

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

**BOARD OF DIRECTORS MEETING
June 13, 2018**

The Board of Directors of West Valley Sanitation District of Santa Clara County, California, convenes this day in regular session at 6:00 p.m. at District Office, 100 East Sunnyoaks Avenue, Campbell, California.

Roll Call

1. Present: Directors – Manny Cappello, Steve Leonardis, Paul Resnikoff, Mike Wasserman, and Rowena Turner, 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.

Approval of Minutes of Previous Meeting

2. Approve the minutes of the regular meeting of the Board of Directors of May 9, 2018.

Motion by/Second by: Wasserman/Leonardis 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. San Jose/Santa Clara Regional Wastewater Facility: No Report
6. Investment of District funds: Report on commingled funds invested by the County of Santa Clara for West Valley Sanitation District, as of April 30, 2018; and report from County Controller as of March 31, 2018.
7. Consolidated Income and Expense Statement of West Valley Sanitation District for the period ended April 30, 2018.
8. Status Report on District goals and manager's objectives.

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

**BOARD OF DIRECTORS MEETING
June 13, 2018**

Motion by/Second by: Wasserman/Resnikoff to add the Reports, Items 5-8, to the Consent Calendar and approve Consent Calendar, Items 5-8 and 11-26. Motion passed unanimously.

Unfinished Business

9. None.

Public Hearings

10. Public Hearing to consider the collection of delinquent fees on the tax roll. A. Open the hearing and receive comments on the collection of certain delinquent fees and charges for Fiscal Year 2017-2018. B. Adopt Resolution No. 18.06.09, RESOLUTION OF THE BOARD OF DIRECTORS OF WEST VALLEY SANITATION DISTRICT OF SANTA CLARA COUNTY, CALIFORNIA, PROVIDING FOR THE COLLECTION OF CERTAIN DELINQUENT FEES AND CHARGES FOR THE 2018-2019 FISCAL YEAR TAX ROLL.

Motion by/Second by: Wasserman/Leonardis to close the public hearing. Motion passed unanimously.

Motion by/Second by: Cappello/Resnikoff to adopt Resolution No. 18.16.19, approving the collection of delinquent fees and charges for 2017-2018 on the 2018-2019 Fiscal Year Tax Roll. Motion passed unanimously.

Consent Calendar (Items to be taken in one motion)

11. Approval of payment of invoices, May 10, 2018- June 13, 2018.
12. Reauthorization of the retiree medical benefits for Fiscal Year 2018-2019. Approve the renewal of the Post-Retirement Health Insurance Benefits Policy for Fiscal Year 2018-2019, setting the maximum monthly benefit of \$694.91, the lowest-cost plan available to the District for each eligible retiree.
13. GASB 75 – Retiree health care obligation: Actuarial valuation and funding recommendations.
A. Accept the June 30, 2017 GASB 75 OPEB (Other Posted-Employee Benefits) Actuarial Valuation prepared by Precision Actuarial, Inc. dated June 1, 2018. B. Approve the Fiscal Years 2018-2019 to 2020-2021 required contributions to the California Employers Retirement Benefit Trust fund as described in the report.
14. July – December 2018 Board Meeting Schedule. Adopt the proposed Board Meeting schedule for July- December 2018, including the cancellation of the July meetings.
15. California Association of Sanitation Agencies Conference. Authorize the directors and executive staff to attend the California Association of Sanitation Agencies Conference, August 8-10, 2018, in Monterey, California.

