

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

**BOARD OF DIRECTORS MEETING  
October 12, 2016**

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 the district office, 100 East Sunnyoaks Avenue, Campbell, California.

**Roll Call**

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

Absent: None

Staff: Jon Newby, District Manager and Engineer; Edward H. Oyama, Director of Engineering and Operations; Jennifer Faught, Deputy District Counsel; David Mehretu, Of Counsel; Doug McManamon, Of 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 September 14, 2016.

Motion by/Second by: Kotowski/Leonardis to approve the minutes of the previous meeting.  
Motion passed unanimously.

**Oral Communications**

3. None.

**Written Communications**

4. Letter to Mark Evans and Sharon LaFountain, dated September 30, 2016, regarding Corrective Actions Required for Sewer Connection.
5. Letter to Mr. Pasquale Romano Jr., dated September 15, 2016, regarding Illegal Discharge Into District's Sanitary Sewer.

**Reports (Items to be taken in one motion)**

6. San Jose/Santa Clara Regional Wastewater Facility: Minutes of the August 11, 2016 regular meeting of the Treatment Plant Advisory Committee.
7. Investment of District funds: Report from County Controller as of June 30, 2016.

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Motion by/Second by: Yeager/Kotowski to accept the Reports, items 6-7. Motion passed unanimously.

**Unfinished Business**

8. None.

**Public Hearings**

9. None.

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

10. Approval of payment of invoices, September 15, 2016 – October 12, 2016.

Motion by/Second by: Kotowski/Yeager to approve payment of invoices, September 15, 2016 – October 12, 2016. Motion passed unanimously.

**New Business**

11. Budget Modification for Fiscal Year 2016-2017. Accept the amendments and approve the Modified Budget for Fiscal Year 2016-2017. Manager reported changes to the Modified Budget for Fiscal Year 2016-2017 include budget carryover requirements to reflect a cash-based budgeting system and adjustments to the budget due to new or latest information. The most significant changes include a reduction in the District revenue by removing \$5 million short-term financing and the use of cash for treatment plant capital improvements. All questions and concerns of the Board were satisfied by staff.

Motion by/Second by: Yeager/Leonardis to accept the amendments and approve the Modified Budget for Fiscal Year 2016-2017. Motion passed unanimously.

**Closed Session**

12. The Board adjourns at 6:07 p.m. to closed session - Conference with Legal Counsel anticipated litigation. Initiation of litigation pursuant to Government Code § 54956.9(c) (two potential cases). The following directors were present: Marshall Anstandig, Manny Cappello, Mike Kotowski, Steven Leonardis and Ken Yeager.

**Reconvene in Open Session**

13. The Board reconvenes at 6:53 p.m. in open session. Nothing to report out.

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**Directors' Items**

14. There are no Director's reports, announcements, or questions.
15. Manager reported staff has completed the review and updating of the annual Performance Recognition Plan for employees. The updated Performance Recognition Plan provides a financial incentive to District employees in recognition of their contribution in meeting the District's goals and objectives consistent with the adopted Performance Incentive Policy. This updated annual recognition plan recognizes District employees' accomplishments as well as stimulating creativity in solving problems and efficiency improvements through teamwork and open communication. The recognition plan also aligns with the Board of Directors' annual adopted goals. The changes for the program include (1) moving from biannual to an annual program; (2) change from an individual based incentive to overall performance of the District; (3) align performance expectations with Board's annual adoption of goals and objectives; (4) incorporate compliance with the River Watch settlement agreement of goals and objectives; and (5) incorporate operational performance targets to meet current regulatory requirements, and industry standards for high achieving collection systems. The award amounts are not changed.

The incentive plan is divided into two program elements, the Operations Department Service Improvement Plan and the District's Strategic Plan Goals and Objectives. Successes of the Operations Department Service Improvement Plan and the Strategic Plan Goals and - Objectives are measured by the overall accomplishments of each program element District wide and reported out to the Board in June of each fiscal year. Incentive awards are calculated based on completion of the metrics. Targets for the annual incentive program awards are set at 3.5% of employee's salaries with the possibility of high achievement awards capped at 110% of the target, which equates to a maximum of \$80,000 in program cost for 25 employees. Award targets are consistent with past practices.

**Adjournment**

16. There being no further items of business, the meeting was adjourned at 7:10 p.m. The next Board Meeting is scheduled for November 9, 2016 at 6:00 p.m.

Signature on File

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E. MANNY CAPPELLO, CHAIRPERSON

Attest:

Signature on File

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Secretary