

**CUPERTINO SANITARY DISTRICT
SANITARY BOARD MEETING
WEDNESDAY, MAY 1, 2019**

A_G_E_N_D_A

Meeting to be held at **7:00 p.m.** in the **Stevens Creek Office Center,
Suite 100, 20863 Stevens Creek Boulevard**, Cupertino, California.

1. ROLL CALL:

2. MINUTES:

A. APPROVAL OF THE MINUTES OF APRIL 17, 2019

B. APPROVED MINUTES OF MARCH 27, 2019

3. PERSONAL PRESENTATIONS:

THIS PORTION OF THE MEETING IS RESERVED FOR PERSONS DESIRING TO ADDRESS THE BOARD ON ANY MATTER NOT ON THE AGENDA. SPEAKERS ARE LIMITED TO THREE (3) MINUTES.

ALL STATEMENTS REQUIRING A RESPONSE WILL BE REFERRED TO STAFF FOR FURTHER ACTION. IN MOST CASES, STATE LAW WILL PROHIBIT THE BOARD FROM MAKING ANY DECISIONS WITH RESPECT TO A MATTER NOT LISTED ON THE AGENDA.

4. PUBLIC HEARING:

A. CONDUCT A PUBLIC HEARING ON PROPOSED SANITARY SEWER SERVICE CHARGE INCREASE FOR FISCAL YEAR 2019-2020

1. Staff Presentation
2. Open Public Hearing and Receive Testimony
3. Close Public Hearing
4. Board Discussion
5. Adopt Ordinance No. 124 Amending Article VII, Sections 7001 through 7003, of the Cupertino Sanitary District Operations Code
6. Set Public Hearing Date to Collect Sewer Charges on Tax Roll

**CUPERTINO SANITARY DISTRICT
SANITARY BOARD MEETING
WEDNESDAY, MAY 1, 2019**

5. CORRESPONDENCE:

- A. CSDA BOARD MEMBER HANDBOOK

6. MEETINGS:

- A. REGULAR MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT TECHNICAL ADVISORY COMMITTEE (TAC) TO BE HELD MAY 14, 2019
- B. REGULAR MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE (TPAC) TO BE HELD MAY 16, 2019

7. REPORTS:

NONE

8. UNFINISHED BUSINESS:

- A. LINE OF CREDIT/LOAN TERMS

9. NEW BUSINESS:

NONE

10. STAFF REPORT:

- A. PROSPECT PUMP STATION – UPDATE
- B. THE FORUM – UPDATE
- C. THE MAIN STREET PROJECT - UPDATE

11. CLOSED SESSION:

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

in accordance with government code section Paragraph (1) of Subdivision (d) of Section 54956.9, existing litigation. Name of Case: County Sanitation District 2-3, West Valley Sanitation District, Cupertino Sanitary District, Burbank Sanitary District, and the City of Milpitas v. The City of San Jose, The City of Santa Clara and Does 1 through 50 inclusive.

12. ADJOURNMENT:

**CUPERTINO SANITARY DISTRICT
MEETING/EVENT SCHEDULE**

MAY 2019

05/03: 1st Regular Meeting-Public Hearing
(President Kwok absent, Counsel Baird attending in place of Counsel Hynes)

05/14: TAC

05/15: 2nd Regular Meeting

05/16: TPAC

05/27: Holiday - Closed

MAY 2019						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1 1 st Regular Meeting	2	3	4
5	6	7	8	9	10	11
12	13	14 TAC	15 2 nd Regular Meeting	16 TPAC	17	18
19	20	21	22	23	24	25
26	27 Memorial Day Holiday	28	29	30	31	

JUNE 2019

06/03: SCCSDA Meeting

06/05: 1st Regular Meeting

06/11: TAC

06/13: TPAC

06/19: 2nd Regular Meeting

JUNE 2019						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3 SCCSDA	4	5 1 st Regular Meeting	6	7	8
9	10	11 TAC	12	13 TPAC	14	15
16	17	18	19 2 nd Regular Meeting	20	21	22
23	24	25	26	27	28	29
30						

