% primarily due to San Jose/Santa Clara Regional Wastewater Facility capital cost decreasing \$14.6 million or 50%. The District's financial condition continues to be healthy. All Board's questions and concerns were satisfied by staff. The Public Hearing is opened. No public comment has been received.

Motion by/Second by: Wasserman/Cappello to close the public hearing and approve the continuation of the second hearing and adoption of the West Valley Sanitation District Proposed Budget for Fiscal Year 2020-2021 at the Board Meeting on Wednesday, May 13, 2020. Motion passed by the following vote:

AYES: Cappello, Resnikoff, Spector, Turner, and Wasserman  
NOES: None  
ABSENT: None

**Unfinished Business**

5. None.

**Consent Calendar** (Items to be taken in one motion)

6. Previous meeting minutes. Approve the minutes for the Regular Board of Directors Meeting on March 11, 2020.
7. Investment Report. Approve the report on commingled funds invested by the County of Santa Clara for West Valley Sanitation District, as of February 29, 2020.
8. Consolidated Income and Expense Statement. Approve the Consolidated Income and Expense Statement for the period ended February 29, 2020.
9. Payment of invoices. Approve the payment of invoices for March 12, 2020 to April 8, 2020.
10. Cotton, Shires and Associates, Inc. - Task Order 20-01 (Congress Springs Road Geotechnical Monitoring). Authorize the District Manager and Engineer to issue Task Order 20-01 (Congress Springs Road Geotechnical Monitoring) to Cotton, Shires and Associates, Inc. for a lump sum amount of \$48,600 to reestablish a slope inclinometer and conduct survey monitoring of land movement in proximity of the District's sewer system along Congress Springs Road.
11. Additional sanitizing services. Provide authorization to the District Manager and Engineer to increase the scope and cost of the janitorial services contract with Professional Cleaning Systems (PCS) in order to provide daily sanitizing services and or other necessary janitorial services at the District facility. This authorization would apply at any time throughout the

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initial six-year contract term ending June 30, 2025 and would allow a cost increase of up to 50% (\$88,886) above the original contract amount of \$177,772, resulting in a maximum contract amount of \$266,658.

12. Facility disinfection for COVID-19 contamination. Provide authorization to the District Manager and Engineer to establish a Blanket Purchase Order with ServiceMaster Restoration Services (Concord, CA) for terminal cleaning services of the District facility interior space due to suspected or confirmed COVID-19 contamination. The exact scope of this Blanket Purchase Order will depend on the extent of virus contamination and will be performed on a time and material basis for an amount a not-to-exceed \$70,000 (two terminal cleaning events).

Motion by/Second by: Wasserman/Spector to approve the Consent Calendar Items 6 to 12.  
Motion passed by the following vote:

AYES: Cappello, Resnikoff, Spector, Turner, and Wasserman  
NOES: None  
ABSENT: None

**New Business**

13. CalPERS unfunded accrued liability. A. Authorize the District Manager and Engineer to pay the District's CalPERS Unfunded Accrued Liability for the District's Classic and PEPRA pension plans as of June 30, 2020 for a total amount not to exceed \$2,100,000. B. Direct the District Manager and Engineer to continue setting aside \$300,000 reserve each fiscal year to fund future pension liability. The District Manager and Engineer reported the District actively reviews and manages its defined benefit plan, which provides retirement benefits to its employees. The defined benefit program requires prefunding of the benefits. The objective is to accumulate sufficient assets to pay the cost of benefits over the remainder of the employee's life. Each year, CalPERS performs an actuarial valuation of the District's retirement plan and identifies any accrual of unfunded liability. Recognizing that unfunded liability will accumulate, the District Board adopted a pension reserve to fund \$300,000 annually towards the reserve in 2017. As of 6/30/2020, the District has accumulated an additional \$2,066,320 in unfunded pension liability. Staff has reviewed several funding alternatives with cost of interest varying from \$1,736,678 to \$0. Staff has also review District projected cost, the pension reserve, and the undesignated reserve. In light of the available funding and current return on investments, staff recommends the least cost alternative and to pay off the unfunded liability from the pension and undesignated reserve funds. All Board's questions and concerns were satisfied by staff.

Motion by/Second by: Spector/Wasserman to approve Item 13, authorize the District Manager and Engineer to pay the CalPERS Unfunded Accrued Liability and continue setting aside \$300,000 reserve each fiscal year. Motion passed by the following vote:

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AYES: Cappello, Resnikoff, Spector, Turner, and Wasserman  
NOES: None  
ABSENT: None

14. Temporary paid administrative leave of absence. Authorize the District Manager and Engineer to grant temporary paid administrative leave of absences effective March 23, 2020, in order to cope with the impact of the coronavirus disease 2019 (COVID-19) pandemic, and have the compensation be reportable earnings to the California Public Employee’s Retirement System. The District Manager and Engineer reported, as a result of the COVID-19 pandemic and declaration of emergency, the District enacted its Pandemic Plan. To ensure business continuity, and the health and safety of our employees, the District requires any employee whom meets the triggers for quarantine to remain at home and isolated. Consistent with the Pandemic Plan, if an employee is under a mandatory federal, state, or local quarantine or if ordered to self-isolate but is not actually sick, the employee should request to work from home, if feasible. The use of paid leaves provided by the Families First Coronavirus Response Act or temporary paid administrative leave of absence if it is not feasible. Temporary paid administrative leave of absences can be granted by the District Manager and Engineer when an employee is unable to work because the employee has been directed by their supervisor or healthcare provider not to come to the worksite for COVID-19-related reasons and it is not operationally feasible for the employee to work remotely. All Board’s questions and concerns were satisfied by staff.

Motion by/Second by: Cappello/Wasserman to approve Item 14, authorize the District Manager and Engineer to grant temporary paid administrative leave of absences. Motion passed by the following vote:

AYES: Cappello, Resnikoff, Spector, Turner, and Wasserman  
NOES: None  
ABSENT: None

**Directors’ Items**

15. There were no Director’s reports, announcements, and questions.
16. Manager reported the Board of Directors annually review the District Manager’s performance and compensation. Consistent with the policy adopted in January 2005 titled “Compensation Policy for District Manager and Engineer” The policy states that “an ad hoc subcommittee ... shall meet as necessary with the manager to review performance and compensation. The subcommittee will report to the Board of Directors and make recommendations in a timely manner for adjusting the manager’s compensation. The subcommittee shall consist of the Board Chair and Vice-Chair or their designated alternates.” To accommodate the schedule for adoption of the District’s objectives and proposed budget, the District Manager requested the Board Chair and Vice-Chair, or designated alternates, to meet as a subcommittee with the

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District Manager to review his performance and compensation and report to the Board of Directors with the subcommittee's recommendations at the scheduled Board Meeting in June. The Board appointed Directors Resnikoff and Wasserman as the ad hoc subcommittee.

**Adjournment**

17. There being no further items of business, the meeting was adjourned at 5:36 p.m. The next Board Meeting is scheduled for May 13, 2020, at 5:00 p.m.

Signature on File

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PAUL RESNIKOFF, CHAIRPERSON

Attest:

Signature on File

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Secretary