

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

BOARD OF DIRECTORS MEETING

August 7, 2013

The Board of Directors of West Valley Sanitation District of Santa Clara County, California, convenes this day in special meeting at 1:30 p.m. at the district office, 100 East Sunnyoaks Avenue, Campbell, California, with the following members present: Marshall Anstandig, Steven Leonardis, Evan Low, and Ken Yeager, Chairperson. Director Page is absent at roll call but enters later in the meeting. Staff present are Jon Newby, District Manager and Engineer; Edward H. Oyama, Director of Engineer and Operations; Sarah Olinger, Deputy District Counsel; and Lesha Luu, Secretary.

The minutes of the May and June meetings 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 May 16, 2013 and June 13, 2013 regular meetings of the Treatment Plant Advisory Committee.

Investment of District Funds: Reports on Commingled Funds Invested by the County of Santa Clara for West Valley Sanitation District, as of May 31, 2013 and June 30, 2013.

Consolidated Income and Expense Statements of West Valley Sanitation District for the period ended May 31, 2013 and June 30, 2013.

The reports are accepted.

The following item was removed from the Reports for separate vote:

Status Report on District Goals and Manager's Objectives. District Manager reports that in September 2012 the Board approved the key annual objectives for the district. These key objectives included (1) Development of the District Strategic Plan (2) Update of the long range Financial Analysis and Rate Adoption (3) Update of the District's Succession Plan (4) Negotiate MOU's with Bargaining Units and (5) San Jose/Santa Clara Water Pollution Control Plant rate stabilization. All of the key objectives have progressed as planned. Detailed status of each of the key area is present in the status report. Along with the key objectives, the District has also completed the continuing objectives, which are comprised of continuous improvement in the core service areas of Customer Service and Outreach, Business and Financial Management and Sewer System Management. The status reports list the accomplishments achieved this last fiscal year. District Manager answers all questions and concerns of the Board.

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The report is accepted.

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

Public Hearings: There are no public hearings to come before the Board.

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

Approval of payment of invoices, June 13, 2013 – August 7, 2013.

Approval to add a Senior Civil Engineer position and delete the Associate Civil Engineer position.

Private Lateral Replacement Program: (A) Approval of the Private Lateral Replacement Program (PLRP) and authorize expenditure of the \$55,000 PLRP budget for Fiscal Year 2013-2014 and (B) Authorization for the District Manager to execute PLRP Loan documents with homeowners qualifying for the program.

Sanitary Sewer Management Plan: (A) Approval of the District's updated Sanitary Sewer Management Plan (SSMP), dated August 2013, and authorization for staff to certify to the State Water Resources Control Board that it is complete and in compliance with the Sanitary Sewer System Waste Discharge Requirements and (B) Authorization for staff to revise the approved District SSMP and any of its individual elements, as necessary, to reflect future changes in the program or new regulatory requirements.

Authorization for District Manager to execute the Second Amendment to Agreement for construction inspection services with the City of Campbell to provide technical services on a temporary and as-needed basis for a total not-to-exceed amount of \$50,000 through June 30, 2014.

Approval of additional expenditure of \$5,335.91 over the project budget of \$300,000 for the 2010 Sanitary Sewer Repair Project, Fiscal Year 2012-13.

The Consent Calendar is approved unanimously.

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

Adoption of Compensation and Benefits Plan for the Director of Engineering and Operations and Director of Administration and Information Services and amend the District Manager's Employment Agreement to revise the salary and benefits to accord with the proposed changes in the staff report and adopt (A) RESOLUTION NO. 13.08.16, RESOLUTION OF THE BOARD OF DIRECTORS OF WEST VALLEY SANITATION DISTRICT OF SANTA CLARA COUNTY APPROVING A COMPENSATION AND BENEFITS PLAN FOR WEST VALLEY SANITATION DISTRICT MANAGEMENT

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(UNREPRESENTED) EMPLOYEES, EFFECTIVE AUGUST 19, 2013 and (B) RESOLUTION No. 13.08.17, RESOLUTION OF THE BOARD OF DIRECTORS OF WEST VALLEY SANITATION DISTRICT OF SANTA CLARA COUNTY AMENDING THE DISTRICT MANAGER’S EMPLOYMENT AGREEMENT, EFFECTIVE AUGUST 19, 2013. A motion was made by the Board to move this item to the September Board meeting for further discussion.

