

6. NEW BUSINESS (continued)

duration of the contract period. The rate increase is based on the prior year's Consumer Price Index (CPI). For the period of September 2009 through September 2010, the overall CPI increase was 1.1%. Staff noted that this increase would be applied to the fee budgets of each task item listed in the contract for the 2010-11 fiscal year. The overall increase in the total management/engineering budget was approximately \$1,800.

New Business
(continued)

7. OLD BUSINESS

A. FY 2011-12 Sewer Service Charge Rate Increase. Staff reported that arrangements had been made to advertise the Public Hearing for Rate Increases in the San Jose Mercury News. The notice would be published once a week for two successive weeks, thus satisfying the requirements of Proposition 218 for posting notice of public hearings. Staff noted that the library at the Luther Burbank School District had been reserved as the meeting venue. To date, staff had received two letters of protest regarding the rate increase and one email.

Old Business

B. Audit Reports. The Board discussed the advantages and disadvantages of the options for changing the annual financial audit report to a biennial report. Staff noted that a potential overall cost savings could be had by utilizing a biennial schedule. Director Spies noted that annual reports afforded a better financial picture of the District's position on a more frequent basis. Director Smith stated that the biennial reports, along with regular monthly financial statements, would present an adequate view of the District's finances. Directors Marke and Russo noted that they were in favor of the cost savings associated with the biennial report.

Motion: To Revise the Annual Financial Audit to a Biennial Audit, beginning with FY 2010-11.

Move: Smith

Second: Russo

Board vote:

Ayes, Marke, Smith, Russo

Noes, Spies

Absent, Yoder

C. FY 2010-11 CIP/Repairs. Staff reported that the Cross Connection Bypass project would go out to bid in early July.

D. Spring Clean Up Day 2011. The Board discussed the clean up event and noted that this year's clean up went smoothly. GreenWaste Recovery (GWR) staff was ran the event well and seemed to be properly trained. The free compost giveaway procedures will need to be revised for next year. Director Spies noted that some home owners were given more bags of compost than was originally allotted per person. Staff will present the board with the tonnage report when it is received from GWR.

E. FY 2011-12 Draft Budget. Staff reported that a final budget must be adopted at the next meeting. Staff was directed to provide the Board with FY 2010-11 Actual Expenditures to date so that the Board could determine final amounts.

8. SUBCOMMITTEE REPORTS

Subcommittee
Reports

- A. Director Spies noted that the district boundary map had been updated on the website.

9. ADJOURNMENT:

Adjournment

The next Regular Board meeting will be held on Tuesday, June 21, 2011 at 7:30pm at the Luther Burbank School District Library. A Public Hearing to discuss the proposed sewer rate increase for FY 2011-14 will be on the agenda.

Motion: To adjourn meeting.

Move: Smith **Second:** Russo

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

Absent, Yoder

Approved: June 21, 2011

Respectfully Submitted,
Mark Thomas & Company, Inc.

Michael E. Yoder, President

District Manager – Engineer
Donald Toy, Administrator