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

**BOARD OF DIRECTORS MEETING
June 13, 2018**

16. Award of Information Technology Services Contract. Award the Information Technologies (IT) Contract to Stepford, Inc. for an initial three-fiscal year contract period in the amounts of \$125,738 for Fiscal Year 2018-19, \$126,314 for Fiscal Year 2019-20, and \$126,913 for Fiscal Year 2010-21, respectively, for contract period ending June 30, 2021. Authorize the District Manager and Engineer to extend the contract for up to two additional three-fiscal year terms for a maximum contract period of nine fiscal years ending June 30, 2027 in an amount not to exceed \$133,000 per fiscal year.
17. Award of Uniform Rental and Laundry Service Contract. Award the Uniform Rental and Laundry Service Contract to Cintas Corporation (Gilroy, CA) for an initial three-fiscal year contract period (FY2018-19 to FY2020-21) for an annual not-to-exceed amount of \$19,000. Provide authorization to the District Manager and Engineer to extend this contract for up to two additional three-fiscal year terms (for a maximum contract period of nine fiscal years ending June 30, 2027) at an annual not-to-exceed amount of \$25,000.
18. Award of Fuel Delivery Service Contract. Award the Fuel Delivery Service Contract to Western States Oil (San Jose, CA) for an initial three-fiscal year contract period (FY2018-19 to FY2020-21) for an annual not-to-exceed amount of \$75,000. Provide authorization to the District Manager and Engineer to extend this contract for up to two additional three-fiscal year terms (for a maximum contract period of nine fiscal years ending June 30, 2027) at an annual not-to-exceed amount of \$75,000.
19. University Avenue ACP Sewer Rehabilitation Project- Award of Construction Contract. Award the construction contract for the University Avenue ACP Sewer Rehabilitation Project to SAK Construction, LLC in the amount of \$2,481,150 and authorize \$248,200 contingency allowance for unanticipated changes during the course of the project.
20. Winchester Boulevard ACP Rehabilitation Project. Authorize the District Manager to issue Task Order 18-01 to Brown and Caldwell for a not-to-exceed amount of \$297,780 for design services associated with the Winchester Boulevard ACP Sewer Rehabilitation Project.
21. University Avenue Sewer Rehabilitation Project. Authorize the District Manager to issue Task Order 18-02 to Brown and Caldwell for a not-to-exceed amount of \$593,116 for design services associated with the University Avenue Sewer Rehabilitation Project (Elm Avenue to Blossom Hill Road).
22. Sky Oaks Way Septic System Abandonment Project. Authorize the District Manager to issue Task Order 18-03 to Brown and Caldwell for a not-to-exceed amount of \$274,198 for design services associated with the Sky Oaks Way Septic System Abandonment Project.
23. Fiscal Year 2018-2019 blanket purchase orders. Approve the issuance of Fiscal Year 2018-2019 Blanket Purchase Orders of 30,000 and above to the following vendors for the amounts shown.

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

BOARD OF DIRECTORS MEETING

June 13, 2018

Bartle Wells Associates - \$75,000
County of Santa Clara Communications - \$50,000
DKF Solutions Group, LLC - \$45,000
Owen Equipment Sales - \$45,000
WECO Industries, LLC - \$55,000

24. University Avenue ACP Sewer Rehabilitation Project – Deed of Easement. Adopt Resolution No. 18.06.10, RESOLUTION ACCEPTING DEED OF EASEMENT FROM BOCCARDO CORPORATION AT 985 UNIVERSITY AVENUE, LOS GATOS, APN 424-31-067.
25. Multi-Year Sewer Repair Contract – Change Order Number 1. Authorize the District Manager to execute Change Order Number 1 to Able Construction Group Inc. to increase the contract amount by \$150,000 for a total contract amount of \$650,000 in the Fiscal Year 2017-2018 contract period.
26. Purchase of Vactor 2100i Combination Sewer Cleaner. Authorize the advance purchase of a 2019 Vactor 2100i Combination Sewer Cleaner from Owen Equipment Sales for the amount of \$496,312.63 and provide authorization of \$20,000.00 in contingency for possible adjustments in DMV fees, taxes, necessary modifications, or the addition of optional equipment and features.

Motion by/Second by: Refer to motion made under Report section.

CLOSED SESSION

27. The Board adjourns at 6:10 p.m. to closed session – Evaluation of Public Employment pursuant to Government Code §54957(b). Agency designated representatives: Director Manny Cappello and Director Rowena Turner. Employee: District Manager and Engineer. The following directors were present: Manny Cappello, Steve Leonardis, Paul Resnikoff, Mike Wasserman, and Rowena Turner, Chairperson.

RECONVENE IN OPEN SESSION

28. The Board reconvenes at 6:57 p.m. in open session. Nothing to report out.

New Business

29. Appeal of sewer service fees – 15390 Herring Avenue, APN 421-03-045. Conduct a hearing, consider the staff report and adopt Resolution No. 18.06.11, RESOLUTION DENYING THE APPEAL OF SEWER SERVICES FEES ASSOCIATED WITH 15390 HERRING AVENUE, SAN JOSE, CALIFORNIA, APN 421-03-045. The District Manager reported in March 2018, subsequent to the District sending out nine separate notices requesting access to determine if the property is connected to District facilities, Ms. Lixin Yu approached the District seeking to legalize the existing secondary dwelling unit on her property. This request was promulgated by the County