JULY 2019

07/03: 1st Regular Meeting

07/04: Holiday – Closed

07/09: TAC

07/11: TPAC

07/17: 2nd Regular Meeting

JULY 2019						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3 1 st Regular Meeting	4 HOLIDAY	5	6
7	8	9 TAC	10	11 TPAC	12	13
14	15	16	17 2 nd Regular Meeting	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

CUPERTINO SANITARY DISTRICT BOARD MEETING WEDNESDAY, APRIL 17, 2019

The Sanitary Board of the Cupertino Sanitary District convened this date at 7:00 p.m. in the Stevens Creek Office Center, 20863 Stevens Creek Boulevard, Suite 100, Cupertino, California.

1. ROLL CALL:

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

Directors present: Angela S. Chen, Taghi S. Saadati, John M. Gatto, and William A. Bosworth. President Patrick S. Kwok arrived at 7:30 p.m. (delayed by traffic)

Staff present: District Manager Richard K. Tanaka, Deputy District Manager Benjamin Porter, Counsel Marc Hynes, and Staff Member Frankie Martinez.

Guests: Kyle Tanaka and Colleen Haley with California Special Districts Association, Nouman Tarabichi with Pacific Catch, and Sasha Dansky with Mark Thomas.

9. A. UNFINISHED BUSINESS:

Director Chen motioned to move item 9.A. up on the agenda, Director Saadati seconded the motion, and all approved. Mr. Tarabichi, owner of Pacific Catch, addressed the Board regarding District development fee for Pacific Catch. The Board discussed Mr. Tarabichi's points and unanimously agreed that the fee is required per Ordinance No. 123. Staff is to bring Ordinance No. 123 back to the Board for consideration to change/clarify fee payment requirements in approximately one month.

2. MINUTES & BILLS:

- A. On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 4-0-0, the minutes of Wednesday, March 27, 2019 were approved as written.
- B. By consensus, the Minutes of Wednesday, March 6, 2019 are to be Noted & Filed.
- C. Director Gatto motioned to add new item 2.C. - Bills on the Agenda, Director Bosworth seconded the motion, and all approved. The Board reviewed the March financials for payment. Board instructed Staff to revise analysis to include net cash. The Board discussed Hunton Andrews invoice rounding error and business cards receipt. On a motion by Director Saadati, seconded by Director Gatto, by a vote of 4-0-0, the payment of bills was approved.
- D. The Directors submitted their March 2019 timesheets to Staff.

3. PERSONAL PRESENTATIONS:

There were none.

CUPERTINO SANITARY DISTRICT BOARD MEETING
WEDNESDAY, APRIL 17, 2019

4. SPECIAL - TRANSPARENCY CERTIFICATION:

These items were deferred to after item 7.B.

5. CORRESPONDENCE:

There was none.

6. MEETINGS:

There were none.

President Kwok arrived at 7:30 p.m. and resumed the meeting as President.

7. REPORTS:

- A. Deputy Manager Porter reported on the Regular Meeting of the San Jose/Santa Clara Treatment Plant Technical Advisory Committee (TAC) held April 9, 2019.
- B. Director Gatto reported on the Regular Meeting of the San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) held April 11, 2019. Kerri Romanov committed that City of San Jose will not sign a contract for biosolids until the disposal issue is resolved.

4. SPECIAL - TRANSPARENCY CERTIFICATION: (These items were deferred to occur later in the meeting)

- A. Colleen Haley, representing Special District Leadership Foundation (SDLF), presented the Board with SDLF District Transparency Certificate of Excellence.
- B. Kyle Tanaka, representing California Special District Association (CSDA), gave a presentation to the Board about the benefits of becoming a member of CSDA.

8. UNFINISHED BUSINESS:

- A. Manager Tanaka presented an update on the line of credit request for proposal for the District. The District is close to getting a term sheet for a line of credit from the bank and is also expecting to receive loan terms from CSDA soon.

