

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

**BOARD OF DIRECTORS MEETING
APRIL 14, 2010**

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: Dan Furtado, Diane McNutt, Chuck Page, Don Perry, and Ken Yeager, Chairperson. Staff present are Robert R. Reid, District Manager and Engineer; Douglas Aikins, Interim District Counsel; Edward H. Oyama, Director of Engineering and Operations; and Dorie J. Barras, Executive Assistant.

The minutes of the previous meetings 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 February 25, 2010, 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 February 28, 2010.

Consolidated Income and Expense Statement of West Valley Sanitation District for the period ended February 28, 2010.

Sewer Revenue Refunding Bonds Series 2010: Bond Sale Results. Doug Dove and Adam Lynch, of Bartle Wells Associates, project managers for the bond sale, have submitted a summary report and are present to address the board. The District received a rating of AA+. Five bids were received for \$6.385 million in sewer revenue refunding bonds. UBS Financial Services was the bidder which demonstrated the lowest true interest cost, with a rate of 3.88%. The bond sale was successful, resulting in significant savings to the District.

The reports are accepted.

Under Unfinished Business, staff submits Ordinance No. 140, an ordinance enabling the District to amend its rate structure by either resolution or ordinance. The ordinance was introduced on March 31, 2010, and is submitted at this time for second reading and adoption. The title is read, reading of the title constitutes second reading,

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further reading is waived, and ORDINANCE No. 140, AN ORDINANCE OF THE BOARD OF DIRECTORS OF WEST VALLEY SANITATION DISTRICT AMENDING CHAPTER 10 OF THE DISTRICT'S ORDINANCE CODE TO AUTHORIZE ADJUSTMENTS TO DISTRICT RATES, CHARGES AND FEES BY MEANS OF EITHER RESOLUTION OR ORDINANCE is enacted unanimously.

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 2010-2011. Notice of the hearing has been published and posted. No comments have been received, and no one from the public 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. In 2010-11 the District will collect approximately \$73,700 from 1,474 hillside parcels. The fund balance is currently \$668,082. The manager reports that major repairs in the Congress Springs Road area are budgeted for \$440,000 in FY 2010-2011, and that adequate funding for pipe repairs and replacement in landslide-prone areas is an ongoing concern. The chair opens the hearing and notes that there is no public comment. Following discussion, the hearing is closed, and the board adopts RESOLUTION No. 10.04.29, 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 2010-2011.

PROPOSED BUDGET: WEST VALLEY SANITATION DISTRICT PROPOSED BUDGET AND SEWER SERVICE REVENUE PROGRAM FOR FISCAL YEAR 2010-2011. This is the first of two public hearings to consider the proposed budget. The second hearing and adoption is scheduled for June 9, 2010. The manager summarizes the proposed budget, particularly those areas in which costs are expected to increase significantly. The biggest increase involves the treatment plant operations and capital expenditures for the plant expansion. The District's share of the capital projects is estimated at approximately \$15 million over the next five years. Staff reports that based on an updated ten-year financial analysis, which is included later in this agenda, the District will need to raise rates beginning in fiscal year 2010-2011 in order to meet operating expenses and maintain adequate reserves. The chair opens the hearing and notes that there is no public comment. The item is continued to the meeting of June 9, 2010.

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

Approval of payment of invoices, March 11 – April 14, 2010.

Authorization for chairperson to execute AGREEMENT AND COVENANTS RUNNING WITH THE LAND with property owner in the Septic System Abandonment Program:
Owner: James and Gail Barton; APN 510-03-003; 15260 Pepper Lane, Saratoga.

Adoption of RESOLUTIONS ACCEPTING SEWER SYSTEMS INSTALLED BY (listed below) AND SITUATED WITHIN WEST VALLEY SANITATION DISTRICT. Resolutions accept sewer systems for maintenance by the District.

