

CUPERTINO SANITARY DISTRICT

SANTA CLARA COUNTY

SANITARY BOARD MEETING

WEDNESDAY MARCH 3, 2010

The Sanitary Board of the Cupertino Sanitary District convened this date at 7:30 p.m. in the Stevens Creek Office Center, Suite 104, and 20833 Stevens Creek Boulevard, Cupertino, California.

President Kerr called the meeting to order and the following proceedings were had to wit: Roll call was taken, with the following members in attendance:

Directors: Wendell H. Kerr, Jr., Christopher C. Lee, Steve C. Andrews, John M. Gatto, and William A. Bosworth

Staff present: Manager Richard K. Tanaka, Staff Member Steven J. Machida, Staff Member Nichol Bowersox and Counsel Harold S. Toppel.

On motion by Director Gatto, seconded by Director Bosworth, it was ordered by a vote of 5-0-0 that the Minutes of the meeting of Wednesday, February 17, 2010, be approved with revision. The revision changes the new meeting start time to be effective March 3, 2010 instead of March 17, 2010.

By consensus, it was ordered that the Approved Minutes of February 3, 2010 be Note in File.

By consensus, it was ordered that the Santa Clara Valley Water District Press Release – Recycle Water Expansion be Note in File

By consensus, it was ordered that the Central Valley Water Tour Brochure be Note in File

Director Gatto stated he will attend the Community Advisory Group – Plant Infrastructure meeting to be held on Thursday, March 11, 2010 at 6:00 p.m. in the Santa Clara City Council Chambers.

President Kerr stated that he will attend the Legislative Meeting to be held on March 5, 2010

Director Gatto stated that the TPAC meeting to be held on Thursday, February 25, 2010 has been cancelled.

Staff Member Machida attended the February 22, 2010 TAC meeting and reported on the status of the McCarthy Property and the possible withdrawal of the deed restriction to allow development on the property. The McCarthy family is studying this issue and has requested a continuance of this item to the May 2010 TPAC Meeting. Staff Member Machida also reported on the agreement between the City of San Jose and the Santa Clara Valley Water District (SCVWD) to start the earthwork for the Advance Water Treatment Plant. The agreements were approved by the SCVWD Board and will be discussed at the next City of San Jose Council Meeting. The SCVWD has agreed to operate the plant and pay to the Recycle Water Program \$1 M for the next three years. The Board discussed the item then decided to discuss Agenda Item 7 - San Jose/Santa Clara WPCP South Bay Water Recycling Program.

The Board reviewed the letter that Counsel Toppel prepared and suggested some revisions to the letter. An introductory paragraph should be added. The letter should discuss how some of the planned CIP projects do not benefit CuSD and therefore, we should not be responsible for paying for these projects. The Board would like an accounting of how the money has been spent. The District agrees to pay our fair share of the

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improvements if it benefits the District. The Board also wishes to understand what amount we receive from the sale of the recycled water. Counsel Toppel suggested that City Staff make a presentation to the Board to help clarify the Boards questions. Director Andrews suggested that the Board needs to send the letter first. On a motion by Director Gatto, seconded by Director Andrews, by a vote of 5-0-0 Staff is to send out the letter to the City of San Jose with the revisions discussed.

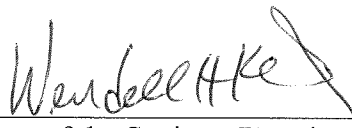
Director Bosworth reported that he attended the Santa Clara County Special Districts meeting on March 1, 2010. Mr. Pete Constant was scheduled to make the presentation but he could not make the meeting. It was reported that there is little talk on the budget and the number of bills are down. In the Roundtable, Director Bosworth stated that the CuSD was proceeding to change our elections from odd to even years. Two other districts indicated that they had already made this change. Bob Reid of West Valley Sanitation District was re-elected as President for another year.

Director Gatto attended a meeting on the County's Investment Pool. The County stated that they were receiving a 1.25% return on investment.

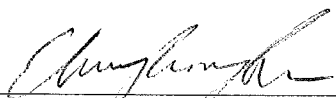
After discussion on a motion by Director Gatto, seconded by Director Andrews, Resolution No. 1209, Establishing a Date and Time for a Public Hearing to Consider a Rate Increase was approved by a vote of 5-0-0.

Staff Member Machida reported that the Board and Counsel submitted their Form 700 to the District Clerk.

On motion properly made and seconded, at 8:27 p.m. it was unanimously ordered that the meeting be adjourned.



President of the Sanitary Board



Secretary of the Said Board