9. NEW BUSINESS:

- A. Pacific Catch development fee moved up to after roll call.
- B. The Board submitted Form 470 to Deputy Manager Porter for filing.
- C. The Board discussed abandonment of sewer easement at The Forum at Rancho San Antonio. On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 5-0-0, the Board approved Resolution No. 1309, Vacating a Portion of a Sanitary Sewer Easement and Authorizing Execution of a Quitclaim Deed. The Quitclaim deed was signed and notarized.

CUPERTINO SANITARY DISTRICT BOARD MEETING
WEDNESDAY, APRIL 17, 2019

- D. The Board discussed a request of reimbursement to St. Jude Church for overcharge of sewer inspection fees. On a motion by Director Gatto, seconded by Director Saadati, by a vote of 5-0-0, reimbursement in the amount of \$400.00 was approved.
- E. The Board discussed attendance of ESRI User Conference to be held July 8-12 in San Diego, CA. The Board agreed with staff recommendation for attendance by one engineering level staff member and one management level staff member and appreciated the communication. The management staff member will attend the Engineering Summit, and the engineering level staff member will attend the Preconference Seminar.
- F. The Board discussed attendance of Advanced Management & Supervisory Leadership Training Program to be held May 20-22, 2019 in Santa Clara, CA. The Board agreed with staff recommendation Deputy District Manager Porter to attend and appreciated the communication.
- G. The Board discussed Staff's recommendation to purchase three generators and one trasher pump for District pump stations. On a motion by Director Gatto, seconded by Director Chen, by a vote of 5-0-0, the Board approved purchase of three New MultiQuip trailer mounted generators at a total cost of \$90,958.30 and the purchase of a 6-inch trasher pump with hose and fittings at a cost of \$49,116.03.

10. STAFF REPORTS:

- A. District Counsel Hynes discussed transitioning of District Manager-Mark Thomas & Co. Agreement. The Board received memo from District Counsel Hynes, and it is to be Noted & Filed. On a motion by Director Gatto, seconded by Director Chen, by a vote of 5-0-0, the Board agreed with recommendation from District Counsel that a contract amendment is not required..
- B. District Manager Tanaka reported on annual report to Riverwatch. No significant issues were reported.
- C. District Manager Tanaka gave an update on Prospect Pump Station. Discussion included costs-to-date, electrical design for new control panel, and PG&E new service point.
- D. Deputy District Manager Porter reported on the monthly maintenance report.

11. CLOSED SESSION:

President Kwok adjourned the regular meeting session and opened the closed session at 8:30 p.m. in accordance with government code section Paragraph (1) of Subdivision (d) of Section 54956.9, existing litigation. Name of Case: County Sanitation District 2-3, West Valley Sanitation District, Cupertino Sanitary District, Burbank Sanitary District, and the City of Milpitas v. The City of San Jose, The City of Santa Clara, and Does 1 through 50 inclusive.

President Kwok adjourned the closed session and the regular meeting was called to order at 8:38 p.m.

There was no reportable action.

CUPERTINO SANITARY DISTRICT BOARD MEETING
WEDNESDAY, APRIL 17, 2019

12. ADJOURNMENT:

President Kwok was excused from the regular meeting to be held May 1, 2019.

District Counsel Hynes reported his absence from the regular meeting to be held May 1, 2019. Steven Baird will attend in his place.

On a motion properly made and seconded, at 8:39 p.m. the meeting was adjourned.

Secretary of the Sanitary Board

President of the Sanitary Board

CUPERTINO SANITARY DISTRICT BOARD MEETING
WEDNESDAY, MARCH 27, 2019

The Sanitary Board of the Cupertino Sanitary District convened this date at 7:00 p.m. in the Stevens Creek Office Center, 20863 Stevens Creek Boulevard, Suite 100, Cupertino, California.

