

1. CALL TO ORDER

In President Yoder's absence, Director Kaelker-Boor called the meeting to order at 7:00 pm.

2. ROLL CALL

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

3. APPROVAL OF AGENDA

Motion: To approve the Agenda.

Move: Prupes

Second: Colson

Board vote:

Ayes, Colson, Kaelker-Boor, Prupes, Sclafani

Noes, None

Absent, Yoder

4. PUBLIC COMMENTARY

- 4.A. Visitor Commentary – None.
- 4.B. Agency Representatives – None.
- 4.C. Board Commentary – None.

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 7:02 pm and ended at 7:21 pm. No reportable action taken at the closed session.

6. CONSENT CALENDAR

- 6.A. Approval of Minutes from the Regular Meeting of May 21, 2019.

Motion: To approve Meeting Minutes from the Regular Meeting of May 21, 2019.

Move: Colson

Second: Sclafani

Board vote:

Ayes, Colson, Kaelker-Boor, Prupes, Sclafani

Noes, None

Absent, Yoder

7. NEW BUSINESS

7.A. District Clerk Position.

Jimmy Lew, District Clerk, has provided notice, via email to Manager Porter, that he is resigning and terminating his contract, effective after the June 4, 2019 meeting.

Board consensus is to consider the remaining applicant pool; Manager Porter will be reaching out to the other candidate who had previously expressed interest in this role.

7.B. District Budget.

Annual Operating Budget FY 2019-20 was reviewed in conjunction, with the Budget Worksheet (Expenses), with the following highlights -

Permits and Connections - revenue budget increased from \$10,000.00 (FY 2018-19) to \$25,000.00 (FY 2019-20). This prompted the discussion of whether or not the County was appropriately referring sewer connection requests to the BSD for permits. By consensus, the permits and connection fee budget is to be reduced to \$10,000.

State Revolving Fund - budget for this debt-related expense decreased from 4,700.00 (FY 2018-19) to \$0.00 (FY 2019-20).

Special District Fixed Asset Acquisitions

- Treatment Plant Capital Improvement Fund - increased from 253,000 (FY 2018-19) to 730,000 (FY 2019-20)
- Sewer System CIP Projects - decreased from 430,000 (FY 2018-19) to 200,000 (FY 2019-20)

There was discussion surrounding the differences in budget from FY 2018-19 and 2019-20, for the Treatment Plant Capital Improvement Budget and Sewer System CIP Budget. One factor for the Sewer System CIP Budget stems from the possibility that there will be no state revolving fund loan for 2019-20.

Director Prupes and the Board were concerned with budgeting for expenses to exceed revenues and thus cutting into reserves; the \$200,000 budgeted for Sewer System CIP Projects would come from reserves. For 2019-2020 it would not be possible to not cut into reserves because of the magnitude of bills the District is expected to receive from the City of San Jose for the treatment plant.

Motion: To approve District Budget with the modification to Permits and Connection Revenues.

Move: Colson

Second: Sclafani

Board vote:

Ayes, Colson, Kaelker-Boor, Sclafani

Noes, Prupes

Absent, Yoder

Abstain, None

8. OLD BUSINESS

8.A. Operations Code.

The draft Operations Code has been reviewed by District Counsel and submitted to the Board for review and consideration. Since the last BSD meeting on May 21, 2019, tracked changes were submitted by President Yoder, Staff Tanaka, and District Counsel.

There was discussion surrounding the inclusion of the section, Rate Schedule, which contains a table of rates. Board and Staff discussed the advantages of including a rate table in the Operations Code, in that the rate table would contain historical data in one place, and it would also contain proposed rates.

The Board discussed adding language to the Operations Code to allow minor changes to be made without adopting ordinances for minor errata. Manager Porter will be reaching out to District Counsel for guidance, if needed.

It was noted that the Board has two more weeks remaining to review the Operations Code and submit suggested changes, which is still an adequate timeframe before the public hearing to adopt the Operations Code takes place.

Motion: To schedule a public hearing on July 2, 2019, to adopt the Operations Code.

Move: Prupes

Second: Sclafani

Board vote:

Ayes, Colson, Kaelker-Boor, Prupes, Sclafani

Noes, None

Absent, Yoder

Abstain, None

9. HOUSEKEEPING ITEMS

9.A. Update on Housekeeping Items.

- Director Kaelker-Boor will be absent on June 18, 2019.
- President Yoder will absent on July 2, 2019.

9.B. Agenda Items for Upcoming Meetings.

- Outreach to the County of Santa Clara with regards to ensuring that sewer connection requests get directed to the BSD for permitting.
- Director Prupes prompted a discussion on street sweeping, and whether or not it should be re-initiated. It was suggested that this might fall under the purview of County Roads & Airports.

10. ADJOURNMENT

Motion: To adjourn meeting at 8:27 pm.

Move: Prupes

Second: Sclafani

Board vote:

Ayes, Colson, Kaelker-Boor, Prupes, Sclafani

Noes, None

Absent, Yoder

Abstain, None

Approved: June 18, 2019

Respectfully Submitted,

Mark Thomas & Company, Inc.

Rebecca Yoder, President

District Manager
Benjamin T. Porter, PE