

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

**BOARD OF DIRECTORS MEETING
December 11, 2013**

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, with the following members present: Marshall Anstandig, Steven Leonardis, Evan Low, and Chuck Page. Chairperson Ken Yeager is absent. Staff present are Jon Newby, District Manager and Engineer; Edward H. Oyama, Director of Engineering and Operations; Steven R. Meyers, District Counsel; and Lasha Luu, Secretary. The meeting is chaired by Vice-Chairperson Evan Low.

The minutes of the previous meeting 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:

San Jose/Santa Clara Water Pollution Control Plant: minutes of the October 10, 2013 regular meeting of the Treatment Plant Advisory Committee.

Investment of District Funds: Report on Commingled Funds Invested by the County of Santa Clara for West Valley Sanitation District, as of October 31, 2013; and Report from County Controllers as of September 30, 2013.

Consolidated Income and Expense Statement of West Valley Sanitation District for the period ended October 31, 2013.

Status report on the 2010 Sanitary Sewer Repair Project.

The above reports are unanimously accepted.

The following report was removed for separate vote:

Status report on the Quito Basin 5 & 7, Area 2 Sanitary Sewer Rehabilitation Project. All Board's questions and concerns regarding project completion were answered by staff to Boards' satisfactions. 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.

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

Approval of payment of invoices, November 14, 2013 – December 11, 2013.

California Association of Sanitation Agencies conference. Authorize board members and executive staff to attend the California Association of Sanitation Agencies conference, January 15-17, 2014, in Indian Wells, California.

Board meeting schedule for January – June, 2014. Adopt the proposed board meeting schedule for January to June 2014.

The consent calendar is approved.

New Business:

Revision of annual objectives for Fiscal Year 2013/14. Approve revised annual objectives for Fiscal Year 2013/14. District Manager reports that at the request of Board, Staff has added the Special District Leadership Foundation Transparency Certificate of Excellence to the District's work objectives. Obtaining the Certificate will demonstrate to the public the District's commitment to being open and accessible up and beyond basic public accessible requirements. The expansion and documentation of the transparency requirements is achieved through updating the District Ordinances, formal adoption of policies, and performance of outreach activities. All concerns of the Board were answered by the District Manager to Board's satisfaction. The item is approved unanimously.

Report and recommendation to adopt revised Legal Services Agreement for the District. Adopt revised Agreement for Legal Services with Meyers Nave effective January 1, 2014. At District's request, Meyers Nave has revise their agreement for legal services that modifies the billing structure from a flat monthly retainer to a hourly billing for both general and special legal matters providing a greater legal clarity for District's budgeting and accounting. All Board's questions and concerns were answered by District Counsel and District Manager to Board's satisfaction. The item is approved unanimously with the removal of the CPI adjustment clause of 3% annually at the bottom of Attachment 1 of the Meyers Nave Legal Service Agreement.

Flex Spending Account Plan. Adopt RESOLUTION NO. 13.12.23, RESOLUTION OF THE BOARD OF DIRECTORS OF WEST VALLEY SANITATION DISTRICT OF SANTA CLARA COUNTY ADOPTING A FLEXIBLE SPENDING ACCOUNT PLAN, EFFECTIVE JANUARY 1, 2014. All Board's questions and concerns were answered by District Manager and staff to Board's satisfaction. The item is approved unanimously.

Information technology storage services. Authorize the District Manager and Engineer to execute a five-year agreement with Stepford, Inc., in an amount not-to-exceed \$121,950 for

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storage services or cloud based storage. Mr. Jim Fruuen from Stepford, Inc. is in attendance to answer all Board's questions and concerns. The item is approved unanimously.

Closed Session: There is no closed session to come before the Board.

Directors' Item: There is no directors' report.

District Manager's reports.

Manager announced the District will be holding its annual holiday lunch on Friday December 13 at 11:30 a.m. and welcomes the Board to attend.

Report was given on District staff attending a finance meeting with the City of San Jose. The purpose of the meeting was to review the tributary agencies financial abilities to fund the plant's CIP and operating budget over the next several years. Staff provided the City with the amounts requiring financing based on its adopted five year CIP. Staff included the cash funding ability of the District and requested to have a financing mechanism to cover the gap. The City will also consider a small amendment to the Master Agreement to facilitate some financing language. District also requested to include an update of the cost allocation to ensure the District is funding the correct level of participation in the projects. The CIP is expected to have significant changes. The City has indicated that the validation process of the 5-year CIP will be completed in February. In March, the District will revisit the structuring of finances to meet new CIP target.

Report was given that last month the District sent a letter to the Mayor of San Jose informing him of the need to update the Master Agreement for providing treatment services to reflect the adoption and financing of the Plant Master Plan. The City of Milpitas has also sent a letter with similar concerns. Cupertino Sanitation District has informed the District that a similar letter is being prepared. The City of Santa Clara has similar concerns and is requesting San Jose to initiate negotiation to update the Master Agreement. As of this date, District has not received a response on District's letter. Copies of the letters from the District and City of Milpitas were provided to the members.

There being no further items of business, the meeting is adjourned at 6:40 p.m.

Signature on File

KEN YEAGER, CHAIRPERSON

Attest:

Signature on File

Secretary