1. ROLL CALL:

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

Directors present: Angela S. Chen, Patrick S. Kwok, Taghi S. Saadati, John M. Gatto, and William A. Bosworth.

Staff present: District Manager Richard K. Tanaka, Deputy District Manager Benjamin Porter, and Counsel Marc Hynes.

2. MINUTES & BILLS:

- A. On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 4-0-1, the minutes of Wednesday, March 6, 2019 were approved as written. Director Saadati abstained.
- B. By consensus, the Minutes of Wednesday, February 20, 2019 are to be Noted & Filed.
- C. The Board reviewed the February financials for payment. The Board requested a separate running total cost for Prospect Pump Station failure. Board also discussed District's procedures and protocols for pipe offset. On a motion by Director Saadati, seconded by Director Bosworth, by a vote of 5-0-0, the payment of bills was approved.
- D. The Directors submitted their February 2019 timesheets to Staff.

3. PERSONAL PRESENTATIONS:

There were none.

4. CORRESPONDENCE:

There was none.

5. MEETINGS:

- A. Deputy Manager Porter plans to attend the Regular Meeting of the San Jose/Santa Clara Treatment Plant Technical Advisory Committee (TAC) to be held April 9, 2019.
- B. Director Kwok plans to attend the Regular Meeting of the San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) to be held April 11, 2019.

6. REPORTS:

- A. Deputy Manager Porter reported on the Regular Meeting of the San Jose/Santa Clara Treatment Plant Technical Advisory Committee (TAC) held March 12, 2019.

CUPERTINO SANITARY DISTRICT BOARD MEETING
WEDNESDAY, MARCH 27, 2019

- B. Director Gatto reported on the Regular Meeting of the San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) held March 14, 2019. The Board elected a new Chair and Vice Chair.

7. UNFINISHED BUSINESS:

- A. The Board discussed Prospect Pump Station SSO, pump station repairs and SSO technical report. Staff is to investigate the manhole raising that was performed in the median.

8. NEW BUSINESS:

- A. The Board reviewed PG&E bankruptcy notice. District counsel is to handle the filing for proof of claim.
- B. The Board discussed CSDA membership trial. On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 5-0-0, the Board approved and directed staff to sign up for CSDA 90-day free trial membership.
- C. The Board reviewed Metropolitan's request for reimbursement of sewer service charges. On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 5-0-0, the Board approved reimbursement to Jenny Cheung in the amount of \$34,299.92.
- D. The Board discussed the Force Main Condition Assessment Proposal. On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 5-0-0, the Board approved staff to proceed with force main condition assessments after obtaining references from Pure Technology clients regarding the quality of work and the results obtained.

9. STAFF REPORTS:

- A. Deputy Manager Porter reported on the Monthly Maintenance Report.

10. CLOSED SESSION:

President Kwok adjourned the regular meeting session and opened the closed session at 7:39 p.m. in accordance with government code section Paragraph (1) of Subdivision (d) of Section 54956.9, existing litigation. Name of Case: County Sanitation District 2-3, West Valley Sanitation District, Cupertino Sanitary District, Burbank Sanitary District, and the City of Milpitas v. The City of San Jose, The City of Santa Clara, and Does 1 through 50 inclusive.

President Kwok adjourned the closed session and the regular meeting was called to order at 7:51 p.m.

There was no reportable action.

CUPERTINO SANITARY DISTRICT BOARD MEETING
WEDNESDAY, MARCH 27, 2019

11. ADJOURNMENT:

On a motion properly made and seconded, at 7:53 p.m. the meeting was adjourned.

Secretary of the Sanitary Board

President of the Sanitary Board

ORDINANCE NO. 124

**AN ORDINANCE OF THE CUPERTINO SANITARY DISTRICT
AMENDING SECTIONS 7301, 7302 AND 7303 OF CHAPTER VII OF
THE CUPERTINO SANITARY DISTRICT OPERATIONS CODE
RELATING TO SEWER SERVICE CHARGES**

The Sanitary Board of the Cupertino Sanitary District, Santa Clara County, California, hereby ordains as follows:

SECTION 1: Sections 7301, 7302, and 7303 in Chapter VII of the Operations Code are amended to read as follows:

7301. CHARGE FOR SINGLE FAMILY UNITS:

Each Single-Family Unit (as defined in Section 2109.B) shall be charged Five Hundred Eighty Dollars and 78/100th Cents (\$580.78) per year.

