

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

**BOARD OF DIRECTORS MEETING
April 12, 2023**

The Board of Directors of West Valley Sanitation District of Santa Clara County, California, convenes this day in regular session at 5:00 p.m. at the District Office, 100 East Sunnyoaks Avenue, Campbell, California.

Roll Call

1. Present: Directors – Dan Furtado, Rob Moore, and Rowena Turner, Chairperson; Chuck Page and Joe Simitian entered meeting at 5:01 p.m.

Absent: None.

Staff: Jon Newby, District Manager; Edward H. Oyama, Director of Engineering and Operations; Laura McKinney, District Counsel; and Lesha Luu, Secretary.

Oral Communications

2. None.

Written Communications

3. None.

Public Hearings

4. First of two Public Hearings to consider the District’s Proposed Budget for Fiscal Year 2023-2024. The second hearing and adoption is scheduled for May 10, 2023. Open the public hearing and receive comments on the West Valley Sanitation District Proposed Budget for Fiscal Year 2023-2024. Continue the public hearing to the Board Meeting of May 10, 2023, to allow for further comments or modifications. District Manager and Engineer reported the total annual revenues in Fiscal Year 2022-2023 are estimated to be about 7.5% or \$2.8M higher than budgeted, due to return of revenue from unspent treatment plant capital and O&M funds previously billed. The District’s FY22-23 Modified Budget expenditures of \$40.7M is projected to be \$37.0M or 9.0% underspent. The District’s proposed budget prioritizes compliance with the new Discharge Wastewater Requirements permit, new accessibility to the District’s website complying with State requirements, maintaining collection system performance, funding wastewater treatment, providing adequate equipment for operational reliability, and continuing administrative and permitting support services. The overall strategy recognizes the inflationary pressure on the District as well as our rate payers and seeks to improve efficiencies to mitigate cost increases with the goal to minimize the need to increase rates. If possible, the District is targeting the next several years with zero rate increases. Next fiscal year total operating revenues are projected at \$35.5M, similar to the previous fiscal year, reflecting no increase in sewer service rates. The total proposed FY23-24 expenditures of \$38.2M represents 6.2% or \$2.5M

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less than the current fiscal year Modified Budget. The lower costs are due to District and Regional Wastewater Facility decreases in capital expenditures. The District's proposed budget meets or exceeds all reserve targets.

There were no questions from the Board. The Public Hearing is opened. No public comment was received.

Motion by/Second by: Page/Simitian to close the public hearing and approve the continuation of the second hearing and adoption of the West Valley Sanitation District Proposed Budget for Fiscal Year 2023-2024 at the Board Meeting on Wednesday, May 10, 2023. Motion passed unanimously.

Unfinished Business

5. None.

Consent Calendar (Items to be taken in one motion)

6. Previous meeting minutes. Approve the minutes for the Regular Board of Directors Meeting on March 8, 2023.
7. Investment Reports. Approve the report on commingled funds invested by the County of Santa Clara for West Valley Sanitation District, as of February 28, 2023.
8. Consolidated Income and Expense Statement. Approve the Consolidated Income and Expense Statement for the period ended February 28, 2023.
9. Payment of Invoices. Approve the payment of invoices for March 9, 2023 to April 12, 2023.

Motion by/Second by: Page/Moore to approve Consent Calendar Items 6-9. Motion passed unanimously.

New Business

10. None.

Directors' Items

11. There were no Directors' reports, announcements, and questions.
12. District Manager's Report. District Manager reported annually the Board of Directors review the District Manager's performance and compensation. Consistent with the policy adopted in January 2005 titled "Compensation Policy for District Manager and Engineer", the Board will appoint an ad hoc subcommittee to review the manager's performance and compensation, report to the Board, and make recommendations for adjusting the compensation. To accommodate the

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schedule for adoption of the District's objectives and proposed budget, the District Manager requests the Ad Hoc Subcommittee meet with the District Manager in May to review his performance, compensation and consider renewing his employment contract that expires on June 30, 2023 and report to the Board of Directors with the subcommittee's recommendations, in closed session, at the scheduled board meeting in June. The Board appointed Chair Turner and Director Furtado to serve on the Ad Hoc Subcommittee.

The District Manager reported that there are no spills to report with the recent heavy rain. However, there is a land slide in Saratoga's Congress Springs area, adjacent to a property on Congress Court that impacted the District's sewer pipe. Approximately 150 feet of sewer pipe and a manhole were affected by the slide. The area is known to have soil movements. The District performed repairs and the system continues to be operable. All Board's questions and concerns were satisfied by staff.

Adjournment

13. There being no further items of business, the meeting was adjourned at 5:15p.m. The next Board Meeting is scheduled for May 10, 2023, at 5:00 p.m., at the District Office.

Signature on File

ROWENA TURNER, CHAIRPERSON

Attest:

Signature on File

Secretary