

1. CALL TO ORDER

President pro tem Marke called the meeting to order at 7:05 pm.

Call to Order

2. ROLL CALL AND APPROVAL OF AGENDA

Directors Present: John Marke, Soren Spies, Bruce Smith, Keri Russo
Directors Absent: Michael Yoder (notified via email)
Counsel Present: None
Staff: Donald Toy, Mark Thomas & Company, Inc.

Roll Call and
Approval of
Agenda

Motion: To approve the agenda.

Move: Smith **Second:** Spies

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

3. PUBLIC COMMENTARY

- A. Visitor Commentary – None.
- B. Agency Representatives – None.
- C. Board Commentary – Directors Marke and Smith noted that there was more garbage pile up in front of 490 Laswell Ave. Staff said they will notify the owner and County regarding this ongoing garbage violation issue.

Public
Commentary

4. CONSENT CALENDAR

Motion: To Approve Minutes from the Special Meeting of 01/18/11.

Move: Spies **Second:** Smith

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

Consent
Calendar

5. WARRANTS

- A. Approval of Warrants.
 - 1. Enviro-Commercial Sweeping, Inc. District Street Sweeping Services.
 - 2. Mark Thomas & Company, Inc. District Management Services.
 - 3. Addison Avenue Credit Union. Board of Directors Payroll.

Warrants

Motion: To approve three (3) warrants as listed.

Move: Spies **Second:** Russo

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

6. NEW BUSINESS

- A. Form 700. Staff outlined the procedures and filing deadline for Form 700 Conflict of Interest for 2011. Staff noted that the electronic filing website was active and that all directors should have received logins.

New Business

6. NEW BUSINESS (continued)

New Business
(continued)

- B. FY 2009-10 Audit Report. Staff reported that the FY 2009-10 audit report had been completed by Patel Associates and final copies were being produced for immediate delivery. Staff reported that the firm of Jim Watkins, CPA, who was contracted to complete the MD&A report for the audit, did not complete the work. Staff met with and traded correspondence over the course of several weeks and Watkins did not produce the required documents as requested. Staff informed Watkins that the MD&A would be completed in-house and that his contract would be terminated. Staff instructed Watkins to submit any work in progress, invoices, and documented time spent on the MD&A if he intended to bill for his services. This was the final year of a three year contract with Watkins and staff recommended that the Board not contract with him in the future. The Board instructed staff to complete the MD&A for future audit reports. Staff will reconcile the hours spent preparing the MD&A this year and present a budget amount for next year's MD&A, to be added to the current management and engineering budget. Staff presented several options to the Board regarding firms to produce the audit in future years. The Board discussed the options and instructed staff to obtain a proposed fee from Patel and Associates to perform the audit services for the next two years.
- C. GreenWaste Recovery RRI. Staff reviewed the Refuse Rate Index package regarding proposed garbage rate increases for 2011. Per the District's franchise agreement with GWR, annual rate increases are based on the RRI for the previous year. Final RRI figures will be submitted by GWR in May and the rate increases will go into effect in the summer.

7. OLD BUSINESS

Old Business

- A. FY 2011-12 Sewer Service Charge Rate Increase. The Finance Subcommittee presented its analysis of the audit reports for the past four years in regards to how the District's expenditures and revenues pertain to potential sewer service rate increases for the next three years. The Board agreed that capital improvements in the sewer system should come from the District's cash reserves and operating costs should be covered by annual revenue. Staff recommended a minimum four percent (4%) annual rate increase for each of the next three years to keep up with the increased fees paid by the District to the San Jose/Santa Clara Water Pollution Control Plant. Director Russo stated that she up to five percent would be an acceptable increase. Director Smith would like to keep rates the same and re-evaluate the situation next year. Staff will prepare a report for the next meeting that outlines the anticipated fee increases from the treatment plant versus sewer service charge rate increases for the District in amounts ranging from three to six percent.
- B. FY 2010-11 Preventative Maintenance. Staff reported that the City of San Jose has not contacted the District regarding the status of the videotaping of the sewer main on West San Carlos to assess the condition. Staff will contact the City, but assumes that the District will not be allowed to perform

7. OLD BUSINESS (continued)

Old Business
(continued)

maintenance operations on that sewer since the entire portion of West San Carlos has been annexed to the City. Staff reported that they will proceed with regularly scheduled maintenance operations in the next month, excluding the areas that were annexed last year. Staff reported that the City of San Jose was progressing on their efforts to reclaim past payments from the shared usage agreement that had expired in 1983. The City had initially wanted to invoice the District for fees dating back to 1997, but the District's is willing to pay the current year and prior three fiscal years, as is the current policy for any refunds or collections regarding fees in the District. Staff will update the Board as details become available.

- C. Spring Clean Up Day. Staff reported that the annual clean up will be mentioned in the GreenWaste Recovery newsletter for March. The informational flyer and final event details will be included in the May 1st newsletter.

8. SUBCOMMITTEE REPORTS

Subcommittee
Reports

- A. Director Spies reported additional information regarding the District's financial position and items related to the determination of sewer service charge rate increases. Director Spies also reported that the website subcommittee was keeping the District website postings current.

9. ADJOURNMENT:

Adjournment

The next Regular Board meeting will be held on Tuesday, April 19, 2011 at 7:00pm.

Motion: To adjourn meeting.

Move: Smith **Second:** Russo

Board vote: **Ayes,** Marke, Spies, Smith, Russo **Noes,** None

Absent, Yoder

Approved: March 15, 2011

Respectfully Submitted,
Mark Thomas & Company, Inc.

Michael E. Yoder, President

District Manager – Engineer
Donald Toy, Administrator