

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 these 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

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.

New Business
(continued)

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.

Old Business

Motion: To Remove Director Yoder from the Annexation Subcommittee and appoint Director Smith to the committee.

Move: Spies

Second: Smith

Board vote:

Ayes, Yoder, Spies, Smith

Noes, None

Absent, Marke, Post

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

Subcommittee
Reports

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

Adjournment

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