New Business: Development of District’s Goals and Objectives for Fiscal Year 2013-2014. The District Manager reports that the District has engaged in the development of a 5 year strategic plan. This plan will provide the future direction of the District. Staff initiated the works on the strategic plan in February and has completed the development of the draft vision, mission, values and goals. They are included in the report for Board’s discussion and consideration. The Value Statements developed by the District states the District strives to create an environment of continuous improvement by commitment to public good, operate with transparency, maintain an environment of teamwork, demonstrate respect for others and diversity of opinions, adhere to high ethical standards and integrity, encourage innovation and continuous improvement to provide cost-effective and high quality service and provide responsive and respectful customer service. District Mission Statement is “To protect public health and the environment for the communities it serves through the safe, reliable, and cost-effective collection and conveyance of wastewater for treatment at the San Jose/Santa Clara Regional Wastewater Facility”. The Vision Statement states “To be an industry leader in the greater Bay Area by providing our customers with high and value added services”. District goals include continued improvement in Business and Financial Management, Sewer System Management, Communication and Customer Service and Work Environment. Along with the strategic plan, the annual goals and objectives will be brought to the Board in September for approval based on the plan. There are numerous action items supporting each objective. The purpose of this preliminary report is to make sure that the progress and the established Vision, Mission, Value, Goals and Objectives meet the Board’s expectation. It is an opportunity for the Board to provide feedbacks and ideas on the Vision, Mission, Value, Goals and Objectives prior to completion of the plan in September. The District Manager addresses all questions and concerns of the Board. The Board is satisfied with the progress and the statements, and commends the District Manager for his effort. The report is approved unanimously.

Closed Session: The Board adjourns at 2:25 p.m. to closed session pursuant to Government Code Section 54957: Public Employee Performance Evaluation. Position: District Manager and Engineer.

The Board reconvenes in open session at 2:55 p.m. commending the District Manager on his excellent performance and asking the District Manager to return to the next Board meeting with a resolution that amends his employment agreement providing for a salary increase, striking the bonus provision, and having an effective date of the salary increase beginning of this fiscal year.

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Under Directors' Items, there are no directors' report.

District Manager's report. District Manager reports in regards to the LAFCO Service Review, WVSD has provided the requested information and provided comments back on LAFCO's first draft of the report. LAFCO will first incorporate the information provided and then will draft the governance structure options and sphere of influence recommendation. Depending on the options that are identified, they will contact the District to discuss District's opinion on the options. LAFCO will then review the administrative draft. The entire document is planned to be released for public review at the end of August.

District Manager states that WVSD is planning a retirement/recognition event on Thursday, August 8 at 12:30 p.m. in the Los Gatos Creek Park. The event will give the District a chance to reflect upon Roy Garza's retirement with over 24 years of service and to recognize employees through the performance incentive program adopted in 2001. The performance incentive program continues to be a major contributor towards motivating employees and providing a high performance agency. This year the District is on its way to achieving the lowest SSO's per 100 miles in the last 5 years. The District has the highest number of miles of pipe cleaned per employee among the agencies it benchmarked in California. Celebrating the accomplishments of staff and recognizing their achievements is part of the District's strategy in attaining a high efficiency organization through retaining and motivating employees. Having the Board's support is an essential part of the program and staff appreciates Board's attendance at the recognition event.

In late June, Standard and Poor's completed an evaluation of the District's credit rating related to the District's Sewer Revenue Refunding Bonds. The results of the credit evaluation has reaffirmed our credit rating of AA+ with a stable outlook.

This month the District is starting our annual financial statement audit with Maze Associates. The District anticipates the completion of the audit in the next couple of months and will bring the annual report to the Board in the fall.

There being no further items of business, the meeting is adjourned at 3:01 p.m.

Signature on File

KEN YEAGER, CHAIRPERSON

Attest:

Signature on File

Secretary