7302. CHARGES FOR PARTICULAR UNITS:

A. Each Unit (as defined in Section 2109.A) of the particular uses listed below shall be charged Seven Dollars and 69/100th Cents (\$7.69) per year, plus an additional annual service charge per hundred cubic feet (HCF) of sewage discharged, to be determined by the District Manager in accordance with the annual use of water by each Unit multiplied by the applicable rate as follows:

<u>Type of Use:</u>	<u>Service Charge:</u>
Auto Repair Shop & Service Station	\$4.75 /HCF
Car Wash	\$3.96 /HCF
Domestic Laundry	\$4.26 /HCF
Machinery Manufacturer	\$6.97 /HCF
Motels or Hotels without Food Service	\$4.85 /HCF
Motels or Hotels with Food Service	\$8.13 /HCF
Retirement Homes with Common Dining Facility	\$9.16 /HCF
Convalescent Hospital	\$4.58 /HCF
Printing Plant	\$8.20 /HCF
Restaurant	\$9.91 /HCF
Retail or Professional Office	\$4.36 /HCF
School, College, Day Care Facility	\$6.17 /HCF

B. Minimum Charge: In no event shall the annual service charge levied upon any Unit of the uses listed in Paragraph A above, be less than seventy-five percent (75%) of the service charge for a Single-Family Unit, as set forth in Section 7301 of this Chapter.

- C. Where different types of Units are serviced by the same water meter, the District Manager shall estimate the quantity of discharge material produced by each type of Unit and calculate the additional service charge applicable to each type of Unit based upon the estimated discharge from that Unit.
- D. Whenever the District Manager determines that a Unit has been inappropriately classified as one of the types listed in Paragraph A of this Section, the District Manager may reclassify such Unit to another of the types listed in Paragraph A of this Section or require that the annual service charge for such Unit be calculated in accordance with the provisions of Section 7303 of this Chapter. Any increase or decrease in the annual service charge for the affected Unit resulting from the reclassification shall be prospective only and implemented on the next regular billing by the District for annual sewer charges. No discharger shall be entitled to a retroactive refund of charges paid, or liable for payment of additional charges, for any period prior to the effective date of the reclassification.

7303. CHARGES FOR ALL OTHER UNITS

- A. For each Unit not listed in Section 7302, the annual service charge shall be the sum of the annual Capital Cost Recovery Charge and the annual Maintenance and Operation Cost Recovery Charge, as determined by the District Manager, calculated as follows:

- (1) Capital Cost Recovery Charge:

Infiltration/Inflow (I/I)	\$8.78 per year for each unit; <i>plus</i>
Flow	\$379,233.94 per year for each million gallons per day of sewage treatment plant capacity required to treat the sewage discharged from the Unit into the sanitary sewer system; <i>plus</i>
Biochemical Oxygen Demand (BOD)	\$55,377.77 per year for each thousand pounds per day of sewage treatment plant capacity required to remove the biochemical oxygen demand contained in sewage discharged from the Unit into the sanitary sewer system; <i>plus</i>
Suspended Solids (SS)	\$51,193.97 per year for each thousand pounds per day of sewage treatment plant capacity required to remove the suspended solids contained in the sewage discharged from the Unit into the sanitary sewer system; <i>plus</i>
Ammonia (NH3)	\$168,045.60 per year for each thousand pounds per day of sewage treatment plant

capacity required to remove ammonia contained in the sewage discharge from the Unit into the sanitary sewer system.

