

1. CALL TO ORDER

Acting President Yoder called the meeting to order at 7:02 pm.

2. ROLL CALL

Directors Present: Rebecca Yoder, Rene Prupes, Procopio Sclafani, Michelle Kaelker-Boor
Directors Absent: Ken Colson (excused)
Counsel Present: Steven Baird, Atkinson Farasyn LLP
District Clerk: Kathleen Smoot
Staff: Benjamin Porter (District Manager), Richard Tanaka (Advisor)
Visitors: None

3. APPROVAL OF AGENDA

Motion: To approve the agenda as written.

Move: Prupes **Second:** Sclafani

Board vote: **Ayes,** Yoder, Prupes, Sclafani, Kaelker-Boor
Noes, None

4. PUBLIC COMMENTARY

4.A. Visitor Commentary – None.

4.B. Agency Representatives – Manager Porter informed that Robert Woodhouse is the new Deputy District Manager and he is getting oriented to the needs of the district. Manager Porter also advised that he and Advisor Tanaka had recently attended a CASA conference. Manager Porter discussed some new technologies presented at the conference, in response to questions from Board members.

4.C. Board Commentary – Director Kaelker-Boor and Director Yoder requested more information related to treatment technologies presented at CASA.

5. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL –EXISTING LITIGATION

Paragraph (1) of Subdivision (d) of Section 54956.9 Name of Case: County Sanitation District 2-3, West Valley Sanitation District, Cupertino Sanitary District, Burbank Sanitary District and the City of Milpitas v. The City of San Jose, The City of Santa Clara, and Does 1 through 50 inclusive

Closed session discussion commenced at 7:18 pm and ended at 7:42 pm. Manager Porter and Advisor Tanaka were excused. No reportable action was taken at the closed session. Staff rejoined the regular session.

6. CONSENT CALENDAR

6.A. Approval of Minutes from the Regular Meeting of January 7, 2020.

Motion: To approve Meeting Minutes from the Regular Meeting of January 7, 2020.

Move: Kaelker-Boor

Second: Sclafani

Board vote:

Ayes, Prupes, Sclafani, Kaelker-Boor, Yoder

Noes, None

Absent, Colson

7. WARRANTS

7.A. Approval of Warrants

1. Mark Thomas & Company, Inc. (District Management Services and BSD CIPs)
2. First Tech Federal Credit Union (Board of Directors Payroll)
3. Atkinson Farasyn, LLP (District Legal Services)
4. Kathleen Smoot (District Clerk Services)
5. City of San Jose (Treatment Plant FY2019-20 Q3 O&M)
6. City of San Jose (Treatment Plant FY2019-20 Q3 Capital Billing)

Motion: To approve six (6) warrants as listed with the objection letter to City of San Jose for the O&M and Capital billing.

Move: Prupes

Second: Kaelker-Boor

Board vote:

Ayes, Yoder, Kaelker-Boor, Sclafani, Prupes

Noes, None

Absent, Colson

8. NEW BUSINESS

8.A. FY2019-20 Second Quarter Financial Review.

Manager Porter presented the second quarter financial report for the District. Key highlights are expenditures are 50% of the budget; the first payment of sewer service charges is expected in February; and interest received to date is higher than budgeted.

8.B. City of San Jose – FY2018-19 Third Quarter Adjustment O&M and CIP Billings.

Discussion included a credit of \$58,000 for O&M and a \$89,000 credit for CIP. These credits have been requested to the City of San Jose in the form of cash payment to the District in lieu of applying as a credit to next fiscal year.

8.C. Form 700 Filing. Board action required: Complete individual filing by April 1, 2020.

Manager Porter reported that he has sent out the list of filers to the County and all board members and District Manager will need to file Form 700 by April 1, 2020.

9. OLD BUSINESS

9.A. Discussion for Accessory Dwelling Unit and Alternate Rate Structures.

Manager Porter recapped the last meeting's discussion on the three alternative rate structures on ADUs currently used by sanitation districts throughout California and consideration to change rate structures for single family and multiple family dwelling units. The new rate structures for charging ADUs were presented to the Board. In discussing these options, the Board was in favor of considering ADU 70% of the SFD rate. Board directed to staff to prepare memo for consideration for rate changes and to set public hearing.

9.B. Status of SRF Loan and Design Update.

Advisor Tanaka gave an update on the status of the SRF Loan. He has updated the application to request an increased amount based on the current estimate of the cost to perform the necessary work.

9.C. District Website Update.

Director Sclafani gave a tour of new shell site he has created. The content is almost the same, but formatting is changing. Next part is to design more improvements to be made, removing orphan pages, making links more dynamic. The effort will also include ADA compliance. Menus will collapse appropriately for mobile devices. Usability standard practices will also be added.

10. HOUSEKEEPING ITEMS

10. A. Update on Housekeeping Items.

- Consider cancelling the meeting of February 4, 2020.

Motion: To cancel the meeting of February 4, 2020.

Move: Prupes **Second:** Sclafani

Board vote: **Ayes,** Yoder, Kaelker-Boor, Sclafani, Prupes
 Noes, None
 Absent, Colson

- Director Prupes received a call from a constituent regarding their desire to be notified first before contractor, Able, works on their property.

10. B. Agenda Items for next Upcoming Meetings.

- Accessory Dwelling Units and Sewer Rates - Staff Report

- Website Discussion – Director Sclafani will give an update on the progress of the demo site prepared based on discussions from previous meetings.

11. ADJOURNMENT - Next regular meeting, Tuesday, February 18, 2020.

Motion: To adjourn meeting at 9:25 pm.

Move: Kaelker-Boor **Second:** Sclafani

Board vote: **Ayes,** Yoder, Kaelker-Boor, Sclafani, Prupes
 Noes, None
 Absent, Colson

Approved: February 18th, 2020

Respectfully Submitted,

Mark Thomas & Company, Inc.

Ken Colson, President

District Manager
Benjamin T. Porter, PE