

1. CALL TO ORDER

President Post called the meeting to order at 7:30pm.

2. ROLL CALL AND APPROVAL OF AGENDA

Directors Present: Lisa Post, Michael Yoder, Soren Spies, John Marke, Bruce Smith

Directors Absent: None

Counsel Present: None

Staff: Donald Toy, Mark Thomas & Company, Inc.
Steve Machida, Mark Thomas & Company, Inc.

Staff reported that Item #6 on the Warrant List was an addition to the agenda. Because this item was deemed as an urgent matter, the Board allowed the late addition to the agenda.

Motion: To approve the agenda with noted revision.

Move: Spies **Second:** Smith

Board vote: **Ayes,** Post, Spies, Yoder, Marke, Smith **Noes,** None

3. PUBLIC COMMENTARY

- A. Visitor Commentary – None.
- B. Agency Representatives – None.
- C. Board Commentary – President Post reported that a property at 2040 Scott St. had a large amount of garbage accumulated behind the house. Staff reported that the owner had been sent a violation letter and had already been contacted by phone regarding the procedures available for the clean up.

4. CONSENT CALENDAR

- A. Approval of Minutes. Approve Minutes from the Regular Meetings of 03/20/08 and 04/03/08

Motion: To approve minutes from the Regular Meeting of 03/20/08.

Move: Spies **Second:** Smith

Board vote: **Ayes,** Spies, Yoder, , Smith **Noes,** None
Abstain, Post, Marke

Motion: To approve minutes from the Regular Meeting of 04/03/08.

Move: Spies **Second:** Smith

Board vote: **Ayes,** Post, Yoder, Marke, Smith **Noes,** None
Abstain, Spies

5. WARRANTS

- A. Approval of six (6) warrants:
 - 1. Enviro-Commercial Sweeping, Inc. District Sweeping Services.
 - 2. Meyers Nave. District Legal Services.
 - 3. City of San Jose. FY 2007-08 Q3 Treatment Plant O&M Payments.
 - 4. Santa Clara County Integrated Waste Program. FY 2007-08 Q3 Payment.

Call to Order

Roll Call and Approval of Agenda

Public Commentary

Consent Calendar

Warrants

- 5. Mark Thomas & Company, Inc. District Management Services.
- 6. Santa Clara County Assessor. FY 2007-08 APN Data Files.

Warrants
(continued)

Motion: To approve six (6) warrants.

Move: Spies **Second:** Yoder

Board vote: **Ayes,** Post, Spies, Yoder, Marke, Smith **Noes,** None

6. OLD BUSINESS

Old Business

- A. FY 2008-09 Sewer Service Charges. The Sewer Service Charge Subcommittee reported their findings to the Board. Directors Marke and Yoder reported that the projected increase in treatment plant O&M costs had increased by \$30K-\$50K each of the past three years and similar increases were to be expected in the future. The Board discussed the amount of the District's cash reserves and the possible application of these reserves towards capital improvement projects and the payment of O&M costs. Sewer service charge rates were not increase in FY 2007-08. Staff reported that there were enough cash reserves to complete the majority of repairs to the system and rehabilitation of existing sewer lines over the next several years. Staff reported that the District should ideally maintain in their reserves twice the amount of the annual operating budget. The subcommittee discussed the need for repair and rehabilitation. Director Smith stated that his preference was to spend a portion of the reserves on repair and rehabilitation, even if the annual budget would run a deficit over the next few years. The Board agreed that monies should be spent to upgrade and repair the existing sewer system. The Board discussed the proposed rate increases and agreed that a four percent (4%) increase each year over the next four years would be adequate to meet the increasing costs of the treatment plant O&M fees and agreed that funds should be allotted in the annual budget to perform repair and rehabilitation projects within the District.

Motion: To increase the annual sewer service charge rates for residential and commercial users four percent each year for the next three fiscal years (FY 2008-09, FY 2009-10, FY 2010-11)

Move: Spies **Second:** Smith

Board Roll Call Vote: Post, **Aye**
 Spies, **Aye**
 Yoder, **Aye**
 Marke, **Aye**
 Smith, **Aye**
 Noes, None

- B. FY 2008-09 Annual Budget. The Board discussed the draft budget. Staff reported that the draft budget had remained unchanged from the last meeting and that the only items that would vary were the revenue from the sewer service charges, depending on rate increases, and the amount allocated to repairs and rehabilitation. Staff reported that an inventory of approximately forty (40) repairs had been cataloged. A report outlining the estimated individual costs would be prepared for the next meeting. A portion of main line running through an easement between Arleta and Laswell was a candidate

for a main line rehabilitation project due to the high number of deficiencies in the pipe. Staff would include an estimated cost for this project in the report to be presented at the next meeting. The Board agreed that funds should be spent to complete these types of projects and would review staff recommendations. The Board would review the report and determine the amounts to allocate in the operating budget. Director Smith indicated that he would like to potentially see a final budget approved at the next meeting.

Old Business
(continued)

- C. Spring Clean Up Day. Staff reported that notices were scheduled to be sent to residents on Wednesday, April 16.

8. SUBCOMMITTEE REPORTS – None.

Subcommittee
Reports

9. ADJOURNMENT: Next Regular Meeting: *Thursday, May 1, 2008*

Adjournment

Motion: To adjourn meeting.

Move: Yoder **Second:** Smith

Board vote: **Ayes,** Post, Spies, Yoder, Marke, Smith **Noes,** None

Approved: May 1, 2008

Respectfully Submitted,
Mark Thomas & Company, Inc.

District Manager – Engineer
Donald Toy
Administrator

Lisa Post, President