

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

**BOARD OF DIRECTORS MEETING  
FEBRUARY 14, 2007**

The Board of Directors of West Valley Sanitation District of Santa Clara County, California, convenes this day in regular session at 5:30 p.m. at the district office, 100 East Sunnyoaks Avenue, Campbell, California, with the following members present: Donald R. Burr, Diane McNutt, Chuck Page, Ken Yeager, and David Baxter, Chairperson. Staff present are Robert R. Reid, District Manager and Engineer; Charles T. Kilian, District Counsel; Peter V. Sevcik, Director of Engineering and Operations; and Joanna Fuller, Secretary.

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: The following reports are presented for action in one motion:

San Jose/Santa Clara Water Pollution Control Plant: Minute of the December 14, 2006, 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 December 31, 2006; and the Santa Clara County Treasury Detailed Investment Portfolio Listing as of December 31, 2006.

Consolidated Income and Expense Statement of West Valley Sanitation District for the period ended December 31, 2006.

California Sanitation Risk Management Authority: 2006 Annual Report.

California Association of Sanitation Agencies: Report on the January 2007 conference, attended by District Boardmember Don Burr, staff Robert Reid, Peter Sevcik, and Joanna Fuller, and District Counsel Charles T. Kilian.

Long-Range Financial Plan Update: The public finance consulting firm of Bartle Wells Associates was retained by the district to analyze the district's financial condition and to update the long-range plan and rate projections for the next ten years. The firm has performed financial analysis for the district in prior years, having assisted the district

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in the development and implementation of the five-year rate schedule through 2007-08, and in the review and update of the district's connection fee ordinance. Doug Dove and Adam Lynch, of BWA, are present to describe their findings and recommendations, and to answer the board's questions. The consultants report that the district is in excellent financial condition, and recommend that in order to meet the district's ongoing operating and capital expenses and maintain reserve fund targets, the fifth year of the rate increase should proceed as scheduled (6% in 2007-08). The consultants also recommend that the district re-evaluate its rate structure prior to the 2008-09 fiscal year.

The reports are accepted.

There is no unfinished business to come before the board.

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

Approval of payment of bills and ratification of payroll summaries of December 31, 2006, January 14, 2007, and January 28, 2007.

Adoption of RESOLUTION NO. 07.02.01, RESOLUTION OF THE BOARD OF DIRECTORS OF WEST VALLEY SANITATION DISTRICT OF SANTA CLARA COUNTY ESTABLISHING FINANCIAL INSTRUMENT SIGNATORIES OF THE DISTRICT FOR SANTA CLARA COUNTY ACCOUNTS.

Authorization for District Manager to execute AGREEMENT FOR PROFESSIONAL AUDIT SERVICES with the accounting firm of Maze and Associates, for audit services for fiscal years ending June 30, 2007, 2008, and 2009, at a cost of \$15,990, \$16,550, and \$17,130 respectively.

Los Gatos-Winchester Basin No. 7, Area 3, Sanitary Sewer Rehabilitation Project: Approval of Progress Payment No. 1 to D'Arcy & Harty Construction, in the amount of \$469,575.00.

The consent calendar is approved.

Under new business, staff reports that a district sewer lateral was damaged by a contractor working for PG&E, and the district filed a claim for \$7,216.21 to recover costs associated with resolving the incident. PG&E has agreed to pay the costs provided the district execute a general release. Staff requests board approval of the settlement and authorization to execute the release. Staff recommendation is approved. The closed session is not necessary.

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There are no directors' reports, announcements, or questions.

There being no further items to come before the board, the meeting is adjourned at 5:45 p.m., and is followed immediately by the Annual Planning Workshop.

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DAVID BAXTER, CHAIRPERSON

Attest:

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Secretary