

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

**BOARD OF DIRECTORS MEETING
MAY 9, 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.

There are no reports, and there is no unfinished business.

PUBLIC HEARINGS

HILLSIDE ZONE FEE: The first public hearing scheduled for this evening is to consider the continuation of the hillside zone fee for fiscal year 2007-08. Notice of the hearing has been published and posted. No comments have been received, and no one is present to address the board. The hillside zone fee was established in 1990 to fund sewer repairs in the hillside areas of the district, where the sewers are subject to damage from land movement. The surcharge is an annual fee of \$50.00 for each connected parcel in the hillside zone, as defined by a map on file at the district office. The fees are collected on the tax roll, along with the sewer service charges, and are set aside in a reserve account, to be used only for sewer repairs in the defined hillside zone area. The fee is subject to annual review by the board, to determine if the fee is adequate and if it is still needed. The manager reports that the fund balance currently stands at \$449,500.00, and that the district incurred expenses of approximately \$245,000.00 in hillside sewer repairs in 2006-07. The chair opens the hearing, notes that there is no public comment, and asks for comments from the board. Following discussion, the board adopts RESOLUTION No. 07.05.09, A RESOLUTION OF THE BOARD OF DIRECTORS OF WEST VALLEY SANITATION DISTRICT OF SANTA CLARA COUNTY, CALIFORNIA, APPROVING CONTINUATION OF THE HILLSIDE ZONE RESERVE ACCOUNT FEE FOR FISCAL YEAR 2007-08.

PROPOSED BUDGET: The next public hearing scheduled for this evening is to consider the PROPOSED BUDGET AND SEWER SERVICE REVENUE PROGRAM OF WEST VALLEY SANITATION DISTRICT FOR FISCAL YEAR 2007-08. Notice of the hearing has been

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published and posted. No comments have been received. Copies of the budget have been distributed with the agenda packet, and are available at the district office for review. The manager's discussion and analysis is included in the introductory section of the budget, and additional discussion takes place at the board meeting.

The manager summarizes the budget and revenue program for the board, and answers the board's questions. The manager reports on the projected increases in salaries and benefits, repairs and maintenance, and insurance costs, and anticipated decreases in professional services and revenue bond debt service. The manager also summarizes the proposed capital expenditures, including district sewer rehabilitation projects as well as cost-sharing with San Jose for joint trunk sewer projects. The manager reports that the largest annual expense in the budget is the district's share of the treatment plant operating costs, and that these are expected to increase substantially this year due to higher plant costs. The manager reports that the district's five-year revenue projections incorporate the findings of a recent analysis of the district's long-term financial plan, and that the district maintains adequate reserve funds to meet the reserve guidelines established by the board. Following the manager's presentation, the chair opens the public hearing and notes that there is no public comment. The item is continued to the meeting of May 23 for the second hearing and adoption. Staff is directed to distribute copies of the budget to interested parties with a notice inviting comments at the May 23 meeting.

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

Approval of payment of bills and ratification of payroll summary of April 22, 2007.

FY 2006-07 Building Sewer Repair Project, Various Locations: Approval of Progress Payment No. 1 to Fermin Sierra Construction, Inc., in the amount of \$58,200.00.

The consent calendar is approved.

There is no new business to come before the board.

The board adjourns to a closed session pursuant to Government Code Section 54957.6, personnel matters: Contract negotiations with employee bargaining units represented by the Millmen and Industrial Carpenters Local 262. District's personnel consultant, Craig Jory, is present in closed session.

The board reconvenes in open session and reports that direction was given to staff in closed session.

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Under Directors' Items, Director Burr reports that he attended the California Association of Sanitation Agencies conference and that it was a very informative and productive conference.

There being no further items of business to come before the board, the meeting is adjourned at 5:45 p.m.

DAVID BAXTER, CHAIRPERSON

Attest:

Secretary