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

**BOARD OF DIRECTORS MEETING
June 13, 2018**

of Santa Clara as a prerequisite to the County legalizing the use of a secondary unit on the premise. The result of the dye testing confirmed the single family dwelling and the secondary dwelling unit are connected to the District facilities. Based on the dwellings on the property, total fee of \$4,849.56 including current and last three years' sewer service charges was collected and a permit was issued. In May 2018, the District received correspondence from Ms. Yu appealing the sewer services fee charged and requesting refund of the fees for \$1,289.56 on the secondary unit. The reasoning for the appeal is that the unoccupied secondary unit existed since the acquisition of the property and the fees created a significant and undue financial strain for Ms. Yu. Ms. Yu has benefitted from the sewer service since 2010. Staff is unable to verify Ms. Yu's claim that the unit has not been occupied in the past. Whether or not the secondary dwelling unit was or will be occupied is irrelevant to the service charges assessed; the District's policy for assessing sewer service use charges for residential unit is based on the ability to serve and not whether the unit is occupied or not. The fees paid are consistent with District code and policy and are commensurate to the benefit received.

The hearing is opened with Ms. Yu appealed the sewer services fees of \$1,289.56 paid on May 17, 2018 for the secondary dwelling unit, and requested for refund of the fee. Her reasoning for her appeal is based upon the fact that the secondary dwelling, was a conversion from the garage, existed at the time of sale, and has not been occupied since the acquisition of the property in 2010, and the fees created a significant and undue financial strain for her.

All Board's questions and concerns were satisfied by staff.

Motion by/Second by: Wasserman/Resnikoff to adopt Resolution No. 18.06.11, denying the appeal of sewer services fees. Motion passed unanimously.

30. Report of Ad Hoc Subcommittee on District Manager's performance and consideration of compensation adjustments. Adopt Resolution No. 18.06.12, RESOLUTION OF THE BOARD OF DIRECTORS OF WEST VALLEY SANITATION DISTRICT OF SANTA CLARA COUNTY, CALIFORNIA, AMENDING THE DISTRICT MANAGER AND ENGINEER'S EMPLOYMENT AGREEMENT TO REVISE SECTIONS 2.1 AND 5.1 RELATED TO TERM AND SALARY, EFFECTIVE JULY 1, 2018. The amended agreement extends the term of employment to June 30, 2023, and adjusting the compensation for the District Manager and Engineer by 7% increase to the salary beginning with the first pay period in Fiscal Year 2018-2019. The annual salary will be \$269,693.93.

Motion by/Second by: Leonardis/Resnikoff and Wasserman to adopt Resolution 18.06.12, amending District Manager and Engineer's employment agreement and adjusting the compensation. Motion passed unanimously.

31. Recommendation of compensation for unrepresented employees. Adopt Resolution No. 18.06.13, RESOLUTION OF THE BOARD OF DIRECTORS OF WEST VALLEY SANITATION DISTRICT OF SANTA CLARA COUNTY, CALIFORNIA, AMENDING A COMPENSATION PLAN FOR WEST VALLEY SANITATION DISTRICT MANAGEMENT (UNREPRESENTED) EMPLOYEES, EFFECTIVE JULY 1, 2018. Adjusting the compensation for the Director of Administration and Information

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

BOARD OF DIRECTORS MEETING

June 13, 2018

Services and the Director of Engineering and Operation by 7.0% increase to salary beginning with the first pay period in Fiscal Year 2018-2019. All Board's questions and concerns were satisfied by staff.

Motion by/Second by: Leonardis/Resnikoff to adopt Resolution No. 18.06.13, adjusting the compensation for West Valley Sanitation District management employees. Motion passed unanimously.

32. Strategic plan and objectives for Fiscal Year 2018-2019. Adopt the annual Objectives and Action Items for Fiscal Year 2018-2019. The District Manager reported that this year's objectives emphasize on fiscal and financial health with two action items aligned to ensure sufficient revenue and minimize risks associated with enormous increases in cost imposed by the City of San Jose. Other areas addressed by the proposed objectives include the development of Sewer System Management Plan stipulated outreach, and the assessment of District employee compensation and benefit in preparation for the collective bargaining negotiations. All Board's questions and concerns were satisfied by staff.

Motion by/Second by: Cappello/Resnikoff to adopt the annual Objectives and Action Items for Fiscal Year 2018-2019. Motion passed unanimously.

Directors' Items

33. There were no Directors' reports, announcements, and questions.
34. District Manager's report. The District Manager invited the Board of Directors to the District recognition lunch on Friday, July 13th. The District Manager will be on vacation from June 15th to June 29th.

Adjournment

35. There being no further items of business, the meeting was adjourned at 7:20 p.m. The next Board Meeting is scheduled for August 8, 2018, at 6:00 p.m. at District's Office.

Signature on File

ROWENA TURNER, CHAIRPERSON

Attest:

Signature on File

Secretary