<u>Resolution</u>	<u>Installer</u>	<u>Location</u>
10.04.08	Sand Hill Properties/ Campbell Avenue Assoc.	Creekside Way, Campbell
10.04.09	Nina Pakravan	18723 Withey Road, Monte Sereno

Fairview Plaza Sewer Extension Project: Adoption of RESOLUTION(S) ACCEPTING GRANT(S) OF EASEMENTS:

<u>Resolution</u>	<u>Location</u>	<u>Grantor</u>
10.04.10	510-43-008, Fairview Plaza	Baker
10.04.11	510-43-011, Fairview Plaza	Giordano
10.04.12	510-31-048, Fairview Plaza	Murphy

Adoption of Notice of Exemption pursuant to Section 15302(b) of CEQA guidelines; and Adoption of RESOLUTION No. 10.04.13, RESOLUTION APPROVING PLANS AND SPECIFICATIONS FOR THE FAIRVIEW PLAZA SEWER EXTENSION PROJECT, ORDERING WORK, DETERMINING THE PREVAILING RATE OF WAGES AND BENEFITS, AND ORDERING NOTICE TO BIDDERS.

Overlook Road Sewer Extension Project (Septic System Abandonment Program): Adoption of RESOLUTION(S) ACCEPTING GRANT(S) OF EASEMENTS:

<u>Resolution</u>	<u>Location</u>	<u>Grantor</u>
10.04.14	510-30-005 Overlook Rd.	Silveria
10.04.15	510-31-015 Overlook Rd.	Radosavijevich
10.04.16	510-31-048 Overlook Rd.	Sullivan
10.04.17	510-32-010 Overlook Rd.	Rose
10.04.18	510-32-016 Overlook Rd.	Christiansen
10.04.19	510-32-017 Overlook Rd.	Christiansen
10.04.20	510-34-011 Overlook Rd.	Watts

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Overlook Road: Resolutions Accepting Grants of Easements (Continued):

<u>Resolution</u>	<u>Location</u>	<u>Grantor</u>
10.04.21	510-34-027 Overlook Rd.	Justice
10.04.22	510-34-035 Overlook Rd.	Pepper/Robin
10.04.23	510-34-036 Overlook Rd.	Pepper/Robin
10.04.24	510-34-037 Overlook Rd.	Pepper/Robin
10.04.25	510-34-038 Overlook Rd.	Pepper/Robin
10.04.26	510-34-039 Overlook Rd.	Pepper/Robin
10.04.27	510-35-003 Overlook Rd.	Rice/Holmes

Adoption of RESOLUTION NO. 10.04.28, RESOLUTION APPROVING PLANS AND SPECIFICATIONS FOR THE OVERLOOK ROAD SEWER EXTENSION PROJECT, ORDERING WORK, DETERMINING THE PREVAILING RATE OF WAGES AND BENEFITS, AND ORDERING NOTICE TO BIDDERS.

The Consent Calendar is approved unanimously.

Under New Business, a five-year financial plan update and rate analysis has been prepared by Bartle Wells Associates. Financial analysts Doug Dove and Adam Lynch are present to discuss their findings and recommendations. Staff recommends a 3-year rate increase of 5%, 6% and 6% respectively starting in 2010-11, followed by index-based increases in years 4 and 5. This would enable the District to keep pace with rising costs and maintain adequate fund balances, as demonstrated in the financial plan analysis. The rate increase requires Proposition 218 notification, and would not go forward if a majority protest is received from property owners impacted by the rate increase. The proposed notice has been prepared and is submitted for the board's review and approval. Staff recommends that the Board accept the financial plan update and approve the Proposition 218 notice for mailing to the owners of impacted properties within the District. The rate hearing is scheduled for June 9, 2010. Staff recommendation is approved.

Closed Session: The Board adjourns at 6:30 p.m. to Closed Session pursuant to Government Code Section 54957.6. Conference with labor negotiator: The District's designated representative is Craig Jory. The employee organization in current negotiations is the Millmen and Industrial Carpenters Local 262.

The Board reconvenes in open session and reports that no action was taken in closed session.

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Under Directors' Items, the Board postpones the scheduled attorney interviews to the next Board meeting, and directs staff to schedule a closed session for that purpose.

There being no further items of business, the meeting is adjourned at 7:10 p.m.

KEN YEAGER, CHAIRPERSON

Attest:

Secretary