(2) Operation and Maintenance Cost Recovery Charge:

Flow	\$3,301.74 for each million gallons per year of sewage discharged from the Unit into the sanitary sewer system; <i>plus</i>
Biochemical Oxygen Demand (BOD)	\$375.91 for each thousand pounds per year of biochemical oxygen demand discharged from the Unit into the sanitary sewer system; <i>plus</i>
Suspended Solids (SS)	\$490.84 for each thousand pounds per year of suspended solids discharged from the Unit into the sanitary sewer system; <i>plus</i>
Ammonia (NH ₃)	\$4,052.68 for each thousand pounds per year of ammonia discharged from the Unit into the sanitary sewer system.

- B. In determining the Capital Cost Recovery Charge and the Operation and Maintenance Cost Recovery Charge, the District Manager may utilize information on the content of discharges from particular Units provided by the treatment Plant, or other source of information deemed by the District Manager to be appropriate, or actual grab samples of such discharges taken by the District, or any combination thereof. The District Manager is authorized to modify the annual service charge from time to time, based upon such information and samples; *provided, however*, any increase or decrease in the annual service charge shall be prospective only and implemented on the next regular billing by the District for annual sewer charges. No discharger shall be entitled to a retroactive refund of charges paid, or liable for payment of additional charges, for any period prior to the effective date of the modification.
- C. Where multiple Units having different flow content are serviced by the same water meter, the District Manager shall allocate the Capital Cost Recovery Charge and the Operation and Maintenance Cost Recovery Charge between each individual Unit based upon his estimate of the discharge material produced by each Unit.

SECTION 2: Upon adoption this Ordinance shall be entered in the minutes of the Sanitary Board and a summary of this Ordinance prepared by the District Counsel shall be published once in the Cupertino Courier and the Saratoga News, being newspapers of general circulation in the District. A certified copy of the full text of this Ordinance shall be posted in the office of the District Clerk.

SECTION 3: This Ordinance shall become effective July 1, 2019.

PASSED AND ADOPTED at a regular meeting of the Sanitary Board of the Cupertino Sanitary District held on the 1st day of May 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

President of the Sanitary Board

ATTEST:

Secretary of the Sanitary Board

APPROVED AS TO FORM:

District Counsel



**California Special
Districts Association**

Districts Stronger Together



Cupertino Sanitary District
20863 Stevens Creek Boulevard, Suite 100
Cupertino, CA 95014

April 22, 2019

Dear Mr. Tanaka,

Is Cupertino Sanitary District practicing good governance? The California Special Districts Association (CSDA) has produced various programs and resources to help districts stay in good standing. As a 2019 Trial Member Program participant, we are pleased to highlight some of our association's benefits for you.

The **Special District Board Member Handbook** and **Parliamentary Procedure Quick Reference Sheet** are two member resources CSDA produced to help districts stay in compliance and exercise best practices. These and more can be found digitally by logging into www.csda.net.

CSDA has produced a **Brown Act Compliance Manual** which is available for purchase (special Trial Member price: \$15). This manual includes an overview of the Brown Act as well as guidelines and tips for complying with various meeting agenda, notice, public participation and public reporting requirements.

The **Special District Leadership Foundation (SDLF)** is an independent, non-profit organization created by CSDA to promote good governance and best practices among California's special districts through certification, accreditation and other recognition programs. SDLF offers a number of scholarships, designed to help special district elected/appointed officials and staff participate in the foundation's programs and other educational offerings. Attached to CSDA's **Professional Development Catalog** is a copy of the **2019 Education Allowance Fund Application**, we encourage that the district explore multiple offerings.

CSDA is here to support you and the district. We hope you see the value in being a contributing member to our association, by promoting good governance and improved core local services. If you have any questions or need assistance, please contact us. Thank you for participating in the trial!

Sincerely,

Kyle Tanaka
Member Services Specialist
(916) 442-7887
kylet@csda.net

Enclosures

1112 I Street, Suite 200
Sacramento, CA 95814
Toll-free: 877.924.2732
t: 916.442.7887
f: 916.442.7889
csda.net