

6. NEW BUSINESS

New Business

- A. FY 2011-12 Draft Budget. Staff presented the draft operating budget for FY 2011-12. Staff reported that the Treatment plant fees were based on estimates provided by the City of San Jose. The Board discussed adding additional budget to the engineering/management budget to account for anticipated work items not covered in the original contract scope. The majority of the draft budget figures were based on the current year's actual expenditures or carryovers from the previous budget. The final budget must be adopted prior to July 1, 2011.

7. OLD BUSINESS

Old Business

- A. FY 2011-12 Sewer Service Charge Rate Increase. The Board was presented a memo from staff that included background history of recent sewer service charges and the corresponding treatment plant expenditures, proposed rate increase schedule, anticipated administrative costs, and the staff recommendation. The report also included a breakdown of rates and costs from FY 2002 to the present. The Board agreed that the District should utilize reserve monies to fund the CIP projects and that sewer service charge revenue should be used to pay the treatment plant fees. The Board discussed the advantages and disadvantages of the various rate scenarios. Director Smith stated that the fees should remain the same the upcoming fiscal year. Staff noted some of the rates for the cities and districts in the area and also noted the proposed rate increases of those jurisdictions. The Board decided that the best alternative would be an annual four percent (4%) increase for each of the next three fiscal years. Staff was directed to proceed with the proposed schedule for notices, hearings, and ordinances.

Motion: To Approve the Sewer Service Charge Rate Increase of Four Percent (4%) for Each of the Next Three Fiscal Years, FY 2011-12, FY 2012-13, and FY 2013-14.

Move: Russo **Second:** Spies

Roll Call Board vote: Yoder, Aye
 Spies, Aye
 Russo, Aye
 Smith, Abstain
 Marke, Absent

- B. FY 2010-11 Preventative Maintenance. Staff reported that the City of San Jose has not yet 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 again. Staff reported that regularly scheduled maintenance operations were performed in early March and no major problems were encountered. One broken pipe section was identified on Scott St. and District

7. OLD BUSINESS (continued)

staff will investigate further to determine the extent of the damage and potential repairs.

C. Spring Clean Up Day. Staff reported that the informational flyer and final event details will be included in the May 1st GreenWaste Recovery newsletter. GWR had indicated that they will provide a free compost giveaway at the event.

D. Form 700. Staff reported that all directors had filed the Form 700 prior to the submittal deadline.

8. SUBCOMMITTEE REPORTS

A. Staff will email a copy of the current District boundary map to Director Spies for posting on the website.

9. ADJOURNMENT:

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

Motion: To adjourn meeting.

Move: Smith **Second:** Spies

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

Absent, Marke

Approved: April 19, 2011

Michael E. Yoder, President

Respectfully Submitted,
Mark Thomas & Company, Inc.

District Manager – Engineer
Donald Toy, Administrator

Old Business
(continued)

Subcommittee
Reports

Adjournment