

# CUPERTINO SANITARY DISTRICT

SANTA CLARA COUNTY

## CUPERTINO SANITARY DISTRICT BOARD MEETING WEDNESDAY AUGUST 5, 2009

The Sanitary Board of the Cupertino Sanitary District convened this date at 8:00 p.m. in the Stevens Creek Office Center, 20833 Stevens Creek Boulevard, Suite 104, Cupertino, California.

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

Directors: John M. Gatto, William A. Bosworth, Wendell H. Kerr, Jr., Curtis B. Harrison, and Christopher C. Lee.

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

On motion of Director Harrison, seconded by Director Gatto, it was ordered with a vote of 4-0-1, with Director Kerr abstaining, that the Minutes of the meeting of Wednesday, July 15, 2009, be approved. Director Harrison requested that the approved minutes be included in future agendas.

The Board discussed CASA Informational Memos on the status of the State of California Budget. Staff will Note in File. Director Lee asked if the District will be affected by the suspension of Proposition 1A. Staff did not believe we would be affected since the monies that are collected on the tax roll are user fees and not a property tax. Staff will monitor the situation.

The Board discussed the CSDA Proposition 1A Suspension Bill and concurred to Note in File.

Regular Meeting of the San Jose/Santa Clara Water Pollution Control Plant Technical Committee (TAC), to be held on August 10, 2009 will be attended by Staff member Machida.

Director Gatto stated that he will not be able to attend the Regular Meeting of the San Jose/Santa Clara Water Pollution Control Plant Advisory Committee (TPAC) on August 13, 2009 since the Board will be attending the Annual CASA Conference.

Manager Tanaka presented the Board with an update on the IRS compliance meeting that was conducted on July 28, 2009. The IRS holds these meetings to assist businesses with their reporting requirements. The IRS stated that the Board members are employees of the District so the Board should complete and submit W-2 Forms. Director timesheets should be submitted monthly for payment of the Director fees. Manager Tanaka proposed to utilize ADP Payroll Services to handle the processing of the Directors monthly checks. It was proposed that the Directors payroll be started midyear so the first check the Directors receive will have taxes withheld for the first 6 months. The IRS also stated that Staff should obtain W-9 Forms from our vendors. If the vendors do not submit their W-9 forms, the District will be required to withhold 28% for taxes from these vendor's payments.

Manager Tanaka presented to the Board the Cordova Road and the Foothill Expressway Pipe Replacement Projects were competitively bid. Mello Pipelines, Inc. is the low bidder for both projects.

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The total cost for both projects were under the engineer's estimate. Director Gatto suggested where possible, oversized pipes should be incorporated into the design to add additional capacity to the mainline. On motion of Director Gatto, seconded by Director Harrison it was unanimously voted to approve both contracts.


Manager Tanaka presented Resolution No. 1203 which sets the time and place to hold the public hearing to receive comments on the Sewer System Management Plan (SSMP). After discussion, the Board unanimously voted to approve Resolution No. 1203 to set the public hearing for August 19, 2009 at 8:00 PM at 20833 Stevens Creek Boulevard, Suite 104, Cupertino, CA.

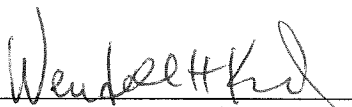
Manager Tanaka stated that the Auditor has all of the information to complete the audit for Fiscal Year 2008-2009. The sale of the excess capacity that was sold to Milpitas has been addressed. The Auditor will also be tracking separately the interceptor outfall capacity and the treatment plant capacity. The draft report should be completed in September 2009.

Staff member Bowersox reported that the City of Santa Clara wants to review the agreement between Santa Clara and the District. The City believes that the agreement is incorrectly using a high flow value for the District. Director Lee requested that the percentages shown in the agreement should be reviewed because the percentages that the District owes should be reduced as the flow proceeds downstream. In addition, Staff should also insure that any CIP work that Santa Clara performs should only be for replacement of capacity and not upgrades. Director Gatto also directed Staff to evaluate the transfer area that flows through San Jose. If this flow is diverted to the Santa Clara outfall, this diversion will impact the agreement with Santa Clara.

Staff member Machida reported that the Master Agreement between the cities of San Jose/Santa Clara and the Cupertino Sanitary District was signed. Now that the Master Agreement and the agreement between the District and Milpitas have been signed, the transaction of selling the excess capacity is complete and the District will be receiving the \$4.5 M in August 2009.

On motion properly made and seconded, at 9:37 p.m. it was unanimously ordered that the meeting be adjourned.

  
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President of the Sanitary Board

  
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Secretary of the Said Board