# BURBANK SANITARY DISTRICT BOARD OF TRUSTEES

# MINUTES OF REGULAR MEETING August 7, 2008

### 1. CALL TO ORDER

Call to Order

President Post called the meeting to order at 7:35pm.

2. ROLL CALL AND APPROVAL OF AGENDA

Roll Call and Approval of Agenda

Directors Present: Lisa Post, Soren Spies, Michael Yoder, Bruce Smith, Directors Absent: John Marke (email)

Counsel Present: None

Staff: Donald Toy, Mark Thomas & Company, Inc.

Steve Machida, Mark Thomas & Company, Inc.

**Motion:** To approve the agenda. **Move:** Spies **Second:** Yoder

Board vote: Ayes, Post, Yoder, Spies, Smith Noes, None

Absent, Marke

3. PUBLIC COMMENTARY

A. Visitor Commentary – None.

B. Agency Representatives – Staff reported that a refund for annual SDRMA dues was being processed. The annual premium was based on overall budget amounts minus capital improvement expenses and the amount originally billed included the capital improvements.

C. Board Commentary – Director Smith stated that he would be out of town from August 28 through September 17, so he would miss the first meeting of September.

4. CONSENT CALENDAR

Consent Calendar

Public

Commentary

A. Approval of Minutes. Board action required: Approve Minutes from the Meeting of 07/17/08.

**Motion:** To approve the minutes from the 07/17/08.

**Move:** Smith **Second:** Yoder

Board vote: Ayes, Post, Yoder, Spies, Smith Noes, None

Absent, Marke

5. WARRANTS

Warrants

A. Approval of Warrants.

1. MSI Engineering and Improvements. Sewer Repairs.

- 2. City of San Jose. FY 2008-09 Q1 O&M and Capital Billing.
- 3. USE Credit Union. Board Payroll.

Motion: To approve three warrants as listed.

Move: Spies Second: Smith

Board vote: Ayes, Post, Yoder, Spies, Smith Noes, None

Absent, Marke

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6. NEW BUSINESS

New Business

A. CIP Inspection Budget. Staff reported that the District's annual operational management budget did not have provisions to cover the costs of construction inspections associated with capital improvement projects. It is estimated that eighteen to twenty capital improvement repair projects will be completed in FY 2008-09 and staff recommended that the Board approve inspection budget amounts not to exceed \$4500 and \$3500 for FY 2008-09 and FY 2009-10, respectively.

**Motion:** To Approve a Not To Exceed Budget Amount of \$4500 and \$3500 for CIP

Inspections in FY 2008-09 and FY 2009-10, respectively.

**Move:** Spies **Second:** Yoder

Board vote: Ayes, Post, Yoder, Spies, Smith Noes, None

Absent. Marke

B. City of San Jose Agreement. Staff reported that the sewer usage agreement between the City of San Jose and the District had expired in 1983 and no extensions or renewals had been executed. The City of San Jose (CSJ) informed staff that they intend to invoice the District for overdue monies owed per the original agreement since the last payment was made in FY 1997-98. It was recommended that the Board authorize staff to prepare a proposal for services related to the negotiations and execution of a new agreement with CSJ. The Board also directed staff to request a proposal for services from the District's legal counsel to handle this matter. The Board also directed staff to authorize legal counsel to research the matter of the overdue payments to the City and to report on the legal options the District has regarding repayment of theses payments.

**Motion:** To Have Staff Direct Legal Counsel to Research the District's Legal Responsibilities Regarding the Repayment of Overdue Fees per the Original Agreement between the District and the City.

Move: Spies Second: Yoder

Board vote: Ayes, Post, Yoder, Spies, Smith Noes, None

Absent, Marke

**Motion:** To Have Staff and Legal Counsel Prepare Proposals for Services Required to Draft, Negotiate, and Execute a New Shared Sewer Usage Agreement with the City of San Jose.

Move: Smith Second: Spies

Board vote: Ayes, Post, Yoder, Spies, Smith Noes, None

Absent, Marke

C. BSD Meeting Schedule. Staff reported that reducing the number of warrant payments and bill paying to once per month would benefit the District by reducing the amount of staff time utilized to prepare the billings. Also, reducing the number of regular meetings to once per month would reduce the amount of staff time spent from the overall District management budget. The Board discussed the pros and cons of each option and directed staff to reduce

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### 6. NEW BUSINESS (continued)

the number of billings and warrants to once per month at the second regular meeting of each month. President Post was not feeling well and excused herself from the meeting at 8:30pm. Director Yoder was appointed President Pro Tem and presided over the remainder of the meeting. The Board discussed the advantages versus disadvantages of reducing the number of regular meetings and decided to continue this item to the next meeting for further discussion.

D. BSD Audit Proposals. Staff reported that two proposals had been received for audit services related to the audit reports for FY 2008-10. Staff was planning to request a third proposal from another CPA firm and expected that a full report on the three proposals would be presented to the Board at the next meeting.

Old Business

### 7. OLD BUSINESS

- A. Santa Clara County Controller-Treasurer Dept. Staff reported that the County had closed the old checking accounts and that the new Bank of America (BofA) checking account was active.
- B. Annexation of Burbank No. 40. Staff recommended that the annexation subcommittee reconvene and arrange to meet with the City of San Jose and LAFCO to discuss future plans for the District. Director Spies noted that he and Director Yoder were the original committee members and since Director Yoder had been a member of other subcommittees, a different director should be chosen for the annexation subcommittee. Director Smith volunteered for the position.

**Motion:** To Remove Director Yoder from the Annexation Subcommittee and appoint

Director Smith to the committee.

Move: Spies Second: Smith

**Board vote:** Aves, Yoder, Spies, Smith Noes, None

Absent, Marke, Post

**8. SUBCOMMITTEE REPORTS-** Director Spies reported that the website was updated.

or a contract of the contract

9. ADJOURNMENT: Next Regular Meeting: Thursday, August 21, 2008

Motion: To adjourn meeting.

Move: Spies Second: Smith

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

Absent, Marke, Post

Approved: August 7, 2008 Respectfully Submitted,

Mark Thomas & Company, Inc.

District Manager – Engineer

Donald Toy Administrator

Lisa Post, President

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New Business (continued)

Subcommittee Reports

Adjournment