

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

**BOARD OF DIRECTORS MEETING
NOVEMBER 12, 2008**

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: David Baxter, Chuck Page, Ken Yeager, and Diane McNutt, Chairperson. Director Donald R. Burr is absent. Staff present are Robert R. Reid, District Manager and Engineer; Charles T. Kilian, District Counsel; Edward H. Oyama, 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 submitted for action in one motion:

San Jose/Santa Clara Water Pollution Control Plant: Minutes of the October 9, 2008, 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 for the period ended September 30, 2008.

Consolidated Income and Expense Statement of West Valley Sanitation District for the period ended September 30, 2008.

Implementation of the Regional Fats, Oils, and Grease (FOG) Program. Staff reports that in compliance with state regulations, a FOG program has been developed as part of the District's Sewer System Management Plan. The program will involve a cooperative effort with City of San Jose Environmental Services Department focusing on inspection of local commercial food service facilities and education of the customers about grease disposal.

District's 60th Anniversary Open House: Staff reports that the District's 60th Anniversary Open House was a success and that many former employees and directors attended, as well as current directors, employees, and city staff.

The reports are accepted.

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

**BOARD OF DIRECTORS MEETING
NOVEMBER 12, 2008 (Continued)**

Under unfinished business, the manager presents the follow-up analysis and recommendations for reporting the District's Other Post-Employment Benefits (OPEB), pursuant to the Governmental Accounting Standards Board Statement No. 45. The new standard requires agencies to recognize their retiree healthcare obligation as benefits are earned rather than as they are paid. The District is among the agencies required to comply with the standard in fiscal year 2008-09. In order to develop a meaningful transition to the new reporting requirement, the District engaged the services of John Bartel & Associates to perform an actuarial valuation of the District's healthcare obligation. Mr. Bartel presented his findings at the September 10, 2008, Board meeting, and staff was directed to bring back a thorough analysis and recommendations at a future meeting. The manager reports that staff has completed the study and has determined that the most suitable option is to pre-fund the District's healthcare obligation rather than continue on a pay-as-you-go basis. Staff recommends that the Board authorize funding through the California Employers Retiree Benefit Trust, which is managed by the California Public Employees Retirement System. Staff further recommends an initial deposit of \$475,000 over a two- to three-year period, with the remainder of the obligation funded over a 30-year amortization period. Staff recommendations are approved.

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

Approval of payment of bills and ratification of payroll summaries of October 5 and October 19, 2008.

Request for Annexation: Adoption of RESOLUTION NO. 08.11.12, RESOLUTION IN SUPPORT OF THE ANNEXATION IDENTIFIED AS WVSD 2008-3 FORRESTER ROAD. Owners Tom Hart and Abhinand Peddada have requested annexation of the 1.82-acre parcel located at 235 Forrester Road, Los Gatos, in order to obtain sewer service.

Adoption of RESOLUTION NO. 08.11.13, RESOLUTION APPROVING EASEMENT QUITCLAIM DEED, CREEKSIDE WAY, CAMPBELL: PARCEL 1: APN 288-01-024; and RESOLUTION NO. 08.11.14, RESOLUTION APPROVING EASEMENT QUITCLAIM DEED, CREEKSIDE WAY, CAMPBELL: PARCEL 2: APN 288-01-025. The sewer has been relocated and the easements are no longer needed.

The consent calendar is approved unanimously.

Under new business, the manager submits the ANNUAL REPORT OF WEST VALLEY SANITATION DISTRICT FOR FISCAL YEAR 2007-2008. The report includes the District's audited financial statements and the report of the independent auditor. The auditor, Vikki Rodriguez, from the firm of Maze and Associates, is present to address the Board and to answer the Board's questions. Ms. Rodriguez reports that the District received an

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

**BOARD OF DIRECTORS MEETING
NOVEMBER 12, 2008 (Continued)**

unqualified opinion and that no reportable findings or material weaknesses were found. The annual report is accepted.

The Board adjourns to closed session pursuant to Government Code Section 54957 for review of the performance and compensation of the District Manager.

The Board reconvenes in open session and takes the following action: The Board approves a 5% salary increase for the District Manager, effective in the current pay period, and congratulates him on his stellar performance. The Board also directs the manager to develop a set of short-term objectives for the Board's approval and subsequent performance incentive consideration during the next six months.

There are no directors' items.

There being no further items of business, the meeting is adjourned at 6:28 p.m.

DIANE MCNUTT, CHAIRPERSON

Attest:

Secretary